FORM 10-K

Annual report pursuant to section 13 and 15(d)

Filing Date: **2013-03-01** | Period of Report: **2012-12-31**
SEC Accession No. 0001206774-13-000852

FILER

CITIGROUP INC

CIK:**831001**| IRS No.: **521568099** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **10-K** | Act: **34** | File No.: **001-09924** | Film No.: **13654707**
SIC: **6021** National commercial banks

Mailing Address
399 PARK AVENUE
NEW YORK NY 10022

Business Address
399 PARK AVENUE
NEW YORK NY 10022
2125591000

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 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)

Registrant' s telephone number, including area code: (212) 559-1000
Securities registered pursuant to Section 12(b) of the Act: See Exhibit 99.01
Securities registered pursuant to Section 12(g) of the Act: none

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☐ Yes X No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes X No

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. X Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, 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). X Yes ☐ No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant' s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. X

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.

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

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

The aggregate market value of Citigroup Inc. common stock held by non-affiliates of Citigroup Inc. on June 30, 2012 was approximately $80.4 billion.

Number of shares of Citigroup, Inc. common stock outstanding on January 31, 2013: 3,038,758,550

Documents Incorporated by Reference: Portions of the registrant' s proxy statement for the annual meeting of stockholders scheduled to be held on April 24, 2013, are incorporated by reference in this Form 10-K in response to Items 10, 11, 12, 13 and 14 of Part III.

FORM 10-K CROSS-REFERENCE INDEX

* For additional information regarding Citigroup's Directors, see "Corporate Governance," "Proposal 1: Election of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance" in the definitive Proxy Statement for Citigroup's Annual Meeting of Stockholders scheduled to be held on April 24, 2013, to be filed with the SEC (the Proxy Statement), incorporated herein by reference.

** See "Executive Compensation–The Personnel and Compensation Committee Report," "–Compensation Discussion and Analysis" and "–2012 Summary Compensation Table" in the Proxy Statement, incorporated herein by reference.

*** See "About the Annual Meeting", "Stock Ownership" and "Proposal 4, Approval of Amendment to the Citigroup 2009 Stock Incentive Plan" in the Proxy Statement, incorporated herein by reference.

**** See "Corporate Governance–Director Independence," "–Certain Transactions and Relationships, Compensation Committee Interlocks and Insider Participation," and "–Indebtedness" in the Proxy Statement, incorporated herein by reference.

***** See "Proposal 2: Ratification of Selection of Independent Registered Public Accounting Firm" in the Proxy Statement, incorporated herein by reference.

CITIGROUP' S 2012 ANNUAL REPORT ON FORM 10-K

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, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services and wealth management. 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 4 to the Consolidated Financial Statements.

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

Additional information about Citigroup is available on Citi' s website 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 SEC, are available free of charge through Citi' s website by clicking on the "Investors" page and selecting "All SEC Filings." The SEC' s website also contains current reports, information statements, and other information regarding Citi at www.sec.gov.

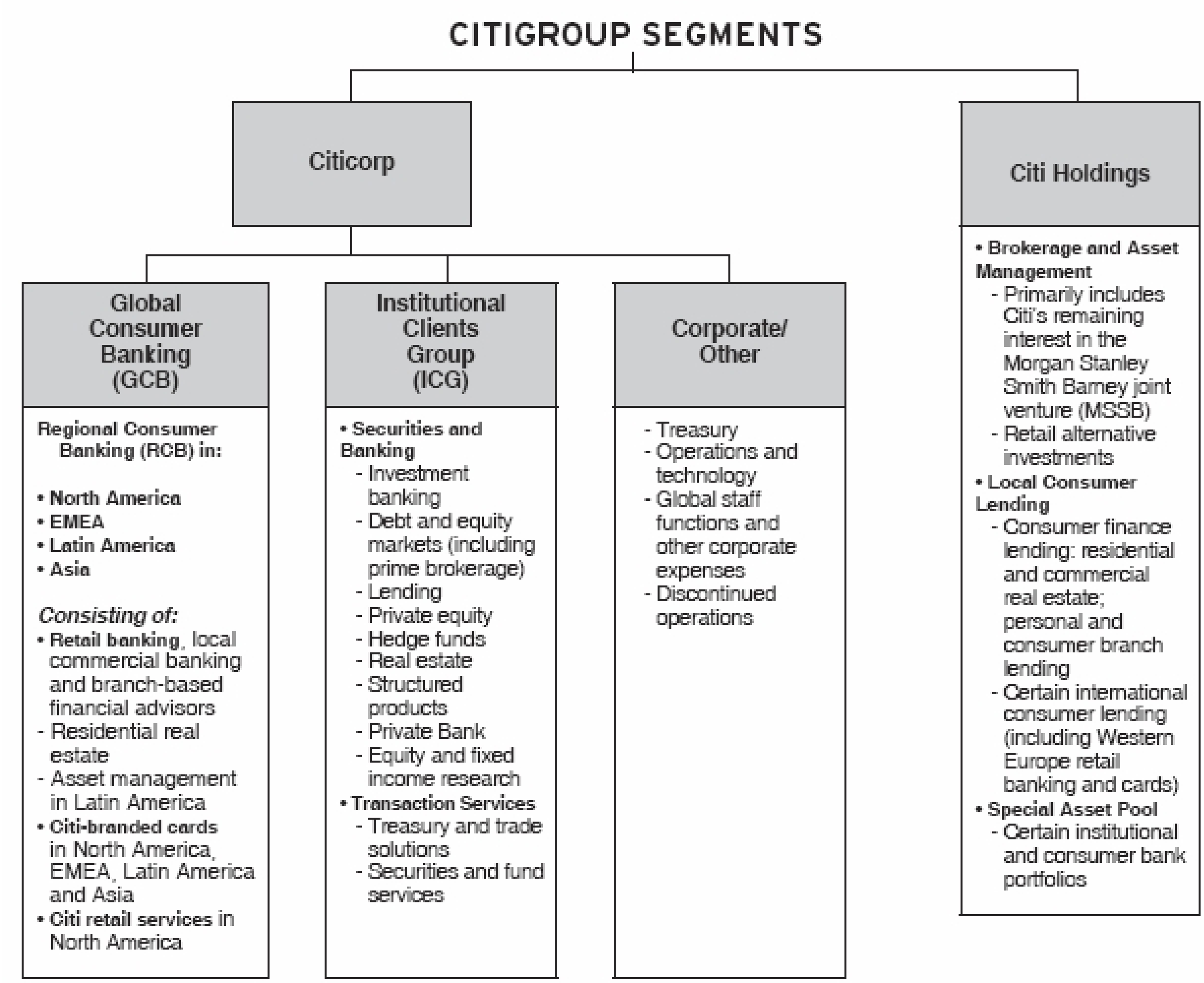
Within this Form 10-K, please refer to the tables of contents on pages 3 and 139 for page references to Management' s Discussion and Analysis of Financial Condition and Results of Operations and Notes to Consolidated Financial Statements, respectively.

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 reclassifications, including the transfer of the substantial majority of Citi' s retail partner cards businesses (which are 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.

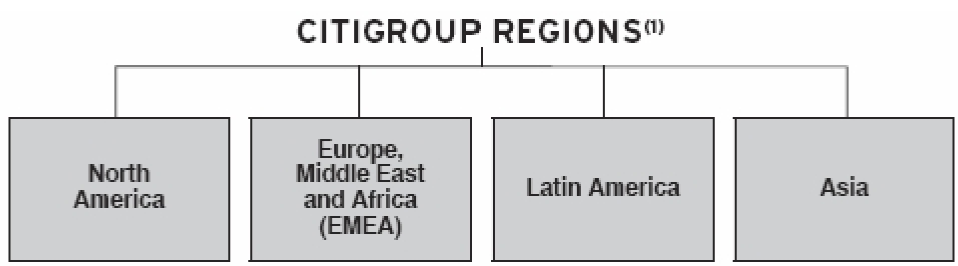
At December 31, 2012, Citi had approximately 259,000 full-time employees compared to approximately 266,000 full-time employees at December 31, 2011.

Please see "Risk Factors" below for a discussion of the most significant risks and uncertainties that could impact Citigroup' s businesses, financial condition and results of operations.

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

EXECUTIVE SUMMARY

Overview

2012–Ongoing Transformation of Citigroup

During 2012, Citigroup continued to build on the significant transformation of the Company that has occurred over the last several years. Despite a challenging operating environment (as discussed below), Citi' s 2012 results showed ongoing momentum in most of its core businesses, as Citi continued to simplify its business model and focus resources on its core Citicorp franchise while continuing to wind down Citi Holdings as quickly as practicable in an economically rational manner. Citi made steady progress toward the successful execution of its strategy, which is to:

- enhance its position as a leading global bank for both institutions and individuals, by building on its unique global network, deep emerging markets expertise, client relationships and product expertise;
- position Citi to seize the opportunities provided by current trends (globalization, digitization and urbanization) for the benefit of clients;
- further its commitment to responsible finance;
- strengthen Citi' s performance–including gaining market share with clients, making Citi more efficient and productive, and building upon its history of innovation; and
- wind down Citi Holdings as soon as practicable, in an economically rational manner.

With these goals in mind, on December 5, 2012, Citi announced a number of repositioning efforts to optimize its footprint, re-size and re-align certain businesses and improve efficiencies, while at the same time maintaining its unique competitive advantages. As a result of these repositioning efforts, in the fourth quarter of 2012, Citi recorded pretax repositioning charges of approximately $1 billion, and expects to incur an additional $100 million of charges in the first half of 2013.

Continued Challenges in 2013

Citi continued to face a challenging operating environment during 2012, many aspects of which it expects will continue into 2013. While showing some signs of improvement, the overall economic environment–both in the U.S. and globally–remains largely uncertain, and spread compression[1] continues to negatively impact the results of operations of several of Citi' s businesses, particularly in the U.S. and Asia. Citi also continues to face a significant number of regulatory changes and uncertainties, including the timing and implementation of the final U.S. regulatory capital standards. Further, Citi' s legal and related costs remain elevated and likely volatile as it continues to work through "legacy" issues, such as mortgage-related expenses, and operates in a heightened litigious and regulatory environment. Finally, while Citi reduced the size of Citi Holdings by approximately 31% during 2012, the remaining assets within Citi Holdings will continue to have a negative impact on Citi' s overall results of operations in 2013, although this negative impact should continue to abate as the wind-down continues. For a more detailed discussion of these and other risks that could impact Citi' s businesses, results of operations and financial condition, see "Risk Factors" below. As a result of these continuing challenges, Citi remains highly focused on the areas within its control, including operational efficiency and optimizing its core businesses in order to drive improved returns.

1 As used throughout this report, spread compression refers to the reduction in net interest revenue as a percentage of loans or deposits, as applicable, as driven by either lower yields on interest-earning assets or higher costs to fund such assets (or a combination thereof).

2012 Summary Results

Citigroup

For 2012, Citigroup reported net income of $7.5 billion and diluted earnings per share of $2.44, compared to $11.1 billion and $3.63 per share, respectively, for 2011. 2012 results included several significant items:

- a negative impact from the credit valuation adjustment on derivatives (counterparty and own-credit), net of hedges (CVA) and debt valuation adjustment on Citi' s fair value option debt (DVA), of pretax $(2.3) billion ($(1.4) billion after-tax) as Citi' s credit spreads tightened during the year, compared to a pretax impact of $1.8 billion ($1.1 billion after-tax) in 2011;
- a net loss of $4.6 billion ($2.9 billion after-tax) related to the sale of minority investments, driven by the loss from Citi' s sale of a 14% interest, and other-than-temporary impairment on its remaining 35% interest, in the Morgan Stanley Smith Barney (MSSB) joint venture, versus a gain of $199 million ($128 million after-tax) in the prior year;[2]
- as mentioned above, $1.0 billion of repositioning charges in the fourth quarter of 2012 ($653 million after-tax) compared to $428 million ($275 million after-tax) in the fourth quarter of 2011; and
- a $582 million tax benefit in the third quarter of 2012 related to the resolution of certain tax audit items.

Excluding CVA/DVA, the impact of minority investments, the repositioning charges in the fourth quarters of 2012 and 2011 and the tax benefit, net income was $11.9 billion, or $3.86 per diluted share, in 2012, an increase of 18% compared to $10.1 billion, or $3.30 per diluted share, reported in 2011, as higher revenues, lower core operating expenses and lower net credit losses were partially offset by higher legal and related costs and a lower net loan loss reserve release.[3]

Citi' s revenues, net of interest expense, were $70.2 billion in 2012, down 10% versus the prior year. Excluding CVA/DVA and the impact of minority investments, revenues were $77.1 billion, up 1% from 2011, as revenues in Citicorp rose 5%, but were offset by a 40% decline in Citi Holdings revenues compared to the prior year. Net interest revenues of $47.6 billion were 2% lower than the prior year, largely driven by the decline in loan balances in *Local Consumer Lending* in Citi Holdings as well as spread compression in *North America* and *Asia Regional Consumer Banking (RCB)* in Citicorp. Non-interest revenues were $22.6 billion, down 25% from the prior year, driven by CVA/DVA and the loss on MSSB in the third quarter of 2012. Excluding CVA/DVA and the impact of minority investments, non-interest revenues were $29.5 billion, up 6% from the prior year, principally driven by higher revenues in *Securities and Banking* and higher mortgage revenues in *North America RCB*, partially offset by lower revenues in the *Special Asset Pool* within Citi Holdings.

Operating Expenses

Citigroup expenses decreased 1% versus the prior year to $50.5 billion. In 2012, in addition to the previously mentioned repositioning charges, Citi incurred elevated legal and related costs of $2.8 billion compared to $2.2 billion in the prior year. Excluding legal and related costs, repositioning charges for the fourth quarters of 2012 and 2011, and the impact of foreign exchange translation into U.S. dollars for reporting purposes (as used throughout this report, FX translation), which lowered reported expenses by approximately $0.9 billion in 2012 as compared to the prior year, operating expenses declined 1% to $46.6 billion versus $47.3 billion in the prior year.

Citicorp' s expenses were $45.3 billion, up 2% from the prior year, as efficiency savings were more than offset by higher legal and related costs and repositioning charges. Citi Holdings expenses were down 19% year-over-year to $5.3 billion, principally due to the continued decline in assets.

2 As referenced above, in 2012, the sale of minority investments included a pretax loss of $4.7 billion ($2.9 billion after-tax) from the sale of a 14% interest and other-than-temporary impairment of the carrying value of Citi' s remaining 35% interest in MSSB recorded in Citi Holdings–*Brokerage and Asset Management* during the third quarter of 2012. In addition, Citi recorded a net pretax loss of $424 million ($274 million after-tax) from the partial sale of Citi' s minority interest in Akbank T.A.S. (Akbank) recorded in *Corporate/Other* during the second quarter of 2012. In the first quarter of 2012, Citi recorded a net pretax gain on minority investments of $477 million ($308 million after-tax), which included pretax gains of $1.1 billion and $542 million on the sales of Citi' s remaining stake in Housing Development Finance Corporation Ltd. (HDFC) and its stake in Shanghai Pudong Development Bank (SPDB), respectively, offset by

a pretax impairment charge relating to Akbank of $1.2 billion, all within *Corporate/Other*. In 2011, Citi recorded a $199 million pretax gain ($128 million after-tax) from the partial sale of Citi`s minority interest in HDFC, recorded in *Corporate/Other*.

3 Presentation of Citi`s results excluding CVA/DVA, the impact of minority investments, the repositioning charges in the fourth quarters of 2012 and 2011 and the tax benefit, as applicable, represent non-GAAP financial measures. Citigroup believes the presentation of its results of operations excluding these impacts provides a more meaningful depiction of the underlying fundamentals of Citi`s businesses and enhances the comparison of results across periods.

Credit Costs

Citi' s total provisions for credit losses and for benefits and claims of $11.7 billion declined 8% from the prior year. Net credit losses of $14.6 billion were down 27% from 2011, largely reflecting improvements in *North America* cards and *Local Consumer Lending* and the *Special Asset Pool* within Citi Holdings. Consumer net credit losses declined 22% to $14.4 billion reflecting improvements in *North America* Citi-branded cards and Citi retail services in Citicorp and *Local Consumer Lending* within Citi Holdings. Corporate net credit losses decreased 86% year-over-year to $223 million, driven primarily by continued credit improvement in both the *Special Asset Pool* in Citi Holdings and *Securities and Banking* in Citicorp.

The net release of allowance for loan losses and unfunded lending commitments was $3.7 billion in 2012, 55% lower than 2011. Of the $3.7 billion net reserve release, $2.1 billion was attributable to Citicorp compared to a $4.9 billion release in the prior year. The decline in the Citicorp reserve release year-over-year mostly reflected a lower reserve release in *North America* Citi-branded cards and Citi retail services and *Securities and Banking*. The $1.6 billion net reserve release in Citi Holdings was down from $3.3 billion in the prior year, due primarily to lower releases within the *Special Asset Pool*, reflecting the decline in assets. Of the $3.7 billion net reserve release, $3.6 billion related to Consumer, with the remainder in Corporate.

Capital and Loan Loss Reserve Positions

Citigroup' s Tier 1 Capital and Tier 1 Common ratios were 14.1% and 12.7% as of December 31, 2012, respectively, compared to 13.6% and 11.8% in the prior year. Citi' s estimated Tier 1 Common ratio under Basel III was 8.7% at December 31, 2012, up slightly from an estimated 8.6% at September 30, 2012.[4]

Citigroup' s total allowance for loan losses was $25.5 billion at year end, or 3.9% of total loans, compared to $30.1 billion, or 4.7%, at the end of the prior year. The decline in the total allowance for loan losses reflected the continued wind-down of Citi Holdings and overall continued improvement in the credit quality of Citi' s loan portfolios.

The Consumer allowance for loan losses was $22.7 billion, or 5.6% of total Consumer loans, at year end, compared to $27.2 billion, or 6.5% of total loans, at December 31, 2011. Total non-accrual assets increased 3% to $12.0 billion as compared to December 31, 2011. Corporate non-accrual loans declined 28% to $2.3 billion, reflecting continued credit improvement. Consumer non-accrual loans increased $1.4 billion, or 17%, to $9.2 billion versus the prior year. The increase in Consumer non-accrual loans predominantly reflected the Office of the Comptroller of the Currency (OCC) guidance issued in the third

Citicorp[5]

Citicorp net income decreased 8% from the prior year to $14.1 billion. The decrease largely reflected the impact of CVA/DVA and higher legal and related costs and repositioning charges, partially offset by lower provisions for income taxes. CVA/DVA, recorded in *Securities and Banking,* was $(2.5) billion in 2012, compared to $1.7 billion in the prior year. Within Citicorp, repositioning charges were $951 million ($604 million after-tax) in the fourth quarter 2012, versus $368 million ($237 million after-tax) in the prior year period. Excluding CVA/DVA, the impact of minority investments, the repositioning charges in the fourth quarters of 2012 and 2011, and the tax benefit in the third quarter of 2012, Citicorp net income increased 9% from the prior year to $15.6 billion, primarily driven by growth in revenues and lower net credit losses partially offset by lower loan loss reserve releases and higher taxes.

Citicorp revenues, net of interest expense, were $71 billion in 2012, down 1% versus the prior year. Excluding CVA/DVA and the impact of minority investments, Citicorp revenues were $73.4 billion in 2012, 5% higher than 2011. *Global Consumer Banking* (*GCB)* revenues of $40.2 billion increased 3% versus the prior year. *North America RCB* revenues grew 5% to $21.1 billion. International *RCB* revenues (consisting of *Asia RCB*, *Latin America RCB* and *EMEA RCB*) increased 1% year-over-year to $19.1 billion. Excluding the impact of FX translation,[6] international *RCB* revenues increased 5% year-over-year. *Securities and Banking* revenues were $19.7 billion in 2012, down 8% year-over-year. *Securities and Banking* revenues, excluding CVA/DVA, were $22.2 billion, or 13%, higher than the prior year. *Transaction Services* revenues were $10.9 billion, up 3% from the prior year, but up 5% excluding the impact of FX translation. *Corporate/Other* revenues, excluding the impact of minority investments, declined 80% from the prior year mainly reflecting the absence of hedging gains.

In *North America RCB*, the revenue growth year-over-year was driven by higher mortgage revenues, partially offset by lower revenues in Citi-branded cards and Citi retail services, mostly driven by lower average card loans. *North America RCB* average deposits of $154 billion grew 6% year-over-year and average retail loans of $41 billion grew 19%. Average card loans of $109 billion declined 3%, driven by increased payment rates resulting from consumer deleveraging, and card purchase sales of $232 billion were roughly flat. Citi retail services revenues were also negatively impacted by improving credit trends, which increased contractual partner payments.

4 Citi' s estimated Basel III Tier 1 Common ratio is a non-GAAP financial measure. For additional information on Citi' s estimated

quarter of 2012 regarding the treatment of mortgage loans where the borrower has gone through Chapter 7 bankruptcy, which added $1.5 billion to Consumer non-accrual loans (of which approximately $1.3 billion were current).

Basel III Tier 1 Common Capital and Tier 1 Common ratio, including the calculation of these measures, see "Capital Resources and Liquidity–Capital Resources" below.

5 Citicorp includes Citi's three operating businesses–*Global Consumer Banking, Securities and Banking* and *Transaction Services*–as well as *Corporate/Other*. See "Citicorp" below for additional information on the results of operations for each of the businesses in Citicorp.

6 For the impact of FX translation on 2012 results of operations for each of *EMEA RCB, Latin America RCB, Asia RCB* and *Transaction Services*, see the table accompanying the discussion of each respective business' results of operations below.

The international *RCB* revenue growth year-over-year, excluding the impact of FX translation, was driven by 9% revenue growth in *Latin America RCB* and 2% revenue growth in *EMEA RCB*. *Asia RCB* revenues were flat year-over-year, primarily reflecting spread compression in some countries in the region and the impact of regulatory actions in certain countries, particularly Korea. International *RCB* average deposits grew 2% versus the prior year, average retail loans increased 11%, investment sales grew 12%, average card loans grew 6%, and international card purchase sales grew 10%, all excluding the impact of FX translation.

In *Securities and Banking,* fixed income markets revenues of $14.0 billion, excluding CVA/DVA,[7] increased 28% from the prior year, reflecting higher revenues in rates and currencies and credit-related and securitized products. Equity markets revenues of $2.4 billion in 2012, excluding CVA/DVA, increased 1% driven by improved derivatives performance as well as the absence in the current year of proprietary trading losses, partially offset by lower cash equity volumes.

Investment banking revenues rose 10% from the prior year to $3.6 billion, principally driven by higher revenues in debt underwriting and advisory activities, partially offset by lower equity underwriting revenues. Lending revenues of $997 million were down 45% from the prior year, reflecting $698 million in losses on hedges related to accrual loans as credit spreads tightened during 2012 (compared to a $519 million gain in the prior year as spreads widened). Excluding the mark-to-market impact of loan hedges related to accrual loans, lending revenues rose 31% year-over-year to $1.7 billion reflecting growth in the Corporate loan portfolio and improved spreads in most regions. Private Bank revenues of $2.3 billion increased 8% from the prior year, excluding CVA/DVA, driven primarily by growth in *North America* lending and deposits.

In *Transaction Services,* the increase in revenues year-over-year, excluding the impact of FX translation, was driven by growth in *Treasury and Trade Solutions,* which was partially offset by a decline in *Securities and Fund Services*. Excluding the impact of FX translation, *Treasury and Trade Solutions* revenues were up 8%, driven by growth in trade as end-of-period trade loans grew 23%, partially offset by ongoing spread compression given the low interest rate environment. *Securities and Fund Services* revenues were down 2%, excluding the impact of FX translation, mostly reflecting lower market volumes as well as spread compression on deposits.

Citicorp end-of-period loans increased 7% year-over-year to $540 billion, with 3% growth in Consumer loans, primarily in *Latin America,* and 11% growth in Corporate loans.

Citi Holdings[8]

Citi Holdings net loss was $6.6 billion compared to a net loss of $4.2 billion in 2011. The increase in the net loss was driven by the $4.7 billion pretax ($2.9 billion after-tax) loss on MSSB described above. In addition, Citi Holdings results included $77 million in repositioning charges in the fourth quarter of 2012, compared to $60 million in the fourth quarter of 2011. Excluding the loss on MSSB, CVA/DVA[9] and the repositioning charges in the fourth quarters of 2012 and 2011, Citi Holdings net loss decreased to $3.7 billion compared to a net loss of $4.2 billion in the prior year, as revenue declines and lower loan loss reserve releases were more than offset by lower operating expenses and lower net credit losses. These improved results in 2012 reflected the continued decline in Citi Holdings assets.

Citi Holdings revenues decreased to $(833) million from $6.3 billion in the prior year. Excluding CVA/DVA and the loss on MSSB, Citi Holdings revenues were $3.7 billion in 2012 compared to $6.2 billion in the prior year. *Special Asset Pool* revenues, excluding CVA/DVA, were $(657) million in 2012, compared to $473 million in the prior year, largely due to lower non-interest revenue resulting from lower gains on asset sales. *Local Consumer Lending* revenues of $4.4 billion declined 20% from the prior year primarily due to the 24% decline in average assets. *Brokerage and Asset Management* revenues, excluding the loss on MSSB, were $(15) million, compared to $282 million in the prior year, mostly reflecting higher funding costs. Net interest revenues declined 30% year-over-year to $2.6 billion, largely driven by continued declining loan balances in *Local Consumer Lending*. Non-interest revenues, excluding the loss on MSSB and CVA/DVA, were $1.1 billion versus $2.5 billion in the prior year, principally reflecting lower gains on asset sales within the *Special Asset Pool*.

As noted above, Citi Holdings assets declined 31% year-over-year to $156 billion as of the end of 2012. Also at the end of 2012, Citi Holdings assets comprised approximately 8% of total Citigroup GAAP assets and 15% of risk-weighted assets (as defined under current regulatory guidelines). *Local Consumer Lending* continued to represent the largest segment within Citi Holdings, with $126 billion of assets as of the end of 2012, of which approximately 73% consisted of mortgages in *North America* real estate lending.

7 For the summary of CVA/DVA by business within *Securities and Banking* for 2012 and comparable periods, see "Citicorp—*Institutional Clients Group.*"

8 Citi Holdings includes *Local Consumer Lending, Special Asset Pool* and *Brokerage and Asset Management.* See "Citi Holdings" below

for additional information on the results of operations for each of the businesses in Citi Holdings.

9 CVA/DVA in Citi Holdings, recorded in the *Special Asset Pool*, was $157 million in 2012, compared to $74 million in the prior year.

In millions of dollars, except per-share amounts and ratios	**2012**	2011	2010	2009	2008
Net interest revenue	**$ 47,603**	$ 48,447	$ 54,186	$ 48,496	$ 53,366
Non-interest revenue	**22,570**	29,906	32,415	31,789	(1,767)
Revenues, net of interest expense	**$ 70,173**	$ 78,353	$ 86,601	$ 80,285	$ 51,599
Operating expenses	**50,518**	50,933	47,375	47,822	69,240
Provisions for credit losses and for benefits and claims	**11,719**	12,796	26,042	40,262	34,714
Income (loss) from continuing operations before income taxes	**$ 7,936**	$ 14,624	$ 13,184	$ (7,799)	$ (52,355)
Income taxes (benefits)	**27**	3,521	2,233	(6,733)	(20,326)
Income (loss) from continuing operations	**$ 7,909**	$ 11,103	$ 10,951	$ (1,066)	$ (32,029)
Income (loss) from discontinued operations, net of taxes [(1)]	**(149)**	112	(68)	(445)	4,002
Net income (loss) before attribution of noncontrolling interests	**$ 7,760**	$ 11,215	$ 10,883	$ (1,511)	$ (28,027)
Net income (loss) attributable to noncontrolling interests	**219**	148	281	95	(343)
Citigroup's net income (loss)	**$ 7,541**	$ 11,067	$ 10,602	$ (1,606)	$ (27,684)
Less:					
Preferred dividends–Basic	**$ 26**	$ 26	$ 9	$ 2,988	$ 1,695
Impact of the conversion price reset related to the $12.5 billion convertible preferred stock private issuance–Basic	–	–	–	1,285	–
Preferred stock Series H discount accretion–Basic	–	–	–	123	37
Impact of the public and private preferred stock exchange offers	–	–	–	3,242	–
Dividends and undistributed earnings allocated to employee restricted and deferred shares that contain nonforfeitable rights to dividends, applicable to Basic EPS	**166**	186	90	2	221
Income (loss) allocated to unrestricted common shareholders for Basic EPS	**$ 7,349**	$ 10,855	$ 10,503	$ (9,246)	$ (29,637)
Less: Convertible preferred stock dividends	–	–	–	(540)	(877)
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	**11**	17	2	–	–
Income (loss) allocated to unrestricted common shareholders for diluted EPS [(2)]	**$ 7,360**	$ 10,872	$ 10,505	$ (8,706)	$ (28,760)
Earnings per share [(3)]					
Basic [(3)]					
Income (loss) from continuing operations	**2.56**	3.69	3.66	(7.61)	(63.89)
Net income (loss)	**2.51**	3.73	3.65	(7.99)	(56.29)
Diluted [(2)(3)]					
Income (loss) from continuing operations	**$ 2.49**	$ 3.59	$ 3.55	$ (7.61)	$ (63.89)
Net income (loss)	**2.44**	3.63	3.54	(7.99)	(56.29)
Dividends declared per common share [(3)(4)]	**0.04**	0.03	0.00	0.10	11.20

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

FIVE-YEAR SUMMARY OF SELECTED FINANCIAL DATA–PAGE 2

Citigroup Inc. and Consolidated Subsidiaries

In millions of dollars, except per-share amounts, ratios and direct staff	**2012**	2011	2010	2009	2008
At December 31:					
Total assets	**$ 1,864,660**	$ 1,873,878	$ 1,913,902	$ 1,856,646	$ 1,938
Total deposits	**930,560**	865,936	844,968	835,903	774,1
Long-term debt	**239,463**	323,505	381,183	364,019	359,5
Trust preferred securities (included in long-term debt)	**10,110**	16,057	18,131	19,345	24,06
Citigroup common stockholders' equity	**186,487**	177,494	163,156	152,388	70,96
Total Citigroup stockholders' equity	**189,049**	177,806	163,468	152,700	141,6
Direct staff *(in thousands)*	**259**	266	260	265	323
Ratios					
Return on average assets	**0.4 %**	0.6 %	0.5 %	(0.08)%	(1.28
Return on average common stockholders' equity [5]	**4.1**	6.3	6.8	(9.4)	(28.8
Return on average total stockholders' equity [5]	**4.1**	6.3	6.8	(1.1)	(20.9
Efficiency ratio	**72**	65	55	60	134
Tier 1 Common [6]	**12.67 %**	11.80 %	10.75 %	9.60 %	2.30
Tier 1 Capital	**14.06**	13.55	12.91	11.67	11.92
Total Capital	**17.26**	16.99	16.59	15.25	15.70
Leverage [7]	**7.48**	7.19	6.60	6.87	6.08
Citigroup common stockholders' equity to assets	**10.00 %**	9.47 %	8.52 %	8.21 %	3.66
Total Citigroup stockholders' equity to assets	**10.14**	9.49	8.54	8.22	7.31
Dividend payout ratio [4]	**1.6**	0.8	NM	NM	NM
Book value per common share [3]	**$ 61.57**	$ 60.70	$ 56.15	$ 53.50	$ 130.2
Ratio of earnings to fixed charges and preferred stock dividends	**1.38 x**	1.59 x	1.51 x	NM	NM

(1) Discontinued operations in 2012 includes a carve-out of Citi's liquid strategies business within Citi Capital Advisors, the sale of which is expected to close in the first half of 2013. Discontinued operations in 2012 and 2011 reflect the sale of the Egg Banking PLC credit card business. Discontinued operations for 2008 to 2009 reflect the sale of Nikko Cordial Securities to Sumitomo Mitsui Banking Corporation, the sale of Citigroup's German retail banking operations to Crédit Mutuel, and the sale of CitiCapital's equipment finance unit to General Electric. Discontinued operations for 2008 to 2010 also include the operations and associated gain on sale of Citigroup's Travelers Life & Annuity, substantially all of Citigroup's international insurance business, and Citigroup's Argentine pension business sold to MetLife Inc. Discontinued operations for the second half of 2010 also reflect the sale of The Student Loan Corporation. See Note 3 to the Consolidated Financial Statements for additional information on Citi's discontinued operations.

(2) The diluted EPS calculation for 2009 and 2008 utilizes basic shares and income allocated to unrestricted common stockholders (Basic) due to the negative income allocated to unrestricted common stockholders. Using diluted shares and income allocated to unrestricted common stockholders (Diluted) would result in anti-dilution. As of December 31, 2012, primarily all stock options were out of the money and did not impact diluted EPS. The year-end share price was $39.56. See Note 11 to the Consolidated Financial Statements.

(3) 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.

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

(5) 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.

(6) As currently defined by the U.S. banking regulators, the Tier 1 Common ratio represents Tier 1 Capital less non-common elements, including qualifying perpetual preferred stock, qualifying noncontrolling interests in subsidiaries and qualifying trust preferred securities divided by risk-weighted assets.

(7) The leverage ratio represents Tier 1 Capital divided by quarterly adjusted average total assets.

Note: The following accounting changes were adopted by Citi during the respective years:

- On January 1, 2010, Citigroup adopted SFAS 166/167. Prior periods have not been restated as the standards were adopted prospectively. See Note 1 to the Consolidated Financial Statements.
- On January 1, 2009, Citigroup adopted SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements* (now ASC 810-10-45-15, *Consolidation: Noncontrolling Interest in a Subsidiary*), and FSP EITF 03-6-1, "Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities" (now ASC 260-10-45-59A, *Earnings Per Share: Participating Securities and the Two-Class Method*). All prior periods have been restated to conform to the current period's presentation.

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	**2012**	2011	2010	**% Change 2012 vs. 2011**	% Change 2011 vs. 2010
Income (loss) from continuing operations					
CITICORP					
Global Consumer Banking					
North America	**$ 4,815**	$ 4,095	$ 974	**18 %**	NM
EMEA	**(18)**	95	97	**NM**	(2)%
Latin America	**1,510**	1,578	1,788	**(4)**	(12)
Asia	**1,797**	1,904	2,110	**(6)**	(10)
Total	**$ 8,104**	$ 7,672	$ 4,969	**6 %**	54 %
Securities and Banking					
North America	**$ 1,011**	$ 1,044	$ 2,495	**(3)%**	(58)%
EMEA	**1,354**	2,000	1,811	**(32)**	10
Latin America	**1,308**	974	1,093	**34**	(11)
Asia	**822**	895	1,152	**(8)**	(22)
Total	**$ 4,495**	$ 4,913	$ 6,551	**(9)%**	(25)%
Transaction Services					
North America	**$ 470**	$ 415	$ 490	**13 %**	(15)%
EMEA	**1,244**	1,130	1,218	**10**	(7)
Latin America	**654**	639	663	**2**	(4)
Asia	**1,127**	1,165	1,251	**(3)**	(7)
Total	**$ 3,495**	$ 3,349	$ 3,622	**4 %**	(8)%
Institutional Clients Group	**$ 7,990**	$ 8,262	$ 10,173	**(3)%**	(19)%
Corporate/Other	**$ (1,625)**	$ (728)	$ 242	**NM**	NM
Total Citicorp	**$ 14,469**	$ 15,206	$ 15,384	**(5)%**	(1)%
CITI HOLDINGS					
Brokerage and Asset Management	**$ (3,190)**	$ (286)	$ (226)	**NM**	(27)%
Local Consumer Lending	**(3,193)**	(4,413)	(5,365)	**28 %**	18
Special Asset Pool	**(177)**	596	1,158	**NM**	(49)
Total Citi Holdings	**$ (6,560)**	$ (4,103)	$ (4,433)	**(60)%**	7 %
Income from continuing operations	**$ 7,909**	$ 11,103	$ 10,951	**(29)%**	1 %
Discontinued operations	**$ (149)**	$ 112	$ (68)	**NM**	NM
Net income attributable to noncontrolling interests	**219**	148	281	**48 %**	(47)%
Citigroup' s net income	**$ 7,541**	$ 11,067	$ 10,602	**(32)%**	4 %

NM Not meaningful

CITIGROUP REVENUES

In millions of dollars	2012	2011	2010	% Change 2012 vs. 2011	% Change 2011 vs. 2010
CITICORP					
Global Consumer Banking					
North America	**$ 21,081**	$ 20,159	$ 21,747	**5 %**	(7)%
EMEA	**1,516**	1,558	1,559	**(3)**	–
Latin America	**9,702**	9,469	8,667	**2**	9
Asia	**7,915**	8,009	7,396	**(1)**	8
Total	**$ 40,214**	$ 39,195	$ 39,369	**3 %**	– %
Securities and Banking					
North America	**$ 6,104**	$ 7,558	$ 9,393	**(19)%**	(20)%
EMEA	**6,417**	7,221	6,849	**(11)**	5
Latin America	**3,019**	2,370	2,554	**27**	(7)
Asia	**4,203**	4,274	4,326	**(2)**	(1)
Total	**$ 19,743**	$ 21,423	$ 23,122	**(8)%**	(7)%
Transaction Services					
North America	**$ 2,564**	$ 2,444	$ 2,485	**5 %**	(2)%
EMEA	**3,576**	3,486	3,356	**3**	4
Latin America	**1,797**	1,713	1,530	**5**	12
Asia	**2,920**	2,936	2,714	**(1)**	8
Total	**$ 10,857**	$ 10,579	$ 10,085	**3 %**	5 %
Institutional Clients Group	**$ 30,600**	$ 32,002	$ 33,207	**(4)%**	(4)%
Corporate/Other	**$ 192**	$ 885	$ 1,754	**(78)%**	(50)%
Total Citicorp	**$ 71,006**	$ 72,082	$ 74,330	**(1)%**	(3)%
CITI HOLDINGS					
Brokerage and Asset Management	**$ (4,699)**	$ 282	$ 609	**NM**	(54)%
Local Consumer Lending	**4,366**	5,442	8,810	**(20)%**	(38)
Special Asset Pool	**(500)**	547	2,852	**NM**	(81)
Total Citi Holdings	**$ (833)**	$ 6,271	$ 12,271	**NM**	(49)%
Total Citigroup net revenues	**$ 70,173**	$ 78,353	$ 86,601	**(10)%**	(10)%

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, including many of the world’ s emerging economies. 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 its large multinational clients and for meeting the needs of retail, private banking, commercial, public sector and institutional clients around the world. At December 31, 2012, Citicorp had $1.7 trillion of assets and $863 billion of deposits, representing 92% of Citi’ s total assets and 93% of its deposits.

Citicorp consists of the following operating businesses: *Global Consumer Banking* (which consists of *Regional Consumer Banking* in *North America, EMEA, Latin America* and *Asia*) and *Institutional Clients Group* (which includes *Securities and Banking* and *Transaction Services*). Citicorp also includes *Corporate/Other*.

In millions of dollars except as otherwise noted	**2012**	2011	2010	**% Change 2012 vs. 2011**	% Change 2011 vs. 2010
Net interest revenue	**$ 45,026**	$ 44,764	$ 46,101	**1 %**	(3)%
Non-interest revenue	**25,980**	27,318	28,229	**(5)**	(3)
Total revenues, net of interest expense	**$ 71,006**	$ 72,082	$ 74,330	**(1)%**	(3)%
Provisions for credit losses and for benefits and claims					
Net credit losses	**$ 8,734**	$ 11,462	$ 16,901	**(24)%**	(32)%
Credit reserve build (release)	**(2,177)**	(4,988)	(3,171)	**56**	(57)
Provision for loan losses	**$ 6,557**	$ 6,474	$ 13,730	**1 %**	(53)%
Provision for benefits and claims	**236**	193	184	**22**	5
Provision for unfunded lending commitments	**40**	92	(35)	**(57)**	NM
Total provisions for credit losses and for benefits and claims	**$ 6,833**	$ 6,759	$ 13,879	**1 %**	(51)%
Total operating expenses	**$ 45,265**	$ 44,469	$ 40,019	**2 %**	11 %
Income from continuing operations before taxes	**$ 18,908**	$ 20,854	$ 20,432	**(9)%**	2 %
Provisions for income taxes	**4,439**	5,648	5,048	**(21)**	12
Income from continuing operations	**$ 14,469**	$ 15,206	$ 15,384	**(5)%**	(1)%
Income (loss) from discontinued operations, net of taxes	**(149)**	112	(68)	**NM**	NM
Noncontrolling interests	**216**	29	74	**NM**	(61)
Net income	**$ 14,104**	$ 15,289	$ 15,242	**(8)%**	– %
Balance sheet data *(in billions of dollars)*					
Total end-of-period (EOP) assets	**$ 1,709**	$ 1,649	$ 1,601	**4 %**	3 %
Average assets	**1,717**	1,684	1,578	**2**	7
Return on average assets	**0.82 %**	0.91 %	0.97 %		
Efficiency ratio (Operating expenses/Total revenues)	**64 %**	62 %	54 %		
Total EOP loans	**$ 540**	$ 507	$ 450	**7**	13
Total EOP deposits	**863**	804	769	**7**	5

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, commercial banking, Citi-branded cards and Citi retail services. GCB is a globally diversified business with 4,008 branches in 39 countries around the world. For the year ended December 31, 2012, GCB had $387 billion of average assets and $322 billion of average deposits. Citi’ s strategy is to focus on the top 150 cities globally that it believes have the highest growth potential in consumer banking. Consistent with this strategy, as announced in the fourth quarter of 2012 as part of its repositioning efforts, Citi intends to optimize its branch footprint and further concentrate its presence in major metropolitan areas. As of December 31, 2012, Citi had consumer banking operations in approximately 120, or 80%, of these cities.

In millions of dollars except as otherwise noted	**2012**	2011	2010	**% Change 2012 vs. 2011**	% Change 2011 vs. 2010
Net interest revenue	**$ 29,468**	$ 29,683	$ 29,858	**(1)%**	(1)%
Non-interest revenue	**10,746**	9,512	9,511	**13**	–
Total revenues, net of interest expense	**$ 40,214**	$ 39,195	$ 39,369	**3 %**	– %
Total operating expenses	**$ 21,819**	$ 21,408	$ 18,887	**2 %**	13 %
Net credit losses	**$ 8,452**	$ 10,840	$ 16,328	**(22)%**	(34)%
Credit reserve build (release)	**(2,131)**	(4,429)	(2,547)	**52**	(74)
Provisions for unfunded lending commitments	–	3	(3)	**(100)**	NM
Provision for benefits and claims	**237**	192	184	**23**	4
Provisions for credit losses and for benefits and claims	**$ 6,558**	$ 6,606	$ 13,962	**(1)%**	(53)%
Income from continuing operations before taxes	**$ 11,837**	$ 11,181	$ 6,520	**6 %**	71 %
Income taxes	**3,733**	3,509	1,551	**6**	NM
Income from continuing operations	**$ 8,104**	$ 7,672	$ 4,969	**6 %**	54 %
Noncontrolling interests	**3**	–	(9)	–	100
Net income	**$ 8,101**	$ 7,672	$ 4,978	**6 %**	54 %
Balance Sheet data *(in billions of dollars)*					
Average assets	**$ 387**	$ 376	$ 353	**3 %**	7 %
Return on assets	**2.09 %**	2.04 %	1.41 %		
Efficiency ratio	**54 %**	55 %	48 %		
Total EOP assets	**$ 402**	$ 385	$ 374	**4**	3
Average deposits	**322**	314	299	**3**	5
Net credit losses as a percentage of average loans	**2.95 %**	3.93 %	6.22 %		
Revenue by business					
Retail banking	**$ 18,059**	$ 16,398	$ 15,874	**10 %**	3 %
Cards [1]	**22,155**	22,797	23,495	**(3)**	(3)
Total	**$40,214**	$39,195	$ 39,369	**3%**	–%
Income from continuing operations by business					
Retail banking	**$ 2,986**	$ 2,523	$ 3,052	**18 %**	(17)%
Cards [1]	**5,118**	5,149	1,917	**(1)**	NM
Total	**$ 8,104**	$ 7,672	$ 4,969	**6 %**	54 %
Foreign Currency (FX) Translation Impact					
Total revenue–as reported	**$ 40,214**	$ 39,195	$ 39,369	**3 %**	– %
Impact of FX translation [2]	–	(742)	(153)		
Total revenues–ex-FX	**$ 40,214**	$ 38,453	$ 39,216	**5 %**	(2)%
Total operating expenses–as reported	**$ 21,819**	$ 21,408	$ 18,887	**2 %**	13 %

Impact of FX translation [2]	–	(494)	(134)		
Total operating expenses–ex-FX	**$ 21,819**	$ 20,914	$ 18,753	**4 %**	12 %
Total provisions for LLR & PBC–as reported	**$ 6,558**	$ 6,606	$ 13,962	**(1)%**	(53)%
Impact of FX translation [2]	–	(167)	(19)		
Total provisions for LLR & PBC–ex-FX	**$ 6,558**	$ 6,439	$ 13,943	**2 %**	(54)%
Net income–as reported	**$ 8,101**	$ 7,672	$ 4,978	**6 %**	54 %
Impact of FX translation [2]	–	(102)	(17)		
Net income–ex-FX	**$ 8,101**	$ 7,570	$ 4,961	**7 %**	53 %

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

(2) Reflects the impact of foreign exchange (FX) translation into U.S. dollars at the current exchange rate for all periods presented.

NM Not meaningful

NORTH AMERICA REGIONAL CONSUMER BANKING

North America Regional Consumer Banking (NA RCB) provides traditional banking and Citi-branded cards and Citi retail services to retail customers and small to mid-size businesses in the U.S. *NA RCB*' s approximate 1,000 retail bank branches as of December 31, 2012 are largely concentrated in the greater metropolitan areas of New York, Los Angeles, San Francisco, Chicago, Miami, Washington, D.C., Boston, Philadelphia, Dallas, Houston, San Antonio and Austin. As announced in the fourth quarter of 2012, as part of its repositioning efforts, Citi expects to optimize its branch network in *North America* and further concentrate its presence in major metropolitan areas. At December 31, 2012, *NA RCB* had approximately 12.4 million customer accounts, $42.7 billion of retail banking loans and $165.2 billion of deposits. In addition, *NA RCB* had approximately 102.1 million Citi-branded and Citi retail services credit card accounts, with $111.5 billion in outstanding card loan balances.

In millions of dollars, except as otherwise noted	**2012**	2011	2010	**% Change 2012 vs. 2011**	% Change 2011 vs. 2010
Net interest revenue	**$ 16,591**	$ 16,915	$ 17,892	**(2)%**	(5)%
Non-interest revenue	**4,490**	3,244	3,855	**38**	(16)
Total revenues, net of interest expense	**$ 21,081**	$ 20,159	$ 21,747	**5 %**	(7)%
Total operating expenses	**$ 9,933**	$ 9,690	$ 8,445	**3 %**	15 %
Net credit losses	**$ 5,756**	$ 8,101	$ 13,132	**(29)%**	(38)%
Credit reserve build (release)	**(2,389)**	(4,181)	(1,319)	**43**	NM
Provisions for benefits and claims	**1**	(1)	–	**NM**	–
Provision for unfunded lending commitments	**70**	62	57	**13**	9
Provisions for credit losses and for benefits and claims	**$ 3,438**	$ 3,981	$ 11,870	**(14)%**	(66)%
Income from continuing operations before taxes	**$ 7,710**	$ 6,488	$ 1,432	**19 %**	NM
Income taxes	**2,895**	2,393	458	**21**	NM
Income from continuing operations	**$ 4,815**	$ 4,095	$ 974	**18 %**	NM
Noncontrolling interests	**1**	–	–	–	–
Net income	**$ 4,814**	$ 4,095	$ 974	**18 %**	NM
Balance Sheet data *(in billions of dollars)*					
Average assets	**$ 172**	$ 165	$ 163	**4 %**	1 %
Return on average assets	**2.80 %**	2.48 %	0.60 %		
Efficiency ratio	**47 %**	48 %	39 %		
Average deposits	**$ 154**	$ 145	$ 145	**6**	–
Net credit losses as a percentage of average loans	**3.83 %**	5.50 %	8.71 %		
Revenue by business					
Retail banking	**$ 6,677**	$ 5,113	$ 5,323	**31 %**	(4)%
Citi-branded cards	**8,323**	8,730	9,695	**(5)**	(10)
Citi retail services	**6,081**	6,316	6,729	**(4)**	(6)
Total	**$ 21,081**	$ 20,159	$ 21,747	**5 %**	(7)%
Income from continuing operations by business					
Retail banking	**$ 1,237**	$ 463	$ 744	**NM**	(38)%
Citi-branded cards	**2,080**	2,151	(24)	**(3)%**	NM
Citi retail services	**1,498**	1,481	254	**1**	NM
Total	**$ 4,815**	$ 4,095	$ 974	**18 %**	NM

NM Not meaningful

2012 vs. 2011

Net income increased 18%, mainly driven by higher mortgage revenues and a $2.3 billion decrease in net credit losses, partially offset by a $1.8 billion reduction in loan loss reserve releases.

Revenues increased 5%, driven by a 38% increase in non-interest revenues from higher gains on sale of mortgages, partly offset by a 2% decline in net interest revenues. The higher gains on sale of mortgages were driven by high volumes of mortgage refinancing activity, due largely to the U.S. government' s Home Affordable Refinance Program (HARP), as well as higher margins resulting from the shift to retail as compared to third-party origination channels. Assuming the continued low interest rate environment, Citi believes the higher mortgage refinancing volumes could continue into the first half of 2013. Excluding mortgages, revenue from the retail banking business was essentially flat, as volume growth and improved mix in the deposit and lending portfolios was offset by significant spread compression. Citi expects spread compression to continue to negatively impact revenues during 2013.

Cards revenues declined 4%. In Citi-branded cards, both average loans and net interest revenue declined year-over-year, reflecting continued increased payment rates resulting from consumer deleveraging and the impact of the look-back provisions of The Credit Card Accountability Responsibility and Disclosure Act (CARD Act).[10] Citi expects the look-back provisions of the CARD Act will likely have a diminishing impact on the results of operations of its cards businesses during 2013. In Citi retail services, net interest revenues improved slightly but were offset by declining non-interest revenues, driven by improving credit and the resulting impact on contractual partner payments. Citi expects cards revenues could continue to be negatively impacted by higher payment rates for consumers, reflecting ongoing economic uncertainty and deleveraging as well as Citi' s shift to higher credit quality borrowers.

As part of its U.S. Citi-branded cards business, Citibank, N.A. issues a co-branded credit card product with American Airlines, the Citi/AAdvantage card. AMR Corporation and certain of its subsidiaries, including American Airlines, Inc., filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code in November 2011. On February 14, 2013, AMR Corporation and US Airways Group, Inc. announced that the boards of directors of both companies had approved a merger agreement under which the companies would be combined. For additional information, see “Risk Factors−Business and Operational Risks” below.

Expenses increased 3%, primarily due to increased mortgage origination costs resulting from the higher retail channel

2011 vs. 2010

Net income increased $3.1 billion, driven by higher loan loss reserve releases and an improvement in net credit losses, partly offset by lower revenues and higher expenses.

Revenues decreased 7% due to a decrease in net interest and non-interest revenues. Net interest revenue decreased 5%, driven primarily by lower cards net interest revenue, which was negatively impacted by the look-back provision of the CARD Act. In addition, net interest revenue for cards was negatively impacted by higher promotional balances and lower total average loans. Non-interest revenue decreased 16%, primarily due to lower gains from the sale of mortgage loans, as margins declined and Citi held more loans on-balance sheet, and declining revenues driven by improving credit and the resulting impact on contractual partner payments in Citi retail services. In addition, the decline in non-interest revenue reflected lower retail banking fee income.

Expenses increased 15%, primarily driven by higher investment spending in the business during the second half of 2011, particularly in cards marketing and technology, and increases in litigation accruals related to the interchange fees litigation (see Note 28 to the Consolidated Financial Statements).

Provisions decreased 66%, primarily due to a loan loss reserve release of $4.2 billion in 2011, compared to a loan loss reserve release of $1.3 billion in 2010, and lower net credit losses in the cards portfolios (cards net credit losses declined $5.0 billion, or 38%, from 2010).

---

10 The CARD Act requires a review 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 the APR.

mortgage volumes and $100 million of repositioning charges in the fourth quarter of 2012, partially offset by lower expenses in cards. Expenses continued to be impacted by elevated legal and related costs.

Provisions decreased 14%, due to lower net credit losses in the cards portfolio partly offset by continued lower loan loss reserve releases ($2.4 billion in 2012 compared to $4.2 billion in 2011). Assuming no downturn in the U.S. economic environment, Citi believes credit trends have largely stabilized in the cards portfolios.

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. As announced in the fourth quarter of 2012, as part of its repositioning efforts, Citi expects to either sell or significantly scale back its consumer operations in Turkey, Romania and Pakistan, and expects to further optimize its branch network in Hungary. At December 31, 2012, *EMEA RCB* had 228 retail bank branches with 3.9 million customer accounts, $5.1 billion in retail banking loans and $13.2 billion in deposits. In addition, the business had 2.8 million Citi-branded card accounts with $2.9 billion in outstanding card loan balances.

In millions of dollars, except as otherwise noted	**2012**	2011	2010	**% Change 2012 vs. 2011**	% Change 2011 vs. 2010
Net interest revenue	**$ 1,040**	$ 947	$ 936	**10 %**	1 %
Non-interest revenue	**476**	611	623	**(22)**	(2)
Total revenues, net of interest expense	**$ 1,516**	$ 1,558	$ 1,559	**(3)%**	– %
Total operating expenses	**$ 1,434**	$ 1,343	$ 1,225	**7 %**	10 %
Net credit losses	**$ 105**	$ 172	$ 315	**(39)%**	(45)%
Credit reserve build (release)	**(5)**	(118)	(118)	**96**	–
Provision for unfunded lending commitments	**(1)**	4	(3)	**NM**	NM
Provisions for credit losses	**$ 99**	$ 58	$ 194	**71 %**	(70)%
Income from continuing operations before taxes	**$ (17)**	$ 157	$ 140	**NM**	12 %
Income taxes	**1**	62	43	**(98)**	44
Income from continuing operations	**$ (18)**	$ 95	$ 97	**NM**	(2)%
Noncontrolling interests	**4**	–	(1)	–	100
Net income	**$ (22)**	$ 95	$ 98	**NM**	(3)%
Balance Sheet data *(in billions of dollars)*					
Average assets	**$ 9**	$ 10	10	**(10)%**	– %
Return on average assets	**(0.24)%**	0.95 %	0.98 %		
Efficiency ratio	**95 %**	86 %	79 %		
Average deposits	**$ 12.6**	$ 12.5	$ 13.7	**1**	(9)
Net credit losses as a percentage of average loans	**1.40 %**	2.37 %	4.42 %		
Revenue by business					
Retail banking	**$ 889**	$ 890	$ 878	–	1 %
Citi-branded cards	**627**	668	681	**(6)**	(2)
Total	**$ 1,516**	$ 1,558	$ 1,559	**(3)%**	– %
Income (loss) from continuing operations by business					
Retail banking	**$ (81)**	$ (37)	$ (59)	**NM**	37 %
Citi-branded cards	**63**	132	156	**(52)**	(15)
Total	**$ (18)**	$ 95	$ 97	**NM**	(2)%
Foreign Currency (FX) Translation Impact					
Total revenue–as reported	**$ 1,516**	$ 1,558	$ 1,559	**(3)%**	– %
Impact of FX translation (1)	–	(75)	(55)		
Total revenues–ex-FX	**$ 1,516**	$ 1,483	$ 1,504	**2 %**	(1)%
Total operating expenses–as reported	**$ 1,434**	$ 1,343	$ 1,225	**7 %**	10 %
Impact of FX translation (1)	–	(66)	(34)		
Total operating expenses–ex-FX	**$ 1,434**	$ 1,277	$ 1,191	**12 %**	7 %

Provisions for credit losses–as reported	**$ 99**	$ 58	$ 194	**71 %**	(70)%
Impact of FX translation (1)	–	(2)	(7)		
Provisions for credit losses–ex-FX	**$ 99**	$ 56	$ 187	**77 %**	(70)%
Net income–as reported	**$ (22)**	$ 95	$ 98	**NM**	(3)%
Impact of FX translation (1)	–	(11)	(13)		
Net income–ex-FX	**$ (22)**	$ 84	$ 85	**NM**	(1)%

(1) Reflects the impact of foreign exchange (FX) translation into U.S. dollars at the current exchange rate for all periods presented.

NM Not meaningful

The discussion of the results of operations for EMEA RCB below excludes the impact of FX translation for all periods presented. Presentation of the results of operations, excluding the impact of FX translation, are non-GAAP financial measures. Citi believes the presentation of EMEA RCB' s results excluding the impact of FX translation is a more meaningful depiction of the underlying fundamentals of the business. For a reconciliation of certain of these metrics to the reported results, see the table above.

2012 vs. 2011

The net loss of $22 million compared to net income of $84 million in 2011 was mainly due to higher operating expenses and lower loan loss reserve releases, partially offset by higher revenues.

Revenues increased 2%, with growth across the major products, including strong growth in Russia. Year-over-year, cards purchase sales increased 12%, investment sales increased 15% and retail loan volume increased 17%. Revenue growth year-over-year was partly offset by the absence of Akbank, Citi' s equity investment in Turkey, which was moved to *Corporate/Other* in the first quarter of 2012. Net interest revenue increased 17%, driven by the absence of Akbank investment funding costs and growth in average deposits of 5%, average retail loans of 16% and average cards loans of 6%, partially offset by spread compression. Interest rate caps on credit cards, particularly in Turkey and Poland, the continued liquidation of a higher yielding non-strategic retail banking portfolio and the continued low interest rate environment were the main contributors to the lower spreads. Citi expects spread compression to continue to negatively impact revenues in this business during 2013. Non-interest revenue decreased 20%, mainly reflecting the absence of Akbank.

Expenses grew 12%, primarily due to the $57 million of fourth quarter of 2012 repositioning charges in Turkey, Romania and Pakistan and the impact of continued investment spending on new internal operating platforms during the year.

Provisions increased $43 million due to lower loan loss reserve releases, partially offset by lower net credit losses across most countries. Net credit losses continued to decline, decreasing 36% due to the ongoing improvement in credit quality and the move toward lower-risk customers. Citi believes that net credit losses in *EMEA RCB* have largely stabilized and assuming the underlying core portfolio continues to grow in 2013, credit costs could begin to rise.

2011 vs. 2010

Net income decreased 1%, as an improvement in credit costs was offset by higher expenses from increased investment spending and lower revenues.

Revenues decreased 1%, driven by the liquidation of higher yielding non-strategic customer portfolios and a lower contribution from Akbank. Net interest revenue declined 1% due to the decline in the higher yielding non-strategic retail banking portfolio and spread compression in the Citi-branded cards portfolio. Interest rate caps on credit cards, particularly in Turkey and Poland, contributed to the lower spreads in the cards portfolio. Non-interest revenue decreased 2%, mainly reflecting the lower contribution from Akbank. Despite the negative impacts to revenues described above, underlying businesses showed growth, with investment sales up 28% from the prior year and cards purchase sales up 15%.

Expenses increased 7% due to the impact of account acquisition, focused investment spending and higher transactional expenses, partly offset by continued savings initiatives.

Provisions decreased 70%, driven by a reduction in net credit losses. Net credit losses decreased 46%, reflecting the continued credit quality improvement during the year, stricter underwriting criteria and the move to lower-risk products.

LATIN AMERICA REGIONAL CONSUMER BANKING

Latin America Regional Consumer Banking (Latin America RCB) provides traditional banking and Citi-branded card services to retail customers and small to mid-size businesses, with the largest presence in Mexico and Brazil. *Latin America 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. As announced in the fourth quarter of 2012, as part of its repositioning efforts, Citi expects to either sell or significantly scale back consumer operations in Paraguay and Uruguay, and expects to further optimize its branch network in Brazil. At December 31, 2012, *Latin America RCB* had 2,181 retail branches, with approximately 31.8 million customer accounts, $28.3 billion in retail banking loans and $48.6 billion in deposits. In addition, the business had approximately 12.9 million Citi-branded card accounts with $14.8 billion in outstanding loan balances.

In millions of dollars, except as otherwise noted	**2012**	2011	2010	**% Change 2012 vs. 2011**	% Change 2011 vs. 2010
Net interest revenue	**$ 6,695**	$ 6,456	$ 5,953	**4 %**	8 %
Non-interest revenue	**3,007**	3,013	2,714	–	11
Total revenues, net of interest expense	**$ 9,702**	$ 9,469	$ 8,667	**2 %**	9 %
Total operating expenses	**$ 5,702**	$ 5,756	$ 5,139	**(1)%**	12 %
Net credit losses	**$ 1,750**	$ 1,684	$ 1,868	**4 %**	(10)%
Credit reserve build (release)	**299**	(67)	(823)	**NM**	92
Provision for benefits and claims	**167**	130	127	**28**	2
Provisions for loan losses and for benefits and claims (LLR & PBC)	**$ 2,216**	$ 1,747	$ 1,172	**27 %**	49 %
Income from continuing operations before taxes	**$ 1,784**	$ 1,966	$ 2,356	**(9)%**	(17)%
Income taxes	**274**	388	568	**(29)**	(32)
Income from continuing operations	**$ 1,510**	$ 1,578	$ 1,788	**(4)%**	(12)%
Noncontrolling interests	**(2)**	–	(8)	–	100
Net income	**$ 1,512**	$ 1,578	$ 1,796	**(4)%**	(12)%
Balance Sheet data *(in billions of dollars)*					
Average assets	**$ 80**	$ 80	$ 72	– **%**	11 %
Return on average assets	**1.89 %**	1.97 %	2.50 %		
Efficiency ratio	**59 %**	61 %	59 %		
Average deposits	**$ 45.0**	$ 45.8	$ 40.3	**(2)**	14
Net credit losses as a percentage of average loans	**4.34 %**	4.69 %	6.14 %		
Revenue by business					
Retail banking	**$ 5,766**	$ 5,468	$ 5,016	**5 %**	9 %
Citi-branded cards	**3,936**	4,001	3,651	**(2)**	10
Total	**$ 9,702**	$ 9,469	$ 8,667	**2 %**	9 %
Income from continuing operations by business					
Retail banking	**$ 861**	$ 902	$ 927	**(5)%**	(3)%
Citi-branded cards	**649**	676	861	**(4)**	(21)
Total	**$ 1,510**	$ 1,578	$ 1,788	**(4)%**	(12)%
Foreign Currency (FX) Translation Impact					
Total revenue–as reported	**$ 9,702**	$ 9,469	$ 8,667	**2 %**	9 %
Impact of FX translation (1)	–	(569)	(335)		
Total revenues–ex-FX	**$ 9,702**	$ 8,900	$ 8,332	**9 %**	7 %
Total operating expenses–as reported	**$ 5,702**	$ 5,756	$ 5,139	**(1)%**	12 %
Impact of FX translation (1)	–	(367)	(233)		

Total operating expenses–ex-FX	**$ 5,702**	$ 5,389	$ 4,906	**6 %**	10 %
Provisions for LLR & PBC–as reported	**$ 2,216**	$ 1,747	$ 1,172	**27 %**	49 %
Impact of FX translation [1]	–	(156)	(57)		
Provisions for LLR & PBC–ex-FX	**$ 2,216**	$ 1,591	$ 1,115	**39 %**	43 %
Net income–as reported	**$ 1,512**	$ 1,578	$ 1,796	**(4)%**	(12)%
Impact of FX translation [1]	–	(66)	(39)		
Net income–ex-FX	**$ 1,512**	$ 1,512	$ 1,757	**– %**	(14)%

(1) Reflects the impact of foreign exchange (FX) translation into U.S. dollars at the current exchange rate for all periods presented.

NM Not meaningful

The discussion of the results of operations for Latin America RCB below excludes the impact of FX translation for all periods presented. Presentation of the results of operations, excluding the impact of FX translation, are non-GAAP financial measures. Citi believes the presentation of Latin America RCB's results excluding the impact of FX translation is a more meaningful depiction of the underlying fundamentals of the business. For a reconciliation of certain of these metrics to the reported results, see the table above.

2012 vs. 2011

Net income was flat to the prior year as higher revenues were offset by higher credit costs and repositioning charges.

Revenues increased 9%, primarily due to strong revenue growth in Mexico and higher volumes, mostly related to personal loans and credit cards. However, continued regulatory pressure involving foreign exchange controls and related measures in Argentina and Venezuela is expected to negatively impact revenues in the near term. Net interest revenue increased 10% due to increased volumes, partially offset by continued spread compression. Citi expects spread compression to continue to negatively impact revenues in this business during 2013. Non-interest revenue increased 7%, primarily due to increased business volumes in the private pension fund and insurance businesses.

Expenses increased 6%, primarily due to $131 million of repositioning charges in the fourth quarter of 2012, higher volume-driven expenses and increased legal and related costs.

Provisions increased 39%, primarily due to increased loan loss reserve builds driven by underlying business volume growth, primarily in Mexico and Colombia. In addition, net credit losses increased in the retail portfolios, primarily in Mexico, reflecting volume growth. Citi believes that net credit losses in *Latin America* will likely continue to trend higher as various loan portfolios continue to mature.

2011 vs. 2010

Net income declined 14% as higher revenues were more than offset by higher expenses and higher credit costs.

Revenues increased 7% primarily due to higher volumes. Net interest revenue increased 6% driven by the continued growth in lending and deposit volumes, partially offset by spread compression driven in part by the continued move toward customers with a lower risk profile and stricter underwriting criteria, especially in the Citi-branded cards portfolio. Non-interest revenue increased 8%, primarily driven by an increase in banking fee income from credit card purchase sales.

Expenses increased 10% due to higher volumes and investment spending, including increased marketing and customer acquisition costs as well as new branches, partially offset by continued savings initiatives. The increase in the level of investment spending in the business was largely completed at the end of 2011.

Provisions increased 43%, reflecting lower loan loss reserve releases. Net credit losses declined 13%, driven primarily by improvements in the Mexico cards portfolio due to the move toward customers with a lower-risk profile and stricter underwriting criteria.

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 Korea, Australia, Singapore, Japan, Taiwan, Hong Kong, India and Indonesia. As announced in the fourth quarter of 2012, as part of its repositioning efforts, Citi expects to optimize its branch network and further concentrate its presence in major metropolitan areas. The markets affected by the reductions include Hong Kong and Korea. At December 31, 2012, *Asia RCB* had approximately 600 retail branches, 16.9 million customer accounts, $69.7 billion in retail banking loans and $110 billion in deposits. In addition, the business had approximately 16.0 million Citi-branded card accounts with $20.4 billion in outstanding loan balances.

In millions of dollars, except as otherwise noted	**2012**	2011	2010	**% Change 2012 vs. 2011**	% Change 2011 vs. 2010
Net interest revenue	**$5,142**	$ 5,365	$5,077	**(4)%**	6 %
Non-interest revenue	**2,773**	2,644	2,319	**5**	14
Total revenues, net of interest expense	**$7,915**	$ 8,009	$7,396	**(1)%**	8 %
Total operating expenses	**$4,750**	$ 4,619	$4,078	**3 %**	13 %
Net credit losses	**$841**	$ 883	$1,013	**(5)%**	(13)%
Credit reserve build (release)	**(36)**	(63)	(287)	**43**	78
Provisions for loan losses	**$805**	820	726	**(2)%**	13 %
Income from continuing operations before taxes	**$2,360**	$ 2,570	$2,592	**(8)%**	(1)%
Income taxes	**563**	666	482	**(15)**	38
Income from continuing operations	**$1,797**	$ 1,904	$2,110	**(6)%**	(10)%
Noncontrolling interests	–	–	–	–	–
Net income	**$1,797**	$ 1,904	$2,110	**(6)%**	(10)%
Balance Sheet data *(in billions of dollars)*					
Average assets	**$126**	$ 122	$108	**3 %**	13 %
Return on average assets	**1.43 %**	1.56 %	1.96 %		
Efficiency ratio	**60 %**	58 %	55 %		
Average deposits	**$110.8**	$ 110.5	$99.8	–	11
Net credit losses as a percentage of average loans	**0.95 %**	1.03 %	1.37 %		
Revenue by business					
Retail banking	**$4,727**	$ 4,927	$4,657	**(4)%**	6 %
Citi-branded cards	**3,188**	3,082	2,739	**3**	13
Total	**$7,915**	$ 8,009	$7,396	**(1)%**	8 %
Income from continuing operations by business					
Retail banking	**$969**	$ 1,195	$1,440	**(19)%**	(17)%
Citi-branded cards	**828**	709	670	**17**	6
Total	**$1,797**	$ 1,904	$2,110	**(6)%**	(10)%
Foreign Currency (FX) Translation Impact					
Total revenue–as reported	**$7,915**	$ 8,009	$7,396	**(1)%**	8 %
Impact of FX translation [1]	–	(98)	237		
Total revenues–ex-FX	**$7,915**	$ 7,911	$7,633	**– %**	4 %
Total operating expenses–as reported	**$4,750**	$ 4,619	$4,078	**3 %**	13 %
Impact of FX translation [1]	–	(61)	133		
Total operating expenses–ex-FX	**$4,750**	$ 4,558	$4,211	**4 %**	8 %
Provisions for loan losses–as reported	**$805**	$ 820	$726	**(2)%**	13 %

Impact of FX translation [1]	–	(9)	45		
Provisions for loan losses–ex-FX	**$805**	$ 811	$771	**(1)%**	5%
Net income–as reported	**$1,797**	$ 1,904	$2,110	**(6)%**	(10)%
Impact of FX translation [1]	–	(25)	35		
Net income–ex-FX	**$1,797**	$ 1,879	$2,145	**(4)%**	(12)%

(1) Reflects the impact of foreign exchange (FX) translation into U.S. dollars at the current exchange rate for all periods presented.

NM Not meaningful

The discussion of the results of operations for Asia RCB below excludes the impact of FX translation for all periods presented. Presentation of the results of operations, excluding the impact of FX translation, are non-GAAP financial measures. Citi believes the presentation of Asia RCB's results excluding the impact of FX translation is a more meaningful depiction of the underlying fundamentals of the business. For a reconciliation of certain of these metrics to the reported results, see the table above.

2012 vs. 2011

Net income decreased 4% primarily due to higher expenses.

Revenues were flat year-over-year. Net interest revenue decreased 3%, as the benefit of higher loan and deposit balances was offset by spread compression, mainly in retail lending. Spread compression continued to reflect improvements in the customer risk profile, stricter underwriting criteria and certain regulatory changes in Korea where, as previously disclosed, policy actions, including rate caps and other initiatives, have been implemented to slow the growth of consumer credit in that market, thus impacting volume growth, lending rates and fees. Spread compression is expected to continue to have a negative impact on net interest revenue as regulatory pressure and low interest rates persist. Non-interest revenue increased 6%, reflecting growth in Citi-branded cards purchase sales, partially offset by a decrease in revenue from foreign exchange products. Despite the continued spread compression and regulatory changes in the region, the underlying business metrics continued to grow, with average retail loans up 6% and average card loans up 2%.

Expenses increased 4%, primarily due to approximately $78 million of repositioning charges in the fourth quarter of 2012, largely in Korea, and increased investment spending, including China cards and branches, higher volume-driven expenses and increased regulatory costs.

Provisions decreased 1%, reflecting continued overall credit quality improvement. Net credit losses continued to improve, declining 3% due to the ongoing improvement in credit quality. Citi believes that net credit losses in *Asia RCB* will largely remain stable, with increases largely in line with portfolio growth.

2011 vs. 2010

Net income decreased 12%, driven by higher operating expenses, lower loan loss reserve releases and a higher effective tax rate, partially offset by higher revenue. The higher effective tax rate was due to lower tax benefits Accounting Principles Bulletin (APB) 23 and a tax charge of $66 million due to a write-down in the value of deferred tax assets due to a change in the tax law, each in Japan.

Revenues increased 4%, primarily driven by higher business volumes, partially offset by continued spread compression and $65 million of net charges relating to the repurchase of certain Lehman structured notes. Net interest revenue increased 1%, as investment initiatives and economic growth in the region drove higher lending and deposit volumes. Spread compression continued to partly offset the benefit of higher balances and continued to be driven by stricter underwriting criteria, resulting in a lowering of the risk profile for personal and other loans. Non-interest revenue increased 10%, primarily due to a 9% increase in Citi-branded cards purchase sales and higher revenues from foreign exchange products, partially offset by a 16% decrease in investment sales, particularly in the second half of 2011, and the net charges for the repurchase of certain Lehman structured notes.

Expenses increased 8%, due to investment spending, growth in business volumes, repositioning charges and higher legal and related costs, partially offset by ongoing productivity savings.

Provisions increased 5% as lower loan loss reserve releases were partially offset by lower net credit losses. The increase in provisions reflected increasing volumes in the region, partially offset by continued credit quality improvement. India was a significant driver of the improvement in credit quality, as it continued to de-risk elements of its legacy portfolio.

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 of loans and securities, 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 December 31, 2012, *ICG* had approximately $1.1 trillion of assets and $523 billion of deposits.

In millions of dollars, except as otherwise noted	**2012**	2011	2010	**% Change 2012 vs. 2011**	% Change 2011 vs. 2010
Commissions and fees	**$4,318**	$4,449	$4,267	**(3)%**	4%
Administration and other fiduciary fees	**2,790**	2,775	2,753	**1**	1
Investment banking	**3,618**	3,029	3,520	**19**	(14)
Principal transactions	**4,130**	4,873	5,566	**(15)**	(12)
Other	**(85)**	1,821	1,686	**NM**	8
Total non-interest revenue	**$14,771**	$16,947	$17,792	**(13)%**	(5)%
Net interest revenue (including dividends)	**15,829**	15,055	15,415	**5**	(2)
Total revenues, net of interest expense	**$30,600**	$32,002	$33,207	**(4)%**	(4)%
Total operating expenses	**$20,232**	$20,768	$19,626	**(3)%**	6%
Net credit losses	**$282**	$619	$573	**(54)%**	8%
Provision (release) for unfunded lending commitments	**39**	89	(29)	**(56)**	NM
Credit reserve build (release)	**(45)**	(556)	(626)	**92**	11
Provisions for loan losses and benefits and claims	**$276**	$152	$(82)	**82%**	NM
Income from continuing operations before taxes	**$10,092**	$11,082	$13,663	**(9)%**	(19)%
Income taxes	**2,102**	2,820	3,490	**(25)**	(19)
Income from continuing operations	**$7,990**	$8,262	$10,173	**(3)%**	(19)%
Noncontrolling interests	**128**	56	131	**NM**	(57)
Net income	**$7,862**	$8,206	$10,042	**(4)%**	(18)%
Average assets *(in billions of dollars)*	**$1,042**	$1,024	$949	**2%**	8%
Return on average assets	**0.75%**	0.80%	1.06%		
Efficiency ratio	**66%**	65%	59%		
Revenues by region					
North America	**$8,668**	$10,002	$11,878	**(13)%**	(16)%
EMEA	**9,993**	10,707	10,205	**(7)**	5
Latin America	**4,816**	4,083	4,084	**18**	–
Asia	**7,123**	7,210	7,040	**(1)**	2
Total revenues	**$30,600**	$32,002	$33,207	**(4)%**	(4)%
Income from continuing operations by region					
North America	**$1,481**	$1,459	$2,985	**2%**	(51)%
EMEA	**2,598**	3,130	3,029	**(17)**	3
Latin America	**1,962**	1,613	1,756	**22**	(8)
Asia	**1,949**	2,060	2,403	**(5)**	(14)
Total income from continuing operations	**$7,990**	$8,262	$10,173	**(3)%**	(19)%
Average loans by region (*in billions of dollars*)					
North America	**$83**	$69	$67	**20%**	3%

EMEA	**53**	47	38	**13**	24
Latin America	**35**	29	23	**21**	26
Asia	**63**	52	36	**21**	44
Total average loans	**$234**	$197	$164	**19 %**	20 %

NM Not meaningful

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 public sector entities, 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.

In millions of dollars, except as otherwise noted	**2012**	2011	2010	**% Change 2012 vs. 2011**	% Change 2011 vs. 2010
Net interest revenue	**$9,676**	$9,123	$9,728	**6 %**	(6)%
Non-interest revenue	**10,067**	12,300	13,394	**(18)**	(8)
Revenues, net of interest expense	**$19,743**	$21,423	$23,122	**(8)%**	(7)%
Total operating expenses	**14,444**	15,013	14,628	**(4)**	3
Net credit losses	**168**	602	567	**(72)**	6
Provision (release) for unfunded lending commitments	**33**	86	(29)	**(62)**	NM
Credit reserve build (release)	**(79)**	(572)	(562)	**86**	(2)
Provisions for credit losses	**$122**	$116	$(24)	**5 %**	NM
Income before taxes and noncontrolling interests	**$5,177**	$6,294	$8,518	**(18)%**	(26)%
Income taxes	**682**	1,381	1,967	**(51)**	(30)
Income from continuing operations	**$4,495**	$4,913	$6,551	**(9)%**	(25)%
Noncontrolling interests	**111**	37	110	**NM**	(66)
Net income	**$4,384**	$4,876	$6,441	**(10)%**	(24)%
Average assets *(in billions of dollars)*	**$904**	$894	$842	**1 %**	6 %
Return on average assets	**0.48 %**	0.55 %	0.77 %		
Efficiency ratio	**73 %**	70 %	63 %		
Revenues by region					
North America	**$6,104**	$7,558	$9,393	**(19)%**	(20)%
EMEA	**6,417**	7,221	6,849	**(11)**	5
Latin America	**3,019**	2,370	2,554	**27**	(7)
Asia	**4,203**	4,274	4,326	**(2)**	(1)
Total revenues	**$19,743**	$21,423	$23,122	**(8)%**	(7)%
Income from continuing operations by region					
North America	**$1,011**	$1,044	$2,495	**(3)%**	(58)%
EMEA	**1,354**	2,000	1,811	**(32)**	10
Latin America	**1,308**	974	1,093	**34**	(11)
Asia	**822**	895	1,152	**(8)**	(22)
Total income from continuing operations	**$4,495**	$4,913	$6,551	**(9)%**	(25)%
Securities and Banking revenue details (excluding CVA/DVA)					
Total investment banking	**$3,641**	$3,310	$3,828	**10 %**	(14)%
Fixed income markets	**13,961**	10,891	14,265	**28**	(24)
Equity markets	**2,418**	2,402	3,710	**1**	(35)

Lending	**997**	1,809	971	**(45)**	86
Private bank	**2,314**	2,138	2,009	**8**	6
Other *Securities and Banking*	**(1,101)**	(859)	(1,262)	**(28)**	32
Total *Securities and Banking* revenues (ex-CVA/DVA)	**$22,230**	$19,691	$23,521	**13%**	(16)%
CVA/DVA	**$(2,487)**	$1,732	$(399)	**NM**	NM
Total revenues, net of interest expense	**$19,743**	$21,423	$23,122	**(8)%**	(7)%

NM Not meaningful

2012 vs. 2011

Net income decreased 10%. Excluding $2.5 billion of negative CVA/DVA (see table below), net income increased 56%, primarily driven by a 13% increase in revenues.

Revenues decreased 8%, driven by the negative CVA/DVA and mark-to-market losses on hedges related to accrual loans. Excluding CVA/DVA:

- Revenues increased 13%, reflecting higher revenues in most major *S&B* businesses. Overall, Citi gained wallet share during 2012 in most major products and regions, while maintaining what it believes to be a disciplined risk appetite for the market environment.
- Fixed income markets revenues increased 28%, reflecting strong performance in rates and currencies and higher revenues in credit-related and securitized products. These results reflected an improved market environment and more balanced trading flows, particularly in the second half of 2012. Rates and currencies performance reflected strong client and trading results in G-10 FX, G-10 rates and Citi' s local markets franchise. Credit products, securitized markets and municipals products experienced improved trading results, particularly in the second half of 2012, compared to the prior-year period. Citi' s position serving corporate clients for markets products also contributed to the strength and diversity of client flows.
- Equity markets revenues increased 1%, due to improved derivatives performance as well as the absence of proprietary trading losses in 2011, partially offset by lower cash equity volumes that impacted the industry as a whole. Citi' s improved performance in derivatives reflected improved trading and continued progress in capturing additional client wallet share.
- Investment banking revenues increased 10%, reflecting increases in debt underwriting and advisory revenues, partially offset by lower equity underwriting revenues. Debt underwriting revenues rose 18%, driven by increases in investment grade and high yield bond issuances. Advisory revenues increased 4%, despite the overall reduction in market activity during the year. Equity underwriting revenues declined 7%, driven by lower levels of market and client activity.
- Lending revenues decreased 45%, driven by the mark-to-market losses on hedges related to accrual loans (see table below). The loss on lending hedges compared to a gain in the prior year, resulted from CDS spreads narrowing during 2012. Excluding lending hedges related to accrual loans, lending revenues increased 31%, primarily driven by growth in the Corporate loan portfolio and improved spreads in most regions.
- Private Bank revenues increased 8%, driven by growth in client assets as a result of client acquisition and development efforts in Citi' s targeted client segments. Deposit volumes, investment assets under management and loans all increased, while pricing and product mix optimization initiatives offset underlying spread compression across products.

Expenses decreased 4%. Excluding repositioning charges of $349 million in 2012 (including $237 million in the fourth quarter of 2012) compared to $267 million in 2011, expenses also decreased 4%, driven by efficiency savings from ongoing re-engineering programs and lower compensation costs. The repositioning efforts in *S&B* announced in the fourth quarter of 2012 are designed to streamline *S&B*' s client coverage model and improve overall productivity.

Provisions increased 5% to $122 million, primarily reflecting lower loan loss reserve releases, partially offset by lower net credit losses, both due to portfolio stabilization.

2011 vs. 2010

Net income decreased 24%. Excluding $1.7 billion of positive CVA/DVA (see table below), net income decreased 43%, primarily driven by lower revenues in most products and higher expenses.

Revenues decreased 7%, driven by lower revenues partially offset by positive CVA/DVA resulting from the widening of Citi' s credit spreads in 2011. Excluding CVA/DVA:

- Revenues decreased 16%, reflecting lower revenues in fixed income markets, equity markets and investment banking revenues.
- Fixed income markets revenues decreased 24%, due to significant year-over-year declines in spread products and, to a lesser extent, a decline in rates and currencies reflecting adverse market conditions, particularly during the second half of 2011 when the trading environment was significantly more challenging. The declines in trading volumes made hedging and market-making more challenging, particularly in less liquid products such as credit, securitized markets, and municipals. Citi' s concerted effort to reduce overall risk positions to respond to a decline in liquidity, particularly in the latter half of 2011, also contributed to the decrease.
- Equity markets revenues decreased 35%, driven by declining revenues in equity proprietary trading as positions in the business were wound down, a decline in equity derivatives revenues and, to a lesser extent, a decline in cash equities. The wind-down of Citi' s equity proprietary trading was completed at the end of 2011. Also, equity markets experienced adverse market conditions during the second half of 2011.
- Investment banking revenues decreased 14%, as the macroeconomic concerns and market uncertainty drove lower volumes in debt and equity issuance and declines in equity underwriting, debt underwriting, and advisory revenues. Equity underwriting revenues declined 28%, largely driven by the absence of strong IPO activity in Asia in the fourth quarter of 2010. Debt underwriting declined 10%, primarily due to lower bond issuance activity. Advisory revenues declined 5%, due to lower levels of client activity.
- Lending revenues increased 86%, driven by a mark-to-market gain in hedges related to accrual loans (see table below), resulting from CDS spreads widening during 2011. Excluding lending hedges related to accrual loans, lending revenues increased 25%, primarily due to growth in the Corporate loan portfolio in all regions.
- Private Bank revenues increased 6%, driven by growth in both lending and deposit products and improved customer spreads.

Expenses increased 3%, primarily due to investment spending, which largely occurred in the first half of 2011, relating to new hires and technology investments. The increase in expenses was also driven by higher repositioning charges and the negative impact of FX translation (which contributed approximately 2% to the expense growth), partially offset by productivity saves and reduced incentive compensation due to business results. The increase in the level of investment spending in *S&B* was largely completed at the end of 2011.

Provisions increased $140 million, primarily due to builds in the allowance for unfunded lending commitments as a result of portfolio growth and higher net credit losses.

In millions of dollars	**2012**	2011	2010
***S&B* CVA/DVA**			
Fixed Income Markets	**$ (2,047)**	$ 1,368	$ (187)
Equity Markets	**(424)**	355	(207)
Private Bank	**(16)**	9	(5)
Total *S&B* CVA/DVA	**$ (2,487)**	$ 1,732	$ (399)
***S&B* Hedges on Accrual Loans gain (loss) (1)**	**$ (698)**	$ 519	$ (65)

(1) Hedges on *S&B* accrual loans reflect the mark-to-market on credit derivatives used to hedge the corporate loan accrual portfolio. The fixed premium cost of these hedges is included (netted against) the core lending revenues to reflect the cost of the credit protection.

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 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.

In millions of dollars, except as otherwise noted	**2012**	2011	2010	**% Change 2012 vs. 2011**	% Change 2011 vs. 2010
Net interest revenue	**$6,153**	$5,932	$5,687	**4 %**	4 %
Non-interest revenue	**4,704**	4,647	4,398	**1**	6
Total revenues, net of interest expense	**$10,857**	$10,579	$10,085	**3 %**	5
Total operating expenses	**5,788**	5,755	4,998	**1**	15
Provisions (releases) for credit losses and for benefits and claims	**154**	36	(58)	**NM**	NM
Income before taxes and noncontrolling interests	**$4,915**	$4,788	$5,145	**3 %**	(7)%
Income taxes	**1,420**	1,439	1,523	**(1)**	(6)
Income from continuing operations	**3,495**	3,349	3,622	**4**	(8)
Noncontrolling interests	**17**	19	21	**(11)**	(10)
Net income	**$3,478**	$3,330	$3,601	**4 %**	(8)%
Average assets *(in billions of dollars)*	**$138**	$130	$107	**6 %**	21
Return on average assets	**2.52 %**	2.56 %	3.37 %		
Efficiency ratio	**53 %**	54 %	50 %		
Revenues by region					
North America	**$2,564**	$2,444	$2,485	**5 %**	(2)%
EMEA	**3,576**	3,486	3,356	**3**	4
Latin America	**1,797**	1,713	1,530	**5**	12
Asia	**2,920**	2,936	2,714	**(1)**	8
Total revenues	**$10,857**	$10,579	$10,085	**3 %**	5 %
Income from continuing operations by region					
North America	**$470**	$415	$490	**13 %**	(15)%
EMEA	**1,244**	1,130	1,218	**10**	(7)
Latin America	**654**	639	663	**2**	(4)
Asia	**1,127**	1,165	1,251	**(3)**	(7)
Total income from continuing operations	**$3,495**	$3,349	$3,622	**4 %**	(8)%
Foreign Currency (FX) Translation Impact					
Total revenue–as reported	**$10,857**	$10,579	$10,085	**3 %**	5 %
Impact of FX translation (1)	–	(254)	(84)		
Total revenues–ex-FX	**$10,857**	$10,325	$10,001	**5 %**	3 %
Total operating expenses–as reported	**$5,788**	$5,755	$4,998	**1 %**	15 %
Impact of FX translation (1)	–	(64)	(3)		
Total operating expenses–ex-FX	**$5,788**	$5,691	$4,995	**2 %**	14 %
Net income–as reported	**$3,478**	$3,330	$3,601	**4 %**	(8)%
Impact of FX translation (1)	–	(173)	(65)		
Net income–ex-FX	**$3,478**	$3,157	$3,536	**10 %**	(11)%

Key indicators *(in billions of dollars)*					
Average deposits and other customer liability balances–as reported	**$404**	$364	$334	**11 %**	9 %
Impact of FX translation [1]	–	(6)	1		
Average deposits and other customer liability balances–ex-FX	**$404**	$358	$335	**13 %**	7 %
EOP assets under custody [2] *(in trillions of dollars)*	**$13.2**	$12.0	$12.3	**10 %**	(2)%

(1) Reflects the impact of foreign exchange (FX) translation into U.S. dollars at the current exchange rate for all periods presented.

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

NM Not meaningful

The discussion of the results of operations for Transaction Services below excludes the impact of FX translation for all periods presented. Presentation of the results of operations, excluding the impact of FX translation, are non-GAAP financial measures. Citi believes the presentation of Transaction Services' results excluding the impact of FX translation is a more meaningful depiction of the underlying fundamentals of the business. For a reconciliation of certain of these metrics to the reported results, see the table above.

2012 vs. 2011

Net income increased 10%, reflecting growth in revenues, partially offset by higher expenses and credit costs.

Revenues increased 5% as higher trade loan and deposit balances were partially offset by continued spread compression and lower market volumes. Treasury and Trade Solutions revenues were up 8%, driven by growth in trade as end-of-period trade loans grew 23%. Cash management revenues also grew, reflecting growth in deposit balances and fees, partially offset by continued spread compression due to the continued low interest rate environment. Securities and Fund Services revenues decreased 2%, primarily driven by lower market volumes as well as spread compression on deposits. Citi expects spread compression will continue to negatively impact *Transaction Services*.

Expenses increased 2%. Excluding repositioning charges of $134 million in 2012 (including $95 million in the fourth quarter of 2012) compared to $60 million in 2011, expenses were flat, primarily driven by incremental investment spending and higher legal and related costs, offset by efficiency savings.

Average deposits and other customer liabilities grew 13%, driven by focused deposit building activities as well as continued market demand for U.S. dollar deposits (for additional information on Citi' s deposits, see "Capital Resources and Liquidity−Funding and Liquidity" below).

2011 vs. 2010

Net income decreased 11%, as higher expenses, driven by investment spending, outpaced revenue growth.

Revenues grew 3%, driven primarily by international growth, as improvement in fees and increased deposit balances more than offset the continued spread compression. Treasury and Trade Solutions revenues increased 4%, driven primarily by growth in the trade and commercial cards businesses and increased deposits, partially offset by the impact of the continued low rate environment. Securities and Fund Services revenues increased 1%, primarily due to growth in transaction and settlement volumes, driven in part by the increase in activity resulting from market volatility, and new client mandates.

Expenses increased 14%, reflecting investment spending and higher business volumes, partially offset by productivity savings.

Average deposits and other customer liabilities grew 7% and included the shift to operating balances as the business continued to emphasize more stable, lower cost deposits as a way to mitigate spread compression (for additional information on Citi' s deposits, see "Capital Resources and Liquidity−Funding and Liquidity" below).

CORPORATE/OTHER

Corporate/Other includes unallocated global staff functions (including finance, risk, human resources, legal and compliance), other corporate expenses and unallocated global operations and technology expenses, Corporate Treasury and discontinued operations. At December 31, 2012, this segment had approximately $249 billion of assets, or 13%, of Citigroup' s total assets, consisting primarily of Citi' s liquidity portfolio (approximately $46 billion of cash and cash equivalents and $145 billion of liquid available-for-sale securities, each as of December 31, 2012).

In millions of dollars	**2012**	2011	2010
Net interest revenue	**$ (271)**	$ 26	$ 828
Non-interest revenue	**463**	859	926
Revenues, net of interest expense	**$ 192**	$ 885	$ 1,754
Total operating expenses	**$ 3,214**	$ 2,293	$ 1,506
Provisions for loan losses and for benefits and claims	**(1)**	1	(1)
Loss from continuing operations before taxes	**$ (3,021)**	$ (1,409)	$ 249
Benefits for income taxes	**(1,396)**	(681)	7
Income (loss) from continuing operations	**$ (1,625)**	$ (728)	$ 242
Income (loss) from discontinued operations, net of taxes	**(149)**	112	(68)
Net income (loss) before attribution of noncontrolling interests	**$ (1,774)**	$ (616)	$ 174
Noncontrolling interests	**85**	(27)	(48)
Net income (loss)	**$ (1,859)**	$ (589)	$ 222

2012 vs. 2011

The net loss increased by $1.3 billion due to a decrease in revenues and an increase in repositioning charges and legal and related expenses. The net loss increased despite a $582 million tax benefit related to the resolution of certain tax audit items in the third quarter of 2012 (see the "Executive Summary" above for a discussion of this tax benefit as well as the impact of minority investments on the results of operations of *Corporate/Other* during 2012, also as discussed below).

Revenues decreased $693 million, driven by an other-than-temporary impairment of pretax $(1.2) billion on Citi' s investment in Akbank and a loss of pretax $424 million on the partial sale of Akbank, as well as lower investment yields on Citi' s treasury portfolio and the negative impact of hedging activities. These negative impacts to revenues were partially offset by an aggregate pretax gain on the sales of Citi' s remaining interest in HDFC and its interest in SPDB.

Expenses increased by $921 million, largely driven by higher legal and related costs, as well as higher repositioning charges, including $253 million in the fourth quarter of 2012.

2011 vs. 2010

The net loss of $589 million reflected a decline of $811 million compared to net income of $222 million in 2010. This decline was primarily due to lower revenues and higher expenses.

Revenues decreased $869 million, primarily driven by lower investment yields on Citi' s treasury portfolio and lower gains on sales of available-for-sale securities, partially offset by gains on hedging activities and the gain on the sale of a portion of Citi' s holdings in HDFC (see the "Executive Summary" above).

Expenses increased $787 million, due to higher legal and related costs and investment spending, primarily in technology.

CITI HOLDINGS

Citi Holdings contains businesses and portfolios of assets that Citigroup has determined are not central to its core Citicorp businesses and consists of *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. Citi Holdings assets have declined by approximately $302 billion since the end of 2009. 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 fair value marks as and when appropriate. Citi expects the wind-down of the assets in Citi Holdings will continue, although likely at a slower pace than experienced over the past several years as Citi has already disposed of some of the larger operating businesses within Citi Holdings (see also "Risk Factors−Business and Operational Risks" below).

As of December 31, 2012, Citi Holdings assets were approximately $156 billion, a decrease of approximately 31% year-over-year and a decrease of 9% from September 30, 2012. The decline in assets of $69 billion in 2012 was composed of a decline of approximately $17 billion related to MSSB (primarily consisting of $6.6 billion related to the sale of Citi' s 14% interest and impairment on the remaining investment and approximately $11 billion of margin loans), $18 billion of other asset sales and business dispositions, $30 billion of run-off and pay-downs and $4 billion of charge-offs and fair value marks. Citi Holdings represented approximately 8% of Citi' s assets as of December 31, 2012, while Citi Holdings risk-weighted assets (as defined under current regulatory guidelines) of approximately $144 billion at December 31, 2012 represented approximately 15% of Citi' s risk-weighted assets as of that date.

In millions of dollars, except as otherwise noted	**2012**	2011	2010	**% Change 2012 vs. 2011**	% Change 2011 vs. 2010
Net interest revenue	**$2,577**	$3,683	$8,085	**(30)%**	(54)%
Non-interest revenue	**(3,410)**	2,588	4,186	**NM**	(38)
Total revenues, net of interest expense	**$(833)**	$6,271	$12,271	**NM**	(49)%
Provisions for credit losses and for benefits and claims					
Net credit losses	**$5,842**	$8,576	$13,958	**(32)%**	(39)%
Credit reserve build (release)	**(1,551)**	(3,277)	(2,494)	**53**	(31)
Provision for loan losses	**$4,291**	$5,299	$11,464	**(19)%**	(54)%
Provision for benefits and claims	**651**	779	781	**(16)**	–
Provision (release) for unfunded lending commitments	**(56)**	(41)	(82)	**(37)**	50
Total provisions for credit losses and for benefits and claims	**$4,886**	$6,037	$12,163	**(19)%**	(50)%
Total operating expenses	**$5,253**	$6,464	$7,356	**(19)%**	(12)%
Loss from continuing operations before taxes	**$(10,972)**	$(6,230)	$(7,248)	**(76)%**	14%
Benefits for income taxes	**(4,412)**	(2,127)	(2,815)	**NM**	24
(Loss) from continuing operations	**$(6,560)**	$(4,103)	$(4,433)	**(60)%**	7%
Noncontrolling interests	**3**	119	207	**(97)**	(43)
Citi Holdings net loss	**$(6,563)**	$(4,222)	$(4,640)	**(55)%**	9%
Balance sheet data *(in billions of dollars)*					
Average assets	**$194**	$269	$420	**(28)%**	(36)%
Return on average assets	**(3.38)%**	(1.57)%	(1.10)%		
Efficiency ratio	**NM**	103%	60%		
Total EOP assets	**$156**	$225	$313	**(31)**	(28)
Total EOP loans	**116**	141	199	**(18)**	(29)
Total EOP deposits	**$68**	$62	$76	**10**	(18)

NM Not meaningful

BROKERAGE AND ASSET MANAGEMENT

Brokerage and Asset Management (BAM) primarily consists of Citi' s remaining investment in, and assets related to, MSSB. At December 31, 2012, *BAM* had approximately $9 billion of assets, or approximately 6% of Citi Holdings assets, of which approximately $8 billion related to MSSB. During 2012, *BAM*' s assets declined 67% due to the decline in assets related to MSSB (see discussion below). At December 31, 2012, the MSSB assets were composed of an approximate $4.7 billion equity investment and $3 billion of other MSSB financing (consisting of approximately $2 billion of preferred stock and $1 billion of loans). For information on the agreement entered into with Morgan Stanley regarding MSSB on September 11, 2012, see Citigroup' s Current Report on Form 8-K filed with the SEC on September 11, 2012. The remaining assets in *BAM* consist of other retail alternative investments.

In millions of dollars, except as otherwise noted	**2012**	2011	2010	**% Change 2012 vs. 2011**	% Change 2011 vs. 2010
Net interest revenue	**$(471)**	$(180)	$(277)	**NM**	35 %
Non-interest revenue	**(4,228)**	462	886	**NM**	(48)
Total revenues, net of interest expense	**$(4,699)**	$282	$609	**NM**	(54)%
Total operating expenses	**$462**	$729	$987	**(37)%**	(26)%
Net credit losses	**$–**	$4	$17	**(100)%**	(76)%
Credit reserve build (release)	**(1)**	(3)	(18)	**67**	83
Provision for unfunded lending commitments	–	(1)	(6)	**100**	83
Provision (release) for benefits and claims	–	48	38	**(100)**	26
Provisions for credit losses and for benefits and claims	**$(1)**	$48	$31	**NM**	55 %
Income (loss) from continuing operations before taxes	**$(5,160)**	$(495)	$(409)	**NM**	(21)%
Income taxes (benefits)	**(1,970)**	(209)	(183)	**NM**	(14)
Loss from continuing operations	**$(3,190)**	$(286)	$(226)	**NM**	(27)%
Noncontrolling interests	**3**	9	11	**(67)%**	(18)
Net (loss)	**$(3,193)**	$(295)	$(237)	**NM**	(24)%
EOP assets *(in billions of dollars)*	**$9**	$27	$27	**(67)%**	–%
EOP deposits *(in billions of dollars)*	**59**	55	58	**7**	(5)

NM Not meaningful

2012 vs. 2011

The net loss in *BAM* increased by $2.9 billion due to the loss related to MSSB, consisting of (i) an $800 million after-tax loss on Citi' s sale of the 14% interest in MSSB to Morgan Stanley and (ii) a $2.1 billion after-tax other-than-temporary impairment of the carrying value of Citigroup' s remaining 35% interest in MSSB. For additional information on MSSB, see Note 15 to the Consolidated Financial Statements. Excluding the impact of MSSB, the net loss in *BAM* was flat.

Revenues decreased by $5.0 billion to $(4.7) billion due to the MSSB impact described above. Excluding this impact, revenues in *BAM* were $(15) million, compared to $282 million in the prior-year period, due to higher funding costs related to MSSB assets, partially offset by a higher equity contribution from MSSB.

Expenses decreased 37%, primarily driven by lower legal and related costs.

2011 vs. 2010

The net loss increased 24% as lower revenues were partly offset by lower expenses.

Revenues decreased by 54%, driven by the 2010 sale of Citi' s Habitat and Colfondos businesses (including a $78 million pretax gain on sale related to the transactions in the first quarter of 2010) and lower revenues from MSSB.

Expenses decreased 26%, also driven by divestitures, as well as lower legal and related expenses.

Provisions increased 55%, primarily due to the absence of the prior-year reserve releases.

Provisions decreased by $49 million due to the absence of certain unfunded lending commitments.

LOCAL CONSUMER LENDING

Local Consumer Lending (LCL) includes 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 December 31, 2012, *LCL* consisted of approximately $126 billion of assets (with approximately $123 billion in *North America*), or approximately 81% of Citi Holdings assets, and thus represents the largest segment within Citi Holdings. The *North America* assets primarily consist of residential mortgages (residential first mortgages and home equity loans), which stood at $92 billion as of December 31, 2012.

In millions of dollars, except as otherwise noted	**2012**	2011	2010	**% Change 2012 vs. 2011**	% Change 2011 vs. 2010
Net interest revenue	**$ 3,335**	$ 4,268	$ 7,143	**(22)%**	(40)%
Non-interest revenue	**1,031**	1,174	1,667	**(12)**	(30)
Total revenues, net of interest expense	**$ 4,366**	$ 5,442	$ 8,810	**(20)%**	(38)%
Total operating expenses	**$ 4,465**	$ 5,442	$ 5,798	**(18)%**	(6)%
Net credit losses	**$ 5,870**	$ 7,504	$ 11,928	**(22)%**	(37)%
Credit reserve build (release)	**(1,410)**	(1,419)	(765)	**1**	(85)
Provision for benefits and claims	**651**	731	743	**(11)**	(2)
Provisions for credit losses and for benefits and claims	**$ 5,111**	$ 6,816	$ 11,906	**(25)%**	(43)%
(Loss) from continuing operations before taxes	**$ (5,210)**	(6,816)	$ (8,894)	**24%**	23%
Benefits for income taxes	**(2,017)**	(2,403)	(3,529)	**16**	32
(Loss) from continuing operations	**$ (3,193)**	$ (4,413)	$ (5,365)	**28%**	18%
Noncontrolling interests	**–**	2	8	**(100)**	(75)
Net (loss)	**$ (3,193)**	$ (4,415)	$ (5,373)	**28%**	18%
Balance sheet data *(in billions of dollars)*					
Average assets	**$ 142**	$ 186	$ 280	**(24)%**	(34)%
Return on average assets	**(2.25)%**	(2.37)%	(1.92)%		
Efficiency ratio	**102%**	100%	66%		
EOP assets	**$ 126**	$ 157	$ 206	**(20)**	(24)
Net credit losses as a percentage of average loans	**4.72%**	4.69%	5.16%		

2012 vs. 2011

The net loss decreased by 28%, driven mainly by the improved credit environment primarily in *North America* mortgages.

Revenues decreased 20%, primarily due to a 22% net interest revenue decline resulting from a 24% decline in loan balances. This decline was driven by continued asset sales, divestitures and run-off. Non-interest revenue decreased 12%, primarily due to portfolio run-off, partially offset by a lower repurchase reserve build. The repurchase reserve build was $700 million compared to $945 million in 2011 (see "Managing Global Risk–Credit Risk–Citigroup Residential Mortgages–Representations and Warranties" below).

Expenses decreased 18%, driven by lower volumes and divestitures. Legal and related expenses in *LCL* remained elevated due to the previously disclosed $305 million charge in the fourth quarter of 2012, related to the settlement agreement Global Risk–Credit Risk–*North America* Consumer Mortgage Lending–Independent Foreclosure Review Settlement" below). In addition, legal and related expenses were elevated due to additional reserves related to payment protection insurance (PPI) (see "Payment Protection Insurance" below) and other legal and related matters impacting the business.

Provisions decreased 25%, driven primarily by the improved credit environment in *North America* mortgages, lower volumes and divestitures. Net credit losses decreased by 22%, despite being impacted by incremental charge-offs of approximately $635 million in the third quarter of 2012 relating to OCC guidance regarding the treatment of mortgage loans where the borrower has gone through Chapter 7 bankruptcy (see Note 1 to the Consolidated Financial Statements) and $370 million of incremental charge-offs in the first quarter of 2012 related to previously deferred principal balances on modified mortgages reached with the Federal Reserve Board and OCC regarding the independent foreclosure review process required by the Federal Reserve Board and OCC consent orders entered into in April 2011 (see “Managing

related to anticipated forgiveness of principal in connection with the national mortgage settlement. Substantially all of these charge-offs were offset by reserve releases. In addition, net credit losses in 2012 were negatively impacted by an additional aggregate amount of $146 million related to the national mortgage settlement. Citi expects that net credit losses in *LCL* will continue to be negatively impacted by Citi' s fulfillment of the terms of the national mortgage settlement through the second quarter of 2013 (see "Managing Global Risk−Credit Risk−National Mortgage Settlement" below).

Excluding the incremental charge-offs arising from the OCC guidance and the previously deferred balances on modified mortgages, net credit losses in *LCL* would have declined 35%, with net credit losses in *North America* mortgages decreasing by 20%, other portfolios in *North America* by 56% and international by 49%. These declines were driven by lower overall asset levels driven partly by the sale of delinquent loans as well as underlying credit improvements. While Citi expects some continued improvement in credit going forward, declines in net credit losses in *LCL* will largely be driven by declines in asset levels, including continued sales of delinquent residential first mortgages (see "Managing Global Risk−Credit Risk−*North America* Consumer Mortgage Lending−*North America* Consumer Mortgage Quarterly Credit Trends" below).

Average assets declined 24%, driven by the impact of asset sales and portfolio run-off, including declines of $16 billion in *North America* mortgage loans and $11 billion in international average assets.

2011 vs. 2010

The net loss decreased 18%, driven primarily by the improving credit environment, including lower net credit losses and higher loan loss reserve releases in mortgages. The improvement in credit was partly offset by lower revenues due to decreasing asset balances and sales.

Revenues decreased 38%, driven primarily by the lower asset balances due to asset sales, divestitures and run-offs, which also drove the 40% decline in net interest revenue. Non-interest revenue decreased 30% due to the impact of divestitures. The repurchase reserve build was $945 million compared to $917 million in 2010.

Expenses decreased 6%, driven by the lower volumes and divestitures, partly offset by higher legal and related expenses, including those relating to the national mortgage settlement, reserves related to potential PPI refunds (see "Payment Protection Insurance" below) and implementation costs associated with the Federal Reserve Board and OCC consent orders (see "Managing Global Risk−Credit Risk−*North America* Consumer Mortgage Lending−National Mortgage Settlement" below).

Provisions decreased 43%, driven by lower credit losses and higher loan loss reserve releases. Net credit losses decreased 37%, primarily due to the credit improvements of $1.6 billion in *North America* mortgages, although the pace of the decline in net credit losses slowed. Loan loss reserve releases increased 85%, driven by higher releases in CitiFinancial North America due to better credit quality and lower loan balances.

Average assets declined 34%, primarily driven by portfolio run-off and the impact of asset sales and divestitures, including continued sales of student loans, auto loans and delinquent mortgages.

Japan Consumer Finance

Citi continues to actively monitor various aspects of its Japan Consumer Finance business, including customer defaults, refund claims and litigation, as well as financial, legislative, regulatory, judicial and other political developments, relating to the charging of "gray zone" interest. Gray zone interest represents interest at rates that are legal but for which claims may not be enforceable. In 2008, Citi decided to exit its Japan Consumer Finance business and has liquidated approximately 85% of the portfolio since that time. As of December 31, 2012, Citi' s Japan Consumer Finance business had approximately $709 million in outstanding loans that currently charge or have previously charged interest rates in the gray zone, compared to approximately $2.1 billion as of December 31, 2011. However, Citi could also be subject to refund claims on previously outstanding loans that charged gray zone interest and thus could be subject to losses on loans in excess of these amounts.

During 2012, *LCL* recorded a net decrease in its reserves related to customer refunds in the Japan Consumer Finance business of approximately $117 million (pretax) compared to an increase in reserves of approximately $119 million (pretax) in 2011. At December 31, 2012, Citi' s reserves related to customer refunds in the Japan Consumer Finance business were approximately $736 million. Although Citi recorded a net decrease in its reserves in 2012, the charging of gray zone interest continues to be a focus in Japan. Regulators in Japan have stated that they are planning to submit legislation to establish a framework for collective legal action proceedings. If such legislation is passed and implemented, it could potentially introduce a more accessible procedure for current and former customers to pursue refund claims.

Citi continues to monitor and evaluate these developments and the potential impact to both currently and previously outstanding loans in this business and its reserves related thereto. The potential amount of losses and their impact on Citi is subject to significant uncertainty and continues to be difficult to predict.

Payment Protection Insurance

The alleged misselling of PPI by financial institutions in the U.K. has been, and continues to be, the subject of intense review and focus by U.K. regulators, particularly the Financial Services Authority (FSA). The FSA has found certain problems across the industry with how these products were sold, including customers not realizing that the cost of PPI premiums was being added to their loan or PPI being unsuitable for the customer.

PPI is designed to cover a customer' s loan repayments if certain events occur, such as long-term illness or unemployment. Prior to 2008, certain of Citi' s U.K. consumer finance businesses, primarily CitiFinancial Europe plc and Canada

In 2011, the FSA required all firms engaged in the sale of PPI in the U.K. to review their historical sales processes for PPI. In addition, the FSA is requiring all such firms to contact proactively any customers who may have been mis-sold PPI after January 2005 and invite them to have their individual sale reviewed (Customer Contact Exercise).

Citi initiated a pilot Customer Contact Exercise during the third quarter of 2012 and expects to initiate the full Customer Contact Exercise during the first quarter of 2013; however, the timing and details of the Customer Contact Exercise are subject to discussion and agreement with the FSA. While Citi is not required to contact customers proactively for the sale of PPI prior to January 2005, it is still subject to customer complaints for those sales.

During the third quarter of 2012, the FSA also requested that a number of firms, including Citi, re-evaluate PPI customer complaints that were reviewed and rejected prior to December 2010 to determine if, based on the current regulations for the assessment of PPI complaints, customers would have been entitled to redress (Customer Re-Evaluation Exercise). Citi currently expects to complete the Customer Re-Evaluation Exercise by the end of the first quarter of 2013.

Redress, whether as a result of customer complaints pursuant to or outside of the required Customer Contact Exercise, or pursuant to the Customer Re-Evaluation Exercise, generally involves the repayment of premiums and the refund of all applicable contractual interest together with compensatory interest of 8%. Citi estimates that the number of PPI policies sold after January 2005 (across all applicable Citi businesses in the U.K.) was approximately 417,000, for which premiums totaling approximately $490 million were collected. As noted above, however, Citi also remains subject to customer complaints on the sale of PPI prior to January 2005, and thus it could be subject to customer complaints substantially higher than this amount.

During 2012, Citi increased its PPI reserves by approximately $266 million ($175 million of which was recorded in *LCL* and $91 million of which was recorded in *Corporate/Other* for discontinued operations). This amount included a $148 million reserve increase in the fourth quarter of 2012 ($57 million of which was recorded in *LCL* and $91 million of which was recorded in *Corporate/Other* for discontinued operations). PPI claims paid during 2012 totaled $181 million, which were charged against the reserve. The increase in the reserves during 2012 was mainly due to a significant increase in the level of customer complaints outside of the Customer Contact Exercise, which Citi believes is largely as a result of the continued regulatory focus and increased customer awareness of PPI issues across the industry. The fourth quarter of 2012 reserve increase

Square Operations Ltd (formerly Egg Banking plc), engaged in the sale of PPI. While Citi has sold a significant portion of these businesses, and the remaining businesses are in the process of wind down, Citi generally remains subject to customer complaints for, and retains the potential liability relating to, the sale of PPI by these businesses.

was also driven by a higher than anticipated rate of response to the pilot Customer Contact Exercise, which Citi believes was also likely due in part to the heightened awareness of PPI issues. At December 31, 2012, Citi' s PPI reserve was $376 million.

While the number of customer complaints regarding the sale of PPI significantly increased in 2012, and the number could continue to increase, the potential losses and impact on Citi remain volatile and are subject to significant uncertainty.

SPECIAL ASSET POOL

The *Special Asset Pool (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. *SAP* had approximately $21 billion of assets as of December 31, 2012, which constituted approximately 13% of Citi Holdings assets.

In millions of dollars, except as otherwise noted	**2012**	2011	2010	**% Change 2012 vs. 2011**	% Change 2011 vs. 2010
Net interest revenue	**$(287)**	$(405)	$1,219	**29%**	NM
Non-interest revenue	**(213)**	952	1,633	**NM**	(42)%
Revenues, net of interest expense	**$(500)**	$547	$2,852	**NM**	(81)%
Total operating expenses	**$326**	$293	$571	**11%**	(49)%
Net credit losses	**$(28)**	$1,068	$2,013	**NM**	(47)%
Credit reserve builds (releases)	**(140)**	(1,855)	(1,711)	**92**	(8)
Provision (releases) for unfunded lending commitments	**(56)**	(40)	(76)	**(40)**	47
Provisions for credit losses and for benefits and claims	**$(224)**	$(827)	$226	**73%**	NM
Income (loss) from continuing operations before taxes	**$(602)**	$1,081	$2,055	**NM**	(47)%
Income taxes (benefits)	**(425)**	485	897	**NM**	(46)
Net income (loss) from continuing operations	**$(177)**	$596	$1,158	**NM**	(49)%
Noncontrolling interests	–	108	188	**(100)%**	(43)
Net income (loss)	**$(177)**	$488	$970	**NM**	(50)%
EOP assets *(in billions of dollars)*	**$21**	$41	$80	**(49)%**	(49)%

NM Not meaningful

2012 vs. 2011

The net loss of $177 million reflected a decline of $665 million compared to net income of $488 million in 2011, mainly driven by a decrease in revenues and higher credit costs, partially offset by a tax benefit on the sale of a business in 2012.

Revenues were $(500) million. CVA/DVA was $157 million, compared to $74 million in 2011. Excluding the impact of CVA/DVA, revenues in *SAP* were $(657) million, compared to $473 million in 2011. The decline in revenues was driven in part by lower non-interest revenue due to the absence of positive private equity marks and lower gains on asset sales, as well as an aggregate repurchase reserve build in 2012 of approximately $244 million related to private-label mortgage securitizations (see "Managing Global Risk−Credit Risk−Citigroup Residential Mortgages−Representations and Warranties" below). The loss in net interest revenues improved from the prior year due to lower funding costs, but remained negative. Citi expects continued negative net interest revenues, as interest earning assets continue to be a smaller portion of the overall asset pool.

Expenses increased 11%, driven by higher legal and related costs, partially offset by lower expenses from lower volume and asset levels.

Provisions were a benefit of $224 million, which represented

2011 vs. 2010

Net income decreased 50%, driven by the decrease in revenues due to lower asset balances, partially offset by lower expenses and improved credit.

Revenues decreased 81%, driven by the overall decline in net interest revenue during the year, as interest-earning assets declined and thus represented a smaller portion of the overall asset pool. Non-interest revenue decreased by 42% due to lower gains on asset sales and the absence of positive private equity marks from the prior-year period.

Expenses decreased 49%, driven by lower volume and asset levels, as well as lower legal and related costs.

Provisions were a benefit of $827 million, which represented an improvement of $1.1 billion from the prior year, as credit conditions improved during 2011. The improvement was primarily driven by a $945 million decrease in net credit losses as well as an increase in loan loss reserve releases.

Assets declined 49%, primarily driven by sales, amortization and prepayments. Asset sales of $29 billion generated pretax gains of approximately $0.5 billion, compared to asset sales of $39 billion and pretax gains of $1.3 billion in 2010.

a 73% decline from 2011 due to a decrease in loan loss reserve releases (a release of $140 million compared to a release of $1.9 billion in 2011), partially offset by a $1.1 billion decline in net credit losses.

Assets declined 49% to $21 billion, primarily driven by sales, amortization and prepayments. Asset sales of $11 billion generated pretax gains of approximately $0.3 billion, compared to asset sales of $29 billion and pretax gains of $0.5 billion in 2011.

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. For additional information on Citigroup' s aggregate liquidity resources, including its deposits, short-term and long-term debt and secured financing transactions, see "Capital Resources and Liquidity−Funding and Liquidity" below.

In billions of dollars	**December 31, 2012**	**September 30, 2012**	December 31, 2011	**EOP 4Q12 vs. 3Q12 Increase (decrease)**	**% Change**	EOP 4Q12 vs. 4Q11 Increase (decrease)	% Chan
Assets							
Cash and deposits with banks	**$ 139**	**$ 204**	$ 184	**$(65)**	**(32)%**	$(45)	(24
Federal funds sold and securities borrowed or purchased under agreements to resell	**261**	**278**	276	**(17)**	**(6)**	(15)	(5
Trading account assets	**321**	**315**	292	**6**	**2**	29	10
Investments	**312**	**295**	293	**17**	**6**	19	6
Loans, net of unearned income and allowance for loan losses	**630**	**633**	617	**(3)**	–	13	2
Other assets	**202**	**206**	212	**(4)**	**(2)**	(10)	(5
Total assets	**$ 1,865**	**$ 1,931**	$ 1,874	**$ (66)**	**(3)%**$	(9)	–
Liabilities							
Deposits	**$ 931**	**$ 945**	$ 866	**$ (14)**	**(1)%**$	65	8
Federal funds purchased and securities loaned or sold under agreements to repurchase	**211**	**224**	198	**(13)**	**(6)**	13	7
Trading account liabilities	**116**	**130**	126	**(14)**	**(11)**	(10)	(8
Short-term borrowings	**52**	**49**	54	**3**	**6**	(2)	(4
Long-term debt	**239**	**272**	324	**(33)**	**(12)**	(85)	(26
Other liabilities	**125**	**122**	126	**3**	**2**	(1)	(1
Total liabilities	**$ 1,674**	**$ 1,742**	$ 1,694	**$ (68)**	**(4)%**$	(20)	(1
Total equity	**191**	**189**	180	**2**	**1**	11	6
Total liabilities and equity	**$ 1,865**	**$ 1,931**	$ 1,874	**$ (66)**	**(3)%**$	(9)	–

ASSETS

Cash and Deposits with Banks

Cash and deposits with banks is composed 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 2012, cash and deposits with banks decreased $45 securities and debt repurchases), the funding of asset growth in the Citicorp businesses (including continued lending to both Consumer and Corporate clients), as well as the reinvestment of cash into higher yielding available-for-sale (AFS) securities. These uses of cash were partially offset by the cash generated by the $65 billion increase in customer deposits over the course of 2012, as well as cash generated from asset sales, primarily in Citi Holdings (including the $1.89 billion paid to Citi by Morgan Stanley for the 14% interest in MSSB, as described under "Citi Holdings−Brokerage and Asset Management" and in Note 15 to the Consolidated Financial Statements), and from Citi' s operations.

The $65 billion, or 32%, decline in cash and deposits with banks during the fourth quarter of 2012 was similarly driven by cash used to repay short-term borrowings and long-term debt obligations and the redeployment of excess cash into billion, or 24%, driven by a $53 billion, or 34%, decrease in deposits with banks offset by an $8 billion, or 27%, increase in cash and due from banks. The purposeful reduction in cash and deposits with banks was in keeping with Citi' s continued strategy to deleverage the balance sheet and deploy excess cash into investments. The overall decline resulted from cash used to repay long-term debt maturities (net of modest issuances) and to reduce other long-term debt and short-term borrowings (including the redemption of trust preferred investments. The reduction during the fourth quarter also reflected a net decline in client deposits that was expected during the quarter and reflected the run-off of episodic deposits that came in at the end of the third quarter and the outflows of deposits related to the Transaction Account Guarantee (TAG) program, partially offset by deposit growth in the normal course of business. These deposit changes are discussed further under "Capital Resources and Liquidity−Funding and Liquidity" below.

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

Federal funds sold consist of unsecured advances to third parties of excess balances in reserve accounts held at the Federal Reserve Banks. During 2011 and 2012, Citi' s federal funds sold were not significant.

Reverse repos and securities borrowing transactions decreased by $15 billion, or 5%, during 2012, and declined $17 billion, or 6%, compared to the third quarter of 2012. The majority of this decrease was due to changes in the mix of assets within certain *Securities and Banking* businesses between reverse repos and trading account assets.

For further information regarding these balance sheet categories, see Notes 1 and 12 to the Consolidated Financial Statements.

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*.

During 2012, trading account assets increased $29 billion, or 10%, primarily due to increases in equity securities ($24 billion, or 72%), foreign government securities ($10 billion, or 12%), and mortgage-backed securities ($4 billion, or 13%), partially offset by an $8 billion, or 12%, decrease in derivative assets. A significant portion of the increase in Citi' s trading account assets (approximately half of which occurred in the first quarter of 2012, with the remainder of the growth occurring steadily during the rest of 2012) was the reversal of reductions in trading positions during the second half of 2011 as a result of the economic uncertainty that largely began in the third quarter of 2011 and continued into the fourth quarter. During 2011, Citi reduced its rates trading in the G10, particularly in Europe, given the market environment in the region, and credit trading and securitized markets also declined due to reduced client volume and less market liquidity. In 2012, the increases in trading assets and the assets classes noted above were the result of a more favorable market environment and more robust trading activities, as well as a change in the asset mix of positions held in certain equities businesses.

Average trading account assets were $251 billion in 2012, compared to $270 billion in 2011. The decrease versus the prior year reflected the higher levels of trading assets (excluding derivative assets) during the first half of 2011, prior to the de-risking and market-related reductions noted above.

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. Nonmarketable 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 2012, investments increased by $19 billion, or 6%, primarily due to a $23 billion, or 9%, increase in AFS, predominantly foreign government and U.S. Treasury securities, partially offset by a $1 billion decrease in held-to-maturity securities. The majority of this increase occurred during the fourth quarter of 2012, where investments increased $17 billion, or 6%, in total. The increase in AFS was part of the continued balance sheet strategy to redeploy excess cash into higher-yielding investments.

As noted above, the increase in AFS included growth in foreign government securities (as the increase in deposits in many countries resulted in higher liquid resources and drove the investment in foreign government AFS, primarily in *Asia* and *Latin America*) and U.S. Treasury securities. This growth and reallocation was supplemented by smaller increases in mortgage-backed securities (both U.S. government agency MBS and non-U.S. residential MBS), municipal securities and other asset-backed securities, partially offset by a reduction in U.S. federal agency securities.

For further information regarding investments, see Notes 1 and 15 to the Consolidated Financial Statements.

For further information on Citi' s trading account assets, see Notes 1 and 14 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, are presented net of unearned income) were $655 billion at December 31, 2012, compared to $647 billion at December 31, 2011. Excluding the impact of FX translation, loans increased 1% year-over-year. At year-end 2012, Consumer and Corporate loans represented 62% and 38%, respectively, of Citi' s total loans.

In Citicorp, loans were up 7% to $540 billion at year end 2012, as compared to $507 billion at the end of 2011. Citicorp Corporate loans increased 11% year-over-year, and Citicorp Consumer loans were up 3% year-over-year.

Corporate loan growth was driven by *Transaction Services* (25% growth), particularly from increased trade finance lending in most regions, as well as growth in the *Securities and Banking* Corporate loan book (6% growth), with increased borrowing generally across most segments and regions. Growth in Corporate lending included increases in Private Bank and certain middle-market client segments overseas, with other Corporate lending segments down slightly as compared to year-end 2011. During 2012, Citi continued to optimize the Corporate lending portfolio, including selling certain loans that did not fit its target market profile.

Consumer loan growth was driven by *Global Consumer Banking*, as loans increased 3% year-over-year, led by *Latin America* and *Asia. North America* Consumer loans decreased 1%, driven by declines in card loans, as the cards market reflected overall consumer deleveraging as well as other regulatory changes. Retail lending in *North America*, however, increased 10% year-over-year, as a result of higher real estate lending as well as growth in the commercial segment.

In contrast, Citi Holdings loans declined 18% year-over-year, due to the continued run-off and asset sales in the portfolios.

During 2012, average loans of $649 billion yielded an average rate of 7.5%, compared to $644 billion and 7.8%, respectively, in the prior year. For further information on Citi' s loan portfolios, see generally "Managing Global Risk−Credit Risk" below and Notes 1 and 16 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).

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 2011 and 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. See also Notes 1 and 12 to the Consolidated Financial Statements for additional information on these balance sheet categories.

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 2012, trading account liabilities decreased by $10 billion, or 8%, primarily due to a $5 billion, or 8%, decrease in derivative liabilities, and a reduction in short equity positions. In 2012, average trading account liabilities were $74 billion, compared to $86 billion in 2011, primarily due to lower average volumes of short equity positions.

For further information on Citi' s trading account liabilities, see Notes 1 and 14 to the Consolidated Financial Statements.

Debt

Debt is composed of both short-term and long-term borrowings. Short-term borrowings include commercial paper and borrowings from unaffiliated banks and other market participants. Long-term borrowings include senior notes, subordinated notes, trust preferred securities and securitizations. For further information on Citi' s long-term and short-term debt borrowings during 2012, see "Capital Resources and Liquidity−Funding and Liquidity" below and Notes 1 and 19 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 2012, other assets decreased $10 billion, or 5%, primarily due to a $5 billion decrease in brokerage receivables, a $3 billion decrease in other assets, a $1 billion decrease in mortgage servicing rights (see "Managing Global Risk−Credit Risk−*North America* Consumer Mortgage Lending−Mortgage Servicing Rights" below), and a $1 billion decrease in intangible assets.

For further information on brokerage receivables, see Note 13 to the Consolidated Financial Statements. For further information regarding goodwill and intangible assets, see Note 18 to the Consolidated Financial Statements.

During 2012, other liabilities decreased $1 billion, or 1%. For further information regarding *Brokerage payables*, see Note 13 to the Consolidated Financial Statements.

SEGMENT BALANCE SHEET AT DECEMBER 31, 2012 [1]

In millions of dollars	Global Consumer Banking	Institutional Clients Group	Corporate/Other, Discontinued Operations and Consolidating Eliminations [2]	Subtotal Citicorp	Citi Holdings	Citigroup Parent Company-Issued Long-Term Debt and Stockholders' Equity [3]	Total Cit Consolid
Assets							
Cash and deposits with banks	$ 19,474	$ 71,152	$ 46,634	$ 137,260	$ 1,327	$ –	$13
Federal funds sold and securities borrowed or purchased under agreements to resell	3,243	256,864	–	260,107	1,204	–	26
Trading account assets	12,716	300,360	244	313,320	7,609	–	32
Investments	29,914	112,928	151,822	294,664	17,662	–	31
Loans, net of unearned income and allowance for loan losses	283,365	241,819	–	525,184	104,825	–	63
Other assets	53,180	75,543	49,154	177,877	23,621	–	20
Total assets	$ 401,892	$ 1,058,666	$ 247,854	$ 1,708,412	$ 156,248	$ –	$ 1,
Liabilities and equity							
Total deposits	$ 336,942	$ 523,083	$ 2,579	$ 862,604	$ 67,956	$ –	$ 93
Federal funds purchased and securities loaned or sold under agreements to repurchase	6,835	204,397	–	211,232	4	–	21
Trading account liabilities	167	113,530	535	114,232	1,317	–	11
Short-term borrowings	140	46,535	4,974	51,649	378	–	52
Long-term debt	2,688	43,515	8,917	55,120	7,790	176,553	23
Other liabilities	18,752	79,384	17,693	115,829	8,999	–	12
Net inter-segment funding (lending)	36,368	48,222	211,208	295,798	69,804	(365,602)	–
Total liabilities	$ 401,892	$ 1,058,666	$ 245,906	$ 1,706,464	$ 156,248	$ (189,049)	$ 1,
Total equity	–	–	1,948	1,948	–	189,049	19
Total liabilities and equity	$ 401,892	$ 1,058,666	$ 247,854	$ 1,708,412	$ 156,248	$ –	$ 1,

(1) The supplemental information presented in the table above reflects Citigroup's consolidated GAAP balance sheet by reporting segment as of December 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.

(2) Consolidating eliminations for total Citigroup and Citigroup parent company assets and liabilities are recorded within the *Corporate/Other* segment.

(3) The total stockholders' equity and substantially all long-term debt of Citigroup resides in the Citigroup parent company Consolidated Balance Sheet. Citigroup allocates stockholders' equity and long-term debt to its businesses through inter-segment allocations as described above.

CAPITAL RESOURCES AND LIQUIDITY
CAPITAL RESOURCES
Overview

Capital is used principally to support assets in Citi' s businesses and to absorb credit, market and operational losses. Citi primarily 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. During the fourth quarter of 2012, Citi issued approximately $2.25 billion of noncumulative perpetual preferred stock (see "Funding and Liquidity−Long-Term Debt" below).

Citi has also previously augmented its regulatory capital through the issuance of subordinated debt underlying trust preferred securities, although the treatment of such instruments as regulatory capital will be phased out under the U.S. Basel III rules in accordance with the timeframe specified by The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) (see "Regulatory Capital Standards" below). Accordingly, Citi has begun to redeem certain of its trust preferred securities (see "Funding and Liquidity−Long-Term Debt" below) in contemplation of such future phase out.

Further, changes in regulatory and accounting standards as well as the impact of future events on Citi' s business results, such as corporate and asset dispositions, may also affect Citi' s capital levels.

Citigroup' s capital management framework is designed to ensure that Citigroup and its principal subsidiaries maintain sufficient capital consistent with each entity' s respective risk profile and all applicable regulatory standards and guidelines. Citi assesses its capital adequacy against a series of internal quantitative capital goals, designed to evaluate the Company' s capital levels in expected and stressed economic environments. Underlying these internal quantitative capital goals are strategic capital considerations, centered on preserving and building financial strength. Senior management, with oversight from the Board of Directors, is responsible for the capital assessment and planning process, which is integrated into Citi' s capital plan, as part of the Federal Reserve Board' s Comprehensive Capital Analysis and Review (CCAR) process. Implementation of the capital plan is carried out mainly through Citigroup' s Asset and Liability Committee, with oversight from the Risk Management and Finance Committee of Citigroup' s Board of Directors. Asset and liability committees are also established globally and for each significant legal entity, region, country and/or major line of business.

Capital Ratios Under Current Regulatory Guidelines

Citigroup is subject to the risk-based capital guidelines (currently 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 supervisory 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.

Citigroup' s risk-weighted assets, as currently computed under Basel I, 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.

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 December 31, 2012 and December 31, 2011:

At year end	**2012**	2011
Tier 1 Common	**12.67%**	11.80%
Tier 1 Capital	**14.06**	13.55
Total Capital (Tier 1 Capital + Tier 2 Capital)	**17.26**	16.99
Leverage	**7.48**	7.19

Basel I) 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 perpetual preferred stock, qualifying noncontrolling interests, and qualifying trust preferred securities, principally reduced by goodwill, other disallowed intangible assets, and

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

Components of Capital Under Current Regulatory Guidelines

In millions of dollars at year end	**2012**	2011
Tier 1 Common Capital		
Citigroup common stockholders' equity	**$186,487**	$ 177,494
Regulatory Capital Adjustments and Deductions:		
Less: Net unrealized gains (losses) on securities available-for-sale, net of tax [1][2]	**597**	(35)
Less: Accumulated net losses on cash flow hedges, net of tax	**(2,293)**	(2,820)
Less: Pension liability adjustment, net of tax [3]	**(5,270)**	(4,282)
Less: Cumulative effect included in fair value of financial liabilities attributable to the change in own creditworthiness, net of tax [4]	**18**	1,265
Less: Disallowed deferred tax assets [5]	**40,148**	37,980
Less: Intangible assets:		
Goodwill	**25,686**	25,413
Other disallowed intangible assets	**4,004**	4,550
Other	**(502)**	(569)
Total Tier 1 Common Capital	**$123,095**	$ 114,854
Tier 1 Capital		
Qualifying perpetual preferred stock	**$2,562**	$ 312
Qualifying trust preferred securities	**9,983**	15,929
Qualifying noncontrolling interests	**892**	779
Total Tier 1 Capital	**$136,532**	$ 131,874
Tier 2 Capital		
Allowance for credit losses [6]	**$12,330**	$ 12,423
Qualifying subordinated debt [7]	**18,689**	20,429
Net unrealized pretax gains on available-for-sale equity securities [1]	**135**	658
Total Tier 2 Capital	**$31,154**	$ 33,510
Total Capital (Tier 1 Capital + Tier 2 Capital)	**$167,686**	$ 165,384

Risk-Weighted Assets		
In millions of dollars at year end		
Risk-Weighted Assets (using Basel I) [8][9]	**$971,253**	$ 973,369
Estimated Risk-Weighted Assets (using Basel II.5) [10]	**$1,110,859**	N/A

(1) Tier 1 Capital excludes net unrealized gains (losses) on available-for-sale (AFS) debt securities and net unrealized gains on AFS 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 AFS 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 AFS 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 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 approximate $55 billion of net deferred tax assets at December 31, 2012, approximately $11 billion of such assets were includable without limitation in regulatory capital pursuant to risk-based capital guidelines, while approximately $40 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 approximate $4 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) Risk-weighted assets as computed under Basel I credit risk and market risk capital rules.

(9) Includes risk-weighted credit equivalent amounts, net of applicable bilateral netting agreements, of $62 billion for interest rate, commodity and equity derivative contracts, foreign exchange contracts, and credit derivatives as of December 31, 2012, compared with $67 billion as of December 31, 2011. Market risk equivalent assets included in risk-weighted assets amounted to $41.5 billion at December 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.

(10) Risk-weighted assets as computed under Basel I credit risk capital rules and final (revised) market risk capital rules (Basel II.5).

Basel II.5 and III

In June 2012, the U.S. banking agencies released final (revised) market risk capital rules (Basel II.5), which became effective on

January 1, 2013. At the same time, the U.S. banking agencies also released proposed Basel III rules, although the timing of the finalization and effective date(s) of these rules is subject to uncertainty. Collectively these rules would establish an integrated framework of standards applicable to virtually all U.S. banking organizations, including Citi and Citibank, N.A., and upon implementation would comprehensively revise and replace existing regulatory capital requirements. For additional information on the proposed U.S. Basel III and final Basel II.5 rules see "Regulatory Capital Standards" and "Risk Factors−Regulatory Risks" below.

Citi' s estimated Tier 1 Common ratio as of December 31, 2012, assuming application of the Basel II.5 rules, was 11.08%, compared to 12.67% under Basel I.[11] This decline reflects the significant increase in risk-weighted assets under the Basel II.5 rules relative to those under the current Basel I market risk capital rules. Furthermore, Citi continues to incorporate mandated enhancements and refinements to its Basel II.5 market risk models for which conditional approval has been received from the Federal Reserve Board and OCC. Citi' s Basel II.5 risk-weighted assets would be substantially higher absent the successful incorporation of these required enhancements and refinements.

At December 31, 2012, Citi' s estimated Basel III Tier 1 Common ratio was 8.7%, compared to an estimated 8.6% at September 30, 2012 (each based on total risk-weighted assets calculated under the proposed U.S. Basel III "advanced approaches" and including Basel II.5).[12] This slight increase quarter-over-quarter was primarily due to lower risk-weighted assets, partially offset by a decline in Tier 1 Common Capital attributable largely to changes in OCI as well as certain other components.

Citi' s estimated Basel III Tier 1 Common ratio is based on its understanding, expectations and interpretation of the proposed U.S. Basel III requirements, anticipated compliance with all necessary enhancements to model calibration and other refinements, as well as further regulatory clarity and implementation guidance in the U.S.

11 Citi' s estimate of risk-weighted assets under Basel II.5 is a non-GAAP financial measure as of December 31, 2012. Citi believes this metric provides useful information to investors and others by measuring Citi' s progress against future regulatory capital standards.

12 Citi' s estimated Basel III Tier 1 Common ratio and its related components are non-GAAP financial measures. Citi believes this ratio and its components (the latter of which are presented in the table below) provide useful information to investors and others by measuring Citi' s progress against expected future regulatory capital standards.

Components of Tier 1 Common Capital and Risk-Weighted Assets Under Basel III

In millions of dollars	December 31, 2012	September 30, 2012
Tier 1 Common Capital [1]		
Citigroup common stockholders' equity	$ 186,487	$ 186,465
Add: Qualifying minority interests	171	161
Regulatory Capital Adjustments and Deductions:		
Less: Accumulated net unrealized losses on cash flow hedges, net of tax	(2,293)	(2,503)
Less: Cumulative change in fair value of financial liabilities attributable to the change in own creditworthiness, net of tax	587	998
Less: Intangible assets:		
Goodwill [2]	27,004	27,248
Identifiable intangible assets other than mortgage servicing rights (MSRs)	5,716	5,983
Less: Defined benefit pension plan net assets	732	752
Less: Deferred tax assets (DTAs) arising from tax credit and net operating loss carryforwards	27,200	23,500
Less: Excess over 10%/15% limitations for other DTAs, certain common equity investments, and MSRs [3]	22,316	23,749
Total Tier 1 Common Capital	$ 105,396	$ 106,899
Risk-Weighted Assets [4]	$1,206,153	$1,236,619

(1) Calculated based on the U.S. banking agencies proposed Basel III rules.

(2) Includes goodwill "embedded" in the valuation of significant common stock investments in unconsolidated financial institutions.

(3) Aside from MSRs, reflects DTAs arising from temporary differences and significant common stock investments in unconsolidated financial institutions.

(4) Calculated based on the proposed U.S. Basel III "advanced approaches" for determining risk-weighted assets and including Basel II.5.

Common Stockholders' Equity

As set forth in the table below, during 2012, Citigroup's common stockholders' equity increased by $9 billion to $186.5 billion, which represented 10% of Citi's total assets as of December 31, 2012.

In billions of dollars	
Common stockholders' equity, December 31, 2011	$ 177.5
Citigroup's net income	7.5
Employee benefit plans and other activities [1]	0.6
Net change in accumulated other comprehensive income (loss), net of tax	0.9
Common stockholders' equity, December 31, 2012	$186.5

(1) As of December 31, 2012, $6.7 billion of common stock repurchases remained under Citi's repurchase programs. Any Citi repurchase program is subject to regulatory approval. No material repurchases were made in 2012. See "Risk Factors–Business and Operational Risks" and "Purchases of Equity Securities" below.

Tangible Common Equity and Tangible Book Value Per Share

Tangible common equity (TCE), as defined by Citigroup, represents common equity less goodwill, other intangible assets (other than mortgage servicing rights (MSRs)), and related net deferred tax assets. Other companies may calculate TCE in a different manner. Citi' s TCE was $155.1 billion at December 31, 2012 and $145.4 billion at December 31, 2011. The TCE ratio (TCE divided by Basel I risk-weighted assets) was 16.0% at December 31, 2012 and 14.9% at December 31, 2011.[13]

A reconciliation of Citigroup' s total stockholders' equity to TCE, and book value per share to tangible book value per share, as of December 31, 2012 and December 31, 2011, follows:

In millions of dollars or shares at year end, except ratios and per share data	**2012**	2011
Total Citigroup stockholders' equity	**$ 189,049**	$ 177,806
Less:		
Preferred stock	**2,562**	312
Common equity	**$ 186,487**	$ 177,494
Less:		
Goodwill	**25,673**	25,413
Other intangible assets (other than MSRs)	**5,697**	6,600
Goodwill and other intangible assets (other than MSRs) related to assets for discontinued operations held for sale	**32**	–
Net deferred tax assets related to goodwill and other intangible assets	**32**	44
Tangible common equity (TCE)	**$ 155,053**	$ 145,437
Tangible assets		
GAAP assets	**$ 1,864,660**	$ 1,873,878
Less:		
Goodwill	**25,673**	25,413
Other intangible assets (other than MSRs)	**5,697**	6,600
Goodwill and other intangible assets (other than MSRs) related to assets for discontinued operations held for sale	**32**	–
Net deferred tax assets related to goodwill and other intangible assets	**309**	322
Tangible assets (TA)	**$ 1,832,949**	$ 1,841,543
Risk-weighted assets (RWA)	**$ 971,253**	$ 973,369
TCE/TA ratio	**8.46 %**	7.90 %
TCE/RWA ratio	**15.96 %**	14.94 %
Common shares outstanding (CSO)	**3,028.9**	2,923.9
Book value per share (common equity/CSO)	**$ 61.57**	$ 60.70

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

Citigroup' s subsidiary U.S. 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 under current regulatory guidelines for Citibank, N.A., Citi' s primary subsidiary U.S. depository institution, as of December 31, 2012 and December 31, 2011:

In billions of dollars, except ratios	**2012**	2011
Tier 1 Common Capital	**$ 116.6**	$ 121.3
Tier 1 Capital	**117.4**	121.9
Total Capital (Tier 1 Capital + Tier 2 Capital)	**135.5**	134.3
Tier 1 Common ratio	**14.12%**	14.63%
Tier 1 Capital ratio	**14.21**	14.70
Total Capital ratio	**16.41**	16.20
Leverage ratio	**8.97**	9.66

---

13 TCE, tangible book value per share and related ratios are non-GAAP financial measures that are used and relied upon by investors and industry analysts as capital adequacy metrics.

Tangible book value per share (TCE/CSO)	**$ 51.19**	$ 49.74

Impact of Changes on Capital Ratios Under Current Regulatory Guidelines

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), as of December 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	[illegible]
Citigroup	1.0 bps	1.3 bps	1.0 bps	1.4 bps	1.0 bps	1.8 bps	0.5 bps	0
Citibank, N.A.	1.2 bps	1.7 bps	1.2 bps	1.7 bps	1.2 bps	2.0 bps	0.8 bps	0

Broker-Dealer Subsidiaries

At December 31, 2012, Citigroup Global Markets Inc., a U.S. 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 $6.2 billion, which exceeded the minimum requirement by $5.7 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 other broker-dealer subsidiaries were in compliance with their capital requirements at December 31, 2012. See Note 20 to the Consolidated Financial Statements.

Regulatory Capital Standards

The future regulatory capital standards applicable to Citi include Basel II, Basel II.5 and Basel III, as well as the current Basel I credit risk capital rules, until superseded.

Basel II

In November 2007, the U.S. banking agencies adopted Basel II, a new set of risk-based capital standards for large, internationally active U.S. banking organizations, including Citi. These standards require Citi to comply with the most advanced Basel II approaches for calculating risk-weighted assets for credit and operational risks.

More specifically, credit risk under Basel II is generally measured using an advanced internal ratings-based models approach which is applicable to wholesale and retail exposures, and under certain circumstances also to securitization and equity exposures. For wholesale and retail exposures, a U.S. banking organization is required to input risk parameters generated by its internal risk models into specified required formulas to determine risk-weighted assets. Basel II provides several approaches, subject to various conditions and qualifying criteria, to measure risk-weighted assets for securitization exposures. For equity exposures, a U.S. banking organization may use a simple risk weight approach or, if it qualifies to do so, an internal models approach to measure risk-weighted assets for exposures other than exposures to investments funds, for which a look through approach must be used.

Basel II sets forth advanced measurement approaches to be employed by a U.S. banking organization in the measurement of its operational risk, which is defined by Citi as the risk of loss resulting from inadequate or failed internal processes, systems or human factors, or from external events. The advanced measurement approaches do not require a banking organization to use a specific methodology in its operational risk assessment and rely on a banking organization' s internal estimates of its operational risks to generate an operational risk capital requirement.

The U.S. Basel II implementation timetable originally consisted of a parallel calculation period under the current regulatory capital rules (Basel I), followed by a three-year transitional "floor" period, during which Basel II risk-based capital requirements could not fall below certain floors based on application of the Basel I rules. Citi began parallel Basel I and Basel II reporting to the U.S. banking agencies on April 1, 2010, although, as required under U.S. banking regulations, reported only its Basel I capital ratios for purposes of assessing compliance with minimum Tier 1 Capital and Total Capital ratio requirements.

In June 2011, the U.S. banking agencies adopted final regulations to implement the "capital floor" provision of the so-called "Collins Amendment" of the Dodd-Frank Act. These regulations eliminated the three-year transitional floor period in favor of a permanent floor based on the generally applicable risk-based capital rules (currently Basel I). Pursuant to these regulations, a banking organization that has formally implemented Basel II must calculate its risk-based capital requirements under both Basel I and Basel II, compare the two results, and then report the lower of the resulting capital ratios for purposes of determining compliance with its minimum Tier 1 Capital and Total Capital ratio requirements. As of December 31, 2012, neither Citi nor any other U.S. banking organization had received approval from the U.S. banking agencies to formally implement Basel II. Citi expects, however, that it will be required to formally implement Basel II during 2013 and will begin reporting the lower of its Basel I and Basel II ratios.

Basel II.5

Basel II.5 substantially revised the market risk capital framework, and implements a more comprehensive and risk sensitive methodology for calculating market risk capital requirements for covered trading positions. Further, the U.S. version of the Basel II.5 rules also implements the Dodd-Frank Act requirement that all federal agencies remove references to, and reliance on, credit ratings in their regulations, and replace these references with alternative standards for evaluating creditworthiness. As a result, the U.S. banking agencies provided alternative methodologies to external credit ratings to be used in assessing capital requirements on certain debt and securitization positions subject to the Basel II.5 rules.

Basel III

The U.S. Basel III rules consist of three notices of proposed rulemaking (NPRs): the "Basel III NPR," the "Standardized Approach NPR" and the "Advanced Approaches NPR." With the broad exceptions of the new "Standardized Approach" to be employed by substantially all U.S. banking organizations in deriving credit risk-weighted assets and the required alternatives to the use of external credit ratings in arriving at applicable risk weights for certain exposures as referenced above, the NPRs are largely consistent with the Basel Committee' s Basel III rules. In November 2012, the U.S. banking agencies announced that none of the proposed rules would be finalized and effective January 1, 2013 as was, in part, initially suggested.

Basel III NPR

The Basel III NPR, as with the Basel Committee Basel III rules, is intended to raise the quantity and quality of regulatory capital by formally introducing not only Tier 1 Common Capital and mandating that it be the predominant form of regulatory capital, but by also narrowing the definition of qualifying capital elements at all three regulatory capital tiers as well as imposing broader and more constraining regulatory adjustments and deductions.

The Basel III NPR would modify the regulations implementing the capital floor provision of the Collins Amendment of the Dodd-Frank Act that were adopted in June 2011 (as discussed above). This provision would require "Advanced Approaches" banking organizations (generally those with consolidated total assets of at least $250 billion or consolidated total on-balance sheet foreign exposures of at least $10 billion), which includes Citi and Citibank, N.A., to calculate each of the three risk-based capital ratios (Tier 1 Common, Tier 1 Capital and Total Capital) under both the proposed "Standardized Approach" and the proposed "Advanced Approaches" and report the lower of each of the resulting capital ratios. The principal differences between these two approaches are in the composition and calculation of total risk-weighted assets, as well as in the definition of Total Capital. Compliance with the Basel III NPR stated minimum Tier 1 Common, Tier 1 Capital, and Total Capital ratio requirements of 4.5%, 6%, and 8%, respectively, would be assessed based upon each of the reported ratios. The newly established Tier 1 Common and increased Tier 1 Capital stated minimum ratio requirements have been proposed to be phased in over a three-year period. Under the Basel III NPR, consistent with the Basel Committee Basel III rules, there would be no change in the stated minimum Total Capital ratio requirement.

Additionally, the Basel III NPR establishes a 2.5% Capital Conservation Buffer applicable to substantially all U.S. banking organizations and, for Advanced Approaches banking organizations, a potential Countercyclical Capital Buffer of up to 2.5%. The Countercyclical Capital Buffer would be invoked upon a determination by the U.S. banking agencies that the market is experiencing excessive aggregate credit growth, and would be an extension of the Capital Conservation Buffer (i.e., an aggregate combined buffer of potentially between 2.5% and 5%). Citi would be subject to both the Capital Conservation Buffer and, if invoked, the Countercyclical Capital Buffer. Consistent with the Basel Committee Basel III rules, both of these buffers would be required to be comprised entirely of Tier 1 Common Capital.

The calculation of the Capital Conservation Buffer for

Unlike the Basel Committee' s final rules for global systemically important banks (G-SIBs), the Basel III NPR does not include measures for G-SIBs, such as those addressing the methodology for assessing global systemic importance, the imposition of additional Tier 1 Common capital surcharges, and the phase-in period regarding these requirements. The Federal Reserve Board is required by the Dodd-Frank Act to issue rules establishing a quantitative risk-based capital surcharge for financial institutions deemed to be systemically important and posing risk to market-wide financial stability, such as Citi, and the Federal Reserve Board has indicated that it intends for these rules to be consistent with the Basel Committee' s final G-SIB rules. Although these rules have not yet been proposed, Citi anticipates that it will likely be subject to a 2.5% initial additional capital surcharge.

The Basel III NPR, consistent with the Basel Committee' s Basel III rules, provides that certain capital instruments, such as trust preferred securities, would no longer qualify as non-common components of Tier 1 Capital. Furthermore, the Collins Amendment of the Dodd-Frank Act generally requires a phase-out of these securities over a three-year period beginning January 1, 2013 for bank holding companies, such as Citi, that had $15 billion or more in total consolidated assets as of December 31, 2009. Accordingly, the U.S. banking agencies have proposed that trust preferred securities and other non-qualifying Tier 1 Capital instruments, as well as non-qualifying Tier 2 Capital instruments, be phased out by these bank holding companies, including Citi, at a 25% per year incremental phase-out beginning on January 1, 2013 (i.e., 75% of these capital instruments would be includable in Tier 1 Capital on January 1, 2013, 50% on January 1, 2014, and 25% on January 1, 2015), with a full phase-out of these capital instruments by January 1, 2016. However, the timing of the phase-out of trust preferred securities and other non-qualifying Tier 1 and Tier 2 Capital instruments is currently uncertain, given the delay in finalization and implementation of the U.S. Basel III rules. For additional information on Citi' s outstanding trust preferred securities, see Note 19 to the Consolidated Financial Statements. See also "Funding and Liquidity" below.

Under the Basel III NPR, Advanced Approaches banking organizations would also be required to calculate two leverage ratios, a "Tier 1" Leverage ratio and a "Supplementary" Leverage ratio. The Tier 1 Leverage ratio would be a modified version of the current U.S. leverage ratio and would reflect the more restrictive proposed Basel III definition of Tier 1 Capital in the numerator, but with the same current denominator consisting of average total on-balance sheet assets less amounts deducted from Tier 1 Capital. Citi, as with substantially all U.S. banking

Advanced Approaches banking organizations, including Citi, would be based on a comparison of each of the three risk-based capital ratios as calculated under the Advanced Approaches and the stated minimum required ratios for each (i.e., 4.5% Tier 1 Common and 6% Tier 1 Capital, both as fully phased-in, and 8% Total Capital), with the reportable Capital Conservation Buffer being the smallest of the three differences. If a banking organization failed to comply with the proposed buffers, it would be subject to increasingly onerous restrictions (depending upon the extent of the shortfall) regarding capital distributions and discretionary executive bonus payments. The buffers are proposed to be phased in from January 1, 2016 through January 1, 2019.

organizations, would be required to maintain a minimum Tier 1 Leverage ratio of 4%. The Supplementary Leverage ratio would significantly differ from the Tier 1 Leverage ratio regarding the inclusion of certain off-balance sheet exposures within the denominator of the ratio. Advanced Approaches banking organizations, such as Citi, would be required to maintain a minimum Supplementary Leverage ratio of 3%, commencing on January 1, 2018, although it was proposed that reporting commence on January 1, 2015. The Basel Committee' s Basel III rules only require that banking organizations calculate a similar Supplementary Leverage ratio.

In addition, under the Basel III NPR, the U.S. banking agencies are proposing to revise the Prompt Corrective Action (PCA) regulations in certain respects. The PCA requirements

direct the U.S. banking agencies to enforce increasingly strict limitations on the activities of insured depository institutions that fail to meet certain regulatory capital thresholds. The PCA framework contains five categories of capital adequacy as measured by risk-based capital and leverage ratios: "well capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized," and "critically undercapitalized."

The U.S. banking agencies are proposing to revise the PCA regulations to accommodate a new minimum Tier 1 Common ratio requirement for substantially all categories of capital adequacy (other than critically undercapitalized), increase the minimum Tier 1 Capital ratio requirement at each category, and introduce for Advanced Approaches insured depository institutions the Supplementary Leverage ratio as a metric, but only for the "adequately capitalized" and "undercapitalized" categories. These revisions have been proposed to be effective on January 1, 2015, with the exception of the Supplementary Leverage ratio for Advanced Approaches insured depository institutions for which January 1, 2018 was proposed as the effective date. Accordingly, as proposed, beginning January 1, 2015, an insured depository institution, such as Citibank, N.A., would need minimum Tier 1 Common, Tier 1 Capital, Total Capital, and Tier 1 Leverage ratios of 6.5% (a new requirement), 8% (a 2% increase over the current requirement), 10%, and 5%, respectively, to be considered "well capitalized."

Standardized Approach NPR

The Standardized Approach NPR would be applicable to substantially all U.S. banking organizations, including Citi and Citibank, N.A., and when effective would replace the existing Basel I rules governing the calculation of risk-weighted assets for credit risk. As proposed, this approach would incorporate heightened risk sensitivity for calculating risk-weighted assets for certain on-balance sheet assets and off-balance sheet exposures, including those to foreign sovereign governments and banks, residential mortgages, corporate and securitization exposures, and counterparty credit risk on derivative contracts, as compared to Basel I. Total risk-weighted assets under the Standardized Approach would exclude risk-weighted assets arising from operational risk, require more limited approaches in measuring risk-weighted assets for securitization exposures under Basel II.5, and apply the standardized risk-weights to arrive at credit risk-weighted assets. As required under the Dodd-Frank Act, the Standardized Approach proposes to rely on alternatives to external credit ratings in the treatment of certain exposures. The proposed effective date for implementation of the Standardized Approach is January 1, 2015, with an option for U.S. banking organizations to early adopt.

Advanced Approaches NPR

The Advanced Approaches NPR incorporates published revisions to the Basel Committee' s Advanced Approaches calculation of risk-weighted assets as proposed amendments to the U.S. Basel II capital guidelines. Total risk-weighted assets under the Advanced Approaches would include not only market risk equivalent risk-weighted assets as determined under Basel II.5, but also the results of applying the Advanced Approaches in calculating credit and operational risk-weighted assets. Primary among the proposed Basel II modifications are those related to the treatment of counterparty credit risk, as well as substantial revisions to the securitization exposure framework. As required by the Dodd-Frank Act, the Advanced Approaches NPR also proposes to remove references to, and reliance on, external credit ratings for various types of exposures.

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:

- 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");
- Citi' s significant Citibank entities, which consist of Citibank, N.A. units domiciled in the U.S., Western Europe, Hong Kong, Japan and Singapore (collectively referred to in this section as "significant Citibank entities"); and
- 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.

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

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

	Non-bank			**Significant Citibank Entities**			**Other Citibank and Banamex Entities**			**Total**		
In billions of dollars	**Dec. 31, 2012**	**Sept. 30, 2012**	Dec. 31, 2011	**Dec. 31, 2012**	**Sept. 30, 2012**	Dec. 31, 2011	**Dec. 31, 2012**	**Sept. 30, 2012**	Dec. 31, 2011	**Dec. 31, 2012**	**Sept. 30, 2012**	D… 2…
Available cash at central banks	**$ 33.2**	**$ 50.9**	$ 29.1	**$ 26.5**	**$ 72.7**	$ 70.7	**$ 13.3**	**$ 15.9**	$ 27.6	**$ 73.0**	**$ 139.5**	$
Unencumbered liquid securities	**31.3**	**26.8**	69.3	**173.3**	**164.0**	129.5	**76.2**	**73.9**	79.3	**280.8**	**264.7**	
Total	**$ 64.5**	**$ 77.7**	$ 98.4	**$ 199.8**	**$ 236.7**	$ 200.2	**$ 89.5**	**$ 89.8**	$ 106.9	**$ 353.8**	**$ 404.2**	$

All amounts in the table above are as of period-end and may increase or decrease intra-period in the ordinary course of business.

As set forth in the table above, Citigroup' s aggregate liquidity resources totaled approximately $353.8 billion at December 31, 2012, compared to $404.2 billion at September 30, 2012 and $405.5 billion at December 31, 2011. During 2011 and the first half of 2012, Citi consciously maintained an excess liquidity position given uncertainties in both the global economic outlook and the pace of its balance sheet deleveraging. In the second half of 2012, as these uncertainties showed signs of abating, Citi purposefully began to decrease its liquidity resources, primarily through long-term debt reductions and limiting deposit growth, as well as through increased lending to both Consumer and Corporate clients.

As discussed in more detail below, this reduction in excess

At December 31, 2012, Citigroup' s non-bank aggregate liquidity resources totaled approximately $64.5 billion, compared to $77.7 billion at September 30, 2012 and $98.4 billion at December 31, 2011. These amounts included unencumbered liquid securities and cash held in Citi' s U.S. and non-U.S. broker-dealer entities. The purposeful decrease in aggregate liquidity resources of Citi' s non-bank entities year-over-year and quarter-over-quarter was primarily due to the continued pay down and runoff of long-term debt, including Temporary Liquidity Guarantee Program (TLGP) debt, which fully matured by the end of 2012.

Citigroup' s significant Citibank entities had approximately $199.8 billion of aggregate liquidity resources as of December 31, 2012, compared to $236.7 billion at September 30, 2012 and $200.2 billion at December 31, 2011. The decrease in aggregate liquidity resources during the fourth quarter of 2012 was liquidity in turn contributed to a reduction in overall cost of funds, and thus improved Citi' s net interest margin, which increased to 2.88% for full year 2012 from 2.86% for full year 2011 (see "Deposits" and "Market Risk−Interest Revenue/ Expense and Yields" below, respectively).

primarily due to an anticipated reduction in episodic deposits and the expiration of the Transaction Account Guarantee (TAG) program (see "Deposits" below), as well as the repayment of remaining TLGP borrowings and a reduction in secured borrowings. As of December 31, 2012, the significant Citibank entities' liquidity resources included $26.5 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 $72.7 billion at September 30, 2012 and $70.7 billion at December 31, 2011.

The significant Citibank entities' liquidity resources amount as of December 31, 2012 also included unencumbered liquid 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 $173.3 billion at December 31, 2012 compared to $164.0 billion at September 30, 2012 and $129.5 billion at December 31, 2011.

Citi estimates that its other Citibank and Banamex entities and subsidiaries held approximately $89.5 billion in aggregate liquidity resources as of December 31, 2012, compared to $89.8 billion at September 30, 2012 and $106.9 billion at December 31, 2011. The decrease year-over-year was primarily due to increased lending and limited deposit growth in those entities. The $89.5 billion as of December 31, 2012 included $13.3 billion of cash on deposit with central banks and $76.2 billion of unencumbered liquid securities.

Citi' s $353.8 billion of aggregate liquidity resources as of December 31, 2012 does not include additional potential liquidity in the form of Citigroup' s borrowing capacity from the various Federal Home Loan Banks (FHLB), which was approximately $36.7 billion as of December 31, 2012 and is maintained by pledged collateral to all such banks. The aggregate liquidity resources shown above also do not include Citi' s borrowing capacity at the U.S. Federal Reserve Bank discount window or international central banks, which capacity would also be in addition to the resources noted above.

Moreover, in general, Citigroup can freely fund legal entities within its bank vehicles. 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 December 31, 2012, the amount available for lending to these non-bank entities under Section 23A was approximately $15 billion, provided the funds are collateralized appropriately.

Overall, subject to market conditions, Citi expects to continue to modestly manage down its aggregate liquidity resources as it continues to pay down or allow its outstanding long-term debt to mature (see "Long-Term Debt" below).

Aggregate Liquidity Resources−By Type

The following table shows the composition of Citi' s aggregate liquidity resources by type of asset as of each of the periods indicated. For securities, the amounts represent the liquidity value that could potentially be realized, and thus excludes any securities that are encumbered, as well as the haircuts that would

In billions of dollars	**Dec. 31, 2012**	**Sept. 30, 2012**	Dec. 31, 2011
Available cash at central banks	**$ 73.0**	**$ 139.5**	$ 127.4
U.S. Treasuries	**89.0**	**73.0**	67.0
U.S. Agencies/Agency MBS	**72.5**	**67.0**	68.9
Foreign Government (1)	**111.7**	**119.5**	136.6
Other Investment Grade	**7.6**	**5.2**	5.6
Total	**$ 353.8**	**$ 404.2**	$ 405.5

(1) Foreign government also includes foreign government agencies, multinationals and foreign government guaranteed securities. Foreign government securities are held largely to support local liquidity requirements and Citi' s local franchises and, as of December 31, 2012, principally included government bonds from Korea, Japan, Mexico, Brazil, Hong Kong, Singapore and Taiwan.

The aggregate liquidity resources are composed entirely of cash and securities positions. While Citi utilizes derivatives to manage the interest rate and currency risks related to the aggregate liquidity resources, credit derivatives are not used.

Deposits

Deposits are the primary and lowest cost funding source for Citi' s bank subsidiaries. As of December 31, 2012, approximately 78% of the liabilities of Citi' s bank subsidiaries were deposits, compared to 76% as of September 30, 2012 and 75% as of December 31, 2011.

The table below sets forth the end of period and average deposits, by business and/or segment, for each of the periods indicated.

In billions of dollars	**Dec. 31, 2012**	**Sept. 30, 2012**	Dec. 31, 2011
Global Consumer Banking			
North America	**$ 165.2**	**$156.8**	$ 149.0
EMEA	**13.2**	**12.9**	12.1
Latin America	**48.6**	**47.3**	44.3
Asia	**110.0**	**113.1**	109.7
Total	**$ 337.0**	**$330.1**	$ 315.1
ICG			
Securities and Banking	**$ 114.4**	**$119.4**	$ 110.9
Transaction Services	**408.7**	**425.5**	373.1
Total	**$ 523.1**	**$544.9**	$ 484.0
Corporate/Other	**2.5**	**2.8**	5.2
Total Citicorp	**$ 862.6**	**$877.8**	$ 804.3
Total Citi Holdings	**68.0**	**66.8**	61.6
Total Citigroup Deposits (EOP)	**$ 930.6**	**$944.6**	$ 865.9
Total Citigroup Deposits (AVG)	**$ 928.9**	**$921.2**	$ 857.0

be required for secured financing transactions. Year-over-year, the composition of Citi' s aggregate liquidity resources shifted as Citi continued to optimize its liquidity portfolio. Cash and foreign government trading securities (particularly in Western Europe) decreased, while U.S. treasuries and agencies increased.

Citi continued to focus on maintaining a geographically diverse retail and corporate deposit base that stood at approximately $931 billion at December 31, 2012, up 7% year-over-year. Average deposits of $929 billion as of December 31, 2012 increased 8% year-over-year. The increase in end-of-period deposits year-over-year was largely due to higher deposit volumes in each of Citicorp' s deposit-taking businesses *(Transaction Services, Securities and Banking and Global Consumer Banking)*. Year-over-year deposit growth occurred in all four regions, including 9% growth in *EMEA* and 10% growth in *Latin America*. As of December 31, 2012, approximately 59% of Citi' s deposits were located outside of the U.S., compared to 61% at December 31, 2011.

Quarter-over-quarter, end-of-period deposits decreased 1% on a reported basis (2% when adjusted for the impact of FX translation). During the fourth quarter of 2012, there was an expected decline in end-of-period deposits reflecting the runoff of approximately $12 billion of episodic deposits which came in at the end of the third quarter, as well as $10 billion primarily due to the expiration of the TAG program on December 31, 2012. These reductions were partially offset by deposit growth across deposit-taking businesses, particularly *Global Consumer Banking*. Further, at the direction of MSSB, Citi transferred $4.5 billion in deposits to Morgan Stanley during the fourth quarter of 2012 in connection with the sale of Citi' s 14% interest in MSSB (see "Citi Holdings−Brokerage and Asset Management" above), although this decline was offset by deposit growth in the normal course of business.

During 2012, the composition of Citi' s deposits continued to shift toward a greater proportion of operating balances, and also toward non-interest-bearing accounts within those operating balances. (Citi defines operating balances as checking and savings accounts for individuals, as well as cash management accounts for corporations. This compares to time deposits, where rates are fixed for the term of the deposit and which have generally lower margins). Citi believes that operating accounts are lower cost and more reliable deposits, and exhibit "stickier," or more retentive, behavior. Operating balances represented 79% of Citi' s average total deposit base as of December 31, 2012, compared to 76% at both September 30, 2012 and December 31, 2011. Citi currently expects this shift to continue into 2013.

Deposits can be interest-bearing or non-interest-bearing. Of Citi' s $931 billion of deposits as of December 31, 2012, $195 billion were non-interest-bearing, compared to $177 billion at December 31, 2011. The remainder, or $736 billion, was interest-bearing, compared to $689 billion at December 31, 2011.

Citi' s overall cost of funds on deposits decreased during 2012, despite deposit growth throughout the year. Excluding the impact of the higher FDIC assessment and deposit insurance, the average rate on Citi' s total deposits was 0.64% at December 31, 2012, compared with 0.80% at December 31, 2011, and 0.86% at December 31, 2010. This translated into an approximate $345 million reduction in quarterly interest expense over the past two years. Consistent with prevailing interest rates, Citi experienced declining deposit rates during 2012, notwithstanding pressure on deposit rates due to competitive pricing in certain regions.

Long-Term Debt

Long-term debt (generally defined as original maturities of one year or more) continued to represent the most significant component of Citi' s funding for its non-bank entities, or 40% of the funding for the non-bank entities as of December 31, 2012, compared to 45% as of December 31, 2011. The vast majority of this funding is composed of senior term debt, along with subordinated instruments.

Senior long-term debt includes benchmark notes and structured notes, such as equity- and credit-linked notes. Citi' s issuance of structured notes is generally driven by customer demand and is not a significant source of liquidity for Citi. Structured notes frequently contain contractual features, such as call options, which can lead to an expectation that the debt will be redeemed earlier than one year, despite contractually scheduled maturities greater than one year. As such, when considering the measurement of Citi' s long-term "structural" liquidity, structured notes with these contractual features are not included (see footnote 1 to the "Long-Term Debt Issuances and Maturities" table below).

During 2012, due to the expected phase-out of Tier 1 Capital treatment for trust preferred securities beginning as early as 2013, Citi redeemed four series of its outstanding trust preferred securities, for an aggregate amount of approximately $5.9 billion. Furthermore, in anticipation of this change in qualifying regulatory capital, Citi issued approximately $2.25 billion of preferred stock during 2012. For details on Citi' s remaining outstanding trust preferred securities, as well as its long-term debt generally, see Note 19 to the Consolidated Financial Statements. See also "Capital Resources−Regulatory Capital Standards" above.

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 issued by Citigroup and its affiliates, including Citibank, N.A., with a remaining life greater than one year as of December 31, 2012 (excluding trust preferred securities), was approximately 7.2 years, compared to 7.0 years at September 30, 2012 and 7.1 years at December 31, 2011.

Long-Term Debt Outstanding

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

In billions of dollars	Dec. 31, 2012	Sept. 30, 2012	Dec. 31, 2011
Non-bank	**$ 188.3**	**$ 210.0**	$ 245.6
Senior/subordinated debt [1]	**171.0**	**186.8**	216.4
Trust preferred securities	**10.1**	**10.6**	16.1
Securitized debt and securitizations [1][2]	**0.4**	**3.5**	4.0
Local country [1]	**6.8**	**9.1**	9.1
Bank	**$ 51.2**	**$ 61.9**	$ 77.9
Senior/subordinated debt	**0.1**	**3.7**	10.5
Securitized debt and securitizations [1][2]	**26.0**	**32.0**	46.5
Local country and FHLB borrowings [1][3]	**25.1**	**26.2**	20.9
Total long-term debt	**$ 239.5**	**$ 271.9**	$ 323.5

(1) Includes structured notes in the amount of $27.5 billion and $23.4 billion as of December 31, 2012, and December 31, 2011, respectively.

(2) Of the approximate $26.4 billion of total bank and non-bank securitized debt and securitizations as of December 31, 2012, approximately $23.0 billion related to credit card securitizations, the vast majority of which was at the bank level.

(3) Of this amount, approximately $16.3 billion related to collateralized advances from the FHLB as of December 31, 2012.

As set forth in the table above, Citi' s overall long-term debt decreased by approximately $84 billion year-over-year. In the bank, the decrease was due to securitization and TLGP run-off that was replaced with deposit growth. In the non-bank, the decrease was primarily due to TLGP run-off, trust preferred redemptions, debt maturities and debt repurchases through tender offers or buybacks (see discussion below), partially offset by issuances. While long-term debt in the non-bank declined over the course of the past year, Citi correspondingly reduced its overall level of assets−including illiquid assets−that debt was meant to support. These reductions are in keeping with Citi' s continued strategy to deleverage its balance sheet and lower funding costs.

As noted above and as part of its liquidity and funding strategy, Citi has considered, 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 2012, Citi repurchased an aggregate of approximately $11.1 billion of its outstanding long-term and short-term debt, primarily pursuant to selective public tender offers and open market purchases, compared to $3.3 billion during 2011.

Citi expects to continue to reduce its outstanding long-term debt during 2013, although it expects such reductions to occur at a more moderate rate as compared to 2012. These reductions could occur through natural maturities as well as repurchases, tender offers, redemptions and similar means, depending upon the overall economic environment.

Long-Term Debt Issuances and Maturities

The table below details Citi' s long-term debt issuances and maturities (including repurchases) during the periods presented:

	2012		2011		2010	
In billions of dollars	**Maturities**	**Issuances**	Maturities	Issuances	Maturities	Issuances
Structural long-term debt [1]	**$ 80.7**	**$15.1**	$47.3	$15.1	$41.2	$18.9
Local country level, FHLB and other [2]	**11.7**	**12.2**	25.7	15.2	20.5	10.2
Secured debt and securitizations	**25.2**	**0.5**	16.1	0.7	14.2	4.7
Total	**$ 117.6**	**$ 27.8**	$ 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 debt, 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 footnote 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) As referenced above, "other" includes long-term debt not considered structural long-term debt relating to certain structured notes. The amounts of issuances included in this line, and thus excluded from "structural long-term debt," were $2.0 billion, $3.7 billion, and $3.3 billion in 2012, 2011, and 2010, respectively. The amounts of maturities included in this line, and thus excluded from "structural long-term debt," were $2.4 billion, $2.4 billion, and $3.0 billion, in 2012, 2011, and 2010, respectively.

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

	Expected Long-Term Debt Maturities as of December 31, 2012						
In billions of dollars	**2013**	**2014**	**2015**	**2016**	**2017**	**Thereafter**	**Total**
Senior/subordinated debt [1]	$ 24.6	$ 24.6	$ 19.9	$ 12.8	$ 21.2	$68.0	$ 171.1
Trust preferred securities	0.0	0.0	0.0	0.0	0.0	10.1	10.1
Securitized debt and securitizations	2.4	6.6	5.8	2.9	2.3	6.4	26.4
Local country and FHLB borrowings	15.7	5.8	3.3	4.2	0.7	2.2	31.9
Total long-term debt	$ 42.7	$ 37.0	$ 29.0	$ 19.9	$ 24.2	$ 86.7	$ 239.5

(1) Includes certain structured notes, such as equity-linked and credit-linked notes, with early redemption features effective within one year. The amount and maturity of such notes included is as follows: $0.9 billion maturing in 2013; $0.5 billion in 2014; $0.5 billion in 2015; $0.6 billion in 2016; $0.5 billion in 2017; and $2.0 billion thereafter.

As set forth in the table above, Citi' s structural long-term debt maturities peaked during 2012 at $80.7 billion, and included the maturity of the last remaining TLGP debt.

Secured Financing Transactions and Short-Term Borrowings

As referenced above, Citi supplements its primary sources of funding with short-term borrowings. Short-term borrowings generally include (i) secured financing (securities loaned or sold under agreements to repurchase, or repos) and (ii) short-term borrowings consisting of commercial paper and borrowings from the FHLBs and other market participants. See Note 19 to the Consolidated Financial Statements for further information on Citigroup' s and its affiliates' outstanding short-term borrowings.

The following table contains the year-end, average and maximum month-end amounts for the following respective short-term borrowings categories at the end of each of the three prior fiscal years.

	Federal funds purchased and securities sold under agreements to repurchase			Short-term borrowings					
				Commercial paper			Other short-term borrowings		
In billions of dollars	**2012**	2011	2010	**2012**	2011	2010	**2012**	2011	20
Amounts outstanding at year end	**$ 211.2**	$ 198.4	$ 189.6	**$ 11.5**	$ 21.3	$ 24.7	**$ 40.5**	$ 33.1	$
Average outstanding during the year [3][4]	**223.8**	219.9	212.3	**17.9**	25.3	35.0	**36.3**	45.5	
Maximum month-end outstanding	**237.1**	226.1	246.5	**21.9**	25.3	40.1	**40.6**	58.2	
Weighted-average interest rate									
During the year [3][4][5]	**1.26 %**	1.45 %	1.32 %	**0.47%**	0.28%	0.38%	**1.77%**	1.28%	
At year end [6]	**0.81**	1.10	0.99	**0.60**	0.38	0.35	**1.06**	1.09	

(1) Original maturities of less than one year.

(2) Other short-term borrowings include broker borrowings and borrowings from banks and other market participants.

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

(4) Average volumes of securities loaned or sold under agreements to repurchase are reported net pursuant to FIN 41 (ASC 210-20-45). However, *Interest expense* excludes the impact of FIN 41 (ASC 210-20-45).

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

(6) Based on contractual rates at respective year ends; non-interest-bearing accounts are excluded from the weighted average interest rate calculated at year end.

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 December 31, 2012, approximately 36% of the funding for Citi' s non-bank entities, primarily the broker-dealer, was from secured financings.

Secured financing was $211 billion as of December 31, 2012, compared to $198 billion as of December 31, 2011. Average balances for secured financing were approximately $224 billion for the year ended December 31, 2012, compared to $220 billion for the year ended December 31, 2011. Changes in levels of secured financing were primarily due to fluctuations in inventory for all periods discussed above (either on an end-of-quarter or on an average basis).

Commercial Paper
Citi' s commercial paper balances have decreased and will likely continue to do so as Citi shifts its funding mix away from short-term sources to deposits and long-term debt and equity. 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 billions of dollars	**Dec. 31, 2012**	**Sep. 30, 2012**	Dec. 31, 2011
Commercial paper			
Non-bank	**$ 0.4**	**$ 0.6**	$ 6.4
Bank	**11.1**	**11.8**	14.9
Total	**$ 11.5**	**$ 12.4**	$ 21.3

Other Short-Term Borrowings
At December 31, 2012, Citi' s other short-term borrowings, which includes borrowings from the FHLBs and other market participants, were approximately $41 billion, compared with $33 billion at December 31, 2011.

Liquidity Management, Measures and Stress Testing

Liquidity Management
Citi' s aggregate liquidity resources are managed by the Citi Treasurer. Liquidity is managed via a centralized treasury model by Corporate Treasury and by in-country treasurers. Pursuant to this structure, Citi' s liquidity resources are managed with a goal of ensuring the asset/liability match and that liquidity positions are appropriate in every country and throughout Citi.

Citi' s Chief Risk Officer is responsible for the overall risk profile of Citi' s aggregate liquidity resources. The Chief Risk Officer and Chief Financial Officer co-chair Citi' s Asset Liability Management Committee (ALCO), which includes Citi' s Treasurer and senior executives. ALCO sets the strategy of

Liquidity Measures
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 remained stable over the past year at approximately 73% as of December 31, 2012.

In addition, Citi believes it is currently in compliance with the proposed Basel III Liquidity Coverage Ratio (LCR), as amended by the Basel Committee on Banking Supervision on January 7, 2013 (the amended LCR guidelines), even though such ratio is not proposed to take full effect until 2019. Using the amended LCR guidelines, Citi' s estimated LCR was approximately 122% as of December 31, 2012, compared with approximately 127% at September 30, 2012 and 143% at March 31, 2012.[13] On a dollar basis, the 122% LCR represents additional liquidity of approximately $65 billion above the proposed minimum 100% LCR threshold. Citi' s LCR may decrease modestly over time.

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 LCR estimate is calculated in accordance with the amended LCR guidelines. Under the amended LCR guidelines, the LCR is calculated by dividing the amount of highly liquid unencumbered government and government-backed cash securities, as well as unencumbered cash, by the estimated net outflows over a stressed 30-day period. The net cash outflows are calculated by applying assumed outflow factors, prescribed in the amended LCR guidelines, to the various categories of liabilities (deposits, unsecured and secured wholesale borrowings), as well as to unused commitments and derivatives-related exposures, partially offset by inflows from assets maturing within 30 days. The amended LCR requirements expanded the definition of liquid assets, and reduced outflow estimates for certain types of deposits and commitments.

Stress Testing
Liquidity stress testing is performed for each of Citi' s major entities, operating subsidiaries and/or countries. Stress testing and scenario analyses are intended to quantify the potential impact of a liquidity event on the balance sheet and liquidity position, and to identify viable funding alternatives that can be utilized. These scenarios include assumptions about significant changes in key funding sources, market triggers (such as credit ratings), potential uses of funding and political and economic

the liquidity portfolio and monitors its performance. Significant changes to portfolio asset allocations need to be approved by ALCO.

Excess cash available in Citi' s aggregate liquidity resources is available to be invested in a liquid portfolio such that cash can be made available to meet demand in a stress situation. At December 31, 2012, Citi' s liquidity pool was primarily invested in cash, government securities, including U.S. agency debt and U.S. agency mortgage-backed securities, and a certain amount of highly rated investment-grade credits. While the vast majority of Citi' s liquidity pool at December 31, 2012 consisted of long positions, Citi utilizes derivatives to manage its interest rate and currency risks; credit derivatives are not used.

conditions in certain countries. These conditions include standard and stressed market conditions as well as firm-specific events.

A wide range of liquidity stress tests are important for monitoring purposes. Some span liquidity events over a full year, some may cover an intense stress period of one month, and still other time frames may be appropriate. These potential liquidity events are useful to ascertain potential mismatches between liquidity sources and uses over a variety of horizons

---

13 Citi' s estimated LCR is a non-GAAP financial measure. Citi believes this measure provides useful information to investors and others by measuring Citi' s progress toward potential future expected regulatory liquidity standards.

(overnight, one week, two weeks, one month, three months, one year), and liquidity limits are set accordingly. To monitor the liquidity of a unit, those stress tests and potential mismatches may be calculated with varying frequencies, with several important tests performed daily.

Given the range of potential stresses, Citi maintains a series of contingency funding plans on a consolidated basis as well as for individual entities. These plans specify a wide range of readily available actions that are available in a variety of adverse market conditions, or idiosyncratic disruptions.

Credit Ratings

Citigroup' s funding and liquidity, including 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) as of December 31, 2012.

Citi' s Debt Ratings as of December 31, 2012

	Citigroup Inc.		Citibank, N.A.		Citigroup Global Markets Inc.
	Senior debt	Commercial paper	Long-term	Short-term	Long-term
Fitch Ratings (Fitch)	A	F1	A	F1	NR
Moody' s Investors Service (Moody' s)	Baa2	P-2	A3	P-2	NR
Standard & Poor' s (S&P)	A-	A-2	A	A-1	A

NR Not rated.

Recent Credit Rating Developments

On December 5, 2012, S&P concluded its annual review of Citi with no changes to the ratings and outlooks on Citigroup and its subsidiaries. On October 16, 2012, S&P noted that Citi' s ratings remain unchanged despite the change in senior management. At the same time, S&P maintained a negative outlook on the ratings. These ratings continue to receive two notches of government support uplift, in line with other large banks.

On October 16, 2012, Fitch noted the change in Citi' s senior management as an unexpected, but credit-neutral, event that would likely have no material impact on the credit profile of Citibank, N.A. or its ratings in the near term. On October 10, 2012, Fitch affirmed the long- and short-term ratings of "A/F1" and the Viability Rating of "a-" for Citigroup and Citibank, N.A. and, as of that date, the rating outlook by Fitch was stable. This rating action was taken in conjunction with Fitch' s periodic review of the 13 global trading and universal banks.

On February 12, 2013, Moody' s changed the rating outlook on Citibank, N.A. from negative to stable, and affirmed the long-term ratings. The negative outlook was assigned on October 16,

Potential Impacts of Ratings Downgrades

Ratings downgrades by Moody' s, Fitch or S&P could negatively impact Citigroup' s and/or Citibank, N.A.' s funding and liquidity due to reduced funding capacity, including derivatives triggers, 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 a hypothetical, simultaneous ratings downgrade across all three major rating agencies. This analysis is subject to certain estimates, estimation methodologies, and 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.

2012, following changes in Citi' s senior management. Moody' s maintained the negative outlook on the long-term ratings of Citigroup Inc. On October 16, 2012, Moody' s affirmed the long- and short-term ratings of Citigroup and Citibank, N.A.

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−Liquidity Risks" below.

Citigroup Inc. and Citibank, N.A.—Potential Derivative Triggers
As of December 31, 2012, Citi estimates that a hypothetical one-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 by approximately $1.7 billion. 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 December 31, 2012, Citi estimates that a hypothetical one-notch downgrade of the senior debt/long-term rating of Citibank, N.A. across all three major rating agencies could impact Citibank, N.A.' s funding and liquidity due to derivative triggers by approximately $3.4 billion.

In total, Citi estimates that a one-notch downgrade of Citigroup and Citibank, N.A., across all three major rating agencies, could result in aggregate cash obligations and collateral requirements of approximately $5.1 billion (see also Note 23 to the Consolidated Financial Statements). As set forth under "Aggregate Liquidity Resources" above, the aggregate liquidity resources of Citi' s non-bank entities were approximately $65 billion, and the aggregate liquidity resources of Citi' s significant Citibank entities and other Citibank and Banamex entities were approximately $289 billion, for a total of approximately $354 billion as of December 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 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 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, Citi believes that a potential one-notch downgrade of Citibank, N.A.' s senior debt/long-term rating by S&P and Fitch could also have an adverse impact on the commercial paper/short-term rating of Citibank, N.A. As of December 31, 2012, Citibank, N.A. had liquidity commitments of approximately $18.7 billion to asset-backed commercial paper conduits. This included $11.1 billion of commitments to consolidated conduits and $7.6 billion of commitments to unconsolidated conduits (each as referenced in Note 22 to the Consolidated Financial Statements).

In addition to the above-referenced aggregate liquidity resources of Citi' s significant Citibank entities 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.

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-K. In addition, see "Significant Accounting Policies and Significant Estimates−Securitizations," as well as Notes 1, 22 and 27 to the Consolidated Financial Statements.

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

Variable interests and other obligations, including contingent obligations, arising from variable interests in nonconsolidated VIEs	See Note 22 to the Consolidated Financial Statements.
Leases, letters of credit, and lending and other commitments	See Note 27 to the Consolidated Financial Statements.
Guarantees	See Note 27 to the Consolidated Financial Statements.

CONTRACTUAL OBLIGATIONS

The following table includes information on Citigroup' s contractual obligations, as specified and aggregated pursuant to SEC requirements.

Purchase obligations consist of those obligations to purchase goods or services that are enforceable and legally binding on Citi. For presentation purposes, purchase obligations are included in the table below through the termination date of the respective agreements, even if the contract is renewable. Many of the purchase agreements for goods or services include clauses that would allow Citigroup to cancel the agreement with specified notice; however, that impact is not included in the table below (unless Citigroup has already notified the counterparty of its intention to terminate the agreement).

Other liabilities reflected on Citigroup' s Consolidated Balance Sheet include obligations for goods and services that have already been received, uncertain tax positions and other liabilities that have been incurred and will ultimately be paid in cash.

	Contractual obligations by year						
In millions of dollars	**2013**	**2014**	**2015**	**2016**	**2017**	**Thereafter**	**Total**
Long-term debt obligations–principal (1)	$ 42,651	$ 37,026	$ 29,046	$ 19,857	$ 24,151	$ 86,732	$ 239,463
Long-term debt obligations–interest payments (2)	1,655	1,437	1,127	770	937	3,365	9,291
Operating and capital lease obligations	1,220	1,125	1,001	881	754	2,293	7,274
Purchase obligations	792	439	414	311	249	233	2,438
Other liabilities (3)	40,358	1,623	287	289	255	3,945	46,757
Total	**$ 86,676**	**$ 41,650**	**$ 31,875**	**$ 22,108**	**$ 26,346**	**$ 96,568**	**$ 305,223**

(1) For additional information about long-term debt obligations, see "Capital Resources and Liquidity–Funding and Liquidity" above and Note 19 to the Consolidated Financial Statements.

(2) Contractual obligations related to interest payments on long-term debt are calculated by applying the weighted average interest rate on Citi' s outstanding long-term debt as of December 31, 2012 to the contractual payment obligations on long-term debt for each of the periods disclosed in the table. At December 31, 2012, Citi' s overall weighted average contractual interest rate for long-term debt was 3.88%.

(3) Includes accounts payable and accrued expenses recorded in *Other liabilities* on Citi' s Consolidated Balance Sheet. Also includes discretionary contributions for 2013 for Citi' s non-U.S. pension plans and the non-U.S. postretirement plans, as well as employee benefit obligations accounted for under SFAS 87 (ASC 715), SFAS 106 (ASC 715) and SFAS 112 (ASC 712).

RISK FACTORS

The following discussion sets forth what management currently believes could be the most significant regulatory, market and economic, liquidity, legal and business and operational risks and uncertainties that could impact Citi' s businesses, results of operations and financial condition. Other factors, including those not currently known to Citi or its management, could also negatively impact Citi' s businesses, results of operations and financial condition, and thus the below should not be considered a complete discussion of all of the risks and uncertainties Citi may face.

REGULATORY RISKS

Citi Faces Ongoing Significant Regulatory Changes and Uncertainties in the U.S. and Non-U.S. Jurisdictions in Which It Operates That Negatively Impact the Management of Its Businesses, Results of Operations and Ability to Compete.

Citi continues to be subject to significant regulatory changes and uncertainties both in the U.S. and the non-U.S. jurisdictions in which it operates. As discussed throughout this section, the complete scope and ultimate form of a number of provisions of The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) and other regulatory initiatives in the U.S. are still being finalized and, even when finalized, will likely require significant interpretation and guidance. These regulatory changes and uncertainties are compounded by numerous regulatory initiatives underway in non-U.S. jurisdictions in which Citi operates. Certain of these initiatives, such as prohibitions or restrictions on proprietary trading or the requirement to establish "living wills," overlap with changes in the U.S., while others, such as proposals for financial transaction and/or bank taxes in particular countries or regions, currently do not. Even when U.S. and international initiatives overlap, in many instances they have not been undertaken on a coordinated basis and areas of divergence have developed with respect to scope, interpretation, timing, structure or approach.

Citi could be subject to additional regulatory requirements or changes beyond those currently proposed, adopted or contemplated, particularly given the ongoing heightened regulatory environment in which financial institutions operate. For example, in connection with their orderly liquidation authority under Title II of the Dodd-Frank Act, U.S. regulators may require that bank holding companies maintain a prescribed level of debt at the holding company level. In addition, under the Dodd-Frank Act, U.S. regulators may require additional collateral for inter-affiliate derivative and other credit transactions which, depending upon rulemaking and regulatory guidance, could be significant. There also continues to be discussion of potential GSE reform which would likely affect

Regulatory changes and uncertainties make Citi' s business planning more difficult and could require Citi to change its business models or even its organizational structure, all of which could ultimately negatively impact Citi' s results of operations as well as realization of its deferred tax assets (DTAs). For example, regulators have proposed applying limits to certain concentrations of risk, such as through single counterparty credit limits or legal lending limits, and implementation of such limits currently or in the future could require Citi to restructure client or counterparty relationships and could result in the potential loss of clients.

Further, certain regulatory requirements could require Citi to create new subsidiaries instead of branches in foreign jurisdictions, or create subsidiaries to conduct particular businesses or operations (so-called "subsidiarization"). This could, among other things, negatively impact Citi' s global capital and liquidity management and overall cost structure. Unless and until there is sufficient regulatory certainty, Citi' s business planning and proposed pricing for affected businesses necessarily include assumptions based on possible or proposed rules or requirements, and incorrect assumptions could impede Citi' s ability to effectively implement and comply with final requirements in a timely manner. Business planning is further complicated by the continual need to review and evaluate the impact on Citi' s businesses of ongoing rule proposals and final rules and interpretations from numerous regulatory bodies, all within compressed timeframes.

Citi' s costs associated with implementation of, as well as the ongoing, extensive compliance costs associated with, new regulations or regulatory changes will likely be substantial and will negatively impact Citi' s results of operations. Given the continued regulatory uncertainty, however, the ultimate amount and timing of such impact going forward cannot be predicted. Also, compliance with inconsistent, conflicting or duplicative regulations, either within the U.S. or between the U.S. and non-U.S. jurisdictions, could further increase the impact on Citi. For example, the Dodd-Frank Act provided for the elimination of "federal preemption" with respect to the operating subsidiaries of federally chartered institutions such as Citibank, N.A., which allows for a broader application of state consumer finance laws to such subsidiaries. As a result, Citi is now required to conform the consumer businesses conducted by operating subsidiaries of Citibank, N.A. to a variety of potentially conflicting or inconsistent state laws not previously applicable, such as laws imposing customer fee restrictions or requiring additional consumer disclosures. Failure to comply with these or other regulatory changes could further increase Citi' s costs or markets for mortgages and mortgage securities in ways that cannot currently be predicted. The heightened regulatory environment has resulted not only in a tendency toward more regulation, but toward the most prescriptive regulation as regulatory agencies have generally taken a conservative approach to rulemaking, interpretive guidance and their general ongoing supervisory authority.

otherwise harm Citi' s reputation.

Uncertainty persists regarding the competitive impact of these new regulations. Citi could be subject to more stringent regulations, or could incur additional compliance costs, compared to its U.S. competitors because of its global footprint. In addition, certain other financial intermediaries may not be regulated on the same basis or to the same extent as Citi and consequently may have certain competitive advantages. Moreover, Citi could be subject to more, or more stringent, regulations than its foreign competitors because of several U.S. regulatory initiatives, particularly with respect to Citi' s non-U.S. operations. Differences in substance and severity of regulations across jurisdictions could significantly reduce Citi' s ability to compete with its U.S. and non-U.S. competitors and further negatively impact Citi' s results of operations. For example, Citi conducts a substantial portion of its derivatives activities through

Citibank, N.A. Pursuant to the CFTC' s current and proposed rules on cross-border implications of the new derivatives registration and trading requirements under the Dodd-Frank Act, clients who transact their derivatives business with overseas branches of Citibank, N.A. could be subject to U.S. registration and other derivatives requirements. Clients of Citi and other large U.S. financial institutions have expressed an unwillingness to continue to deal with overseas branches of U.S. banks if the rules would subject them to these requirements. As a result, Citi could lose clients to non-U.S. financial institutions that are not subject to the same compliance regime.

Continued Uncertainty Regarding the Timing and Implementation of Future Regulatory Capital Requirements Makes It Difficult to Determine the Ultimate Impact of These Requirements on Citi' s Businesses and Results of Operations and Impedes Long-Term Capital Planning.

During 2012, U.S. regulators proposed the U.S. Basel III rules that would be applicable to Citigroup and its depository institution subsidiaries, including Citibank, N.A. U.S. regulators also adopted final rules relating to Basel II.5 market risk that were effective on January 1, 2013. This new regulatory capital regime will increase the level of capital required to be held by Citi, not only with respect to the quantity and quality of capital (such as capital required to be held in the form of common equity), but also as a result of increasing Citi' s overall risk-weighted assets.

There continues to be significant uncertainty regarding the overall timing and implementation of the final U.S. regulatory capital rules. For example, while the U.S. Basel III rules have been proposed, additional rulemaking and interpretation is necessary to adopt and implement the final rules. Overall implementation phase-in will also need to be finalized by U.S. regulators, and it remains to be seen how U.S. regulators will address the interaction between the new capital adequacy rules, Basel I, Basel II, Basel II.5 and the proposed "standardized" approach serving as a "floor" to the capital requirements of "advanced approaches" institutions, such as Citigroup. (For additional information on the current and proposed regulatory capital standards applicable to Citi, see "Capital Resources and Liquidity – Capital Resources – Regulatory Capital Standards" above.) As a result, the ultimate impact of this new regime on Citi' s businesses and results of operations cannot currently be estimated.

Based on the proposed regulatory capital regime, the level of capital required to be held by Citi will likely be higher than most surcharge of 2.5%, which will likely be higher than the surcharge applicable to most of Citi' s U.S. and non-U.S. competitors. Competitive impacts of the proposed regulatory capital regime could further negatively impact Citi' s businesses and results of operations.

Citi' s estimated Basel III capital ratios necessarily reflect management' s understanding, expectations and interpretation of the proposed U.S. Basel III requirements as well as existing implementation guidance. Furthermore, Citi must incorporate certain enhancements and refinements to its Basel II.5 market risk models, as required by both the Federal Reserve Board and the OCC, in order to retain the risk-weighted asset benefits associated with the conditional approvals received for such models. Citi must also separately obtain final approval from these agencies for the use of certain credit risk models that would also yield reduced risk-weighted assets, in part, under Basel III.

All of these uncertainties make long-term capital planning by Citi' s management challenging. If management' s estimates and assumptions with respect to these or other aspects of U.S. Basel III implementation are not accurate, or if Citi fails to incorporate the required enhancement and refinements to its models as required by the Federal Reserve Board and the OCC, then Citi' s ability to meet its future regulatory capital requirements as it projects or as required could be negatively impacted, or the business and financial consequences of doing so could be more adverse than expected.

The Ongoing Implementation of Derivatives Regulation Under the Dodd-Frank Act Could Adversely Affect Citi' s Derivatives Businesses, Increase Its Compliance Costs and Negatively Impact Its Results of Operations.

Derivatives regulations under the Dodd-Frank Act have impacted and will continue to substantially impact the derivatives markets by, among other things: (i) requiring extensive regulatory and public reporting of derivatives transactions; (ii) requiring a wide range of over-the-counter derivatives to be cleared through recognized clearing facilities and traded on exchanges or exchange-like facilities; (iii) requiring the collection and segregation of collateral for most uncleared derivatives; and (iv) significantly broadening limits on the size of positions that may be maintained in specified derivatives. These market structure reforms will make trading in many derivatives products more costly, may significantly reduce the liquidity of certain derivatives markets and could diminish customer demand for covered derivatives. These changes could negatively impact Citi' s results of operations in its derivatives businesses.

Numerous aspects of the new derivatives regime require costly and extensive compliance systems to be put in place and maintained. For example, under the new derivatives regime, of its U.S. and non-U.S. competitors, including as a result of the level of DTAs recorded on Citi' s balance sheet and its strategic focus on emerging markets (which could result in Citi having higher risk-weighted assets under Basel III than those of its global competitors that either lack presence in, or are less focused on, such markets). In addition, while the Federal Reserve Board has yet to finalize any capital surcharge framework for U.S. "global systemically important banks" (G-SIBs), Citi is currently expected to be subject to a

certain of Citi' s subsidiaries have registered as "swap dealers," thus subjecting them to extensive ongoing compliance requirements, such as electronic recordkeeping (including recording telephone communications), real-time public transaction reporting and external business conduct requirements (e.g., required swap counterparty disclosures), among others. These requirements require the successful and timely installation of extensive technological and operational systems and compliance infrastructure, and Citi' s failure to effectively install such systems subject it to increased compliance risks and costs which could negatively impact its earnings and result in regulatory or reputational risk. Further, new derivatives-related systems and infrastructure will likely become the basis on which institutions such as Citi compete for clients. To the extent that Citi' s connectivity, product offerings or services for clients in these businesses is deficient, this could further negatively impact Citi' s results of operations

Additionally, while certain of the derivatives regulations under the Dodd-Frank Act have been finalized, the rulemaking process is not complete, significant interpretive issues remain to be resolved and the timing for the effectiveness of many of these requirements is not yet clear. Depending on how the uncertainty is resolved, certain outcomes could negatively impact Citi' s competitive position in these businesses, both with respect to the cross-border aspects of the U.S. rules as well as with respect to the international coordination and timing of various non-U.S. derivatives regulatory reform efforts. For example, in mid-2012, the European Union (EU) adopted the European Market Infrastructure Regulation which requires, among other things, information on all European derivative transactions be reported to trade repositories and certain counterparties to clear "standardized" derivatives contracts through central counterparties. Many of these non-U.S. reforms are likely to take effect after the corresponding provisions of the Dodd-Frank Act and, as a result, it is uncertain whether they will be similar to those in the U.S. or will impose different, additional or even inconsistent requirements on Citi' s derivatives activities. Complications due to the sequencing of the effectiveness of derivatives reform, both among different components of the Dodd-Frank Act and between the U.S. and other jurisdictions, could result in disruptions to Citi' s operations and make it more difficult for Citi to compete in these businesses.

The Dodd-Frank Act also contains a so-called "push-out" provision that, to date, has generally been interpreted to prevent FDIC-insured depository institutions from dealing in certain equity, commodity and credit-related derivatives, although the ultimate scope of the provision is not certain. Citi currently conducts a substantial portion of its derivatives-dealing activities within and outside the U.S. through Citibank, N.A., its primary insured depository institution. The costs of revising customer relationships and modifying the organizational structure of Citi' s businesses or the subsidiaries engaged in these businesses remain unknown and are subject to final regulations or regulatory interpretations, as well as client expectations. While this push-out provision is to be effective in July 2013, U.S. regulators may grant up to an initial two-year transition period to each depository institution. In January 2013, Citi applied for an initial

It Is Uncertain What Impact the Proposed Restrictions on Proprietary Trading Activities Under the Volcker Rule Will Have on Citi' s Market-Making Activities and Preparing for Compliance with the Proposed Rules Necessarily Subjects Citi to Additional Compliance Risks and Costs.

The "Volcker Rule" provisions of the Dodd-Frank Act are intended in part to restrict the proprietary trading activities of institutions such as Citi. While the five regulatory agencies required to adopt rules to implement the Volcker Rule have each proposed their rules, none of the agencies has adopted final rules. Instead, in July 2012, the regulatory agencies instructed applicable institutions, including Citi, to engage in "good faith efforts" to be in compliance with the Volcker Rule by July 2014. Because the regulations are not yet final, the degree to which Citi' s market-making activities will be permitted to continue in their current form remains uncertain. In addition, the proposed rules and any restrictions imposed by final regulations will also likely affect Citi' s trading activities globally, and thus will impact it disproportionately in comparison to foreign financial institutions that will not be subject to the Volcker Rule with respect to all of their activities outside of the U.S.

As a result of this continued uncertainty, preparing for compliance based only on proposed rules necessarily requires Citi to make certain assumptions about the applicability of the Volcker Rule to its businesses and operations. For example, as proposed, the regulations contain exceptions for market-making, underwriting, risk-mitigating hedging, certain transactions on behalf of customers and activities in certain asset classes, and require that certain of these activities be designed not to encourage or reward "proprietary risk taking." Because the regulations are not yet final, Citi is required to make certain assumptions as to the degree to which Citi' s activities in these areas will be permitted to continue. If these assumptions are not accurate, Citi could be subject to additional compliance risks and costs and could be required to undertake such compliance on a more compressed time frame when regulators issue final rules. In addition, the proposed regulations would require an extensive compliance regime for the "permitted" activities under the Volcker Rule. Citi' s implementation of this compliance regime will be based on its "good faith" interpretation and understanding of the proposed regulations, and to the extent its interpretation or understanding is not correct, Citi could be subject to additional compliance risks and costs.

Like the other areas of ongoing regulatory reform, alternative proposals for the regulation of proprietary trading are developing in non-U.S. jurisdictions, leading to overlapping or potentially conflicting regimes. For example, in the U.K., the so-called "Vickers" proposal would separate investment and commercial two-year transition period for Citibank, N.A. The timing of any approval of a transition period request, or any parameters imposed on a transition period, remains uncertain. In addition, to the extent that certain of Citi' s competitors already conduct these derivatives activities outside of FDIC-insured depository institutions, Citi would be disproportionately impacted by any restructuring of its business for push-out purposes. Moreover, the extent to which Citi' s non-U.S. operations will be impacted by the push-out provision remains unclear, and it is possible that Citi could lose market share or profitability in its derivatives business or client relationships in jurisdictions where foreign bank competitors can operate without the same constraints.

banking activity from retail banking and would require ring-fencing of U.K. domestic retail banking operations coupled with higher capital requirements for the ring-fenced assets. In the EU, the so-called "Liikanen" proposal would require the mandatory separation of proprietary trading and other significant trading activities into a trading entity legally separate from the legal entity holding the banking activities of a firm. It is likely that, given Citi' s worldwide operations, some form of the Vickers and/or Liikanen proposals will eventually be applicable to a portion of Citi' s operations. While the Volcker Rule and these non-U.S. proposals are intended to address similar concerns−separating the perceived risks of proprietary trading and certain other investment banking activities in order not to affect more traditional banking and retail activities−they would do so under different structures, resulting in inconsistent regulatory regimes and increased compliance and other costs for a global institution such as Citi.

Regulatory Requirements in the U.S. and in Non-U.S. Jurisdictions to Facilitate the Future Orderly Resolution of Large Financial Institutions Could Negatively Impact Citi' s Business Structures, Activities and Practices.

The Dodd-Frank Act requires Citi to prepare and submit annually a plan for the orderly resolution of Citigroup (the bank holding company) under the U.S. Bankruptcy Code in the event of future material financial distress or failure. Citi is also required to prepare and submit a resolution plan for its insured depository institution subsidiary, Citibank, N.A., and to demonstrate how Citibank is adequately protected from the risks presented by non-bank affiliates. These plans must include information on resolution strategy, major counterparties and "interdependencies," among other things, and require substantial effort, time and cost across all of Citi' s businesses and geographies. These resolution plans are subject to review by the Federal Reserve Board and the FDIC.

If the Federal Reserve Board and the FDIC both determine that Citi' s resolution plans are not "credible" (which, although not defined, is generally believed to mean the regulators do not believe the plans are feasible or would otherwise allow the regulators to resolve Citi in a way that protects systemically important functions without severe systemic disruption and without exposing taxpayers to loss), and Citi does not remedy the deficiencies within the required time period, Citi could be required to restructure or reorganize businesses, legal entities, or operational systems and intracompany transactions in ways that could negatively impact its operations, or be subject to restrictions on growth. Citi could also eventually be subjected to more stringent capital, leverage or liquidity requirements, or be required to divest certain assets or operations.

In addition, other jurisdictions, such as the U.K., have requested or are expected to request resolution plans from financial institutions, including Citi, and the requirements and timing relating to these plans are different from the U.S. requirements and from each other. Responding to these additional requests will require additional effort, time and cost, and regulatory review and requirements in these jurisdictions could be in addition to, or conflict with, changes required by Citi' s regulators in the U.S.

Additional Regulations with Respect to Securitizations Will Impose Additional Costs, Increase Citi' s Potential Liability and May Prevent Citi from Performing Certain Roles in

transactions retain un-hedged exposure to at least 5% of the economic risk of certain assets they securitize and a prohibition on securitization participants engaging in transactions that would involve a conflict with investors in the securitization. Many of these requirements have yet to be finalized. The SEC has also proposed additional extensive regulation of both publicly and privately offered securitization transactions through revisions to the registration, disclosure, and reporting requirements for asset-backed securities and other structured finance products. Moreover, the proposed capital adequacy regulations (see "Capital Resources and Liquidity−Capital Resources−Regulatory Capital Standards" above) are likely to increase the capital required to be held against various exposures to securitizations.

The cumulative effect of these extensive regulatory changes as well as other potential future regulatory changes cannot currently be assessed. It is likely, however, that these various measures will increase the costs of executing securitization transactions, and could effectively limit Citi' s overall volume of, and the role Citi may play in, securitizations, expose Citi to additional potential liability for securitization transactions and make it impractical for Citi to execute certain types of securitization transactions it previously executed. As a result, these effects could impair Citi' s ability to continue to earn income from these transactions or could hinder Citi' s ability to use such transactions to hedge risks, reduce exposures or reduce assets with adverse risk-weighting in its businesses, and those consequences could affect the conduct of these businesses. In addition, certain sectors of the securitization markets, particularly residential mortgage-backed securitizations, have been inactive or experienced dramatically diminished transaction volumes since the financial crisis. The impact of various regulatory reform measures could negatively delay or restrict any future recovery of these sectors of the securitization markets, and thus the opportunities for Citi to participate in securitization transactions in such sectors.

MARKET AND ECONOMIC RISKS

There Continues to Be Significant Uncertainty Arising from the Ongoing Eurozone Debt and Economic Crisis, Including the Potential Outcomes That Could Occur and the Impact Those Outcomes Could Have on Citi' s Businesses, Results of Operations or Financial Condition, as well as the Global Financial Markets and Financial Conditions Generally.

Several European countries, including Greece, Ireland, Italy, Portugal and Spain (GIIPS), continue to experience credit deterioration due to weaknesses in their economic and fiscal situations. Concerns have been raised, both within the European Monetary Union (EMU) as well as internationally, as to the financial, political and legal effectiveness of measures taken to

Securitizations.

Citi plays a variety of roles in asset securitization transactions, including acting as underwriter of asset-backed securities, depositor of the underlying assets into securitization vehicles, trustee to securitization vehicles and counterparty to securitization vehicles under derivative contracts. The Dodd-Frank Act contains a number of provisions that affect securitizations. These provisions include, among others, a requirement that securitizers in certain

date, and the ability of these countries to adhere to any required austerity, reform or similar measures. These ongoing conditions have caused, and are likely to continue to cause, disruptions in the global financial markets, particularly if they lead to any future sovereign debt defaults and/or significant bank failures or defaults in the Eurozone.

The impact of the ongoing Eurozone debt and economic crisis and other developments in the EMU could be even more significant if they lead to a partial or complete break-up of the EMU. The exit of one or more member countries from the EMU could result in certain obligations relating to the exiting country being redenominated from the Euro to a new country currency. Redenomination could be accompanied by immediate revaluation of the new currency as compared to the Euro and the U.S. dollar, the extent of which would depend on the particular facts and circumstances. Any such redenomination/revaluation would cause significant legal and other uncertainty with respect to outstanding obligations of counterparties and debtors in any exiting country, whether sovereign or otherwise, and would likely lead to complex, lengthy litigation. Redenomination/ revaluation could also be accompanied by the imposition of exchange and/or capital controls, required functional currency changes and "deposit flight."

The ongoing Eurozone debt and economic crisis has created, and will continue to create, significant uncertainty for Citi and the global economy. Any occurrence or combination of the events described above could negatively impact Citi' s businesses, results of operations and financial condition, both directly through its own exposures as well as indirectly. For example, at times, Citi has experienced widening of its credit spreads and thus increased costs of funding due to concerns about its Eurozone exposure. In addition, U.S. regulators could impose mandatory loan loss and other reserve requirements on U.S. financial institutions, including Citi, if a particular country' s economic situation deteriorates below a certain level, which could negatively impact Citi' s earnings, perhaps significantly. Citi' s businesses, results of operations and financial condition could also be negatively impacted due to a decline in general global economic conditions as a result of the ongoing Eurozone crises, particularly given its global footprint and strategy. In addition to the uncertainties and potential impacts described above, the ongoing Eurozone crisis and/or partial or complete break-up of the EMU could cause, among other things, severe disruption to global equity markets, significant increases in bond yields generally, potential failure or default of financial institutions (including those of systemic importance), a significant decrease in global liquidity, a freeze-up of global credit markets and worldwide recession.

While Citi endeavors to mitigate its credit and other exposures related to the Eurozone, the potential outcomes and impact of those outcomes resulting from the Eurozone crisis are highly uncertain and will ultimately be based on the specific facts and circumstances. As a result, there can be no assurance that the various steps Citi has taken to protect its businesses,

The Continued Uncertainty Relating to the Sustainability and Pace of Economic Recovery in the U.S. and Globally Could Have a Negative Impact on Citi' s Businesses and Results of Operations. Moreover, Any Significant Global Economic Downturn or Disruption, Including a Significant Decline in Global Trade Volumes, Could Materially and Adversely Impact Citi' s Businesses, Results of Operations and Financial Condition.

Like other financial institutions, Citi' s businesses have been, and could continue to be, negatively impacted by the uncertainty surrounding the sustainability and pace of economic recovery in the U.S. as well as globally. This continued uncertainty has impacted, and could continue to impact, the results of operations in, and growth of, Citi' s businesses. Among other impacts, continued economic concerns can negatively affect Citi' s *ICG* businesses, as clients cut back on trading and other business activities, as well as its Consumer businesses, including its credit card and mortgage businesses, as continued high levels of unemployment can impact payment and thus delinquency and loss rates. Fiscal and monetary actions taken by U.S. and non-U.S. government and regulatory authorities to spur economic growth or otherwise, such as by maintaining a low interest rate environment, can also have an impact on Citi' s businesses and results of operations. For example, actions by the Federal Reserve Board can impact Citi' s cost of funds for lending, investing and capital raising activities and the returns it earns on those loans and investments, both of which affect Citi' s net interest margin.

Moreover, if a severe global economic downturn or other major economic disruption were to occur, including a significant decline in global trade volumes, Citi would likely experience substantial loan and other losses and be required to significantly increase its loan loss reserves, among other impacts. A global trade disruption that results in a permanently reduced level of trade volumes and increased costs of global trade, whether as a result of a prolonged "trade war" or some other reason, could significantly impact trade financing activities, certain trade dependent economies (such as the emerging markets in Asia) as well as certain industries heavily dependent on trade, among other things. Given Citi' s global strategy and focus on the emerging markets, such a downturn and decrease in global trade volumes could materially and adversely impact Citi' s businesses, results of operation and financial condition, particularly as compared to its competitors. This could include, among other things, a potential that any such losses would not be tax benefitted, given the current environment.

Concerns About the Level of U.S. Government Debt and a Downgrade (or a Further Downgrade) of the U.S. Government

results of operations and financial condition against these events will be sufficient. In addition, there could be negative impacts to Citi’ s businesses, results of operations or financial condition that are currently unknown to Citi and thus cannot be mitigated as part of its ongoing contingency planning. For additional information on these matters, see “Managing Global Risk−Country Risk” below.

Credit Rating Could Negatively Impact Citi’ s Businesses, Results of Operations, Capital, Funding and Liquidity. Concerns about the level of U.S. government debt and uncertainty relating to fiscal actions that may be taken to address these and related issues have, and could continue to, adversely affect Citi. In 2011, Standard & Poor’ s lowered its long-term sovereign credit rating on the U.S. government from AAA to AA+, and Moody’ s and Fitch both placed such rating on negative outlook.

According to the credit rating agencies, these actions resulted from the high level of U.S. government debt and the continued inability of Congress to reach an agreement to ensure payment of U.S. government debt and reduce the U.S. debt level. Among other things, a future downgrade (or further downgrade) of U.S. debt obligations or U.S. government-related obligations, or concerns that such a downgrade might occur, could negatively affect Citi' s ability to obtain funding collateralized by such obligations and the pricing of such funding as well as the pricing or availability of Citi' s funding as a U.S. financial institution. Any further downgrade could also have a negative impact on financial markets and economic conditions generally and, as a result, could have a negative impact on Citi' s businesses, results of operations, capital, funding and liquidity.

Citi' s Extensive Global Network Subjects It to Various International and Emerging Markets Risks as well as Increased Compliance and Regulatory Risks and Costs.

During 2012, international revenues accounted for approximately 57% of Citi' s total revenues. In addition, revenues from the emerging markets (which Citi generally defines as the markets in *Asia* (other than Japan, Australia and New Zealand), the Middle East, Africa and central and eastern European countries in *EMEA* and the markets in *Latin America*) accounted for approximately 44% of Citi' s total revenues in 2012.

Citi' s extensive global network subjects it to a number of risks associated with international and emerging markets, including, among others, sovereign volatility, political events, foreign exchange controls, limitations on foreign investment, socio-political instability, nationalization, closure of branches or subsidiaries and confiscation of assets. For example, Citi operates in several countries, such as Argentina and Venezuela, with strict foreign exchange controls that limit its ability to convert local currency into U.S. dollars and/or transfer funds outside the country. In such cases, Citi could be exposed to a risk of loss in the event that the local currency devalues as compared to the U.S. dollar (see "Managing Global Risk− Country and Cross-Border Risk" below). There have also been instances of political turmoil and other instability in some of the countries in which Citi operates, including in certain countries in the Middle East and Africa, to which Citi has responded by transferring assets and relocating staff members to more stable jurisdictions. Similar incidents in the future could place Citi' s staff and operations in danger and may result in financial losses, some significant, including nationalization of Citi' s assets.

Additionally, given its global focus, Citi could be disproportionately impacted as compared to its competitors by an economic downturn in the international and/or emerging markets, whether resulting from economic conditions within these the pace and extent of future economic growth. Lower or negative growth in these or other emerging market economies could make execution of Citi' s global strategy more challenging and could adversely affect Citi' s results of operations.

Citi' s extensive global operations also increase its compliance and regulatory risks and costs. For example, Citi' s operations in emerging markets subject it to higher compliance risks under U.S. regulations primarily focused on various aspects of global corporate activities, such as anti-money-laundering regulations and the Foreign Corrupt Practices Act, which can be more acute in less developed markets and thus require substantial investment in compliance infrastructure. Any failure by Citi to comply with applicable U.S. regulations, as well as the regulations in the countries and markets in which it operates as a result of its global footprint, could result in fines, penalties, injunctions or other similar restrictions, any of which could negatively impact Citi' s earnings and its general reputation. Further, Citi provides a wide range of financial products and services to the U.S. and other governments, to multi-national corporations and other businesses, and to prominent individuals and families around the world. The actions of these clients involving the use of Citi products or services could result in an adverse impact on Citi, including adverse regulatory and reputational impact.

LIQUIDITY RISKS

The Maintenance of Adequate Liquidity Depends on Numerous Factors, Including Those Outside of Citi' s Control such as Market Disruptions and Increases in Citi' s Credit Spreads.

As a global financial institution, adequate liquidity and sources of funding are essential to Citi' s businesses. Citi' s liquidity and sources of funding can be significantly and negatively impacted by factors it cannot control, such as general disruptions in the financial markets or negative perceptions about the financial services industry in general, or negative investor perceptions of Citi' s liquidity, financial position or creditworthiness in particular. Market perception of sovereign default risks, including those arising from the ongoing Eurozone debt crisis, can also lead to inefficient money markets and capital markets, which could further impact Citi' s availability and cost of funding.

In addition, Citi' s cost and ability to obtain deposits, secured funding and long-term unsecured funding from the credit and capital markets are directly related to its credit spreads. Changes in credit spreads constantly occur and are market-driven, including both external market factors and factors specific to Citi, and can be highly volatile. Citi' s credit spreads may also be influenced by movements in the costs to purchasers of credit default swaps referenced to Citi' s long-term debt, which are also markets, the ripple effect of the ongoing Eurozone crisis, the global economy generally or otherwise. If a particular country' s economic situation were to deteriorate below a certain level, U.S. regulators could impose mandatory loan loss and other reserve requirements on Citi, which could negatively impact its earnings, perhaps significantly. In addition, countries such as China, Brazil and India, each of which are part of Citi' s emerging markets strategy, have recently experienced uncertainty over

impacted by these external and Citi-specific factors. Moreover, Citi' s ability to obtain funding may be impaired if other market participants are seeking to access the markets at the same time, or if market appetite is reduced, as is likely to occur in a liquidity or other market crisis. In addition, clearing organizations, regulators, clients and financial institutions with which Citi interacts may exercise the right to require additional collateral based on these market perceptions or market conditions, which could further impair Citi' s access to and cost of funding.

As a holding company, Citigroup relies on dividends, distributions and other payments from its subsidiaries to fund dividends as well as to satisfy its debt and other obligations. Several of Citigroup' s subsidiaries are subject to capital adequacy or other regulatory or contractual restrictions on their ability to provide such payments. Limitations on the payments that Citigroup receives from its subsidiaries could also impact its liquidity.

For additional information on Citi' s funding and liquidity, including Basel III regulatory liquidity standards, see "Capital Resources and Liquidity−Funding and Liquidity−Liquidity Management, Measures and Stress Testing" above.

The Credit Rating Agencies Continuously Review the Ratings of Citi and Certain of Its Subsidiaries, and Reductions in Citi' s or Its More Significant Subsidiaries' Credit Ratings Could Have a Negative Impact on Citi' s Funding and Liquidity Due to Reduced Funding Capacity, Including Derivatives Triggers That Could Require Cash Obligations or Collateral Requirements.

The credit rating agencies, such as Fitch, Moody' s and S&P, continuously evaluate Citi and certain of its subsidiaries, and their ratings of Citi' s and its more significant subsidiaries' long-term/senior debt and short-term/commercial paper, as applicable, are based on a number of factors, including financial strength, as well as factors not entirely within the control of Citi and its subsidiaries, such as the agencies' proprietary rating agency methodologies and assumptions and conditions affecting the financial services industry and markets generally.

Citi and its subsidiaries may not be able to maintain their current respective ratings. A ratings downgrade by Fitch, Moody' s or S&P could negatively impact Citi' s ability to access the capital markets and other sources of funds as well as the costs of those funds, and its ability to maintain certain deposits. A ratings downgrade could also have a negative impact on Citi' s funding and liquidity due to reduced funding capacity, including derivative triggers, which could take the form of cash obligations and collateral requirements. In addition, a ratings downgrade could also have a negative impact on other funding sources, such as secured financing and other margined transactions for which there are no explicit triggers, as well as on contractual provisions which contain minimum ratings thresholds in order for Citi to hold third-party funds.

Moreover, credit ratings downgrades can have impacts which may not be currently known to Citi or which are not possible to quantify. For example, some entities may have ratings limitations

LEGAL RISKS

Citi Is Subject to Extensive Legal and Regulatory Proceedings, Investigations, and Inquiries That Could Result in Substantial Losses. These Matters Are Often Highly Complex and Slow to Develop, and Results Are Difficult to Predict or Estimate.

At any given time, Citi is defending a significant number of legal and regulatory proceedings and is subject to numerous governmental and regulatory examinations, investigations and other inquiries. These proceedings, examinations, investigations and inquiries could result, individually or collectively, in substantial losses.

In the wake of the financial crisis of 2007- 2009, the frequency with which such proceedings, investigations and inquiries are initiated, and the severity of the remedies sought, have increased substantially, and the global judicial, regulatory and political environment has generally become more hostile to large financial institutions such as Citi. Many of the proceedings, investigations and inquiries involving Citi relating to events before or during the financial crisis have not yet been resolved, and additional proceedings, investigations and inquiries relating to such events may still be commenced. In addition, heightened expectations by regulators and other enforcement authorities for strict compliance could also lead to more regulatory and other enforcement proceedings seeking greater sanctions for financial institutions such as Citi.

For example, Citi is currently subject to extensive legal and regulatory inquiries, actions and investigations relating to its historical mortgage-related activities, including claims regarding the accuracy of offering documents for residential mortgage-backed securities and alleged breaches of representation and warranties relating to the sale of mortgage loans or the placement of mortgage loans into securitization trusts (for additional information on representation and warranty matters, see "Managing Global Risk−Credit Risk−Citigroup Residential Mortgages−Representations and Warranties" below). Citi is also subject to extensive legal and regulatory inquiries, actions and investigations relating to, among other things, submissions made by Citi and other panel banks to bodies that publish various interbank offered rates, such as the London Inter-Bank Offered Rate (LIBOR), or other rates or benchmarks. Like other banks with operations in the U.S., Citi is also subject to continuing oversight by the OCC and other bank regulators, and inquiries and investigations by other governmental and regulatory authorities, with respect to its anti-money laundering program. Other banks subject to similar or the same inquiries, actions or investigations have incurred substantial liability in relation to their activities in these areas, including in a few cases criminal as to their permissible counterparties, of which Citi may or may not be aware. In addition, certain of Citi' s corporate customers and trading counterparties, among other clients, could re-evaluate their business relationships with Citi and limit the trading of certain contracts or market instruments with Citi in response to ratings downgrades. Changes in customer and counterparty behavior could impact not only Citi' s funding and liquidity but also the results of operations of certain Citi businesses. For additional information on the potential impact of a reduction in Citi' s or Citibank, N.A.' s credit ratings, see "Capital Resources and Liquidity−Funding and Liquidity−Credit Ratings" above.

convictions or deferred prosecution agreements respecting corporate entities as well as substantial fines and penalties.

Moreover, regulatory changes resulting from the Dodd-Frank Act and other recent regulatory changes−such as the limitations on federal preemption in the consumer arena, the creation of the Consumer Financial Protection Bureau with its own examination and enforcement authority and the “whistle-blower” provisions of the Dodd-Frank Act−could further increase the number of legal and regulatory proceedings against Citi. In addition, while Citi takes numerous steps to prevent and detect employee misconduct, such as fraud, employee misconduct cannot always be deterred or prevented and could subject Citi to additional liability.

All of these inquiries, actions and investigations have resulted in, and will continue to result in, significant time, expense and diversion of management’ s attention. In addition, proceedings brought against Citi may result in adverse judgments, settlements, fines, penalties, restitution, disgorgement, injunctions, business improvement orders or other results adverse to it, which could materially and negatively affect Citi’ s businesses, financial condition or results of operations, require material changes in Citi’ s operations, or cause Citi reputational harm. Moreover, many large claims asserted against Citi are highly complex and slow to develop, and they may involve novel or untested legal theories. The outcome of such proceedings is difficult to predict or estimate until late in the proceedings, which may last several years. In addition, certain settlements are subject to court approval and may not be approved. Although Citi establishes accruals for its legal and regulatory matters according to accounting requirements, the amount of loss ultimately incurred in relation to those matters may be substantially higher than the amounts accrued. For additional information relating to Citi’ s legal and regulatory proceedings, see Note 28 to the Consolidated Financial Statements.

BUSINESS AND OPERATIONAL RISKS

The Remaining Assets in Citi Holdings Will Likely Continue to Have a Negative Impact on Citi’ s Results of Operations and Its Ability to Utilize the Capital Supporting the Remaining Assets in Citi Holdings for More Productive Purposes.

As of December 31, 2012, the remaining assets within Citi Holdings constituted approximately 8% of Citigroup’ s GAAP assets and 15% of its risk-weighted assets (as defined under current regulatory guidelines). Also as of December 31, 2012, *LCL* constituted approximately 81% of Citi Holdings assets, of which approximately 73% consisted of legacy U.S. mortgages which had an estimated weighted average life of six years.

The pace of the wind-down of the remaining assets within Citi Holdings has slowed as Citi has disposed of certain of the larger businesses within this segment. While Citi’ s strategy

Citi’ s Ability to Return Capital to Shareholders Is Dependent in Part on the CCAR Process and the Results of Required Regulatory Stress Tests and Other Governmental Approvals.

In addition to Board of Directors’ approval, any decision by Citi to return capital to shareholders, whether through an increase in its common stock dividend or by initiating a share repurchase program, is dependent in part on regulatory approval, including annual regulatory review of the results of the Comprehensive Capital Analysis and Review (CCAR) process required by the Federal Reserve Board and the supervisory stress tests required under the Dodd-Frank Act. Restrictions on Citi’ s ability to increase its common stock dividend or engage in share repurchase programs as a result of these processes has, and could in the future, negatively impact market perceptions of Citi.

Citi’ s ability to accurately predict or explain to stakeholders the outcome of the CCAR process, and thus address any such market perceptions, is hindered by the Federal Reserve Board’ s use of proprietary stress test models. In 2013, for the first time there will also be a requirement for Citi to publish, in March and September, certain stress test results (as prescribed by the Federal Reserve Board) that will be based on Citi’ s own stress tests models. The Federal Reserve Board will disclose, in March, certain results based on its proprietary stress test models. Because it is not clear how these proprietary models may differ from Citi’ s models, it is likely that Citi’ s stress test results using its own models may not be consistent with those eventually disclosed by the Federal Reserve Board, thus potentially leading to additional confusion and impacts to Citi’ s perception in the market.

In addition, pursuant to Citi’ s agreement with the FDIC entered into in connection with exchange offers consummated in July and September 2009, Citi remains subject to dividend and share repurchase restrictions for as long as the FDIC continues to hold any Citi trust preferred securities acquired in connection with the exchange offers. While these restrictions may be waived, they generally prohibit Citi from paying regular cash dividends in excess of $0.01 per share of common stock per quarter or from redeeming or repurchasing any Citi equity securities, which includes its common stock or trust preferred securities. As of February 15, 2013, the FDIC continued to hold approximately $2.225 billion of trust preferred securities issued in connection with the exchange offers (which become redeemable on July 30, 2014).

continues to be to reduce the remaining assets in Citi Holdings as quickly as practicable in an economically rational manner, sales of the remaining assets could largely depend on factors outside of Citi’ s control, such as market appetite and buyer funding. Assets that are not sold will continue to be subject to ongoing run-off and paydowns. As a result, Citi Holdings’ remaining assets will likely continue to have a negative impact on Citi’ s overall results of operations. Moreover, Citi’ s ability to utilize the capital supporting the remaining assets within Citi Holdings and thus use such capital for more productive purposes, including return of capital to shareholders, will also depend on the ultimate pace and level of the wind-down of Citi Holdings.

Citi May Be Unable to Reduce Its Level of Expenses as It Expects, and Investments in Its Businesses May Not Be Productive.

Citi continues to pursue a disciplined expense-management strategy, including re-engineering, restructuring operations and improving the efficiency of functions. In December 2012, Citi announced a series of repositioning actions designed to further reduce its expenses and improve its efficiency. However, there is no guarantee that Citi will be able to reduce its level of expenses, whether as a result of the recently-announced repositioning actions or otherwise, in the future. Citi' s ultimate expense levels also depend, in part, on factors outside of its control. For example, as a result of the extensive legal and regulatory proceedings and inquiries to which Citi is subject, Citi' s legal and related costs remain elevated, have been, and are likely to continue to be, subject to volatility and are difficult to predict. In addition, expenses incurred in Citi' s foreign entities are subject to foreign exchange volatility. Further, Citi' s ability to continue to reduce its expenses as a result of the wind-down of Citi Holdings will also decline as Citi Holdings represents a smaller overall portion of Citigroup. Moreover, investments Citi has made in its businesses, or may make in the future, may not be as productive as Citi expects or at all.

Citi' s Ability to Utilize Its DTAs Will Be Driven by Its Ability to Generate U.S. Taxable Income, Which Could Continue to Be Negatively Impacted by the Wind-Down of Citi Holdings.

Citigroup' s total DTAs increased by approximately $3.8 billion in 2012 to $55.3 billion at December 31, 2012, while the time remaining for utilization has shortened, particularly with respect to the foreign tax credit (FTC) component of the DTAs. The increase in the total DTAs in 2012 was due, in large part, to the continued negative impact of Citi Holdings on Citi' s U.S. taxable income.

The accounting treatment for DTAs is complex and requires a significant amount of judgment and estimates regarding future taxable earnings in the jurisdictions in which the DTAs arise and available tax planning strategies. Realization of the DTAs will continue to be driven primarily by Citi' s ability to generate U.S. taxable income in the relevant tax carry-forward periods, particularly the FTC carry-forward periods. Citi does not expect a significant reduction in the balance of its net DTAs during 2013. For additional information, see “Significant Accounting Policies and Significant Estimates−Income Taxes” below and Note 10 to the Consolidated Financial Statements.

The Value of Citi' s DTAs Could Be Significantly Reduced If Corporate Tax Rates in the U.S. or Certain State or Foreign Jurisdictions Decline or as a Result of Other Changes in the U.S. Corporate Tax System.

Citi Maintains Contractual Relationships with Various Retailers and Merchants Within Its U.S. Credit Card Businesses in NA RCB, and the Failure to Maintain Those Relationships Could Have a Material Negative Impact on the Results of Operations or Financial Condition of Those Businesses.

Through its U.S. Citi-branded cards and Citi retail services credit card businesses within *North America Regional Consumer Banking (NA RCB)*, Citi maintains numerous co-branding relationships with third-party retailers and merchants in the ordinary course of business pursuant to which Citi issues credit cards to customers of the retailers or merchants. These agreements provide for shared economics between the parties and ways to increase customer brand loyalty, and generally have a fixed term that may be extended or renewed by the parties or terminated early in certain circumstances. While various mitigating factors could be available in the event of the loss of one or more of these co-branding relationships, such as replacing the retailer or merchant or by Citi' s offering new card products, the results of operations or financial condition of Citi-branded cards or Citi retail services, as applicable, or *NA RCB* could be negatively impacted, and the impact could be material.

These agreements could be terminated due to, among other factors, a breach by Citi of its responsibilities under the applicable co-branding agreement, a breach by the retailer or merchant under the agreement, or external factors outside of either party' s control, including bankruptcies, liquidations, restructurings or consolidations and other similar events that may occur. For example, within *NA RCB* Citi-branded cards, Citi issues a co-branded credit card product with American Airlines, the Citi-AAdvantage card. As has been widely reported, AMR Corporation and certain of its subsidiaries, including American Airlines, Inc. (collectively, AMR), filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy code in November 2011. On February 14, 2013, AMR and US Airways Group, Inc. announced that the boards of directors of both companies had approved a merger agreement under which the companies would be combined. The merger, which is conditioned upon, among other things, U.S. Bankruptcy Court approval, is expected to be completed in the third quarter of 2013. To date, the ongoing AMR bankruptcy and the merger announcement have not had a material impact on the results of operations for U.S. Citi-branded cards or *NA RCB*. However, it is not certain when the bankruptcy and merger processes will be resolved, what the outcome will be, whether or over what period the Citi-AAdvantage card program will continue to be maintained and whether the impact of the bankruptcy or merger

Congress and the Obama Administration have discussed decreasing the U.S. corporate tax rate. Similar discussions have taken place in certain state and foreign jurisdictions. While Citi may benefit in some respects from any decrease in corporate tax rates, a reduction in the U.S., state or foreign corporate tax rates could result in a significant decrease in the value of Citi’ s DTAs. There have also been recent discussions of more sweeping changes to the U.S. tax system, including changes to the tax treatment of foreign business income. It is uncertain whether or when any such tax reform proposals will be enacted into law, and whether or how they will affect Citi’ s DTAs.

could be material to the results of operations or financial condition of U.S. Citi-branded cards or *NA RCB* over time.

Citi' s Operational Systems and Networks Have Been, and Will Continue to Be, Subject to an Increasing Risk of Continually Evolving Cybersecurity or Other Technological Risks, Which Could Result in the Disclosure of Confidential Client or Customer Information, Damage to Citi' s Reputation, Additional Costs to Citi, Regulatory Penalties and Financial Losses.

A significant portion of Citi' s operations relies heavily on the secure processing, storage and transmission of confidential and other information as well as the monitoring of a large number of complex transactions on a minute-by-minute basis. For example, through its global consumer banking, credit card and Transaction Services businesses, Citi obtains and stores an extensive amount of personal and client-specific information for its retail, corporate and governmental customers and clients and must accurately record and reflect their extensive account transactions. With the evolving proliferation of new technologies and the increasing use of the Internet and mobile devices to conduct financial transactions, large, global financial institutions such as Citi have been, and will continue to be, subject to an increasing risk of cyber incidents from these activities.

Although Citi devotes significant resources to maintain and regularly upgrade its systems and networks with measures such as intrusion and detection prevention systems and monitoring firewalls to safeguard critical business applications, there is no guarantee that these measures or any other measures can provide absolute security. Citi' s computer systems, software and networks are subject to ongoing cyber incidents such as unauthorized access; loss or destruction of data (including confidential client information); account takeovers; unavailability of service; computer viruses or other malicious code; cyber attacks; and other events. These threats may derive from human error, fraud or malice on the part of employees or third parties, or may result from accidental technological failure. Additional challenges are posed by external extremist parties, including foreign state actors, in some circumstances as a means to promote political ends. If one or more of these events occurs, it could result in the disclosure of confidential client information, damage to Citi' s reputation with its clients and the market, customer dissatisfaction, additional costs to Citi (such as repairing systems or adding new personnel or protection technologies), regulatory penalties, exposure to litigation and other financial losses to both Citi and its clients and customers. Such events could also cause interruptions or malfunctions in the operations of Citi (such as the lack of availability of Citi' s online banking system), as well as the operations of its clients, customers or other third parties. Given Citi' s global footprint and high volume of transactions processed by Citi, certain errors

Citi has been subject to intentional cyber incidents from external sources, including (i) denial of service attacks, which attempted to interrupt service to clients and customers; (ii) data breaches, which aimed to obtain unauthorized access to customer account data; and (iii) malicious software attacks on client systems, which attempted to allow unauthorized entrance to Citi' s systems under the guise of a client and the extraction of client data. For example, in 2012 Citi and other U.S. financial institutions experienced distributed denial of service attacks which were intended to disrupt consumer online banking services. While Citi' s monitoring and protection services were able to detect and respond to these incidents before they became significant, they still resulted in certain limited losses in some instances as well as increases in expenditures to monitor against the threat of similar future cyber incidents. There can be no assurance that such cyber incidents will not occur again, and they could occur more frequently and on a more significant scale. In addition, because the methods used to cause cyber attacks change frequently or, in some cases, are not recognized until launched, Citi may be unable to implement effective preventive measures or proactively address these methods.

Third parties with which Citi does business may also be sources of cybersecurity or other technological risks. Citi outsources certain functions, such as processing customer credit card transactions, uploading content on customer-facing websites, and developing software for new products and services. These relationships allow for the storage and processing of customer information, by third party hosting of or access to Citi websites, which could result in service disruptions or website defacements, and the potential to introduce vulnerable code, resulting in security breaches impacting Citi customers. While Citi engages in certain actions to reduce the exposure resulting from outsourcing, such as performing onsite security control assessments, limiting third-party access to the least privileged level necessary to perform job functions, and restricting third-party processing to systems stored within Citi' s data centers, ongoing threats may result in unauthorized access, loss or destruction of data or other cyber incidents with increased costs and consequences to Citi such as those discussed above. Furthermore, because financial institutions are becoming increasingly interconnected with central agents, exchanges and clearing houses, including through the derivatives provisions of the Dodd-Frank Act, Citi has increased exposure to operational failure or cyber attacks through third parties.

While Citi maintains insurance coverage that may, subject to policy terms and conditions including significant self-insured deductibles, cover certain aspects of cyber risks, such insurance coverage may be insufficient to cover all losses.

or actions may be repeated or compounded before they are discovered and rectified, which would further increase these costs and consequences.

Citi's Performance and the Performance of Its Individual Businesses Could Be Negatively Impacted If Citi Is Not Able to Hire and Retain Qualified Employees for Any Reason.

Citi' s performance and the performance of its individual businesses is largely dependent on the talents and efforts of highly skilled employees. Specifically, Citi' s continued ability to compete in its businesses, to manage its businesses effectively and to continue to execute its overall global strategy depends on its ability to attract new employees and to retain and motivate its existing employees. Citi' s ability to attract and retain employees depends on numerous factors, including without limitation, its culture, compensation, the management and leadership of the company as well as its individual businesses, Citi' s presence in the particular market or region at issue and the professional opportunities it offers. The banking industry has and may continue to experience more stringent regulation of employee compensation, including limitations relating to incentive-based compensation, clawback requirements and special taxation. Moreover, given its continued focus on the emerging markets, Citi is often competing for qualified employees in these markets with entities that have a significantly greater presence in the region or are not subject to significant regulatory restrictions on the structure of incentive compensation. If Citi is unable to continue to attract and retain qualified employees for any reason, Citi' s performance, including its competitive position, the successful execution of its overall strategy and its results of operations could be negatively impacted.

Incorrect Assumptions or Estimates in Citi's Financial Statements Could Cause Significant Unexpected Losses in the Future, and Changes to Financial Accounting and Reporting Standards Could Have a Material Impact on How Citi Records and Reports Its Financial Condition and Results of Operations.

Citi is required to use certain assumptions and estimates in preparing its financial statements under U.S. GAAP, including determining credit loss reserves, reserves related to litigation and regulatory exposures and mortgage representation and warranty claims, DTAs and the fair value of certain assets and liabilities, among other items. If Citi' s assumptions or estimates underlying its financial statements are incorrect, Citi could experience unexpected losses, some of which could be significant.

Moreover, the Financial Accounting Standards Board (FASB) is currently reviewing or proposing changes to several financial accounting and reporting standards that govern key aspects of Citi' s financial statements, including those areas where Citi is required to make assumptions or estimates. For example, the FASB' s financial instruments project could, among other things, significantly change how Citi determines the impairment on financial instruments and accounts for hedges. The FASB has

As a result of changes to financial accounting or reporting standards, whether promulgated or required by the FASB or other regulators, Citi could be required to change certain of the assumptions or estimates it previously used in preparing its financial statements, which could negatively impact how it records and reports its financial condition and results of operations generally. In addition, the FASB continues its convergence project with the International Accounting Standards Board (IASB) pursuant to which U.S. GAAP and International Financial Reporting Standards (IFRS) may be converged. Any transition to IFRS could further have a material impact on how Citi records and reports its financial results. For additional information on the key areas for which assumptions and estimates are used in preparing Citi' s financial statements, see "Significant Accounting Policies and Significant Estimates" below and Note 28 to the Consolidated Financial Statements.

Changes Could Occur in the Method for Determining LIBOR and It Is Unclear How Any Such Changes Could Affect the Value of Debt Securities and Other Financial Obligations Held or Issued by Citi That Are Linked to LIBOR, or How Such Changes Could Affect Citi's Results of Operations or Financial Condition.

As a result of concerns about the accuracy of the calculation of the daily LIBOR, which is currently overseen by the British Bankers' Association (BBA), the BBA has taken steps to change the process for determining LIBOR by increasing the number of banks surveyed to set LIBOR and to strengthen the oversight of the process. In addition, recommendations relating to the setting and administration of LIBOR were put forth in September 2012, and the U.K. government has announced that it intends to incorporate these recommendations in new legislation.

It is uncertain what changes, if any, may be required or made by the U.K. government or other governmental or regulatory authorities in the method for determining LIBOR. Accordingly, it is not certain whether or to what extent any such changes could have an adverse impact on the value of any LIBOR-linked debt securities issued by Citi, or any loans, derivatives and other financial obligations or extensions of credit for which Citi is an obligor. It is also not certain whether or to what extent any such changes would have an adverse impact on the value of any LIBOR-linked securities, loans, derivatives and other financial obligations or extensions of credit held by or due to Citi or on Citi' s overall financial condition or results of operations.

also proposed a new accounting model intended to require earlier recognition of credit losses. The accounting model would require a single “expected credit loss” measurement objective for the recognition of credit losses for all financial instruments, replacing the multiple existing impairment models in U.S. GAAP, which generally require that a loss be “incurred” before it is recognized. For additional information on this proposed new accounting model, see Note 1 to the Consolidated Financial Statements.

Citi May Incur Significant Losses If Its Risk Management Processes and Strategies Are Ineffective, and Concentration of Risk Increases the Potential for Such Losses.

Citi' s independent risk management organization is structured so as to facilitate the management of the principal risks Citi assumes in conducting its activities−credit risk, market risk and operational risk−across three dimensions: businesses, regions and critical products. Credit risk is the potential for financial loss resulting from the failure of a borrower or counterparty to honor its financial or contractual obligations. Market risk encompasses both liquidity risk and price risk. For a discussion of funding and liquidity risk, see "Capital Resources and Liquidity−Funding and Liquidity" and "Risk Factors−Liquidity Risks" above. Price risk losses arise from fluctuations in the market value of trading and non-trading positions resulting from changes in interest rates, credit spreads, foreign exchange rates, equity and commodity prices and in their implied volatilities. Operational risk is the risk for loss resulting from inadequate or failed internal processes, systems or human factors, or from external events, and includes reputation and franchise risk associated with business practices or market conduct in which Citi is involved. For additional information on each of these areas of risk as well as risk management at Citi, including management review processes and structure, see "Managing Global Risk" below. Managing these risks is made especially challenging within a global and complex financial institution such as Citi, particularly given the complex and diverse financial markets and rapidly evolving market conditions in which Citi operates.

Citi employs a broad and diversified set of risk management and mitigation processes and strategies, including the use of various risk models, in analyzing and monitoring these and other risk categories. However, these models, processes and strategies are inherently limited because they involve techniques, including the use of historical data in some circumstances, and judgments that cannot anticipate every economic and financial outcome in the markets in which it operates nor can it anticipate the specifics and timing of such outcomes. Citi could incur significant losses if its risk management processes, strategies or models are ineffective in properly anticipating or managing these risks.

In addition, concentrations of risk, particularly credit and market risk, can further increase the risk of significant losses. At December 31, 2012, Citi' s most significant concentration of credit risk was with the U.S. government and its agencies, which primarily results from trading assets and investments issued by the U.S. government and its agencies. Citi also routinely executes a high volume of securities, trading, derivative and foreign exchange transactions with counterparties in the financial services sector, including banks, other financial institutions, insurance companies, investment banks and government and central banks. To the extent regulatory or market developments lead to an increased centralization of trading activity through particular clearing houses, central agents or exchanges, this could increase Citi' s concentration of risk in this sector. Concentrations of risk can limit, and have limited, the effectiveness of Citi' s hedging strategies and have caused Citi to incur significant losses, and they may do so again in the future.

MANAGING GLOBAL RISK

Risk Management–Overview

Citigroup believes that effective risk management is of primary importance to its overall operations. Accordingly, Citi' s risk management process has been designed to monitor, evaluate and manage the principal risks it assumes in conducting its activities. These include credit, market and operational risks, which are each discussed in more detail throughout this section.

Citigroup' s risk management framework is designed to balance business ownership and accountability for risks with well-defined independent risk management oversight and responsibility. Citi' s risk management framework is based on the following principles established by Citi' s Chief Risk Officer:

- a defined risk appetite, aligned with business strategy;
- accountability through a common framework to manage risks;
- risk decisions based on transparent, accurate and rigorous analytics;
- a common risk capital model to evaluate risks;
- expertise, stature, authority and independence of risk managers; and
- risk managers empowered to make decisions and escalate issues.

Significant focus has been placed on fostering a risk culture based on a policy of "Taking Intelligent Risk with Shared Responsibility, without Forsaking Individual Accountability":

- "Taking intelligent risk" means that Citi must carefully identify, measure and aggregate risks, and it must establish risk tolerances based on a full understanding of "tail risk."
- "Shared responsibility" means that risk managers must own and influence business outcomes, including risk controls that act as a safety net for the business.
- "Individual accountability" means that all individuals are ultimately responsible for identifying, understanding and managing risks.

The Chief Risk Officer, with oversight from the Risk Management and Finance Committee of the Board of Directors, as well as the full Board of Directors, is responsible for:

- establishing core standards for the management, measurement and reporting of risk;
- identifying, assessing, communicating and monitoring risks on a company-wide basis;
- engaging with senior management on a frequent basis on material matters with respect to risk-taking activities in the businesses and related risk management processes; and
- ensuring that the risk function has adequate independence, authority, expertise, staffing, technology and resources.

The risk management organization is structured so as to facilitate the management of risk across three dimensions: businesses, regions and critical products.

Each of Citi' s major business groups has a Business Chief Risk Officer who is the focal point for risk decisions, such as setting risk limits or approving transactions in the business. The majority of the staff in Citi' s independent risk management organization report to these Business Chief Risk Officers. There are also Chief Risk Officers for Citibank, N.A. and Citi Holdings.

Regional Chief Risk Officers, appointed in each of *Asia*, *EMEA* and *Latin America*, are accountable for all the risks in their geographic areas and are the primary risk contacts for the regional business heads and local regulators.

The positions of Product Chief Risk Officers are established for those risk areas of critical importance to Citigroup, currently real estate and structural market risk, as well as fundamental credit. The Product Chief Risk Officers are accountable for the risks within their specialty and focus on problem areas across businesses and regions. The Product Chief Risk Officers serve as a resource to the Chief Risk Officer, as well as to the Business and Regional Chief Risk Officers, to better enable the Business and Regional Chief Risk Officers to focus on the day-to-day management of risks and responsiveness to business flow.

Each of the Business, Regional and Product Chief Risk Officers report to Citi' s Chief Risk Officer, who reports to the Head of Franchise Risk and Strategy, a direct report to the Chief Executive Officer.

Risk Aggregation and Stress Testing

While Citi' s major risk areas (i.e., credit, market and operational) are described individually on the following pages, these risks are also reviewed and managed in conjunction with one another and across the various businesses via Citi' s risk aggregation and stress testing processes.

As noted above, independent risk management monitors and controls major risk exposures and concentrations across the organization. This requires the aggregation of risks, within and across businesses, as well as subjecting those risks to various stress scenarios in order to assess the potential economic impact they may have on Citigroup.

Stress tests are in place across Citi' s entire portfolio, (i.e., trading, available-for-sale and accrual portfolios). These firm-wide stress reports measure the potential impact to Citi and its component businesses of changes in various types of key risk factors (e.g., interest rates, credit spreads, etc.). The reports also measure the potential impact of a number of historical and hypothetical forward-looking systemic stress scenarios, as developed internally by independent risk management. These firm-wide stress tests are produced on a monthly basis, and results are reviewed by senior management and the Board of Directors.

Supplementing the stress testing described above, Citi independent risk management, working with input from the businesses and finance, provides periodic updates to senior management and the Board of Directors on significant potential areas of concern across Citigroup that can arise from risk concentrations, financial market participants, and other systemic issues. These areas of focus are intended to be forward-looking assessments of the potential economic impacts to Citi that may arise from these exposures.

The stress-testing and focus-position exercises described above are a supplement to the standard limit-setting and risk-capital exercises described below, as these processes incorporate events in the marketplace and within Citi that impact the firm' s outlook on the form, magnitude, correlation and timing of identified risks that may arise. In addition to enhancing awareness and understanding of potential exposures, the results of these processes then serve as the starting point for developing risk management and mitigation strategies.

In addition to Citi' s ongoing, internal stress testing described above, Citi is also required to perform stress testing on a periodic basis for a number of regulatory exercises, including the Federal Reserve Board' s Comprehensive Capital Analysis and Review (CCAR) and the OCC' s Dodd-Frank Act Stress Testing (DFAST). For 2013, these stress tests are required annually and mid-year. These regulatory exercises typically prescribe certain

Risk Capital

Citi calculates and allocates risk capital across the company in order to consistently measure risk taking across business activities, and to assess risk-reward relationships.

Risk capital is defined as the amount of capital required to absorb potential unexpected economic losses resulting from extremely severe events over a one-year time period.

- "Economic losses" include losses that are reflected on Citi' s Consolidated Income Statement and fair value adjustments to the Consolidated Financial Statements, as well as any further declines in value not captured on the Consolidated Income Statement.
- "Unexpected losses" are the difference between potential extremely severe losses and Citigroup' s expected (average) loss over a one-year time period.
- "Extremely severe" is defined as potential loss at a 99.9% and a 99.97% confidence level, based on the distribution of observed events and scenario analysis.

The drivers of economic losses are risks which, for Citi, are broadly categorized as credit risk, market risk and operational risk.

- Credit risk losses primarily result from a borrower' s or counterparty' s inability to meet its financial or contractual obligations.
- Market risk losses arise from fluctuations in the market value of trading and non-trading positions, including the changes in value resulting from fluctuations in rates.
- Operational risk losses result from inadequate or failed internal processes, systems or human factors, or from external events.

Citi' s risk capital framework is reviewed and enhanced on a regular basis in light of market developments and evolving practices.

defined scenarios under which stress testing should be conducted, and they also provide defined forms for the output of the results. For additional information, see “Risk Factors−Business and Operational Risks” above.

CREDIT RISK

Credit risk is the potential for financial loss resulting from the failure of a borrower or counterparty to honor its financial or contractual obligations. Credit risk arises in many of Citigroup' s business activities, including:

- wholesale and retail lending;
- capital markets derivative transactions;
- structured finance; and
- repurchase agreements and reverse repurchase transactions.

Credit risk also arises from settlement and clearing activities, when Citi transfers an asset in advance of receiving its counter-value, or advances funds to settle a transaction on behalf of a client. Concentration risk, within credit risk, is the risk associated with having credit exposure concentrated within a specific client, industry, region or other category.

Credit Risk Management

Credit risk is one of the most significant risks Citi faces as an institution. As a result, Citi has a well-established framework in place for managing credit risk across all businesses. This includes a defined risk appetite, credit limits and credit policies, both at the business level as well as at the firm-wide level. Citi' s credit risk management also includes processes and policies with respect to problem recognition, including "watch lists," portfolio review, updated risk ratings and classification triggers. With respect to Citi' s settlement and clearing activities, intra-day client usage of lines is closely monitored against limits, as well as against "normal" usage patterns. To the extent a problem develops, Citi typically moves the client to a secured (collateralized) operating model. Generally, Citi' s intra-day settlement and clearing lines are uncommitted and cancellable at any time.

To manage concentration of risk within credit risk, Citi has in place a concentration management framework consisting of industry limits, obligor limits and single-name triggers. In addition, as noted under "Management of Global Risk−Risk Aggregation and Stress Testing" above, independent risk management reviews concentration of risk across Citi' s regions and businesses to assist in managing this type of risk.

Credit Risk Measurement and Stress Testing

Credit exposures are generally reported in notional terms for accrual loans, reflecting the value at which the loans are carried on the Consolidated Balance Sheet. Credit exposure arising from capital markets activities is generally expressed as the current mark-to-market, net of margin, reflecting the net value owed to Citi by a given counterparty.

The credit risk associated with these credit exposures is a function of the creditworthiness of the obligor, as well as the terms and conditions of the specific obligation. Citi assesses the credit risk associated with its credit exposures on a regular basis through its loan loss reserve process (see "Significant Accounting Policies and Significant Estimates" and Notes 1 and 17 to the Consolidated Financial Statements below), as well as through regular stress testing at the company-, business-, geography- and product-levels. These stress-testing processes typically estimate potential incremental credit costs that would occur as a result of either downgrades in the credit quality, or defaults, of the obligors or counterparties.

CREDIT RISK

Loans Outstanding

In millions of dollars	**2012**	2011	2010	2009	2008
Consumer loans					
In U.S. offices					
Mortgage and real estate (1)	**$ 125,946**	$ 139,177	$ 151,469	$ 183,842	$ 219,482
Installment, revolving credit, and other	**14,070**	15,616	28,291	58,099	64,319
Cards (2)	**111,403**	117,908	122,384	28,951	44,418
Commercial and industrial	**5,344**	4,766	5,021	5,640	7,041
Lease financing	–	1	2	11	31
	$ 256,763	$ 277,468	$ 307,167	$ 276,543	$ 335,291
In offices outside the U.S.					
Mortgage and real estate (1)	**$ 54,709**	$ 52,052	$ 52,175	$ 47,297	$ 44,382
Installment, revolving credit, and other	**36,182**	34,613	38,024	42,805	41,272
Cards	**40,653**	38,926	40,948	41,493	42,586
Commercial and industrial	**20,001**	19,975	16,136	14,183	16,814
Lease financing	**781**	711	665	331	304
	$ 152,326	$ 146,277	$ 147,948	$ 146,109	$ 145,358
Total Consumer loans	**$ 409,089**	$ 423,745	$ 455,115	$ 422,652	$ 480,649
Unearned income	**(418)**	(405)	69	808	738
Consumer loans, net of unearned income	**$ 408,671**	$ 423,340	$ 455,184	$ 423,460	$ 481,387
Corporate loans					
In U.S. offices					
Commercial and industrial	**$ 26,985**	$ 20,830	$ 13,669	$ 15,614	$ 26,447
Loans to financial institutions (2)	**18,159**	15,113	8,995	6,947	10,200
Mortgage and real estate (1)	**24,705**	21,516	19,770	22,560	28,043
Installment, revolving credit, and other	**32,446**	33,182	34,046	17,737	22,050
Lease financing	**1,410**	1,270	1,413	1,297	1,476
	$ 103,705	$ 91,911	$ 77,893	$ 64,155	$ 88,216
In offices outside the U.S.					
Commercial and industrial	**$ 82,939**	$ 79,764	$ 72,166	$ 67,344	$ 79,421
Installment, revolving credit, and other	**14,958**	14,114	11,829	9,683	17,441
Mortgage and real estate (1)	**6,485**	6,885	5,899	9,779	11,375
Loans to financial institutions	**37,739**	29,794	22,620	15,113	18,413
Lease financing	**605**	568	531	1,295	1,850
Governments and official institutions	**1,159**	1,576	3,644	2,949	773
	$ 143,885	$ 132,701	$ 116,689	$ 106,163	$ 129,273
Total Corporate loans	**$ 247,590**	$ 224,612	$ 194,582	$ 170,318	$ 217,489
Unearned income	**(797)**	(710)	(972)	(2,274)	(4,660)
Corporate loans, net of unearned income	**$ 246,793**	$ 223,902	$ 193,610	$ 168,044	$ 212,829
Total loans–net of unearned income	**$ 655,464**	$ 647,242	$ 648,794	$ 591,504	$ 694,216
Allowance for loan losses–on drawn exposures	**(25,455)**	(30,115)	(40,655)	(36,033)	(29,616)
Total loans–net of unearned income and allowance for credit losses	**$ 630,009**	$ 617,127	$ 608,139	$ 555,471	$ 664,600
Allowance for loan losses as a percentage of total loans–net of					

unearned income (3)	**3.92**	**%**	4.69	%	6.31	%	6.09	%	4.27	%
Allowance for Consumer loan losses as a percentage of total Consumer loans–net of unearned income (3)	**5.57**	**%**	6.45	%	7.81	%	6.69	%	4.61	%
Allowance for Corporate loan losses as a percentage of total Corporate loans–net of unearned income (3)	**1.14**	**%**	1.31	%	2.75	%	4.57	%	3.48	%

(1) Loans secured primarily by real estate.

(2) Beginning in 2010, includes the impact of consolidating entities in connection with Citi' s adoption of SFAS 167.

(3) Excludes loans in 2012, 2011 and 2010 that are carried at fair value.

Details of Credit Loss Experience

In millions of dollars at year end	**2012**	2011	2010	2009	2008
Allowance for loan losses at beginning of year	**$ 30,115**	$ 40,655	$ 36,033	$ 29,616	$ 16,117
Provision for loan losses					
Consumer [1][2]	**$ 10,761**	$ 12,512	$ 25,119	$ 32,407	$ 27,942
Corporate	**87**	(739)	75	6,353	5,732
	$ 10,848	$ 11,773	$ 25,194	$ 38,760	$ 33,674
Gross credit losses					
Consumer					
In U.S. offices [1][2]	**$ 12,226**	$ 15,767	$ 24,183	$ 17,637	$ 11,624
In offices outside the U.S.	**4,612**	5,397	6,890	8,819	7,172
Corporate					
Mortgage and real estate					
In U.S. offices	**59**	182	953	592	56
In offices outside the U.S.	**21**	171	286	151	37
Governments and official institutions outside the U.S.	–	–	–	–	3
Loans to financial institutions					
In U.S. offices	**33**	215	275	274	–
In offices outside the U.S.	**68**	391	111	448	463
Commercial and industrial					
In U.S. offices	**154**	392	1,222	3,299	627
In offices outside the U.S.	**305**	649	571	1,564	778
	$ 17,478	$ 23,164	$ 34,491	$ 32,784	$ 20,760
Credit recoveries					
Consumer					
In U.S. offices	**$ 1,302**	$ 1,467	$ 1,323	$ 576	$ 585
In offices outside the U.S.	**1,183**	1,273	1,315	1,089	1,050
Corporate					
Mortgage and real estate					
In U.S. offices	**17**	27	130	3	–
In offices outside the U.S.	**19**	2	26	1	1
Governments and official institutions outside the U.S.	–	–	–	–	–
Loans to financial institutions					
In U.S. offices	–	–	–	–	–
In offices outside the U.S.	**43**	89	132	11	2
Commercial and industrial					
In U.S. offices	**243**	175	591	276	6
In offices outside the U.S.	**95**	93	115	87	105
	$ 2,902	$ 3,126	$ 3,632	$ 2,043	$ 1,749
Net credit losses					
In U.S. offices [1][2]	**$ 10,910**	$ 14,887	$ 24,589	$ 20,947	$ 11,716
In offices outside the U.S.	**3,666**	5,151	6,270	9,794	7,295
Total	**$ 14,576**	$ 20,038	$ 30,859	$ 30,741	$ 19,011
Other–net [3]	**$ (932)**	$ (2,275)	$ 10,287	$ (1,602)	$ (1,164)

Allowance for loan losses at end of year	**$ 25,455**	$ 30,115	$ 40,655	$ 36,033	$ 29,616
Allowance for loan losses as a % of total loans [4]	**3.92 %**	4.69 %	6.31 %	6.09 %	4.27 %
Allowance for unfunded lending commitments [5]	**$ 1,119**	$ 1,136	$ 1,066	$ 1,157	$ 887
Total allowance for loans, leases and unfunded lending commitments	**$26,574**	$31,251	$41,721	$37,190	$30,503
Net Consumer credit losses	**$ 14,353**	$ 18,424	$ 28,435	$ 24,791	$ 17,161
As a percentage of average Consumer loans	**3.49 %**	4.20 %	5.74 %	5.43 %	3.34 %
Net Corporate credit losses (recoveries)	**$ 223**	$ 1,614	$ 2,424	$ 5,950	$ 1,850
As a percentage of average Corporate loans	**0.09 %**	0.79 %	1.27 %	3.13 %	0.84 %
Allowance for loan losses at end of period [6]					
Citicorp	**$ 14,623**	$ 12,656	$ 17,075	$ 10,731	$ 8,202
Citi Holdings	**10,832**	17,459	23,580	25,302	21,414
Total Citigroup	**$ 25,455**	$ 30,115	$ 40,655	$ 36,033	$ 29,616
Allowance by type					
Consumer	**$ 22,679**	$ 27,236	$ 35,406	$ 28,347	$ 22,204
Corporate	**2,776**	2,879	5,249	7,686	7,412
Total Citigroup	**$ 25,455**	$ 30,115	$ 40,655	$ 36,033	$ 29,616

See footnotes on the next page.

(1) 2012 includes approximately $635 million of incremental charge-offs related to the Office of the Comptroller of the Currency (OCC) guidance issued in the third quarter of 2012, which required mortgage loans to borrowers that have gone through Chapter 7 U.S. Bankruptcy Code to be written down to collateral value. There was a corresponding approximate $600 million release in the third quarter of 2012 allowance for loans losses related to these charge-offs. 2012 also includes a benefit to charge-offs of approximately $40 million related to finalizing the impact of the OCC guidance in the fourth quarter of 2012.

(2) 2012 includes approximately $370 million of incremental charge-offs related to previously deferred principal balances on modified loans in the first quarter of 2012. The charge-offs were related to anticipated forgiveness of principal in connection with the national mortgage settlement. There was a corresponding approximate $350 million release in the first quarter of 2012 allowance for loan losses related to these charge-offs.

(3) 2012 includes reductions of approximately $875 million related to the sale or transfer to held-for-sale of various U.S. loan portfolios. 2011 includes reductions of approximately $1.6 billion related to the sale or transfer to held-for-sale of various U.S. loan portfolios, approximately $240 million related to the sale of the Egg Banking PLC credit card business, approximately $72 million related to the transfer of the Citi Belgium business to held-for-sale and approximately $290 million related to FX translation. 2010 primarily includes an addition of $13.4 billion related to the impact of consolidating entities in connection with Citi' s adoption of SFAS 166/167, partially offset by reductions of approximately $2.7 billion related to the sale or transfer to held-for-sale of various U.S. loan portfolios and approximately $290 million related to the transfer of a U.K. first mortgage portfolio to held-for-sale. 2009 primarily includes reductions to the loan loss reserve of approximately $543 million related to securitizations, approximately $402 million related to the sale or transfer to held-for-sale of U.S. real estate lending loans, and $562 million related to the transfer of the U.K. cards portfolio to held-for-sale. 2008 primarily includes reductions to the loan loss reserve of approximately $800 million related to FX translation, $102 million related to securitizations, $244 million for the sale of the German retail banking operation, and $156 million for the sale of CitiCapital, partially offset by additions of $106 million related to the Cuscatlán and Bank of Overseas Chinese acquisitions.

(4) December 31, 2012, December 31, 2011 and December 31, 2010 exclude $5.3 billion, $5.3 billion and $4.4 billion, respectively, of loans that are carried at fair value.

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

(6) 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. See "Significant Accounting Policies and Significant Estimates" and Note 1 to the Consolidated Financial Statements below. 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 December 31, 2012 and 2011:

					December 31, 2012
In billions of dollars	**Allowance for loan losses**		**Loans, net of unearned income**		**Allowance as a percentage o**
North America cards [(2)]	**$**	**7.3**	**$**	**112.0**	**6.5**
North America mortgages [(3)]		**8.6**		**125.4**	**6.9**
North America other		**1.5**		**22.1**	**6.8**
International cards		**2.9**		**40.7**	**7.0**
International other [(4)]		**2.4**		**108.5**	**2.2**
Total Consumer	**$**	**22.7**	**$**	**408.7**	**5.6**
Total Corporate		**2.8**		**246.8**	**1.1**
Total Citigroup	**$**	**25.5**	**$**	**655.5**	**3.9**

					December 31, 2011
In billions of dollars	Allowance for loan losses		Loans, net of unearned income		Allowance as a percentage of l
North America cards [(2)]	$	10.1	$	118.7	8.5
North America mortgages		10.0		138.9	7.3
North America other		1.6		23.5	6.8

International cards		2.8		40.1	7.0
International other (4)		2.7		102.5	2.6
Total Consumer	$	27.2	$	423.7	6.5
Total Corporate		2.9		223.5	1.3
Total Citigroup	$	30.1	$	647.2	4.7

(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. The $7.3 billion of loan loss reserves for *North America* cards as of December 31, 2012 represented approximately 18 months of coincident net credit loss coverage.

(3) Of the $8.6 billion, approximately $8.4 billion was allocated to *North America* mortgages in Citi Holdings. Excluding the $40 million benefit related to finalizing the impact of the OCC guidance in the fourth quarter of 2012, the $8.6 billion of loans loss reserves for *North America* mortgages as of December 31, 2012 represented approximately 33 months of coincident net credit loss coverage.

(4) 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.
- As a result of OCC guidance received in the third quarter of 2012, mortgage loans discharged through Chapter 7 bankruptcy are classified as non-accrual. This guidance added approximately $1.5 billion of Consumer loans to non-accrual status at September 30, 2012, of which approximately $1.3 billion was current. See also Note 1 to the Consolidated Financial Statements.
- *North America* Citi-branded cards and Citi retail services are not included as, under industry standards, credit card loans accrue interest until such loans are charged off, which typically occurs at 180 days contractual delinquency.

Renegotiated Loans:

- Both Corporate and Consumer loans whose terms have been modified in a troubled debt restructuring (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. As summarized above, 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 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.

Corporate and Consumer (commercial market) 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.

Non-Accrual Loans

In millions of dollars	**2012**	2011	2010	2009	2008
Citicorp	**$ 4,096**	$ 4,018	$ 4,909	$ 5,353	$ 3,282
Citi Holdings	**7,433**	7,050	14,498	26,387	19,015
Total non-accrual loans (NAL)	**$ 11,529**	$ 11,068	$ 19,407	$ 31,740	$ 22,297
Corporate non-accrual loans (1)					
North America	**$ 735**	$ 1,246	$ 2,112	$ 5,621	$ 2,660
EMEA	**1,131**	1,293	5,337	6,308	6,330
Latin America	**128**	362	701	569	229
Asia	**339**	335	470	981	513
Total Corporate non-accrual loans	**$ 2,333**	$ 3,236	$ 8,620	$13,479	$ 9,732
Citicorp	**$ 1,909**	$ 2,217	$ 3,091	$ 3,238	$ 1,453
Citi Holdings	**424**	1,019	5,529	10,241	8,279
Total Corporate non-accrual loans	**$ 2,333**	$ 3,236	$ 8,620	$ 13,479	$ 9,732
Consumer non-accrual loans (1)					
North America (2)(3)	**$ 7,148**	$ 5,888	$ 8,540	$ 15,111	$ 9,617
EMEA	**380**	387	652	1,159	948
Latin America	**1,285**	1,107	1,019	1,340	1,290
Asia	**383**	450	576	651	710
Total Consumer non-accrual loans (2)	**$ 9,196**	$ 7,832	$ 10,787	$ 18,261	$ 12,565
Citicorp	**$ 2,187**	$ 1,801	$ 1,818	$ 2,115	$ 1,829
Citi Holdings (2)	**7,009**	6,031	8,969	16,146	10,736
Total Consumer non-accrual loans (2)	**$ 9,196**	$ 7,832	$ 10,787	$ 18,261	$ 12,565

(1) Excludes purchased distressed loans, as they are generally accreting interest. The carrying value of these loans was $538 million at December 31, 2012, $511 million at December 31, 2011, $469 million at December 31, 2010, $920 million at December 31, 2009, and $1.510 billion at December 31, 2008.

(2) During 2012, there was an increase in Consumer non-accrual loans in *North America* of approximately $1.5 billion as a result of OCC guidance issued in the third quarter of 2012 regarding mortgage loans where the borrower has gone through Chapter 7 bankruptcy. Of the $1.5 billion in non-accrual loans, $1.3 billion were current. Additionally, during 2012, there was an increase in non-accrual Consumer loans in *North America* during the first quarter of 2012 which 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. The vast majority of these loans were current at the time of reclassification. 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	**2012**	2011	2010	2009	2008
OREO					
Citicorp	**$ 47**	$ 71	$ 826	$ 874	$ 371
Citi Holdings	**391**	480	863	615	1,022
Corporate/Other	**2**	15	14	11	40
Total OREO	**$ 440**	$ 566	$ 1,703	$ 1,500	$ 1,433
North America	**$ 299**	$ 441	$ 1,440	$ 1,294	$ 1,349
EMEA	**99**	73	161	121	66
Latin America	**40**	51	47	45	16
Asia	**2**	1	55	40	2
Total OREO	**$ 440**	$ 566	$ 1,703	$ 1,500	$ 1,433
Other repossessed assets	**$ 1**	$ 1	$ 28	$ 73	$ 78

Non-accrual assets–Total Citigroup	**2012**	2011	2010	2009	2008
Corporate non-accrual loans	**$ 2,333**	$ 3,236	$ 8,620	$ 13,479	$ 9,732
Consumer non-accrual loans [(1)]	**9,196**	7,832	10,787	18,261	12,565
Non-accrual loans (NAL)	**$ 11,529**	$ 11,068	$ 19,407	$ 31,740	$ 22,297
OREO	**440**	566	1,703	1,500	1,433
Other repossessed assets	**1**	1	28	73	78
Non-accrual assets (NAA)	**$ 11,970**	$ 11,635	$ 21,138	$ 33,313	$ 23,808
NAL as a percentage of total loans	**1.76 %**	1.71 %	2.99 %	5.37 %	3.21 %
NAA as a percentage of total assets	**0.64**	0.62	1.10	1.79	1.23
Allowance for loan losses as a percentage of NAL[(2)]	**221**	272	209	114	133

Non-accrual assets–Total Citicorp	**2012**	2011	2010	2009	2008
Non-accrual loans (NAL)	**$ 4,096**	$ 4,018	$ 4,909	$ 5,353	$ 3,282
OREO	**47**	71	826	874	371
Other repossessed assets	**N/A**	N/A	N/A	N/A	N/A
Non-accrual assets (NAA)	**$ 4,143**	$ 4,089	$ 5,735	$ 6,227	$ 3,653
NAA as a percentage of total assets	**0.24 %**	0.25 %	0.43 %	0.53 %	0.34 %
Allowance for loan losses as a percentage of NAL [(2)]	**357**	416	456	232	250

Non-accrual assets–Total Citi Holdings					
Non-accrual loans (NAL) [(1)]	**$ 7,433**	$ 7,050	$ 14,498	$ 26,387	$ 19,015
OREO	**391**	480	863	615	1,022
Other repossessed assets	**N/A**	N/A	N/A	N/A	N/A
Non-accrual assets (NAA)	**$ 7,824**	$ 7,530	$ 15,361	$ 27,002	$ 20,037
NAA as a percentage of total assets	**5.02 %**	3.35 %	4.91 %	5.90 %	3.08 %
Allowance for loan losses as a percentage of NAL[(2)]	**146**	190	126	90	113

(1) During 2012, there was an increase in Consumer non-accrual loans in *North America* of approximately $1.5 billion as a result OCC guidance regarding mortgage loans where the borrower has gone through Chapter 7 bankruptcy. Additionally, during 2012, there was an increase in non-accrual Consumer loans in *North America* of $0.8 billion related to a reclassification from accrual to non-accrual status of home equity loans where the related residential first mortgage was 90 days or more past due. For additional information on each of these items, see footnote 2 to the "Non-Accrual Loans" table above.

(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	Dec. 31, 2012	Dec. 31, 2011
Corporate renegotiated loans [1]		
In U.S. offices		
Commercial and industrial [2]	**$ 180**	$ 206
Mortgage and real estate [3]	**72**	241
Loans to financial institutions	**17**	85
Other	**447**	546
	$ 716	$ 1,078
In offices outside the U.S.		
Commercial and industrial [2]	**$ 95**	$ 223
Mortgage and real estate [3]	**59**	17
Loans to financial institutions	**–**	12
Other	**3**	6
	$ 157	$ 258
Total Corporate renegotiated loans	**$ 873**	$ 1,336
Consumer renegotiated loans [4][5][6][7]		
In U.S. offices		
Mortgage and real estate [8]	**$ 22,903**	$ 21,429
Cards	**3,718**	5,766
Installment and other	**1,088**	1,357
	$ 27,709	$ 28,552
In offices outside the U.S.		
Mortgage and real estate	**$ 932**	$ 936
Cards	**866**	929
Installment and other	**904**	1,342
	$ 2,702	$ 3,207
Total Consumer renegotiated loans	**$ 30,411**	$ 31,759

(1) Includes $267 million and $455 million of non-accrual loans included in the non-accrual assets table above at December 31, 2012 and December 31, 2011, respectively. The remaining loans are accruing interest.

(2) In addition to modifications reflected as TDRs at December 31, 2012, Citi also modified $1 million and $293 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 December 31, 2012, Citi also modified $7 million of commercial real estate loans

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, principal reductions or reduction or waiver of accrued interest or fees. See Note 16 to the Consolidated Financial Statements for a discussion of such modifications.

Forgone Interest Revenue on Loans [1]

In millions of dollars	In U.S. offices	In non-U.S. offices	2012 total
Interest revenue that would have been accrued at original contractual rates [2]	**$ 3,123**	**$ 965**	**$4,088**
Amount recognized as interest revenue [2]	**1,412**	**388**	**1,800**
Forgone interest revenue	**$ 1,711**	**$ 577**	**$2,288**

(1) Relates to Corporate non-accruals, renegotiated loans and Consumer loans on which accrual of interest has been suspended.

(2) Interest revenue in offices outside the U.S. may reflect prevailing local interest rates, including the effects of inflation and monetary correction in certain countries.

risk rated “Substandard Non-Performing” or worse (asset category defined by banking regulators) in U.S. offices. 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 $4,198 million and $2,269 million of non-accrual loans included in the non-accrual assets table above at December 31, 2012 and December 31, 2011, respectively. The remaining loans are accruing interest.

(5) Includes $38 million and $19 million of commercial real estate loans at December 31, 2012 and December 31, 2011, respectively.

(6) Includes $261 million and $257 million of commercial loans at December 31, 2012 and December 31, 2011, respectively.

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

(8) Includes an increase of $1,714 million of TDRs in the third quarter of 2012 as a result of OCC guidance regarding mortgage loans where the borrower has gone through Chapter 7 bankruptcy. See footnote 2 to the “Non-Accrual Loans” table above.

Loan Maturities and Fixed/Variable Pricing Corporate Loans

In millions of dollars at year end 2012	Due within 1 year	Over 1 year but within 5 years	Over 5 years	Total
Corporate loan portfolio maturities				
In U.S. offices				
Commercial and industrial loans	$ 12,181	$ 9,684	$ 5,120	$26,985
Financial institutions	8,197	6,517	3,445	18,159
Mortgage and real estate	11,152	8,866	4,687	24,705
Lease financing	637	506	267	1,410
Installment, revolving credit, other	14,647	11,644	6,155	32,446
In offices outside the U.S.	97,709	33,686	12,490	143,88
Total corporate loans	$ 144,523	$ 70,903	$ 32,164	$247,59
Fixed/variable pricing of corporate loans with maturities due after one year (1)				
Loans at fixed interest rates		$ 9,255	$ 8,483	
Loans at floating or adjustable interest rates		61,648	23,681	
Total		$ 70,903	$ 32,164	

(1) Based on contractual terms. Repricing characteristics may effectively be modified from time to time using derivative contracts. See Note 23 to the Consolidated Financial Statements.

U.S. Consumer Mortgages and Real Estate Loans

In millions of dollars at year end 2012	Due within 1 year	Greater than 1 year but within 5 years	Greater than 5 years	Total
U.S. Consumer mortgage loan portfolio				
First mortgages	$ 121	$ 1,352	$ 88,448	$89,921
Second mortgages	1,384	18,102	16,539	36,025
Total	$ 1,505	$ 19,454	$ 104,987	$125,946
Fixed/variable pricing of U.S. Consumer mortgage loans with maturities due after one year				
Loans at fixed interest rates		$ 1,048	$ 76,410	
Loans at floating or adjustable interest rates		18,406	28,577	
Total		$ 19,454	$ 104,987	

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 December 31, 2012, Citi' s *North America* Consumer residential first mortgage portfolio totaled $88.2 billion, while the home equity loan portfolio was $37.2 billion. This compared to $95.4 billion and $43.5 billion of residential first mortgages and home equity loans as of December 31, 2011, respectively. Of the first mortgages at December 31, 2012, $57.7 billion is recorded in *LCL* within Citi Holdings, with the remaining $30.5 billion recorded in Citicorp. With respect to the home equity loan portfolio, $34.1 billion is recorded in *LCL*, and $3.1 billion is in Citicorp.

Citi' s residential first mortgage portfolio included $8.5 billion of loans with FHA insurance or VA guarantees as of December 31, 2012, compared to $9.2 billion as of December 31, 2011. This portfolio consists of loans to low-to-moderate-income borrowers with lower FICO (Fair Isaac Corporation) scores and therefore generally has higher loan-to-value ratios (LTVs). Credit 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.

In addition, as of December 31, 2012, Citi' s residential first mortgage portfolio included $1.5 billion of loans with LTVs above 80%, compared to $1.6 billion as of December 31, 2011, most of which are insured through mortgage insurance companies. As of December 31, 2012, the residential first mortgage portfolio also had $1.0 billion of loans subject to long-term standby commitments (LTSC) with U.S. government-sponsored entities (GSEs), compared to $1.2 billion as of December 31, 2011, 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 (flat to December 31, 2011) for which Citi also has limited exposure to credit losses. These guarantees and commitments may be rescinded in the event of loan origination defects.

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

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 December 31, 2012, Citi' s *North America* residential first mortgage portfolio contained approximately $7.7 billion of adjustable rate mortgages that are currently required to make a payment only of accrued interest for the payment period, or an interest-only payment, compared to $8.6 billion at September 30, 2012 and $11.9 billion at December 31, 2011. The decline quarter over quarter resulted from conversions to amortizing loans of $471 million and repayments of $296 million, with the remainder primarily due to foreclosures and related activities and, to a lesser extent, asset sales. The decline year over year resulted from conversions to amortizing loans of $2.3 billion and repayments of $1.5 billion, with the remainder primarily due to foreclosures and related activities and, to a lesser extent, asset sales. Borrowers who 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 who have on average significantly higher origination and refreshed FICO scores than other loans in the residential first mortgage portfolio, and have exhibited significantly lower 30+ delinquency rates as compared with residential first mortgages without this payment feature. As such, Citi does not believe the residential mortgage loans with this payment feature represent substantially higher risk in the 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 Citigroup' s residential first mortgage portfolio in *North America*. Approximately 65% of Citi' s residential first mortgage exposure arises from its portfolio within Citi Holdings−*LCL*.

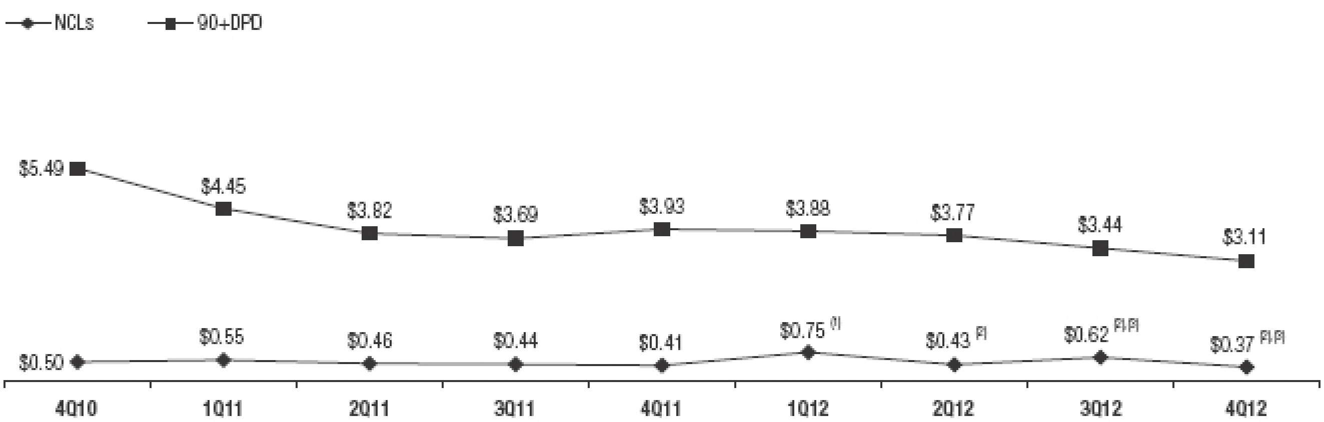
North America Residential First Mortgages–Citigroup

In billions of dollars

EOP Loans: 4Q11-$95.4 3Q12-$89.7 4Q12-$88.2

North America Residential First Mortgages–Citi Holdings

In billions of dollars



EOP Loans: 4Q11-$67.5 3Q12-$59.9 4Q12-$57.7

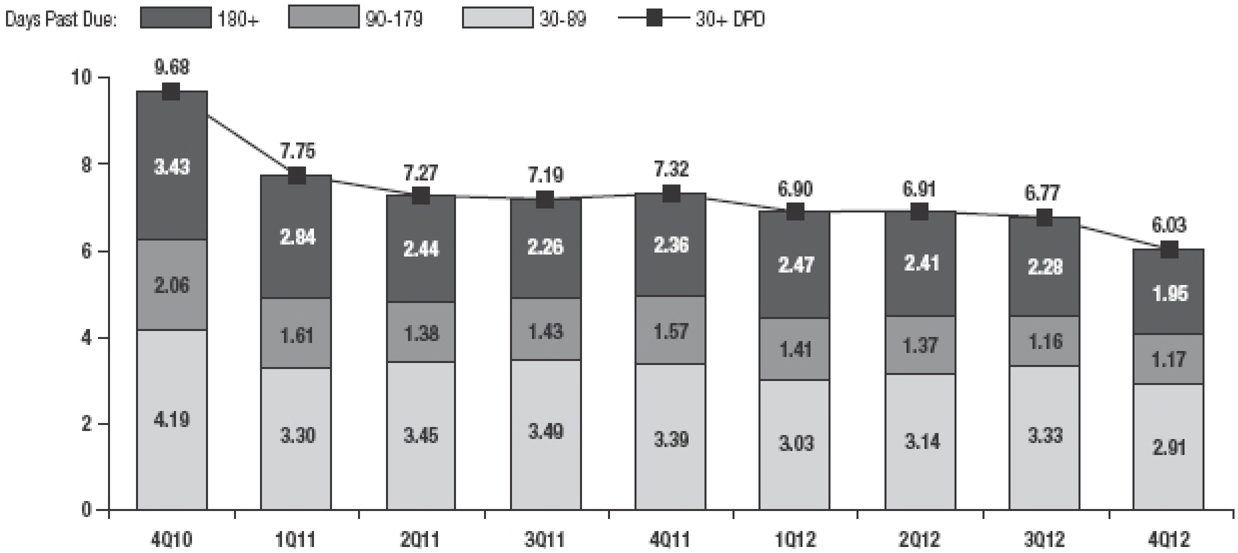
(1) The first quarter of 2012 included approximately $315 million of incremental charge-offs related to previously deferred principal balances on modified loans related to anticipated forgiveness of principal in connection with the national mortgage settlement. Excluding the impact of these charge-offs, net credit losses would have been $0.45 billion and $0.43 billion for the Citigroup and Citi Holdings portfolios, respectively.

(2) The second quarter, third quarter and fourth quarter of 2012 include $43 million, $41 million and $62 million, respectively, of charge-offs related to Citi's fulfillment of its obligations under the national mortgage settlement. Citi expects net credit losses in Citi Holdings to continue to be impacted by its fulfillment of the terms of the national mortgage settlement through the second quarter of 2013. See also "National Mortgage Settlement" below.

(3) The third quarter of 2012 included approximately $181 million of charge-offs related to OCC guidance with respect to the treatment of mortgage loans where the borrower has gone through Chapter 7 bankruptcy. The fourth quarter of 2012 includes an approximately $10 million benefit to charge-offs related to finalizing the impact of the OCC guidance. Excluding these impacts, net credit losses would have been $0.47 billion in 3Q'12 and $0.39 billion in 4Q'12 for the Citigroup portfolio, and $0.44 billion in 3Q'12 and $0.38 billion in 4Q'12 for the Citi Holdings portfolio.

North America Residential First Mortgage Delinquencies−Citi Holdings

In billions of dollars



Note: For each of the tables above, past due exclude (i) U.S. mortgage loans that are guaranteed by U.S. government-sponsored agencies because the potential loss predominantly resides with the U.S. agencies, and (ii) loans recorded at fair value. Totals may not sum due to rounding.

Management actions, primarily asset sales and to a lesser extent modification programs, 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 impacts to net credit losses described in the notes to the tables above).

Citi sold approximately $2.1 billion of delinquent residential first mortgages during 2012, including $0.6 billion during the fourth quarter of 2012. Since the beginning of 2010, Citi has sold approximately $9.6 billion of delinquent residential mortgages.

In addition, Citi modified approximately $0.9 billion and $0.3 billion of residential first mortgage loans during 2012 and in the fourth quarter of 2012, respectively, including loan modifications pursuant to the national mortgage settlement. (For additional information on Citi' s residential first mortgage loan modifications, see Note 16 to the Consolidated Financial Statements.) Loan modifications under the national mortgage settlement have improved Citi' s 30+ days past due delinquencies by approximately $249 million as of the end of 2012. While re-defaults of previously modified mortgages under the HAMP and Citi Supplemental Modification (CSM) programs continued to track favorably versus expectations as of December 31, 2012, Citi' s residential first mortgage portfolio continued to show some signs of the impact of re-defaults of previously modified mortgages.

Citi believes 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 (see "Foreclosures" below) or otherwise, pursuant to asset sales or modifications could be limited going forward as a result of the lower 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.

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 December 31, 2012 and December 31, 2011.

In billions of dollars	December 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	**$21.1**	**28 %**	**2.1 %**	**23 %**	**730**	$22.6	28 %	2.7 %	38 %	727
NY/NJ/CT	**11.8**	**16**	**4.0**	**8**	**723**	11.2	14	4.9	10	712
IN/OH/MI	**4.0**	**5**	**5.5**	**31**	**655**	4.6	6	6.3	44	650
FL	**3.8**	**5**	**8.1**	**43**	**676**	4.3	5	10.2	57	668
IL	**3.1**	**4**	**5.8**	**34**	**694**	3.5	4	7.2	45	686
AZ/NV	**1.9**	**3**	**4.8**	**50**	**702**	2.3	3	5.7	73	698
Other	**29.7**	**39**	**5.4**	**15**	**667**	33.2	41	5.8	21	663
Total	**$75.4**	**100 %**	**4.4 %**	**20 %**	**692**	$81.7	100 %	5.1 %	30 %	689

Note: Totals may not sum due to rounding.

(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 are 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 improvement in refreshed LTV percentages at December 31, 2012 was primarily the result of improvements in HPI across substantially all metropolitan statistical areas, thereby increasing values used in the determination of LTV. Additionally, asset sales of higher LTV loans during 2012 further reduced the amount of loans with greater than 100% LTV. To a lesser extent, modification programs involving principal forgiveness further reduced the loans in this category during the year. With the continued lengthening of the foreclosure process (see discussion under "Foreclosures" below) in all of these states and regions during 2012, Citi expects it could experience less improvement in the 90+ days past due delinquency rate in certain of these states and/ or regions in the future.

Foreclosures

The substantial majority of Citi' s foreclosure inventory consists of residential first mortgages. As of December 31, 2012, approximately 2.0% of Citi' s residential first mortgage portfolio was in Citi' s foreclosure inventory (based on the dollar amount of loans in foreclosure inventory as of such date, excluding loans that are guaranteed by U.S. government agencies and loans subject to LTSCs), compared to 2.1% as of September 30, 2012 and 2.4% as of December 31, 2011.

The decline in Citi' s foreclosure inventory year-over-year and quarter-over-quarter was due to fewer loans moving into the foreclosure inventory. This was due to several factors, including delays associated with initiating foreclosures due to increased state requirements for foreclosure filings (e.g., extensive documentation, processing and filing requirements as well as additional abilities for states to place holds on foreclosures), Citi' s continued asset sales of delinquent first mortgages and Citi' s continued efforts to work with borrowers pursuant to its loan modification programs, including under the national mortgage settlement.

The foreclosure process remains stagnant across most states, driven primarily by the additional state requirements necessary to complete foreclosures referenced above as well as the continued lengthening of the foreclosure process. Citi continues to experience average timeframes to foreclosure that are two to three times longer than historical norms, although some improvement occurred in average timeframes in certain non-judicial states (see below) in the fourth quarter of 2012. Extended foreclosure timelines and the low number of loans moving into the foreclosure inventory resulted in Citi' s aged foreclosure inventory (active foreclosures in process for two years or more) increasing to approximately 29% of Citi' s total foreclosure inventory as of December 31, 2012 (compared to 20% at September 30, 2012 and 10% at December 31, 2011). Extended foreclosure timelines continue to be more pronounced in the judicial states (i.e., states that require foreclosures to be processed via court approval), where Citi has a higher concentration of residential first mortgages in foreclosure (see "*North America* Residential First Mortgages−State Delinquency Trends" above).

Moreover, Citi' s servicing agreements associated with its sales of mortgage loans to the GSEs generally provide the GSEs with a high level of servicing oversight, including, among other

things, timelines in which foreclosures or modification activities are to be completed. The agreements allow for the GSEs to take action against a servicer for violation of the timelines, which includes imposing compensatory fees. While the GSEs have not historically exercised their rights to impose compensatory fees, they have begun to do so on a regular basis. To date, the imposition of compensatory fees, as a result of the extended foreclosure timelines or otherwise, has not had a material impact on Citi.

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 with the payment of interest only and then, at the end of the draw period, the then-outstanding amount is converted to an amortizing loan (the interest-only payment feature during the revolving period is standard for this product across the industry). Prior to June 2010, Citi' s originations of home equity lines of credit typically had a 10-year draw period. Beginning in June 2010, Citi' s originations of home equity lines of credit typically have a five-year draw period as Citi changed these terms to mitigate risk. After conversion, the home equity loans typically have a 20-year amortization period.

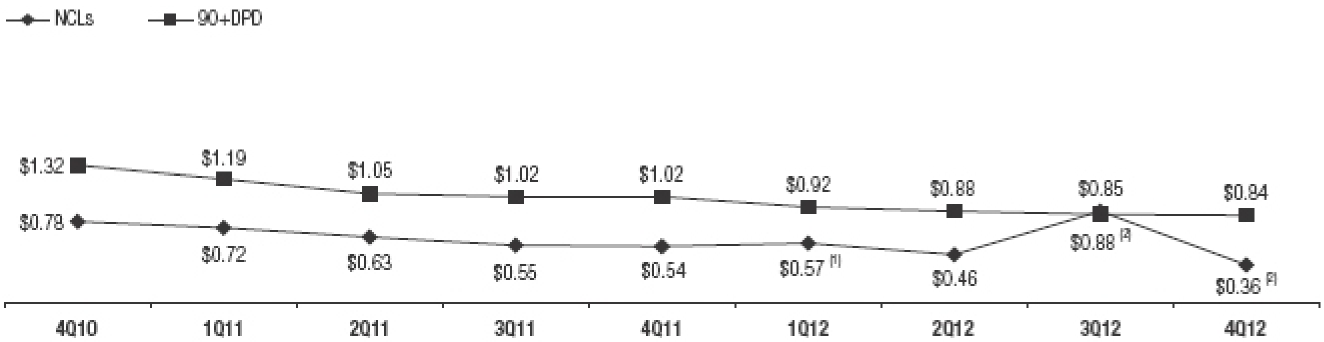
As of December 31, 2012, Citi' s home equity loan portfolio of $37.2 billion included approximately $22.0 billion of home equity lines of credit that are still within their revolving period and have not commenced amortization, or "reset." During the period 2009–2012, approximately only 3% of Citi' s home equity loan portfolio commenced amortization; approximately 75% of Citi' s home equity loans extended under lines of credit as of December 31, 2012 will contractually begin to amortize during the period 2015–2017. Based on this limited sample of home equity loans that has begun amortization, Citi has experienced marginally higher delinquency rates in its amortizing home equity loan portfolio as compared to its non-amortizing loan portfolio. However, these resets have occurred during a period of declining interest rates, which Citi believes has likely reduced the overall "payment shock" to the borrower. Citi will continue to monitor this reset risk closely, particularly as it approaches 2015, and Citi will continue to consider the impact in determining its allowance for loan loss reserves accordingly. In addition, management is reviewing additional actions to offset potential reset risk, such as extending offers to non-amortizing home equity loan borrowers to convert the non-amortizing home equity loan to a fixed-rate loan.

As of December 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 30%. 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. Citi believes this 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*. The vast majority of Citi' s home equity loan exposure arises from its portfolio within Citi Holdings–*LCL*.

North America Home Equity Loans–Citigroup

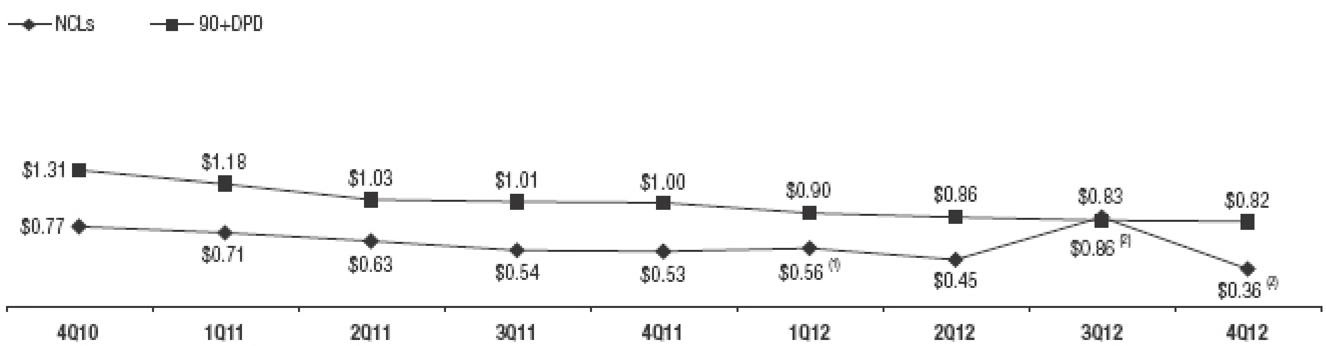
In billions of dollars



EOP Loans: 4Q11-$43.5   3Q12-$38.6   4Q12-$37.2

North America Home Equity Loans–Citi Holdings

In billions of dollars



EOP Loans: 4Q11-$40.0   3Q12-$35.4   4Q12-$34.1

S&P/Case Shiller Home Price Index(3)

(3.8)%	(4.9)%	(5.4)%	(3.5)%	(3.7)%	(1.3)%	1.6%	3.6%	n/a

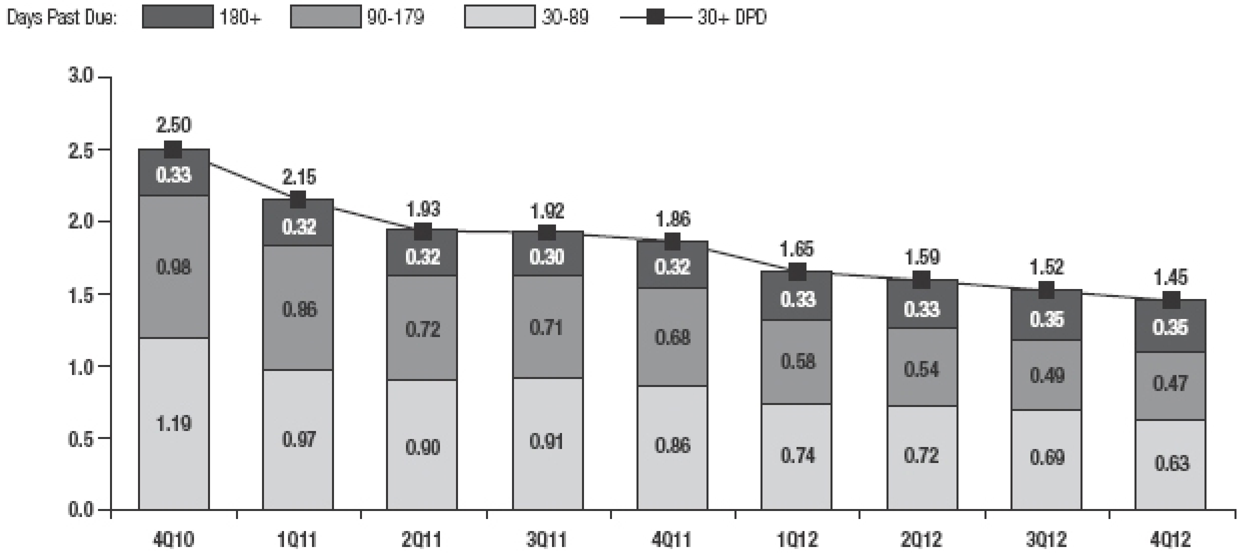
(1) The first quarter of 2012 included approximately $55 million of charge-offs related to previously deferred principal balances on modified loans related to anticipated forgiveness of principal in connection with the national mortgage settlement. Excluding the impact of these charge-offs, net credit losses would have been $0.51 billion and $0.50 billion for the Citigroup and Citi Holdings portfolios, respectively.

(2) The third quarter of 2012 included approximately $454 million of charge-offs related to OCC guidance with respect to the treatment of mortgage loans where the borrower has gone through Chapter 7 bankruptcy. The fourth quarter of 2012 includes an approximately $30 million benefit to charge-offs related to finalizing the impact of the OCC guidance. Excluding these impacts, net credit losses would have been $0.43 billion in 3Q' 12 and $0.39 billion in 4Q' 12 for the Citigroup portfolio, and $0.41 billion in 3Q' 12 and $0.38 billion in 4Q' 12 for the Citi Holdings portfolio.

(3) Year-over-year change in the S&P/Case-Shiller U.S. National Home Price Index.

North America Home Equity Loan Delinquencies−Citi Holdings

In billions of dollars



Note: For each of the tables above, days past due exclude (i) U.S. mortgage loans that are guaranteed by U.S. government-sponsored agencies, because the potential loss predominantly resides with the U.S. agencies, and (ii) loans recorded at fair value. Totals may not sum due to rounding.

As evidenced by the tables above, home equity loan delinquencies improved during 2012, although the rate of improvement has slowed. Given the lack of a market in which to sell delinquent home equity loans, as well as the relatively smaller number of home equity loan modifications and modification programs (see Note 16 to the Consolidated Financial Statements), 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, is 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 December 31, 2012 and December 31, 2011.

In billions of dollars	**December 31, 2012**					December 31, 2011				
State (1)	**ENR** (2)	**ENR Distribution**	**90+DPD %**	**% CLTV > 100%** (3)	**Refreshed FICO**	ENR (2)	ENR Distribution	90+DPD %	% CLTV > 100% (3)	Refreshed FICO
CA	**$9.7**	**28 %**	**2.0 %**	**40 %**	**723**	$11.2	27 %	2.3 %	50 %	721
NY/NJ/CT	**8.2**	**23**	**2.3**	**20**	**715**	9.2	22	2.1	19	715
FL	**2.4**	**7**	**3.4**	**58**	**698**	2.8	7	3.3	69	698
IL	**1.4**	**4**	**2.1**	**55**	**708**	1.6	4	2.3	62	705
IN/OH/MI	**1.2**	**3**	**2.2**	**55**	**679**	1.5	4	2.6	66	678
AZ/NV	**0.8**	**2**	**3.1**	**70**	**709**	1.0	3	4.1	83	706
Other	**11.5**	**33**	**2.2**	**37**	**695**	13.7	33	2.3	46	695
Total	**$35.2**	**100 %**	**2.3 %**	**37 %**	**704**	$41.0	100 %	2.4 %	45 %	707

Note: Totals may not sum due to rounding.

(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 are unavailabl

(3) Represents combined loan-to-value (CLTV) for both residential first mortgages and home equity loans.

Similar to residential first mortgages discussed above, the general improvement in refreshed CLTV percentages at December 31, 2012 was primarily the result of improvements in HPI across substantially all metropolitan statistical areas, thereby increasing values used in the determination of CLTV. For the reasons described under "*North America* Consumer Mortgage Quarterly Credit Trends−Delinquencies and Net Credit Losses−Home Equity Loans" above, Citi has experienced, and could continue to experience, increased delinquencies and thus increased net credit losses in certain of these states and/or regions going forward.

National Mortgage Settlement

Under the national mortgage settlement, entered into by Citi and other financial institutions in February 2012, Citi is required to provide (i) customer relief in the form of loan modifications for delinquent borrowers, including principal reductions, and other loss mitigation activities 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 balance of their loans to reduce their interest rates, also to be completed over three years, with a required settlement value of $378 million. Citi commenced loan modifications under the settlement, including principal reductions, in March 2012 and commenced the refinancing process in June 2012.

If Citi does not provide the required amount of financial relief in the form of loan modifications and other loss mitigation activities for delinquent borrowers or refinancing concessions under the national mortgage settlement, Citi will be required to make cash payments. 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 continues to believe that its obligations will be fully met in the form of financial relief to homeowners; no cash payments are currently expected.

Loan Modifications/Loss Mitigation for Delinquent Borrowers

All of the loan modifications for delinquent borrowers receiving relief toward the $1.4 billion in settlement value are either currently accounted for as TDRs or will become TDRs at the time of modification. The loan modifications have been, and will continue to be, primarily performed under the HAMP and Citi' s CSM loan modification programs (see Note 16 to the Consolidated Financial Statements). The loss mitigation activities include short sales for residential first mortgages and home equity loans, extinguishments and other loss mitigation

Through December 31, 2012, Citi has assisted approximately 34,000 customers under the loan-modification and other loss-mitigation activities provisions of the national mortgage settlement, resulting in an aggregate principal reduction of approximately $2.4 billion that is potentially eligible for inclusion in the settlement value. Net credit losses of approximately $500 million have been incurred to date relating to the loan modifications under the national mortgage settlement, all of which were offset by loan loss reserve releases (including approximately $370 million of incremental charge-offs related to anticipated forgiveness of principal in connection with the national mortgage settlement in the first quarter). Citi currently anticipates an impact to net credit losses associated with the national mortgage settlement to continue into the first half of 2013. Citi continues to believe that its loan loss reserves as of December 31, 2012 are sufficient to cover the required customer relief to delinquent borrowers under the national mortgage settlement.

Like other financial institutions party to the national mortgage settlement, Citi does not receive dollar-for-dollar settlement value for the relief it provides under the national mortgage settlement in all cases. As a result, Citi anticipates that the relief provided will be higher than the settlement value.

Refinancing Concessions for Current Borrowers

The refinancing concessions are 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 12 months, who have not had a modification, bankruptcy or foreclosure proceeding during the prior 24 months, and whose loans have a current interest rate greater than 5.25%. As of December 31, 2012, Citi has provided refinance concessions under the national mortgage settlement to approximately 13,000 customers holding loans with a total unpaid principal balance of $2.3 billion, thus reducing their interest rate to 5.25% for the remaining life of the loan.

Citi accounts for the refinancing concessions under the settlement based on whether the particular borrower is determined to be experiencing financial difficulty based on certain underwriting criteria. When a refinancing concession is granted to a borrower who is experiencing financial difficulty, the loan is accounted for as a TDR. Otherwise, the impact of the refinancing concessions is recognized over a period of years in the form of lower interest income. As of December 31, 2012, approximately 5,000 customers holding loans with a total unpaid principal balance of $741 million and who were provided refinance concessions have been accounted for as TDRs. These refinancing concessions have not had a material impact on the fair value of the modified mortgage loans.

activities. Based on the nature of the loss mitigation activities (e.g., short sales and extinguishments), these activities have not impacted, nor are they expected to have an incremental impact on, Citi’ s TDRs.

As noted above, if the modified loan under the refinancing is not accounted for as a TDR, the impact to Citi of the refinancing concession will be recognized over a period of years in the form

of lower interest income. Citi estimates the forgone future interest income as a result of the refinance concessions under the national mortgage settlement was approximately $20 million during 2012, of which $13 million was recorded in the fourth quarter of 2012. Citi estimates the total amount of expected forgone future interest income could be approximately $50 million annually. However, this estimate could change based on the response rate of borrowers who qualify and the subsequent borrower payment behavior.

Independent Foreclosure Review Settlement

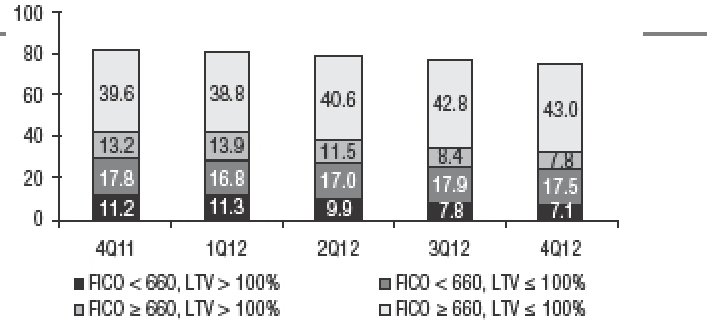
On January 7, 2013, Citi, along with other major mortgage servicers operating under consent orders dated April 13, 2011 with the Federal Reserve Board and the OCC, entered into a settlement agreement with those regulators to modify the requirements of the independent foreclosure review mandated by the consent orders. Under the settlement, Citi agreed to pay approximately $305 million into a qualified settlement fund and offer $487 million of mortgage assistance to borrowers in accordance with agreed criteria. Upon completion of Citi' s payment and mortgage assistance obligations under the agreement, the Federal Reserve Board and the OCC have agreed to deem the requirements of the independent foreclosure review under the consent orders satisfied. As a result of the settlement, Citi recorded a $305 million charge in the fourth quarter of 2012. Citi believes that its loan loss reserves as of December 31, 2012 are sufficient to cover any mortgage assistance under the settlement and there will be no incremental financial impact.

Consumer Mortgage FICO and LTV

The following charts detail the quarterly trends of the unpaid principal balances for Citi' s residential first mortgage and home equity loan portfolios by risk segment (FICO and LTV) and the 90+ day delinquency rates for those risk segments. For example, in the fourth quarter of 2012, residential first mortgages had $7.1 billion of balances with refreshed FICO < 660 and refreshed LTV > 100%. Approximately 17.5% of these loans in this segment were over 90+ days past due.

Residential First Mortgages

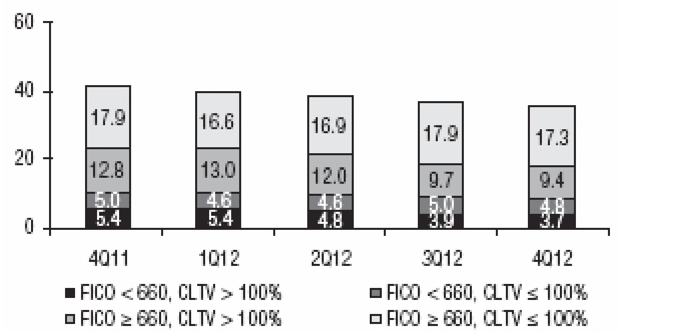
In billions of dollars



In millions of dollars	4Q11		1Q12		2Q12		3Q12		4Q12	
Res Mortgage–90+ DPD	$	%	$	%	$	%	$	%	$	%
FICO ≥ 660, LTV ≤ 100%	143	0.4%	128	0.3%	160	0.4%	158	0.4%	167	0.4%
FICO ≥ 660, LTV > 100%	157	1.2%	164	1.2%	185	1.6%	120	1.4%	113	1.4%
FICO < 660, LTV ≤ 100%	1,916	10.7%	1,759	10.4%	1,777	10.5%	1,892	10.6%	1,776	10.1%
FICO < 660, LTV > 100%	1,842	16.5%	1,943	17.2%	1,812	18.4%	1,420	18.3%	1,245	17.5%

Home Equity Loans

In billions of dollars



In millions of dollars	4Q11		1Q12		2Q12		3Q12		4Q12	
Home Equity–90+ DPD	$	%	$	%	$	%	$	%	$	%
FICO ≥ 660, CLTV ≤ 100%	18	0.1%	19	0.1%	23	0.1%	25	0.1%	26	0.1%
FICO ≥ 660, CLTV > 100%	20	0.2%	23	0.2%	25	0.2%	19	0.2%	21	0.2%
FICO < 660, CLTV ≤ 100%	381	7.6%	336	7.2%	352	7.6%	394	8.0%	395	8.2%

FICO < 660, CLTV > 100%	553	10.3%	504	9.3%	454	9.5%	385	9.9%	359	9.6%

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 include $0.4 billion in each of the periods presented. For home equity loans, balances for which such data is unavailable include $0.2 billion in each of the periods presented.

Citi' s residential first mortgages with an LTV above 100% has declined by 39% since year end 2011, and high LTV loans with FICO scores of less than 660 decreased by 37% to $7.1

billion. The residential first mortgage portfolio has migrated to a higher FICO and lower LTV distribution as a result of asset sales, home price appreciation and principal forgiveness. Loans 90+ days past due have declined by approximately 32%, or $0.6 billion, year-over-year to approximately $1.2 billion. The decline in 90+ days past due residential mortgages with refreshed FICO scores of less than 660 as well as higher LTVs primarily can be attributed to asset sales and modification programs, offset by the lengthening of the foreclosure process, as discussed in the sections above. Citi' s home equity loans with a CLTV above 100% have declined by 28% since year end 2011, and high CLTV loans with FICO scores of less than 660 decreased by 31% to approximately $3.7 billion. The CLTV improvement was primarily the result of home price appreciation.

Residential first mortgages historically have experienced higher delinquency rates, as compared to home equity loans, despite the fact that home equity loans are typically in junior lien positions and residential first mortgages are typically in a first lien position. Citi believes this difference is primarily because 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; however, 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 loans remain higher.

Mortgage Servicing Rights

To minimize credit and liquidity risk, Citi sells most of the conforming 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 declines in or continued low interest rates tend 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 and sale commitments of mortgage-backed securities and purchased securities classified as trading account assets.

Citi' s MSRs totaled $1.9 billion as of December 31, 2012, compared to $1.9 billion and $2.6 billion at September 30, 2012 and December 31, 2011, respectively. The decrease in the value of Citi' s MSRs from year-end 2011 primarily reflected the impact from lower interest rates in addition to amortization as well as an increase in servicing costs related to the servicing of the loans remaining in Citi Holdings. As the mix of loans remaining in Citi Holdings has gradually shifted to more delinquent, non-performing loans, the cost for servicing those loans has increased. As of December 31, 2012, approximately $1.3 billion of MSRs were specific to Citicorp, with the remainder to Citi Holdings.

For additional information on Citi' s MSRs, see Note 22 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).

These sales 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 (a "back-to-back" claim).

Whole Loan Sales (principally reflected in Citi Holdings–Local Consumer Lending)

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 in CitiMortgage. When selling a loan to these investors, Citi makes various representations and warranties to, among other things, the following:

- Citi' s ownership of the loan;
- the validity of the lien securing the loan;
- the absence of delinquent taxes or liens against the property securing the loan;
- the effectiveness of title insurance on the property securing the loan;
- the process used in selecting the loans for inclusion in a transaction;
- the loan' s compliance with any applicable loan criteria established by the buyer; and
- the loan' s compliance with applicable local, state and federal laws.

To date, the majority of Citi' s repurchases have been due to GSE repurchase claims and relates 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 beginning in the second half of 2008.

During the period 2006 through 2008, Citi sold a total of approximately $321 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 third-party sellers that Citi believes would be unlikely to honor back-to-back claims because they are in bankruptcy, liquidation or financial distress and, thus, are 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. These representations were generally made or assigned to the issuing trust and related to, among other things, the following:

- the absence of fraud on the part of the borrower, the seller or any appraiser, broker or other party involved in the origination of the loan (sometimes wholly or partially limited to the knowledge of the representation provider);
- whether the property securing the loan was occupied by the borrower as his or her principal residence;
- the loan' s compliance with applicable federal, state and local laws;
- whether the loan was originated in conformity with the originator' s underwriting guidelines; and
- detailed data concerning the loans that were included on the mortgage loan schedule.

During the period 2005 through 2008, Citi sold loans into and sponsored private-label securitizations through both its Consumer business in 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 securitization trusts via its Consumer business in CitiMortgage. These $24.6 billion of securitization trusts were composed of approximately $15.4 billion in prime trusts and $9.2 billion in Alt-A trusts, each as classified at issuance.

As of December 31, 2012, approximately $8.7 billion of the $24.6 billion remained outstanding as a result of repayments of approximately $14.6 billion and cumulative losses (incurred by the issuing trusts) of approximately $1.3 billion. The remaining outstanding amount is composed of approximately $4.4 billion in prime trusts and approximately $4.3 billion in Alt-A trusts, as classified at issuance. As of December 31, 2012, the remaining outstanding amount had a 90 days or more delinquency rate in the aggregate of approximately 15.5%. Similar to the whole loan sales discussed above, the vast majority of these loans either were originated by Citi or purchased from third-party sellers that Citi believes would be unlikely to honor back-to-back claims because they are no longer financially viable. Citi' s repurchase reserve takes into account estimated reimbursements, if any, to be received 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 securitization trusts. These $66.4 billion of securitization trusts were composed of approximately $15.4 billion in prime trusts, $12.4 billion in Alt-A trusts and $38.6 billion in subprime trusts, each as classified at issuance.

As of December 31, 2012, approximately $19.9 billion of the $66.4 billion remained outstanding as a result of repayments of approximately $36.0 billion and cumulative losses (incurred by the issuing trusts) of approximately $10.5 billion (of which approximately $7.9 billion related to loans in subprime trusts). The remaining outstanding amount is composed of approximately $5.1 billion in prime trusts, $4.2 billion in Alt-A trusts and $10.6 billion in subprime trusts, as classified at issuance. As of December 31, 2012, the remaining outstanding amount had a 90 days or more delinquency rate of approximately 26.1%.

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 by Citi, third-party sellers or both. As of December 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.

The vast majority of the subprime collateral was purchased from third-party sellers that Citi believes would be unlikely to honor back-to-back claims because they are no longer financially viable. Citi' s repurchase reserve, to the extent applicable, 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. 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

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, 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. 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 based on various assumptions which, as referenced above, are primarily based on Citi' s historical repurchase activity with the GSEs. As of December 31, 2012, the most significant assumptions used to calculate the reserve levels are the: (i) probability of a claim based on correlation between loan characteristics and repurchase claims; (ii) claims appeal success rates; and (iii) estimated loss per repurchase or make-whole payment. In addition, 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, in estimating its repurchase reserve.

During 2012, Citi recorded an additional reserve of $706 million (of which $164 million was in the fourth quarter of 2012) relating to its whole loan sales repurchase exposure. The change in estimate in fourth quarter and full year 2012 primarily resulted from (i) a continued heightened focus by the GSEs resulting in increasing estimates of repurchase claims, and (ii) increasing trends in repurchase claims, repurchases/make-whole payments, and default rates, especially for higher risk loans associated with servicing sold to a third party in the fourth quarter of 2010. These increases were partially offset by an improvement in expected recoveries from third-party sellers. Citi' s claims appeal success rate remained stable during 2012, with approximately half of repurchase claims successfully appealed and thus resulting in no loss to Citi. Although the GSEs continued to exhibit elevated loan documentation requests during 2012, which could ultimately lead to higher claims and repurchases in future periods, 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 relies on various assumptions that involve numerous estimates and judgments, including with respect to certain future events, and thus entails inherent uncertainty. Citi estimates that with respect thereto, are recorded in Citi Holdings−*Special Asset Pool*.

the range of reasonably possible loss for whole loan sale representation and warranty claims in excess of amounts accrued as of December 31, 2012 could be up to $0.6 billion. This estimate was derived by modifying the key assumptions discussed above to reflect management' s judgment regarding reasonably possible adverse changes to those assumptions. Citi' s estimate of reasonably possible loss is based on currently available information, significant judgment and numerous assumptions that are subject to change.

Repurchase Reserve−Private-Label Securitizations

Investors in private-label securitizations may seek recovery for alleged breaches of representations and warranties, as well as losses caused by non-performing loans more generally, through repurchase claims or through litigation premised on a variety of legal theories. Citi considers litigation relating to private-label securitizations as part of its contingencies analysis. For additional information, see Note 28 to the Consolidated Financial Statements.

During 2012, Citi continued to receive significant levels of inquiries and demands for loan files, as well as requests to toll (extend) the applicable statutes of limitation for, among others, representation and warranty claims relating to its private-label securitizations. These inquiries, demands and requests have come from trustees of securitization trusts and others. Citi also has received repurchase claims for breaches of representations and warranties related to private-label securitizations. These claims have been received at an unpredictable rate, although the number of claims increased substantially during 2012 and is expected to remain elevated, particularly given the level of inquiries, demands and requests noted above.

Of the repurchase claims received, Citi believes some are based on a review of the underlying loan files, while others are not based on such a review. In either case, upon receipt of a claim, Citi typically requests that it be provided with the underlying detail supporting the claim; however, to date, Citi has received little or no response to these requests for information. As a result, the vast majority of the repurchase claims received on Citi' s private-label securitizations remain unresolved (see the "Unresolved Claims" table below). Citi expects unresolved repurchase claims for private-label securitizations to continue to increase because new claims and requests for loan files continue to be received, while there has been little progress to date in resolving these repurchase claims.

Citi cannot reasonably estimate probable losses from future repurchase claims for private-label securitizations because the claims to date have been received at an unpredictable rate, the factual basis for those claims is unclear, and very few such claims have been resolved. Rather, at the present time, Citi records reserves related to private-label securitizations repurchase claims based on estimated losses arising from those claims received that appear to be based on a review of the underlying loan files. During 2012, Citi recorded a reserve of $244 million (of which $9 million was in the fourth quarter of 2012) relating to such claims. The estimation reflected in this reserve is based on currently available information and relies on various assumptions that involve numerous estimates and judgments that are inherently uncertain and subject to change. If actual experiences differ from Citi' s assumptions, future provisions may differ substantially from Citi' s current reserve.

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	**December 31, 2012**	**September 30, 2012**	**June 30, 2012**	**March 31, 2012**	December 31, 2011
Balance, beginning of period	**$1,516**	**$1,476**	**$1,376**	**$1,188**	$1,07
Additions for new sales [(1)]	**6**	**7**	**4**	**6**	7
Change in estimate [(2)]	**173**	**200**	**242**	**335**	306
Utilizations	**(130)**	**(167)**	**(146)**	**(153)**	(201
Balance, end of period	**$ 1,565**	**$ 1,516**	**$ 1,476**	**$ 1,376**	$ 1,18

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

(2) Change in estimate for the fourth quarter of 2012 includes $164 million related to whole loan sales to the GSEs and private investors and $9 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	**December 31, 2012**	**September 30, 2012**	**June 30, 2012**	**March 31, 2012**	December 31, 2011
GSEs and others [(1)]	**$157**	**$105**	**$202**	**$101**	$110

(1) Predominantly related to claims from the GSEs.

In addition to the amounts set forth in the table above, Citi recorded make-whole payments of $92 million, $118 million,

$91 million, $107 million and $148 million for the quarterly

periods ended December 31, 2012, September 30, 2012, June 30, 2012, March 31, 2012 and December 31, 2011, respectively. Nearly all of these make-whole payments were to the GSEs.

Representations and Warranty Claims by Claimant

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	**December 31, 2012**	**September 30, 2012**	**June 30, 2012**	**March 31, 2012**	December 31, 2011
GSEs and others (1)	**$769**	**$863**	**$860**	**$755**	$699
Private-label securitizations	**294**	**3**	**626**	**536**	13
Mortgage insurers (2)	**18**	**21**	**90**	**23**	35
Total	**$ 1,081**	**$ 887**	**$ 1,576**	**$ 1,314**	$ 747

	Unresolved claims at				
In millions of dollars	**December 31, 2012**	**September 30, 2012**	**June 30, 2012**	**March 31, 2012**	December 31, 2011
GSEs and others (1)	**$1,224**	**$ 1,371**	**$1,263**	**$1,222**	$ 1,270
Private-label securitizations	**1,717**	**1,423**	**1,422**	**797**	266
Mortgage insurers (2)	**5**	**4**	**15**	**8**	15
Total	**$ 2,946**	**$ 2,798**	**$ 2,700**	**$ 2,027**	$ 1,551

(1) Predominantly related to claims from the GSEs.

(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 the inability to collect reimbursement from mortgage insurers is likely to have a material impact on its repurchase reserve.

For additional information regarding Citi' s potential mortgage repurchase liability, see Notes 27 and 28 to the Consolidated Financial Statements below.

North America Cards

Overview

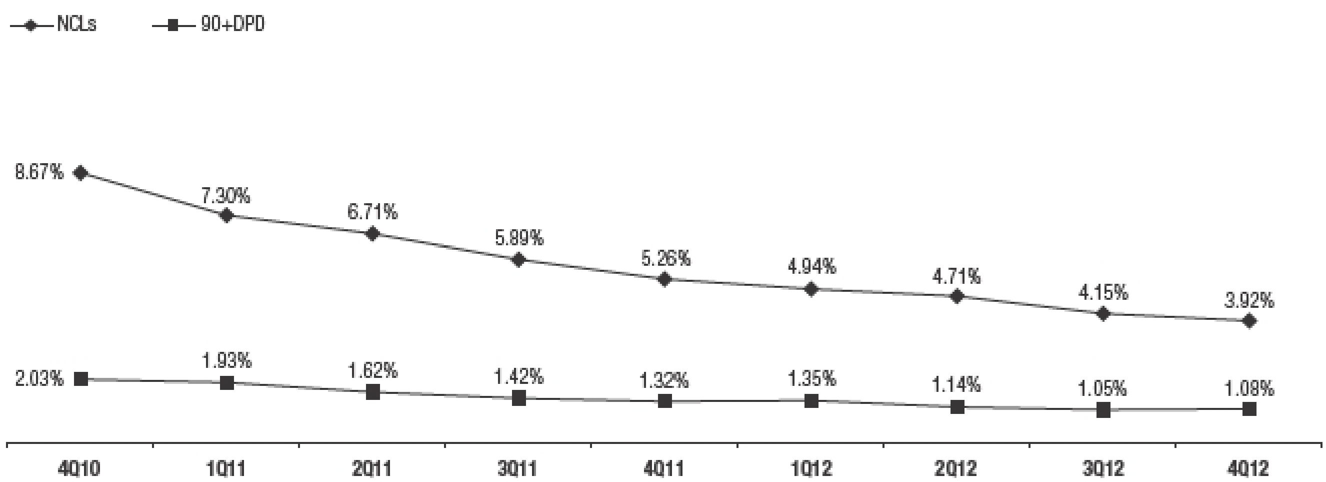
Citi' s *North America* cards portfolio primarily consists of its Citi-branded cards and Citi retail services portfolios in Citicorp. As of December 31, 2012, the Citicorp Citi-branded cards portfolio totaled approximately $73 billion, while the Citi retail services portfolio was approximately $39 billion.

See Note 16 to the Consolidated Financial Statements for additional information on Citi' s *North America* cards modifications.

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. Assuming no significant downturn in the economic environment, Citi believes the improvement in credit trends in its card portfolios had largely stabilized as of the end of 2012, and delinquencies and net credit losses in these portfolios could begin to increase in line with portfolio growth.

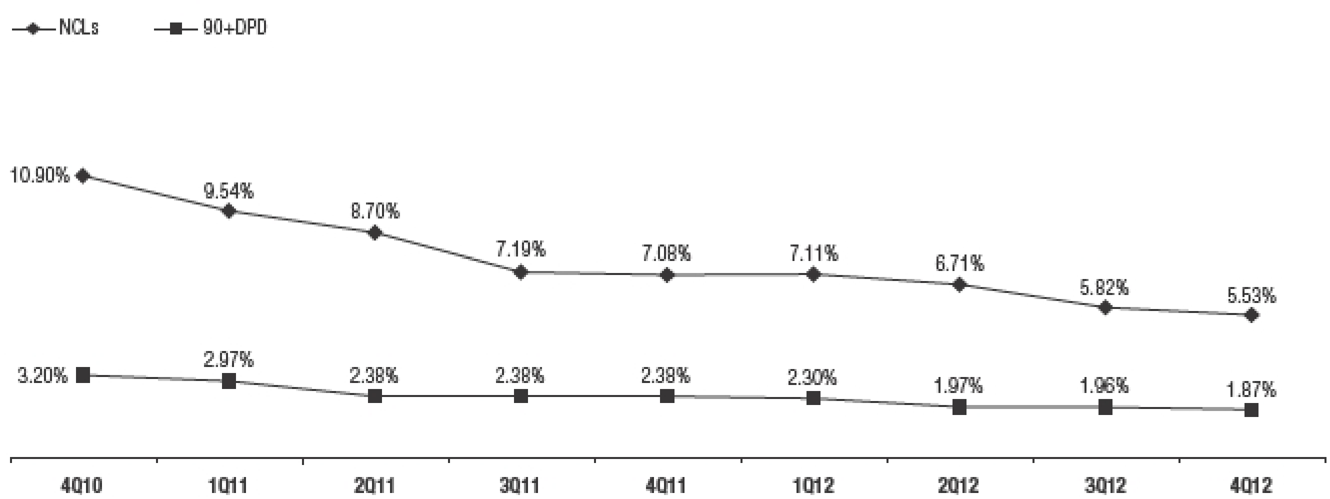
Citi-Branded Cards−Citigroup



In billions of dollars

EOP Loans: 4Q11-$77.2   3Q12-$72.2   4Q12-$72.9

Citi Retail Services−Citigroup



In billions of dollars

EOP Loans: 4Q11-$39.9   3Q12-$36.6   4Q12-$38.6

CONSUMER LOAN DETAILS

Consumer Loan Delinquency Amounts and Ratios

In millions of dollars, except EOP loan amounts in billions and ratios	Total loans [1] December 31, 2012	90+ days past due [2] December 31, 2012	2011	2010	30-89 days past due December 31, 2012	2011	20
Citicorp [3][4]							
Total	**$295.4**	**$ 3,082**	$ 3,406	$ 4,453	**$ 3,509**	$ 4,072	$
Ratio		**1.05 %**	1.19 %	1.63 %	**1.19 %**	1.42 %	
Retail banking							
Total	**$ 145.8**	**$ 880**	$ 769	$ 761	**$ 1,112**	$ 1,040	$
Ratio		**0.61 %**	0.58 %	0.66 %	**0.77 %**	0.78 %	
North America	**42.7**	**280**	235	228	**223**	213	
Ratio		**0.68 %**	0.63 %	0.76 %	**0.54 %**	0.57 %	
EMEA	**5.1**	**48**	59	84	**77**	94	
Ratio		**0.94 %**	1.40 %	2.00 %	**1.51 %**	2.24 %	
Latin America	**28.3**	**324**	253	224	**353**	289	
Ratio		**1.14 %**	1.07 %	1.13 %	**1.25 %**	1.22 %	
Asia	**69.7**	**228**	222	225	**459**	444	
Ratio		**0.33 %**	0.33 %	0.37 %	**0.66 %**	0.66 %	
Citi-branded cards							
Total	**$ 149.6**	**$ 2,202**	$ 2,637	$ 3,692	**$ 2,397**	$ 3,032	$
Ratio		**1.47 %**	1.72 %	2.35 %	**1.60 %**	1.98 %	
North America–Citi-branded	**72.9**	**786**	1,016	1,597	**771**	1,078	
Ratio		**1.08 %**	1.32 %	2.03 %	**1.06 %**	1.40 %	
North America–Citi retail services	**38.6**	**721**	951	1,351	**789**	1,175	
Ratio		**1.87 %**	2.38 %	3.20 %	**2.04 %**	2.94 %	
EMEA	**2.9**	**48**	44	58	**63**	59	
Ratio		**1.66 %**	1.63 %	2.07 %	**2.17 %**	2.19 %	
Latin America	**14.8**	**413**	412	446	**432**	399	
Ratio		**2.79 %**	3.01 %	3.33 %	**2.92 %**	2.91 %	
Asia	**20.4**	**234**	214	240	**342**	321	
Ratio		**1.15 %**	1.08 %	1.22 %	**1.68 %**	1.61 %	
Citi Holdings–*Local Consumer Lending* [5][6]							
Total	**$ 112.7**	**$ 4,611**	$ 5,849	$ 8,864	**$ 4,228**	$ 5,148	$
Ratio		**4.42 %**	4.66 %	5.17 %	**4.05 %**	4.10 %	
International	**7.6**	**345**	422	657	**393**	499	
Ratio		**4.54 %**	3.91 %	3.00 %	**5.17 %**	4.62 %	
North America	**105.1**	**4,266**	5,427	8,207	**3,835**	4,649	
Ratio		**4.41 %**	4.73 %	5.49 %	**3.96 %**	4.05 %	
Total Citigroup (excluding *Special Asset Pool*)	**$ 408.1**	**$ 7,693**	$ 9,255	$ 13,317	**$ 7,737**	$ 9,220	$
Ratio		**1.93 %**	2.25 %	3.00 %	**1.94 %**	2.24 %	

(1) Total loans include interest and fees on credit cards.

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

(3) 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.

(4) 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 agencies since the potential loss predominantly resides with the U.S. agencies. The amounts excluded for loans 90+ days past due (and EOP loans) are $742 million ($1.4 billion), $611 million ($1.3 billion) and $235 million ($0.8 billion) at December 31, 2012, December 31, 2011 and December 31, 2010, respectively. The amounts excluded for loans 30–89 days past due (end-of-period loans have the same adjustment as above) are $122 million, $121 million and $30 million, as of December 31, 2012, December 31, 2011 and December 31, 2010, respectively.

(5) 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 agencies since the potential loss predominantly resides with the U.S. agencies. The amounts excluded for loans 90+ days past due (and EOP loans) for each period are $4.0 billion ($7.1 billion), $4.4 billion ($7.9 billion) and $5.2 billion ($8.4 billion) at December 31, 2012, December 31, 2011 and December 31, 2010, respectively. The amounts excluded for loans 30–89 days past due (end-of-period loans have the same adjustment as above) for each period are $1.2 billion, $1.5 billion and $1.6 billion, as of December 31, 2012, December 31, 2011 and December 31, 2010, respectively.

(6) The December 31, 2012, December 31, 2011 and December 31, 2010 loans 90+ days past due and 30–89 days past due and related ratios for *North America* exclude $1.2 billion, $1.3 billion and $1.7 billion, respectively, of loans that are carried at fair value.

Consumer Loan Net Credit Losses and Ratios

In millions of dollars, except average loan amounts in billions and ratios	Average loans [(1)] **2012**	Net credit losses [(2)] **2012**	2011	2010
Citicorp				
Total	**$ 286.4**	**$ 8,452**	$ 10,840	$ 16,328
Ratio		**2.95 %**	3.93 %	6.22 %
Retail banking				
Total	**$ 140.9**	**$ 1,258**	$ 1,190	$ 1,281
Ratio		**0.89 %**	0.94 %	1.17 %
North America	**41.3**	**247**	302	341
Ratio		**0.60 %**	0.88 %	1.12 %
EMEA	**4.7**	**46**	87	166
Ratio		**0.98 %**	1.98 %	3.84 %
Latin America	**26.3**	**648**	475	439
Ratio		**2.46 %**	2.14 %	2.42 %
Asia	**68.6**	**317**	326	335
Ratio		**0.46 %**	0.50 %	0.59 %
Cards				
Total	**$ 145.5**	**$ 7,194**	$ 9,650	$ 15,047
Ratio		**4.94 %**	6.48 %	9.84 %
North America–Citi-branded	**71.9**	**3,187**	4,668	7,683
Ratio		**4.43 %**	6.28 %	9.86 %
North America–Citi retail services	**36.9**	**2,322**	3,131	5,108
Ratio		**6.29 %**	8.13 %	12.10 %
EMEA	**2.8**	**59**	85	149
Ratio		**2.09 %**	2.98 %	5.32 %
Latin America	**14.1**	**1,102**	1,209	1,429
Ratio		**7.84 %**	8.82 %	11.67 %
Asia	**19.8**	**524**	557	678
Ratio		**2.65 %**	2.85 %	3.83 %
Citi Holdings–*Local Consumer Lending*				
Total [(3)(4)]	**$ 124.3**	**$ 5,870**	$ 7,504	$ 11,928
Ratio		**4.72 %**	4.69 %	5.16 %
International	**9.4**	**536**	1,057	1,927
Ratio		**5.72 %**	6.30 %	7.36 %
North America [(3)(4)]	**114.9**	**5,334**	6,447	10,001
Ratio		**4.64 %**	4.50 %	4.88 %
Total Citigroup (excluding *Special Asset Pool*) [(3)(4)]	**$ 410.7**	**$ 14,322**	$ 18,344	$ 28,256
Ratio		**3.49 %**	4.21 %	5.72 %

(1) Average loans include interest and fees on credit cards.

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

(3) 2012 includes approximately $635 million of incremental charge-offs related to OCC guidance issued in the third quarter of 2012, which required mortgage loans to borrowers that have gone through Chapter 7 of the U.S. Bankruptcy Code to be written down to collateral value. There was a corresponding approximately $600 million release in the third quarter of 2012 allowance for loan losses related to these charge-offs. 2012 also includes a benefit to charge-offs of approximately $40 million related to finalizing the impact of the OCC guidance in the fourth quarter of 2012.

(4) 2012 includes approximately $370 million of incremental charge-offs related to previously deferred principal balances on modified mortgages in the first quarter of 2012. These charge-offs were related to anticipated forgiveness of principal in connection with the national mortgage settlement. There was a corresponding approximately $350 million reserve release in the first quarter of 2012 related to these charge-offs. See also "Credit Risk–National Mortgage Settlement" below.

CORPORATE LOAN DETAILS

For corporate clients and investment banking activities across Citigroup, the credit process is grounded in a series of fundamental policies, in addition to those described under "Managing Global Risk−Risk Management−Overview" above. These include:

- joint business and independent risk management responsibility for managing credit risks;
- a single center of control for each credit relationship, which coordinates credit activities with each client;
- portfolio limits to ensure diversification and maintain risk/ capital alignment;
- a minimum of two authorized credit officer signatures required on extensions of credit, one of which must be from a credit officer in credit risk management;
- risk rating standards, applicable to every obligor and facility; and
- consistent standards for credit origination documentation and remedial management.

For additional information on Citi' s Corporate loan portfolio, including allowance for loan losses, coverage ratios and Corporate non-accrual loans, see "Credit Risk−Loans Outstanding, Details of Credit Loss Experience, Allowance for Loan Losses and Non-Accrual Loans and Assets" above.

Corporate Credit Portfolio

The following table represents the Corporate credit portfolio (excluding Private Bank in *Securities and Banking*) before consideration of collateral, by maturity at December 31, 2012 and 2011. The Corporate credit portfolio is broken out by direct outstandings, which include drawn loans, overdrafts, interbank placements, bankers' acceptances and leases, and unfunded lending commitments, which include unused commitments to lend, letters of credit and financial guarantees.

	At December 31, 2012				At December 31, 2011			
In billions of dollars	**Due within 1 year**	**Greater than 1 year but within 5 years**	**Greater than 5 years**	**Total Exposure**	Due within 1 year	Greater than 1 year but within 5 years	Greater than 5 years	Total exposure
Direct outstandings	**$ 198**	**$70**	**$18**	**$286**	$ 177	$62	$13	$252
Unfunded lending commitments	**123**	**180**	**12**	**315**	144	151	21	316
Total	**$ 321**	**$ 250**	**$ 30**	**$ 601**	$ 321	$ 213	$ 34	$ 568

Portfolio Mix−Geography, Counterparty and Industry

Citi' s Corporate credit portfolio is diverse across geography and counterparty. The following table shows the percentage of direct outstandings and unfunded lending commitments by region:

	December 31, 2012	December 31, 2011
North America	**45 %**	47 %
EMEA	**29**	27
Asia	**18**	18
Latin America	**8**	8
Total	**100 %**	100 %

The maintenance of accurate and consistent risk ratings across the Corporate credit portfolio facilitates the comparison of credit exposure across all lines of business, geographic regions and products. Counterparty risk ratings reflect an estimated probability of default for a counterparty and are derived primarily through the use of validated statistical models, scorecard models and external agency ratings (under defined circumstances), in combination with consideration of factors specific to the obligor or market, such as management experience, competitive position and regulatory environment. Facility risk ratings are assigned that reflect the probability of default of the obligor and factors that affect the loss-given-default of the facility, such as support or collateral. Internal obligor ratings that generally correspond to BBB and above are considered investment grade, while those below are considered non-investment grade.

Citigroup also has incorporated climate risk assessment criteria for certain obligors, as necessary. Factors evaluated include consideration of climate risk to an obligor' s business and physical assets and, when relevant, consideration of cost-effective options to reduce greenhouse gas emissions.

The following table presents the Corporate credit portfolio by facility risk rating at December 31, 2012 and 2011, as a percentage of the total portfolio:

	Direct outstandings and unfunded lending commitments			
	December 31, 2012		December 31, 2011	
AAA/AA/A	**56**	**%**	55	%
BBB	**29**		29	
BB/B	**13**		13	
CCC or below	**2**		2	
Unrated	–		1	
Total	**100**	**%**	100	%

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

	Direct outstandings and unfunded lending commitments			
	December 31, 2012		December 31, 2011	
Public sector	**19**	**%**	19	%
Transportation and industrial	**18**		16	
Petroleum, energy, chemical and metal	**17**		17	
Banks/broker-dealers	**12**		13	
Consumer retail and health	**12**		13	
Technology, media and telecom	**8**		8	
Insurance and special purpose entities	**5**		5	
Real estate	**4**		3	
Hedge funds	**3**		4	
Other industries	**2**		2	
Total	**100**	**%**	100	%

Credit Risk Mitigation

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

At December 31, 2012 and December 31, 2011, $41.6 billion and $41.5 billion, respectively, of credit risk exposures were economically hedged. Citigroup' s expected loss model used in the calculation of its loan loss reserve does not include the favorable impact of credit derivatives and other mitigants that are marked to market. In addition, the reported amounts of direct outstandings and unfunded lending commitments in the tables above do not reflect the impact of these hedging transactions. At December 31, 2012 and December 31, 2011, the credit protection was economically hedging underlying credit exposure with the following risk rating distribution:

Rating of Hedged Exposure

	December 31, 2012		December 31, 2011	
AAA/AA/A	**29**	**%**	41	%
BBB	**49**		45	
BB/B	**19**		13	
CCC or below	**3**		1	
Total	**100**	**%**	100	%

At December 31, 2012 and December 31, 2011, the credit protection was economically hedging underlying credit exposures with the following industry distribution:

Industry of Hedged Exposure

	December 31, 2012		December 31, 2011	
Petroleum, energy, chemical and metal	**22**	**%**	22	%
Transportation and industrial	**22**		22	
Public sector	**21**		12	
Consumer retail and health	**11**		15	
Technology, media and telecom	**10**		12	
Banks/broker-dealers	**9**		10	
Insurance and special purpose entities	**4**		5	
Other industries	**1**		2	
Total	**100**	**%**	100	%

MARKET RISK

Market risk encompasses liquidity risk and price risk, both of which arise in the normal course of business of a global financial intermediary such as Citi. For a discussion of funding and liquidity risk, see “Capital Resources and Liquidity−Funding and Liquidity” and “Risk Factors−Liquidity Risks” above. Price risk losses arise from fluctuations in the market value of trading and non-trading positions resulting from changes in interest rates, credit spreads, foreign exchange rates, equity and commodity prices, and in their implied volatilities.

Market Risk Management

Each business is required to establish, with approval from Citi’ s market risk management, a market risk limit framework for identified risk factors that clearly defines approved risk profiles and is within the parameters of Citi’ s overall risk tolerance. These limits are monitored by independent market risk, Citi’ s country and business Asset and Liability Committees and the Global Finance and Asset and Liability Committee. In all cases, the businesses are ultimately responsible for the market risks taken and for remaining within their defined limits.

Market Risk Management and Stress Testing

Market (price) risks are measured in accordance with established standards to ensure consistency across businesses and the ability to aggregate risk. The measurement used for non-trading and trading portfolios, as well as associated stress testing processes, are described below.

Price Risk−Non-Trading Portfolios

Net Interest Revenue and Interest Rate Risk

One of Citi’ s primary business functions is providing financial products that meet the needs of its customers. Loans and deposits are tailored to customer requirements with regard to tenor, index (if applicable) and rate type. Net interest revenue (NIR), for interest rate exposure purposes, is the difference between the yield earned on the non-trading portfolio assets (including customer loans) and the rate paid on the liabilities (including customer deposits or company borrowings). NIR is affected by changes in the level of interest rates. For example:

- At any given time, there may be an unequal amount of assets and liabilities that are subject to market rates due to maturation or repricing. Whenever the amount of liabilities subject to repricing exceeds the amount of assets subject to repricing, a company is considered “liability sensitive.” In this case, a company’ s NIR will deteriorate in a rising-rate environment.
- The assets and liabilities of a company may reprice at different speeds or mature at different times, subjecting both “liability-sensitive” and “asset-sensitive” companies to NIR sensitivity from changing interest rates. For example, a company may have a large amount of loans that are subject to repricing in the current period, but the majority of deposits are

NIR in any particular period is the result of customer transactions and the related contractual rates originated in prior periods, as well as new transactions in the current period; those prior-period transactions will be impacted by changes in rates on floating-rate assets and liabilities in the current period.

Due to the long-term nature of portfolios, NIR will vary from quarter to quarter even assuming no change in the shape or level of the yield curve as assets and liabilities reprice. These repricings are a function of implied forward interest rates, which represent the overall market’ s estimate of future interest rates and incorporate possible changes in the federal funds rates, as well as the shape of the yield curve.

Interest Rate Risk Measurement

Citi’ s principal measure of risk to NIR is interest rate exposure (IRE). IRE measures the change in expected NIR in each currency resulting solely from unanticipated changes in forward interest rates. Factors such as changes in volumes, credit spreads, margins and the impact of prior-period pricing decisions are not captured by IRE. IRE also assumes that businesses make no additional changes in pricing or balances in response to the unanticipated rate changes.

For example, if the current 90-day LIBOR rate is 3% and the one-year-forward rate (i.e., the estimated 90-day LIBOR rate in one year) is 5%, the +100 bps IRE scenario measures the impact on the company’ s NIR of a 100 bps instantaneous change in the 90-day LIBOR to 6% in one year.

The impact of changing prepayment rates on loan portfolios is incorporated into the results. For example, in the declining interest rate scenarios, it is assumed that mortgage portfolios prepay faster and that income is reduced. In addition, in a rising interest rate scenario, portions of the deposit portfolio are assumed to experience rate increases that may be less than the change in market interest rates.

Mitigation and Hedging of Risk

In order to manage changes in interest rates effectively, Citi may modify pricing on new customer loans and deposits, enter into transactions with other institutions or enter into off-balance-sheet derivative transactions that have the opposite risk exposures. Citi regularly assesses the viability of these and other strategies to reduce its interest rate risks and implements such strategies when it believes those actions are prudent.

Stress Testing

Citigroup employs additional measurements, including stress testing the impact of non-linear interest rate movements on the value of the balance sheet; the analysis of portfolio duration and volatility, particularly as they relate to mortgage loans and mortgage-backed securities; and the potential impact of the change in the spread between different market indices.

not scheduled for repricing until the following period. That company would suffer from NIR deterioration if interest rates were to fall.

Non-Trading Portfolios−Interest Rate Exposure

The exposures in the following table represent the approximate annualized risk to NIR assuming an unanticipated parallel instantaneous 100 bps change in interest rates compared with the market forward interest rates in selected currencies.

	December 31, 2012		December 31, 2011	
In millions of dollars	**Increase**	**Decrease**	Increase	Decrease
U.S. dollar [1]	**$842**	**NM**	$ 97	NM
Mexican peso	**$ 29**	**$ (29)**	$ 87	$ (87)
Euro	**$ 12**	**NM**	$ 69	NM
Japanese yen	**$ 65**	**NM**	$ 105	NM
Pound sterling	**$ 45**	**NM**	$ 35	NM

(1) Certain trading-oriented businesses within Citi have accrual-accounted positions that are excluded from the table. The U.S. dollar IRE associated with these businesses was $(107) million for a 100 bps instantaneous increase in interest rates as of December 31, 2012 and $61 million as of December 31, 2011.

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

The changes in the U.S. dollar IRE year-over-year reflected changes in Citi' s balance sheet composition, including deposit growth. They also reflected regular updates of behavioral assumptions for customer-related assets and liabilities, the impact of lower rates, swap activities and repositioning of the liquidity portfolio, including increased AFS investments and decreasing long-term debt (see "Capital Resources and Liquidity−Funding and Liquidity" above).

The following table shows the approximate annualized risk to NIR from six different changes in the implied-forward rates for the U.S. dollar. Each scenario assumes that the rate change will occur simultaneously.

	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario
Overnight rate change (bps)	−	100	200	(200)	(100)	−
10-year rate change (bps)	(100)	−	100	(100)	−	100
Impact to net interest revenue increase (decrease) *(in millions of dollars)*	(166)	823	1,592	NM	NM	163

Price Risk–Trading Portfolios

Price risk in Citi' s trading portfolios is monitored using a series of measures, including but not limited to:

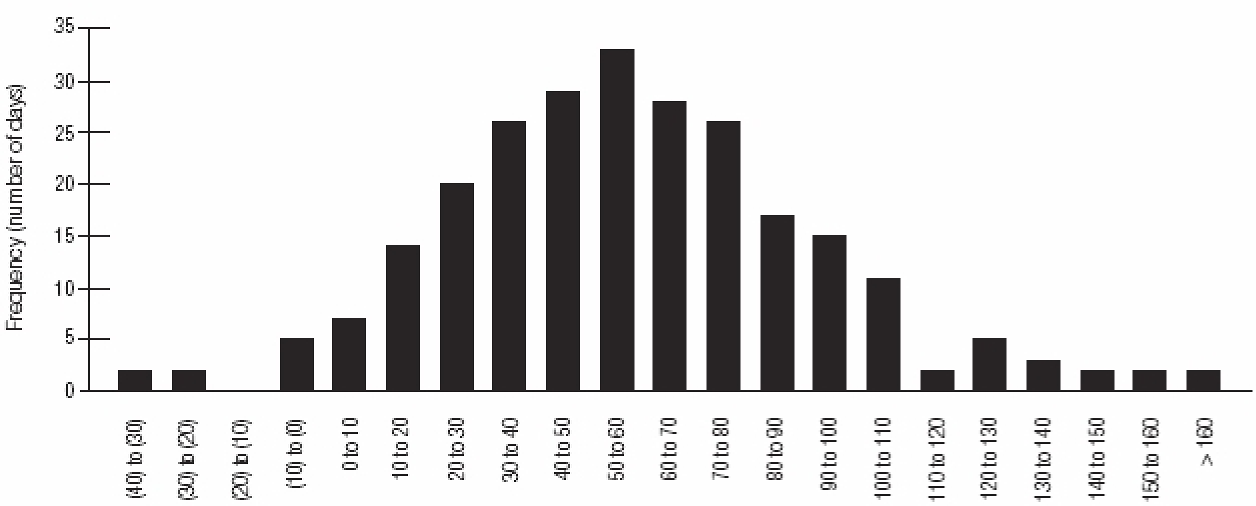
- Value at risk (VAR)
- Stress testing
- Factor sensitivity

Each trading portfolio across Citi' s business segments (Citicorp, Citi Holdings and *Corporate/Other*) has its own market risk limit framework encompassing these measures and other controls, including trading mandates, permitted product lists and a new product approval process for complex products. All trading positions are marked to market, with the results reflected in earnings.

The following histogram of total daily trading-related revenue (loss) captures trading volatility and shows the number of days in which revenues for Citi' s trading businesses fell within particular ranges. As shown in the histogram, positive trading-related revenue was achieved for 96% of the trading days in 2012.

Histogram of Daily Trading-Related Revenue[1]–Twelve Months Ended December 31, 2012

In millions of dollars



(1) Daily trading-related revenue includes trading, net interest and other revenue associated with Citi' s trading businesses. It excludes DVA and CVA, net of associated hedges. In addition, it excludes fees and other revenue associated with capital markets origination activities.

Value at Risk

Value at risk (VAR) estimates, at a 99% confidence level, the potential decline in the value of a position or a portfolio under normal market conditions. VAR statistics can be materially different across firms due to differences in portfolio composition, differences in VAR methodologies, and differences in model parameters. Citi believes VAR statistics can be used more effectively as indicators of trends in risk taking within a firm, rather than as a basis for inferring differences in risk taking across firms.

Citi uses a single, independently approved Monte Carlo simulation VAR model (see "VAR Model Review and Validation" below) that has been designed to capture material risk sensitivities (such as first- and second-order sensitivities of positions to changes in market prices) of various asset classes/ value; it does not include investment securities classified as available-for-sale or held-to-maturity. For information on these securities, see Note 15 to the Consolidated Financial Statements.

Citi believes its VAR model is conservatively calibrated to incorporate the greater of short-term (most recent month) and long-term (three years) market volatility. The Monte Carlo simulation involves approximately 300,000 market factors, making use of 180,000 time series, with sensitivities updated daily and model parameters updated weekly. The conservative features of the VAR calibration contribute approximately 15% add-on to what would be a VAR estimated under the assumption of stable and perfectly normally distributed markets.

risk types (such as interest rate, foreign exchange, equity and commodity risks). Citi' s VAR includes all positions that are measured at fair

The table below summarizes VAR for Citi-wide trading portfolios at year end and during 2012 and 2011, including yearly averages. Citi' s total trading and credit portfolios VAR was $118 million at December 31, 2012 and $183 million at December 31, 2011. Daily total trading and credit portfolios VAR averaged $148 million in 2012 and ranged from $111 million to $199 million. The change in total trading and credit portfolios VAR year-over-year was driven by the fact that the relatively higher volatilities from 2008 and 2009 are no longer included in the three-year volatility time horizon used for VAR, as well as reduced risk in the credit portfolios related to CVA and Corporate Treasury.

In millions of dollars	**Dec. 31, 2012**	**2012 Average**	Dec. 31, 2011	2011 Average
Interest rate	**$ 116**	**$ 122**	$ 147	$ 187
Foreign exchange	**33**	**38**	37	45
Equity	**32**	**29**	36	46
Commodity	**11**	**15**	16	22
Covariance adjustment [1]	**(76)**	**(82)**	(89)	(124
Total trading VAR– all market risk factors, including general and specific risk (excluding credit portfolios) [2]	**$ 116**	**$ 122**	$ 147	$ 176
Specific risk-only component [3]	**$ 31**	**$ 24**	$ 21	$ 25
Total trading VAR–general market factors only (excluding credit portfolios) [2]	**$ 85**	**$ 98**	$ 126	$ 151
Incremental impact of credit portfolios [4]	**$ 2**	**$ 26**	$ 36	$ 13
Total trading and credit portfolios VAR	**$ 118**	**$ 148**	$ 183	$ 189

(1) Covariance adjustment (also known as diversification benefit) equals the difference between the total VAR and the sum of the VARs tied to each individual risk type. The benefit reflects the fact that the risks within each and across risk types are not perfectly correlated and, consequently, the total VAR on a given day will be lower than the sum of the VARs relating to each individual risk type. The determination of the primary drivers of changes to the covariance adjustment is made by an examination of the impact of both model parameter and position changes.

(2) The total trading VAR includes trading positions from *S&B*, Citi Holdings and Corporate Treasury, but excludes hedges to the loan

The table below provides the range of market factor VARs, inclusive of specific risk that was experienced during 2012 and 2011.

	2012		2011	
In millions of dollars	**Low**	**High**	Low	High
Interest rate	**$ 101**	**$ 149**	$ 138	$ 238
Foreign exchange	**25**	**53**	28	72
Equity	**17**	**59**	19	85
Commodity	**9**	**21**	14	36

The following table provides the VAR for *S&B* during 2012, excluding hedges to the loan portfolio, fair value option loans and DVA/CVA, net of hedges.

In millions of dollars	**Dec. 31, 2012**
Total–all market risk factors, including general and specific risk	**$ 112**
Average–during year	**$ 115**
High–during year	**145**
Low–during year	**92**

VAR Model Review and Validation

Generally, Citi' s VAR review and model validation process entails reviewing the model framework, major assumptions, and implementation of the mathematical algorithm. In addition, as part of the model validation process, product specific back-testing on hypothetical portfolios are periodically completed and reviewed with Citi' s U.S. banking regulators. Furthermore, back-testing is performed against the actual change in market value of transactions on a quarterly basis at multiple levels of the organization (trading desk level, *ICG* business segment and Citigroup), and the results are also shared with the U.S. banking regulators.

Significant VAR model and assumption changes must be independently validated within Citi' s risk management organization. This validation process includes a review by Citi' s model validation group and further approval from its model validation review committee, which is composed of senior quantitative risk management officers. In the event of significant model changes, parallel model runs are undertaken prior to implementation. In addition, significant model and assumption changes are subject to periodic reviews and approval by Citi' s U.S. banking regulators.

Citi uses the same independently validated VAR model for both regulatory capital and external market risk disclosure purposes and, as such, the model review and oversight process for both purposes is as described above. While the scope of portfolio, fair value option loans, and DVA/CVA, net of hedges. Available for sale securities and accrual exposures are not included.

(3) The specific risk-only component represents the level of equity and fixed income issuer-specific risk embedded in VAR.

(4) The credit portfolios are composed of mark-to-market positions associated with non-trading business units including Corporate Treasury, the derivative counterparty CVA, net of hedges. Derivative own-credit CVA and DVA are not included. It also includes hedges to the loan portfolio, fair value option loans, and tail hedges that are not explicitly hedging the trading book.

positions included in the VAR model calculations for regulatory capital purposes differs from the scope of positions for external market risk disclosure purposes, these differences are due to the fact that certain positions included for external market risk purposes are not eligible for market risk treatment under the U.S. regulatory capital rules, either as currently in effect under Basel I or under the final market risk capital rules under Basel II.5/III (e.g., the interest rate sensitivity of repos and reverse repos and the credit and market sensitivities of the derivatives CVA are included for external market risk disclosure purposes, but are not included for regulatory capital purposes). The applicability of the VAR model for positions eligible for market risk treatment under U.S. regulatory capital rules is periodically reviewed and approved by Citi' s U.S. banking regulators.

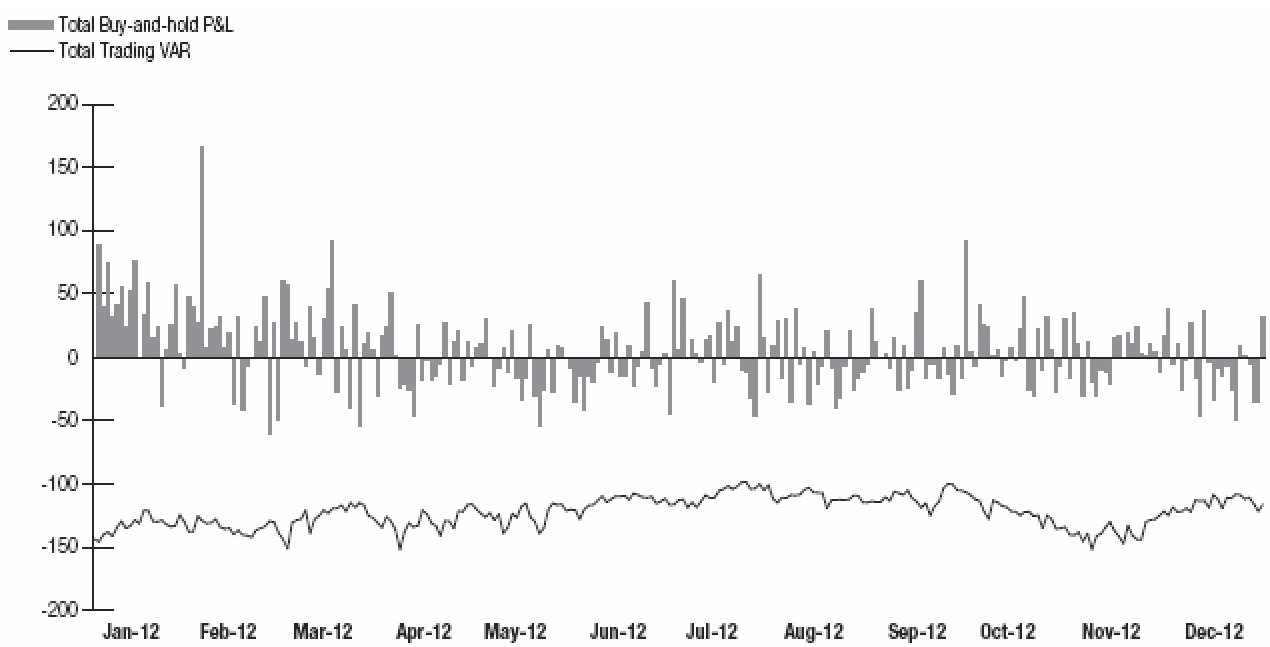
Back-Testing of Trading Market Risk

Back-testing is the process in which the daily VAR of the trading portfolio is compared to the buy-and-hold profit and loss (e.g., the profit and loss impact if the portfolio is held constant at the end of the day and re-priced the following day). Based on the 99% confidence level of Citi' s VAR model, Citi would expect two to three days in any one year where buy-and-hold losses exceed the VAR of the portfolio. Given the conservative calibration of its VAR model, Citi would expect fewer exceptions under normal and stable market conditions. Periods of unstable market conditions could increase the number of these exceptions. In 2012, no back-testing exceptions were observed for Citi' s total trading VAR.

The following graph shows the daily buy-and-hold trading revenue compared to the value at risk for Citi' s total trading VAR during 2012.

Buy-and-Hold Profit and Loss of Trading Businesses Compared to Prior-Day Citigroup Total Trading VAR(1)(2)

In millions of dollars



(1) Citi changed its methodology for back-testing in the fourth quarter of 2012 from using actual profit and loss to buy-and-hold profit and loss, which Citi believes is more accurate for purposes of back-testing the VAR model. The above histogram uses the buy-and-hold profit and loss for all of 2012.

(2) Buy-and-hold profit and loss represents the daily mark-to-market revenue movement attributable to trading positions from the close of the previous business day. Buy-and-hold profit and loss excludes realized trading revenue, net interest, fees and commissions, intra-day trading profit and loss on new and terminated trades and changes in reserves and is not comparable to the trading-related revenue presented in the histogram of Daily Trading-Related Revenue set forth above.

Stress Testing

Stress testing is performed on trading portfolios on a regular basis to estimate the impact of extreme market movements. It is performed on both individual trading portfolios and on

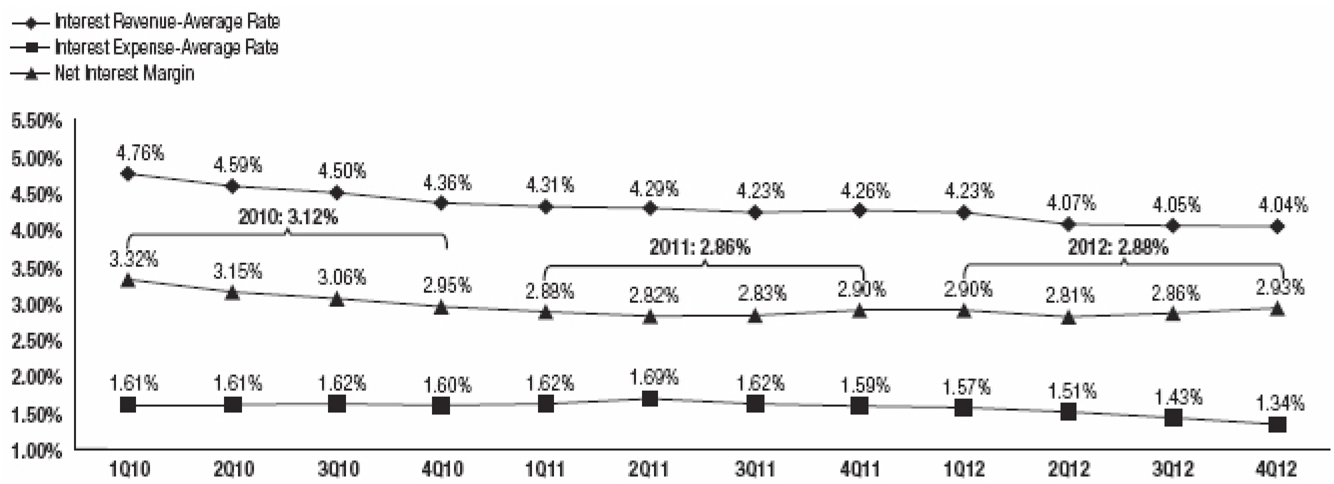
Factor Sensitivities

Factor sensitivities are expressed as the change in the value of a position for a defined change in a market risk factor, such as a change in the value of a Treasury bill for a one-basis-point aggregations of portfolios and businesses. Independent market risk management, in conjunction with the businesses, develops both systemic and specific stress scenarios, reviews the output of periodic stress-testing exercises, and uses the information to make judgments on the ongoing appropriateness of exposure levels and limits.

change in interest rates. Citi' s independent market risk management ensures that factor sensitivities are calculated, monitored, and in most cases, limited, for all relevant risks taken in a trading portfolio.

INTEREST REVENUE/EXPENSE AND YIELDS

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



In millions of dollars, except as otherwise noted	**2012**	2011	2010	**Change 2012 vs. 2011**	Change 2011 vs. 2010
Interest revenue (1)	**$68,680**	$73,201	$79,801	**(6)%**	(8)%
Interest expense (2)	**20,484**	24,229	25,096	**(15)**	(3)
Net interest revenue (3)	**$48,196**	$48,972	$54,705	**(2)%**	(10)%
Interest revenue–average rate	**4.10 %**	4.27 %	4.55 %	**(17) bps**	(28) bps
Interest expense–average rate	**1.46**	1.63	1.61	**(17) bps**	2 bps
Net interest margin	**2.88**	2.86	3.12	**2 bps**	(26) bps
Interest-rate benchmarks					
Two-year U.S. Treasury note–average rate	**0.28 %**	0.45 %	0.70 %	**(17) bps**	(25) bps
10-year U.S. Treasury note–average rate	**1.80**	2.78	3.21	**(98) bps**	(43) bps
10-year vs. two-year spread	**152 bps**	233 bps	251 bps		

(1) *Interest revenue* includes the taxable equivalent adjustments (based on the U.S. federal statutory tax rate of 35%) of $542 million, $520 million, and $519 million for 2012, 2011 and 2010, respectively.

(2) *Interest expense* includes the taxable equivalent adjustments (based on the U.S. federal statutory tax rate of 35%) of $51 million, $5 million and $0 million for 2012, 2011 and 2010, respectively.

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

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

During 2012, Citi' s NIM remained relatively stable as compared to the prior year at 288 basis points. Citi continued to experience pressure on its loan and investment portfolio yields reflecting the low rate environment. In aggregate, this pressure discussed under "Capital Resources and Liquidity−Funding and Liquidity" above, during 2012, Citi reduced its deposit funding costs, partially through increasing the share of non-interest bearing deposits, which contributed approximately 10 basis points of NIM benefit in 2012. Decreased deposit costs and lower outstanding long-term debt, as well as an increase in Citi' s trading book portfolio yields, contributed to the increase in NIM quarter-over-quarter.

Absent any significant changes or events, Citi expects its NIM will likely continue to reflect the pressure of a low interest negatively impacted NIM by approximately 17 basis points in 2012 versus the prior year. Ongoing pressure from the low rate environment was offset by the pay-downs of higher-cost long-term debt and redemptions of trust preferred securities during the year, which positively impacted NIM by approximately 10 basis points in 2012. In addition, as

rate environment and subsequent changes in its portfolios, including its trading book portfolio, although continued improvement in Citi' s cost of funds and lower levels of outstanding long-term debt will both continue to positively impact NIM. As such, Citi currently believes that its 2013 NIM should be relatively stable to its full-year 2012 level, with some quarterly fluctuations.

AVERAGE BALANCES AND INTEREST RATES–ASSETS [1][2][3][4]

Taxable Equivalent Basis

In millions of dollars, except rates	Average volume 2012	2011	2010	Interest revenue 2012	2011	2010	% Average rate 2012	2011	2010
Assets									
Deposits with banks [5]	**$157,997**	$169,688	$166,120	**$1,269**	$1,750	$1,252	**0.80 %**	1.03 %	0.75 %
Federal funds sold and securities borrowed or purchased under agreements to resell [6]									
In U.S. offices	**$156,837**	$158,154	$162,799	**$1,471**	$1,487	$1,774	**0.94 %**	0.94 %	1.09 %
In offices outside the U.S. [5]	**120,400**	116,681	86,926	**1,947**	2,144	1,382	**1.62**	1.84	1.59
Total	**$277,237**	$274,835	$249,725	**$3,418**	$3,631	$3,156	**1.23 %**	1.32 %	1.26 %
Trading account assets [7][8]									
In U.S. offices	**$124,633**	$122,234	$128,443	**$3,899**	$4,270	$4,352	**3.13 %**	3.49 %	3.39 %
In offices outside the U.S. [5]	**126,203**	147,417	151,717	**3,077**	4,033	3,819	**2.44**	2.74	2.52
Total	**$250,836**	$269,651	$280,160	**$6,976**	$8,303	$8,171	**2.78 %**	3.08 %	2.92 %
Investments									
In U.S. offices									
Taxable	**$169,307**	$170,196	$169,218	**$2,880**	$3,313	$4,806	**1.70 %**	1.95 %	2.84 %
Exempt from U.S. income tax	**16,405**	13,592	14,876	**816**	922	918	**4.97**	6.78	6.17
In offices outside the U.S. [5]	**114,549**	122,298	136,713	**4,156**	4,478	5,678	**3.63**	3.66	4.15
Total	**$300,261**	$306,086	$320,807	**$7,852**	$8,713	$11,402	**2.62 %**	2.85 %	3.55 %
Loans (net of unearned income) [9]									
In U.S. offices	**$359,794**	$369,656	$430,685	**$27,077**	$29,111	$34,773	**7.53 %**	7.88 %	8.07 %
In offices outside the U.S. [5]	**289,371**	274,035	255,168	**21,508**	21,180	20,312	**7.43**	7.73	7.96
Total	**$649,165**	$643,691	$685,853	**$48,585**	$50,291	$55,085	**7.48 %**	7.81 %	8.03 %
Other interest-earning assets	**$40,766**	$49,467	$50,936	**$580**	$513	$735	**1.42 %**	1.04 %	1.44 %
Total interest-earning assets	**$1,676,262**	$1,713,418	$1,753,601	**$68,680**	$73,201	$79,801	**4.10 %**	4.27 %	4.55 %
Non-interest-earning assets [7]	**$234,437**	$238,550	$225,271						
Total assets from discontinued operations	–	668	18,989						
Total assets	**$1,910,699**	$1,952,636	$1,997,861						

(1) *Interest revenue* includes the taxable equivalent adjustments (based on the U.S. federal statutory tax rate of 35%) of $542 million, $520 million, and $519 million for 2012, 2011 and 2010, respectively.

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

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

(4) Detailed average volume, *Interest revenue* and *Interest expense* exclude *Discontinued operations*. See Note 3 to the Consolidated Financial Statements.

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

(6) Average volumes of securities borrowed or purchased under agreements to resell are reported net pursuant to FIN 41 (ASC 210-20-45). However, *Interest revenue* excludes the impact of FIN 41 (ASC 210-20-45).

(7) The fair value carrying amounts of derivative contracts are reported in *Non-interest-earning assets* and *Other non-interest-bearing liabilities*.

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

(9) Includes cash-basis loans.

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

Taxable Equivalent Basis

	Average volume			Interest expense			% Average rate		
In millions of dollars, except rates	**2012**	2011	2010	**2012**	2011	2010	**2012**	2011	2010
Liabilities									
Deposits									
In U.S. offices (5)	**$ 233,100**	222,796	235,549	**$ 1,954**	$ 2,171	$ 2,284	**0.84 %**	0.97	0.97
In offices outside the U.S. (6)	**488,166**	485,101	483,796	**5,659**	6,385	6,087	**1.16**	1.32	1.26
Total	**$ 721,266**	$ 707,897	$ 719,345	**$ 7,613**	$ 8,556	$ 8,371	**1.06 %**	1.21 %	1.16 %
Federal funds purchased and securities loaned or sold under agreements to repurchase (7)									
In U.S. offices	**$ 121,843**	$ 120,039	$ 123,425	**$ 852**	$ 776	$ 797	**0.70 %**	0.65 %	0.65 %
In offices outside the U.S. (6)	**101,928**	99,848	88,892	**1,965**	2,421	2,011	**1.93**	2.42	2.26
Total	**$ 223,771**	$ 219,887	$ 212,317	**$ 2,817**	$ 3,197	$ 2,808	**1.26 %**	1.45 %	1.32 %
Trading account liabilities (8)(9)									
In U.S. offices	**$ 29,486**	$ 37,279	$ 36,115	**$ 116**	$ 266	$ 283	**0.39 %**	0.71 %	0.78 %
In offices outside the U.S. (6)	**44,639**	49,162	43,501	**74**	142	96	**0.17**	0.29	0.22
Total	**$ 74,125**	$ 86,441	$ 79,616	**$ 190**	$ 408	$ 379	**0.26 %**	0.47 %	0.48 %
Short-term borrowings									
In U.S. offices	**$ 78,747**	$ 87,472	$ 119,262	**$ 203**	$ 139	$ 674	**0.26 %**	0.16 %	0.57 %
In offices outside the U.S. (6)	**31,897**	39,052	35,533	**524**	511	243	**1.64**	1.31	0.68
Total	**$ 110,644**	$ 126,524	$ 154,795	**$ 727**	$ 650	$ 917	**0.66 %**	0.51 %	0.59 %
Long-term debt (10)									
In U.S. offices	**$ 255,093**	$ 325,709	$ 370,819	**$ 8,845**	$ 10,697	$ 11,757	**3.47 %**	3.28 %	3.17 %
In offices outside the U.S. (6)	**14,603**	17,970	22,176	**292**	721	864	**2.00**	4.01	3.90
Total	**$ 269,696**	$ 343,679	$ 392,995	**$ 9,137**	$ 11,418	$ 12,621	**3.39 %**	3.32 %	3.21 %
Total interest-bearing liabilities	**$ 1,399,502**	$ 1,484,428	$ 1,559,068	**$ 20,484**	$ 24,229	$ 25,096	**1.46 %**	1.63 %	1.61 %
Demand deposits in U.S. offices	**$ 13,170**	$ 16,410	$ 16,117						
Other non-interest-bearing liabilities (8)	**311,529**	275,408	245,481						
Total liabilities from discontinued operations	–	10	18,410						
Total liabilities	**$ 1,724,201**	$ 1,776,256	$ 1,839,076						
Citigroup stockholders' equity (11)	**$ 184,592**	$ 174,351	$ 156,478						
Noncontrolling interest	**1,906**	2,029	2,307						
Total equity (11)	**$ 186,498**	$ 176,380	$ 158,785						
Total liabilities and stockholders' equity	**$ 1,910,699**	$ 1,952,636	$ 1,997,861						
Net interest revenue as a percentage of average interest-earning assets (12)									
In U.S. offices	**$ 941,367**	$ 971,792	$ 1,044,486	**$ 24,800**	$ 25,723	$ 30,928	**2.63 %**	2.65 %	2.96 %
In offices outside the U.S. (6)	**734,895**	741,626	709,115	**23,396**	23,249	23,777	**3.18**	3.13	3.35
Total	**$ 1,676,262**	$ 1,713,418	$ 1,753,601	**$ 48,196**	$ 48,972	$ 54,705	**2.88 %**	2.86 %	3.12 %

(1) *Interest expense* includes the taxable equivalent adjustments (based on the U.S. federal statutory tax rate of 35%) of $51 million, $5 million and $0 million for 2012, 2011 and 2010, respectively.

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

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

(4) Detailed average volume, *Interest revenue* and *Interest expense* exclude *Discontinued operations*. See Note 3 to the Consolidated Financial Statements.

(5) Consists of other time deposits and savings deposits. Savings deposits are made up of insured money market accounts, NOW accounts, and other savings deposits. The interest expense on savings deposits includes FDIC deposit insurance fees and charges.

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

(7) Average volumes of securities loaned or sold under agreements to repurchase are reported net pursuant to FIN 41 (ASC 210-20-45). However, *Interest expense* excludes the impact of FIN 41 (ASC 210-20-45).

(8) The fair value carrying amounts of derivative contracts are reported in *Non-interest-earning assets* and *Other non-interest-bearing liabilities*.

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

(10) Excludes hybrid financial instruments and beneficial interests in consolidated VIEs that are classified as *Long-term debt*, as these obligations are accounted for in changes in fair value recorded in *Principal transactions*.

(11) Includes stockholders' equity from discontinued operations.

(12) Includes allocations for capital and funding costs based on the location of the asset.

ANALYSIS OF CHANGES IN INTEREST REVENUE [1][2][3]

	2012 vs. 2011			2011 vs. 2010		
	Increase (decrease) due to change in:			Increase (decrease) due to change in:		
In millions of dollars	**Average volume**	**Average rate**	**Net change**	Average volume	Average rate	Net change
Deposits with banks [4]	**$ (114)**	**$ (367)**	**$ (481)**	$ 27	$ 471	$ 498
Federal funds sold and securities borrowed or purchased under agreements to resell						
In U.S. offices	**$ (12)**	**$ (4)**	**$ (16)**	$ (49)	$ (238)	$ (287)
In offices outside the U.S. [4]	**67**	**(264)**	**(197)**	524	238	762
Total	**$ 55**	**$ (268)**	**$ (213)**	$ 475	$ –	$ 475
Trading account assets [5]						
In U.S. offices	**$ 82**	**$ (453)**	**$ (371)**	$ (214)	$ 132	$ (82)
In offices outside the U.S. [4]	**(544)**	**(412)**	**(956)**	(111)	325	214
Total	**$ (462)**	**$ (865)**	**$ (1,327)**	$ (325)	$ 457	$ 132
Investments [1]						
In U.S. offices	**$ 44**	**$ (583)**	**$ (539)**	$ (9)	$ (1,480)	$ (1,489)
In offices outside the U.S. [4]	**(281)**	**(41)**	**(322)**	(565)	(635)	(1,200)
Total	**$ (237)**	**$ (624)**	**$ (861)**	$ (574)	$ (2,115)	$ (2,689)
Loans (net of unearned income) [6]						
In U.S. offices	**$ (764)**	**$ (1,270)**	**$ (2,034)**	$ (4,824)	$ (838)	$ (5,662)
In offices outside the U.S. [4]	**1,158**	**(830)**	**328**	1,471	(603)	868
Total	**$ 394**	**$ (2,100)**	**$ (1,706)**	$ (3,353)	$ (1,441)	$ (4,794)
Other interest-earning assets	**$ (101)**	**$ 168**	**$ 67**	$ (21)	$ (201)	$ (222)
Total interest revenue	**$ (465)**	**$ (4,056)**	**$ (4,521)**	$ (3,771)	$ (2,829)	$ (6,600)

(1) The taxable equivalent adjustment is based on the U.S. federal statutory tax rate of 35% and is included in this presentation.

(2) Rate/volume variance is allocated based on the percentage relationship of changes in volume and changes in rate to the total net change.

(3) Detailed average volume, *Interest revenue* and *Interest expense* exclude *Discontinued operations*. See Note 3 to the Consolidated Financial Statements.

(4) Changes in average rates reflect changes in prevailing local interest rates, including inflationary effects and monetary corrections in certain countries.

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

(6) Includes cash-basis loans.

ANALYSIS OF CHANGES IN INTEREST EXPENSE AND NET INTEREST REVENUE (1)(2)(3)

	2012 vs. 2011			2011 vs. 2010		
	Increase (decrease) due to change in:			Increase (decrease) due to change in:		
In millions of dollars	**Average volume**	**Average rate**	**Net change**	Average volume	Average rate	Net change
Deposits						
In U.S. offices	**$ 97**	**$ (314)**	**$ (217)**	$ (124)	$ 11	$ (113)
In offices outside the U.S. (4)	**40**	**(766)**	**(726)**	16	282	298
Total	**$ 137**	**$ (1,080)**	**$ (943)**	$ (108)	$ 293	$ 185
Federal funds purchased and securities loaned or sold under agreements to repurchase						
In U.S. offices	**$ 12**	**$ 64**	**$ 76**	$ (22)	$ 1	$ (21)
In offices outside the U.S. (4)	**49**	**(505)**	**(456)**	259	151	410
Total	**$ 61**	**$ (441)**	**$ (380)**	$ 237	$ 152	$ 389
Trading account liabilities (5)						
In U.S. offices	**$ (48)**	**$ (102)**	**$ (150)**	$ 9	$ (26)	$ (17)
In offices outside the U.S. (4)	**(12)**	**(56)**	**(68)**	14	32	46
Total	**$ (60)**	**$ (158)**	**$ (218)**	$ 23	$ 6	$ 29
Short-term borrowings						
In U.S. offices	**$ (15)**	**$ 79**	**$ 64**	$ (145)	$ (390)	$ (535)
In offices outside the U.S. (4)	**(104)**	**117**	**13**	26	242	268
Total	**$ (119)**	**$ 196**	**$ 77**	$ (119)	$ (148)	$ (267)
Long-term debt						
In U.S. offices	**$ (2,422)**	**$ 570**	**$ (1,852)**	$ (1,470)	$ 410	$ (1,060)
In offices outside the U.S. (4)	**(117)**	**(312)**	**(429)**	(168)	25	(143)
Total	**$ (2,539)**	**$ 258**	**$ (2,281)**	$ (1,638)	$ 435	$ (1,203)
Total interest expense	**$ (2,520)**	**$ (1,225)**	**$ (3,745)**	$ (1,605)	$ 738	$ (867)
Net interest revenue	**$ 2,055**	**$ (2,831)**	**$ (776)**	$ (2,166)	$ (3,567)	$ (5,733)

(1) The taxable equivalent adjustment is based on the U.S. federal statutory tax rate of 35% and is included in this presentation.

(2) Rate/volume variance is allocated based on the percentage relationship of changes in volume and changes in rate to the total net change.

(3) Detailed average volume, *Interest revenue* and *Interest expense* exclude *Discontinued operations*. See Note 3 to the Consolidated Financial Statements.

(4) Changes in average rates reflect changes in prevailing local interest rates, including inflationary effects and monetary corrections in certain countries.

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

OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed internal processes, systems or human factors, or from external events. It includes the reputation and franchise risk associated with business practices or market conduct in which Citi is involved. Operational risk is inherent in Citigroup’ s global business activities, as well as its internal processes that support those business activities, and can result in losses arising from events related to the following, among others:

- fraud, theft and unauthorized activities;
- employment practices and workplace environment;
- clients, products and business practices;
- physical assets and infrastructure; and
- execution, delivery and process management.

Operational Risk Management

Citi’ s operational risk is managed through an overall framework designed to balance strong corporate oversight with well-defined independent risk management. This framework includes:

- recognized ownership of the risk by the businesses;
- oversight by Citi’ s independent risk management and control functions; and
- independent assessment by Citi’ s Internal Audit function.

The goal is to keep operational risk at appropriate levels relative to the characteristics of Citigroup’ s businesses, the markets in which it operates, its capital and liquidity, and the competitive, economic and regulatory environment.

To monitor, mitigate and control operational risk, Citigroup maintains a system of policies and has established a consistent framework for assessing and communicating operational risks and the overall effectiveness of the internal control environment across Citigroup. As part of this framework, Citi has established a “Manager’ s Control Assessment” program to help managers self-assess key operational risks and controls and identify and address weaknesses in the design and/or effectiveness of internal controls that mitigate significant operational risks.

As noted above, each major business segment must implement an operational risk process consistent with the requirements of this framework. The process for operational risk management includes the following steps:

- identify and assess key operational risks;
- design controls to mitigate identified risks;
- establish key risk and control indicators;
- implement a process for early problem recognition and timely escalation;
- produce a comprehensive operational risk report; and
- ensure that sufficient resources are available to actively improve the operational risk environment and mitigate emerging risks.

As new products and business activities are developed, processes are designed, modified or sourced through alternative means and operational risks are considered.

An Operational Risk Council provides oversight for operational risk across Citigroup. The Council’ s membership includes senior members of Citi’ s Franchise Risk and Strategy group and the Chief Risk Officer’ s organization covering multiple dimensions of risk management, with representatives of the Business and Regional Chief Risk Officers’ organizations. The Council’ s focus is on identification and mitigation of operational risk and related incidents. The Council works with the business segments and the control functions (e.g., Compliance, Finance, Human Resources and Legal) with the objective of ensuring a transparent, consistent and comprehensive framework for managing operational risk globally.

In addition, Enterprise Risk Management, within Citi’ s independent risk management, proactively assists the businesses, operations and technology and the other independent control groups in enhancing the effectiveness of controls and managing operational risks across products, business lines and regions.

Operational Risk Measurement and Stress Testing

As noted above, information about the businesses’ operational risk, historical operational risk losses and the control environment is reported by each major business segment and functional area and is summarized and reported to senior management, as well as to the Audit Committee of Citi’ s Board of Directors.

Operational risk is measured and assessed through risk capital (see “Managing Global Risk−Risk Capital” above). The approach to capital modeling is designed to be generally consistent with Basel II advanced measurement approaches standards (see “Capital Resources and Liquidity−Capital Resources−Regulatory Capital Standards” above). Projected operational risk losses under stress scenarios are also required as part of the Federal Reserve Board’ s CCAR process.

COUNTRY AND CROSS-BORDER RISK

COUNTRY RISK

Overview

Country risk is the risk that an event in a country (precipitated by developments within or external to a country) could directly or indirectly impair the value of Citi’ s franchise or adversely affect the ability of obligors within that country to honor their obligations to Citi, any of which could negatively impact Citi’ s results of operations or financial condition. Country risk events could include sovereign volatility or defaults, banking failures or defaults, redenomination events (which could be accompanied by a revaluation (either devaluation or appreciation) of the affected currency), currency crises, foreign exchange and/or capital controls and/or political events and instability. Country risk events could result in mandatory loan loss and other reserve requirements imposed by U.S. regulators due to a particular country’ s economic situation. See also “Risk Factors−Market and Economic Risks” above.

Citi has instituted a risk management process to monitor, evaluate and manage the principal risks it assumes in conducting its activities, which include the credit, market and operations risks associated with Citi’ s country risk exposures. The risk management organization is structured to facilitate the management of risk across three dimensions: businesses, regions and critical products. The Chief Risk Officer monitors and controls major risk exposures and concentrations across the organization, and subjects those risks to alternative stress scenarios in order to assess the potential economic impact they may have on Citi. Citi’ s independent risk management, working with input from the businesses and finance, provides periodic updates to senior management on significant potential areas of concern across Citi that can arise from risk concentrations, financial market participants and other systemic issues including, for example, Eurozone debt issues and other developments in the European Monetary Union (EMU). These areas of focus are intended to be forward-looking assessments of the potential economic impacts to Citi that may arise from these exposures. For a discussion of Citi’ s risk management policies and practices generally, see “Managing Global Risk−Risk Management−Overview” above.

While Citi continues to work to mitigate its exposures to potential country risk events, the impact of any such event is highly uncertain and will be based on the specific facts and circumstances. As a result, there can be no assurance that the various steps Citi has taken to protect its businesses, results of operations and financial condition against these events will be sufficient. In addition, there could be negative impacts to Citi’ s businesses, results of operations or financial condition that are

Several European countries, including Greece, Ireland, Italy, Portugal, Spain (GIIPS) and France, have been the subject of credit deterioration due to weaknesses in their economic and fiscal situations. Moreover, the ongoing Eurozone debt and economic crisis and other developments in the EMU could lead to the withdrawal of one or more countries from the EMU or a partial or complete break-up of the EMU. Given investor interest in this area, the narrative and tables below set forth certain information regarding Citi’ s country risk exposures on these topics as of December 31, 2012.

Credit Risk

Generally, credit risk measures Citi’ s net exposure to a credit or market risk event. Citi’ s credit risk reporting is based on Citi’ s internal risk management measures and systems. The country designation in Citi’ s internal risk management systems is based on the country to which the client relationship, taken as a whole, is most directly exposed to economic, financial, sociopolitical or legal risks. As a result, Citi’ s reported credit risk exposures in a particular country may include exposures to subsidiaries within the client relationship that are actually domiciled outside of the country (e.g., Citi’ s Greece credit risk exposures may include loans, derivatives and other exposures to a U.K. subsidiary of a Greece-based corporation).

Citi believes that the risk of loss associated with the exposures set forth below, which are based on Citi’ s internal risk management measures and systems, is likely materially lower than the exposure amounts disclosed below and is sized appropriately relative to its franchise in these countries. In addition, the sovereign entities of the countries disclosed below, as well as the financial institutions and corporations domiciled in these countries, are important clients in the global Citi franchise. Citi fully expects to maintain its presence in these markets to service all of its global customers. As such, Citi’ s credit risk exposure in these countries may vary over time based on its franchise, client needs and transaction structures.

currently unknown to Citi and thus cannot be mitigated as part of its ongoing contingency planning.

Sovereign, Financial Institution and Corporate Exposures

In billions of U.S. dollars as of December 31, 2012	GIIPS (1)	Greece	Ireland	Italy	Portugal	Spain	France
Funded loans, before reserves (2)	$ 8.0	$ 1.1	$ 0.3	$ 1.8	$0.3	$ 4.5	$ 5.4
Derivative counterparty mark-to-market, inclusive of CVA (3)	13.6	0.6	0.5	9.6	0.2	2.6	6.0
Gross funded credit exposure	$ 21.6	$ 1.7	$ 0.8	$ 11.4	$ 0.5	$ 7.1	$ 11.5
Less: margin and collateral (4)	$ (5.5)	$ (0.3)	$ (0.3)	$ (1.2)	$ (0.1)	$ (3.5)	$ (5.0)
Less: purchased credit protection (5)	(10.1)	(0.3)	(0.0)	(7.6)	(0.2)	(2.0)	(2.6)
Net current funded credit exposure	$ 6.0	$ 1.2	$ 0.5	$ 2.6	$ 0.2	$ 1.5	$ 3.9
Net trading exposure	$ 2.6	$ 0.0	$ (0.0)	$ 1.4	$ 0.1	$ 1.1	$ (0.2)
AFS exposure	0.3	0.0	0.0	0.2	0.0	0.0	0.3
Net trading and AFS exposure	$ 2.9	$ 0.0	$ (0.0)	$ 1.6	$ 0.1	$ 1.2	$ 0.1
Net current funded exposure	$ 8.9	$ 1.2	$ 0.5	$ 4.2	$ 0.3	$ 2.7	$ 4.0
Additional collateral received, not reducing amounts above	$ (2.1)	$ (0.9)	$ (0.2)	$ (0.6)	$ (0.0)	$ (0.4)	$ (4.0)
Net current funded credit exposure detail							
Sovereigns	$ 1.1	$ 0.2	$ 0.0	$ 1.1	$ 0.0	$ (0.3)	$ 0.0
Financial institutions	0.8	0.0	0.0	0.2	0.0	0.6	1.9
Corporations	4.1	1.0	0.5	1.3	0.1	1.2	2.0
Net current funded credit exposure	$ 6.0	$ 1.2	$ 0.5	$ 2.6	$ 0.2	$ 1.5	$ 3.9
Net unfunded commitments (6)							
Sovereigns	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.1
Financial institutions	0.4	0.0	0.0	0.1	0.0	0.3	3.2
Corporations, net	6.9	0.8	0.5	3.0	0.2	2.3	11.2
Total net unfunded commitments	$ 7.3	$ 0.8	$ 0.5	$ 3.1	$ 0.2	$ 2.6	$ 14.4

Note: Totals may not sum due to rounding. The exposures in the table above do not include retail, small business and Citi Private Bank exposures in the GIIPS. See "GIIPS–Retail, Small Business and Citi Private Bank" below. Retail, small business and Citi Private Bank exposure in France was not material as of December 31, 2012. Citi has exposures to obligors located within the GIIPS and France that are not included in the table above because Citi' s internal risk management systems determine that the client relationship, taken as a whole, is not in GIIPS or France (e.g., a funded loan to a Greece subsidiary of a Switzerland-based corporation). However, the total amount of such exposures was less than $1.3 billion of funded loans and $1.8 billion of unfunded commitments across the GIIPS and in France as of December 31, 2012.

(1) Greece, Ireland, Italy, Portugal and Spain.

(2) As of December 31, 2012, Citi held $0.3 billion and $0.1 billion in reserves against these loans in the GIIPS and France, respectively.

(3) Includes the net credit exposure arising from secured financing transactions, such as repurchase agreements and reverse repurchase agreements. See "Secured Financing Transactions" below.

(4) For derivatives and loans, includes margin and collateral posted under legally enforceable margin agreements. Does not include collateral received on secured financing transactions.

(5) Credit protection purchased primarily from investment grade, global financial institutions predominantly outside of the GIIPS and France. See "Credit Default Swaps" below.

(6) Unfunded commitments net of approximately $0.7 billion and $1.2 billion of purchased credit protection as of December 31, 2012 on unfunded commitments in the GIIPS and France, respectively.

GIIPS

Sovereign, Financial Institution and Corporate Exposures

As noted in the table above, Citi' s gross funded credit exposure to sovereign entities, financial institutions and multinational and local corporations designated in the GIIPS under Citi' s risk management systems was $21.6 billion at December 31, 2012, compared to $21.3 billion at September 30, 2012. This $21.6 billion of gross funded credit exposure at December 31, 2012 was made up of $8.0 billion in gross funded loans, before reserves (compared to $8.4 billion at September 30, 2012), and $13.6 billion in derivative counterparty mark-to-market exposure, inclusive of CVA (compared to $13.0 billion at September 30, 2012). The increase in derivative counterparty mark-to-market exposure quarter-over-quarter was primarily due to an increase in exposure in Italy due to market movements.

Further, as of December 31, 2012, Citi' s net current funded exposure to sovereigns, financial institutions and corporations designated in the GIIPS under Citi' s risk management systems was $8.9 billion, compared to $9.5 billion at September 30, 2012, reflecting a decrease in net current funded credit exposure partially offset by an increase in net trading and AFS exposure, each as discussed below.

Net Trading and AFS Exposure−$2.9 billion

Included in the net current funded exposure at December 31, 2012 was a net position of $2.9 billion in securities and derivatives with GIIPS sovereigns, financial institutions and corporations as the issuer or reference entity. This compared to $2.0 billion of net trading and AFS exposures as of September 30, 2012. These securities and derivatives are marked to market daily. Citi' s trading exposure levels vary as it maintains inventory consistent with customer needs.

Included within the net position of $2.9 billion as of December 31, 2012 was a net position of $(0.1) billion of indexed and tranched credit derivatives (compared to a net position of $(0.05) billion at September 30, 2012).

Net Current Funded Credit Exposure−$6.0 billion

As of December 31, 2012, Citi' s net current funded credit exposure to GIIPS sovereigns, financial institutions and corporations was $6.0 billion, the majority of which was to corporations designated in the GIIPS. This compared to $7.4 billion as of September 30, 2012. The decrease in Citi' s net current funded credit exposure quarter-over-quarter was due to an increase in margin and collateral netted against Citi' s gross funded credit exposure in the GIIPS, as discussed below.

Consistent with its internal risk management measures and as set forth in the table above, Citi' s gross funded credit exposure as of December 31, 2012 has been reduced by $5.5 billion of margin and collateral posted under legally enforceable margin additional analysis of Citi' s collateral rights and the legal enforceability of those rights. As of December 31, 2012, the majority of Citi' s margin and collateral netted against its gross funded credit exposure to the GIIPS was in the form of cash, with the remainder in predominantly non-GIIPS securities, which are included at fair value.

Gross funded credit exposure as of December 31, 2012 has also been reduced by $10.1 billion in purchased credit protection (flat to the September 30, 2012 amount), predominantly from financial institutions outside the GIIPS (see "Credit Default Swaps" below). Included within the $10.1 billion of purchased credit protection as of December 31, 2012 was $0.5 billion of indexed and tranched credit derivatives (compared to $0.9 billion at September 30, 2012) executed to hedge Citi' s exposure on funded loans and CVA on derivatives, a significant portion of which is reflected in Italy and Spain.

Purchased credit protection generally pays out only upon the occurrence of certain credit events with respect to the country or borrower covered by the protection, as determined by a committee composed of dealers and other market participants. In addition to general counterparty credit risks, the credit protection may not fully cover all situations that may adversely affect the value of Citi' s exposure and, accordingly, Citi could still experience losses despite the existence of the credit protection.

As of December 31, 2012, Citi also held $2.1 billion of collateral that has not been netted against its gross funded credit exposure to the GIIPS, a decrease from $3.6 billion at September 30, 2012. The quarter-over-quarter decrease was due to the reallocation of the non-GIIPS government bonds referenced above. Collateral received but not netted against Citi' s gross funded credit exposure in the GIIPS may take a variety of forms, including securities, receivables and physical assets, and is held under a variety of collateral arrangements.

Unfunded Commitments−$7.3 billion

As of December 31, 2012, Citi had $7.3 billion of unfunded commitments to GIIPS sovereigns, financial institutions and corporations, with $6.9 billion of this amount to corporations. This compared to $6.6 billion of unfunded commitments as of September 30, 2012, with $6.3 billion of such amount to corporations. As of December 31, 2012, net unfunded commitments in the GIIPS included approximately $5.2 billion of unfunded loan commitments that generally have standard conditions that must be met before they can be drawn, and $2.0 billion of letters of credit (compared to $4.4 billion and $2.2 billion, respectively, at September 30, 2012).

Other Activities

In addition to the exposures described above, like other banks, Citi also provides settlement and clearing facilities for a variety agreements, compared to $3.8 billion as of September 30, 2012. The quarter-over-quarter increase in margin and collateral netted against Citi' s gross funded credit exposure to the GIIPS was largely due to a reallocation of approximately $1.4 billion of non-GIIPS government bonds from "Additional collateral received, not reducing amounts above" to margin and collateral netted against Citi' s gross funded credit exposures as of December 31, 2012. The reallocation resulted from

of clients in these countries and actively monitors and manages these intra-day exposures.

Retail, Small Business and Citi Private Bank
As of December 31, 2012, Citi had approximately $6.2 billion of mostly locally funded accrual loans to retail, small business and Citi Private Bank customers in the GIIPS, the vast majority of which was in Citi Holdings. This compared to $6.3 billion as of September 30, 2012. Of the $6.2 billion, approximately (i) $3.8 billion consisted of retail and small business exposures in Spain of $2.7 billion and Greece of $1.1 billion, (ii) $1.5 billion related to held-to-maturity securitized retail assets (primarily mortgage-backed securities in Spain), and (iii) $0.8 billion related to Private Bank customers, substantially all in Spain. This compared to approximately (i) $4.0 billion of retail and small business exposures in Spain of $2.8 billion and Greece of $1.2 billion, (ii) $1.5 billion related to held-to-maturity securitized retail assets, and (iii) $0.8 billion related to Private Bank customers as of September 30, 2012.

In addition, Citi had approximately $4.1 billion of unfunded commitments to GIIPS retail customers as of December 31, 2012, unchanged from September 30, 2012. Citi' s unfunded commitments to GIIPS retail customers, in the form of unused credit card lines, are generally cancellable upon the occurrence of significant credit events, including redenomination events.

France

Sovereign, Financial Institution and Corporate Exposures
Citi' s gross funded credit exposure to the sovereign entity of France, as well as financial institutions and multinational and local corporations designated in France under Citi' s risk management systems, was $11.5 billion at December 31, 2012, compared to $13.3 billion at September 30, 2012. This $11.5 billion of gross funded credit exposure at December 31, 2012 was made up of $5.4 billion in gross funded loans, before reserves (compared to $6.4 billion at September 30, 2012), and $6.0 billion in derivative counterparty mark-to-market exposure, inclusive of CVA (compared to $6.9 billion at September 30, 2012).

Further, as of December 31, 2012, Citi' s net current funded exposure to the French sovereign and financial institutions and corporations designated in France under Citi' s risk management systems was $4.0 billion, compared to $3.6 billion at September 30, 2012.

Net Trading and AFS Exposure−$0.1 billion
Included in the net current funded exposure at December 31, 2012 was a net position of $0.1 billion in securities and derivatives with the French sovereign, financial institutions and corporations as the issuer or reference entity. This compared to a net position of $(0.5) billion of net trading and AFS exposures as of September 30, 2012. These securities and derivatives are marked to market daily. Citi' s trading exposure levels vary as it

maintains inventory consistent with customer needs.

Included within the net position of $0.1 billion as of December 2012 was a net position of $0.4 billion of indexed and tranched credit derivatives (compared to a net position of $0.03 billion at September 30, 2012).

Net Current Funded Credit Exposure−$3.9 billion

As of December 31, 2012, the net current funded credit exposure to the French sovereign, financial institutions and corporations was $3.9 billion. Of this amount, none was to the sovereign entity (compared to $0.8 billion at September 30, 2012), $1.9 billion was to financial institutions (compared to $2.1 billion at September 30, 2012) and $2.0 billion to corporations (compared to $1.1 billion at September 30, 2012).

Consistent with its internal risk management measures and as set forth in the table above, Citi' s gross funded credit exposure has been reduced by $5.0 billion of margin and collateral posted under legally enforceable margin agreements (compared to $5.5 billion at September 30, 2012). As of December 31, 2012, the majority of Citi' s margin and collateral netted against its gross funded credit exposure to France was in the form of cash, with the remainder in predominantly non-French securities, which are included at fair value.

Gross funded credit exposure as of December 31, 2012 has also been reduced by $2.6 billion in purchased credit protection (compared to $3.7 billion at September 30, 2012), predominantly from financial institutions outside France (see "Credit Default Swaps" below). Included within the $2.6 billion of purchased credit protection as of December 31, 2012 was $0.6 billion of indexed and tranched credit derivatives executed to hedge Citi' s exposure on funded loans and CVA on derivatives (compared to $1.4 billion at September 30, 2012).

Purchased credit protection generally pays out only upon the occurrence of certain credit events with respect to the country or borrower covered by the protection, as determined by a committee composed of dealers and other market participants. In addition to general counterparty credit risks, the credit protection may not fully cover all situations that may adversely affect the value of Citi' s exposure and, accordingly, Citi could still experience losses despite the existence of the credit protection.

As of December 31, 2012, Citi also held $4.0 billion of collateral that has not been netted against its gross funded credit exposure to France, an increase from $3.5 billion as of September 30, 2012. As described above, this collateral can take a variety of forms and is held under a variety of collateral arrangements.

Unfunded Commitments−$14.4 billion

As of December 31, 2012, Citi had $14.4 billion of unfunded commitments to the French sovereign, financial institutions and corporations, with $11.2 billion of this amount to corporations.

This compared to $13.7 billion of unfunded commitments as of September 30, 2012, with $10.6 billion of such amount to corporations. As of December 31, 2012, net unfunded commitments in France included $11.7 billion of unfunded loan commitments that generally have standard conditions that must be met before they can be drawn, and $2.7 billion of letters of credit (compared to $10.6 billion and $3.1 billion, respectively, as of September 30, 2012).

Other Activities

In addition to the exposures described above, like other banks, Citi also provides settlement and clearing facilities for a variety of clients in France and actively monitors and manages these intra-day exposures.

Credit Default Swaps–GIIPS and France

Citi buys and sells credit protection, through credit default swaps (CDS), on underlying GIIPS and French entities as part of its market-making activities for clients in its trading portfolios. Citi also purchases credit protection, through CDS, to hedge its own credit exposure to these underlying entities that arises from loans to these entities or derivative transactions with these entities.

Citi buys and sells CDS as part of its market-making activity, and purchases CDS for credit protection, primarily with investment grade, global financial institutions predominantly outside the GIIPS and France. The counterparty credit exposure that can arise from the purchase or sale of CDS, including any GIIPS or French counterparties, is managed and mitigated through legally enforceable netting and margining agreements with a given counterparty. Thus, the credit exposure to that counterparty is measured and managed in aggregate across all products covered by a given netting or margining agreement.

The notional amount of credit protection purchased or sold on GIIPS and French underlying single reference entities as of December 31, 2012 is set forth in the table below. The net notional contract amounts, less mark-to-market adjustments, are included in "Net current funded exposure" in the table under "Sovereign, Financial Institution and Corporate Exposures" above, and appear in either "Net trading exposure" when part of a trading strategy or in "Purchased credit protection" when purchased as a hedge against a credit exposure.

CDS purchased or sold on underlying single reference entities in these countries

In billions of U.S. dollars as of December 31, 2012	GIIPS	Greece	Ireland	Italy	Portugal	Spain	France
Notional CDS contracts on underlying reference entities							
Net purchased (1)	$ (15.9)	$ (0.5)	$ (0.7)	$ (10.6)	$(2.2)	$ (5.9)	$ (9.0)
Net sold (1)	6.1	0.4	0.7	3.0	2.1	3.9	6.0
Sovereign underlying reference entity							
Net purchased (1)	(11.9)	–	(0.6)	(8.7)	(1.7)	(3.8)	(3.8)
Net sold (1)	4.7	–	0.6	2.0	1.6	3.3	4.0
Financial institution underlying reference entity							
Net purchased (1)	(2.6)	(0.0)	(0.0)	(1.5)	(0.3)	(1.2)	(1.7)
Net sold (1)	2.2	0.0	0.0	1.4	0.3	1.0	1.4
Corporate underlying reference entity							
Net purchased (1)	(3.9)	(0.5)	(0.2)	(2.0)	(0.7)	(1.9)	(5.4)
Net sold (1)	1.7	0.4	0.1	1.2	0.6	0.7	2.5

(1) The summation of notional amounts for each GIIPS country does not equal the notional amount presented in the GIIPS total column in the table above, as additional netting is achieved at the agreement level with a specific counterparty across various GIIPS countries.

When Citi purchases CDS as a hedge against a credit exposure, it generally seeks to purchase products from counterparties that would not be correlated with the underlying credit exposure it is hedging. In addition, Citi generally seeks to purchase products with a maturity date similar to the exposure against which the protection is purchased. While certain exposures may have longer maturities that extend beyond the CDS tenors readily available in the market, Citi generally will

The above table contains all net CDS purchased or sold on GIIPS and French underlying single reference entities, whether part of a trading strategy or as purchased credit protection. With respect to the $15.9 billion net purchased CDS contracts on underlying GIIPS reference entities, approximately 91% was purchased from non-GIIPS counterparties and 83% was purchased from investment grade counterparties as of December 31, 2012. With respect to the $9.0 billion net purchased CDS contracts on underlying French reference entities, approximately purchase credit protection with a maximum tenor that is readily available in the market.

97% was purchased from non-French counterparties and 93% was purchased from investment grade counterparties as of December 31, 2012.

Secured Financing Transactions–GIIPS and France

As part of its banking activities with its clients, Citi enters into secured financing transactions, such as repurchase agreements and reverse repurchase agreements. These transactions typically involve the lending of cash, against which securities are taken as collateral. The amount of cash loaned against the securities collateral is a function of the liquidity and quality of the collateral as well as the credit quality of the counterparty. The collateral is typically marked to market daily, and Citi has the ability to call for additional collateral (usually in the form of cash) if the value of the securities falls below a pre-defined threshold.

As shown in the table below, at December 31, 2012, Citi had loaned $13.0 billion in cash through secured financing transactions with GIIPS and French counterparties, usually through reverse repurchase agreements. This compared to $12.6 billion as of September 30, 2012. Against those loans, it held approximately $16.6 billion fair value of securities collateral. In addition, Citi held $1.2 billion in variation margin, most of which was in cash, against all secured financing transactions.

Consistent with Citi' s risk management systems, secured financing transactions are included in the counterparty derivative mark-to-market exposure at their net credit exposure value, which is typically small or zero given the over-collateralized structure of these transactions.

In billions of dollars as of December 31, 2012	**Cash financing out**	**Securities collateral in** [(1)]
Lending to GIIPS and French counterparties through secured financing transactions	**$13.0**	**$16.6**

(1) Citi has also received approximately $1.2 billion in variation margin, predominantly cash, associated with secured financing transactions with these counterparties.

Collateral taken in against secured financing transactions is generally high quality, marketable securities, consisting of government debt, corporate debt, or asset-backed securities. The table below sets forth the fair value of the securities collateral taken in by Citi against secured financing transactions as of December 31, 2012.

In billions of dollars as of December 31, 2012	**Total**	**Government bonds**	**Municipal or Corporate bonds**
Securities pledged by GIIPS and French counterparties in secured financing transaction lending [(1)]	**$ 16.6**	**$2.9**	**$2.7**
Investment grade	**$ 16.4**	**$ 2.7**	**$ 2.6**
Non-investment grade	**0.2**	**0.1**	**0.1**

(1) Total includes approximately $3.1 billion in correlated risk collateral, predominantly French and Spanish sovereign debt pledged by French counterparties.

Secured financing transactions can be short term or can extend beyond one year. In most cases, Citi has the right to call for additional margin daily, and can terminate the transaction and liquidate the collateral if the counterparty fails to post the additional margin. The table below sets forth the remaining transaction tenor for these transactions as of December 31, 2012.

	Remaining transaction tenor			
In billions of dollars as of December 31, 2012	**Total**	**<1 year**	**1-3 years**	**>3 years**
Cash extended to GIIPS and French counterparties in secured financing transactions lending [(1)]	**$ 13.0**	**$8.8**	**$2.6**	**$1.6**

(1) The longest remaining tenor trades mature November 2018.

Redenomination and Devaluation Risk

As referenced above, the ongoing Eurozone debt crisis and other developments in the European Monetary Union (EMU) could lead to the withdrawal of one or more countries from the EMU or a partial or complete break-up of the EMU. See also "Risk Factors−Market and Economic Risks." If one or more countries were to leave the EMU, certain obligations relating to the exiting country could be redenominated from the Euro to a new country currency. While alternative scenarios could develop, redenomination could be accompanied by immediate devaluation of the new currency as compared to the Euro and the U.S. dollar.

Citi, like other financial institutions with substantial operations in the EMU, is exposed to potential redenomination and devaluation risks arising from (i) Euro-denominated assets and/or liabilities located or held within the exiting country that are governed by local country law ("local exposures"), as well as (ii) other Euro-denominated assets and liabilities, such as loans, securitized products or derivatives, between entities outside of the exiting country and a client within the country that are governed by local country law ("offshore exposures"). However, the actual assets and liabilities that could be subject to redenomination and devaluation risk are subject to substantial legal and other uncertainty.

Citi has been, and will continue to be, engaged in contingency planning for such events, particularly with respect to Greece, Ireland, Italy, Portugal and Spain. Generally, to the extent that Citi' s local and offshore assets are approximately equal to its liabilities within the exiting country, and assuming both assets and liabilities are symmetrically redenominated and devalued, Citi believes that its risk of loss as a result of a redenomination and devaluation event would not be material. However, to the extent its local and offshore assets and liabilities are not equal, or there is asymmetrical redenomination of assets versus liabilities, Citi could be exposed to losses in the event of a redenomination and devaluation. Moreover, a number of events that could accompany a redenomination and devaluation, including a drawdown of unfunded commitments or "deposit flight," could exacerbate any mismatch of assets and liabilities within the exiting country.

Citi' s redenomination and devaluation exposures to the GIIPS as of December 31, 2012 are not additive to its credit risk exposures to such countries as described under "Credit Risk" above. Rather, Citi' s credit risk exposures in the affected country would generally be reduced to the extent of any redenomination and devaluation of assets.

As of December 31, 2012, Citi estimates that it had net asset exposure subject to redenomination and devaluation in Italy, principally relating to derivatives contracts. Citi also estimates that, as of such date, it had net asset exposure subject to redenomination and devaluation in Spain, principally related to offshore exposures related to held-to-maturity securitized retail assets (primarily mortgage-backed securities) and exposures to Private Bank customers (see "GIIPS−Retail, Small Business and Citi Private Bank" above). However, as of December 31, 2012, Citi' s estimated redenomination and devaluation exposure to Italy was less than Citi' s net current funded credit exposure to Italy (before purchased credit protection) as reflected under "Credit Risk" above. Further, as of December 31, 2012, Citi' s estimated redenomination and devaluation exposure to Spain was less than Citi' s net current funded credit exposure to Spain (before purchased credit protection), as reflected under "Credit Risk" above. As of December 31, 2012, Citi had a net liability position in each of Greece, Ireland and Portugal.

As referenced above, Citi' s estimated redenomination and devaluation exposure does not include purchased credit protection. As described under "Credit Risk" above, Citi has purchased credit protection primarily from investment grade, global financial institutions predominantly outside of the GIIPS. To the extent the purchased credit protection is available in a redenomination/devaluation event, any redenomination/ devaluation exposure could be reduced.

Any estimates of redenomination/devaluation exposure are subject to ongoing review and necessarily involve numerous assumptions, including which assets and liabilities would be subject to redenomination in any given case, the availability of purchased credit protection and the extent of any utilization of unfunded commitments, each as referenced above. In addition, other events outside of Citi' s control−such as the extent of any deposit flight and devaluation, the imposition of exchange and/or capital controls, the requirement by U.S. regulators of mandatory loan loss and other reserve requirements or any required timing of functional currency changes and the accounting impact thereof −could further negatively impact Citi in such an event. Accordingly, in an actual redenomination and devaluation scenario, Citi' s exposures could vary considerably based on the specific facts and circumstances.

CROSS-BORDER RISK

Overview

Cross-border risk is the risk that actions taken by a non-U.S. government may prevent the conversion of local currency into non-local currency and/or the transfer of funds outside the country, among other risks, thereby impacting the ability of Citigroup and its customers to transact business across borders. Examples of cross-border risk include actions taken by foreign governments such as exchange controls and restrictions on the remittance of funds. These actions might restrict the transfer of funds or the ability of Citigroup to obtain payment from customers on their contractual obligations. Management of cross-border risk at Citi is performed through a formal review process that includes annual setting of cross-border limits and ongoing monitoring of cross-border exposures as well as monitoring of economic conditions globally through Citi' s independent risk management. See also "Risk Factors−Market and Economic Risks" above.

Methodology

Under Federal Financial Institutions Examination Council (FFIEC) regulatory guidelines, total reported cross-border outstandings include cross-border claims on third parties, as well as investments in and funding of local franchises. Cross-border claims on third parties (trade and short-, medium- and long-term claims) include cross-border loans, securities, deposits with banks, investments in affiliates, and other monetary assets, as well as net revaluation gains on foreign exchange and derivative products.

FFIEC cross-border risk measures exposure to the immediate obligors or counterparties domiciled in the given country or, if applicable, by the location of collateral or guarantors of the legally binding guarantees. Cross-border outstandings are reported based on the country of the obligor or guarantor. Outstandings backed by cash collateral are assigned to the country in which the collateral is held. For securities received as collateral, cross-border outstandings are reported in the domicile of the issuer of the securities. Cross-border resale agreements are presented based on the domicile of the counterparty.

Investments in and funding of local franchises represent the excess of local country assets over local country liabilities. Local country assets are claims on local residents recorded by branches and majority-owned subsidiaries of Citigroup domiciled in the country, adjusted for externally guaranteed claims and certain collateral. Local country liabilities are obligations of non-U.S. branches and majority-owned subsidiaries of Citigroup for which no cross-border guarantee has been issued by another Citigroup office.

The table below sets forth the countries where Citigroup' s total cross-border outstandings, as defined by FFIEC guidelines, exceeded 0.75% of total Citigroup assets as of December 31, 2012 and December 31, 2011:

	December 31, 2012								December 31, 2011	
	Cross-Border Claims on Third Parties									
In billions of U.S. dollars	Banks	Public	Private	Total	Trading and short-term claims (1)	Investments in, and funding of local franchises	Total cross-border outstandings (2)	Commitments (3)	Total cross-border outstandings (2)	Com
United Kingdom	**$ 25.2**	**$ 0.3**	**$25.6**	**$ 51.1**	**$ 45.2**	**$–**	**$51.1**	**$85.0**	$ 42.1	
Germany	**14.6**	**18.0**	**7.6**	**40.2**	**37.4**	**7.4**	**47.6**	**66.8**	36.2	
France	**14.6**	**4.8**	**25.5**	**44.9**	**41.7**	**–**	**44.9**	**71.0**	38.6	
Cayman Islands	**0.2**	**–**	**33.5**	**33.7**	**30.1**	**–**	**33.7**	**2.3**	32.0	
India	**4.8**	**1.6**	**7.9**	**14.3**	**12.2**	**18.4**	**32.7**	**5.5**	30.9	
Netherlands (4)	**6.9**	**3.0**	**13.7**	**23.6**	**18.1**	**2.2**	**25.8**	**24.9**	18.3	
Brazil	**1.4**	**4.1**	**9.3**	**14.8**	**9.5**	**6.9**	**21.7**	**19.2**	20.4	
Italy (5)	**2.0**	**15.2**	**1.9**	**19.1**	**18.2**	**0.3**	**19.4**	**49.8**	11.4	
Japan (6)	**9.8**	**1.1**	**1.8**	**12.7**	**12.6**	**6.4**	**19.1**	**23.8**	6.0	
Switzerland (7)	**2.6**	**2.7**	**3.8**	**9.1**	**7.2**	**9.9**	**19.0**	**18.7**	8.6	
Mexico	**2.4**	**1.1**	**4.6**	**8.1**	**5.2**	**8.1**	**16.2**	**12.4**	17.9	
Korea	**1.4**	**0.9**	**4.1**	**6.4**	**3.8**	**9.1**	**15.5**	**26.4**	16.3	

Australia (8)	**3.3**	**1.7**	**3.5**	**8.5**	**5.6**	**6.8**	**15.3**	**25.9**	7.2

(1) Included in total cross-border claims on third parties.

(2) Cross-border outstandings, as described above and as required by FFIEC guidelines, generally do not recognize the benefit of margin received or hedge positions and recognize offsetting exposures only for certain products and relationships. As a result, market volatility in interest rates, foreign exchange rates and credit spreads will cause the level of reported cross-border outstandings to increase, all else being equal.

(3) Commitments (not included in total cross-border outstandings) include legally binding cross-border letters of credit and other commitments and contingencies as defined by the FFIEC. The FFIEC definition of commitments includes commitments to local residents to be funded with local currency liabilities originated within the country.

(4) Total cross-border outstandings increased 41%, driven by a $2.1 billion increase in funding of local franchises, primarily in placements with banks, and a $2.6 billion increase in the private sector, primarily in AFS and trading securities.

(5) Total cross-border outstandings increased 70%, driven by a $7.4 billion increase in the public sector, primarily in trading accounts and revaluation gains.

(6) Total cross-border outstandings increased 218%, driven by a $7.7 billion increase in the bank sector, primarily in resale agreements, and a $5.2 billion increase in funding of local franchises, primarily in placements with banks.

(7) Total cross-border outstandings increased 121%, driven by a $9.0 billion increase in funding of local franchises, primarily in placements with banks due to business liquidity strategy.

(8) Total cross-border outstandings increased 115%, driven by a $7.0 billion increase in investments of local franchises, primarily in non-U.S. equity, consumer loans, commercial loans and revaluation gains booked as trading.

Differences Between Country Risk and Cross-Border Risk

As described in more detail in the sections above, there are significant differences between the reporting of country risk and cross-border risk. A general summary of the more significant differences is as follows:

- Country risk is the risk that an event within a country will impair the value of Citi' s franchise or adversely affect the ability of obligors within the country to honor their obligations to Citi. Country risk reporting in Citi' s internal risk management systems is based on the identification of the country where the client relationship, taken as a whole, is most directly exposed to the economic, financial, sociopolitical or legal risks. Generally, country risk includes the benefit of margin received as well as offsetting exposures and hedge positions. As such, country risk generally measures net exposure to a credit or market risk event.
- Cross-border risk, as defined by the FFIEC, focuses on the potential exposure if foreign governments take actions, such as enacting exchange controls, which prevent the conversion of local currency to non-local currency or restrict the remittance of funds outside the country. Unlike country risk, FFIEC cross-border risk measures exposure to the immediate obligors or counterparties domiciled in the given country or, if applicable, by the location of collateral or guarantors of the legally binding guarantees, generally without the benefit of margin received or hedge positions, and recognizes offsetting exposures only for certain products.

The differences between the presentation of country risk and cross-border risk can be substantial, including the identification of the country of risk, as described above. In addition, some of the more significant differences by product are described below:

- For country risk, net derivative receivables are generally reported based on fair value, netting receivables and payables under the same legally binding netting agreement, and recognizing the benefit of margin received under legally enforceable margin agreements and any hedge positions in place. For cross-border risk, these items are also reported based on fair value and allow for netting of receivables and payables if a legally binding netting agreement is in place, but only with the same specific counterparty, and do not recognize the benefit of margin received or hedges in place.
- For country risk, secured financing transactions, such as repurchase agreements and reverse repurchase agreements, as well as securities loaned and borrowed, are reported based on the net credit exposure arising from the transaction, which is typically small or zero given the over-collateralized structure of these transactions. For cross-border risk, reverse repurchase agreements and securities borrowed are reported based on notional amounts and do not include the value of any collateral received (repurchase agreements and securities loaned are not included in cross-border risk reporting).
- For country risk, loans are reported net of hedges and collateral pledged under legally enforceable margin agreements. For cross-border risk, loans are reported without taking hedges into account.
- For country risk, securities in AFS and trading portfolios are reported on a net basis, netting long positions against short positions. For cross-border risk, securities in AFS and trading portfolios are not netted.
- For country risk, credit default swaps (CDS) are reported based on the net notional amount of CDS purchased and sold, assuming zero recovery from the underlying entity, and adjusted for any mark-to-market receivable or payable position. For cross-border risk, CDS are included based on the gross notional amount sold, and do not include any offsetting purchased CDS on the same underlying entity.

Argentina and Venezuela Developments

Citi operates in several countries with strict foreign exchange controls that limit its ability to convert local currency into U.S. dollars and/or transfer funds outside the country. In such cases, Citi could be exposed to a risk of loss in the event that the local currency devalues as compared to the U.S. dollar.

Argentina

Since 2011, the Argentine government has been tightening its foreign exchange controls. As a result, Citi' s access to U.S. dollars and other foreign currencies, which apply to capital repatriation efforts, certain operating expenses, and discretionary investments offshore, has become limited. In addition, beginning in January 2012, the Central Bank of Argentina increased its minimum capital requirements, which affects Citi' s ability to remit profits out of the country.

As of December 31, 2012, Citi' s net investment in its Argentine operations was approximately $740 million, compared to $740 million as of December 31, 2011 and down from $800 million as of September 30, 2012. The decrease quarter-over-quarter was primarily the result of a dividend of approximately $65 million received by Citi in the fourth quarter of 2012. For the full year of 2012, Citi received dividends of $125 million.

Citi uses the Argentine peso as the functional currency in Argentina and translates its financial statements into U.S. dollars using the official exchange rate as published by the Central Bank of Argentina, which continued to devalue its currency during the fourth quarter of 2012, from 4.70 Argentine pesos to one U.S. dollar at September 30, 2012 to 4.90 Argentine pesos to one U.S. dollar at December 31, 2012. It is generally expected that the devaluation of the Argentine peso could continue.

The impact of devaluations of the Argentine peso on Citi' s net investment in Argentina is reported as a translation loss in stockholders' equity offset, to the extent hedged, by:

- gains or losses recorded in stockholders' equity on net investment hedges that have been designated as, and qualify for, hedge accounting under ASC 815 *Derivatives and Hedging*; and

- gains or losses recorded in earnings for its U.S. dollar denominated monetary assets or currency futures held in Argentina that do not qualify as net investment hedges under ASC 815.

At December 31, 2012, Citi had cumulative translation losses related to its investment in Argentina, net of qualifying net investment hedges, of approximately $1.04 billion (pretax), which were recorded in stockholders' equity. The cumulative translation losses would not be reclassified into earnings unless realized upon sale or liquidation of Citi' s Argentine operations.

While Citi currently uses the Argentine peso as the functional currency for its operations in Argentina, an increase in inflation resulting in a cumulative three-year inflation rate of 100% or more would result in a change in the functional currency to the U.S. dollar. Official inflation statistics published by INDEC, the Argentine government' s statistics institute, suggest an annual inflation rate of approximately 10% for each of the three years ended December 31, 2012, whereas private institutions, economists, and local labor unions calculate the inflation rate to be closer to 25% annually over the same period. Additionally, the International Monetary Fund (IMF) issued a declaration of censure against Argentina on February 1, 2013 in connection with its inaccurate inflation statistics and has called on Argentina to adopt remedial measures to address those inaccuracies. A change in the functional currency to the U.S. dollar would result in future devaluations of the Argentine peso being recorded in earnings for Citi' s Argentine peso-denominated assets and liabilities.

As noted above, Citi hedges currency risk in its net investment in Argentina to the extent possible and prudent. Suitable hedging alternatives have become less available and more expensive and may not be available to offset any future currency devaluations that could occur. At December 31, 2012, Citi hedged approximately $200 million of its net investment using foreign currency forwards that are recorded as net investment hedges under ASC 815. This compared to approximately $230 million and $300 million as of December 31, 2011 and September 30, 2012, respectively. The decrease in the net investment hedge year-over-year and sequentially was driven by significantly increased hedging costs.

In addition, as of December 31, 2012, Citi hedged foreign currency risk associated with its net investment by holding in its Argentine operations both U.S.-dollar-denominated net monetary assets of approximately $280 million (compared to $110 million and $200 million as of December 31, 2011 and September 30, 2012, respectively) and foreign currency futures with a notional value of approximately $170 million (compared to $100 million as of September 30, 2012), neither of which qualify as net investment hedges under ASC 815.

The ongoing economic and political situation in Argentina could lead to further governmental intervention or regulatory restrictions on foreign investments in Argentina, including the could occur at different rates (asymmetric redenomination) and/ or rates other than the official foreign exchange rate. The U.S.-dollar assets and liabilities subject to redenomination, as well as any gains or losses resulting from redenomination, are subject to substantial uncertainty (see "Country Risk−Redenomination and Devaluation Risk" above for a general discussion of redenomination and devaluation risk). As of December 31, 2012, Citi had aggregate U.S.-dollar-denominated assets in Argentina of approximately $1.5 billion.

Venezuela

Since 2003, the Venezuelan government has enacted foreign exchange controls. Under these controls, the Venezuelan government' s Foreign Currency Administration Commission (CADIVI) purchases and sells foreign currency at an official foreign exchange rate fixed by the government (as of December 31, 2012, the official exchange rate was fixed at 4.3 bolivars to one U.S. dollar). These restrictions have limited Citi' s ability to obtain U.S. dollars in Venezuela at the official foreign currency rate. Citi has not been able to acquire U.S. dollars from CADIVI since 2008.

Citi uses the official exchange rate to re-measure foreign currency transactions in the financial statements of its Venezuelan operations (which use the U.S. dollar as the functional currency) into U.S. dollars, as the official exchange rate is the only rate legally available in the country, despite the limited availability of U.S. dollars from CADIVI and although the official rate may not necessarily be reflective of economic reality. Re-measurement of Citi' s bolivar-denominated assets and liabilities due to change in the official exchange rate is recorded in earnings.

At December 31, 2012, Citi' s net investment in Venezuela was approximately $340 million (compared to $250 million at December 31, 2011 and $300 million at September 30, 2012), which included net monetary assets denominated in Venezuelan bolivars of approximately $290 million (compared to $240 million at December 31, 2011 and $270 million at September 30, 2012).

On February 8, 2013 the Venezuelan government devalued the official exchange rate from 4.3 bolivars per dollar to 6.3 bolivars per dollar. This devaluation resulted in a foreign exchange loss of approximately $100 million (pretax) on Citi Venezuela' s net bolivar-denominated assets that will be recorded in earnings in the first quarter of 2013. Subsequent to the devaluation, Citi' s net investment in Venezuela declined to approximately $240 million, and Citi' s net bolivar-denominated assets declined to approximately $190 million.

potential redenomination of certain U.S.-dollar assets and liabilities into Argentine pesos, which could be accompanied by a devaluation of the Argentine peso. Any redenomination

FAIR VALUE ADJUSTMENTS FOR DERIVATIVES AND STRUCTURED DEBT

The following discussion relates to the derivative obligor information and the fair valuation for derivatives and structured debt. See Note 23 to the Consolidated Financial Statements for additional information on Citi' s derivative activities.

Fair Valuation Adjustments for Derivatives

The fair value adjustments applied by Citigroup to its derivative carrying values consist of the following items:

- Liquidity adjustments are applied to items in Level 2 or Level 3 of the fair-value hierarchy (see Note 25 to the Consolidated Financial Statements for more details) to ensure that the fair value reflects the price at which the net open risk position could be liquidated. The liquidity reserve is based on the bid/ offer spread for an instrument. When Citi has elected to measure certain portfolios of financial investments, such as derivatives, on the basis of the net open risk position, the liquidity reserve is adjusted to take into account the size of the position.
- Credit valuation adjustments (CVA) are applied to over-the-counter derivative instruments, in which the base valuation generally discounts expected cash flows using the relevant base interest rate curves. Because not all counterparties have the same credit risk as that implied by the relevant base curve, a CVA is necessary to incorporate the market view of both counterparty credit risk and Citi' s own credit risk in the valuation.

Citi' s CVA methodology is composed of two steps. First, the exposure profile for each counterparty is determined using the terms of all individual derivative positions and a Monte Carlo simulation or other quantitative analysis to generate a series of expected cash flows at future points in time. The calculation of this exposure profile considers the effect of credit risk mitigants, including pledged cash or other collateral and any legal right of offset that exists with a counterparty through arrangements such as netting agreements. Individual derivative contracts that are subject to an enforceable master netting agreement with a counterparty are aggregated for this purpose, since it is those aggregate net cash flows that are subject to nonperformance risk. This process identifies specific, point-in-time future cash flows that are subject to nonperformance risk, rather than using the current recognized net asset or liability as a basis to measure the CVA.

Second, market-based views of default probabilities derived from observed credit spreads in the credit default swap (CDS) market are applied to the expected future cash flows determined in step one. Citi' s own-credit CVA is determined using Citi-specific CDS spreads for the relevant tenor. Generally, counterparty CVA is determined using CDS spread indices for each credit rating and tenor. For certain identified netting sets where individual analysis is practicable (e.g., exposures to counterparties with liquid CDS), counterparty-specific CDS terminated early, are terminated at a value negotiated bilaterally between the counterparties. Therefore, the CVA (both counterparty and own-credit) may not be realized upon a settlement or termination in the normal course of business. In addition, all or a portion of the CVA may be reversed or otherwise adjusted in future periods in the event of changes in the credit risk of Citi or its counterparties, or changes in the credit mitigants (collateral and netting agreements) associated with the derivative instruments.

The table below summarizes the CVA applied to the fair value of derivative instruments for the periods indicated:

	Credit valuation adjustment contra-liability (contra-asset)	
In millions of dollars	**December 31, 2012**	December 31, 2011
Non-monoline counterparties	**$ (2,971)**	$ (5,392)
Citigroup (own)	**918**	2,176
Total CVA–derivative instruments	**$ (2,053)**	$ (3,216)

Own Debt Valuation Adjustments for Structured Debt

Own debt valuation adjustments (DVA) are recognized on Citi' s debt liabilities for which the fair value option (FVO) has been elected using Citi' s credit spreads observed in the bond market. Accordingly, the fair value of debt liabilities for which the fair value option has been elected (other than non-recourse and similar liabilities) is impacted by the narrowing or widening of Citi' s credit spreads. Changes in fair value resulting from changes in Citi' s instrument-specific credit risk are estimated by incorporating Citi' s current credit spreads observable in the bond market into the relevant valuation technique used to value each liability.

The table below summarizes pretax gains (losses) related to changes in CVA on derivative instruments, net of hedges, and DVA on own FVO debt for the periods indicated:

	Credit/debt valuation adjustment gain (loss)	
In millions of dollars	**2012**	2011
Derivative counterparty CVA, excluding monolines	**$ 805**	$ (830)
Derivative own-credit CVA	**(1,126)**	863
Total CVA–derivative instruments [(1)]	**$ (321)**	$ 33
DVA related to own FVO debt	**$(2,009)**	$1,773
Total CVA and DVA excluding monolines	**$(2,330)**	$1,806
CVA related to monoline counterparties	**2**	179

spreads are used.

The CVA adjustment is designed to incorporate a market view of the credit risk inherent in the derivative portfolio. However, most derivative instruments are negotiated bilateral contracts and are not commonly transferred to third parties. Derivative instruments are normally settled contractually or, if

Total CVA and DVA	**$(2,328)**	$1,985

(1) Net of hedges

The CVA and DVA amounts shown in the table above do not include the effect of counterparty credit risk embedded in non-derivative instruments. Losses on non-derivative instruments, such as bonds and loans, related to counterparty credit risk are also not included in the table above.

CREDIT DERIVATIVES

Citigroup makes markets in and trades a range of credit derivatives on behalf of clients and in connection with its risk management activities. Through these contracts, Citi either purchases or writes protection on either a single-name or portfolio basis. Citi primarily uses credit derivatives to help mitigate credit risk in its corporate loan portfolio and other cash positions, and to facilitate client transactions.

Credit derivatives generally require that the seller of credit protection make payments to the buyer upon the occurrence of predefined events (settlement triggers). These settlement triggers, which are defined by the form of the derivative and the referenced credit, are generally limited to the market standard of failure to pay indebtedness and bankruptcy (or comparable events) of the reference credit and, in a more limited range of transactions, debt restructuring.

Credit derivative transactions referring to emerging market reference credits will also typically include additional settlement triggers to cover the acceleration of indebtedness and the risk of repudiation or a payment moratorium. In certain transactions on a portfolio of referenced credits or asset-backed securities, the seller of protection may not be required to make payment until a specified amount of losses has occurred with respect to the portfolio and/or may only be required to pay for losses up to a specified amount.

The fair values shown below are prior to the application of any netting agreements, cash collateral, and market or credit valuation adjustments.

Citi actively participates in trading a variety of credit derivatives products as both an active two-way market-maker for clients and to manage credit risk. The majority of this activity was transacted with other financial intermediaries, including both banks and broker-dealers. Citi generally has a mismatch between the total notional amounts of protection purchased and sold and it may hold the reference assets directly, rather than entering into offsetting credit derivative contracts as and when desired. The open risk exposures from credit derivative contracts are largely matched after certain cash positions in reference assets are considered and after notional amounts are adjusted, either to a duration-based equivalent basis or to reflect the level of subordination in tranched structures.

Citi actively monitors its counterparty credit risk in credit derivative contracts. As of December 31, 2012 and December 31, 2011, approximately 96% of the gross receivables are from counterparties with which Citi maintains collateral agreements. A majority of Citi' s top 15 counterparties (by receivable balance owed to Citi) are banks, financial institutions or other dealers. Contracts with these counterparties do not include ratings-based termination events. However, counterparty ratings downgrades may have an incremental effect by lowering the threshold at which Citi may call for additional collateral.

The following tables summarize the key characteristics of Citi' s credit derivatives portfolio by counterparty and derivative form as of December 31, 2012 and December 31, 2011:

December 31, 2012	**Fair values**		**Notionals**	
In millions of dollars	**Receivable**	**Payable**	**Beneficiary**	**Guarantor**
By industry/counterparty				
Bank	**$ 34,189**	**$ 31,960**	**$ 914,542**	**$ 863,411**
Broker-dealer	**13,302**	**14,098**	**321,418**	**304,968**
Monoline	**5**	**–**	**141**	**–**
Non-financial	**210**	**164**	**4,022**	**3,241**
Insurance and other financial institutions	**6,671**	**6,486**	**194,166**	**174,874**
Total by industry/counterparty	**$ 54,377**	**$ 52,708**	**$ 1,434,289**	**$ 1,346,494**
By instrument				
Credit default swaps and options	**$ 54,275**	**$ 51,316**	**$ 1,421,122**	**$ 1,345,162**
Total return swaps and other	**102**	**1,392**	**13,167**	**1,332**
Total by instrument	**$ 54,377**	**$ 52,708**	**$ 1,434,289**	**$ 1,346,494**
By rating				
Investment grade	**$ 17,236**	**$ 16,252**	**$ 694,590**	**$ 637,343**
Non-investment grade [(1)]	**37,141**	**36,456**	**739,699**	**709,151**
Total by rating	**$ 54,377**	**$ 52,708**	**$ 1,434,289**	**$ 1,346,494**
By maturity				
Within 1 year	**$ 4,826**	**$ 5,324**	**$ 311,202**	**$ 287,670**
From 1 to 5 years	**37,911**	**37,357**	**1,014,459**	**965,059**
After 5 years	**11,640**	**10,027**	**108,628**	**93,765**
Total by maturity	**$ 54,377**	**$ 52,708**	**$ 1,434,289**	**$ 1,346,494**

December 31, 2011	**Fair values**		**Notionals**	
In millions of dollars	**Receivable**	**Payable**	**Beneficiary**	**Guarantor**
By industry/counterparty				
Bank	$ 57,175	$ 53,638	$ 981,085	$ 929,608
Broker-dealer	21,963	21,952	343,909	321,293
Monoline	10	–	238	–
Non-financial	95	130	1,797	1,048
Insurance and other financial institutions	11,611	9,132	185,861	142,579
Total by industry/counterparty	$ 90,854	$ 84,852	$ 1,512,890	$ 1,394,528
By instrument				
Credit default swaps and options	$ 89,998	$ 83,419	$ 1,491,053	$ 1,393,082
Total return swaps and other	856	1,433	21,837	1,446
Total by instrument	$ 90,854	$ 84,852	$ 1,512,890	$ 1,394,528
By rating				
Investment grade	$ 26,457	$ 23,846	$ 681,406	$ 611,447
Non-investment grade [(1)]	64,397	61,006	831,484	783,081
Total by rating	$ 90,854	$ 84,852	$ 1,512,890	$ 1,394,528
By maturity				
Within 1 year	$ 5,707	$ 5,244	$ 281,373	$ 266,723

From 1 to 5 years	56,740	54,553	1,031,575	947,211
After 5 years	28,407	25,055	199,942	180,594
Total by maturity	$ 90,854	$ 84,852	$ 1,512,890	$ 1,394,528

(1) Also includes not-rated credit derivative instruments.

SIGNIFICANT ACCOUNTING POLICIES AND SIGNIFICANT ESTIMATES

Note 1 to the Consolidated Financial Statements contains a summary of Citigroup’ s significant accounting policies, including a discussion of recently issued accounting pronouncements. These policies, as well as estimates made by management, are integral to the presentation of Citi’ s results of operations and financial condition. While all of these policies require a certain level of management judgment and estimates, this section highlights and discusses the significant accounting policies that require management to make highly difficult, complex or subjective judgments and estimates at times regarding matters that are inherently uncertain and susceptible to change (see also “Risk Factors−Business and Operational Risks”). Management has discussed each of these significant accounting policies, the related estimates, and its judgments with the Audit Committee of the Board of Directors. Additional information about these policies can be found in Note 1 to the Consolidated Financial Statements.

Valuations of Financial Instruments

Citigroup holds debt and equity securities, derivatives, retained interests in securitizations, investments in private equity and other financial instruments. In addition, Citi purchases securities under agreements to resell (reverse repos) and sells securities under agreements to repurchase (repos). Citigroup holds its investments, trading assets and liabilities, and resale and repurchase agreements on the Consolidated Balance Sheet to meet customer needs and to manage liquidity needs, interest rate risks and private equity investing.

Substantially all of the assets and liabilities described in the preceding paragraph are reflected at fair value on Citi’ s Consolidated Balance Sheet. In addition, certain loans, short-term borrowings, long-term debt and deposits as well as certain securities borrowed and loaned positions that are collateralized with cash are carried at fair value. Approximately 42.6% and 38.9% of total assets, and 16.0% and 15.0% of total liabilities, were accounted for at fair value as of December 31, 2012 and 2011, respectively.

When available, Citi generally uses quoted market prices to determine fair value and classifies such items within Level 1 of the fair value hierarchy established under ASC 820-10, *Fair Value Measurements and Disclosures* (see Note 25 to the Consolidated Financial Statements). If quoted market prices are not available, fair value is based upon internally developed valuation models that use, where possible, current market-based or independently sourced market parameters, such as interest rates, currency rates and option volatilities. Where a model is internally developed and used to price a significant product, it is subject to validation and testing by Citi’ s separate model

The credit crisis caused some markets to become illiquid, thus reducing the availability of certain observable data used by Citi’ s valuation techniques. This illiquidity, in at least certain markets, continued through 2012. When or if liquidity returns to these markets, the valuations will revert to using the related observable inputs in verifying internally calculated values. For additional information on Citigroup’ s fair value analysis, see Notes 25 and 26 to the Consolidated Financial Statements.

Recognition of Changes in Fair Value

Changes in the valuation of the trading assets and liabilities, as well as all other assets (excluding available-for-sale securities (AFS) and derivatives in qualifying cash flow hedging relationships) and liabilities carried at fair value, are recorded in the Consolidated Statement of Income. Changes in the valuation of AFS, other than write-offs and credit impairments, and the effective portion of changes in the valuation of derivatives in qualifying cash flow hedging relationships generally are recorded in *Accumulated other comprehensive income (loss)* (AOCI), which is a component of *Stockholders’ equity* on the Consolidated Balance Sheet. A full description of Citi’ s policies and procedures relating to recognition of changes in fair value can be found in Notes 1, 25 and 26 to the Consolidated Financial Statements.

Evaluation of Other-than-Temporary Impairment

Citi conducts and documents periodic reviews of all securities with unrealized losses to evaluate whether the impairment is other-than-temporary. Under the guidance for debt securities, other-than-temporary impairment (OTTI) is recognized in earnings in the Consolidated Statement of Income for debt securities that Citi has an intent to sell or that Citi believes it is more-likely-than-not that it will be required to sell prior to recovery of the amortized cost basis. For those securities that Citi does not intend to sell nor expect to be required to sell, credit-related impairment is recognized in earnings, with the non-credit-related impairment recorded in AOCI.

An unrealized loss exists when the current fair value of an individual security is less than its amortized cost basis. Unrealized losses that are determined to be temporary in nature are recorded, net of tax, in AOCI for AFS securities, while such losses related to held-to-maturity (HTM) securities are not recorded, as these investments are carried at their amortized cost (less any OTTI). For securities transferred to HTM from *Trading account assets*, amortized cost is defined as the fair value amount of the securities at the date of transfer plus any accretion income and less any impairments recognized in earnings subsequent to transfer. For securities transferred to HTM from AFS, amortized cost is defined as the original purchase cost, plus or minus any verification group. Such models are often based on a discounted cash flow analysis. In addition, items valued using such internally generated valuation techniques are classified according to the lowest level input or value driver that is significant to the valuation. Thus, an item may be classified in Level 3 even though there may be some significant inputs that are readily observable.

accretion or amortization of a purchase discount or premium, less any impairment recognized in earnings.

Regardless of the classification of the securities as AFS or HTM, Citi assesses each position with an unrealized loss for OTTI.

Management assesses equity method investments with fair value less than carrying value for OTTI, as discussed in Note 15 to the Consolidated Financial Statements. For investments that management does not plan to sell prior to recovery of value, or Citi is not likely to be required to sell, various factors are considered in assessing OTTI. For investments that Citi plans to sell prior to recovery of value, or would likely be required to sell and there is no expectation that the fair value will recover prior to the expected sale date, the full impairment would be recognized in the Consolidated Statement of Income. The following paragraphs discuss Citi' s significant OTTI equity method investments during 2012.

Akbank

In March 2012, Citi decided to reduce its ownership interest in Akbank T.A.S., an equity investment in Turkey (Akbank), to below 10%. As of March 31, 2012, Citi held a 20% equity interest in Akbank, which it purchased in January 2007, accounted for as an equity method investment. As a result of its decision to sell its share holdings in Akbank, in the first quarter of 2012 Citi recorded an impairment charge related to its total investment in Akbank amounting to approximately $1.2 billion pretax ($763 million after-tax). This impairment charge was primarily driven by the recognition of all respective net investment foreign currency hedging and translation losses previously reflected in AOCI as well as a reduction in carrying value of the investment to reflect the market price of Akbank' s shares. The impairment charge was recorded in other-than-temporary impairment losses on investments in the Consolidated Statement of Income. During the second quarter of 2012, Citi sold a 10.1% stake in Akbank, resulting in a loss on sale of $424 million ($274 million after-tax), recorded within other revenue. As of December 31, 2012, the remaining 9.9% stake in Akbank is recorded within marketable equity securities available-for-sale.

MSSB

On September 17, 2012, Citi sold to Morgan Stanley a 14% interest (14% Interest) in MSSB to which Morgan Stanley exercised its purchase option on June 1, 2012. Morgan Stanley paid to Citi $1.89 billion in cash as the purchase price of the 14% Interest. The purchase price was based on an implied 100% valuation of MSSB of $13.5 billion, as agreed between Morgan Stanley and Citi pursuant to an agreement dated September 11, 2012 (for additional information, see Citi' s Form 8-K filed with the U.S. Securities and Exchange Commission on September 11, 2012 and "Citi Holdings−Brokerage and Asset Management" above). The related approximate $4.5 billion in deposits were

Prior to the September 2012 sale, Citi' s carrying value of its 49% interest in MSSB was approximately $11.3 billion. As a result of the agreement entered into with Morgan Stanley on September 11, 2012, Citi recorded a charge to net income in the third quarter of 2012 of approximately $2.9 billion after-tax ($4.7 billion pretax), consisting of (i) a charge recorded within *Other revenue* of approximately $800 million after-tax ($1.3 billion pretax), representing a loss on sale of the 14% Interest, and (ii) an other-than-temporary impairment of the carrying value of its remaining 35% interest in MSSB of approximately $2.1 billion after-tax ($3.4 billion pretax).

As of December 31, 2012, Citi continues to account for its remaining 35% interest in MSSB under the equity method, with the carrying value capped at the agreed selling price of $4.725 billion.

CVA/DVA Methodology

ASC 820-10 requires that Citi' s own credit risk be considered in determining the market value of any Citi liability carried at fair value. These liabilities include derivative instruments as well as debt and other liabilities for which the fair value option has been elected. The credit valuation adjustment (CVA) is recognized on the Consolidated Balance Sheet as a reduction or increase in the associated derivative asset or liability to arrive at the fair value (carrying value) of the derivative asset or liability. The debt valuation adjustment (DVA) is recognized on the balance sheet as a reduction or increase in the associated fair value option debt liability to arrive at the fair value of the liability. For additional information, see "Fair Value Adjustments for Derivatives and Structured Debt" above.

Allowance for Credit Losses

Allowance for Funded Lending Commitments

Management provides reserves for an estimate of probable losses inherent in the funded loan portfolio on the Consolidated Balance Sheet in the form of an allowance for loan losses. These reserves are established in accordance with Citigroup' s credit reserve policies, as approved by the Audit Committee of the Board of Directors. Citi' s Chief Risk Officer and Chief Financial Officer review the adequacy of the credit loss reserves each quarter with representatives from the risk management and finance staffs for each applicable business area. Applicable business areas include those having classifiably managed portfolios, where internal credit-risk ratings are assigned (primarily *Institutional Clients Group* and *Global Consumer Banking*), or modified Consumer loans, where concessions were granted due to the borrowers' financial difficulties.

The above-mentioned representatives covering these respective business areas present recommended reserve balances for their funded and unfunded lending portfolios along with transferred to Morgan Stanley at no premium, as agreed between the parties.

In addition, Morgan Stanley has agreed, subject to obtaining regulatory approval, to purchase Citi' s remaining 35% interest in MSSB no later than June 1, 2015 at a purchase price of $4.725 billion, which is based on the same implied 100% valuation of MSSB of $13.5 billion.

supporting quantitative and qualitative data. The quantitative data include:

Estimated Probable Losses for Non-Performing, Non-Homogeneous Exposures Within a Business Line' s Classifiably Managed Portfolio and Impaired Smaller-Balance Homogeneous Loans Whose Terms Have Been Modified Due to the Borrowers' Financial Difficulties, Where It Was Determined That a Concession Was Granted to the Borrower.

Consideration may be given to the following, as appropriate, when determining this estimate: (i) the present value of expected future cash flows discounted at the loan' s original effective rate; (ii) the borrower' s overall financial condition, resources and payment record; and (iii) the prospects for support from financially responsible guarantors or the realizable value of any collateral. When impairment is measured based on the present value of expected future cash flows, the entire change in present value is recorded in the *Provision for loan losses*.

Statistically Calculated Losses Inherent in the Classifiably Managed Portfolio for Performing and De Minimus Non-Performing Exposures.

The calculation is based upon: (i) Citigroup' s internal system of credit-risk ratings, which are analogous to the risk ratings of the major credit rating agencies; and (ii) historical default and loss data, including rating agency information regarding default rates from 1983 to 2011, and internal data dating to the early 1970s on severity of losses in the event of default. Adjustments may be made to this data. Such adjustments include: (i) statistically calculated estimates to cover the historical fluctuation of the default rates over the credit cycle, the historical variability of loss severity among defaulted loans, and the degree to which there are large obligor concentrations in the global portfolio; and (ii) adjustments made for specifically known items, such as current environmental factors and credit trends.

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

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

Allowance for Unfunded Lending Commitments

A similar approach to the allowance for loan losses is used for calculating a reserve for the expected losses related to unfunded loan commitments and standby letters of credit. This reserve is classified on the Consolidated Balance Sheet in *Other liabilities*. Changes to the allowance for unfunded lending commitments are recorded in the *Provision for unfunded lending commitments*.

For a further description of the loan loss reserve and related accounts, see Notes 1 and 17 to the Consolidated Financial Statements.

Securitizations

Citigroup securitizes a number of different asset classes as a means of strengthening its balance sheet and accessing competitive financing rates in the market. Under these securitization programs, assets are transferred into a trust and used as collateral by the trust to obtain financing. The cash flows from assets in the trust service to the corresponding trust liabilities and equity interests. If the structure of the trust meets certain accounting guidelines, trust assets are treated as sold and are no longer reflected as assets of Citi. If these guidelines are not met, the assets continue to be recorded as Citi' s assets, with the financing activity recorded as liabilities on Citi' s Consolidated Balance Sheet.

Citigroup also assists its clients in securitizing their financial assets and packages and securitizes financial assets purchased in the financial markets. Citi may also provide administrative, asset management, underwriting, liquidity facilities and/or other services to the resulting securitization entities and may continue to service some of these financial assets.

Goodwill

Citigroup has recorded on its Consolidated Balance Sheet goodwill of $25.7 billion (1.4% of assets) and $25.4 billion (1.4% of assets) at December 31, 2012 and December 31, 2011, respectively. Goodwill is tested for impairment annually on July 1. Citi is also required to test goodwill for impairment whenever events or circumstances make it more-likely-than-not that impairment may have occurred, such as a significant adverse change in the business climate, a decision to sell or dispose of all or a significant portion of a reporting unit, or a significant decline in Citi' s stock price. No goodwill impairment was recorded during 2010, 2011 and 2012.

allowance. Changes to the allowance are recorded in the *Provision for loan losses*.

As discussed in Note 4 to the Consolidated Financial Statements, as of December 31, 2012, Citigroup consists of the following business segments: *Global Consumer Banking,*

Institutional Clients Group, Corporate/Other and *Citi Holdings*. Goodwill impairment testing is performed at the level below the business segment (referred to as a reporting unit). Goodwill is allocated to Citi' s reporting units at the date the goodwill is initially recorded. Once goodwill has been allocated to the reporting units, it generally no longer retains its identification with a particular acquisition, but instead becomes identified with the reporting unit as a whole. As a result, all of the fair value of each reporting unit is available to support the allocated goodwill. Citi' s nine reporting units at December 31, 2012 were *North America Regional Consumer Banking, EMEA Regional Consumer Banking, Asia Regional Consumer Banking, Latin America Regional Consumer Banking, Securities and Banking, Transaction Services, Brokerage and Asset Management, Local Consumer Lending–Cards* and *Local Consumer Lending–Other*.

Citi' s reporting unit structure in 2012 was the same as the reporting unit structure in 2011, although certain underlying businesses were transferred between certain reporting units in the first quarter of 2012. As of January 1, 2012, a substantial majority of the Citi retail services business previously included within the *Local Consumer Lending–Cards* reporting unit was transferred to *North America–Regional Consumer Banking*. In addition, certain small businesses included within the *Local Consumer Lending–Cards* reporting unit were transferred to *Local Consumer Lending–Other*. Additionally, an insurance business in El Salvador within *Brokerage and Asset Management* was transferred to *Latin America Regional Consumer Banking*. Goodwill affected by these transfers was reassigned from *Local Consumer Lending–Cards* and *Brokerage and Asset Management*, respectively, to those reporting units that received the businesses using a relative fair value approach. Subsequent to January 1, 2012, goodwill has been allocated to disposals and tested for impairment under the reporting unit structure reflecting these transfers. An interim goodwill impairment test was performed on the impacted reporting units as of January 1, 2012, resulting in no impairment.

Under ASC 350, *Intangibles–Goodwill and Other*, the Company has an option to assess qualitative factors to determine if it is necessary to perform the goodwill impairment test. If, after assessing the totality of events or circumstances, the Company determines that it is not more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, no further testing is necessary. If, however, the Company determines that it is more-likely-than-not that the fair value of a reporting unit is

The first step requires a comparison of the fair value of the individual reporting unit to its carrying value, including goodwill. If the fair value of the reporting unit is in excess of the carrying value, the related goodwill is considered not to be impaired and no further analysis is necessary. If the carrying value of the reporting unit exceeds the fair value, there is an indication of potential impairment and a second step of testing is performed to measure the amount of impairment, if any, for that reporting unit.

If required, the second step involves calculating the implied fair value of goodwill for each of the affected reporting units. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination. The implied fair value is the excess of the fair value of the reporting unit determined in step one over the fair value of the net assets and identifiable intangibles. If the amount of goodwill allocated to the reporting unit exceeds the implied fair value of the goodwill in the pro forma purchase price allocation, an impairment charge is recorded for the excess. A recognized impairment charge cannot exceed the amount of goodwill allocated to a reporting unit and cannot subsequently be reversed even if the fair value of the reporting unit recovers.

The carrying value used in both steps of the impairment test for each reporting unit is derived by allocating Citigroup' s total stockholders' equity to each of Citi' s components (defined below) based on the risk capital assessed for each component. Refer to the "Risk Capital" section above for further discussion. The assigned carrying value of the nine reporting units, the *Special Asset Pool* and *Corporate/Other* (together the "components") is equal to Citigroup' s total stockholders' equity. In allocating Citigroup' s total stockholders' equity to each component, the reported goodwill and intangibles associated with each reporting unit are specifically included in the carrying amount of the respective reporting units and the remaining stockholders' equity is then allocated to each component based on the relative risk capital associated with each component.

Goodwill impairment testing involves management judgment, requiring an assessment of whether the carrying value of the reporting unit can be supported by the fair value of the individual reporting unit using widely accepted valuation techniques, such as the market approach (earnings multiples and/or transaction multiples) and/or the income approach (discounted cash flow (DCF) method). In applying these methodologies, Citi utilizes a number of factors, including actual operating results, future business plans, economic projections, and market data. Citi prepares a formal three-year strategic plan for its businesses on an annual basis. These projections incorporate certain external less than its carrying amount, then the Company is required to perform the two-step goodwill impairment test.

economic projections developed at the point in time the plan is developed. For the purpose of performing any impairment test, the most recent three-year forecast available is updated by Citi to reflect current economic conditions as of the testing date. Citi used the updated long-range financial forecasts as a basis for its annual goodwill impairment test on July 1, 2012.

Management may engage an independent valuation specialist to assist in Citi' s valuation process. Citigroup engaged an independent valuation specialist in 2011 and 2012 to assist in Citi' s valuation for most of the reporting units employing both the market approach and DCF method. Citi believes that the DCF method, using management projections for the selected reporting units and an appropriate risk-adjusted discount rate, is most reflective of a market participant' s view of fair values given current market conditions. For the reporting units where both methods were utilized in 2011 and 2012, the resulting fair values were relatively consistent and appropriate weighting was given to outputs from both methods.

The DCF method used at the time of each impairment test used discount rates that Citi believes adequately reflected the risk and uncertainty in the financial markets generally and specifically in the internally generated cash flow projections. The DCF method employs a capital asset pricing model in estimating the discount rate. Citi continues to value the remaining reporting units where it believes the risk of impairment to be low, using primarily the market approach.

Citi performed its annual goodwill impairment test as of July 1, 2012. The results of the 2012 annual impairment test validated that the fair values exceeded the carrying values for the reporting units that had goodwill at the testing date. No interim goodwill impairment tests were required to be performed during 2012, outside of the test performed as of January 1, 2012, as discussed above.

Since none of Citi' s reporting units are publicly traded, individual reporting unit fair value determinations cannot be directly correlated to Citigroup' s common stock price. The sum of the fair values of the reporting units at July 1, 2012 exceeded the overall market capitalization of Citi as of July 1, 2012. However, Citi believes that it was not meaningful to reconcile the sum of the fair values of its reporting units to its market capitalization due to several factors. The market capitalization of Citigroup reflects the execution risk in a transaction involving Citigroup due to its size. However, the individual reporting units' fair values are not subject to the same level of execution risk or a business model that is perceived to be as complex.

While no impairment was noted in step one of Citi' s *Local Consumer Lending–Cards* reporting unit impairment test as of July 1, 2012, goodwill present in the reporting unit may be particularly sensitive to further deterioration in economic conditions. Under the market approach for valuing this reporting unit, the key assumption is the price multiple. The selection of the multiple considers operating performance and financial condition such as return on equity and net income growth of *Local Consumer Lending–Cards* as compared to those of

For the *Local Consumer Lending–Cards* valuation under the income approach, the assumptions used as the basis for the model include cash flows for the forecasted period, assumptions embedded in arriving at an estimation of the terminal year value and discount rate. The cash flows are estimated based on management' s most recent projections available as of the testing date, giving consideration to target equity capital requirements based on selected guideline companies for the reporting unit. In arriving at a terminal value for *Local Consumer Lending–Cards*, using 2015 as the terminal year, the assumptions used included a long-term growth rate. The discount rate used in the analysis is based on the reporting units' estimated cost of equity capital computed under the capital asset pricing model.

If the future were to differ adversely from management' s best estimate of key economic assumptions and associated cash flows were to decrease by a small margin, Citi could potentially experience future impairment charges with respect to the $111 million of goodwill remaining in its *Local Consumer Lending–Cards* reporting unit. Any such charge, by itself, would not negatively affect the Company' s regulatory capital ratios, tangible common equity (TCE) or liquidity position.

See Note 18 to the Consolidated Financial Statements for additional information on goodwill, including the changes in the goodwill balance period-over-period and the reporting unit goodwill balances as of December 31, 2012.

Income Taxes

Overview

Citi is subject to the income tax laws of the U.S. and its states and local municipalities, and the foreign jurisdictions in which Citi operates. These tax laws are complex and are subject to differing interpretations by the taxpayer and the relevant governmental taxing authorities. Disputes over interpretations of the tax laws may be subject to review and adjudication by the court systems of the various tax jurisdictions or may be settled with the taxing authority upon audit.

In establishing a provision for income tax expense, Citi must make judgments and interpretations about the application of these inherently complex tax laws. Citi must also make estimates about when in the future certain items will affect taxable income in the various tax jurisdictions, both domestic and foreign. Deferred taxes are recorded for the future consequences of events that have been recognized in the financial statements or tax returns, based upon enacted tax laws and rates. Deferred tax assets (DTAs) are recognized subject to management' s judgment that realization is more-likely-than-not. See Note 10 to the Consolidated Financial Statements for a further discussion of Citi' s tax provision and related income tax assets and liabilities.

selected guideline companies. Among other factors, the level and expected growth in return on tangible equity relative to those of the guideline companies is considered. Since the guideline company prices used are on a minority interest basis, the selection of the multiple considers the guideline acquisition prices, which reflect control rights and privileges in arriving at a multiple that reflects an appropriate control premium.

DTAs

At December 31, 2012, Citi had recorded net DTAs of $55.3 billion, an increase of $3.8 billion from $51.5 billion at December 31, 2011. The increase in total DTAs year-over-year was due, in large part, to the continued negative impact of Citi Holdings on U.S. taxable income, including the MSSB loss and other-than-temporary impairment in the third quarter of 2012. The following table summarizes Citi' s net DTAs balance at December 31, 2012 and 2011:

Jurisdiction/Component

In billions of dollars		**DTAs balance December 31, 2012**		DTAs balance December 31, 2011
U.S. federal [(1)]				
Consolidated tax return net operating loss (NOL)		**$–**		$–
Consolidated tax return foreign tax credit (FTC)		**22.0**		15.8
Consolidated tax return general business credit (GBC)		**2.6**		2.1
Future tax deductions and credits		**22.0**		23.0
Other [(2)]		**0.9**		1.4
Total U.S. federal	**$**	**47.5**	$	42.3
State and local				
New York NOLs	**$**	**1.3**	$	1.3
Other state NOLs		**0.6**		0.7
Future tax deductions		**2.6**		2.2
Total state and local	**$**	**4.5**	$	4.2
Foreign				
APB 23 subsidiary NOLs	**$**	**0.2**	$	0.5
Non-APB 23 subsidiary NOLs		**1.2**		1.8
Future tax deductions		**1.9**		2.7
Total foreign	**$**	**3.3**	$	5.0
Total [(3)]	**$**	**55.3**	$	51.5

(1) Included in the net U.S. federal DTAs of $47.5 billion at December 31, 2012 are deferred tax liabilities of $2 billion that will reverse in the relevant carry-forward period and may be used to support the DTAs.

(2) Includes $0.8 billion and $1.2 billion for 2012 and 2011, respectively, of subsidiary tax carry-forwards that are expected to be utilized separately from Citigroup' s consolidated tax carry-forwards.

(3) Approximately $40 billion of the total DTAs was deducted in calculating Citi' s Tier 1 Common and Tier 1 Capital as of December 31, 2012.

While Citi' s net total DTAs increased year-over-year, the time remaining for utilization has shortened, given the passage of

Although realization is not assured, Citi believes that the realization of the recognized net DTAs of $55.3 billion at December 31, 2012 is more-likely-than-not based upon (i) expectations as to future taxable income in the jurisdictions in which the DTAs arise, and (ii) available tax planning strategies (as defined in ASC 740, *Income Taxes*) that would be implemented, if necessary, to prevent a carry-forward from expiring, each as discussed further below. In general, Citi would need to generate approximately $112 billion of U.S. taxable income during the respective carry-forward periods, substantially all of which must be generated during the FTC carry-forward periods (as discussed below), to fully realize its U.S. federal, state and local DTAs.

As referenced above, Citi has concluded that there are two components of positive evidence that support the full realizability of its DTAs. First, Citi forecasts sufficient U.S. taxable income in the carry-forward periods, exclusive of ASC 740 tax planning strategies, although Citi' s estimated future taxable income has decreased due to the ongoing challenging economic environment, which will continue to be subject to overall market and global economic conditions. Citi' s forecasted taxable income incorporates geographic business forecasts and taxable income adjustments to those forecasts (e.g., U.S. tax exempt income, loan loss reserves deductible for U.S. tax reporting in subsequent years), and actions intended to optimize its U.S. taxable earnings.

Second, Citi has sufficient tax planning strategies available to it under ASC 740 that would be implemented, if necessary, to prevent a carry-forward from expiring. These strategies include repatriating low-taxed foreign source earnings for which an assertion that the earnings have been indefinitely reinvested has not been made, accelerating U.S. taxable income into, or deferring U.S. tax deductions out of, the latter years of the carry-forward period (e.g., selling appreciated intangible assets, electing straight-line depreciation), accelerating deductible temporary differences outside the U.S., and selling certain assets that produce tax-exempt income, while purchasing assets that produce fully taxable income. Also, the sale or restructuring of certain businesses can produce significant U.S. taxable income within the relevant carry-forward periods.

In addition, Citi monitors the level of its investments in foreign subsidiaries for which it has made an indefinite investment assertion under ASC 740 (see Note 10 to the Consolidated Financial Statements for information on the amount of such assertions as of December 31, 2012). Citi could decide to indefinitely reinvest a lesser amount of its future earnings in these foreign subsidiaries. Such a decision would increase Citi' s time, particularly with respect to the foreign tax credit (FTC) component of the DTAs (see discussion below). Realization of the DTAs will continue to be driven by Citi’ s ability to generate U.S. taxable earnings in the carry-forward periods, including through actions that optimize Citi’ s U.S. taxable earnings. Citi does not expect a significant reduction in the balance of its net DTAs during 2013.

tax provision on these foreign subsidiary earnings to the higher U.S. tax rate and thus reduce Citi’ s after-tax earnings.

Based upon the foregoing discussion, Citi believes the U.S. federal and New York state and city NOL carry-forward period of 20 years provides enough time to fully utilize the DTAs

pertaining to the existing NOL carry-forwards, as set forth in the table above, and any NOL that would be created by the reversal of the future net deductions that have not yet been taken on a tax return.

As noted in the table above, Citi' s FTC carry-forwards were $22.0 billion as of December 31, 2012, compared to $15.8 billion as of December 31, 2011. Over half of the FTC increase year-over-year was due to specific tax planning actions involving the payment of dividends from Citi' s foreign subsidiaries.

The U.S. FTC carry-forward period is 10 years and represents the most time-sensitive component of Citi' s DTAs. The table below sets forth the expiration dates for Citi' s FTCs as of December 31, 2012 and 2011:

In billions of dollars

Year of expiration	Dec. 31, 2012	Dec. 31, 2011
U.S. consolidated tax return FTC carry-forwards		
2016	**$ 0.4**	$ 0.4
2017 (1)	**6.6**	4.9
2018	**5.3**	5.3
2019	**1.3**	1.3
2020	**2.3**	2.2
2021	**1.9**	1.7
2022	**4.2**	–
Total U.S. consolidated tax return FTC carry-forwards	**$ 22.0**	$ 15.8

(1) Increase is due to the conclusion of Citi' s 2006-2008 U.S. federal tax audit.

Utilization of FTCs in any year is restricted to 35% of foreign source taxable income in that year. However, overall domestic losses that Citi has incurred of approximately $63 billion as of December 31, 2012 are allowed to be reclassified as foreign source income to the extent of 50% of domestic source income produced in subsequent years, and such resulting foreign source income would cover the FTCs being carried forward. As such, Citi believes the foreign source taxable income limitation will not be an impediment to the FTC carry-forward usage as long as Citi can generate sufficient domestic taxable income within the 10-year carry-forward period.

Citi believes that it will generate sufficient U.S. taxable income within the 10-year carry-forward period referenced above to be able to fully utilize the FTC carry-forward, in addition to any FTC produced in such period.

First Quarter of 2013–Tax Benefit

On January 2, 2013, the American Taxpayer Relief Act of 2012 was signed into law. Among other provisions contained in the Act was a retroactive extension to the beginning of 2012 of the "active financing exception." As a result of the enactment of this new tax law, Citigroup expects to have a tax benefit of approximately $45 million in the first quarter of 2013.

For additional information on income taxes, see Note 10 to the Consolidated Financial Statements.

Litigation Accruals

See the discussion in Note 28 to the Consolidated Financial Statements for information regarding Citi' s policies on establishing accruals for legal and regulatory contingencies.

Accounting Changes and Future Application of Accounting Standards

See Note 1 to the Consolidated Financial Statements for a discussion of "Accounting Changes" and the "Future Application of Accounting Standards."

DISCLOSURE CONTROLS AND PROCEDURES

Citi' s disclosure controls and procedures are designed to ensure that information required to be disclosed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC' s rules and forms, including without limitation that information required to be disclosed by Citi in its SEC filings is accumulated and communicated to management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) as appropriate to allow for timely decisions regarding required disclosure.

Citi' s Disclosure Committee assists the CEO and CFO in their responsibilities to design, establish, maintain and evaluate the effectiveness of Citi' s disclosure controls and procedures. The Disclosure Committee is responsible for, among other things, the oversight, maintenance and implementation of the disclosure controls and procedures, subject to the supervision and oversight of the CEO and CFO.

Citi' s management, with the participation of its CEO and CFO, has evaluated the effectiveness of Citigroup' s disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of December 31, 2012 and, based on that evaluation, the CEO and CFO have concluded that at that date Citigroup' s disclosure controls and procedures were effective.

MANAGEMENT' S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Citi' s management is responsible for establishing and maintaining adequate internal control over financial reporting. Citi' s internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with U.S. generally accepted accounting principles. Citi' s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of Citi' s assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that Citi' s receipts and expenditures are made only in accordance with authorizations of Citi' s management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Citi' s assets that could have a material effect on its financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. In addition, given Citi' s large size, complex operations and global footprint, lapses or deficiencies in internal controls may occur from time to time.

Citi management assessed the effectiveness of Citigroup' s internal control over financial reporting as of December 31, 2012 based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework. Based on this assessment, management believes that, as of December 31, 2012, Citi' s internal control over financial reporting was effective. In addition, there were no changes in Citi' s internal control over financial reporting during the fiscal quarter ended December 31, 2012 that materially affected, or are reasonably likely to materially affect, Citi' s internal control over financial reporting.

The effectiveness of Citi' s internal control over financial reporting as of December 31, 2012 has been audited by KPMG LLP, Citi' s independent registered public accounting firm, as stated in their report below, which expressed an unqualified opinion on the effectiveness of Citi' s internal control over financial reporting as of December 31, 2012.

FORWARD-LOOKING STATEMENTS

Certain statements in this Form 10-K, including but not limited to statements included within the Management' s Discussion and Analysis of Financial Condition and Results of Operations, are "forward-looking statements" within the meaning of the rules and regulations of the SEC. In addition, Citigroup also may make forward-looking statements in its other documents filed or furnished with the SEC, and its management may make forward-looking statements orally to analysts, investors, representatives of the media and others.

Generally, forward-looking statements are not based on historical facts but instead represent Citigroup' s and its management' s beliefs regarding future events. Such statements may be identified by words such as *believe, expect, anticipate, intend, estimate, may increase, may fluctuate*, and similar expressions, or future or conditional verbs such as *will, should, would* and *could*.

Such statements are based on management' s current expectations and are subject to uncertainty and changes in circumstances. Actual results and capital and other financial condition may differ materially from those included in these statements due to a variety of factors, including without limitation the precautionary statements included throughout this Form 10-K and the factors and uncertainties listed and described under "Risk Factors" above and summarized below:

- the impact of the significant regulatory changes and uncertainties faced by Citi in the U.S. and non-U.S. jurisdictions in which it operates, and the possibility of additional regulatory requirements or changes beyond those already proposed, adopted or contemplated by U.S. or non-U.S. regulators;
- the uncertainty regarding the timing and implementation of future regulatory capital requirements, including the potential impact these requirements could have on Citi' s businesses, results of operations and financial condition, and Citi' s ability to meet the requirements as it projects or as required;
- the impact of derivatives regulation, including the "push-out" provision, under the Dodd-Frank Act, as well as other international derivatives regulations, on Citi' s competitiveness, compliance costs and risks and results of operations;
- the potential impact of the proposed restrictions of the "Volcker Rule" provisions under the Dodd-Frank Act on Citi' s market-making activities, the significant compliance costs and risks associated with those proposals, and the potential inconsistent regulatory regimes and increased compliance and other costs resulting from non-U.S. proposals;
- the potential impact to Citi and its businesses of additional regulations with respect to securitizations;
- the potential impact of the ongoing Eurozone debt and economic crisis, directly or indirectly, on Citi' s businesses, results of operations or financial condition, including the exit of one or more countries from the European Monetary Union;
- the uncertainty relating to the sustainability and pace of economic recovery in the U.S. and globally and the impact any continued uncertainty could have on Citi' s businesses results of operations and financial condition;
- any significant global economic downturn or disruption, including a significant decline in global trade volumes, on Citi' s businesses, results of operations and financial condition, particularly as compared to Citi' s competitors;
- the uncertainty regarding the level of U.S. government debt and potential downgrade of the U.S. government credit rating on Citi' s businesses, results of operations, capital, funding and liquidity;
- risks arising from Citi' s extensive operations outside of the U.S., particularly in emerging markets, including among others foreign exchange controls, limitations on foreign investments, sociopolitical instability, nationalization, closure of branches or subsidiaries and confiscation of assets, as well as increased compliance and regulatory risks and costs;
- the potential impact on Citi' s liquidity and/or costs of funding as a result of external factors, such as market disruptions and changes in Citi' s credit spreads;
- the potential impact on Citi' s funding and liquidity, as well as the results of operations for certain of its businesses, resulting from a reduction in Citi' s or its more significant subsidiaries' credit ratings;
- the potential impact on Citi' s businesses, business practices, reputation, financial condition or results of operations from the extensive legal and regulatory proceedings, investigations and inquiries to which Citi is subject, including among others those related to Citi' s U.S. mortgage-related activities, interbank offered rates submissions and anti-money laundering programs;
- the impact of Citi Holdings on Citi' s results of operations, and its ability to utilize the capital supporting the remaining assets of Citi Holdings for more productive purposes;
- Citi' s ability to return capital to shareholders and the potential market impact if it is not able to do so, whether as a result of the CCAR process, required supervisory stress tests or otherwise;

- the potential impact to Citi' s business structures, activities and practices as a result of regulatory requirements in the U.S. and in non-U.S. jurisdictions to facilitate the future orderly resolution of large financial institutions;

- Citi' s ability to achieve its announced or anticipated expense reductions, including as a result of external factors outside of its control;

- Citi' s ability to utilize DTAs, including its ability to generate U.S. taxable earnings during the relevant carry-forward periods, particularly the FTC carry-forward periods;
- the potential impact on the value of Citi' s DTAs if U.S., state or foreign tax rates are reduced, or if other changes are made to the U.S. tax system, such as changes to the tax treatment of foreign business income;
- Citi' s failure to maintain its contractual relationships with various retailers and merchants within its U.S. credit card businesses in *NA RCB*, such as the Citi-AAdvantage card program, and the potential impact any such failure could have on the results of operations or financial condition of those businesses;
- the potential impact to Citi from continually evolving cybersecurity and other technological risks and attacks, including additional costs, reputational damage, regulatory penalties and financial losses;
- the potential impact on Citi' s performance, including its competitive position and ability to execute its strategy, if Citi is unable to hire or retain qualified employees;
- the possibility of incorrect assumptions or estimates in Citi' s financial statements, and the potential impact of regulatory changes to financial accounting and reporting standards on how Citi records and reports its financial condition and results of operations;
- the potential impact of changes in the method for determining LIBOR on the value of any LIBOR-linked debt securities and other financial obligations held or issued by Citi and on Citi' s results of operations or financial condition; and
- the effectiveness of Citi' s risk management and mitigation processes and strategies, including the effectiveness of its risk models.

Any forward-looking statements made by or on behalf of Citigroup speak only as to the date they are made, and Citi does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements were made.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM–INTERNAL CONTROL OVER FINANCIAL REPORTING

The Board of Directors and Stockholders
Citigroup Inc.:

We have audited Citigroup Inc. and subsidiaries' (the "Company" or "Citigroup") internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control–Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying management's annual report on internal control over financial reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Citigroup maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control–Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Citigroup as of December 31, 2012 and 2011, and the related consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 2012, and our report dated March 1, 2013 expressed an unqualified opinion on those consolidated financial statements.

KPMG LLP

New York, New York
March 1, 2013

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM– CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors and Stockholders
Citigroup Inc.:

We have audited the accompanying consolidated balance sheets of Citigroup Inc. and subsidiaries (the "Company" or "Citigroup") as of December 31, 2012 and 2011, and the related consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 2012. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Citigroup as of December 31, 2012 and 2011, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2012, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Citigroup's internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control–Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 1, 2013 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

KPMG LLP

New York, New York
March 1, 2013

FINANCIAL STATEMENTS AND NOTES TABLE OF CONTENTS

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF INCOME

Citigroup Inc. and Subsidiaries

In millions of dollars, except per share amounts	Years Ended December 31, 2012	2011	2010
Revenues			
Interest revenue	**$ 68,138**	$ 72,681	$ 79,282
Interest expense	**20,535**	24,234	25,096
Net interest revenue	**$ 47,603**	$ 48,447	$ 54,186
Commissions and fees	**$ 12,926**	$ 12,850	$ 13,658
Principal transactions	**4,781**	7,234	7,517
Administration and other fiduciary fees	**4,012**	3,995	4,005
Realized gains (losses) on sales of investments, net	**3,251**	1,997	2,411
Other-than-temporary impairment losses on investments			
Gross impairment losses [1]	**(5,037)**	(2,413)	(1,495)
Less: Impairments recognized in AOCI	**66**	159	84
Net impairment losses recognized in earnings	**$ (4,971)**	$ (2,254)	$ (1,411)
Insurance premiums	**$ 2,476**	$ 2,647	$ 2,684
Other revenue [2]	**95**	3,437	3,551
Total non-interest revenues	**$ 22,570**	$ 29,906	$ 32,415
Total revenues, net of interest expense	**$ 70,173**	$ 78,353	$ 86,601
Provisions for credit losses and for benefits and claims			
Provision for loan losses	**$ 10,848**	$ 11,773	$ 25,194
Policyholder benefits and claims	**887**	972	965
Provision (release) for unfunded lending commitments	**(16)**	51	(117)
Total provisions for credit losses and for benefits and claims	**$ 11,719**	$ 12,796	$ 26,042
Operating expenses			
Compensation and benefits	**$ 25,204**	$ 25,688	$ 24,430
Premises and equipment	**3,282**	3,326	3,331
Technology/communication	**5,914**	5,133	4,924
Advertising and marketing	**2,224**	2,346	1,645
Other operating	**13,894**	14,440	13,045
Total operating expenses [3]	**$ 50,518**	$ 50,933	$ 47,375
Income (loss) from continuing operations before income taxes	**$ 7,936**	$ 14,624	$ 13,184
Provision for income taxes (benefit)	**27**	3,521	2,233
Income from continuing operations	**$ 7,909**	$ 11,103	$ 10,951
Discontinued operations			
Income (loss) from discontinued operations	**$ (219)**	$ 23	$ 72
Gain (loss) on sale	**(1)**	155	(702)
Provision (benefit) for income taxes	**(71)**	66	(562)
Income (loss) from discontinued operations, net of taxes	**$ (149)**	$ 112	$ (68)
Net income before attribution of noncontrolling interests	**$ 7,760**	$ 11,215	$ 10,883
Noncontrolling interests	**219**	148	281
Citigroup' s net income	**$ 7,541**	$ 11,067	$ 10,602

Basic earnings per share (4)			
Income from continuing operations	**$ 2.56**	$ 3.69	$ 3.66
Income (loss) from discontinued operations, net of taxes	**(0.05)**	0.04	(0.01)
Net income	**$ 2.51**	$ 3.73	$ 3.65
Weighted average common shares outstanding	**2,930.6**	2,909.8	2,877.6
Diluted earnings per share (4)			
Income from continuing operations	**$ 2.49**	$ 3.59	$ 3.55
Income (loss) from discontinued operations, net of taxes	**(0.05)**	0.04	(0.01)
Net income	**$ 2.44**	$ 3.63	$ 3.54
Adjusted weighted average common shares outstanding (4)	**3,015.5**	2,998.8	2,967.8

(1) 2012 includes the recognition of a $3,340 million impairment charge related to the carrying value of Citi's remaining 35% interest in the Morgan Stanley Smith Barney joint venture (MSSB), as well as the recognition of a $1,181 million impairment charge related to Citi' s investment in Akbank. See Note 15 to the Consolidated Financial Statements.

(2) *Other revenue* for 2012 includes a $1,344 million loss related to the sale of a 14% interest in MSSB, as well as the recognition of a $424 million loss related to the sale of a 10.1% stake in Akbank.

(3) Citigroup recorded repositioning charges of $1,375 million for 2012, $706 million for 2011 and $507 million for 2010.

(4) 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.

The Notes to the Consolidated Financial Statements are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Citigroup Inc. and Subsidiaries		
	Years Ended December 31,		
In millions of dollars	**2012**	2011	2010
Net income before attribution of noncontrolling interests	**$ 7,760**	$ 11,215	$ 10,883
Citigroup's other comprehensive income (loss)			
Net change in unrealized gains and losses on investment securities, net of taxes	**$ 632**	$ 2,360	$ 1,952
Net change in cash flow hedges, net of taxes	**527**	(170)	532
Net change in foreign currency translation adjustment, net of taxes and hedges	**721**	(3,524)	820
Pension liability adjustment, net of taxes [1]	**(988)**	(177)	(644)
Citigroup's total other comprehensive income (loss)	**$ 892**	$ (1,511)	$ 2,660
Other comprehensive income (loss) attributable to noncontrolling interests			
Net change in unrealized gains and losses on investment securities, net of taxes	**$ 32**	$ (5)	$ 1
Net change in foreign currency translation adjustment, net of taxes	**58**	(87)	(27)
Total other comprehensive income (loss) attributable to noncontrolling interests	**$ 90**	$ (92)	$ (26)
Total comprehensive income before attribution of noncontrolling interests	**$ 8,742**	$ 9,612	$ 13,517
Total comprehensive income attributable to noncontrolling interests	**309**	56	255
Citigroup's comprehensive income	**$ 8,433**	$ 9,556	$ 13,262

(1) Primarily reflects adjustments based on the year-end actuarial valuations of the Company's pension and postretirement plans and amortization of amounts previously recognized in *Other comprehensive income*.

The Notes to the Consolidated Financial Statements are an integral part of these Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEET

Citigroup Inc. and Subsidiaries

In millions of dollars	December 31, 2012	2011
Assets		
Cash and due from banks (including segregated cash and other deposits)	**$ 36,453**	$ 2
Deposits with banks	**102,134**	1
Federal funds sold and securities borrowed or purchased under agreements to resell (including $160,589 and $142,862 as of December 31, 2012 and December 31, 2011, respectively, at fair value)	**261,311**	2
Brokerage receivables	**22,490**	2
Trading account assets (including $105,458 and $119,054 pledged to creditors at December 31, 2012 and December 31, 2011, respectively)	**320,929**	2
Investments (including $21,423 and $14,940 pledged to creditors at December 31, 2012 and December 31, 2011, respectively, and $294,463 and $274,040 as of December 31, 2012 and December 31, 2011, respectively, at fair value)	**312,326**	2
Loans, net of unearned income		
Consumer (including $1,231 and $1,326 as of December 31, 2012 and December 31, 2011, respectively, at fair value)	**408,671**	4
Corporate (including $4,056 and $3,939 as of December 31, 2012 and December 31, 2011, respectively, at fair value)	**246,793**	2
Loans, net of unearned income	**$ 655,464**	$ 6
Allowance for loan losses	**(25,455)**	(3
Total loans, net	**$ 630,009**	$ 6
Goodwill	**25,673**	2
Intangible assets (other than MSRs)	**5,697**	6
Mortgage servicing rights (MSRs)	**1,942**	2
Other assets (including $13,299 and $13,360 as of December 31, 2012 and December 31, 2011, respectively, at fair value)	**145,660**	1
Assets of discontinued operations held for sale	**36**	–
Total assets	**$ 1,864,660**	$ 1

The following table presents certain assets of consolidated variable interest entities (VIEs), which are included in the Consolidated Balance Sheet above. The assets in the table below include only those assets that can be used to settle obligations of consolidated VIEs on the following page, and are in excess of those obligations. Additionally, the assets in the table below include third-party assets of consolidated VIEs only, and exclude intercompany balances that eliminate in consolidation.

In millions of dollars	December 31, 2012	2011
Assets of consolidated VIEs that can only be used to settle obligations of consolidated VIEs		
Cash and due from banks	**$ 498**	$ 591
Trading account assets	**481**	567
Investments	**10,751**	12,509
Loans, net of unearned income		
Consumer (including $1,191 and $1,292 as of December 31, 2012 and December 31, 2011, respectively, at fair value)	**93,936**	103,275
Corporate (including $157 and $198 as of December 31, 2012 and December 31, 2011, respectively, at fair value)	**23,684**	23,780
Loans, net of unearned income	**$ 117,620**	$ 127,055
Allowance for loan losses	**(5,854)**	(8,000)
Total loans, net	**$ 111,766**	$ 119,055
Other assets	**674**	874
Total assets of consolidated VIEs that can only be used to settle obligations of consolidated VIEs	**$ 124,170**	$ 133,596

Statement continues on the next page.

CONSOLIDATED BALANCE SHEET (Continued)

Citigroup Inc. and Subsidiaries

In millions of dollars, except shares and per share amounts	December 31, **2012**	2011
Liabilities		
Non-interest-bearing deposits in U.S. offices	**$ 129,657**	$ 119,437
Interest-bearing deposits in U.S. offices (including $889 and $848 as of December 31, 2012 and December 31, 2011, respectively, at fair value)	**247,716**	223,851
Non-interest-bearing deposits in offices outside the U.S.	**65,024**	57,357
Interest-bearing deposits in offices outside the U.S. (including $558 and $478 as of December 31, 2012 and December 31, 2011, respectively, at fair value)	**488,163**	465,291
Total deposits	**$ 930,560**	$ 865,936
Federal funds purchased and securities loaned or sold under agreements to repurchase (including $116,689 and $97,712 as of December 31, 2012 and December 31, 2011, respectively, at fair value)	**211,236**	198,373
Brokerage payables	**57,013**	56,696
Trading account liabilities	**115,549**	126,082
Short-term borrowings (including $818 and $1,354 as of December 31, 2012 and December 31, 2011, respectively, at fair value)	**52,027**	54,441
Long-term debt (including $29,764 and $24,172 as of December 31, 2012 and December 31, 2011, respectively, at fair value)	**239,463**	323,505
Other liabilities (including $2,910 and $3,742 as of December 31, 2012 and December 31, 2011, respectively, at fair value)	**67,815**	69,272
Liabilities of discontinued operations held for sale	–	–
Total liabilities	**$ 1,673,663**	$ 1,694,305
Stockholders' equity		
Preferred stock ($1.00 par value; authorized shares: 30 million), issued shares: **102,038 as of December 31, 2012** and 12,038 as of December 31, 2011, at aggregate liquidation value	**$ 2,562**	$ 312
Common stock ($0.01 par value; authorized shares: 6 billion), issued shares: **3,043,153,204 as of December 31, 2012** and 2,937,755,921 as of December 31, 2011	**30**	29
Additional paid-in capital	**106,391**	105,804
Retained earnings	**97,809**	90,520
Treasury stock, at cost: **December 31, 2012–14,269,301 shares** and December 31, 2011–13,877,688 shares	**(847)**	(1,071)
Accumulated other comprehensive income (loss)	**(16,896)**	(17,788)
Total Citigroup stockholders' equity	**$ 189,049**	$ 177,806
Noncontrolling interest	**1,948**	1,767
Total equity	**$ 190,997**	$ 179,573
Total liabilities and equity	**$ 1,864,660**	$ 1,873,878

The following table presents certain liabilities of consolidated VIEs, which are included in the Consolidated Balance Sheet above. The liabilities in the table below include third-party liabilities of consolidated VIEs only, and exclude intercompany balances that eliminate in consolidation. The liabilities also exclude amounts where creditors or beneficial interest holders have recourse to the general credit of Citigroup.

In millions of dollars	December 31, **2012**	2011
Liabilities of consolidated VIEs for which creditors or beneficial interest holders do not have recourse to the general credit of Citigroup		
Short-term borrowings	**$ 15,637**	$ 21,009
Long-term debt (including $1,330 and $1,558 as of December 31, 2012 and December 31, 2011, respectively, at fair value)	**26,346**	50,451
Other liabilities	**1,224**	1,051

Total liabilities of consolidated VIEs for which creditors or beneficial interest holders do not have recourse to the general credit of Citigroup	**$ 43,207**	$ 72,511

The Notes to the Consolidated Financial Statements are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

Citigroup Inc. and Subsidiaries

	Years ended December 31,					
	Amounts			**Shares**		
In millions of dollars, except shares in thousands	**2012**	2011	2010	**2012**	2011	2010
Preferred stock at aggregate liquidation value						
Balance, beginning of year	**$ 312**	$ 312	$ 312	**12**	12	12
Issuance of new preferred stock	**2,250**	–	–	**90**	–	–
Balance, end of period	**$ 2,562**	$ 312	$ 312	**102**	12	12
Common stock and additional paid-in capital						
Balance, beginning of year	**$ 105,833**	$ 101,316	$ 98,428	**2,937,756**	2,922,402	2,862
Employee benefit plans	**597**	766	(736)	**9,037**	3,540	46,70
Issuance of shares and T-DECs for TARP repayment	–	–	–	**96,338**	–	1,270
ADIA Upper DECs equity units purchase contract	–	3,750	3,750	–	11,781	11,78
Other	**(9)**	1	(126)	**22**	33	38
Balance, end of period	**$ 106,421**	$ 105,833	$ 101,316	**3,043,153**	2,937,756	2,922
Retained earnings						
Balance, beginning of year	**$ 90,520**	$ 79,559	$ 77,440			
Adjustment to opening balance, net of taxes [1][2]	**(107)**	–	(8,483)			
Adjusted balance, beginning of period	**$ 90,413**	$ 79,559	$ 68,957			
Citigroup's net income	**7,541**	11,067	10,602			
Common dividends [3]	**(120)**	(81)	10			
Preferred dividends	**(26)**	(26)	(9)			
Other	**1**	1	(1)			
Balance, end of period	**$ 97,809**	$ 90,520	$ 79,559			
Treasury stock, at cost						
Balance, beginning of year	**$ (1,071)**	$ (1,442)	$ (4,543)	**(13,878)**	(16,566)	(14,28
Issuance of shares pursuant to employee benefit plans	**229**	372	3,106	**(253)**	2,714	(2,128
Treasury stock acquired [4]	**(5)**	(1)	(6)	**(138)**	(26)	(162
Other	–	–	1	–	–	7
Balance, end of period	**$ (847)**	$ (1,071)	$ (1,442)	**(14,269)**	(13,878)	(16,56
Citigroup's accumulated other comprehensive income (loss)						
Balance, beginning of year	**$ (17,788)**	$ (16,277)	$ (18,937)			
Net change in Citigroup's *Accumulated other comprehensive income (loss)*	**892**	(1,511)	2,660			
Balance, end of period	**$ (16,896)**	$ (17,788)	$ (16,277)			
Total Citigroup common stockholders' equity	**$ 186,487**	$ 177,494	$ 163,156	**3,028,884**	2,923,878	2,905
Total Citigroup stockholders' equity	**$ 189,049**	$ 177,806	$ 163,468			
Noncontrolling interest						
Balance, beginning of year	**$ 1,767**	$ 2,321	$ 2,273			
Initial origination of a noncontrolling interest	**88**	28	412			
Transactions between Citigroup and the noncontrolling-interest shareholders	**41**	(274)	(231)			
Net income attributable to noncontrolling-interest shareholders	**219**	148	281			
Dividends paid to noncontrolling-interest shareholders	**(33)**	(67)	(99)			
Net change in *Accumulated other comprehensive income (loss)*	**90**	(92)	(26)			
Other	**(224)**	(297)	(289)			

Net change in noncontrolling interests	**$ 181**	$ (554)	$ 48
Balance, end of period	**$ 1,948**	$ 1,767	$ 2,321
Total equity	**$ 190,997**	$ 179,573	$ 165,789

(1) The adjustment to the opening balance for Retained earnings in 2012 represents the cumulative effect of adopting ASU 2010-26, *Financial Services-Insurance (Topic 944): Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts*. See Note 1 to the Consolidated Financial Statements.

(2) The adjustment to the opening balance for *Retained earnings* in 2010 represents the cumulative effect of initially adopting ASC 810, *Consolidation* (SFAS 167) and ASU 2010-11 (Scope Exception Related to Embedded Credit Derivatives). See Note 1 to the Consolidated Financial Statements.

(3) Common dividends declared were $0.01 per share in each of the first, second, third and fourth quarters of 2012, and second, third and fourth quarters of 2011. Common dividends in 2010 represent a reversal of dividends accrued on forfeitures of previously issued but unvested employee stock awards related to employees who have left Citigroup.

(4) All open market repurchases were transacted under an existing authorized share repurchase plan and relate to customer fails/errors.

The Notes to the Consolidated Financial Statements are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Citigroup Inc. and Subsidiaries

In millions of dollars	Years ended December 31, **2012**	2011	2010
Cash flows from operating activities of continuing operations			
Net income before attribution of noncontrolling interests	**$ 7,760**	$ 11,215	$ 1
Net income attributable to noncontrolling interests	**219**	148	2
Citigroup's net income	**$ 7,541**	$ 11,067	$ 1
(Loss) income from discontinued operations, net of taxes	**(148)**	17	2
(Loss) gain on sale, net of taxes	**(1)**	95	(
Income from continuing operations–excluding noncontrolling interests	**$ 7,690**	$ 10,955	$ 1
Adjustments to reconcile net income to net cash provided by (used in) operating activities of continuing operations			
Amortization of deferred policy acquisition costs and present value of future profits	**203**	250	3
(Additions) reductions to deferred policy acquisition costs	**85**	(54)	(
Depreciation and amortization	**2,507**	2,872	2
Deferred tax benefit	**(4,091)**	(74)	(
Provision for credit losses	**10,832**	11,824	2
Realized gains from sales of investments	**(3,251)**	(1,997)	(
Net impairment losses recognized in earnings	**4,971**	2,254	1
Change in trading account assets	**(29,195)**	38,238	1
Change in trading account liabilities	**(10,533)**	(2,972)	(
Change in federal funds sold and securities borrowed or purchased under agreements to resell	**14,538**	(29,132)	(
Change in federal funds purchased and securities loaned or sold under agreements to repurchase	**12,863**	8,815	3
Change in brokerage receivables net of brokerage payables	**945**	8,383	(
Change in loans held-for-sale	**(1,106)**	1,021	2
Change in other assets	**(524)**	14,933	(
Change in other liabilities	**(1,457)**	(3,814)	(
Other, net	**9,794**	3,277	(
Total adjustments	**$ 6,581**	$ 53,824	$ 2
Net cash provided by operating activities of continuing operations	**$ 14,271**	$ 64,779	$ 3
Cash flows from investing activities of continuing operations			
Change in deposits with banks	**$ 53,650**	$ 6,653	$ 4
Change in loans	**(28,817)**	(31,597)	6
Proceeds from sales and securitizations of loans	**7,287**	10,022	9
Purchases of investments	**(256,907)**	(314,250)	(
Proceeds from sales of investments	**143,853**	182,566	1
Proceeds from maturities of investments	**102,020**	139,959	1
Capital expenditures on premises and equipment and capitalized software	**(3,604)**	(3,448)	(
Proceeds from sales of premises and equipment, subsidiaries and affiliates, and repossessed assets	**1,089**	1,323	2
Net cash provided by (used in) investing activities of continuing operations	**$ 18,571**	$ (8,772)	$ 4
Cash flows from financing activities of continuing operations			
Dividends paid	**$ (143)**	$ (107)	$ (
Issuance of preferred stock	**2,250**	–	–
Issuance of ADIA Upper DECs equity units purchase contract	–	3,750	3
Treasury stock acquired	**(5)**	(1)	(

Stock tendered for payment of withholding taxes	**(194)**	(230)	(
Issuance of long-term debt	**27,843**	30,242	3
Payments and redemptions of long-term debt	**(117,575)**	(89,091)	(
Change in deposits	**64,624**	23,858	9
Change in short-term borrowings	**(2,164)**	(25,067)	(
Net cash used in financing activities of continuing operations	**$ (25,364)**	$ (56,646)	$ (
Effect of exchange rate changes on cash and cash equivalents	**$ 274**	$ (1,301)	$ 6
Discontinued operations			
Net cash provided by discontinued operations	**$–**	$ 2,669	$ 2
Change in cash and due from banks	**$ 7,752**	$ 729	$ 2
Cash and due from banks at beginning of year	**28,701**	27,972	2
Cash and due from banks at end of year	**$ 36,453**	$ 28,701	$ 2
Supplemental disclosure of cash flow information for continuing operations			
Cash paid during the year for income taxes	**$ 3,900**	$ 2,705	$ 4
Cash paid during the year for interest	**$ 19,739**	$ 21,230	$ 2
Non-cash investing activities			
Transfers to OREO and other repossessed assets	**$ 500**	$ 1,284	$ 2
Transfers to trading account assets from investments (available-for-sale)	–	–	$ 1
Transfers to trading account assets from investments (held-to-maturity)	–	$ 12,700	–

The Notes to the Consolidated Financial Statements are an integral part of these Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The Consolidated Financial Statements include the accounts of Citigroup and its subsidiaries prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP). The Company consolidates subsidiaries in which it holds, directly or indirectly, more than 50% of the voting rights or where it exercises control. Entities where the Company holds 20% to 50% of the voting rights and/or has the ability to exercise significant influence, other than investments of designated venture capital subsidiaries or investments accounted for at fair value under the fair value option, are accounted for under the equity method, and the pro rata share of their income (loss) is included in *Other revenue*. Income from investments in less than 20%-owned companies is recognized when dividends are received. As discussed in more detail in Note 22 to the Consolidated Financial Statements, Citigroup consolidates entities deemed to be variable interest entities when Citigroup is determined to be the primary beneficiary. Gains and losses on the disposition of branches, subsidiaries, affiliates, buildings, and other investments are included in *Other revenue*.

Throughout these Notes, “Citigroup,” “Citi” and the “Company” refer to Citigroup Inc. and its consolidated subsidiaries.

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

Citibank, N.A.

Citibank, N.A. is a commercial bank and wholly owned subsidiary of Citigroup Inc. Citibank’ s principal offerings include: Consumer finance, mortgage lending, and retail banking products and services; investment banking, commercial banking, cash management, trade finance and e-commerce products and services; and private banking products and services.

Variable Interest Entities

An entity is referred to as a variable interest entity (VIE) if it meets the criteria outlined in ASC 810, *Consolidation* (formerly SFAS No. 167, *Amendments to FASB Interpretation No. 46(R)*) (SFAS 167), which are: (i) the entity has equity that is insufficient to permit the entity to finance its activities without additional subordinated financial support from other parties; or (ii) the entity has equity investors that cannot make significant decisions about the entity’ s operations or that do not absorb their proportionate share of the entity’ s expected losses or expected returns.

The Company consolidates a VIE when it has both the power

Along with the VIEs that are consolidated in accordance with these guidelines, the Company has variable interests in other VIEs that are not consolidated because the Company is not the primary beneficiary. These include multi-seller finance companies, certain collateralized debt obligations (CDOs), many structured finance transactions, and various investment funds.

However, these VIEs and all other unconsolidated VIEs are monitored by the Company to determine if any events have occurred that could cause its primary beneficiary status to change. These events include:

- additional purchases or sales of variable interests by Citigroup or an unrelated third party, which cause Citigroup’ s overall variable interest ownership to change;
- changes in contractual arrangements in a manner that reallocates expected losses and residual returns among the variable interest holders;
- changes in the party that has power to direct the activities of a VIE that most significantly impact the entity’ s economic performance; and
- providing support to an entity that results in an implicit variable interest.

All other entities not deemed to be VIEs with which the Company has involvement are evaluated for consolidation under other subtopics of ASC 810 (formerly Accounting Research Bulletin (ARB) No. 51, *Consolidated Financial Statements*, SFAS No. 94, *Consolidation of All Majority-Owned Subsidiaries*, and EITF Issue No. 04-5, *Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights*).

Foreign Currency Translation

Assets and liabilities of Citi’ s foreign operations are translated from their respective functional currencies into U.S. dollars using period-end spot foreign-exchange rates. The effects of those translation adjustments are reported in *Accumulated other comprehensive income (loss)*, a component of stockholders’ equity, along with related hedge and tax effects, until realized upon sale or substantial liquidation of the foreign operation. Revenues and expenses of Citi’ s foreign operations are translated monthly from their respective functional currencies into U.S. dollars at amounts that approximate weighted average exchange rates.

For transactions whose terms are denominated in a currency other than the functional currency, including transactions denominated in the local currencies of foreign operations with the U.S. dollar as their functional currency, the effects of changes in exchange rates are primarily included in *Principal transactions*, along with the related hedge effects. Instruments used to hedge foreign currency exposures include foreign to direct the activities that most significantly impact the VIE' s economic success and a right to receive benefits or absorb losses of the entity that could be potentially significant to the VIE (that is, it is the primary beneficiary).

currency forward, option and swap contracts and designated issues of non-U.S. dollar debt. Foreign operations in countries with highly inflationary economies designate the U.S. dollar as their functional currency, with the effects of changes in exchange rates primarily included in *Other revenue*.

Investment Securities

Investments include fixed income and equity securities. Fixed income instruments include bonds, notes and redeemable preferred stocks, as well as certain loan-backed and structured securities that are subject to prepayment risk. Equity securities include common and nonredeemable preferred stock.

Investment securities are classified and accounted for as follows:

- Fixed income securities classified as "held-to-maturity" represent securities that the Company has both the ability and the intent to hold until maturity and are carried at amortized cost. Interest income on such securities is included in *Interest revenue*.
- Fixed income securities and marketable equity securities classified as "available-for-sale" are carried at fair value with changes in fair value reported in *Accumulated other comprehensive income (loss)*, a component of *Stockholders' equity*, net of applicable income taxes and hedges. As described in more detail in Note 15 to the Consolidated Financial Statements, declines in fair value that are determined to be other-than-temporary are recorded in earnings immediately. Realized gains and losses on sales are included in income primarily on a specific identification cost basis. Interest and dividend income on such securities is included in *Interest revenue*.
- Venture capital investments held by Citigroup' s private equity subsidiaries that are considered investment companies are carried at fair value with changes in fair value reported in *Other revenue*. These subsidiaries include entities registered as Small Business Investment Companies and engage exclusively in venture capital activities.
- Certain investments in non-marketable equity securities and certain investments that would otherwise have been accounted for using the equity method are carried at fair value, since the Company has elected to apply fair value accounting. Changes in fair value of such investments are recorded in earnings.
- Certain non-marketable equity securities are carried at cost and periodically assessed for other-than-temporary impairment, as described in Note 15 to the Consolidated Financial Statements.

For investments in fixed income securities classified as held-to-maturity or available-for-sale, accrual of interest income is suspended for investments that are in default or on which it is likely that future interest payments will not be made as scheduled.

The Company uses a number of valuation techniques for investments carried at fair value, which are described in Note 25 to the Consolidated Financial Statements. Realized gains and losses on sales of investments are included in earnings.

Trading Account Assets and Liabilities

Trading account assets include debt and marketable equity securities, derivatives in a receivable position, residual interests in securitizations and physical commodities inventory. In addition, as described in Note 26 to the Consolidated Financial Statements, certain assets that Citigroup has elected to carry at fair value under the fair value option, such as loans and purchased guarantees, are also included in *Trading account assets*.

Trading account liabilities include 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 (as described in Note 26 to the Consolidated Financial Statements).

Other than physical commodities inventory, all trading account assets and liabilities are carried at fair value. Revenues generated from trading assets and trading liabilities are generally reported in *Principal transactions* and include realized gains and losses as well as unrealized gains and losses resulting from changes in the fair value of such instruments. Interest income on trading assets is recorded in *Interest revenue* reduced by interest expense on trading liabilities.

Physical commodities inventory is carried at the lower of cost or market with related losses reported in *Principal transactions*. Realized gains and losses on sales of commodities inventory are included in *Principal transactions*. Investments in unallocated precious metals accounts (gold, silver, platinum and palladium) are accounted for as hybrid instruments containing a debt host contract and an embedded non-financial derivative instrument indexed to the price of the relevant precious metal. The embedded derivative instrument is separated from the debt host contract and accounted for at fair value. The debt host contract is accounted for at fair value under the fair value option, as described in Note 26 to the Consolidated Financial Statements.

Derivatives used for trading purposes include interest rate, currency, equity, credit, and commodity swap agreements, options, caps and floors, warrants, and financial and commodity futures and forward contracts. Derivative asset and liability positions are presented net by counterparty on the Consolidated Balance Sheet when a valid master netting agreement exists and the other conditions set out in ASC 210-20, *Balance Sheet–Offsetting* are met.

The Company uses a number of techniques to determine the fair value of trading assets and liabilities, which are described in Note 25 to the Consolidated Financial Statements.

Securities Borrowed and Securities Loaned

Securities borrowing and lending transactions generally do not constitute a sale of the underlying securities for accounting purposes, and are treated as collateralized financing transactions.

Such transactions are recorded at the amount of proceeds advanced or received plus accrued interest. As described in Note 26 to the Consolidated Financial Statements, the Company has elected to apply fair value accounting to a number of securities borrowing and lending transactions. Fees paid or received for all securities lending and borrowing transactions are recorded in *Interest expense* or *Interest revenue* at the contractually specified rate.

The Company monitors the fair value of securities borrowed or loaned on a daily basis and obtains or posts additional collateral in order to maintain contractual margin protection.

As described in Note 25 to the Consolidated Financial Statements, the Company uses a discounted cash flow technique to determine the fair value of securities lending and borrowing transactions.

Repurchase and Resale Agreements

Securities sold under agreements to repurchase (repos) and securities purchased under agreements to resell (reverse repos) generally do not constitute a sale for accounting purposes of the underlying securities and are treated as collateralized financing transactions. As described in Note 26 to the Consolidated Financial Statements, the Company has elected to apply fair value accounting to a majority of such transactions, with changes in fair value reported in earnings. Any transactions for which fair value accounting has not been elected are recorded at the amount of cash advanced or received plus accrued interest. Irrespective of whether the Company has elected fair value accounting, interest paid or received on all repo and reverse repo transactions is recorded in *Interest expense* or *Interest revenue* at the contractually specified rate.

Where the conditions of ASC 210-20-45-11, *Balance Sheet−Offsetting: Repurchase and Reverse Repurchase Agreements*, are met, repos and reverse repos are presented net on the Consolidated Balance Sheet.

The Company' s policy is to take possession of securities purchased under reverse repurchase agreements. The Company monitors the fair value of securities subject to repurchase or resale on a daily basis and obtains or posts additional collateral in order to maintain contractual margin protection.

As described in Note 25 to the Consolidated Financial Statements, the Company uses a discounted cash flow technique to determine the fair value of repo and reverse repo transactions.

Repurchase and Resale Agreements, and Securities Lending and Borrowing Agreements, Accounted for as Sales

Where certain conditions are met under ASC 860-10, *Transfers and Servicing* (formerly FASB Statement No. 166, *Accounting for Transfers of Financial Assets*), the Company accounted for certain repurchase agreements and securities lending agreements as sales. The key distinction resulting in these agreements being accounted for as sales was a reduction in initial margin or restriction in daily maintenance margin. At December 31, 2011, a nominal amount of these transactions were accounted for as sales that reduced *Trading account assets*. See related discussion of the assessment of the effective control for repurchase agreements in "Accounting Changes" below.

Loans

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

As described in Note 26 to the Consolidated Financial Statements, Citi has elected fair value accounting for certain loans. Such loans are carried at fair value with changes in fair value reported in earnings. Interest income on such loans is recorded in *Interest revenue* at the contractually specified rate.

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

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

Consumer loans

Consumer loans represent loans and leases managed primarily by the *Global Consumer Banking* and *Local Consumer Lending* businesses.

Non-accrual and re-aging policies

As a general rule, interest accrual ceases for installment and real estate (both open- and closed-end) loans when payments are 90 days contractually past due. For credit cards and unsecured revolving loans, however, Citi generally accrues interest until payments are 180 days past due. As a result of OCC guidance issued in the first quarter of 2012, home equity loans in regulated bank entities are classified as non-accrual if the related residential first mortgage is 90 days or more past due. As a result of OCC guidance issued in the third quarter of 2012, mortgage loans in regulated bank entities discharged through Chapter 7 bankruptcy, other than FHA-insured loans, are classified as non-accrual. Commercial market loans are placed on a cash (non-accrual) basis when it is determined, based on actual experience and a forward-looking assessment of the collectability of the loan in full, that the payment of interest or principal is doubtful or when interest or principal is 90 days past due.

Loans that have been modified to grant a short-term or long-term concession to a borrower who is in financial difficulty may not be accruing interest at the time of the modification. The policy for returning such modified loans to accrual status varies by product and/or region. In most cases, a minimum number of payments (ranging from one to six) are required, while in other cases the loan is never returned to accrual status. For regulated bank entities, such modified loans are returned to accrual status if a credit evaluation at the time of or subsequent to the modification indicates the borrower' s ability to meet the restructured terms, and the borrower is current and has demonstrated a reasonable period of sustained payment performance (minimum six months of consecutive payments).

For U.S. Consumer loans, generally one of the conditions to qualify for modification is that a minimum number of payments (typically ranging from one to three) must be made. Upon modification, the loan is re-aged to current status. However, re-aging practices for certain open-ended Consumer loans, such as credit cards, are governed by Federal Financial Institutions Examination Council (FFIEC) guidelines. For open-ended Consumer loans subject to FFIEC guidelines, one of the conditions for the loan to be re-aged to current status is that at least three consecutive minimum monthly payments, or the equivalent amount, must be received. In addition, under FFIEC guidelines, the number of times that such a loan can be re-aged is subject to limitations (generally once in 12 months and twice in five years). Furthermore, Federal Housing Administration (FHA)

Charge-off policies

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

- Unsecured installment loans are charged off at 120 days past due.
- Unsecured revolving loans and credit card loans are charged off at 180 days contractually past due.
- Loans secured with non-real estate collateral are written down to the estimated value of the collateral, less costs to sell, at 120 days past due.
- Real estate-secured loans are written down to the estimated value of the property, less costs to sell, at 180 days contractually past due.
- Non-bank loans secured by real estate are written down to the estimated value of the property, less costs to sell, at the earlier of the receipt of title or 12 months in foreclosure (a process that must commence when payments are 120 days contractually past due).
- Non-bank unsecured personal loans are charged off when the loan is 180 days contractually past due if there have been no payments within the last six months, but in no event can these loans exceed 360 days contractually past due.
- Unsecured loans in bankruptcy are charged off within 60 days of notification of filing by the bankruptcy court or in accordance with Citi' s charge-off policy, whichever occurs earlier.
- As a result of OCC guidance issued in the third quarter of 2012, real estate-secured loans that were discharged through Chapter 7 bankruptcy, other than FHA-insured loans, are written down to the collateral value of the property, less costs to sell. Other real estate-secured loans in bankruptcy are written down to the estimated value of the property, less costs to sell, at the later of 60 days after notification or 60 days contractually past due.
- Non-bank unsecured personal loans in bankruptcy are charged off when they are 30 days contractually past due.
- Commercial market loans are written down to the extent that principal is judged to be uncollectable.

Corporate loans

Corporate loans represent loans and leases managed by *ICG* or the *Special Asset Pool*. Corporate loans are identified as impaired and placed on a cash (non-accrual) basis when it is determined, based on actual experience and a forward-looking assessment of the collectability of the loan in full, that the payment of interest or principal is doubtful or when interest or principal is 90 days past due, except when the loan is well collateralized and in the process of collection. Any interest accrued on impaired Corporate loans and leases is reversed at 90 days and charged against current earnings, and interest is thereafter included in earnings only to the extent actually received in cash. When there is doubt regarding the ultimate collectability of principal, all cash receipts are thereafter applied to reduce the recorded investment in the loan.

and Department of Veterans Affairs (VA) loans are modified under those respective agencies' guidelines and payments are not always required in order to re-age a modified loan to current.

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

Loans Held-for-Sale

Corporate and Consumer loans that have been identified for sale are classified as loans held-for-sale and included in *Other assets*. The practice of Citi' s U.S. prime mortgage business has been to sell substantially all of its conforming loans. As such, U.S. prime mortgage conforming loans are classified as held-for-sale and the fair value option is elected at origination, with changes in fair value recorded in *Other revenue*. With the exception of these loans for which the fair value option has been elected, held-for-sale loans are accounted for at the lower of cost or market value, with any write-downs or subsequent recoveries charged to *Other revenue*. The related cash flows are classified in the Consolidated Statement of Cash Flows in the cash flows from operating activities category on the line *Change in loans held-for-sale*.

Allowance for Loan Losses

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

Corporate loans

In the Corporate portfolios, the *Allowance for loan losses* includes an asset-specific component and a statistically based component. The asset-specific component is calculated under ASC 310-10-35, *Receivables–Subsequent Measurement* (formerly SFAS 114) on an individual basis for larger-balance, non-homogeneous loans, which are considered impaired. An asset-specific allowance is established when the discounted cash flows, collateral value (less disposal costs), or observable market price of the impaired loan is lower than its carrying value. This allowance considers the borrower' s overall financial condition, and, if appropriate, the realizable value of any collateral. The asset-specific component of the allowance for smaller balance impaired loans is calculated on a pool basis considering historical loss experience.

The allowance for the remainder of the loan portfolio is determined under ASC 450, *Contingencies* (formerly SFAS 5) using a statistical methodology, supplemented by management judgment. The statistical analysis considers the portfolio' s size, remaining tenor, and credit quality as measured by internal risk ratings assigned to individual credit facilities, which reflect probability of default and loss given default. The statistical analysis considers historical default rates and historical loss severity in the event of default, including historical average levels and historical variability. The result is an estimated range for inherent losses. The best estimate within the range is then determined by management' s quantitative and qualitative assessment of current conditions, including general economic conditions, specific industry and geographic trends, and internal factors including portfolio concentrations, trends in internal credit quality indicators, and current and past underwriting standards.

For both the asset-specific and the statistically based components of the *Allowance for loan losses*, management may incorporate guarantor support. The financial wherewithal of the guarantor is evaluated, as applicable, based on net worth, cash flow statements and personal or company financial statements which are updated and reviewed at least annually. Citi seeks performance on guarantee arrangements in the normal course of business. Seeking performance entails obtaining satisfactory cooperation from the guarantor or borrower in the specific situation. This regular cooperation is indicative of pursuit and successful enforcement of the guarantee; the exposure is reduced without the expense and burden of pursuing a legal remedy. A guarantor' s reputation and willingness to work with Citigroup is evaluated based on the historical experience with the guarantor and the knowledge of the marketplace. In the rare event that the guarantor is unwilling or unable to perform or facilitate borrower cooperation, Citi pursues a legal remedy; however, enforcing a guarantee via legal action against the guarantor is not the primary means of resolving a troubled loan situation and rarely occurs. If Citi does not pursue a legal remedy, it is because Citi does not believe that the guarantor has the financial wherewithal to perform regardless of legal action or because there are legal limitations on simultaneously pursuing guarantors and foreclosure. A guarantor' s reputation does not impact Citi' s decision or ability to seek performance under the guarantee.

In cases where a guarantee is a factor in the assessment of loan losses, it is included via adjustment to the loan' s internal resources, and payment record, the prospects for support from any financially responsible guarantors (discussed further below) risk rating, which in turn is the basis for the adjustment to the statistically based component of the *Allowance for loan losses*. To date, it is only in rare circumstances that an impaired commercial loan or commercial real estate loan is carried at a value in excess of the appraised value due to a guarantee.

When Citi' s monitoring of the loan indicates that the guarantor' s wherewithal to pay is uncertain or has deteriorated, there is either no change in the risk rating, because the guarantor' s credit support was never initially factored in, or the risk rating is adjusted to reflect that uncertainty or deterioration. Accordingly, a guarantor' s ultimate failure to perform or a lack of legal enforcement of the guarantee does not materially impact the allowance for loan losses, as there is typically no further significant adjustment of the loan' s risk rating at that time. Where Citi is not seeking performance under the guarantee contract, it provides for loans losses as if the loans were non-performing and not guaranteed.

Consumer loans

For Consumer loans, each portfolio of non-modified smaller-balance, homogeneous loans is independently evaluated by product type (e.g., residential mortgage, credit card, etc.) for impairment in accordance with ASC 450-20. The allowance for loan losses attributed to these loans is established via a process that estimates the probable losses inherent in the specific portfolio. This process includes migration analysis, in which historical delinquency and credit loss experience is applied to the current aging of the portfolio, together with analyses that reflect current and anticipated economic conditions, including changes in housing prices and unemployment trends. Citi' s allowance for loan losses under ASC 450-20 only considers contractual principal amounts due, except for credit card loans where estimated loss amounts related to accrued interest receivable are also included.

Management also considers overall portfolio indicators, including historical credit losses, delinquent, non-performing, and classified loans, trends in volumes and terms of loans, an evaluation of overall credit quality, the credit process, including lending policies and procedures, and economic, geographical, product and other environmental factors.

Separate valuation allowances are determined for impaired smaller-balance homogeneous loans whose terms have been modified in a troubled debt restructuring (TDR). Long-term modification programs as well as short-term (less than 12 months) modifications originated beginning January 1, 2011 that provide concessions (such as interest rate reductions) to borrowers in financial difficulty are reported as TDRs. In addition, loans included in the U.S. Treasury' s Home Affordable Modification Program (HAMP) trial period at December 31, 2011 are reported as TDRs. The allowance for loan losses for TDRs is determined in accordance with ASC 310-10-35 considering all available evidence, including, as appropriate, the present value of the expected future cash flows discounted at the loan' s original contractual effective rate, the secondary market

Where short-term concessions have been granted prior to January 1, 2011, the allowance for loan losses is materially consistent with the requirements of ASC 310-10-35.

Valuation allowances for commercial market loans, which are classifiably managed Consumer loans, are determined in the same manner as for Corporate loans and are described in more detail in the following section. Generally, an asset-specific component is calculated under ASC 310-10-35 on an individual basis for larger-balance, non-homogeneous loans that are considered impaired and the allowance for the remainder of the classifiably managed Consumer loan portfolio is calculated under ASC 450 using a statistical methodology, supplemented by management adjustment.

Reserve Estimates and Policies

Management provides reserves for an estimate of probable losses inherent in the funded loan portfolio on the Consolidated Balance Sheet in the form of an allowance for loan losses. These reserves are established in accordance with Citigroup' s credit reserve policies, as approved by the Audit Committee of the Board of Directors. Citi' s Chief Risk Officer and Chief Financial Officer review the adequacy of the credit loss reserves each quarter with representatives from the risk management and finance staffs for each applicable business area. Applicable business areas include those having classifiably managed portfolios, where internal credit-risk ratings are assigned (primarily *Institutional Clients Group* and *Global Consumer Banking*) or modified Consumer loans, where concessions were granted due to the borrowers' financial difficulties.

The above-mentioned representatives for these business areas present recommended reserve balances for their funded and unfunded lending portfolios along with supporting quantitative and qualitative data. The quantitative data include:

Estimated probable losses for non-performing, non-homogeneous exposures within a business line' s classifiably managed portfolio and impaired smaller-balance homogeneous loans whose terms have been modified due to the borrowers' financial difficulties, and it was determined that a concession was granted to the borrower. Consideration may be given to the following, as appropriate, when determining this estimate: (i) the present value of expected future cash flows discounted at the loan' s original effective rate; (ii) the borrower' s overall financial condition, resources and payment record; and (iii) the prospects for support from financially responsible guarantors or the realizable value of any collateral. In the determination of the allowance for loan losses for TDRs, management considers a combination of historical re-default rates, the current economic environment and the nature of the modification program when forecasting expected cash flows. When impairment is measured value of the loan and the fair value of collateral less disposal costs. These expected cash flows incorporate modification program default rate assumptions. The original contractual effective rate for credit card loans is the pre-modification rate, which may include interest rate increases under the original contractual agreement with the borrower.

based on the present value of expected future cash flows, the entire change in present value is recorded in the *Provision for loan losses*.

Statistically calculated losses inherent in the classifiably managed portfolio for performing and de minimis non-performing exposures. The calculation is based upon: (i) Citigroup' s internal system of credit-risk ratings, which are analogous to the risk ratings of the major rating agencies; and (ii) historical default and loss data, including rating agency information regarding default rates from 1983 to 2010 and internal data dating to the early 1970s on severity of losses in the event of default. Adjustments may be made to this data. Such adjustments include: (i) statistically calculated estimates to cover the historical fluctuation of the default rates over the credit cycle, the historical variability of loss severity among defaulted loans, and the degree to which there are large obligor concentrations in the global portfolio; and (ii) adjustments made for specific known items, such as current environmental factors and credit trends.

In addition, representatives from each of the risk management and finance staffs that cover business areas with delinquency-managed portfolios containing smaller-balance homogeneous loans present their recommended reserve balances based upon leading credit indicators, including loan delinquencies and changes in portfolio size as well as economic trends, including current and future housing prices, unemployment, length of time in foreclosure, costs to sell and GDP. This methodology is applied separately for each individual product within each geographic region in which these portfolios exist.

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

Allowance for Unfunded Lending Commitments

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

Mortgage Servicing Rights

Mortgage servicing rights (MSRs) are recognized as intangible assets when purchased or when the Company sells or securitizes loans acquired through purchase or origination and retains the right to service the loans. Mortgage servicing rights are

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).

These sales 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 (a back-to-back claim).

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 in CitiMortgage. When selling a loan to these investors, Citi makes various representations and warranties to, among other things, the following:

- Citi' s ownership of the loan;
- the validity of the lien securing the loan;
- the absence of delinquent taxes or liens against the property securing the loan;
- the effectiveness of title insurance on the property securing the loan;
- the process used in selecting the loans for inclusion in a transaction;
- the loan' s compliance with any applicable loan criteria established by the buyer; and
- the loan' s compliance with applicable local, state and federal laws.

In the case of a repurchase, Citi will bear any subsequent credit loss on the mortgage loan and the loan is typically considered a credit-impaired loan and accounted for under SOP 03-3, "Accounting for Certain Loans and Debt Securities Acquired in a Transfer" (now incorporated into ASC 310-30, *Receivables–Loans and Debt Securities Acquired with* accounted for at fair value, with changes in value recorded in *Other revenue* in the Company' s Consolidated Statement of Income.

Additional information on the Company' s MSRs can be found in Note 22 to the Consolidated Financial Statements.

Deteriorated Credit Quality) (SOP 03-3). These repurchases have not had a material impact on Citi' s non-performing loan statistics because credit-impaired purchased SOP 03-3 loans are not included in non-accrual loans, since they generally continue to accrue interest until write-off. Citi' s repurchases have primarily been due to GSE repurchase claims.

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. These representations were generally made or assigned to the issuing trust and related to, among other things, the following:

- the absence of fraud on the part of the borrower, the seller or any appraiser, broker or other party involved in the origination of the loan (which was sometimes wholly or partially limited to the knowledge of the representation provider);
- whether the property securing the loan was occupied by the borrower as his or her principal residence;
- the loan' s compliance with applicable federal, state and local laws;
- whether the loan was originated in conformity with the originator' s underwriting guidelines; and
- detailed data concerning the loans that were included on the mortgage loan schedule.

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 that is included in *Other liabilities* in the Consolidated Balance Sheet. 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.

Repurchase Reserve–Whole Loan Sales

The repurchase reserve is based on various assumptions which, as referenced above, are primarily based on Citi' s historical repurchase activity with the GSEs. As of December 31, 2012, the most significant assumptions used to calculate the reserve levels are: (i) the probability of a claim based on correlation between loan characteristics and repurchase claims; (ii) claims appeal success rates; and (iii) estimated loss per repurchase or make-whole payment. In addition, 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, in estimating its repurchase reserve.

As referenced above, the repurchase reserve estimation process for potential whole loan representation and warranty claims relies on various assumptions that involve numerous estimates and judgments, including with respect to certain future events, and thus entails inherent uncertainty. Therefore, Citi estimates and discloses the range of reasonably possible loss for whole loan sale representation and warranty claims in excess of amounts accrued. This estimate is derived by modifying the key assumptions discussed above to reflect management' s judgment regarding reasonably possible adverse changes to those assumptions. Citi' s estimate of reasonably possible loss is based on currently available information, significant judgment and numerous assumptions that are subject to change.

In the case of a repurchase of a credit-impaired SOP 03-3 loan, the difference between the loan' s fair value and unpaid principal balance at the time of the repurchase is recorded as a utilization of the repurchase reserve. Make-whole payments to the investor are also treated as utilizations and charged directly against the reserve. The repurchase reserve is estimated when Citi sells loans (recorded as an adjustment to the gain on sale, which is included in *Other revenue* in the Consolidated Statement of Income) and is updated quarterly. Any change in estimate is recorded in *Other revenue*.

Repurchase Reserve–Private-Label Securitizations

Investors in private-label securitizations may seek recovery for alleged breaches of representations and warranties, as well as losses caused by non-performing loans more generally, through repurchase claims or through litigation premised on a variety of legal theories. Citi considers litigation relating to private-label securitizations as part of its contingencies analysis. For additional information, see Note 28 to the Consolidated Financial Statements.

Citi cannot reasonably estimate probable losses from future repurchase claims for private-label securitizations because the claims to date have been received at an unpredictable rate, the factual basis for those claims is unclear, and very few such claims have been resolved. Rather, at the present time, Citi records reserves related to private-label securitizations repurchase claims based on estimated losses arising from those claims received that appear to be based on a review of the underlying loan files. These reserves are recorded in *Principal transactions* in the Consolidated Statement of Income.

Goodwill

Goodwill represents the excess of acquisition cost over the fair value of net tangible and intangible assets acquired. Goodwill is subject to annual impairment testing and between annual tests if an event occurs or circumstances change that would more-likely-than-not reduce the fair value of a reporting unit below its carrying amount. The Company has an option to assess qualitative factors to determine if it is necessary to perform the goodwill impairment test. If, after assessing the totality of events or circumstances, the Company determines that it is not more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, no further testing is necessary. If, however, the Company determines that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, then the Company is required to perform the first step of the two-step goodwill impairment test. Furthermore, on any business dispositions, goodwill is allocated to the business disposed of based on the ratio of the fair value of the business disposed of to the fair value of the reporting unit.

Additional information on Citi' s goodwill impairment testing can be found in Note 18 to the Consolidated Financial Statements.

Intangible Assets

Intangible assets−including core deposit intangibles, present value of future profits, purchased credit card relationships, other customer relationships, and other intangible assets, but excluding MSRs−are amortized over their estimated useful lives. Intangible assets deemed to have indefinite useful lives, primarily certain asset management contracts and trade names, are not amortized and are subject to annual impairment tests. An impairment exists if the carrying value of the indefinite-lived intangible asset exceeds its fair value. For other intangible assets subject to amortization, an impairment is recognized if the carrying amount is not recoverable and exceeds the fair value of the intangible asset.

Other Assets and Other Liabilities

Other assets include, among other items, loans held-for-sale, deferred tax assets, equity method investments, interest and fees receivable, premises and equipment, repossessed assets, and other receivables. *Other liabilities* include, among other items, accrued expenses and other payables, deferred tax liabilities, and reserves for legal claims, taxes, unfunded lending commitments, repositioning reserves, and other matters.

Other Real Estate Owned and Repossessed Assets

Real estate or other assets received through foreclosure or repossession are generally reported in *Other assets*, net of a valuation allowance for selling costs and subsequent declines in fair value.

Securitizations

The Company primarily securitizes credit card receivables and mortgages. Other types of securitized assets include corporate debt instruments (in cash and synthetic form) and student loans.

There are two key accounting determinations that must be made relating to securitizations. Citi first makes a determination as to whether the securitization entity would be consolidated. Second, it determines whether the transfer of financial assets to the entity is considered a sale under GAAP. If the securitization entity is a VIE, the Company consolidates the VIE if it is the primary beneficiary (as discussed in "Variable Interest Entities" above). For all other securitization entities determined not to be VIEs in which Citigroup participates, a consolidation decision is based on who has voting control of the entity, giving consideration to removal and liquidation rights in certain partnership structures. Only securitization entities controlled by Citigroup are consolidated.

Interests in the securitized and sold assets may be retained in the form of subordinated or senior interest-only strips, subordinated tranches, spread accounts and servicing rights. In credit card securitizations, the Company retains a seller' s interest in the credit card receivables transferred to the trusts, which is

Debt

Short-term borrowings and long-term debt are accounted for at amortized cost, except where the Company has elected to report the debt instruments, including certain structured notes, at fair value or the debt is in a fair value hedging relationship.

Transfers of Financial Assets

For a transfer of financial assets to be considered a sale: (i) the assets must have been isolated from the Company, even in bankruptcy or other receivership; (ii) the purchaser must have the right to pledge or sell the assets transferred or, if the purchaser is an entity whose sole purpose is to engage in securitization and asset-backed financing activities and that entity is constrained from pledging the assets it receives, each beneficial interest holder must have the right to sell the beneficial interests; and (iii) the Company may not have an option or obligation to reacquire the assets.

If these sale requirements are met, the assets are removed from the Company' s Consolidated Balance Sheet. If the conditions for sale are not met, the transfer is considered to be a secured borrowing, the assets remain on the Consolidated Balance Sheet, and the sale proceeds are recognized as the Company' s liability. A legal opinion on a sale is generally obtained for complex transactions or where the Company has continuing involvement with assets transferred or with the securitization entity. For a transfer to be eligible for sale accounting, those opinions must state that the asset transfer is considered a sale and that the assets transferred would not be consolidated with the Company' s other assets in the event of the Company' s insolvency.

For a transfer of a portion of a financial asset to be considered a sale, the portion transferred must meet the definition of a participating interest. A participating interest must represent a pro rata ownership in an entire financial asset; all cash flows must be divided proportionally, with the same priority of payment; no participating interest in the transferred asset may be subordinated to the interest of another participating interest holder; and no party may have the right to pledge or exchange the entire financial asset unless all participating interest holders agree. Otherwise, the transfer is accounted for as a secured borrowing.

See Note 22 to the Consolidated Financial Statements for further discussion.

Risk Management Activities−Derivatives Used for Hedging Purposes

The Company manages its exposures to market rate movements outside its trading activities by modifying the asset and liability mix, either directly or through the use of derivative financial products, including interest-rate swaps, futures, forwards, and not in securitized form. In the case of consolidated securitization entities, including the credit card trusts, these retained interests are not reported on Citi' s Consolidated Balance Sheet; rather, the securitized loans remain on the balance sheet. Substantially all of the Consumer loans sold or securitized through non-consolidated trusts by Citigroup are U.S. prime residential mortgage loans. Retained interests in non-consolidated mortgage securitization trusts are classified as *Trading account assets*, except for MSRs, which are included in *Mortgage servicing rights* on Citigroup' s Consolidated Balance Sheet.

purchased options, as well as foreign-exchange contracts. These end-user derivatives are carried at fair value in *Other assets, Other liabilities, Trading account assets* and *Trading account liabilities*.

To qualify as an accounting hedge under the hedge accounting rules (versus an economic hedge where hedge accounting is not sought), a derivative must be highly effective in offsetting the risk designated as being hedged. The hedge relationship must be formally documented at inception, detailing the particular risk management objective and strategy for the hedge, which includes the item and risk that is being hedged and the derivative that is being used, as well as how effectiveness will be assessed and ineffectiveness measured. The effectiveness of these hedging relationships is evaluated on a retrospective and prospective basis, typically using quantitative measures of correlation with hedge ineffectiveness measured and recorded in current earnings.

If a hedge relationship is found to be ineffective, it no longer qualifies as an accounting hedge and hedge accounting would not be applied. Any gains or losses attributable to the derivatives, as well as subsequent changes in fair value, are recognized in *Other revenue* or *Principal transactions* with no offset on the hedged item, similar to trading derivatives.

The foregoing criteria are applied on a decentralized basis, consistent with the level at which market risk is managed, but are subject to various limits and controls. The underlying asset, liability or forecasted transaction may be an individual item or a portfolio of similar items.

For fair value hedges, in which derivatives hedge the fair value of assets or liabilities, changes in the fair value of derivatives are reflected in *Other revenue* or *Principal transactions*, together with changes in the fair value of the hedged item related to the hedged risk. These are expected to, and generally do, offset each other. Any net amount, representing hedge ineffectiveness, is reflected in current earnings. Citigroup' s fair value hedges are primarily hedges of fixed-rate long-term debt and available-for-sale securities.

For cash flow hedges, in which derivatives hedge the variability of cash flows related to floating- and fixed-rate assets, liabilities or forecasted transactions, the accounting treatment depends on the effectiveness of the hedge. To the extent these derivatives are effective in offsetting the variability of the hedged cash flows, the effective portion of the changes in the derivatives' fair values will not be included in current earnings, but is reported in *Accumulated other comprehensive income (loss)*. These changes in fair value will be included in earnings of future periods when the hedged cash flows impact earnings. To the extent these derivatives are not effective, changes in their fair values are immediately included in *Other revenue*. Citigroup' s cash flow hedges primarily include hedges of floating-rate debt and floating-rate assets including loans, as well as rollovers of

For net investment hedges in which derivatives hedge the foreign currency exposure of a net investment in a foreign operation, the accounting treatment will similarly depend on the effectiveness of the hedge. The effective portion of the change in fair value of the derivative, including any forward premium or discount, is reflected in *Accumulated other comprehensive income (loss)* as part of the foreign currency translation adjustment.

For those accounting hedge relationships that are terminated or when hedge designations are removed, the hedge accounting treatment described in the paragraphs above is no longer applied. Instead, the end-user derivative is terminated or transferred to the trading account. For fair value hedges, any changes in the fair value of the hedged item remain as part of the basis of the asset or liability and are ultimately reflected as an element of the yield. For cash flow hedges, any changes in fair value of the end-user derivative remain in *Accumulated other comprehensive income (loss)* and are included in earnings of future periods when the hedged cash flows impact earnings. However, if it becomes probable that the hedged forecasted transaction will not occur, any amounts that remain in *Accumulated other comprehensive income (loss)* are immediately reflected in *Other revenue*.

End-user derivatives that are economic hedges, rather than qualifying for hedge accounting, are also carried at fair value, with changes in value included in *Principal transactions* or *Other revenue*. Citigroup often uses economic hedges when qualifying for hedge accounting would be too complex or operationally burdensome; examples are hedges of the credit risk component of commercial loans and loan commitments. Citigroup periodically evaluates its hedging strategies in other areas and may designate either a qualifying hedge or an economic hedge, after considering the relative cost and benefits. Economic hedges are also employed when the hedged item itself is marked to market through current earnings, such as hedges of commitments to originate one-to-four-family mortgage loans to be held for sale and MSRs.

Employee Benefits Expense

Employee benefits expense includes current service costs of pension and other postretirement benefit plans (which are accrued on a current basis), contributions and unrestricted awards under other employee plans, the amortization of restricted stock awards and costs of other employee benefits.

Stock-Based Compensation

The Company recognizes compensation expense related to stock and option awards over the requisite service period, generally based on the instruments' grant date fair value, reduced by expected forfeitures. Compensation cost related to awards granted to employees who meet certain age plus years-of-service short-term fixed-rate liabilities and floating-rate liabilities and forecasted debt issuances.

requirements (retirement eligible employees) is accrued in the year prior to the grant date, in the same manner as the accrual for cash incentive compensation. Certain stock awards with performance conditions or certain clawback provisions are subject to variable accounting, pursuant to which the associated compensation expense fluctuates with changes in Citigroup' s stock price.

Income Taxes

The Company is subject to the income tax laws of the U.S. and its states and municipalities, and the foreign jurisdictions in which it operates. These tax laws are complex and subject to different interpretations by the taxpayer and the relevant governmental taxing authorities. In establishing a provision for income tax expense, the Company must make judgments and interpretations about the application of these inherently complex tax laws. The Company must also make estimates about when in the future certain items will affect taxable income in the various tax jurisdictions, both domestic and foreign.

Disputes over interpretations of the tax laws may be subject to review and adjudication by the court systems of the various tax jurisdictions or may be settled with the taxing authority upon examination or audit. The Company treats interest and penalties on income taxes as a component of *Income tax expense*.

Deferred taxes are recorded for the future consequences of events that have been recognized for financial statements or tax returns, based upon enacted tax laws and rates. Deferred tax assets are recognized subject to management' s judgment that realization is more-likely-than-not. FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48) (now incorporated into ASC 740, *Income Taxes*), sets out a consistent framework to determine the appropriate level of tax reserves to maintain for uncertain tax positions. This interpretation uses a two-step approach wherein a tax benefit is recognized if a position is more-likely-than-not to be sustained. The amount of the benefit is then measured to be the highest tax benefit that is greater than 50% likely to be realized. FIN 48 also sets out disclosure requirements to enhance transparency of an entity' s tax reserves.

See Note 10 to the Consolidated Financial Statements for a further description of the Company' s tax provision and related income tax assets and liabilities.

Commissions, Underwriting and Principal Transactions

Commissions revenues are recognized in income generally when earned. Underwriting revenues are recognized in income typically at the closing of the transaction. Principal transactions revenues are recognized in income on a trade-date basis. See Note 6 to the Consolidated Financial Statements for a description of the Company' s revenue recognition policies for commissions and fees.

Earnings per Share

Earnings per share (EPS) is computed after deducting preferred stock dividends. The Company has granted restricted and deferred share awards with dividend rights that are considered to be participating securities, which are akin to a second class of

Basic earnings per share is computed by dividing income available to common stockholders after the allocation of dividends and undistributed earnings to the participating securities by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised. It is computed after giving consideration to the weighted average dilutive effect of the Company' s stock options and warrants, convertible securities and the shares that could have been issued under the Company' s Management Committee Long-Term Incentive Plan and after the allocation of earnings to the participating securities.

Use of Estimates

Management must make estimates and assumptions that affect the Consolidated Financial Statements and the related footnote disclosures. Such estimates are used in connection with certain fair value measurements. See Note 25 to the Consolidated Financial Statements for further discussions on estimates used in the determination of fair value. The Company also uses estimates in determining consolidation decisions for special-purpose entities as discussed in Note 22 to the Consolidated Financial Statements. Moreover, estimates are significant in determining the amounts of other-than-temporary impairments, impairments of goodwill and other intangible assets, provisions for probable losses that may arise from credit-related exposures and probable and estimable losses related to litigation and regulatory proceedings, and tax reserves. While management makes its best judgment, actual amounts or results could differ from those estimates. Current market conditions increase the risk and complexity of the judgments in these estimates.

Cash Flows

Cash equivalents are defined as those amounts included in cash and due from banks. Cash flows from risk management activities are classified in the same category as the related assets and liabilities.

Related Party Transactions

The Company has related party transactions with certain of its subsidiaries and affiliates. These transactions, which are primarily short-term in nature, include cash accounts, collateralized financing transactions, margin accounts, derivative trading, charges for operational support and the borrowing and lending of funds, and are entered into in the ordinary course of business.

common stock. Accordingly, a portion of Citigroup' s earnings is allocated to those participating securities in the EPS calculation.

ACCOUNTING CHANGES

OCC Chapter 7 Bankruptcy Guidance

In the third quarter of 2012, the Office of the Comptroller of the Currency (OCC) issued guidance relating to the accounting for mortgage loans discharged through bankruptcy proceedings pursuant to Chapter 7 of the U.S. Bankruptcy Code (Chapter 7 bankruptcy). Under this OCC guidance, the discharged loans are accounted for as troubled debt restructurings (TDRs). These TDRs, other than FHA-insured loans, are written down to their collateral value less cost to sell. FHA-insured loans are reserved for, based on a discounted cash flow model. As a result of implementing this guidance, Citigroup recorded an incremental $635 million of charge-offs in the third quarter of 2012, the vast majority of which related to loans that were current. These charge-offs were substantially offset by a related loan loss reserve release of approximately $600 million, with a net reduction in pretax income of $35 million. In the fourth quarter of 2012, Citigroup recorded a benefit to charge-offs of approximately $40 million related to finalizing the impact of this OCC guidance. Furthermore, as a result of this OCC guidance, TDRs increased by $1.7 billion, and non-accrual loans increased by $1.5 billion in the third quarter of 2012 ($1.3 billion of which was current).

Presentation of Comprehensive Income

In June 2011, the FASB issued ASU No. 2011-05, *Comprehensive Income (Topic 220): Presentation of Comprehensive Income*. The ASU requires an entity to present the total of comprehensive income, the components of net income, and the components of other comprehensive income (OCI) either in a single continuous statement of comprehensive income or in two separate but consecutive statements. Citigroup has selected the two-statement approach. Under this approach, Citi is required to present components of net income and total net income in the Statement of Income. The Statement of Comprehensive Income follows the Statement of Income and includes the components of OCI and a total for OCI, along with a total for comprehensive income. The ASU removed the option of reporting other comprehensive income in the statement of changes in stockholders' equity. This ASU became effective for Citigroup on January 1, 2012 and a Statement of Comprehensive Income is included in these Consolidated Financial Statements. See "Future Application of Accounting Standards" below for further discussion.

Credit Quality and Allowance for Credit Losses Disclosures

In July 2010, the FASB issued ASU No. 2010-20, *Receivables (Topic 310): Disclosures about Credit Quality of Financing Receivables and Allowance for Credit Losses*. The ASU required loan losses accounts were effective for reporting periods beginning on or after December 15, 2010 and were included in the Company' s Forms 10-Q beginning with the first quarter of 2011 (see Notes 16 and 17 to the Consolidated Financial Statements). The troubled debt restructuring disclosure requirements that were part of this ASU became effective in the third quarter of 2011 (see below).

Troubled Debt Restructurings (TDRs)

In April 2011, the FASB issued ASU No. 2011-02, *Receivables (Topic 310): A Creditor' s Determination of whether a Restructuring Is a Troubled Debt Restructuring*, to clarify the guidance for accounting for troubled debt restructurings. The ASU clarified the guidance on a creditor' s evaluation of whether it has granted a concession and whether a debtor is experiencing financial difficulties, such as:

- Any shortfall in contractual loan payments is considered a concession.
- Creditors cannot assume that debt extensions at or above a borrower' s original contractual rate do not constitute troubled debt restructurings, because the new contractual rate could still be below the market rate.
- If a borrower doesn' t have access to funds at a market rate for debt with characteristics similar to the restructured debt, that may indicate that the creditor has granted a concession.
- A borrower that is not currently in default may still be considered to be experiencing financial difficulty when payment default is considered "probable in the foreseeable future."

Effective in the third quarter of 2011, as a result of the Company' s adoption of ASU 2011-02, certain loans modified under short-term programs beginning January 1, 2011 that were previously measured for impairment under ASC 450 are now measured for impairment under ASC 310-10-35. At the end of the first interim period of adoption (September 30, 2011), the recorded investment in receivables previously measured under ASC 450 was $1,170 million and the allowance for credit losses associated with those loans was $467 million. The effect of adopting the ASU was an approximate $60 million reduction in pretax income for the quarter ended September 30, 2011.

Repurchase Agreements–Assessment of Effective Control

In April 2011, the FASB issued ASU No. 2011-03, *Transfers and Servicing (Topic 860): Reconsideration of Effective Control for Repurchase Agreements*. The amendments in the ASU remove from the assessment of effective control: (i) the criterion requiring the transferor to have the ability to repurchase or redeem the financial assets on substantially the agreed terms, even in the event of default by the transferee, and (ii) the collateral maintenance implementation guidance related to that a greater level of disaggregated information about the allowance for credit losses and the credit quality of financing receivables. The period-end balance disclosure requirements for loans and the allowance for loan losses were effective for reporting periods ended on or after December 15, 2010 and were included in the Company' s 2010 Annual Report on Form 10-K, while disclosures for activity during a reporting period in the loan and allowance for

criterion. Other criteria applicable to the assessment of effective control are not changed by the amendments in the ASU.

The ASU became effective for Citigroup on January 1, 2012. The guidance has been applied prospectively to transactions or modifications of existing transactions occurring on or after January 1, 2012. The ASU has not had a material effect on the Company' s financial statements. A nominal amount of the Company' s repurchase transactions that would previously have been accounted for as sales is now accounted for as financing transactions.

Fair Value Measurement

In May 2011, the FASB issued ASU No. 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS*. The ASU created a common definition of fair value for U.S. GAAP and IFRS and aligned the measurement and disclosure requirements. It required significant additional disclosures both of a qualitative and quantitative nature, particularly for those instruments measured at fair value that are classified in Level 3 of the fair value hierarchy. Additionally, the ASU provided guidance on when it is appropriate to measure fair value on a portfolio basis and expanded the prohibition on valuation adjustments where the size of the Company' s position is a characteristic of the adjustment from Level 1 to all levels of the fair value hierarchy.

The ASU became effective for Citigroup on January 1, 2012. As a result of implementing the prohibition on valuation adjustments where the size of the Company' s position is a characteristic, the Company released reserves of approximately $125 million, increasing pretax income in the first quarter of 2012.

Deferred Asset Acquisition Costs

In October 2010, the FASB issued ASU No. 2010-26, *Financial Services - Insurance (Topic 944): Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts*. The ASU amended the guidance for insurance entities that required deferral and subsequent amortization of certain costs incurred during the acquisition of new or renewed insurance contracts, commonly referred to as deferred acquisition costs (DAC). The new guidance limited DAC to those costs directly related to the successful acquisition of insurance contracts; all other acquisition-related costs must be expensed as incurred. Under prior guidance, DAC consisted of those costs that vary with, and primarily relate to, the acquisition of insurance contracts.

The ASU became effective for Citigroup on January 1, 2012 and was adopted using the retrospective method. As a result of implementing the ASU, DAC was reduced by approximately $165 million and a $58 million deferred tax asset was recorded with an offset to opening retained earnings of $107 million (net of tax).

Change in Accounting for Embedded Credit Derivatives

In March 2010, the FASB issued ASU No. 2010-11, *Scope Exception Related to Embedded Credit Derivatives*. The ASU clarifies that certain embedded derivatives, such as those contained in certain securitizations, CDOs and structured notes, should be considered embedded credit derivatives subject to potential bifurcation and separate fair value accounting. The ASU allows any beneficial interest issued by a securitization vehicle to be accounted for under the fair value option at transition on July 1, 2010.

As set forth in the table below, the Company elected to account for certain beneficial interests issued by securitization vehicles under the fair value option beginning July 1, 2010. Beneficial interests previously classified as held-to-maturity (HTM) were reclassified to available-for-sale (AFS) on June 30, 2010 because, as of that reporting date, the Company did not have the intent to hold the beneficial interests until maturity. The following table also shows the gross gains and gross losses that make up the pretax cumulative-effect adjustment to retained earnings for reclassified beneficial interests, recorded on July 1, 2010:

		July 1, 2010		
		Pretax cumulative effect adjustment to Retained earnings		
In millions of dollars at June 30, 2010	Amortized cost	Gross unrealized losses recognized in AOCI (1)	Gross unrealized gains recognized in AOCI	Fair value
Mortgage-backed securities				
Prime	$ 390	$ –	$ 49	$ 439
Alt-A	550	–	54	604
Subprime	221	–	6	227
Non-U.S. residential	2,249	–	38	2,287
Total mortgage-backed securities	$ 3,410	$ –	$ 147	$ 3,557
Asset-backed securities				

Auction rate securities	$	4,463	$	401	$	48	$	4,110
Other asset-backed		4,189		19		164		4,334
Total asset-backed securities	$	8,652	$	420	$	212	$	8,444
Total reclassified debt securities	$	12,062	$	420	$	359	$	12,001

(1) All reclassified debt securities with gross unrealized losses were assessed for other-than-temporary-impairment as of June 30, 2010, including an assessment of whether the Company intends to sell the security. For securities that the Company intends to sell, impairment charges of $176 million were recorded in earnings in the second quarter of 2010.

The Company elected to account for these beneficial interests under the fair value option beginning July 1, 2010 for various reasons, including:

- To reduce the operational burden of assessing beneficial interests for bifurcation under the guidance in the ASU;
- Where bifurcation would otherwise be required under the ASU, to avoid the complicated operational requirements of bifurcating the embedded derivatives from the host contracts and accounting for each separately. The Company reclassified substantially all beneficial interests where bifurcation would otherwise be required under the ASU; and
- To permit more economic hedging strategies without generating volatility in reported earnings.

Additional Disclosures Regarding Fair Value Measurements

In January 2010, the FASB issued ASU No. 2010-06, *Improving Disclosures about Fair Value Measurements*. The ASU requires disclosure of the amounts of significant transfers in and out of Levels 1 and 2 of the fair value hierarchy and the reasons for the transfers. The disclosures were effective for reporting periods beginning after December 15, 2009. Additionally, disclosures of the gross purchases, sales, issuances and settlements activity in Level 3 of the fair value measurement hierarchy were required for fiscal years beginning after December 15, 2010. The Company adopted ASU 2010-06 as of January 1, 2010. The required disclosures are included in Note 25 to the Consolidated Financial Statements.

Non-Consolidation of Certain Investment Funds

The FASB issued ASU No. 2010-10, *Consolidation (Topic 810): Amendments for Certain Investment Funds* in the first quarter of 2010. ASU 2010-10 provides a deferral of the requirements of SFAS 167 where the following criteria are met:

- The entity being evaluated for consolidation is an investment company, as defined in ASC 946-10, *Financial Services–Investment Companies*, or an entity for which it is acceptable based on industry practice to apply measurement principles that are consistent with an investment company;
- The reporting enterprise does not have an explicit or implicit obligation to fund losses of the entity that could potentially be significant to the entity; and
- The entity being evaluated for consolidation is not:
  - a securitization entity;
  - an asset-backed financing entity; or
  - an entity that was formerly considered a qualifying special-purpose entity.

The Company has determined that a majority of the investment entities managed by Citigroup are provided a deferral from the requirements of SFAS 167 because they meet these criteria. These entities continue to be evaluated under the requirements of FIN 46(R) (ASC 810-10), prior to the implementation of SFAS 167.

Where the Company has determined that certain investment vehicles are subject to the consolidation requirements of SFAS 167, the consolidation conclusions reached upon initial application of SFAS 167 are consistent with the consolidation conclusions reached under the requirements of ASC 810-10, prior to the implementation of SFAS 167.

FUTURE APPLICATION OF ACCOUNTING STANDARDS

Reclassification out of Accumulated Other Comprehensive Income

In February 2013, the FASB issued ASU No. 2013-02, *Comprehensive Income (Topic 220): Reporting of Amounts Reclassified out of Accumulated Other Comprehensive Income*. The Accounting Standards Update (ASU) requires new footnote disclosures of items reclassified from accumulated OCI to net income. The requirements will be effective for the first quarter of 2013.

Testing Indefinite-Lived Intangible Assets for Impairment

In July 2012, the FASB issued Accounting Standards Update No. 2012-02, *Intangibles−Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment*. The ASU is intended to simplify the guidance for testing the decline in the realizable value (impairment) of indefinite-lived intangible assets other than goodwill. Some examples of intangible assets subject to the guidance include indefinite-lived trademarks, licenses and distribution rights. The ASU allows companies to perform a qualitative assessment about the likelihood of impairment of an indefinite-lived intangible asset to determine whether further impairment testing is necessary, similar in approach to the goodwill impairment test.

The ASU became effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012.

Offsetting

In December 2011, the FASB issued Accounting Standards Update No. 2011-11, *Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities*. The standard requires new disclosures about certain financial instruments and derivative instruments that are either offset in the balance sheet (presented on a net basis) or subject to an enforceable master netting arrangement or similar arrangement. The standard requires disclosures that provide both gross and net information in the notes to the financial statements for relevant assets and liabilities. This ASU does not change the existing offsetting eligibility criteria or the permitted balance sheet presentation for those instruments that meet the eligibility criteria.

Citi believes the new disclosure requirements should enhance comparability between those companies that prepare their financial statements on the basis of U.S. GAAP and those that prepare their financial statements in accordance with IFRS. For many financial institutions, the differences in the offsetting requirements between U.S. GAAP and IFRS result in a significant difference in the amounts presented in the balance sheets prepared in accordance with U.S. GAAP and IFRS. The

Accounting for Financial Instruments−Credit Losses

In December 2012, the FASB issued a proposed Accounting Standards Update (ASU), *Financial Instruments−Credit Losses.* This proposed ASU, or exposure draft, was issued for public comment in order to allow stakeholders the opportunity to review the proposal and provide comments to the FASB, and does not constitute accounting guidance until such a final ASU is issued.

The exposure draft contains accounting guidance developed by the FASB with the goal of improving financial reporting about expected credit losses on loans, securities and other financial assets held by banks, financial institutions, and other public and private organizations. The exposure draft proposes a new accounting model intended to require earlier recognition of credit losses, while also providing additional transparency about credit risk.

The FASB' s proposed model would utilize a single "expected credit loss" measurement objective for the recognition of credit losses, replacing the multiple existing impairment models in U.S. GAAP, which generally require that a loss be "incurred" before it is recognized.

The FASB' s proposed model represents a significant departure from existing U.S. GAAP, and may result in material changes to the Company' s accounting for financial instruments. The impact of the FASB' s final ASU to the Company' s financial statements will be assessed when it is issued. The exposure draft does not contain a proposed effective date; this would be included in the final ASU, when issued.

Other Potential Amendments to Current Accounting Standards

The FASB and IASB, either jointly or separately, are currently working on several major projects, including amendments to existing accounting standards governing financial instruments, leases, consolidation and investment companies. As part of the joint financial instruments project, the FASB has issued a proposed ASU that would result in significant changes to the guidance for recognition and measurement of financial instruments, in addition to the proposed ASU that would change the accounting for credit losses on financial instruments discussed above.

The FASB is also working on a joint project that would require all leases to be capitalized on the balance sheet. Additionally, the FASB has issued a proposal on principal-agent considerations that would change the way the Company needs to evaluate whether to consolidate VIEs and non-VIE partnerships. Furthermore, the FASB has issued a proposed ASU that would change the criteria used to determine whether an entity is subject to the accounting and reporting requirements of an investment company.

disclosure standard will become effective for annual and quarterly periods beginning January 1, 2013. The disclosures are required retrospectively for all comparative periods presented.

The principal-agent consolidation proposal would require all VIEs, including those that are investment companies, to be evaluated for consolidation under the same requirements. All these projects may have significant impacts for the Company. Upon completion of the standards, the Company will need to re-evaluate its accounting and disclosures. However, due to ongoing deliberations of the standard-setters, the Company is currently unable to determine the effect of future amendments or proposals.

2. BUSINESS DIVESTITURES

The following divestitures occurred in 2011 and 2010 and did not qualify as *Discontinued operations*. Divestitures that qualified as *Discontinued operations* are discussed in Note 3 to the Consolidated Financial Statements.

In April 2010, Citi completed the IPO of Primerica, which was part of Citi Holdings, and sold approximately 34% to public investors. Also in April 2010, Citi completed the sale of approximately 22% of Primerica to Warburg Pincus, a private equity firm. Citi contributed 4% of the Primerica shares to Primerica for employee and agent stock-based awards immediately prior to the sales. Citi retained an approximate 40% interest in Primerica after the sales and recorded the investment under the equity method. Citi recorded an after-tax gain on sale of $26 million. Concurrent with the sale of the shares, Citi entered into co-insurance agreements with Primerica to reinsure up to 90% of the risk associated with the in-force insurance policies.

During 2011, Citi sold its remaining shares in Primerica for an after-tax loss of $11 million.

3. DISCONTINUED OPERATIONS

Sale of Certain Citi Capital Advisors Business

During the third quarter of 2012, the Company executed definitive agreements to transition a carve-out of its liquid strategies business within Citi Capital Advisors (CCA), which is part of the *Institutional Clients Group* segment, to certain employees responsible for managing those operations. This transition will occur pursuant to two separate transactions, creating two separate management companies. Each transaction will be accounted for as a sale. The first transaction closed on February 28, 2013 and Citigroup retained a 24.9% passive equity interest in the management company (which will continue to be held in Citi's *Institutional Clients Group* segment). The second transaction is expected to be completed in the first half of 2013.

This sale is reported as discontinued operations for the second half of 2012 only. Prior periods were not reclassified due to the immateriality of the impact in those periods.

The following is a summary as of December 31, 2012 of the assets held for sale on the Consolidated Balance Sheet for the operations related to the CCA business to be sold:

In millions of dollars	2012
Assets	
Deposits at interest with banks	$ 4
Goodwill	13
Intangible assets	19
Total assets	**$ 36**

Summarized financial information for *Discontinued operations* for the operations related to CCA follows:

In millions of dollars	2012
Total revenues, net of interest expense	**$ 60**
Income (loss) from discontinued operations	$ (123)
Gain on sale	–
Benefit for income taxes	(44)
Income (loss) from discontinued operations, net of taxes	**$ (79)**

Sale of Egg Banking plc Credit Card Business

On March 1, 2011, the Company announced that Egg Banking plc (Egg), an indirect subsidiary that was part of Citi Holdings, entered into a definitive agreement to sell its credit card business to Barclays PLC. The sale closed on April 28, 2011.

This sale is reported as discontinued operations for 2011 and 2012 only. 2010 was not reclassified, due to the immateriality of the impact in that period. An after-tax gain on sale of $126 million was recognized upon closing. Egg operations had total assets and total liabilities of approximately $2.7 billion and $39 million, respectively, at the time of sale.

Summarized financial information for *Discontinued operations*, including cash flows, for the credit card operations related to Egg follows:

In millions of dollars	**2012**	2011
Total revenues, net of interest expense	**$ 1**	$340
Income (loss) from discontinued operations	**$ (96)**	$ 24
Gain (loss) on sale	**(1)**	143
(Benefit) provision for income taxes	**(34)**	58
Income (loss) from discontinued operations, net of taxes	**$ (63)**	$ 109

Cash Flows from Discontinued Operations

In millions of dollars	**2012**	2011
Cash flows from operating activities	**$** –	$ (146)
Cash flows from investing activities	–	2,827
Cash flows from financing activities	–	(12)
Net cash provided by discontinued operations	**$** –	$ 2,669

Sale of The Student Loan Corporation

On September 17, 2010, the Company announced that The Student Loan Corporation (SLC), an indirect subsidiary that was 80% owned by Citibank and 20% owned by public shareholders, and which was part of Citi Holdings, entered into definitive agreements that resulted in the divestiture of Citi' s private student loan business and approximately $31 billion of its approximate $40 billion in assets to Discover Financial Services (Discover) and SLM Corporation (Sallie Mae). The transaction closed on December 31, 2010. As part of the transaction, Citi provided Sallie Mae with $1.1 billion of seller-financing. Additionally, as part of the transactions, Citibank, N.A. purchased approximately $8.6 billion of assets from SLC prior to the sale of SLC.

This sale was reported as discontinued operations for the third and fourth quarters of 2010 only. Prior periods were not reclassified, due to the immateriality of the impact in those periods. The total 2010 impact from the sale of SLC resulted in an after-tax loss of $427 million. SLC operations had total assets and total liabilities of approximately $31 billion and $29 billion, respectively, at the time of sale.

Summarized financial information for discontinued operations, including cash flows, related to the sale of SLC follows:

In millions of dollars	**2012**	2011	2010
Total revenues, net of interest expense	**$** –	$ –	$ (577)
Income from discontinued operations	**$** –	$ –	$ 97
Gain (loss) on sale	–	–	(825)
Benefit for income taxes	–	–	(339)
Income (loss) from discontinued operations,			

Combined Results for Discontinued Operations

The following is summarized financial information for the CCA business, the Egg credit card business, The Student Loan Corporation business and previous discontinued operations, for which Citi continues to have minimal residual costs associated with the sales.

In millions of dollars	**2012**	2011	2010
Total revenues, net of interest expense	**$ 61**	$ 352	$ (410)
Income (loss) from discontinued operations	**$ (219)**	$ 23	$ 72
Gain (loss) on sale	**(1)**	155	(702)
Provision (benefit) for income taxes	**(71)**	66	(562)
Income (loss) from discontinued operations, net of taxes	**$ (149)**	$ 112	$ (68)

Cash Flows from Discontinued Operations

In millions of dollars	**2012**	2011	2010
Cash flows from operating activities	**$** –	$ (146)	$ 4,97
Cash flows from investing activities	–	2,827	1,72
Cash flows from financing activities	–	(12)	(6,4
Net cash provided by discontinued operations	**$** –	$ 2,669	$ 214

net of taxes	**$ –**	$ –	$(389)

Cash Flows from Discontinued Operations

In millions of dollars	**2012**	2011	2010
Cash flows from operating activities	**$ –**	$ –	$ 5,106
Cash flows from investing activities	–	–	1,532
Cash flows from financing activities	–	–	(6,483)
Net cash provided by discontinued operations	**$ –**	$ –	$ 155

4. BUSINESS SEGMENTS

Citigroup is a diversified bank holding company whose businesses provide a broad range of financial services to Consumer and Corporate customers around the world. The Company' s activities are conducted through the *Global Consumer Banking (GCB), Institutional Clients Group (ICG), Corporate/Other* and Citi Holdings business segments.

The *Global Consumer Banking* segment includes a global, full-service Consumer franchise delivering a wide array of banking, credit card lending and investment services through a network of local branches, offices and electronic delivery systems and is composed of four *Regional Consumer Banking (RCB)* businesses: *North America, EMEA, Latin America* and *Asia*.

The Company' s *ICG* segment is composed of *Securities and Banking* and *Transaction Services* and provides corporate, institutional, public sector and high net-worth clients in approximately 100 countries with a broad range of banking and financial products and services.

Corporate/Other includes net treasury results, unallocated corporate expenses, offsets to certain line-item reclassifications (eliminations), the results of discontinued operations and unallocated taxes.

The Citi Holdings segment is composed of *Brokerage and Asset Management, Local Consumer Lending* and *Special Asset Pool*.

The accounting policies of these reportable segments are the same as those disclosed in Note 1 to the Consolidated Financial Statements.

The prior-period balances reflect reclassifications to conform the presentation in those periods to the current period' s presentation. Reclassifications during the first quarter of 2012 related to the transfer of the substantial majority of the Company' s retail partner cards business (which Citi now refers to as "Citi retail services") from Citi Holdings–*Local Consumer Lending* to Citicorp–*North America Regional Consumer Banking*. Additionally, certain consolidated expenses were re-allocated to the respective businesses receiving the services.

The following table presents certain information regarding the Company' s continuing operations by segment:

In millions of dollars, except identifiable assets in billions	Revenues, net of interest expense (1)			Provision (benefit) for income taxes			Income (loss) from continuing operations (2)			Identif
	2012	2011	2010	**2012**	2011	2010	**2012**	2011	2010	20
Global Consumer Banking	**$ 40,214**	$ 39,195	$ 39,369	**$ 3,733**	$ 3,509	$ 1,551	**$ 8,104**	$ 7,672	$ 4,969	**$ 40**
Institutional Clients Group	**30,600**	32,002	33,207	**2,102**	2,820	3,490	**7,990**	8,262	10,173	**1,0**
Corporate/Other	**192**	885	1,754	**(1,396)**	(681)	7	**(1,625)**	(728)	242	**24**
Total Citicorp	**$ 71,006**	$ 72,082	$ 74,330	**$ 4,439**	$ 5,648	$ 5,048	**$ 14,469**	$ 15,206	$ 15,384	**$ 1,7**
Citi Holdings	**(833)**	6,271	12,271	**(4,412)**	(2,127)	(2,815)	**(6,560)**	(4,103)	(4,433)	**15**
Total	**$ 70,173**	$ 78,353	$ 86,601	**$ 27**	$ 3,521	$ 2,233	**$ 7,909**	$ 11,103	$ 10,951	**$ 1,8**

(1) Includes Citicorp (excluding *Corporate/Other*) total revenues, net of interest expense, in *North America* of $29.8 billion, $30.1 billion and $33.6 billion; in *EMEA* of $11.5 billion, $12.3 billion and $11.8 billion; in *Latin America* of $14.5 billion, $13.6 billion and $12.8 billion; and in *Asia* of $15.0 billion, $15.2 billion and $14.4 billion in 2012, 2011 and 2010, respectively. Regional numbers exclude Citi Holdings and *Corporate/Other*, which largely operate within the U.S.

(2) Includes pretax provisions (credits) for credit losses and for benefits and claims in the *GCB* results of $6.6 billion, $6.6 billion and $14.0 billion; in the *ICG* results of $276 million, $152 million and $(82) million; and in the Citi Holdings results of $4.9 billion, $6.0 billion and $12.1 billion for 2012, 2011 and 2010, respectively.

5. INTEREST REVENUE AND EXPENSE

For the years ended December 31, 2012, 2011 and 2010, respectively, *Interest revenue* and *Interest expense* consisted of the following:

In millions of dollars	**2012**	2011	2010
Interest revenue			
Loan interest, including fees	**$ 48,544**	$ 50,281	$ 55,056
Deposits with banks	**1,269**	1,750	1,252
Federal funds sold and securities borrowed or purchased under agreements to resell	**3,418**	3,631	3,156
Investments, including dividends	**7,525**	8,320	11,004
Trading account assets (1)	**6,802**	8,186	8,079
Other interest	**580**	513	735
Total interest revenue	**$ 68,138**	$ 72,681	$ 79,282
Interest expense			
Deposits (2)	**$ 7,613**	$ 8,556	$ 8,371
Federal funds purchased and securities loaned or sold under agreements to repurchase	**2,817**	3,197	2,808
Trading account liabilities (1)	**190**	408	379
Short-term borrowings	**727**	650	917
Long-term debt	**9,188**	11,423	12,621
Total interest expense	**$ 20,535**	$ 24,234	$ 25,096
Net interest revenue	**$ 47,603**	$ 48,447	$ 54,186
Provision for loan losses	**10,848**	11,773	25,194
Net interest revenue after provision for loan losses	**$ 36,755**	$ 36,674	$ 28,992

(1) Interest expense on *Trading account liabilities* of *ICG* is reported as a reduction of interest revenue from *Trading account assets*.

(2) Includes deposit insurance fees and charges of $1,262 million, $1,332 million and $981 million for the years ended December 31, 2012, December 31, 2011 and December 31, 2010, respectively.

6. COMMISSIONS AND FEES

The table below sets forth Citigroup' s *Commissions and fees* revenue for the years ended December 31, 2012, 2011 and 2010, respectively. The primary components of *Commissions and fees* revenue for the year ended December 31, 2012 were credit card and bank card fees, investment banking fees and trading-related fees.

Credit card and bank card fees are primarily composed of interchange revenue and certain card fees, including annual fees, reduced by reward program costs. Interchange revenue and fees are recognized when earned, except for annual card fees, which are deferred and amortized on a straight-line basis over a 12-month period. Reward costs are recognized when points are earned by the customers.

Investment banking fees are substantially composed of underwriting and advisory revenues. Investment banking fees are recognized when Citigroup' s performance under the terms of the contractual arrangements is completed, which is typically at the closing of the transaction. Underwriting revenue is recorded in *Commissions and fees*, net of both reimbursable and non-reimbursable expenses, consistent with the AICPA Audit and Accounting Guide for Brokers and Dealers in Securities (codified in ASC 940-605-05-1). Expenses associated with advisory transactions are recorded in *Other operating expenses,* net of client reimbursements. Out-of-pocket expenses are deferred and recognized at the time the related revenue is recognized. In general, expenses incurred related to investment banking transactions that fail to close (are not consummated) are recorded gross in *Other operating expenses*.

Trading-related fees primarily include commissions and fees from the following: executing transactions for clients on exchanges and over-the-counter markets; sale of mutual funds, insurance and other annuity products; and assisting clients in clearing transactions, providing brokerage services and other such activities. Trading-related fees are recognized when earned in *Commissions and fees*. Gains or losses, if any, on these transactions are included in *Principal transactions* (see Note 7 to the Consolidated Financial Statements).

The following table presents *Commissions and fees* revenue for the years ended December 31:

In millions of dollars	**2012**	2011	2010
Credit cards and bank cards	**$ 3,526**	$ 3,603	$ 3,774
Investment banking	**2,991**	2,451	2,977
Trading-related	**2,296**	2,587	2,368
Transaction services	**1,441**	1,520	1,454
Other Consumer (1)	**878**	931	1,156
Checking-related	**907**	926	1,023

Primerica	–	–	91
Loan servicing	**313**	251	353
Corporate finance (2)	**516**	519	439
Other	**58**	62	23
Total commissions and fees	**$ 12,926**	$ 12,850	$ 13,658

(1) Primarily consists of fees for investment fund administration and management, third-party collections, commercial demand deposit accounts and certain credit card services.

(2) Consists primarily of fees earned from structuring and underwriting loan syndications.

7. PRINCIPAL TRANSACTIONS

Principal transactions revenue consists of realized and unrealized gains and losses from trading activities. Trading activities include revenues from fixed income, equities, credit and commodities products, and foreign exchange transactions. Not included in the table below is the impact of net interest revenue related to trading activities, which is an integral part of trading activities' profitability. See Note 5 to the Consolidated Financial Statements for information about net interest revenue related to trading activity. Principal transactions include CVA and DVA.

The following table presents principal transactions revenue for the years ended December 31:

In millions of dollars	**2012**	2011	2010
Global Consumer Banking	**$ 812**	$ 716	$ 533
Institutional Clients Group	**4,130**	4,873	5,566
Corporate/Other	**(192)**	45	(406)
Subtotal Citicorp	**$ 4,750**	$ 5,634	$ 5,693
Local Consumer Lending	**$ (69)**	$ (102)	$ (217)
Brokerage and Asset Management	**5**	(11)	(37)
Special Asset Pool	**95**	1,713	2,078
Subtotal Citi Holdings	**$ 31**	$ 1,600	$ 1,824
Total Citigroup	**$ 4,781**	$ 7,234	$ 7,517
Interest rate contracts (1)	**$ 2,301**	$ 5,136	$ 3,231
Foreign exchange contracts (2)	**2,403**	2,309	1,852
Equity contracts (3)	**158**	3	995
Commodity and other contracts (4)	**92**	76	126
Credit derivatives (5)	**(173)**	(290)	1,313
Total	**$ 4,781**	$ 7,234	$ 7,517

(1) Includes revenues from government securities and corporate debt, municipal securities, preferred stock, mortgage securities and other debt instruments. Also includes spot and forward trading of currencies and exchange-traded and over-the-counter (OTC) currency options, options on fixed income securities, interest rate swaps, currency swaps, swap options, caps and floors, financial futures, OTC options and forward contracts on fixed income securities.

(2) Includes revenues from foreign exchange spot, forward, option and swap contracts, as well as FX translation gains and losses.

(3) Includes revenues from common, preferred and convertible preferred stock, convertible corporate debt, equity-linked notes and exchange-traded and OTC equity options and warrants.

(4) Primarily includes revenues from crude oil, refined oil products, natural gas and other commodities trades.

8. INCENTIVE PLANS

Overview

The Company makes restricted or deferred stock and/or deferred cash awards, as well as stock payments, as part of its discretionary annual incentive award programs involving a large segment of Citigroup' s employees worldwide.

Stock awards and grants of stock options may also be made at various times during the year as sign-on awards to induce new hires to join the Company, or to high-potential employees as long-term retention awards.

Long-term restricted stock awards and salary stock payments have also been used to fulfill specific regulatory requirements to deliver annual salary and incentive awards to certain officers and highly-compensated employees in the form of equity.

Consistent with long-standing practice, a portion of annual compensation for non-employee directors is also delivered in the form of equity awards.

In addition, equity awards are made occasionally as additional incentives to retain and motivate officers or employees. Various other incentive award programs are made on an annual or other regular basis to retain and motivate certain employees who do not participate in Citigroup' s annual discretionary incentive awards.

Recipients of Citigroup stock awards generally do not have any stockholder rights until shares are delivered upon vesting or exercise, or after the expiration of applicable restricted periods. Recipients of restricted or deferred stock awards, however, may be entitled to receive dividends or dividend-equivalent payments during the vesting period, unless the award is subject to performance criteria. (Citigroup' s 2009 Stock Incentive Plan currently does not permit the payment or accrual of dividend equivalents on stock awards subject to performance criteria.) Additionally, because unvested shares of restricted stock are considered issued and outstanding, recipients of such awards are generally entitled to vote the shares in their award during the vesting period. Once a stock award vests, the shares are freely transferable, unless they are subject to a restriction on sale or transfer for a specified period. Pursuant to a stock ownership commitment, certain executives have committed to holding most of their vested shares indefinitely.

All equity awards granted since April 19, 2005, have been made pursuant to stockholder-approved stock incentive plans that are administered by the Personnel and Compensation Committee of the Citigroup Board of Directors (the Committee), which is composed entirely of independent non-employee directors.

At December 31, 2012, approximately 86.9 million shares of Citigroup common stock were authorized and available for grant under Citigroup' s 2009 Stock Incentive Plan, the only plan from

(5) Includes revenues from structured credit products.

which equity awards are currently granted.

The 2009 Stock Incentive Plan and predecessor plans permit the use of treasury stock or newly issued shares in connection with awards granted under the plans. Until recently, Citigroup' s practice has been to deliver shares from treasury stock upon the exercise or vesting of equity awards. However, newly issued shares were issued to settle certain awards in April 2010, and the vesting of annual deferred stock awards in January 2011, 2012 and 2013. The newly issued shares in April 2010 and January 2011 were specifically intended to increase the Company' s equity capital. The practice of issuing new shares to settle the annual vesting of deferred stock awards is expected to continue in the absence of a share repurchase program by which treasury shares can be replenished. The use of treasury stock or newly issued shares to settle stock awards does not affect the amortization recorded in the Consolidated Income Statement for equity awards.

The following table shows components of compensation expense relating to the Company' s stock-based compensation programs and deferred cash award programs as recorded during 2012, 2011 and 2010:

In millions of dollars	**2012**	2011	2010
Charges for estimated awards to retirement-eligible employees	**$ 444**	$ 338	$ 366
Option expense	**99**	161	197
Amortization of deferred cash awards and deferred cash stock units	**198**	208	280
Salary stock award expense	**–**	–	173
Immediately vested stock award expense (1)	**60**	52	174
Amortization of restricted and deferred stock awards (2)	**864**	871	747
Total	**$ 1,665**	$ 1,630	$ 1,937

(1) This represents expense for immediately vested stock awards that generally were stock payments in lieu of cash compensation. The expense is generally accrued as cash incentive compensation in the year prior to grant.

(2) All periods include amortization expense for all unvested awards to non-retirement-eligible employees. Amortization is recognized net of estimated forfeitures of awards.

Annual Incentive Awards

Most of the shares of common stock issued by Citigroup as part of its equity compensation programs are to settle the vesting of restricted and deferred stock awards granted as part of annual incentive awards. These annual incentive awards generally also include immediate cash bonus payments and deferred cash awards, and in the European Union (EU), immediately vested stock payments.

Annual incentives are generally awarded in the first quarter of the year based upon previous years' performance. Awards valued at less than US$100,000 (or local currency equivalent) are generally paid entirely in the form of an immediate cash bonus. Pursuant to Citigroup policy and/or regulatory requirements, employees and officers with higher incentive award values are subject to mandatory deferrals of incentive pay, and generally receive 25%-60% of their award in a combination of restricted or deferred stock and deferred cash awards. In some cases, reduced deferral requirements apply to awards valued at less than

Subject to certain exceptions (principally, for retirement-eligible employees), continuous employment within Citigroup is required to vest in CAP and deferred cash awards. Post-employment vesting by retirement-eligible employees and participants who meet other conditions is generally conditioned upon their refraining from competition with Citigroup during the remaining vesting period, unless the employment relationship has been terminated by Citigroup under certain conditions.

Generally, the CAP and deferred cash awards vest in equal annual installments over three- or four-year periods. Vested CAP awards are delivered in shares of common stock. Dividend equivalent payments are paid to participants during the vesting period, unless the CAP award is subject to the performance-vesting condition described below. Deferred cash awards are payable in cash and earn a fixed notional rate of interest that is paid only if and when the underlying principal award amount vests. Generally, in the EU, vested CAP shares are subject to a restriction on sale or transfer after vesting, and vested deferred cash awards are subject to hold-back (generally, for six months in each case).

Unvested CAP and deferred cash awards made in January 2011 or later are subject to one or more clawback provisions that apply in certain circumstances, including in the case of employee risk-limit violations or other misconduct or where the awards were based on earnings that were misstated. Deferred cash awards made to certain employees in February 2013 are subject to a discretionary performance-based vesting condition under which an amount otherwise scheduled to vest may be reduced in the event of a "material adverse outcome" for which a participant has "significant responsibility."

CAP awards made to certain employees in February 2013 and deferred cash awards made to certain employees in January 2012 are subject to a formulaic performance-based vesting condition pursuant to which amounts otherwise scheduled to vest will be reduced based on the amount of any pre-tax loss by a participant' s business in the calendar year preceding the scheduled vesting date. For the February 2013 CAP awards, a minimum reduction of 20% applies for the first dollar of loss.

The annual incentive award structure and terms and conditions described above apply generally to awards made in 2011 and later, except where indicated otherwise. Annual incentive awards in January 2009 and 2010 of US$100,000 or more (or local currency equivalent) were generally subject to deferral requirements between 25%-40%. In 2010, because an insufficient number of shares were available for grant under the 2009 Stock Incentive Plan, an alternative award structure was applied, primarily for deferrals of incentive awards in the U.S. and U.K. Under this structure, portions of the amounts that

US$100,000 (or local currency equivalent). Annual incentive awards made to many employees in the EU are subject to deferral requirements between 40%-60%, regardless of the total award value, with 50% of the immediate incentive delivered in the form of a stock payment subject to a restriction on sale or transfer (generally, for six months).

Deferred annual incentive awards are generally delivered as two awards−a restricted or deferred stock award under the Company' s Capital Accumulation Program (CAP) and a deferred cash award. The applicable mix of CAP and deferred cash awards may vary based on the employee' s minimum deferral requirement and the country of employment. In some cases, the entire deferral will be in the form of either a CAP award or deferred cash.

would normally have been deferred in the form of CAP awards were instead awarded as two types of deferred cash awards−one subject to a four-year vesting schedule and earning a LIBOR-based return, and the other subject to a two-year vesting schedule and denominated in stock units, the value of which fluctuated based on the price of Citigroup common stock. Other terms and conditions of these awards were the same as the CAP awards granted in 2010. In 2009, some deferrals were also in the form of a deferred cash award subject to a four-year vesting schedule and earning a LIBOR-based return, in addition to a CAP award.

Prior to 2009, a mandatory deferral requirement of at least 25% applied to incentive awards valued as low as US$20,000. Deferrals were in the form of CAP awards. In some cases, participants were entitled to elect to receive stock options in lieu of some or all of the value that would otherwise have been awarded as restricted or deferred stock. CAP awards granted prior to 2011 were not subject to clawback provisions or performance criteria.

The total expense recognized for stock awards represents the fair value of Citigroup common stock at the award date. Generally, the expense is recognized as a charge to income ratably over the vesting period, except for awards to retirement-eligible employees, and stock payments (e.g., salary stock and other immediately vested awards). Whenever awards are made or are expected to be made to retirement-eligible employees, the charge to income is accelerated based on the dates the applicable conditions to retirement eligibility are or will be met. If the employee is retirement eligible on the grant date, the entire expense is recognized in the year prior to the grant. For employees who become retirement eligible during the vesting period, expense is recognized from the grant date until the date eligibility conditions are met.

Expense for immediately vested stock awards that generally were made in lieu of cash compensation (salary stock and other stock payments) is also recognized in the year prior to the grant in accordance with U.S. GAAP. (See "Other EESA-related Stock Compensation" below for additional information regarding salary stock.)

Annual incentive awards made in January 2011 and January 2010 to certain executive officers and other highly compensated employees were administered in accordance with the Emergency Economic Stabilization Act of 2008, as amended (EESA), pursuant to structures approved by the Special Master for TARP Executive Compensation (Special Master). Generally the affected executives and employees did not participate in CAP and instead received equity compensation in the form of fully vested stock payments, long-term restricted stock (LTRS), and/or restricted and deferred stock awards, all of which were subject to vesting requirements over periods of up to three years, and/or sale restrictions. Certain of these awards are subject to discretionary performance-based vesting conditions. These awards, and CAP awards to participants in the EU that are subject to certain clawback provisions, are subject to variable accounting, pursuant to which the associated charges fluctuate with changes in Citigroup' s common stock price over the applicable vesting periods. For these awards, the total amount that will be recognized as expense cannot be determined in full until the awards vest. For stock awards subject to discretionary performance conditions, compensation expense was accrued based on Citigroup' s common stock price at the end of the reporting period, and the estimated outcome of meeting the performance conditions.

In January 2009, certain senior executives received 30% of their annual incentive awards as performance-vesting equity awards conditioned primarily on stock-price performance. Because the price targets were not met, only a fraction of the awards vested. The fraction of awarded shares that vested was determined based on a ratio of the price of Citigroup' s common stock on January 14, 2013, to the award' s price targets of $106.10 and $178.50. None of the shares awarded or vested were entitled to any payment or accrual of dividend equivalents. The fair value of the awards was recognized as compensation expense ratably over the vesting period.

This fair value was determined using the following assumptions:

Weighted-average per-share fair value	**$22.97**	
Weighted-average expected life	**3.85 years**	
Valuation assumptions		
Expected volatility	36.07	%
Risk-free interest rate	1.21	%
Expected dividend yield	0.88	%

From 2003 to 2007, Citigroup granted annual stock awards under its Citigroup Ownership Program (COP) to a broad base of employees who were not eligible for CAP. The COP awards of restricted or deferred stock vest after three years, but otherwise have terms similar to CAP. Amortization of restricted and deferred stock awards shown in the table above for 2010 included expense associated with these awards.

Sign-on and Long-Term Awards

As referenced above, from time to time, restricted or deferred stock awards, and/or stock option grants are made outside of Citigroup' s annual incentive programs to induce employees to join Citigroup or as special retention awards to key employees. Vesting periods vary, but are generally two to four years. Generally, recipients must remain employed through the vesting dates to vest in the awards, except in cases of death, disability, or involuntary termination other than for "gross misconduct." Unlike CAP awards, these awards do not usually provide for post-employment vesting by retirement-eligible participants. If these stock awards are subject to certain clawback provisions or performance conditions, they may be subject to variable accounting.

Deferred cash awards are often granted to induce new hires to join the Company, and are usually intended to replace deferred incentives awarded by prior employers that were forfeited when the employees joined Citigroup. As such, the vesting schedules and terms and conditions of these awards are generally structured to match the vesting schedules and terms and conditions of the forfeited awards. Expense taken in 2012 for these awards was $147 million.

A retention award of deferred stock to then-CEO Vikram Pandit was made on May 17, 2011, and was scheduled to vest in three equal installments on December 31, 2013, 2014, and 2015. The award was cancelled in its entirety when Mr. Pandit resigned in October 2012. Because of discretionary performance vesting conditions, the award was subject to variable accounting until its cancellation in the fourth quarter of 2012.

Other EESA-related Stock Compensation

Pursuant to structures approved by the Special Master in 2009, and in January and September 2010, certain executives and highly-compensated employees received stock payments in lieu of salary that would have otherwise been paid in cash (salary stock). Shares awarded as salary stock are immediately vested but become transferrable in monthly installments over periods of one to three years. There are no provisions for early release of the transfer restrictions on salary stock in the event of retirement, involuntary termination of employment, change in control, or any other reason.

Director Compensation

Non-employee directors receive part of their compensation in the form of deferred stock awards that vest in two years, and may elect to receive part of their retainer in the form of a stock payment, which they may elect to defer.

A summary of the status of Citigroup' s unvested stock awards that are not subject to variable accounting at December 31, 2012 and changes during the 12 months ended December 31, 2012 are presented below:

Unvested stock awards	Shares	Weighted-average grant date fair value	
Unvested at January 1, 2012	50,213,124		$50.90
New awards	33,452,028		30.51
Cancelled awards	(2,342,822)		39.15
Vested awards (1)	(17,345,405)		62.12
Unvested at December 31, 2012	63,976,925	$	37.62

(1) The weighted-average fair value of the vestings during 2012 was approximately $32.78 per share.

A summary of the status of Citigroup' s unvested stock awards that are subject to variable accounting at December 31, 2012, and changes during the 12 months ended December 31, 2012, are presented below:

Unvested stock awards	Shares	Weighted-average award issuance fair value	
Unvested at January 1, 2012	5,290,798		$49.30
New awards	2,219,213		30.55
Cancelled awards	(377,358)		43.92
Vested awards (1)	(1,168,429)		50.16
Unvested at December 31, 2012	5,964,224	$	42.50

(1) The weighted-average fair value of the vestings during 2012 was approximately $29.18 per share.

At December 31, 2012, there was $886 million of total unrecognized compensation cost related to unvested stock awards, net of the forfeiture provision. That cost is expected to be recognized over a weighted-average period of 2.1 years. However, the cost of awards subject to variable accounting will fluctuate with changes in Citigroup' s common stock price.

Stock Option Programs

While the Company no longer grants options as part of its annual incentive award programs, Citigroup may grant stock options to employees or directors on a one-time basis, as sign-on awards or as retention awards, as referenced above. All stock options are granted on Citigroup common stock with exercise prices that are no less than the fair market value at the time of grant (which is defined under the 2009 Stock Incentive Plan to be the NYSE closing price on the trading day immediately preceding the grant date or on the grant date for grants to executive officers). Vesting periods and other terms and conditions of sign-on and retention option grants tend to vary by grant. Beginning in 2009, Citigroup eliminated the stock option election for all directors and employees (except certain CAP participants who were permitted to make a stock option election for awards made in 2009). This stock option election allowed participants to trade a certain percentage of their annual incentive that would otherwise be granted in CAP shares and elect to have the award delivered instead as a stock option.

On February 14, 2011, Citigroup granted options exercisable for approximately 2.9 million shares of Citigroup common stock to certain of its executive officers. The options have six-year terms and vest in three equal annual installments beginning on February 14, 2012. The exercise price of the options is $49.10, which was the closing price of a share of Citigroup common stock on the grant date. On any exercise of the options before the fifth anniversary of the grant date, the shares received on exercise (net of the amount required to pay taxes and the exercise price) are subject to a one-year transfer restriction.

On April 20, 2010, Citigroup made an option grant to a group of employees who were not eligible for the October 29, 2009 broad-based grant described below. The options were awarded with an exercise price equal to the NYSE closing price of a share of Citigroup common stock on the trading day immediately preceding the date of grant ($48.80). The options vest in three annual installments beginning on October 29, 2010. The options have a six-year term.

On October 29, 2009, Citigroup made a broad-based option grant to employees worldwide. The options have a six-year term, and generally vest in three equal installments over three years, beginning on the first anniversary of the grant date. The options were awarded with an exercise price equal to the NYSE closing price on the trading day immediately preceding the date of grant ($40.80). The CEO and other employees whose 2009 compensation was subject to structures approved by the Special Master did not participate in this grant.

In January 2009, members of Citigroup' s Management Executive Committee received 10% of their awards as performance-priced stock options, with an exercise price that placed the awards significantly "out of the money" on the date of grant. Half of each executive' s options have an exercise price of $178.50 and half have an exercise price of $106.10. The options were granted on a day on which the NYSE closing price of a share of Citigroup common stock was $45.30. The options have a 10-year term and vest ratably over a four-year period.

Generally, all other options granted from 2003 through 2009 have six-year terms and vest ratably over three- or four-year periods; however, options granted to directors provided for cliff vesting. All outstanding options granted prior to 2009 are significantly out of the money.

Prior to 2003, Citigroup options had 10-year terms and generally vested at a rate of 20% per year over five years (with the first vesting date occurring 12 to 18 months following the grant date). All outstanding options that were granted prior to 2003 expired in 2012.

From 1997 to 2002, a broad base of employees participated in annual option grant programs. The options vested over five-year periods, or cliff vested after five years, and had 10-year terms but no reload features. No grants have been made under these programs since 2002 and all options that remained outstanding expired in 2012.

All unvested options granted to former CEO Vikram Pandit, including premium-priced stock options granted on May 17, 2011, were cancelled upon his resignation in October 2012.

Information with respect to stock option activity under Citigroup stock option programs for the years ended December 31, 2012, 2011 and 2010 is as follows:

	2012			2011			2010		
	Options	**Weighted-average exercise price**	**Intrinsic value per share**	Options	Weighted-average exercise price	Intrinsic value per share	Options	Weighted-average exercise price	Intrinsic value per share
Outstanding, beginning of period	**37,596,029**	**$ 69.60**	**$–**	37,486,011	$ 93.70	$ –	40,404,481	$ 127.50	$ –
Granted–original	–	–	–	3,425,000	48.86	–	4,450,017	47.80	–
Forfeited or exchanged	**(858,906)**	**83.84**	–	(1,539,227)	176.41	–	(4,368,086)	115.10	–
Expired	**(1,716,726)**	**438.14**	–	(1,610,450)	487.24	–	(2,935,863)	458.70	–
Exercised	–	–	–	(165,305)	40.80	6.72	(64,538)	40.80	3.80
Outstanding, end of period	**35,020,397**	**$ 51.20**	**$** –	37,596,029	$ 69.60	$ –	37,486,011	$ 93.70	$ –
Exercisable, end of period	**32,973,444**			23,237,069			15,189,710		

The following table summarizes the information about stock options outstanding under Citigroup stock option programs at December 31, 2012:

	Options outstanding			**Options exercisable**	
Range of exercise prices	**Number outstanding**	**Weighted-average contractual life remaining**	**Weighted-average exercise price**	**Number exercisable**	**Weighted-average exercise price**
\$29.70–\$49.99 (1)	**33,392,541**	**3.1 years**	**$42.40**	**31,431,666**	**$42.02**
\$50.00–\$99.99	**69,956**	**8.1 years**	**56.76**	**69,132**	**56.64**
\$100.00–\$199.99	**516,577**	**5.9 years**	**147.33**	**431,323**	**148.33**
\$200.00–\$299.99	**754,375**	**1.7 years**	**243.85**	**754,375**	**243.85**
\$300.00–\$399.99	**206,627**	**4.9 years**	**335.97**	**206,627**	**335.97**
\$400.00–\$557.00	**80,321**	**0.1 years**	**543.69**	**80,321**	**543.69**
Total at December 31, 2012	**35,020,397**	**3.1 years**	**$ 51.20**	**32,973,444**	**$ 51.13**

(1) A significant portion of the outstanding options are in the $40 to $45 range of exercise prices.

As of December 31, 2012, there was $8.7 million of total unrecognized compensation cost related to stock options; this cost is expected to be recognized over a weighted-average period of 0.3 years.

Valuation and related assumption information for Citigroup option programs is presented below. Citigroup uses a lattice-type model to value stock options.

For options granted during	**2012**	2011	2010
Weighted-average per-share fair value, at December 31	**N/A**	$ 13.90	$ 16.60
Weighted-average expected life			
Original grants	**N/A**	4.95 yrs.	6.06 yrs.

Valuation assumptions

Expected volatility	**N/A**	35.64	%	36.42	%
Risk-free interest rate	**N/A**	2.33	%	2.88	%
Expected dividend yield	**N/A**	0.00	%	0.00	%
Expected annual forfeitures					
Original and reload grants	**N/A**	9.62	%	9.62	%

N/A Not applicable

Profit Sharing Plan

In October 2010, the Committee approved awards under the 2010 Key Employee Profit Sharing Plan (KEPSP), which may entitle participants to profit-sharing payments based on an initial performance measurement period of January 1, 2010 through December 31, 2012. Generally, if a participant remains employed and all other conditions to vesting and payment are satisfied, the participant will be entitled to an initial payment in 2013, as well as a holdback payment in 2014 that may be reduced based on performance during the subsequent holdback period (generally, January 1, 2013 through December 31, 2013). If the vesting and performance conditions are satisfied, a participant' s initial payment will equal two-thirds of the product of the cumulative pretax income of Citicorp (as defined in the KEPSP) for the initial performance period and the participant' s applicable percentage. The initial payment will be paid after January 20, 2013 but no later than March 15, 2013.

The participant' s holdback payment, if any, will equal the product of (i) the lesser of cumulative pretax income of Citicorp for the initial performance period and cumulative pretax income of Citicorp for the initial performance period and the holdback period combined (generally, January 1, 2010 through December 31, 2013), and (ii) the participant' s applicable percentage, less the initial payment; provided that the holdback payment may not be less than zero. The holdback payment, if any, will be paid after January 20, 2014 but no later than March 15, 2014. The holdback payment, if any, will be credited with notional interest during the holdback period. It is intended that the initial payment and holdback payment will be paid in cash; however, awards may be paid in Citigroup common stock if required by regulatory authority. Regulators have required that U.K. participants receive at least 50% of their initial payment and at least 50% of their holdback payment, if any, in shares of Citigroup common stock that will be subject to a six-month sales restriction. Clawbacks apply to the award.

Independent risk function employees were not eligible to participate in the KEPSP, as the independent risk function participates in the determination of whether payouts will be made under the KEPSP. Instead, key employees in the independent risk function were eligible to receive deferred cash retention awards, which vest two-thirds on January 20, 2013 and one-third on January 20, 2014. The deferred cash awards incentivize key risk employees to contribute to the Company' s long-term profitability by ensuring that the Company' s risk profile is properly aligned with its long-term strategies, objectives and risk appetite, thereby, aligning the employees' interests with those of Company shareholders.

On February 14, 2011, the Committee approved grants of awards under the 2011 KEPSP to certain executive officers, and on May 17, 2011 to the then-CEO Vikram Pandit. These awards have a performance period of January 1, 2011 to December 31, 2012 and other terms of the awards are similar to the 2010 KEPSP. The KEPSP award granted to Mr. Pandit was cancelled upon his resignation in October 2012.

Expense recognized in 2012 in respect of the KEPSP was $246 million.

Performance Share Units

Certain executive officers were awarded a target number of performance share units (PSUs) on February 19, 2013 for performance in 2012. PSUs will be earned only to the extent that Citigroup attains specified performance goals relating to Citigroup' s return on assets and relative total shareholder return against peers over a three-year period covering 2013, 2014 and 2015. The actual number of PSUs ultimately earned could vary from zero, if performance goals are not met, to as much as 150% of target, if performance goals are meaningfully exceeded. The value of each PSU is equal to the value of one share of Citi common stock. The value of the award will fluctuate with changes in Citigroup' s share price and the attainment of the specified performance goals, until it is settled solely in cash after the end of the performance period.

Variable Incentive Compensation

Citigroup has various incentive plans globally that are used to motivate and reward performance primarily in the areas of sales, operational excellence and customer satisfaction. These programs are reviewed on a periodic basis to ensure that they are structured appropriately, aligned to shareholder interests and adequately risk balanced. For the years ended December 31, 2012 and 2011, Citigroup expensed $670 million and $1.0 billion, respectively, for these plans globally.

9. RETIREMENT BENEFITS

Pension and Postretirement Plans

The Company has several non-contributory defined benefit pension plans covering certain U.S. employees and has various defined benefit pension and termination indemnity plans covering employees outside the United States. The U.S. qualified defined benefit plan was frozen effective January 1, 2008 for most employees. Accordingly, no additional compensation-based contributions were credited to the cash balance portion of the plan for existing plan participants after 2007. However, certain employees covered
under the prior final pay plan formula continue to accrue benefits. The Company also offers postretirement health care and life insurance benefits to certain eligible U.S. retired employees, as well as to certain eligible employees outside the United States.

The following table summarizes the components of net (benefit) expense recognized in the Consolidated Statement of Income for the Company' s U.S. qualified and nonqualified pension plans, postretirement plans and plans outside the United States. The Company uses a December 31 measurement date for its U.S. and non-U.S. plans.

Net (Benefit) Expense

	Pension plans						**Postretirement benefit plans**					
	U.S. plans			**Non-U.S. plans**			**U.S. plans**			**Non-U.S. plans**		
In millions of dollars	**2012**	2011	2010	**2012**	2011	2010	**2012**	2011	2010	**2012**	2011	2010
Qualified Plans												
Benefits earned during the year	**$ 12**	$ 13	$ 14	**$ 199**	$ 203	$ 167	**$ –**	$ –	$ 1	**$ 29**	$ 28	$ 23
Interest cost on benefit obligation	**565**	612	644	**367**	382	342	**44**	53	59	**116**	118	105
Expected return on plan assets	**(897)**	(890)	(874)	**(399)**	(422)	(378)	**(4)**	(6)	(8)	**(108)**	(117)	(10
Amortization of unrecognized												
Net transition obligation	–	–	–	–	(1)	(1)	–	–	–	–	–	–
Prior service cost (benefit)	**(1)**	(1)	(1)	**4**	4	4	**(1)**	(3)	(3)	–	–	–
Net actuarial loss	**96**	64	47	**77**	72	57	**4**	3	11	**25**	24	20
Curtailment (gain) loss	–	–	–	**10**	4	1	–	–	–	–	–	–
Settlement (gain) loss	–	–	–	**35**	10	7	–	–	–	–	–	–
Special termination benefits	–	–	–	**1**	27	5	–	–	–	–	–	–
Net qualified (benefit) expense	**$ (225)**	$ (202)	$ (170)	**$ 294**	$ 279	$ 204	**$ 43**	$ 47	$ 60	**$ 62**	$ 53	$ 48
Nonqualified plans expense	**$ 42**	$ 42	$ 41	**$ –**	$ –	$ –	**$ –**	$ –	$ –	**$ –**	$ –	$ –
Total net (benefit) expense	**$ (183)**	$ (160)	$ (129)	**$ 294**	$ 279	$ 204	**$ 43**	$ 47	$ 60	**$ 62**	$ 53	$ 48

Contributions

The Company' s funding practice for U.S. and non-U.S. pension plans is generally to fund to minimum funding requirements in accordance with applicable local laws and regulations. The

Company may increase its contributions above the minimum required contribution, if appropriate. In addition, management has the ability to change its funding practices. For the U.S. pension plans, there were no minimum required cash contributions for 2012 or 2011. The following table summarizes the actual Company contributions for the years ended December 31, 2012 and 2011, as well as estimated expected Company contributions for 2013. Expected contributions are subject to change since contribution decisions are affected by various factors, such as market performance and regulatory requirements.

	Pension plans [1]						**Postretirement plans** [1]					
	U.S. plans [2]			**Non-U.S. plans**			**U.S. plans**			**Non-U.S. plans**		
In millions of dollars	2013	**2012**	2011	2013	**2012**	2011	2013	**2012**	2011	2013	**2012**	2011
Cash contributions paid by the Company	$ –	**$ –**	$ –	$ 177	**$ 270**	$ 342	$ –	**$ –**	$ –	$ 82	**$ 88**	$ 70
Benefits paid directly by the Company	54	**54**	51	47	**82**	47	57	**54**	53	5	**4**	5
Total Company contributions	$ 54	**$ 54**	$ 51	$ 224	**$ 352**	$ 389	$ 57	**$ 54**	$ 53	$ 87	**$ 92**	$ 75

(1) Payments reported for 2013 are expected amounts.

(2) The U.S. pension plans include benefits paid directly by the Company for the nonqualified pension plan.

The estimated net actuarial loss and prior service cost that will be amortized from *Accumulated other comprehensive income (loss)* into net expense in 2013 are approximately $226 million and $3 million, respectively, for defined benefit pension plans. For postretirement plans, the estimated 2013 net actuarial loss and prior service cost amortizations are approximately $45 million and $(1) million, respectively.

The following table summarizes the funded status and amounts recognized in the Consolidated Balance Sheet for the Company' s U.S. qualified and nonqualified pension plans, postretirement plans and plans outside the United States.

Net Amount Recognized

	Pension plans				Postretirement plans			
	U.S. plans (1)		Non-U.S. plans		U.S. plans		Non-U.S. plans	
In millions of dollars	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
Change in projected benefit obligation								
Projected benefit obligation at beginning of year	**$ 12,377**	$ 11,730	**$ 6,262**	$ 6,189	**$ 1,127**	$ 1,179	**$ 1,368**	$ 1,395
Benefits earned during the year	**12**	13	**199**	203	–	–	**29**	28
Interest cost on benefit obligation	**565**	612	**367**	382	**44**	53	**116**	118
Plan amendments	**(13)**	–	**17**	2	–	–	–	–
Actuarial (gain) loss	**965**	655	**923**	59	**(24)**	(44)	**457**	29
Benefits paid, net of participating contributions	**(638)**	(633)	**(306)**	(282)	**(85)**	(79)	**(54)**	(54)
Expected Medicare Part D subsidy	–	–	–	–	**10**	10	–	–
Settlements	–	–	**(254)**	(44)	–	–	–	–
Curtailment (gain) loss	–	–	**(8)**	3	–	–	–	–
Special/contractual termination benefits	–	–	**1**	27	–	–	–	–
Foreign exchange impact and other	–	–	**198**	(277)	–	8	**86**	(148)
Projected benefit obligation at year end	**$ 13,268**	$ 12,377	**$ 7,399**	$ 6,262	**$ 1,072**	$ 1,127	**$ 2,002**	$ 1,368
Change in plan assets								
Plan assets at fair value at beginning of year	**$ 11,991**	$ 11,561	**$ 6,421**	$ 6,145	**$ 74**	$ 95	**$ 1,096**	$ 1,176
Actual return on plan assets	**1,303**	1,063	**786**	526	**7**	5	**277**	40
Company contributions	–	–	**352**	389	**54**	53	**92**	75
Plan participants contributions	–	–	**6**	6	**58**	65	–	–
Settlements	–	–	**(254)**	(44)	–	–	–	–
Benefits paid	**(638)**	(633)	**(312)**	(288)	**(143)**	(144)	**(54)**	(54)
Foreign exchange impact and other	–	–	**155**	(313)	–	–	**86**	(141)
Plan assets at fair value at year end	**$ 12,656**	$ 11,991	**$ 7,154**	$ 6,421	**$ 50**	$ 74	**$ 1,497**	$ 1,096
Funded status of the plan at year end (2)	**$ (612)**	$ (386)	**$ (245)**	$ 159	**$ (1,022)**	$ (1,053)	**$ (505)**	(272)
Net amount recognized								
Benefit asset	**$ –**	$ –	**$ 763**	$ 874	**$ –**	$ –	**$ –**	$ –
Benefit liability	**(612)**	(386)	**(1,008)**	(715)	**(1,022)**	(1,053)	**(505)**	(272)
Net amount recognized on the balance sheet	**$ (612)**	$ (386)	**$ (245)**	$ 159	**$ (1,022)**	$ (1,053)	**$ (505)**	$ (272)

Amounts recognized in *Accumulated*

other comprehensive income (loss)

Net transition obligation	**$ –**	$ –	**$ (2)**	$ 1	**$ –**	$ –	**$ (1)**	$ (1)
Prior service cost (benefit)	**13**	1	**(33)**	(23)	**1**	3	**5**	5
Net actuarial loss	**(4,904)**	(4,440)	**(1,936)**	(1,454)	**(123)**	(152)	**(802)**	(509)
Net amount recognized in equity–pretax	**$ (4,891)**	$ (4,439)	**$ (1,971)**	$ (1,476)	**$ (122)**	$ (149)	**$ (798)**	(505)
Accumulated benefit obligation at year end	**$ 13,246**	$ 12,337	**$ 6,369**	$ 5,463	**$ 1,072**	$ 1,127	**$ 2,002**	$ 1,368

(1) The U.S. plans exclude nonqualified pension plans, for which the aggregate projected benefit obligation was $769 million and $713 million and the aggregate accumulated benefit obligation was $738 million and $694 million at December 31, 2012 and 2011, respectively. These plans are unfunded. As such, the funded status of these plans is $(769) million and $(713) million at December 31, 2012 and 2011, respectively. *Accumulated other comprehensive income (loss)* reflects pretax charges of $298 million and $231 million at December 31, 2012 and 2011, respectively, that primarily relate to net actuarial loss.

(2) The U.S. qualified pension plan is fully funded under specified ERISA funding rules as of January 1, 2013 and no minimum required funding is expected for 2012 or 2013.

The following table shows the change in *Accumulated other comprehensive income (loss)* for the years ended December 31, 2012 and 2011:

In millions of dollars	**2012**	2011
Balance, January 1, net of tax [1]	**$ (4,282)**	$ (4,105)
Actuarial assumptions changes and plan experience [2]	**(2,400)**	(820)
Net asset gain due to actual returns exceeding expected returns	**963**	197
Net amortizations	**214**	183
Foreign exchange impact and other	**(155)**	28
Change in deferred taxes, net	**390**	235
Change, net of tax	**$ (988)**	$ (177)
Balance, December 31, net of tax [1]	**$ (5,270)**	$ (4,282)

(1) See Note 21 to the Consolidated Financial Statements for further discussion of net *Accumulated other comprehensive income (loss)* balance.

(2) Includes $62 million and $70 million in net actuarial losses related to U.S. nonqualified pension plans for 2012 and 2011, respectively.

At December 31, 2012 and 2011, for both qualified and nonqualified plans and for both funded and unfunded plans, the aggregate projected benefit obligation (PBO), the aggregate accumulated benefit obligation (ABO), and the aggregate fair value of plan assets are presented for pension plans with a projected benefit obligation in excess of plan assets and for pension plans with an accumulated benefit obligation in excess of plan assets as follows:

	PBO exceeds fair value of plan assets				**ABO exceeds fair value plan assets**			
	U.S. plans [1]		**Non-U.S. plans**		**U.S. plans** [1]		**Non-U.S. plans**	
In millions of dollars	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
Projected benefit obligation	**$ 14,037**	$ 13,089	**$ 4,792**	$ 2,386	**$ 14,037**	$ 13,089	**$ 2,608**	$ 1,970
Accumulated benefit obligation	**13,984**	13,031	**3,876**	1,992	**13,984**	13,031	**2,263**	1,691
Fair value of plan assets	**12,656**	11,991	**3,784**	1,671	**12,656**	11,991	**1,677**	1,139

(1) In 2012, the PBO and ABO of the U.S. plans include $13,268 million and $13,246 million, respectively, relating to the qualified plan and $769 million and $738 million, respectively, relating to the nonqualified plans. In 2011, the PBO and ABO of the U.S. plans include $12,377 million and $12,337 million, respectively, relating to the qualified plan and $712 million and $694 million, respectively, relating to the nonqualified plans.

At December 31, 2012, combined accumulated benefit obligations for the U.S. and non-U.S. pension plans, excluding U.S. nonqualified plans, were less than plan assets by $0.2 billion. At December 31, 2011, combined accumulated benefit obligations for the U.S. and non-U.S. pension plans, excluding U.S. nonqualified plans, exceeded plan assets by $0.6 billion.

Plan Assumptions

The Company utilizes a number of assumptions to determine plan obligations and expense. Changes in one or a combination of these assumptions will have an impact on the Company' s pension and postretirement PBO, funded status and benefit expense. Changes in the plans' funded status resulting from changes in the PBO and fair value of plan assets will have a corresponding impact on *Accumulated other comprehensive income (loss)*.

Certain assumptions used in determining pension and postretirement benefit obligations and net benefit expenses for the Company' s plans are shown in the following table:

At year end	**2012**		2011	
Discount rate				
U.S. plans (1)				
Pension	**3.90**	**%**	4.70	%
Postretirement	**3.60**		4.30	
Non-U.S. pension plans				
Range	**1.50 to 28.00**		1.75 to 13.25	
Weighted average	**5.24**		5.94	
Future compensation increase rate				
U.S. plans (2)	**N/A**		N/A	
Non-U.S. pension plans				
Range	**1.20 to 26.00**		1.60 to 13.30	
Weighted average	**3.93**		4.04	
Expected return on assets				
U.S. plans	**7.00**		7.50	
Non-U.S. pension plans				
Range	**0.90 to 11.50**		1.00 to 12.50	
Weighted average	**5.76**		6.25	

During the year	**2012**		2011	
Discount rate				
U.S. plans (1)				
Pension	**4.70**	**%**	5.45	%
Postretirement	**4.30**		5.10	
Non-U.S. pension plans				
Range	**1.75 to 13.25**		1.75 to 14.00	
Weighted average	**5.94**		6.23	
Future compensation increase rate				
U.S. plans (2)	**N/A**		N/A	
Non-U.S. pension plans				
Range	**1.60 to 13.30**		1.00 to 11.00	
Weighted average	**4.04**		4.66	
Expected return on assets				

U.S. plans	**7.50**	7.50
Non-U.S. pension plans		
Range	**1.00 to 12.50**	1.00 to 12.50
Weighted average	**6.25**	6.89

(1) Weighted-average rates for the U.S. plans equal the stated rates.

(2) Since the U.S. qualified pension plan was frozen, a compensation increase rate applies only to certain small groups of grandfathered employees accruing benefits under a final pay plan formula. Only the future compensation increases for these grandfathered employees will affect future pension expense and obligations. Compensation increase rates for these small groups of participants range from 3.00% to 4.00%.

A discussion of certain key assumptions follows.

Discount Rate

The discount rates for the U.S. pension and postretirement plans were selected by reference to a Citigroup-specific analysis using each plan' s specific cash flows and compared with high-quality corporate bond indices for reasonableness. Citigroup' s policy is to round to the nearest five hundredths of a percent.

Accordingly, at December 31, 2012, the discount rate was set at 3.90% for the pension plans and 3.60% for the postretirement plans. At December 31, 2011, the discount rate was set at 4.70% for the pension plans and 4.30% for the postretirement plans.

The discount rates for the non-U.S. pension and postretirement plans are selected by reference to high-quality corporate bond rates in countries that have developed corporate bond markets. However, where developed corporate bond markets do not exist, the discount rates are selected by reference to local government bond rates with a premium added to reflect the additional risk for corporate bonds in certain countries.

Expected Rate of Return

The Company determines its assumptions for the expected rate of return on plan assets for its U.S. pension and postretirement plans using a "building block" approach, which focuses on ranges of anticipated rates of return for each asset class. A weighted range of nominal rates is then determined based on target allocations to each asset class. Market performance over a number of earlier years is evaluated covering a wide range of economic conditions to determine whether there are sound reasons for projecting any past trends.

The Company considers the expected rate of return to be a long-term assessment of return expectations and does not anticipate changing this assumption annually unless there are significant changes in investment strategy or economic conditions. This contrasts with the selection of the discount rate and certain other assumptions, which are reconsidered annually in accordance with generally accepted accounting principles.

The expected rate of return for the U.S. pension and postretirement plans was 7.00% at December 31, 2012, 7.50% at December 31, 2011, and 7.50% at December 31, 2010. Actual returns in 2012, 2011 and 2010 were greater than the expected returns. The expected return on assets reflects the expected annual appreciation of the plan assets and reduces the annual pension expense of the Company. It is deducted from the sum of service cost, interest cost and other components of pension expense to arrive at the net pension (benefit) expense. Net pension (benefit) expense for the U.S. pension plans for 2012, 2011, and 2010 reflects deductions of $897 million, $890 million, and $874 million of expected returns, respectively.

The following table shows the expected rate of return during the year versus actual rate of return on plan assets for 2012, 2011 and 2010 for the U.S. pension and postretirement plans:

	2012	2011	2010
Expected rate of return [1]	**7.50 %**	7.50 %	7.75 %
Actual rate of return [2]	**11.79%**	11.13%	14.11%

(1) Effective December 31, 2012, the expected rate of return decreased from 7.50% to 7.00%.

(2) Actual rates of return are presented gross of fees.

For the non-U.S. plans, pension expense for 2012 was reduced by the expected return of $399 million, compared with the actual return of $786 million. Pension expense for 2011 and 2010 was reduced by expected returns of $422 million and $378 million, respectively. Actual returns were higher in 2012, 2011, and 2010 than the expected returns in those years.

Sensitivities of Certain Key Assumptions

The following tables summarize the effect on pension expense of a one-percentage-point change in the discount rate:

	One-percentage-point increase		
In millions of dollars	**2012**	2011	2010
U.S. plans	**$18**	$19	$19
Non-U.S. plans	**(48)**	(57)	(49)

	One-percentage-point decrease		
In millions of dollars	**2012**	2011	2010
U.S. plans	**$ (36)**	$ (34)	$ (34)
Non-U.S. plans	**64**	70	56

Since the U.S. qualified pension plan was frozen, the majority of the prospective service cost has been eliminated and the gain/loss amortization period was changed to the life expectancy for inactive participants. As a result, pension expense for the U.S. qualified pension plan is driven more by interest costs than service costs, and an increase in the discount rate would increase pension expense, while a decrease in the discount rate would decrease pension expense.

The following tables summarize the effect on pension expense of a one-percentage-point change in the expected rates of return:

	One-percentage-point increase		
In millions of dollars	**2012**	2011	2010
U.S. plans	**$ (120)**	$ (118)	$ (119)
Non-U.S. plans	**(64)**	(62)	(54)

One-percentage-point decrease

In millions of dollars	**2012**	2011	2010
U.S. plans	**$ 120**	$ 118	$ 119
Non-U.S. plans	**64**	62	54

Health-Care Cost-Trend Rate

Assumed health-care cost-trend rates were as follows:

	2012	2011
Health-care cost increase rate for U.S. plans		
Following year	**8.50 %**	9.00 %
Ultimate rate to which cost increase is assumed to decline	**5.00**	5.00
Year in which the ultimate rate is reached	**2020**	2020

A one-percentage-point change in assumed health-care cost-trend rates would have the following effects:

	One-percentage-point increase		**One-percentage-point decrease**	
In millions of dollars	**2012**	2011	**2012**	2011
Effect on benefits earned and interest cost for U.S. plans	**$2**	$2	**$(1)**	$(2)
Effect on accumulated postretirement benefit obligation for U.S. plans	**44**	43	**(39)**	(38)

Plan Assets

Citigroup’ s pension and postretirement plans’ asset allocations for the U.S. plans at December 31, 2012 and 2011, and the target allocations for 2013 by asset category based on asset fair values, are as follows:

	Target asset allocation	U.S. pension assets at December 31,		U.S. postretirement assets at December 31,	
Asset category [1]	2013	**2012**	2011	**2012**	2011
Equity securities [2]	0 - 30 %	**17 %**	16 %	**17 %**	16 %
Debt securities	25 - 73	**45**	44	**45**	44
Real estate	0 - 7	**5**	5	**5**	5
Private equity	0 - 15	**11**	13	**11**	13
Other investments	12 - 29	**22**	22	**22**	22
Total		**100 %**	100 %	**100 %**	100 %

(1) Asset allocations for the U.S. plans are set by investment strategy, not by investment product. For example, private equities with an underlying investment in real estate are classified in the real estate asset category, not private equity.

(2) Equity securities in the U.S. pension plans include no Citigroup common stock at the end of 2012 and 2011.

Third-party investment managers and advisors provide their services to Citigroup’ s U.S. pension plans. Assets are rebalanced as the Pension Plan Investment Committee deems appropriate. Citigroup’ s investment strategy, with respect to its pension assets, is to maintain a globally diversified investment portfolio across several asset classes that, when combined with Citigroup’ s contributions to the plans, will maintain the plans’ ability to meet all required benefit obligations.

Citigroup’ s pension and postretirement plans’ weighted-average asset allocations for the non-U.S. plans and the actual ranges at the end of 2012 and 2011, and the weighted-average target allocations for 2013 by asset category based on asset fair values are as follows:

	Non-U.S. pension plans				
	Weighted-average target asset allocation	Actual range at December 31,		Weighted-average at December 31,	
Asset category	2013	**2012**	2011	**2012**	2011
Equity securities	16 %	**0 to 63 %**	0 to 65 %	**16 %**	19 %
Debt securities	75	**0 to 100**	0 to 99	**72**	71
Real estate	1	**0 to 41**	0 to 42	**1**	1
Other investments	8	**0 to 100**	0 to 100	**11**	9
Total	100 %			**100 %**	100 %

Non-U.S. postretirement plans		
Weighted-average target asset allocation	Actual range at December 31,	Weighted-average at December 31,

Asset category	2013		2012		2011		2012		2011	
Equity securities	27	%	**0 to 28**	%	0 to 44	%	**28**	**%**	44	%
Debt securities	55		**46 to 100**		45 to 100		**46**		45	
Other investments	18		**0 to 26**		0 to 11		**26**		11	
Total	100	%					**100**	**%**	100	%

Fair Value Disclosure

For information on fair value measurements, including descriptions of Level 1, 2 and 3 of the fair value hierarchy and the valuation methodology utilized by the Company, see "Significant Accounting Policies and Significant Estimates" and Note 25 to the Consolidated Financial Statements.

Certain investments may transfer between the fair value hierarchy classifications during the year due to changes in valuation methodology and pricing sources. There were no significant transfers of investments between Level 1 and Level 2 during the years ended December 31, 2012 and 2011.

Plan assets by detailed asset categories and the fair value hierarchy are as follows:

In millions of dollars	U.S. pension and postretirement benefit plans (1)			
	Fair value measurement at December 31, 2012			
Asset categories	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity securities				
U.S. equity	$ 677	$ –	$ –	$ 677
Non-U.S. equity	412	5	–	417
Mutual funds	177	–	–	177
Commingled funds	–	1,132	–	1,132
Debt securities				
U.S. Treasuries	1,431	–	–	1,431
U.S. agency	–	112	–	112
U.S. corporate bonds	1	1,396	–	1,397
Non-U.S. government debt	–	387	–	387
Non-U.S. corporate bonds	4	346	–	350
State and municipal debt	–	142	–	142
Hedge funds	–	1,132	1,524	2,656
Asset-backed securities	–	55	–	55
Mortgage-backed securities	–	52	–	52
Annuity contracts	–	–	130	130
Private equity	–	–	2,419	2,419
Derivatives	593	37	–	630
Other investments	–	–	142	142
Total investments at fair value	$ 3,295	$ 4,796	$ 4,215	$ 12,306
Cash and short-term investments	$ 130	$ 906	$ –	$ 1,036
Other investment receivables	–	6	24	30
Total assets	$ 3,425	$ 5,708	$ 4,239	$ 13,372
Other investment liabilities	$ (607)	$ (60)	$ –	$ (667)
Total net assets	$ 2,818	$ 5,648	$ 4,239	$ 12,705

(1) The investments of the U.S. pension and postretirement benefit plans are commingled in one trust. At December 31, 2012, the allocable interests of the U.S. pension and postretirement benefit plans were 99.6% and 0.4%, respectively.

In millions of dollars	U.S. pension and postretirement benefit plans [1]			
	Fair value measurement at December 31, 2011			
Asset categories	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity securities				
U.S. equity	$572	$5	$51	$628
Non-U.S. equity	229	–	19	248
Mutual funds	137	–	–	137
Commingled funds	440	594	–	1,034
Debt securities				
U.S. Treasuries	1,760	–	–	1,760
U.S. agency	–	120	–	120
U.S. corporate bonds	2	1,073	5	1,080
Non-U.S. government debt	–	352	–	352
Non-U.S. corporate bonds	4	271	–	275
State and municipal debt	–	122	–	122
Hedge funds	–	1,087	870	1,957
Asset-backed securities	–	19	–	19
Mortgage-backed securities	–	32	–	32
Annuity contracts	–	–	155	155
Private equity	–	–	2,474	2,474
Derivatives	691	36	–	727
Other investments	92	20	121	233
Total investments at fair value	$ 3,927	$ 3,731	$ 3,695	$ 11,353
Cash and short-term investments	$ 412	$ 402	$ –	$ 814
Other investment receivables	–	393	221	614
Total assets	$ 4,339	$ 4,526	$ 3,916	$ 12,781
Other investment liabilities	$ (683)	$ (33)	$ –	$ (716)
Total net assets	$ 3,656	$ 4,493	$ 3,916	$ 12,065

(1) The investments of the U.S. pension and postretirement benefit plans are commingled in one trust. At December 31, 2011, the allocable interests of the U.S. pension and postretirement benefit plans were 99.2% and 0.8%, respectively.

In millions of dollars	Non-U.S. pension and postretirement benefit plans			
	Fair value measurement at December 31, 2012			
Asset categories	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity securities				
U.S. equity	**$ 12**	**$ 12**	**$ –**	**$ 24**
Non-U.S. equity	**88**	**77**	**48**	**213**
Mutual funds	**31**	**4,583**	–	**4,614**
Commingled funds	**26**	–	–	**26**
Debt securities				
U.S. Treasuries	–	**1**	–	**1**
U.S. corporate bonds	**10**	**478**	–	**488**
Non-U.S. government debt	**1,806**	**144**	**4**	**1,954**
Non-U.S. corporate bonds	**162**	**804**	**4**	**970**
State and municipal debt	–	–	–	–
Hedge funds	–	–	**16**	**16**
Mortgage-backed securities	–	**1**	–	**1**
Annuity contracts	–	**5**	**6**	**11**
Derivatives	–	**40**	–	**40**
Other investments	**3**	**9**	**219**	**231**
Total investments at fair value	**$ 2,138**	**$ 6,154**	**$ 297**	**$ 8,589**
Cash and short-term investments	**$ 56**	**$ 4**	**$ 3**	**$ 63**
Total assets	**$ 2,194**	**$ 6,158**	**$ 300**	**$ 8,652**

In millions of dollars	Non-U.S. pension and postretirement benefit plans			
	Fair value measurement at December 31, 2011			
Asset categories	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity securities				
U.S. equity	$ 12	$ –	$ –	$ 12
Non-U.S. equity	48	180	5	233
Mutual funds	11	4,439	32	4,482
Commingled funds	26	–	–	26
Debt securities				
U.S. Treasuries	1	–	–	1
U.S. corporate bonds	1	379	–	380
Non-U.S. government debt	1,484	129	5	1,618
Non-U.S. corporate bonds	5	318	3	326
State and municipal debt	–	–	–	–
Hedge funds	–	3	12	15
Mortgage-backed securities	1	–	–	1
Annuity contracts	–	3	–	3
Derivatives	–	3	–	3
Other investments	3	6	240	249
Total investments at fair value	$ 1,592	$ 5,460	$ 297	$ 7,349
Cash and short-term investments	$ 168	$ –	$ –	$ 168

Total assets	$ 1,760	$ 5,460	$ 297	$ 7,517

Level 3 Roll Forward

The reconciliations of the beginning and ending balances during the period for Level 3 assets are as follows:

In millions of dollars **U.S. pension and postretirement benefit plans**

Asset categories	**Beginning Level 3 fair value at Dec. 31, 2011**	**Realized gains (losses)**	**Unrealized gains (losses)**	**Purchases, sales, and issuances**	**Transfers in and/or out of Level 3**	**Ending Level 3 fair value at Dec. 31, 2012**
Equity securities						
U.S. equity	$ 51	$ –	$ –	$ –	$ (51)	**$ –**
Non-U.S. equity	19	–	8	–	(27)	–
Debt securities						
U.S. corporate bonds	5	–	1	–	(6)	–
Non-U.S. government debt	–	(1)	–	1	–	–
Non-U.S. corporate bonds	–	–	–	–	–	–
Hedge funds	870	(28)	149	199	334	**1,524**
Annuity contracts	155	–	6	(31)	–	**130**
Private equity	2,474	267	98	(484)	64	**2,419**
Other investments	121	–	14	12	(5)	**142**
Total investments	$ 3,695	$ 238	$ 276	$ (303)	$ 309	**$ 4,215**
Other investment receivables	221	–	–	–	(197)	**24**
Total assets	$ 3,916	$ 238	$ 276	$ (303)	$ 112	**$ 4,239**

In millions of dollars **U.S. pension and postretirement benefit plans**

Asset categories	**Beginning Level 3 fair value at Dec. 31, 2010**	**Realized gains (losses)**	**Unrealized gains (losses)**	**Purchases, sales, and issuances**	**Transfers in and/or out of Level 3**	**Ending Level 3 fair value at Dec. 31, 2011**
Equity securities						
U.S. equity	$ –	$–	$ –	$ –	$ 51	$ 51
Non-U.S. equity	–	–	(1)	–	20	19
Debt securities						
U.S. corporate bonds	5	(2)	(1)	(1)	4	5
Non-U.S. corporate bonds	1	–	–	(1)	–	–
Hedge funds	1,014	42	(45)	(131)	(10)	870
Annuity contracts	187	–	3	(35)	–	155
Private equity	2,920	89	94	(497)	(132)	2,474
Other investments	4	–	(6)	–	123	121
Total investments	$ 4,131	$ 129	$ 44	$ (665)	$ 56	$ 3,695
Other investment receivables	–	–	–	221	–	221
Total assets	$ 4,131	$ 129	$ 44	$ (444)	$ 56	$ 3,916

In millions of dollars **Non-U.S. pension and postretirement benefit plans**

Asset categories	**Beginning Level 3 fair value at Dec. 31, 2011**	**Realized gains (losses)**	**Unrealized gains (losses)**	**Purchases, sales, and issuances**	**Transfers in and/or out of Level 3**	**Ending Level 3 fair value at Dec. 31, 2012**
Equity securities						

Non-U.S. equity	$ 5	$ –	$ –	$43	$–	**$48**
Mutual funds	32	–	–	(10)	(22)	–
Debt securities						
Non-U.S. government bonds	5	–	–	–	(1)	**4**
Non-U.S. corporate bonds	3	(3)	–	2	2	**4**
Hedge funds	12	–	–	–	4	**16**
Annuity contracts	–	–	–	1	5	**6**
Other investments	240	7	14	(23)	(19)	**219**
Total investments	$ 297	$ 4	$ 14	$ 13	$ (31)	**$ 297**
Cash and short-term investments	–	–	–	–	3	**3**
Total assets	$ 297	$ 4	$ 14	$ 13	$ (28)	**$ 300**

In millions of dollars	Non-U.S. pension and postretirement benefit plans					
Asset categories	**Beginning Level 3 fair value at Dec. 31, 2010**	**Realized gains (losses)**	**Unrealized gains (losses)**	**Purchases, sales, and issuances**	**Transfers in and/or out of Level 3**	**Ending Level 3 fair value at Dec. 31, 2011**
Equity securities						
Non-U.S. equity	$ 3	$ –	$ 2	$ –	$ –	$ 5
Mutual funds	–	–	–	–	32	32
Debt securities						
Non-U.S. government bonds	–	–	–	–	5	5
Non-U.S. corporate bonds	107	–	–	2	(105)	4
Hedge funds	14	(2)	–	–	–	12
Other investments	189	4	–	(10)	56	239
Total assets	$ 313	$ 2	$ 2	$ (8)	$ (12)	$ 297

Investment Strategy

The Company' s global pension and postretirement funds' investment strategies are to invest in a prudent manner for the exclusive purpose of providing benefits to participants. The investment strategies are targeted to produce a total return that, when combined with the Company' s contributions to the funds, will maintain the funds' ability to meet all required benefit obligations. Risk is controlled through diversification of asset types and investments in domestic and international equities, fixed-income securities and cash and short-term investments. The target asset allocation in most locations outside the U.S. is to have the majority of the assets in equity and debt securities. These allocations may vary by geographic region and country depending on the nature of applicable obligations and various other regional considerations. The wide variation in the actual range of plan asset allocations for the funded non-U.S. plans is a result of differing local statutory requirements and economic conditions. For example, in certain countries local law requires that all pension plan assets must be invested in fixed-income investments, government funds, or local-country securities.

Significant Concentrations of Risk in Plan Assets

The assets of the Company' s pension plans are diversified to limit the impact of any individual investment. The U.S. qualified pension plan is diversified across multiple asset classes, with publicly traded fixed income, hedge funds, publicly traded equity, and private equity representing the most significant asset allocations. Investments in these four asset classes are further diversified across funds, managers, strategies, vintages, sectors and geographies, depending on the specific characteristics of each asset class. The pension assets for the Company' s largest non-U.S. plans are primarily invested in publicly traded fixed income and publicly traded equity securities.

Oversight and Risk Management Practices

The framework for the Company' s pensions oversight process includes monitoring of retirement plans by plan fiduciaries and/ or management at the global, regional or country level, as appropriate. Independent risk management contributes to the risk oversight and monitoring for the Company' s U.S. qualified pension plan and largest non-U.S. pension plans. Although the specific components of the oversight process are tailored to the requirements of each region, country and plan, the following elements are common to the Company' s monitoring and risk management process:

- Periodic asset/liability management studies and strategic asset allocation reviews
- Periodic monitoring of funding levels and funding ratios
- Periodic monitoring of compliance with asset allocation guidelines
- Periodic monitoring of asset class and/or investment manager performance against benchmarks
- Periodic risk capital analysis and stress testing

Estimated Future Benefit Payments

The Company expects to pay the following estimated benefit payments in future years:

	Pension plans	Postretirement benefit plans

In millions of dollars	U.S. plans	Non-U.S. plans	U.S. plans	Non-U.S. plans
2013	$ 774	$366	$88	$ 58
2014	796	356	86	63
2015	798	373	86	66
2016	811	391	83	71
2017	825	408	81	75
2018–2022	4,370	2,399	370	483

Prescription Drugs

In December 2003, the Medicare Prescription Drug Improvement and Modernization Act of 2003 (Act of 2003) was enacted. The Act of 2003 established a prescription drug benefit under Medicare known as "Medicare Part D," and a federal subsidy to sponsors of U.S. retiree health-care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D. The benefits provided to certain participants are at least actuarially equivalent to Medicare Part D and, accordingly, the Company is entitled to a subsidy.

The expected subsidy reduced the accumulated postretirement benefit obligation (APBO) by approximately $93 million and $96 million as of December 31, 2012 and 2011, respectively, and the postretirement expense by approximately $9 million and $10 million for 2012 and 2011, respectively.

The following table shows the estimated future benefit payments without the effect of the subsidy and the amounts of the expected subsidy in future years:

	Expected U.S. postretirement benefit payments		
In millions of dollars	**Before Medicare Part D subsidy**	**Medicare Part D subsidy**	**After Medicare Part D subsidy**
2013	$ 98	$ 10	$ 88
2014	96	10	86
2015	94	8	86
2016	91	8	83
2017	89	8	81
2018–2022	399	29	370

The Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively, the Act of 2010) were signed into law in the U.S. in March 2010. One provision that impacted Citigroup was the elimination of the tax deductibility for benefits paid that are related to the Medicare Part D subsidy, starting in 2013. Citigroup was required to recognize the full accounting impact in 2010, the period in which the Act of 2010 was signed. As a result, there was a $45 million reduction in deferred tax assets with a corresponding charge to earnings from continuing operations.

Certain provisions of the Act of 2010 improved the Medicare Part D option known as the Employer Group Waiver Plan (EGWP), with respect to the Medicare Part D subsidy. The EGWP provides prescription drug benefits that are more cost effective for Medicare-eligible participants and large employers. Effective April 1, 2013, the Company will sponsor and implement an EGWP for eligible retirees. The expected Company subsidy received under EGWP is expected to be at

Postemployment Plans

The Company sponsors U.S. postemployment plans that provide income continuation and health and welfare benefits to certain eligible U.S. employees on long-term disability.

As of December 31, 2012 and 2011, the plans' funded status recognized in the Company's Consolidated Balance Sheet was $(501) million and $(469) million, respectively. The amounts recognized in *Accumulated other comprehensive income (loss)* as of December 31, 2012 and 2011 were $(185) million and $(188) million, respectively.

The following table summarizes the components of net expense recognized in the Consolidated Statement of Income for the Company's U.S. postemployment plans.

	Net Expense		
In millions of dollars	**2012**	**2011**	**2010**
Service related expense			
Service cost	**$ 22**	$ 16	$ 13
Interest cost	**13**	12	10
Prior service cost	**7**	7	7
Net actuarial loss	**13**	9	6
Total service related expense	**$ 55**	$ 44	$ 36
Non-service related expense	**$ 24**	$ 23	$ 33
Total net expense	**$ 79**	$ 67	$ 69

The following table summarizes certain assumptions used in determining the postemployment benefit obligations and net benefit expenses for the Company's U.S. postemployment plans.

	2012	**2011**
Discount rate	**3.10 %**	3.95 %
Health-care cost increase rate		
Following year	**8.50 %**	9.00 %
Ultimate rate to which cost increase is assumed to decline	**5.00**	5.00
Year in which the ultimate rate is reached	**2020**	2020

Defined Contribution Plans

The Company sponsors defined contribution plans in the U.S. and in certain non-U.S. locations, all of which are administered in accordance with local laws. The most significant defined contribution plan is the Citigroup 401(k) Plan sponsored by the Company in the U.S.

Under the Citigroup 401(k) Plan, eligible U.S. employees received matching contributions of up to 6% of their eligible compensation for 2012 and 2011, subject to statutory limits. Additionally, for eligible employees whose eligible compensation is $100,000 or less, a fixed contribution of up to 2% of eligible compensation is provided. All Company contributions are invested according to participants' individual least actuarially equivalent to the subsidy the Company would have previously received under the Medicare Part D benefit.

The other provisions of the Act of 2010 are not expected to have a significant impact on Citigroup's pension and postretirement plans.

Early Retiree Reinsurance Program

The Company participates in the Early Retiree Reinsurance Program (ERRP), which provides federal government reimbursement to eligible employers to cover a portion of the health benefit costs associated with early retirees. Of the $8 million the Company received in reimbursements in 2012, approximately $5 million was used to reduce the health benefit costs for certain eligible retirees. In accordance with federal regulations, the remaining reimbursements will be used to reduce retirees' health benefit costs by December 31, 2014.

elections. The pretax expense associated with this plan amounted to approximately $389 million, $383 million and $301 million in 2012, 2011 and 2010, respectively.

10. INCOME TAXES

In millions of dollars	2012	2011	2010
Current			183
Federal	**$ (71)**	$ (144)	$ (249)
Foreign	**3,889**	3,498	3,239
State	**300**	241	207
Total current income taxes	**$ 4,118**	$ 3,595	$ 3,197
Deferred			
Federal	**$ (4,943)**	$ (793)	$ (933)
Foreign	**900**	628	279
State	**(48)**	91	(310)
Total deferred income taxes	**$ (4,091)**	$ (74)	$ (964)
Provision (benefit) for income tax on continuing operations before noncontrolling interests (1)	**$ 27**	$ 3,521	$ 2,233
Provision (benefit) for income taxes on discontinued operations	**(71)**	66	(562)
Provision (benefit) for income taxes on cumulative effect of accounting changes	**(58)**	–	(4,978)
Income tax expense (benefit) reported in stockholders' equity related to:			
Foreign currency translation	**(709)**	(609)	(739)
Securities available-for-sale	**369**	1,495	1,167
Employee stock plans	**265**	297	600
Cash flow hedges	**311**	(92)	325
Pension liability adjustments	**(390)**	(235)	(434)
Income taxes before noncontrolling interests	**$ (256)**	$ 4,443	$ (2,388)

(1) Includes the effect of securities transactions and OTTI losses resulting in a provision (benefit) of $1,138 million and $(1,740) million in 2012, $699 million and $(789) million in 2011 and $844 million and $(494) million in 2010, respectively.

The reconciliation of the federal statutory income tax rate to the Company's effective income tax rate applicable to income from continuing operations (before noncontrolling interests and the cumulative effect of accounting changes) for the years ended December 31 was as follows:

	2012	2011	2010
Federal statutory rate	**35.0 %**	35.0 %	35.0 %
State income taxes, net of federal benefit	**3.0**	1.5	(0.1)
Foreign income tax rate differential	**(4.8)**	(8.6)	(10.0)
Audit settlements (1)	**(11.7)**	–	(0.5)
Effect of tax law changes (2)	**(0.1)**	2.0	(0.1)
Basis difference in affiliates	**(9.1)**	–	–
Tax advantaged investments	**(12.2)**	(6.0)	(6.7)
Other, net	**0.2**	0.2	(0.7)
Effective income tax rate	**0.3 %**	24.1 %	16.9 %

(1) For 2012 and 2010, relates to the conclusion of the audit of various issues in the Company's 2006–2008 and 2003–2005 U.S. federal tax audits, respectively. 2012 also includes an amount related to the conclusion of a New York City tax audit for 2006–2008.

(2) For 2011, includes the results of the Japan tax rate change which resulted in a $300 million DTA charge.

Deferred income taxes at December 31 related to the following:

In millions of dollars	2012	2011
Deferred tax assets		
Credit loss deduction	**$ 10,947**	$ 12,481
Deferred compensation and employee benefits	**4,890**	4,936
Restructuring and settlement reserves	**1,645**	1,331
Unremitted foreign earnings	**5,114**	7,362
Investment and loan basis differences	**3,878**	2,358
Cash flow hedges	**1,361**	1,673
Tax credit and net operating loss carry-forwards	**28,087**	22,764
Other deferred tax assets	**2,651**	2,127
Gross deferred tax assets	**$ 58,573**	$ 55,032
Valuation allowance	–	–
Deferred tax assets after valuation allowance	**$ 58,573**	$ 55,032
Deferred tax liabilities		
Deferred policy acquisition costs and value of insurance in force	**$ (495)**	$ (591)
Fixed assets and leases	**(623)**	(1,361)
Intangibles	**(1,517)**	(710)
Debt valuation adjustment on Citi liabilities	**(73)**	(533)
Other deferred tax liabilities	**(543)**	(307)
Gross deferred tax liabilities	**$ (3,251)**	$ (3,502)
Net deferred tax asset	**$ 55,322**	$ 51,530

The following is a roll-forward of the Company's unrecognized tax benefits.

In millions of dollars	2012	2011	2010
Total unrecognized tax benefits at January 1	**$ 3,923**	$ 4,035	$ 3,079
Net amount of increases for current year's tax positions	**136**	193	1,039
Gross amount of increases for prior years' tax positions	**345**	251	371
Gross amount of decreases for prior years' tax positions	**(1,246)**	(507)	(421)
Amounts of decreases relating to settlements	**(44)**	(11)	(14)
Reductions due to lapse of statutes of limitation	**(3)**	(38)	(11)
Foreign exchange, acquisitions and dispositions	**(2)**	–	(8)
Total unrecognized tax benefits at December 31	**$ 3,109**	$ 3,923	$ 4,035

Total amount of unrecognized tax benefits at December 31, 2012, 2011 and 2010 that, if recognized, would affect the effective tax rate are $1.3 billion, $2.2 billion and $2.1 billion, respectively. The remainder of the uncertain tax positions have offsetting amounts in other jurisdictions or are temporary differences, except for $0.9 billion, which would be booked directly to *Retained earnings*.

Interest and penalties (not included in "unrecognized tax benefits" above) are a component of the *Provision for income taxes*.

	2012		2011		2010	
In millions of dollars	**Pretax**	**Net of tax**	Pretax	Net of tax	Pretax	Net of tax
Total interest and penalties in the Consolidated Balance Sheet at January 1	**$ 404**	**$ 261**	$348	$ 223	$ 370	$ 239
Total interest and penalties in the Consolidated Statement of Income	**114**	**71**	61	41	(16)	(12)
Total interest and penalties in the Consolidated Balance Sheet at December 31 (1)	**492**	**315**	404	261	348	223

(1) 2012 includes $10 million for foreign penalties and $4 million for state penalties.

The Company is currently under audit by the Internal Revenue Service and other major taxing jurisdictions around the world. It is thus reasonably possible that significant changes in the gross balance of unrecognized tax benefits may occur within the next 12 months, but the Company does not expect such audits to result in amounts that would cause a significant change to its effective tax rate, other than the following items.

The Company may resolve certain issues with IRS Appeals for the 2003–2005 and 2006–2008 cycles within the next 12 months. The gross uncertain tax positions at December 31, 2012 for the items that may be resolved are as much as $655 million plus gross interest of $92 million. Because of the number and nature of the issues remaining to be resolved, the potential tax benefit to continuing operations could be anywhere in a range between $0 and $383 million. In addition, the audit for the companies in the Germany tax group for the years 2005–2008 may conclude in 2013. The gross uncertain tax positions at December 31, 2012 for this audit is as much as $112 million plus gross interest of $29 million. The potential tax benefit, most of which would go to discontinued operations, is anywhere in the range from $0 to $137 million.

The following are the major tax jurisdictions in which the Company and its affiliates operate and the earliest tax year subject to examination:

Jurisdiction	Tax year
United States	2009
Mexico	2008

Foreign pretax earnings approximated $14.7 billion in 2012, $13.1 billion in 2011 and $12.3 billion in 2010 (of which $0.1 billion loss, $0.2 billion profit and $0.1 billion profit, respectively, are in discontinued operations). As a U.S. corporation, Citigroup and its U.S. subsidiaries are currently subject to U.S. taxation on all foreign pretax earnings earned by a foreign branch. Pretax earnings of a foreign subsidiary or affiliate are subject to U.S. taxation when effectively repatriated. The Company provides income taxes on the undistributed earnings of non-U.S. subsidiaries except to the extent that such earnings are indefinitely reinvested outside the United States. At December 31, 2012, $42.6 billion of accumulated undistributed earnings of non-U.S. subsidiaries were indefinitely invested. At the existing U.S. federal income tax rate, additional taxes (net of U.S. foreign tax credits) of $11.5 billion would have to be provided if such earnings were remitted currently. The current year's effect on the income tax expense from continuing operations is included in the "Foreign income tax rate differential" line in the reconciliation of the federal statutory rate to the Company's effective income tax rate in the table above.

Income taxes are not provided for the Company's "savings bank base year bad debt reserves" that arose before 1988, because under current U.S. tax rules, such taxes will become payable only to the extent such amounts are distributed in excess of limits prescribed by federal law. At December 31, 2012, the amount of the base year reserves totaled approximately $358 million (subject to a tax of $125 million).

New York State and City	2005
United Kingdom	2010
Japan	2009
Brazil	2008
Singapore	2007
Hong Kong	2007
Ireland	2008

The Company has no valuation allowance on its deferred tax assets (DTAs) at December 31, 2012 and December 31, 2011.

In billions of dollars

Jurisdiction/component		DTA balance December 31, 2012		DTA balance December 31, 2011
U.S. federal [1]				
Consolidated tax return net operating losses (NOLs)	**$**	–	$	–
Consolidated tax return foreign tax credits (FTCs)		**22.0**		15.
Consolidated tax return general business credits (GBCs)		**2.6**		2.1
Future tax deductions and credits		**22.0**		23.0
Other [2]		**0.9**		1.4
Total U.S. federal	**$**	**47.5**	$	42.3
State and local				
New York NOLs	**$**	**1.3**	$	1.3
Other state NOLs		**0.6**		0.7
Future tax deductions		**2.6**		2.2
Total state and local	**$**	**4.5**	$	4.2
Foreign				
APB 23 subsidiary NOLs	**$**	**0.2**	$	0.5
Non-APB 23 subsidiary NOLs		**1.2**		1.8
Future tax deductions		**1.9**		2.7
Total foreign	**$**	**3.3**	$	5.0
Total	**$**	**55.3**	$	51.

(1) Included in the net U.S. federal DTAs of $47.5 billion are deferred tax liabilities of $2 billion that will reverse in the relevant carry-forward period and may be used to support the DTAs.

(2) Includes $0.8 billion and $1.2 billion for 2012 and 2011, respectively, of subsidiary tax carry-forwards related to companies that are expected to be utilized separate from Citigroup' s consolidated tax carry-forwards.

The following table summarizes the amounts of tax carry-forwards and their expiration dates as of December 31, 2012:

In billions of dollars

Year of expiration
U.S. consolidated tax return foreign tax credit carry-forwards
2016
2017
2018
2019
2020
2021
2022
Total U.S. consolidated tax return foreign tax credit carry-forwards
U.S. consolidated tax return general business credit carry-forwards
2027
2028
2029
2030
2031
2032
Total U.S. consolidated tax return general business credit carry-forwards
U.S. subsidiary separate federal net operating loss (NOL) carry-forwards
2027
2028
2030
2031
Total U.S. subsidiary separate federal NOL carry-forwards [1]
New York State NOL carry-forwards
2027
2028
2029
2030
Total New York State NOL carry-forwards [1]
New York City NOL carry-forwards
2027
2028
2029
2030
Total New York City NOL carry-forwards [1]
APB 23 subsidiary NOL carry-forwards
Various
Total APB 23 subsidiary NOL carry-forwards

(1) Pretax.

While Citi' s net total DTAs increased year-over-year, the time remaining for utilization has shortened, given the passage of time, particularly with respect to the foreign tax credit (FTC) component of the DTAs. Realization of the DTAs will continue to be driven by Citi' s ability to generate U.S. taxable earnings in the carry-forward periods, including through actions that optimize Citi' s U.S. taxable earnings.

Although realization is not assured, Citi believes that the realization of the recognized net DTAs of $55.3 billion at December 31, 2012 is more-likely-than-not based upon expectations as to future taxable income in the jurisdictions in which the DTAs arise and available tax planning strategies (as defined in ASC 740, *Income Taxes*) that would be implemented, if necessary, to prevent a carry-forward from expiring. In general, Citi would need to generate approximately $112 billion of U.S. taxable income during the respective carry-forward periods, substantially all of which must be generated during the FTC carry-forward periods, to fully realize its U.S. federal, state and local DTAs. Citi' s net DTAs will decline primarily as additional domestic GAAP taxable income is generated.

Citi has concluded that there are two components of positive evidence that support the full realization of its DTAs. First, Citi forecasts sufficient U.S. taxable income in the carry-forward periods, exclusive of ASC 740 tax planning strategies, although Citi' s estimated future taxable income has decreased due to the ongoing challenging economic environment, which will continue to be subject to overall market and global economic conditions. Citi' s forecasted taxable income incorporates geographic business forecasts and taxable income adjustments to those forecasts (e.g., U.S. tax exempt income, loan loss reserves deductible for U.S. tax reporting in subsequent years), as well as actions intended to optimize its U.S. taxable earnings.

Second, Citi has sufficient tax planning strategies available to it under ASC 740 that would be implemented, if necessary, to prevent a carry-forward from expiring. These strategies include repatriating low taxed foreign source earnings for which an assertion that the earnings have been indefinitely reinvested has not been made, accelerating U.S. taxable income into, or deferring U.S. tax deductions out of, the latter years of the carry-forward period (e.g., selling appreciated intangible assets, electing straight-line depreciation), accelerating deductible temporary differences outside the U.S., and selling certain assets that produce tax-exempt income, while purchasing assets that produce fully taxable income. In addition, the sale or restructuring of certain businesses can produce significant U.S. taxable income within the relevant carry-forward periods.

Based upon the foregoing discussion, Citi believes the U.S. federal and New York state and city NOL carry-forward period of 20 years provides enough time to fully utilize the DTAs pertaining to the existing NOL carry-forwards and any NOL that would be created by the reversal of the future net deductions that have not yet been taken on a tax return.

The U.S. FTC carry-forward period is 10 years and represents the most time sensitive component of Citi' s DTAs. Utilization of FTCs in any year is restricted to 35% of foreign source taxable income in that year. However, overall domestic losses that Citi has incurred of approximately $63 billion as of December 31, 2012 are allowed to be reclassified as foreign source income to the extent of 50% of domestic source income produced in subsequent years. Resulting foreign source income would cover the FTCs being carried forward. Citi believes the foreign source taxable income limitation will not be an impediment to the FTC carry-forward usage as long as Citi can generate sufficient domestic taxable income within the 10-year carry-forward period.

Citi believes that it will generate sufficient U.S. taxable income within the 10-year carry-forward period referenced above to be able to fully utilize the FTC carry-forward, in addition to any FTCs produced in such period.

11. EARNINGS PER SHARE

The following is a reconciliation of the income and share data used in the basic and diluted earnings per share (EPS) computations for the years ended December 31:

In millions, except per-share amounts	**2012**	2011 [1]	2010 [1]
Income from continuing operations before attribution of noncontrolling interests	**$7,909**	$11,103	$10,951
Less: Noncontrolling interests from continuing operations	**219**	148	329
Net income from continuing operations (for EPS purposes)	**$7,690**	$10,955	$10,622
Income (loss) from discontinued operations, net of taxes	**(149)**	112	(68)
Less: Noncontrolling interests from discontinuing operations	–	–	(48)
Citigroup' s net income	**$7,541**	$11,067	$10,602
Less: Preferred dividends	**26**	26	9
Net income available to common shareholders	**$7,515**	$11,041	$10,593
Less: Dividends and undistributed earnings allocated to employee restricted and deferred shares with nonforfeitable rights to dividends, applicable to basic EPS	**166**	186	90
Net income allocated to common shareholders for basic EPS	**$7,349**	$10,855	$10,503
Add: Interest expense, net of tax, on convertible securities and adjustment of undistributed earnings allocated to employee restricted and deferred shares with nonforfeitable rights to dividends, applicable to diluted EPS	**11**	17	2
Net income allocated to common shareholders for diluted EPS	**$7,360**	$10,872	$10,505
Weighted-average common shares outstanding applicable to basic EPS	**2,930.6**	2,909.8	2,877.6
Effect of dilutive securities			
T-DECs	**84.2**	87.6	87.8
Other employee plans	**0.6**	0.5	1.9
Convertible securities	**0.1**	0.1	0.1
Options	–	0.8	0.4
Adjusted weighted-average common shares outstanding applicable to diluted EPS	**3,015.5**	2,998.8	2,967.8
Basic earnings per share [2]			
Income from continuing operations	**$2.56**	$3.69	$3.66
Discontinued operations	**(0.05)**	0.04	(0.01)
Net income	**$2.51**	$3.73	$3.65
Diluted earnings per share [2]			
Income from continuing operations	**$2.49**	$3.59	$3.55
Discontinued operations	**(0.05)**	0.04	(0.01)
Net income	**$2.44**	$3.63	$3.54

(1) 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.

(2) Due to rounding, earnings per share on continuing operations and discontinued operations may not sum to earnings per share on net income.

During 2012, 2011 and 2010 weighted-average options to purchase 35.8 million, 24.1 million and 38.6 million shares of common stock, respectively, were outstanding but not included in the computation of earnings per share because the weighted-average exercise prices of $54.18, $123.47 and $102.89, exercise price of $318.30 was greater than the average market price of the Company' s common stock.

Pursuant to the terms of Citi' s previously outstanding Tangible Dividend Enhanced Common Stock Securities (T-DECs), on December 17, 2012, the Company delivered respectively, were greater than the average market price of the Company' s common stock.

Warrants issued to the U.S. Treasury as part of the Troubled Asset Relief Program (TARP) and the loss-sharing agreement (all of which were subsequently sold to the public in January 2011), with an exercise price of $178.50 and $106.10 for approximately 21.0 million and 25.5 million shares of common stock, respectively, were not included in the computation of earnings per share in 2012, 2011 and 2010, because they were anti-dilutive.

The final tranche of equity units held by the Abu Dhabi Investment Authority (ADIA) converted into 5.9 million shares of Citigroup common stock during the third quarter of 2011. Equity units of approximately 11.8 million shares of Citigroup common stock held by ADIA were not included in the computation of earnings per share in 2010 because the 96,337,772 shares of Citigroup common stock for the final settlement of the prepaid stock purchase contract. The impact of these additional shares to the weighted-average common shares outstanding applicable to basic EPS for the year ended 2012 was negligible due to the timing of when they were issued. The full impact of the T-DECs settlement will be reflected in the basic earnings per share calculation for the first quarter of 2013. The impact of the T-DECs was fully reflected in the diluted shares and the diluted EPS for 2012, 2011 and 2010.

During the fourth quarter of 2012, Citi issued approximately $2.25 billion of non-cumulative perpetual preferred stock. If declared by the Board of Directors, Citi will distribute preferred dividends of approximately $97 million relating to its preferred stock issuance during 2013.

12. FEDERAL FUNDS/SECURITIES BORROWED, LOANED, AND SUBJECT TO REPURCHASE AGREEMENTS

Federal funds sold and securities borrowed or purchased under agreements to resell, at their respective carrying values, consisted of the following at December 31:

In millions of dollars	2012	2011
Federal funds sold	**$97**	$37
Securities purchased under agreements to resell [(1)]	**138,549**	153,492
Deposits paid for securities borrowed	**122,665**	122,320
Total	**$261,311**	$275,849

(1) Securities purchased under agreements to resell are reported net by counterparty, when applicable requirements for net presentation are met. The amounts in the table above were reduced for allowable netting by $49.4 billion and $53.0 billion at December 31, 2012 and 2011, respectively.

Federal funds purchased and securities loaned or sold under agreements to repurchase, at their respective carrying values, consisted of the following at December 31:

In millions of dollars	2012	2011
Federal funds purchased	**$ 1,005**	$ 688
Securities sold under agreements to repurchase [(1)]	**182,330**	164,849
Deposits received for securities loaned	**27,901**	32,836
Total	**$ 211,236**	$ 198,373

(1) Securities sold under agreements to repurchase are reported net by counterparty, when applicable requirements for net presentation are met. The amounts in the table above were reduced for allowable netting by $49.4 billion and $53.0 billion at December 31, 2012 and 2011, respectively.

The resale and repurchase agreements represent collateralized financing transactions. The Company executes these transactions through its broker-dealer subsidiaries to facilitate customer matched-book activity and to fund a portion of the Company' s trading inventory efficiently. Transactions executed by the Company' s bank subsidiaries primarily facilitate customer financing activity.

It is the Company' s policy to take possession of the underlying collateral, monitor its market value relative to the amounts due under the agreements and, when necessary, require prompt transfer of additional collateral in order to maintain contractual margin protection. Collateral typically consists of government and government-agency securities, corporate and municipal bonds, and mortgage-backed and other asset-backed securities. In the event of counterparty default, the financing

The majority of the resale and repurchase agreements are recorded at fair value. The remaining portion is carried at the amount of cash initially advanced or received, plus accrued interest, as specified in the respective agreements.

A majority of securities borrowing and lending agreements are recorded at the amount of cash advanced or received and are collateralized principally by government and government-agency securities and corporate debt and equity securities. The remaining portion is recorded at fair value as the Company elected the fair value option for certain securities borrowed and loaned portfolios. With respect to securities loaned, the Company receives cash collateral in an amount generally in excess of the market value of the securities loaned. The Company monitors the market value of securities borrowed and securities loaned on a daily basis and obtains or posts additional collateral in order to maintain contractual margin protection.

agreement provides the Company with the right to liquidate the collateral held.

13. BROKERAGE RECEIVABLES AND BROKERAGE PAYABLES

The Company has receivables and payables for financial instruments purchased from and sold to brokers, dealers and customers, which arise in the ordinary course of business. The Company is exposed to risk of loss from the inability of brokers, dealers or customers to pay for purchases or to deliver the financial instruments sold, in which case the Company would have to sell or purchase the financial instruments at prevailing market prices. Credit risk is reduced to the extent that an exchange or clearing organization acts as a counterparty to the transaction and replaces the broker, dealer or customer in question.

The Company seeks to protect itself from the risks associated with customer activities by requiring customers to maintain margin collateral in compliance with regulatory and internal guidelines. Margin levels are monitored daily, and customers deposit additional collateral as required. Where customers cannot meet collateral requirements, the Company will liquidate sufficient underlying financial instruments to bring the customer into compliance with the required margin level.

Exposure to credit risk is impacted by market volatility, which may impair the ability of clients to satisfy their obligations to the Company. Credit limits are established and closely monitored for customers and for brokers and dealers engaged in forwards, futures and other transactions deemed to be credit sensitive.

Brokerage receivables and *brokerage payables* consisted of the following at December 31:

In millions of dollars	**2012**	2011
Receivables from customers	**$12,191**	$19,991
Receivables from brokers, dealers, and clearing organizations	**10,299**	7,786
Total brokerage receivables (1)	**$22,490**	$27,777
Payables to customers	**$38,279**	$40,111
Payables to brokers, dealers, and clearing organizations	**18,734**	16,585
Total brokerage payables (1)	**$57,013**	$56,696

(1) Brokerage receivables and payables are accounted for in accordance with ASC 940-320.

14. TRADING ACCOUNT ASSETS AND LIABILITIES

Trading account assets and *Trading account liabilities*, at fair value, consisted of the following at December 31:

In millions of dollars	**2012**	2011
Trading account assets		
Mortgage-backed securities (1)		
U.S. government-sponsored agency guaranteed	**$31,160**	$27,535
Prime	**1,248**	877
Alt-A	**801**	609
Subprime	**812**	989
Non-U.S. residential	**607**	396
Commercial	**2,441**	2,333
Total mortgage-backed securities	**$37,069**	$32,739
U.S. Treasury and federal agency securities		
U.S. Treasury	**$17,472**	$18,227
Agency obligations	**2,884**	1,172
Total U.S. Treasury and federal agency securities	**$20,356**	$19,399
State and municipal securities	**$3,806**	$5,364
Foreign government securities	**89,239**	79,551
Corporate	**35,224**	37,026
Derivatives (2)	**54,620**	62,327
Equity securities	**56,998**	33,230
Asset-backed securities (1)	**5,352**	7,071
Other debt securities	**18,265**	15,027
Total trading account assets	**$320,929**	$291,734
Trading account liabilities		
Securities sold, not yet purchased	**$63,798**	$69,809
Derivatives (2)	**51,751**	56,273
Total trading account liabilities	**$115,549**	$126,082

(1) The Company invests in mortgage-backed and asset-backed securities. These securitizations are generally considered VIEs. The Company`s maximum exposure to loss from these VIEs is equal to the carrying amount of the securities, which is reflected in the table above. For mortgage-backed and asset-backed securitizations in which the Company has other involvement, see Note 22 to the Consolidated Financial Statements.

(2) Presented net, pursuant to enforceable master netting agreements. See Note 23 to the Consolidated Financial Statements for a discussion regarding the accounting and reporting for derivatives.

15. INVESTMENTS

Overview

In millions of dollars	**2012**	2011
Securities available-for-sale	**$288,695**	$265,204
Debt securities held-to-maturity [(1)]	**10,130**	11,483
Non-marketable equity securities carried at fair value [(2)]	**5,768**	8,836
Non-marketable equity securities carried at cost [(3)]	**7,733**	7,890
Total investments	**$312,326**	$293,413

(1) Recorded at amortized cost less impairment for securities that have credit-related impairment.

(2) Unrealized gains and losses for non-marketable equity securities carried at fair value are recognized in earnings. During the third quarter of 2012, the Company sold EMI Music resulting in a total $1.5 billion decrease in non-marketable equity securities carried at fair value. During the second quarter of 2012, the Company sold EMI Music Publishing resulting in a total of $1.3 billion decrease in non-marketable equity securities carried at fair value.

(3) Non-marketable equity securities carried at cost primarily consist of shares issued by the Federal Reserve Bank, Federal Home Loan Banks, foreign central banks and various clearing houses of which Citigroup is a member.

Securities Available-for-Sale

The amortized cost and fair value of securities available-for-sale (AFS) at December 31, 2012 and 2011 were as follows:

	2012						
In millions of dollars	**Amortized cost**	**Gross unrealized gains**	**Gross unrealized losses**	**Fair value**	Amortized cost	Gross unrealized gains	Gross unrealized losses
Debt securities AFS							
Mortgage-backed securities [(1)]							
U.S. government-sponsored agency guaranteed	**$ 46,001**	**$1,507**	**$ 163**	**$ 47,345**	$ 44,394	$1,438	$ 51
Prime	**85**	**1**	–	**86**	118	1	6
Alt-A	**1**	–	–	**1**	1	–	–
Non-U.S. residential	**7,442**	**148**	–	**7,590**	4,671	9	22
Commercial	**436**	**16**	**3**	**449**	465	16	9
Total mortgage-backed securities	**$ 53,965**	**$1,672**	**$ 166**	**$ 55,471**	$ 49,649	$1,464	$ 88
U.S. Treasury and federal agency securities							
U.S. Treasury	**$ 64,456**	**$1,172**	**$ 34**	**$ 65,594**	$ 48,790	$1,439	$ –
Agency obligations	**25,844**	**404**	**1**	**26,247**	34,310	601	2
Total U.S. Treasury and federal agency securities	**$ 90,300**	**$1,576**	**$ 35**	**$ 91,841**	$ 83,100	$2,040	$ 2
State and municipal [(2)]	**$ 20,020**	**$ 132**	**$1,820**	**$ 18,332**	$ 16,819	$ 134	$2,554
Foreign government	**93,259**	**918**	**130**	**94,047**	84,360	558	404
Corporate	**9,302**	**398**	**26**	**9,674**	10,005	305	53
Asset-backed securities [(1)]	**14,188**	**85**	**143**	**14,130**	11,053	31	81
Other debt securities	**256**	**2**	–	**258**	670	13	–
Total debt securities AFS	**$281,290**	**$4,783**	**$2,320**	**$283,753**	$255,656	$4,545	$3,182
Marketable equity securities AFS	**$ 4,643**	**$ 444**	**$ 145**	**$ 4,942**	$ 6,722	$1,658	$ 195
Total securities AFS	**$285,933**	**$5,227**	**$2,465**	**$288,695**	$262,378	$6,203	$3,377

(1) The Company invests in mortgage-backed and asset-backed securities. These securitizations are generally considered VIEs. The Company' s maximum exposure to loss from these VIEs is equal to the carrying amount of the securities, which is reflected in the table above. For mortgage-backed and asset-backed securitizations in which the Company has other involvement, see Note 22 to the Consolidated Financial Statements.

(2) The unrealized losses on state and municipal debt securities are primarily attributable to the result of yields on taxable fixed income instruments decreasing relatively faster than the general tax-exempt municipal yields and the effects of fair value hedge accounting.

At December 31, 2012, the amortized cost of approximately 3,500 investments in equity and fixed-income securities exceeded their fair value by $2.465 billion. Of the $2.465 billion, the gross unrealized loss on equity securities was $145 million. Of the remainder, $238 million represents fixed-income investments that have been in a gross-unrealized-loss position for less than a year and, of these, 98% are rated investment grade; $2.082 billion represents fixed-income investments that have been in a gross-unrealized-loss position for a year or more and, of these, 92% are rated investment grade.

The AFS mortgage-backed securities portfolio fair value balance of $55.471 billion consists of $47.345 billion of government-sponsored agency securities, and $8.126 billion of privately sponsored securities, of which the majority are backed by mortgages that are not Alt-A or subprime.

As discussed in more detail below, the Company conducts and documents periodic reviews of all securities with unrealized losses to evaluate whether the impairment is other than temporary. Any credit-related impairment related to debt securities that the Company does not plan to sell and is not likely to be required to sell is recognized in the Consolidated Statement of Income, with the non-credit-related impairment recognized in accumulated other comprehensive income (AOCI). For other impaired debt securities, the entire impairment is recognized in the Consolidated Statement of Income.

The table below shows the fair value of AFS securities that have been in an unrealized loss position for less than 12 months or for 12 months or longer as of December 31, 2012 and 2011:

	Less than 12 months		12 months or longer		Total	
In millions of dollars	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses
December 31, 2012						
Securities AFS						
Mortgage-backed securities						
U.S. government-sponsored agency guaranteed	**$ 8,759**	**$138**	**$ 464**	**$ 25**	**$ 9,223**	**$ 163**
Prime	**15**	–	**5**	–	**20**	–
Non-U.S. residential	**5**	–	**7**	–	**12**	–
Commercial	**29**	–	**24**	**3**	**53**	**3**
Total mortgage-backed securities	**$ 8,808**	**$138**	**$ 500**	**$ 28**	**$ 9,308**	**$ 166**
U.S. Treasury and federal agency securities						
U.S. Treasury	**$10,558**	**$ 34**	**$ –**	**$ –**	**$10,558**	**$ 34**
Agency obligations	**496**	**1**	–	–	**496**	**1**
Total U.S. Treasury and federal agency securities	**$11,054**	**$ 35**	**$ –**	**$ –**	**$11,054**	**$ 35**
State and municipal	**$ 10**	**$ –**	**$11,095**	**$1,820**	**$11,105**	**$1,820**
Foreign government	**22,806**	**54**	**3,910**	**76**	**26,716**	**130**
Corporate	**1,420**	**8**	**225**	**18**	**1,645**	**26**
Asset-backed securities	**1,942**	**4**	**2,888**	**139**	**4,830**	**143**
Marketable equity securities AFS	**15**	**1**	**764**	**144**	**779**	**145**
Total securities AFS	**$46,055**	**$240**	**$19,382**	**$2,225**	**$65,437**	**$2,465**
December 31, 2011						
Securities AFS						
Mortgage-backed securities						
U.S. government-sponsored agency guaranteed	$ 5,398	$ 32	$ 51	$ 19	$ 5,449	$ 51
Prime	27	1	40	5	67	6
Non-U.S. residential	3,418	22	57	–	3,475	22
Commercial	35	1	31	8	66	9
Total mortgage-backed securities	$ 8,878	$ 56	$ 179	$ 32	$ 9,057	$ 88
U.S. Treasury and federal agency securities						
U.S. Treasury	$ 553	$ –	$ –	$ –	$ 553	$ –
Agency obligations	2,970	2	–	–	2,970	2
Total U.S. Treasury and federal agency securities	$ 3,523	$ 2	$ –	$ –	$ 3,523	$ 2
State and municipal	$ 59	$ 2	$11,591	$2,552	$11,650	$2,554
Foreign government	33,109	211	11,205	193	44,314	404
Corporate	2,104	24	203	29	2,307	53
Asset-backed securities	4,625	68	466	13	5,091	81
Other debt securities	164	–	–	–	164	–
Marketable equity securities AFS	47	5	1,457	190	1,504	195

Total securities AFS	$52,509	$368	$25,101	$3,009	$77,610	$3,377

The following table presents the amortized cost and fair value of AFS debt securities by contractual maturity dates as of December 31, 2012 and 2011:

	2012		2011	
In millions of dollars	**Amortized cost**	**Fair value**	Amortized cost	Fair value
Mortgage-backed securities [1]				
Due within 1 year	**$ 10**	**$ 10**	$ –	$ –
After 1 but within 5 years	**365**	**374**	422	423
After 5 but within 10 years	**1,992**	**2,124**	2,757	2,834
After 10 years [2]	**51,598**	**52,963**	46,470	47,768
Total	**$ 53,965**	**$ 55,471**	$ 49,649	$ 51,025
U.S. Treasury and federal agency securities				
Due within 1 year	**$ 9,492**	**$ 9,499**	$ 14,615	$ 14,637
After 1 but within 5 years	**75,967**	**77,267**	62,241	63,823
After 5 but within 10 years	**2,171**	**2,408**	5,862	6,239
After 10 years [2]	**2,670**	**2,667**	382	439
Total	**$ 90,300**	**$ 91,841**	$ 83,100	$ 85,138
State and municipal				
Due within 1 year	**$ 208**	**$ 208**	$ 142	$ 142
After 1 but within 5 years	**3,221**	**3,223**	455	457
After 5 but within 10 years	**155**	**165**	182	188
After 10 years [2]	**16,436**	**14,736**	16,040	13,612
Total	**$ 20,020**	**$ 18,332**	$ 16,819	$ 14,399
Foreign government				
Due within 1 year	**$ 34,873**	**$ 34,869**	$ 34,924	$ 34,864
After 1 but within 5 years	**49,548**	**49,933**	41,612	41,675
After 5 but within 10 years	**7,239**	**7,380**	6,993	6,998
After 10 years [2]	**1,599**	**1,865**	831	977
Total	**$ 93,259**	**$ 94,047**	$ 84,360	$ 84,514
All other [3]				
Due within 1 year	**$ 1,001**	**$ 1,009**	$ 4,055	$ 4,072
After 1 but within 5 years	**11,285**	**11,351**	9,843	9,928
After 5 but within 10 years	**4,330**	**4,505**	3,009	3,160
After 10 years [2]	**7,130**	**7,197**	4,821	4,783
Total	**$ 23,746**	**$ 24,062**	$ 21,728	$ 21,943
Total debt securities AFS	**$ 281,290**	**$ 283,753**	$ 255,656	$ 257,019

(1) Includes mortgage-backed securities of U.S. government-sponsored entities.

(2) Investments with no stated maturities are included as contractual maturities of greater than 10 years. Actual maturities may differ due to call or prepayment rights.

(3) Includes corporate, asset-backed and other debt securities.

The following table presents interest and dividends on investments:

During 2012, 2011 and 2010, the Company sold various debt securities that were classified as held-to-maturity. These sales

In millions of dollars	**2012**	2011	2010
Taxable interest	**$6,509**	$7,257	$9,922
Interest exempt from U.S. federal income tax	**683**	746	760
Dividends	**333**	317	322
Total interest and dividends	**$7,525**	$8,320	$11,004

The following table presents realized gains and losses on all investments. The gross realized investment losses exclude losses from other-than-temporary impairment:

In millions of dollars	**2012**	2011	2010
Gross realized investment gains	**$ 3,663**	$ 2,498	$ 2,873
Gross realized investment losses	**(412)**	(501)	(462)
Net realized gains	**$ 3,251**	$ 1,997	$ 2,411

were in response to a significant deterioration in the creditworthiness of the issuers or securities. In addition, during 2012 certain securities were reclassified to AFS investments in response to significant credit deterioration. The Company intended to sell the securities at the time of reclassification to AFS investments and recorded other-than-temporary impairment reflected in the following table. The securities sold during 2012, 2011 and 2010 had carrying values of $2,110 million, $1,612 million and $413 million respectively, and the Company recorded realized losses of $187 million, $299 million and $49 million, respectively. The securities reclassified to AFS investments during 2012 totaled $244 million and the Company recorded other-than-temporary impairment of $59 million.

Debt Securities Held-to-Maturity

The carrying value and fair value of debt securities held-to-maturity (HTM) at December 31, 2012 and 2011 were as follows:

In millions of dollars	Amortized cost [(1)]	Net unrealized loss recognized in AOCI	Carrying value [(2)]	Gross unrealized gains	Gross unrealized losses	Fair value
December 31, 2012						
Debt securities held-to-maturity						
Mortgage-backed securities [(3)]						
Prime	**$ 258**	**$ 49**	**$ 209**	**$ 30**	**$ 4**	**$235**
Alt-A	**2,969**	**837**	**2,132**	**653**	**250**	**2,535**
Subprime	**201**	**43**	**158**	**13**	**21**	**150**
Non-U.S. residential	**2,488**	**401**	**2,087**	**50**	**81**	**2,056**
Commercial	**123**	–	**123**	**1**	**2**	**122**
Total mortgage-backed securities	**$ 6,039**	**$ 1,330**	**$ 4,709**	**$ 747**	**$ 358**	**$5,098**
State and municipal	**$ 1,278**	**$ 73**	**$ 1,205**	**$ 89**	**$ 37**	**$1,257**
Foreign government [(4)]	**2,987**	–	**2,987**	–	–	**2,987**
Corporate	**829**	**103**	**726**	**73**	–	**799**
Asset-backed securities [(3)]	**529**	**26**	**503**	**8**	**8**	**503**
Total debt securities held-to-maturity	**$ 11,662**	**$ 1,532**	**$ 10,130**	**$ 917**	**$ 403**	**$10,644**
December 31, 2011						
Debt securities held-to-maturity						
Mortgage-backed securities [(3)]						
Prime	$ 360	$ 73	$ 287	$ 21	$ 20	$288
Alt-A	4,732	1,404	3,328	20	319	3,029
Subprime	383	47	336	1	71	266
Non-U.S. residential	3,487	520	2,967	59	290	2,736
Commercial	513	1	512	4	52	464
Total mortgage-backed securities	$ 9,475	$ 2,045	$ 7,430	$ 105	$ 752	$6,783
State and municipal	$ 1,422	$ 95	$ 1,327	$ 68	$ 72	$1,323
Foreign government	–	–	–	–	–	–
Corporate	1,862	113	1,749	–	254	1,495
Asset-backed securities [(3)]	1,000	23	977	9	87	899
Total debt securities held-to-maturity	$ 13,759	$ 2,276	$ 11,483	$ 182	$ 1,165	$10,500

(1) For securities transferred to HTM from *Trading account assets*, amortized cost is defined as the fair value of the securities at the date of transfer plus any accretion income and less any impairments recognized in earnings subsequent to transfer. For securities transferred to HTM from AFS, amortized cost is defined as the original purchase cost, plus or minus any accretion or amortization of a purchase discount or premium, less any impairment recognized in earnings.

(2) HTM securities are carried on the Consolidated Balance Sheet at amortized cost, plus or minus any unamortized unrealized gains and losses recognized in AOCI prior to reclassifying the securities from AFS to HTM. The changes in the values of these securities are not reported in the financial statements, except for other-than-temporary impairments. For HTM securities, only the credit loss component of the impairment is recognized in earnings, while the remainder of the impairment is recognized in AOCI.

(3) The Company invests in mortgage-backed and asset-backed securities. These securitizations are generally considered VIEs. The Company' s maximum exposure to loss from these VIEs is equal to the carrying amount of the securities, which is reflected in the table above. For mortgage-backed and asset-backed securitizations in which the Company has other involvement, see Note 22 to the Consolidated Financial Statements.

(4) In 2012, the Company (via its Banamex entity) purchased Mexican government bonds with a par value of $2.6 billion and classified them as held-to-maturity.

The Company has the positive intent and ability to hold these securities to maturity absent any unforeseen further significant changes in circumstances, including deterioration in credit or with regard to regulatory capital requirements.

The net unrealized losses classified in AOCI relate to debt securities reclassified from AFS investments to HTM investments in a prior year. Additionally, for HTM securities that have suffered credit impairment, declines in fair value for reasons other than credit losses are recorded in AOCI, while credit-related impairment is recognized in earnings. The AOCI balance for HTM securities is amortized over the remaining life of the related securities as an adjustment of yield in a manner consistent with the accretion of discount on the same debt securities. This will have no impact on the Company' s net income because the amortization of the unrealized holding loss reported in equity will offset the effect on interest income of the accretion of the discount on these securities.

During the first quarter of 2011, the Company determined that it no longer had the intent to hold $12.7 billion of HTM securities to maturity. As a result, the Company reclassified $10.0 billion carrying value of mortgage-backed, other asset-backed, state and municipal, and corporate debt securities from *Investments* held-to-maturity to *Trading account assets* and sold the remaining $2.7 billion of such securities. As a result of these actions, a net pretax loss of $709 million ($427 million after-tax) was recognized in the Consolidated Statement of Income, composed of gross unrealized gains of $311 million included in *Other revenue*, gross unrealized losses of $1,387 million included in *Other-than-temporary-impairment losses on investments*, and net realized gains of $367 million included in *Realized gains (losses) on sales of investments*. Prior to the reclassification, unrealized losses totaling $1,656 million pretax ($1,012 million after-tax) had been reflected in AOCI and have now been reflected in the Consolidated Statement of Income, as detailed above. During 2011, the Company sold substantially all of the $12.7 billion of HTM securities.

Citigroup reclassified and sold the securities as part of its overall efforts to mitigate its risk-weighted assets (RWA) in order to comply with significant new regulatory capital requirements which, although not yet implemented or formally adopted, are nonetheless currently being used to assess the forecasted capital adequacy of the Company and other large U.S. banking organizations. These regulatory capital changes, which were largely unforeseen when the Company initially reclassified the debt securities from *Trading account assets* and *Investments* available-for-sale to *Investments* held-to-maturity in the fourth quarter of 2008, include: (i) the U.S. Basel II credit and operational risk capital standards; (ii) the Basel Committee' s agreed-upon, and the U.S.-proposed, revisions to the market risk capital rules, which significantly increased the risk weightings for certain trading book positions; (iii) the Basel Committee' s substantial issuance of Basel III, which raised the quantity and quality of required regulatory capital and materially increased RWA for securitization exposures; and (iv) certain regulatory capital-related provisions in The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

The table below shows the fair value of debt securities in HTM that have been in an unrecognized loss position for less than 12 months or for 12 months or longer as of December 31, 2012 and 2011:

In millions of dollars	Less than 12 months Fair value	Less than 12 months Gross unrecognized losses	12 months or longer Fair value	12 months or longer Gross unrecognized losses	Total Fair value	Total Gross unrecognized losses
December 31, 2012						
Debt securities held-to-maturity						
Mortgage-backed securities	**$ 88**	**$ 7**	**$ 1,522**	**$ 351**	**$ 1,610**	**$ 358**
State and municipal	–	–	**383**	**37**	**383**	**37**
Foreign government	294	–	–	–	294	–
Corporate	–	–	–	–	–	–
Asset-backed securities	–	–	**406**	**8**	**406**	**8**
Total debt securities held-to-maturity	**$ 382**	**$ 7**	**$ 2,311**	**$ 396**	**$ 2,693**	**$ 403**
December 31, 2011						
Debt securities held-to-maturity						
Mortgage-backed securities	$ 735	$ 63	$ 4,827	$ 689	$ 5,562	$ 752
State and municipal	–	–	682	72	682	72
Foreign government	–	–	–	–	–	–
Corporate	–	–	1,427	254	1,427	254
Asset-backed securities	480	71	306	16	786	87
Total debt securities held-to-maturity	$ 1,215	$ 134	$ 7,242	$ 1,031	$ 8,457	$ 1,165

Excluded from the gross unrecognized losses presented in the above table are the $1.5 billion and $2.3 billion of gross unrealized losses recorded in AOCI as of December 31, 2012 and

December 31, 2011, respectively, mainly related to the HTM securities that were reclassified from AFS investments. Virtually all of these unrecognized losses relate to securities that have been in a loss position for 12 months or longer at December 31, 2012 and December 31, 2011.

The following table presents the carrying value and fair value of HTM debt securities by contractual maturity dates as of December 31, 2012 and 2011:

	December 31, 2012		December 31, 2011	
In millions of dollars	**Carrying value**	**Fair value**	Carrying value	Fair value
Mortgage-backed securities				
Due within 1 year	**$ –**	**$ –**	$ –	$ –
After 1 but within 5 years	**69**	**67**	275	239
After 5 but within 10 years	**54**	**54**	238	224
After 10 years (1)	**4,586**	**4,977**	6,917	6,320
Total	**$ 4,709**	**$ 5,098**	$ 7,430	$ 6,783
State and municipal				
Due within 1 year	**$ 14**	**$ 15**	$ 4	$ 4
After 1 but within 5 years	**36**	**37**	43	46
After 5 but within 10 years	**58**	**62**	31	30
After 10 years (1)	**1,097**	**1,143**	1,249	1,243
Total	**$ 1,205**	**$ 1,257**	$ 1,327	$ 1,323
Foreign government				
Due within 1 year	**$ –**	**$ –**	$ –	$ –
After 1 but within 5 years	**2,987**	**2,987**	–	–
After 5 but within 10 years	–	–	–	–
After 10 years (1)	–	–	–	–
Total	**$ 2,987**	**$ 2,987**	$ –	$ –
All other (2)				
Due within 1 year	**$ –**	**$ –**	$ 21	$ 21
After 1 but within 5 years	**728**	**802**	470	438
After 5 but within 10 years	–	–	1,404	1,182
After 10 years (1)	**501**	**500**	831	753
Total	**$ 1,229**	**$ 1,302**	$ 2,726	$ 2,394
Total debt securities held-to-maturity	**$ 10,130**	**$ 10,644**	$ 11,483	$ 10,500

(1) Investments with no stated maturities are included as contractual maturities of greater than 10 years. Actual maturities may differ due to call or prepayment rights.

(2) Includes corporate and asset-backed securities.

Evaluating Investments for Other-Than-Temporary Impairment

Overview

The Company conducts and documents periodic reviews of all securities with unrealized losses to evaluate whether the impairment is other than temporary.

An unrealized loss exists when the current fair value of an individual security is less than its amortized cost basis. Unrealized losses that are determined to be temporary in nature are recorded, net of tax, in AOCI for AFS securities. Losses related to HTM securities are not recorded, as these investments are carried at amortized cost. For securities transferred to HTM from *Trading account assets*, amortized cost is defined as the fair value of the securities at the date of transfer, plus any accretion income and less any impairment recognized in earnings subsequent to transfer. For securities transferred to HTM from AFS, amortized cost is defined as the original purchase cost, plus or minus any accretion or amortization of a purchase discount or premium, less any impairment recognized in earnings.

Regardless of the classification of the securities as AFS or HTM, the Company has assessed each position with an unrealized loss for other-than-temporary impairment (OTTI). Factors considered in determining whether a loss is temporary include:

- the length of time and the extent to which fair value has been below cost;
- the severity of the impairment;
- the cause of the impairment and the financial condition and near-term prospects of the issuer;
- activity in the market of the issuer that may indicate adverse credit conditions; and
- the Company' s ability and intent to hold the investment for a period of time sufficient to allow for any anticipated recovery.

The Company' s review for impairment generally entails:

- identification and evaluation of investments that have indications of possible impairment;
- analysis of individual investments that have fair values less than amortized cost, including consideration of the length of time the investment has been in an unrealized loss position and the expected recovery period;
- discussion of evidential matter, including an evaluation of factors or triggers that could cause individual investments to qualify as having other-than-temporary impairment and those that would not support other-than-temporary impairment; and
- documentation of the results of these analyses, as required under business policies.

Debt

Under the guidance for debt securities, OTTI is recognized in earnings for debt securities that the Company has an intent to sell or that the Company believes it is more-likely-than-not that it will be required to sell prior to recovery of the amortized cost basis. For those securities that the Company does not intend to sell or expect to be required to sell, credit-related impairment is recognized in earnings, with the non-credit-related impairment recorded in AOCI.

For debt securities that are not deemed to be credit impaired, management assesses whether it intends to sell or whether it is more-likely-than-not that it would be required to sell the investment before the expected recovery of the amortized cost basis. In most cases, management has asserted that it has no intent to sell and that it believes it is not likely to be required to sell the investment before recovery of its amortized cost basis. Where such an assertion cannot be made, the security' s decline in fair value is deemed to be other than temporary and is recorded in earnings.

For debt securities, a critical component of the evaluation for OTTI is the identification of credit impaired securities, where management does not expect to receive cash flows sufficient to recover the entire amortized cost basis of the security. For securities purchased and classified as AFS with the expectation of receiving full principal and interest cash flows as of the date of purchase, this analysis considers the likelihood of receiving all contractual principal and interest. For securities reclassified out of the trading category in the fourth quarter of 2008, the analysis considers the likelihood of receiving the expected principal and interest cash flows anticipated as of the date of reclassification in the fourth quarter of 2008. The extent of the Company' s analysis regarding credit quality and the stress on assumptions used in the analysis have been refined for securities where the current fair value or other characteristics of the security warrant.

Equity

For equity securities, management considers the various factors described above, including its intent and ability to hold the equity security for a period of time sufficient for recovery to cost or whether it is more-likely-than-not that the Company will be required to sell the security prior to recovery of its cost basis. Where management lacks that intent or ability, the security' s decline in fair value is deemed to be other-than-temporary and is recorded in earnings. AFS equity securities deemed other-than-temporarily impaired are written down to fair value, with the full difference between fair value and cost recognized in earnings.

Management assesses equity method investments with fair value less than carrying value for OTTI. Fair value is measured as price multiplied by quantity if the investee has publicly listed securities. If the investee is not publicly listed, other methods are used (see Note 25 to the Consolidated Financial Statements).

For impaired equity method investments that Citi plans to sell prior to recovery of value or would likely be required to sell, with no expectation that the fair value will recover prior to the expected sale date, the full impairment is recognized in earnings as OTTI regardless of severity and duration. The measurement of the OTTI does not include partial projected recoveries subsequent to the balance sheet date.

For impaired equity method investments that management does not plan to sell prior to recovery of value and is not likely to be required to sell, the evaluation of whether an impairment is other-than-temporary is based on (i) whether and when an equity method investment will recover in value and (ii) whether the investor has the intent and ability to hold that investment for a period of time sufficient to recover the value. The determination of whether the impairment is considered other-than-temporary is based on all of the following indicators, regardless of the time and extent of impairment:

- Cause of the impairment and the financial condition and near-term prospects of the issuer, including any specific events that may influence the operations of the issuer;
- Intent and ability to hold the investment for a period of time sufficient to allow for any anticipated recovery in market value; and
- Length of time and extent to which fair value has been less than the carrying value.

The sections below describe current circumstances related to certain of the Company' s significant equity method investments, specific impairments and the Company' s process for identifying credit-related impairments in its security types with the most significant unrealized losses as of December 31, 2012.

Akbank

In March 2012, Citi decided to reduce its ownership interest in Akbank T.A.S., an equity investment in Turkey (Akbank), to below 10%. As of March 31, 2012, Citi held a 20% equity interest in Akbank, which it purchased in January 2007, accounted for as an equity method investment. As a result of its decision to sell its share holdings in Akbank, in the first quarter of 2012 Citi recorded an impairment charge related to its total investment in Akbank amounting to approximately $1.2 billion pretax ($763 million after-tax). This impairment charge was primarily driven by the recognition of all net investment foreign currency hedging and translation losses previously reflected in AOCI as well as a reduction in the carrying value of the investment to reflect the market price of Akbank' s shares. The impairment charge was recorded in other-than-temporary impairment losses on investments in the Consolidated Statement of Income. During the second quarter of 2012, Citi sold a 10.1% stake in Akbank, resulting in a loss on sale of $424 million ($274 million after-tax), recorded in *Other revenue*. As of December 31, 2012, the remaining 9.9% stake in Akbank is recorded within marketable equity securities available-for-sale.

MSSB

On September 17, 2012, Citi sold to Morgan Stanley a 14% interest (the "14% Interest") in MSSB, to which Morgan Stanley exercised its purchase option on June 1, 2012. Morgan Stanley paid to Citi $1.89 billion in cash as the purchase price of the 14% Interest. The purchase price was based on an implied 100% valuation of MSSB of $13.5 billion, as agreed between Morgan

Stanley and Citi pursuant to an agreement dated September 11, 2012. The related approximate $4.5 billion in deposits were transferred to Morgan Stanley at no premium, as agreed between the parties.

In addition, Morgan Stanley has agreed, subject to obtaining regulatory approval, to purchase Citi' s remaining 35% interest in MSSB no later than June 1, 2015 at a purchase price of $4.725 billion, which is based on the same implied 100% valuation of MSSB of $13.5 billion.

Prior to the September 2012 sale, Citi' s carrying value of its 49% interest in MSSB was approximately $11.3 billion. As a result of the agreement entered into with Morgan Stanley on September 11, 2012, Citi recorded a charge to net income in the third quarter of 2012 of approximately $2.9 billion after-tax ($4.7 billion pretax), consisting of (i) a charge recorded in *Other revenue* of approximately $800 million after-tax ($1.3 billion pretax), representing a loss on sale of the 14% Interest, and (ii) an other-than-temporary impairment of the carrying value of its remaining 35% interest in MSSB of approximately $2.1 billion after-tax ($3.4 billion pretax).

As of December 31, 2012, Citi continues to account for its remaining 35% interest in MSSB under the equity method, with the carrying value capped at the agreed selling price of $4.725 billion.

Mortgage-backed securities

For U.S. mortgage-backed securities (and in particular for Alt-A and other mortgage-backed securities that have significant unrealized losses as a percentage of amortized cost), credit impairment is assessed using a cash flow model that estimates the cash flows on the underlying mortgages, using the security-specific collateral and transaction structure. The model estimates cash flows from the underlying mortgage loans and distributes those cash flows to various tranches of securities, considering the transaction structure and any subordination and credit enhancements that exist in that structure. The cash flow model incorporates actual cash flows on the mortgage-backed securities through the current period and then projects the remaining cash flows using a number of assumptions, including default rates, prepayment rates and recovery rates (on foreclosed properties).

Management develops specific assumptions using as much market data as possible and includes internal estimates as well as estimates published by rating agencies and other third-party sources. Default rates are projected by considering current underlying mortgage loan performance, generally assuming the default of (i) 10% of current loans, (ii) 25% of 30–59 day delinquent loans, (iii) 70% of 60–90 day delinquent loans and (4) 100% of 91+ day delinquent loans. These estimates are extrapolated along a default timing curve to estimate the total

Interest. The purchase price was based on an implied 100% valuation of MSSB of $13.5 billion, as agreed between Morgan

lifetime pool default rate. Other assumptions contemplate the actual collateral attributes, including geographic concentrations, rating agency loss projections, rating actions and current market prices.

The key assumptions for mortgage-backed securities as of December 31, 2012 are in the table below:

	December 31, 2012
Prepayment rate (1)	1%–8% CRR
Loss severity (2)	45%–90%

(1) Conditional repayment rate (CRR) represents the annualized expected rate of voluntary prepayment of principal for mortgage-backed securities over a certain period of time.

(2) Loss severity rates are estimated considering collateral characteristics and generally range from 45%–60% for prime bonds, 50%–90% for Alt-A bonds and 65%–90% for subprime bonds.

In addition, cash flow projections are developed using more stressful parameters. Management assesses the results of those stress tests (including the severity of any cash shortfall indicated and the likelihood of the stress scenarios actually occurring based on the underlying pool' s characteristics and performance) to assess whether management expects to recover the amortized cost basis of the security. If cash flow projections indicate that the Company does not expect to recover its amortized cost basis, the Company recognizes the estimated credit loss in earnings.

State and municipal securities

Citigroup' s AFS state and municipal bonds consist mainly of bonds that are financed through Tender Option Bond programs or were previously financed in this program. The process for identifying credit impairments for these bonds is largely based on third-party credit ratings. Individual bond positions that are financed through Tender Option Bonds are required to meet minimum ratings requirements, which vary based on the sector of the bond issuer.

Citigroup monitors the bond issuer and insurer ratings on a daily basis. The average portfolio rating, ignoring any insurance, is Aa3/AA-. In the event of a rating downgrade, the subject bond is specifically reviewed for potential shortfall in contractual principal and interest. The remainder of Citigroup' s AFS and HTM state and municipal bonds are specifically reviewed for credit impairment based on instrument-specific estimates of cash flows, probability of default and loss given default.

For impaired AFS state and municipal bonds that Citi plans to sell, or would likely be required to sell with no expectation that the fair value will recover prior to the expected sale date, the full impairment is recognized in earnings.

Recognition and Measurement of OTTI

The following table presents the total OTTI recognized in earnings for the year ended December 31, 2012:

OTTI on Investments and Other Assets	Year Ended December 31, 2012			
In millions of dollars	AFS (1)	HTM	Other Assets	Total
Impairment losses related to securities that the Company does not intend to sell nor will likely be required to sell:				
Total OTTI losses recognized during the year ended December 31, 2012	$ 17	$ 365	$ –	$ 382
Less: portion of impairment loss recognized in AOCI (before taxes)	1	65	–	66
Net impairment losses recognized in earnings for securities that the Company does not intend to sell nor will likely be required to sell	$ 16	$ 300	$ –	$ 316
Impairment losses recognized in earnings for securities that the Company intends to sell or more-likely-than-not will be required to sell before recovery (2)	139	–	4,516	4,655
Total impairment losses recognized in earnings	$ 155	$ 300	$ 4,516	$ 4,971

(1) Includes OTTI on non-marketable equity securities.

(2) As described under "MSSB" above, the third quarter of 2012 includes the recognition of a $3,340 million impairment charge related to the carrying value of Citi' s remaining 35% interest in MSSB. Additionally, as described under "Akbank" above, in the first quarter of 2012, the Company recorded an impairment charge relating to its total investment in Akbank amounting to $1.2 billion pretax ($763 million after-tax).

The following is a 12-month roll-forward of the credit-related impairments recognized in earnings for AFS and HTM debt securities held as of December 31, 2012 that the Company does not intend to sell nor will likely be required to sell:

	Cumulative OTTI credit losses recognized in earnings				
In millions of dollars	Dec. 31, 2011 balance	**Credit impairments recognized in earnings on securities not previously impaired**	**Credit impairments recognized in earnings on securities that have been previously impaired**	**Reductions due to credit-impaired securities sold, transferred or matured**	**Dec. 31, 2012 balance**
AFS debt securities					
Mortgage-backed securities					
Prime	$ 292	**$–**	**$–**	**$(1)**	**$ 291**
Alt-A	2	–	–	–	**2**
Commercial real estate	2	–	–	–	**2**
Total mortgage-backed securities	$ 296	**$ –**	**$ –**	**$ (1)**	**$ 295**
State and municipal securities	3	**4**	–	–	**7**
U.S. Treasury securities	67	–	–	–	**67**
Foreign government securities	168	**6**	–	**(5)**	**169**
Corporate	151	**1**	**4**	**(40)**	**116**
Asset-backed securities	10	–	–	–	**10**
Other debt securities	52	**1**	–	–	**53**
Total OTTI credit losses recognized for AFS debt securities	$ 747	**$ 12**	**$ 4**	**$ (46)**	**$ 717**
HTM debt securities					
Mortgage-backed securities					
Prime	$ 84	**$ 6**	**$ 15**	**$ (1)**	**$ 104**
Alt-A	2,218	**45**	**216**	**(66)**	**2,413**
Subprime	252	–	**2**	**(2)**	**252**
Non-U.S. residential	96	–	–	**(16)**	**80**
Commercial real estate	10	–	–	–	**10**
Total mortgage-backed securities	$ 2,660	**$ 51**	**$ 233**	**$ (85)**	**$ 2,859**
State and municipal securities	9	**1**	**1**	–	**11**
Foreign Government	–	–	–	–	–
Corporate	391	**3**	**9**	**(6)**	**397**
Asset-backed securities	113	–	–	–	**113**
Other debt securities	9	**2**	–	–	**11**
Total OTTI credit losses recognized for HTM debt securities	$ 3,182	**$ 57**	**$ 243**	**$ (91)**	**$ 3,391**

Investments in Alternative Investment Funds That Calculate Net Asset Value per Share

The Company holds investments in certain alternative investment funds that calculate net asset value (NAV) per share, including hedge funds, private equity funds, funds of funds and real estate funds. The Company' s investments include co-investments in funds that are managed by the Company and investments in funds that are managed by third parties. Investments in funds are generally classified as non-marketable equity securities carried at fair value.

The fair values of these investments are estimated using the NAV per share of the Company' s ownership interest in the funds, where it is not probable that the Company will sell an investment at a price other than the NAV.

In millions of dollars at December 31, 2012	Fair value	Unfunded commitments	Redemption frequency (if currently eligible) monthly, quarterly, annually	Redemption notice period
Hedge funds	$ 1,316	$–	Generally quarterly	10–95 days
Private equity funds (1)(2)(3)	837	342	–	–
Real estate funds (3)(4)	228	57	–	–
Total	$ 2,381 (5)	$ 399	–	–

(1) Includes investments in private equity funds carried at cost with a carrying value of $6 million.

(2) Private equity funds include funds that invest in infrastructure, leveraged buyout transactions, emerging markets and venture capital.

(3) With respect to the Company' s investments in private equity funds and real estate funds, distributions from each fund will be received as the underlying assets held by these funds are liquidated. It is estimated that the underlying assets of these funds will be liquidated over a period of several years as market conditions allow. Private equity and real estate funds do not allow redemption of investments by their investors. Investors are permitted to sell or transfer their investments, subject to the approval of the general partner or investment manager of these funds, which generally may not be unreasonably withheld.

(4) Includes several real estate funds that invest primarily in commercial real estate in the U.S., Europe and Asia.

(5) Included in the total fair value of investments above is $0.4 billion of fund assets that are valued using NAVs provided by third-party asset managers. Amounts exclude investments in funds that are consolidated by Citi.

16. LOANS

Citigroup loans are reported in two categories−Consumer and Corporate. These categories are classified primarily according to the segment and subsegment that manages the loans.

Consumer Loans

Consumer loans represent loans and leases managed primarily by the *Global Consumer Banking* and *Local Consumer Lending* businesses. The following table provides information by loan type:

In millions of dollars	**2012**	2011
Consumer loans		
In U.S. offices		
Mortgage and real estate [(1)]	**$125,946**	$139,177
Installment, revolving credit, and other	**14,070**	15,616
Cards	**111,403**	117,908
Commercial and industrial	**5,344**	4,766
Lease financing	–	1
	$256,763	$277,468
In offices outside the U.S.		
Mortgage and real estate [(1)]	**$54,709**	$52,052
Installment, revolving credit, and other	**36,182**	34,613
Cards	**40,653**	38,926
Commercial and industrial	**20,001**	19,975
Lease financing	**781**	711
	$152,326	$146,277
Total Consumer loans	**$409,089**	$423,745
Net unearned income	**(418)**	(405)
Consumer loans, net of unearned income	**$408,671**	$423,340

(1) Loans secured primarily by real estate.

Included in the loan table above are lending products whose terms may give rise to additional credit issues. Credit cards with below-market introductory interest rates and interest-only loans are examples of such products. These products are closely managed using credit techniques that are intended to mitigate their additional inherent risk.

During the years ended December 31, 2012 and 2011, the Company sold and/or reclassified (to held-for-sale) $4.3 billion and $21.0 billion, respectively, of Consumer loans. The Company did not have significant purchases of Consumer loans during the years ended December 31, 2012 or December 31, 2011.

Citigroup has established a risk management process to monitor, evaluate and manage the principal risks associated with its Consumer loan portfolio. Credit quality indicators that are

Delinquency Status

Delinquency status is carefully monitored and considered a key indicator of credit quality of Consumer loans. Substantially all of the U.S. residential first mortgage loans use the MBA method of reporting delinquencies, which considers a loan delinquent if a monthly payment has not been received by the end of the day immediately preceding the loan’ s next due date. All other loans use the OTS method of reporting delinquencies, which considers a loan delinquent if a monthly payment has not been received by the close of business on the loan’ s next due date.

As a general policy, residential first mortgages, home equity loans and installment loans are classified as non-accrual when loan payments are 90 days contractually past due. Credit cards and unsecured revolving loans generally accrue interest until payments are 180 days past due. As a result of OCC guidance issued in the first quarter of 2012, home equity loans in regulated bank entities are classified as non-accrual if the related residential first mortgage is 90 days or more past due. As a result of OCC guidance issued in the third quarter of 2012, mortgage loans in regulated bank entities discharged through Chapter 7 bankruptcy, other than FHA-insured loans, are classified as non-accrual. Commercial market loans are placed on a cash (non-accrual) basis when it is determined, based on actual experience and a forward-looking assessment of the collectability of the loan in full, that the payment of interest or principal is doubtful or when interest or principal is 90 days past due.

The policy for re-aging modified U.S. Consumer loans to current status varies by product. Generally, one of the conditions to qualify for these modifications is that a minimum number of payments (typically ranging from one to three) be made. Upon modification, the loan is re-aged to current status. However, re-aging practices for certain open-ended Consumer loans, such as credit cards, are governed by Federal Financial Institutions Examination Council (FFIEC) guidelines. For open-ended Consumer loans subject to FFIEC guidelines, one of the conditions for the loan to be re-aged to current status is that at least three consecutive minimum monthly payments, or the equivalent amount, must be received. In addition, under FFIEC guidelines, the number of times that such a loan can be re-aged is subject to limitations (generally once in 12 months and twice in five years). Furthermore, Federal Housing Administration (FHA) and Department of Veterans Affairs (VA) loans are modified under those respective agencies’ guidelines, and payments are not always required in order to re-age a modified loan to current.

actively monitored include delinquency status, consumer credit scores (FICO), and loan to value (LTV) ratios, each as discussed in more detail below.

The following tables provide details on Citigroup' s Consumer loan delinquency and non-accrual loans as of December 31, 2012 and December 31, 2011:

Consumer Loan Delinquency and Non-Accrual Details at December 31, 2012

In millions of dollars	Total current (1)(2)	30‑89 days past due (3)	≥ 90 days past due (3)	Past due Government guaranteed (4)	Total loans (2)	Total non-accrual (5)	90 days past due and accruing
In *North America* offices							
Residential first mortgages	$ 75,791	$ 3,074	$ 3,339	$ 6,000	$ 88,204	$ 4,922	$ 4,695
Home equity loans (6)	35,740	642	843	–	37,225	1,797	–
Credit cards	108,892	1,582	1,527	–	112,001	–	1,527
Installment and other	13,319	288	325	–	13,932	179	8
Commercial market loans	7,874	32	19	–	7,925	210	11
Total	$ 241,616	$ 5,618	$ 6,053	$ 6,000	$ 259,287	$ 7,108	$ 6,241
In offices outside *North America*							
Residential first mortgages	$ 45,496	$ 547	$ 485	$ –	$ 46,528	$ 807	$ –
Home equity loans (6)	4	–	2	–	6	2	–
Credit cards	38,920	970	805	–	40,695	516	508
Installment and other	29,350	496	167	–	30,013	254	–
Commercial market loans	31,263	106	181	–	31,550	428	–
Total	$ 145,033	$ 2,119	$ 1,640	$ –	$ 148,792	$ 2,007	$ 508
Total *GCB* and *LCL*	$ 386,649	$ 7,737	$ 7,693	$ 6,000	$ 408,079	$ 9,115	$ 6,749
Special Asset Pool (SAP)	545	18	29	–	592	81	–
Total Citigroup	$ 387,194	$ 7,755	$ 7,722	$ 6,000	$ 408,671	$ 9,196	$ 6,749

(1) Loans less than 30 days past due are presented as current.

(2) Includes $1.2 billion of residential first mortgages recorded at fair value.

(3) Excludes loans guaranteed by U.S. government entities.

(4) Consists of residential first mortgages that are guaranteed by U.S. government entities that are 30-89 days past due of $1.3 billion and ≥ 90 days past due of $4.7 billion.

(5) During 2012, there was an increase in Consumer non-accrual loans in *North America* of approximately $1.5 billion, as a result of OCC guidance issued in the third quarter of 2012 regarding mortgage loans where the borrower has gone through Chapter 7 bankruptcy. Of the $1.5 billion non-accrual loans, $1.3 billion were current. Additionally, during 2012, there was an increase in non-accrual Consumer loans in *North America* during the first quarter of 2012, which 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. The vast majority of these loans were current at the time of reclassification. 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.

(6) Fixed rate home equity loans and loans extended under home equity lines of credit, which are typically in junior lien positions.

Consumer Loan Delinquency and Non-Accrual Details at December 31, 2011

In millions of dollars	Total current (1)(2)	30‑89 days past due (3)	≥ 90 days past due (3)	Past due Government guaranteed (4)	Total loans (2)	Total non-accrual	90 days past due and accruing
In *North America* offices							
Residential first mortgages	$ 81,081	$ 3,550	$ 4,121	$6,686	$ 95,438	$ 4,176	$ 5,054
Home equity loans (5)	41,585	868	1,022	–	43,475	982	–
Credit cards	114,022	2,344	2,058	–	118,424	–	2,058

Installment and other		15,215		340		222		–		15,777		438	10
Commercial market loans		6,643		15		207		–		6,865		220	14
Total	$	258,546	$	7,117	$	7,630	$	6,686	$	279,979	$	5,816	$ 7,136
In offices outside *North America*													
Residential first mortgages	$	43,310	$	566	$	482	$	–	$	44,358	$	744	$ –
Home equity loans (5)		6		–		2		–		8		2	–
Credit cards		38,289		930		785		–		40,004		496	490
Installment and other		26,300		528		197		–		27,025		258	–
Commercial market loans		30,491		79		127		–		30,697		401	–
Total	$	138,396	$	2,103	$	1,593	$	–	$	142,092	$	1,901	$ 490
Total *GCB* and *LCL*	$	396,942	$	9,220	$	9,223	$	6,686	$	422,071	$	7,717	$ 7,626
Special Asset Pool (SAP)		1,193		29		47		–		1,269		115	–
Total Citigroup	$	398,135	$	9,249	$	9,270	$	6,686	$	423,340	$	7,832	$ 7,626

(1) Loans less than 30 days past due are presented as current.

(2) Includes $1.3 billion of residential first mortgages recorded at fair value.

(3) Excludes loans guaranteed by U.S. government entities.

(4) Consists of residential first mortgages that are guaranteed by U.S. government entities that are 30-89 days past due of $1.6 billion and ≥ 90 days past due of $5.1 billion.

(5) Fixed rate home equity loans and loans extended under home equity lines of credit, which are typically in junior lien positions.

Consumer Credit Scores (FICO)

In the U.S., independent credit agencies rate an individual' s risk for assuming debt based on the individual' s credit history and assign every consumer a "FICO" credit score. These scores are continually updated by the agencies based upon an individual' s credit actions (e.g., taking out a loan or missed or late payments).

The following table provides details on the FICO scores attributable to Citi' s U.S. Consumer loan portfolio as of December 31, 2012 and 2011 (commercial market loans are not included in the table since they are business-based and FICO scores are not a primary driver in their credit evaluation). FICO scores are updated monthly for substantially all of the portfolio or, otherwise, on a quarterly basis.

FICO score distribution in U.S. portfolio (1)(2) **December 31, 2012**

In millions of dollars	**Less than 620**	**≥ 620 but less than 660**	**Equal to or greater than 660**
Residential first mortgages	**$ 16,754**	**$ 8,013**	**$ 50,833**
Home equity loans	**5,439**	**3,208**	**26,820**
Credit cards	**7,833**	**10,304**	**90,248**
Installment and other	**4,414**	**2,417**	**5,365**
Total	**$ 34,440**	**$ 23,942**	**$ 173,266**

(1) Excludes loans guaranteed by U.S. government entities, loans subject to LTSCs with U.S. government-sponsored entities and loans recorded at fair value.

(2) Excludes balances where FICO was not available. Such amounts are not material.

FICO score distribution in U.S. portfolio (1)(2) December 31, 2011

In millions of dollars	Less than 620	≥ 620 but less than 660	Equal to or greater than 660
Residential first mortgages	$ 20,370	$ 8,815	$ 52,839
Home equity loans	6,783	3,703	30,884
Credit cards	9,621	10,905	93,234
Installment and other	3,789	2,858	6,704
Total	$ 40,563	$ 26,281	$ 183,661

(1) Excludes loans guaranteed by U.S. government entities, loans subject to LTSCs with U.S. government-sponsored entities and loans recorded at fair value.

(2) Excludes balances where FICO was not available. Such amounts are not material.

Loan to Value Ratios (LTV)

LTV ratios (loan balance divided by appraised value) are calculated at origination and updated by applying market price data.

The following tables provide details on the LTV ratios attributable to Citi' s U.S. Consumer mortgage portfolios as of December 31, 2012 and 2011. LTV ratios are updated monthly using the most recent Core Logic HPI data available for substantially all of the portfolio applied at the Metropolitan Statistical Area level, if available and the state level if not. The remainder of the portfolio is updated in a similar manner using the Office of Federal Housing Enterprise Oversight indices.

LTV distribution in U.S. portfolio (1)(2) **December 31, 2012**

In millions of dollars	**Less than or equal to 80%**	**> 80% but less than or equal to 100%**	**Greater than 100%**
Residential first mortgages	**$ 41,555**	**$ 19,070**	**$ 14,995**
Home equity loans	**12,611**	**9,529**	**13,153**
Total	**$ 54,166**	**$ 28,599**	**$ 28,148**

(1) Excludes loans guaranteed by U.S. government entities, loans subject to LTSCs with U.S. government-sponsored entities and loans recorded at fair value.

(2) Excludes balances where LTV was not available. Such amounts are not material.

LTV distribution in U.S. portfolio (1)(2) December 31, 2011

In millions of dollars	Less than or equal to 80%	> 80% but less than or equal to 100%	Greater than 100%
Residential first mortgages	$ 36,422	$ 21,146	$ 24,425
Home equity loans	12,724	10,232	18,226
Total	$ 49,146	$ 31,378	$ 42,651

(1) Excludes loans guaranteed by U.S. government entities, loans subject to LTSCs with U.S. government-sponsored entities and loans recorded at fair value.

(2) Excludes balances where LTV was not available. Such amounts are not material.

Impaired Consumer Loans

Impaired loans are those loans about which Citigroup believes it is probable that it will not collect all amounts due according to the original contractual terms of the loan. Impaired Consumer loans include non-accrual commercial market loans, as well as smaller-balance homogeneous loans whose terms have been modified due to the borrower' s financial difficulties and where Citigroup has granted a concession to the borrower. These modifications may include interest rate reductions and/or principal forgiveness. Impaired Consumer loans exclude smaller-balance homogeneous loans that have not been modified and are carried on a non-accrual basis. In addition, impaired Consumer loans exclude substantially all loans modified pursuant to Citi' s short-term modification programs (i.e., for periods of 12 months or less) that were modified prior to January 1, 2011.

As a result of OCC guidance issued in the third quarter of 2012, mortgage loans to borrowers that have gone through Chapter 7 bankruptcy are classified as TDRs. These TDRs, other than FHA-insured loans, are written down to collateral value less cost to sell. FHA-insured loans are reserved based on a discounted cash flow model (see Note 1 to the Consolidated Financial Statements). Approximately $635 million of incremental charge-offs was recorded in the third quarter as a result of this new guidance, the vast majority of which related to current loans, and was substantially offset by a related reserve release of approximately $600 million. The recorded investment in receivables reclassified to TDRs in the third quarter of 2012 as a result of this OCC guidance approximated $1,714 million, composed of $1,327 million of residential first mortgages and $387 million of home equity loans.

The following tables present information about total impaired Consumer loans at and for the years ending December 31, 2012 and 2011, respectively:

Impaired Consumer Loans

	At and for the year ended December 31, 2012				
In millions of dollars	Recorded investment (1)(2)	Unpaid principal balance	Related specific allowance (3)	Average carrying value (4)	Interest income recognized (5)(6)
Mortgage and real estate					
Residential first mortgages	$ 20,870	$ 22,062	$ 3,585	$ 19,956	$ 875
Home equity loans	2,135	2,727	636	1,911	68
Credit cards	4,584	4,639	1,800	5,272	308
Installment and other					
Individual installment and other	1,612	1,618	860	1,958	248
Commercial market loans	439	737	60	495	21
Total (7)	**$ 29,640**	**$ 31,783**	**$ 6,941**	**$ 29,592**	**$ 1,520**

(1) Recorded investment in a loan includes net deferred loan fees and costs, unamortized premium or discount and direct write-downs and includes accrued interest only on credit card loans.

(2) $2,344 million of residential first mortgages, $378 million of home equity loans and $183 million of commercial market loans do not have a specific allowance.

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

(4) Average carrying value represents the average recorded investment ending balance for the last four quarters and does not include the related specific allowance.

(5) Includes amounts recognized on both an accrual and cash basis.

(6) Cash interest receipts on smaller-balance homogeneous loans are generally recorded as revenue. The interest recognition policy for commercial market loans is identical to that for Corporate loans, as described below.

(7) Prior to 2008, the Company' s financial accounting systems did not separately track impaired smaller-balance, homogeneous Consumer loans whose terms were modified due to the borrowers' financial difficulties and where it was determined that a concession was granted to the borrower. Smaller-balance consumer loans modified since January 1, 2008 amounted to $29.2 billion at December 31, 2012. However, information derived from Citi' s risk management systems indicates that the amounts of outstanding modified loans, including those modified prior to 2008, approximated $30.1 billion at December 31, 2012.

At and for the year ended December 31, 2011

In millions of dollars	Recorded investment (1)(2)	Unpaid principal balance	Related specific allowance (3)	Average carrying value (4)	Interest income recognized (5)(6)
Mortgage and real estate					
Residential first mortgages	$ 19,616	$ 20,803	$3,987	$ 18,642	$ 888
Home equity loans	1,771	1,823	669	1,680	72
Credit cards	6,695	6,743	3,122	6,542	387
Installment and other					
Individual installment and other	2,264	2,267	1,032	2,644	343
Commercial market loans	517	782	75	572	21
Total (7)	$ 30,863	$ 32,418	$ 8,885	$ 30,080	$ 1,711

(1) Recorded investment in a loan includes net deferred loan fees and costs, unamortized premium or discount and direct write-downs and includes accrued interest only on credit card loans.

(2) $858 million of residential first mortgages, $16 million of home equity loans and $182 million of commercial market loans do not have a specific allowance.

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

(4) Average carrying value represents the average recorded investment ending balance for last four quarters and does not include related specific allowance.

(5) Includes amounts recognized on both an accrual and cash basis.

(6) Cash interest receipts on smaller-balance homogeneous loans are generally recorded as revenue. The interest recognition policy for commercial market loans is identical to that for Corporate loans, as described below.

(7) Prior to 2008, the Company' s financial accounting systems did not separately track impaired smaller-balance, homogeneous Consumer loans whose terms were modified due to the borrowers' financial difficulties and where it was determined that a concession was granted to the borrower. Smaller-balance consumer loans modified since January 1, 2008 amounted to $30.3 billion at December 31, 2011. However, information derived from Citi' s risk management systems indicates that the amounts of outstanding modified loans, including those modified prior to 2008, approximated $31.5 billion at December 31, 2011.

Consumer Troubled Debt Restructurings

The following tables present Consumer TDRs occurring during the years ended December 31, 2012 and 2011:

At and for the year ended December 31, 2012

In millions of dollars except number of loans modified	Number of loans modified	Post-modification recorded investment [1][2]	Chapter 7 bankruptcy charge-offs [2]	Deferred principal [3]	Contingent principal forgiveness [4]	Principal forgiveness	Average interest rate reduction
North America							
Residential first mortgages	59,869	$ 8,107	$ 154	$ 10	$ 7	$553	1
Home equity loans	33,586	862	450	5	–	78	2
Credit cards	204,999	1,053	–	–	–	–	16
Installment and other revolving	64,858	469	–	–	–	–	6
Commercial markets [5]	170	18	–	–	–	–	–
Total	363,482	$ 10,509	$ 604	$ 15	$ 7	$ 631	
International							
Residential first mortgages	9,447	$ 324	$ –	$ –	$ –	$ 2	1
Home equity loans	58	4	–	–	–	–	–
Credit cards	206,755	632	–	–	–	1	29
Installment and other revolving	45,191	280	–	–	–	1	22
Commercial markets [5]	377	171	–	–	1	2	–
Total	261,828	$ 1,411	$ –	$ –	$ 1	$ 6	

At and for the year ended December 31, 2011

In millions of dollars except number of loans modified	Number of loans modified	Post-modification recorded investment [1]	Deferred principal [3]	Contingent principal forgiveness [4]	Principal forgiveness	Average interest rate reduction
North America						
Residential first mortgages	33,025	$ 5,137	$ 66	$ 50	$ –	2 %
Home equity loans	18,099	923	17	1	–	4
Credit cards	611,715	3,554	–	–	–	19
Installment and other revolving	101,107	756	–	–	–	4
Commercial markets [5]	579	55	–	–	1	–
Total	764,525	$ 10,425	$ 83	$ 51	$ 1	
International						
Residential first mortgages	8,206	$ 311	$ –	$ –	$ 5	1 %
Home equity loans	61	4	–	–	–	–
Credit cards	225,238	628	–	–	2	24
Installment and other revolving	133,062	545	–	–	8	12
Commercial markets [5]	55	167	–	–	1	–
Total	366,622	$ 1,655	$ –	$ –	$ 16	

(1) Post-modification balances include past due amounts that are capitalized at modification date.

(2) Post-modification balances in *North America* include $2,740 million of residential first mortgages and $497 million of home equity loans to borrowers that have gone through Chapter 7 bankruptcy. These amounts include $1,414 million of residential first mortgages and $409 million of home equity

loans that are newly classified as TDRs as a result of this OCC guidance. Chapter 7 bankruptcy column amounts are the incremental charge-offs that were recorded in the year ended December 31, 2012 as a result of this new OCC guidance.

(3) Represents portion of loan principal that is non-interest bearing but still due from borrower. Effective in the first quarter of 2012, such deferred principal is charged-off at the time of modification to the extent that the related loan balance exceeds the underlying collateral value. A significant amount of the reported balances have been charged-off.

(4) Represents portion of loan principal that is non-interest bearing and, depending upon borrower performance, eligible for forgiveness.

(5) Commercial markets loans are generally borrower-specific modifications and incorporate changes in the amount and/or timing of principal and/or interest.

The following table presents Consumer TDRs that defaulted during the years ended December 31, 2012 and 2011, respectively, and for which the payment default occurred within one year of the modification:

In millions of dollars	**Year ended December 31, 2012** (1)	Year ended December 31, 2011 (1)
North America		
Residential first mortgages	**$ 1,145**	$ 1,713
Home equity loans	**128**	113
Credit cards	**434**	1,307
Installment and other revolving	**121**	113
Commercial markets	–	3
Total	**$ 1,828**	$ 3,249
International		
Residential first mortgages	**$ 64**	$ 123
Home equity loans	**1**	2
Credit cards	**209**	329
Installment and other revolving	**117**	238
Commercial markets	**5**	14
Total	**$ 396**	$ 706

(1) Default is defined as 60 days past due, except for classifiably managed commercial markets loans, where default is defined as 90+ days past due.

Corporate Loans

Corporate loans represent loans and leases managed by the *Institutional Clients Group* or the *Special Asset Pool* in Citi Holdings. The following table presents information by Corporate loan type as of December 31, 2012 and 2011:

In millions of dollars	**December 31, 2012**	December 31, 2011
Corporate		
In U.S. offices		
Commercial and industrial	**$ 26,985**	$ 20,830
Financial institutions	**18,159**	15,113
Mortgage and real estate (1)	**24,705**	21,516
Installment, revolving credit and other	**32,446**	33,182
Lease financing	**1,410**	1,270
	$ 103,705	$ 91,911
In offices outside the U.S.		
Commercial and industrial	**$ 82,939**	$ 79,764
Installment, revolving credit and other	**14,958**	14,114
Mortgage and real estate (1)	**6,485**	6,885
Financial institutions	**37,739**	29,794
Lease financing	**605**	568
Governments and official institutions	**1,159**	1,576
	$ 143,885	$ 132,701
Total Corporate loans	**$ 247,590**	$ 224,612
Net unearned income (loss)	**(797)**	(710)
Corporate loans, net of unearned income	**$ 246,793**	$ 223,902

(1) Loans secured primarily by real estate.

For the years ended December 31, 2012 and 2011, the Company sold and/or reclassified (to held-for-sale) $4.4 billion and $6.4 billion, respectively, of held-for-investment Corporate loans. The Company did not have significant purchases of Corporate loans classified as held-for-investment for the year ended December 31, 2012 or December 31, 2011.

Corporate loans are identified as impaired and placed on a cash (non-accrual) basis when it is determined, based on actual experience and a forward-looking assessment of the collectability of the loan in full, that the payment of interest or principal is doubtful or when interest or principal is 90 days past due, except when the loan is well collateralized and in the process of collection. Any interest accrued on impaired Corporate loans and leases is reversed at 90 days and charged against current earnings, and interest is thereafter included in earnings only to the extent actually received in cash. When there is doubt regarding the ultimate collectability of principal, all cash receipts are thereafter applied to reduce the recorded investment in the loan. While Corporate loans are generally managed based on their internally assigned risk rating (see further discussion below), the following tables present delinquency information by Corporate loan type as of December 31, 2012 and 2011:

Corporate Loan Delinquency and Non-Accrual Details at December 31, 2012

In millions of dollars	30-89 days past due and accruing (1)	≥ 90 days past due and accruing (1)	Total past due and accruing	Total non-accrual (2)	Total current (3)	Total loans
Commercial and industrial	**$38**	**$10**	**$48**	**$1,078**	**$ 107,650**	**$ 108,776**
Financial institutions	**5**	–	**5**	**454**	**53,858**	**54,317**
Mortgage and real estate	**224**	**109**	**333**	**680**	**30,057**	**31,070**
Leases	**7**	–	**7**	**52**	**1,956**	**2,015**
Other	**70**	**6**	**76**	**69**	**46,414**	**46,559**
Loans at fair value						**4,056**
Total	**$ 344**	**$ 125**	**$ 469**	**$ 2,333**	**$ 239,935**	**$ 246,793**

(1) Corporate loans that are ≥ 90 days past due are generally classified as non-accrual. Corporate loans are considered past due when principal or interest is contractually due but unpaid.

(2) Citi generally does not manage Corporate loans on a delinquency basis. Non-accrual loans generally include those loans that are ≥ 90 days past due or those loans for which Citi believes, based on actual experience and a forward-looking assessment of the collectability of the loan in full, that the payment of interest or principal is doubtful.

(3) Corporate loans are past due when principal or interest is contractually due but unpaid. Loans less than 30 days past due are presented as current.

Corporate Loan Delinquency and Non-Accrual Details at December 31, 2011

In millions of dollars	30-89 days past due and accruing (1)	≥ 90 days past due and accruing (1)	Total past due and accruing	Total non-accrual (2)	Total current (3)	Total loans
Commercial and industrial	$93	$30	$123	$1,134	$ 98,157	$ 99,414
Financial institutions	–	2	2	763	42,642	43,407
Mortgage and real estate	224	125	349	1,039	26,908	28,296
Leases	3	11	14	13	1,811	1,838
Other	225	15	240	287	46,481	47,008
Loans at fair value						3,939
Total	$ 545	$ 183	$ 728	$ 3,236	$ 215,999	$ 223,902

(1) Corporate loans that are ≥ 90 days past due are generally classified as non-accrual. Corporate loans are considered past due when principal or interest is contractually due but unpaid.

(2) Citi generally does not manage Corporate loans on a delinquency basis. Non-accrual loans generally include those loans that are ≥ 90 days past due or those loans for which Citi believes, based on actual experience and a forward-looking assessment of the collectability of the loan in full, that the payment of interest or principal is doubtful.

(3) Corporate loans are past due when principal or interest is contractually due but unpaid. Loans less than 30 days past due are presented as current.

Citigroup has a risk management process to monitor, evaluate and manage the principal risks associated with its Corporate loan portfolio. As part of its risk management process, Citi assigns numeric risk ratings to its Corporate loan facilities based on quantitative and qualitative assessments of the obligor and facility. These risk ratings are reviewed at least annually or more often if material events related to the obligor or facility warrant. Factors considered in assigning the risk ratings include: financial condition of the obligor, qualitative assessment of management and strategy, amount and sources of repayment, amount and type of collateral and guarantee arrangements, amount and type of any contingencies associated with the obligor, and the obligor' s industry and geography.

The obligor risk ratings are defined by ranges of default probabilities. The facility risk ratings are defined by ranges of loss norms, which are the product of the probability of default and the loss given default. The investment grade rating categories are similar to the category BBB-/Baa3 and above as defined by S&P and Moody' s. Loans classified according to the bank regulatory definitions as special mention, substandard and doubtful will have risk ratings within the non-investment grade categories.

Corporate Loans Credit Quality Indicators at December 31, 2012 and December 31, 2011

	Recorded investment in loans	
In millions of dollars	December 31, 2012	December 3 2011
Investment grade (2)		
Commercial and industrial	$ **73,822**	$ 67,28
Financial institutions	**43,895**	35,15
Mortgage and real estate	**12,587**	10,72
Leases	**1,404**	1,161
Other	**42,575**	42,42
Total investment grade	**$ 174,283**	$ 156,7
Non-investment grade (2)		
Accrual		
Commercial and industrial	**$ 33,876**	$ 30,99
Financial institutions	**9,968**	7,485
Mortgage and real estate	**2,858**	3,812
Leases	**559**	664
Other	**3,915**	4,293
Non-accrual		
Commercial and industrial	**1,078**	1,134
Financial institutions	**454**	763
Mortgage and real estate	**680**	1,039
Leases	**52**	13
Other	**69**	287
Total non-investment grade	**$ 53,509**	$ 50,48
Private Banking loans managed on a delinquency basis (2)	**$ 14,945**	$ 12,71
Loans at fair value	**4,056**	3,939
Corporate loans, net of unearned income	**$246,793**	$223,9

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

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

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

The following tables present non-accrual loan information by Corporate loan type at and for the years ended December 31, 2012, 2011 and 2010, respectively:

Non-Accrual Corporate Loans

	At and for the period ended December 31, 2012				
In millions of dollars	**Recorded investment [1]**	**Unpaid principal balance**	**Related specific allowance**	**Average carrying value [2]**	**Interest income recognized**
Non-accrual Corporate loans					
Commercial and industrial	**$ 1,078**	**$1,368**	**$155**	**$1,076**	**$65**
Financial institutions	**454**	**504**	**14**	**518**	–
Mortgage and real estate	**680**	**810**	**74**	**811**	**23**
Lease financing	**52**	**61**	**16**	**19**	**2**
Other	**69**	**245**	**25**	**154**	**8**
Total non-accrual Corporate loans	**$ 2,333**	**$ 2,988**	**$ 284**	**$ 2,578**	**$ 98**

	December 31, 2011				
In millions of dollars	Recorded investment [1]	Unpaid principal balance	Related specific allowance	Average carrying value [3]	Interest Income recognized
Non-accrual Corporate loans					
Commercial and industrial	$ 1,134	$1,455	$186	$1,446	$ 76
Financial institutions	763	1,127	28	1,056	–
Mortgage and real estate	1,039	1,245	151	1,487	14
Lease financing	13	21	–	25	2
Other	287	640	55	420	17
Total non-accrual Corporate loans	$ 3,236	$ 4,488	$ 420	$ 4,434	$ 109

At and for the period ended	
In millions of dollars	Dec. 31, 2010
Average carrying value [3]	$ 10,643
Interest income recognized	65

	December 31, 2012		December 31, 2011	
In millions of dollars	**Recorded investment [1]**	**Related specific allowance**	Recorded investment [1]	Related specific allowance
Non-accrual Corporate loans with valuation allowances				
Commercial and industrial	**$ 608**	**$155**	$ 501	$186
Financial institutions	**41**	**14**	78	28
Mortgage and real estate	**345**	**74**	540	151
Lease financing	**47**	**16**	–	–
Other	**59**	**25**	120	55
Total non-accrual Corporate loans with specific allowance	**$ 1,100**	**$ 284**	$ 1,239	$ 420
Non-accrual Corporate loans without specific allowance				
Commercial and industrial	**$ 470**		$ 633	
Financial institutions	**413**		685	

Mortgage and real estate		**335**			499	
Lease financing		**5**			13	
Other		**10**			167	
Total non-accrual Corporate loans without specific allowance	**$**	**1,233**	**N/A**	$	1,997	N/A

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

(2) Average carrying value represents the average recorded investment balance and does not include related specific allowance.

(3) Average carrying value does not include related specific allowance.

N/A Not Applicable

Corporate Troubled Debt Restructurings

The following tables provide details on Corporate TDR activity and default information as of and for the years ended December 31, 2012 and 2011.

The following table presents Corporate TDRs occurring during the year ended December 31, 2012.

In millions of dollars	Carrying Value	TDRs involving changes in the amount and/or timing of principal payments (1)	TDRs involving changes in the amount and/or timing of interest payments (2)	TDRs involving changes in the amount and/or timing of both principal and interest payments	Balance of principal forgi or deferred
Commercial and industrial	**$99**	**$84**	**$4**	**$11**	
Financial institutions	–	–	–	–	
Mortgage and real estate	**113**	**60**	–	**53**	
Other	–	–	–	–	
Total	**$ 212**	**$ 144**	**$ 4**	**$ 64**	**$**

(1) TDRs involving changes in the amount or timing of principal payments may involve principal forgiveness or deferral of periodic and/or final principal payments.

(2) TDRs involving changes in the amount or timing of interest payments may involve a below-market interest rate.

(3) Balances reflect charge-offs and reserves recorded during the years ended December 31, 2012 on loans subject to a TDR during the year then ended.

The following table presents Corporate TDRs occurring during the year ended December 31, 2011.

In millions of dollars	Carrying Value	TDRs involving changes in the amount and/or timing of principal payments (1)	TDRs involving changes in the amount and/or timing of interest payments (2)	TDRs involving changes in the amount and/or timing of both principal and interest payments	Balance of principal forg or deferred
Commercial and industrial	$126	$–	$16	$110	
Financial institutions	–	–	–	–	
Mortgage and real estate	250	3	20	227	
Other	74	–	67	7	
Total	$ 450	$ 3	$ 103	$ 344	$

(1) TDRs involving changes in the amount or timing of principal payments may involve principal forgiveness or deferral of periodic and/or final principal payments.

(2) TDRs involving changes in the amount or timing of interest payments may involve a below-market interest rate.

(3) Balances reflect charge-offs and reserves recorded during the year ended December 31, 2011 on loans subject to a TDR during the period then ended.

The following table presents total Corporate loans modified in a TDR at December 31, 2012 and 2011, as well as those TDRs that defaulted during 2012 and 2011, and for which the payment default occurred within one year of the modification:

In millions of dollars	TDR Balances at December 31, 2012	TDRs in payment default during the year Ended December 31, 2012	TDR Balances at December 31, 2011	TDRs in payment default during the year Ended December 31, 2011

Commercial and industrial	**$275**	**$94**	$429	$7
Financial institutions	**17**	–	564	–
Mortgage and real estate	**131**	–	258	–
Other	**450**	–	85	–
Total	**$ 873**	**$ 94**	$ 1,336	$ 7

(1) Payment default constitutes failure to pay principal or interest when due per the contractual terms of the loan.

Purchased Distressed Loans

Included in the Corporate and Consumer loan outstanding tables above are purchased distressed loans, which are loans that have evidenced significant credit deterioration subsequent to origination but prior to acquisition by Citigroup. In accordance with SOP 03-3 (codified as ASC 310-30), the difference between the total expected cash flows for these loans and the initial recorded investment is recognized in income over the life of the loans using a level yield. Accordingly, these loans have been excluded from the impaired loan table information presented above. In addition, per SOP 03-3, subsequent decreases in the expected cash flows for a purchased distressed loan require a build of an allowance so the loan retains its level yield. However, increases in the expected cash flows are first recognized as a reduction of any previously established allowance and then recognized as income prospectively over the remaining life of the loan by increasing the loan' s level yield. Where the expected cash flows cannot be reliably estimated, the purchased distressed loan is accounted for under the cost recovery method. The carrying amount of the Company' s purchased distressed loan portfolio at December 31, 2012 was $440 million, net of an allowance of $98 million.

The changes in the accretable yield, related allowance and carrying amount net of accretable yield for 2012 are as follows:

In millions of dollars	**Accretable yield**	**Carrying amount of loan receivable**	**Allowance**
Balance at December 31, 2011	$2	$511	$68
Purchases (1)	15	269	–
Disposals/payments received	(6)	(171)	(6)
Accretion	–	–	–
Builds (reductions) to the allowance	9	–	41
Increase to expected cash flows	5	1	–
FX/other	(3)	(72)	(5)
Balance at December 31, 2012 (2)	**$ 22**	**$ 538**	**$ 98**

(1) The balance reported in the column "Carrying amount of loan receivable" consists of $269 million of purchased loans accounted for under the level-yield method and $0 million under the cost-recovery method. These balances represent the fair value of these loans at their acquisition date. The related total expected cash flows for the level-yield loans were $285 million at their acquisition dates.

(2) The balance reported in the column "Carrying amount of loan receivable" consists of $524 million of loans accounted for under the level-yield method and $14 million accounted for under the cost-recovery method.

17. ALLOWANCE FOR CREDIT LOSSES

In millions of dollars	**2012**	2011	2010
Allowance for loan losses at beginning of year	**$ 30,115**	$ 40,655	$ 36,033
Gross credit losses (1)(2)	**(17,478)**	(23,164)	(34,491)
Gross recoveries	**2,902**	3,126	3,632
Net credit losses (NCLs)	**$ (14,576)**	$ (20,038)	$ (30,859)
NCLs	**$ 14,576**	$ 20,038	$ 30,859
Net reserve builds (releases) (1)	**(1,882)**	(8,434)	(6,523)
Net specific reserve builds (releases) (2)	**(1,846)**	169	858
Total provision for credit losses	**$ 10,848**	$ 11,773	$ 25,194
Other, net (3)	**(932)**	(2,275)	10,287
Allowance for loan losses at end of year	**$ 25,455**	$ 30,115	$ 40,655
Allowance for credit losses on unfunded lending commitments at beginning of year (4)	**$ 1,136**	$ 1,066	$ 1,157
Provision for unfunded lending commitments	**(16)**	51	(117)
Other, net	**(1)**	19	26
Allowance for credit losses on unfunded lending commitments at end of year (4)	**$ 1,119**	$ 1,136	$ 1,066
Total allowance for loans, leases, and unfunded lending commitments	**$ 26,574**	$ 31,251	$ 41,721

(1) 2012 includes approximately $635 million of incremental charge-offs related to OCC guidance issued in the third quarter of 2012, which required mortgage loans to borrowers that have gone through Chapter 7 of the U.S. Bankruptcy Code to be written down to collateral value. There was a corresponding approximate $600 million release in the third quarter of 2012 allowance for loan losses related to these charge-offs. 2012 also includes a benefit to charge-offs of approximately $40 million related to finalizing the impact of this OCC guidance in the fourth quarter of 2012.

(2) 2012 includes approximately $370 million of incremental charge-offs related to previously deferred principal balances on modified loans in the first quarter of 2012. These charge-offs were related to anticipated forgiveness of principal in connection with the national mortgage settlement. There was a corresponding approximate $350 million reserve release in the first quarter of 2012 related to these charge-offs.

(3) 2012 includes reductions of approximately $875 million related to the sale or transfer to held-for-sale of various U.S. loan portfolios. 2011 includes reductions of approximately $1.6 billion related to the sale or transfer to held-for-sale of various U.S. loan portfolios, approximately $240 million related to the sale of the Egg Banking PLC credit card business, approximately $72 million related to the transfer of the Citi Belgium business to held-for-sale and approximately $290 million related to FX translation. 2010 primarily includes an addition of $13.4 billion related to the impact of consolidating entities in connection with Citi' s adoption of SFAS 166/167 (see Note 1 to the Consolidated Financial Statements), reductions of approximately $2.7 billion related to the sale or transfer to held-for-sale of various U.S. loan portfolios and approximately $290 million related to the transfer of a U.K. first mortgage portfolio to held-for-sale.

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

Allowance for Credit Losses and Investment in Loans at December 31, 2012

In millions of dollars	**Corporate**	**Consumer**	**Total**
Allowance for loan losses at beginning of year	**$ 2,879**	**$ 27,236**	**$ 30,115**
Charge-offs	**(640)**	**(16,838)**	**(17,478)**
Recoveries	**417**	**2,485**	**2,902**
Replenishment of net charge-offs	**223**	**14,353**	**14,576**
Net reserve builds (releases)	**2**	**(1,884)**	**(1,882)**
Net specific reserve builds (releases)	**(138)**	**(1,708)**	**(1,846)**
Other	**33**	**(965)**	**(932)**
Ending balance	**$ 2,776**	**$ 22,679**	**$ 25,455**
Allowance for loan losses			

Determined in accordance with ASC 450-20	$ 2,429	$ 15,703	$ 18,132
Determined in accordance with ASC 310-10-35	284	6,941	7,225
Determined in accordance with ASC 310-30	63	35	98
Total allowance for loan losses	$ 2,776	$ 22,679	$ 25,455
Loans, net of unearned income			
Loans collectively evaluated for impairment in accordance with ASC 450-20	$ 239,849	$ 377,374	$ 617,223
Loans individually evaluated for impairment in accordance with ASC 310-10-35	2,776	29,640	32,416
Loans acquired with deteriorated credit quality in accordance with ASC 310-30	112	426	538
Loans held at fair value	4,056	1,231	5,287
Total loans, net of unearned income	$ 246,793	$ 408,671	$ 655,464

Allowance for Credit Losses and Investment in Loans at December 31, 2011

In millions of dollars	Corporate	Consumer	Total
Allowance for loan losses at beginning of year	$ 5,249	$ 35,406	$ 40,655
Charge-offs	(2,000)	(21,164)	(23,164)
Recoveries	386	2,740	3,126
Replenishment of net charge-offs	1,614	18,424	20,038
Net reserve releases	(1,083)	(7,351)	(8,434)
Net specific reserve builds (releases)	(1,270)	1,439	169
Other	(17)	(2,258)	(2,275)
Ending balance	$ 2,879	$ 27,236	$ 30,115
Allowance for loan losses			
Determined in accordance with ASC 450-20	$ 2,408	$ 18,334	$ 20,742
Determined in accordance with ASC 310-10-35	420	8,885	9,305
Determined in accordance with ASC 310-30	51	17	68
Total allowance for loan losses	$ 2,879	$ 27,236	$ 30,115
Loans, net of unearned income			
Loans collectively evaluated for impairment in accordance with ASC 450-20	$ 215,778	$ 390,831	$ 606,609
Loans individually evaluated for impairment in accordance with ASC 310-10-35	3,994	30,863	34,857
Loans acquired with deteriorated credit quality in accordance with ASC 310-30	191	320	511
Loans held at fair value	3,939	1,326	5,265
Total loans, net of unearned income	$ 223,902	$ 423,340	$ 647,242

18. GOODWILL AND INTANGIBLE ASSETS

Goodwill

The changes in *Goodwill* during 2012 and 2011 were as follows:

In millions of dollars

Balance at December 31, 2010	$26,152
Foreign exchange translation	(636)
Smaller acquisitions/divestitures, purchase accounting adjustments and other	44
Discontinued operations	(147)
Balance at December 31, 2011	$25,413
Foreign exchange translation	**294**
Smaller acquisitions/divestitures, purchase accounting adjustments and other	**(21)**
Discontinued operations	**(13)**
Balance at December 31, 2012	**$25,673**

The changes in *Goodwill* by segment during 2012 and 2011 were as follows:

In millions of dollars	**Global Consumer Banking**	**Institutional Clients Group**	**Citi Holdings**	**Corporate/ Other**	**Total**
Balance at December 31, 2010	$ 10,701	$ 10,826	$ 4,625	$–	$ 26,152
Goodwill acquired during 2011	$ –	$ 19	$ –	$ –	$ 19
Goodwill disposed of during 2011	–	(6)	(153)	–	(159)
Other [(1)]	(465)	(102)	(32)	–	(599)
Balance at December 31, 2011	$ 10,236	$ 10,737	$ 4,440	$ –	$ 25,413
Goodwill acquired during 2012	**$** –	**$** –	**$** –	**$** –	**$–**
Goodwill disposed of during 2012	–	–	**(8)**	–	**(8)**
Other [(1)]	**20**	**244**	**4**	–	**268**
Intersegment transfers in/(out) [(2)]	**4,283**	–	**(4,283)**	–	–
Balance at December 31, 2012	**$ 14,539**	**$ 10,981**	**$ 153**	**$** –	**$ 25,673**

(1) Other changes in *Goodwill* primarily reflect foreign exchange effects on non-dollar-denominated goodwill, discontinued operations in 2012, and purchase accounting adjustments.

(2) Primarily includes the transfer of the substantial majority of the Citi retail services business from *Citi Holdings–Local Consumer Lending* to *Citicorp–North America Regional Consumer Banking* during the first quarter of 2012. See Note 4 to the Consolidated Financial Statements for a further discussion of this segment transfer.

Goodwill impairment testing is performed at the level below the business segments (referred to as a reporting unit). The reporting unit structure in 2012 was the same as the reporting unit structure in 2011, although certain underlying businesses were transferred between certain reporting units in the first quarter of 2012, as discussed further below.

As of January 1, 2012, a substantial majority of the Citi retail services business previously included within the *Local Consumer Lending–Cards* reporting unit was transferred to *North America–Regional Consumer Banking*. In addition, certain small

relative fair value approach. Subsequent to January 1, 2012, goodwill has been allocated to disposals and tested for impairment under the reporting unit structure reflecting these transfers. An interim goodwill impairment test was performed on the impacted reporting units as of January 1, 2012, resulting in no impairment.

The Company performed its annual goodwill impairment test as of July 1, 2012 resulting in no impairment for any of the reporting units.

As per ASC 350, *Intangibles–Goodwill and Other* businesses included within the *Local Consumer Lending–Cards* reporting unit were transferred to *Local Consumer Lending–Other*. Additionally, an insurance business in El Salvador within *Brokerage and Asset Management* was transferred to *Latin America Regional Consumer Banking*. Goodwill affected by the reorganization was reassigned from *Local Consumer Lending–Cards* and *Brokerage and Asset Management* to those reporting units that received businesses using a management elected to perform a qualitative assessment for the *Transaction Services* reporting unit. Through consideration of various factors including excess of fair value over the carrying value in prior year, projected growth via positive cash flows, and no adverse changes anticipated in the business and macroeconomic environment, management determined that it is not more-likely-than-not that the fair value of this reporting unit is less than its carrying amount and therefore the two-step impairment test was not required.

No goodwill was deemed impaired in 2010, 2011 and 2012.

The following table shows reporting units with goodwill balances as of December 31, 2012 and the excess of fair value as a percentage over allocated book value as of the annual impairment test.

In millions of dollars

Reporting unit (1)	Fair value as a % of allocated book value	Goodwill
North America Regional Consumer Banking	225 %	$ 6,803
EMEA Regional Consumer Banking	150 %	$ 366
Asia Regional Consumer Banking	281 %	$ 5,489
Latin America Regional Consumer Banking	186 %	$ 1,881
Securities and Banking	137 %	$ 9,378
Transaction Services	1,336 % (2)	$ 1,603
Brokerage and Asset Management	121 %	$ 42
Local Consumer Lending–Cards	110 %	$ 111

(1) *Local Consumer Lending–Other* is excluded from the table as there is no goodwill allocated to it.

(2) *Transaction Services:* 2011 fair value has been carried forward for this reporting unit for purposes of the 2012 annual impairment test as discussed above.

Citigroup engaged an independent valuation specialist in 2011 and 2012 to assist in Citi' s valuation for most of the reporting units employing both the market approach and the discounted cash flow (DCF) method. Citi believes that the DCF method, using management projections for the selected reporting units and an appropriate risk-adjusted discount rate, is the most reflective of a market participant' s view of fair values given current market conditions. For the reporting units where both methods were utilized in 2011 and 2012, the resulting fair values were relatively consistent and appropriate weighting was given to outputs from both methods.

While no impairment was noted in step one of the *Local Consumer Lending–Cards* reporting unit impairment test as of July 1, 2012, goodwill present in the reporting unit may be particularly sensitive to further deterioration in economic conditions.

Under the market approach for valuing this reporting unit, the key assumption is the price multiple. The selection of the multiple considers operating performance and financial condition such as return on equity and net income growth of *Local Consumer Lending–Cards* as compared to those of selected guideline companies. Among other factors, the level and expected growth in return on tangible equity relative to those of the guideline companies is considered. Since the guideline company prices used are on a minority interest basis, the selection of the multiple considers the guideline acquisition

For the *Local Consumer Lending–Cards* valuation under the income approach, the assumptions used as the basis for the model include cash flows for the forecasted period, assumptions embedded in arriving at an estimation of the terminal year value and discount rate. The cash flows are estimated based on management' s most recent projections available as of the testing date, giving consideration to target equity capital requirements based on selected guideline companies for the reporting unit. In arriving at a terminal value for *Local Consumer Lending–Cards*, using 2015 as the terminal year, the assumptions used included a long-term growth rate. The discount rate used in the analysis is based on the reporting units' estimated cost of equity capital computed under the capital asset pricing model.

If the future were to differ adversely from management' s best estimate of key economic assumptions and associated cash flows were to decrease by a small margin, the Company could potentially experience future impairment charges with respect to the $111 million goodwill remaining in its *Local Consumer Lending–Cards* reporting unit. Any such charge, by itself, would not negatively affect the Company' s regulatory capital ratios, tangible common equity or liquidity position.

prices which reflect control rights and privileges in arriving at a multiple that reflects an appropriate control premium.

INTANGIBLE ASSETS

The components of intangible assets were as follows:

	December 31, 2012			December 31, 2011		
In millions of dollars	**Gross carrying amount**	**Accumulated amortization**	**Net carrying amount**	Gross carrying amount	Accumulated amortization	Net carrying amount
Purchased credit card relationships	**$ 7,632**	**$5,726**	**$ 1,906**	$ 7,616	$5,309	$ 2,307
Core deposit intangibles	**1,315**	**1,019**	**296**	1,337	965	372
Other customer relationships	**767**	**380**	**387**	830	356	474
Present value of future profits	**239**	**135**	**104**	235	123	112
Indefinite-lived intangible assets	**487**	–	**487**	492	–	492
Other (1)	**4,764**	**2,247**	**2,517**	4,866	2,023	2,843
Intangible assets (excluding MSRs)	**$ 15,204**	**$ 9,507**	**$ 5,697**	$ 15,376	$ 8,776	$ 6,600
Mortgage servicing rights (MSRs)	**1,942**	–	**1,942**	2,569	–	2,569
Total intangible assets	**$ 17,146**	**$ 9,507**	**$ 7,639**	$ 17,945	$ 8,776	$ 9,169

(1) Includes contract-related intangible assets.

Intangible assets amortization expense was $856 million, $898 million and $976 million for 2012, 2011 and 2010, respectively. Intangible assets amortization expense is estimated to be $812 million in 2013, $723 million in 2014, $689 million in 2015, $766 million in 2016, and $550 million in 2017.

The changes in intangible assets during 2012 were as follows:

In millions of dollars	Net carrying amount at December 31, 2011	**Acquisitions/ divestitures**	**Amortization**	**Impairments**	**FX and other (1)**	**Discontinued operations**
Purchased credit card relationships	$2,307	**$–**	**$(402)**	**$–**	**$ 1**	**$–**
Core deposit intangibles	372	–	**(84)**	–	**8**	–
Other customer relationships	474	–	**(45)**	–	**(42)**	–
Present value of future profits	112	–	**(9)**	–	**1**	–
Indefinite-lived intangible assets	492	**(8)**	–	–	**3**	–
Other	2,843	**2**	**(316)**	**(6)**	**13**	**(19**
Intangible assets (excluding MSRs)	$ 6,600	**$ (6)**	**$ (856)**	**$ (6)**	**$ (16)**	**$ (19**
Mortgage servicing rights (MSRs) (2)	2,569					
Total intangible assets	$ 9,169					

(1) Includes foreign exchange translation and purchase accounting adjustments.

(2) See Note 22 to the Consolidated Financial Statements for the roll-forward of MSRs.

19. DEBT

Short-Term Borrowings

Short-term borrowings consist of commercial paper and other borrowings with weighted average interest rates at December 31 as follows:

	2012			2011		
In millions of dollars	**Balance**	**Weighted average**		Balance	Weighted average	
Commercial paper						
Bank	**$ 11,092**	**0.59**	**%**	$ 14,872	0.32	%
Other non-bank	**378**	**0.84**		6,414	0.49	
	$ 11,470			$ 21,286		
Other borrowings (1)	**40,557**	**1.06**	**%**	33,155	1.09	%
Total	**$ 52,027**			$ 54,441		

(1) At December 31, 2012 and December 31, 2011, collateralized short-term advances from the Federal Home Loan Banks were $4 billion and $5 billion, respectively.

Borrowings under bank lines of credit may be at interest rates based on LIBOR, CD rates, the prime rate, or bids submitted by the banks. Citigroup pays commitment fees for its lines of credit.

Some of Citigroup' s non-bank subsidiaries have credit facilities with Citigroup' s subsidiary depository institutions, including Citibank, N.A. Borrowings under these facilities are secured in accordance with Section 23A of the Federal Reserve Act.

Citigroup Global Markets Holdings Inc. (CGMHI) has borrowing agreements consisting of facilities that CGMHI has been advised are available, but where no contractual lending obligation exists. These arrangements are reviewed on an ongoing basis to ensure flexibility in meeting CGMHI' s short-term requirements.

Long-Term Debt

				Balances at December 31,		
In millions of dollars	**Weighted average coupon**		**Maturities**	**2012**		2011
Citigroup						
Senior notes	**4.29**	**%**	**2013-2098**	**$ 138,862**	$	136,46
Subordinated notes (1)	**4.40**		**2013-2036**	**27,581**		29,177
Junior subordinated notes relating to trust preferred securities	**7.14**		**2031-2067**	**10,110**		16,057
Bank (2)						
Senior notes	**1.91**		**2013-2039**	**50,527**		77,036
Subordinated notes (1)	**3.29**		**2013-2039**	**707**		859
Non-bank						
Senior notes	**3.64**		**2013-2097**	**11,651**		63,712
Subordinated notes (1)	**2.26**		**2013-2017**	**25**		196
Total (3)				**$ 239,463**	$	323,50
Senior notes				**$ 201,040**	$	277,21
Subordinated notes (1)				**28,313**		30,232
Junior subordinated notes relating to trust preferred securities				**10,110**		16,057
Total				**$ 239,463**	$	323,50

Note: Citigroup Funding Inc. (CFI) was previously a first-tier subsidiary of Citigroup Inc., issuing commercial paper, medium-term notes and structured equity-linked and credit-linked notes. The debt of CFI was guaranteed by Citigroup Inc. On December 31, 2012, CFI was merged into Citigroup Inc.

(1) Includes notes that are subordinated within certain countries, regions or subsidiaries.

(2) Represents Citibank, N.A., as well as subsidiaries of Citibank and Banamex. At December 31, 2012 and 2011, collateralized long-term advances from the Federal Home Loan Banks were $16.3 billion and $11.0 billion, respectively.

(3) Includes senior notes with carrying values of $186 million issued to Safety First Trust Series 2007-4, 2008-1, 2008-2, 2008-3, 2008-4, 2008-5, 2008-6, 2009-1, 2009-2, and 2009-3 at December 31, 2012 and $215 million issued to Safety First Trust Series 2007-3, 2007-4, 2008-1, 2008-2, 2008-3, 2008-4, 2008-5, 2008-6, 2009-1, 2009-2, and 2009-3 at December 31, 2011. Citigroup owns all of the voting securities of the Safety First Trusts. The Safety First Trusts have no assets, operations, revenues or cash flows other than those related

to the issuance, administration and repayment of the Safety First Trust securities and the Safety First Trusts' common securities.

CGMHI has committed long-term financing facilities with unaffiliated banks. At December 31, 2012, CGMHI had drawn down $300 million available under these facilities. Generally, a bank can terminate these facilities by giving CGMHI one-year prior notice.

The Company issues both fixed and variable rate debt in a range of currencies. It uses derivative contracts, primarily interest rate swaps, to effectively convert a portion of its fixed rate debt to variable rate debt and variable rate debt to fixed rate debt. The maturity structure of the derivatives generally corresponds to the maturity structure of the debt being hedged. In addition, the Company uses other derivative contracts to manage the foreign exchange impact of certain debt issuances. At December 31, 2012, the Company's overall weighted average interest rate for long-term debt was 3.88% on a contractual basis and 2.71% including the effects of derivative contracts.

Aggregate annual maturities of long-term debt obligations (based on final maturity dates) including trust preferred securities are as follows:

In millions of dollars	2013	2014	2015	2016	2017	Thereafter	Total
Bank	$ 16,601	$ 9,862	$ 8,588	$ 6,320	$ 2,943	$ 6,920	$ 51,234
Non-bank	1,586	2,921	781	800	52	5,536	11,676
Parent company	24,464	24,243	19,677	12,737	21,156	74,276	176,553
Total	$ 42,651	$ 37,026	$ 29,046	$ 19,857	$ 24,151	$ 86,732	$ 239,463

Long-term debt outstanding includes trust preferred securities with a balance sheet carrying value of $10,110 million and $16,057 million at December 31, 2012 and December 31, 2011, respectively. In issuing these trust preferred securities, Citi formed statutory business trusts under the laws of the State of Delaware. The trusts exist for the exclusive purposes of (i) issuing trust preferred securities representing undivided beneficial interests in the assets of the trust; (ii) investing the gross proceeds of the trust preferred securities in junior subordinated deferrable interest debentures (subordinated debentures) of its parent; and (iii) engaging in only those activities necessary or incidental thereto. Generally, upon receipt of certain regulatory approvals, Citigroup has the right to redeem these securities.

As previously disclosed, during the third quarter of 2012, Citi redeemed three series of its trust preferred securities resulting in a pretax gain of $198 million. The redemptions under Citigroup Capital XII and XXI closed on July 18, 2012, while Citigroup Capital XIX closed on August 15, 2012. During the fourth quarter of 2012, Citigroup completed the early redemption of Citigroup Capital XX in the amount of $0.4 billion. The gain recorded upon the redemption was $7 million. The redemption under Citigroup Capital XX closed on December 17, 2012. The following table summarizes the financial structure of each of the Company' s subsidiary trusts at December 31, 2012:

						Junior subordinated debentures owned by trust		
Trust securities with distributions guaranteed by Citigroup	**Issuance date**	**Securities issued**	**Liquidation value** [(1)]	**Coupon rate**	**Common shares issued to parent**	**Amount**	**Maturity**	**Redeema by issuer beginning**
In millions of dollars, except share amounts								
Citigroup Capital III	Dec. 1996	194,053	$ 194	7.625%	6,003	$ 200	Dec. 1, 2036	Not redeer
Citigroup Capital VII	July 2001	35,885,898	897	7.125%	1,109,874	925	July 31, 2031	July 31, 20
Citigroup Capital VIII	Sept. 2001	43,651,597	1,091	6.950%	1,350,050	1,125	Sept. 15, 2031	Sept. 17, 2
Citigroup Capital IX	Feb. 2003	33,874,813	847	6.000%	1,047,675	873	Feb. 14, 2033	Feb. 13, 2
Citigroup Capital X	Sept. 2003	14,757,823	369	6.100%	456,428	380	Sept. 30, 2033	Sept. 30, 2
Citigroup Capital XI	Sept. 2004	18,387,128	460	6.000%	568,675	474	Sept. 27, 2034	Sept. 27, 2
Citigroup Capital XIII	Sept. 2010	89,840,000	2,246	7.875%	1,000	2,246	Oct. 30, 2040	Oct. 30, 20
Citigroup Capital XIV	June 2006	12,227,281	306	6.875%	40,000	307	June 30, 2066	June 30, 2
Citigroup Capital XV	Sept. 2006	25,210,733	630	6.500%	40,000	631	Sept. 15, 2066	Sept. 15, 2
Citigroup Capital XVI	Nov. 2006	38,148,947	954	6.450%	20,000	954	Dec. 31, 2066	Dec. 31, 2
Citigroup Capital XVII	Mar. 2007	28,047,927	701	6.350%	20,000	702	Mar. 15, 2067	Mar. 15, 2
Citigroup Capital XVIII	June 2007	99,901	162	6.829%	50	162	June 28, 2067	June 28, 2
Citigroup Capital XXXIII [(2)]	July 2009	3,025,000	3,025	8.000%	100	3,025	July 30, 2039	July 30, 20
Adam Capital Trust III	Dec. 2002	17,500	18	3 mo. LIB +335 bp.	542	18	Jan. 7, 2033	Jan. 7, 20
Adam Statutory Trust III	Dec. 2002	25,000	25	3 mo. LIB +325 bp.	774	26	Dec. 26, 2032	Dec. 26, 2

				3 mo. LIB				
Adam Statutory Trust IV	Sept. 2003	40,000	40	+295 bp.	1,238	41	Sept. 17, 2033	Sept. 17, 2
				3 mo. LIB				
Adam Statutory Trust V	Mar. 2004	35,000	35	+279 bp.	1,083	36	Mar. 17, 2034	Mar. 17, 2
Total obligated			**$ 12,000**			**$ 12,125**		

(1) Represents the notional value received by investors from the trusts at the time of issuance.

(2) On February 4, 2013, approximately $800 million of the $3,025 million issued under Citigroup Capital XXXIII was exchanged into subordinated debt, leaving approximately $2,225 million of trust preferred securities outstanding as of such date.

In each case, the coupon rate on the debentures is the same as that on the trust securities. Distributions on the trust securities and interest on the debentures are payable quarterly, except for Citigroup Capital III and Citigroup Capital XVIII on which distributions are payable semiannually.

20. REGULATORY CAPITAL AND CITIGROUP INC. PARENT COMPANY INFORMATION

Citigroup is subject to risk-based capital and leverage guidelines issued by the Federal Reserve System (FRB). Citi' s U.S. insured depository institution subsidiaries, including Citibank, N.A., are subject to similar guidelines issued by their respective primary federal bank regulatory agencies. These guidelines are used to evaluate capital adequacy and include the required minimums shown in the following table. The regulatory agencies are required by law to take specific prompt actions with respect to institutions that do not meet minimum capital standards.

The following table sets forth Citigroup' s and Citibank, N.A.' s regulatory capital ratios as of December 31, 2012:

In millions of dollars	Required minimum	Well-capitalized minimum	Citigroup	Citibank, N.A.
Tier 1 Common			$ 123,095	$ 116,633
Tier 1 Capital			136,532	117,367
Total Capital [(1)]			167,686	135,513
Tier 1 Common ratio	N/A	N/A	12.67 %	14.12 %
Tier 1 Capital ratio	4.0 %	6.0 %	14.06	14.21
Total Capital ratio	8.0	10.0	17.26	16.41
Leverage ratio	3.0	5.0 [(2)]	7.48	8.97

(1) Total Capital includes Tier 1 Capital and Tier 2 Capital.

(2) Applicable only to depository institutions.

N/A Not Applicable

As indicated in the table above, Citigroup and Citibank, N.A. were well capitalized under the current federal bank regulatory definitions as of December 31, 2012.

Banking Subsidiaries–Constraints on Dividends

There are various legal limitations on the ability of Citigroup' s subsidiary depository institutions to extend credit, pay dividends or otherwise supply funds to Citigroup and its non-bank subsidiaries. The approval of the Office of the Comptroller of the Currency is required if total dividends declared in any calendar year exceed amounts specified by the applicable agency' s regulations. State-chartered depository institutions are subject to dividend limitations imposed by applicable state law.

In determining the dividends, each depository institution must also consider its effect on applicable risk-based capital and leverage ratio requirements, as well as policy statements of the federal regulatory agencies that indicate that banking organizations should generally pay dividends out of current operating earnings. Citigroup received $19.1 billion in dividends from Citibank, N.A. in 2012.

Non-Banking Subsidiaries

Citigroup also receives dividends from its non-bank subsidiaries. These non-bank subsidiaries are generally not subject to regulatory restrictions on dividends.

The ability of CGMHI to declare dividends can be restricted by capital considerations of its broker-dealer subsidiaries.

In millions of dollars

Subsidiary	Jurisdiction	Net capital or equivalent	Excess over minimum requirement
Citigroup Global Markets Inc.	U.S. Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1)	$6,250	$5,659
Citigroup Global Markets Limited	United Kingdom' s Financial Services Authority	$ 6,212	$ 3,594

Citigroup Inc. Parent Company Only[1] Income Statement and Statement of Comprehensive Income

In millions of dollars	Years Ended December 31, 2012	2011	2010
Revenues			
Interest revenue	**$ 3,384**	$ 3,684	$ 3,237
Interest expense	**6,573**	7,618	7,728
Net interest revenue	**$ (3,189)**	$ (3,934)	$ (4,491)
Dividends from subsidiaries	**20,780**	13,046	14,448
Non-interest revenue	**613**	939	30
Total revenues, net of interest expense	**$ 18,204**	$ 10,051	$ 9,987
Total operating expenses	**$ 1,497**	$ 1,503	$ 878
Income before taxes and equity in undistributed income of subsidiaries	**$ 16,707**	$ 8,548	$ 9,109
Benefit for income taxes	**(2,062)**	(1,821)	(2,480)
Equity in undistributed income of subsidiaries	**(11,228)**	698	(987)
Parent company' s net income	**$ 7,541**	$ 11,067	$ 10,602
Comprehensive income			
Parent company' s net income	**$ 7,541**	$ 11,067	$ 10,602
Other comprehensive income (loss)	**892**	(1,511)	2,660
Parent company' s comprehensive income	**$ 8,433**	$ 9,556	$ 13,262

Citigroup Inc. Parent Company Only[1] Balance Sheet

In millions of dollars	Years Ended December 31, 2012	2011
Assets		
Cash and deposits from banks	**$ 153**	$ 3
Trading account assets	**150**	99
Investments	**1,676**	37,477
Advances to subsidiaries	**107,074**	108,644
Investments in subsidiaries	**184,615**	194,979
Other assets	**102,335**	65,711
Total assets	**$ 396,003**	$ 406,913
Liabilities		
Federal funds purchased and securities loaned or sold under agreements to repurchase	**$ 185**	$ 185
Trading account liabilities	**170**	96
Short-term borrowings	**725**	13
Long-term debt	**176,553**	181,702
Advances from subsidiaries other than banks	**12,759**	17,046
Other liabilities	**16,562**	30,065
Total liabilities	**$ 206,954**	$ 229,107
Total equity	**189,049**	177,806
Total liabilities and equity	**$ 396,003**	$ 406,913

Citigroup Inc. Parent Company Only[1] Cash Flows Statement

In millions of dollars	Years Ended December 31, 2012	2011	2010
Net cash provided by operating activities of continuing operations	**$ 1,598**	$ 1,710	$ 8,756
Cash flows from investing activities of continuing operations			
Purchases of investments	**$ (5,701)**	$ (47,190)	$ (31,346)
Proceeds from sales of investments	**37,056**	9,524	6,029
Proceeds from maturities of investments	**4,286**	22,386	16,834
Changes in investments and advances−intercompany	**(397)**	32,419	13,363
Other investing activities	**994**	(10)	(20)
Net cash provided by investing activities of continuing operations	**$ 36,238**	$ 17,129	$ 4,860
Cash flows from financing activities of continuing operations			
Dividends paid	**$ (143)**	$ (113)	$ (9)
Issuance of preferred stock	**2,250**	−	−
Proceeds/(repayments) from issuance of long-term debt−third-party, net	**(33,434)**	(16,481)	(8,339)
Net change in short-term borrowings and other advances−intercompany	**(6,160)**	(5,772)	(8,211)
Other financing activities	**(199)**	3,519	2,949
Net cash used in financing activities of continuing operations	**$ (37,686)**	$ (18,847)	$ (13,610)
Net increase (decrease) in cash and due from banks	**$ 150**	$ (8)	$ 6
Cash and due from banks at beginning of period	**3**	11	5
Cash and due from banks at end of period	**$ 153**	$ 3	$ 11
Supplemental disclosure of cash flow information for continuing operations			
Cash paid (received) during the year for			
Income taxes	**$ 78**	$ (458)	$ (507)
Interest	**7,883**	9,271	9,317

(1) "Citigroup Inc. parent company only" refers to the parent holding company Citigroup Inc., excluding consolidated subsidiaries. Citigroup Funding Inc. (CFI) was previously a first-tier subsidiary of Citigroup Inc., issuing commercial paper, medium-term notes and structured equity-linked and credit-linked notes. The debt of CFI was guaranteed by Citigroup Inc. On December 31, 2012, CFI was merged into Citigroup Inc., the parent holding company.

21. CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Changes in each component of *Accumulated other comprehensive income (loss)* for the three-year period ended December 31, 2012 are as follows:

In millions of dollars	Net unrealized gains (losses) on investment securities	Foreign currency translation adjustment, net of hedges	Cash flow hedges	Pension liability adjustments	Accumulated other comprehensive income (loss)
Balance at December 31, 2009	$(4,347)	$ (7,947)	$(3,182)	$(3,461)	$(18,937)
Change, net of taxes (1)(2)(3)(4)	1,952	820	532	(644)	2,660
Balance at December 31, 2010	$ (2,395)	$ (7,127)	$ (2,650)	$ (4,105)	$ (16,277)
Change, net of taxes (1)(2)(3)(4)	2,360	(3,524)	(170)	(177)	(1,511)
Balance at December 31, 2011	$ (35)	$ (10,651)	$ (2,820)	$ (4,282)	$ (17,788)
Change, net of taxes (1)(2)(3)(4)(5)(6)	632	721	527	(988)	892
Balance at December 31, 2012	**$ 597**	**$ (9,930)**	**$ (2,293)**	**$ (5,270)**	**$ (16,896)**

(1) The after-tax realized gains (losses) on sales and impairments of securities during the years ended December 31, 2012, 2011 and 2010 were $(1,017) million, $(122) million and $657 million, respectively. For details of the realized gains (losses) on sales and impairments on Citigroup' s investment securities included in income, see Note 15 to the Consolidated Financial Statements.

(2) Primarily reflects the movements in (by order of impact) the Mexican peso, Japanese yen, Euro, and Brazilian real against the U.S. dollar, and changes in related tax effects and hedges in 2012. Primarily reflects the movements in the Mexican peso, Turkish lira, Brazilian real, Indian rupee and Polish zloty against the U.S. dollar, and changes in related tax effects and hedges in 2011. Primarily reflects the movements in the Australian dollar, Brazilian real, Canadian dollar, Japanese yen, Mexican peso, and Chinese yuan (renminbi) against the U.S. dollar, and changes in related tax effects and hedges in 2010.

(3) For cash flow hedges, primarily driven by Citigroup' s pay fixed/receive floating interest rate swap programs that are hedging the floating rates on liabilities.

(4) For the pension liability adjustment, primarily reflects adjustments based on the final year-end actuarial valuations of the Company' s pension and postretirement plans and amortization of amounts previously recognized in other comprehensive income.

(5) For net unrealized gains (losses) on investment securities, includes the after-tax impact of realized gains from the sales of minority investments: $672 million from the Company' s entire interest in Housing Development Finance Corporation Ltd. (HDFC); and $421 million from the Company' s entire interest in Shanghai Pudong Development Bank (SPDB).

(6) The after-tax impact due to impairment charges and the loss related to Akbank, included within the foreign currency translation adjustment, during the six months ended June 30, 2012 was $667 million. See Note 15 to the Consolidated Financial Statements.

The pretax and after-tax changes in each component of *Accumulated other comprehensive income (loss)* for the three-year period ended December 31, 2012 are as follows:

In millions of dollars	Pretax	Tax effect	After-tax
Balance, December 31, 2009	$ (27,834)	$ 8,897	$ (18,937)
Change in net unrealized gains (losses) on investment securities	3,119	(1,167)	1,952
Foreign currency translation adjustment	81	739	820
Cash flow hedges	857	(325)	532
Pension liability adjustment	(1,078)	434	(644)
Change	$ 2,979	$ (319)	$ 2,660
Balance, December 31, 2010	$ (24,855)	$ 8,578	$ (16,277)
Change in net unrealized gains (losses) on investment securities	3,855	(1,495)	2,360

Foreign currency translation adjustment	(4,133)	609	(3,524)
Cash flow hedges	(262)	92	(170)
Pension liability adjustment	(412)	235	(177)
Change	$ (952)	$ (559)	$ (1,511)
Balance, December 31, 2011	$ (25,807)	$ 8,019	$ (17,788)
Change in net unrealized gains (losses) on investment securities	1,001	(369)	632
Foreign currency translation adjustment	12	709	721
Cash flow hedges	838	(311)	527
Pension liability adjustment	(1,378)	390	(988)
Change	$ 473	$ 419	$ 892
Balance, December 31, 2012	**$ (25,334)**	**$ 8,438**	**$ (16,896)**

22. SECURITIZATIONS AND VARIABLE INTEREST ENTITIES

Uses of SPEs

A special purpose entity (SPE) is an entity designed to fulfill a specific limited need of the company that organized it. The principal uses of SPEs are to obtain liquidity and favorable capital treatment by securitizing certain of Citigroup' s financial assets, to assist clients in securitizing their financial assets and to create investment products for clients. SPEs may be organized in various legal forms including trusts, partnerships or corporations. In a securitization, the company transferring assets to an SPE converts all (or a portion) of those assets into cash before they would have been realized in the normal course of business through the SPE' s issuance of debt and equity instruments, certificates, commercial paper and other notes of indebtedness, which are recorded on the balance sheet of the SPE, which may or may not be consolidated onto the balance sheet of the company that organized the SPE.

Investors usually only have recourse to the assets in the SPE and often benefit from other credit enhancements, such as a collateral account or over-collateralization in the form of excess assets in the SPE, a line of credit, or from a liquidity facility, such as a liquidity put option or asset purchase agreement. Because of these enhancements, the SPE issuances can typically obtain a more favorable credit rating from rating agencies than the transferor could obtain for its own debt issuances, resulting in less expensive financing costs than unsecured debt. The SPE may also enter into derivative contracts in order to convert the yield or currency of the underlying assets to match the needs of the SPE investors or to limit or change the credit risk of the SPE. Citigroup may be the provider of certain credit enhancements as well as the counterparty to any related derivative contracts.

Most of Citigroup' s SPEs are variable interest entities (VIEs), as described below.

Variable Interest Entities

VIEs are entities that have either a total equity investment that is insufficient to permit the entity to finance its activities without additional subordinated financial support, or whose equity investors lack the characteristics of a controlling financial interest (i.e., ability to make significant decisions through voting rights, and right to receive the expected residual returns of the entity or obligation to absorb the expected losses of the entity). Investors that finance the VIE through debt or equity interests or other counterparties that provide other forms of support, such as guarantees, subordinated fee arrangements, or certain types of derivative contracts, are variable interest holders in the entity.

The variable interest holder, if any, that has a controlling financial interest in a VIE is deemed to be the primary beneficiary and must consolidate the VIE. Citigroup would be deemed to have a controlling financial interest and be the primary beneficiary if it has both of the following characteristics:

- power to direct activities of a VIE that most significantly impact the entity' s economic performance; and
- obligation to absorb losses of the entity that could potentially be significant to the VIE or right to receive benefits from the entity that could potentially be significant to the VIE.

The Company must evaluate its involvement in each VIE and understand the purpose and design of the entity, the role the Company had in the entity' s design and its involvement in the VIE' s ongoing activities. The Company then must evaluate which activities most significantly impact the economic performance of the VIE and who has the power to direct such activities.

For those VIEs where the Company determines that it has the power to direct the activities that most significantly impact the VIE' s economic performance, the Company then must evaluate its economic interests, if any, and determine whether it could absorb losses or receive benefits that could potentially be significant to the VIE. When evaluating whether the Company has an obligation to absorb losses that could potentially be significant, it considers the maximum exposure to such loss without consideration of probability. Such obligations could be in various forms, including, but not limited to, debt and equity investments, guarantees, liquidity agreements, and certain derivative contracts.

In various other transactions, the Company may: (i) act as a derivative counterparty (for example, interest rate swap, cross-currency swap, or purchaser of credit protection under a credit default swap or total return swap where the Company pays the total return on certain assets to the SPE); (ii) act as underwriter or placement agent; (iii) provide administrative, trustee or other services; or (iv) make a market in debt securities or other instruments issued by VIEs. The Company generally considers such involvement, by itself, not to be variable interests and thus not an indicator of power or potentially significant benefits or losses.

Citigroup' s involvement with consolidated and unconsolidated VIEs with which the Company holds significant variable interests or has continuing involvement through servicing a majority of the assets in a VIE as of December 31, 2012 and 2011 is presented below:

In millions of dollars			As of December 31, 2012				
				Maximum exposure to loss in significant unconsolidated VIEs			
				Funded exposures (2)		Unfunded exposures	
Citicorp	**Total involvement with SPE assets**	**Consolidated VIE / SPE assets**	**Significant unconsolidated VIE assets (4)**	**Debt investments**	**Equity investments**	**Funding commitments**	**Guarant and derivativ**
Credit card securitizations	$ 79,109	$79,109	$–	$ –	$–	$–	$
Mortgage securitizations (5)							
U.S. agency-sponsored	232,741	–	232,741	3,042	–	–	
Non-agency-sponsored	9,308	1,686	7,622	382	–	–	
Citi-administered asset-backed commercial paper conduits (ABCP)	30,002	22,387	7,615	–	–	7,615	
Third-party commercial paper conduits	–	–	–	–	–	–	
Collateralized debt obligations (CDOs)	5,539	–	5,539	24	–	–	
Collateralized loan obligations (CLOs)	15,120	–	15,120	642	19	–	
Asset-based financing	41,399	1,125	40,274	14,798	84	2,081	
Municipal securities tender option bond trusts (TOBs)	15,163	7,573	7,590	352	–	4,628	
Municipal investments	19,693	255	19,438	2,003	3,049	1,669	
Client intermediation	2,486	151	2,335	319	–	–	
Investment funds	4,286	2,196	2,090	–	14	–	
Trust preferred securities	12,221	–	12,221	–	126	–	
Other	2,023	115	1,908	113	382	22	
Total	$ 469,090	$ 114,597	$ 354,493	$ 21,675	$ 3,674	$ 16,015	$
Citi Holdings							
Credit card securitizations	$ 838	$ 397	$ 441	$ –	$ –	$ –	$
Mortgage securitizations							
U.S. agency-sponsored	106,888	–	106,888	700	–	–	
Non-agency-sponsored	16,693	1,628	15,065	43	–	–	
Student loan securitizations	1,681	1,681	–	–	–	–	
Collateralized debt obligations (CDOs)	4,752	–	4,752	139	–	–	
Collateralized loan obligations (CLOs)	4,676	–	4,676	435	–	13	
Asset-based financing	4,166	3	4,163	984	6	243	
Municipal investments	7,766	–	7,766	90	235	992	
Client intermediation	13	13	–	–	–	–	
Investment funds	1,083	–	1,083	–	47	–	
Other	6,005	5,851	154	–	3	–	
Total	$ 154,561	$ 9,573	$ 144,988	$ 2,391	$ 291	$ 1,248	$
Total Citigroup	$ 623,651	$ 124,170	$ 499,481	$ 24,066	$ 3,965	$ 17,263	$

(1) The definition of maximum exposure to loss is included in the text that follows this table.

(2) Included in Citigroup's December 31, 2012 Consolidated Balance Sheet.

(3) Not included in Citigroup's December 31, 2012 Consolidated Balance Sheet.

(4) A significant unconsolidated VIE is an entity where the Company has any variable interest considered to be significant, regardless of the likelihood of loss or the notional amount of exposure.

(5) Citicorp mortgage securitizations also include agency and non-agency (private-label) re-securitization activities. These SPEs are not consolidated. See "Re-Securitizations" below for further discussion.

In millions of dollars	As of December 31, 2011						
				Maximum exposure to loss in significant unconsolidated VIEs			
				Funded exposures (2)		**Unfunded exposures** (3)	
	Total involvement with SPE assets	**Consolidated VIE / SPE assets**	**Significant unconsolidated VIE assets** (4)	**Debt investments**	**Equity investments**	**Funding commitments**	**Guarantees and derivatives**
	$ 87,083	$ 87,083	$–	$–	$–	$–	$–
	232,179	–	232,179	3,769	–	–	26
	9,743	1,622	8,121	348	–	–	–
	34,987	21,971	13,016	–	–	13,016	–
	7,507	–	7,507	–	–	298	–
	3,334	–	3,334	20	–	–	–
	8,127	–	8,127	64	–	–	–
	19,034	1,303	17,731	7,892	2	2,891	121
	16,849	8,224	8,625	708	–	5,413	–
	20,331	299	20,032	2,345	3,535	1,586	–
	2,110	24	2,086	468	–	–	–
	4,621	2,027	2,594	–	70	–	–
	17,882	–	17,882	–	128	–	–
	6,210	97	6,113	354	172	279	79
	$ 469,997	$ 122,650	$ 347,347	$ 15,968	$ 3,907	$ 23,483	$ 226
	$ 780	$ 581	$ 199	$ –	$ –	$ –	$ –
	152,265	–	152,265	1,159	–	–	120
	20,821	1,764	19,057	61	–	–	2
	1,822	1,822	–	–	–	–	–
	6,581	–	6,581	117	–	–	120
	7,479	–	7,479	1,125	–	6	90
	10,490	73	10,417	5,004	3	250	–
	7,820	–	7,820	206	265	1,049	–
	111	111	–	–	–	–	–
	1,114	14	1,100	–	43	–	–
	6,762	6,581	181	3	36	15	–
	$ 216,045	$ 10,946	$ 205,099	$ 7,675	$ 347	$ 1,320	$ 332
	$ 686,042	$ 133,596	$ 552,446	$ 23,643	$ 4,254	$ 24,803	$ 558

(1) The definition of maximum exposure to loss is included in the text that follows this table.

(2) Included in Citigroup's December 31, 2011 Consolidated Balance Sheet.

(3) Not included in Citigroup's December 31, 2011 Consolidated Balance Sheet.

(4) A significant unconsolidated VIE is an entity where the Company has any variable interest considered to be significant, regardless of the likelihood of loss or the notional amount of exposure.

(5) Citicorp mortgage securitizations also include agency and non-agency (private-label) re-securitization activities. These SPEs are not consolidated. See "Re-Securitizations" below for further discussion.

Reclassified to conform to the current year's presentation.

The previous tables do not include:

- certain venture capital investments made by some of the Company' s private equity subsidiaries, as the Company accounts for these investments in accordance with the Investment Company Audit Guide;
- certain limited partnerships that are investment funds that qualify for the deferral from the requirements of ASC 810 where the Company is the general partner and the limited partners have the right to replace the general partner or liquidate the funds;
- certain investment funds for which the Company provides investment management services and personal estate trusts for which the Company provides administrative, trustee and/or investment management services;
- VIEs structured by third parties where the Company holds securities in inventory, as these investments are made on arm' s-length terms;
- certain positions in mortgage-backed and asset-backed securities held by the Company, which are classified as *Trading account assets* or *Investments*, where the Company has no other involvement with the related securitization entity deemed to be significant (for more information on these positions, see Notes 14 and 15 to the Consolidated Financial Statements);
- certain representations and warranties exposures in legacy *Securities and Banking*–sponsored mortgage-backed and asset-backed securitizations, where the Company has no variable interest or continuing involvement as servicer. The outstanding balance of mortgage loans securitized during 2005 to 2008 where the Company has no variable interest or continuing involvement as servicer was approximately $19 billion at December 31, 2012; and
- certain representations and warranties exposures in Citigroup residential mortgage securitizations, where the original mortgage loan balances are no longer outstanding.

The asset balances for consolidated VIEs represent the carrying amounts of the assets consolidated by the Company. The carrying amount may represent the amortized cost or the current fair value of the assets depending on the legal form of the asset (e.g., security or loan) and the Company' s standard accounting policies for the asset type and line of business.

The asset balances for unconsolidated VIEs where the Company has significant involvement represent the most current information available to the Company. In most cases, the asset balances represent an amortized cost basis without regard to impairments in fair value, unless fair value information is readily available to the Company. For VIEs that obtain asset exposures synthetically through derivative instruments (for example, synthetic CDOs), the tables generally include the full original notional amount of the derivative as an asset balance.

The maximum funded exposure represents the balance sheet carrying amount of the Company' s investment in the VIE. It reflects the initial amount of cash invested in the VIE adjusted for any accrued interest and cash principal payments received. The carrying amount may also be adjusted for increases or declines in fair value or any impairment in value recognized in earnings. The maximum exposure of unfunded positions represents the remaining undrawn committed amount, including liquidity and credit facilities provided by the Company, or the notional amount of a derivative instrument considered to be a variable interest. In certain transactions, the Company has entered into derivative instruments or other arrangements that are not considered variable interests in the VIE (e.g., interest rate swaps, cross-currency swaps, or where the Company is the purchaser of credit protection under a credit default swap or total return swap where the Company pays the total return on certain assets to the SPE). Receivables under such arrangements are not included in the maximum exposure amounts.

Funding Commitments for Significant Unconsolidated VIEs–Liquidity Facilities and Loan Commitments

The following table presents the notional amount of liquidity facilities and loan commitments that are classified as funding commitments in the VIE tables above as of December 31, 2012:

In millions of dollars	Liquidity facilities	Loan commitments
Citicorp		
Citi-administered asset-backed commercial paper conduits (ABCP)	**$ 7,615**	**$ –**
Asset-based financing	**6**	**2,075**
Municipal securities tender option bond trusts (TOBs)	**4,628**	**–**
Municipal investments	**–**	**1,669**
Other	**–**	**22**
Total Citicorp	**$ 12,249**	**$ 3,766**
Citi Holdings		
Asset-based financing	**$ –**	**$ 243**
Collateralized loan obligations (CLOs)	**13**	**–**
Municipal investments	**–**	**992**
Total Citi Holdings	**$ 13**	**$ 1,235**
Total Citigroup funding commitments	**$ 12,262**	**$ 5,001**

Citicorp and Citi Holdings Consolidated VIEs

The Company engages in on-balance-sheet securitizations which are securitizations that do not qualify for sales treatment; thus, the assets remain on the Company' s balance sheet. The consolidated VIEs included in the tables below represent hundreds of separate entities with which the Company is involved. In general, the third-party investors in the obligations of consolidated VIEs have legal recourse only to the assets of the VIEs and do not have such recourse to the Company, except where the Company has provided a guarantee to the investors or is the counterparty to certain derivative transactions involving the VIE. In addition, the assets are generally restricted only to pay such liabilities.

Thus, the Company' s maximum legal exposure to loss related to consolidated VIEs is significantly less than the carrying value of the consolidated VIE assets due to outstanding third-party financing. Intercompany assets and liabilities are excluded from the table. All assets are restricted from being sold or pledged as collateral. The cash flows from these assets are the only source used to pay down the associated liabilities, which are non-recourse to the Company' s general assets.

The following table presents the carrying amounts and classifications of consolidated assets that are collateral for consolidated VIE and SPE obligations as of December 31, 2012 and December 31, 2011:

In billions of dollars	**December 31, 2012**			December 31, 2011		
	Citicorp	**Citi Holdings**	**Citigroup**	Citicorp	Citi Holdings	Citigroup
Cash	**$ 0.3**	**$ 0.2**	**$ 0.5**	$ 0.2	$ 0.4	$ 0.6
Trading account assets	**0.5**	**–**	**0.5**	0.4	0.1	0.5
Investments	**10.7**	**–**	**10.7**	12.5	–	12.5
Total loans, net	**102.6**	**9.1**	**111.7**	109.0	10.1	119.1
Other	**0.5**	**0.2**	**0.7**	0.5	0.3	0.8
Total assets	**$ 114.6**	**$ 9.5**	**$ 124.1**	$ 122.6	$ 10.9	$ 133.5
Short-term borrowings	**$ 17.9**	**$ –**	**$ 17.9**	$ 22.5	$ 0.8	$ 23.3
Long-term debt	**23.8**	**2.6**	**26.4**	44.8	5.6	50.4
Other liabilities	**1.1**	**0.1**	**1.2**	0.9	0.2	1.1
Total liabilities	**$ 42.8**	**$ 2.7**	**$ 45.5**	$ 68.2	$ 6.6	$ 74.8

Citicorp and Citi Holdings Significant Variable Interests in Unconsolidated VIEs–Balance Sheet Classification

The following table presents the carrying amounts and classification of significant variable interests in unconsolidated VIEs as of December 31, 2012 and December 31, 2011:

In billions of dollars	**December 31, 2012**			December 31, 2011		
	Citicorp	**Citi Holdings**	**Citigroup**	Citicorp	Citi Holdings	Citigroup
Trading account assets	**$ 4.0**	**$ 0.5**	**$4.5**	$ 5.5	$ 1.0	$ 6.5
Investments	**5.4**	**0.7**	**6.1**	3.8	4.4	8.2
Total loans, net	**14.6**	**0.9**	**15.5**	9.0	1.6	10.6
Other	**1.4**	**0.5**	**1.9**	1.6	1.0	2.6
Total assets	**$ 25.4**	**$ 2.6**	**$ 28.0**	$ 19.9	$ 8.0	$ 27.9
Long-term debt	**$ –**	**$ –**	**$ –**	$ –	$ –	$ –
Total liabilities	–	–	–	–	–	–

Credit Card Securitizations

The Company securitizes credit card receivables through trusts that are established to purchase the receivables. Citigroup transfers receivables into the trusts on a non-recourse basis. Credit card securitizations are revolving securitizations; that is, as customers pay their credit card balances, the cash proceeds are used to purchase new receivables and replenish the receivables in the trust.

Substantially all of the Company' s credit card securitization activity is through two trusts–Citibank Credit Card Master Trust (Master Trust) and the Citibank Omni Master Trust (Omni Trust). Since the adoption of SFAS 167 (ASC 810) on January 1, 2010, these trusts are treated as consolidated entities because, as servicer, Citigroup has the power to direct the activities that most significantly impact the economic performance of the trusts and also holds a seller' s interest and certain securities issued by the trusts, and provides liquidity facilities to the trusts, which could result in potentially significant losses or benefits from the trusts. Accordingly, the transferred credit card receivables remain on the Consolidated Balance Sheet with no gain or loss recognized. The debt issued by the trusts to third parties is included in the Consolidated Balance Sheet.

The Company relies on securitizations to fund a significant portion of its credit card businesses in *North America*. The following table reflects amounts related to the Company' s securitized credit card receivables as of December 31, 2012 and December 31, 2011:

In billions of dollars	**Citicorp**		**Citi Holdings**	
	December 31, 2012	December 31, 2011	**December 31, 2012**	Decembe 2011
Principal amount of credit card receivables in trusts	**$80.7**	$89.8	**$0.4**	
Ownership interests in principal amount of trust credit card receivables				
Sold to investors via trust-issued securities	**$ 22.9**	$ 42.7	**$ 0.1**	$
Retained by Citigroup as trust-issued securities	**13.2**	14.7	**0.1**	
Retained by Citigroup via non-certificated interests	**44.6**	32.4	**0.2**	
Total ownership interests in principal amount of trust credit card receivables	**$ 80.7**	$ 89.8	**$ 0.4**	$

Credit Card Securitizations−Citicorp

The following table summarizes selected cash flow information related to Citicorp' s credit card securitizations for the years ended December 31, 2012, 2011 and 2010:

In billions of dollars	**2012**	2011	2010
Proceeds from new securitizations	**$ 2.4**	$ 3.9	$ 5.5
Pay down of maturing notes	**(21.7)**	(20.5)	(40.3)

Credit Card Securitizations−Citi Holdings

The proceeds from Citi Holdings' credit card securitizations were $0.4 billion for the year ended December 31, 2012.

Managed Loans

After securitization of credit card receivables, the Company continues to maintain credit card customer account relationships and provides servicing for receivables transferred to the trusts. As a result, the Company considers the securitized credit card receivables to be part of the business it manages. As Citigroup consolidates the credit card trusts, all managed securitized card receivables are on-balance sheet.

Funding, Liquidity Facilities and Subordinated Interests

As noted above, Citigroup securitizes credit card receivables through two securitization trusts−Master Trust, which is part of Citicorp, and Omni Trust, which is also substantially part of Citicorp. The liabilities of the trusts are included in the Consolidated Balance Sheet, excluding those retained by Citigroup.

Master Trust issues fixed- and floating-rate term notes. Some of the term notes are issued to multi-seller commercial paper conduits. The weighted average maturity of the term notes issued by the Master Trust was 3.8 years as of December 31, 2012 and 3.1 years as of December 31, 2011.

Master Trust Liabilities (at par value)

In billions of dollars	**December 31, 2012**	December 31, 2011
Term notes issued to multi-seller commercial paper conduits	**$ –**	$ –
Term notes issued to third parties	**18.6**	30.4
Term notes retained by Citigroup affiliates	**4.8**	7.7
Total Master Trust liabilities	**$ 23.4**	$ 38.1

The Omni Trust issues fixed- and floating-rate term notes, some of which are purchased by multi-seller commercial paper conduits. The weighted average maturity of the third-party term notes issued by the Omni Trust was 1.7 years as of December 31, 2012 and 1.5 years as of December 31, 2011.

Omni Trust Liabilities (at par value)

In billions of dollars	**December 31, 2012**	December 31, 2011
Term notes issued to multi-seller commercial paper conduits	**$ –**	$ 3.4
Term notes issued to third parties	**4.4**	9.2
Term notes retained by Citigroup affiliates	**7.1**	7.1
Total Omni Trust liabilities	**$ 11.5**	$ 19.7

Mortgage Securitizations

The Company provides a wide range of mortgage loan products to a diverse customer base. Once originated, the Company often securitizes these loans through the use of SPEs. These SPEs are funded through the issuance of trust certificates backed solely by the transferred assets. These certificates have the same average life as the transferred assets. In addition to providing a source of liquidity and less expensive funding, securitizing these assets also reduces the Company' s credit exposure to the borrowers. These mortgage loan securitizations are primarily non-recourse, thereby effectively transferring the risk of future credit losses to the purchasers of the securities issued by the trust. However, the Company' s Consumer business generally retains the servicing rights and in certain instances retains investment securities, interest-only strips and residual interests in future cash flows from the trusts and also provides servicing for a limited number of *Securities and Banking* securitizations. *Securities and Banking* and *Special Asset Pool* do not retain servicing for their mortgage securitizations.

The Company securitizes mortgage loans generally through either a government-sponsored agency, such as Ginnie Mae, Fannie Mae or Freddie Mac (U.S. agency-sponsored mortgages), or private-label (non-agency-sponsored mortgages) securitization. The Company is not the primary beneficiary of its U.S. agency-sponsored mortgage securitizations because Citigroup does not have the power to direct the activities of the SPE that most significantly impact the entity' s economic performance. Therefore, Citi does not consolidate these U.S. agency-sponsored mortgage securitizations.

The Company does not consolidate certain non-agency-sponsored mortgage securitizations because Citi is either not the servicer with the power to direct the significant activities of the entity or Citi is the servicer but the servicing relationship is deemed to be a fiduciary relationship and, therefore, Citi is not deemed to be the primary beneficiary of the entity.

In certain instances, the Company has (i) the power to direct the activities and (ii) the obligation to either absorb losses or right to receive benefits that could be potentially significant to its non-agency-sponsored mortgage securitizations and, therefore, is the primary beneficiary and consolidates the SPE.

Mortgage Securitizations−Citicorp

The following tables summarize selected cash flow information related to Citicorp mortgage securitizations for the years ended December 31, 2012, 2011 and 2010:

	2012		2011	2010
In billions of dollars	**U.S. agency-sponsored mortgages**	**Non-agency-sponsored mortgages**	Agency- and non-agency-sponsored mortgages	Agency- and non-agency-sponsored mortgages
Proceeds from new securitizations	**$ 54.2**	**$ 2.3**	$ 57.3	$ 65.1
Contractual servicing fees received	**0.5**	−	0.5	0.5
Cash flows received on retained interests and other net cash flows	**0.1**	−	0.1	0.1

Gains (losses) recognized on the securitization of U.S. agency-sponsored mortgages during 2012 were $10 million. For the year ended December 31, 2012, gains (losses) recognized on the securitization of non-agency-sponsored mortgages were $20 million.

Agency and non-agency mortgage securitization gains (losses) for the years ended December 31, 2011 and 2010 were $(9) million and $(5) million, respectively.

Key assumptions used in measuring the fair value of retained interests at the date of sale or securitization of mortgage receivables for the years ended December 31, 2012 and 2011 were as follows:

	December 31, 2012		
		Non-agency-sponsored mortgages (1)	
	U.S. agency-sponsored mortgages	Senior interests	Subordinated interests
Discount rate	**0.2% to 14.4%**	**1.2% to 24.0%**	**1.1% to 29.2%**
Weighted average discount rate	**11.4%**	**8.1%**	**13.8%**
Constant prepayment rate	**6.7% to 36.4%**	**1.9% to 22.8%**	**1.6% to 29.4%**
Weighted average constant prepayment rate	**10.2%**	**9.3%**	**10.1%**
Anticipated net credit losses (2)	**NM**	**37.5% to 80.2%**	**33.4% to 90.0%**
Weighted average anticipated net credit losses	**NM**	**60.3%**	**54.1%**

	December 31, 2011		
		Non-agency-sponsored mortgages (1)	
	U.S. agency-sponsored mortgages	Senior interests	Subordinated interests
Discount rate	0.6% to 28.3%	2.4% to 10.0%	8.4% to 17.6%
Weighted average discount rate	12.0%	4.5%	11.0%
Constant prepayment rate	2.2% to 30.6%	1.0% to 2.2%	5.2% to 22.1%
Weighted average constant prepayment rate	7.9%	1.9%	17.3%
Anticipated net credit losses (2)	NM	35.0% to 72.0%	11.4% to 58.6%
Weighted average anticipated net credit losses	NM	45.3%	25.0%

(1) Disclosure of non-agency-sponsored mortgages as senior and subordinated interests is indicative of the interests' position in the capital structure of the securitization.

(2) Anticipated net credit losses represent estimated loss severity associated with defaulted mortgage loans underlying the mortgage securitizations disclosed above. Anticipated net credit losses, in this instance, do not represent total credit losses incurred to date, nor do they represent credit losses expected on retained interests in mortgage securitizations.

NM Not meaningful. Anticipated net credit losses are not meaningful due to U.S. agency guarantees.

The range in the key assumptions is due to the different characteristics of the interests retained by the Company. The interests retained range from highly rated and/or senior in the capital structure to unrated and/or residual interests.

The effect of adverse changes of 10% and 20% in each of the key assumptions used to determine the fair value of retained interests and the sensitivity of the fair value to such adverse changes, each as of December 31, 2012 and 2011, is set forth in the tables below. The negative effect of each change is calculated independently, holding all other assumptions constant. Because the key assumptions may not in fact be independent, the net effect of simultaneous adverse changes in the key assumptions may be less than the sum of the individual effects shown below.

December 31, 2012	U.S. agency-sponsored mortgages	Non-agency-sponsored mortgages (1) Senior interests	Non-agency-sponsored mortgages (1) Subordinated interests
Discount rate	**0.6% to 17.2%**	**1.2% to 24.0%**	**1.1% to 29.2%**
Weighted average discount rate	**6.1%**	**9.0%**	**13.8%**
Constant prepayment rate	**9.0% to 57.8%**	**1.9% to 22.8%**	**0.5% to 29.4%**
Weighted average constant prepayment rate	**27.7%**	**12.3%**	**10.0%**
Anticipated net credit losses (2)	**NM**	**0.1% to 80.2%**	**33.4% to 90.0%**
Weighted average anticipated net credit losses	**NM**	**47.0%**	**54.1%**

December 31, 2011	U.S. agency-sponsored mortgages	Non-agency-sponsored mortgages (1) Senior interests	Non-agency-sponsored mortgages (1) Subordinated interests
Discount rate	1.3% to 16.4%	2.2% to 24.4%	1.3% to 28.1%
Weighted average discount rate	8.1%	9.6%	13.5%
Constant prepayment rate	18.9% to 30.6%	1.7% to 51.8%	0.6% to 29.1%
Weighted average constant prepayment rate	28.7%	26.2%	10.5%
Anticipated net credit losses (2)	NM	0.0% to 77.9%	29.3% to 90.0%
Weighted average anticipated net credit losses	NM	37.6%	57.2%

(1) Disclosure of non-agency-sponsored mortgages as senior and subordinated interests is indicative of the interests' position in the capital structure of the securitization.

(2) Anticipated net credit losses represent estimated loss severity associated with defaulted mortgage loans underlying the mortgage securitizations disclosed above. Anticipated net credit losses, in this instance, do not represent total credit losses incurred to date, nor do they represent credit losses expected on retained interests in mortgage securitizations.

NM Not meaningful. Anticipated net credit losses are not meaningful due to U.S. agency guarantees.

In millions of dollars at December 31, 2012	U.S. agency-sponsored mortgages	Non-agency-sponsored mortgages (1) Senior interests	Non-agency-sponsored mortgages (1) Subordinated interests
Carrying value of retained interests	**$1,987**	**$88**	**$466**
Discount rates			
Adverse change of 10%	**$ (46)**	**$ (2)**	**$ (31)**
Adverse change of 20%	**(90)**	**(4)**	**(59)**
Constant prepayment rate			
Adverse change of 10%	**(110)**	**(1)**	**(11)**
Adverse change of 20%	**(211)**	**(3)**	**(22)**

Anticipated net credit losses			
Adverse change of 10%	**(11)**	**(1)**	**(13)**
Adverse change of 20%	**(21)**	**(3)**	**(24)**

(1) Disclosure of non-agency-sponsored mortgages as senior and subordinated interests is indicative of the interests' position in the capital structure of the securitization.

Mortgage Securitizations−Citi Holdings

The following tables summarize selected cash flow information related to Citi Holdings mortgage securitizations for the years ended December 31, 2012, 2011 and 2010:

In billions of dollars	**2012** **U.S. agency-sponsored mortgages**	2011 Agency- and non-agency-sponsored mortgages	2010 Agency- and non-agency-sponsored mortgages
Proceeds from new securitizations	**$0.4**	$1.1	$0.6
Contractual servicing fees received	**0.4**	0.6	0.8
Cash flows received on retained interests and other net cash flows	–	0.1	0.1

Gains recognized on the securitization of U.S. agency-sponsored mortgages were $45 million and $78 million for the years ended December 31, 2012 and 2011, respectively. The Company did not securitize non-agency-sponsored mortgages during the years ended December 31, 2012 and 2011.

Similar to Citicorp mortgage securitizations discussed above, the range in the key assumptions is due to the different characteristics of the interests retained by the Company. The interests retained range from highly rated and/or senior in the capital structure to unrated and/or residual interests.

The effect of adverse changes of 10% and 20% in each of the key assumptions used to determine the fair value of retained interests, and the sensitivity of the fair value to such adverse changes, each as of December 31, 2012 and 2011, is set forth in the tables below. The negative effect of each change is calculated independently, holding all other assumptions constant. Because the key assumptions may not in fact be independent, the net effect of simultaneous adverse changes in the key assumptions may be less than the sum of the individual effects shown below.

	December 31, 2012					
			Non-agency-sponsored mortgages [1]			
	U.S. agency-sponsored mortgages		**Senior interests**		**Subordinated interests**	
Discount rate	**9.7**	**%**	**4.1% to 10.0**	**%**	**3.4% to 12.4**	**%**
Weighted average discount rate	**9.7**	**%**	**4.2**	**%**	**8.0**	**%**
Constant prepayment rate	**28.6**	**%**	**21.7**	**%**	**12.7% to 18.7**	**%**
Weighted average constant prepayment rate	**28.6**	**%**	**21.7**	**%**	**15.7**	**%**
Anticipated net credit losses	**NM**		**0.5**	**%**	**50.0% to 50.1**	**%**
Weighted average anticipated net credit losses	**NM**		**0.5**	**%**	**50.1**	**%**
Weighted average life	**4.1 years**		**4.4 years**		**6.0 to 7.4 years**	

	December 31, 2011					
			Non-agency-sponsored mortgages [1]			
	U.S. agency-sponsored mortgages		**Senior interests**		**Subordinated interests**	
Discount rate	6.9	%	2.9% to 18.0	%	6.7% to 18.2	%
Weighted average discount rate	6.9	%	9.8	%	9.2	%
Constant prepayment rate	30.0	%	38.8	%	2.0% to 9.6	%
Weighted average constant prepayment rate	30.0	%	38.8	%	8.1	%
Anticipated net credit losses	NM		0.4	%	57.2% to 90.0	%
Weighted average anticipated net credit losses	NM		0.4	%	63.2	%
Weighted average life	3.7 years		3.3 to 4.7 years		0.0 to 8.1 years	

(1) Disclosure of non-agency-sponsored mortgages as senior and subordinated interests is indicative of the interests' position in the capital structure of the securitization.

NM Not meaningful. Anticipated net credit losses are not meaningful due to U.S. agency guarantees.

In millions of dollars at December 31, 2012	U.S. agency-sponsored mortgages	Non-agency-sponsored mortgages[(1)] Senior interests	Subordinated interests
Carrying value of retained interests	**$618**	**$39**	**$16**
Discount rates			
Adverse change of 10%	**$ (22)**	**$ –**	**$ (1)**
Adverse change of 20%	**(42)**	**(1)**	**(2)**
Constant prepayment rate			
Adverse change of 10%	**(57)**	**(3)**	**–**
Adverse change of 20%	**(109)**	**(7)**	**(1)**
Anticipated net credit losses			
Adverse change of 10%	**(32)**	**(9)**	**(2)**
Adverse change of 20%	**(64)**	**(19)**	**(4)**

(1) Disclosure of non-agency-sponsored mortgages as senior and subordinated interests is indicative of the interests' position in the capital structure of the securitization.

Mortgage Servicing Rights

In connection with the securitization of mortgage loans, the Company' s U.S. Consumer mortgage business generally retains the servicing rights, which entitle the Company to a future stream of cash flows based on the outstanding principal balances of the loans and the contractual servicing fee. Failure to service the loans in accordance with contractual requirements may lead to a termination of the servicing rights and the loss of future servicing fees.

The fair value of capitalized mortgage servicing rights (MSRs) was $1.9 billion and $2.6 billion at December 31, 2012 and 2011, respectively. The MSRs correspond to principal loan balances of $325 billion and $401 billion as of December 31, 2012 and 2011, respectively. The following table summarizes the changes in capitalized MSRs for the years ended December 31, 2012 and 2011:

In millions of dollars	**2012**	2011
Balance, beginning of year	**$ 2,569**	$ 4,554
Originations	**423**	611
Changes in fair value of MSRs due to changes in inputs and assumptions	**(198)**	(1,210)
Other changes[(1)]	**(852)**	(1,174)
Sale of MSRs	–	(212)
Balance, end of year	**$ 1,942**	$ 2,569

(1) Represents changes due to customer payments and passage of time.

The fair value of the MSRs is primarily affected by changes in prepayments of mortgages that result from shifts in mortgage interest rates. In managing this risk, the Company economically

The Company receives fees during the course of servicing previously securitized mortgages. The amounts of these fees for the years ended December 31, 2012, 2011 and 2010 were as follows:

In millions of dollars	**2012**	2011	2010
Servicing fees	**$ 990**	$ 1,170	$ 1,356
Late fees	**65**	76	87
Ancillary fees	**122**	130	214
Total MSR fees	**$ 1,177**	$ 1,376	$ 1,657

These fees are classified in the Consolidated Statement of Income as *Other revenue.*

Re-securitizations

The Company engages in re-securitization transactions in which debt securities are transferred to a VIE in exchange for new beneficial interests. During the year ended December 31, 2012, Citi transferred non-agency (private-label) securities with an original par value of approximately $1.5 billion to re-securitization entities. These securities are backed by either residential or commercial mortgages and are often structured on behalf of clients. As of December 31, 2012, the fair value of Citi-retained interests in private-label re-securitization transactions structured by Citi totaled approximately $380 million ($128 million of which relates to re-securitization transactions executed in 2012) and are recorded in *Trading account assets*. Of this amount, approximately $11 million and $369 million related to senior and subordinated beneficial interests, respectively. The original par value of private-label re-securitization transactions in which Citi holds a retained interest as of December 31, 2012 was approximately $7.1 billion.

hedges a significant portion of the value of its MSRs through the use of interest rate derivative contracts, forward purchase and sale commitments of mortgage-backed securities and purchased securities classified as *Trading account assets*.

The Company also re-securitizes U.S. government-agency guaranteed mortgage-backed (agency) securities. During the 12 months ended December 31, 2012, Citi transferred agency securities with a fair value of approximately $30.3 billion to re-securitization entities. As of December 31, 2012, the fair value of Citi-retained interests in agency re-securitization transactions structured by Citi totaled approximately $1.7 billion ($1.1 billion of which related to re-securitization transactions executed in 2012) and is recorded in *Trading account assets*. The original fair value of agency re-securitization transactions in which Citi holds a retained interest as of December 31, 2012 was approximately $71.2 billion.

As of December 31, 2012, the Company did not consolidate any private-label or agency re-securitization entities.

Citi-Administered Asset-Backed Commercial Paper Conduits

The Company is active in the asset-backed commercial paper conduit business as administrator of several multi-seller commercial paper conduits and also as a service provider to single-seller and other commercial paper conduits sponsored by third parties.

Citi' s multi-seller commercial paper conduits are designed to provide the Company' s clients access to low-cost funding in the commercial paper markets. The conduits purchase assets from or provide financing facilities to clients and are funded by issuing commercial paper to third-party investors. The conduits generally do not purchase assets originated by the Company. The funding of the conduits is facilitated by the liquidity support and credit enhancements provided by the Company.

As administrator to Citi' s conduits, the Company is generally responsible for selecting and structuring assets purchased or financed by the conduits, making decisions regarding the funding of the conduits, including determining the tenor and other features of the commercial paper issued, monitoring the quality and performance of the conduits' assets, and facilitating the operations and cash flows of the conduits. In return, the Company earns structuring fees from customers for individual transactions and earns an administration fee from the conduit, which is equal to the income from the client program and liquidity fees of the conduit after payment of conduit expenses. This administration fee is fairly stable, since most risks and rewards of the underlying assets are passed back to the clients and, once the asset pricing is negotiated, most ongoing income, costs and fees are relatively stable as a percentage of the conduit' s size.

The conduits administered by the Company do not generally invest in liquid securities that are formally rated by third parties. The assets are privately negotiated and structured transactions by the conduit on each asset is generally tied to the rate on the commercial paper issued by the conduit, thus passing interest rate risk to the client. Each asset purchased by the conduit is structured with transaction-specific credit enhancement features provided by the third-party client seller, including over collateralization, cash and excess spread collateral accounts, direct recourse or third-party guarantees. These credit enhancements are sized with the objective of approximating a credit rating of A or above, based on the Company' s internal risk ratings.

Substantially all of the funding of the conduits is in the form of short-term commercial paper, with a weighted average life generally ranging from 25 to 45 days. At the respective period ends December 31, 2012 and December 31, 2011, the weighted average lives of the commercial paper issued by consolidated and unconsolidated conduits were approximately 38 and 37 days, respectively.

The primary credit enhancement provided to the conduit investors is in the form of transaction-specific credit enhancement described above. In addition, each consolidated conduit has obtained a letter of credit from the Company, which needs to be sized to at least 8‑10% of the conduit' s assets with a floor of $200 million. The letters of credit provided by the Company to the consolidated conduits total approximately $2.1 billion. The net result across all multi-seller conduits administered by the Company is that, in the event defaulted assets exceed the transaction-specific credit enhancements described above, any losses in each conduit are allocated first to the Company and then the commercial paper investors.

The Company also provides the conduits with two forms of liquidity agreements that are used to provide funding to the conduits in the event of a market disruption, among other events. Each asset of the conduits is supported by a transaction-specific liquidity facility in the form of an asset purchase agreement (APA). Under the APA, the Company has generally agreed to purchase non-defaulted eligible receivables from the conduit at par. The APA is not generally designed to provide credit support to the conduit, as it generally does not permit the purchase of defaulted or impaired assets. Any funding under the APA will likely subject the underlying borrower to the conduits to increased interest costs. In addition, the Company provides the conduits with program-wide liquidity in the form of short-term lending commitments. Under these commitments, the Company has agreed to lend to the conduits in the event of a short-term disruption in the commercial paper market, subject to specified conditions. The Company receives fees for providing both types of liquidity agreements and considers these fees to be on fair market terms.

that are designed to be held by the conduit, rather than actively traded and sold. The yield earned

Finally, the Company is one of several named dealers in the commercial paper issued by the conduits and earns a market-based fee for providing such services. Along with third-party dealers, the Company makes a market in the commercial paper and may from time to time fund commercial paper pending sale to a third party. On specific dates with less liquidity in the market, the Company may hold in inventory commercial paper issued by conduits administered by the Company, as well as conduits administered by third parties. The amount of commercial paper issued by its administered conduits held in inventory fluctuates based on market conditions and activity. As of December 31, 2012, the Company owned $11.7 billion and $131 million of the commercial paper issued by its consolidated and unconsolidated administered conduits, respectively.

With the exception of the government-guaranteed loan conduit described below, the asset-backed commercial paper conduits are consolidated by the Company. The Company determined that through its role as administrator it had the power to direct the activities that most significantly impacted the entities' economic performance. These powers included its ability to structure and approve the assets purchased by the conduits, its ongoing surveillance and credit mitigation activities, and its liability management. In addition, as a result of all the Company's involvement described above, it was concluded that the Company had an economic interest that could potentially be significant. However, the assets and liabilities of the conduits are separate and apart from those of Citigroup. No assets of any conduit are available to satisfy the creditors of Citigroup or any of its other subsidiaries.

The Company administers one conduit that originates loans to third-party borrowers and those obligations are fully guaranteed primarily by AAA-rated government agencies that support export and development financing programs. The economic performance of this government-guaranteed loan conduit is most significantly impacted by the performance of its underlying assets. The guarantors must approve each loan held by the entity and the guarantors have the ability (through establishment of the servicing terms to direct default mitigation and to purchase defaulted loans) to manage the conduit's loans that become delinquent to improve the economic performance of the conduit. Because the Company does not have the power to direct the activities of this government-guaranteed loan conduit that most significantly impact the economic performance of the entity, it was concluded that the Company should not consolidate the entity. The total notional exposure under the program-wide liquidity agreement for the Company's unconsolidated administered conduit as of December 31, 2012 is $0.6 billion. The program-wide liquidity agreement, along with each asset

Third-Party Commercial Paper Conduits

The Company also provides liquidity facilities to single- and multi-seller conduits sponsored by third parties. These conduits are independently owned and managed and invest in a variety of asset classes, depending on the nature of the conduit. The facilities provided by the Company typically represent a small portion of the total liquidity facilities obtained by each conduit, and are collateralized by the assets of each conduit. The Company is not the party that has the power to direct the activities of these conduits that most significantly impact their economic performance and thus does not consolidate them. As of December 31, 2012, the Company had no involvement in third-party commercial paper conduits.

Collateralized Debt and Loan Obligations

A securitized collateralized debt obligation (CDO) is an SPE that purchases a pool of assets consisting of asset-backed securities and synthetic exposures through derivatives on asset-backed securities and issues multiple tranches of equity and notes to investors.

A cash CDO, or arbitrage CDO, is a CDO designed to take advantage of the difference between the yield on a portfolio of selected assets, typically residential mortgage-backed securities, and the cost of funding the CDO through the sale of notes to investors. "Cash flow" CDOs are entities in which the CDO passes on cash flows from a pool of assets, while "market value" CDOs pay to investors the market value of the pool of assets owned by the CDO at maturity. In these transactions, all of the equity and notes issued by the CDO are funded, as the cash is needed to purchase the debt securities.

A synthetic CDO is similar to a cash CDO, except that the CDO obtains exposure to all or a portion of the referenced assets synthetically through derivative instruments, such as credit default swaps. Because the CDO does not need to raise cash sufficient to purchase the entire referenced portfolio, a substantial portion of the senior tranches of risk is typically passed on to CDO investors in the form of unfunded liabilities or derivative instruments. The CDO writes credit protection on select referenced debt securities to the Company or third parties and the risk is then passed on to the CDO investors in the form of funded notes or purchased credit protection through derivative instruments. Any cash raised from investors is invested in a portfolio of collateral securities or investment contracts. The collateral is then used to support the obligations of the CDO on the credit default swaps written to counterparties.

APA, is considered in the Company’ s maximum exposure to loss to the unconsolidated administered conduit.

As of December 31, 2012, this unconsolidated government-guaranteed loan conduit held assets and funding commitments of approximately $7.6 billion.

A securitized collateralized loan obligation (CLO) is substantially similar to the CDO transactions described above, except that the assets owned by the SPE (either cash instruments or synthetic exposures through derivative instruments) are corporate loans and to a lesser extent corporate bonds, rather than asset-backed debt securities.

A third-party asset manager is typically retained by the CDO/CLO to select the pool of assets and manage those assets over the term of the SPE. The Company is the manager for a limited number of CLO transactions.

The Company earns fees for warehousing assets prior to the creation of a "cash flow" or "market value" CDO/CLO, structuring CDOs/CLOs and placing debt securities with investors. In addition, the Company has retained interests in many of the CDOs/CLOs it has structured and makes a market in the issued notes.

The Company' s continuing involvement in synthetic CDOs/CLOs generally includes purchasing credit protection through credit default swaps with the CDO/CLO, owning a portion of the capital structure of the CDO/CLO in the form of both unfunded derivative positions (primarily super-senior exposures discussed below) and funded notes, entering into interest-rate swap and total-return swap transactions with the CDO/CLO, lending to the CDO/CLO, and making a market in the funded notes.

Where a CDO/CLO entity issues preferred shares (or subordinated notes that are the equivalent form), the preferred shares generally represent an insufficient amount of equity (less than 10%) and create the presumption that preferred shares are insufficient to finance the entity' s activities without subordinated financial support. In addition, although the preferred shareholders generally have full exposure to expected losses on the collateral and uncapped potential to receive expected residual returns, they generally do not have the ability to make decisions about the entity that have a significant effect on the entity' s financial results because of their limited role in making day-to-day decisions and their limited ability to remove the asset manager. Because one or both of the above conditions will generally be met, the Company has concluded that, even where a CDO/CLO entity issued preferred shares, the entity should be classified as a VIE.

In general, the asset manager, through its ability to purchase and sell assets or−where the reinvestment period of a CDO/CLO has expired−the ability to sell assets, will have the power to direct the activities of the entity that most significantly impact the economic performance of the CDO/CLO. However, where a CDO/CLO has experienced an event of default or an optional redemption period has gone into effect, the activities of the asset manager may be curtailed and/or certain additional rights will

The Company has retained significant portions of the "super-senior" positions issued by certain CDOs. These positions are referred to as "super-senior" because they represent the most senior positions in the CDO and, at the time of structuring, were senior to tranches rated AAA by independent rating agencies.

The Company does not generally have the power to direct the activities of the entity that most significantly impact the economic performance of the CDOs/CLOs as this power is generally held by a third-party asset manager of the CDO/CLO. As such, those CDOs/CLOs are not consolidated. The Company may consolidate the CDO/CLO when: (i) the Company is the asset manager and no other single investor has the unilateral ability to remove the Company or unilaterally cause the liquidation of the CDO/CLO, or the Company is not the asset manager but has a unilateral right to remove the third-party asset manager or unilaterally liquidate the CDO/CLO and receive the underlying assets, and (ii) the Company has economic exposure to the entity that could be potentially significant to the entity.

The Company continues to monitor its involvement in unconsolidated CDOs/CLOs to assess future consolidation risk. For example, if the Company were to acquire additional interests in these entities and obtain the right, due to an event of default trigger being met, to unilaterally liquidate or direct the activities of a CDO/CLO, the Company may be required to consolidate the asset entity. For cash CDOs/CLOs, the net result of such consolidation would be to gross up the Company' s balance sheet by the current fair value of the securities held by third parties and assets held by the CDO/CLO, which amounts are not considered material. For synthetic CDOs/CLOs, the net result of such consolidation may reduce the Company' s balance sheet, because intercompany derivative receivables and payables would be eliminated in consolidation, and other assets held by the CDO/CLO and the securities held by third parties would be recognized at their current fair values.

Key Assumptions and Retained Interests−Citi Holdings

The key assumptions, used for the securitization of CDOs and CLOs during the year ended December 31, 2012, in measuring the fair value of retained interests were as follows:

	CDOs	CLOs
Discount rate	**46.9% to 51.6%**	**1.9% to 2.1%**

The effect of an adverse change of 10% and 20% in the discount rates used to determine the fair value of retained interests at December 31, 2012 is set forth in the table below:

In millions of dollars	CDOs	CLOs
Carrying value of retained interests	**$ 16**	**$ 428**
Discount rates		

generally be provided to the investors in a CDO/CLO entity, including the right to direct the liquidation of the CDO/CLO entity.

Adverse change of 10%	$ (2)	$ (2)
Adverse change of 20%	(3)	(4)

Asset-Based Financing

The Company provides loans and other forms of financing to VIEs that hold assets. Those loans are subject to the same credit approvals as all other loans originated or purchased by the Company. Financings in the form of debt securities or derivatives are, in most circumstances, reported in *Trading account assets* and accounted for at fair value through earnings. The Company generally does not have the power to direct the activities that most significantly impact these VIEs' economic performance and thus it does not consolidate them.

Asset-Based Financing–Citicorp

The primary types of Citicorp's asset-based financings, total assets of the unconsolidated VIEs with significant involvement and the Company's maximum exposure to loss at December 31, 2012, are shown below. For the Company to realize that maximum loss, the VIE (borrower) would have to default with no recovery from the assets held by the VIE.

In billions of dollars	**Total unconsolidated VIE assets**	**Maximum exposure to unconsolidated VIEs**
Type		
Commercial and other real estate	**$ 16.1**	**$ 3.1**
Corporate loans	**2.0**	**1.6**
Hedge funds and equities	**0.6**	**0.4**
Airplanes, ships and other assets	**21.5**	**12.0**
Total	**$ 40.2**	**$ 17.1**

The following table summarizes selected cash flow information related to asset-based financings for the years ended December 31, 2012, 2011 and 2010:

In billions of dollars	**2012**	2011	2010
Cash flows received on retained interests and other net cash flows	**$ 0.3**	$ –	$ –

The effect of an adverse change of 10% and 20% in the discount rates used to determine the fair value of retained interests at December 31, 2012 is set forth in the table below:

In millions of dollars	**Asset-based Financing**
Carrying value of retained interests	**$ 1,726**
Value of underlying portfolio	
Adverse change of 10%	**$ (22)**
Adverse change of 20%	**(44)**

Asset-Based Financing–Citi Holdings

The primary types of Citi Holdings' asset-based financings, total assets of the unconsolidated VIEs with significant involvement and the Company's maximum exposure to loss at December 31, 2012, are shown below. For the Company to realize that maximum loss, the VIE (borrower) would have to default with no recovery from the assets held by the VIE.

In billions of dollars	**Total unconsolidated VIE assets**	**Maximum exposure to unconsolidated VIEs**
Type		
Commercial and other real estate	**$ 0.9**	**$ 0.3**
Corporate loans	**0.4**	**0.3**
Airplanes, ships and other assets	**2.9**	**0.6**
Total	**$ 4.2**	**$ 1.2**

The following table summarizes selected cash flow information related to asset-based financings for the years ended December 31, 2012, 2011 and 2010:

In billions of dollars	**2012**	2011	2010
Cash flows received on retained interests and other net cash flows	**$ 1.7**	$ 1.4	$ 2.8

The effect of an adverse change of 10% and 20% in the discount rates used to determine the fair value of retained interests at December 31, 2012 is set forth in the table below:

In millions of dollars	**Asset-based Financing**
Carrying value of retained interests	**$339**
Value of underlying portfolio	
Adverse change of 10%	**$ –**
Adverse change of 20%	–

Municipal Securities Tender Option Bond (TOB) Trusts

TOB trusts hold fixed- and floating-rate, taxable and tax-exempt securities issued by state and local governments and municipalities. The trusts are typically single-issuer trusts whose assets are purchased from the Company or from other investors in the municipal securities market. The TOB trusts fund the purchase of their assets by issuing long-term, putable floating rate certificates (Floaters) and residual certificates (Residuals). The trusts are referred to as TOB trusts because the Floater holders have the ability to tender their interests periodically back to the issuing trust, as described further below. The Floaters and Residuals evidence beneficial ownership interests in, and are collateralized by, the underlying assets of the trust. The Floaters are held by third-party investors, typically tax-exempt money market funds. The Residuals are typically held by the original owner of the municipal securities being financed.

The Floaters and the Residuals have a tenor that is equal to or shorter than the tenor of the underlying municipal bonds. The Residuals entitle their holders to the residual cash flows from the issuing trust, the interest income generated by the underlying municipal securities net of interest paid on the Floaters, and trust expenses. The Residuals are rated based on the long-term rating of the underlying municipal bond. The Floaters bear variable interest rates that are reset periodically to a new market rate based on a spread to a high grade, short-term, tax-exempt index. The Floaters have a long-term rating based on the long-term rating of the underlying municipal bond and a short-term rating based on that of the liquidity provider to the trust.

There are two kinds of TOB trusts: customer TOB trusts and non-customer TOB trusts. Customer TOB trusts are trusts through which customers finance their investments in municipal securities. The Residuals are held by customers and the Floaters by third-party investors, typically tax-exempt money market funds. Non-customer TOB trusts are trusts through which the Company finances its own investments in municipal securities. In such trusts, the Company holds the Residuals and third-party investors, typically tax-exempt money market funds, hold the Floaters.

The Company serves as remarketing agent to the trusts, placing the Floaters with third-party investors at inception, facilitating the periodic reset of the variable rate of interest on the Floaters and remarketing any tendered Floaters. If Floaters are tendered and the Company (in its role as remarketing agent) is unable to find a new investor within a specified period of time, it can declare a failed remarketing, in which case the trust is unwound. The Company may, but is not obligated to, buy the Floaters into its own inventory. The level of the Company' s inventory of Floaters fluctuates over time. As of December 31, 2012, the Company held $203 million of Floaters related to both customer and non-customer TOB trusts.

For certain non-customer trusts, the Company also provides credit enhancement. Approximately $184 million of the municipal bonds owned by TOB trusts have a credit guarantee provided by the Company.

The Company provides liquidity to many of the outstanding trusts. If a trust is unwound early due to an event other than a credit event on the underlying municipal bond, the underlying municipal bonds are sold in the market. If there is a shortfall in the trust' s cash flows between the redemption price of the tendered Floaters and the proceeds from the sale of the underlying municipal bonds, the trust draws on a liquidity agreement in an amount equal to the shortfall. For customer TOBs where the Residual is less than 25% of the trust' s capital reimburses the Company for any payment made under the liquidity arrangement. Through this reimbursement agreement, the Residual holder remains economically exposed to fluctuations in value of the underlying municipal bonds. These reimbursement agreements are generally subject to daily margining based on changes in value of the underlying municipal bond. In cases where a third party provides liquidity to a non-customer TOB trust, a similar reimbursement arrangement is made whereby the Company (or a consolidated subsidiary of the Company) as Residual holder absorbs any losses incurred by the liquidity provider.

As of December 31, 2012, liquidity agreements provided with respect to customer TOB trusts totaled $4.9 billion, of which $3.6 billion was offset by reimbursement agreements. The remaining exposure related to TOB transactions, where the Residual owned by the customer was at least 25% of the bond value at the inception of the transaction and no reimbursement agreement was executed. The Company also provides other liquidity agreements or letters of credit to customer-sponsored municipal investment funds, which are not variable interest entities, and municipality-related issuers that totaled $6.4 billion as of December 31, 2012. These liquidity agreements and letters of credit are offset by reimbursement agreements with various term-out provisions.

The Company considers the customer and non-customer TOB trusts to be VIEs. Customer TOB trusts are not consolidated by the Company. The Company has concluded that the power to direct the activities that most significantly impact the economic performance of the customer TOB trusts is primarily held by the customer Residual holder, who may unilaterally cause the sale of the trust' s bonds.

Non-customer TOB trusts generally are consolidated. Similar to customer TOB trusts, the Company has concluded that the power over the non-customer TOB trusts is primarily held by the Residual holder, which may unilaterally cause the sale of the trust' s bonds. Because the Company holds the Residual interest, and thus has the power to direct the activities that most significantly impact the trust' s economic performance, it consolidates the non-customer TOB trusts.

Municipal Investments

Municipal investment transactions include debt and equity interests in partnerships that finance the construction and rehabilitation of low-income housing, facilitate lending in new or underserved markets, or finance the construction or operation of renewable municipal energy facilities. The Company generally invests in these partnerships as a limited partner and earns a return primarily through the receipt of tax credits and grants earned from the investments made by the partnership. The structure, the Company has a reimbursement agreement with the Residual holder under which the Residual holder

Company may also provide construction loans or permanent loans to the development or continuation of real estate properties held by partnerships. These entities are generally considered VIEs. The power to direct the activities of these entities is typically held by the general partner. Accordingly, these entities are not consolidated by the Company.

Client Intermediation

Client intermediation transactions represent a range of transactions designed to provide investors with specified returns

based on the returns of an underlying security, referenced asset or index. These transactions include credit-linked notes and equity-linked notes. In these transactions, the VIE typically obtains exposure to the underlying security, referenced asset or index through a derivative instrument, such as a total-return swap or a credit-default swap. In turn the VIE issues notes to investors that pay a return based on the specified underlying security, referenced asset or index. The VIE invests the proceeds in a financial asset or a guaranteed insurance contract that serves as collateral for the derivative contract over the term of the transaction. The Company' s involvement in these transactions includes being the counterparty to the VIE' s derivative instruments and investing in a portion of the notes issued by the VIE. In certain transactions, the investor' s maximum risk of loss is limited and the Company absorbs risk of loss above a specified level. The Company does not have the power to direct the activities of the VIEs that most significantly impact their economic performance and thus it does not consolidate them.

The Company' s maximum risk of loss in these transactions is defined as the amount invested in notes issued by the VIE and the notional amount of any risk of loss absorbed by the Company through a separate instrument issued by the VIE. The derivative instrument held by the Company may generate a receivable from the VIE (for example, where the Company purchases credit protection from the VIE in connection with the VIE' s issuance of a credit-linked note), which is collateralized by the assets owned by the VIE. These derivative instruments are not considered variable interests and any associated receivables are not included in the calculation of maximum exposure to the VIE.

Investment Funds

The Company is the investment manager for certain investment funds that invest in various asset classes including private equity, hedge funds, real estate, fixed income and infrastructure. The Company earns a management fee, which is a percentage of capital under management, and may earn performance fees. In addition, for some of these funds the Company has an ownership interest in the investment funds. The Company has also established a number of investment funds as opportunities for qualified employees to invest in private equity investments. The Company acts as investment manager to these funds and may provide employees with financing on both recourse and non-recourse bases for a portion of the employees' investment commitments.

The Company has determined that a majority of the investment entities managed by Citigroup are provided a deferral

Trust Preferred Securities

The Company has raised financing through the issuance of trust preferred securities. In these transactions, the Company forms a statutory business trust and owns all of the voting equity shares of the trust. The trust issues preferred equity securities to third-party investors and invests the gross proceeds in junior subordinated deferrable interest debentures issued by the Company. The trusts have no assets, operations, revenues or cash flows other than those related to the issuance, administration and repayment of the preferred equity securities held by third-party investors. Obligations of the trusts are fully and unconditionally guaranteed by the Company.

Because the sole asset of each of the trusts is a receivable from the Company and the proceeds to the Company from the receivable exceed the Company' s investment in the VIE' s equity shares, the Company is not permitted to consolidate the trusts, even though it owns all of the voting equity shares of the trust, has fully guaranteed the trusts' obligations, and has the right to redeem the preferred securities in certain circumstances. The Company recognizes the subordinated debentures on its Consolidated Balance Sheet as long-term liabilities. For additional information, see Note 19 to the Consolidated Financial Statements.

from the requirements of SFAS 167, *Amendments to FASB Interpretation No. 46(R)*, because they meet the criteria in Accounting Standards Update No. 2010-10, *Consolidation (Topic 810), Amendments for Certain Investment Funds* (ASU 2010-10). These entities continue to be evaluated under the requirements of ASC 810-10, prior to the implementation of SFAS 167 (FIN 46(R), *Consolidation of Variable Interest Entities*), which required that a VIE be consolidated by the party with a variable interest that will absorb a majority of the entity' s expected losses or residual returns, or both.

23. DERIVATIVES ACTIVITIES

In the ordinary course of business, Citigroup enters into various types of derivative transactions. These derivative transactions include:

- *Futures and forward contracts,* which are commitments to buy or sell at a future date a financial instrument, commodity or currency at a contracted price and may be settled in cash or through delivery.
- *Swap contracts,* which are commitments to settle in cash at a future date or dates that may range from a few days to a number of years, based on differentials between specified financial indices, as applied to a notional principal amount.
- *Option contracts,* which give the purchaser, for a premium, the right, but not the obligation, to buy or sell within a specified time a financial instrument, commodity or currency at a contracted price that may also be settled in cash, based on differentials between specified indices or prices.

Citigroup enters into these derivative contracts relating to interest rate, foreign currency, commodity and other market/ credit risks for the following reasons:

- *Trading Purposes−Customer Needs:* Citigroup offers its customers derivatives in connection with their risk-management actions to transfer, modify or reduce their interest rate, foreign exchange and other market/credit risks or for their own trading purposes. As part of this process, Citigroup considers the customers' suitability for the risk involved and the business purpose for the transaction. Citigroup also manages its derivative risk positions through offsetting trade activities, controls focused on price verification, and daily reporting of positions to senior managers.
- *Trading Purposes*−Citigroup trades derivatives as an active market maker. Trading limits and price verification controls are key aspects of this activity.
- *Hedging*−Citigroup uses derivatives in connection with its risk-management activities to hedge certain risks or reposition the risk profile of the Company. For example, Citigroup issues fixed-rate long-term debt and then enters into a receive-fixed, pay-variable-rate interest rate swap with the same tenor and notional amount to convert the interest payments to a net variable-rate basis. This strategy is the most common form of an interest rate hedge, as it minimizes interest cost in certain yield curve environments. Derivatives are also used to manage risks inherent in specific groups of on-balance-sheet assets and liabilities, including AFS securities and borrowings, as well as other interest-sensitive assets and liabilities. In addition, foreign-exchange contracts are used to hedge non-U.S.-dollar-denominated debt, foreign-currency-denominated AFS securities and net investment exposures.

Derivatives may expose Citigroup to market, credit or liquidity risks in excess of the amounts recorded on the Consolidated Balance Sheet. Market risk on a derivative product is the exposure created by potential fluctuations in interest rates, foreign-exchange rates and other factors and is a function of the type of product, the volume of transactions, the tenor and terms of the agreement and the underlying volatility. Credit risk is the exposure to loss in the event of nonperformance by the other party to the transaction where the value of any collateral held is not adequate to cover such losses. The recognition in earnings of unrealized gains on these transactions is subject to management' s assessment as to collectability. Liquidity risk is the potential exposure that arises when the size of the derivative position may not be able to be rapidly adjusted at a reasonable cost in periods of high volatility and financial stress.

Information pertaining to the volume of derivative activity is provided in the tables below. The notional amounts, for both long and short derivative positions, of Citigroup' s derivative instruments as of December 31, 2012 and December 31, 2011 are presented in the table below.

Derivative Notionals

In millions of dollars	Hedging instruments under ASC 815 (SFAS 133) [1][2]		Other derivative instruments: Trading derivatives		Other derivative instruments: Management hedges	
	December 31, 2012	December 31, 2011	**December 31, 2012**	December 31, 2011	**December 31, 2012**	December 31, 2011
Interest rate contracts						
Swaps	**$ 114,296**	$ 163,079	**$ 30,050,856**	$ 28,069,960	**$ 99,434**	$ 119,34
Futures and forwards	–	–	**4,823,370**	3,549,642	**45,856**	43,965
Written options	–	–	**3,752,905**	3,871,700	**22,992**	16,786
Purchased options	–	–	**3,542,048**	3,888,415	**7,890**	7,338
Total interest rate contract notionals	**$ 114,296**	$ 163,079	**$ 42,169,179**	$ 39,379,717	**$ 176,172**	$ 187,43
Foreign exchange contracts						
Swaps	**$ 22,207**	$ 27,575	**$ 1,393,368**	$ 1,182,363	**$ 16,900**	$ 22,458
Futures and forwards	**70,484**	55,211	**3,484,193**	3,191,687	**33,768**	31,095
Written options	**96**	4,292	**781,698**	591,818	**989**	190
Purchased options	**456**	39,163	**778,438**	583,891	**2,106**	53
Total foreign exchange contract notionals	**$ 93,243**	$ 126,241	**$ 6,437,697**	$ 5,549,759	**$ 53,763**	$ 53,796
Equity contracts						
Swaps	**$ –**	$ –	**$ 96,039**	$ 86,978	**$ –**	$ –
Futures and forwards	–	–	**16,171**	12,882	–	–
Written options	–	–	**320,243**	552,333	–	–
Purchased options	–	–	**281,236**	509,322	–	–
Total equity contract notionals	**$ –**	$ –	**$ 713,689**	$ 1,161,515	**$ –**	$ –
Commodity and other contracts						
Swaps	**$ –**	$ –	**$ 27,323**	$ 23,403	**$ –**	$ –
Futures and forwards	–	–	**75,897**	73,090	–	–
Written options	–	–	**86,418**	90,650	–	–
Purchased options	–	–	**89,284**	99,234	–	–
Total commodity and other contract notionals	**$ –**	$ –	**$ 278,922**	$ 286,377	**$ –**	$ –
Credit derivatives [4]						
Protection sold	**$ –**	$ –	**$ 1,346,494**	$ 1,394,528	**$ –**	$ –
Protection purchased	**354**	4,253	**1,412,194**	1,486,723	**21,741**	21,914
Total credit derivatives	**$ 354**	$ 4,253	**$ 2,758,688**	$ 2,881,251	**$ 21,741**	$ 21,914
Total derivative notionals	**$ 207,893**	$ 293,573	**$ 52,358,175**	$ 49,258,619	**$ 251,676**	$ 263,14

(1) The notional amounts presented in this table do not include hedge accounting relationships under ASC 815 (SFAS 133) where Citigroup is hedging the foreign currency risk of a net investment in a foreign operation by issuing a foreign-currency-denominated debt instrument. The notional amount of such debt is $4,888 million and $7,060 million at December 31, 2012 and December 31, 2011, respectively.

(2) Derivatives in hedge accounting relationships accounted for under ASC 815 (SFAS 133) are recorded in either *Other assets/Other liabilities* or *Trading account assets/Trading account liabilities* on the Consolidated Balance Sheet.

(3) Management hedges represent derivative instruments used in certain economic hedging relationships that are identified for management purposes, but for which hedge accounting is not applied. These derivatives are recorded in either *Other assets/Other liabilities* or *Trading account assets/Trading account liabilities* on the Consolidated Balance Sheet.

(4) Credit derivatives are arrangements designed to allow one party (protection buyer) to transfer the credit risk of a "reference asset" to another party (protection seller). These arrangements allow a protection seller to assume the credit risk associated with the reference asset without directly purchasing that asset. The Company has entered into credit derivative positions for purposes such as risk management, yield enhancement, reduction of credit concentrations and diversification of overall risk.

Derivative Mark-to-Market (MTM) Receivables/Payables

In millions of dollars at December 31, 2012	Derivatives classified in trading account assets/liabilities (1)(2)		Derivatives classified in other assets/liabilities (2)	
	Assets	Liabilities	Assets	Liabilities
Derivative instruments designated as ASC 815 (SFAS 133) hedges				
Interest rate contracts	$7,795	$ 2,263	$ 4,574	$ 1,178
Foreign exchange contracts	341	1,350	978	525
Credit derivatives	–	–	–	16
Total derivative instruments designated as ASC 815 (SFAS 133) hedges	$ 8,136	$ 3,613	$ 5,552	$ 1,719
Other derivative instruments				
Interest rate contracts	$ 895,726	$ 890,405	$ 449	$ 29
Foreign exchange contracts	76,291	80,771	200	112
Equity contracts	18,293	31,867	–	–
Commodity and other contracts	10,907	12,142	–	–
Credit derivatives (3)	54,275	52,300	102	392
Total other derivative instruments	$ 1,055,492	$ 1,067,485	$ 751	$ 533
Total derivatives	$ 1,063,628	$ 1,071,098	$ 6,303	$ 2,252
Cash collateral paid/received (4)(5)	5,597	7,923	214	658
Less: Netting agreements and market value adjustments (6)	(975,695)	(971,715)	–	–
Less: Net cash collateral received/paid (7)	(38,910)	(55,555)	(4,660)	–
Net receivables/payables	$ 54,620	$ 51,751	$ 1,857	$ 2,910

(1) The trading derivatives fair values are presented in Note 14 to the Consolidated Financial Statements.

(2) Derivative mark-to-market receivables/payables related to management hedges are recorded in either *Other assets/Other liabilities* or *Trading account assets/Trading account liabilities*.

(3) The credit derivatives trading assets are composed of $34,565 million related to protection purchased and $19,710 million related to protection sold as of December 31, 2012. The credit derivatives trading liabilities are composed of $20,470 million related to protection purchased and $31,830 million related to protection sold as of December 31, 2012.

(4) For the trading assets/liabilities, this is the net amount of the $61,152 million and $46,833 million of gross cash collateral paid and received, respectively. Of the gross cash collateral paid, $55,555 million was used to offset derivative liabilities and, of the gross cash collateral received, $38,910 million was used to offset derivative assets.

(5) For the other assets/liabilities, this is the net amount of the $214 million and $5,318 million of the gross cash collateral paid and received, respectively. Of the gross cash collateral received, $4,660 million was used to offset derivative assets.

(6) Represents the netting of derivative receivable and payable balances for the same counterparty under enforceable netting agreements.

(7) Represents the netting of cash collateral paid and received by counterparty under enforceable credit support agreements.

In millions of dollars at December 31, 2011	Derivatives classified in trading account assets/liabilities (1)(2)		Derivatives classified in other assets/liabilities (2)	
	Assets	Liabilities	Assets	Liabilities
Derivative instruments designated as ASC 815 (SFAS 133) hedges				
Interest rate contracts	$ 8,274	$3,306	$ 3,968	$ 1,518
Foreign exchange contracts	3,706	1,451	1,201	863
Credit derivatives	–	–	–	–
Total derivative instruments designated as ASC 815 (SFAS 133) hedges	$ 11,980	$4,757	$ 5,169	$ 2,381

Other derivative instruments				
Interest rate contracts	$ 749,213	$ 736,785	$ 212	$ 96
Foreign exchange contracts	90,611	95,912	325	959
Equity contracts	20,235	33,139	–	–
Commodity and other contracts	13,763	14,631	–	–
Credit derivatives (3)	90,424	84,726	430	126
Total other derivative instruments	$ 964,246	$ 965,193	$ 967	$ 1,181
Total derivatives	$ 976,226	$ 969,950	$ 6,136	$ 3,562
Cash collateral paid/received (4)(5)	6,634	7,870	307	180
Less: Netting agreements and market value adjustments (6)	(875,592)	(870,366)	–	–
Less: Net cash collateral received/paid (7)	(44,941)	(51,181)	(3,462)	–
Net receivables/payables	$ 62,327	$ 56,273	$ 2,981	$ 3,742

(1) The trading derivatives fair values are presented in Note 14 to the Consolidated Financial Statements.

(2) Derivative mark-to-market receivables/payables related to management hedges are recorded in either *Other assets/Other liabilities* or *Trading account assets/Trading account liabilities*.

(3) The credit derivatives trading assets are composed of $79,089 million related to protection purchased and $11,335 million related to protection sold as of December 31, 2011. The credit derivatives trading liabilities are composed of $12,235 million related to protection purchased and $72,491 million related to protection sold as of December 31, 2011.

(4) For the trading assets/liabilities, this is the net amount of the $57,815 million and $52,811 million of gross cash collateral paid and received, respectively. Of the gross cash collateral paid, $51,181 million was used to offset derivative liabilities and, of the gross cash collateral received, $44,941 million was used to offset derivative assets.

(5) For the other assets/liabilities, this is the net amount of the $307 million and $3,642 million of the gross cash collateral paid and received, respectively. Of the gross cash collateral received, $3,462 million was used to offset derivative assets.

(6) Represents the netting of derivative receivable and payable balances for the same counterparty under enforceable netting agreements.

(7) Represents the netting of cash collateral paid and received by counterparty under enforceable credit support agreements.

All derivatives are reported on the Consolidated Balance Sheet at fair value. In addition, where applicable, all such contracts covered by master netting agreements are reported net. Gross positive fair values are netted with gross negative fair values by counterparty pursuant to a valid master netting agreement. In addition, payables and receivables in respect of cash collateral received from or paid to a given counterparty are included in this netting. However, non-cash collateral is not included.

The amounts recognized in *Principal transactions* in the Consolidated Statement of Income for the years ended December 31, 2012, 2011 and 2010 related to derivatives not designated in a qualifying hedging relationship as well as the underlying non-derivative instruments are included in the table below. Citigroup presents this disclosure by business classification, showing derivative gains and losses related to its trading activities together with gains and losses related to non-derivative instruments within the same trading portfolios, as this represents the way these portfolios are risk managed.

	Year ended December 31,		
In millions of dollars	**2012**	2011	2010
Interest rate contracts	**$ 2,301**	$ 5,136	$ 3,231
Foreign exchange	**2,403**	2,309	1,852
Equity contracts	**158**	3	995
Commodity and other	**92**	76	126
Credit derivatives	**(173)**	(290)	1,313
Total Citigroup [(1)]	**$ 4,781**	$ 7,234	$ 7,517

(1) Also see Note 7 to the Consolidated Financial Statements.

The amounts recognized in *Other revenue* in the Consolidated Statement of Income for the years ended December 31, 2012, 2011 and 2010 are shown below. The table below does not include the offsetting gains/losses on the hedged items, which amounts are also recorded in *Other revenue*.

	Gains (losses) included in Other revenue Year ended December 31,		
In millions of dollars	**2012**	2011	2010
Interest rate contracts	**$ (427)**	$ 1,192	$ (205)
Foreign exchange contracts	**182**	224	(2,052)
Credit derivatives	**(1,022)**	115	(502)
Total Citigroup [(1)]	**$ (1,267)**	$ 1,531	$ (2,759)

(1) Non-designated derivatives are derivative instruments not designated in qualifying hedging relationships.

Accounting for Derivative Hedging

Citigroup accounts for its hedging activities in accordance with ASC 815, *Derivatives and Hedging* (formerly SFAS 133). As a general rule, hedge accounting is permitted where the Company is exposed to a particular risk, such as interest-rate or foreign-exchange risk, that causes changes in the fair value of an asset or liability or variability in the expected future cash flows of an existing asset, liability or a forecasted transaction that may affect earnings.

Derivative contracts hedging the risks associated with the changes in fair value are referred to as fair value hedges, while contracts hedging the risks affecting the expected future cash flows are called cash flow hedges. Hedges that utilize derivatives or debt instruments to manage the foreign exchange risk associated with equity investments in non-U.S.-dollar-functional-currency foreign subsidiaries (net investment in a foreign operation) are called net investment hedges.

If certain hedging criteria specified in ASC 815 are met, including testing for hedge effectiveness, special hedge accounting may be applied. The hedge effectiveness assessment methodologies for similar hedges are performed in a similar manner and are used consistently throughout the hedging relationships. For fair value hedges, the changes in value of the hedging derivative, as well as the changes in value of the related hedged item due to the risk being hedged, are reflected in current earnings. For cash flow hedges and net investment hedges, the changes in value of the hedging derivative are reflected in *Accumulated other comprehensive income (loss)* in Citigroup' s stockholders' equity, to the extent the hedge is effective. Hedge ineffectiveness, in either case, is reflected in current earnings.

For asset/liability management hedging, the fixed-rate long-term debt would be recorded at amortized cost under current U.S. GAAP. However, by electing to use ASC 815 (SFAS 133) fair value hedge accounting, the carrying value of the debt is adjusted for changes in the benchmark interest rate, with any such changes in value recorded in current earnings. The related interest-rate swap is also recorded on the balance sheet at fair value, with any changes in fair value reflected in earnings. Thus, any ineffectiveness resulting from the hedging relationship is recorded in current earnings. Alternatively, a management hedge, which does not meet the ASC 815 hedging criteria, would involve recording only the derivative at fair value on the balance sheet, with its associated changes in fair value recorded in earnings. The debt would continue to be carried at amortized cost and, therefore, current earnings would be impacted only by the interest rate shifts and other factors that cause the change in the swap' s value and may change the underlying yield of the debt. This type of hedge is undertaken when hedging requirements cannot be achieved or management decides not to apply ASC 815 hedge accounting. Another alternative for the Company is to elect to carry the debt at fair value under the fair value option. Once the irrevocable election is made upon issuance of the debt, the full change in fair value of the debt would be reported in earnings. The related interest rate swap, with changes in fair value, would also be reflected in earnings, and provides a natural offset to the debt' s fair value change. To the extent the two offsets are not exactly equal, the difference is reflected in current earnings.

Key aspects of achieving ASC 815 hedge accounting are documentation of hedging strategy and hedge effectiveness at the hedge inception and substantiating hedge effectiveness on an ongoing basis. A derivative must be highly effective in accomplishing the hedge objective of offsetting either changes in the fair value or cash flows of the hedged item for the risk being hedged. Any ineffectiveness in the hedge relationship is recognized in current earnings. The assessment of effectiveness excludes changes in the value of the hedged item that are unrelated to the risks being hedged. Similarly, the assessment of effectiveness may exclude changes in the fair value of a derivative related to time value that, if excluded, are recognized in current earnings.

Fair Value Hedges

Hedging of benchmark interest rate risk

Citigroup hedges exposure to changes in the fair value of outstanding fixed-rate issued debt and certificates of deposit. Depending on the risk management objectives, these types of hedges are designated as either fair value hedges of only the benchmark interest rate risk or fair value hedges of both the benchmark interest rate and foreign exchange risk. The fixed cash flows from those financing transactions are converted to benchmark variable-rate cash flows by entering into, respectively, receive-fixed, pay-variable interest rate swaps or receive-fixed in non-functional currency, pay variable in functional currency swaps. These fair value hedge relationships use either regression or dollar-offset ratio analysis to determine whether the hedging relationships are highly effective at inception and on an ongoing basis.

Citigroup also hedges exposure to changes in the fair value of fixed-rate assets, including available-for-sale debt securities and loans. When certain interest rates do not qualify as a benchmark interest rate, Citigroup designates the risk being hedged as the risk of changes in overall fair value of the hedged AFS securities. The hedging instruments used are receive-variable, pay-fixed interest rate swaps. These fair value hedging relationships use either regression or dollar-offset ratio analysis to determine whether the hedging relationships are highly effective at inception and on an ongoing basis.

Hedging of foreign exchange risk

Citigroup hedges the change in fair value attributable to foreign-exchange rate movements in available-for-sale securities that are denominated in currencies other than the functional currency of the entity holding the securities, which may be within or outside the U.S. The hedging instrument employed is a forward foreign-exchange contract. In this type of hedge, the change in fair value of the hedged available-for-sale security attributable to the portion of foreign exchange risk hedged is reported in earnings and not *Accumulated other comprehensive income*−a process that serves to offset substantially the change in fair value of the forward contract that is also reflected in earnings. Citigroup considers the premium associated with forward contracts (differential between spot and contractual forward rates) as the cost of hedging; this is excluded from the assessment of hedge effectiveness and reflected directly in earnings. The dollar-offset method is used to assess hedge effectiveness. Since that assessment is based on changes in fair value attributable to changes in spot rates on both the available-for-sale securities and the forward contracts for the portion of the relationship hedged, the amount of hedge ineffectiveness is not significant.

The following table summarizes the gains (losses) on the Company' s fair value hedges for the years ended December 31, 2012, 2011 and 2010:

	Gains (losses) on fair value hedges (1)		
	Year ended December 31,		
In millions of dollars	**2012**	2011	2010
Gain (loss) on derivatives in designated and qualifying fair value hedges			
Interest rate contracts	**$ 122**	$ 4,423	$ 948
Foreign exchange contracts	**377**	(117)	729
Total gain (loss) on derivatives in designated and qualifying fair value hedges	**$ 499**	$ 4,306	$ 1,677
Gain (loss) on the hedged item in designated and qualifying fair value hedges			
Interest rate hedges	**$ (371)**	$ (4,296)	$ (945)
Foreign exchange hedges	**(331)**	26	(579)
Total gain (loss) on the hedged item in designated and qualifying fair value hedges	**$ (702)**	$ (4,270)	$ (1,524)
Hedge ineffectiveness recognized in earnings on designated and qualifying fair value hedges			
Interest rate hedges	**$ (249)**	$ 118	$ (23)
Foreign exchange hedges	**16**	1	10
Total hedge ineffectiveness recognized in earnings on designated and qualifying fair value hedges	**$ (233)**	$ 119	$ (13)
Net gain (loss) excluded from assessment of the effectiveness of fair value hedges			
Interest rate contracts	**$ –**	$ 9	$ 26
Foreign exchange contracts	**30**	(92)	140
Total net gain (loss) excluded from assessment of the effectiveness of fair value hedges	**$ 30**	$ (83)	$ 166

(1) Amounts are included in *Other revenue* on the Consolidated Statement of Income. The accrued interest income on fair value hedges is recorded in *Net interest revenue* and is excluded from this table.

Cash Flow Hedges

Hedging of benchmark interest rate risk

Citigroup hedges variable cash flows resulting from floating-rate liabilities and rollover (re-issuance) of liabilities. Variable cash flows from those liabilities are converted to fixed-rate cash flows by entering into receive-variable, pay-fixed interest rate swaps and receive-variable, pay-fixed forward-starting interest rate swaps. Citi also hedges variable cash flows from recognized and forecasted floating-rate assets and origination of short-term assets. Variable cash flows from those assets are converted to fixed-rate cash flows by entering into receive-fixed, pay-variable interest rate swaps. These cash-flow hedging relationships use either regression analysis or dollar-offset ratio analysis to assess whether the hedging relationships are highly effective at inception and on an ongoing basis. When certain interest rates do not qualify as a benchmark interest rate, Citigroup designates the risk being hedged as the risk of overall changes in the hedged cash flows. Since efforts are made to match the terms of the derivatives to those of the hedged forecasted cash flows as closely as possible, the amount of hedge ineffectiveness is not significant.

Hedging of foreign exchange risk

Citigroup locks in the functional currency equivalent cash flows of long-term debt and short-term borrowings that are denominated in a currency other than the functional currency of the issuing entity. Depending on the risk management objectives, these types of hedges are designated as either cash flow hedges of only foreign exchange risk or cash flow hedges of both foreign exchange and interest rate risk, and the hedging instruments used are foreign exchange cross-currency swaps and forward contracts. These cash flow hedge relationships use dollar-offset ratio analysis to determine whether the hedging relationships are highly effective at inception and on an ongoing basis.

Hedging of overall changes in cash flows

Citigroup hedges the overall exposure to variability in cash flows related to the future acquisition of mortgage-backed securities using "to be announced" forward contracts. Since the hedged transaction is the gross settlement of the forward, the assessment of hedge effectiveness is based on assuring that the terms of the hedging instrument and the hedged forecasted transaction are the same.

Hedging total return

Citigroup generally manages the risk associated with leveraged loans it has originated or in which it participates by transferring a majority of its exposure to the market through SPEs prior to or shortly after funding. Retained exposures to leveraged loans receivable are generally hedged using total return swaps.

The amount of hedge ineffectiveness on the cash flow hedges recognized in earnings for the years ended December 31, 2012, 2011 and 2010 is not significant.

The pretax change in *Accumulated other comprehensive income (loss)* from cash flow hedges is presented below:

	Year ended December 31,		
In millions of dollars	**2012**	2011	2010
Effective portion of cash flow hedges included in AOCI			
Interest rate contracts	**$ (322)**	$ (1,827)	$ (469)
Foreign exchange contracts	**143**	81	(570)
Total effective portion of cash flow hedges included in AOCI	**$ (179)**	$ (1,746)	$ (1,039)
Effective portion of cash flow hedges reclassified from AOCI to earnings			
Interest rate contracts	**$ (837)**	$ (1,227)	$ (1,396)
Foreign exchange contracts	**(180)**	(257)	(500)
Total effective portion of cash flow hedges reclassified from AOCI to earnings (1)	**$ (1,017)**	$ (1,484)	$ (1,896)

(1) Included primarily in *Other revenue* and *Net interest revenue* on the Consolidated Income Statement.

For cash flow hedges, any changes in the fair value of the end-user derivative remaining in *Accumulated other comprehensive income (loss)* on the Consolidated Balance Sheet will be included in earnings of future periods to offset the variability of the hedged cash flows when such cash flows affect earnings. The net loss associated with cash flow hedges expected to be reclassified from *Accumulated other comprehensive income (loss)* within 12 months of December 31, 2012 is approximately $1.0 billion. The maximum length of time over which forecasted cash flows are hedged is 10 years.

The after-tax impact of cash flow hedges on AOCI is shown in Note 21 to the Consolidated Financial Statements.

Net Investment Hedges

Consistent with ASC 830-20, *Foreign Currency Matters–Foreign Currency Transactions* (formerly SFAS 52, *Foreign Currency Translation*), ASC 815 allows hedging of the foreign currency risk of a net investment in a foreign operation. Citigroup uses foreign currency forwards, options and foreign-currency-denominated debt instruments to manage the foreign exchange risk associated with Citigroup' s equity investments in several non-U.S.-dollar-functional-currency foreign subsidiaries. Citigroup records the change in the carrying amount of these investments in the *Foreign currency translation adjustment* account within *Accumulated other comprehensive income (loss)*. Simultaneously, the effective portion of the hedge of this exposure is also recorded in the *Foreign currency translation adjustment* account and the ineffective portion, if any, is immediately recorded in earnings.

For derivatives designated as net investment hedges, Citigroup follows the forward-rate method from FASB Derivative Implementation Group Issue H8 (now ASC 815-35-35-16 through 35-26), "Foreign Currency Hedges: Measuring the Amount of Ineffectiveness in a Net Investment and the U.S. dollar, which is the functional currency of Citigroup. To the extent the notional amount of the hedging instrument exactly matches the hedged net investment and the underlying exchange rate of the derivative hedging instrument relates to the exchange rate between the functional currency of the net investment and Citigroup' s functional currency (or, in the case of a non-derivative debt instrument, such instrument is denominated in the functional currency of the net investment), no ineffectiveness is recorded in earnings.

The pretax gain (loss) recorded in the *Foreign currency translation adjustment* account within *Accumulated other comprehensive income (loss)*, related to the effective portion of the net investment hedges, is $(3,829) million, $904 million, and $(3,620) million, for the years ended December 31, 2012, 2011, and 2010, respectively.

Credit Derivatives

A credit derivative is a bilateral contract between a buyer and a seller under which the seller agrees to provide protection to the buyer against the credit risk of a particular entity ("reference entity" or "reference credit"). Credit derivatives generally require that the seller of credit protection make payments to the buyer upon the occurrence of predefined credit events (commonly referred to as "settlement triggers"). These settlement triggers are defined by the form of the derivative and the reference credit and are generally limited to the market standard of failure to pay on indebtedness and bankruptcy of the reference credit and, in a more limited range of transactions, debt restructuring. Credit derivative transactions referring to emerging market reference credits will also typically include additional settlement triggers to cover the acceleration of indebtedness and the risk of repudiation or a payment moratorium. In certain transactions, protection may be provided on a portfolio of reference credits or asset-backed securities. The seller of such

Hedge." According to that method, all changes in fair value, including changes related to the forward-rate component of the foreign currency forward contracts and the time value of foreign currency options, are recorded in the *Foreign currency translation adjustment* account within *Accumulated other comprehensive income (loss)*.

For foreign-currency-denominated debt instruments that are designated as hedges of net investments, the translation gain or loss that is recorded in the *Foreign currency translation adjustment* account is based on the spot exchange rate between the functional currency of the respective subsidiary

protection may not be required to make payment until a specified amount of losses has occurred with respect to the portfolio and/or may only be required to pay for losses up to a specified amount.

The Company makes markets and trades a range of credit derivatives. Through these contracts, the Company either purchases or writes protection on either a single name or a portfolio of reference credits. The Company also uses credit derivatives to help mitigate credit risk in its Corporate and Consumer loan portfolios and other cash positions, and to facilitate client transactions.

The range of credit derivatives sold includes credit default swaps, total return swaps, credit options and credit-linked notes.

A credit default swap is a contract in which, for a fee, a protection seller agrees to reimburse a protection buyer for any losses that occur due to a credit event on a reference entity. If there is no credit default event or settlement trigger, as defined by the specific derivative contract, then the protection seller makes no payments to the protection buyer and receives only the contractually specified fee. However, if a credit event occurs as defined in the specific derivative contract sold, the protection seller will be required to make a payment to the protection buyer.

A total return swap transfers the total economic performance of a reference asset, which includes all associated cash flows, as well as capital appreciation or depreciation. The protection buyer receives a floating rate of interest and any depreciation on the reference asset from the protection seller and, in return, the protection seller receives the cash flows associated with the reference asset plus any appreciation. Thus, according to the total return swap agreement, the protection seller will be obligated to make a payment any time the floating interest rate payment and any depreciation of the reference asset exceed the cash flows associated with the underlying asset. A total return swap may terminate upon a default of the reference asset subject to the provisions of the related total return swap agreement between the protection seller and the protection buyer.

A credit option is a credit derivative that allows investors to trade or hedge changes in the credit quality of the reference asset. For example, in a credit spread option, the option writer assumes the obligation to purchase or sell the reference asset at a specified "strike" spread level. The option purchaser buys the right to sell the reference asset to, or purchase it from, the option writer at the strike spread level. The payments on credit spread options depend either on a particular credit spread or the price of the underlying credit-sensitive asset. The options usually terminate if the underlying assets default.

A credit-linked note is a form of credit derivative structured as a debt security with an embedded credit default swap. The purchaser of the note writes credit protection to the issuer, and receives a return that will be negatively affected by credit events on the underlying reference credit. If the reference entity defaults, the purchaser of the credit-linked note may assume the long position in the debt security and any future cash flows from it, but will lose the amount paid to the issuer of the credit-linked note. Thus the maximum amount of the exposure is the carrying amount of the credit-linked note. As of December 31, 2012 and December 31, 2011, the amount of credit-linked notes held by the Company in trading inventory was immaterial.

The following tables summarize the key characteristics of the Company's credit derivative portfolio as protection seller as of December 31, 2012 and December 31, 2011:

In millions of dollars as of December 31, 2012	Maximum potential amount of future payments	Fair value payable (1)(2)
By industry/counterparty		
Bank	**$ 863,411**	**$ 18,824**
Broker-dealer	**304,968**	**9,193**
Non-financial	**3,241**	**87**
Insurance and other financial institutions	**174,874**	**3,726**
Total by industry/counterparty	**$ 1,346,494**	**$ 31,830**
By instrument		
Credit default swaps and options	**$ 1,345,162**	**$ 31,624**
Total return swaps and other	**1,332**	**206**
Total by instrument	**$ 1,346,494**	**$ 31,830**
By rating		
Investment grade	**$ 637,343**	**$ 6,290**
Non-investment grade	**200,529**	**15,591**
Not rated	**508,622**	**9,949**
Total by rating	**$ 1,346,494**	**$ 31,830**
By maturity		
Within 1 year	**$ 287,670**	**$ 2,388**
From 1 to 5 years	**965,059**	**21,542**
After 5 years	**93,765**	**7,900**
Total by maturity	**$ 1,346,494**	**$ 31,830**

(1) In addition, fair value amounts payable under credit derivatives purchased were $20,878 million.

(2) In addition, fair value amounts receivable under credit derivatives sold were $19,710 million.

In millions of dollars as of December 31, 2011	Maximum potential amount of future payments	Fair value payable (1)(
By industry/counterparty		
Bank	$ 929,608	$ 45,920
Broker-dealer	321,293	19,026
Non-financial	1,048	98
Insurance and other financial institutions	142,579	7,447
Total by industry/counterparty	$ 1,394,528	$ 72,491
By instrument		
Credit default swaps and options	$ 1,393,082	$ 72,358
Total return swaps and other	1,446	133
Total by instrument	$ 1,394,528	$ 72,491

By rating				
Investment grade	$	611,447	$	16,913
Non-investment grade		226,939		28,034
Not rated		556,142		27,544
Total by rating	$	1,394,528	$	72,491
By maturity				
Within 1 year	$	266,723	$	3,705
From 1 to 5 years		947,211		46,596
After 5 years		180,594		22,190
Total by maturity	$	1,394,528	$	72,491

(1) In addition, fair value amounts payable under credit derivatives purchased were $12,361 million.

(2) In addition, fair value amounts receivable under credit derivatives sold were $11,335 million.

Citigroup evaluates the payment/performance risk of the credit derivatives for which it stands as a protection seller based on the credit rating assigned to the underlying referenced credit. Where external ratings by nationally recognized statistical rating organizations (such as Moody' s and S&P) are used, investment grade ratings are considered to be Baa/BBB or above, while anything below is considered non-investment grade. The Citigroup internal ratings are in line with the related external credit rating system. On certain underlying reference credits, mainly related to over-the-counter credit derivatives, ratings are not available, and these are included in the not-rated category. Credit derivatives written on an underlying non-investment grade reference credit represent greater payment risk to the Company. The non-investment grade category in the table above primarily includes credit derivatives where the underlying referenced entity has been downgraded subsequent to the inception of the derivative.

The maximum potential amount of future payments under credit derivative contracts presented in the table above is based on the notional value of the derivatives. The Company believes that the maximum potential amount of future payments for credit protection sold is not representative of the actual loss exposure based on historical experience. This amount has not been reduced by the Company' s rights to the underlying assets and the related cash flows. In accordance with most credit derivative contracts, should a credit event (or settlement trigger) occur, the Company is usually liable for the difference between the protection sold and the recourse it holds in the value of the underlying assets. Thus, if the reference entity defaults, Citi will generally have a right to collect on the underlying reference credit and any related cash flows, while being liable for the full notional amount of credit protection sold to the buyer. Furthermore, this maximum potential amount of future payments for credit protection sold has not been reduced for any cash collateral paid to a given counterparty as such payments would be calculated after netting all derivative exposures, including any credit derivatives with that counterparty in accordance with a related master netting agreement. Due to such netting processes, determining the amount of collateral that corresponds to credit derivative exposures alone is not possible. The Company actively monitors open credit risk exposures and manages this exposure by using a variety of strategies, including purchased credit derivatives, cash collateral or direct holdings of the referenced assets. This risk mitigation activity is not captured in the table above.

Credit-Risk-Related Contingent Features in Derivatives

Certain derivative instruments contain provisions that require the Company to either post additional collateral or immediately settle any outstanding liability balances upon the occurrence of a specified credit-risk-related event. These events, which are defined by the existing derivative contracts, are primarily downgrades in the credit ratings of the Company and its affiliates. The fair value (excluding CVA) of all derivative instruments with credit-risk-related contingent features that are in a net liability position at December 31, 2012 and December 31, 2011 is $36 billion and $33 billion, respectively. The Company has posted $32 billion and $28 billion as collateral for this exposure in the normal course of business as of December 31, 2012 and December 31, 2011, respectively.

Each downgrade would trigger additional collateral or cash settlement requirements for the Company and its affiliates. In the event that each legal entity was downgraded a single notch by the three rating agencies as of December 31, 2012, the Company would be required to post an additional $4.0 billion, as either collateral or settlement of the derivative transactions. Additionally, the Company would be required to segregate with third-party custodians collateral previously received from existing derivative counterparties in the amount of $1.1 billion upon the single notch downgrade, resulting in aggregate cash obligations and collateral requirements of approximately $5.1 billion.

24. CONCENTRATIONS OF CREDIT RISK

Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect groups of counterparties whose aggregate credit exposure is material in relation to Citigroup' s total credit exposure. Although Citigroup' s portfolio of financial instruments is broadly diversified along industry, product, and geographic lines, material transactions are completed with other financial institutions, particularly in the securities trading, derivatives and foreign exchange businesses.

In connection with the Company' s efforts to maintain a diversified portfolio, the Company limits its exposure to any one geographic region, country or individual creditor and monitors this exposure on a continuous basis. At December 31, 2012, Citigroup' s most significant concentration of credit risk was with the U.S. government and its agencies. The Company' s exposure, which primarily results from trading assets and investments issued by the U.S. government and its agencies, amounted to $190.7 billion and $177.9 billion at December 31, 2012 and 2011, respectively. The Japanese and Mexican governments and their agencies, which are rated investment grade by both Moody' s and S&P, were the next largest exposures. The Company' s exposure to Japan amounted to $38.7 billion and $33.2 billion at December 31, 2012 and 2011, respectively, and was composed of investment securities, loans and trading assets. The Company' s exposure to Mexico amounted to $33.6 billion and $29.5 billion at December 31, 2012 and 2011, respectively, and was composed of investment securities, loans and trading assets.

The Company' s exposure to states and municipalities amounted to $35.8 billion and $39.5 billion at December 31, 2012 and 2011, respectively, and was composed of trading assets, investment securities, derivatives and lending activities.

25. FAIR VALUE MEASUREMENT

ASC 820-10 (formerly SFAS 157) *Fair Value Measurement*, defines fair value, establishes a consistent framework for measuring fair value and requires disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Among other things, the standard requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Under ASC 820-10, the probability of default of a counterparty is factored into the valuation of derivative positions and includes the impact of Citigroup' s own credit risk on derivatives and other liabilities measured at fair value.

Fair Value Hierarchy

ASC 820-10 specifies a hierarchy of inputs based on whether the inputs are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company' s market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1: Quoted prices for *identical* instruments in active markets.
- Level 2: Quoted prices for *similar* instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are *observable* in active markets.
- Level 3: Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are *unobservable*.

This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible. The frequency of transactions, the size of the bid-ask spread and the amount of adjustment necessary when comparing similar transactions are all factors in determining the liquidity of markets and the relevance of observed prices in those markets.

The Company' s policy with respect to transfers between levels of the fair value hierarchy is to recognize transfers into and out of each level as of the end of the reporting period.

Determination of Fair Value

For assets and liabilities carried at fair value, the Company measures such value using the procedures set out below, irrespective of whether these assets and liabilities are carried at fair value as a result of an election or whether they are required to be carried at fair value.

When available, the Company generally uses quoted market prices to determine fair value and classifies such items as Level 1. In some cases where a market price is available, the Company will make use of acceptable practical expedients (such as matrix pricing) to calculate fair value, in which case the items are classified as Level 2.

If quoted market prices are not available, fair value is based upon internally developed valuation techniques that use, where possible, current market-based parameters, such as interest rates,

currency rates, option volatilities, etc. Items valued using such internally generated valuation techniques are classified according to the lowest level input or value driver that is significant to the valuation. Thus, an item may be classified as Level 3 even though there may be some significant inputs that are readily observable.

The Company may also apply a price-based methodology, which utilizes, where available, quoted prices or other market information obtained from recent trading activity in positions with the same or similar characteristics to the position being valued. The market activity and the amount of the bid-ask spread are among the factors considered in determining the liquidity of markets and the relevance of observed prices from those markets. If relevant and observable prices are available, those valuations may be classified as Level 2. When less liquidity exists for a security or loan, a quoted price is stale, a significant adjustment to the price of a similar security is necessary to reflect differences in the terms of the actual security or loan being valued, or prices from independent sources are insufficient to corroborate the valuation, the "price" inputs are considered unobservable and the fair value measurements are classified as Level 3.

Fair value estimates from internal valuation techniques are verified, where possible, to prices obtained from independent vendors or brokers. Vendors and brokers' valuations may be based on a variety of inputs ranging from observed prices to proprietary valuation models.

The following section describes the valuation methodologies used by the Company to measure various financial instruments at fair value, including an indication of the level in the fair value hierarchy in which each instrument is generally classified. Where appropriate, the description includes details of the valuation models, the key inputs to those models and any significant assumptions.

Market valuation adjustments

Liquidity adjustments are applied to items in Level 2 and Level 3 of the fair value hierarchy to ensure that the fair value reflects the liquidity or illiquidity of the market. The liquidity reserve may utilize the bid-offer spread for an instrument as one of the factors.

Counterparty credit-risk adjustments are applied to derivatives, such as over-the-counter uncollateralized derivatives, where the base valuation uses market parameters based on the relevant base interest rate curves. Not all counterparties have the same credit risk as that implied by the relevant base curve, so it

Bilateral or "own" credit-risk adjustments are applied to reflect the Company' s own credit risk when valuing derivatives and liabilities measured at fair value. Counterparty and own credit adjustments consider the expected future cash flows between Citi and its counterparties under the terms of the instrument and the effect of credit risk on the valuation of those cash flows, rather than a point-in-time assessment of the current recognized net asset or liability. Furthermore, the credit-risk adjustments take into account the effect of credit-risk mitigants, such as pledged collateral and any legal right of offset (to the extent such offset exists) with a counterparty through arrangements such as netting agreements.

Generally, the unit of account for a financial instrument is the individual financial instrument. The Company applies market valuation adjustments that are consistent with the unit of account, which does not include adjustment due to the size of the Company' s position, except as follows. ASC 820-10 permits an exception, through an accounting policy election, to measure the fair value of a portfolio of financial assets and financial liabilities on the basis of the net open risk position when certain criteria are met. Citi has elected to measure certain portfolios of financial instruments, such as derivatives, that meet those criteria on the basis of the net open risk position. The Company applies market valuation adjustments, including adjustments to account for the size of the net open risk position, consistent with market participant assumptions and in accordance with the unit of account.

Valuation Process for Level 3 Fair Value Measurements

Price verification procedures and related internal control procedures are governed by the Citigroup *Pricing and Price Verification Policy and Standards*, which is jointly owned by Finance and Risk Management. Finance has implemented the *ICG Securities and Banking Pricing and Price Verification Standards and Procedures* to facilitate compliance with this policy.

For fair value measurements of substantially all assets and liabilities held by the Company, individual business units are responsible for valuing the trading account assets and liabilities, and Product Control within Finance performs independent price verification procedures to evaluate those fair value measurements. Product Control is independent of the individual business units and reports into the Global Head of Product Control. It has the final authority over the independent valuation of financial assets and liabilities. Fair value measurements of assets and liabilities are determined using various techniques, including, but not limited to, discounted cash flows and internal models, such as option and correlation models.

Based on the observability of inputs used, Product Control is necessary to consider the market view of the credit risk of a counterparty in order to estimate the fair value of such an item.

classifies the inventory as Level 1, Level 2 or Level 3 of the fair value hierarchy. When a position involves one or more significant inputs that are not directly observable, additional price verification procedures are applied. These procedures may include reviewing relevant historical data, analyzing profit and loss, valuing each component of a structured trade individually, and benchmarking, among others.

Reports of inventory that is classified within Level 3 of the fair value hierarchy are distributed to senior management in Finance, Risk and the individual business. This inventory is also

discussed in Risk Committees and in monthly meetings with senior trading management. As deemed necessary, reports may go to the Audit Committee of the Board of Directors or to the full Board of Directors. Whenever a valuation adjustment is needed to bring the price of an asset or liability to its exit price, Product Control reports it to management along with other price verification results.

In addition, the pricing models used in measuring fair value are governed by an independent control framework. Although the models are developed and tested by the individual business units, they are independently validated by the Model Validation Group within Risk Management and reviewed by Finance with respect to their impact on the price verification procedures. The purpose of this independent control framework is to assess model risk arising from models' theoretical soundness, calibration techniques where needed, and the appropriateness of the model for a specific product in a defined market. Valuation adjustments, if any, go through a similar independent review process as the valuation models. To ensure their continued applicability, models are independently reviewed annually. In addition, Risk Management approves and maintains a list of products permitted to be valued under each approved model for a given business.

Securities purchased under agreements to resell and securities sold under agreements to repurchase

No quoted prices exist for such instruments, so fair value is determined using a discounted cash-flow technique. Cash flows are estimated based on the terms of the contract, taking into account any embedded derivative or other features. Expected cash flows are discounted using interest rates appropriate to the maturity of the instrument as well as the nature of the underlying collateral. Generally, when such instruments are held at fair value, they are classified within Level 2 of the fair value hierarchy, as the inputs used in the valuation are readily observable. However, certain long-dated positions are classified within Level 3 of the fair value hierarchy.

Trading account assets and liabilities–trading securities and trading loans

When available, the Company uses quoted market prices to determine the fair value of trading securities; such items are classified as Level 1 of the fair value hierarchy. Examples include some government securities and exchange-traded equity securities.

For bonds and secondary market loans traded over the counter, the Company generally determines fair value utilizing valuation techniques, including discounted cash flows, price-quoted prices or other market information obtained from recent trading activity of assets with similar characteristics to the bond or loan being valued. The yields used in discounted cash flow models are derived from the same price information. Trading securities and loans priced using such methods are generally classified as Level 2. However, when less liquidity exists for a security or loan, a quoted price is stale, a significant adjustment to the price of a similar security or loan is necessary to reflect differences in the terms of the actual security or loan being valued, or prices from independent sources are insufficient to corroborate valuation, a loan or security is generally classified as Level 3. The price input used in a price-based methodology may be zero for a security, such as a subprime CDO, that is not receiving any principal or interest and is currently written down to zero.

Where the Company's principal market for a portfolio of loans is the securitization market, the Company uses the securitization price to determine the fair value of the portfolio. The securitization price is determined from the assumed proceeds of a hypothetical securitization in the current market, adjusted for transformation costs (i.e., direct costs other than transaction costs) and securitization uncertainties such as market conditions and liquidity. As a result of the severe reduction in the level of activity in certain securitization markets since the second half of 2007, observable securitization prices for certain directly comparable portfolios of loans have not been readily available. Therefore, such portfolios of loans are generally classified as Level 3 of the fair value hierarchy. However, for other loan securitization markets, such as commercial real estate loans, pricing verification of the hypothetical securitizations has been possible, since these markets have remained active. Accordingly, this loan portfolio is classified as Level 2 of the fair value hierarchy.

Trading account assets and liabilities–derivatives

Exchange-traded derivatives are generally measured at fair value using quoted market (i.e., exchange) prices and are classified as Level 1 of the fair value hierarchy.

The majority of derivatives entered into by the Company are executed over the counter and are valued using internal valuation techniques, as no quoted market prices exist for such instruments. The valuation techniques and inputs depend on the type of derivative and the nature of the underlying instrument. The principal techniques used to value these instruments are discounted cash flows and internal models, including Black-Scholes and Monte Carlo simulation. The fair values of derivative contracts reflect cash the Company has paid or received (for example, option premiums paid and received).

The key inputs depend upon the type of derivative and the based and internal models, such as Black-Scholes and Monte Carlo simulation. Fair value estimates from these internal valuation techniques are verified, where possible, to prices obtained from independent vendors. Vendors compile prices from various sources and may apply matrix pricing for similar bonds or loans where no price is observable. A price-based methodology utilizes, where available,

nature of the underlying instrument and include interest rate yield curves, foreign-exchange rates, volatilities and correlation. The Company uses overnight indexed swap (OIS) curves as fair value measurement inputs for the valuation of certain collateralized interest-rate related derivatives. The instrument is classified as either Level 2 or Level 3 depending upon the observability of the significant inputs to the model.

Subprime-related direct exposures in CDOs

The valuation of high-grade and mezzanine asset-backed security (ABS) CDO positions utilizes prices based on the underlying assets of each high-grade and mezzanine ABS CDO. The high-grade and mezzanine positions are largely hedged through the ABX and bond short positions. This results in closer symmetry in the way these long and short positions are valued by the Company. Citigroup uses trader marks to value this portion of the portfolio and will do so as long as it remains largely hedged.

For most of the lending and structuring direct subprime exposures, fair value is determined utilizing observable transactions where available, other market data for similar assets in markets that are not active and other internal valuation techniques.

Investments

The investments category includes available-for-sale debt and marketable equity securities, whose fair value is generally determined by utilizing similar procedures described for trading securities above or, in some cases, using consensus pricing as the primary source.

Also included in investments are nonpublic investments in private equity and real estate entities held by the *S&B* business. Determining the fair value of nonpublic securities involves a significant degree of management resources and judgment, as no quoted prices exist and such securities are generally very thinly traded. In addition, there may be transfer restrictions on private equity securities. The Company uses an established process for determining the fair value of such securities, utilizing commonly accepted valuation techniques, including comparables analysis. In determining the fair value of nonpublic securities, the Company also considers events such as a proposed sale of the investee company, initial public offerings, equity issuances or other observable transactions. As discussed in Note 15 to the Consolidated Financial Statements, the Company uses net asset value (NAV) to value certain of these investments.

Private equity securities are generally classified as Level 3 of the fair value hierarchy.

Short-term borrowings and long-term debt

Where fair value accounting has been elected, the fair value of non-structured liabilities is determined by utilizing internal models using the appropriate discount rate for the applicable maturity. Such instruments are generally classified as Level 2 of the fair value hierarchy, as all inputs are readily observable.

The Company determines the fair value of structured liabilities (where performance is linked to structured interest rates, inflation or currency risks) and hybrid financial instruments (where performance is linked to risks other than interest rates, inflation or currency risks) using the appropriate

Alt-A mortgage securities

The Company classifies its Alt-A mortgage securities as held-to-maturity, available-for-sale and trading investments. The securities classified as trading and available-for-sale are recorded at fair value with changes in fair value reported in current earnings and AOCI, respectively. For these purposes, Citi defines Alt-A mortgage securities as non-agency residential mortgage-backed securities (RMBS) where (i) the underlying collateral has weighted average FICO scores between 680 and 720 or (ii) for instances where FICO scores are greater than 720, RMBS have 30% or less of the underlying collateral composed of full documentation loans.

Similar to the valuation methodologies used for other trading securities and trading loans, the Company generally determines the fair values of Alt-A mortgage securities utilizing internal valuation techniques. Fair value estimates from internal valuation techniques are verified, where possible, to prices obtained from independent vendors. Consensus data providers compile prices from various sources. Where available, the Company may also make use of quoted prices for recent trading activity in securities with the same or similar characteristics to the security being valued.

The valuation techniques used for Alt-A mortgage securities, as with other mortgage exposures, are price-based and discounted cash flows. The primary market-derived input is yield. Cash flows are based on current collateral performance with prepayment rates and loss projections reflective of current economic conditions of housing price change, unemployment rates, interest rates, borrower attributes and other market indicators.

Alt-A mortgage securities that are valued using these methods are generally classified as Level 2. However, Alt-A mortgage securities backed by Alt-A mortgages of lower quality or subordinated tranches in the capital structure are mostly classified as Level 3 due to the reduced liquidity that exists for such positions, which reduces the reliability of prices available from independent sources.

derivative valuation methodology (described above) given the nature of the embedded risk profile. Such instruments are classified as Level 2 or Level 3 depending on the observability of significant inputs to the model.

Items Measured at Fair Value on a Recurring Basis

The following tables present for each of the fair value hierarchy levels the Company' s assets and liabilities that are measured at fair value on a recurring basis at December 31, 2012 and 2011. The Company' s hedging of positions that have been classified in the Level 3 category is not limited to other financial instruments (hedging instruments) that have been classified as Level 3, but also instruments classified as Level 1 or Level 2 of the fair value hierarchy. The effects of these hedges are presented gross in the following table.

Fair Value Levels

In millions of dollars at December 31, 2012	Level 1 [1]	Level 2 [1]	Level 3	Gross inventory	Netting [2]	Net balance
Assets						
Federal funds sold and securities borrowed or purchased under agreements to resell	$ –	$ 198,278	$ 5,043	$ 203,321	$ (42,732)	$ 160,589
Trading securities						
Trading mortgage-backed securities						
U.S. government-sponsored agency guaranteed	–	29,835	1,325	31,160	–	31,160
Residential	–	1,663	1,805	3,468	–	3,468
Commercial	–	1,322	1,119	2,441	–	2,441
Total trading mortgage-backed securities	$ –	$ 32,820	$ 4,249	$ 37,069	$ –	$ 37,069
U.S. Treasury and federal agency securities	$ 15,416	$ 4,940	$ –	$ 20,356	$ –	$ 20,356
State and municipal	–	3,611	195	3,806	–	3,806
Foreign government	57,831	31,097	311	89,239	–	89,239
Corporate	–	33,194	2,030	35,224	–	35,224
Equity securities	54,640	2,094	264	56,998	–	56,998
Asset-backed securities	–	899	4,453	5,352	–	5,352
Other debt securities	–	15,944	2,321	18,265	–	18,265
Total trading securities	$ 127,887	$ 124,599	$ 13,823	$ 266,309	$ –	$ 266,309
Trading account derivatives						
Interest rate contracts	$ 2	$ 901,809	$ 1,710	$ 903,521		
Foreign exchange contracts	18	75,712	902	76,632		
Equity contracts	2,359	14,193	1,741	18,293		
Commodity contracts	410	9,802	695	10,907		
Credit derivatives	–	50,109	4,166	54,275		
Total trading account derivatives	$ 2,789	$ 1,051,625	$ 9,214	$ 1,063,628		
Gross cash collateral paid				61,152		
Netting agreements and market value adjustments					$ (1,070,160)	
Total trading account derivatives	$ 2,789	$ 1,051,625	$ 9,214	$ 1,124,780	$ (1,070,160)	$ 54,620
Investments						
Mortgage-backed securities						
U.S. government-sponsored agency guaranteed	$ 46	$ 45,841	$ 1,458	$ 47,345	$ –	$ 47,345
Residential	–	7,472	205	7,677	–	7,677
Commercial	–	449	–	449	–	449
Total investment mortgage-backed securities	$ 46	$ 53,762	$ 1,663	$ 55,471	$ –	$ 55,471
U.S. Treasury and federal agency securities	$ 13,204	$ 78,625	$ 12	$ 91,841	$ –	$ 91,841

See footnotes on the next page.

In millions of dollars at December 31, 2012	Level 1 (1)	Level 2 (1)	Level 3	Gross inventory	Netting (2)	Net balance
State and municipal	$ –	$ 17,483	$ 849	$ 18,332	$ –	$ 18,332
Foreign government	36,048	57,616	383	94,047	–	94,047
Corporate	–	9,289	385	9,674	–	9,674
Equity securities	4,037	132	773	4,942	–	4,942
Asset-backed securities	–	11,910	2,220	14,130	–	14,130
Other debt securities	–	–	258	258	–	258
Non-marketable equity securities	–	404	5,364	5,768	–	5,768
Total investments	$ 53,335	$ 229,221	$ 11,907	$ 294,463	$ –	$ 294,463
Loans (3)	$ –	$ 356	$ 4,931	$ 5,287	$ –	$ 5,287
Mortgage servicing rights	–	–	1,942	1,942	–	1,942
Nontrading derivatives and other financial assets measured on a recurring basis, gross	$ –	$ 15,293	$ 2,452	$ 17,745		
Gross cash collateral paid				214		
Netting agreements and market value adjustments					$ (4,660)	
Nontrading derivatives and other financial assets measured on a recurring basis	$ –	$ 15,293	$ 2,452	$ 17,959	$ (4,660)	$ 13,299
Total assets	$ 184,011	$ 1,619,372	$ 49,312	$ 1,914,061	$ (1,117,552)	$ 796,509
Total as a percentage of gross assets (4)	9.9 %	87.4 %	2.7 %	100.0 %		
Liabilities						
Interest-bearing deposits	$ –	$ 661	$ 786	$ 1,447	$ –	$ 1,447
Federal funds purchased and securities loaned or sold under agreements to repurchase	–	158,580	841	159,421	(42,732)	116,689
Trading account liabilities						
Securities sold, not yet purchased	55,145	8,288	365	63,798		63,798
Trading account derivatives						
Interest rate contracts	1	891,138	1,529	892,668		
Foreign exchange contracts	10	81,209	902	82,121		
Equity contracts	2,664	26,014	3,189	31,867		
Commodity contracts	317	10,359	1,466	12,142		
Credit derivatives	–	47,792	4,508	52,300		
Total trading account derivatives	$ 2,992	$ 1,056,512	$ 11,594	$ 1,071,098		
Gross cash collateral received				46,833		
Netting agreements and market value adjustments					$ (1,066,180)	
Total trading account derivatives	$ 2,992	$ 1,056,512	$ 11,594	$ 1,117,931	$ (1,066,180)	$ 51,751
Short-term borrowings	–	706	112	818	–	818
Long-term debt	–	23,038	6,726	29,764	–	29,764
Nontrading derivatives and other financial liabilities measured on a recurring basis, gross	$ –	$ 2,228	$ 24	$ 2,252		
Gross cash collateral received				$ 5,318		
Netting agreements and market value adjustments					$ (4,660)	
Nontrading derivatives and other financial liabilities measured on a recurring basis	$ –	$ 2,228	$ 24	$ 7,570	$ (4,660)	$ 2,910

Total liabilities	**$ 58,137**	**$ 1,250,013**	**$ 20,448**	**$ 1,380,749**	**$ (1,113,572)**	**$ 267,177**
Total as a percentage of gross liabilities (4)	**4.4 %**	**94.1 %**	**1.5 %**	**100.0 %**		

(1) For the year ended December 31, 2012, the Company transferred assets of $1.7 billion from Level 1 to Level 2, primarily related to foreign government bonds, which were not traded with enough frequency to constitute an active market. During the year ended December 31, 2012, the Company transferred assets of $1.2 billion from Level 2 to Level 1 primarily related to foreign government bonds, which were traded with sufficient frequency to constitute an active market. During the year ended December 31, 2012, the Company transferred liabilities of $70 million, from Level 1 to Level 2, and liabilities of $150 million from Level 2 to Level 1.

(2) Represents netting of: (i) the amounts due under securities purchased under agreements to resell and the amounts owed under securities sold under agreements to repurchase; and (ii) derivative exposures covered by a qualifying master netting agreement, cash collateral and the market value adjustment.

(3) There is no allowance for loan losses recorded for loans reported at fair value.

(4) Percentage is calculated based on total assets and liabilities measured at fair value on a recurring basis, excluding collateral paid/received on derivatives.

Fair Value Levels

In millions of dollars at December 31, 2011	Level 1	Level 2	Level 3	Gross inventory	Netting [1]	Net balance
Assets						
Federal funds sold and securities borrowed or purchased under agreements to resell	$ –	$ 188,034	$ 4,701	$ 192,735	$ (49,873)	$ 142,862
Trading securities						
Trading mortgage-backed securities						
U.S. government-sponsored agency guaranteed	$ –	$ 26,674	$ 861	$ 27,535	$ –	$ 27,535
Residential	–	1,362	1,509	2,871	–	2,871
Commercial	–	1,715	618	2,333	–	2,333
Total trading mortgage-backed securities	$ –	$ 29,751	$ 2,988	$ 32,739	$ –	$ 32,739
U.S. Treasury and federal agency securities	$ 15,612	$ 3,784	$ 3	$ 19,399	$ –	$ 19,399
State and municipal	–	5,112	252	5,364	–	5,364
Foreign government	52,429	26,601	521	79,551	–	79,551
Corporate	–	33,786	3,240	37,026	–	37,026
Equity securities	29,707	3,279	244	33,230	–	33,230
Asset-backed securities	–	1,270	5,801	7,071	–	7,071
Other debt securities	–	12,284	2,743	15,027	–	15,027
Total trading securities	$ 97,748	$ 115,867	$ 15,792	$ 229,407	$ –	$ 229,407
Trading account derivatives						
Interest rate contracts	$ 67	$ 755,473	$ 1,947	$ 757,487		
Foreign exchange contracts	–	93,536	781	94,317		
Equity contracts	2,240	16,376	1,619	20,235		
Commodity contracts	958	11,940	865	13,763		
Credit derivatives	–	81,123	9,301	90,424		
Total trading account derivatives	$ 3,265	$ 958,448	$ 14,513	$ 976,226		
Gross cash collateral paid				57,815		
Netting agreements and market value adjustments					$ (971,714)	
Total trading account derivatives	$ 3,265	$ 958,448	$ 14,513	$ 1,034,041	$ (971,714)	$ 62,327
Investments						
Mortgage-backed securities						
U.S. government-sponsored agency guaranteed	$ 59	$ 45,043	$ 679	$ 45,781	$ –	$ 45,781
Residential	–	4,764	8	4,772	–	4,772
Commercial	–	472	–	472	–	472
Total investment mortgage-backed securities	$ 59	$ 50,279	$ 687	$ 51,025	$ –	$ 51,025
U.S. Treasury and federal agency securities	$11,642	$ 73,421	$ 75	$ 85,138	$ –	$ 85,138

See footnotes on the next page.

In millions of dollars at December 31, 2011	Level 1	Level 2	Level 3	Gross inventory	Netting [(1)]	Net balance
State and municipal	$ –	$ 13,732	$ 667	$ 14,399	$ –	$ 14,399
Foreign government	33,544	50,523	447	84,514	–	84,514
Corporate	–	9,268	989	10,257	–	10,257
Equity securities	6,634	98	1,453	8,185	–	8,185
Asset-backed securities	–	6,962	4,041	11,003	–	11,003
Other debt securities	–	563	120	683	–	683
Non-marketable equity securities	–	518	8,318	8,836	–	8,836
Total investments	$ 51,879	$ 205,364	$ 16,797	$ 274,040	$ –	$ 274,040
Loans [(2)]	$ –	$ 583	$ 4,682	$ 5,265	$ –	$ 5,265
Mortgage servicing rights	–	–	2,569	2,569	–	2,569
Nontrading derivatives and other financial assets measured on a recurring basis, gross	$ –	$ 14,270	$ 2,245	$ 16,515		
Gross cash collateral paid				307		
Netting agreements and market value adjustments					$ (3,462)	
Nontrading derivatives and other financial assets measured on a recurring basis	$ –	$ 14,270	$ 2,245	$ 16,822	$ (3,462)	$ 13,360
Total assets	$ 152,892	$ 1,482,566	$ 61,299	$ 1,754,879	$ (1,025,049)	$ 729,830
Total as a percentage of gross assets [(3)]	9.0 %	87.4 %	3.6 %	100.0 %		
Liabilities						
Interest-bearing deposits	$ –	$ 895	$ 431	$ 1,326	$ –	$ 1,326
Federal funds purchased and securities loaned or sold under agreements to repurchase	–	146,524	1,061	147,585	(49,873)	97,712
Trading account liabilities						
Securities sold, not yet purchased	58,456	10,941	412	69,809		69,809
Trading account derivatives						
Interest rate contracts	$ 37	$ 738,833	$ 1,221	$ 740,091		
Foreign exchange contracts	–	96,020	1,343	97,363		
Equity contracts	2,822	26,961	3,356	33,139		
Commodity contracts	873	11,959	1,799	14,631		
Credit derivatives	–	77,153	7,573	84,726		
Total trading account derivatives	$ 3,732	$ 950,926	$ 15,292	$ 969,950		
Gross cash collateral received				52,811		
Netting agreements and market value adjustments					$ (966,488)	
Total trading account derivatives	$ 3,732	$ 950,926	$ 15,292	$ 1,022,761	$ (966,488)	$ 56,273
Short-term borrowings	–	855	499	1,354	–	1,354
Long-term debt	–	17,268	6,904	24,172	–	24,172
Nontrading derivatives and other financial liabilities measured on a recurring basis, gross	$ –	$ 3,559	$ 3	$ 3,562		
Gross cash collateral received				$ 3,642		
Netting agreements and market value adjustments					$ (3,462)	
Nontrading derivatives and other financial liabilities measured on a recurring basis	$ –	$ 3,559	$ 3	$ 7,204	$ (3,462)	$ 3,742

Total liabilities	$ 62,188	$ 1,130,968	$ 24,602	$ 1,274,211	$ (1,019,823)	$ 254,388
Total as a percentage of gross liabilities [3]	5.1 %	92.9 %	2.0 %	100.0 %		

(1) Represents netting of: (i) the amounts due under securities purchased under agreements to resell and the amounts owed under securities sold under agreements to repurchase; and (ii) derivative exposures covered by a qualifying master netting agreement, cash collateral and the market value adjustment.

(2) There is no allowance for loan losses recorded for loans reported at fair value.

(3) Percentage is calculated based on total assets and liabilities measured at fair value on a recurring basis, excluding collateral paid/received on derivatives.

Changes in Level 3 Fair Value Category

The following tables present the changes in the Level 3 fair value category for the years ended December 31, 2012 and 2011. The Company classifies financial instruments as Level 3 of the fair value hierarchy when there is reliance on at least one significant unobservable input to the valuation model. In addition to these unobservable inputs, the valuation models for Level 3 financial instruments typically also rely on a number of inputs that are readily observable either directly or indirectly. The gains and losses presented below include changes in the fair value related to both observable and unobservable inputs.

The Company often hedges positions with offsetting positions that are classified in a different level. For example, the gains and losses for assets and liabilities in the Level 3 category presented in the tables below do not reflect the effect of offsetting losses and gains on hedging instruments that have been classified by the Company in the Level 1 and Level 2 categories. In addition, the Company hedges items classified in the Level 3 category with instruments also classified in Level 3 of the fair value hierarchy. The effects of these hedges are presented gross in the following tables.

Level 3 Fair Value Rollforward

		Net realized/unrealized gains (losses) included in									
In millions of dollars	Dec. 31, 2011	Principal transactions	Other [1][2]	Transfers into Level 3	Transfers out of Level 3	Purchases	Issuances	Sales	Settlements	Dec. 31, 2012	Ur ga (lo st
Assets											
Federal funds sold and securities borrowed or purchased under agreements to resell	$ 4,701	$ 306	$–	$ 540	$ (444)	$ –	$–	$ –	$ (60)	$ 5,043	
Trading securities											
Trading mortgage-backed securities											
U.S. government-sponsored agency guaranteed	861	38	–	1,294	(735)	657	79	(735)	(134)	1,325	
Residential	1,509	204	–	848	(499)	1,652	–	(1,897)	(12)	1,805	
Commercial	618	(32)	–	327	(305)	1,056	–	(545)	–	1,119	
Total trading mortgage-backed securities	$ 2,988	$ 210	$ –	$ 2,469	$ (1,539)	$ 3,365	$ 79	$ (3,177)	$ (146)	$ 4,249	$
U.S. Treasury and federal agency securities	$ 3	$ –	$ –	$ –	$ –	$ 13	$ –	$ (16)	–	$ –	$
State and municipal	$ 252	$ 24	$ –	$ 19	$ (18)	$ 61	$ –	$ (143)	–	$ 195	$
Foreign government	521	25	–	89	(875)	960	–	(409)	–	311	
Corporate	3,240	(90)	–	464	(558)	2,622	–	(1,942)	(1,706)	2,030	
Equity securities	244	(25)	–	121	(47)	231	–	(192)	(68)	264	

Asset-backed securities	5,801	**503**	–	**222**	**(114)**	**6,873**	–	**(7,823)**	**(1,009)**	**4,453**	
Other debt securities	2,743	**(8)**	–	**1,126**	**(2,089)**	**2,954**	–	**(2,092)**	**(313)**	**2,321**	
Total trading securities	$ 15,792	**$ 639**	**$ –**	**$ 4,510**	**$ (5,240)**	**$ 17,079**	**$ 79**	**$ (15,794)**	**$ (3,242)**	**$ 13,823**	**$**
Trading derivatives, net [4]											
Interest rate contracts	$ 726	**$ (101)**	**$ –**	**$ 682**	**$ (438)**	**$ 311**	**$ –**	**$ (194)**	**$ (805)**	**$ 181**	**$**
Foreign exchange contracts	(562)	**440**	–	**(1)**	**25**	**196**	–	**(213)**	**115**	–	
Equity contracts	(1,737)	**326**	–	**(34)**	**443**	**428**	–	**(657)**	**(217)**	**(1,448)**	
Commodity contracts	(934)	**145**	–	**(66)**	**5**	**100**	–	**(89)**	**68**	**(771)**	
Credit derivatives	1,728	**(2,355)**	–	**32**	**(188)**	**117**	–	**(11)**	**335**	**(342)**	
Total trading derivatives, net [4]	$ (779)	**$ (1,545)**	**$ –**	**$ 613**	**$ (153)**	**$ 1,152**	**$ –**	**$ (1,164)**	**$ (504)**	**$ (2,380)**	**$**
Investments											
Mortgage-backed securities											
U.S. government-sponsored agency guaranteed	$ 679	**$ –**	**$ 7**	**$ 894**	**$ (3,742)**	**$ 3,622**	**$ –**	**$ –**	**$ (2)**	**$ 1,458**	**$**
Residential	8	–	**6**	**205**	**(6)**	**46**	–	**(54)**	–	**205**	
Commercial	–	–	–	–	**(11)**	**11**	–	–	–	–	
Total investment mortgage-backed securities	$ 687	**$ –**	**$ 13**	**$ 1,099**	**$ (3,759)**	**$ 3,679**	**$ –**	**$ (54)**	**$ (2)**	**$ 1,663**	**$**
U.S. Treasury and federal agency securities	$ 75	**$ –**	**$ –**	**$ 75**	**$ (150)**	**$ 12**	**$ –**	**$ –**	**$ –**	**$ 12**	**$**
State and municipal	667	–	**12**	**129**	**(153)**	**412**	–	**(218)**	–	**849**	
Foreign government	447	–	**20**	**193**	**(297)**	**519**	–	**(387)**	**(112)**	**383**	
Corporate	989	–	**(6)**	**68**	**(698)**	**224**	–	**(144)**	**(48)**	**385**	
Equity securities	1,453	–	**119**	–	–	–	–	**(308)**	**(491)**	**773**	
Asset-backed securities	4,041	–	**(98)**	–	**(730)**	**930**	–	**(77)**	**(1,846)**	**2,220**	

Other debt securities	120	–	**(53)**	–	–	**310**	–	**(118)**	**(1)**	**258**	
Non-marketable equity securities	8,318	–	**453**	–	–	**1,266**	–	**(3,373)**	**(1,300)**	**5,364**	
Total investments	$ 16,797	**$–**	**$ 460**	**$ 1,564**	**$ (5,787)**	**$ 7,352**	**$ –**	**$ (4,679)**	**$ (3,800)**	**$ 11,907**	**$**

In millions of dollars	Dec. 31, 2011	Net realized/unrealized gains (losses) included in Principal transactions	Other (1)(2)	Transfers into Level 3	Transfers out of Level 3	Purchases	Issuances	Sales	Settlements	Dec. 31, 2012	Un gai (los stil
Loans	$ 4,682	$–	$ (34)	$ 1,051	$ (185)	$301	$930	$ (251)	$(1,563)	$ 4,931	
Mortgage servicing rights	2,569	–	(426)	–	–	2	421	(5)	(619)	1,942	
Other financial assets measured on a recurring basis	2,245	–	366	21	(35)	4	1,700	(50)	(1,799)	2,452	
Liabilities											
Interest-bearing deposits	$ 431	$ –	$ (141)	$ 213	$ (36)	$ –	$ 268	$ –	$ (231)	$ 786	$
Federal funds purchased and securities loaned or sold under agreements to repurchase	1,061	(64)	–	–	(14)	–	–	(179)	(91)	841	
Trading account liabilities											
Securities sold, not yet purchased	412	(1)	–	294	(47)	–	–	216	(511)	365	
Short-term borrowings	499	(108)	–	47	(20)	–	268	–	(790)	112	
Long-term debt	6,904	98	119	2,548	(2,694)	–	2,480	–	(2,295)	6,726	
Other financial liabilities measured on a recurring basis	3	–	(31)	2	(2)	(4)	6	–	(12)	24	

(1) Changes in fair value for available-for-sale investments (debt securities) are recorded in *Accumulated other comprehensive income (loss)*, unless other-than-temporarily impaired, while gains and losses from sales are recorded in *Realized gains (losses) from sales of investments* on the Consolidated Statement of Income.

(2) Unrealized gains (losses) on MSRs are recorded in *Other revenue* on the Consolidated Statement of Income.

(3) Represents the amount of total gains or losses for the period, included in earnings (and *Accumulated other comprehensive income (loss)* for changes in fair value for available-for-sale investments), attributable to the change in fair value relating to assets and liabilities classified as Level 3 that are still held at December 31, 2012 and 2011.

(4) Total Level 3 derivative assets and liabilities have been netted in these tables for presentation purposes only.

In millions of dollars	Dec. 31, 2010	Net realized/unrealized gains (losses) included in Principal transactions	Other (1)(2)	Transfers into and/or out of Level 3	Purchases	Issuances	Sales	Settlements	Dec. 31, 2011
Assets									
Federal funds sold and securities borrowed or purchased under agreements to resell	$ 4,911	$90	$ –	$(300)	$ –	$–	$ –	$–	$ 4,70
Trading securities									
Trading mortgage-backed securities									
U.S. government-sponsored agency guaranteed	$ 831	$ (62)	$ –	$ 169	$ 677	$ 73	$ (686)	$ (141)	$ 861
Residential	2,328	148	–	(138)	4,150	–	(4,901)	(78)	1,50
Commercial	418	33	–	345	418	–	(570)	(26)	618
Total trading mortgage-backed securities	$ 3,577	$ 119	$ –	$ 376	$ 5,245	$ 73	$ (6,157)	$ (245)	$ 2,98
U.S. Treasury and federal agencies securities	$ 72	$ 9	$ –	$ (45)	$ 8	$ –	$ (41)	$ –	$ 3
State and municipal	$ 208	$ 67	$ –	$ 102	$ 1,128	$ –	$ (1,243)	$ (10)	$ 252
Foreign government	566	(33)	–	(243)	1,556	–	(797)	(528)	521
Corporate	5,004	(60)	–	1,452	3,272	–	(3,864)	(2,564)	3,24
Equity securities	776	(202)	–	(145)	191	–	(376)	–	244
Asset-backed securities	7,620	128	–	606	5,198	–	(6,069)	(1,682)	5,80
Other debt securities	1,833	(179)	–	(17)	2,810	–	(1,700)	(4)	2,74
Total trading securities	$ 19,656	$ (151)	$ –	$ 2,086	$ 19,408	$ 73	$ (20,247)	$ (5,033)	$ 15,7
Trading derivatives, net (4)									
Interest rate contracts	$ (730)	$ (242)	$ –	$ 1,549	$ 111	$ –	$ (21)	$ 59	$ 726
Foreign exchange contracts	(336)	(134)	–	(62)	11	–	(3)	(38)	(562
Equity contracts	(1,639)	471	–	(28)	362	–	(242)	(661)	(1,73
Commodity contracts	(1,023)	426	–	(83)	2	–	(104)	(152)	(934
Credit derivatives	2,296	520	–	183	8	–	(1)	(1,278)	1,72
Total trading derivatives, net (4)	$ (1,432)	$ 1,041	$ –	$ 1,559	$ 494	$ –	$ (371)	$ (2,070)	$ (779
Investments									
Mortgage-backed securities									
U.S. government-sponsored agency guaranteed	$ 22	$ –	$ (22)	$ 416	$ 270	$ –	$ (7)	$ –	$ 679
Residential	167	–	(2)	(109)	7	–	(54)	(1)	8
Commercial	527	–	(4)	(513)	42	–	(52)	–	–
Total investment mortgage-									

backed securities	$ 716	$ –	$ (28)	$ (206)	$ 319	$ –	$ (113)	$ (1)	$ 687
U.S. Treasury and federal agencies securities	$ 17	$ –	$ –	$ 60	$ –	$ –	$ (2)	–	$ 75
State and municipal	504	–	(10)	(59)	324	–	(92)	–	667
Foreign government	358	–	13	(21)	352	–	(67)	(188)	447
Corporate	525	–	(106)	199	732	–	(56)	(305)	989
Equity securities	2,055	–	(38)	(31)	–	–	(84)	(449)	1,45
Asset-backed securities	5,424	–	43	55	106	–	(460)	(1,127)	4,04
Other debt securities	727	–	26	121	35	–	(289)	(500)	120
Non-marketable equity securities	6,960	–	862	(886)	4,881	–	(1,838)	(1,661)	8,31
Total investments	$ 17,286	$ –	$ 762	$ (768)	$ 6,749	$ –	$ (3,001)	$ (4,231)	$ 16,79

In millions of dollars	Dec. 31, 2010	Net realized/unrealized gains (losses) included in Principal transactions	Other [1][2]	Transfers into and/or out of Level 3	Purchases	Issuances	Sales	Settlements	Dec. 31, 2011	Unrealized gains (losses) still held [3]
Loans	$ 3,213	$–	$ (309)	$425	$250	$2,002	$ (85)	$(814)	$ 4,682	$ (265)
Mortgage servicing rights	4,554	–	(1,465)	–	–	408	(212)	(716)	2,569	(1,465)
Other financial assets measured on a recurring basis	$ 2,509	$ –	$ 109	$ (90)	$ 57	$ 553	$ (172)	$ (721)	$ 2,245	$ 112
Liabilities										
Interest-bearing deposits	$ 277	$ –	$ 86	$ (72)	$ –	$ 325	$ –	$ (13)	$ 431	$ (76)
Federal funds purchased and securities loaned or sold under agreements to repurchase	1,261	(22)	–	45	–	–	(117)	(150)	1,061	(64)
Trading account liabilities										
Securities sold, not yet purchased	187	48	–	438	–	–	413	(578)	412	42
Short-term borrowings	802	190	–	(220)	–	551	–	(444)	499	39
Long-term debt	8,494	160	266	(509)	–	1,485	–	(2,140)	6,904	(225)
Other financial liabilities measured on a recurring basis	19	–	(19)	7	1	13	(1)	(55)	3	(3)

(1) Changes in fair value for available-for-sale investments (debt securities) are recorded in *Accumulated other comprehensive income (loss)* unless other-than-temporarily impaired, while gains and losses from sales are recorded in *Realized gains (losses) from sales of investments* on the Consolidated Statement of Income.

(2) Unrealized gains (losses) on MSRs are recorded in *Other revenue* on the Consolidated Statement of Income. See Note 15 to the Consolidated Financial Statements for a discussion of other-than-temporary impairment.

(3) Represents the amount of total gains or losses for the period, included in earnings (and *Accumulated other comprehensive income (loss)* for changes in fair value for available-for-sale investments), attributable to the change in fair value relating to assets and liabilities classified as Level 3 that are still held at December 31, 2012 and 2011.

(4) Total Level 3 derivative assets and liabilities have been netted in these tables for presentation purposes only.

Level 3 Fair Value Rollforward

The following were the significant Level 3 transfers for the period December 31, 2011 to December 31, 2012:

- Transfers of U.S. government-sponsored agency guaranteed mortgage-backed securities in *Trading account assets* of $1.3 billion from Level 2 to Level 3 primarily due to a decrease in observability of prices.
- Transfers of other debt trading securities from Level 2 to Level 3 of $1.1 billion, the majority of which consisted of trading loans for which there were a reduced number of market quotations.
- Transfers of other debt trading securities from Level 3 to Level 2 of $2.1 billion included $1.0 billion transferred to Level 2 primarily as a result of an increased volume of market quotations, and a majority of the remaining amount relates to positions that were reclassified as Level 3 positions within *Loans* to conform with the balance sheet presentation. The reclassification has also been reflected as transfers into Level 3 within loans in the roll-forward table above.
- Transfers of $3.7 billion of U.S. government-sponsored agency guaranteed mortgage-backed securities in *Investments* from Level 3 to Level 2 consisting mainly of securities that were newly issued during the year. At issuance, these securities had limited trading activity and were previously classified as Level 3. As trading activity in these securities increased and pricing became observable, these positions were transferred to Level 2.
- Transfers of *Long-term debt* in the amounts of $2.5 billion from Level 2 to Level 3 and $2.7 billion from Level 3 to Level 2 were the result of Citi’ s conforming and refining the application of the fair value level classification methodologies to certain structured debt instruments containing embedded derivatives, as well as certain underlying market inputs becoming less or more observable.

In addition, 2012 included sales of non-marketable equity securities classified as *Investments* of $2.8 billion relating to the sale of EMI Music and EMI Music Publishing.

The following were the significant Level 3 transfers for the period December 31, 2010 to December 31, 2011:

- Transfers of corporate debt trading securities of $1.5 billion from Level 2 to Level 3 due primarily to less price transparency for the securities.
- Transfers of *Loans* from Level 2 to Level 3 of $0.4 billion, due to a lack of observable prices for certain loans.

In addition to the Level 3 transfers, the Level 3 roll-forward table above for the period December 31, 2010 to December 31, 2011 included:

- The reclassification of $4.3 billion of securities from *Investments* held-to-maturity to *Trading account assets*. These reclassifications have been included in purchases in the Level 3 roll-forward table above. The Level 3 assets reclassified, and subsequently sold, included $2.8 billion of trading mortgage-backed securities (of which $1.5 billion were Alt-A, $1.0 billion were prime, $0.2 billion were subprime and $0.1 billion were commercial), $0.9 billion of state and municipal debt securities, $0.3 billion of corporate debt securities and $0.2 billion of asset-backed securities.
- Purchases of non-marketable equity securities classified as *Investments* included approximately $2.8 billion relating to Citi’ s acquisition of the share capital of Maltby Acquisitions Limited, the holding company that controls EMI Group Ltd. (which were sold in 2012).

Valuation Techniques and Inputs for Level 3 Fair Value Measurements

The Company' s Level 3 inventory consists of both cash securities and derivatives of varying complexities. The valuation methodologies applied to measure the fair value of these positions include discounted cash flow analyses, internal models and comparative analysis. A position is classified within Level 3 of the fair value hierarchy when at least one input is unobservable and is considered significant to its valuation. The specific reason an input is deemed unobservable varies. For example, at least one significant input to the pricing model is not observable in the market, at least one significant input has been adjusted to make it more representative of the position being valued, or the price quote available does not reflect sufficient trading activities.

The following table presents the valuation techniques covering the majority of Level 3 inventory and the most significant unobservable inputs used in Level 3 fair value measurements as of December 31, 2012. Differences between this table and amounts presented in the Level 3 Fair Value Rollforward table represent individually immaterial items that have been measured using a variety of valuation techniques other than those listed.

Valuation Techniques and Inputs for Level 3 Fair Value Measurements

	Fair Value [1] *(in millions)*	Methodology	Input	Low [2][3]		High
Assets						
Federal funds sold and securities borrowed or purchased under agreements to resell	**$4,786**	Cash flow	Interest rate	1.09	%	1.50
Trading and investment securities						
Mortgage-backed securities	**$ 4,402**	Price-based	Price	$ 0.00		$ 135.00
	1,148	Yield analysis	Yield	0.00	%	25.84
			Prepayment period	2.16 years		7.84 years
State and municipal, foreign government, corporate and other debt securities	**$ 4,416**	Price-based	Price	$ 0.00		$ 159.63
	1,231	Cash flow	Yield	0.00	%	30.00
	787	Yield analysis	Credit spread	35	bps	300
Equity securities	**$ 792**	Cash flow	Yield	9.00	%	10.00
	147	Price-based	Prepayment period	3 years		3 years
			Price	$ 0.00		$ 750.00
Asset-backed securities	**$ 4,253**	Price-based	Price	$ 0.00		$ 136.63
	1,775	Internal model	Yield	0.00	%	27.00
	561	Cash flow	Credit correlation	15.00	%	90.00
			Weighted average life (WAL)	0.34 years		16.07 year
Non-marketable equity	**$ 2,768**	Price-based	Fund NAV	$ 1.00		$ 456,773,83
	1,803	Comparables analysis	EBITDA multiples	4.70		14.39
			Price-to-book ratio	0.77		1.50
	709	Cash flow	Discount to price	0.00	%	75.00
Derivatives – Gross [4]						
Interest rate contracts (gross)	**$ 3,202**	Internal model	Interest rate (IR)-IR correlation	(98.00	)%	90.00
			Credit spread	0	bps	550.27
			IR volatility	0.09	%	100.00
			Interest rate	0	%	15.00
Foreign exchange contracts (gross)	**$ 1,542**	Internal model	Foreign exchange (FX) volatility	3.20	%	67.35
			IR-FX correlation	40.00	%	60.00
			Credit spread	0	bps	376
Equity contracts (gross) [5]	**$ 4,669**	Internal model	Equity volatility	1.00	%	185.20
			Equity forward	74.94	%	132.70
			Equity-equity correlation	1.00	%	99.90
Commodity contracts (gross)	**$ 2,160**	Internal model	Forward price	37.45	%	181.50
			Commodity correlation	(77.00	)%	95.00
			Commodity volatility	5.00	%	148.00
Credit derivatives (gross)	**$ 4,777**	Internal model	Price	$ 0.00		$ 121.16
	3,886	Price-based	Recovery rate	6.50	%	78.00
			Credit correlation	5.00	%	99.00
			Credit spread	0	bps	2,236

				Upfront points	3.62		100.00
Nontrading derivatives and other financial assets and liabilities measured on a recurring basis (gross) (4)	$	**2,000**	External model	Price	$ 100.00		$ 100.00
		461	Internal model	Redemption rate	30.79	%	99.50
Loans	$	**2,447**	Price-based	Price	$ 0.00		$ 103.32
		1,423	Yield analysis	Credit spread	55	bps	600.19
		888	Internal model				
Mortgage servicing rights	$	**1,858**	Cash flow	Yield	0.00	%	53.19
				Prepayment period	2.16 years		7.84 years

Liabilities					
Interest-bearing deposits	**$785**	Internal model	Equity volatility	11.13 %	86.10 %
			Forward price	67.80 %	182.00%
			Commodity correlation	(76.00)%	95.00 %
			Commodity volatility	5.00 %	148.00%
Federal funds purchased and securities loaned or sold under agreements to repurchase	**$841**	Internal model	Interest rate	0.33 %	4.91 %
Trading account liabilities					
Securities sold, not yet purchased	**$265**	Internal model	Price	$0.00	$166.47
	75	Price-based			
Short-term borrowings and long-term debt	**$5,067**	Internal model	Price	$0.00	$121.16
	1,112	Price-based	Equity volatility	12.40 %	185.20%
	649	Yield analysis	Equity forward	75.40 %	132.70%
			Equity-equity correlation	1.00 %	99.90 %
			Equity-FX correlation	(80.50)%	50.40 %

(1) The fair value amounts presented in this table represent the primary valuation technique or techniques for each class of assets or liabilities.

(2) Some inputs are shown as zero due to rounding.

(3) When the low and high inputs are the same, there is either a constant input applied to all positions, or the methodology involving the input applies to one large position only.

(4) Both trading and nontrading account derivatives–assets and liabilities–are presented on a gross absolute value basis.

(5) Includes hybrid products.

Sensitivity to Unobservable Inputs and Interrelationships between Unobservable Inputs

The impact of key unobservable inputs on the Level 3 fair value measurements may not be independent of one another. In addition, the amount and direction of the impact on a fair value measurement for a given change in an unobservable input depends on the nature of the instrument as well as whether the Company holds the instrument as an asset or a liability. For certain instruments, the pricing hedging and risk management are sensitive to the correlation between various inputs rather than on the analysis and aggregation of the individual inputs.

The following section describes the sensitivities and interrelationships of the most significant unobservable inputs used by the Company in Level 3 fair value measurements.

Correlation

Correlation is a measure of the co-movement between two or more variables. A variety of correlation-related assumptions are required for a wide range of instruments, including equity and credit baskets, foreign-exchange options, CDOs backed by loans or bonds, mortgages, subprime mortgages and many other instruments. For almost all of these instruments, correlations are not observable in the market and must be estimated using historical information. Estimating correlation can be especially difficult where it may vary over time. Extracting correlation

highly correlated instruments produce larger losses in the event of default and a part of these losses would become attributable to the senior tranche. That same change in default correlation would have a different impact on junior tranches of the same structure.

Volatility

Volatility represents the speed and severity of market price changes and is a key factor in pricing options. Typically, instruments can become more expensive if volatility increases. For example, as an index becomes more volatile, the cost to Citi of maintaining a given level of exposure increases because more frequent rebalancing of the portfolio is required. Volatility generally depends on the tenor of the underlying instrument and the strike price or level defined in the contract. Volatilities for certain combinations of tenor and strike are not observable. The general relationship between changes in the value of a portfolio to changes in volatility also depends on changes in interest rates and the level of the underlying index. Generally, long option positions (assets) benefit from increases in volatility, whereas short option positions (liabilities) will suffer losses. Some instruments are more sensitive to changes in volatility than others. For example, an at-the-money option would experience a larger percentage change in its fair value than a deep-in-the-money option. In addition, the fair value of an option with more than one underlying security (for example, an option on a basket information from market data requires significant assumptions regarding the informational efficiency of the market (for example, swaption markets). Changes in correlation levels can have a major impact, favorable or unfavorable, on the value of an instrument, depending on its nature. A change in the default correlation of the fair value of the underlying bonds comprising a CDO structure would affect the fair value of the senior tranche. For example, an increase in the default correlation of the underlying bonds would reduce the fair value of the senior tranche, because

of bonds) depends on the volatility of the individual underlying securities as well as their correlations.

Yield

Adjusted yield is generally used to discount the projected future principal and interest cash flows on instruments, such as asset-backed securities. Adjusted yield is impacted by changes in the interest rate environment and relevant credit spreads.

Sometimes, the yield of an instrument is not observable in the market and must be estimated from historical data or from yields of similar securities. This estimated yield may need to be adjusted to capture the characteristics of the security being valued. In other situations, the estimated yield may not represent sufficient market liquidity and must be adjusted as well. Whenever the amount of the adjustment is significant to the value of the security, the fair value measurement is classified as Level 3.

Prepayment

Voluntary unscheduled payments (prepayments) change the future cash flows for the investor and thereby change the fair value of the security. The effect of prepayments is more pronounced for residential mortgage-backed securities. An increase in prepayment−in speed or magnitude−generally creates losses for the holder of these securities. Prepayment is generally negatively correlated with delinquency and interest rate. A combination of low prepayment and high delinquencies amplify each input' s negative impact on mortgage securities' valuation. As prepayment speeds change, the weighted average life of the security changes, which impacts the valuation either positively or negatively, depending upon the nature of the security and the direction of the change in the weighted average life.

Recovery

Recovery is the proportion of the total outstanding balance of a bond or loan that is expected to be collected in a liquidation scenario. For many credit securities (such as asset-backed securities), there is no directly observable market input for recovery, but indications of recovery levels are available from pricing services. The assumed recovery of a security may differ from its actual recovery that will be observable in the future. The recovery rate impacts the valuation of credit securities. Generally, an increase in the recovery rate assumption increases the fair value of the security. An increase in loss severity, the inverse of the recovery rate, reduces the amount of principal available for distribution and, as a result, decreases the fair value of the security.

Credit Spread

Credit spread is a component of the security representing its credit quality. Credit spread reflects the market perception of changes in prepayment, delinquency and recovery rates, therefore capturing the impact of other variables on the fair value. Changes in credit spread affect the fair value of securities differently depending on the characteristics and maturity profile of the security. For example, credit spread is a more significant driver of the fair value measurement of a high yield bond as compared to an investment grade bond. Generally, the credit spread for an investment grade bond is also more observable and less volatile than its high yield counterpart.

Qualitative Discussion of the Ranges of Significant Unobservable Inputs

The following section describes the ranges of the most significant unobservable inputs used by the Company in Level 3 fair value measurements. The level of aggregation and the diversity of instruments held by the Company lead to a wide range of unobservable inputs that may not be evenly distributed across the Level 3 inventory.

Correlation

There are many different types of correlation inputs, including credit correlation, cross-asset correlation (such as equity-interest rate correlation), and same-asset correlation (such as interest rate-interest rate correlation). Correlation inputs are generally used to value hybrid and exotic instruments. Generally, same-asset correlation inputs have a narrower range than cross-asset correlation inputs. However, due to the complex and unique nature of these instruments, the ranges for correlation inputs can vary widely across portfolios.

Volatility

Similar to correlation, asset-specific volatility inputs vary widely by asset type. For example, ranges for foreign exchange volatility are generally lower and narrower than equity volatility. Equity volatilities are wider due to the nature of the equities market and the terms of certain exotic instruments. For most instruments, the interest rate volatility input is on the lower end of the range; however, for certain structured or exotic instruments (such as market-linked deposits or exotic interest rate derivatives), the range is much wider.

Yield

Ranges for the yield inputs vary significantly depending upon the type of security. For example, securities that typically have lower yields, such as municipal bonds, will fall on the lower end of the range, while more illiquid securities or securities with lower credit quality, such as certain residual tranche asset-backed securities, will have much higher yield inputs.

Credit Spread

Credit spread is relevant primarily for fixed income and credit instruments; however, the ranges for the credit spread input can vary across instruments. For example, certain fixed income instruments, such as certificates of deposit, typically have lower credit spreads, whereas certain derivative instruments with high-risk counterparties are typically subject to higher credit spreads when they are uncollateralized or have a longer tenor. Other instruments, such as credit default swaps, also have credit spreads that vary with the attributes of the underlying obligor. Stronger companies have tighter credit spreads, and weaker companies have wider credit spreads.

Price

The price input is a significant unobservable input for certain fixed income instruments. For these instruments, the price input is expressed as a percentage of the notional amount, with a price of $100 meaning that the instrument is valued at par. For most of these instruments, the price varies between zero to $100, or slightly above $100. Relatively illiquid assets that have experienced significant losses since issuance, such as certain asset-backed securities, are at the lower end of the range, whereas most investment grade corporate bonds will fall in the middle to the higher end of the range. For certain structured debt instruments with embedded derivatives, the price input may be above $100 to reflect the embedded features of the instrument (for example, a step-up coupon or a conversion option). For the following classes of fixed income instruments, the weighted average price input below provides insight regarding the central tendencies of the ranges of this input reported for each instrument class as of December 31, 2012:

Mortgage-backed securities	$86.02
State and municipal, foreign government, corporate,	
and other debt securities	90.95
Asset-backed securities	79.71
Loans	91.25
Short-term borrowings and long-term debt	93.38

The price input is also a significant unobservable input for certain equity securities; however, the range of price inputs varies depending on the nature of the position, the number of shares outstanding and other factors. Because of these factors, the weighted average price input for equity securities does not provide insight regarding the central tendencies of the ranges for equity securities, as equity prices are generally independent of one another and are not subject to a common measurement scale (for example, the zero to $100 range applicable to debt instruments).

Items Measured at Fair Value on a Nonrecurring Basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis and therefore are not included in the tables above. These include assets measured at cost that have been written down to fair value during the periods as a result of an impairment. In addition, these assets include loans held-for-sale and other real estate owned that are measured at the lower of cost or market (LOCOM).

The following table presents the carrying amounts of all assets that were still held as of December 31, 2012 and 2011, and for which a nonrecurring fair value measurement was recorded during the year then ended:

In millions of dollars	Fair value	Level 2	Level 3
December 31, 2012			
Loans held-for-sale	**$ 2,647**	**$ 1,159**	**$ 1,488**
Other real estate owned	**201**	**22**	**179**
Loans (1)	**5,732**	**5,160**	**572**
Other assets (2)	**4,725**	**4,725**	–
Total assets at fair value on a nonrecurring basis	**$ 13,305**	**$ 11,066**	**$ 2,239**

(1) Represents impaired loans held for investment whose carrying amount is based on the fair value of the underlying collateral, including primarily real-estate secured loans.

(2) Represents Citi' s remaining 35% investment in the Morgan Stanley Smith Barney joint venture whose carrying amount is the agreed purchase price. See Note 15 to the Consolidated Financial Statements.

In millions of dollars	Fair value	Level 2	Level 3
December 31, 2011			
Loans held-for-sale	$ 2,644	$ 1,668	$ 976
Other real estate owned	271	88	183
Loans (1)	3,911	3,185	726
Total assets at fair value on a nonrecurring basis	$ 6,826	$ 4,941	$ 1,885

(1) Represents impaired loans held for investment whose carrying amount is based on the fair value of the underlying collateral, including primarily real-estate secured loans.

The fair value of loans-held-for-sale is determined where possible using quoted secondary-market prices. If no such quoted price exists, the fair value of a loan is determined using quoted prices for a similar asset or assets, adjusted for the specific attributes of that loan. Fair value for the other real estate owned is based on appraisals. For loans whose carrying amount is based on the fair value of the underlying collateral, the fair values depend on the type of collateral. Fair value of the collateral is typically estimated based on quoted market prices if available, appraisals or other internal valuation techniques.

Where the fair value of the related collateral is based on an unadjusted appraised value, the loan is generally classified as Level 2. Where significant adjustments are made to the appraised value, the loan is classified as Level 3. Additionally, for corporate loans, appraisals of the collateral are often based on sales of similar assets; however, because the prices of similar assets require significant adjustments to reflect the unique features of the underlying collateral, these fair value measurements are generally classified as Level 3.

Valuation Techniques and Inputs for Level 3 Nonrecurring Fair Value Measurements

The following table presents the valuation techniques covering the majority of Level 3 nonrecurring fair value measurements and the most significant unobservable inputs used in those measurements as of December 31, 2012:

	Fair Value [1] (in millions)	Methodology	Input	Low	High
Loans held-for-sale	**$747**	Price-based	Price	$ 63.42	$ 100.00
	485	External model	Credit spread	40 bps	40 bps
	174	Recovery analysis			
Other real estate owned	**165**	Price-based	Discount to price	11.00 %	50.00 %
			Price [2]	$ 39,774	$ 15,457,452
Loans [3]	**351**	Price-based	Discount to price	25.00 %	34.00 %
	111	Internal model	Price [2]	$ 6,272,242	$ 86,200,000
			Discount rate	6.00 %	16.49 %

(1) The fair value amounts presented in this table represent the primary valuation technique or techniques for each class of assets or liabilities.

(2) Prices are based on appraised values.

(3) Represents loans held for investment whose carrying amounts are based on the fair value of the underlying collateral.

Nonrecurring Fair Value Changes

The following table presents total nonrecurring fair value measurements for the period, included in earnings, attributable to the change in fair value relating to assets that are still held at December 31, 2012 and 2011:

In millions of dollars	**December 31, 2012**
Loans held-for-sale	**$(19)**
Other real estate owned	**(29)**
Loans [1]	**(1,489)**
Other assets [2]	**(3,340)**
Total nonrecurring fair value gains (losses)	**$ (4,877)**

(1) Represents loans held for investment whose carrying amount is based on the fair value of the underlying collateral, including primarily real-estate loans.

(2) Includes the recognition of a $3,340 million impairment charge related to the carrying value of Citi's remaining 35% interest in the Morgan Stanley Smith Barney joint venture. See Note 15 to the Consolidated Financial Statements.

In millions of dollars	**December 31, 2011**
Loans held-for-sale	$(201)
Other real estate owned	(71)
Loans [1]	(973)
Total nonrecurring fair value gains (losses)	$ (1,245)

Estimated Fair Value of Financial Instruments Not Carried at Fair Value

The table below presents the carrying value and fair value of Citigroup' s financial instruments which are not carried at fair value. The table below therefore excludes items measured at fair value on a recurring basis presented in the tables above.

The disclosure also excludes leases, affiliate investments, pension and benefit obligations and insurance policy claim reserves. In addition, contract-holder fund amounts exclude certain insurance contracts. Also, as required, the disclosure excludes the effect of taxes, any premium or discount that could result from offering for sale at one time the entire holdings of a particular instrument, excess fair value associated with deposits with no fixed maturity, and other expenses that would be incurred in a market transaction. In addition, the table excludes the values of non-financial assets and liabilities, as well as a wide range of franchise, relationship and intangible values, which are integral to a full assessment of Citigroup' s financial position and the value of its net assets.

The fair value represents management' s best estimates based on a range of methodologies and assumptions. The carrying value of short-term financial instruments not accounted for at fair value, as well as receivables and payables arising in the ordinary course of business, approximates fair value because of the relatively short period of time between their origination and expected realization. Quoted market prices are used when available for investments and for liabilities, such as long-term debt not carried at fair value. For loans not accounted for at fair value, cash flows are discounted at quoted secondary market

(1) Represents loans held for investment whose carrying amount is based on the fair value of the underlying collateral, including primarily real-estate loans.

rates or estimated market rates if available. Otherwise, sales of comparable loan portfolios or current market origination rates for loans with similar terms and risk characteristics are used. Expected credit losses are either embedded in the estimated future cash flows or incorporated as an adjustment to the discount rate used. The value of collateral is also considered. For liabilities such as long-term debt not accounted for at fair value and without quoted market prices, market borrowing rates of interest are used to discount contractual cash flows.

In billions of dollars	December 31, 2012 Carrying value	Estimated fair value	Estimated fair value Level 1	Level 2
Assets				
Investments	$17.9	$18.4	$3.0	$ 14.3
Federal funds sold and securities borrowed or purchased under agreements to resell	100.7	100.7	–	94.8
Loans [1][2]	621.9	612.2	–	4.2
Other financial assets [2][3]	192.8	192.8	11.4	128.3
Liabilities				
Deposits	$ 929.1	$ 927.4	$ –	$ 765.5
Federal funds purchased and securities loaned or sold under agreements to repurchase	94.5	94.5	–	94.4
Long-term debt [4]	209.7	215.3	–	177.0
Other financial liabilities [5]	139.0	139.0	–	31.1

In billions of dollars	December 31, 2011 Carrying value	Estimated fair value
Assets		
Investments	$ 19.4	$ 18.4
Federal funds sold and securities borrowed or purchased under agreements to resell	133.0	133.0
Loans [1][2]	609.3	598.7
Other financial assets [2][3]	245.7	245.7
Liabilities		
Deposits	$ 864.6	$ 864.5
Federal funds purchased and securities loaned or sold under agreements to repurchase	100.7	100.7
Long-term debt [4]	299.3	289.7
Other financial liabilities [5]	141.1	141.1

(1) The carrying value of loans is net of the *Allowance for loan losses* of $25.5 billion for December 31, 2012 and $30.1 billion for December 31, 2011. In addition, the carrying values exclude $2.8 billion and $2.5 billion of lease finance receivables at December 31, 2012 and December 31, 2011, respectively.

(2) Includes items measured at fair value on a nonrecurring basis.

(3) Includes cash and due from banks, deposits with banks, brokerage receivables, reinsurance recoverable and other financial instruments included in *Other assets* on the Consolidated Balance Sheet, for all of which the carrying value is a reasonable estimate of fair value.

(4) The carrying value includes long-term debt balances carried at fair value under fair value hedge accounting.

(5) Includes brokerage payables, separate and variable accounts, short-term borrowings (carried at cost) and other financial instruments included in *Other liabilities* on the Consolidated Balance Sheet, for all of which the carrying value is a reasonable estimate of fair value.

Fair values vary from period to period based on changes in a wide range of factors, including interest rates, credit quality and market perceptions of value, and as existing assets and liabilities

The estimated fair values of the Company' s corporate unfunded lending commitments at December 31, 2012 and December 31, 2011 were liabilities of $4.9 billion and $4.7

run off and new transactions are entered into. The estimated fair values of loans reflect changes in credit status since the loans were made, changes in interest rates in the case of fixed-rate loans, and premium values at origination of certain loans. The carrying values (reduced by the *Allowance for loan losses*) exceeded the estimated fair values of Citigroup' s loans, in aggregate, by $9.7 billion and by $10.6 billion at December 31, 2012 and December 31, 2011, respectively. At December 31, 2012, the carrying values, net of allowances, exceeded the estimated fair values by $7.4 billion and $2.3 billion for Consumer loans and Corporate loans, respectively.

billion, respectively, which are substantially fair valued at Level 3. The Company does not estimate the fair values of consumer unfunded lending commitments, which are generally cancelable by providing notice to the borrower.

26. FAIR VALUE ELECTIONS

The Company may elect to report most financial instruments and certain other items at fair value on an instrument-by-instrument basis with changes in fair value reported in earnings. The election is made upon the acquisition of an eligible financial asset, financial liability or firm commitment or when certain specified reconsideration events occur. The fair value election may not be revoked once an election is made. The changes in fair value are recorded in current earnings. Additional discussion regarding the applicable areas in which fair value elections were made is presented in Note 25 to the Consolidated Financial Statements.

All servicing rights are recognized initially at fair value. The Company has elected fair value accounting for its mortgage servicing rights. See Note 22 to the Consolidated Financial Statements for further discussions regarding the accounting and reporting of MSRs.

The following table presents, as of December 31, 2012 and 2011, the fair value of those positions selected for fair value accounting, as well as the changes in fair value gains and losses for the years ended December 31, 2012 and 2011:

	Fair value at December 31,		Changes in fair value gains (losses) for the years ended December 31,	
In millions of dollars	**2012**	2011	**2012**	2011
Assets				
Federal funds sold and securities borrowed or purchased under agreements to resell				
Selected portfolios of securities purchased under agreements to resell and securities borrowed [1]	**$ 160,589**	$ 142,862	**$(409)**	$ [illegible]
Trading account assets	**17,206**	14,179	**838**	[illegible]
Investments	**443**	526	**(50)**	[illegible]
Loans				
Certain Corporate loans [2]	**4,056**	3,939	**77**	[illegible]
Certain Consumer loans [2]	**1,231**	1,326	**(104)**	[illegible]
Total loans	**$ 5,287**	$ 5,265	**$ (27)**	$ [illegible]
Other assets				
MSRs	**$ 1,942**	$ 2,569	**$ (427)**	$ [illegible]
Certain mortgage loans held for sale	**6,879**	6,213	**350**	[illegible]
Certain equity method investments	**22**	47	**3**	[illegible]
Total other assets	**$ 8,843**	$ 8,829	**$ (74)**	$ [illegible]
Total assets	**$ 192,368**	$ 171,661	**$ 278**	$ [illegible]
Liabilities				
Interest-bearing deposits	**$ 1,447**	$ 1,326	**$ (218)**	$ [illegible]
Federal funds purchased and securities loaned or sold under agreements to repurchase				
Selected portfolios of securities sold under agreements to repurchase and securities loaned [1]	**116,689**	97,712	**66**	[illegible]
Trading account liabilities	**1,461**	1,763	**(143)**	[illegible]

Short-term borrowings		**818**		1,354		**(2)**		(
Long-term debt		**29,764**		24,172		**(2,225)**		
Total liabilities	**$**	**150,179**	$	126,327	**$**	**(2,522)**	$	

(1) Reflects netting of the amounts due from securities purchased under agreements to resell and the amounts owed under securities sold under agreements to repurchase.

(2) Includes mortgage loans held by mortgage loan securitization VIEs consolidated upon the adoption of SFAS 167 on January 1, 2010.

Own Debt Valuation Adjustments for Structured Debt

Own debt valuation adjustments are recognized on Citi' s debt liabilities for which the fair value option has been elected using Citi' s credit spreads observed in the bond market. The fair value of debt liabilities for which the fair value option is elected (other than non-recourse and similar liabilities) is impacted by the narrowing or widening of the Company' s credit spreads. The estimated change in the fair value of these debt liabilities due to such changes in the Company' s own credit risk (or instrument-specific credit risk) was a loss of $2,009 million and a gain of $1,774 million for the years ended December 31, 2012 and 2011, respectively. Changes in fair value resulting from changes in instrument-specific credit risk were estimated by incorporating the Company' s current credit spreads observable in the bond market into the relevant valuation technique used to value each liability as described above.

The Fair Value Option for Financial Assets and Financial Liabilities

Selected portfolios of securities purchased under agreements to resell, securities borrowed, securities sold under agreements to repurchase, securities loaned and certain non-collateralized short-term borrowings

The Company elected the fair value option for certain portfolios of fixed-income securities purchased under agreements to resell and fixed-income securities sold under agreements to repurchase, securities borrowed, securities loaned (and certain non-collateralized short-term borrowings) on broker-dealer entities in the United States, United Kingdom and Japan. In each case, the election was made because the related interest-rate risk is managed on a portfolio basis, primarily with derivative instruments that are accounted for at fair value through earnings.

Changes in fair value for transactions in these portfolios are recorded in *Principal transactions*. The related interest revenue and interest expense are measured based on the contractual rates specified in the transactions and are reported as interest revenue and expense in the Consolidated Statement of Income.

Selected letters of credit and revolving loans hedged by credit default swaps or participation notes

The Company has elected the fair value option for certain letters of credit that are hedged with derivative instruments or participation notes. Citigroup elected the fair value option for these transactions because the risk is managed on a fair value basis and mitigates accounting mismatches.

There was no notional amount of these unfunded letters of credit at December 31, 2012 and $0.6 billion at December 31, 2011. The amount funded was insignificant with no amounts 90 days or more past due or on non-accrual status at December 31, 2012 and 2011.

These items have been classified in *Trading account assets* or *Trading account liabilities* on the Consolidated Balance Sheet. Changes in fair value of these items are classified in *Principal transactions* in the Company' s Consolidated Statement of Income.

Certain loans and other credit products

Citigroup has elected the fair value option for certain originated and purchased loans, including certain unfunded loan products, such as guarantees and letters of credit, executed by Citigroup' s lending and trading businesses. None of these credit products are highly leveraged financing commitments. Significant groups of transactions include loans and unfunded loan products that are expected to be either sold or securitized in the near term, or transactions where the economic risks are hedged with derivative instruments such as purchased credit default swaps or total return swaps where the Company pays the total return on the underlying loans to a third party. Citigroup has elected the fair value option to mitigate accounting mismatches in cases where hedge accounting is complex and to achieve operational simplifications. Fair value was not elected for most lending transactions across the Company, including where management objectives would not be met.

Certain investments in unallocated precious metals

Citigroup invests in unallocated precious metals accounts (gold, silver, platinum and palladium) as part of its commodity trading business or to economically hedge certain exposures from issuing structured liabilities. Under ASC 815, the investment is bifurcated into a debt host contract and a commodity forward derivative instrument. Citigroup elects the fair value option for the debt host contract, and reports the debt host contract within *Trading account assets* on the Company' s Consolidated Balance Sheet. The total carrying amount of debt host contracts across unallocated precious metals accounts at December 31, 2012 was approximately $5.5 billion. The amounts are expected to fluctuate based on trading activity in the future periods.

The following table provides information about certain credit products carried at fair value at December 31, 2012 and 2011:

	December 31, 2012		December 31, 2011	
In millions of dollars	**Trading assets**	**Loans**	Trading assets	Loans
Carrying amount reported on the Consolidated Balance Sheet	**$11,658**	**$ 3,893**	$14,150	$ 3,735
Aggregate unpaid principal balance in excess of (less than) fair value	**31**	**(132)**	540	(54)
Balance of non-accrual loans or loans more than 90 days past due	**104**	**–**	134	–
Aggregate unpaid principal balance in excess of fair value for non-accrual loans or loans more than 90 days past due	**85**	**–**	43	–

In addition to the amounts reported above, $1,891 million and $648 million of unfunded loan commitments related to certain credit products selected for fair value accounting were outstanding as of December 31, 2012 and 2011, respectively.

Changes in fair value of funded and unfunded credit products are classified in *Principal transactions* in the Company' s Consolidated Statement of Income. Related interest revenue is measured based on the contractual interest rates and reported as *Interest revenue* on *Trading account assets* or loan interest depending on the balance sheet classifications of the credit products. The changes in fair value for the years ended December 31, 2012 and 2011 due to instrument-specific credit risk totaled to a gain of $39 million and $53 million, respectively.

Certain investments in private equity and real estate ventures and certain equity method investments

Citigroup invests in private equity and real estate ventures for the purpose of earning investment returns and for capital appreciation. The Company has elected the fair value option for certain of these ventures, because such investments are considered similar to many private equity or hedge fund activities in Citi' s investment companies, which are reported at fair value. The fair value option brings consistency in the accounting and evaluation of these investments. All investments (debt and equity) in such private equity and real estate entities are accounted for at fair value. These investments are classified as *Investments* on Citigroup' s Consolidated Balance Sheet.

Citigroup also holds various non-strategic investments in leveraged buyout funds and other hedge funds for which the Company elected fair value accounting to reduce operational and accounting complexity. Since the funds account for all of their underlying assets at fair value, the impact of applying the equity method to Citigroup' s investment in these funds was equivalent to fair value accounting. These investments are classified as *Other assets* on Citigroup' s Consolidated Balance Sheet.

Changes in the fair values of these investments are classified in *Other revenue* in the Company' s Consolidated Statement of Income.

Certain mortgage loans (HFS)

Citigroup has elected the fair value option for certain purchased and originated prime fixed-rate and conforming adjustable-rate first mortgage loans HFS. These loans are intended for sale or securitization and are hedged with derivative instruments. The Company has elected the fair value option to mitigate accounting mismatches in cases where hedge accounting is complex and to achieve operational simplifications.

The following table provides information about certain mortgage loans HFS carried at fair value at December 31, 2012 and 2011:

In millions of dollars	**December 31, 2012**	December 3
Carrying amount reported on the Consolidated Balance Sheet	**$6,879**	
Aggregate fair value in excess of unpaid principal balance	**390**	
Balance of non-accrual loans or loans more than 90 days past due	–	
Aggregate unpaid principal balance in excess of fair value for non-accrual loans or loans more than 90 days past due	–	

The changes in fair values of these mortgage loans are reported in *Other revenue* in the Company' s Consolidated Statement of Income. There was no change in fair value during the year ended December 31, 2012 due to instrument-specific credit risk. The change in fair value during the year ended December 31, 2011 due to instrument-specific credit risk resulted in a loss of $0.1 million. Related interest income continues to be measured based on the contractual interest rates and reported as such in the Consolidated Statement of Income.

Certain consolidated VIEs

The Company has elected the fair value option for all qualified assets and liabilities of certain VIEs that were consolidated upon the adoption of SFAS 167 on January 1, 2010, including certain private label mortgage securitizations, mutual fund deferred sales commissions and collateralized loan obligation VIEs. The Company elected the fair value option for these VIEs, as the Company believes this method better reflects the economic risks, since substantially all of the Company' s retained interests in these entities are carried at fair value.

With respect to the consolidated mortgage VIEs, the Company determined the fair value for the mortgage loans and long-term debt utilizing internal valuation techniques. The fair value of the long-term debt measured using internal valuation techniques is verified, where possible, to prices obtained from independent vendors. Vendors compile prices from various sources and may apply matrix pricing for similar securities when no price is observable. Security pricing associated with long-term debt that is valued using observable inputs is classified as Level 2, and debt that is valued using one or more significant unobservable inputs is classified as Level 3. The fair value of mortgage loans of each VIE is derived from the security pricing. When substantially all of the long-term debt of a VIE is valued using Level 2 inputs, the corresponding mortgage loans are classified as Level 2. Otherwise, the mortgage loans of a VIE are classified as Level 3.

With respect to the consolidated mortgage VIEs for which the fair value option was elected, the mortgage loans are classified as *Loans* on Citigroup' s Consolidated Balance Sheet. The changes in fair value of the loans are reported as *Other revenue* in the Company' s Consolidated Statement of Income. Related interest revenue is measured based on the contractual interest rates and reported as *Interest revenue* in the Company' s Consolidated Statement of Income. Information about these mortgage loans is included in the table below. The change in fair value of these loans due to instrument-specific credit risk was a loss of $107 million and $275 million for the years ended December 31, 2012 and 2011, respectively.

The debt issued by these consolidated VIEs is classified as long-term debt on Citigroup' s Consolidated Balance Sheet. The changes in fair value for the majority of these liabilities are reported in *Other revenue* in the Company' s Consolidated Statement of Income. Related interest expense is measured based on the contractual interest rates and reported as such in the Consolidated Statement of Income. The aggregate unpaid principal balance of long-term debt of these consolidated VIEs exceeded the aggregate fair value by $869 million and $984 million as of December 31, 2012 and 2011, respectively.

The following table provides information about Corporate and Consumer loans of consolidated VIEs carried at fair value at December 31, 2012 and 2011:

	December 31, 2012		December 31, 2011	
In millions of dollars	**Corporate loans**	**Consumer loans**	Corporate loans	Consu
Carrying amount reported on the Consolidated Balance Sheet	**$157**	**$1,191**	$198	
Aggregate unpaid principal balance in excess of fair value	**347**	**293**	394	
Balance of non-accrual loans or loans more than 90 days past due	**34**	**123**	23	
Aggregate unpaid principal balance in excess of fair value for non-accrual loans or loans more than 90 days past due	**36**	**111**	42	

Certain structured liabilities

The Company has elected the fair value option for certain structured liabilities whose performance is linked to structured interest rates, inflation, currency, equity, referenced credit or commodity risks (structured liabilities). The Company elected the fair value option, because these exposures are considered to be trading-related positions and, therefore, are managed on a fair value basis. These positions will continue to be classified as debt, deposits or derivatives (*Trading account liabilities*) on the Company' s Consolidated Balance Sheet according to their legal form.

The change in fair value for these structured liabilities is reported in *Principal transactions* in the Company' s Consolidated Statement of Income. Changes in fair value for these structured liabilities include an economic component for accrued interest, which is included in the change in fair value reported in *Principal transactions*.

Certain non-structured liabilities

The Company has elected the fair value option for certain non-structured liabilities with fixed and floating interest rates (non-structured liabilities). The Company has elected the fair value option where the interest-rate risk of such liabilities is economically hedged with derivative contracts or the proceeds are used to purchase financial assets that will also be accounted for at fair value through earnings. The election has been made to mitigate accounting mismatches and to achieve operational simplifications. These positions are reported in *Short-term borrowings* and *Long-term debt* on the Company' s Consolidated Balance Sheet. The change in fair value for these non-structured liabilities is reported in *Principal transactions* in the Company' s Consolidated Statement of Income.

Related interest expense on non-structured liabilities is measured based on the contractual interest rates and reported as such in the Consolidated Statement of Income.

The following table provides information about long-term debt carried at fair value, excluding the debt issued by the consolidated VIEs, at December 31, 2012 and 2011:

In millions of dollars	**December 31, 2012**	December 31, 2011
Carrying amount reported on the Consolidated Balance Sheet	**$28,434**	$22,614
Aggregate unpaid principal balance in excess of (less than) fair value	**(226)**	1,680

The following table provides information about short-term borrowings carried at fair value at December 31, 2012 and 2011:

In millions of dollars	**December 31, 2012**	December 31, 2011
Carrying amount reported on the Consolidated Balance Sheet	**$818**	$1,354
Aggregate unpaid principal balance in excess of (less than) fair value	**(232)**	49

27. PLEDGED ASSETS, COLLATERAL, COMMITMENTS AND GUARANTEES

Pledged Assets

In connection with the Company' s financing and trading activities, the Company has pledged assets to collateralize its obligations under repurchase agreements, secured financing agreements, secured liabilities of consolidated VIEs and other borrowings. At December 31, 2012 and 2011, the approximate carrying values of the significant components of pledged assets recognized on the Company' s Consolidated Balance Sheet include:

In millions of dollars	**2012**	2011
Investment securities	**$ 187,295**	$ 129,093
Loans	**234,797**	235,031
Trading account assets	**123,178**	114,539
Total	**$ 545,270**	$ 478,663

In addition, included in cash and due from banks at December 31, 2012 and 2011 are $13.4 billion and $13.6 billion, respectively, of cash segregated under federal and other brokerage regulations or deposited with clearing organizations.

At December 31, 2012 and 2011, the Company had $286 million and $1.4 billion, respectively, of outstanding letters of credit from third-party banks to satisfy various collateral and margin requirements.

Collateral

At December 31, 2012 and 2011, the approximate fair value of collateral received by the Company that may be resold or repledged by the Company, excluding the impact of allowable netting, was $305.9 billion and $350.0 billion, respectively. This collateral was received in connection with resale agreements, securities borrowings and loans, derivative transactions and margined broker loans.

At December 31, 2012 and 2011, a substantial portion of the collateral received by the Company had been sold or repledged in connection with repurchase agreements, securities sold, not yet purchased, securities borrowings and loans, pledges to clearing organizations, segregation requirements under securities laws and regulations, derivative transactions and bank loans.

In addition, at December 31, 2012 and 2011, the Company had pledged $418 billion and $345 billion, respectively, of collateral that may not be sold or repledged by the secured parties.

Lease Commitments

Rental expense (principally for offices and computer equipment) was $1.5 billion, $1.6 billion and $1.6 billion for the years ended December 31, 2012, 2011 and 2010, respectively.

Future minimum annual rentals under noncancelable leases, net of sublease income, are as follows:

In millions of dollars	
2013	$1,220
2014	1,125
2015	1,001
2016	881
2017	754
Thereafter	2,293
Total	$7,274

Guarantees

The Company provides a variety of guarantees and indemnifications to Citigroup customers to enhance their credit standing and enable them to complete a wide variety of business transactions. For certain contracts meeting the definition of a guarantee, the guarantor must recognize, at inception, a liability for the fair value of the obligation undertaken in issuing the guarantee.

In addition, the guarantor must disclose the maximum potential amount of future payments that the guarantor could be required to make under the guarantee, if there were a total default by the guaranteed parties. The determination of the maximum potential future payments is based on the notional amount of the guarantees without consideration of possible recoveries under recourse provisions or from collateral held or pledged. As such, the Company believes such amounts bear no relationship to the anticipated losses, if any, on these guarantees. The following tables present information about the Company' s guarantees at December 31, 2012 and December 31, 2011:

	Maximum potential amount of future payments			
In billions of dollars at December 31, 2012 except carrying value in millions	**Expire within 1 year**	**Expire after 1 year**	**Total amount outstanding**	**Carrying value** *(in millions of dollars)*
Financial standby letters of credit	**$22.3**	**$79.8**	**$102.1**	**$432.8**
Performance guarantees	**7.3**	**4.7**	**12.0**	**41.6**
Derivative instruments considered to be guarantees	**11.2**	**45.5**	**56.7**	**2,648.7**
Loans sold with recourse	–	**0.5**	**0.5**	**87.0**
Securities lending indemnifications (1)	**80.4**	–	**80.4**	–

Credit card merchant processing [1]		70.3		–		70.3		–
Custody indemnifications and other		–		30.2		30.2		–
Total	$	**191.5**	$	**160.7**	$	**352.2**	$	**3,210.1**

(1) The carrying values of securities lending indemnifications and credit card merchant processing are not material, as the Company has determined that the amount and probability of potential liabilities arising from these guarantees are not significant.

In billions of dollars at December 31, 2011 except carrying value in millions	Maximum potential amount of future payments: Expire within 1 year	Expire after 1 year	Total amount outstanding	Carrying value (in millions of dollars)
Financial standby letters of credit	$25.2	$79.5	$104.7	$417.5
Performance guarantees	7.8	4.5	12.3	43.9
Derivative instruments considered to be guarantees	9.8	40.0	49.8	2,686.1
Loans sold with recourse	–	0.4	0.4	89.6
Securities lending indemnifications (1)	90.9	–	90.9	–
Credit card merchant processing (1)	70.2	–	70.2	–
Custody indemnifications and other	–	40.0	40.0	30.7
Total	$ 203.9	$ 164.4	$ 368.3	$ 3,267.8

(1) The carrying values of securities lending indemnifications and credit card merchant processing are not material, as the Company has determined that the amount and probability of potential liabilities arising from these guarantees are not significant.

Financial standby letters of credit

Citigroup issues standby letters of credit which substitute its own credit for that of the borrower. If a letter of credit is drawn down, the borrower is obligated to repay Citigroup. Standby letters of credit protect a third party from defaults on contractual obligations. Financial standby letters of credit include guarantees of payment of insurance premiums and reinsurance risks that support industrial revenue bond underwriting and settlement of payment obligations to clearing houses, and also support options and purchases of securities or are in lieu of escrow deposit accounts. Financial standbys also backstop loans, credit facilities, promissory notes and trade acceptances.

Performance guarantees

Performance guarantees and letters of credit are issued to guarantee a customer' s tender bid on a construction or systems-installation project or to guarantee completion of such projects in accordance with contract terms. They are also issued to support a customer' s obligation to supply specified products, commodities, or maintenance or warranty services to a third party.

Derivative instruments considered to be guarantees

Derivatives are financial instruments whose cash flows are based on a notional amount and an underlying instrument, where there is little or no initial investment, and whose terms require or permit net settlement. Derivatives may be used for a variety of reasons, including risk management, or to enhance returns. Financial institutions often act as intermediaries for their clients, helping clients reduce their risks. However, derivatives may also be used to take a risk position.

The derivative instruments considered to be guarantees, which are presented in the tables above, include only those instruments that require Citi to make payments to the contracts that are cash settled and for which the Company is unable to assert that it is probable the counterparty held the underlying instrument at the inception of the contract also are excluded from the tables above.

In instances where the Company' s maximum potential future payment is unlimited, the notional amount of the contract is disclosed.

Loans sold with recourse

Loans sold with recourse represent the Company' s obligations to reimburse the buyers for loan losses under certain circumstances. Recourse refers to the clause in a sales agreement under which a lender will fully reimburse the buyer/investor for any losses resulting from the purchased loans. This may be accomplished by the seller taking back any loans that become delinquent.

In addition to the amounts shown in the tables above, Citi has recorded a mortgage repurchase reserve for its potential repurchases or make-whole liability regarding representation and warranty claims. The repurchase reserve was $1,565 million and $1,188 million at December 31, 2012 and December 31, 2011, respectively, and these amounts are included in *Other liabilities* on the Consolidated Balance Sheet.

Repurchase Reserve–Whole Loan Sales

The repurchase reserve estimation process for potential residential mortgage whole loan representation and warranty claims is based on various assumptions which are primarily based on Citi' s historical repurchase activity with the GSEs. The assumptions used to calculate this repurchase reserve include numerous estimates and judgments and thus contain a level of uncertainty and risk that, if different from actual results, could have a material impact on the reserve amounts.

As of December 31, 2012, Citi estimates that the range of reasonably possible loss for whole loan sale representation and counterparty based on changes in an underlying instrument that is related to an asset, a liability, or an equity security held by the guaranteed party. More specifically, derivative instruments considered to be guarantees include certain over-the-counter written put options where the counterparty is not a bank, hedge fund or broker-dealer (such counterparties are considered to be dealers in these markets and may, therefore, not hold the underlying instruments). However, credit derivatives sold by the Company are excluded from the tables above as they are disclosed separately in Note 23 to the Consolidated Financial Statements. In addition, non-credit derivative

warranty claims in excess of amounts accrued could be up to $0.6 billion. This estimate was derived by modifying the key assumptions discussed above to reflect management’ s judgment regarding reasonably possible adverse changes to those assumptions. Citi’ s estimate of reasonably possible loss is based on currently available information, significant judgment and numerous assumptions that are subject to change.

Repurchase Reserve−Private-Label Securitizations
Investors in private-label securitizations may seek recovery for alleged breaches of representations and warranties, as well as losses caused by non-performing loans more generally, through repurchase claims or through litigation premised on a variety of legal theories. Citi considers litigation relating to private-label securitizations as part of its contingencies analysis. For additional information, see Note 28 to the Consolidated Financial Statements.

Of the repurchase claims received, Citi believes some are based on a review of the underlying loan files, while others are not based on such a review. In either case, upon receipt of a claim, Citi typically requests that it be provided with the underlying detail supporting the claim. To date, Citi has received little or no response to these requests for information.

Citi cannot reasonably estimate probable losses from future repurchase claims for private-label securitizations because the claims to date have been received at an unpredictable rate, the factual basis for those claims is unclear, and very few such claims have been resolved. Rather, at the present time, Citi records reserves related to private-label securitizations repurchase claims based on estimated losses arising from those actual claims received that appear to be based on a review of the underlying loan files. The estimation reflected in this reserve is based on currently available information and relies on various assumptions that involve numerous estimates and judgments that are inherently uncertain and subject to change. If actual experiences differ from Citi' s assumptions, future provisions may differ substantially from Citi' s current reserves.

Securities lending indemnifications
Owners of securities frequently lend those securities for a fee to other parties who may sell them short or deliver them to another party to satisfy some other obligation. Banks may administer such securities lending programs for their clients. Securities lending indemnifications are issued by the bank to guarantee that a securities lending customer will be made whole in the event that the security borrower does not return the security subject to the lending agreement and collateral held is insufficient to cover the market value of the security.

Credit card merchant processing
Credit card merchant processing guarantees represent the Company' s indirect obligations in connection with the processing of private label and bank card transactions on behalf of merchants.

Citigroup' s primary credit card business is the issuance of credit cards to individuals. In addition, the Company: (i) provides transaction processing services to various merchants with respect to its private-label cards and (ii) has potential liability for bank card transaction processing services. The nature of the liability in either case arises as a result of a billing dispute between a merchant and a cardholder that is ultimately resolved in the cardholder' s favor. The merchant is liable to refund the amount to the cardholder. In general, if the credit card processing company is unable to collect this amount from the merchant, the credit card processing company bears the loss for the amount of the credit or refund paid to the cardholder.

With regard to (i) above, the Company continues to have the primary contingent liability with respect to its portfolio of private-label merchants. The risk of loss is mitigated as the cash flows between the Company and the merchant are settled on a net basis and the Company has the right to offset any payments with cash flows otherwise due to the merchant. To further mitigate this risk the Company may delay settlement, require a merchant to make an escrow deposit, include event triggers to provide the Company with more financial and operational control in the event of the financial deterioration of the merchant, or require various credit enhancements (including letters of credit and bank guarantees). In the unlikely event that a private-label merchant is unable to deliver products, services or a refund to its private-label cardholders, the Company is contingently liable to credit or refund cardholders.

With regard to (ii) above, the Company has a potential liability for bank card transactions where Citi provides the transaction processing services as well as those where a third party provides the services and Citi acts as a secondary guarantor, should that processor fail to perform.

The Company' s maximum potential contingent liability related to both bank card and private-label merchant processing services is estimated to be the total volume of credit card transactions that meet the requirements to be valid charge-back transactions at any given time. At December 31, 2012 and December 31, 2011, this maximum potential exposure was estimated to be $70 billion.

However, the Company believes that the maximum exposure is not representative of the actual potential loss exposure based on the Company' s historical experience. This contingent liability is unlikely to arise, as most products and services are delivered when purchased and amounts are refunded when items are returned to merchants. The Company assesses the probability and amount of its contingent liability related to merchant processing based on the financial strength of the primary guarantor, the extent and nature of unresolved charge-backs and its historical loss experience. At December 31, 2012 and December 31, 2011, the losses incurred and the carrying amounts of the Company' s contingent obligations related to merchant processing activities were immaterial.

Custody indemnifications

Custody indemnifications are issued to guarantee that custody clients will be made whole in the event that a third-party

subcustodian or depository institution fails to safeguard clients' assets.

Other guarantees and indemnifications

Credit Card Protection Programs

The Company, through its credit card business, provides various cardholder protection programs on several of its card products, including programs that provide insurance coverage for rental cars, coverage for certain losses associated with purchased products, price protection for certain purchases and protection for lost luggage. These guarantees are not included in the table, since the total outstanding amount of the guarantees and the Company' s maximum exposure to loss cannot be quantified. The protection is limited to certain types of purchases and certain types of losses, and it is not possible to quantify the purchases that would qualify for these benefits at any given time. The Company assesses the probability and amount of its potential liability related to these programs based on the extent and nature of its historical loss experience. At December 31, 2012 and December 31, 2011, the actual and estimated losses incurred and the carrying value of the Company' s obligations related to these programs were immaterial.

Other Representation and Warranty Indemnifications

In the normal course of business, the Company provides standard representations and warranties to counterparties in contracts in connection with numerous transactions and also provides indemnifications, including indemnifications that protect the counterparties to the contracts in the event that additional taxes are owed due either to a change in the tax law or an adverse interpretation of the tax law. Counterparties to these transactions provide the Company with comparable indemnifications. While such representations, warranties and indemnifications are essential components of many contractual relationships, they do not represent the underlying business purpose for the transactions. The indemnification clauses are often standard contractual terms related to the Company' s own performance under the terms of a contract and are entered into in the normal course of business based on an assessment that the risk of loss is remote. Often these clauses are intended to ensure that terms of a contract are met at inception. No compensation is received for these standard representations and warranties, and it is not possible to determine their fair value because they rarely, if ever, result in a payment. In many cases, there are no stated or notional amounts included in the indemnification clauses, and the contingencies potentially triggering the obligation to indemnify

Value-Transfer Networks

The Company is a member of, or shareholder in, hundreds of value-transfer networks (VTNs) (payment, clearing and settlement systems as well as exchanges) around the world. As a condition of membership, many of these VTNs require that members stand ready to pay a pro rata share of the losses incurred by the organization due to another member' s default on its obligations. The Company' s potential obligations may be limited to its membership interests in the VTNs, contributions to the VTN' s funds, or, in limited cases, the obligation may be unlimited. The maximum exposure cannot be estimated as this would require an assessment of future claims that have not yet occurred. We believe the risk of loss is remote given historical experience with the VTNs. Accordingly, the Company' s participation in VTNs is not reported in the Company' s guarantees tables above, and there are no amounts reflected on the Consolidated Balance Sheet as of December 31, 2012 or December 31, 2011 for potential obligations that could arise from the Company' s involvement with VTN associations.

Long-Term Care Insurance Indemnification

In the sale of an insurance subsidiary, the Company provided an indemnification to an insurance company for policyholder claims and other liabilities relating to a book of long-term care (LTC) business (for the entire term of the LTC policies) that is fully reinsured by another insurance company. The reinsurer has funded two trusts with securities whose fair value (approximately $4.9 billion at December 31, 2012 and $4.4 billion at December 31, 2011) is designed to cover the insurance company' s statutory liabilities for the LTC policies. The assets in these trusts are evaluated and adjusted periodically to ensure that the fair value of the assets continues to cover the estimated statutory liabilities related to the LTC policies, as those statutory liabilities change over time. If the reinsurer fails to perform under the reinsurance agreement for any reason, including insolvency, and the assets in the two trusts are insufficient or unavailable to the ceding insurance company, then Citigroup must indemnify the ceding insurance company for any losses actually incurred in connection with the LTC policies. Since both events would have to occur before Citi would become responsible for any payment to the ceding insurance company pursuant to its indemnification obligation, and the likelihood of such events occurring is currently not probable, there is no liability reflected in the Consolidated Balance Sheet as of December 31, 2012 related to this indemnification. Citi continues to closely monitor its potential exposure under this indemnification obligation.

Carrying Value–Guarantees and Indemnifications

At December 31, 2012 and December 31, 2011, the total carrying amounts of the liabilities related to the guarantees and have not occurred and are not expected to occur. These indemnifications are not included in the tables above.

indemnifications included in the tables above amounted to approximately $3.2 billion and $3.3 billion, respectively. The carrying value of derivative instruments is included in either *Trading account liabilities* or *Other liabilities*, depending upon whether the derivative was entered into for trading or non-trading purposes. The carrying value of financial and performance guarantees is included in *Other liabilities*. For loans sold with recourse, the carrying value of the liability is included in *Other liabilities*. In addition, at December 31, 2012 and December 31, 2011, *Other liabilities* on the Consolidated Balance Sheet included an allowance for credit losses of $1,119 million and $1,136 million, respectively, relating to letters of credit and unfunded lending commitments.

Collateral

Cash collateral available to the Company to reimburse losses realized under these guarantees and indemnifications amounted to $39 billion and $35 billion at December 31, 2012 and December 31, 2011, respectively. Securities and other marketable assets held as collateral amounted to $51 billion and $65 billion at December 31, 2012 and December 31, 2011, respectively. The majority of collateral is held to reimburse losses realized under securities lending indemnifications. Additionally, letters of credit in favor of the Company held as collateral amounted to $1.8 billion and $1.5 billion at December 31, 2012 and December 31, 2011, respectively. Other property may also be available to the Company to cover losses under certain guarantees and indemnifications; however, the value of such property has not been determined.

Performance risk

Citi evaluates the performance risk of its guarantees based on the assigned referenced counterparty internal or external ratings. Where external ratings are used, investment-grade ratings are considered to be Baa/BBB and above, while anything below is considered non-investment grade. The Citi internal ratings are in line with the related external rating system. On certain underlying referenced credits or entities, ratings are not available. Such referenced credits are included in the "not rated" category. The maximum potential amount of the future payments related to guarantees and credit derivatives sold is determined to be the notional amount of these contracts, which is the par amount of the assets guaranteed.

Presented in the tables below are the maximum potential amounts of future payments that are classified based upon internal and external credit ratings as of December 31, 2012 and December 31, 2011. As previously mentioned, the determination of the maximum potential future payments is based on the notional amount of the guarantees without consideration of possible recoveries under recourse provisions or from collateral held or pledged. As such, the Company believes such amounts bear no relationship to the anticipated losses, if any, on these guarantees.

	Maximum potential amount of future payments			
In billions of dollars as of December 31, 2012	**Investment grade**	**Non-investment grade**	**Not rated**	**Total**
Financial standby letters of credit	**$80.9**	**$11.0**	**$ 10.2**	**$ 102.1**
Performance guarantees	**7.3**	**3.0**	**1.7**	**12.0**
Derivative instruments deemed to be guarantees	–	–	**56.7**	**56.7**
Loans sold with recourse	–	–	**0.5**	**0.5**
Securities lending indemnifications	–	–	**80.4**	**80.4**
Credit card merchant processing	–	–	**70.3**	**70.3**
Custody indemnifications and other	**30.1**	**0.1**	–	**30.2**
Total	**$ 118.3**	**$ 14.1**	**$ 219.8**	**$ 352.2**

	Maximum potential amount of future payments			
In billions of dollars as of December 31, 2011	**Investment grade**	**Non-investment grade**	**Not rated**	**Total**
Financial standby letters of credit	$79.3	$17.2	$ 8.2	$ 104.7
Performance guarantees	6.9	3.2	2.2	12.3
Derivative instruments deemed to be guarantees	–	–	49.8	49.8
Loans sold with recourse	–	–	0.4	0.4
Securities lending indemnifications	–	–	90.9	90.9
Credit card merchant processing	–	–	70.2	70.2
Custody indemnifications and other	40.0	–	–	40.0
Total	$ 126.2	$ 20.4	$ 221.7	$ 368.3

Credit Commitments and Lines of Credit

The table below summarizes Citigroup' s credit commitments as of December 31, 2012 and December 31, 2011:

In millions of dollars	**U.S.**	**Outside U.S.**	**December 31, 2012**	December 31, 2011
Commercial and similar letters of credit	**$ 1,427**	**$ 5,884**	**$ 7,311**	$8,910
One- to four-family residential mortgages	**2,397**	**1,496**	**3,893**	3,504
Revolving open-end loans secured by one- to four-family residential properties	**14,897**	**3,279**	**18,176**	19,326
Commercial real estate, construction and land development	**2,067**	**1,429**	**3,496**	1,968
Credit card lines	**485,569**	**135,131**	**620,700**	653,985
Commercial and other consumer loan commitments	**138,219**	**90,273**	**228,492**	224,109
Other commitments and contingencies	**1,175**	**1,084**	**2,259**	3,201
Total	**$ 645,751**	**$ 238,576**	**$ 884,327**	$ 915,003

The majority of unused commitments are contingent upon customers' maintaining specific credit standards. Commercial commitments generally have floating interest rates and fixed expiration dates and may require payment of fees. Such fees (net of certain direct costs) are deferred and, upon exercise of the commitment, amortized over the life of the loan or, if exercise is deemed remote, amortized over the commitment period.

Commercial and similar letters of credit

A commercial letter of credit is an instrument by which Citigroup substitutes its credit for that of a customer to enable the customer to finance the purchase of goods or to incur other commitments. Citigroup issues a letter on behalf of its client to a supplier and agrees to pay the supplier upon presentation of documentary evidence that the supplier has performed in accordance with the terms of the letter of credit. When a letter of credit is drawn, the customer is then required to reimburse Citigroup.

One- to four-family residential mortgages

A one- to four-family residential mortgage commitment is a written confirmation from Citigroup to a seller of a property that the bank will advance the specified sums enabling the buyer to complete the purchase.

Revolving open-end loans secured by one- to four-family residential properties

Revolving open-end loans secured by one- to four-family residential properties are essentially home equity lines of credit. A home equity line of credit is a loan secured by a primary residence or second home to the extent of the excess of fair market value over the debt outstanding for the first mortgage.

Commercial real estate, construction and land development

Commercial real estate, construction and land development include unused portions of commitments to extend credit for the purpose of financing commercial and multifamily residential properties as well as land development projects.

Credit card lines

Credit card lines are unconditionally cancellable by the issuer.

Commercial and other consumer loan commitments

Commercial and other consumer loan commitments include overdraft and liquidity facilities, as well as commercial commitments to make or purchase loans, to purchase third-party receivables, to provide note issuance or revolving underwriting facilities and to invest in the form of equity. Amounts include $53 billion and $65 billion with an original maturity of less than one year at December 31, 2012 and December 31, 2011, respectively.

In addition, included in this line item are highly leveraged financing commitments, which are agreements that provide funding to a borrower with higher levels of debt (measured by the ratio of debt capital to equity capital of the borrower) than is generally considered normal for other companies. This type of financing is commonly employed in corporate acquisitions, management buy-outs and similar transactions.

Other commitments and contingencies

Other commitments and contingencies include all other transactions related to commitments and contingencies not reported on the lines above.

Both secured-by-real-estate and unsecured commitments are included in this line, as well as undistributed loan proceeds, where there is an obligation to advance for construction progress payments. However, this line only includes those extensions of credit that, once funded, will be classified as *Total loans, net* on the Consolidated Balance Sheet.

28. CONTINGENCIES

Overview

In addition to the matters described below, in the ordinary course of business, Citigroup, its affiliates and subsidiaries, and current and former officers, directors and employees (for purposes of this section, sometimes collectively referred to as Citigroup and Related Parties) routinely are named as defendants in, or as parties to, various legal actions and proceedings. Certain of these actions and proceedings assert claims or seek relief in connection with alleged violations of consumer protection, securities, banking, antifraud, antitrust, anti-money laundering, employment and other statutory and common laws. Certain of these actual or threatened legal actions and proceedings include claims for substantial or indeterminate compensatory or punitive damages, or for injunctive relief, and in some instances seek recovery on a class-wide basis.

In the ordinary course of business, Citigroup and Related Parties also are subject to governmental and regulatory examinations, information-gathering requests, investigations and proceedings (both formal and informal), certain of which may result in adverse judgments, settlements, fines, penalties, restitution, disgorgement, injunctions or other relief. In addition, certain affiliates and subsidiaries of Citigroup are banks, registered broker-dealers, futures commission merchants, investment advisers or other regulated entities and, in those capacities, are subject to regulation by various U.S., state and foreign securities, banking, commodity futures, consumer protection and other regulators. In connection with formal and informal inquiries by these regulators, Citigroup and such affiliates and subsidiaries receive numerous requests, subpoenas and orders seeking documents, testimony and other information in connection with various aspects of their regulated activities. From time to time Citigroup and Related Parties also receive grand jury subpoenas and other requests for information or assistance, formal or informal, from federal or state law enforcement agencies, including among others various United States Attorneys' Offices, the Asset Forfeiture and Money Laundering Section and other divisions of the Department of Justice, the Financial Crimes Enforcement Network of the United States Department of the Treasury, and the Federal Bureau of Investigation, relating to Citigroup and its customers.

Because of the global scope of Citigroup's operations, and its presence in countries around the world, Citigroup and Related Parties are subject to litigation and governmental and regulatory examinations, information-gathering requests, investigations and proceedings (both formal and informal) in multiple jurisdictions with legal and regulatory regimes that may differ substantially, and present substantially different risks, from those Citigroup

Accounting and Disclosure Framework

ASC 450 (formerly SFAS 5) governs the disclosure and recognition of loss contingencies, including potential losses from litigation and regulatory matters. ASC 450 defines a "loss contingency" as "an existing condition, situation, or set of circumstances involving uncertainty as to possible loss to an entity that will ultimately be resolved when one or more future events occur or fail to occur." It imposes different requirements for the recognition and disclosure of loss contingencies based on the likelihood of occurrence of the contingent future event or events. It distinguishes among degrees of likelihood using the following three terms: "probable," meaning that "the future event or events are likely to occur"; "remote," meaning that "the chance of the future event or events occurring is slight"; and "reasonably possible," meaning that "the chance of the future event or events occurring is more than remote but less than likely." These three terms are used below as defined in ASC 450.

Accruals. ASC 450 requires accrual for a loss contingency when it is "probable that one or more future events will occur confirming the fact of loss" *and* "the amount of the loss can be reasonably estimated." In accordance with ASC 450, Citigroup establishes accruals for all litigation and regulatory matters, including matters disclosed herein, when Citigroup believes it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. When the reasonable estimate of the loss is within a range of amounts, the minimum amount of the range is accrued, unless some higher amount within the range is a better estimate than any other amount within the range. Once established, accruals are adjusted from time to time, as appropriate, in light of additional information. The amount of loss ultimately incurred in relation to those matters may be substantially higher or lower than the amounts accrued for those matters.

Disclosure. ASC 450 requires disclosure of a loss contingency if "there is at least a reasonable possibility that a loss or an additional loss may have been incurred" *and* there is no accrual for the loss because the conditions described above are not met or an exposure to loss exists in excess of the amount accrued. In accordance with ASC 450, if Citigroup has not accrued for a matter because Citigroup believes that a loss is reasonably possible but not probable, or that a loss is probable but not reasonably estimable, and the matter thus does not meet the criteria for accrual, and the reasonably possible loss is material, it discloses the loss contingency. In addition, Citigroup discloses matters for which it has accrued if it believes a reasonably possible exposure to material loss exists in excess of the amount accrued. In accordance with ASC 450, Citigroup's disclosure includes an estimate of the reasonably possible loss or and Related Parties are subject to in the United States. In some instances Citigroup and Related Parties may be involved in proceedings involving the same subject matter in multiple jurisdictions, which may result in overlapping, cumulative or inconsistent outcomes.

Citigroup seeks to resolve all litigation and regulatory matters in the manner management believes is in the best interests of Citigroup and its shareholders, and contests liability, allegations of wrongdoing and, where applicable, the amount of damages or scope of any penalties or other relief sought as appropriate in each pending matter.

range of loss for those matters as to which an estimate can be made. ASC 450 does not require disclosure of an estimate of the reasonably possible loss or range of loss where an estimate cannot be made. Neither accrual nor disclosure is required for losses that are deemed remote.

Inherent Uncertainty of the Matters Disclosed. Certain of the matters disclosed below involve claims for substantial or indeterminate damages. The claims asserted in these matters typically are broad, often spanning a multi-year period and sometimes a wide range of business activities, and the plaintiffs' or claimants' alleged damages frequently are not quantified or factually supported in the complaint or statement of claim. As a result, Citigroup is often unable to estimate the loss in such matters, even if it believes that a loss is probable or reasonably possible, until developments in the case have yielded additional information sufficient to support a quantitative assessment of the range of reasonably possible loss. Such developments may include, among other things, discovery from adverse parties or third parties, rulings by the court on key issues, analysis by retained experts, and engagement in settlement negotiations. Depending on a range of factors, such as the complexity of the facts, the novelty of the legal theories, the pace of discovery, the court' s scheduling order, the timing of court decisions, and the adverse party' s willingness to negotiate in good faith toward a resolution, it may be months or years after the filing of a case before an estimate of the range of reasonably possible loss can be made.

Matters as to Which an Estimate Can Be Made. For some of the matters disclosed below, Citigroup is currently able to estimate a reasonably possible loss or range of loss in excess of amounts accrued (if any). For some of the matters included within this estimation, an accrual has been made because a loss is believed to be both probable and reasonably estimable, but an exposure to loss exists in excess of the amount accrued; in these cases, the estimate reflects the reasonably possible range of loss in excess of the accrued amount. For other matters included within this estimation, no accrual has been made because a loss, although estimable, is believed to be reasonably possible, but not probable; in these cases the estimate reflects the reasonably possible loss or range of loss. As of December 31, 2012, Citigroup estimates that the reasonably possible unaccrued loss in future periods for these matters ranges up to approximately $5 billion in the aggregate.

These estimates are based on currently available information. As available information changes, the matters for which Citigroup is able to estimate will change, and the estimates themselves will change. In addition, while many estimates presented in financial statements and other financial disclosure involve significant judgment and may be subject to significant uncertainty, estimates of the range of reasonably possible loss arising from litigation and regulatory proceedings are subject to particular uncertainties. For example, at the time of making an estimate, Citigroup may have only preliminary, incomplete, or

Matters as to Which an Estimate Cannot Be Made. For other matters disclosed below, Citigroup is not currently able to estimate the reasonably possible loss or range of loss. Many of these matters remain in very preliminary stages (even in some cases where a substantial period of time has passed since the commencement of the matter), with few or no substantive legal decisions by the court or tribunal defining the scope of the claims, the class (if any), or the potentially available damages, and fact discovery is still in progress or has not yet begun. In many of these matters, Citigroup has not yet answered the complaint or statement of claim or asserted its defenses, nor has it engaged in any negotiations with the adverse party (whether a regulator or a private party). For all these reasons, Citigroup cannot at this time estimate the reasonably possible loss or range of loss, if any, for these matters.

Opinion of Management as to Eventual Outcome. Subject to the foregoing, it is the opinion of Citigroup' s management, based on current knowledge and after taking into account its current legal accruals, that the eventual outcome of all matters described in this Note would not be likely to have a material adverse effect on the consolidated financial condition of Citigroup. Nonetheless, given the substantial or indeterminate amounts sought in certain of these matters, and the inherent unpredictability of such matters, an adverse outcome in certain of these matters could, from time to time, have a material adverse effect on Citigroup' s consolidated results of operations or cash flows in particular quarterly or annual periods.

Credit Crisis–Related Litigation and Other Matters

Citigroup and Related Parties have been named as defendants in numerous legal actions and other proceedings asserting claims for damages and related relief for losses arising from the global financial credit crisis that began in 2007. Such matters include, among other types of proceedings, claims asserted by: (i) individual investors and purported classes of investors in Citigroup' s common and preferred stock and debt, alleging violations of the federal securities laws, foreign laws, state securities and fraud law, and the Employee Retirement Income Security Act (ERISA); and (ii) individual investors and purported classes of investors in securities and other investments underwritten, issued or marketed by Citigroup, including securities issued by other public companies, collateralized debt obligations (CDOs), mortgage-backed securities (MBS), auction rate securities (ARS), investment funds, and other structured or leveraged instruments, which have suffered losses as a result of the credit crisis. These matters have been filed in state and federal courts across the U.S. and in foreign tribunals, as well as in arbitrations before the Financial Industry Regulatory Authority (FINRA) and other arbitration associations.

inaccurate information about the facts underlying the claim; its assumptions about the future rulings of the court or other tribunal on significant issues, or the behavior and incentives of adverse parties or regulators, may prove to be wrong; and the outcomes it is attempting to predict are often not amenable to the use of statistical or other quantitative analytical tools. In addition, from time to time an outcome may occur that Citigroup had not accounted for in its estimate because it had deemed such an outcome to be remote. For all these reasons, the amount of loss in excess of accruals ultimately incurred for the matters as to which an estimate has been made could be substantially higher or lower than the range of loss included in the estimate.

In addition to these litigations and arbitrations, Citigroup continues to cooperate fully in response to subpoenas and requests for information from the Securities and Exchange

Commission (SEC), FINRA, state attorneys general, the Department of Justice and subdivisions thereof, bank regulators, and other government agencies and authorities, in connection with various formal and informal (and, in many instances, industry-wide) inquiries concerning Citigroup' s mortgage-related conduct and business activities, as well as other business activities affected by the credit crisis. These business activities include, but are not limited to, Citigroup' s sponsorship, packaging, issuance, marketing, servicing and underwriting of CDOs and MBS, and its origination, sale or other transfer, servicing, and foreclosure of residential mortgages.

Mortgage-Related Litigation and Other Matters

Securities Actions: Beginning in November 2007, Citigroup and Related Parties were named as defendants in a variety of class action and individual securities lawsuits filed by investors in Citigroup' s equity and debt securities in state and federal courts relating to the Company' s disclosures regarding its exposure to subprime-related assets.

Citigroup and Related Parties have been named as defendants in the consolidated putative class action IN RE CITIGROUP INC. SECURITIES LITIGATION, pending in the United States District Court for the Southern District of New York. The consolidated amended complaint asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 on behalf of a putative class of purchasers of Citigroup common stock from January 1, 2004 through January 15, 2009. On November 9, 2010, the court issued an opinion and order dismissing all claims except those arising out of Citigroup' s exposure to CDOs for the time period February 1, 2007 through April 18, 2008. On August 30, 2012, the court entered an order preliminarily approving the parties' proposed settlement, pursuant to which Citigroup will pay $590 million in exchange for a release of all claims asserted on behalf of the settlement class. A fairness hearing is scheduled for April 8, 2013. Additional information concerning this action is publicly available in court filings under the consolidated lead docket number 07 Civ. 9901 (S.D.N.Y.) (Stein, J.).

Citigroup and Related Parties also have been named as defendants in the consolidated putative class action IN RE CITIGROUP INC. BOND LITIGATION, also pending in the United States District Court for the Southern District of New York. The plaintiffs assert claims under Sections 11, 12 and 15 of the Securities Act of 1933 on behalf of a putative class of purchasers of $71 billion of debt securities and preferred stock issued by Citigroup between May 2006 and August 2008. On July 12, 2010, the court issued an opinion and order dismissing

Citigroup and Related Parties also have been named as defendants in a variety of other putative class actions and individual actions arising out of similar facts to those alleged in the actions described above. These actions assert a wide range of claims, including claims under the federal securities laws, Section 90 of the Financial Services and Markets Act of 2000 (Eng.), ERISA, and state law. Additional information concerning these actions is publicly available in court filings under the docket numbers 09 Civ. 7359 (S.D.N.Y.) (Stein, J.), 09 Civ. 8755 (S.D.N.Y.) (Stein, J.), 11 Civ. 7672 (S.D.N.Y.) (Koeltl, J.), 12 Civ. 6653 (S.D.N.Y.) (Stein, J.), 12 Civ. 9050 (S.D.N.Y.) (Stein, J.), and Case No. 110105028 (Pa. Commw. Ct.) (Sheppard, J.).

Beginning in November 2007, certain Citigroup affiliates also have been named as defendants arising out of their activities as underwriters of securities in actions brought by investors in securities of public companies adversely affected by the credit crisis. Many of these matters have been dismissed or settled. As a general matter, issuers indemnify underwriters in connection with such claims, but in certain of these matters Citigroup affiliates are not being indemnified or may in the future cease to be indemnified because of the financial condition of the issuer.

Regulatory Actions: On October 19, 2011, in connection with its industry-wide investigation concerning CDO-related business activities, the SEC filed a complaint in the United States District Court for the Southern District of New York regarding Citigroup' s structuring and sale of the Class V Funding III CDO transaction (Class V). On the same day, the SEC and Citigroup announced a settlement of the SEC' s claims, subject to judicial approval, and the SEC filed a proposed final judgment pursuant to which Citigroup' s U.S. broker-dealer Citigroup Global Markets Inc. (CGMI) agreed to disgorge $160 million and to pay $30 million in prejudgment interest and a $95 million penalty. On November 28, 2011, the court issued an order refusing to approve the proposed settlement and ordering trial to begin on July 16, 2012. The parties appealed from this order to the United States Court of Appeals for the Second Circuit, which, on March 15, 2012, granted a stay of the district court proceedings pending resolution of the appeals. The parties have fully briefed their appeals, and the Second Circuit held oral argument on February 8, 2013. Additional information concerning this matter is publicly available in court filings under the docket numbers 11 Civ. 7387 (S.D.N.Y.) (Rakoff, J.) and 11-5227 (2d Cir.).

Mortgage-Backed Securities and CDO Investor Actions and Repurchase Claims: Beginning in July 2010, Citigroup and Related Parties have been named as defendants in complaints filed by purchasers of MBS and CDOs sold or underwritten by Citigroup. The MBS-related complaints generally assert that the defendants made material misrepresentations and omissions plaintiffs' claims under Section 12 of the Securities Act of 1933, but denying defendants' motion to dismiss certain claims under Section 11. Fact discovery began in November 2010, and plaintiffs' motion to certify a class is pending. Additional information concerning this action is publicly available in court filings under the consolidated lead docket number 08 Civ. 9522 (S.D.N.Y.) (Stein, J.).

about the credit quality of the mortgage loans underlying the securities, such as the underwriting standards to which the loans conformed, the loan-to-value ratio of the loans, and the extent to which the mortgaged properties were owner-occupied, and typically assert claims under Section 11 of the Securities Act of 1933, state blue sky laws, and/or common-law misrepresentation-based causes of action. The CDO-related complaints further allege that the defendants adversely selected or permitted the adverse selection of CDO collateral without full disclosure to investors. The plaintiffs in these actions generally seek rescission of their investments, recovery of their investment losses, or other damages. Other purchasers of MBS and CDOs sold or underwritten by Citigroup

have threatened to file additional suits, for some of which Citigroup has agreed to toll (extend) the statute of limitations.

The filed actions generally are in the early stages of proceedings, and certain of the actions or threatened actions have been resolved through settlement or otherwise. The aggregate original purchase amount of the purchases at issue in the filed suits is approximately $10.8 billion, and the aggregate original purchase amount of the purchases covered by tolling agreements with investors threatening litigation is approximately $6.4 billion. The largest MBS investor claim against Citigroup and Related Parties, as measured by the face value of purchases at issue, has been asserted by the Federal Housing Finance Agency, as conservator for Fannie Mae and Freddie Mac. This suit was filed on September 2, 2011, and has been coordinated in the United States District Court for the Southern District of New York with 15 other related suits brought by the same plaintiff against various other financial institutions. Motions to dismiss in the coordinated suits have been denied in large part, and discovery is proceeding. An interlocutory appeal currently is pending in the United States Court of Appeals for the Second Circuit on issues common to all of the coordinated suits. Additional information concerning certain of these actions is publicly available in court filings under the docket numbers 11 Civ. 6196 (S.D.N.Y.) (Cote, J.), 12 Civ. 4000 (S.D.N.Y.) (Swain, J.), 12 Civ. 00790 (M.D. Al.) (Watkins, C.J.), 12 Civ. 4354 (C.D. Cal.) (Pfaezler, J.), 650212/12 (N.Y. Sup. Ct.) (Oing, J.), 652607/2012 (N.Y. Sup. Ct.) (Schweitzer, J.), and CGC-10-501610 (Cal. Super. Ct.) (Kramer, J.).

In addition to these actions, various parties to MBS securitizations and other interested parties have asserted that certain Citigroup affiliates breached representations and warranties made in connection with mortgage loans sold into securitization trusts (private-label securitizations). In connection with such assertions, Citi has received significant levels of inquiries and demands for loan files, as well as requests to toll (extend) the applicable statutes of limitation for, among others, representation and warranty claims relating to its private-label securitizations. These inquiries, demands and requests have come from trustees of securitization trusts and others.

Among these requests, in December 2011, Citigroup received a letter from the law firm Gibbs & Bruns LLP, which purports to represent a group of investment advisers and holders of MBS issued or underwritten by Citigroup affiliates. Through that letter and subsequent discussions, Gibbs & Bruns LLP has asserted that its clients collectively hold certificates in 87 MBS trusts with the underlying detail supporting the claim; however, to date, Citi has received little or no response to these requests for information. As a result, the vast majority of the repurchase claims received on Citi' s private-label securitizations remain unresolved. Citi expects unresolved repurchase claims for private-label securitizations to continue to increase because new claims and requests for loan files continue to be received, while there has been little progress to date in resolving these repurchase claims.

Independent Foreclosure Review: On January 7, 2013, Citi, along with other major mortgage servicers operating under consent orders dated April 13, 2011 with the Federal Reserve Board and the Office of the Comptroller of the Currency (OCC), entered into a settlement agreement with those regulators to modify the requirements of the independent foreclosure review mandated by the consent orders. Under the settlement, Citi agreed to pay approximately $305 million into a qualified settlement fund and to offer $487 million of mortgage assistance to borrowers in accordance with agreed criteria. Upon completion of Citi' s payment and mortgage assistance obligations under the agreement, the Federal Reserve Board and the OCC have agreed to deem the requirements of the independent foreclosure review under the consent orders to be satisfied.

Abu Dhabi Investment Authority

In 2010, Abu Dhabi Investment Authority (ADIA) commenced an arbitration against Citigroup and Related Parties alleging statutory and common law claims in connection with its $7.5 billion investment in Citigroup in December 2007. ADIA sought rescission of the investment agreement or, in the alternative, more than $4 billion in damages. Following a hearing in May 2011 and post-hearing proceedings, on October 14, 2011, the arbitration panel issued a final award and statement of reasons finding in favor of Citigroup on all claims asserted by ADIA. On January 11, 2012, ADIA filed a petition to vacate the award in New York state court. On January 13, 2012, Citigroup removed the petition to the United States District Court for the Southern District of New York. On April 3, 2012, Citigroup filed an opposition to ADIA' s petition and a cross-petition to confirm the award. Both ADIA' s petition and Citigroup' s cross-petition are pending. Additional information concerning this matter is publicly available in court filings under the docket number 12 Civ. 283 (S.D.N.Y.) (Daniels, J.).

Alternative Investment Fund–Related Litigation and Other Matters

The SEC is investigating the management and marketing of the ASTA/ MAT and Falcon funds, alternative investment funds managed and marketed by certain Citigroup affiliates that purportedly issued and/or underwritten by Citigroup affiliates, and that Citigroup affiliates have repurchase obligations for certain mortgages in these trusts.

Citi has also received repurchase claims for breaches of representations and warranties related to private-label securitizations. These claims have been received at an unpredictable rate, although the number of claims increased substantially during 2012 and is expected to remain elevated, particularly given the level of inquiries, demands and requests noted above. Upon receipt of a claim, Citi typically requests that it be provided

suffered substantial losses during the credit crisis. In addition to the SEC inquiry, on June 11, 2012, the New York Attorney General served a subpoena on a Citigroup affiliate seeking documents and information concerning certain of these funds, and on August 1, 2012, the Massachusetts Attorney General served a Civil Investigative Demand on a Citigroup affiliate seeking similar documents and information. Citigroup is cooperating fully with these inquiries.

In October 2012, Citigroup Alternative Investments LLC (CAI) was named as a defendant in a putative class action lawsuit filed on behalf of investors in CSO Ltd., CSO US Ltd., and Corporate Special Opportunities Ltd., whose investments were managed indirectly by a CAI affiliate. The plaintiff asserts a variety of state common law claims, alleging that he and other investors were misled into investing in the funds and were further misled into not redeeming their investments. The

complaint seeks to recover more than $400 million on behalf of a putative class of investors. Additional information concerning this action is publicly available in court filings under the docket number 12-cv-7717 (S.D.N.Y.) (Castel, J.).

In addition, numerous investors in the ASTA/MAT funds have filed lawsuits or arbitrations against Citigroup and Related Parties seeking damages and related relief. Although most of these investor disputes have been resolved, some remain pending.

Auction Rate Securities‑Related Litigation and Other Matters

Beginning in March 2008, Citigroup and Related Parties have been named as defendants in numerous actions and proceedings brought by Citigroup shareholders and purchasers or issuers of ARS, asserting claims under the federal securities laws, Section 1 of the Sherman Act and state law arising from the collapse of the ARS market in early 2008, which plaintiffs contend Citigroup and other ARS underwriters foresaw or should have foreseen but failed adequately to disclose. Most of these matters have been dismissed or settled. Additional information concerning certain of the pending actions is publicly available in court filings under the docket numbers 08 Civ. 3095 (S.D.N.Y.) (Swain, J.), 10-722, 10-867, and 11-1270 (2d Cir.).

KIKOs

Prior to the devaluation of the Korean won in 2008, several local banks in Korea, including a Citigroup subsidiary (CKI), entered into foreign exchange derivative transactions with small and medium-size export businesses (SMEs) to enable the SMEs to hedge their currency risk. The derivatives had "knock-in, knock-out" features. Following the devaluation of the won, many of these SMEs incurred significant losses on the derivative transactions and filed civil lawsuits against the banks, including CKI. The claims generally allege that the products were not suitable and that the risk disclosure was inadequate.

As of December 31, 2012, there were 88 civil lawsuits filed by SMEs against CKI. To date, 82 decisions have been rendered at the district court level, and CKI has prevailed in 64 of those decisions. In the other 18 decisions, plaintiffs were awarded only a portion of the damages sought. The damage awards total in the aggregate approximately $28.5 million. CKI is appealing the 18 adverse decisions. A significant number of plaintiffs that had decisions rendered against them are also filing appeals, including plaintiffs that were awarded less than all of the damages they sought.

Of the 82 cases decided at the district court level, 60 have been appealed to the high court, including the 18 in which an

Lehman Structured Notes Matters

Like many other financial institutions, certain Citigroup affiliates and subsidiaries distributed structured notes (Notes) issued and guaranteed by Lehman entities to retail customers outside the United States, principally in Europe and Asia. After the relevant Lehman entities filed for bankruptcy protection in September 2008, certain regulators commenced investigations and some purchasers of the Notes filed civil actions or otherwise complained about the sales process. Citigroup has resolved the vast majority of these regulatory proceedings and customer complaints.

In Belgium, criminal charges were brought against a Citigroup subsidiary (CBB) and three former employees. On December 1, 2010, the court acquitted all defendants of fraud and anti-money laundering charges but convicted all defendants under the Prospectus Act, and convicted CBB under Fair Trade Practices legislation. Both CBB and the Public Prosecutor appealed the judgment. On May 21, 2012, the Belgian appellate court dismissed all criminal charges against CBB. The Public Prosecutor has appealed this decision to the Belgian Supreme Court.

Lehman Brothers Bankruptcy Proceedings

Beginning in September 2010, Citigroup and Related Parties have been named as defendants in various adversary proceedings in the Chapter 11 bankruptcy proceedings of Lehman Brothers Holdings Inc. (LBHI) and the liquidation proceedings of Lehman Brothers Inc. (LBI).

On March 18, 2011, Citigroup and Related Parties were named as defendants in an adversary proceeding asserting claims under federal bankruptcy and state law to recover a $1 billion deposit LBI placed with Citibank, N.A., to avoid a setoff taken by Citibank, N.A. against the deposit, and to recover additional assets of LBI held by Citibank, N.A. and its affiliates. On December 13, 2012, the court entered an order approving a settlement between the parties resolving all of LBI's claims. Under the settlement, Citibank, N.A. retained $1.05 billion of assets to set off against its claims and received an allowed unsecured claim in the amount of $245 million. Additional information concerning this adversary proceeding is publicly available in court filings under the docket numbers 11-01681 (Bankr. S.D.N.Y.) (Peck, J.) and 08-01420 (Bankr. S.D.N.Y.) (Peck, J.).

On February 8, 2012, Citigroup and Related Parties were named as defendants in an adversary proceeding asserting objections to proofs of claim filed by Citibank, N.A. and its affiliates totaling approximately $2.6 billion, and claims under federal bankruptcy and state law to recover $2 billion deposited by LBHI with Citibank, N.A. against which Citibank, N.A.

adverse decision was rendered against CKI in the district court. Of the 17 appeals decided at high court level, CKI prevailed in 11 cases, and in the other six plaintiffs were awarded partial damages, which increased the aggregate damages awarded against CKI by a further $10.9 million. CKI is appealing five of the adverse decisions to the Korean Supreme Court.

asserts a right of setoff. Plaintiffs also seek avoidance of a $500 million transfer and an amendment to a guarantee in favor of Citibank, N.A., and other relief. Additional information concerning this adversary proceeding is publicly available in court filings under the docket numbers 12-01044 (Bankr. S.D.N.Y.) (Peck, J.) and 08-13555 (Bankr. S.D.N.Y.) (Peck, J.).

Terra Firma Litigation

In December 2009, the general partners of two related private equity funds filed a complaint in New York state court, subsequently removed to the United States District Court for the Southern District of New York, asserting multi-billion-dollar fraud and other common law claims against certain Citigroup affiliates arising out of the May 2007 auction of the music company EMI, in which Citigroup acted as advisor to EMI and as a lender to plaintiffs’ acquisition vehicle. Following a jury trial, a verdict was returned in favor of Citigroup on November 4, 2010. Plaintiffs have appealed the judgment with respect to certain of their claims to the United States Court of Appeals for the Second Circuit. Argument was held on October 4, 2012, and the matter is pending. Additional information concerning this action is publicly available in court filings under the docket numbers 09 Civ. 10459 (S.D.N.Y.) (Rakoff, J.) and 11-0126 (2d Cir.).

Terra Securities–Related Litigation

Certain Citigroup affiliates have been named as defendants in an action brought by seven Norwegian municipalities, asserting claims for fraud and negligent misrepresentation arising out of the municipalities’ purchase of fund-linked notes acquired from the now-defunct securities firm, Terra Securities, which in turn acquired those notes from Citigroup. Plaintiffs seek approximately $120 million in compensatory damages, plus punitive damages. Defendants’ motion for summary judgment is pending. Additional information related to this action is publicly available in court filings under the docket number 09 Civ. 7058 (S.D.N.Y.) (Marrero, J.).

Tribune Company Bankruptcy

Certain Citigroup affiliates have been named as defendants in adversary proceedings related to the Chapter 11 cases of Tribune Company (Tribune) filed in the United States Bankruptcy Court for the District of Delaware, asserting claims arising out of the approximately $11 billion leveraged buyout of Tribune in 2007. On July 23, 2012, the Bankruptcy Court confirmed the Fourth Amended Joint Plan of Reorganization, which provides for releases of claims against Citigroup, other than those against CGMI relating to its role as advisor to Tribune. Certain Citigroup affiliates also have been named as defendants in actions brought by Tribune creditors alleging state law constructive fraudulent conveyance claims. These matters are pending in the United States District Court for the Southern District of New York as part of a multi-district litigation. Additional information concerning these actions is publicly available in court filings under the docket numbers 08-13141 (Bankr. D. Del.) (Carey, J.), 11 MD 02296 (S.D.N.Y.) (Pauley, J.), and 12 MC 2296 (S.D.N.Y.) (Pauley, J.).

Interbank Offered Rates–Related Litigation and Other Matters

Regulatory Actions: Government agencies in the U.S., including the Department of Justice, the Commodity Futures Trading Commission, the SEC, and a consortium of state attorneys general, as well as agencies in other jurisdictions, including the European Commission, the U.K. Financial Services Authority, the Japanese Financial Services Agency (JFSA), the Canadian Competition Bureau, the Swiss Competition Commission and the Monetary Authority of Singapore, are conducting investigations or making inquiries regarding submissions made by panel banks to bodies that publish various interbank offered rates and other benchmark rates. As members of a number of such panels, Citigroup subsidiaries have received requests for information and documents. Citigroup is cooperating with the investigations and inquiries and is responding to the requests.

On December 16, 2011, the JFSA took administrative action against Citigroup Global Markets Japan Inc. (CGMJ) for, among other things, certain communications made by two CGMJ traders about the Euroyen Tokyo interbank offered rate (TIBOR) and the Japanese yen London interbank offered rate (LIBOR). The JFSA issued a business improvement order and suspended CGMJ’ s trading in derivatives related to yen LIBOR and Euroyen and yen TIBOR from January 10 to January 23, 2012. On the same day, the JFSA also took administrative action against Citibank Japan Ltd. (CJL) for conduct arising out of CJL’ s retail business and also noted that the communications made by the CGMJ traders to employees of CJL about Euroyen TIBOR had not been properly reported to CJL’ s management team.

Antitrust and Other Litigation: Citigroup and Citibank, N.A., along with other U.S. Dollar (USD) LIBOR panel banks, are defendants in a multi-district litigation (MDL) proceeding before Judge Buchwald in the United States District Court for the Southern District of New York captioned IN RE LIBOR-BASED FINANCIAL INSTRUMENTS ANTITRUST LITIGATION, appearing under docket number 1:11-md-2262 (S.D.N.Y.). Judge Buchwald has appointed interim lead class counsel for, and consolidated amended complaints have been filed on behalf of, three separate putative classes of plaintiffs: (i) over-the-counter (OTC) purchasers of derivative instruments tied to USD LIBOR; (ii) purchasers of exchange-traded derivative instruments tied to USD LIBOR; and (iii) indirect OTC purchasers of U.S. debt securities. Each of these putative classes alleges that the panel bank defendants conspired to suppress USD LIBOR in violation of the Sherman Act and/or the Commodity Exchange Act, thereby causing plaintiffs to suffer losses on the instruments they purchased. Also consolidated into the MDL proceeding are individual civil actions commenced by various Charles Schwab entities alleging that the panel bank defendants conspired to suppress the USD LIBOR rates in violation of the Sherman Act, the Racketeer Influenced and Corrupt Organizations Act (RICO), and California state law, causing the Schwab entities to suffer losses on USD LIBOR-linked financial instruments they owned. Plaintiffs in these actions seek compensatory damages and restitution for losses caused by the alleged violations, as well as treble damages under the Sherman Act. The Schwab and OTC plaintiffs also seek injunctive relief.

Citigroup and Citibank, N.A., along with other defendants, have moved to dismiss all of the above actions that were consolidated into the MDL proceeding as of June 29, 2012.

Briefing on the motion to dismiss was completed on September 27, 2012. Judge Buchwald has stayed all subsequently filed actions that fall within the scope of the MDL until the motion to dismiss has been resolved. Citigroup and/or Citibank, N.A. are named in the 17 such stayed actions that have been consolidated with or marked as related to the MDL proceeding.

Eleven of these actions have been brought on behalf of various putative plaintiff classes, including (i) banks, savings and loans institutions and credit unions that allegedly suffered losses on loans they made at interest rates tied to USD LIBOR, (ii) holders of adjustable-rate mortgages tied to USD LIBOR, and (iii) individual and municipal purchasers of various financial instruments tied to USD LIBOR. The remaining six actions have been brought by individual plaintiffs, including an entity that allegedly purchased municipal bonds and various California counties, municipalities, and related public entities that invested in various derivatives tied to USD LIBOR. Plaintiffs in each of the 17 stayed actions allege that the panel bank defendants manipulated USD LIBOR in violation of the Sherman Act, RICO, and/or state antitrust and racketeering laws, and several plaintiffs also assert common law claims, including fraud, unjust enrichment, negligent misrepresentation, interference with economic advantage, and/or breach of the implied covenant of good faith and fair dealing. Plaintiffs seek compensatory damages and, where authorized by statute, treble damages and injunctive relief.

Additional information concerning the stayed actions is publicly available in court filings under docket numbers 1:12-cv-4205 (S.D.N.Y.) (Buchwald, J.), 1:12-cv-5723 (S.D.N.Y.) (Buchwald, J.), 1:12-cv-5822 (S.D.N.Y.) (Buchwald, J.), 1:12-cv-6056 (S.D.N.Y.) (Buchwald, J.), 1:12-cv-7461 (S.D.N.Y.) (Buchwald, J.), 2:12-cv-10903 (C.D. Calif.) (Snyder, J.), 3:12-cv-6571 (N.D. Calif.) (Conti, J.), 3:13-cv-106 (N.D. Calif.) (Beeler, J.), 4:13-cv-108 (N.D. Calif.) (Ryu, J.), 3:13-cv-109 (N.D. Calif.) (Laporte, J.), 5:13-cv-62 (C.D. Calif.) (Phillips, J.), 3:13-cv-48 (S.D. Calif.) (Huff, J.), 1:13-cv-346 (S.D.N.Y.) (Buchwald, J.), 1:13-cv-407 (S.D.N.Y.) (Buchwald, J.), 5:13-cv-122 (C.D. Calif.) (Bernal, J.), 1:13-cv-981 (S.D.N.Y.) (Buchwald, J.), and 1:13-cv-1016 (S.D.N.Y.) (Buchwald, J.).

In addition, on November 27, 2012, an action captioned MARAGOS V. BANK OF AMERICA CORP. ET AL. was filed on behalf of the County of Nassau against various USD LIBOR panel banks, including Citibank, N.A., and the other defendants with whom the plaintiff had entered into interest rate swap

Separately, on April 30, 2012, an action was filed in the United States District Court for the Southern District of New York on behalf of a putative class of persons and entities who transacted in exchange-traded Euroyen futures and option contracts between June 2006 and September 2010. This action is captioned LAYDON V. MIZUHO BANK LTD. ET AL. The plaintiff filed an amended complaint on November 30, 2012, naming as defendants banks that are or were members of the panels making submissions used in the calculation of Japanese yen LIBOR and TIBOR, and certain affiliates of some of those banks, including Citibank, N.A., Citigroup, CJL and CGMJ. The complaint alleges that the plaintiffs were injured as a result of purported manipulation of those reference interest rates, and asserts claims arising under the Commodity Exchange Act and the Sherman Act and for unjust enrichment. Plaintiffs seek compensatory damages, treble damages under the Sherman Act, and injunctive relief. Additional information concerning this action is publicly available in court filings under the docket number 12-cv-3419 (S.D.N.Y.) (Daniels, J.).

Interchange Fees Litigation

Beginning in 2005, several putative class actions were filed against Citigroup and Related Parties, together with Visa, MasterCard and other banks and their affiliates, in various federal district courts and consolidated with other related cases in a multi-district litigation proceeding before Judge Gleeson in the United States District Court for the Eastern District of New York. This proceeding is captioned IN RE PAYMENT CARD INTERCHANGE FEE AND MERCHANT DISCOUNT ANTITRUST LITIGATION.

The plaintiffs, merchants that accept Visa- and MasterCard-branded payment cards as well as membership associations that claim to represent certain groups of merchants, allege, among other things, that defendants have engaged in conspiracies to set the price of interchange and merchant discount fees on credit and debit card transactions and to restrain trade through various Visa and MasterCard rules governing merchant conduct, all in violation of Section 1 of the Sherman Act and certain California statutes. Plaintiffs seek, on behalf of classes of U.S. merchants, treble damages, including all interchange fees paid to all Visa and MasterCard members with respect to Visa and MasterCard transactions in the U.S. since at least January 1, 2004, as well as injunctive relief. Supplemental complaints have also been filed against defendants in the putative class actions alleging that Visa' s and MasterCard' s respective initial public offerings were anticompetitive and violated Section 7 of the Clayton Act, and that MasterCard' s initial public offering constituted a fraudulent conveyance.

On July 13, 2012, all parties to the putative class actions, transactions. The action was commenced in state court and subsequently removed to the United States District Court for the Eastern District of New York. The plaintiff asserts claims for fraud and deceptive trade practices under New York law against the panel bank defendants based on allegations that the panel banks colluded to artificially suppress USD LIBOR, thereby lowering the payments the plaintiff received in connection with various interest rate swap transactions. The plaintiff seeks compensatory damages and treble damages. The defendants have sought consolidation of this action with the MDL proceeding. Additional information concerning this action is publicly available in court filings under docket number 2:12-cv-6294 (E.D.N.Y.) (Spatt, J.).

including Citigroup and Related Parties, entered into a Memorandum of Understanding (MOU) setting forth the material terms of a class settlement. The class settlement contemplated by the MOU provides for, among other things, a total payment by all defendants to the class of $6.05 billion; a rebate to merchants participating in the damages class settlement of 10 basis points on interchange collected for a period of eight months by the Visa and MasterCard networks; changes to certain network rules that would permit merchants to surcharge some payment card transactions subject to certain limitations and conditions, including disclosure to consumers at the point of sale; and broad releases in favor of the defendants. Subsequently, all defendants and certain of the plaintiffs who had entered into the MOU executed a settlement agreement consistent with the terms of the MOU.

On November 27, 2012, the court entered an order granting preliminary approval of the proposed class settlements and provisionally certified two classes for settlement purposes only. The court scheduled a final approval hearing for September 12, 2013. Several large merchants and associations have stated publicly that they intend to object to or opt out of the settlement, and have appealed from the court’s preliminary approval of the proposed class settlements.

Visa and MasterCard have also entered into a settlement agreement with merchants that filed individual, non-class actions. While Citigroup and Related Parties are not parties to the individual merchant non-class settlement agreement, they are contributing to that settlement, and the agreement provides for a release of claims against Citigroup and Related Parties.

Additional information concerning these consolidated actions is publicly available in court filings under the docket number MDL 05-1720 (E.D.N.Y.) (Gleeson, J.).

Regulatory Review of Consumer “Add-On” Products

Certain of Citi’s consumer businesses, including its Citi-branded and retail services cards businesses, offer or have in the past offered or participated in the marketing, distribution, or servicing of products, such as payment protection and identity monitoring, that are ancillary to the provision of credit to the consumer (add-on products). These add-on products have been the subject of enforcement actions against other institutions by regulators, including the Consumer Financial Protection Bureau (CFPB), the OCC, and the FDIC, that have resulted in orders to pay restitution to customers and penalties in substantial amounts. Certain state attorneys general also have filed industry-wide suits under state consumer protection statutes, alleging deceptive marketing practices in connection with the sale of payment protection products and demanding restitution and statutory damages for instate customers. In light of the current regulatory focus on add-on products and the actions regulators have taken in relation to other credit card issuers, one or more regulators may order that Citi pay restitution to customers and/or impose penalties or other relief arising from Citi’s marketing, distribution, or servicing of add-on products.

Parmalat Litigation and Related Matters

On July 29, 2004, Dr. Enrico Bondi, the Extraordinary Commissioner appointed under Italian law to oversee the administration of various Parmalat companies, filed a complaint in New Jersey state court against Citigroup and Related Parties alleging, among other things, that the defendants “facilitated” a number of frauds by Parmalat insiders. On October 20, 2008, following trial, a jury rendered a verdict in Citigroup’s favor on Parmalat’s claims and in favor of Citibank, N.A. on three counterclaims. Parmalat has exhausted all appeals, and the

Prosecutors in Parma and Milan, Italy, have commenced criminal proceedings against certain current and former Citigroup employees (along with numerous other investment banks and certain of their current and former employees, as well as former Parmalat officers and accountants). In the event of an adverse judgment against the individuals in question, the authorities could seek administrative remedies against Citigroup. On April 18, 2011, the Milan criminal court acquitted the sole Citigroup defendant of market-rigging charges. The Milan prosecutors have appealed part of that judgment and seek administrative remedies against Citigroup, which may include disgorgement of 70 million Euro and a fine of 900,000 Euro. Additionally, the Parmalat administrator filed a purported civil complaint against Citigroup in the context of the Parma criminal proceedings, which seeks 14 billion Euro in damages. In January 2011, certain Parmalat institutional investors filed a civil complaint seeking damages of approximately 130 million Euro against Citigroup and other financial institutions.

Allied Irish Bank Litigation

In 2003, Allied Irish Bank (AIB) filed a complaint in the United States District Court for the Southern District of New York seeking to hold Citibank, N.A. and Bank of America, N.A., former prime brokers for AIB’s subsidiary Allfirst Bank (Allfirst), liable for losses incurred by Allfirst as a result of fraudulent and fictitious foreign currency trades entered into by one of Allfirst’s traders. AIB seeks compensatory damages of approximately $500 million, plus punitive damages, from Citibank, N.A. and Bank of America, N.A. collectively. In 2006, the court granted in part and denied in part defendants’ motion to dismiss. In 2009, AIB filed an amended complaint. In 2012, the parties completed discovery and the court granted Citibank, N.A.’s motion to strike AIB’s demand for a jury trial. Citibank, N.A. also filed a motion for summary judgment, which is pending. AIB has announced a settlement with Bank of America, N.A. for an undisclosed amount, leaving Citibank, N.A. as the sole remaining defendant. Additional information concerning this matter is publicly available in court filings under docket number 03 Civ. 3748 (S.D.N.Y.) (Batts, J.).

Settlement Payments

Payments required in settlement agreements described above have been made or are covered by existing litigation accruals.

* * *

Additional matters asserting claims similar to those described above may be filed in the future.

judgment is now final. Additional information concerning this matter is publicly available in court filings under docket number A-2654-08T2 (N.J. Sup. Ct.).

29. SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

In millions of dollars, except per share amounts	**2012 Fourth**	**2012 Third**	**2012 Second**	**2012 First**	2011 Fourth	2011 Third	2011 Second	2011 First
Revenues, net of interest expense	**$ 18,174**	**$ 13,951**	**$ 18,642**	**$ 19,406**	$ 17,174	$ 20,831	$ 20,622	$ 19
Operating expenses	**13,845**	**12,220**	**12,134**	**12,319**	13,211	12,460	12,936	12
Provisions for credit losses and for benefits and claims	**3,199**	**2,695**	**2,806**	**3,019**	2,874	3,351	3,387	3,1
Income from continuing operations before income taxes	**$ 1,130**	**$ (964)**	**$ 3,702**	**$ 4,068**	$ 1,089	$ 5,020	$ 4,299	$ 4,2
Income taxes (benefits)	**(206)**	**(1,488)**	**715**	**1,006**	91	1,278	967	1,1
Income from continuing operations	**$ 1,336**	**$ 524**	**$ 2,987**	**$ 3,062**	$ 998	$ 3,742	$ 3,332	$ 3,0
Income (loss) from discontinued operations, net of taxes	**(112)**	**(31)**	**(1)**	**(5)**	–	1	71	40
Net income before attribution of noncontrolling interests	**$ 1,224**	**$ 493**	**$ 2,986**	**$ 3,057**	$ 998	$ 3,743	$ 3,403	$ 3,0
Noncontrolling interests	**28**	**25**	**40**	**126**	42	(28)	62	72
Citigroup's net income	**$ 1,196**	**$ 468**	**$ 2,946**	**$ 2,931**	$ 956	$ 3,771	$ 3,341	$ 2,9
Earnings per share (1)(2)								
Basic								
Income from continuing operations	**$ 0.43**	**$ 0.17**	**$ 0.98**	**$ 0.98**	$ 0.32	$ 1.27	$ 1.10	$ 1.0
Net income	**0.39**	**0.15**	**0.98**	**0.98**	0.32	1.27	1.12	1.0
Diluted								
Income from continuing operations	**0.42**	**0.16**	**0.95**	**0.96**	0.31	1.23	1.07	0.9
Net income	**0.38**	**0.15**	**0.95**	**0.95**	0.31	1.23	1.09	0.9
Common stock price per share (2)								
High	**$ 40.17**	**$ 34.79**	**$ 36.87**	**$ 38.08**	$ 34.17	$ 42.88	$ 45.90	$ 51
Low	**32.75**	**25.24**	**24.82**	**28.17**	23.11	23.96	36.81	43
Close	**39.56**	**32.72**	**27.41**	**36.55**	26.31	25.62	41.64	44
Dividends per share of common stock	**0.01**	**0.01**	**0.01**	**0.01**	0.01	0.01	0.01	–

This Note to the Consolidated Financial Statements is unaudited due to the Company's individual quarterly results not being subject to an audit.

(1) Due to averaging of shares, quarterly earnings per share may not add up to the totals reported for the full year.

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

[End of Consolidated Financial Statements and Notes to Consolidated Financial Statements]

FINANCIAL DATA SUPPLEMENT (Unaudited)

RATIOS

	2012	2011	2010
Citigroup's net income to average assets	**0.39 %**	0.57 %	0.53 %
Return on average common stockholders' equity [1]	**4.1**	6.3	6.8
Return on average total stockholders' equity [2]	**4.1**	6.3	6.8
Total average equity to average assets [3]	**9.7**	8.9	7.8
Dividends payout ratio [4]	**1.6**	0.8	NM

(1) Based on Citigroup's net income less preferred stock dividends as a percentage of average common stockholders' equity.

(2) Based on Citigroup's net income as a percentage of average total Citigroup stockholders' equity.

(3) Based on average Citigroup stockholders' equity as a percentage of average assets.

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

NM Not Meaningful

AVERAGE DEPOSIT LIABILITIES IN OFFICES OUTSIDE THE U.S. [1]

	2012		2011		2010	
In millions of dollars at year end	**Average interest rate**	**Average balance**	Average interest rate	Average balance	Average interest rate	Average balance
Banks	**0.71 %**	**$ 71,624**	0.78 %	$ 50,831	0.83 %	$ 63,637
Other demand deposits	**0.84**	**217,806**	0.91	248,925	0.75	210,465
Other time and savings deposits [2]	**1.28**	**259,753**	1.52	245,208	1.54	258,999
Total	**1.03 %**	**$ 549,183**	1.17 %	$ 544,964	1.14 %	$ 533,101

(1) Interest rates and amounts include the effects of risk management activities and also reflect the impact of the local interest rates prevailing in certain countries.

(2) Primarily consists of certificates of deposit and other time deposits in denominations of $100,000 or more.

MATURITY PROFILE OF TIME DEPOSITS ($100,000 OR MORE) IN U.S. OFFICES

In millions of dollars at December 31, 2012	**Under 3 months**	**Over 3 to 6 months**	**Over 6 to 12 months**	**Over 12 months**
Certificates of deposit	**$ 2,991**	**$ 1,580**	**$ 1,156**	**$ 2,201**
Other time deposits	**208**	**4**	**230**	**1,843**

SUPERVISION, REGULATION AND OTHER

Citigroup is subject to regulation under U.S. federal and state laws, as well as applicable laws in the other jurisdictions in which it does business.

General

As a registered bank holding company and financial holding company, Citigroup is regulated and supervised by the Federal Reserve Board. Citigroup' s nationally chartered subsidiary banks, including Citibank, N.A., are regulated and supervised by the Office of the Comptroller of the Currency (OCC) and its state-chartered depository institution by the relevant state' s banking department and the Federal Deposit Insurance Corporation (FDIC). The FDIC also has back-up enforcement authority for banking subsidiaries whose deposits it insures. Overseas branches of Citibank, N.A. are regulated and supervised by the Federal Reserve Board and OCC and overseas subsidiary banks by the Federal Reserve Board. Such overseas branches and subsidiary banks are also regulated and supervised by regulatory authorities in the host countries.

A U.S. financial holding company and the companies under its control are permitted to engage in a broader range of activities in the U.S. and abroad than permitted for bank holding companies and their subsidiaries. Unless otherwise limited by the Federal Reserve Board, financial holding companies generally can engage, directly or indirectly in the U.S. and abroad, in financial activities, either de novo or by acquisition, by providing after-the-fact notice to the Federal Reserve Board. These financial activities include underwriting and dealing in securities, insurance underwriting and brokerage and making investments in non-financial companies for a limited period of time, as long as Citi does not manage the non-financial company' s day-to-day activities, and its banking subsidiaries engage only in permitted cross-marketing with the non-financial company. If Citigroup ceases to qualify as a financial holding company, it could be barred from new financial activities or acquisitions, and have to discontinue the broader range of activities permitted to financial holding companies.

Citi is permitted to acquire U.S. depository institutions, including out-of-state banks, subject to certain restrictions and the prior approval of federal banking regulators. In addition, intrastate bank mergers are permitted and banks in states that do not prohibit out-of-state mergers may merge. A national bank can generally also establish a new branch in any state (to the same extent as banks organized in the subject state) and state banks may establish a branch in another state if permitted by the other state. However, all bank holding companies, including Citigroup, must obtain the prior approval of the Federal Reserve Board before acquiring more than 5% of any class of voting stock of a

For more information on U.S. and foreign regulation affecting Citigroup and its subsidiaries, see "Risk Factors−Regulatory Risks" above.

Changes in Regulation

Proposals to change the laws and regulations affecting the banking and financial services industries are frequently introduced in Congress, before regulatory bodies and abroad that may affect the operating environment of Citigroup and its subsidiaries in substantial and unpredictable ways. This has been particularly true as a result of the financial crisis. Citigroup cannot determine whether any such proposals will be enacted and, if enacted, the ultimate effect that any such potential legislation or implementing regulations would have upon the financial condition or results of operations of Citigroup or its subsidiaries. For additional information regarding recently enacted and proposed legislative and regulatory initiatives, including significant provisions of the Dodd-Frank Act that have not been fully implemented by the U.S. banking agencies, see "Risk Factors−Regulatory Risks" above.

Other Bank and Bank Holding Company Regulation

Citigroup and its banking subsidiaries are subject to other regulatory limitations, including requirements for banks to maintain reserves against deposits, requirements as to risk-based capital and leverage (see "Capital Resources and Liquidity−Capital Resources" above and Note 20 to the Consolidated Financial Statements), restrictions on the types and amounts of loans that may be made and the interest that may be charged, and limitations on investments that can be made and services that can be offered. The Federal Reserve Board may also expect Citigroup to commit resources to its subsidiary banks in certain circumstances. Citigroup is also subject to anti-money laundering and financial transparency laws, including standards for verifying client identification at account opening and obligations to monitor client transactions and report suspicious activities.

Securities and Commodities Regulation

Citigroup conducts securities underwriting, brokerage and dealing activities in the U.S. through Citigroup Global Markets Inc. (CGMI), its primary broker-dealer, and other broker-dealer subsidiaries, which are subject to regulations of the SEC, the Financial Industry Regulatory Authority and certain exchanges, among others. Citigroup conducts similar securities activities outside the U.S., subject to local requirements, through various subsidiaries and affiliates, principally Citigroup Global Markets Limited in London, which is regulated principally by the U.K. Financial Services Authority, and Citigroup Global Markets Japan Inc. in Tokyo, which is regulated principally by the Financial Services Agency of Japan.

U.S. depository institution or bank holding company. The Federal Reserve Board must also approve certain additional capital contributions to an existing non-U.S. investment and certain acquisitions by Citigroup of an interest in a non-U.S. company, including in a foreign bank, as well as the establishment by Citibank, N.A. of foreign branches in certain circumstances.

Citigroup also has subsidiaries that are members of futures exchanges and are registered accordingly. In the U.S., CGMI is a member of the principal U.S. futures exchanges, and Citigroup has subsidiaries that are registered as futures commission merchants and commodity pool operators with the Commodity Futures Trading Commission (CTFC). On December 31, 2012, Citibank, N.A., CGMI, and Citigroup Energy Inc., registered as swap dealers with the CFTC. CGMI is also subject to Rule 15c3-1 of the SEC and Rule 1.17 of the CTFC, which specify uniform minimum net capital requirements. Compliance with these rules could limit those operations of CGMI that require the intensive use of capital, such as underwriting and trading activities and the financing of customer account balances, and also limits the ability of broker-dealers to transfer large amounts of capital to parent companies and other affiliates. See also "Capital Resources−Broker-Dealer Subsidiaries" and Note 20 to the Consolidated Financial Statements for a further discussion of capital considerations of Citigroup' s non-banking subsidiaries.

Dividends

Citigroup is currently subject to restrictions on its ability to pay common stock dividends. See "Risk Factors−Market and Economic Risks" above. For information on the ability of Citigroup' s subsidiary depository institutions and non-bank subsidiaries to pay dividends, see "Capital Resources−Capital Resources of Citigroup' s Subsidiary U.S. Depository Institutions" and Note 20 to the Consolidated Financial Statements above.

Transactions with Affiliates

The types and amounts of transactions between Citigroup' s U.S. subsidiary depository institutions and their non-bank affiliates are regulated by the Federal Reserve Board, and are generally required to be on arm' s-length terms. See also "Capital Resources and Liquidity−Funding and Liquidity" above.

Insolvency of an Insured U.S. Subsidiary Depository Institution

If the FDIC is appointed the conservator or receiver of an FDIC-insured U.S. subsidiary depository institution such as Citibank, N.A., upon its insolvency or certain other events, the FDIC has the ability to transfer any of the depository institution' s assets and liabilities to a new obligor without the approval of the depository institution' s creditors, enforce the terms of the depository institution' s contracts pursuant to their terms or repudiate or disaffirm contracts or leases to which the depository institution is a party.

Additionally, the claims of holders of deposit liabilities and certain claims for administrative expenses against an insured depository institution would be afforded priority over other general unsecured claims against such an institution, including claims of debt holders of the institution and, under current interpretation, depositors in non-U.S. offices, in the liquidation or other resolution of such an institution by any receiver. As a result, such persons would be treated differently from and could receive, if anything, substantially less than the depositors in U.S. offices of the depository institution.

An FDIC-insured financial institution that is affiliated with a failed FDIC-insured institution may have to indemnify the FDIC for losses resulting from the insolvency of the failed institution. Such an FDIC indemnity claim is generally superior in right of payment to claims of the holding company and its affiliates and depositors against such depository institution.

Privacy and Data Security

Citigroup is subject to many U.S., state and international laws and regulations relating to policies and procedures designed to protect the non-public information of its consumers. Citigroup must periodically disclose its privacy policy to consumers and must permit consumers to opt out of Citigroup' s ability to use such information to market to affiliates and third-party non-affiliates under certain circumstances. See also "Risk Factors−Business and Operational Risks" above.

DISCLOSURE PURSUANT TO SECTION 219 OF THE IRAN THREAT REDUCTION AND SYRIA HUMAN RIGHTS ACT

Citi, through its wholly owned banking subsidiary, Citibank, N.A., has branch operations in the United Arab Emirates (Citibank UAE), Bahrain (Citibank Bahrain), Lebanon (Citibank Lebanon) and Venezuela (Citibank Venezuela). These branches participate in the local government-run clearing and settlement exchange networks in each country for transactions involving automated teller machines (ATM), point-of-sale (POS) debit card transactions and/or the clearing and settlement of domestic checks. In addition, as required by the local law and the applicable operating rules for these exchange networks, all network participants, including these Citibank branches, must process transactions in which funds are drawn from, or deposited into, client accounts of other network participants.

The Office of Foreign Assets Control (OFAC) has been aware of the requirement for financial institutions operating within a particular country to participate in these local government-run clearing and exchange networks (including the participation of these Citi branches in such networks), despite the fact that certain banks that have been designated for sanctions by OFAC based on their ties to Iran and involvement in certain activities (OFAC Designated Banks) also participate in these networks.

Beginning in 2007, Citi, on behalf of its Citibank UAE branches, engaged with OFAC on a series of license applications. In October 2011, OFAC granted a license providing relief for check-clearing transactions involving Bank Melli and Bank Saderat, two OFAC Designated Banks participating in the UAE network, and in October 2012, OFAC renewed the original license and expanded its scope to encompass ATM and POS transactions (UAE License). Citi also engaged with OFAC and filed license applications between 2007 and 2011 on behalf of its Citibank Bahrain, Citibank Lebanon and Citibank Venezuela branches; these applications are pending with OFAC.

Prior to receiving the UAE License, during 2012, Citibank UAE processed approximately 5,350 ATM and POS transactions (or approximately 0.3% of all ATM and POS transactions for Citibank UAE during this time period) involving Bank Melli and Bank Saderat. These transactions resulted in approximately $2,200.00 gross revenues and approximately $1,100.00 net income to Citi.

During 2012, Citibank Bahrain processed approximately 8,800 domestic check and ATM transactions (or approximately 2.1% of all domestic check and ATM transactions for Citibank Bahrain during 2012) involving Future Bank, an OFAC Designated Bank. The domestic check transactions resulted in no revenues or net income to Citi. The ATM transactions resulted in approximately $250.00 gross revenues and approximately $125.00 net income to Citi.

During 2012, Citibank Lebanon processed approximately 180 domestic check transactions (which in aggregate, equaled approximately $890,000.00) involving Bank Saderat, an OFAC Designated Bank. The transactions resulted in less than $10.00 in gross revenue and net income to Citi.

During 2012, Citibank Venezuela processed a total of four domestic check transactions (which in aggregate, equaled approximately $1,000.00) involving Banco Internacional de Desarrollo, an OFAC Designated Bank. The transactions resulted in no revenues or net income to Citi.

In addition to the exchange network transactions described above, Citi, through its subsidiary in Germany (Citi Germany AG), processed one wire transfer in early 2012 that involved

Further, in 2011, a German court ordered the London branch of Citibank, N.A. to transfer a payment, previously blocked by Citi, to Bank Melli through the Bundesbank. The transfer was permissible under EU law and did not require regulatory licenses in either England or Germany, but required OFAC authorization, which was granted to Citi in 2011. The blocked funds were transferred in 2011 pursuant to the OFAC license, but a small amount of accrued interest related to the 2011 payment was made during 2012, pursuant to the same OFAC license. This transaction did not generate any revenue for Citi.

CUSTOMERS

In Citigroup' s judgment, no material part of Citigroup' s business depends upon a single customer or group of customers, the loss of which would have a materially adverse effect on Citi, and no one customer or group of affiliated customers accounts for at least 10% of Citigroup' s consolidated revenues.

COMPETITION

The financial services industry, including each of Citigroup' s businesses, is highly competitive. Citigroup' s competitors include a variety of other financial services and advisory companies such as banks, thrifts, credit unions, credit card issuers, mortgage banking companies, trust companies, investment banking companies, brokerage firms, investment advisory companies, hedge funds, private equity funds, securities processing companies, mutual fund companies, insurance companies, automobile financing companies, and internet-based financial services companies.

Citigroup competes for clients and capital (including deposits and funding in the short- and long-term debt markets) with some of these competitors globally and with others on a regional or product basis. Citigroup' s competitive position depends on many factors, including the value of Citi' s brand name, reputation, the types of clients and geographies served, the quality, range, performance, innovation and pricing of products and services, the effectiveness of and access to distribution channels, technology advances, customer service and convenience, effectiveness of transaction execution, interest rates and lending limits, regulatory constraints and the effectiveness of sales promotion efforts. Citigroup' s ability to compete effectively also depends upon its ability to attract new employees and retain and motivate existing employees, while managing compensation and other costs. See "Risk Factors−Business and Operational Risks" above.

Europaisch Iranische Handlesbank (EIH), an OFAC Designated Bank. The transfer was originated by the Central Bank of Germany (Bundesbank) from an EIH account in favor of a customer of Citi Germany AG. The transfer was licensed by the Bundesbank, which directed that the transfer be made. The transfer was also permissible under U.S. law pursuant to an exemption for informational materials under OFAC' s Iran sanctions program and involved a German subsidiary, which was not subject to the Iran sanctions program at the time of the transfer. This transaction did not generate any revenue for Citi.

In recent years, Citigroup has experienced intense price competition in some of its businesses. For example, the increased pressure on trading commissions from growing direct access to automated, electronic markets may continue to impact *Securities and Banking*, and technological advances that enable more companies to provide funds transfers may diminish the importance of *Global Consumer Banking' s* role as a financial intermediary.

Over time, there has been substantial consolidation among companies in certain sectors of the financial services industry. This consolidation accelerated in recent years as a result of the financial crisis, through mergers, acquisitions and bankruptcies, and may produce larger, better capitalized and more geographically diverse competitors able to offer a wider array of products and services at more competitive prices around the world.

PROPERTIES

Citigroup' s principal executive offices are located at 399 Park Avenue in New York City. Citigroup, and certain of its subsidiaries, is the largest tenant, and the offices are the subject of a lease. Citigroup also has additional office space at 601 Lexington Avenue in New York City, under a long-term lease. Citibank, N.A. leases one building and owns a commercial condominium unit in a separate building in Long Island City, New York, each of which are fully occupied by Citigroup and certain of its subsidiaries. Citigroup has a long-term lease on a building at 111 Wall Street in New York City and is the largest tenant.

Citigroup Global Markets Holdings Inc. leases its principal offices at 388 Greenwich Street in New York City, and also leases the neighboring building at 390 Greenwich Street, both of which are fully occupied by Citigroup and certain of its subsidiaries.

Citigroup' s principal executive offices in *EMEA* are located at 25 and 33 Canada Square in London' s Canary Wharf, with both buildings subject to long-term leases. Citigroup is the largest tenant of 25 Canada Square and the sole tenant of 33 Canada Square.

In *Asia*, Citigroup' s principal executive offices are in leased premises located at Citibank Tower in Hong Kong. Citigroup also has significant lease premises in Singapore and Japan. Citigroup has major or full ownership interests in country headquarter locations in Shanghai, Seoul, Kuala Lumpur, Manila, and Mumbai.

Citigroup' s principal executive offices in *Latin America*, which also serve as the headquarters of Banamex, are located in Mexico City, in a two-tower complex with six floors each, totaling 257,000 rentable square feet.

Citigroup also owns or leases over 72.7 million square feet of real estate in 100 countries, comprised of 12,074 properties.

Citigroup continues to evaluate its current and projected space requirements and may determine from time to time that certain of its premises and facilities are no longer necessary for its operations. There is no assurance that Citigroup will be able to dispose of any such excess premises or that it will not incur charges in connection with such dispositions. Such disposition costs may be material to Citigroup' s operating results in a given period.

Citi has developed programs for its properties to achieve long-term energy efficiency objectives and reduce its greenhouse gas emissions to lessen its impact on climate change. Citi has also integrated a climate change adaptation strategy into its operational strategy, which includes redundancy measures, to address risks from climate change and weather influenced events. These activities could help to mitigate, but will not eliminate, Citi' s potential risk from future climate change regulatory requirements or Citi' s risk of increased costs from extreme weather events.

For further information concerning leases, see Note 27 to the Consolidated Financial Statements.

LEGAL PROCEEDINGS

For a discussion of Citigroup' s litigation and related matters, see Note 28 to the Consolidated Financial Statements.

UNREGISTERED SALES OF EQUITY, PURCHASES OF EQUITY SECURITIES, DIVIDENDS

Unregistered Sales of Equity Securities

None.

Share Repurchases

Under its currently existing repurchase program, Citigroup may buy back common shares in the market or otherwise from time to time. This program may be used for many purposes, including offsetting dilution from stock-based compensation programs. Any repurchase program is subject to regulatory approval (see "Risk Factors−Business and Operational Risks" above). The following table summarizes Citigroup' s share repurchases during 2012:

In millions, except per share amounts	Total shares purchased (1)	Average price paid per share	Approximate dollar value of shares that may yet be purchased under the plan or programs
First quarter 2012			
Open market repurchases (1)	0.1	$ 36.58	$6,726
Employee transactions (2)	1.4	29.26	N/A
Total first quarter 2012	1.5	$ 29.85	$ 6,726
Second quarter 2012			
Open market repurchases (1)	–	$ –	$ 6,726
Employee transactions (2)	0.1	32.62	N/A
Total second quarter 2012	0.1	$ 32.62	$ 6,726
Third quarter 2012			
Open market repurchases (1)	–	$ –	$ 6,726
Employee transactions (2)	–	–	N/A
Total third quarter 2012	–	–	$ 6,726
October 2012			
Open market repurchases (1)	–	$ –	$ 6,726
Employee transactions (2)	–	–	N/A
November 2012			
Open market repurchases (1)	–	–	6,726
Employee transactions (2)	–	–	N/A
December 2012			
Open market repurchases (1)	–	–	6,726
Employee transactions (2)	0.1	36.03	N/A
Fourth quarter 2012			
Open market repurchases (1)	–	$ –	$ 6,726
Employee transactions (2)	0.1	36.03	N/A
Total fourth quarter 2012	0.1	$36.03	$ 6,726
Year-to-date 2012			
Open market repurchases (1)	0.1	$ 36.58	$ 6,726
Employee transactions (2)	1.6	29.68	N/A
Total year-to-date 2012	1.7	$ 30.17	$ 6,726

(1) Open market repurchases are transacted under an existing share repurchase plan, which such repurchase plan is subject to regulatory approval. Since 2000, the Board of Directors has authorized the repurchase of shares in the aggregate amount of $40 billion under Citi' s existing share repurchase plan.

(2) Consists of shares added to treasury stock related to activity on employee stock option program exercises, where the employee delivers existing shares to cover the option exercise, or under Citi' s employee restricted or deferred stock program, where shares are withheld to satisfy tax requirements.

N/A Not applicable

For so long as the FDIC continues to hold any Citigroup trust preferred securities acquired pursuant to the exchange offers consummated in 2009, Citigroup is, subject to certain exemptions, generally restricted from redeeming or repurchasing any of its equity or trust preferred securities, which restriction may be waived.

Dividends

For a summary of the cash dividends paid on Citi' s outstanding common stock during 2011 and 2012, see Note 29 to the Consolidated Financial Statements. For as long as the FDIC continues to hold any Citigroup trust preferred securities acquired pursuant to the exchange offers consummated in 2009, Citigroup is generally restricted from paying regular cash dividends in excess of $0.01 per share of common stock per quarter, which restriction may be waived. Further, any dividend on Citi' s outstanding common stock would need to be made in compliance with Citi' s obligations to any remaining outstanding Citigroup preferred stock.

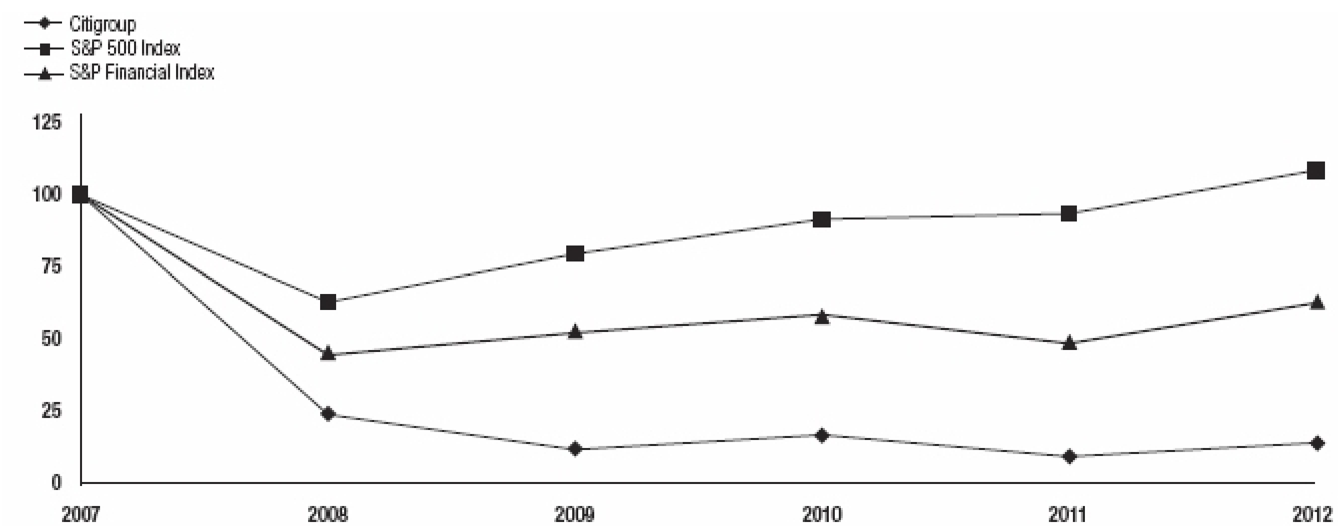
PERFORMANCE GRAPH

Comparison of Five-Year Cumulative Total Return

The following graph and table compare the cumulative total return on Citigroup' s common stock with the cumulative total return of the S&P 500 Index and the S&P Financial Index over the five-year period through December 31, 2012. The graph and table assume that $100 was invested on December 31, 2007 in Citigroup' s common stock, the S&P 500 Index and the S&P Financial Index, and that all dividends were reinvested.

Comparison of Five-Year Cumulative Total Return

For the years ended



DATE	CITI	S&P 500	S&P FINANCIALS
31-Dec-2007	100.00	100.00	100.00
31-Dec-2008	24.02	63.00	44.68
31-Dec-2009	11.88	79.67	52.38
31-Dec-2010	16.98	91.67	58.73
30-Dec-2011	9.45	93.61	48.71
31-Dec-2012	14.23	108.59	62.75

CORPORATE INFORMATION

CITIGROUP EXECUTIVE OFFICERS

Citigroup' s executive officers as of March 1, 2013 are:

Name	Age	Position and office held
Francisco Aristeguieta	47	CEO, Latin America
Stephen Bird	46	CEO, Asia Pacific
Don Callahan	56	Head of Operations and Technology; Chief Operations and Technology Officer
Michael L. Corbat	52	Chief Executive Officer
James C. Cowles	57	CEO, Europe, Middle East and Africa
James A. Forese	50	Co-President; CEO, Institutional Clients Group
John C. Gerspach	59	Chief Financial Officer
Brian Leach	53	Head of Franchise Risk and Strategy
Paul McKinnon	62	Head of Human Resources
Eugene M. McQuade	64	CEO, Citibank, N.A.
Manuel Medina-Mora	62	Co-President; CEO, Global Consumer Banking; Chairman, Mexico
William J. Mills	57	CEO, North America
Jeffrey R. Walsh	55	Controller and Chief Accounting Officer
Rohan Weerasinghe	62	General Counsel and Corporate Secretary

Each executive officer has held executive or management positions with Citigroup for at least five years, except that:

- Mr. Leach became Citi' s Head of Franchise Risk and Strategy in January 2013. Prior to that, Mr. Leach was Chief Risk Officer beginning March 2008. Previously, Mr. Leach was a founder and the co-COO of Old Lane, LP, a multi-strategy hedge fund and private equity fund manager that was acquired by Citi in 2007. Earlier, he had worked for his entire financial career at Morgan Stanley, finishing as Risk Manager of the Institutional Securities Business.
- Mr. McQuade joined Citi in 2009. Prior to joining Citi, Mr. McQuade was Vice Chairman of Merrill Lynch and President of Merrill Lynch Banks (U.S.) from February 2008 until February 2009. Previously, he was the President and Chief Operating Officer of Freddie Mac for three years. Prior to joining Freddie Mac in 2004, Mr. McQuade served as President of Bank of America Corporation.
- Mr. Weerasinghe joined Citi in June 2012. Prior to joining Citi, Mr. Weerasinghe was Senior Partner at Shearman & Sterling.

Code of Conduct, Code of Ethics

Citigroup has a Code of Conduct that maintains its commitment to the highest standards of conduct. The Code of Conduct is supplemented by a Code of Ethics for Financial Professionals (including accounting, controllers, financial reporting operations, financial planning and analysis, treasury, tax, strategy and M&A, investor relations and regional/product finance professionals and administrative staff) that applies worldwide. The Code of Ethics for Financial Professionals applies to Citigroup' s principal executive officer, principal financial officer and principal accounting officer. Amendments and waivers, if any, to the Code of Ethics for Financial Professionals will be disclosed on Citi' s website, www.citigroup.com.

Both the Code of Conduct and the Code of Ethics for Financial Professionals can be found on the Citigroup website by clicking on "About Us," and then "Corporate Governance." Citi' s Corporate Governance Guidelines can also be found there, as well as the charters for the Audit Committee, the Nomination, Governance and Public Affairs Committee, the Personnel and Compensation Committee and the Risk Management and Finance Committee of the Board. These materials are also available by writing to Citigroup Inc., Corporate Governance, 601 Lexington Avenue, 19th Floor, New York, New York 10022.

Stockholder Information

Citigroup common stock is listed on the NYSE under the ticker symbol "C" and on the Tokyo Stock Exchange and the Mexico Stock Exchange. Citigroup preferred stock Series F, T and AA are also listed on the NYSE.

Because Citigroup' s common stock is listed on the NYSE, the Chief Executive Officer is required to make an annual certification to the NYSE stating that he was not aware of any violation by Citigroup of the corporate governance listing standards of the NYSE. The annual certification to that effect was made to the NYSE on May 20, 2012.

As of January 31, 2013, Citigroup had approximately 104,511 common stockholders of record. This figure does not represent the actual number of beneficial owners of common stock because shares are frequently held in "street name" by securities dealers and others for the benefit of individual owners who may vote the shares.

Transfer Agent

Stockholder address changes and inquiries regarding stock transfers, dividend replacement, 1099-DIV reporting and lost securities for common and preferred stock should be directed to:

Computershare
P.O. Box 43078
Providence, RI 02940-3078
Telephone No. 781 575 4555
Toll-free No. 888 250 3985
E-mail address: shareholder@computershare.com
Web address: www.computershare.com/investor

Exchange Agent

Holders of Golden State Bancorp, Associates First Capital Corporation, Citicorp or Salomon Inc. common stock, Citigroup Inc. Preferred Stock Series Q, S or T, or Salomon Inc. Preferred Stock Series D should arrange to exchange their certificates by contacting:

Computershare
P.O. Box 43078
Providence, RI 02940-3078
Telephone No. 781 575 4555
Toll-free No. 888 250 3985
E-mail address: shareholder@computershare.com
Web address: www.computershare.com/investor

On May 9, 2011, Citi effected a 1-for-10 reverse stock split. All Citi common stock certificates issued prior to that date must be exchanged for new certificates by contacting Computershare at the address noted above.

Citi' s 2012 Form 10-K filed with the SEC, as well as other annual and quarterly reports, are available from Citi Document Services toll free at 877 936 2737 (outside the United States at 716 730 8055), by e-mailing a request to docserve@citi.com, or by writing to:

Citi Document Services
540 Crosspoint Parkway
Getzville, NY 14068

Stockholder Inquiries

Information about Citi, including quarterly earnings releases and filings with the U.S. Securities and Exchange Commission, can be accessed via its website at www.citigroup.com. Stockholder inquiries can also be directed by e-mail to shareholderrelations@citi.com.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 1st day of March, 2013.

Citigroup Inc.
(Registrant)

John C. Gerspach
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on the 1st day of March, 2013.

Citigroup’ s Principal Executive Officer and a Director:

Michael L. Corbat

Citigroup’ s Principal Financial Officer:

John C. Gerspach

Citigroup’ s Principal Accounting Officer:

Jeffrey R. Walsh

The Directors of Citigroup listed below executed a power of attorney appointing John C. Gerspach their attorney-in-fact, empowering him to sign this report on their behalf.

Franz B. Humer	Anthony M. Santomero
Robert L. Joss, Ph.D.	Joan E. Spero
Michael E. O’ Neill	Diana L. Taylor
Lawrence R. Ricciardi	William S. Thompson, Jr.
Judith Rodin	Ernesto Zedillo
Robert L. Ryan	

John C. Gerspach

CITIGROUP BOARD OF DIRECTORS

Michael L. Corbat
Chief Executive Officer
Citigroup Inc.

Franz B. Humer
Chairman
Roche Holding Ltd.

Robert L. Joss, Ph.D.
Professor of Finance Emeritus and
Former Dean
Stanford University
Graduate School of Business

Michael E. O' Neill
Chairman
Citigroup Inc.;
Former Chairman and
Chief Executive Officer
Bank of Hawaii Corporation

Lawrence R. Ricciardi
Senior Advisor
IBM Corporation;
Jones Day; and Lazard Ltd.

Judith Rodin
President
Rockefeller Foundation

Robert L. Ryan
Chief Financial Officer, Retired
Medtronic Inc.

Anthony M. Santomero
Former President
Federal Reserve Bank of
Philadelphia

Joan E. Spero
Senior Research Scholar
Columbia University
School of International
and Public Affairs

Diana L. Taylor
Managing Director
Wolfensohn Fund
Management, L.P.

William S. Thompson, Jr.
Chief Executive Officer, Retired
Pacific Investment
Management Company
(PIMCO)

Ernesto Zedillo
Director, Center for the
Study of Globalization;
Professor in the Field
of International
Economics and Politics
Yale University

This page intentionally left blank.

EXHIBIT INDEX

Exhibit Number		Description of Exhibit
2.01		Amended and Restated Joint Venture Contribution and Formation Agreement, dated May 29, 2009, by and among the Company, Morgan Stanley and Morgan Stanley Smith Barney Holdings LLC, incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed June 3, 2009 (File No. 1-9924).
3.01+		Restated Certificate of Incorporation of the Company, as amended, as in effect on the date hereof.
3.02		By-Laws of the Company, as amended, as in effect on the date hereof, incorporated by reference to the Company's Current Report on Form 8-K filed January 10, 2013 (File No. 1-9924).
4.01		Warrant Agreement (relating to Warrants (expiring January 4, 2019)), dated as of January 25, 2011, between the Company and Computershare Inc. and Computershare Trust Company, N.A., as Warrant Agent, incorporated by reference to Exhibit 4.1 to the Company' s Form 8-A filed January 26, 2011 (File No. 1-9924).
4.02		Specimen Warrant for 255,033,142 Warrants, incorporated by reference to Exhibit 4.2 to the Company' s Form 8-A filed January 26, 2011 (File No. 1-9924).
4.03		Warrant Agreement (relating to Warrants (expiring October 28, 2018)), dated as of January 25, 2011, between the Company and Computershare Inc. and Computershare Trust Company, N.A., as Warrant Agent, incorporated by reference to Exhibit 4.1 to the Company' s Form 8-A filed January 26, 2011 (File No. 1-9924).
4.04		Specimen Warrant for 210,084,034 Warrants, incorporated by reference to Exhibit 4.2 to the Company' s Form 8-A filed January 26, 2011 (File No. 1-9924).
4.05		Tax Benefits Preservation Plan, dated June 9, 2009, between the Company and Computershare Trust Company, N.A., incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed June 10, 2009 (File No. 1-9924).
4.06		Capital Securities Guarantee Agreement, dated as of July 30, 2009, between the Company, as Guarantor, and The Bank of New York Mellon, as Guarantee Trustee, incorporated by reference to Exhibit 4.03 to the Company's Current Report on Form 8-K filed July 30, 2009 (File No. 1-9924).
4.07		Registration Rights Agreement, dated as of January 27, 2011, between the Company and The Bank of New York Mellon, not in its individual capacity but solely as Trustee, incorporated by reference to Exhibit 4.1 to the Company' s Registration Statement on Form S-4 filed March 28, 2011 (File No. 333-173113).
4.08		Termination of the Capital Replacement Covenants agreement, dated April 1, 2011, between the Company and The Bank of New York Mellon, as Institutional Trustee of Citigroup Capital XI, incorporated by reference to Exhibit 4.1 to the Company' s Current Report on Form 8-K filed April 4, 2011 (File No. 1-9924).
4.09		Specimen Physical Common Stock Certificate of the Company, incorporated by reference to Exhibit 4.1 to the Company' s Current Report on Form 8-K filed May 9, 2011 (File No. 1-9924).

10.01.1*		Supplemental ERISA Compensation Plan of Citibank, N.A. and Affiliates, as amended and restated (the “Citibank Supplemental ERISA Plan”), incorporated by reference to Exhibit 10.(G) to Citicorp’ s Annual Report on Form 10-K for the fiscal year ended December 31, 1997 (File No. 1-5378).
10.01.2*		Amendment to the Citibank Supplemental ERISA Plan, incorporated by reference to Exhibit 10.21.2 to the Company’ s Annual Report on Form 10-K for the fiscal year ended December 31, 1999 (File No. 1-9924) (the “Company’ s 1999 10-K”).
10.01.3*		Amendment to the Citibank Supplemental ERISA Plan, incorporated by reference to Exhibit 10.04.1 to the Company’ s Annual Report on Form 10-K for the fiscal year ended December 31, 2005 (File No. 1-9924).
10.01.4*		Amendment to the Citibank Supplemental ERISA Plan, incorporated by reference to Exhibit 10.01.4 to the Company’ s Annual Report on Form 10-K for the fiscal year ended December 31, 2009 (File No. 1-9924) (the “Company’ s 2009 10-K”).
10.01.5*		Nonqualified Plan Amendment to the Citibank Supplemental ERISA Plan, approved November 19, 2009, incorporated by reference to Exhibit 10.01.5 to the Company’ s 2009 10-K.
10.01.6*+		Amendment to the Citibank Supplemental ERISA Plan, approved December 21, 2012.
10.02*		Citigroup Inc. Amended and Restated Compensation Plan for Non-Employee Directors (as of September 21, 2004), incorporated by reference to Exhibit 10.01 to the Company’ s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2005 (File No. 1-9924).
10.03.1*		Form of Citigroup Inc. Non-Employee Director Equity Award Agreement (pursuant to the Amended and Restated Compensation Plan for Non-Employee Directors), incorporated by reference to Exhibit 10.1 to the Company’ s Current Report on Form 8-K filed January 14, 2005 (File No. 1-9924).
10.03.2*		Form of Citigroup Inc. Non-Employee Director Equity Award Agreement (effective November 1, 2006), incorporated by reference to Exhibit 10.05 to the Company’ s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2006 (File No. 1-9924).
10.04.1*		Citicorp Directors’ Deferred Compensation Plan, Restated May 1, 1988, incorporated by reference to Exhibit 10.23 to the Company’ s Annual Report on Form 10-K for the fiscal year ended December 31, 1998 (File No. 1-9924).
10.04.2*		Amendment to the Citicorp Directors’ Deferred Compensation Plan (effective as of December 31, 2001), incorporated by reference to Exhibit 10.22.2 to the Company’ s Annual Report on Form 10-K for the fiscal year ended December 31, 2001 (File No. 1-9924) (the “Company’s 2001 10-K”).
10.05*		Citigroup 1999 Stock Incentive Plan (as amended and restated effective January 1, 2009), incorporated by reference to Exhibit 10.15 to the Company’ s 2008 10-K.

10.06*		Form of Citigroup Directors' Stock Option Grant Notification, incorporated by reference to Exhibit 10.26 to the Company' s Annual Report on Form 10-K for the fiscal year ended December 31, 2000 (File No. 1-9924).
10.07.1*		Form of Citigroup Equity or Deferred Cash Award Agreement (effective January 1, 2009), incorporated by reference to Exhibit 10.01 to the Company' s September 30, 2008 10-Q.
10.07.2*		Form of Citigroup Equity or Deferred Cash Award Agreement (effective November 1, 2009), incorporated by reference to Exhibit 10.01 to the Company' s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009 (File No. 1-9924).
10.07.3*		Form of Citigroup Equity or Deferred Cash Award Agreement (effective November 1, 2010), incorporated by reference to Exhibit 10.01 to the Company' s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009 (File No. 1-9924).
10.07.4*		Form of Citigroup Inc. 2012 Discretionary Incentive and Retention Award Agreement, incorporated by reference to Exhibit 10.01 to the Company' s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2011 (File No. 1-9924) (the "Company' s September 30, 2011 10-Q").
10.07.5*		Form of Citigroup Inc. 2013 CAP/DCAP Agreement, incorporated by reference to Exhibit 10.01 to the Company' s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2012 (File No. 1-9924).
10.08*		Citigroup Management Committee Termination Notice and Non-Solicitation Policy, effective October 2, 2006, incorporated by reference to Exhibit 10.1 to the Company' s Current Report on Form 8-K filed October 6, 2006 (File No. 1-9924).
10.09*		Citigroup Inc. Non-Employee Directors Compensation Plan (effective as of January 1, 2008), incorporated by reference to Exhibit 10.01 to the Company' s September 30, 2007 10-Q.
10.10.1*		Aircraft Time Sharing Agreement, dated December 12, 2007, between Citiflight, Inc. and Vikram Pandit, incorporated by reference to Exhibit 10.43 to the Company' s 2007 10-K.
10.10.2*+		Aircraft Time Sharing Agreement, dated December 19, 2012, between Citiflight, Inc. and Michael Corbat.
10.11		Form of Addendum to Indemnification Agreement dated December 16, 2008 between the Company and each member of its Board of Directors, incorporated by reference to Exhibit 10.44 to the Company' s 2008 10-K.
10.12*		Form of Citigroup Performance Stock Award Agreement, incorporated by reference to Exhibit 99.1 to the Company' s Current Report on Form 8-K filed January 21, 2009 (File No. 1-9924).
10.13*		Form of Citigroup Executive Premium Price Option Agreement, incorporated by reference to Exhibit 99.2 to the Company' s Current Report on Form 8-K filed January 21, 2009 (File No. 1-9924).
10.14.1*		Citicorp Deferred Compensation Plan, effective October 1995, incorporated by reference to Exhibit 10 to Citicorp' s Registration Statement on Form S-8 filed February 15, 1996 (File No. 333-0983).

10.14.2*		Amendment to the Citicorp Deferred Compensation Plan, incorporated by reference to Exhibit 10.18.2 to the Company' s 1999 10-K.

10.14.3*		Amendment to the Citicorp Deferred Compensation Plan, effective as of September 28, 2001, incorporated by reference to Exhibit 10.17.3 to the Company' s 2001 10-K.
10.14.4*		Nonqualified Plan Amendment to the Citicorp Deferred Compensation Plan, adopted November 19, 2009, incorporated by reference to Exhibit 10.01.5 to the Company' s 2009 10-K.
10.15*		Form of Citi Long-Term Restricted Stock Award Agreement for awards granted on December 30, 2009, incorporated by reference to Exhibit 10.33 to the Company' s 2009 10-K.
10.16		Exchange Agreement, dated June 9, 2009, between the Company and the Federal Deposit Insurance Corporation, incorporated by reference to Exhibit 10.4 to Amendment No. 3 to the Company' s Registration Statement on Form S-4 filed June 10, 2009 (File No. 333-158100).
10.17		Amended and Restated Global Selling Agency Agreement, dated December 20, 2012, among, the Company, Citigroup Global Markets Inc., Merrill Lynch, Pierce Fenner & Smith Incorporated, UBS Financial Services Inc. and Wells Fargo Securities, LLC, incorporated by reference to Exhibit 1.1 to the Company' s Current Report on Form 8-K filed December 21, 2012. (File No. 1-9924).
10.18.1*		Letter Agreement, dated April 5, 2010, between the Company and Dr. Robert L. Joss (the "Joss Letter Agreement"), incorporated by reference to Exhibit 10.03 to the Company' s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010 (File No. 1-9924) (the "Company' s March 31, 2010 10-Q").
10.18.2*		Joss Letter Agreement Renewal, dated October 28, 2010, between the Company and Dr. Robert L. Joss, incorporated by reference to Exhibit 10.43.1 to the Company' s Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (File No. 1-9924) (the "Company' s 2010 10-K").
10.18.3*		Joss Letter Agreement Renewal, dated January 1, 2012, between the Company and Dr. Robert L. Joss, incorporated by reference to Exhibit 10.28.3 to the Company' s Annual Report on Form 10-K for the fiscal year ended December 31, 2011 (File No. 1-9924) (the "Company' s 2011 10-K").
10.18.4*+		Joss Letter Agreement Renewal, dated December 14, 2012, between the Company and Dr. Robert L. Joss.
10.19*		Individual Employment Contract, dated November 8, 1971, between Banco Nacional de Mexico, S.A. and Manuel Medina-Mora (English translation), incorporated by reference to Exhibit 10.07 to the Company' s March 31, 2010 10-Q.
10.20*		Form of Citi Long-Term Restricted Stock Award Agreement (effective November 1, 2010), incorporated by reference to Exhibit 10.04 to the Company' s September 30, 2010 10-Q.
10.21*		Citigroup Inc. 2010 Key Employee Profit Sharing Plan, incorporated by reference to Exhibit 10.50 to the Company' s 2010 10-K.
10.22*		Form of Citigroup Inc. 2010 Key Employee Profit Sharing Plan Award Agreement, incorporated by reference to Exhibit 10.51 to the Company' s 2010 10-K.

10.23*		Citigroup Inc. 2010 Key Risk Employee Plan, incorporated by reference to Exhibit 10.52 to the Company's 2010 10-K.
10.24*		Form of Citigroup Inc. 2010 Key Risk Employee Plan Award Agreement, incorporated by reference to Exhibit 10.53 to the Company' s 2010 10-K.

10.25*		Citigroup Inc. 2011 Key Employee Profit Sharing Plan, incorporated by reference to Exhibit 10.01 to the Company' s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2011 (File No. 1-9924) (the "Company' s March 31, 2011 10-Q").
10.26*		Citigroup Inc. 2011 Key Employee Profit Sharing Plan Award Agreement, incorporated by reference to Exhibit 10.02 to the Company' s March 31, 2011 10-Q.
10.27*		Form of Citigroup Inc. Employee Option Grant Agreement, incorporated by reference to Exhibit 10.01 to the Company' s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2011 (File No. 1-9924) (the "Company' s June 30, 2011 10-Q").
10.28*+		Citigroup 2009 Stock Incentive Plan (as amended and restated effective January 1, 2013).
10.29*		2011 Citigroup Executive Performance Plan, incorporated by reference to Exhibit 10.2 to the Company' s Current Report on Form 8-K filed April 26, 2011 (File No. 1-9924).
10.30*		Citigroup Inc. 2011 Key Employee Profit Sharing Plan Award Agreement, dated May 17, 2011, between the Company and Vikram S. Pandit, incorporated by reference to Exhibit 10.02 to the Company' s June 30, 2011 10-Q.
10.31*		Citigroup Inc. Equity Award Agreement, dated May 17, 2011, between the Company and Vikram S. Pandit, incorporated by reference to Exhibit 10.03 to the Company' s June 30, 2011 10-Q.
10.32*		Citigroup Inc. Executive Option Grant Agreement, dated May 17, 2011, between the Company and Vikram S. Pandit, incorporated by reference to Exhibit 10.04 to the Company' s June 30, 2011 10-Q.
10.33*		Letter Agreement, dated December 21, 2011, between Citigroup Inc. and Michael Corbat, incorporated by reference to Exhibit 10.1 to the Company' s Current Report on Form 8-K filed December 22, 2011 (File No. 1-9924).
10.34*+		Citigroup Inc. Deferred Cash Award Plan (As Amended and Restated Effective as of January 1, 2013).
10.35*+		Citi Discretionary Incentive and Retention Award Plan (Amended and Restated Effective as of January 1, 2013).
10.36*		Letter Agreement, dated November 9, 2012, between the Company and Vikram Pandit, incorporated by reference to Exhibit 10.1 to the Company' s Current Report on Form 8-K filed November 9, 2012 (File No. 1-9924).
10.37*		Letter Agreement, dated November 9, 2012, between Citigroup Global Markets Inc. and John Havens, incorporated by reference to Exhibit 10.2 to the Company' s Current Report on Form 8-K filed November 9, 2012 (File No. 1-9924).
12.01+		Calculation of Ratio of Income to Fixed Charges.
12.02+		Calculation of Ratio of Income to Fixed Charges Including Preferred Stock Dividends.
21.01+		Subsidiaries of the Company.
23.01+		Consent of KPMG LLP, Independent Registered Public Accounting Firm.

24.01+		Powers of Attorney.
31.01+		Certification of principal executive officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.02+		Certification of principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.01+		Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.01+		List of Securities Registered Pursuant to Section 12(b) of the Securities Exchange Act of 1934.
101.01+		Financial statements from the Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 2012, filed on March 1, 2013, formatted in XBRL: (i) the Consolidated Statement of Income, (ii) the Consolidated Balance Sheet, (iii) the Consolidated Statement of Changes in Equity, (iv) the Consolidated Statement of Cash Flows and (v) the Notes to Consolidated Financial Statements.

The total amount of securities authorized pursuant to any instrument defining rights of holders of long-term debt of the Company does not exceed 10% of the total assets of the Company and its consolidated subsidiaries. The Company will furnish copies of any such instrument to the SEC upon request.

Copies of any of the exhibits referred to above will be furnished at a cost of $0.25 per page (although no charge will be made for the 2012 Annual Report on Form 10-K) to security holders who make written request therefor to Citigroup Inc., Corporate Governance, 601 Lexington Avenue, 19th Floor, New York, New York 10022.

* Denotes a management contract or compensatory plan or arrangement.

+ Filed herewith.

Exhibit 3.01

State of Delaware
Secretary of State
Division of Corporations
Delivered 09:24 PM 10/30/2009
FILED 08:23 PM 10/30/2009
SRV 090980892 - 2154254 FILE

RESTATED
CERTIFICATE OF INCORPORATION
OF
CITIGROUP INC.

Citigroup Inc., a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

The name of the corporation is Citigroup Inc. (hereinafter the "Corporation") and the date of filing of its original Certificate of Incorporation with the Delaware Secretary of State is March 8, 1988. The name under which the Corporation filed its Certificate of Incorporation is Commercial Credit Group, Inc. A Restated Certificate of Incorporation, which restated and integrated, but did not further amend, the Certificate of Incorporation as amended or supplemented theretofore, was filed with the Delaware Secretary of State on December 11, 1998.

The text of the Restated Certificate of Incorporation as amended or supplemented heretofore is hereby restated and integrated, but not amended, to read as herein set forth in full and there is no discrepancy between the provisions of the Restated Certificate of Incorporation as so amended or supplemented and the provisions of this Restated Certificate of Incorporation. Following the effective time of this Restated Certificate of Incorporation, all references hereinafter to "Certificate of Incorporation" shall refer to this Restated Certificate of Incorporation.

FIRST: The name of the Corporation is:

Citigroup Inc.

SECOND: The registered office of the Corporation is to be located at the Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, in the county of New Castle, in the State of Delaware. The name of its registered agent at that address is The Corporation Trust Company.

THIRD: The purpose of the Corporation is:

To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH: A. The total number of shares of all classes of stock which the Corporation shall have authority to issue is Sixty Billion Thirty Million (60,030,000,000). The total number of shares of Common Stock which the Corporation shall have authority to issue is Sixty Billion (60,000,000,000) shares of Common Stock having a par value of one cent ($.01) per share. The total number of shares of Preferred Stock which the Corporation shall have the authority to issue is Thirty Million (30,000,000) shares having a par value of one dollar ($1.00) per share.

B. The Board of Directors is authorized, subject to limitations prescribed by law and the provisions of this Article FOURTH, to provide for the issuance of the shares of Preferred Stock in series, and by filing a certificate pursuant to the applicable law of the State of Delaware, to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof. The authority of the Board of Directors with respect to each series shall include, but not be limited to, determination of the following:

(i) The number of shares constituting that series and the distinctive designation of that series;

(ii) The dividend rate on the shares of that series, whether dividends shall be cumulative, and, if so, from which date or dates, and the relative rights of priority, if any, of payment of dividends on shares of that series;

(iii) Whether that series shall have voting rights, in addition to the voting rights provided by law, and, if so, the terms of such voting rights;

(iv) Whether that series shall have conversion or exchange privileges, and, if so, the terms and conditions of such conversion or exchange, including provision for adjustment of the conversion or exchange rate in such events as the Board of Directors shall determine;

(v) Whether or not the shares of that series shall be redeemable, and, if so, the terms and conditions of such redemption, including the manner of selecting shares for redemption if less than all shares are to be redeemed, the date or dates upon or after which they shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;

(vi) Whether that series shall have a sinking fund for the redemption or purchase of shares of that series, and, if so, the terms and amount of such sinking fund;

(vii) The right of the shares of that series to the benefit of conditions and restrictions upon the creation of indebtedness of the Corporation or any subsidiary, upon the issue of any additional stock (including additional shares of such series or any other series) and upon the payment of dividends or the making of other distributions on, and the purchase, redemption or other acquisition by the Corporation or any subsidiary of any outstanding stock of the Corporation;

(viii) The rights of the shares of that series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Corporation, and the relative rights of priority, if any, of payment of shares of that series; and

(ix) Any other relative, participating, optional or other special rights, qualifications, limitations or restrictions of that series.

C. Dividends on outstanding shares of Preferred Stock shall be paid, or declared and set apart for payment, before any dividends shall be paid or declared and set apart for payment on outstanding shares of Common Stock. If upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the assets available for distribution to holders of shares of Preferred Stock of all series shall be insufficient to pay such holders the full preferential amount to which they are entitled, then such assets shall be distributed ratably among the shares of all series of Preferred Stock in accordance with the respective preferential amounts (including unpaid cumulative dividends, if any) payable with respect thereto.

D. Shares of any series of Preferred Stock which have been redeemed (whether through the operation of a sinking fund or otherwise) or which, if convertible or exchangeable, have been converted into or exchanged for shares of stock of any other class or classes shall have the status of authorized and unissued shares of Preferred Stock of the same series and may be reissued as a part of the series of which they were originally a part or may be reclassified and reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors or as part of any other series of Preferred Stock, all subject to the conditions and the restrictions on issuance set forth in the resolution or resolutions adopted by the Board of Directors providing for the issue of any series of Preferred Stock.

E. Subject to the provisions of any applicable law or except as otherwise provided by the resolution or resolutions providing for the issue of any series of Preferred Stock, the holders of outstanding shares of Common Stock shall exclusively possess voting power for the election of directors and for all other purposes; each holder of record of shares of Common Stock being entitled to one vote for each share of Common Stock standing in his name on the books of the Corporation; provided, however, that, except as otherwise required by law, holders of Common Stock shall not be entitled to vote on any amendment to this Certificate of Incorporation (including any certificate relating to shares of Preferred Stock contemplated or authorized by Section B or Section J of this Article FOURTH) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together as a class with the holders of one or more other such series, to vote thereon pursuant to this Restated Certificate of Incorporation (including any certificate relating to shares of Preferred Stock contemplated or authorized by Section B or Section J of this Article FOURTH).

F. Except as otherwise provided by the resolution or resolutions providing for the issue of any series of Preferred Stock, after payment shall have been made to the holders of Preferred Stock of the full amount of dividends to which they shall be entitled pursuant to the resolution or resolutions providing for the issue of any series of Preferred Stock, the holders of Common Stock shall be entitled, to the exclusion of the holders of Preferred Stock of any and all series, to receive such dividends as from time to time may be declared by the Board of Directors.

G. Except as otherwise provided by the resolution or resolutions providing for the issue of any series of Preferred Stock, in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, after payment shall have been made to the holders of Preferred Stock of the full amount to which they shall be entitled pursuant to the resolution or resolutions providing for the issue of any series of Preferred Stock, the holders of Common Stock shall be entitled, to the exclusion of the holders of Preferred Stock of any and all series, to share ratably according to the number of shares of Common Stock held by them, in all remaining assets of the Corporation available for distribution.

H. The issuance of any shares of Common Stock or Preferred Stock authorized hereunder and any other actions permitted to be taken by the Board of Directors pursuant to this Article FOURTH must be authorized by the affirmative vote of at least sixty-six and two-thirds percent (66 2/3%) of the entire Board of Directors or by a committee of the Board of Directors constituted by the affirmative vote of at least sixty-six and two-thirds percent (66 2/3%) of the entire Board of Directors.

I. Notwithstanding any other provision of this Certificate of Incorporation, the affirmative vote of the holders of at least a majority of the voting power of the outstanding shares entitled to vote thereon shall be required to amend, alter, change or repeal, or adopt any provision as part of this Certificate of Incorporation inconsistent with the purpose and intent of, Section B through I of this Article FOURTH.

J. Pursuant to the authority conferred by this Article FOURTH, the following series of Preferred Stock are hereby provided for, with the number of shares to be included in each such series, and the designation, powers, preference and rights, and qualifications, limitations or restrictions thereof fixed as stated and expressed with respect to each such series in the respective exhibit attached hereto as specified below and incorporated herein by reference:

Exhibit I	8.125% Non-Cumulative Preferred Stock, Series AA
Exhibit II	8.40% Fixed Rate / Floating Rate Non-Cumulative Preferred Stock, Series E
Exhibit III	8.50% Non-Cumulative Preferred Stock, Series F
Exhibit IV	Series R Participating Cumulative Preferred Stock
Exhibit V	6.5% Non-Cumulative Convertible Preferred Stock, Series T

FIFTH: The Directors need not be elected by written ballot unless and to the extent the By-Laws so require.

SIXTH: The books and records of the Corporation may be kept (subject to any mandatory requirement of law) outside the State of Delaware at such place or places as may be determined from time to time by or pursuant to authority granted by the Board of Directors or by the By-Laws.

SEVENTH: The business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors, the exact number of directors to be determined from time to time by resolution adopted by affirmative vote of a majority of the entire Board of Directors. At each annual meeting, each director shall be elected for a one-year term. A director shall hold office until the annual meeting held the year in which his or her term expires and until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office. Any vacancy on the Board of Directors that results from an increase in the number of directors may be filled by a majority of the Board of Directors then in office, provided that a quorum is present, and any other vacancy occurring in the Board of Directors may be filled by a majority of the directors then in office, even if less than a quorum, or a sole remaining director. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall have the same remaining term as that of his or her predecessor. Notwithstanding the foregoing, whenever the holders of any one or more classes or series of Preferred Stock issued by the Corporation shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of this Restated Certificate of Incorporation applicable thereto.

EIGHTH: A. In addition to any affirmative vote required by law or this Certificate of Incorporation or the By-Laws of the Corporation, and except as otherwise expressly provided in Section B of this Article EIGHTH, a Business Combination (as hereinafter defined) shall require the affirmative vote of not less than a majority of the votes cast affirmatively and negatively by the holders of Voting Stock (as hereinafter defined), voting together as a single class. Such affirmative vote shall be required notwithstanding the fact that no vote may be required, or that a lesser percentage or separate class vote may be specified, by law or in any agreement with any national securities exchange or otherwise.

B. The provisions of Section A of this Article EIGHTH shall not be applicable to any particular Business Combination, and such Business Combination shall require only such affirmative vote, if any, as is required by law or by any other provision of this Certificate of Incorporation or the By-Laws of the Corporation or otherwise, if all of the conditions specified in either of the following Paragraphs 1 or 2 are met; *provided, however,* that in the case of a Business Combination that does not involve the payment of consideration to the holders of the Corporation' s outstanding Capital Stock (as hereinafter defined), then the provisions of Section A of this Article EIGHTH must be satisfied unless the conditions specified in the following Paragraph 1 are met:

1. The Business Combination shall have been approved (and such approval not subsequently rescinded) by a majority of the Continuing Directors (as hereinafter defined), either specifically or as a transaction which is within an approved category of transactions with an Interested Stockholder. Such approval may be given prior to or subsequent to the acquisition of, or announcement or public disclosure of the intention to acquire, beneficial ownership of the Voting Stock that caused the Interested Stockholder to become an Interested Stockholder, *provided, however,* that approval shall be effective for the purposes of this Paragraph 1 only if obtained at a meeting at which a Continuing Director Quorum (as hereinafter defined) was present; and provided further, that such approval may be rescinded by a majority of the Continuing Directors at any meeting at which a Continuing Director Quorum is present and which is held prior to consummation of the proposed Business Combination.

2. All of the following conditions, if applicable, shall have been met:

The aggregate amount of cash and the Fair Market Value (as hereinafter defined), as of the date of the consummation of the Business Combination (the "Consummation Date"), of consideration other than cash to be received per share by holders of shares of any class or series of outstanding Capital Stock in such Business Combination shall be at least equal to the amount determined, as applicable, under Paragraph 2(a) or 2(b) below:

(a) if the Fair Market Value per share of such class or series of Capital Stock on the date of the first public announcement of the proposed Business Combination (the "Announcement Date") is less than the Fair Market Value per share of such class or series of Capital Stock on the date on which the Interested Stockholder became an Interested Stockholder (the "Determination Date"), an amount (the "Premium Capital Stock Price") equal to the sum of (i) the Fair Market Value per share of such class or series of Capital Stock on the Announcement Date plus (ii) the product of the Fair Market Value per share of such class or series of Capital Stock on the Announcement Date multiplied by the highest percentage premium over the closing sale price per share of such class or series of Capital Stock paid on any day by or on behalf of the Interested Stockholder for any share of such class or series of Capital Stock in connection with the acquisition by the Interested Stockholder of beneficial ownership of shares of such class or series of Capital Stock within the two-year period immediately prior to the Announcement Date or in the transaction in which it became an Interested Stockholder; *provided, however,* that if the Premium Capital Stock Price as determined above is greater than the highest per share price paid by or on behalf of the Interested Stockholder for any share of such class or series of Capital Stock in connection with the acquisition by the Interested Stockholder of beneficial ownership of shares of such class or series of Capital Stock within the two-year period immediately prior to the Announcement Date, the amount required under this Paragraph 2(a) shall be the higher of (A) such highest price paid by or on behalf of the Interested Stockholder, and (B) the Fair Market Value per share of such class or series of Capital Stock on the Announcement Date (the Fair Market Value and other prices per share of such class or series of Capital Stock referred to in this Paragraph 2(a) shall be in each case appropriately adjusted for any subsequent stock split, stock dividend, subdivision or reclassification with respect to such class or series of Capital Stock); or

(b) if the Fair Market Value per share of such class or series of Capital Stock on the Announcement Date is greater than or equal to the Fair Market Value per share of such class or series of Capital Stock on the Determination Date, in each case as appropriately adjusted for any subsequent stock split, stock dividend, subdivision or reclassification with respect to such class or series of Capital Stock, a price per share equal to the Fair Market Value per share of such class or series of Capital Stock on the Announcement Date.

The provisions of this Paragraph 2 shall be required to be met with respect to every class or series of outstanding Capital Stock which is the subject of the Business Combination whether or not the Interested Stockholder has previously acquired beneficial ownership of any shares of a particular class or series of Capital Stock.

(c) After the Determination Date and prior to the Consummation Date of such Business Combination:

(i) except as approved by a majority of the Continuing Directors at a meeting at which a Continuing Director Quorum is present, there shall have been no failure to declare and pay at the regular date therefor any full quarterly dividends (whether or not cumulative) payable in accordance with the terms of any outstanding Capital Stock; (ii) there shall have been an increase in the annual rate of dividends paid on the Common Stock as necessary to reflect any reclassification (including any reverse stock split), recapitalization, reorganization or any similar transaction that has the effect of reducing the number of outstanding shares of Common Stock, unless the failure so to increase such annual rate is approved by a majority of the Continuing Directors at a meeting at which a Continuing Director Quorum is present; and (iii) such Interested Stockholder shall not have become the beneficial owner of any additional shares of Capital Stock except as part of the transaction that results in such Interested Stockholders becoming an Interested Stockholder and except in a transaction that, after giving effect thereto, would not result in any increase in the Interested Stockholder' s percentage beneficial ownership of any class or series of Capital Stock.

(d) After the Determination Date, such Interested Stockholder shall not have received the benefit, directly or indirectly (except proportionately as a stockholder of the Corporation), of any loans, advances, guarantees, pledges or other financial assistance or any tax credits or other tax advantages provided by the Corporation, whether in anticipation of or in connection with such Business Combination or otherwise.

(e) A proxy or information statement describing the proposed Business Combination and complying with the requirements of the Securities Exchange Act of 1934 and the rules and regulations thereunder (the "Act") (or any subsequent provisions replacing such Act, rules or regulations), shall be mailed to all stockholders of the Corporation at least 30 days prior to the consummation of such Business Combination (whether or not such proxy or information statement is required to be mailed pursuant to such Act or subsequent provisions). The proxy or information statement shall contain on the first page thereof, in a prominent place, any statement as to the advisability (or inadvisability) of the Business Combination that the Continuing Directors, or any of them, may choose to make and, if deemed advisable by a majority of the Continuing Directors, the opinion of an investment banking firm selected by a majority of the Continuing Directors as to the fairness (or not) of the terms of the Business Combination from a financial point of view to the holders of the outstanding shares of Capital Stock other than the Interested Stockholder and its Affiliates or Associates (as hereinafter defined), such investment banking firm to be paid a reasonable fee for its services by the Corporation.

(f) Such Interested Stockholder shall not have made any major change in the Corporation' s business or equity capital structure without the approval of at least a majority of the Continuing Directors.

C. The following definitions shall apply with respect to this Article EIGHTH:

1. The term *"Business Combination"* shall mean:

(a) any merger or consolidation of the Corporation or any Major Subsidiary (as hereinafter defined) with, or any sale, lease, exchange, transfer or other disposition of substantially all the assets or outstanding shares of capital stock of the Corporation or any Major Subsidiary with or for the benefit of, (i) any Interested Stockholder or (ii) any other company (whether or not itself an Interested Stockholder) which is or after such merger, consolidation or sale, lease, exchange, transfer or other disposition would be an Affiliate or Associate of an Interested Stockholder; or

(b) any sale, lease, exchange, mortgage, pledge, transfer or other disposition or security arrangement, investment, loan, advance, guarantee, agreement to purchase, agreement to pay, extension of credit, joint venture participation or other arrangement (in one transaction or a series of transactions) with or for the benefit of any Interested Stockholder or any Affiliate or Associate of any Interested Stockholder involving any assets, securities or commitments of the Corporation, any Major Subsidiary or any Interested Stockholder or any Affiliate or Associate of any Interested Stockholder having an aggregate Fair Market Value and/or involving aggregate commitments of Twenty-Five Million dollars ($25,000,000) or more; or

(c) any reclassification of securities (including any reverse stock split), or recapitalization of the Corporation, or any merger or consolidation of the Corporation with any of its Subsidiaries (as hereinafter defined) or any other transaction (whether or not with or otherwise involving an Interested Stockholder) that has the effect, directly or indirectly, of increasing the proportionate share of any class or series of Capital Stock, or any securities convertible into Capital Stock or into equity securities of any Subsidiary, that is beneficially owned by any Interested Stockholder or any Affiliate or Associate of any Interested Stockholder; or

(d) any agreement, contract or other arrangement providing for any one or more of the actions specified in the foregoing clauses (a) to (d);

provided, however, that no such aforementioned transaction shall be deemed to be a Business Combination subject to this Article EIGHTH if the Announcement Date of such transaction occurs more than eighteen months after the Determination Date with respect to such Interested Stockholder.

2. The term *"Capital Stock"* shall mean all capital stock of the Corporation authorized to be issued from time to time under Article FOURTH of this Certificate of Incorporation, including, without limitation, the Common Stock, and the term "Voting Stock" shall mean all Capital Stock which by its terms may be voted on all matters submitted to stockholders of the Corporation generally.

3. The term *"person"* shall mean any individual, firm, company or other entity and shall include any group comprised of any person and any other person with whom such person or any Affiliate or Associate of such person has any agreement, arrangement or understanding, directly or indirectly, for the purpose of acquiring, holding, voting or disposing of Capital Stock.

4. The term *"Interested Stockholder"* shall mean any person (other than the Corporation or any Subsidiary and other than any profit-sharing, employee stock ownership or other employee benefit plan of the Corporation or any trustee of or fiduciary with respect to any such plan when acting in such capacity) who (a) is, or has announced or publicly disclosed a plan or intention to become, the beneficial owner of Voting Stock representing twenty-five percent (25%) or more of the votes entitled to be cast by the holders of all then outstanding shares of Voting Stock; or (b) is an Affiliate or Associate of the Corporation and at any time within the two-year period immediately prior to the date in question was the beneficial owner of Voting Stock representing twenty-five percent (25%) or more of the votes entitled to be cast by the holders of all then outstanding shares of Voting Stock.

5. A person shall be a *"beneficial owner"* of any Capital Stock (a) which such person or any of its Affiliates or Associates beneficially owns directly or indirectly; (b) which such person or any of its Affiliates or Associates has, directly or indirectly, (i) the right to acquire (whether such right is exercisable immediately or subject only to the passage of time), pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, or (ii) the right to vote pursuant to any agreement, arrangement or understanding; or (c) which is beneficially owned, directly or indirectly, by any other person with which such person or any of its Affiliates or Associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any shares of Capital Stock. For the purposes of determining whether a person is an Interested Stockholder pursuant to Paragraph 4 of this Section C, the number of shares of Capital Stock deemed to be outstanding shall include shares deemed beneficially owned by such person through application of this Paragraph 5 of Section C, but shall not include any other shares of Capital Stock that may be reserved for issuance or issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

6. The terms *"Affiliate"* and *"Associate"* shall have the respective meanings ascribed to such terms in Rule 12b-2 under the Act as in effect on the date that this Article EIGHTH is approved and adopted by the Sole Incorporator (the term "registrant" in said Rule 12b-2 meaning in this case the Corporation); *provided, however,* that the terms "Affiliate" and "Associate" shall not include any profit-sharing, employee stock ownership or other employee benefit plan of the Corporation or any trustee of or fiduciary with respect to any such plan when acting in such capacity.

7. The term *"Subsidiary"* means any company of which a majority of any class of equity security is beneficially owned by the Corporation; *provided, however,* that for the purposes of the definition of Interested Stockholder set forth in Paragraph 4 of this Section C, the term "Subsidiary" shall mean only a company of which a majority of each class of equity security is beneficially owned by the Corporation.

8. The term *"Major Subsidiary"* means a Subsidiary having assets of twenty-five million dollars ($25,000,000) or more as reflected in the most recent fiscal year-end audited, or if unavailable, unaudited, consolidated balance

sheet, prepared in accordance with applicable state insurance law with respect to Subsidiaries engaged in an insurance business, and in accordance with generally accepted accounting principles with respect to Subsidiaries engaged in a business other than an insurance business.

9. The term *"Continuing Director"* means any member of the Board of Directors of the Corporation, while such person is a member of the Board of Directors, who is not an Affiliate or Associate or representative of the Interested Stockholder and who was a member of the Board of Directors prior to the time that the Interested Stockholder became an Interested Stockholder, and any successor of a Continuing Director while such successor is a member of the Board of Directors, who is not an Affiliate or Associate or representative of the Interested Stockholder and who is recommended or elected to succeed the Continuing Director by a majority of the Continuing Directors; *provided, however,* that the term "Continuing Director" shall not include any officer of the Corporation or of any Affiliate or Associate of the Corporation.

10. The term *"Fair Market Value"* means (a) in the case of cash, the amount of such cash; (b) in the case of stock, the highest closing sale price during the 30-day period immediately preceding the date in question of a share of such stock on the Composite Tape for New York Stock Exchange-Listed Stocks, or, if such stock is not quoted on the Composite Tape, on the New York Stock Exchange, or, if such stock is not listed on such Exchange, on the principal United States securities exchange registered under the Act on which such stock is listed, or, if such stock is not listed on any such exchange, the highest closing bid quotation with respect to a share of such stock during the 30-day period preceding the date in question on the National Association of Securities Dealers, Inc. Automated Quotations System or any similar system then in use, or if no such quotations are available, the fair market value on the date in question of a share of such stock as determined by a majority of the Continuing Directors in good faith; and (c) in the case of property other than cash or stock, the fair market value of such property on the date in question as determined in good faith by a majority of the Continuing Directors.

11. The term *"Continuing Director Quorum"* means at least two (2) Continuing Directors capable of exercising the power conferred upon them under the provisions of the Certificate of Incorporation and By-Laws of the Corporation.

12. In the event of any Business Combination in which the Corporation survives, the phrase *"consideration other than cash to be received"* as used in Paragraph 2 of Section B of this Article EIGHTH shall include the shares of Common Stock and/or the shares of any other class or series of Capital Stock retained by the holders of such shares.

D. A majority of the Continuing Directors at a meeting at which a Continuing Director Quorum is present shall have the power and duty to determine the purposes of this Article EIGHTH, on the basis of information known to them after reasonable inquiry, and to determine all questions arising under this Article EIGHTH, including, without limitation, (a) whether a person is an Interested Stockholder, (b) the number of shares of Capital Stock or other securities beneficially owned by any person, (c) whether a person is an Affiliate or Associate of another, (d) whether the assets that are the subject of any Business Combination have, or the consideration to be received for the issuance or transfer of securities by the Corporation or any Subsidiary in any Business Combination has, an aggregate Fair Market Value of twenty-five million dollars ($25,000,000) or more as provided in Paragraph 1(b) of Section C of this Article EIGHTH and (e) whether a Subsidiary is a Major Subsidiary. Any such determination made in good faith shall be binding and conclusive on all parties. In the event a Continuing Director Quorum cannot be attained at such meeting, all such determinations shall be made by the Delaware Court of Chancery.

E. Nothing contained in this Article EIGHTH shall be construed to relieve any Interested Stockholder from any fiduciary obligation imposed by law.

F. The fact that any Business Combination complies with the provisions of Section B of this Article EIGHTH shall not be construed to impose any fiduciary duty, obligation or responsibility on the Board of Directors, or any member thereof, to approve such Business Combination or recommend its adoption or approval to the stockholders of the Corporation, nor shall such compliance limit, prohibit or otherwise restrict in any manner the Board of Directors, or any member thereof, with respect to evaluations of or actions and responses taken with respect to such Business Combination.

G. Notwithstanding any other provisions of this Certificate of Incorporation or the By-Laws of the Corporation (and notwithstanding the fact that a lesser percentage or separate class vote may be specified by law, this Certificate of Incorporation or the By-Laws of the Corporation), the affirmative vote of the holders of not less than a majority of the voting power of the outstanding shares entitled to vote thereon, voting together as a single class, shall be required to amend, alter, change or repeal, or adopt any provision as part of this Certificate of Incorporation inconsistent with the purpose and intent of this Article EIGHTH.

NINTH: In furtherance and not in limitation of the powers conferred upon it by the laws of the State of Delaware, the Board of Directors shall have the power to adopt, amend, alter or repeal the Corporation' s By-Laws. The affirmative vote of at least sixty-six and two-thirds percent *(66 2/3%)* of the entire Board of Directors shall be required to adopt, amend, alter or repeal the Corporation' s By-Laws. Notwithstanding any other provisions of this Certificate of Incorporation or the By-Laws of the Corporation (and notwithstanding the fact that a lesser percentage or separate class vote may be specified by law, this Certificate of Incorporation or the By-Laws of the Corporation), the affirmative vote of the holders of not less than a majority of the voting power of the outstanding shares entitled to vote thereon shall be required to adopt, amend, alter or repeal, or adopt any provision as part of this Certificate of Incorporation inconsistent with the purpose and intent of, this Article NINTH.

TENTH: No director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director' s duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit.

ELEVENTH: Except as provided in Articles FOURTH, SEVENTH, EIGHTH and NINTH of this Certificate of Incorporation, the Corporation reserves the right to amend and repeal any provision contained in this Certificate of Incorporation in the manner prescribed by the laws of the State of Delaware, and all rights of stockholders shall be subject to this reservation.

This Restated Certificate of Incorporation was duly adopted by the Board of Directors in accordance with Section 245 of the General Corporation Law of the State of Delaware.

This Restated Certificate of Incorporation shall be effective upon filing.

IN WITNESS WHEREOF, the Corporation has caused this Restated Certificate of Incorporation to be signed by its duly authorized officer, this 30th day of October, 2009.

CITIGROUP INC.

/s/ Michael S. Helfer

Name: Michael S. Helfer
Corporate Secretary

Exhibit I

8.125% Non-Cumulative Preferred Stock, Series AA

Section 1. Designation.

The designation of the series of preferred stock shall be "8.125% Non-Cumulative Preferred Stock, Series AA" (the "Series AA Preferred Stock"). Each share of Series AA Preferred Stock shall be identical in all respects to every other share of Series AA Preferred Stock. Series AA Preferred Stock will rank equally with Parity Stock, if any, will rank senior to Junior Stock and will rank junior to Senior Stock, if any, with respect to the payment of dividends and/or the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company.

Section 2. Number of Shares.

The number of authorized shares of Series AA Preferred Stock shall be 149,500. That number from time to time may be increased (but not in excess of the total number of authorized shares of preferred stock) or decreased (but not below the number of shares of Series AA Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof and by the filing of a certificate pursuant to the provisions of the General Corporation Law of the State of Delaware stating that such increase or reduction, as the case may be, has been so authorized. The Company shall have the authority to issue fractional shares of Series AA Preferred Stock.

Section 3. Definitions. As used herein with respect to Series AA Preferred Stock:

"Agent Members" has the meaning set forth in Section 15(c).

"Board of Directors" has the meaning set forth in the recitals above.

"Business Day" means any weekday that is not a legal holiday in New York, New York and is not a day on which banking institutions in New York, New York are authorized or required by law or regulation to be closed.

"Common Stock" means the common stock of the Company, par value $0.01 per share, or any other shares of the capital stock of the Company into which such shares of common stock shall be reclassified or changed.

"Depositary" means DTC or its nominee or any successor depositary appointed by the Company.

"Dividend Payment Date" shall have the meaning set forth in Section 4(a) hereof.

"Dividend Period" shall have the meaning set forth in Section 4(a) hereof.

"Dividend Record Date" shall have the meaning set forth in Section 4(a) hereof.

"DTC" means The Depository Trust Company.

"Global Series AA Preferred Stock" has the meaning set forth in Section 15(a).

"Holder" means the Person in whose name the shares of the Series AA Preferred Stock are registered, which may be treated by the Company, Transfer Agent, Registrar and paying agent as the absolute owner of the shares of Series AA Preferred Stock for the purpose of making payment and for all other purposes.

"Junior Stock" means the Common Stock and any other class or series of stock of the Company now existing or hereafter authorized over which Series AA Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the Company.

"Nonpayment" shall have the meaning set forth in Section 7(b)(i) hereof.

"Officer" means the Chief Executive Officer, the Chairman, the Chief Administrative Officer, any Vice Chairman, the Chief Financial Officer, the Controller, the Chief Accounting Officer, the Treasurer and Head of Corporate Finance, any Assistant Treasurer, the General Counsel and Corporate Secretary and any Assistant Secretary of the Company.

“Parity Stock” means any class or series of stock of the Company hereafter authorized that ranks equally with the Series AA Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Company.

“Person” means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint-stock company, limited liability company or trust.

“Preferred Stock Director” shall have the meaning set forth in Section 7(b)(i) hereof.

“Registrar” means the Transfer Agent acting in its capacity as registrar for the Series AA Preferred Stock, and its successors and assigns.

“Senior Stock” means any class or series of stock of the Company now existing or hereafter authorized which has preference or priority over the Series AA Preferred Stock as to the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the Company.

“Series AA Preferred Stock” shall have the meaning set forth in Section 1 hereof.

“Transfer Agent” means The Bank of New York Mellon acting as Transfer Agent, Registrar and paying agent for the Series AA Preferred Stock, and its successors and assigns.

“Trust” shall have the meaning set forth in Section 6(d).

Section 4. Dividends.

(a) **Rate.** Holders shall be entitled to receive, if, as and when declared by the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference of $25,000 per share of Series AA Preferred Stock, and no more, payable quarterly in arrears on each February 15, May 15, August 15 and November 15; *provided, however,* if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day, unless that day falls in the next calendar year, in which case payment of such dividend will occur on the immediately preceding Business Day (in either case, without any interest or other payment in respect of such delay) (each such day on which dividends are payable a “Dividend Payment Date”). The period from and including the date of issuance of the Series AA Preferred Stock or any Dividend Payment Date to, but excluding, the next Dividend Payment Date is a “Dividend Period.” Dividends on each share of Series AA Preferred Stock will accrue on the liquidation preference of $25,000 per share at a rate per annum equal to 8.125%. The record date for payment of dividends on the Series AA Preferred Stock will be the fifteenth day of the calendar month immediately preceding the month during which the Dividend Payment Date falls or such other record date fixed by the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof that is not more than 30 nor less than 10 days prior to such Dividend Payment Date (each, a “Dividend Record Date”). Any such day that is a Dividend Record Date will be a Dividend Record Date whether or not such day is a Business Day. The amount of dividends payable will be computed on the basis of a 360-day year of twelve 30-day months.

(b) **Non-Cumulative Dividends.** If the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof does not declare a dividend on the Series AA Preferred Stock for any Dividend Period prior to the related Dividend Payment Date, that dividend will not accrue, and the Company will have no obligation to pay, and Holders shall have no right to receive, a dividend for that Dividend Period on the related Dividend Payment Date or at any future time, whether or not dividends on the Series AA Preferred Stock or any other series of preferred stock or common stock are declared for any subsequent Dividend Period with respect to Series AA Preferred Stock, Parity Stock, Junior Stock or any other class or series of authorized preferred stock of the Company. References herein to the “accrual” of dividends refer only to the determination of the amount of such dividend and do not imply that any right to a dividend arises prior to the date on which a dividend is declared.

(c) **Priority of Dividends.** So long as any share of Series AA Preferred Stock remains outstanding, unless as to a Dividend Payment Date full dividends on all outstanding shares of the Series AA Preferred Stock have been declared and paid or declared and a sum sufficient for the payment of those dividends has been set aside for the Dividend Period then ending, the Company will not, and will cause its subsidiaries not to, during the next succeeding Dividend Period that commences on such Dividend Payment Date, declare or pay any dividend on, make any distributions relating to, or redeem, purchase, acquire or make a liquidation payment relating to, any Junior Stock, or make any guarantee payment with respect thereto, other than:

(i) purchases, redemptions or other acquisitions of shares of Junior Stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants;

(ii) purchases of shares of Common Stock pursuant to a contractually binding requirement to buy stock existing prior to the commencement of the then-current dividend period, including under a contractually binding stock repurchase plan;

(iii) as a result of an exchange or conversion of any class or series of Junior Stock for any other class or series of Junior Stock;

(iv) the purchase of fractional interests in shares of Junior Stock pursuant to the conversion or exchange provisions of such Junior Stock or the security being converted or exchanged;

(v) the purchase of Junior Stock by an investment banking subsidiary of the Company in connection with the distribution thereof; or

(vi) the purchase of Junior Stock by any investment banking subsidiary of the Company in connection with market-making or other secondary market activities in the ordinary course of the business of such subsidiary.

The foregoing restriction, however, will not apply to any Junior Stock dividends paid by the Company where the dividend stock is the same stock as that on which the dividend is being paid.

Except as provided below, for so long as any share of Series AA Preferred Stock remains outstanding, if dividends are not declared and paid in full upon the shares of Series AA Preferred Stock and any Parity Stock, all dividends declared upon shares of Series AA Preferred Stock and any Parity Stock will be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then-current Dividend Period per share of Series AA Preferred Stock and accrued dividends for the then-current Dividend Period per share of any Parity Stock (including, in the case of any such Parity Stock that bears cumulative dividends, all accrued and unpaid dividends) bear to each other.

Subject to the foregoing, and not otherwise, such dividends payable in cash, stock or otherwise, as may be determined by the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof, may be declared and paid on any Junior Stock and Parity Stock from time to time out of any assets legally available for such payment, and Holders will not be entitled to participate in those dividends.

Section 5. Liquidation Rights.

(a) **Liquidation.** In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company, Holders shall be entitled, out of assets legally available therefor, before any distribution or payment out of the assets of the Company may be made to or set aside for the holders of any Junior Stock and subject to the rights of the holders of any class or series of securities ranking senior to or on parity with Series AA Preferred Stock upon liquidation and the rights of the Company' s depositors and other creditors, to receive in full a liquidating distribution in the amount of the liquidation preference of $25,000 per share, plus any dividends thereon from the last dividend payment date to, but excluding, the date of the liquidation, dissolution or winding up if and to the extent declared. Holders shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company other than what is expressly provided for in this Section 5.

(b) **Partial Payment.** If the assets of the Company are not sufficient to pay in full the liquidation preference plus any dividends which have been declared but not yet paid to all Holders and all holders of any Parity Stock, the amounts paid to the Holders and to the holders of all Parity Stock shall be pro rata in accordance with the respective aggregate liquidating distributions to which they would otherwise be entitled.

(c) **Residual Distributions.** If the respective aggregate liquidating distributions to which all Holders and all holders of any Parity Stock are entitled have been paid, the holders of Junior Stock shall be entitled to receive all remaining assets of the Company according to their respective rights and preferences.

(d) **Merger, Consolidation and Sale of Assets Not Liquidation.** For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Company shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, nor shall the merger, consolidation or any other business combination transaction of the Company into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Company be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company.

Section 6. Redemption.

(a) **Optional Redemption.** The Company, at the option of its Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof, may redeem out of funds legally available therefor, in whole or in part, the shares of Series AA Preferred Stock at the time outstanding, on any Dividend Payment Date as to which the Company has declared a dividend in full on the Series AA Preferred Stock on or after the Dividend Payment Date on February 15, 2018, upon notice given as provided in Section 6(b) below, and at a redemption price equal to $25,000 per share; provided, however, that the Company may not effect a partial redemption of the Series AA Preferred Stock unless at least 2,000 shares ($50,000,000 aggregate liquidation amount) of Series AA Preferred Stock, excluding shares of Series AA Preferred Stock held by the Company or its subsidiaries, remain outstanding after giving effect to such partial redemption.

(b) **Notice of Redemption.** Notice of every redemption of shares of Series AA Preferred Stock shall be mailed by first class mail, postage prepaid, addressed to the Holders of such shares to be redeemed at their respective last addresses appearing on the stock register of the Company. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the Holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any Holder of shares of Series AA Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series AA Preferred Stock. Each notice shall state:

(i) the redemption date;

(ii) the number of shares of Series AA Preferred Stock to be redeemed and, if fewer than all the shares of a Holder are to be redeemed, the number of such shares to be redeemed;

(iii) the redemption price;

(iv) the place or places where the certificates for such shares are to be surrendered for payment of the redemption price; and

(v) that dividends on the shares to be redeemed will cease to accrue on the redemption date.

Notwithstanding the foregoing, if the Series AA Preferred Stock is held in book-entry form through DTC, the Company may give such notice in any manner permitted by DTC.

(c) **Partial Redemption.** In case of any redemption of only part of the shares of Series AA Preferred Stock at the time outstanding, the shares of Series AA Preferred Stock to be redeemed shall be selected pro rata from the Holders in proportion to the number of shares of Series AA Preferred Stock held by such Holders, by lot or in such other manner as the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof may determine to be fair and equitable. Subject to the provisions of this Section 6, the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof shall have full power and authority to prescribe the terms and conditions upon which shares of Series AA Preferred Stock shall be redeemed from time to time.

(d) **Effectiveness of Redemption.** If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Company, separate and apart from its other assets, in trust for the pro rata benefit of the Holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Company with a bank or trust company selected by the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof (the “Trust”) in trust for the pro rata benefit of the Holders of the shares called for redemption, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue on such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the Holders thereof to receive the amount payable on such redemption from the Trust at any time after the redemption date from the funds so deposited, without interest. The Company shall be entitled to receive, from time to time, from the Trust any interest accrued on such funds, and the Holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released or repaid to the Company, and in the event of such repayment to the Company, the Holders of the shares so called for redemption shall be deemed to be unsecured creditors of the Company for an amount equivalent to the amount deposited as stated above for the redemption of such shares and so repaid to the Company, but shall in no event be entitled to any interest.

Section 7. Voting Rights.

(a) **General.** The Holders shall not be entitled to vote on any matter except as set forth in Section 7(b) below or as required by Delaware law.

(b) **Special Voting Right.**

(i) **Voting Right.** If and whenever dividends on the Series AA Preferred Stock or any other class or series of preferred stock that ranks on parity with Series AA Preferred Stock as to payment of dividends, and upon which voting rights equivalent to those granted by this Section 7(b)(i) have been conferred and are exercisable, have not been paid in an aggregate amount equal, as to any class or series, to at least six quarterly Dividend Periods (whether consecutive or not) (a "Nonpayment"), the number of directors constituting the Board of Directors shall be increased by two, and the Holders (together with holders of any class or series of the Company' s authorized preferred stock having equivalent voting rights), shall have the right, voting separately as a single class without regard to class or series (and with voting rights allocated pro rata based on the liquidation preference of each such class or series), to the exclusion of the holders of Common Stock, to elect two directors of the Company to fill such newly created directorships (and to fill any vacancies in the terms of such directorships), provided that the Holders and the holders of any such other class or series shall not be entitled to elect such directors to the extent such election would cause the Company to violate the corporate governance requirements of the New York Stock Exchange (or other exchange on which the Company' s securities may be listed) that listed companies must have a majority of independent directors and further provided that the Board of Directors shall at no time include more than two such directors. Each such director elected by the Holders and any other class or series of preferred stock that ranks on parity with the Series AA Preferred Stock as to payment of dividends and having equivalent voting rights is a "Preferred Stock Director."

(ii) **Election.** The election of the Preferred Stock Directors will take place at any annual meeting of stockholders or any special meeting of the Holders and any other class or series of stock of the Company that ranks on parity with Series AA Preferred Stock as to payment of dividends and having equivalent voting rights and for which dividends have not been paid, called as provided herein. At any time after the special voting power has vested pursuant to Section 7(b)(i) above, the secretary of the Company may, and upon the written request of the Holders of at least 20% of the Series AA Preferred Stock or the holders of at least 20% of such other series (addressed to the secretary at the Company' s principal office) must (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders), call a special meeting of the Holders and any other class or series of preferred stock that ranks on parity with Series AA Preferred Stock as to payment of dividends and having equivalent voting rights and for which dividends have not been paid for the election of the two directors to be elected by them as provided in Section 7(b)(iii) below. The Preferred Stock Directors shall each be entitled to one vote per director on any matter.

(iii) **Notice of Special Meeting.** Notice for a special meeting will be given in a similar manner to that provided in the Company' s by-laws for a special meeting of the stockholders. If the secretary of the Company does not call a special meeting within 20 days after receipt of any such request, then any Holder may (at the expense of the Company) call such meeting, upon notice as provided in this Section 7(b)(iii), and for that purpose will have access to the stock register of the Company. The Preferred Stock Directors elected at any such special meeting will hold office until the next annual meeting of the stockholders of the Company unless they have been previously terminated or removed pursuant to Section 7(b)(iv). In case any vacancy in the office of a Preferred Stock Director occurs (other than prior to the initial election of the Preferred Stock Directors), the vacancy may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by the vote of the Holders (together with holders of any other class of the Company' s authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) to serve until the next annual meeting of the stockholders.

(iv) **Termination; Removal.** Whenever the Company has paid full dividends for at least four consecutive quarterly dividend periods following a Nonpayment on the Series AA Preferred Stock and any other class or series of non-cumulative preferred stock ranking on parity with Series AA Preferred Stock as to payment of dividends, if any, and has paid cumulative dividends in full on any class or series of cumulative preferred stock ranking on parity with the Series AA Preferred Stock as to payment of dividends (in each case, upon which equivalent voting rights to those set forth in Section 7(b)(iii) have been conferred and are exercisable), then the right of the Holders to elect the Preferred Stock Directors will cease (but subject always to the same provisions for the vesting of the special voting rights in the case of any similar non-payment of dividends in respect of future Dividend Periods). The terms of office of the Preferred Stock Directors will immediately terminate, and the number of directors constituting the Board of Directors will be reduced accordingly. Any Preferred Stock Director may be removed at any time without cause by the Holders of a majority of the outstanding shares of the Series AA Preferred Stock (together with holders of any other class of the Company' s authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) when they have the voting rights described in this Section 7(b).

(c) **Senior Issuances; Adverse Changes.** So long as any shares of Series AA Preferred Stock are outstanding, the vote or consent of the Holders of at least two-thirds of the shares of Series AA Preferred Stock at the time outstanding, voting as a class with all other series of preferred stock ranking equally with the Series AA Preferred Stock and entitled to vote thereon, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, will be necessary for effecting or validating any of the following actions, whether or not such approval is required by Delaware law:

(i) any amendment, alteration or repeal of any provision of the Company' s Certificate of Incorporation (including the certificate of designation creating the Series AA Preferred Stock) or the Company' s by-laws that would alter or change the voting powers, preferences or special rights of the Series AA Preferred Stock so as to affect them adversely;

(ii) any amendment or alteration of the Company' s certificate of incorporation to authorize or create, or increase the authorized amount of, any shares of, or any securities convertible into shares of, any class or series of the Company' s capital stock ranking prior to the Series AA Preferred Stock in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding-up of the Company; or

(iii) the consummation of a binding share exchange or reclassification involving the Series AA Preferred Stock or a merger or consolidation of the Company with another entity, except that holders of Series AA Preferred Stock will have no right to vote under this provision or otherwise under Delaware law if in each case (i) the Series AA Preferred Stock remains outstanding or, in the case of any such merger or consolidation with respect to which the Company is not the surviving or resulting entity, is converted into or exchanged for preferred securities of the surviving or resulting entity or its ultimate parent, that is an entity organized and existing under the laws of the United States of America, any state thereof or the District of Columbia and that is a corporation for U.S. federal income tax purposes (or if such entity is not a corporation, the Company having received an opinion of nationally recognized counsel experienced in such matters to the effect that Holders will be subject to tax for U.S. federal income tax purposes with respect to such new preferred securities after such merger or consolidation in the same amount, at the same time and otherwise in the same manner as would have been the case under the Series AA Preferred Stock prior to such merger or consolidation), and (ii) such Series AA Preferred Stock remaining outstanding or such preferred securities, as the case may be, have such rights, preferences, privileges and voting powers, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers of the Series AA Preferred Stock, taken as a whole; *provided, however,* that any increase in the amount of the authorized or issued Series AA Preferred Stock or authorized preferred stock or any securities convertible into preferred stock or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock or any securities convertible into preferred stock ranking equally with and/or junior to the Series AA Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon the Company' s liquidation, dissolution or winding up will not be deemed to adversely affect the voting powers, preferences or special rights of the Series AA Preferred Stock and Holders will have no right to vote on such an increase, creation or issuance.

If any amendment, alteration, repeal, share exchange, reclassification, merger or consolidation specified in this Section 7(c) would adversely affect one or more but not all series of preferred stock of the Company, then only such series of preferred stock as are adversely affected by and entitled to vote on the matter shall vote on the matter together as a single class (in lieu of all other series of preferred stock).

(d) **No Vote if Redemption.** No vote or consent of the Holders shall be required pursuant to Section 7(b) or (c) if, at or prior to the time when the act with respect to such vote or consent would otherwise be required shall be effected, the Company shall have redeemed or shall have called for redemption all outstanding shares of Series AA Preferred Stock, with proper notice and sufficient funds having been set aside for such redemption, in each case pursuant to Section 6 above.

Section 8. Preemption and Conversion Rights.

The Holders shall not have any rights of preemption or conversion.

Section 9. Rank.

Notwithstanding anything set forth in the Certificate of Incorporation or this Certificate of Designation to the contrary, the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof, without the vote of the Holders, may authorize and issue additional shares of Junior Stock or Parity Stock.

Section 10. Repurchase.

Subject to the limitations imposed herein, the Company may purchase and sell Series AA Preferred Stock from time to time to such extent, in such manner, and upon such terms as the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof may determine; *provided, however*, that the Company shall not use any of its funds for any such purchase when there are reasonable grounds to believe that the Company is, or by such purchase would be, rendered insolvent; *provided, further, however*, that in the event that the Company beneficially owns any Series AA Preferred Stock the Company will procure that voting rights in respect of such Series AA Preferred Stock are not exercised.

Section 11. Unissued or Reacquired Shares.

Shares of Series AA Preferred Stock not issued or which have been issued and redeemed or otherwise purchased or acquired by the Company shall be restored to the status of authorized but unissued shares of preferred stock without designation as to series.

Section 12. No Sinking Fund.

Shares of Series AA Preferred Stock are not subject to the operation of a sinking fund.

Section 13. Transfer Agent, Registrar and Paying Agent.

The duly appointed Transfer Agent, Registrar and paying agent for the Series AA Preferred Stock shall be The Bank of New York Mellon. The Company may, in its sole discretion, remove the Transfer Agent in accordance with the agreement between the Company and the Transfer Agent; provided that the Company shall appoint a successor transfer agent who shall accept such appointment prior to the effectiveness of such removal. Upon any such removal or appointment, the Company shall send notice thereof by first-class mail, postage prepaid, to the Holders.

Section 14. Replacement Certificates.

Mutilated, Destroyed, Stolen and Lost Certificates. If physical certificates are issued, the Company shall replace any mutilated certificate at the Holder' s expense upon surrender of that certificate to the Transfer Agent. The Company shall replace certificates that become destroyed, stolen or lost at the Holder' s expense upon delivery to the Company and the Transfer Agent of satisfactory evidence that the certificate has been destroyed, stolen or lost, together with any indemnity that may be required by the Transfer Agent and the Company.

Section 15. Form.

(a) **Global Series AA Preferred Stock.** Series AA Preferred Stock may be issued in the form of one or more permanent global shares of Series AA Preferred Stock in definitive, fully registered form with a global legend in substantially the form attached hereto as Exhibit A (each, a "Global Series AA Preferred Stock"), which is hereby incorporated in and expressly made a part of this Restated Certificate of Incorporation. The Global Series AA Preferred Stock may have notations, legends or endorsements required by law, stock exchange rules, agreements to which the Company is subject, if any, or usage (provided that any such notation, legend or endorsement is in a form acceptable to the Company). The aggregate number of shares represented by each Global Series AA Preferred Stock may from time to time be increased or decreased by adjustments made on the records of the Registrar and the Depositary or its nominee as hereinafter provided. This Section 15(a) shall apply only to a Global Series AA Preferred Stock deposited with or on behalf of the Depositary.

(b) **Delivery to Depositary.** If Global Series AA Preferred Stock is issued, the Company shall execute and the Registrar shall, in accordance with this Section, countersign and deliver initially one or more Global Series AA Preferred Stock that (i) shall be registered in the name of Cede & Co. or other nominee of the Depositary and (ii) shall be delivered by the Registrar to the Depositary or pursuant to instructions received from the Depositary or held by the Registrar as custodian for the Depositary pursuant to an agreement between the Depositary and the Registrar.

(c) **Agent Members.** If Global Series AA Preferred Stock is issued, members of, or participants in, the Depositary ("Agent Members") shall have no rights under this Certificate of Designation with respect to any Global Series AA Preferred Stock held on their behalf by the Depositary or by the Registrar as the custodian of the Depositary or under such Global Series AA Preferred Stock, and the Depositary may be treated by the Company, the Registrar and any agent of the Company or the Registrar as the absolute owner of such Global Series AA Preferred Stock for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Registrar or any agent of the Company or the Registrar from giving effect to any written certification, proxy or other authorization furnished by the Depositary or impair, as between the Depositary and its Agent Members, the operation of customary practices of the Depositary governing the exercise of the rights of a holder of a beneficial interest in any Global Series AA Preferred Stock. If Global Series AA Preferred Stock is issued, the Depositary may grant proxies or otherwise authorize any Person to take any action that a Holder is entitled to take pursuant to the Series AA Preferred Stock, or this Certificate of Designation or the Certificate of Incorporation.

(d) **Physical Certificates.** Owners of beneficial interests in any Global Series AA Preferred Stock shall not be entitled to receive physical delivery of certificated shares of Series AA Preferred Stock, unless (x) the Depositary has notified the Company that it is unwilling or unable to continue as Depositary for the Global Series AA Preferred Stock and the Company does not appoint a qualified replacement for the Depositary within 90 days, (y) the Depositary ceases to be a "clearing agency" registered under the Exchange Act and the Company does not appoint a qualified replacement for the Depositary within 90 days or (z) the Company decides to discontinue the use of book-entry transfer through the Depositary. In any such case, the Global Series AA Preferred Stock shall be exchanged in whole for definitive shares of Series AA Preferred Stock in registered form, with the same terms and of an equal aggregate Liquidation Preference. Such definitive shares of Series AA Preferred Stock shall be registered in the name or names of the Person or Persons specified by the Depositary in a written instrument to the Registrar.

(e) **Signature.** An Officer shall sign any Global Series AA Preferred Stock for the Company, in accordance with the Company' s by-laws and applicable law, by manual or facsimile signature. If an Officer whose signature is on a Global Series AA Preferred Stock no longer holds that office at the time the Transfer Agent countersigned the Global Series AA Preferred Stock, the Global Series AA Preferred Stock shall be valid nevertheless. A Global Series AA Preferred Stock shall not be valid until an authorized signatory of the Transfer Agent manually countersigns Global Series AA Preferred Stock. Each Global Series AA Preferred Stock shall be dated the date of its countersignature.

Section 16. Taxes.

(a) **Transfer Taxes.** The Company shall pay any and all stock transfer, documentary, stamp and similar taxes that may be payable in respect of any issuance or delivery of shares of Series AA Preferred Stock or shares of Common Stock or other securities issued on account of Series AA Preferred Stock pursuant hereto or certificates representing such shares or securities. The Company shall not, however, be required to pay any such tax that may be payable in respect of any transfer involved in the issuance or delivery of shares of Series AA Preferred Stock, shares of Common Stock or other securities in a name other than that in which the shares of Series AA Preferred Stock with respect to which such shares or other securities are issued or delivered were registered, or in respect of any payment to any Person other than a payment to the registered holder thereof, and shall not be required to make any such issuance, delivery or payment unless and until the Person otherwise entitled to such issuance, delivery or payment has paid to the Company the amount of any such tax or has established, to the satisfaction of the Company, that such tax has been paid or is not payable.

(b) **Withholding.** All payments and distributions (or deemed distributions) on the shares of Series AA Preferred Stock shall be subject to withholding and backup withholding of tax to the extent required by law, subject to applicable exemptions, and amounts withheld, if any, shall be treated as received by Holders.

Section 17. Notices.

All notices referred to herein shall be in writing, and, unless otherwise specified herein, all notices hereunder shall be deemed to have been given upon the earlier of receipt thereof or three Business Days after the mailing thereof if sent by registered or certified mail (unless first class mail shall be specifically permitted for such notice under the terms of this Certificate of Designation) with postage prepaid, addressed: (i) if to the Company, to its office at 399 Park Avenue, New York, New York 10043 (Attention: Corporate Secretary) or to the Transfer Agent at its office at 480 Washington Boulevard, 29th Floor, Jersey City, New Jersey 07310 (Attention: Corporate Trust Office), or other agent of the Company designated as permitted by this Certificate of Designation, or (ii) if to any Holder, to such Holder at the address of such Holder as listed in the stock record books of the Company (which may include the records of the Transfer Agent) or (iii) to such other address as the Company or any such Holder, as the case may be, shall have designated by notice similarly given.

Exhibit A

FORM OF

8.125% NON-CUMULATIVE PREFERRED STOCK, SERIES AA

FACE OF SECURITY

[THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "*SECURITIES ACT*"), OR ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION UNDER THE SECURITIES ACT. BY ITS ACQUISITION HEREOF, THE HOLDER AGREES TO OFFER, SELL OR OTHERWISE TRANSFER THIS SECURITY PRIOR TO THE DATE THAT IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH CITIGROUP INC. (THE "*COMPANY*") OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) (THE *"RESALE RESTRICTION TERMINATION DATE"*) ONLY (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS SHARES OF THE SERIES AA PREFERRED STOCK ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, OR (D) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE COMPANY' S AND THE TRANSFER AGENTS RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (D) PRIOR TO THE RESALE RESTRICTION TERMINATION DATE TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATIONS AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, AND IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRANSFER AGENT. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE.]

[*IF GLOBAL PREFERRED STOCK IS ISSUED:* UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), NEW YORK, NEW YORK, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC) ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO. HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR' S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE CERTIFICATE OF DESIGNATION REFERRED TO BELOW.]

IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH REGISTRAR AND TRANSFER AGENT MAY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

Certificate Number Number of Shares of Series AA Preferred Stock

CUSIP NO.:

CITIGROUP INC.
8.125% Non-Cumulative Preferred Stock, Series AA
(par value $1.00 per share)
(liquidation preference $25,000 per share)

Citigroup Inc., a Delaware corporation (the "Company"), hereby certifies that [ ] (the "Holder") is the registered owner of [ ](1) [, or such number as is indicated in the records of the Registrar and the Depository,](2) fully paid and non-assessable shares of the Company' s designated 8.125% Non-Cumulative Preferred Stock, Series AA, with a par value of $1.00 per share and a liquidation preference of $25,000 per share (the "Series AA Preferred Stock"). The shares of Series AA Preferred Stock are transferable on the books and records of the Registrar, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer. The designations, rights, privileges, restrictions, preferences and other terms and provisions of the Series AA Preferred Stock represented hereby are and shall in all respects be subject to the provisions of the Certificate of Designation dated January 24. 2008 as the same may be amended from time to time (the "Certificate of Designation"). Capitalized terms used herein but not defined shall have the meaning given them in the Certificate of Designation. The Company will provide a copy of the Certificate of Designation to a Holder without charge upon written request to the Company at its principal place of business.

Reference is hereby made to select provisions of the Series AA Preferred Stock set forth on the reverse hereof, and to the Certificate of Designation, which select provisions and the Certificate of Designation shall for all purposes have the same effect as if set forth at this place.

Upon receipt of this certificate, the Holder is bound by the Certificate of Designation and is entitled to the benefits thereunder.

Unless the Registrar has properly countersigned, these shares of Series AA Preferred Stock shall not be entitled to any benefit under the Certificate of Designation or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, this certificate has been executed on behalf of the Company by its **[Title]** this day of , .

CITIGROUP INC.

By: ______________________________

Name:

Title:

---

(1) This phrase should be included only if the share certificate evidences certificated shares of Series AA Preferred Stock.

(2) This phrase should be included only if the share certificate evidences Global Series AA Preferred Stock.

REGISTRAR' S COUNTERSIGNATURE

These are shares of Series AA Preferred Stock referred to in the within-mentioned Certificate of Designation.

Dated:

THE BANK OF NEW YORK MELLON, as Registrar

By: ______________________________

Name:

Title:

REVERSE OF CERTIFICATE

Dividends on each share of Series AA Preferred Stock shall be payable at the rate provided in the Certificate of Designation.

The shares of Series AA Preferred Stock shall be redeemable at the option of the Company in the manner and in accordance with the terms set forth in the Certificate of Designation.

The Company shall furnish without charge to each holder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class or series of share capital issued by the Company and the qualifications, limitations or restrictions of such preferences and/or rights.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers the shares of Series AA Preferred Stock evidenced hereby to:

(Insert assignee' s social security or taxpayer identification number)

(Insert address and zip code of assignee)

and irrevocably appoints:

as agent to transfer the shares of Series AA Preferred Stock evidenced hereby on the books of the Transfer Agent. The agent may substitute another to act for him or her.

Date:

Signature:

(Sign exactly as your name appears on the other side of this Certificate)

Signature Guarantee:

(Signature must be guaranteed by an "eligible guarantor institution" that is a bank, stockbroker, savings and loan association or credit union meeting the requirements of the Transfer Agent, which requirements include membership or participation in the Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Transfer Agent in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.)

Exhibit II

8.40% Fixed Rate / Floating Rate Non-Cumulative Preferred Stock, Series E

Section 1. Designation.

The designation of the series of preferred stock shall be "8.40% Fixed Rate / Floating Rate Non-Cumulative Preferred Stock, Series E." Each share of Series E Preferred Stock shall be identical in all respects to every other share of Series E Preferred Stock. Series E Preferred Stock will rank equally with Parity Stock, will rank senior to Junior Stock and will rank junior to Senior Stock, if any, with respect to the payment of dividends and/or the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affair of the Company.

Section 2. Number of Shares.

The number of authorized shares of Series E Preferred Stock shall be 240,000. That number from time to time may be increased (but not in excess of the total number of authorized shares of preferred stock) or decreased (but not below the number of shares of Series E Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof and by the filing of a certificate pursuant to the provisions of the General Corporation Law of the State of Delaware stating that such increase or reduction, as the case may be, has been so authorized. The Company shall have the authority to issue fractional shares of Series E Preferred Stock.

Section 3. Definitions. As used herein with respect to Series E Preferred Stock:

"Agent Members" has the meaning set forth in Section 15(c).

"Board of Directors" has the meaning set forth in the recitals above.

"Business Day" means any weekday that is not a legal holiday in New York City and is not a day on which banking institutions in New York City are authorized or required by law or regulation to be closed.

"Calculation Agent" means the Transfer Agent acting in its capacity as calculation agent for the Series E Preferred Stock, and its successors and assigns.

"Common Stock" means the common stock of the Company, par value $0.01 per share, or any other shares of the capital stock of the Company into which such shares of common stock shall be reclassified or changed.

"Depositary" means DTC or its nominee or any successor depositary appointed by the Company.

"Dividend Payment Date" shall have the meaning set forth in Section 4(a) hereof.

"Dividend Period" shall have the meaning set forth in Section 4(a) hereof.

"Dividend Record Date" shall have the meaning set forth in Section 4(a) hereof.

"DTC" means The Depository Trust Company.

"Global Series E Preferred Stock" has the meaning set forth in Section 15(a).

"Holder" means the Person in whose name the shares of the Series E Preferred Stock are registered, which may be treated by the Company, Calculation Agent, Transfer Agent, Registrar and paying agent as the absolute owner of the shares of Series E Preferred Stock for the purpose of making payment and for all other purposes.

"Junior Stock" means the Common Stock and any other class or series of stock of the Company now existing or hereafter authorized over which Series E Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the Company.

"LIBOR Determination. Date" means the second London Banking Day immediately preceding the first day of the relevant Dividend Period.

"London Banking Day" means any day on which commercial banks are open for general business (including dealings in deposits in United States dollars) in London.

"Nonpayment" shall have the meaning set forth in Section 7(b)(i) hereof.

"Officer" means the Chief Executive Officer, the Chairman, the Chief Administrative Officer, any Vice Chairman, the Chief Financial Officer, the Controller, the Chief Accounting Officer, the Treasurer and Head of Corporate Finance, any Assistant Treasurer, the General Counsel and Corporate Secretary and any Assistant Secretary of the Company.

"Parity Stock" means any class or series of stock of the Company now existing or hereafter authorized that ranks equally with the Series E Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Company.

"Person" means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint-stock company, limited liability company or trust.

"Preferred Stock Director" shall have the meaning set forth in Section 7(b)(i) hereof.

"Registrar" means the Transfer Agent acting in its capacity as registrar for the Series E Preferred Stock, and its successors and assigns.

"Reuters Screen LIBOR01 Page" means the display designated on the Reuters Screen LIBOR01 Page (or such other page as may replace Reuters Screen LIBOR01 Page on the service or such other service as may be nominated by the British Bankers' Association for the purpose of displaying London interbank offered rates for United States dollar deposits).

"Senior Stock" means any class or series of stock of the Company now existing or hereafter authorized which has preference or priority over the Series E Preferred Stock as to the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the Company.

"Series E Preferred Stock" shall have the meaning set forth in Section I hereof.

"Three-month LIBOR" means the rate (expressed as a percentage per annum) for deposits in United States dollars for a three-month period commencing on the first day of a Dividend Period that appears on the Reuters Screen LIBOR01 Page as of 11:00 a.m. (London time) on the LIBOR Determination Date for that Dividend Period. If such rate does not appear on Reuters Screen LIBOR01 Page, Three-month LIBOR will be determined on the basis of the rates at which deposits in United States dollars for a three-month period commencing on the first day of that Dividend Period and in a principal amount of not less than $1 million are offered to prime banks in the London interbank market by four major banks in the London interbank market selected by the Calculation Agent (after consultation with the Company), at approximately 11:00 a.m., London time, on the LIBOR Determination Date for that Dividend Period. The Calculation Agent will request the principal London office of each of such banks to provide a quotation of its rate. If at least two such quotations are provided, Three-month LIBOR with respect to that Dividend Period will be the arithmetic mean (rounded upward if necessary to the nearest whole multiple of 0.00001%) of such quotations. If fewer than two quotations are provided, Three-month LIBOR with respect to that Dividend Period will be the arithmetic mean (rounded upward if necessary to the nearest whole multiple of 0.00001%) of the rates quoted by three major banks in New York City selected by the Calculation Agent (after consultation with the Company), at approximately 11:00 a.m., New York City time, on the LIBOR Determination Date for that Dividend Period for loans in United States dollars to leading European banks for a three-month period commencing on the first day of that Dividend Period and in a principal amount of not less than $1 million. However, if fewer than three banks selected by the Calculation Agent to provide quotations are quoting as described above, Three-month LIBOR for that Dividend Period will be the same Three-month LIBOR as determined for the previous Dividend Period or, in the case of the Dividend Period beginning on April 30, 2018, 2.920%. The determination of Three-month LIBOR for each relevant Dividend Period by the Calculation Agent will (in the absence of manifest error) be final and binding.

"Transfer Agent" means The Bank of New York Mellon acting as Transfer Agent, Calculation Agent, Registrar and paying agent for the Series E Preferred Stock, and its successors and assigns.

"Trust" shall have the meaning set forth in Section 6(d).

Section 4. Dividends.

(a) **Rate.** Holders shall be entitled to receive, if, as and when declared by the Board of Directors, the Preferred Stock Committee or any other duly authorized committee of the Board of Directors, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference of $25,000 per share of Series E Preferred Stock, and no more, payable (i) semi-annually in arrears on each April 30 and October 30 from the date of issuance to, but excluding, April 30, 2018, and (ii) quarterly in arrears on each January 30, April 30, July 30, and October 30 from and including April 30, 2018; *provided, however,* if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day (i) on or prior to April 30, 2018, without any interest or other payment in respect of such delay, and (ii) after April 30, 2018, with dividends accruing to the actual payment date (each such day on which dividends are payable a "Dividend Payment Date"). The period from and including the date of issuance of the Series E Preferred Stock or any Dividend Payment Date to, but excluding, the next Dividend Payment Date is a "Dividend Period." Dividends on each share of Series E Preferred Stock will accrue on the liquidation preference of $25,000 per share at a rate per annum equal to (i) 8.40%, for each Dividend Period from and including the date of issuance to, but excluding, April 30, 2018 and (ii) the greater of (x) Three-month LIBOR plus 4.0285% and (y) 7.7575%, for each Dividend Period from and including April 30, 2018. The record date for payment of dividends on the Series E Preferred Stock will be the fifteenth day of the calendar month immediately preceding the month during which the Dividend Payment Date falls or such other record date fixed by the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof that is not more than 30 nor less than 10 days prior to such Dividend Payment Date (each, a "Dividend Record Date"). Any such day that is a Dividend Record Date will be a Dividend Record Date whether or not such day is a Business Day. The amount of dividends payable on or prior to April 30, 2018 will be computed on the basis of a 360-day year of twelve 30-day months. The amount of dividends payable after April 30, 2018 will be computed on the basis of a 360-day year and the actual number of days elapsed.

(b) **Non-Cumulative Dividends.** If the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof does not declare a dividend on the Series E Preferred Stock for any Dividend Period prior to the related Dividend Payment Date, that dividend will not accrue, and the Company will have no obligation to pay, and Holders shall have no right to receive, a dividend for that Dividend Period on the related Dividend Payment Date or at any future time, whether or not dividends on the Series E Preferred Stock or any other series of preferred stock or common stock are declared for any subsequent Dividend Period with respect to Series E Preferred Stock, Parity Stock, Junior Stock or any other class or series of authorized preferred stock of the Company. References herein to the "accrual" of dividends refer only to the determination of the amount of such dividend and do not imply that any right to a dividend arises prior to the date on which a dividend is declared.

(c) **Priority of Dividends.** So long as any share of Series E Preferred Stock remains outstanding, unless as to a Dividend Payment Date full dividends on all outstanding shares of the Series E Preferred Stock have been declared and paid or declared and a sum sufficient for the payment of those dividends has been set aside for the Dividend Period then ending, the Company will not, and will cause its subsidiaries not to, during the next succeeding Dividend Period that commences on such Dividend Payment Date, declare or pay any dividend on, make any distributions relating to, or redeem, purchase, acquire or make a liquidation payment relating to, any Junior Stock, or make any guarantee payment with respect thereto, other than:

(i) purchases, redemptions or other acquisitions of shares of Junior Stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants;

(ii) purchases of shares of Common Stock pursuant to a contractually binding requirement to buy stock existing prior to the commencement of the then-current dividend period, including under a contractually binding stock repurchase plan;

(iii) as a result of an exchange or conversion of any class or series of Junior Stock for any other class or series of Junior Stock;

(iv) the purchase of fractional interests in shares of Junior Stock pursuant to the conversion or exchange provisions of such Junior Stock or the security being converted or exchanged;

(v) the purchase of Junior Stock by an investment banking subsidiary of the Company in connection with the distribution thereof; or

(vi) the purchase of Junior Stock by any investment banking subsidiary of the Company in connection with market-making or other secondary market activities in the ordinary course of the business of such subsidiary.

The foregoing restriction, however, will not apply to any Junior Stock dividends paid by the Company where the dividend stock is the same stock as that on which the dividend is being paid.

Except as provided below, for so long as any share of Series E Preferred Stock remains outstanding, if dividends are not declared and paid in full upon the shares of Series E Preferred Stock and any Parity Stock, all dividends declared upon shares of Series E Preferred Stock and any Parity Stock will be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then-current Dividend Period per share of Series E Preferred Stock and accrued dividends for the then-current Dividend Period per share of any Parity Stock (including, in the case of any such Parity Stock that bears cumulative dividends, all accrued and unpaid dividends) bear to each other.

Subject to the foregoing, and not otherwise, such dividends payable in cash, stock or otherwise, as may be determined by the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof, may be declared and paid on any Junior Stock and Parity Stock from time to time out of any assets legally available for such payment, and Holders will not be entitled to participate in those dividends.

Section 5. Liquidation Rights.

(a) **Liquidation.** In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company, Holders shall be entitled, out of assets legally available therefor, before any distribution or payment out of the assets of the Company may be made to or set aside for the holders of any Junior Stock and subject to the rights of the holders of any class or series of securities ranking senior to or on parity with Series E Preferred Stock upon liquidation and the rights of the Company' s depositors and other creditors, to receive in full a liquidating distribution in the amount of the liquidation preference of $25,000 per share, plus any accrued dividends thereon from the last dividend payment date to, but excluding, the date of the liquidation, dissolution or winding up if and to the extent declared. Holders shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company other than what is expressly provided for in this Section 5.

(b) **Partial Payment.** If the assets of the Company are not sufficient to pay in full the liquidation preference plus any dividends which have been declared but not yet paid to all Holders and all holders of any Parity Stock, the amounts paid to the Holders and to the holders of all Parity Stock shall be pro rata in accordance with the respective aggregate liquidating distributions to which they would otherwise be entitled.

(c) **Residual Distributions.** If the respective aggregate liquidating distributions to which all Holders and all holders of any Parity Stock are entitled have been paid, the holders of Junior Stock shall be entitled to receive all remaining assets of the Company according to their respective rights and preferences.

(d) **Merger, Consolidation and Sale of Assets Not Liquidation.** For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Company shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, nor shall the merger, consolidation or any other business combination transaction of the Company into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Company be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company.

Section 6. Redemption.

(a) **Optional Redemption.** The Company, at the option of its Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof, may redeem out of funds legally available therefor, in whole or in part, the shares of Series E Preferred Stock at the time outstanding, on any Dividend Payment Date on or after April 30, 2018 as to which the Company has declared a dividend in full on the Series E Preferred Stock, upon notice given as provided in Section 6(b) below, and at a redemption price equal to $25,000 per share; *provided, however,* that the Company may not effect a partial redemption of the Series E Preferred Stock unless at least 2,000 shares ($50,000,000 aggregate liquidation amount) of Series E Preferred Stock, excluding shares of Series E Preferred Stock held by the Company or its subsidiaries, remain outstanding after giving effect to such partial redemption.

(b) **Notice of Redemption.** Notice of every redemption of shares of Series E Preferred Stock shall be mailed by first class mail, postage prepaid, addressed to the Holders of such shares to be redeemed at their respective last addresses appearing on the stock register of the Company. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the Holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any Holder of shares of Series E Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series E Preferred Stock. Each notice shall state:

(i) the redemption date;

(ii) the number of shares of Series E Preferred Stock to be redeemed and, if fewer than all the shares of a Holder are to be redeemed, the number of such shares to be redeemed;

(iii) the redemption price;

(iv) the place or places where the certificates for such shares are to be surrendered for payment of the redemption price; and

(v) that dividends on the shares to be redeemed will cease to accrue on the redemption date.

Notwithstanding the foregoing, if the Series E Preferred Stock is held in book-entry form through DTC, the Company may give such notice in any manner permitted by DTC.

(c) **Partial Redemption.** In case of any redemption of only part of the shares of Series E Preferred Stock at the time outstanding, the shares of Series E Preferred Stock to be redeemed shall be selected pro rata from the Holders in proportion to the number of shares of Series E Preferred Stock held by such Holders, by lot or in such other manner as the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof may determine to be fair and equitable. Subject to the provisions of this Section 6, the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof shall have full power and authority to prescribe the terms and conditions upon which shares of Series E Preferred Stock shall be redeemed from time to time.

(d) **Effectiveness of Redemption.** If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Company, separate and apart from its other assets, in trust for the pro rata benefit of the Holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Company with a bank or trust company selected by the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof (the "Trust") in trust for the pro rata benefit of the Holders of the shares called for redemption, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue on such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the Holders thereof to receive the amount payable on such redemption from the Trust at any time after the redemption date from the funds so deposited, without interest. The Company shall be entitled to receive, from time to time, from the Trust any interest accrued on such funds, and the Holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released or repaid to the Company, and in the event of such repayment to the Company, the Holders of the shares so called for redemption shall be deemed to be unsecured creditors of the Company for an amount equivalent to the amount deposited as stated above for the redemption of such shares and so repaid to the Company, but shall in no event be entitled to any interest.

Section 7. Voting Rights.

(a) **General.** The Holders shall not be entitled to vote on any matter except as set forth in Section 7(b) below or as required by Delaware law.

(b) **Special Voting Right.**

(i) **Voting Right.** If and whenever dividends on the Series E Preferred Stock or any other class or series of preferred stock that ranks on parity with Series E Preferred Stock as to payment of dividends, and upon which voting rights equivalent to those granted by this Section 7(b)(i) have been conferred and are exercisable, have not been paid in an aggregate amount equal, as to any class or series, to at least three semi-annual or six quarterly Dividend Periods (whether consecutive or not) (a "Nonpayment"), the number of directors constituting the Board of Directors shall be increased by two, and the Holders (together with holders of any class or series of the Company' s authorized preferred stock having equivalent voting rights), shall have the right, voting separately as a single class without regard to class or series (and with voting rights allocated pro rata based on the liquidation preference of each such class or series), to the exclusion of the holders of Common Stock, to elect two directors of the Company to fill such newly created directorships (and to fill any vacancies in the terms of such directorships), provided that the Holders and the holders of any such other class or series shall not be entitled to elect such directors to the extent such election would cause the Company to violate the corporate governance requirements of the New York Stock Exchange (or other exchange on which the Company' s securities may be listed) that listed companies must have a majority of independent directors and further provided that the Board of Directors shall at no time include more than two such directors. Each such director elected by the Holders and any other class or series of preferred stock that ranks on parity with the Series E Preferred Stock as to payment of dividends and having equivalent voting rights is a "Preferred Stock Director."

(ii) **Election.** The election of the Preferred Stock Directors will take place at any annual meeting of stockholders or any special meeting of the Holders and any other class or series of stock of the Company that ranks on parity with Series E Preferred Stock as to payment of dividends and having equivalent voting rights and for which dividends have not been paid, called as provided herein. At any time after the special voting power has vested pursuant to Section 7(b)(i) above, the secretary of the Company may, and upon the written request of the Holders of at least 20% of the Series E Preferred Stock or the holders of at least 20% of such other series (addressed to the secretary at the Company' s principal office) must (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders), call a special meeting of the Holders and any other class or series of preferred stock that ranks on parity with Series E Preferred Stock as to payment of dividends and having equivalent voting rights and for which dividends have not been paid for the election of the two directors to be elected by them as provided in Section 7(b)(iii) below. The Preferred Stock Directors shall each be entitled to one vote per director on any matter.

(iii) **Notice of Special Meeting.** Notice for a special meeting will be given in a similar manner to that provided in the Company' s by-laws for a special meeting of the stockholders. If the secretary of the Company does not call a special meeting within 20 days after receipt of any such request, then any Holder may (at the expense of the Company) call such meeting, upon notice as provided in this Section 7(b)(iii), and for that purpose will have access to the stock register of the Company. The Preferred Stock Directors elected at any such special meeting will hold office until the next annual meeting of the stockholders of the Company unless they have been previously terminated or removed pursuant to Section 7(b)(iv). In case any vacancy in the office of a Preferred Stock Director occurs (other than prior to the initial election of the Preferred Stock Directors), the vacancy may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by the vote of the Holders (together with holders of any other class of the Company' s authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) to serve until the next annual meeting of the stockholders.

(iv) **Termination; Removal.** Whenever the Company has paid full dividends for at least two consecutive semi-annual or four consecutive quarterly dividend periods following a Nonpayment on the Series E Preferred Stock and any other class or series of non-cumulative preferred stock ranking on parity with Series E Preferred Stock as to payment of dividends, if any, and has paid cumulative dividends in full on any class or series of cumulative preferred stock ranking on parity with the Series E Preferred Stock as to payment of dividends (in each case, upon which equivalent voting rights to those set forth in Section 7(b)(iii) have been conferred and are exercisable), then the right of the Holders to elect the Preferred Stock Directors will cease (but subject always to the same provisions for the vesting of the special voting rights in the case of any similar nonpayment of dividends in respect of future Dividend Periods). The terms of office of the Preferred Stock Directors will immediately terminate, and the number of directors constituting the Board of Directors will be reduced accordingly. Any Preferred Stock Director may be removed at any time without cause by the Holders of a majority of the outstanding shares of the Series E Preferred Stock (together with holders of any other class of the Company' s authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) when they have the voting rights described in this Section 7(b).

(c) **Senior Issuances; Adverse Changes.** So long as any shares of Series E Preferred Stock are outstanding, the vote or consent of the Holders of at least two-thirds of the shares of Series E Preferred Stock at the time outstanding, voting as a class with all other series of preferred stock ranking equally with the Series E Preferred Stock and entitled to vote thereon, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, will be necessary for effecting or validating any of the following actions, whether or not such approval is required by Delaware law:

(i) any amendment, alteration or repeal of any provision of the Company' s Certificate of Incorporation (including the certificate of designation creating the Series E Preferred Stock) or the Company' s by-laws that would alter or change the voting powers, preferences or special rights of the Series E Preferred Stock so as to affect them adversely;

(ii) any amendment or alteration of the Company' s certificate of incorporation to authorize or create, or increase the authorized amount of, any shares of, or any securities convertible into shares of, any class or series of the Company' s capital stock ranking prior to the Series E Preferred Stock in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding-up of the Company; or

(iii) the consummation of a binding share exchange or reclassification involving the Series E Preferred Stock or a merger or consolidation of the Company with another entity, except that holders of Series E Preferred Stock will have no right to vote under this provision or otherwise under Delaware law if in each case (i) the Series E Preferred Stock remains outstanding or, in the case of any such merger or consolidation with respect to which the Company is not the surviving or resulting entity, is converted into or exchanged for preferred securities of the surviving or resulting entity or its ultimate parent, that is an entity organized and existing under the laws of the United States of America, any state thereof or the District of Columbia and that is a corporation for U.S. federal income tax purposes (or if such entity is not a corporation, the Company having received an opinion of nationally recognized counsel experienced in such matters to the effect that Holders will be subject to tax for U.S. federal income tax purposes with respect to such new preferred securities after such merger or consolidation in the same amount, at the same time and otherwise in the same manner as would have been the case under the Series E Preferred Stock prior to such merger or consolidation), and (ii) such Series E Preferred Stock remaining outstanding or such preferred securities, as the case may be, have such rights, preferences, privileges and voting powers, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers of the Series E Preferred Stock, taken as a whole;

provided, however, that any increase in the amount of the authorized or issued Series E Preferred Stock or authorized preferred stock or any securities convertible into preferred stock or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock or any securities convertible into preferred stock ranking equally with and/or junior to the Series E Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon the Company' s liquidation, dissolution or winding up will not be deemed to adversely affect the voting powers, preferences or special rights of the Series E Preferred Stock and Holders will have no right to vote on such an increase, creation or issuance.

If any amendment, alteration, repeal, share exchange, reclassification, merger or consolidation specified in this Section 7(c) would adversely affect one or more but not all series of preferred stock of the Company, then only such series of preferred stock as are adversely affected by and entitled to vote on the matter shall vote on the matter together as a single class (in lieu of all other series of preferred stock).

(d) **No Vote if Redemption.** No vote or consent of the Holders shall be required pursuant to Section 7(b) or (c) if, at or prior to the time when the act with respect to such vote or consent would otherwise be required shall be effected, the Company shall have redeemed or shall have called for redemption all outstanding shares of Series E Preferred Stock, with proper notice and sufficient funds having been set aside for such redemption, in each case pursuant to Section 6 above.

Section 8. Preemption and Conversion Rights.

The Holders shall not have any rights of preemption or conversion.

Section 9. Rank.

Notwithstanding anything set forth in the Certificate of Incorporation or this Certificate of Designation to the contrary, the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof, without the vote of the Holders, may authorize and issue additional shares of Junior Stock or Parity Stock.

Section 10. Repurchase.

Subject to the limitations imposed herein, the Company may purchase and sell Series E Preferred Stock from time to time to such extent, in such manner, and upon such terms as the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof may determine; *provided, however,* that the Company shall not use any of its funds for any such purchase when there are reasonable grounds to believe that the Company is, or by such purchase would be, rendered insolvent; *provided, further, however,* that in the event that the Company beneficially owns any Series E Preferred Stock, the Company will procure that voting rights in respect of such Series E Preferred Stock are not exercised.

Section 11. Unissued or Reacquired Shares.

Shares of Series E Preferred Stock not issued or which have been issued and redeemed or otherwise purchased or acquired by the Company shall be restored to the status of authorized but unissued shares of preferred stock without designation as to series.

Section 12. No Sinking Fund.

Shares of Series E Preferred Stock are not subject to the operation of a sinking fund.

Section 13. Transfer Agent, Calculation Agent, Registrar and Paying Agent.

The duly appointed Transfer Agent, Calculation Agent, Registrar and paying agent for the Series E Preferred Stock shall be The Bank of New York Mellon. The Company may, in its sole discretion, remove the Transfer Agent in accordance with the agreement between the Company and the Transfer Agent; provided that the Company shall appoint a successor transfer agent who shall accept such appointment prior to the effectiveness of such removal. Upon any such removal or appointment, the Company shall send notice thereof by first-class mail, postage prepaid, to the Holders.

Section 14. Replacement Certificates.

Mutilated, Destroyed, Stolen and Lost Certificates. If physical certificates are issued, the Company shall replace any mutilated certificate at the Holder' s expense upon surrender of that certificate to the Transfer Agent. The Company shall replace certificates that become destroyed, stolen or lost at the Holder' s expense upon delivery to the Company and the Transfer Agent of satisfactory evidence that the certificate has been destroyed, stolen or lost, together with any indemnity that may be required by the Transfer Agent and the Company.

Section 15. Form.

(a) **Global Series E Preferred Stock.** Series E Preferred Stock may be issued in the form of one or more permanent global shares of Series E Preferred Stock in definitive, fully registered form with a global legend in substantially the form attached hereto as Exhibit A (each, a "Global Series E Preferred Stock"), which is hereby incorporated in and expressly made a part of this Certificate of Designation. The Global Series E Preferred Stock may have notations, legends or endorsements required by law, stock exchange rules, agreements to which the Company is subject, if any, or usage (provided that any such notation, legend or endorsement is in a form acceptable to the Company). The aggregate number of shares represented by each Global Series E Preferred Stock may from time to time be increased or decreased by adjustments made on the records of the Registrar and the Depositary or its nominee as hereinafter provided. This Section 15(a) shall apply only to a Global Series E Preferred Stock deposited with or on behalf of the Depositary.

(b) **Delivery to Depositary.** If Global Series E Preferred Stock is issued, the Company shall execute and the Registrar shall, in accordance with this Section, countersign and deliver initially one or more Global Series E Preferred Stock that (i) shall be registered in the name of Cede & Co. or other nominee of the Depositary and (ii) shall be delivered by the Registrar to the Depositary or pursuant to instructions received from the Depositary or held by the Registrar as custodian for the Depositary pursuant to an agreement between the Depositary and the Registrar.

(c) **Agent Members.** If Global Series E Preferred Stock is issued, members of, or participants in, the Depositary ("Agent Members") shall have no rights under this Certificate of Designation with respect to any Global Series E Preferred Stock held on their behalf by the Depositary or by the Registrar as the custodian of the Depositary or under such Global Series E Preferred Stock, and the Depositary may be treated by the Company, the Registrar and any agent of the Company or the Registrar as the absolute owner of such Global Series E Preferred Stock for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Registrar or any agent of the Company or the Registrar from giving effect to any written certification, proxy or other authorization furnished by the Depositary or impair, as between the Depositary and its Agent Members, the operation of customary practices of the Depositary governing the exercise of the rights of a holder of a beneficial interest in any Global Series E Preferred Stock. If Global Series E Preferred Stock is issued, the Depositary may grant proxies or otherwise authorize any Person to take any action that a Holder is entitled to take pursuant to the Series E Preferred Stock, this Certificate of Designation or the Certificate of Incorporation.

(d) **Physical Certificates.** Owners of beneficial interests in any Global Series E Preferred Stock shall not be entitled to receive physical delivery of certificated shares of Series E Preferred Stock, unless (x) the Depositary has notified the Company that it is unwilling or unable to continue as Depositary for the Global Series E Preferred Stock and the Company does not appoint a qualified replacement for the Depositary within 90 days, (y) the Depositary ceases to be a "clearing agency" registered under the Exchange Act and the Company does not appoint a qualified replacement for the Depositary within 90 days or (z) the Company decides to discontinue the use of book-entry transfer through the Depositary. In any such case, the Global Series E Preferred Stock shall be exchanged in whole for definitive shares of Series E Preferred Stock in registered form, with the same terms and of an equal aggregate Liquidation Preference. Such definitive shares of Series E Preferred Stock shall be registered in the name or names of the Person or Persons specified by the Depositary in a written instrument to the Registrar.

(e) **Signature.** An Officer shall sign any Global Series E Preferred Stock for the Company, in accordance with the Company' s by-laws and applicable law, by manual or facsimile signature. If an Officer whose signature is on a Global Series E Preferred Stock no longer holds that office at the time the Transfer Agent countersigned the Global Series E Preferred Stock, the Global Series E Preferred Stock shall be valid nevertheless. A Global Series E Preferred Stock shall not be valid until an authorized signatory of the Transfer Agent manually countersigns Global Series E Preferred Stock. Each Global Series E Preferred Stock shall be dated the date of its countersignature.

Section 16. Taxes.

(a) **Transfer Taxes.** The Company shall pay any and all stock transfer, documentary, stamp and similar taxes that may be payable in respect of any issuance or delivery of shares of Series E Preferred Stock or shares of Common Stock or other securities issued on account of Series E Preferred Stock pursuant hereto or certificates representing such shares or securities. The Company shall not, however, be required to pay any such tax that may be payable in respect of any transfer involved in the issuance or delivery of shares of Series E Preferred Stock, shares of Common Stock or other securities in a name other than that in which the shares of Series E Preferred Stock with respect to which such shares or other securities are issued or delivered were registered, or in respect of any payment to any Person other than a payment to the registered holder thereof, and shall not be required to make any such issuance, delivery or payment unless and until the Person otherwise entitled to such issuance, delivery or payment has paid to the Company the amount of any such tax or has established, to the satisfaction of the Company, that such tax has been paid or is not payable.

(b) **Withholding.** All payments and distributions (or deemed distributions) on the shares of Series E Preferred Stock shall be subject to withholding and backup withholding of tax to the extent required by law, subject to applicable exemptions, and amounts withheld, if any, shall be treated as received by Holders.

Section 17. Notices.

All notices referred to herein shall be in writing, and, unless otherwise specified herein, all notices hereunder shall be deemed to have been given upon the earlier of receipt thereof or three Business Days after the mailing thereof if sent by registered or certified mail (unless first class mail shall be specifically permitted for such notice under the terms of this Certificate of Designation) with postage prepaid, addressed: (i) if to the Company, to its office at 399 Park Avenue, New York, New York 10043 (Attention: Corporate Secretary) or to the Transfer Agent at its office at 480 Washington Boulevard, 29th Floor, Jersey City, New Jersey 07310 (Attention: Corporate Trust Office), or other agent of the Company designated as permitted by this Certificate of Designation, or (ii) if to any Holder, to such Holder at the address of such Holder as listed in the stock record books of the Company (which may include the records of the Transfer Agent) or (iii) to such other address as the Company or any such Holder, as the case may be, shall have designated by notice similarly given.

Exhibit A

FORM OF

% FIXED RATE / FLOATING RATE NON-CUMULATIVE PREFERRED STOCK, SERIES E

FACE OF SECURITY

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), NEW YORK, NEW YORK, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC) ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO. HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR’ S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE CERTIFICATE OF DESIGNATION REFERRED TO BELOW.

Certificate Number Number of Shares of Series E Preferred Stock

CUSIP NO.:

CITIGROUP INC.

% Fixed Rate / Floating Rate Non-Cumulative Preferred Stock, Series E

(par value $1.00 per share)

(liquidation preference $25,000 per share)

Citigroup Inc., a Delaware corporation (the “Company”), hereby certifies that [ ] (the “Holder”) is the registered owner of [ ] fully paid and non-assessable shares of the Company’ s designated % Fixed Rate / Floating Rate Non-Cumulative Preferred Stock, Series E, with a par value of $1.00 per share and a liquidation preference of $25,000 per share (the “Series E Preferred Stock”). The shares of Series E Preferred Stock are transferable on the books and records of the Registrar, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer. The designations, rights, privileges, restrictions, preferences and other terms and provisions of the Series E Preferred Stock represented hereby are and shall in all respects be subject to the provisions of the Certificate of Designation dated April 25, 2008 as the same may be amended from time to time (the “Certificate of Designation”). Capitalized terms used herein but not defined shall have the meaning given them in the Certificate of Designation. The Company will provide a copy of the Certificate of Designation to a Holder without charge upon written request to the Company at its principal place of business.

Reference is hereby made to select provisions of the Series E Preferred Stock set forth on the reverse hereof, and to the Certificate of Designation, which select provisions and the Certificate of Designation shall for all purposes have the same effect as if set forth at this place.

Upon receipt of this certificate, the Holder is bound by the Certificate of Designation and is entitled to the benefits thereunder.

Unless the Registrar has properly countersigned, these shares of Series E Preferred Stock shall not be entitled to any benefit under the Certificate of Designation or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, this certificate has been executed on behalf of the Company by its **[Title]** this day of , .

CITIGROUP INC.

By:

Name:

Title:

REGISTRAR' S COUNTERSIGNATURE

These are shares of Series E Preferred Stock referred to in the within-mentioned Certificate of Designation.

Dated:

THE BANK OF NEW YORK MELLON, as Registrar

By: ____

Name:

Title:

REVERSE OF CERTIFICATE

Dividends on each share of Series E Preferred Stock shall be payable at the rate provided in the Certificate of Designation.

The shares of Series E Preferred Stock shall be redeemable at the option of the Company in the manner and in accordance with the terms set forth in the Certificate of Designation.

The Company shall furnish without charge to each holder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class or series of share capital issued by the Company and the qualifications, limitations or restrictions of such preferences and/or rights.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers the shares of Series E Preferred Stock evidenced hereby to:

____

____

(Insert assignee' s social security or taxpayer identification number, if any)

____

____

(Insert address and zip code of assignee) and irrevocably appoints:

____

____

as agent to transfer the shares of Series E Preferred Stock evidenced hereby on the books of the Transfer Agent. The agent may substitute another to act for him or her.

Date:

Signature:

____

(Sign exactly as your name appears on the other side of this Certificate)

Signature Guarantee: ____

(Signature must be guaranteed by an "eligible guarantor institution" that is a bank, stockbroker, savings and loan association or credit union meeting the requirements of the Transfer Agent, which requirements include membership or participation in the Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Transfer Agent in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.)

Exhibit III

8.50% Non-Cumulative Preferred Stock, Series F

Section 1. Designation.

The designation of the series of preferred stock shall be "8.50% Non-Cumulative Preferred Stock, Series F" (the "Series F Preferred Stock"). Each share of Series F Preferred Stock shall be identical in all respects to every other share of Series F Preferred Stock. Series F Preferred Stock will rank equally with Parity Stock, will rank senior to Junior Stock and will rank junior to Senior Stock, if any, with respect to the payment of dividends and/or the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company.

Section 2. Number of Shares.

The number of authorized shares of Series F Preferred Stock shall be 92,000. That number from time to time may be increased (but not in excess of the total number of authorized shares of preferred stock) or decreased (but not below the number of shares of Series F Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof and by the filing of a certificate pursuant to the provisions of the General Corporation Law of the State of Delaware stating that such increase or reduction, as the case may be, has been so authorized. The Company shall have the authority to issue fractional shares of Series F Preferred Stock.

Section 3. Definitions. As used herein with respect to Series F Preferred Stock:

"Agent Members" has the meaning set forth in Section 15(c).

"Board of Directors" has the meaning set forth in the recitals above.

"Business Day" means any weekday that is not a legal holiday in New York City and is not a day on which banking institutions in New York City are authorized or required by law or regulation to be closed.

"Common Stock" means the common stock of the Company, par value $0.01 per share, or any other shares of the capital stock of the Company into which such shares of common stock shall be reclassified or changed.

"Depositary" means DTC or its nominee or any successor depositary appointed by the Company.

"Dividend Payment Date" shall have the meaning set forth in Section 4(a) hereof.

"Dividend Period" shall have the meaning set forth in Section 4(a) hereof.

"Dividend Record Date" shall have the meaning set forth in Section 4(a) hereof. "

"DTC" means The Depository Trust Company.

"Global Series F Preferred Stock" has the meaning set forth in Section 15(a).

"Holder" means the Person in whose name the shares of the Series F Preferred Stock are registered, which may be treated by the Company, Transfer Agent, Registrar and paying agent as the absolute owner of the shares of Series F Preferred Stock for the purpose of making payment and for all other purposes.

"Junior Stock" means the Common Stock and any other class or series of stock of the Company now existing or hereafter authorized over which Series F Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the Company.

"Nonpayment" shall have the meaning set forth in Section 7(b)(i) hereof.

"Officer" means the Chief Executive Officer, the Chairman, the Chief Administrative Officer, any Vice Chairman, the Chief Financial Officer, the Controller, the Chief Accounting Officer, the Treasurer and Head of Corporate Finance, any Assistant Treasurer, the General Counsel and Corporate Secretary and any Assistant Secretary of the Company.

"Parity Stock" means any class or series of stock of the Company now existing or hereafter authorized that ranks equally with the Series F Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Company.

"Person" means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint-stock company, limited liability company or trust.

"Preferred Stock Director" shall have the meaning set forth in Section 7(b)(i) hereof.

"Registrar" means the Transfer Agent acting in its capacity as registrar for the Series F Preferred Stock, and its successors and assigns.

"Senior Stock" means any class or series of stock of the Company now existing or hereafter authorized which has preference or priority over the Series F Preferred Stock as to the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the Company.

"Series F Preferred Stock" shall have the meaning set forth in Section 1 hereof.

"Transfer Agent" means The Bank of New York Mellon acting as Transfer Agent, Registrar and paying agent for the Series F Preferred Stock, and its successors and assigns.

"Trust" shall have the meaning set forth in Section 6(d).

Section 4. Dividends.

(a) **Rate.** Holders shall be entitled to receive, if, as and when declared by the Board of Directors, the Preferred Stock Committee or any other duly authorized committee of the Board of Directors, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference of $25,000 per share of Series F Preferred Stock, and no more, payable quarterly in arrears on March 15, June 15, September 15 and December 15 of each year, beginning on June 15, 2008; *provided, however*, if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day, (without any interest or other payment in respect of such delay) (each such day on which dividends are payable a "Dividend Payment Date"). The period from and including the date of issuance of the Series F Preferred Stock or any Dividend Payment Date to, but excluding, the next Dividend Payment Date is a "Dividend Period." Dividends on each share of Series F Preferred Stock will accrue on the liquidation preference of $25,000 per share at a rate per annum equal to 8.50%. The record date for payment of dividends on the Series F Preferred Stock will be the fifteenth day of the calendar month immediately preceding the month during which the Dividend Payment Date falls or such other record date fixed by the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof that is not more than 30 nor less than 10 days prior to such Dividend Payment Date (each, a "Dividend Record Date"). Any such day that is a Dividend Record Date will be a Dividend Record Date whether or not such day is a Business Day. The amount of dividends payable will be computed on the basis of a 360-day year of twelve 30-day months.

(b) **Non-Cumulative Dividends.** If the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof does not declare a dividend on the Series F Preferred Stock for any Dividend Period prior to the related Dividend Payment Date, that dividend will not accrue, and the Company will have no obligation to pay, and Holders shall have no right to receive, a dividend for that Dividend Period on the related Dividend Payment Date or at any future time, whether or not dividends on the Series F Preferred Stock or any other series of preferred stock or common stock are declared for any subsequent Dividend Period with respect to Series F Preferred Stock, Parity Stock, Junior Stock or any other class or series of authorized preferred stock of the Company. References herein to the "accrual" of dividends refer only to the determination of the amount of such dividend and do not imply that any right to a dividend arises prior to the date on which a dividend is declared.

(c) **Priority of Dividends.** So long as any share of Series F Preferred Stock remains outstanding, unless as to a Dividend Payment Date full dividends on all outstanding shares of the Series F Preferred Stock have been declared and paid or declared and a sum sufficient for the payment of those dividends has been set aside for the Dividend Period then ending, the Company will not, and will cause its subsidiaries not to, during the next succeeding Dividend Period that commences on such Dividend Payment Date, declare or pay any dividend on, make any distributions relating to, or redeem, purchase, acquire or make a liquidation payment relating to, any Junior Stock, or make any guarantee payment with respect thereto, other than:

(i) purchases, redemptions or other acquisitions of shares of Junior Stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants;

(ii) purchases of shares of Common Stock pursuant to a contractually binding requirement to buy stock existing prior to the commencement of the then-current dividend period, including under a contractually binding stock repurchase plan;

(iii) as a result of an exchange or conversion of any class or series of Junior Stock for any other class or series of Junior Stock;

(iv) the purchase of fractional interests in shares of Junior Stock pursuant to the conversion or exchange provisions of such Junior Stock or the security being converted or exchanged;

(v) the purchase of Junior Stock by an investment banking subsidiary of the Company in connection with the distribution thereof; or

(vi) the purchase of Junior Stock by any investment banking subsidiary of the Company in connection with market-making or other secondary market activities in the ordinary course of the business of such subsidiary.

The foregoing restriction, however, will not apply to any Junior Stock dividends paid by the Company where the dividend stock is the same stock as that on which the dividend is being paid.

Except as provided below, for so long as any share of Series F Preferred Stock remains outstanding, if dividends are not declared and paid in full upon the shares of Series F Preferred Stock and any Parity Stock, all dividends declared upon shares of Series F Preferred Stock and any Parity Stock will be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then current Dividend Period per share of Series F Preferred Stock and accrued dividends for the then-current Dividend Period per share of any Parity Stock (including, in the case of any such Parity Stock that bears cumulative dividends, all accrued and unpaid dividends) bear to each other.

Subject to the foregoing, and not otherwise, such dividends payable in cash, stock or otherwise, as may be determined by the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof, may be declared and paid on any Junior Stock and Parity Stock from time to time out of any assets legally available for such payment, and Holders will not be entitled to participate in those dividends.

Section 5. Liquidation Rights.

(a) **Liquidation.** In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company, Holders shall be entitled, out of assets legally available therefor, before any distribution or payment out of the assets of the Company may be made to or set aside for the holders of any Junior Stock and subject to the rights of the holders of any class or series of securities ranking senior to or on parity with Series F Preferred Stock upon liquidation and the rights of the Company' s depositors and other creditors, to receive in full a liquidating distribution in the amount of the liquidation preference $25,000 per share, plus any accrued dividends thereon from the last dividend payment date to, but excluding, the date of the liquidation, dissolution or winding up if and to the extent declared. Holders shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company other than what is expressly provided for in this Section 5.

(b) **Partial Payment.** If the assets of the Company are not sufficient to pay in full the liquidation preference plus any dividends which have been declared but not yet paid to all Holders and all holders of any Parity Stock, the amounts paid to the Holders and to the holders of all Parity Stock shall be pro rata in accordance with the respective aggregate liquidating distributions to which they would otherwise be entitled.

(c) **Residual Distributions.** If the respective aggregate liquidating distributions to which all Holders and all holders of any Parity Stock are entitled have been paid, the holders of Junior Stock shall be entitled to receive all remaining assets of the Company according to their respective rights and preferences.

(d) **Merger, Consolidation and Sale of Assets Not Liquidation.** For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Company shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, nor shall the merger, consolidation or any other business combination transaction of the Company into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Company be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company.

Section 6. Redemption.

(a) **Optional Redemption.** The Company, at the option of its Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof, may redeem out of funds legally available therefor, in whole or in part, the shares of Series F Preferred Stock at the time outstanding, on any Dividend Payment Date as to which the Company has declared a dividend in full on the Series F Preferred Stock on or after the Dividend Payment Date on June 15, 2013, upon notice given as provided in Section 6(b) below, and at a redemption price equal to $25,000 per share.

(b) **Notice of Redemption.** Notice of every redemption of shares of Series F Preferred Stock shall be mailed by first class mail, postage prepaid, addressed to the Holders of such shares to be redeemed at their respective last addresses appearing on the stock register of the Company. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the Holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any Holder of shares of Series F Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series F Preferred Stock. Each notice shall state:

(i) the redemption date;

(ii) the number of shares of Series F Preferred Stock to be redeemed and, if fewer than all the shares of a Holder are to be redeemed, the number of such shares to be redeemed;

(iii) the redemption price;

(iv) the place or places where the certificates for such shares are to be surrendered for payment of the redemption price; and

(v) that dividends on the shares to be redeemed will cease to accrue on the redemption date.

Notwithstanding the foregoing, if the Series F Preferred Stock is held in book-entry form through DTC, the Company may give such notice in any manner permitted by DTC.

(c) **Partial Redemption.** In case of any redemption of only part of the shares of Series F Preferred Stock at the time outstanding, the shares of Series F Preferred Stock to be redeemed shall be selected pro rata from the Holders in proportion to the number of shares of Series F Preferred Stock held by such Holders, by lot or in such other manner as the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof may determine to be fair and equitable. Subject to the provisions of this Section 6, the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof shall have full power and authority to prescribe the terms and conditions upon which shares of Series F Preferred Stock shall be redeemed from time to time.

(d) **Effectiveness of Redemption.** If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Company, separate and apart from its other assets, in trust for the pro rata benefit of the Holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Company with a bank or trust company selected by the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof (the "Trust") in trust for the pro rata benefit of the Holders of the shares called for redemption, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue on such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the Holders thereof to receive the amount payable on such redemption from the Trust at any time after the redemption date from the funds so deposited, without interest. The Company shall be entitled to receive, from time to time, from the Trust any interest accrued on such funds, and the Holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released or repaid to the Company, and in the event of such repayment to the Company, the Holders of the shares so called for redemption shall be deemed to be unsecured creditors of the Company for an amount equivalent to the amount deposited as stated above for the redemption of such shares and so repaid to the Company, but shall in no event be entitled to any interest.

Section 7. Voting Rights.

(a) **General.** The Holders shall not be entitled to vote on any matter except as set forth in Section 7(b) below or as required by Delaware law.

(b) **Special Voting Right.**

(i) **Voting Right.** If and whenever dividends on the Series F Preferred Stock or any other class or series of preferred stock that ranks on parity with Series F Preferred Stock as to payment of dividends, and upon which voting rights equivalent to those granted by this Section 7(b)(i) have been conferred and are exercisable, have not been paid in an aggregate amount equal, as to any class or series, to at least six quarterly Dividend Periods (whether consecutive or not) (a "Nonpayment"), the number of directors constituting the Board of Directors shall be increased by two, and the Holders (together with holders of any class or series of the Company' s authorized preferred stock having equivalent voting rights), shall have the right, voting separately as a single class without regard to class or series (and with voting rights allocated pro rata based on the liquidation preference of each such class or series), to the exclusion of the holders of Common Stock, to elect two directors of the Company to fill such newly created directorships (and to fill any vacancies in the terms of such directorships), provided that the Holders and the holders of any such other class or series shall not be entitled to elect such directors to the extent such election would cause the Company to violate the corporate governance requirements of the New York Stock Exchange (or other exchange on which the Company' s securities may be listed) that listed companies must have a majority of independent directors and further provided that the Board of Directors shall at no time include more than two such directors. Each such director elected by the Holders and any other class or series of preferred stock that ranks on parity with the Series F Preferred Stock as to payment of dividends and having equivalent voting rights is a "Preferred Stock Director."

(ii) **Election.** The election of the Preferred Stock Directors will take place at any annual meeting of stockholders or any special meeting of the Holders and any other class or series of stock of the Company that ranks on parity with Series F Preferred Stock as to payment of dividends and having equivalent voting rights and for which dividends have not been paid, called as provided herein. At any time after the special voting power has vested pursuant to Section 7(b)(i) above, the secretary of the Company may, and upon the written request of the Holders of at least 20% of the Series F Preferred Stock or the holders of at least 20% of such other series (addressed to the secretary at the Company' s principal office) must (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders), call a special meeting of the Holders and any other class or series of preferred stock that ranks on parity with Series F Preferred Stock as to payment of dividends and having equivalent voting rights and for which dividends have not been paid for the election of the two directors to be elected by them as provided in Section 7(b)(iii) below. The Preferred Stock Directors shall each be entitled to one vote per director on any matter.

(iii) **Notice of Special Meeting.** Notice for a special meeting will be given in a similar manner to that provided in the Company' s by-laws for a special meeting of the stockholders. If the secretary of the Company does not call a special meeting within 20 days after receipt of any such request, then any Holder may (at the expense of the Company) call such meeting, upon notice as provided in this Section 7(b)(iii), and for that purpose will have access to the stock register of the Company. The Preferred Stock Directors elected at any such special meeting will hold office until the next annual meeting of the stockholders of the Company unless they have been previously terminated or removed pursuant to Section 7(b)(iv). In case any vacancy in the office of a Preferred Stock Director occurs (other than prior to the initial election of the Preferred Stock Directors), the vacancy may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by the vote of the Holders (together with holders of any other class of the Company' s authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) to serve until the next annual meeting of the stockholders.

(iv) **Termination; Removal.** Whenever the Company has paid full dividends for at least four consecutive quarterly dividend periods following a Nonpayment on the Series F Preferred Stock and any other class or series of non-cumulative preferred stock ranking on parity with Series F Preferred Stock as to payment of dividends, if any, and has paid cumulative dividends in full on any class or series of cumulative preferred stock ranking on parity with the Series F Preferred Stock as to payment of dividends (in each case, upon which equivalent voting rights to those set forth in Section 7(b)(iii) have been conferred and are exercisable), then the right of the Holders to elect the Preferred Stock Directors will cease (but subject always to the same provisions for the vesting of the special voting rights in the case of any similar non-payment of dividends in respect of future Dividend Periods). The terms of office of the Preferred Stock Directors will immediately terminate, and the number of directors constituting the Board of Directors will be reduced accordingly. Any Preferred Stock Director may be removed at any time without cause by the Holders of a majority of the outstanding shares of the Series F Preferred Stock (together with holders of any other class of the Company' s authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) when they have the voting rights described in this Section 7(b).

(c) **Senior Issuances; Adverse Changes.** So long as any shares of Series F Preferred Stock are outstanding, the vote or consent of the Holders of at least two-thirds of the shares of Series F Preferred Stock at the time outstanding, voting as a class with all other series of preferred stock ranking equally with the Series F Preferred Stock and entitled to vote thereon, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, will be necessary for effecting or validating any of the following actions, whether or not such approval is required by Delaware law:

(i) any amendment, alteration or repeal of any provision of the Company' s Certificate of Incorporation (including the certificate of designation creating the Series F Preferred Stock) or the Company' s by-laws that would alter or change the voting powers, preferences or special rights of the Series F Preferred Stock so as to affect them adversely;

(ii) any amendment or alteration of the Company' s certificate of incorporation to authorize or create, or increase the authorized amount of, any shares of, or any securities convertible into shares of, any class or series of the Company' s capital stock ranking prior to the Series F Preferred Stock in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding-up of the Company; or

(iii) the consummation of a binding share exchange or reclassification involving the Series F Preferred Stock or a merger or consolidation of the Company with another entity, except that holders of Series F Preferred Stock will have no right to vote under this provision or otherwise under Delaware law if in each case (i) the Series F Preferred Stock remains outstanding or, in the case of any such merger or consolidation with respect to which the Company is not the surviving or resulting entity, is converted into or exchanged for preferred securities of the surviving or resulting entity or its ultimate parent that is an entity organized and existing under the laws of the United States of America, any state thereof or the District of Columbia and that is a corporation for U.S. federal income tax purposes (or if such entity is not a corporation the Company having received an opinion of nationally recognized counsel experienced in such matters to the effect that Holders will be subject to tax for U.S. federal income tax purposes with respect to such new preferred securities after such merger or consolidation in the same amount, at the same time and otherwise in the same manner as would have been the case under the Series F Preferred Stock prior to such merger or consolidation), and (ii) such Series F Preferred Stock remaining outstanding or such preferred securities, as the case may be, have such rights, preferences, privileges and voting powers, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers of the Series F Preferred Stock taken as a whole; *provided, however*, that any increase in the amount of the authorized or issued Series F Preferred Stock or authorized preferred stock or any securities convertible into preferred stock or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock or any securities convertible into preferred stock ranking equally with and/or junior to the Series F Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon the Company' s liquidation, dissolution or winding up will not be deemed to adversely affect the voting powers, preferences or special rights of the Series F Preferred Stock and Holders will have no right to vote on such an increase, creation or issuance.

If any amendment, alteration, repeal, share exchange, reclassification, merger or consolidation specified in this Section 7(c) would adversely affect one or more but not all series of preferred stock of the Company, then only such series of preferred stock as are adversely affected by and entitled to vote on the matter shall vote on the matter together as a single class (in lieu of all other series of preferred stock).

(d) **No Vote if Redemption.** No vote or consent of the Holders shall be required pursuant to Section 7(b) or (c) if, at or prior to the time when the act with respect to such vote or consent would otherwise be required shall be effected, the Company shall have redeemed or shall have called for redemption all outstanding shares of Series F Preferred Stock, with proper notice and sufficient funds having been set aside for such redemption, in each case pursuant to Section 6 above.

Section 8. Preemption and Conversion Rights.

The Holders shall not have any rights of preemption or conversion.

Section 9. Rank.

Notwithstanding anything set forth in the Certificate of Incorporation or this Certificate of Designation to the contrary, the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof, without the vote of the Holders, may authorize and issue additional shares of Junior Stock or Parity Stock.

Section 10. Repurchase.

Subject to the limitations imposed herein, the Company may purchase and sell Series F Preferred Stock from time to time to such extent, in such manner, and upon such terms as the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof may determine; *provided, however*, that the Company shall not use any of its funds for any such purchase when there are reasonable grounds to believe that the Company is, or by such purchase would be, rendered insolvent; *provided, further, however*, that in the event that the Company beneficially owns any Series F Preferred Stock, the Company will procure that voting rights in respect of such Series F Preferred Stock are not exercised.

Section 11. Unissued or Reacquired Shares.

Shares of Series F Preferred Stock not issued or which have been issued and redeemed or otherwise purchased or acquired by the Company shall be restored to the status of authorized but unissued shares of preferred stock without designation as to series.

Section 12. No Sinking Fund.

Shares of Series F Preferred Stock are not subject to the operation of a sinking fund.

Section 13. Transfer Agent, Registrar and Paying Agent.

The duly appointed Transfer Agent, Registrar and paying agent for the Series F Preferred Stock shall be The Bank of New York Mellon. The Company may, in its sole discretion, remove the Transfer Agent in accordance with the agreement between the Company and the Transfer Agent; provided that the Company shall appoint a successor transfer agent who shall accept such appointment prior to the effectiveness of such removal. Upon any such removal or appointment, the Company shall send notice thereof by first-class mail, postage prepaid, to the Holders.

Section 14. Replacement Certificates.

Mutilated, Destroyed, Stolen and Lost Certificates. If physical certificates are issued, the Company shall replace any mutilated certificate at the Holder' s expense upon surrender of that certificate to the Transfer Agent. The Company shall replace certificates that become destroyed, stolen or lost at the Holder' s expense upon delivery to the Company and the Transfer Agent of satisfactory evidence that the certificate has been destroyed, stolen or lost, together with any indemnity that may be required by the Transfer Agent and the Company.

Section 15. Form.

(a) **Global Series F Preferred Stock.** Series F Preferred Stock may be issued in the form of one or more permanent global shares of Series F Preferred Stock in definitive, fully registered form with a global legend in substantially the form attached hereto as Exhibit A (each, a "Global Series F Preferred Stock"), which is hereby incorporated in and expressly made a part of this Certificate of Designation. The Global Series F Preferred Stock may have notations, legends or endorsements required by law, stock exchange rules, agreements to which the Company is subject, if any, or usage (provided that any such notation, legend or endorsement is in a form acceptable to the Company). The aggregate number of shares represented by each Global Series F Preferred Stock may from time to time be increased or decreased by adjustments made on the records of the Registrar and the Depositary or its nominee as hereinafter provided. This Section 15(a) shall apply only to a Global Series F Preferred Stock deposited with or on behalf of the Depositary.

(b) **Delivery to Depositary.** If Global Series F Preferred Stock is issued, the Company shall execute and the Registrar shall, in accordance with this Section, countersign and deliver initially one or more Global Series F Preferred Stock that (i) shall be registered in the name of Cede & Co. or other nominee of the Depositary and (ii) shall be delivered by the Registrar to the Depositary or pursuant to instructions received from the Depositary or held by the Registrar as custodian for the Depositary pursuant to an agreement between the Depositary and the Registrar.

(c) **Agent Members.** If Global Series F Preferred Stock is issued, members of, or participants in, the Depositary ("Agent Members") shall have no rights under this Certificate of Designation with respect to any Global Series F Preferred Stock held on their behalf by the Depositary or by the Registrar as the custodian of the Depositary or under such Global Series F

Preferred Stock and the Depositary may be treated by the Company, the Registrar and any agent of the Company or the Registrar as the absolute owner of such Global Series F Preferred Stock for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Registrar or any agent of the Company or the Registrar from giving effect to any written certification, proxy or other authorization furnished by the Depositary or impair, as between the Depositary and its Agent Members the operation of customary practices of the Depositary governing the exercise of the rights of a holder of a beneficial interest in any Global Series F Preferred Stock. If Global Series F Preferred Stock is issued, the Depositary may grant proxies or otherwise authorize any Person to take any action that a Holder is entitled to take pursuant to the Series F Preferred Stock, this Certificate of Designation or the Certificate of Incorporation.

(d) **Physical Certificates.** Owners of beneficial interests in any Global Series F Preferred Stock shall not be entitled to receive physical delivery of certificated shares of Series F Preferred Stock, unless (x) the Depositary has notified the Company that it is unwilling or unable to continue as Depositary for the Global Series F Preferred Stock and the Company does not appoint a qualified replacement for the Depositary within 90 days, (y) the Depositary ceases to be a “clearing agency” registered under the Exchange Act and the Company does not appoint a qualified replacement for the Depositary within 90 days or (z) the Company decides to discontinue the use of book-entry transfer through the Depositary. In any such case, the Global Series F Preferred Stock shall be exchanged in whole for definitive shares of Series F Preferred Stock in registered form, with the same terms and of an equal aggregate Liquidation Preference. Such definitive shares of Series F Preferred Stock shall be registered in the name or names of the Person or Persons specified by the Depositary in a written instrument to the Registrar.

(e) **Signature.** An Officer shall sign any Global Series F Preferred Stock for the Company in accordance with the Company’ s by-laws and applicable law, by manual or facsimile signature. If an Officer whose signature is on a Global Series F Preferred Stock no longer holds that office at the time the Transfer Agent countersigned the Global Series F Preferred Stock, the Global Series F Preferred Stock shall be valid nevertheless. A Global Series F Preferred Stock shall not be valid until an authorized signatory of the Transfer Agent manually countersigns Global Series F Preferred Stock. Each Global Series F Preferred Stock shall be dated the date of its countersignature.

Section 16. Taxes.

(a) **Transfer Taxes.** The Company shall pay any and all stock transfer, documentary, stamp and similar taxes that may be payable in respect of any issuance or delivery of shares of Series F Preferred Stock or shares of Common Stock or other securities issued on account of Series F Preferred Stock pursuant hereto or certificates representing such shares or securities. The Company shall not, however, be required to pay any such tax that may be payable in respect of any transfer involved in the issuance or delivery of shares of Series F Preferred Stock, shares of Common Stock or other securities in a name other than that in which the shares of Series F Preferred Stock with respect to which such shares or other securities are issued or delivered were registered, or in respect of any payment to any Person other than a payment to the registered holder thereof, and shall not be required to make any such issuance, delivery or payment unless and until the Person otherwise entitled to such issuance, delivery or payment has paid to the Company the amount of any such tax or has established, to the satisfaction of the Company, that such tax has been paid or is not payable.

(b) **Withholding.** All payments and distributions (or deemed distributions) on the shares of Series F Preferred Stock shall be subject to withholding and backup withholding of tax to the extent required by law, subject to applicable exemptions, and amounts withheld, if any, shall be treated as received by Holders.

Section 17. Notices.

All notices referred to herein shall be in writing, and, unless otherwise specified herein, all notices hereunder shall be deemed to have been given upon the earlier of receipt thereof or three Business Days after the mailing thereof if sent by registered or certified mail (unless first class mail shall be specifically permitted for such notice under the terms of this Certificate of Designation) with postage prepaid, addressed: (i) if to the Company, to its office at 399 Park Avenue, New York, New York 10043 (Attention: Corporate Secretary) or to the Transfer Agent at its office at 480 Washington Boulevard, 29th Floor, Jersey City, New Jersey 07310 (Attention: Corporate Trust Office), or other agent of the Company designated as permitted by this Certificate of Designation, or (ii) if to any Holder, to such Holder at the address of such Holder as listed in the stock record books of the Company (which may include the records of the Transfer Agent) or (iii) to such other address as the Company or any such Holder, as the case may be, shall have designated by notice similarly given.

Exhibit A

FORM OF

8.50% NON-CUMULATIVE PREFERRED STOCK, SERIES F

FACE OF SECURITY

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), NEW YORK, NEW YORK, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC) ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO. HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR’ S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE CERTIFICATE OF DESIGNATION REFERRED TO BELOW.

REGISTRAR' S COUNTERSIGNATURE

These are shares of Series F Preferred Stock referred to in the within-mentioned Certificate of Designation.

Dated:

THE BANK OF NEW YORK MELLON, as Registrar

By: ________________________________

Name:

Title:

REVERSE OF CERTIFICATE

Dividends on each share of Series F Preferred Stock shall be payable at the rate provided in the Certificate of Designation.

The shares of Series F Preferred Stock shall be redeemable at the option of the Company in the manner and in accordance with the terms set forth in the Certificate of Designation.

The Company shall furnish without charge to each holder who so requests the powers, designation, preferences and relative, participating, optional or other special rights of each class or series of share capital issued by the Company and the qualifications. limitations or restrictions of such preferences and/or rights.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers the shares of Series F Preferred Stock evidenced hereby to:

____

____

(Insert assignee' s social security or taxpayer identification number, if any)

____

____

(Insert address and zip code of assignee)

and irrevocably appoints:

____

____

as agent to transfer the shares of Series F Preferred Stock evidenced hereby on the books of the Transfer Agent. The agent may substitute another to act for him or her.

Date:

Signature:

____

(Sign exactly as your name appears on the other side of this Certificate)

Signature Guarantee: ______________________________

(Signature must be guaranteed by an "eligible guarantor institution" that is a bank, stockbroker, savings and loan association or credit union meeting the requirements of the Transfer Agent, which requirements include membership or participation in the Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Transfer Agent in addition to, or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.)

Exhibit IV

Series R Participating Cumulative Preferred Stock

Section 1. Designation and Number of Shares.

The shares of such series shall be designated as "Series R Participating Cumulative Preferred Stock" (the "Series R Preferred Stock"), and the number of shares constituting such series shall be 28,000. Such number of shares of the Series R Preferred Stock may be increased or decreased by resolution of the Board of Directors; *provided* that no decrease shall reduce the number of shares of Series R Preferred Stock to a number less than the number of shares then outstanding plus the number of shares issuable upon exercise or conversion of outstanding rights, options or other securities issued by the Corporation.

Section 2. Dividends and Distributions.

(a) Subject to the prior and superior rights of the holders of any shares of any class or series of stock of the Corporation ranking prior and superior to the shares of Series R Preferred Stock with respect to dividends, the holders of shares of Series R Preferred Stock, in preference to the holders of shares of any class or series of stock of the Corporation ranking junior to the Series R Preferred Stock in respect thereof, shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, regular quarterly dividends payable on such dates each year as designated by the Board of Directors (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of any share or fraction of a share of Series R Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (i) $1.00 and (ii) the Multiplier Number times the aggregate per share amount of all cash dividends or other distributions and the Multiplier Number times the aggregate per share amount of all non-cash dividends or other distributions (other than (A) a dividend payable in shares of Common Stock, par value $0.01 per share, of the Corporation (the "Common Stock") or (B) a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise)), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series R Preferred Stock. As used herein, the "Multiplier Number" shall be 1,000,000; *provided* that if, at any time after June 9, 2009, there shall be any change in the Common Stock, whether by reason of stock dividends, stock splits, reverse stock splits, recapitalization, mergers, consolidations, combinations or exchanges of securities, split-ups, split-offs, spin-offs, liquidations or other similar changes in capitalization, or any distribution or issuance of shares of its capital stock in a merger, share exchange, reclassification, or change of the outstanding shares of Common Stock, then in each such event the Board of Directors shall adjust the Multiplier Number to the extent appropriate such that following such adjustment each share of Series R Preferred Stock shall be in the same economic position as prior to such event.

(b) The Corporation shall declare a dividend or distribution on the Series R Preferred Stock as provided in Section 2(a) immediately after it declares a dividend or distribution on the Common Stock (other than as described in Sections 2(a)(ii)(A) and 2(a)(ii)(B)); *provided* that if no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date (or, with respect to the first Quarterly Dividend Payment Date, the period between the first issuance of any share or fraction of a share of Series R Preferred Stock and such first Quarterly Dividend Payment Date), a dividend of $1.00 per share on the Series R Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(c) Dividends shall begin to accrue and be cumulative on outstanding shares of Series R Preferred Stock from the Quarterly Dividend Payment Date immediately preceding the date of issuance of such shares of Series R Preferred Stock, unless the date of issuance of such shares is on or before the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue and be cumulative from the date of issue of such shares, or unless the date of issue is a date after the record date for the determination of holders of shares of Series R Preferred Stock entitled to receive a quarterly dividend and on or before such Quarterly Dividend Payment Date, in which case dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on shares of Series R Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated *pro rata* on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series R Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall not be more than 60 days prior to the date fixed for the payment thereof.

Section 3. Voting Rights. In addition to any other voting rights required by law, the holders of shares of Series R Preferred Stock shall have the following voting rights:

(a) Each share of Series R Preferred Stock shall entitle the holder thereof to a number of votes equal to the Multiplier Number on all matters submitted to a vote of stockholders of the Corporation.

(b) Except as otherwise provided herein or by law, the holders of shares of Series R Preferred Stock and the holders of shares of Common Stock shall vote together as a single class on all matters submitted to a vote of stockholders of the Corporation.

(c) (i) If at any time dividends on any Series R Preferred Stock shall be in arrears in an amount equal to six quarterly dividends thereon, the occurrence of such contingency shall mark the beginning of a period (herein called a "default period") which shall extend until such time when all accrued and unpaid dividends for all previous quarterly dividend periods and for the current quarterly dividend period on all shares of Series R Preferred Stock then outstanding shall have been declared and paid or set apart for payment. During each default period, all holders of Series R Preferred Stock and any other series of Preferred Stock then entitled as a class to elect directors, voting together as a single class, irrespective of series, shall have the right to elect two Directors.

(ii) During any default period, such voting right of the holders of Series R Preferred Stock may be exercised initially at a special meeting called pursuant to Section 3(c)(iii) hereof or at any annual meeting of stockholders, and thereafter at annual meetings of stockholders; *provided* that neither such voting right nor the right of the holders of any other series of Preferred Stock, if any, to increase, in certain cases, the authorized number of Directors shall be exercised unless the holders of 10% in number of shares of Preferred Stock outstanding shall be present in person or by proxy. The absence of a quorum of holders of Common Stock shall not affect the exercise by holders of Preferred Stock of such voting right. At any meeting at which holders of Preferred Stock shall initially exercise such voting right, they shall have the right, voting as a class, to elect Directors to fill such vacancies, if any, in the Board of Directors as may then exist up to two Directors or, if such right is exercised at an annual meeting, to elect two Directors. If the number which may be so elected at any special meeting does not amount to the required number, the holders of the Preferred Stock shall have the right to make such increase in the number of Directors as shall be necessary to permit the election by them of the required number. After the holders of the Preferred Stock shall have exercised their right to elect Directors in any default period and during the continuance of such period, the number of Directors shall not be increased or decreased except by vote of the holders of Preferred Stock as herein provided or pursuant to the rights of any equity securities ranking senior to or *pari passu* with the Series R Preferred Stock.

(iii) Unless the holders of Preferred Stock shall have previously exercised their right to elect Directors during an existing default period, the Board of Directors may order, or any stockholder or stockholders owning in the aggregate not less than 10% of the total number of shares of Preferred Stock outstanding, irrespective of series, may request, the calling of a special meeting of holders of Preferred Stock, which meeting shall thereupon be called by the Chief Executive Officer, a Vice President or the Secretary of the Corporation. Notice of such meeting and of any annual meeting at which holders of Preferred Stock are entitled to vote pursuant to this Section 3(c)(iii) shall be given to each holder of record of Preferred Stock by mailing such notice to him at the address of such holder shown on the registry books of the Corporation. Such meeting shall be called for a time not earlier than 20 days and not later than 60 days after such order or request or in default of the calling of such meeting within 60 days after such order or request, such meeting may be called on similar notice by any stockholder or stockholders owning in the aggregate not less than 10% of the total number of shares of Preferred Stock outstanding, irrespective of series. Notwithstanding the provisions of this Section 3(c)(iii), no such special meeting shall be called during the period within 60 days immediately preceding the date fixed for the next annual meeting of stockholders.

(iv) In any default period, the holders of Common Stock, and other classes of stock of the Corporation if applicable, shall continue to be entitled to elect the whole number of Directors until the holders of Preferred Stock shall have exercised their right to elect two Directors voting as a class, after the exercise of which right (x) the Directors so elected by the holders of Preferred Stock shall continue in office until their successors shall have been elected by such holders or until the expiration of the default period, and (y) any vacancy in the Board of Directors may (except as provided in Section 3(c)(ii) hereof) be filled by vote of a majority of the remaining Directors theretofore elected by the holders of the class of stock which elected the Director whose office shall have become vacant. References in this Section 3(c) to Directors elected by the holders of a particular class of stock shall include Directors elected by such Directors to fill vacancies as provided in clause (y) of the foregoing sentence.

(v) Immediately upon the expiration of a default period, (x) the right of the holders of Preferred Stock as a class to elect Directors shall cease, (y) the term of any Directors elected by the holders of Preferred Stock as a class shall terminate, and (z) the number of Directors shall be such number as may be provided for in the certificate of incorporation or bylaws irrespective of any increase made pursuant to the provisions of Section 3(c)(ii) (such number being subject, however, to change thereafter in any manner provided by law or in the certificate of incorporation or bylaws). Any vacancies in the Board of Directors effected by the provisions of clauses (y) and (z) in the preceding sentence may be filled by a majority of the remaining Directors.

(d) The certificate of incorporation of the Corporation shall not be amended in any manner (whether by merger or otherwise) so as to adversely affect the powers, preferences or special rights of the Series R Preferred Stock without the affirmative vote of the holders of a majority of the outstanding shares of Series R Preferred Stock, voting separately as a class.

(e) Except as otherwise expressly provided herein, holders of Series R Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Section 4. Certain Restrictions.

(a) Whenever quarterly dividends or other dividends or distributions payable on the Series R Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on outstanding shares of Series R Preferred Stock shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends on, or make any other distributions on, any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding-up) to the Series R Preferred Stock;

(ii) declare or pay dividends on, or make any other distributions on, any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding-up) with the Series R Preferred Stock, except dividends paid ratably on the Series R Preferred Stock and all such other parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem, purchase or otherwise acquire for value any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding-up) to the Series R Preferred Stock; *provided* that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such junior stock in exchange for shares of stock of the Corporation ranking junior (as to dividends and upon dissolution, liquidation or winding-up) to the Series R Preferred Stock; or

(iv) redeem, purchase or otherwise acquire for value any shares of Series R Preferred Stock, or any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding-up) with the Series R Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of Series R Preferred Stock and all such other parity stock upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(b) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for value any shares of stock of the Corporation unless the Corporation could, under paragraph 4(a), purchase or otherwise acquire such shares at such time and in such manner.

Section 5. Reacquired Shares.

Any shares of Series R Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired promptly after the acquisition thereof. All such shares shall upon their retirement become authorized but unissued shares of Preferred Stock without designation as to series and may be reissued as part of a new series of Preferred Stock to be created by the Board of Directors as permitted by the certificate of incorporation of the Corporation or as otherwise permitted under Delaware law.

Section 6. Liquidation, Dissolution and Winding-up.

Upon any liquidation, dissolution or winding-up of the Corporation, no distribution shall be made (a) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding-up) to the Series R Preferred Stock unless, prior thereto, the holders of shares of Series R Preferred Stock shall have received $1.00 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment; *provided* that the holders of shares of Series R Preferred Stock shall be entitled to receive an aggregate amount per share equal to (x) the Multiplier Number times (y) the aggregate amount to be distributed per share to holders of Common Stock, or (b) to the holders of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding-up) with the Series R Preferred Stock, except distributions made ratably on the Series R Preferred Stock and all such other parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up.

Section 7. Consolidation, Merger, etc.

If the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash or any other property, then in any such case the shares of Series R Preferred Stock shall at the same time be similarly exchanged for or changed into an amount per share equal to (x) the Multiplier Number *times* (y) the aggregate amount of stock, securities, cash or any other property. as the case may be, into which or for which each share of Common Stock is changed or exchanged.

Section 8. No Redemption.

The Series R Preferred Stock shall not be redeemable.

Section 9. Rank.

The Series R Preferred Stock shall rank junior to all other series of the Preferred Stock as to the payment of dividends and the distribution of assets upon liquidation, dissolution and winding-up, unless the terms of such series shall specifically provide otherwise, and shall rank senior to the Common Stock as to such matters.

Section 10. Fractional Shares.

Series R Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holder' s fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series R Preferred Stock.

Exhibit V

6.5% Non-Cumulative Convertible Preferred Stock, Series T

Section 1. Designation.

The designation of the series of preferred stock shall be "6.5% Non-Cumulative Convertible Preferred Stock, Series T" (the "Convertible Preferred Stock"). Each share of Convertible Preferred Stock shall be identical in all respects to every other share of Convertible Preferred Stock. Convertible Preferred Stock will rank equally with Parity Stock, if any, will rank senior to Junior Stock and will rank junior to Senior Stock, if any, with respect to the payment of dividends and/or the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company.

Section 2. Number of Shares.

The number of authorized shares of Convertible Preferred Stock shall be 66,700. That number from time to time may be increased (but not in excess of the total number of authorized shares of preferred stock) or decreased (but not below the number of shares of Convertible Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof and by the filing of a certificate pursuant to the provisions of the General Corporation Law of the State of Delaware stating that such increase or reduction, as the case may be, has been so authorized. The Company shall have the authority to issue fractional shares of Convertible Preferred Stock.

Section 3. Definitions. As used herein with respect to Convertible Preferred Stock:

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agent Members" has the meaning set forth in Section 23(c).

"Base Price" has the meaning set forth in Section 10(a).

"Board of Directors" has the meaning set forth in the recitals in the Certificate of Designation of 6.5% Non-Cumulative Convertible Preferred Stock, Series T of Citigroup Inc. filed on January 22, 2008.

"Business Day" means any weekday that is not a legal holiday in New York, New York and is not a day on which banking institutions in New York, New York are authorized or required by law or regulation to be closed.

"Closing Price" of the Common Stock on any date of determination means the closing sale price or, if no closing sale price is reported, the last reported sale price of the shares of the Common Stock on the New York Stock Exchange on such date. If the Common Stock is not traded on the New York Stock Exchange on any date of determination, the Closing Price of the Common Stock on such date of determination means the closing sale price as reported in the composite transactions for the principal U.S. national or regional securities exchange on which the Common Stock is so listed or quoted, or, if no closing sale price is reported, the last reported sale price on the principal U.S. national or regional securities exchange on which the Common Stock is so listed or quoted, or if the Common Stock is not so listed or quoted on a U.S. national or regional securities exchange, the last quoted bid price for the Common Stock in the over-the-counter market as reported by Pink Sheets LLC or similar organization, or, if that bid price is not available, the market price of the Common Stock on that date as determined by a nationally recognized investment banking firm (unaffiliated with the Company) retained by the Company for this purpose.

"Common Stock" means the common stock of the Company, par value $0.01 per share, or any other shares of the capital stock of the Company into which such shares of common stock shall be reclassified or changed.

"Constituent Person" has the meaning set forth in Section 13(a).

"Conversion Agent" means the Transfer Agent acting in its capacity as conversion agent for the Convertible Preferred Stock, and its successors and assigns.

"Conversion at the Option of the Company Date" has the meaning set forth in Section 11(c).

"Conversion Date" has the meaning set forth in Section 8(e).
"Conversion Price" at any time means, for each share of Convertible Preferred Stock, a dollar amount equal to $50,000 divided by the Conversion Rate (initially approximately $33.73).
"Conversion Rate" means for each share of Convertible Preferred Stock, 1,482.3503 shares of Common Stock, subject to adjustment as set forth herein.
"Convertible Preferred Stock" shall have the meaning set forth in Section 1.
"Current Market Price" per share of Common Stock on any day means the average of the VWAP per share of Common Stock on each of the 10 consecutive Trading Days ending on the earlier of the day in question and the day before the Ex-date or other specified date with respect to the issuance or distribution requiring such computation, appropriately adjusted to take into account the occurrence during such period of any event described in Section 12.
"Depositary" means DTC or its nominee or any successor depositary appointed by the Company.
"Dividend Payment Date" shall have the meaning set forth in Section 4(a).
"Dividend Period" shall have the meaning set forth in Section 4(a).
"Dividend Record Date" shall have the meaning set forth in Section 4(a).
"Dividend Threshold Amount" shall have the meaning set forth in Section 12(a)(iv).
"DTC" means The Depository Trust Company.
"Ex-date" when used with respect to any issuance or distribution, means the first date on which the shares of Common Stock or other securities trade without the right to receive an issuance or distribution.
"Exchange Property" has the meaning set forth in Section 13(a).
"Expiration Time" has the meaning set forth in Section 12(a)(v).
"Fundamental Change" has the meaning set forth in Section 10(a).
"Global Preferred Stock" has the meaning set forth in Section 23(a).
"Holder" means the Person in whose name the shares of the Convertible Preferred Stock are registered, which may be treated by the Company, Transfer Agent, Registrar, paying agent and Conversion Agent as the absolute owner of the shares of Convertible Preferred Stock for the purpose of making payment and settling the related conversions and for all other purposes.
"Junior Stock" means the Common Stock and any other class or series of stock of the Company now existing or hereafter authorized over which Convertible Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the Company.
"Make-Whole Acquisition" means the occurrence, prior to any Conversion Date, of one of the following:

(i) a "person" or "group" within the meaning of Section 13(d) of the Exchange Act files a Schedule TO or any schedule, form or report under the Exchange Act disclosing that such person or group has become the direct or indirect ultimate "beneficial owner," as defined in Rule 13d-3 under the Exchange Act, of common equity of the Company representing more than 50% of the voting power of the outstanding Common Stock; or

(ii) consummation of any consolidation or merger of the Company or similar transaction or any sale, lease or other transfer in one transaction or a series of transactions of all or substantially all of the property and assets of the Company to any Person other than one of the Company' s subsidiaries, in each case pursuant to which the Common Stock will be converted into cash, securities or other property, other than pursuant to a transaction in which the Persons that "beneficially owned" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, voting shares of the Company immediately prior to such transaction beneficially own, directly or indirectly, voting shares representing a majority of the total voting power of all outstanding classes of voting shares of the continuing or surviving Person immediately after the transaction;

provided, however, that a Make-Whole Acquisition will not be deemed to have occurred if at least 90% of the consideration received by holders of the Common Stock in the transaction or transactions consists of shares of common stock or depositary receipts in respect of common stock that are traded on a U.S. national securities exchange or securities exchange in the European Economic Area or that will be so traded when issued or exchanged in connection with a Make-Whole Acquisition.

"Make-Whole Acquisition Conversion" has the meaning set forth in Section 9(a).

"Make-Whole Acquisition Conversion Period" has the meaning set forth in Section 9(a).

"Make-Whole Acquisition Effective Date" has the meaning set forth in Section 9(a).

"Make-Whole Acquisition Stock Price" means the consideration paid per share of Common Stock in a Make-Whole Acquisition. If such consideration consists only of cash, the Make-Whole Acquisition Stock Price shall equal the amount of cash paid per share of Common Stock. If such consideration consists of any property other than cash, the Make-Whole Acquisition Stock Price shall be the average of the Closing Price per share of Common Stock on each of the 10 consecutive Trading Days up to, but including, the Make-Whole Acquisition Effective Date.

"Make-Whole Shares" has the meaning set forth in Section 9(b).

"Market Disruption Event" means any of the following events that has occurred:

(i) any suspension of, or limitation imposed on, trading by any exchange or quotation system on which the Closing Price is determined pursuant to the definition of the Trading Day (a "Relevant Exchange") during the one-hour period prior to the close of trading for the regular trading session on the Relevant Exchange (or for purposes of determining the VWAP per share of Common Stock any period or periods aggregating one half-hour or longer during the regular trading session on the relevant day) and whether by reason of movements in price exceeding limits permitted by the Relevant Exchange, or otherwise relating to Common Stock or in futures or options contracts relating to the Common Stock on the Relevant Exchange;

(ii) any event (other than an event described in clause (iii)) that disrupts or impairs (as determined by the Company in its reasonable discretion) the ability of market participants during the one-hour period prior to the close of trading for the regular trading session on the Relevant Exchange (or for purposes of determining the VWAP per share of Common Stock any period or periods aggregating one half-hour or longer during the regular trading session on the relevant day) in general to effect transactions in, or obtain market values for, the Common Stock on the Relevant Exchange or to effect transactions in, or obtain market values for, futures or options contracts relating to the Common Stock on the Relevant Exchange; or

(iii) the failure to open of the Relevant Exchange on which futures or options contracts relating to the Common Stock, are traded or the closure of such exchange prior to its respective scheduled closing time for the regular trading session on such day (without regard to after hours or any other trading outside of the regular trading session hours) unless such earlier closing time is announced by such exchange at least one hour prior to the earlier of the actual closing time for the regular trading session on such day, and the submission deadline for orders to be entered into such exchange for execution at the actual closing time on such day.

"Nonpayment" shall have the meaning set forth in Section 14(b)(i).

"Notice of Conversion at the Option of the Company" has the meaning set forth in Section 11(c).

"Officer" means the Chief Executive Officer, the Chairman, the Chief Administrative Officer, any Vice Chairman, the Chief Financial Officer, the Controller, the Chief Accounting Officer, the Treasurer and Head of Corporate Finance, any Assistant Treasurer, the General Counsel and Corporate Secretary and any Assistant Secretary of the Company.

"Officers' Certificate" means a certificate signed (i) by the Chief Executive Officer, the Chairman, the Chief Administrative Officer, any Vice Chairman, the Chief Financial Officer, the Controller or the Chief Accounting Officer, and (ii) by the Treasurer and Head of Corporate Finance, any Assistant Treasurer, the General Counsel and Corporate Secretary or any Assistant Secretary of the Company, and delivered to the Conversion Agent.

"Parity Stock" means any class or series of stock of the Company hereafter authorized that ranks equally with the Convertible Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Company.

“Person” means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint-stock company, limited liability company or trust.

“Purchased Shares” has the meaning set forth in Section 12(a)(v).

“Record Date” has the meaning set forth in Section 12(d).

“Reference Price” means the price paid per share of Common Stock in a Fundamental Change. If the holders of shares of Common Stock receive only cash in the Fundamental Change, the Reference Price shall be the cash amount paid per share. Otherwise the Reference Price shall be the average of the Closing Price per share of Common Stock on each of the 10 Trading Days up to, but not including, the effective date of the Fundamental Change.

“Registrar” means the Transfer Agent acting in its capacity as registrar for the Convertible Preferred Stock, and its successors and assigns.

“Relevant Exchange” has the meaning set forth above in the definition of Market Disruption Event.

“Reorganization Event” has the meaning set forth in Section 13(a).

“Senior Stock” means any class or series of stock of the Company ‘now existing or hereafter authorized which has preference or priority over the Convertible Preferred Stock as to the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the Company.

“Trading Day” means, for purposes of determining a VWAP or Closing Price per share of Common Stock or a Closing Price, a Business Day on which the Relevant Exchange (as defined in the definition of Market Disruption Event) is scheduled to be open for business and on which there has not occurred or does not exist a Market Disruption Event.

“Transfer Agent” means The Bank of New York Mellon acting as Transfer Agent, Registrar, paying agent and Conversion Agent for the Convertible Preferred Stock, and its successors and assigns.

“Trust” shall have the meaning set forth in Section 6(d).

“VWAP” per share of the Common Stock on any Trading Day means the per share volume-weighted average price as displayed under the heading Bloomberg VWAP on Bloomberg page C UN <equity> AQR (or its equivalent successor if such page is not available) in respect of the period from the open of trading on the relevant Trading Day until the close of trading on the relevant Trading Day (or if such volume-weighted average price is unavailable, the market price of one share of Common Stock on such Trading Days determined, using a volume-weighted average method, by a nationally recognized investment banking firm (unaffiliated with the Company) retained for this purpose by the Company).

Section 4. Dividends.

(a) **Rate.** Holders shall be entitled to receive, if, as and when declared by the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference of $50,000 per share of Convertible Preferred Stock, and no more, payable quarterly in arrears on each February 15, May 15, August 15 and November 15; *provided, however,* if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day, unless that day falls in the next calendar year, in which case payment of such dividend will occur on the immediately preceding Business Day (in either case, without any interest or other payment in respect of such delay) (each such day on which dividends are payable a “Dividend Payment Date”). The period from and including the date of issuance of the Convertible Preferred Stock or any Dividend Payment Date to, but excluding, the next Dividend Payment Date is a “Dividend Period.” Dividends on each share of Convertible Preferred Stock will accrue on the liquidation preference of $50,000 per share at a rate per annum equal to 6.5%. The record date for payment of dividends on the Convertible Preferred Stock will be the fifteenth day of the calendar month immediately preceding the month during which the Dividend Payment Date falls or such other record date fixed by the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof that is not more than 30 nor less than 10 days prior to such Dividend Payment Date (each, a “Dividend Record Date”). Any such day that is a Dividend Record Date will be a Dividend Record Date whether or not such day is a Business Day. The amount of dividends payable will be computed on the basis of a 360-day year of twelve 30-day months.

(b) **Non-Cumulative Dividends.** If the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof does not declare a dividend on the Convertible Preferred Stock for any Dividend Period prior to the related Dividend Payment Date, that dividend will not accrue, and the Company will have no obligation to pay, and Holders shall have no right to receive, a dividend for that Dividend Period on the related Dividend Payment Date or at any future time whether or not dividends on the Convertible Preferred Stock or any other series of preferred stock or common stock are declared for any subsequent Dividend Period with respect to Convertible Preferred Stock, Parity Stock, Junior Stock or any other class or series of authorized preferred stock of the Company. References herein to the "accrual" of dividends refer only to the determination of the amount of such dividend and do not imply that any right to a dividend arises prior to the date on which a dividend is declared.

(c) **Priority of Dividends.** So long as any share of Convertible Preferred Stock remains outstanding, unless as to a Dividend Payment Date full dividends on all outstanding shares of the Convertible Preferred Stock have been declared and paid or declared and a sum sufficient for the payment of those dividends has been set aside for the Dividend Period then ending, the Company will not, and will cause its subsidiaries not to, during the next succeeding Dividend Period that commences on such Dividend Payment Date, declare or pay any dividend on, make any distributions relating to, or redeem, purchase, acquire or make a liquidation payment relating to, any of Junior Stock, or make any guarantee payment with respect thereto, other than:

(i) purchases, redemptions or other acquisitions of shares of Junior Stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants;

(ii) purchases of shares of Common Stock pursuant to a contractually binding requirement to buy stock existing prior to the commencement of the then-current dividend period, including under a contractually binding stock repurchase plan;

(iii) as a result of an exchange or conversion of any class or series of Junior Stock for any other class or series of Junior Stock;

(iv) the purchase of fractional interests in shares of Junior Stock pursuant to the conversion or exchange provisions of such Junior Stock or the security being converted or exchanged;

(v) the purchase of Junior Stock by an investment banking subsidiary of the Company in connection with the distribution thereof; or

(vi) the purchase of Junior Stock by any investment banking subsidiary of the Company in connection with market-making or other secondary market activities in the ordinary course of the business of such subsidiary.

The foregoing restriction, however, will not apply to any Junior Stock dividends paid by the Company where the dividend stock is the same stock as that on which the dividend is being paid. Except as provided below, for so long as any share of Convertible Preferred Stock remains outstanding, if dividends are not declared and paid in full upon the shares of Convertible Preferred Stock and any Parity Stock, all dividends declared upon shares of Convertible Preferred Stock and any Parity Stock will be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then-current Dividend Period per share of Convertible Preferred Stock and accrued dividends for the then-current Dividend Period per share of any Parity Stock (including, in the case of any such Parity Stock that bears cumulative dividends, all accrued and unpaid dividends) bear to each other.

Subject to the foregoing, and not otherwise, such dividends payable in cash, stock or otherwise, as may be determined by the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof, may be declared and paid on any Junior Stock and Parity Stock from time to time out of any assets legally available for such payment, and Holders will not be entitled to participate in those dividends.

(e) **Conversion Following A Record Date.** If a Conversion Date for any shares of Convertible Preferred Stock is prior to the close of business on a Dividend Record Date for any declared dividend for the then-current Dividend Period, the Holder of such shares will not be entitled to any such dividend. If the Conversion Date for any shares of Convertible Preferred Stock is after the close of business on a Dividend Record Date for any declared dividend for the then-current Dividend Period, but prior to the corresponding Dividend Payment Date, the Holder of such shares shall be entitled to receive such dividend, notwithstanding the conversion of such shares prior to the Dividend Payment Date. However, such shares, upon surrender for conversion, must be accompanied by funds equal to the dividend on such shares; provided that no such payment need be made (i) if the Company has issued a notice of redemption of the Convertible Preferred Stock, (ii) if the Company has issued a notice of conversion at its option of the Convertible Preferred Stock, or (iii) if a conversion is made in connection with a Make-Whole Acquisition or Fundamental Change, in each case in accordance with the terms hereof.

Section 5. Liquidation Rights.

(a) **Liquidation.** In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company, Holders shall be entitled, out of assets legally available therefor, before any distribution or payment out of the assets of the Company may be made to or set aside for the holders of any Junior Stock and subject to the rights of the holders of any class or series of securities ranking senior to or on parity with Convertible Preferred Stock upon liquidation and the rights of the Company' s depositors and other creditors, to receive in full a liquidating distribution in the amount of the liquidation preference of $50,000 per share, plus any accrued dividends thereon from the last dividend payment date to, but excluding, the date of the liquidation, dissolution or winding up if and to the extent declared. Holders shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company other than what is expressly provided for in this Section 5.

(b) **Partial Payment.** If the assets of the Company are not sufficient to pay in full the liquidation preference plus any dividends which have been declared but not yet paid to all Holders and all holders of any Parity Stock, the amounts paid to the Holders and to the holders of all Parity Stock shall be pro rata in accordance with the respective aggregate liquidating distributions to which they would otherwise be entitled.

(c) **Residual Distributions.** If the respective aggregate liquidating distributions to which all Holders and all holders of any Parity Stock are entitled have been paid, the holders of Junior Stock shall be entitled to receive all remaining assets of the Company according to their respective rights and preferences.

(d) **Merger, Consolidation and Sale of Assets Not Liquidation.** For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Company shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, nor shall the merger, consolidation or any other business combination transaction of the Company into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Company be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company.

Section 6. Redemption.

(a) **Optional Redemption.** The Company, at the option of its Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof, may redeem out of funds legally available therefor, in whole or in part, the shares of Convertible Preferred Stock at the time outstanding, on any Dividend Payment Date as to which the Company has declared a dividend in full on the Convertible Preferred Stock on or after the Dividend Payment Date on February 15, 2015, upon notice given as provided in Section 6(b) below, and at a redemption price equal to $50,000 per share.

Notwithstanding the foregoing, the Company, at the option of its Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof, may redeem out of funds legally available therefor, at any time, in whole but not in part, the shares of Convertible Preferred Stock at the time outstanding if the aggregate liquidation preference of such shares is equal to 5% or less of the aggregate liquidation preference of the shares of Convertible Preferred Stock originally issued by the Company, upon notice as provided in Section 6(b) below, and at a redemption price equal to $50,000 per share, plus any accrued dividends thereon from the last dividend payment date to, but excluding, the date of redemption.

(b) **Notice of Redemption.** Notice of every redemption of shares of Convertible Preferred Stock shall be mailed by first class mail, postage prepaid, addressed to the Holders of such shares to be redeemed at their respective last addresses appearing on the stock register of the Company. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the Holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any Holder of shares of Convertible Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Convertible Preferred Stock. Each notice shall state:

(i) the redemption date;

(ii) the number of shares of Convertible Preferred Stock to be redeemed and, if fewer than all the shares of a Holder are to be redeemed, the number of such shares to be redeemed;

(iii) the redemption price;

(iv) the place or places where the certificates for such shares are to be surrendered for payment of the redemption price; and

(v) that dividends on the shares to be redeemed will cease to accrue on the redemption date.

Notwithstanding the foregoing, if the Convertible Preferred Stock is held in book-entry form through DTC, the Company may give such notice in any manner permitted by DTC.

(c) **Partial Redemption.** In case of any redemption of only part of the shares of Convertible Preferred Stock at the time outstanding, the shares of Convertible Preferred Stock to be redeemed shall be selected pro rata from the Holders in proportion to the number of shares of Convertible Preferred Stock held by such Holders, by lot or in such other manner as the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof may determine to be fair and equitable. Subject to the provisions of this Section 6, the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof shall have full power and authority to prescribe the terms and conditions upon which shares of Convertible Preferred Stock shall be redeemed from time to time.

(d) **Effectiveness of Redemption.** If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Company, separate and apart from its other assets, in trust for the pro rata benefit of the Holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Company with a bank or trust company selected by the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof (the "Trust") in trust for the pro rata benefit of the Holders of the shares called for redemption, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue on such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the Holders thereof to receive the amount payable on such redemption from the Trust at any time after the redemption date from the funds so deposited, without interest. The Company shall be entitled to receive, from time to time, from the Trust any interest accrued on such funds, and the Holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released or repaid to the Company, and in the event of such repayment to the Company, the Holders of the shares so called for redemption shall be deemed to be unsecured creditors of the Company for an amount equivalent to the amount deposited as stated above for the redemption of such shares and so repaid to the Company, but shall in no event be entitled to any interest.

(e) **Conversion Prior to Redemption.** If the Convertible Preferred Stock has been called for redemption, a holder will be entitled to convert the Convertible Preferred Stock from the date of notice of the redemption until the close of business on the second Business Day immediately preceding the date of redemption.

Section 7. Right of the Holders to Convert.

Each Holder shall have the right, at such Holder' s option, to convert all or any portion of such Holder' s Convertible Preferred Stock at any time into shares of Common Stock at the Conversion Rate per share of Convertible Preferred Stock (subject to the conversion procedures of Section 8), plus cash in lieu of fractional shares.

Section 8. Conversion Procedures.

(a) **Conversion Date.** Effective immediately prior to the close of business on any applicable Conversion Date, dividends shall no longer be declared on any such converted shares of Convertible Preferred Stock and such shares of Convertible Preferred Stock shall cease to be outstanding, in each case, subject to the right of Holders to receive any declared and unpaid dividends on such shares and any other payments to which they are otherwise entitled pursuant to the terms hereof.

(b) **Rights Prior to Conversion.** No allowance or adjustment, except pursuant to Section 12, shall be made in respect of dividends payable to holders of the Common Stock of record as of any date prior to the close of business on any applicable Conversion Date. Prior to the close of business on any applicable Conversion Date, shares of Common Stock issuable upon conversion of, or other securities issuable upon conversion of, any shares of Convertible Preferred Stock shall not be deemed outstanding for any purpose, and Holders shall have no rights with respect to the Common Stock or other securities issuable upon conversion (including voting rights, rights to respond to tender offers for the Common Stock or other securities issuable upon conversion and rights to receive any dividends or other distributions on the Common Stock or other securities issuable upon conversion) by virtue of holding shares of Convertible Preferred Stock.

(c) **Reacquired Shares.** Shares of Convertible Preferred Stock duly converted in accordance with this Certificate of Designation, or otherwise reacquired by the Company, will resume the status of authorized and unissued preferred stock, undesignated as to series and available for future issuance. The Company may from time-to-time take such appropriate action as may be necessary to reduce the authorized number of shares of Convertible Preferred Stock.

(d) **Record Holder as of Conversion Date.** The Person or Persons entitled to receive the Common Stock and/or cash, securities or other property issuable upon conversion of Convertible Preferred Stock shall be treated for all purposes as the record holder(s) of such shares of Common Stock and/or securities as of the close of business on any applicable Conversion Date. In the event that a Holder shall not by written notice designate the name in which shares of Common Stock and/or cash, securities or other property (including payments of cash in lieu of fractional shares) to be issued or paid upon conversion of shares of Convertible Preferred Stock should be registered or paid or the manner in which such shares should be delivered, the Company shall be entitled to register and deliver such shares, and make such payment, in the name of the Holder and in the manner shown on the records of the Company or, in the case of global certificates, through book-entry transfer through the Depositary.

(e) **Conversion Procedure.** On the date of any conversion, if a Holder' s interest is in certificated form, a Holder must do each of the following in order to convert:

(i) complete and manually sign the conversion notice provided by the Conversion Agent, or a facsimile of the conversion notice, and deliver this irrevocable notice to the Conversion Agent;

(ii) surrender the shares of Convertible Preferred Stock to the Conversion Agent;

(iii) if required, furnish appropriate endorsements and transfer documents;

(iv) if required, pay any stock transfer, documentary, stamp or similar taxes not payable by the Company pursuant to Section 24; and

(v) if required, pay funds equal to any declared and unpaid dividend payable on the next Dividend Payment Date to which such Holder is entitled.

If a Holder' s interest is a beneficial interest in a global certificate representing Convertible Preferred Stock, in order to convert a Holder must comply with clauses (iii) through (v) listed above and comply with the Depositary' s procedures for converting a beneficial interest in a global security. The date on which a Holder complies with the procedures in this clause (ii) is the "Conversion Date." The Conversion Agent shall, on a Holder' s behalf, convert the Convertible Preferred Stock into shares of Common Stock, in accordance with the terms of the notice delivered by such Holder described in clause (i) above.

Section 9. Conversion Upon Make-Whole Acquisition.

(a) **Make-Whole Acquisition Conversion.** In the event of a Make-Whole Acquisition, each Holder shall have the option to convert its shares of Convertible Preferred Stock (a "Make-Whole Acquisition Conversion") during the period (the "Make-Whole Acquisition Conversion Period") beginning on the effective date of the Make-Whole Acquisition (the "Make-Whole Acquisition Effective Date") and ending on the date that is 30 days after the Make-Whole Acquisition Effective Date and receive an additional number of shares of Common Stock in the form of Make-Whole Shares as set forth in clause (b) below.

(b) **Number of Make-Whole Shares.** The number of "Make-Whole Shares" shall be determined for the Convertible Preferred Stock by reference to the table below for the applicable Make-Whole Acquisition Effective Date and the applicable Make-Whole Acquisition Stock Price:

	Stock Price												
Effective Date	**$26.35**	**$29.00**	**$31.50**	**$34.00**	**$36.50**	**$39.00**	**$41.50**	**$45.00**	**$50.00**	**$55.00**	**$60.00**	**$70.00**	**$80.00**

January 17, 2008	415.0586	336.6450	280.8732	237.7517	203.8817	176.8906	155.0925	131.0448	105.8382	87.7535	74.3142	55.9120	44.0147
February 15, 2009	415.0586	335.6342	277.8014	233.2029	198.3240	170.6875	148.5209	124.2930	99.2609	81.6261	68.7560	51.5750	40.7288
February 15, 2010	407.7693	323.3739	263.5573	217.7120	182.0825	154.1127	131.9261	108.0402	83.9517	67.5097	55.8939	41.0257	32.1297
February 15, 2011	395.7941	307.9461	245.7090	198.1091	161.3901	132.8521	110.5226	86.9818	64.1080	49.3099	39.4578	27.8596	21.5687
February 15, 2012	381.2183	289.4432	223.9699	173.5976	134.6697	104.5878	61.4242	57.8404	36.6760	24.6960	17.9378	11.5860	9.0663
February 15, 2013	357.8192	261.7929	193.6996	140.8052	98.3019	63.0255	33.5871	4.8144	0.0000	0.0000	0.0000	0.0000	0.0000
February 15, 2014	332.5456	231.2139	162.2294	112.0320	74.8500	46.3888	24.1098	3.2856	0.0000	0.0000	0.0000	0.0000	0.0000
February 15, 2015	305.5166	179.3119	85.2333	2.7684	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0 0000	0.0000

(i) The exact Make-Whole Acquisition Stock Prices and Make-Whole Acquisition Effective Dates may not be set forth on the table, in which case:

(A) if the Make-Whole Acquisition Stock Price is between two Make-Whole Acquisition Stock Price amounts on the table or the Make-Whole Acquisition Effective Dates are between two dates on the table, the number of Make-Whole Shares will be determined by straight-line interpolation between the number of Make-Whole Shares set forth for the higher and lower Make-Whole Acquisition Stock Price amounts and the two Make-Whole Acquisition Effective Dates, as applicable, based on a 365-day year;

(B) if the Make-Whole Acquisition Stock Price is in excess of $80.00 per share (subject to adjustment pursuant to Section 12), no Make-Whole Shares will be issued upon conversion of the Convertible Preferred Stock; and

(C) if the Make-Whole Acquisition Stock Price is less than $26.35 per share (subject to adjustment pursuant to Section 12), no Make-Whole Shares will be issued upon conversion of the Convertible Preferred Stock.

(ii) The Make-Whole Acquisition Stock Prices set forth in the table above are subject to adjustment pursuant to Section 12 and shall be adjusted as of any date the Conversion Rate is adjusted. The adjusted Make-Whole Acquisition Stock Prices will equal the Make-Whole Acquisition Stock Prices applicable immediately prior to such adjustment multiplied by a fraction, the numerator of which is the Conversion Rate immediately prior to the adjustment giving rise to the Make-Whole Acquisition Stock Prices adjustment and the denominator of which is the Conversion Rate as so adjusted. Each of the number of Make-Whole Shares in the table shall also be subject to adjustment in the same manner as the Conversion Rate pursuant to Section 12.

(c) **Initial Make-Whole Acquisition Notice.** On or before the twentieth day prior to the date on which the Company anticipates consummating the Make-Whole Acquisition (or, if later, promptly after the Company discovers that the Make-Whole Acquisition will occur), a written notice shall be sent by or on behalf of the Company, by first-class mail, postage prepaid, to the Holders as they appear in the records of the Company. Such notice shall contain:

(i) the date on which the Make-Whole Acquisition is anticipated to be effected, and whether such Make-Whole Acquisition is anticipated to be a Fundamental Change; and

(ii) the date, which shall be 30 days after the anticipated Make-Whole Acquisition Effective Date, by which the Make-Whole Acquisition Conversion option must be exercised.

(d) **Second Make-Whole Acquisition Notice.** On the Make-Whole Acquisition Effective Date, another written notice shall be sent by or on behalf of the Company, by first-class mail, postage prepaid, to the Holders as they appear in the records of the Company. Such notice shall contain:

(i) the date that shall be 30 days after the Make-Whole Acquisition Effective Date;

(ii) the number of Make-Whole Shares and, if such Make-Whole Acquisition is a Fundamental Change, the Base Price;

(iii) the amount of cash, securities and other consideration payable per share of Common Stock and Convertible Preferred Stock; and

(iv) the instructions a Holder must follow to exercise its conversion option in connection with such Make-Whole Acquisition, including pursuant to Section 10, if applicable.

(e) **Make-Whole Acquisition Conversion Procedure.** To exercise a Make-Whole Acquisition Conversion option, a Holder must, no later than 5:00 p.m., New York City time, on or before the date by which the Make-Whole Acquisition Conversion option must be exercised as specified in the notice delivered under clause (d) above, comply with the procedures set forth in Section 8(e) and indicate that it is exercising its Make-Whole Acquisition Conversion option.

(f) **Unconverted Shares Remain Outstanding.** If a Holder does not elect to exercise the Make-Whole Acquisition Conversion option pursuant to this Section 9, the shares of Convertible Preferred Stock or successor security held by it will remain outstanding (subject to such Holder electing to exercise its Fundamental Change conversion option, if any, in accordance with Section 10).

(g) **Delivery Following Make-Whole Acquisition Conversion.** Upon a Make-Whole Acquisition Conversion, the Conversion Agent shall, except as otherwise provided in the instructions provided by the Holder in the written notice provided to the Company or its successor as set forth in Section 8(d) above, deliver to the Holder such cash, securities or other property as are issuable with respect to Make-Whole Shares in the Make-Whole Acquisition.

(h) **Partial Make-Whole Acquisition Conversion.** In the event that a Make-Whole Acquisition Conversion is effected with respect to shares of Convertible Preferred Stock or a successor security representing less than all the shares of Convertible Preferred Stock or a successor security held by a Holder, upon such Make-Whole Acquisition Conversion the Company or its successor shall execute and the Conversion Agent shall, unless otherwise instructed in writing, countersign and deliver to such Holder, at the expense of the Company or its successors, a certificate evidencing the shares of Convertible Preferred Stock or such successor security held by the Holder as to which a Make-Whole Acquisition Conversion was not effected.

Section 10. Conversion Upon Fundamental Change.

(a) **Fundamental Change Conversion.** If the Reference Price in connection with a Make-Whole Acquisition is less than the Conversion Price (a "Fundamental Change"), a Holder may convert each share of Convertible Preferred Stock during the period beginning on the effective date of the Fundamental Change and ending on the date that is 30 days after the effective date of such Fundamental Change at an adjusted Conversion Price equal to the greater of (1) the Reference Price and (2) $18.45, subject to adjustment as described in clause (b) below (the "Base Price").

(b) **Base Price Adjustment.** The Base Price shall be adjusted as of any date the Conversion Rate of the Convertible Preferred Stock is adjusted pursuant to Section 12. The adjusted Base Price shall equal the Base Price applicable immediately prior to such adjustment multiplied by a fraction, the numerator of which is the Conversion Rate immediately prior to the adjustment giving rise to the Base Price adjustment and the denominator of which is the Conversion Rate as so adjusted.

(c) **Cash Alternative.** In lieu of issuing Common Stock upon conversion in the event of a Fundamental Change, the Company may at its option, and if it obtains any necessary regulatory approval, pay an amount in cash (computed to the nearest cent) equal to the Reference Price for each share of Common Stock otherwise issuable upon conversion.

(d) **Fundamental Change Conversion Procedure.** To exercise its conversion option upon a Fundamental Change, a Holder must, no later than 5:00 p.m., New York City time, on or before the date by which the conversion option upon the Fundamental Change must be exercised as specified in the notice delivered under Section 9(d) above, comply with the procedures set forth in Section 8(e) and indicate that it is exercising its Fundamental Change conversion option.

(f) **Unconverted Shares Remain Outstanding.** If a Holder does not elect to exercise its conversion option upon a Fundamental Change pursuant to this Section 10, the shares of Convertible Preferred Stock or successor security held by it will remain outstanding (subject to such Holder electing to exercise its Make-Whole Acquisition Conversion option, if any, in accordance with Section 9).

(g) **Delivery Following Fundamental Change Conversion.** Upon a conversion upon a Fundamental Change, the Conversion Agent shall, except as otherwise provided in the instructions provided by the Holder in the written notice provided to the Company or its successor as set forth in Section 8(d) above, deliver to the Holder such cash, securities or other property as are issuable with respect to the adjusted Conversion Price following the Fundamental Change.

(h) **Partial Fundamental Change Conversion.** In the event that a conversion upon a Fundamental Change is effected with respect to shares of Convertible Preferred Stock or a successor security representing less than all the shares of Convertible Preferred Stock or a successor security held by a Holder, upon such conversion the Company or its successor shall execute and the Conversion Agent shall, unless otherwise instructed in writing, countersign and deliver to such Holder, at the expense of the Company, a certificate evidencing the shares of Convertible Preferred Stock or such successor security held by the Holder as to which a conversion upon a Fundamental Change was not effected.

Section 11. Conversion at the Option of the Company.

(a) **Company Conversion Right.** On or after February 15, 2013, the Company shall have the right, at its option, at any time or from time to time to cause some or all of the Convertible Preferred Stock to be converted into shares of Common Stock at the then-applicable Conversion Rate if, for 20 Trading Days within any period of 30 consecutive Trading Days ending on the Trading Day preceding the date the Company delivers a Notice of Conversion at the Option of the Company, the Closing Price of the Common Stock exceeds 130% of the then-applicable Conversion Price of the Convertible Preferred Stock.

(b) **Partial Conversion.** If the Company elects to cause less than all the shares of the Convertible Preferred Stock to be converted under clause (a) above, the Conversion Agent shall select the Convertible Preferred Stock to be converted on a pro rata basis, by lot or in such other manner as the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof determines to be fair and equitable. If the Conversion Agent selects a portion of a Holder' s Convertible Preferred Stock for partial conversion at the option of the Company and such Holder converts a portion of its shares of Convertible Preferred Stock, the converted portion will be deemed to be from the portion selected for conversion at the option of the Company under this Section 11.

(c) **Conversion Procedure.** In order to exercise the conversion right described in this Section 11, the Company shall provide notice of such conversion to each Holder (such notice, a "Notice of Conversion at the Option of the Company") The Conversion Date shall be a date selected by the Company (the "Conversion at the Option of the Company Date") and shall be no more than 20 days after the date on which the Company provides such Notice of Conversion at the Option of the Company. In addition to any information required by applicable law or regulation, the Notice of Conversion at the Option of the Company shall state, as appropriate:

(i) the Conversion at the Option of the Company Date;

(ii) the number of shares of Common Stock to be issued upon conversion of each share of Convertible Preferred Stock and, if fewer than all the shares of a Holder are to be converted, the number of such shares to be converted; and

(iii) the number of shares of Convertible Preferred Stock to be converted.

Section 12. Anti-Dilution Adjustments.

(a) **Adjustments.** The Conversion Rate will be subject to adjustment, without duplication under the following circumstances:

(i) the issuance of Common Stock as a dividend or distribution to all holders of Common Stock, or a subdivision or combination of Common Stock, in which event the Conversion Rate will be adjusted based on the following formula:

$$CR^1 = CR_0 \times (OS^1 / OS_0)$$

where,

CR_0	=	the Conversion Rate in effect at the close of business on the Record Date
CR^1	=	the Conversion Rate in effect immediately after the Record Date
OS_0	=	the number of shares of Common Stock outstanding at the close of business on the Record Date prior to giving effect to such event
OS^1	=	the number of shares of Common Stock that would be outstanding immediately after, and solely as a result of, such event

Notwithstanding the foregoing, no adjustment will be made for the issuance of Common Stock as a dividend or distribution to all holders of Common Stock that is made in lieu of a quarterly or annual cash dividend or distribution to such holders, to the extent such dividend or distribution does not exceed the applicable Dividend Threshold Amount. The amount of any such dividend or distribution will equal the number of such shares being issued multiplied by the average of the VWAP of the Common Stock over each of the five consecutive Trading Days prior to the Ex-date for such dividend or distribution.

(ii) the issuance to all holders of Common Stock of certain rights or warrants entitling them for a period expiring 60 days or less from the date of issuance of such rights or warrants to purchase shares of Common Stock (or securities convertible into Common Stock) at less than (or having a conversion price per share less than) the Current Market Price as of the Record Date, in which event each Conversion Rate will be adjusted based on the following formula:

$CR^1 = CR_0 \times (OS_0+X) / (OS_0+Y)$

where,

CR_0	=	the Conversion Rate in effect at the close of business on the Record Date
CR^1	=	the Conversion Rate in effect immediately after the Record Date
OS_0	=	the number of shares of Common Stock outstanding at the close of business on the Record Date
X	=	the total number of shares of Common Stock issuable pursuant to such rights (or upon conversion of such securities)
Y	=	the aggregate price payable to exercise such rights (or the conversion price for such securities paid upon conversion) divided by the average of the VWAP of the Common Stock over each of the ten consecutive Trading Days prior to the Business Day immediately preceding the announcement of the issuance of such rights.

However, the Conversion Rate will be readjusted to the extent that any such rights or warrants are not exercised prior to their expiration.

(iii) the dividend or other distribution to all holders of Common Stock of shares of capital stock of the Company (other than common stock) or evidences of its indebtedness or its assets (excluding any dividend, distribution or issuance covered by clauses (i) or (ii) above or (iv) or (v) below) in which event the Conversion Rate will be adjusted based on the following formula:

$CR^1 = CR_0 \times SP_0 / (SP_0-FMV)$

where,

CR_0	=	the Conversion Rate in effect at the close of business on the Record Date
CR^1	=	the Conversion Rate in effect immediately after the Record Date
SP_0	=	the Current Market Price as of the Record Date
FMV	=	the fair market value (as determined by the Board of Directors) on the Record Date of the shares of capital stock of the Company, evidences of indebtedness or assets so distributed, expressed as an amount per share of Common Stock

However, if the transaction that gives rise to an adjustment pursuant to this clause (iii) is one pursuant to which the payment of a dividend or other distribution on Common Stock consists of shares of capital stock of the Company of, or similar equity interests in, a subsidiary or other business unit of ours, (i.e., a spin-off) that are, or, when issued, will be, traded on a U.S. securities exchange or quoted on the Nasdaq Capital Market, then the Conversion Rate will instead be adjusted based on the following formula:

$CR^1 = CR_0 \times (FMV_0 + MP_0)/MP_0$

where,

CR_0	=	the Conversion Rate in effect at the close of business on the Record Date
CR^1	=	the Conversion Rate in effect immediately after the Record Date
FMV_0	=	the average of the VWAP of the capital stock of the Company or similar equity interests distributed to holders of Common Stock applicable to one share of Common Stock over each of the 10 consecutive Trading Days commencing on and including the third Trading Day after the date on which “ex-distribution trading” commences for such dividend or distribution on the NYSE or such other national or regional exchange or market on which Common Stock is then listed or quoted
MP_0	=	the average of the VWAP of the Common Stock over each of the 10 consecutive Trading Days commencing on and including the third Trading Day after the date on which “ex-distribution trading” commences for such dividend or distribution on the NYSE or such other national or regional exchange or market on which Common Stock is then listed or quoted

(iv) the Company makes a distribution consisting exclusively of cash to all holders of Common Stock, excluding (a)any cash dividend on Common Stock to the extent that the aggregate cash dividend per share of Common Stock does not exceed (i) $0.32 in any fiscal quarter in the case of a quarterly dividend or (ii) $1.28 in the prior twelve months in the case of an annual dividend (each such number, the "Dividend Threshold Amount"), (b) any cash that is distributed as part of a distribution referred to in clause (iii) above, and (c) any consideration payable in connection with a tender or exchange offer made by the Company or any of its subsidiaries referred to in clause (v) below, in which event, the Conversion Rate will be adjusted based on the following formula:

$CR^1 = CR_0 \times SP_0 / (SP_0\text{-}C)$

where,

CR_0	=	the Conversion Rate in effect at the close of business on the Record Date
CR^1	=	the Conversion Rate in effect immediately after the Record Date
SP_0	=	the Current Market Price as of the Record Date
C	=	the amount in cash per share the Company distributes to holders in the event of a regular quarterly or annual dividend, less the dividend threshold amount

The dividend threshold amount is subject to adjustment on an inversely proportional basis whenever the Conversion Rate is adjusted, provided that no adjustment will be made to the dividend threshold amount for any adjustment made to the Conversion Rate pursuant to this clause (iv).

(v) the Company or one or more of its subsidiaries make purchases of Common Stock pursuant to a tender offer or exchange offer by the Company or a subsidiary of the Company for Common Stock to the extent that the cash and value of any other consideration included in the payment per share of Common Stock validly tendered or exchanged exceeds the VWAP per share of Common Stock on the Trading Day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer (the "expiration date"), in which event the Conversion Rate will be adjusted based on the following formula:

$CR^1 = CR_0 \times [(FMV + (SP^1 \times OS^1)] / (SP^1 \times OS_0)$

where,

CR_0	=	the Conversion Rate in effect at the close of business on the expiration date
CR^1	=	the Conversion Rate in effect immediately after the expiration date
FMV	=	the fair market value (as determined by the Board of Directors), on the expiration date, of the aggregate value of all cash and any other consideration paid or payable for shares validly tendered or exchanged and not withdrawn as of the expiration date (the "Purchased Shares")
OS^1	=	the number of shares of Common Stock outstanding as of the last time tenders or exchanges may be made pursuant to such tender or exchange offer (the "Expiration Time") less any Purchased Shares
OS_0	=	the number of shares of Common Stock outstanding at the Expiration Time, including any Purchased Shares
SP^1	=	the average of the VWAP of the Common Stock over each of the ten consecutive Trading Days commencing with the Trading Day immediately after the expiration date.

(b) **Calculation of Adjustments.** All adjustments to the Conversion Rate shall be calculated by the Company to the nearest 1/10,000th of one share of Common Stock (or if there is not a nearest 1/10,000th of a share, to the next lower 1/10,000th of a share). No adjustment to the Conversion Rate will be required unless such adjustment would require an increase or decrease of at least one percent; *provided, however,* that any such minor adjustments that are not required to be made will be carried forward and taken into account in any subsequent adjustment, and provided further that any such adjustment of less than one percent that has not been made will be made upon (x) the end of each fiscal year of the Company, (y) the date of any notice of redemption of the Convertible Preferred Stock in accordance with the provisions hereof or any notice of a Make-Whole Acquisition and (z) any Conversion Date.

(c) **When No Adjustment Required.**

(i) Except as otherwise provided in this Section 12, the Conversion Rate will not be adjusted for the issuance of Common Stock or any securities convertible into or exchangeable for Common Stock or carrying the right to purchase any of the foregoing or for the repurchase of Common Stock.

(ii) No adjustment of the Conversion Rate need be made as a result of: (A) the issuance of the rights; (B) the distribution of separate certificates representing the rights; (C) the exercise or redemption of the rights in accordance with any rights agreement; or (D) the termination or invalidation of the rights, in each case, pursuant to the Company' s stockholder rights plan existing on the date of hereof, as amended, modified, or supplemented from time to time, or any newly adopted stockholder rights plans; *provided, however,* that to the extent that the Company has a stockholder rights plan in effect on a Conversion Date (including the Company' s rights plan, if any, existing on the date hereof), the Holder shall receive, in addition to the shares of Common Stock, the rights under such rights plan, unless, prior to any such Conversion Date, the rights have separated from the Common Stock, in which case the Conversion Rate will be adjusted at the time of separation as if the Company made a distribution to all holders of Common Stock of shares of capital stock of the Company or evidences of its indebtedness or its assets as described in Section 12.01(a)(iii), subject to readjustment in the event of the expiration, termination or redemption of the rights.

(iii) No adjustment to the Conversion Rate need be made:

(A) upon the issuance of any shares of Common Stock pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on securities of the Company and the investment of additional optional amounts in Common Stock under any plan;

(B) upon the issuance of any shares of Common Stock or options or rights to purchase those shares pursuant to any present or future employee, director or consultant benefit plan or program of or assumed by the Company or any of its subsidiaries; or

(C) upon the issuance of any shares of Common Stock pursuant to any option, warrant, right, or exercisable, exchangeable or convertible security outstanding as of the date the Convertible Preferred Stock was first issued.

(iv) No adjustment to the Conversion Rate need be made for a transaction referred to in Section 12.01 (a)(i), (ii), (iii), (iv) or (v) if Holders may participate in the transaction on a basis and with notice that the Board of Directors determines to be fair and appropriate in light of the basis and notice on which holders of Common Stock participate in the transaction.

(v) No adjustment to the Conversion Rate need be made for a change in the par value or no par value of the Common Stock.

(vi) No adjustment to the Conversion Rate will be made to the extent that such adjustment would result in the Conversion Price being less than the par value of the Common Stock.

(vii) Notwithstanding any other provision herein to the contrary, in the event of an adjustment pursuant to Section 12.01(a)(iv) or (v), in no event will the conversion rate following such adjustment exceed 1,897.4084, subject to adjustment pursuant to Section 12.01 (a)(i), (ii) or (iii).

(d) **Record Date.** For purposes of this Section 12, "Record Date" means, with respect to any dividend, distribution or other transaction or event in which the holders of the Common Stock have the right to receive any cash, securities or other property or in which the Common Stock (or other applicable security) is exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of holders of the Common Stock entitled to receive such cash, securities or other property (whether such date is fixed by the Board of Directors or by statute, contract or otherwise).

(e) **Successive Adjustments.** After an adjustment to the Conversion Rate under this Section 12, any subsequent event requiring an adjustment under this Section 12 shall cause an adjustment to such Conversion Rate as so adjusted.

(f) **Multiple Adjustments.** For the avoidance of doubt, if an event occurs that would trigger an adjustment to the Conversion Rate pursuant to this Section 12 under more than one subsection hereof, such event, to the extent fully taken into account in a single adjustment, shall not result in multiple adjustments hereunder.

(g) **Other Adjustments.** The Company may, but shall not be required to, make such increases in the Conversion Rate, in addition to those required by this Section, as the Board of Directors considers to be advisable in order to avoid or diminish any income tax to any holders of shares of Common Stock resulting from any dividend or distribution of stock or issuance of rights or warrants to purchase or subscribe for stock or from any event treated as such for income tax purposes or for any other reason.

(h) **Notice of Adjustments.** Whenever a Conversion Rate is adjusted as provided under Section 12, the Company shall within 10 Business Days following the occurrence of an event that requires such adjustment (or if the Company is not aware of such occurrence, as soon as reasonably practicable after becoming so aware) or the date the Company makes an adjustment pursuant to Section 12(g):

(i) compute the adjusted applicable Conversion Rate in accordance with Section 12 and prepare and transmit to the Conversion Agent an Officers' Certificate setting forth the applicable Conversion Rate, as the case may be, the method of calculation thereof in reasonable detail, and the facts requiring such adjustment and upon which such adjustment is based; and

(ii) provide a written notice to the Holders of the occurrence of such event and a statement in reasonable detail setting forth the method by which the adjustment to the applicable Conversion Rate was determined and setting forth the adjusted applicable Conversion Rate.

(i) **Conversion Agent.** The Conversion Agent shall not at any time be under any duty or responsibility to any Holder to determine whether any facts exist that may require any adjustment of the applicable Conversion Rate or with respect to the nature or extent or calculation of any such adjustment when made, or with respect to the method employed in making the same. The Conversion Agent shall be fully authorized and protected in relying on any Officers' Certificate delivered pursuant to Section 12(h) and any adjustment contained therein and the Conversion Agent shall not be deemed to have knowledge of any adjustment unless and until it has received such certificate. The Conversion Agent shall not be accountable with respect to the validity or value (or the kind or amount) of any shares of Common Stock, or of any securities or property, that may at the time be issued or delivered with respect to any Convertible Preferred Stock; and the Conversion Agent makes no representation with respect thereto. The Conversion Agent shall not be responsible for any failure of the Company to issue, transfer or deliver any shares of Common Stock pursuant to a conversion of Convertible Preferred Stock or to comply with any of the duties, responsibilities or covenants of the Company contained in this Section 12.

(j) **Fractional Shares.** No fractional shares of Common Stock will be issued to holders of the Convertible Preferred Stock upon conversion. In lieu of fractional shares otherwise issuable, holders will be entitled to receive an amount in cash equal to the fraction of a share of Common Stock, calculated on an aggregate basis in respect of the shares of Convertible Preferred Stock being converted, multiplied by the Closing Price of the Common Stock on the Trading Day immediately preceding the applicable Conversion Date.

Section 13. Adjustment for Reorganization Events.

(a) **Reorganization Events.** In the event of:

(1) any consolidation or merger of the Company with or into another person (other than a merger or consolidation in which the Company is the continuing corporation and in which the shares of Common Stock outstanding immediately prior to the merger or consolidation are not exchanged for cash, securities other property of the Company or another corporation);

(2) any sale, transfer, lease or conveyance to another person of all or substantially all the property and assets of the Company; or

(3) any statutory exchange of securities of the Company with another Person (other than in connection with a merger or acquisition) or any binding share exchange which reclassifies or changes its outstanding Common Stock; each of which is referred to as a "Reorganization Event," each share of the Convertible Preferred Stock outstanding immediately prior to such Reorganization Event will, without the consent of the holders of the Convertible Preferred Stock, become convertible into the kind and amount of securities, cash and other property (the "Exchange Property") receivable in such Reorganization Event (without any interest thereon, and without any right to dividends or distribution thereon which have a record date that is prior to the applicable Conversion Date) per share of Common Stock by a holder of Common Stock that is not a Person with which the Company consolidated or into which the Company merged or which merged into the Company or to which such sale or transfer was made, as the case may be (any such Person, a "Constituent Person"), or an Affiliate of a Constituent Person to the extent such Reorganization Event provides for different treatment of Common Stock held by Affiliates of the Company and non-Affiliates; *provided* that if the kind or amount of securities, cash and other property receivable upon such Reorganization Event is not the same for each share of Common Stock held immediately prior to such Reorganization Event by a Person other than a Constituent Person or an Affiliate thereof, then for the purpose of this Section 13(a), the kind and amount of securities, cash and other property receivable upon such Reorganization Event will be deemed to be the weighted average of the types and amounts of consideration received by the holders

of Common Stock that affirmatively make an election (or of all such holders if none make an election). On each Conversion Date following a Reorganization Event, the Conversion Rate then in effect will be applied to the value on such Conversion Date of such securities, cash or other property received per share of Common Stock, as determined in accordance with this Section 13.

(b) **Exchange Property Election.** In the event that holders of the shares of Common Stock have the opportunity to elect the form of consideration to be received in such transaction, the consideration that the Holders are entitled to receive shall be deemed to be the types and amounts of consideration received by the holders of the shares of Common Stock that affirmatively make an election (or of all such holders if none make an election). The amount of Exchange Property receivable upon conversion of any Convertible Preferred Stock in accordance with the terms hereof shall be determined based upon the Conversion Rate in effect on such Conversion Date.

(c) **Successive Reorganization Events.** The above provisions of this Section 13 shall similarly apply to successive Reorganization Events and the provisions of Section 12 shall apply to any shares of capital stock of the Company (or any successor) received by the holders of the Common Stock in any such Reorganization Event.

(d) **Reorganization Event Notice.** The Company (or any successor) shall, within 20 days of the occurrence of any Reorganization Event, provide written notice to the Holders of such occurrence of such event and of the kind and amount of the cash, securities or other property that constitutes the Exchange Property. Failure to deliver such notice shall not affect the operation of this Section 13.

Section 14. Voting Rights.

(a) **General.** The Holders shall not be entitled to vote on any matter except as set forth in Section 14(b) below or as required by Delaware law.

(b) **Special Voting Right.**

(i) **Voting Right.** If and whenever dividends on the Convertible Preferred Stock or any other class or series of preferred stock that ranks on parity with Convertible Preferred Stock as to payment of dividends, and upon which voting rights equivalent to those granted by this Section 14(b)(i) have been conferred and are exercisable, have not been paid in an aggregate amount equal, as to any class or series, to at least six quarterly Dividend Periods (whether consecutive or not) (a "Nonpayment"), the number of directors constituting the Board of Directors shall be increased by two, and the Holders (together with holders of any class or series of the Company' s authorized preferred stock having equivalent voting rights), shall have the right, voting separately as a single class without regard to class or series (and with voting rights allocated pro rata based on the liquidation preference of each such class or series), to the exclusion of the holders of Common Stock, to elect two directors of the Company to fill such newly created directorships (and to fill any vacancies in the terms of such directorships), provided that the Holders and the holders of any such other class or series shall not be entitled to elect such directors to the extent such election would cause the Company to violate the corporate governance requirements of the New York Stock Exchange (or other exchange on which the Company' s securities may be listed) that listed companies must have a majority of independent directors, and further provided that the Board of Directors shall at no time include more than two such directors. Each such director elected by the Holders and any other class or series of preferred stock that ranks on parity with the Convertible Preferred Stock as to payment of dividends and having equivalent voting rights is a "Preferred Stock Director."

(ii) **Election.** The election of the Preferred Stock Directors will take place at any annual meeting of stockholders or any special meeting of the Holders and any other class or series of stock of the Company that ranks on parity with Convertible Preferred Stock as to payment of dividends and having equivalent voting rights and for which dividends have not been paid, called as provided herein. At any time after the special voting power has vested pursuant to Section 14(b)(i) above, the secretary of the Company may, and upon the written request of the Holders of at least 20% of the Convertible Preferred Stock or the holders of at least 20% of such other series (addressed to the secretary at the Company' s principal office) must (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders), call a special meeting of the Holders and any other class or series of preferred stock that ranks on parity with Convertible Preferred Stock as to payment of dividends and having equivalent voting rights and for which dividends have not been paid for the election of the two directors to be elected by them as provided in Section 14(b)(iii) below. The Preferred Stock Directors shall each be entitled to one vote per director on any matter.

(iii) **Notice of Special Meeting.** Notice for a special meeting will be given in a similar manner to that provided in the Company' s by-laws for a special meeting of the stockholders. If the secretary of the Company does not call a special meeting within 20 days after receipt of any such request, then any Holder may (at the expense of the Company) call such meeting, upon notice as provided in this Section 14(b)(iii), and for that purpose will have access to the stock register of the Company. The Preferred Stock Directors elected at any such special meeting will hold office until the next annual meeting of the stockholders of the Company unless they have been previously terminated or removed pursuant to Section 14(b)(iv). In case any vacancy in the office of a Preferred Stock Director occurs (other than prior to the initial election of the Preferred Stock Directors), the vacancy may be filled by the written consent of the Preferred Stock Director remaining in office, or if none remains in office, by the vote of the Holders (together with holders of any other class of the Company' s authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) to serve until the next annual meeting of the stockholders.

(iv) **Termination; Removal.** Whenever the Company has paid full dividends for at least four consecutive quarterly dividend periods following a Nonpayment on the Convertible Preferred Stock and any other class or series of non-cumulative preferred stock ranking on parity with Convertible Preferred Stock as to payment of dividends, if any, and has paid cumulative dividends in full on any class or series of cumulative preferred stock ranking on parity with the Convertible Preferred Stock as to payment of dividends (in each case, upon which equivalent voting rights to those set forth in Section 14(b)(iii) have been conferred and are exercisable), then the right of the Holders to elect the Preferred Stock Directors will cease (but subject always to the same provisions for the vesting of the special voting rights in the case of any similar non-payment of dividends in respect of future Dividend Periods). The terms of office of the Preferred Stock Directors will immediately terminate, and the number of directors constituting the Board of Directors will be reduced accordingly. Any Preferred Stock Director may be removed at any time without cause by the Holders of a majority of the outstanding shares of the Convertible Preferred Stock (together with holders of any other class of the Company' s authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) when they have the voting rights described in this Section 14(b).

(c) **Senior Issuances; Adverse Changes.** So long as any shares of Convertible Preferred Stock are outstanding, the vote or consent of the Holders of at least two-thirds of the shares of Convertible Preferred Stock at the time outstanding, voting as a class with all other series of preferred stock ranking equally with the Convertible Preferred Stock and entitled to vote thereon, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, will be necessary for effecting or validating any of the following actions, whether or not such approval is required by Delaware law:

(i) any amendment, alteration or repeal of any provision of the Company' s Certificate of Incorporation (including the certificate of designation creating the Convertible Preferred Stock) or the Company' s by-laws that would alter or change the voting powers, preferences or special rights of the Convertible Preferred Stock so as to affect them adversely;

(ii) any amendment or alteration of the Company' s certificate of incorporation to authorize or create, or increase the authorized amount of, any shares of, or any securities convertible into shares of, any class or series of the Company' s capital stock ranking prior to the Convertible Preferred Stock in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding-up of the Company; or

(iii) the consummation of a binding share exchange or reclassification involving the Convertible Preferred Stock or a merger or consolidation of the Company with another entity, except that holders of Convertible Preferred Stock will have no right to vote under this provision or otherwise under Delaware law if in each case (i) the Convertible Preferred Stock remains outstanding or, in the case of any such merger or consolidation with respect to which the Company is not the surviving or resulting entity, is converted into or exchanged for preferred securities of the surviving or resulting entity or its ultimate parent, that is an entity organized and existing under the laws of the United States of America, any state thereof or the District of Columbia and that is a corporation for U.S. federal income tax purposes (or if such entity is not a corporation, the Company having received an opinion of nationally recognized counsel experienced in such matters to the effect that Holders will be subject to tax for U.S. federal income tax purposes with respect to such new preferred securities after such merger or consolidation in the same amount, at the same time and otherwise in the same manner as would have been the case under the Convertible Preferred Stock prior to such merger or consolidation), and (ii) such Convertible Preferred Stock remaining outstanding or such preferred securities, as the case may be, have such rights, preferences, privileges and voting powers, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers of the Convertible Preferred Stock, taken as a whole;

provided, however, that any increase in the amount of the authorized or issued Convertible Preferred Stock or authorized preferred stock or any securities convertible into preferred stock or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock or any securities convertible into preferred stock ranking equally with and/or junior to the Convertible Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon the Company' s liquidation, dissolution or winding up will not be deemed to adversely affect the voting powers, preferences or special rights of the Convertible Preferred Stock and Holders will have no right to vote on such an increase, creation or issuance.

If any amendment, alteration, repeal, share exchange, reclassification, merger or consolidation specified in this Section 14(c) would adversely affect one or more but not all series of preferred stock of the Company, then only such series of preferred stock as are adversely affected by and entitled to vote on the matter shall vote on the matter together as a single class (in lieu of all other series of preferred stock).

(d) **No Vote if Redemption.** No vote or consent of the Holders shall be required pursuant to Section 14(b) or (c) if, at or prior to the time when the act with respect to such vote or consent would otherwise be required shall be effected, the Company shall have redeemed or shall have called for redemption all outstanding shares of Convertible Preferred Stock, with proper notice and sufficient funds having been set aside for such redemption, in each case pursuant to Section 6 above.

Section 15. Preemption.

The Holders shall not have any rights of preemption.

Section 16. Rank.

Notwithstanding anything set forth in the Certificate of Incorporation or this Certificate of Designation to the contrary, the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof, without the vote of the Holders, may authorize and issue additional shares of Junior Stock or Parity Stock.

Section 17. Repurchase.

Subject to the limitations imposed herein, the Company may purchase and sell Convertible Preferred Stock from time to time to such extent, in such manner, and upon such terms as the Board of Directors, the Preferred Stock Committee or any other duly authorized committee thereof may determine; *provided, however,* that the Company shall not use any of its funds for any such purchase when there are reasonable grounds to believe that the Company is, or by such purchase would be rendered insolvent; *provided, further, however,* that in the event that the Company beneficially owns any Convertible Preferred Stock, the Company will procure that voting rights in respect of such Convertible Preferred Stock are not exercised.

Section 18. Unissued or Reacquired Shares.

Shares of Convertible Preferred Stock not issued or which have been issued and converted, redeemed or otherwise purchased or acquired by the Company shall be restored to the status of authorized but unissued shares of preferred stock without designation as to series.

Section 19. No Sinking Fund.

Shares of Convertible Preferred Stock are not subject to the operation of a sinking fund.

Section 20. Reservation of Common Stock.

(a) **Sufficient Shares.** The Company shall at all times reserve and keep available out of its authorized and unissued Common Stock or shares acquired by the Company, solely for issuance upon the conversion of shares of Convertible Preferred Stock as provided in this Certificate of Designation, free from any preemptive or other similar rights, such number of shares of Common Stock as shall from time to time be issuable upon the conversion of all the shares of Convertible Preferred Stock then outstanding, assuming that the Conversion Price equaled the Base Price. For purposes of this Section 20(a), the number of shares of Common Stock that shall be deliverable upon the conversion of all outstanding shares of Convertible Preferred Stock shall be computed as if at the time of computation all such outstanding shares were held by a single Holder.

(b) **Use of Acquired Shares.** Notwithstanding the foregoing, the Company shall be entitled to deliver upon conversion of shares of Convertible Preferred Stock, as herein provided, shares of Common Stock acquired by the Company (in lieu of the issuance of authorized and unissued shares of Common Stock), so long as any such acquired shares are free and clear of all liens, charges, security interests or encumbrances (other than liens, charges, security interests and other encumbrances created by the Holders).

(c) **Free and Clear Delivery.** All shares of Common Stock delivered upon conversion of the Convertible Preferred Stock shall be duly authorized, validly issued, fully paid and non-assessable, free and clear of all liens, claims, security interests and other encumbrances (other than liens, charges, security interests and other encumbrances created by the Holders).

(d) **Compliance with Law.** Prior to the delivery of any securities that the Company shall be obligated to deliver upon conversion of the Convertible Preferred Stock, the Company shall use its reasonable best efforts to comply with all federal and state laws and regulations thereunder requiring the registration of such securities with, or any approval of or consent to the delivery thereof by, any governmental authority.

(e) **Listing.** The Company hereby covenants and agrees that, if at any time the Common Stock shall be listed on the New York Stock Exchange or any other national securities exchange or automated quotation system, the Company will, if permitted by the rules of such exchange or automated quotation system, list and keep listed, so long as the Common Stock shall be so listed on such exchange or automated quotation system, all the Common Stock issuable upon conversion of the Convertible Preferred Stock; *provided, however,* that if the rules of such exchange or automated quotation system require the Company to defer the listing of such Common Stock until the first conversion of Convertible Preferred Stock into Common Stock in accordance with the provisions hereof, the Company covenants to list such Common Stock issuable upon conversion of the Convertible Preferred Stock in accordance with the requirements of such exchange or automated quotation system at such time.

Section 21. Transfer Agent, Conversion Agent, Registrar and Paying Agent.

The duly appointed Transfer Agent, Conversion Agent, Registrar and paying agent for the Convertible Preferred Stock shall be The Bank of New York Mellon. The Company may, in its sole discretion, remove the Transfer Agent in accordance with the agreement between the Company and the Transfer Agent; provided that the Company shall appoint a successor transfer agent who shall accept such appointment prior to the effectiveness of such removal. Upon any such removal or appointment, the Company shall send notice thereof by first-class mail, postage prepaid, to the Holders.

Section 22. Replacement Certificates.

(a) **Mutilated, Destroyed, Stolen and Lost Certificates.** If physical certificates are issued, the Company shall replace any mutilated certificate at the Holder' s expense upon surrender of that certificate to the Transfer Agent. The Company shall replace certificates that become destroyed, stolen or lost at the Holder' s expense upon delivery to the Company and the Transfer Agent of satisfactory evidence that the certificate has been destroyed, stolen or lost, together with any indemnity that may be required by the Transfer Agent and the Company.

(b) **Certificates Following Conversion.** If physical certificates are issued, the Company shall not be required to issue any certificates representing the Convertible Preferred Stock on or after the applicable Conversion Date. In place of the delivery of a replacement certificate following the applicable Conversion Date, the Transfer Agent, upon delivery of the evidence and indemnity described in clause (a) above, shall deliver the shares of Common Stock pursuant to the terms of the Convertible Preferred Stock formerly evidenced by the certificate.

Section 23. Form.

(a) **Global Preferred Stock.** Convertible Preferred Stock may be issued in the form of one or more permanent global shares of Convertible Preferred Stock in definitive, fully registered form with a global legend in substantially the form attached hereto as Exhibit A (each, a "Global Preferred Stock"), which is hereby incorporated in and expressly made a part of this Certificate of Designation. The Global Preferred Stock may have notations, legends or endorsements required by law, stock exchange rules, agreements to which the Company is subject, if any, or usage (provided that any such notation, legend or endorsement is in a form acceptable to the Company). The aggregate number of shares represented by each Global Preferred Stock may from time to time be increased or decreased by adjustments made on the records of the Registrar and the Depositary or its nominee as hereinafter provided. This Section 23(a) shall apply only to a Global Preferred Stock deposited with or on behalf of the Depositary.

(b) **Delivery to Depositary.** If Global Preferred Stock is issued, the Company shall execute and the Registrar shall, in accordance with this Section, countersign and deliver initially one or more Global Preferred Stock that (i) shall be registered in the name of Cede & Co. or other nominee of the Depositary and (ii) shall be delivered by the Registrar to the Depositary or pursuant to instructions received from the Depositary or held by the Registrar as custodian for the Depositary pursuant to an agreement between the Depositary and the Registrar.

(c) **Agent Members.** If Global Preferred Stock is issued, members of, or participants in, the Depositary ("Agent Members") shall have no rights under this Certificate of Designation with respect to any Global Preferred Stock held on their behalf by the Depositary or by the Registrar as the custodian of the Depositary or under such Global Preferred Stock, and the Depositary may be treated by the Company, the Registrar and any agent of the Company or the Registrar as the absolute owner of such Global Preferred Stock for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Registrar or any agent of the Company or the Registrar from giving effect to any written certification, proxy or other authorization furnished by the Depositary or impair, as between the Depositary and its Agent Members, the operation of customary practices of the Depositary governing the exercise of the rights of a holder of a beneficial interest in any Global Preferred Stock. If Global Preferred Stock is issued, the Depositary may grant proxies or otherwise authorize any Person to take any action that a Holder is entitled to take pursuant to the Convertible Preferred Stock, this Certificate of Designation or the Certificate of Incorporation.

(d) **Physical Certificates.** Owners of beneficial interests in any Global Preferred Stock shall not be entitled to receive physical delivery of certificated shares of Convertible Preferred Stock, unless (x) the Depositary has notified the Company that it is unwilling or unable to continue as Depositary for the Global Preferred Stock and the Company does not appoint a qualified replacement for the Depositary within 90 days, (y) the Depositary ceases to be a "clearing agency" registered under the Exchange Act and the Company does not appoint a qualified replacement for the Depositary within 90 days or (z) the Company decides to discontinue the use of book-entry transfer through the Depositary. In any such case, the Global Preferred Stock shall be exchanged in whole for definitive shares of Convertible Preferred Stock in registered form, with the same terms and of an equal aggregate Liquidation Preference. Such definitive shares of Convertible Preferred Stock shall be registered in the name or names of the Person or Persons specified by the Depositary in a written instrument to the Registrar.

(e) **Signature.** An Officer shall sign any Global Preferred Stock for the Company, in accordance with the Company' s by-laws and applicable law, by manual or facsimile signature. If an Officer whose signature is on a Global Preferred Stock no longer holds that office at the time the Transfer Agent countersigned the Global Preferred Stock, the Global Preferred Stock shall be valid nevertheless. A Global Preferred Stock shall not be valid until an authorized signatory of the Transfer Agent manually countersigns Global Preferred Stock. Each Global Preferred Stock shall be dated the date of its countersignature.

Section 24. Taxes.

(a) **Transfer Taxes.** The Company shall pay any and all stock transfer, documentary, stamp and similar taxes that may be payable in respect of any issuance or delivery of shares of Convertible Preferred Stock or shares of Common Stock or other securities issued on account of Convertible Preferred Stock pursuant hereto or certificates representing such shares or securities. The Company shall not, however, be required to pay any such tax that may be payable in respect of any transfer involved in the issuance or delivery of shares of Convertible Preferred Stock, shares of Common Stock or other securities in a name other than that in which the shares of Convertible Preferred Stock with respect to which such shares or other securities are issued or delivered were registered, or in respect of any payment to any Person other than a payment to the registered holder thereof, and shall not be required to make any such issuance, delivery or payment unless and until the Person otherwise entitled to such issuance, delivery or payment has paid to the Company the amount of any such tax or has established, to the satisfaction of the Company, that such tax has been paid or is not payable.

(b) **Withholding.** All payments and distributions (or deemed distributions) on the shares of Convertible Preferred Stock (and on the shares of Common Stock received upon their conversion) shall be subject to withholding and backup withholding of tax to the extent required by law, subject to applicable exemptions, and amounts withheld, if any, shall be treated as received by Holders.

Section 25. Notices.

All notices referred to herein shall be in writing, and, unless otherwise specified herein, all notices hereunder shall be deemed to have been given upon the earlier of receipt thereof or three Business Days after the mailing thereof if sent by registered or certified mail (unless first class mail shall be specifically permitted for such notice under the terms of this Certificate of Designation) with postage prepaid, addressed: (i) if to the Company, to its office at 399 Park Avenue, New York, New York 10043 (Attention: Corporate Secretary) or to the Transfer Agent at its office at 101 Barclay Street, New York, NY 10286 (Attention: Corporate Trust Office), or other agent of the Company designated as permitted by this Certificate of Designation, or (ii) if to any Holder, to such Holder at the address of such Holder as listed in the stock record books of the Company (which may include the records of the Transfer Agent) or (iii) to such other address as the Company or any such Holder, as the case may be, shall have designated by notice similarly given.

Exhibit A

FORM OF

6.5% NON-CUMULATIVE CONVERTIBLE PREFERRED STOCK, SERIES T

FACE OF SECURITY

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE *"SECURITIES ACT"*), OR ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION UNDER THE SECURITIES ACT. BY ITS ACQUISITION HEREOF, THE HOLDER AGREES TO OFFER, SELL OR OTHERWISE TRANSFER THIS SECURITY PRIOR TO THE DATE THAT IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH CITIGROUP INC. (THE *"COMPANY"*) OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) (THE *"RESALE RESTRICTION TERMINATION DATE"*) ONLY (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS SHARES OF THE CONVERTIBLE PREFERRED STOCK ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, OR (D) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE COMPANY' S AND THE TRANSFER AGENT' S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (D) PRIOR TO THE RESALE RESTRICTION TERMINATION DATE TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATIONS AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, AND IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRANSFER AGENT. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE.

[*IF GLOBAL PREFERRED STOCK IS ISSUED:* UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), NEW YORK, NEW YORK, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO., OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC) ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO. HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR' S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE CERTIFICATE OF DESIGNATION REFERRED TO BELOW.]

IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH REGISTRAR AND TRANSFER AGENT MAY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

Certificate Number Number of Shares of Convertible Preferred Stock

CUSIP NO.:

CITIGROUP INC.

6.5% Non-Cumulative Convertible Preferred Stock, Series T

(par value $1.00 per share)

(liquidation preference $50,000 per share)

Citigroup Inc., a Delaware corporation (the "Company"), hereby certifies that [ ] (the "Holder") is the registered owner of [ ](1) [, or such number as is indicated in the records of the Registrar and the Depository,](2) fully paid and non-assessable shares of the Company' s designated 6.5% Non-Cumulative Convertible Preferred Stock, Series T, with a par value of $1.00 per share and a liquidation preference of $50,000 per share (the "Convertible Preferred Stock"). The shares of Convertible Preferred Stock are transferable on the books and records of the Registrar, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer. The designations, rights, privileges, restrictions, preferences and other terms and provisions of the Convertible Preferred Stock represented hereby are and shall in all respects be subject to the provisions of the Certificate of Designation dated January 18, 2008 as the same may be amended from time to time (the "Certificate of Designation"). Capitalized terms used herein but not defined shall have the meaning given them in the certificate of Designation. The Company will provide a copy of the Certificate of Designation to a Holder without charge upon written request to the Company at its principal place of business.

Reference is hereby made to select provisions of the Convertible Preferred Stock set forth on the reverse hereof, and to the Certificate of Designation, which select provisions and the Certificate of Designation shall for all purposes have the same effect as if set forth at this place.

Upon receipt of this certificate, the Holder is bound by the Certificate of Designation and is entitled to the benefits thereunder.

Unless the Registrar has properly countersigned, these shares of Convertible Preferred Stock shall not be entitled to any benefit under the Certificate of Designation or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, this certificate has been executed on behalf of the Company by its **[Title]** this day of , .

CITIGROUP INC.

By: ______________________________

Name:

Title:

____

(1) This phrase should be included only if the share certificate evidences certificated shares of Convertible Preferred Stock.

(2) This phrase should be included only if the share certificate evidences Global Preferred Stock.

REGISTRAR' S COUNTERSIGNATURE

These are shares of Convertible Preferred Stock referred to in the within-mentioned Certificate of Designation.

Dated:

THE BANK OF NEW YORK MELLON, as Registrar

By: ________________________________

Name:

Title:

REVERSE OF CERTIFICATE

Dividends on each share of Convertible Preferred Stock shall be payable at the rate provided in the Certificate of Designation.

The shares of Convertible Preferred Stock shall be convertible in the manner and accordance with the terms set forth in the Certificate of Designation.

The shares of Convertible Preferred Stock shall be redeemable at the option of the Company in the manner and in accordance with the terms set forth in the Certificate of Designation.

The Company shall furnish without charge to each holder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class or series of share capital issued by the Company and the qualifications, limitations or restrictions of such preferences and/or rights.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers the shares of Convertible Preferred Stock evidenced hereby to:

____

____

(Insert assignee' s social security or taxpayer identification number, if any)

____

____

(Insert address and zip code of assignee) and irrevocably appoints:

____

as agent to transfer the shares of Convertible Preferred Stock evidenced hereby on the books of the Transfer Agent. The agent may substitute another to act for him or her.

Date:

Signature:

____

(Sign exactly as your name appears on the other side of this Certificate)

Signature Guarantee: ________________________________

(Signature must be guaranteed by an "eligible guarantor institution" that is a bank, stockbroker, savings and loan association or credit union meeting the requirements of the Transfer Agent, which requirements include membership or participation in the Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Transfer Agent in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.)

State of Delaware
Secretary of State
Division of Corporations
Delivered 01:02 PM 02/09/2010
FILED 12:51 PM 02/09/2010
SRV 100124063 - 2154254 FILE

CERTIFICATE OF INCREASE
OF
SERIES R CUMULATIVE PARTICIPATING PREFERRED STOCK
OF
CITIGROUP INC.

(Pursuant to Section 151 of the General Corporation Law of the State of Delaware)

CITIGROUP INC. (the "Company"), a corporation organized and existing under the General Corporation Law of the State of Delaware, in accordance with the provisions of Section 151(g) thereof, DOES HEREBY CERTIFY:

That pursuant to authority conferred upon the Preferred Stock Committee of the Board of Directors of the Company, the Preferred Stock Committee adopted on February 8, 2010 the following resolution relating to the number of authorized shares of Series R Cumulative Participating Preferred Stock of the Company:

RESOLVED, that the authorized number of shares of the Company' s Series R Cumulative Participating Preferred Stock is hereby increased from 28,000 shares to 31,000 shares, and that the appropriate officers of the Company be and hereby are authorized and directed in the name and on behalf of the Company to execute and file a Certificate of Increase with the Secretary of State of the State of Delaware increasing the number of shares constituting the Series R Cumulative Participating Preferred Stock to 31,000 shares and to take any and all other actions deemed necessary or appropriate to effectuate this resolution.

IN WITNESS WHEREOF, the Company has caused this Certificate of Increase to be executed by its duly authorized officer on this 8^{th} day of February, 2010.

CITIGROUP INC.

By: /s/ Martin A. Waters

Name: Martin A. Waters
Title: Assistant Treasurer

State of Delaware
Secretary of State
Division of Corporations
Delivered 09:34 AM 05/06/2011
FILED 09:30 AM 05/06/2011
SRV 110502205 - 2154254 FILE

CERTIFICATE OF AMENDMENT
OF THE RESTATED CERTIFICATE
OF INCORPORATION OF CITIGROUP INC.

The undersigned officer of Citigroup Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), DOES HEREBY CERTIFY as follows:

FIRST: The name of the Corporation is Citigroup Inc.

SECOND: Upon the filing and effectiveness (the "Effective Time") pursuant to the General Corporation Law of the State of Delaware (the "DGCL") of this certificate of amendment to the restated certificate of incorporation of the Corporation, each ten shares of the Corporation' s common stock, par value $0.01 per share, issued and outstanding immediately prior to the Effective Time shall be combined into one (1) validly issued, fully paid and non-assessable share of common stock, par value $0.01 per share, without any further action by the Corporation or the holder thereof, subject to the treatment of fractional share interests as described below (the "Reverse Stock Split"). No certificates representing fractional shares of common stock shall be issued in connection with the Reverse Stock Split. Stockholders who otherwise would be entitled to receive fractional shares of common stock shall be entitled to receive cash (without interest and subject to applicable withholding taxes) from the Corporation' s transfer agent in lieu of such fractional share interests automatically where shares are held in book-entry form and, where shares are held in certificated form, upon the submission of a properly completed and executed transmittal letter and the surrender of the stockholder' s Old Certificates (as defined below), in an amount equal to the proceeds attributable to the sale of such fractional shares following the aggregation and sale by the Corporation' s transfer agent of all fractional shares otherwise issuable. Each certificate that immediately prior to the Effective Time represented shares of common stock ("Old Certificates"), shall thereafter represent that number of shares of common stock into which the shares of common stock represented by the Old Certificate shall have been combined, subject to the elimination of fractional share interests as described above.

THIRD: At the Effective Time, Section (A) of Article FOURTH of the Restated Certificate of Incorporation of the Corporation shall be hereby amended to read in its entirety as follows:

A. The total number of shares of all classes of stock which the Corporation shall have authority to issue is Six Billion Thirty Million (6,030,000,000). The total number of shares of Common Stock which the Corporation shall have authority to issue is Six Billion (6,000,000,000) shares of Common Stock having a par value of one cent ($.01) per share. The total number of shares of Preferred Stock which the Corporation shall have the authority to issue is Thirty Million (30,000,000) shares having a par value of one dollar ($1.00) per share.

FOURTH: The foregoing amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

FIFTH: The foregoing amendment shall be effective at 4:10 p.m. (Eastern Time), May 6th, 2011.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be signed by its duly authorized officer, this 6th day of May, 2011.

CITIGROUP INC.

By: /s/ Michael S. Helfer

Name: Michael S. Helfer

Title: General Counsel and Corporate Secretary

State of Delaware
Secretary of State
Division of Corporations
Delivered 11:40 AM 10/26/2012
FILED 11:21 AM 10/26/2012
SRV 121169932 - 2154254 FILE

CERTIFICATE OF DESIGNATIONS
OF
5.950% FIXED RATE / FLOATING RATE NONCUMULATIVE PREFERRED STOCK,
SERIES A
OF
CITIGROUP INC.

pursuant to Section 151 of the
General Corporation Law of the State of Delaware

Citigroup Inc., a Delaware corporation (the "Company"), hereby certifies that:

1. The Restated Certificate of Incorporation of the Company (as amended through the date hereof, the "Certificate of Incorporation") fixes the total number of shares of all classes of capital stock that the Company shall have the authority to issue at six billion (6,000,000,000) shares of common stock, par value $0.01 per share, and thirty million (30,000,000) shares of preferred stock, par value $1.00 per share.

2. The Certificate of Incorporation expressly grants to the Board of Directors of the Company (the "Board of Directors") authority to provide for the issuance of the shares of preferred stock in series, and to establish from time to time the number of shares to be included in each such series and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof.

3. Pursuant to the authority conferred upon a pricing committee (the "Pricing Committee") by the Board of Directors, the Pricing Committee, by action duly taken on October 22, 2012, adopted resolutions (i) authorizing the issuance and sale of up to 60,000 shares of the Company' s preferred stock and (ii) approving this final form of Certificate of Designations of 5.950% Fixed Rate / Floating Rate Noncumulative Preferred Stock, Series A (the "Series A. Preferred Stock") establishing the number of shares to be included in this Series A Preferred Stock and fixing the designation, powers, preferences and rights of the shares of this Series A Preferred Stock and the qualifications, limitations or restrictions thereof as follows:

Section 1. Designation.

The designation of the series of preferred stock shall be "5.950% Fixed Rate / Floating Rate Noncumulative Preferred Stock, Series A" (the "Series A Preferred Stock"). Each share of Series A Preferred Stock shall be identical in all respects to every other share of Series A Preferred Stock.

Section 2. Number of Shares.

The number of authorized shares of Series A Preferred Stock shall be 60,000. That number from time to time may be increased (but not in excess of the total number of authorized shares of preferred stock) or decreased (but not below the number of shares of Series A Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors, the Pricing Committee or any other duly authorized committee thereof and by the filing of a certificate pursuant to the provisions of the General Corporation Law of the State of Delaware stating that such increase or reduction, as the case may be, has been so authorized. The Company shall have the authority to issue fractional shares of Series A Preferred Stock.

Section 3. Definitions. As used herein with respect to Series A Preferred Stock:

"Appropriate Federal Banking Agency" means the "appropriate federal banking agency" with respect to the Company as that term is defined in Section 3(q) of the Federal Deposit Insurance Act of 1950, as amended, or any successor provision.

"Board of Directors" has the meaning set forth in the recitals above.

"Business Day" means any weekday that is not a legal holiday in New York City and is not a day on which banking institutions in New York City are authorized or required by law or regulation to be closed.

"Calculation Agent" means the Transfer Agent acting in its capacity as calculation agent for the Series A Preferred Stock, and its successors and assigns.

"Common Stock" means the common stock of the Company, par value $0.01 per share, or any other shares of the capital stock of the Company into which such shares of common stock shall be reclassified or changed.

"Depositary" means DTC or its nominee or any successor depositary appointed by the Company.

"Dividend Payment Date" shall have the meaning set forth in Section 4(a) hereof.

"Dividend Period" shall have the meaning set forth in Section 4(a) hereof.

"Dividend Record Date" shall have the meaning set forth in Section 4(a) hereof.

"DTC" means The Depository Trust Company.

"Holder" means the Person in whose name the shares of the Series A Preferred Stock are registered, which may be treated by the Company, Calculation Agent, Transfer Agent, Registrar and paying agent as the absolute owner of the shares of Series A Preferred Stock for the purpose of making payment and for all other purposes.

"Junior Stock" means the Common Stock and any other class or series of stock of the Company now existing or hereafter authorized over which Series A Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the Company.

"LIBOR Determination Date" means the second London Banking Day immediately preceding the first day of the relevant Dividend Period.

"London Banking Day" means any day on which commercial banks are open for general business (including dealings in deposits in United States dollars) in London.

"Nonpayment" shall have the meaning set forth in Section 7(b)(i) hereof.

"Officer" means the Chief Executive Officer, the Chairman, the Chief Administrative Officer, any Vice Chairman, the Chief Financial Officer, the Controller, the Chief Accounting Officer, the Treasurer, any Deputy Treasurer, any Assistant Treasurer, any Vice President, the General Counsel and Corporate Secretary and any Assistant Secretary of the Company.

"Person" means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint-stock company, limited liability company, trust, or other entity.

"Preferred Stock Director" shall have the meaning set forth in Section 7(b)(i) hereof.

"Preferred Stock Director Termination Date" shall have the meaning set forth in Section 7(b)(iv) hereof.

"Registrar" means the Transfer Agent acting in its capacity as registrar for the Series A Preferred Stock, and its successors and assigns.

"Regulatory Capital Event" means the good faith determination by the Company that, as a result of (i) any amendment to, clarification of, or change in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of the Series A Preferred Stock, (ii) any proposed change in those laws or regulations that is announced or becomes effective after the initial issuance of any share of the Series A Preferred Stock, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations or policies with respect thereto that is announced after the initial issuance of any share of the Series A Preferred Stock, there is more than an insubstantial risk that the Company will not be entitled to treat the full liquidation preference amount of $25,000 per share of the Series A Preferred Stock then outstanding as "tier 1 capital" (or its equivalent) for purposes of the capital adequacy guidelines of the Federal Reserve (or, as and if applicable, the capital adequacy guidelines or regulations of any successor Appropriate Federal Banking Agency) as then in effect and applicable, for so long as any share of the Series A Preferred Stock is outstanding.

"Reuters LIBOR01" means the display designated on the Reuters 3000 Xtra Service on page LIBOR01 Page (or such other page as may replace "Reuters LIBOR01" page on the service or such other service as may be nominated by the British Bankers' Association or other administrator of LIBOR for the purpose of displaying London interbank offered rates for United States dollar deposits or loans).

"Series A Liquidation Preference" shall have the meaning set forth in Section 5(a) hereof.

"Series A Preferred Stock" shall have the meaning set forth in Section 1 hereof.

"Series A Preferred Stock Certificate" shall have the meaning set forth in Section 14(a) hereof.

"Three-month LIBOR" means the rate (expressed as a percentage per annum) for deposits in United States dollars for a three-month period commencing on the first day of a Dividend Period that appears on the Reuters LIBOR01 page as of 11:00 a.m. (London time) on the LIBOR Determination Date for that Dividend Period. If such rate does not appear on the Reuters LIBOR01 page, Three-month LIBOR will be determined on the basis of the rates at which deposits in United States dollars for a three-month period commencing on the first day of that Dividend Period and in a principal amount of not less than $1 million are offered to prime banks in the London interbank market by four major banks in the London interbank market selected by the Calculation Agent (after consultation with the Company), at approximately 11:00 a.m., London time, on the LIBOR Determination Date for that Dividend Period. The Calculation Agent will request the principal London office of each of such banks to provide a quotation of its rate. If at least two such quotations are provided, Three-month LIBOR with respect to that Dividend Period will be the arithmetic mean (rounded upward if necessary to the nearest whole multiple of 0.00001%) of such quotations. If fewer than two quotations are provided, Three- month LIBOR with respect to that Dividend Period will be the arithmetic mean (rounded upward if necessary to the nearest whole multiple of 0.00001%) of the rates quoted by three major banks in New York City selected by the Calculation Agent (after consultation with the Company), at approximately 11:00 a.m., New York City time, on the LIBOR Determination Date for that Dividend Period for loans in United States dollars to leading European banks for a three-month period commencing on the first day of that Dividend Period and in a principal amount of not less than $1 million. However, if fewer than three banks selected by the Calculation Agent to provide quotations are quoting as described above, Three-month LIBOR for that Dividend Period will be the same Three-month LIBOR as determined for the previous Dividend Period or, in the case of the Dividend Period beginning on January 30, 2023, 0.31575%. The determination of Three-month LIBOR for each relevant Dividend Period by the Calculation Agent will (in the absence of manifest error) be final and binding.

"Transfer Agent" means Computershare Trust Company, N.A., a federally chartered national association, acting as Transfer Agent, Calculation Agent, Registrar and paying agent for the Series A Preferred Stock, and its successors and assigns.

"Trust" shall have the meaning set forth in Section 6(d).

Section 4. Dividends.

(a) **Rate.** Holders shall be entitled to receive, when, as and if declared by the Board of Directors or any duly authorized committee thereof, but only out of funds legally available therefor, noncumulative cash dividends on each share of Series A Preferred Stock in the amounts specified below in this Section 4, and no more, payable (i) semi-annually in arrears on each July 30 and January 30, beginning July 30, 2013, from and including the date of issuance to, but excluding, January 30, 2023, and (ii) quarterly in arrears on each January 30, April 30, July 30, and October 30, beginning April 30, 2023 from and including January 30, 2023; *provided, however,* if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day (except if after January 30, 2023 that day falls in the next calendar month, in which case the payment of any dividend otherwise payable will be made on the first preceding Business Day) (i) on or prior to January 30, 2023, without any interest or other payment in respect of such postponement, and (ii) after January 30, 2023, with dividends accruing to the actual payment date (each such day on which dividends are payable a "Dividend Payment Date"). The period from and including the date of issuance of the Series A Preferred Stock or any Dividend Payment Date to, but excluding, the next Dividend Payment Date is a "Dividend Period." Dividends on each share of Series A Preferred Stock will accrue on the liquidation preference of $25,000 per share at a rate per annum equal to (i) 5.950%, for each Dividend Period from and including the date of issuance to, but excluding, January 30, 2023 and (ii) Three-month LIBOR plus 4.068%%, for each Dividend Period from and including January 30, 2023. The record date for payment of dividends on the Series A Preferred Stock will be the record date fixed by the Board of Directors or any other duly authorized committee thereof that is not more than 30 nor less than 10 days prior to such Dividend Payment Date (each, a "Dividend Record Date"). Any such day that is a Dividend Record Date will be a Dividend Record Date whether or not such day is a Business Day. The amount of dividends payable on or prior to January 30, 2023 will be computed on the basis of a 360-day year of twelve 30-day months. The amount of dividends payable after January 30, 2023 will be computed on the basis of a 360-day year and the actual number of days elapsed.

(b) **Noncumulative Dividends.** If the Board of Directors or any duly authorized committee thereof does not declare a dividend on the Series A Preferred Stock for any Dividend Period prior to the related Dividend Payment Date, that dividend will not accrue, and the Company will have no obligation to pay, and Holders shall have no right to receive, a dividend for that Dividend Period on the related Dividend Payment Date or at any future time, whether or not dividends on the Series A Preferred Stock or any other series of preferred stock or common stock are declared for any subsequent period. References herein to the "accrual" of dividends refer only to the determination of the amount of such dividend and do not imply that any right to a dividend arises prior to the date on which a dividend is declared.

(c) **Priority of Dividends.** So long as any share of Series A Preferred Stock remains outstanding, unless as to a Dividend Payment Date full dividends on all outstanding shares of the Series A Preferred Stock have been declared and paid or declared and a sum sufficient for the payment of those dividends has been set aside for the Dividend Period then ending, the Company will not, and will cause its subsidiaries not to, during the next succeeding Dividend Period that commences on such Dividend Payment Date, declare or pay any dividend on, make any distributions relating to, or redeem, purchase, acquire or make a liquidation payment relating to, any Junior Stock, or make any guarantee payment with respect thereto, other than:

(i) purchases, redemptions or other acquisitions of shares of Junior Stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants;

(ii) purchases of shares of Common Stock pursuant to a contractually binding requirement to buy stock existing prior to the commencement of the then-current Dividend Period, including under a contractually binding stock repurchase plan;

(iii) as a result of an exchange or conversion of any class or series of Junior Stock for any other class or series of Junior Stock;

(iv) the purchase of fractional interests in shares of Junior Stock pursuant to the conversion or exchange provisions of such Junior Stock or the security being converted or exchanged;

(v) the purchase of Junior Stock by an investment banking subsidiary of the Company in connection with the distribution thereof; or

(vi) the purchase of Junior Stock by any investment banking subsidiary of the Company in connection with market-making or other secondary market activities in the ordinary course of the business of such subsidiary.

The restrictions set forth in the preceding provisions of this Section 4(c) shall not apply to any Junior Stock dividends paid by the Company where the dividend is in the form of the same stock (or the right to buy the same stock) as that on which the dividend is being paid.

Except as provided below, for so long as any share of Series A Preferred Stock remains outstanding, if dividends are not declared and paid in full upon the shares of Series A Preferred Stock and any class or series of stock of the Company now existing or hereafter authorized that ranks equally with the Series A Preferred Stock in the payment of dividends, all dividends declared upon shares of Series A Preferred Stock and such other stock will be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then-current Dividend Period per share of Series A Preferred Stock and accrued dividends for the then-current Dividend Period per share of such other stock (including, in the case of any such other stock that bears cumulative dividends, all accrued and unpaid dividends) bear to each other.

Subject to the foregoing, and not otherwise, such dividends payable in cash, stock or otherwise, as may be determined by the Board of Directors or any duly authorized committee thereof, may be declared and paid on any other class or series of stock of the Company from time to time out of any funds legally available for such payment, and Holders will not be entitled to participate in those dividends.

Section 5. Liquidation Rights.

(a) **Liquidation.** In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company, Holders shall be entitled, out of funds legally available therefor, before any distribution or payment may be made by the Company or set aside for the holders of any Junior Stock and subject to the rights of the holders of any class or series of stock ranking senior to or on parity with Series A Preferred Stock upon liquidation and the rights of the Company' s depositors and other creditors, to receive in full a liquidating distribution in the amount of the liquidation preference of $25,000 per share, plus any accrued dividends thereon from the last Dividend Payment Date to, but excluding, the date of the liquidation, dissolution or winding up if and to the extent declared but not yet paid. Holders shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company other than what is expressly provided for in this Section 5.

(b) **Partial Payment.** If the assets of the Company are not sufficient to pay in full the aforesaid liquidation distributions to the Holders and any liquidation distributions owed to holders of any class or series of stock of the Company ranking equally with the Series A Preferred Stock in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the Company, the amounts paid to the Holders and to the holders of all such equally ranking stock shall be pro rata in accordance with the respective aggregate liquidating distributions to which they would otherwise be entitled.

(c) **Merger, Consolidation and Sale of Assets Not Liquidation.** For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Company shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, nor shall the merger, consolidation or any other business combination transaction of the Company into or with any other corporation or Person or the merger, consolidation or any other business combination transaction of any other corporation or Person into or with the Company be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company.

Section 6. Redemption.

(a) **Optional Redemption.** The Company, at the option of its Board of Directors or any duly authorized committee thereof, may redeem out of funds legally available therefor, (i) in whole or in part, from time to time, the shares of Series A Preferred Stock at the time outstanding, on any Dividend Payment Date on or after January 30, 2023, or (ii) in whole but not in part at any time within 90 days following a Regulatory Capital Event, in each case at a redemption price equal to $25,000 per share plus any declared and unpaid dividends, without accumulation of any undeclared dividends, to but excluding the redemption date, upon notice given as provided in Section 6(b) below.

(b) **Notice of Redemption.** Notice of every redemption of shares of Series A Preferred Stock shall be mailed by first class mail, postage prepaid, addressed to the Holders of such shares to be redeemed at their respective last addresses appearing on the stock register of the Company. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the Holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any Holder of shares of Series A Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series A Preferred Stock. Each notice shall state:

(i) the redemption date;

(ii) the total number of shares of Series A Preferred Stock to be redeemed and, if fewer than all the shares of a Holder are to be redeemed, the number of such shares to be redeemed;

(iii) the redemption price;

(iv) the place or places where the certificates for such shares are to be surrendered for payment of the redemption price, if applicable; and

(v) that dividends on the shares to be redeemed will cease to accrue on the redemption date.

Notwithstanding the foregoing, if the certificates evidencing the shares of Series A Preferred Stock are held of record by a depositary and any related depository shares are held of record by a Depositary or its nominee, the Company may give such notice in any manner permitted by the Depositary.

(c) **Partial Redemption.** In case of any redemption of only part of the shares of Series A Preferred Stock at the time outstanding, the shares of Series A Preferred Stock to be redeemed shall be selected pro rata from the Holders in proportion to the number of shares of Series A Preferred Stock held by such Holders, by lot or in such other manner as the Board of Directors or any duly authorized committee thereof may determine, in its sole discretion, to be fair and equitable. Subject to the provisions of this Section 6, the Board of Directors or any duly authorized committee thereof shall have full power and authority to prescribe the terms and conditions upon which shares of Series A Preferred Stock shall be redeemed from time to time.

(d) **Effectiveness of Redemption.** If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Company, separate and apart from its other assets, for the pro rata benefit of the Holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Company with a bank or trust company selected by the Board of Directors or any duly authorized committee thereof (the "Trust") in trust for the pro rata benefit of the Holders of the shares called for redemption, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue on such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the Holders thereof to receive the amount payable on such redemption from the Trust at any time after the redemption date from the funds so deposited, without interest. The Company shall be entitled to receive, from time to time, from the Trust any interest accrued on such funds, and the Holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released or repaid to the Company, and in the event of such repayment to the Company, the Holders of the shares so called for redemption shall be deemed to be unsecured creditors of the Company for an amount equivalent to the amount deposited as stated above for the redemption of such shares and so repaid to the Company, but shall in no event be entitled to any interest.

Section 7. Voting Rights.

(a) **General.** The Holders shall not be entitled to vote on any matter except as set forth in Section 7(b) below or as required by the Delaware General Corporation Law.

(b) **Special Voting Right.**

(i) **Voting Right.** If and whenever dividends on the Series A Preferred Stock or any other class or series of preferred stock that ranks on parity with Series A Preferred Stock as to payment of dividends and upon which voting rights equivalent to those granted by this Section 7(b)(i) have been conferred and are exercisable (any such class or series being referred to herein as "dividend parity stock") have not been paid in an aggregate amount equal, as to any class or series, to at least three semi-annual or six quarterly Dividend Periods, as applicable, (whether consecutive or not) (a "Nonpayment"), the authorized number of directors constituting the Board of Directors shall be increased by two, and the Holders, together with holders of dividend parity stock, shall have the right, voting separately as a single class without regard to class or series (and with voting rights allocated pro rata based on the liquidation preference of each such class or series), to the exclusion of the holders of Common Stock, to elect two directors of the Company to fill such newly created directorships (and to fill any vacancies in the terms of such directorships), provided that it shall be a qualification for election of any such director that the election of such director shall not cause the Company to violate the corporate governance requirements of the New York Stock Exchange (or other exchange on which the Company' s securities may be listed) that listed companies must have a majority of independent directors and further provided that the Board of Directors shall at no time include more than two such directors. Each such director elected by the Holders together with holders of dividend parity stock is a "Preferred Stock Director."

(ii) **Election.** The election of the Preferred Stock Directors will take place at any annual meeting of stockholders or any special meeting of the Holders and any dividend parity stock, called as provided herein. At any time after the special voting power has vested pursuant to Section 7(b)(i) above, the secretary of the Company may, and upon the written request (addressed to the secretary at the Company' s principal office) of the holders of at least 20% of the voting power of the Series A Preferred Stock or the holders of at least 20% of the voting power of any series of dividend parity stock (with such voting power measured based on the voting power to elect Preferred Stock Directors), must (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders at which Preferred Stock Directors are to be elected, in which event such election shall be held at such next annual or special meeting of stockholders), call a special meeting of the holders of Series A Preferred Stock and any dividend parity stock for the purposes of electing Preferred Stock Directors. The Preferred Stock Directors shall each be entitled to one vote per director on any matter.

(iii) **Notice of Special Meeting.** Notice for a special meeting to elect Preferred Stock Directors will be given in a similar manner to that provided in the Company' s by-laws for a special meeting of the stockholders. If the secretary of the Company does not call a special meeting within 20 days after receipt of any such request, then any Holder may (at the expense of the Company) call such meeting, upon notice as provided in this Section 7(b)(iii), and for that purpose will have access to the stock register of the Company. The Preferred Stock Directors elected at any such special meeting and each Preferred Stock Director elected at a subsequent annual or special meeting of stockholders, will be elected for term expiring upon the earlier of the Preferred Stock Director Termination Date and the next annual meeting of stockholders following such Preferred Stock Director' s election. In case any vacancy in the office of a Preferred Stock Director occurs (other than prior to the initial election of the Preferred Stock Directors), the vacancy may be filled by the Preferred Stock Director remaining in office, or if none remains in office, by a plurality of the votes cast by the holders of Series A Preferred Stock and any dividend parity stock, voting together as a single class, and the Preferred Stock Director so appointed or elected to fill such vacancy shall serve for a term expiring at the next annual meeting of the stockholders. Preferred Stock Directors may only be elected by the holders of Series A Preferred Stock and dividend parity stock in accordance with this Section 7. If the holders of Series A Preferred Stock and such dividend parity stock fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors pursuant to this Section 7, then any directorship not so filled shall remain vacant until such time as the holders of Series A Preferred Stock and such dividend parity stock elect a person to fill such directorship in accordance with this Section 7, or such vacancy is otherwise filled in accordance with this Section 7; and no such directorship may be filled by stockholders of the Corporation other than in accordance with this Section 7.

(iv) **Termination; Removal.** Whenever the Company has paid noncumulative dividends in full for at least two consecutive semi-annual or four consecutive quarterly Dividend Periods following a Nonpayment on the Series A Preferred Stock and on any dividend parity stock entitled to noncumulative dividends and has paid cumulative dividends in full on any dividend parity stock entitled to cumulative dividends, then the right of the Holders to elect the Preferred Stock Directors will cease (but subject always to the same provisions for the vesting of the special voting rights in the case of any similar non-payment of dividends in respect of future Dividend Periods) (the time of such cessation, the "Preferred Stock Director Termination Date"). Upon a Preferred Stock Director Termination Date, the terms of office of the Preferred Stock Directors will immediately terminate, the persons then serving as Preferred Stock Directors shall immediately cease to be qualified to hold office as Preferred Stock Directors, the Preferred Stock Directors shall cease to be directors of the Company and the number of directors constituting the Board of Directors shall be automatically reduced, without any action by the Board of Directors or the stockholders of the Company, by the number of Preferred Stock Directors authorized immediately prior to such termination. Any Preferred Stock Director may be removed at any time without cause by the holders of a majority of the voting power of outstanding shares of the capital stock then entitled to vote in the election of Preferred Stock Directors, voting together as a single class (with such voting power measured based on the voting power to elect Preferred Stock Directors).

(c) **Senior Issuances; Adverse Changes.** So long as any shares of Series A Preferred Stock are outstanding, but subject to the final paragraph of this Section 7(c), in addition to any other vote or consent of holders of the Company' s capital stock required by Delaware law, the vote or consent of the holders of at least two-thirds of the voting power of the Series A Preferred Stock and the holders of any other preferred stock entitled to vote thereon, voting together as a single class, given in person or by proxy at an annual or special meeting of stockholders, or given in writing without a meeting, will be necessary for effecting or validating any of the following actions, whether or not such approval is required by Delaware law:

(i) any amendment, alteration or repeal of any provision of the Company' s certificate of incorporation (including the certificate of designations creating the Series A Preferred Stock) or the Company' s by-laws that would alter or change the voting powers, preferences, economic rights or special rights of the Series A Preferred Stock so as to affect them adversely;

(ii) any amendment or alteration of the Company' s certificate of incorporation to authorize or create, or increase the authorized amount of, any shares of, or any securities convertible into shares of, any class or series of the Company' s capital stock ranking prior to the Series A Preferred Stock in the payment of dividends or in the distribution of assets on any liquidation, dissolution, or winding up of the Company; or

(iii) the consummation of a binding share exchange or reclassification involving the Series A Preferred Stock or a merger or consolidation of the Company with another entity, except that holders of Series A Preferred Stock will have no right to vote under this provision or otherwise under Delaware law if in each case (i) the Series A Preferred Stock remains outstanding or, in the case of any such merger or consolidation with respect to which the Company is not the surviving or resulting entity, is converted into or exchanged for preferred securities of the surviving or resulting entity or its ultimate parent, that is an entity organized and existing under the laws of the United States of America, any state thereof or the District of Columbia and that is a corporation for U.S. federal income tax purposes (or if such entity is not a corporation, the Company having received an opinion of nationally recognized counsel experienced in such matters to the effect that Holders will be subject to tax for U.S. federal income tax purposes with respect to such new preferred securities after such merger or consolidation in the same amount, at the same time and otherwise in the same manner as would have been the case under the Series A Preferred Stock prior to such merger or consolidation), and (ii) such Series A Preferred Stock remaining outstanding or such preferred securities, as the case may be, have such rights, preferences, privileges and voting powers, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers of the Series A Preferred Stock, taken as a whole;

provided, however, that, for the avoidance of doubt, any increase in the amount of the authorized or issued Series A Preferred Stock or authorized preferred stock or any securities convertible into preferred stock or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock or any securities convertible into preferred stock ranking equally with and/or junior to the Series A Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or noncumulative) and/or the distribution of assets upon the Company' s liquidation, dissolution or winding up will not be deemed to adversely affect the voting powers, preferences or special rights of the Series A Preferred Stock, and no stockholder will have the right to vote on such an increase, creation or issuance by reason of this Section 7.

If any amendment, alteration, repeal, share exchange, reclassification, merger or consolidation specified in this Section 7(c) would adversely affect the Series A Preferred Stock but not all series of preferred stock of the Company, then only such series of preferred stock as are adversely affected by and entitled to vote on the matter shall vote on the matter together with the Series A Preferred Stock as a single class (in lieu of all other series of preferred stock) for purposes of the vote or consent required by this Section 7(c).

(d) **No Vote if Redemption.** No vote or consent of the Holders shall be required pursuant to Section 7(b) or 7(c) if, at or prior to the time when the act with respect to such vote or consent would otherwise be required shall be effected, the Company shall have redeemed or shall have called for redemption all outstanding shares of Series A Preferred Stock, with proper notice and sufficient funds having been set aside for such redemption, in each case pursuant to Section 6 above.

Section 8. Preemption and Conversion Rights.

The Holders shall not have any preemptive rights or conversion rights as a result of the terms hereof.

Section 9. Rank.

For the avoidance of doubt, the Board of Directors or any duly authorized committee thereof may, without the vote of the Holders, authorize and issue additional shares of Junior Stock or shares of any class or series of stock of the Company now existing or hereafter authorized that ranks equally with the Series A Preferred Stock in the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the Company.

Section 10. Reacquired Shares.

The Board of Directors shall take such actions as are necessary to cause the shares of Series A Preferred Stock which have been redeemed or otherwise purchased or acquired by the Company to be retired and restored to the status of authorized but unissued shares of preferred stock without designation as to series.

Section 11. No Sinking Fund.

Shares of Series A Preferred Stock are not subject to the operation of a sinking fund.

Section 12. Transfer Agent, Calculation Agent, Registrar and Paying Agent.

The duly appointed Transfer Agent, Calculation Agent, Registrar and paying agent for the Series A Preferred Stock shall be Computershare Trust Company, N.A. The Company may, in its sole discretion, remove the Transfer Agent in accordance with the agreement between the Company and the Transfer Agent; *provided, however,* that the Company shall appoint a successor transfer agent who shall accept such appointment prior to the effectiveness of such removal. Upon any such removal or appointment, the Company shall send notice thereof by first-class mail, postage prepaid, to the Holders.

Section 13. Replacement Certificates for Mutilated, Destroyed, Stolen and Lost Certificates.

If physical certificates are issued, the Company shall replace any mutilated certificate at the Holder' s expense upon surrender of that certificate to the Transfer Agent. The Company shall replace certificates that become destroyed, stolen or lost at the Holder' s expense upon delivery to the Company and the Transfer Agent of satisfactory evidence that the certificate has been destroyed, stolen or lost, together with any indemnity that may be required by the Transfer Agent and the Company.

Section 14. Form.

(a) **Series A Preferred Stock Certificates.** Series A Preferred Stock shall be issued in certificated form in substantially the form attached hereto as Exhibit A (each, a "Series A Preferred Stock Certificate"). Exhibit A is hereby incorporated in and expressly made a part of this Certificate of Designations. The Series A Preferred Stock Certificates may have notations, legends or endorsements required by law, stock exchange rules, agreements to which the Company is subject, if any, or usage (provided that any such notation, legend or endorsement is in a form acceptable to the Company).

(b) **Signature.** Two Officers shall sign any Series A Preferred Stock Certificate for the Company, in accordance with the Company' s by-laws and applicable law, by manual or facsimile signature. If an Officer whose signature is on a Series A Preferred Stock Certificate no longer holds that office at the time the Transfer Agent countersigned the Series A Preferred Stock Certificate, such Series A Preferred Stock Certificate shall be valid nevertheless. A Series A Preferred Stock Certificate shall not be valid until an authorized signatory of the Transfer Agent manually countersigns such Series A Preferred Stock Certificate. Each Series A Preferred Stock Certificate shall be dated the date of its countersignature.

Section 15. Taxes.

(a) **Transfer Taxes.** The Company shall pay any and all stock transfer, documentary, stamp and similar taxes that may be payable in respect of any issuance or delivery of shares of Series A Preferred Stock. The Company shall not, however, be required to pay any such tax that may be payable in respect of any transfer involved in the issuance or delivery of shares of Series A Preferred Stock, in a name other than that in which the shares of Series A Preferred Stock were registered, or in respect of any payment to any Person other than a payment to the registered holder thereof, and shall not be required to make any such issuance, delivery or payment unless and until the Person otherwise entitled to such issuance, delivery or payment has paid to the Company the amount of any such tax or has established, to the satisfaction of the Company, that such tax has been paid or is not payable.

(b) **Withholding.** All payments and distributions (or deemed distributions) on the shares of Series A Preferred Stock shall be subject to withholding and backup withholding of tax to the extent required by law, subject to applicable exemptions, and amounts withheld, if any, shall be treated as received by Holders.

Section 16. Notices.

All notices referred to herein shall be in writing, and, unless otherwise specified herein, all notices hereunder shall be deemed to have been given upon the earlier of receipt thereof or three Business Days after the mailing thereof if sent by registered or certified mail (unless first class mail shall be specifically permitted for such notice under the terms of this Certificate of Designations) with postage prepaid, addressed: (i) if to the Company, to its office at 399 Park Avenue, New York, New York 10043 (Attention: Corporate Secretary) or to the Transfer Agent at its office at 250 Royall Street, Canton, Massachusetts 02021, or other agent of the Company designated as permitted by this Certificate of Designations, or (ii) if to any Holder, to such Holder at the address of such Holder as listed in the stock record books of the Company (which may include the records of the Transfer Agent) or (iii) to such other address as the Company or any such Holder, as the case may be, shall have designated by notice similarly given.

Section 17. Other Rights Disclaimed.

The shares of Series A Preferred Stock have no voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Certificate of Incorporation of the Company.

IN WITNESS WHEREOF, this Certificate of Designations as has been executed on behalf of the Company by its Chief Accounting Officer this 26th day of October, 2012.

CITIGROUP INC.

By: /s/ Jeffrey R. Walsh

Name: Jeffrey R. Walsh

Title: Chief Accounting Officer

Exhibit A

FORM OF

% FIXED RATE / FLOATING RATE NONCUMULATIVE PREFERRED STOCK, SERIES A

Certificate Number Number of Shares of Series A Preferred Stock

CUSIP NO.:

CITIGROUP INC.

% Fixed Rate / Floating Rate Noncumulative Preferred Stock, Series A

(par value $1.00 per share)

(liquidation preference $25,000 per share)

Citigroup Inc., a Delaware corporation (the "Company"), hereby certifies that [ ] (the "Holder") is the registered owner of [ ] fully paid and non-assessable shares of the Company' s designated % Fixed Rate / Floating Rate Noncumulative Preferred Stock, Series A, with a par value of $1.00 per share and a liquidation preference of $25,000 per share (the "Series A Preferred Stock"). The shares of Series A Preferred Stock are transferable on the books and records of the Registrar, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer. The designations, rights, privileges, restrictions, preferences and other terms and provisions of the Series A Preferred Stock represented hereby are and shall in all respects be subject to the provisions of the Certificate of Designations dated October [ ], 2012 as the same may be amended from time to time (the "Certificate of Designations"). Capitalized terms used herein but not defined shall have the meaning given them in the Certificate of Designations. The Company will provide a copy of the Certificate of Designations to a Holder without charge upon written request to the Company at its principal place of business.

Reference is hereby made to select provisions of the Series A Preferred Stock set forth on the reverse hereof, and to the Certificate of Designations, which select provisions and the Certificate of Designations shall for all purposes have the same effect as if set forth at this place.

Upon receipt of this certificate, the Holder is bound by the Certificate of Designations and is entitled to the benefits thereunder.

Unless the Registrar has properly countersigned, these shares of Series A Preferred Stock shall not be entitled to any benefit under the Certificate of Designations or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, this certificate has been executed on behalf of the Company by its **[Title]** and by its **[Title]** this day of , .

CITIGROUP INC.

By: ______________________________

Name:

Title:

By: ______________________________

Name:

Title:

REGISTRAR' S COUNTERSIGNATURE

These are shares of Series A Preferred Stock referred to in the within-mentioned Certificate of Designations.

Dated:

COMPUTERSHARE TRUST COMPANY, N.A., as Registrar

By: ____________________________________

Name:

Title:

REVERSE OF CERTIFICATE

Dividends on each share of Series A Preferred Stock shall be payable at the rate provided in the Certificate of Designations.

The shares of Series A Preferred Stock shall be redeemable at the option of the Company in the manner and in accordance with the terms set forth in the Certificate of Designations.

The Company shall furnish without charge to each holder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class or series of share capital issued by the Company and the qualifications, limitations or restrictions of such preferences and/or rights.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers the shares of Series A Preferred Stock evidenced hereby to:

(Insert assignee' s social security or taxpayer identification number, if any)

(Insert address and zip code of assignee)
and irrevocably appoints:

as agent to transfer the shares of Series A Preferred Stock evidenced hereby on the books of the Transfer Agent. The agent may substitute another to act for him or her.
Date:

Signature:

____

(Sign exactly as your name appears on the other side of this Certificate)

Signature Guarantee: ___________________________________

(Signature must be guaranteed by an "eligible guarantor institution" that is a bank, stockbroker, savings and loan association or credit union meeting the requirements of the Transfer Agent, which requirements include membership or participation in the Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Transfer Agent in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.)

CERTIFICATE OF DESIGNATIONS

OF

5.90% FIXED RATE / FLOATING RATE NONCUMULATIVE PREFERRED STOCK,

SERIES B

OF

CITIGROUP INC.

pursuant to Section 151 of the
General Corporation Law of the State of Delaware

Citigroup Inc., a Delaware corporation (the "Company"), hereby certifies that:

1. The Restated Certificate of Incorporation of the Company (as amended through the date hereof, the "Certificate of Incorporation") fixes the total number of shares of all classes of capital stock that the Company shall have the authority to issue at six billion (6,000,000,000) shares of common stock, par value $0.01 per share, and thirty million (30,000,000) shares of preferred stock, par value $1.00 per share.

2. The Certificate of Incorporation expressly grants to the Board of Directors of the Company (the "Board of Directors") authority to provide for the issuance of the shares of preferred stock in series, and to establish from time to time the number of shares to be included in each such series and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof.

3. Pursuant to the authority conferred upon a pricing committee (the "Pricing Committee") by the Board of Directors, the Pricing Committee, by action duly taken on December 6, 2012, adopted resolutions (i) authorizing the issuance and sale of up to 30,000 shares of the Company' s preferred stock and (ii) approving this final form of Certificate of Designations of 5.90% Fixed Rate / Floating Rate Noncumulative Preferred Stock, Series B (the "Series B Preferred Stock") establishing the number of shares to be included in this Series B Preferred Stock and fixing the designation, powers, preferences and rights of the shares of this Series B Preferred Stock and the qualifications, limitations or restrictions thereof as follows:

Section 1. Designation.

The designation of the series of preferred stock shall be "5.90% Fixed Rate / Floating Rate Noncumulative Preferred Stock, Series B" (the "Series B Preferred Stock"). Each share of Series B Preferred Stock shall be identical in all respects to every other share of Series B Preferred Stock.

Section 2. Number of Shares.

The number of authorized shares of Series B Preferred Stock shall be 30,000. That number from time to time may be increased (but not in excess of the total number of authorized shares of preferred stock) or decreased (but not below the number of shares of Series B Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors, the Pricing Committee or any other duly authorized committee thereof and by the filing of a certificate pursuant to the provisions of the General Corporation Law of the State of Delaware stating that such increase or reduction, as the case may be, has been so authorized. The Company shall have the authority to issue fractional shares of Series B Preferred Stock.

Section 3. Definitions. As used herein with respect to Series B Preferred Stock:

"Appropriate Federal Banking Agency" means the "appropriate federal banking agency" with respect to the Company as that term is defined in Section 3(q) of the Federal Deposit Insurance Act of 1950, as amended, or any successor provision.

"Board of Directors" has the meaning set forth in the recitals above.

"Business Day" means any weekday that is not a legal holiday in New York City and is not a day on which banking institutions in New York City are authorized or required by law or regulation to be closed.

"Calculation Agent" means the Transfer Agent acting in its capacity as calculation agent for the Series B Preferred Stock, and its successors and assigns.

"Common Stock" means the common stock of the Company, par value $0.01 per share, or any other shares of the capital stock of the Company into which such shares of common stock shall be reclassified or changed.

"Depositary" means DTC or its nominee or any successor depositary appointed by the Company.

"Dividend Payment Date" shall have the meaning set forth in Section 4(a) hereof.

"Dividend Period" shall have the meaning set forth in Section 4(a) hereof.

"Dividend Record Date" shall have the meaning set forth in Section 4(a) hereof.

"DTC" means The Depository Trust Company.

"Holder" means the Person in whose name the shares of the Series B Preferred Stock are registered, which may be treated by the Company, Calculation Agent, Transfer Agent, Registrar and paying agent as the absolute owner of the shares of Series B Preferred Stock for the purpose of making payment and for all other purposes.

"Junior Stock" means the Common Stock and any other class or series of stock of the Company now existing or hereafter authorized over which Series B Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the Company.

“LIBOR Determination Date” means the second London Banking Day immediately preceding the first day of the relevant Dividend Period.

“London Banking Day” means any day on which commercial banks are open for general business (including dealings in deposits in United States dollars) in London.

“Nonpayment” shall have the meaning set forth in Section 7(b)(i) hereof.

“Officer” means the Chief Executive Officer, the Chairman, the Chief Administrative Officer, any Vice Chairman, the Chief Financial Officer, the Controller, the Chief Accounting Officer, the Treasurer, any Deputy Treasurer, any Assistant Treasurer, any Vice President, the General Counsel and Corporate Secretary and any Assistant Secretary of the Company.

“Person” means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint-stock company, limited liability company, trust, or other entity.

“Preferred Stock Director” shall have the meaning set forth in Section 7(b)(i) hereof.

“Preferred Stock Director Termination Date” shall have the meaning set forth in Section 7(b)(iv) hereof.

“Registrar” means the Transfer Agent acting in its capacity as registrar for the Series B Preferred Stock, and its successors and assigns.

“Regulatory Capital Event” means the good faith determination by the Company that, as a result of (i) any amendment to, clarification of, or change in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of the Series B Preferred Stock, (ii) any proposed change in those laws or regulations that is announced or becomes effective after the initial issuance of any share of the Series B Preferred Stock, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations or policies with respect thereto that is announced after the initial issuance of any share of the Series B Preferred Stock, there is more than an insubstantial risk that the Company will not be entitled to treat the full liquidation preference amount of $25,000 per share of the Series B Preferred Stock then outstanding as “tier 1 capital” (or its equivalent) for purposes of the capital adequacy guidelines of the Federal Reserve (or, as and if applicable, the capital adequacy guidelines or regulations of any successor Appropriate Federal Banking Agency) as then in effect and applicable, for so long as any share of the Series B Preferred Stock is outstanding.

“Reuters LIBOR01” means the display designated on the Reuters 3000 Xtra Service on page LIBOR01 Page (or such other page as may replace “Reuters LIBOR01” page on the service or such other service as may be nominated by the British Bankers' Association or other administrator of LIBOR for the purpose of displaying London interbank offered rates for United States dollar deposits or loans).

"Series B Liquidation Preference" shall have the meaning set forth in Section 5(a) hereof.

“Series B Preferred Stock” shall have the meaning set forth in Section 1 hereof.

"Series B Preferred Stock Certificate" shall have the meaning set forth in Section 14(a) hereof.

"Three-month LIBOR" means the rate (expressed as a percentage per annum) for deposits in United States dollars for a three-month period commencing on the first day of a Dividend Period that appears on the Reuters LIBOR01 page as of 11:00 a.m. (London time) on the LIBOR Determination Date for that Dividend Period. If such rate does not appear on the Reuters LIBOR01 page, Three-month LIBOR will be determined on the basis of the rates at which deposits in United States dollars for a three-month period commencing on the first day of that Dividend Period and in a principal amount of not less than $1 million are offered to prime banks in the London interbank market by four major banks in the London interbank market selected by the Calculation Agent (after consultation with the Company), at approximately 11:00 a.m., London time, on the LIBOR Determination Date for that Dividend Period. The Calculation Agent will request the principal London office of each of such banks to provide a quotation of its rate. If at least two such quotations are provided, Three-month LIBOR with respect to that Dividend Period will be the arithmetic mean (rounded upward if necessary to the nearest whole multiple of 0.00001%) of such quotations. If fewer than two quotations are provided, Three-month LIBOR with respect to that Dividend Period will be the arithmetic mean (rounded upward if necessary to the nearest whole multiple of 0.00001%) of the rates quoted by three major banks in New York City selected by the Calculation Agent (after consultation with the Company), at approximately 11:00 a.m., New York City time, on the LIBOR Determination Date for that Dividend Period for loans in United States dollars to leading European banks for a three-month period commencing on the first day of that Dividend Period and in a principal amount of not less than $1 million. However, if fewer than three banks selected by the Calculation Agent to provide quotations are quoting as described above, Three-month LIBOR for that Dividend Period will be the same Three-month LIBOR as determined for the previous Dividend Period or, in the case of the Dividend Period beginning on February 15, 2023, 0.3095%. The determination of Three-month LIBOR for each relevant Dividend Period by the Calculation Agent will (in the absence of manifest error) be final and binding.

"Transfer Agent" means Computershare Trust Company, N.A., a federally chartered national association, acting as Transfer Agent, Calculation Agent, Registrar and paying agent for the Series B Preferred Stock, and its successors and assigns.

"Trust" shall have the meaning set forth in Section 6(d).

Section 4. Dividends.

(a) **Rate**. Holders shall be entitled to receive, when, as and if declared by the Board of Directors or any duly authorized committee thereof, but only out of funds legally available therefor, noncumulative cash dividends on each share of Series B Preferred Stock in the amounts specified below in this Section 4, and no more, payable (i) semi-annually in arrears on each August 15 and February 15, beginning August 15, 2013, from and including the date of issuance to, but excluding, February 15, 2023, and (ii) quarterly in arrears on each February 15, May 15, August 15, and November 15, beginning May 15, 2023 from and including February 15, 2023; *provided, however,* if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day (except if after February 15, 2023 that day falls in the next calendar month, in which case the payment of any dividend otherwise payable will be made on the first preceding Business Day) (i) on or prior to February 15, 2023, without any interest or other payment in respect of such postponement, and (ii) after February 15, 2023, with dividends accruing to the actual payment date (each such day on which dividends are payable a "Dividend Payment Date"). The period from and including the date of issuance of the Series B Preferred Stock or any Dividend Payment Date to, but excluding, the next Dividend Payment Date is a "Dividend Period." Dividends on each share of Series B Preferred Stock will accrue on the liquidation preference of $25,000 per share at a rate per annum equal to (i) 5.90%, for each Dividend Period from and including the date of issuance to, but excluding, February 15, 2023 and (ii) Three-month LIBOR plus 4.23%, for each Dividend Period from and including February 15, 2023. The record date for payment of dividends on the Series B Preferred Stock will be the record date fixed by the Board of Directors or any other duly authorized committee thereof that is not more than 30 nor less than 10 days prior to such Dividend Payment Date (each, a "Dividend Record Date"). Any such day that is a Dividend Record Date will be a Dividend Record Date whether or not such day is a Business Day. The amount of dividends payable on or prior to February 15, 2023 will be computed on the basis of a 360-day year of twelve 30-day months. The amount of dividends payable after February 15, 2023 will be computed on the basis of a 360-day year and the actual number of days elapsed.

(b) **Noncumulative Dividends**. If the Board of Directors or any duly authorized committee thereof does not declare a dividend on the Series B Preferred Stock for any Dividend Period prior to the related Dividend Payment Date, that dividend will not accrue, and the Company will have no obligation to pay, and Holders shall have no right to receive, a dividend for that Dividend Period on the related Dividend Payment Date or at any future time, whether or not dividends on the Series B Preferred Stock or any other series of preferred stock or common stock are declared for any subsequent period. References herein to the "accrual" of dividends refer only to the determination of the amount of such dividend and do not imply that any right to a dividend arises prior to the date on which a dividend is declared.

(c) **Priority of Dividends**. So long as any share of Series B Preferred Stock remains outstanding, unless as to a Dividend Payment Date full dividends on all outstanding shares of the Series B Preferred Stock have been declared and paid or declared and a sum sufficient for the payment of those dividends has been set aside for the Dividend Period then ending, the Company will not, and will cause its subsidiaries not to, during the next succeeding Dividend Period that commences on such Dividend Payment Date, declare or pay any dividend on, make any distributions relating to, or redeem, purchase, acquire or make a liquidation payment relating to, any Junior Stock, or make any guarantee payment with respect thereto, other than:

(i) purchases, redemptions or other acquisitions of shares of Junior Stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants;

(ii) purchases of shares of Common Stock pursuant to a contractually binding requirement to buy stock existing prior to the commencement of the then-current Dividend Period, including under a contractually binding stock repurchase plan;

(iii) as a result of an exchange or conversion of any class or series of Junior Stock for any other class or series of Junior Stock;

(iv) the purchase of fractional interests in shares of Junior Stock pursuant to the conversion or exchange provisions of such Junior Stock or the security being converted or exchanged;

(v) the purchase of Junior Stock by an investment banking subsidiary of the Company in connection with the distribution thereof; or

(vi) the purchase of Junior Stock by any investment banking subsidiary of the Company in connection with market-making or other secondary market activities in the ordinary course of the business of such subsidiary.

The restrictions set forth in the preceding provisions of this Section 4(c) shall not apply to any Junior Stock dividends paid by the Company where the dividend is in the form of the same stock (or the right to buy the same stock) as that on which the dividend is being paid.

Except as provided below, for so long as any share of Series B Preferred Stock remains outstanding, if dividends are not declared and paid in full upon the shares of Series B Preferred Stock and any class or series of stock of the Company now existing or hereafter authorized that ranks equally with the Series B Preferred Stock in the payment of dividends, all dividends declared upon shares of Series B Preferred Stock and such other stock will be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then-current Dividend Period per share of Series B Preferred Stock and accrued dividends for the then-current Dividend Period per share of such other stock (including, in the case of any such other stock that bears cumulative dividends, all accrued and unpaid dividends) bear to each other.

Subject to the foregoing, and not otherwise, such dividends payable in cash, stock or otherwise, as may be determined by the Board of Directors or any duly authorized committee thereof, may be declared and paid on any other class or series of stock of the Company from time to time out of any funds legally available for such payment, and Holders will not be entitled to participate in those dividends.

Section 5. Liquidation Rights.

(a) **Liquidation**. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company, Holders shall be entitled, out of funds legally available therefor, before any distribution or payment may be made by the Company or set aside for the holders of any Junior Stock and subject to the rights of the holders of any class or series of stock ranking senior to or on parity with Series B Preferred Stock upon liquidation and the rights of the Company' s depositors and other creditors, to receive in full a liquidating distribution in the amount of the liquidation preference of $25,000 per share, plus any accrued dividends thereon from the last Dividend Payment Date to, but excluding, the date of the liquidation, dissolution or winding up if and to the extent declared but not yet paid. Holders shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company other than what is expressly provided for in this Section 5.

(b) **Partial Payment**. If the assets of the Company are not sufficient to pay in full the aforesaid liquidation distributions to the Holders and any liquidation distributions owed to holders of any class or series of stock of the Company ranking equally with the Series B Preferred Stock in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the Company, the amounts paid to the Holders and to the holders of all such equally ranking stock shall be pro rata in accordance with the respective aggregate liquidating distributions to which they would otherwise be entitled.

(c) **Merger, Consolidation and Sale of Assets Not Liquidation**. For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Company shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, nor shall the merger, consolidation or any other business combination transaction of the Company into or with any other corporation or Person or the merger, consolidation or any other business combination transaction of any other corporation or Person into or with the Company be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company.

Section 6. Redemption.

(a) **Optional Redemption**. The Company, at the option of its Board of Directors or any duly authorized committee thereof, may redeem out of funds legally available therefor, (i) in whole or in part, from time to time, the shares of Series B Preferred Stock at the time outstanding, on any Dividend Payment Date on or after February 15, 2023, or (ii) in whole but not in part at any time within 90 days following a Regulatory Capital Event, in each case at a redemption price equal to $25,000 per share plus any declared and unpaid dividends, without accumulation of any undeclared dividends, to but excluding the redemption date, upon notice given as provided in Section 6(b) below.

(b) **Notice of Redemption**. Notice of every redemption of shares of Series B Preferred Stock shall be mailed by first class mail, postage prepaid, addressed to the Holders of such shares to be redeemed at their respective last addresses appearing on the stock register of the Company. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the Holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any Holder of shares of Series B Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series B Preferred Stock. Each notice shall state:

(i) the redemption date;

(ii) the total number of shares of Series B Preferred Stock to be redeemed and, if fewer than all the shares of a Holder are to be redeemed, the number of such shares to be redeemed;

(iii) the redemption price;

(iv) the place or places where the certificates for such shares are to be surrendered for payment of the redemption price, if applicable; and

(v) that dividends on the shares to be redeemed will cease to accrue on the redemption date.

Notwithstanding the foregoing, if the certificates evidencing the shares of Series B Preferred Stock are held of record by a depositary and any related depository shares are held of record by a Depositary or its nominee, the Company may give such notice in any manner permitted by the Depositary.

(c) **Partial Redemption**. In case of any redemption of only part of the shares of Series A Preferred Stock at the time outstanding, the shares of Series B Preferred Stock to be redeemed shall be selected pro rata from the Holders in proportion to the number of shares of Series B Preferred Stock held by such Holders, by lot or in such other manner as the Board of Directors or any duly authorized committee thereof may determine, in its sole discretion, to be fair and equitable. Subject to the provisions of this Section 6, the Board of Directors or any duly authorized committee thereof shall have full power and authority to prescribe the terms and conditions upon which shares of Series B Preferred Stock shall be redeemed from time to time.

(d) **Effectiveness of Redemption**. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Company, separate and apart from its other assets, for the pro rata benefit of the Holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Company with a bank or trust company selected by the Board of Directors or any duly authorized committee thereof (the "Trust") in trust for the pro rata benefit of the Holders of the shares called for redemption, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue on such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the Holders thereof to receive the amount payable on such redemption from the Trust at any time after the redemption date from the funds so deposited, without interest. The Company shall be entitled to receive, from time to time, from the Trust any interest accrued on such funds, and the Holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released or repaid to the Company, and in the event of such repayment to the Company, the Holders of the shares so called for redemption shall be deemed to be unsecured creditors of the Company for an amount equivalent to the amount deposited as stated above for the redemption of such shares and so repaid to the Company, but shall in no event be entitled to any interest.

Section 7. Voting Rights.

(a) **General**. The Holders shall not be entitled to vote on any matter except as set forth in Section 7(b) below or as required by the Delaware General Corporation Law.

(b) **Special Voting Right**.

(i) **Voting Right**. If and whenever dividends on the Series B Preferred Stock or any other class or series of preferred stock that ranks on parity with Series B Preferred Stock as to payment of dividends and upon which voting rights equivalent to those granted by this Section 7(b)(i) have been conferred and are exercisable (any such class or series being referred to herein as "dividend parity stock") have not been paid in an aggregate amount equal, as to any class or series, to at least three semi-annual or six quarterly Dividend Periods, as applicable, (whether consecutive or not) (a "Nonpayment"), the authorized number of directors constituting the Board of Directors shall be increased by two, and the Holders, together with holders of dividend parity stock, shall have the right, voting separately as a single class without regard to class or series (and with voting rights allocated pro rata based on the liquidation preference of each such class or series), to the exclusion of the holders of Common Stock, to elect two directors of the Company to fill such newly created directorships (and to fill any vacancies in the terms of such directorships), provided that it shall be a qualification for election of any such director that the election of such director shall not cause the Company to violate the corporate governance requirements of the New York Stock Exchange (or other exchange on which the Company' s securities may be listed) that listed companies must have a majority of independent directors and further provided that the Board of Directors shall at no time include more than two such directors. Each such director elected by the Holders together with holders of dividend parity stock is a "Preferred Stock Director."

(ii) **Election**. The election of the Preferred Stock Directors will take place at any annual meeting of stockholders or any special meeting of the Holders and any dividend parity stock, called as provided herein. At any time after the special voting power has vested pursuant to Section 7(b)(i) above, the secretary of the Company may, and upon the written request (addressed to the secretary at the Company' s principal office) of the holders of at least 20% of the voting power of the Series B Preferred Stock or the holders of at least 20% of the voting power of any series of dividend parity stock (with such voting power measured based on the voting power to elect Preferred Stock Directors), must (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders at which Preferred Stock Directors are to be elected, in which event such election shall be held at such next annual or special meeting of stockholders), call a special meeting of the holders of Series B Preferred Stock and any dividend parity stock for the purposes of electing Preferred Stock Directors. The Preferred Stock Directors shall each be entitled to one vote per director on any matter.

(iii) **Notice of Special Meeting**. Notice for a special meeting to elect Preferred Stock Directors will be given in a similar manner to that provided in the Company' s bylaws for a special meeting of the stockholders. If the secretary of the Company does not call a special meeting within 20 days after receipt of any such request, then any Holder may (at the expense of the Company) call such meeting, upon notice as provided in this Section 7(b)(iii), and for that purpose will have access to the stock register of the Company. The Preferred Stock Directors elected at any such special meeting and each Preferred Stock Director elected at a subsequent annual or special meeting of stockholders, will be elected for term expiring upon the earlier of the Preferred Stock Director Termination Date and the next annual meeting of stockholders following such Preferred Stock Director's election. In case any vacancy in the office of a Preferred Stock Director occurs (other than prior to the initial election of the Preferred Stock Directors), the vacancy may be filled by the Preferred Stock Director remaining in office, or if none remains in office, by a plurality of the votes cast by the holders of Series B Preferred Stock and any dividend parity stock, voting together as a single class, and the Preferred Stock Director so appointed or elected to fill such vacancy shall serve for a term expiring at the next annual meeting of the stockholders. Preferred Stock Directors may only be elected by the holders of Series B Preferred Stock and dividend parity stock in accordance with this Section 7. If the holders of Series B Preferred Stock and such dividend parity stock fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors pursuant to this Section 7, then any directorship not so filled shall remain vacant until such time as the holders of Series B Preferred Stock and such dividend parity stock elect a person to fill such directorship in accordance with this Section 7, or such vacancy is otherwise filled in accordance with this Section 7; and no such directorship may be filled by stockholders of the Corporation other than in accordance with this Section 7.

(iv) **Termination; Removal**. Whenever the Company has paid noncumulative dividends in full for at least two consecutive semi-annual or four consecutive quarterly Dividend Periods following a Nonpayment on the Series B Preferred Stock and on any dividend parity stock entitled to noncumulative dividends and has paid cumulative dividends in full on any dividend parity stock entitled to cumulative dividends, then the right of the Holders to elect the Preferred Stock Directors will cease (but subject always to the same provisions for the vesting of the special voting rights in the case of any similar non-payment of dividends in respect of future Dividend Periods) (the time of such cessation, the "Preferred Stock Director Termination Date"). Upon a Preferred Stock Director Termination Date, the terms of office of the Preferred Stock Directors will immediately terminate, the persons then serving as Preferred Stock Directors shall immediately cease to be qualified to hold office as Preferred Stock Directors, the Preferred Stock Directors shall cease to be directors of the Company and the number of directors constituting the Board of Directors shall be automatically reduced, without any action by the Board of Directors or the stockholders of the Company, by the number of Preferred Stock Directors authorized immediately prior to such termination. Any Preferred Stock Director may be removed at any time without cause by the holders of a majority of the voting power of outstanding shares of the capital stock then entitled to vote in the election of Preferred Stock Directors, voting together as a single class (with such voting power measured based on the voting power to elect Preferred Stock Directors).

(c) **Senior Issuances; Adverse Changes**. So long as any shares of Series B Preferred Stock are outstanding, but subject to the final paragraph of this Section 7(c), in addition to any other vote or consent of holders of the Company' s capital stock required by Delaware law, the vote or consent of the holders of at least two-thirds of the voting power of the Series B Preferred Stock and the holders of any other preferred stock entitled to vote thereon, voting together as a single class, given in person or by proxy at an annual or special meeting of stockholders, or given in writing without a meeting, will be necessary for effecting or validating any of the following actions, whether or not such approval is required by Delaware law:

(i) any amendment, alteration or repeal of any provision of the Company' s certificate of incorporation (including the certificate of designations creating the Series B Preferred Stock) or the Company' s by-laws that would alter or change the voting powers, preferences, economic rights or special rights of the Series B Preferred Stock so as to affect them adversely;

(ii) any amendment or alteration of the Company' s certificate of incorporation to authorize or create, or increase the authorized amount of, any shares of, or any securities convertible into shares of, any class or series of the Company's capital stock ranking prior to the Series B Preferred Stock in the payment of dividends or in the distribution of assets on any liquidation, dissolution, or winding up of the Company; or

(iii) the consummation of a binding share exchange or reclassification involving the Series B Preferred Stock or a merger or consolidation of the Company with another entity, except that holders of Series B Preferred Stock will have no right to vote under this provision or otherwise under Delaware law if in each case (i) the Series B Preferred Stock remains outstanding or, in the case of any such merger or consolidation with respect to which the Company is not the surviving or resulting entity, is converted into or exchanged for preferred securities of the surviving or resulting entity or its ultimate parent, that is an entity organized and existing under the laws of the United States of America, any state thereof or the District of Columbia and that is a corporation for U.S. federal income tax purposes (or if such entity is not a corporation, the Company having received an opinion of nationally recognized counsel experienced in such matters to the effect that Holders will be subject to tax for U.S. federal income tax purposes with respect to such new preferred securities after such merger or consolidation in the same amount, at the same time and otherwise in the same manner as would have been the case under the Series B Preferred Stock prior to such merger or consolidation), and (ii) such Series B Preferred Stock remaining outstanding or such preferred securities, as the case may be, have such rights, preferences, privileges and voting powers, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers of the Series B Preferred Stock, taken as a whole;

provided, however, that, for the avoidance of doubt, any increase in the amount of the authorized or issued Series B Preferred Stock or authorized preferred stock or any securities convertible into preferred stock or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock or any securities convertible into preferred stock ranking equally with and/or junior to the Series B Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or noncumulative) and/or the distribution of assets upon the Company' s liquidation, dissolution or winding up will not be deemed to adversely affect the voting powers, preferences or special rights of the Series B Preferred Stock, and no stockholder will have the right to vote on such an increase, creation or issuance by reason of this Section 7.

If any amendment, alteration, repeal, share exchange, reclassification, merger or consolidation specified in this Section 7(c) would adversely affect the Series B Preferred Stock but not all series of preferred stock of the Company, then only such series of preferred stock as are adversely affected by and entitled to vote on the matter shall vote on the matter together with the Series B Preferred Stock as a single class (in lieu of all other series of preferred stock) for purposes of the vote or consent required by this Section 7(c).

(d) **No Vote if Redemption**. No vote or consent of the Holders shall be required pursuant to Section 7(b) or 7(c) if, at or prior to the time when the act with respect to such vote or consent would otherwise be required shall be effected, the Company shall have redeemed or shall have called for redemption all outstanding shares of Series B Preferred Stock, with proper notice and sufficient funds having been set aside for such redemption, in each case pursuant to Section 6 above.

Section 8. Preemption and Conversion Rights.

The Holders shall not have any preemptive rights or conversion rights as a result of the terms hereof.

Section 9. Rank.

For the avoidance of doubt, the Board of Directors or any duly authorized committee thereof may, without the vote of the Holders, authorize and issue additional shares of Junior Stock or shares of any class or series of stock of the Company now existing or hereafter authorized that ranks equally with the Series B Preferred Stock in the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the Company.

Section 10. Reacquired Shares.

The Board of Directors shall take such actions as are necessary to cause the shares of Series B Preferred Stock which have been redeemed or otherwise purchased or acquired by the Company to be retired and restored to the status of authorized but unissued shares of preferred stock without designation as to series.

Section 11. No Sinking Fund.

Shares of Series B Preferred Stock are not subject to the operation of a sinking fund.

Section 12. Transfer Agent, Calculation Agent, Registrar and Paying Agent.

The duly appointed Transfer Agent, Calculation Agent, Registrar and paying agent for the Series B Preferred Stock shall be Computershare Trust Company, N.A. The Company may, in its sole discretion, remove the Transfer Agent in accordance with the agreement between the Company and the Transfer Agent; *provided, however*, that the Company shall appoint a successor transfer agent who shall accept such appointment prior to the effectiveness of such removal. Upon any such removal or appointment, the Company shall send notice thereof by first-class mail, postage prepaid, to the Holders.

Section 13. Replacement Certificates for Mutilated, Destroyed, Stolen and Lost Certificates.

If physical certificates are issued, the Company shall replace any mutilated certificate at the Holder' s expense upon surrender of that certificate to the Transfer Agent. The Company shall replace certificates that become destroyed, stolen or lost at the Holder' s expense upon delivery to the Company and the Transfer Agent of satisfactory evidence that the certificate has been destroyed, stolen or lost, together with any indemnity that may be required by the Transfer Agent and the Company.

Section 14. Form.

(a) **Series B Preferred Stock Certificates**. Series B Preferred Stock shall be issued in certificated form in substantially the form attached hereto as Exhibit A (each, a "Series B Preferred Stock Certificate"). Exhibit A is hereby incorporated in and expressly made a part of this Certificate of Designations. The Series B Preferred Stock Certificates may have notations, legends or endorsements required by law, stock exchange rules, agreements to which the Company is subject, if any, or usage (provided that any such notation, legend or endorsement is in a form acceptable to the Company).

(b) **Signature**. Two Officers shall sign any Series B Preferred Stock Certificate for the Company, in accordance with the Company' s by-laws and applicable law, by manual or facsimile signature. If an Officer whose signature is on a Series B Preferred Stock Certificate no longer holds that office at the time the Transfer Agent countersigned the Series B Preferred Stock Certificate, such Series B Preferred Stock Certificate shall be valid nevertheless. A Series B Preferred Stock Certificate shall not be valid until an authorized signatory of the Transfer Agent manually countersigns such Series B Preferred Stock Certificate. Each Series B Preferred Stock Certificate shall be dated the date of its countersignature.

Section 15. Taxes.

(a) **Transfer Taxes**. The Company shall pay any and all stock transfer, documentary, stamp and similar taxes that may be payable in respect of any issuance or delivery of shares of Series B Preferred Stock. The Company shall not, however, be required to pay any such tax that may be payable in respect of any transfer involved in the issuance or delivery of shares of Series B Preferred Stock, in a name other than that in which the shares of Series B Preferred Stock were registered, or in respect of any payment to any Person other than a payment to the registered holder thereof, and shall not be required to make any such issuance, delivery or payment unless and until the Person otherwise entitled to such issuance, delivery or payment has paid to the Company the amount of any such tax or has established, to the satisfaction of the Company, that such tax has been paid or is not payable.

(b) **Withholding**. All payments and distributions (or deemed distributions) on the shares of Series B Preferred Stock shall be subject to withholding and backup withholding of tax to the extent required by law, subject to applicable exemptions, and amounts withheld, if any, shall be treated as received by Holders.

Section 16. Notices.

All notices referred to herein shall be in writing, and, unless otherwise specified herein, all notices hereunder shall be deemed to have been given upon the earlier of receipt thereof or three Business Days after the mailing thereof if sent by registered or certified mail (unless first class mail shall be specifically permitted for such notice under the terms of this Certificate of Designations) with postage prepaid, addressed: (i) if to the Company, to its office at 399 Park Avenue, New York, New York 10043 (Attention: Corporate Secretary) or to the Transfer Agent at its office at 250 Royall Street, Canton, Massachusetts 02021, or other agent of the Company designated as permitted by this Certificate of Designations, or (ii) if to any Holder, to such Holder at the address of such Holder as listed in the stock record books of the Company (which may include the records of the Transfer Agent) or (iii) to such other address as the Company or any such Holder, as the case may be, shall have designated by notice similarly given.

Section 17. Other Rights Disclaimed.

The shares of Series B Preferred Stock have no voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Certificate of Incorporation of the Company.

IN WITNESS WHEREOF, this Certificate of Designations as has been executed on behalf of the Company by its Chief Financial Officer this 12th day of December, 2012.

CITIGROUP INC.

By: /s/ John C. Gerspach

Name: John C. Gerspach

Title: Chief Financial Officer

Exhibit A

FORM OF

5.90% FIXED RATE / FLOATING RATE NONCUMULATIVE PREFERRED STOCK, SERIES B

Certificate Number_______ Number of Shares of Series A Preferred Stock______

CUSIP NO.:

CITIGROUP INC.

% Fixed Rate / Floating Rate Noncumulative Preferred Stock, Series B

(par value $1.00 per share)

(liquidation preference $25,000 per share)

Citigroup Inc., a Delaware corporation (the "Company"), hereby certifies that [ ] (the "Holder") is the registered owner of [ ] fully paid and non-assessable shares of the Company' s designated % Fixed Rate / Floating Rate Noncumulative Preferred Stock, Series B, with a par value of $1.00 per share and a liquidation preference of $25,000 per share (the "Series B Preferred Stock"). The shares of Series B Preferred Stock are transferable on the books and records of the Registrar, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer. The designations, rights, privileges, restrictions, preferences and other terms and provisions of the Series B Preferred Stock represented hereby are and shall in all respects be subject to the provisions of the Certificate of Designations dated December [ ], 2012 as the same may be amended from time to time (the "Certificate of Designations"). Capitalized terms used herein but not defined shall have the meaning given them in the Certificate of Designations. The Company will provide a copy of the Certificate of Designations to a Holder without charge upon written request to the Company at its principal place of business.

Reference is hereby made to select provisions of the Series B Preferred Stock set forth on the reverse hereof, and to the Certificate of Designations, which select provisions and the Certificate of Designations shall for all purposes have the same effect as if set forth at this place.

Upon receipt of this certificate, the Holder is bound by the Certificate of Designations and is entitled to the benefits thereunder.

Unless the Registrar has properly countersigned, these shares of Series B Preferred Stock shall not be entitled to any benefit under the Certificate of Designations or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, this certificate has been executed on behalf of the Company by its **[Title]** and by its **[Title]** this __ day of ________, ________.

CITIGROUP INC.

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

REGISTRAR' S COUNTERSIGNATURE

These are shares of Series B Preferred Stock referred to in the within-mentioned Certificate of Designations.

Dated:

COMPUTERSHARE TRUST COMPANY, N.A., as Registrar

By: ____

Name:

Title:

REVERSE OF CERTIFICATE

Dividends on each share of Series B Preferred Stock shall be payable at the rate provided in the Certificate of Designations.

The shares of Series B Preferred Stock shall be redeemable at the option of the Company in the manner and in accordance with the terms set forth in the Certificate of Designations.

The Company shall furnish without charge to each holder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class or series of share capital issued by the Company and the qualifications, limitations or restrictions of such preferences and/or rights.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers the shares of Series B Preferred Stock evidenced hereby to:

____

____

(Insert assignee’ s social security or taxpayer identification number, if any)

____

____

(Insert address and zip code of assignee)

and irrevocably appoints:

____

____

as agent to transfer the shares of Series A Preferred Stock evidenced hereby on the books of the Transfer Agent. The agent may substitute another to act for him or her.

Date:

Signature:

____

(Sign exactly as your name appears on the other side of this Certificate)

Signature Guarantee: ____

(Signature must be guaranteed by an “eligible guarantor institution” that is a bank, stockbroker, savings and loan association or credit union meeting the requirements of the Transfer Agent, which requirements include membership or participation in the Securities Transfer Agents Medallion Program (“STAMP”) or such other “signature guarantee program” as may be determined by the Transfer Agent in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.)

CERTIFICATE OF OWNERSHIP AND MERGER
MERGING
CITIGROUP FUNDING INC.
(a Delaware corporation)
WITH AND INTO
CITIGROUP INC.
(a Delaware corporation)
(Pursuant to Section 253 of the
Delaware General Corporation Law)

Citigroup Inc., a Delaware corporation (“Citigroup”), does hereby certify:

FIRST: Citigroup owns all of the outstanding shares of capital stock of Citigroup Funding Inc., a Delaware corporation (“CFI”).

SECOND: The Board of Directors of Citigroup adopted certain resolutions at a meeting of the Board of Directors held on June 18, 2012, including the following duly adopted resolutions in which the Board of Directors determined to merge CFI with and into Citigroup pursuant to Section 253 of the General Corporation Law of the State of Delaware:

RESOLVED, that, based upon all of the factors discussed at this meeting and the information provided to the members of the Board of Directors (the “Board”) of Citigroup Inc. (“Citigroup”), the Board hereby determines that it is advisable and in the best interest of Citigroup and its shareholders to merge Citigroup Funding Inc. (“CFI”), a Delaware corporation and a wholly-owned subsidiary of Citigroup, with and into Citigroup (the “Merger”); and be it

FURTHER RESOLVED, (a) that, effective upon the filing of a Certificate of Ownership and Merger with the Office of the Secretary of State of the State of Delaware or at such time as such Certificate of Ownership and Merger shall specify, CFI shall merge with and into Citigroup, and Citigroup shall be the surviving corporation, pursuant to Section 253 of the General Corporation Law of the State of Delaware (the "DGCL"), (b) that, by virtue of the Merger, each issued and outstanding share of common stock of CFI shall be cancelled, no consideration shall be delivered in exchange therefor and the separate existence of CFI shall cease, (c) that simultaneously with the Merger, Citigroup shall assume all of the rights and obligations of CFI existing immediately prior to the Merger, including, but not limited to, the obligation to pay the principal of and interest and premium, if any, on all of CFI' s outstanding notes, bonds and commercial paper, and the obligation to pay amounts due on CFI' s other outstanding funding obligations, instruments or securities, including, but not limited to, its index warrants, (d) that Citigroup shall be, and hereby is, authorized to enter into any and all contracts, instruments, indentures, agreements and other documents and any supplements or amendments thereto as deemed appropriate, advisable or necessary by an Authorized Officer in connection with the Merger and the assumption of the rights and obligations described in the preceding clause (c), (e) that the Certificate of Incorporation and By-Laws of Citigroup as in effect immediately prior to the effectiveness of the Merger shall be the Certificate of Incorporation and By-Laws of such surviving corporation and shall continue in full force and effect until amended and changed in the manner prescribed by the provisions of the DGCL, and (f) that the officers and directors of Citigroup immediately prior to the Merger shall be the officers and directors of such surviving corporation; and be it

FURTHER RESOLVED, that the Chief Executive Officer, the President, any Vice Chairman, the Chief Financial Officer, the General Counsel, the Corporate Secretary, the Chief Accounting Officer, the Treasurer, the Deputy Treasurer or any officer with the authority of a Vice President of Citigroup (each, and "Authorized Officer") be, and each of them hereby is, authorized and directed to execute, in the name and on behalf of Citigroup, a Certificate of Ownership and Merger with respect to the Merger setting forth, among other things, a copy of the resolutions of the Board authorizing the Merger and the date of their adoption, and to cause such documents to be filed in the Office of the Secretary of State of the State of Delaware in accordance with Sections 103 and 253 of the DGCL.

THIRD: That this Certificate of Ownership and Merger (and the Merger referenced herein) shall be effective at 11:58 p.m. (local time in Wilmington, Delaware) on December 31, 2012.

[Signature page follows]

IN WITNESS WHEREOF, Citigroup Inc. has caused this Certificate of Ownership and Merger to be executed by its duly authorized officer on the date set forth below.

CITIGROUP INC.

By: /s/ Joseph Bonocore
Name: Joseph Bonocore
Title: Deputy Treasurer

Dated: December 12, 2012

Exhibit 10.01.6

Amendment 4 to Supplemental ERISA Compensation Plan of Citibank, N.A. and Affiliates

1. Effective December 31, 2012, the following definitions shall be added to paragraph 1 of the Plan:

“Frozen Grandfathered Participant” means any Grandfathered Participant whose benefits in the Retirement Plan were frozen on or after December 31, 2012, in accordance with Article IV, Section 1, paragraph C of Part III of the Retirement Plan. An individual who becomes a Frozen Grandfathered Participant and was not already a Participant under this Plan shall become a Participant on his or her Individual Freeze Date.

“Individual Freeze Date” means the December 31 of the Plan Year as of which a Grandfathered Participant’ s benefit in the Retirement Plan is frozen pursuant to Article IV, Section 1, paragraph C of Part III of the Retirement Plan.

“Retirement Plan” means the Retirement Plan of Citibank N.A. and Affiliates, and any plan into which the Retirement Plan of Citibank N.A. and Affiliates was merged or subsequently merged, including but not limited to, effective as of January 1, 2000, the Citigroup Pension Plan, as such plans are in effect from time to time.

2. Effective December 31, 2012, Paragraph 2 shall be amended to read as follows:

(a) As long as the Retirement Plan shall remain in effect, there shall be paid under this Plan to the Participant (or to the spouse or beneficiary of a Participant, as the case may be) such amounts of Normal Retirement Income, Early Retirement Income, Disability Retirement Income, Survivorship Retirement Income, Additional Early Retirement Benefit, Additional Disability Retirement Benefit, or any other benefits, including benefits distributed upon termination of the Retirement Plan, as would have been paid to such Participant (or the spouse or beneficiary of the Participant) under the Retirement Plan without regard to the limitation on benefits imposed by Section 415 of the Internal Revenue Code of 1986, as amended (the "Code") and the limitation on compensation imposed by Section 401(a)(17) of the Code.

The benefit so computed shall be reduced by the actual benefits payable to or with respect to the Participant under the Retirement Plan and the Supplemental ERISA Excess Plan of Citibank, N.A. and Affiliates.

(b) With respect to a Frozen Grandfathered Participant, in addition to the benefit payable to such individual under paragraph 2(a), if any, which is attributable to benefits accrued under the Retirement Plan on or before his or her Individual Freeze Date, there shall be paid to a Frozen Grandfathered Participant (or to the spouse or beneficiary of such Frozen Grandfathered Participant) the benefit, including Normal Retirement Income, Early Retirement Income, Disability Retirement Income, Survivorship Retirement Income, Additional Early Retirement Benefit, Additional Disability Retirement Benefit, or any other benefits, including benefits distributed upon termination of the Retirement Plan, that would have accrued under the final average pay formula in Section 1 of Article IV of Part III of the Retirement Plan with respect to such Frozen Grandfathered Participant subsequent to his or her Individual Freeze Date had such individual not become a Frozen Grandfathered Participant, calculated without regard to the limitation on benefits imposed by Section 415 of the Code and the limitations on compensation imposed by Section 401(a)(17) of the Code.
For avoidance of doubt, no benefit shall be paid under this paragraph 2(b) that is duplicative of any benefit paid or payable elsewhere in this Plan or under the Retirement Plan.

(c) No Non-Grandfathered Participant may first become a Participant (or again become an active Participant through a rehire) after December 31, 2008. The Plan shall remain open to new entrants who are Grandfathered Participants; provided, however, that Grandfathered Participants who are rehired shall not become Grandfathered Participants for periods after their rehire.

Exhibit 10.10.2

AIRCRAFT TIME SHARING AGREEMENT

THIS AIRCRAFT TIME SHARING AGREEMENT (the "***Agreement***") is made and entered into as of this 19th day of December, 2012 by and between **Citiflight, Inc.**, a corporation existing under the laws of the State of Delaware ("***Operator***"), and **Michael L. Corbat**, an individual ("***Lessee***"), who together are sometimes also referred to herein individually as a "***Party***" or collectively as the "***Parties***."

WITNESSETH:

WHEREAS, Operator has possession and ownership of the aircraft described in Section 20 of this agreement (individually and collectively, the "Aircraft");

WHEREAS, Operator desires to lease from time-to-time the Aircraft to Lessee for Lessee's use on a time sharing basis in accordance with 91.501 of the FAA' s federal aviation regulations, 14 C.F.R. Parts 1-199 as amended (the "***FARs***");

WHEREAS, Operator employs fully qualified flight crews to operate the Aircraft on such basis; and

WHEREAS, subject to the terms and conditions herein, Lessee desires to lease Operator' s Aircraft with flight crew supplied by Operator on a time sharing basis;

NOW THEREFORE, in consideration of the mutual covenants herein set forth, the Parties agree as follows:

Section 1 ***Provision of Program Aircraft.*** Operator agrees to lease the Aircraft to Lessee on a time sharing basis in accordance with the provisions of Sections 91.501(b)(6), 91.501(c)(1) and 91.501(d) of the FARs and solely at Operator's discretion, including, without limitation, Operator's determination of Aircraft availability according to Section 5 hereof, for the period commencing on the date of execution hereof and terminating on the earlier of (1) the first anniversary hereof; (2) the date the Parties elect to terminate this Agreement as hereinafter provided; or (3) a final determination that there has been a total loss of all of the Aircraft (the "***Term***"); provided, however, that this Agreement shall be extended automatically on a year to year basis following the first (1st) anniversary hereof; either Party shall have the right and option to cancel this Agreement at any time upon thirty (30) days prior written notice to the other Party for any reason or for no reason and this Agreement shall automatically terminate on the date that Lessee ceases to be employed by Operator or any of its affiliated companies, whether as a result of resignation, retirement, death or other termination, provided, however, that the Term shall be extended to permit the Lessee or Lessee' s invitees to complete any previously scheduled return flight for which the initial flight was begun during the Term.

Section 2 ***Reimbursement of Expenses.*** For each flight conducted under this Agreement, Lessee shall pay Operator an amount (as determined by Operator) equal to the sum of the expenses of operating such flight that is permitted by FAR 91.501(d), *i.e.* an amount not to exceed the sum of the expenses set forth in subparagraphs (a)-(j) below for each such flight:

(a) Fuel, oil, lubricants, and other additives;

(b) Travel expenses of the crew, including food, lodging, and ground transportation;

(c) Hangar and tie-down costs away from the Program Aircraft' s base of operation;

(d) Insurance obtained for the specific flight;

(e) Landing fees, airport taxes, and similar assessments;

(f) Customs, foreign permit, and similar fees directly related to the flight;

(g) In-flight food and beverages;

(h) Passenger ground transportation;

(i) Flight planning and weather contract services; and

(j) An additional charge equal to one hundred percent (100%) of the expenses listed in subparagraph (a) above.

Section 3 ***Invoicing and Payment.*** All payments to be made to Operator by Lessee hereunder (regardless of the manner in which such payments are calculated pursuant to Section 2 above) shall be limited to the categories of costs identified in Items (a) through (j) of Section 2 above. Operator will pay all expenses related to the operations of the Aircraft hereunder (including all those listed in clauses (a) through (i) of Section 2 above) in the ordinary course of operator' s business. Operator shall provide to Lessee an invoice for the appropriate amount to be charged as specified in Section 2 above for each flight Lessee and his guests have taken under this Agreement (plus domestic or international air transportation excise taxes, as applicable, imposed on Lessee and his guests by the Internal Revenue Code for collection by Operator) (the "***Time Sharing Invoice***"). Operator shall issue the Time Sharing Invoice within fifteen (15) days after the completion of said flight or flights. Lessee shall pay Operator the full amount of such Time Sharing Invoice within thirty (30) days of the date of that invoice.

Section 4 ***Flight Requests.*** Lessee will provide Operator with flight requests and proposed flight schedules as far in advance as possible, and in any case at least twenty-four (24) hours in advance of Lessee's desired departure, and Operator shall in turn coordinate said flight requests. Flight requests shall be in a form, whether oral or written, mutually convenient to and agreed upon by the Parties. In addition to proposed schedules and departure times, Lessee shall provide at least the following information for each proposed flight reasonably in advance of the desired departure time as required by Operator or its flight crew:

(a) departure point;

(b) destination;

(c) date and time of flight;

(d) number and identity of anticipated passengers;

(e) nature and extent of luggage and/or cargo to be carried;

(f) date and time of return flight, if any; and

(g) any other information concerning the proposed flight that may be pertinent to or required by Operator or its flight crew.

Section 5 ***Aircraft Scheduling.*** As between Operator and Lessee, Operator shall have final authority and discretion over all scheduling of the Aircraft, and Operator shall, at no time, be under any obligation to provide the Aircraft to Lessee for a particular flight or series of flights.

Section 6 ***Aircraft Maintenance.*** As between Operator and Lessee, Operator shall be solely responsible for securing scheduled and unscheduled maintenance, preventive maintenance, and required or otherwise necessary inspections of the Aircraft, and shall take such requirements into account in scheduling the Aircraft. Performance of maintenance, preventive maintenance or inspection shall not be delayed or postponed for the purpose of scheduling the Aircraft unless, in the sole discretion of Operator and the pilot-in-command, such maintenance or inspection can safely be conducted at a later time in compliance with applicable laws, regulations and requirements.

Section 7 ***Flight Crew.*** Operator shall employ, pay for and provide a qualified flight crew for all flight operations under this Agreement.

Section 8 ***Operational Authority and Control.*** **Operator shall be responsible for the physical and technical operation of the Aircraft and the safe performance of all flights, and shall retain full authority and control, including exclusive operational control, and possession of the Aircraft at all times at which the Aircraft is being operated on behalf of Lessee pursuant to this Agreement.** In accordance with applicable FARs, the qualified flight crew provided by Operator will exercise all required and/or appropriate duties and responsibilities in regard to the safety of each flight conducted hereunder. The pilot-in-command shall have absolute discretion in all matters concerning the preparation of the Aircraft for flight and the flight itself, the load carried and its distribution, the decision whether or not a flight shall be undertaken, the route to be flown, the place where landings shall be made, and all other matters relating to operation of the Aircraft. Lessee specifically agrees that the flight crew shall have final and complete authority to delay or cancel any flight for any reason or condition which in the sole judgment of the pilot-in-command could compromise the safety of the flight, and to take any other action which in the sole judgment of the pilot-in-command is necessitated by considerations of safety. No such action of the pilot-in-command shall create or support any liability to Lessee or any other person for loss, injury, damage or delay. The Parties further agree that Operator shall not be liable for delay or failure to furnish the Aircraft and crew pursuant to this Agreement for any reason or no reason including, without limitation, circumstances when such failure is caused by government regulation or authority, mechanical difficulty or breakdown, war, civil commotion, strikes or labor disputes, weather conditions, acts of God, or other circumstances within or beyond Operator' s reasonable control.

Section 9 ***Insurance.***

Section 9.1 ***Basic Insurance.*** Operator will maintain or cause to be maintained in full force and effect throughout the term of this Agreement aircraft liability insurance with respect to the Aircraft, naming Lessee as an additional insured, in an amount at least equal to $300,000,000 combined single limit for bodily injury to or death of persons (including passengers) and property damage liability.

Section 9.2 ***Additional Insurance.*** Operator shall use reasonable efforts to procure such additional insurance coverage as Lessee may reasonably request naming Lessee as an additional insured; provided that the additional premium for such insurance is invoiced on a flight-by-flight basis and paid for by Lessee.

Section 10 ***Tax Indemnity; FET.*** Lessee agrees to pay when due and assume liability for, and indemnify and hold harmless Operator concerning all claims of any kind whatsoever asserted by any person in the nature of, taxes which are incurred by Lessee (or his guests) through his (or their) use of the Aircraft under this Agreement. Operator agrees to collect and remit for the benefit of Lessee any "federal excise tax" or "***FET***" imposed under IRC §4261 resulting from Lessee' s (or his guests') use of the Aircraft under this Agreement; provided, however, that such agreement shall in no way relieve Lessee of his duty to indemnify Operator for any and all taxes as described in the sentence immediately above.

Section 11 ***Warranties.*** Lessee warrants that:

Section 11.1 ***No Commercial Use.*** Lessee will use the Aircraft under this Agreement for, and only for, his own account, including the carriage of his guests, and will not use the Aircraft for purposes of providing transportation of passengers or cargo in air commerce for compensation or hire as a commercial operator or air carrier.

Section 11.2 ***No Liens.*** Lessee will not permit any lien, security interest or other charge or encumbrance to attach against the Aircraft as a result of his action or inaction, and shall not convey, mortgage, assign, lease or in any way alienate the Aircraft or Operator's rights hereunder.

Section 11.3 ***Laws.*** During the term of this Agreement, Lessee will abide by and conform to all laws, orders, rules, and regulations as shall from time to time be in effect relating in any way to the operation or use of the Aircraft under a time sharing arrangement.

Section 12 ***Notices and Communications.*** All notices and other communications under this Agreement shall be in writing (except as permitted in Section 4) and shall be given (and shall be deemed to have been duly given upon receipt or refusal to accept receipt) by personal delivery, by telefax (with a simultaneous confirmation copy sent by first class mail properly addressed and postage prepaid), or by a reputable overnight courier service, addressed as follows:

If to Operator:

Citiflight, Inc.
Hangar E-2 79 Tower Road, White Plains,
New York, 10604
Attn: Alan H. Goldstein
Telephone:
Facsimile:

If to Lessee:

Michael L. Corbat
C/O Citigroup Inc.
399 Park Avenue
New York, NY 10022
Telephone:
Facsimile:

or to such other person or address as either Party may from time to time designate in writing to the other Party.

Section 13 ***Further Acts.*** Operator and Lessee shall from time to time perform such other and further acts and execute such other and further instruments as may be required by law or may be reasonably necessary (i) to carry out the intent and purpose of this Agreement, and (ii) to establish, maintain and protect the respective rights and remedies of the Parties.

Section 14 ***Successors and Assigns.*** Neither this Agreement nor any Party's interest herein shall be assignable to any other party. This Agreement shall inure to the benefit of and be binding upon the Parties, their heirs, representatives and successors.

Section 15 ***Governing Law.*** This Agreement shall be governed by and construed in accordance with the laws of New York.

Section 16 ***Severability.*** If any provision of this Agreement is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining provisions shall not be affected or impaired.

Section 17 ***Counterparts.*** This Agreement may be executed in any number of counterparts and via facsimile, and each counterpart shall for all purposes be deemed to be an original.

Section 18 ***Amendment or Modification.*** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and is not intended to confer upon any person or entity any rights or remedies hereunder which are not expressly granted herein. This Agreement may be amended or modified only in writing duly executed by the Parties hereto.

Section 19 ***TRUTH IN LEASING STATEMENT PURSUANT TO SECTION 91.23 OF THE FEDERAL AVIATION REGULATIONS:***

(a) OPERATOR CERTIFIES THAT THE AIRCRAFT HAS BEEN INSPECTED AND MAINTAINED WITHIN THE 12-MONTH PERIOD PRECEDING THE DATE OF THIS AGREEMENT IN ACCORDANCE WITH THE PROVISIONS OF PART 91 OF THE FEDERAL AVIATION REGULATIONS, EXCEPT TO THE EXTENT THE AIRCRAFT IS LESS THAN 12 MONTHS OLD, AND THAT ALL APPLICABLE REQUIREMENTS FOR THE AIRCRAFT'S MAINTENANCE AND INSPECTION THEREUNDER HAVE BEEN MET AND ARE VALID FOR THE OPERATIONS TO BE CONDUCTED UNDER THIS AGREEMENT.

(b) OPERATOR AGREES, CERTIFIES AND ACKNOWLEDGES THAT WHENEVER THE AIRCRAFT IS OPERATED UNDER THIS AGREEMENT, OPERATOR SHALL BE KNOWN AS, CONSIDERED, AND SHALL IN FACT BE THE OPERATOR OF THE AIRCRAFT, AND THAT OPERATOR UNDERSTANDS ITS RESPONSIBILITIES FOR COMPLIANCE WITH THE APPLICABLE FEDERAL AVIATION REGULATIONS.

(c) THE PARTIES UNDERSTAND THAT AN EXPLANATION OF FACTORS AND PERTINENT FEDERAL AVIATION REGULATIONS BEARING ON OPERATIONAL CONTROL CAN BE OBTAINED FROM THE NEAREST FAA FLIGHT STANDARDS DISTRICT OFFICE. OPERATOR FURTHER CERTIFIES THAT IT WILL SEND, OR CAUSE TO BE SENT, A TRUE COPY OF THIS AGREEMENT TO: FEDERAL AVIATION ADMINISTRATION, AIRCRAFT REGISTRATION BRANCH, ATTN. TECHNICAL SECTION (AVN-450), P.O. BOX 25724, OKLAHOMA CITY, OKLAHOMA 73125, WITHIN 24 HOURS AFTER ITS EXECUTION, AS REQUIRED BY SECTION 91.23(c)(1) OF THE FEDERAL AVIATION REGULATIONS.

Section 20 Description of Aircraft

Type of Aircraft	US Registration Number	Manufacturer' s Serial Number
Bombardier Global Express		
Bombardier Global Express		
Dassault Falcon 900EX		
Sikorsky S-76C		

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed on the day and year first above written. The persons signing below warrant their authority to sign.

OPERATOR

By: /s/ Alan H. Goldstein
Name: Alan H. Goldstein
Title: President

By: /s/ James Moore
Name: James Moore
Title: Senior Vice President

LESSEE

By: /s/ Michael L. Corbat
Name: Michael L. Corbat

Exhibit 10.18.4

Michael L. Corbat
Chief Executive Officer

Citigroup Inc.
399 Park Avenue
New York, NY 10022

December 14, 2012
Dr. Robert L. Joss
84 Euclid Avenue
Atherton, CA 94027

Re: Consulting Agreement Renewal

Dear Bob:

This letter sets forth our mutual understanding that the Consulting Agreement dated April 5, 2010, as amended as of October 28, 2010 and January 1, 2012, between you and Citigroup Inc. (the "Consulting Agreement") shall continue in effect on the same terms and conditions from January 1, 2013 through December 31, 2013 with one additional change. In a modification of paragraph 1 of the Consulting Agreement, you agree to provide consulting advice to Citi from time to time on projects as agreed by you and me.

If this arrangement is acceptable to you, please sign and return one copy of this letter to me.

Citigroup Inc.

By: /s/ Michael L. Corbat
Michael L. Corbat
Chief Executive Officer

By: /s/ Robert L. Joss
Dr. Robert L. Joss

Exhibit 10.28

CITIGROUP
2009 STOCK INCENTIVE PLAN
(as amended and restated effective January 1, 2013)

1. Purpose

The purposes of the Citigroup 2009 Stock Incentive Plan (the "Plan") are to (i) align Employees' long-term financial interests with those of the Company' s stockholders; (ii) attract and retain Employees by providing compensation opportunities that are competitive with other companies; and (iii) provide incentives to those Employees who contribute significantly to the long-term performance and growth of the Company and its Subsidiaries.

2. Effective Date; Subsequent Amendments

The Plan became effective upon approval by the stockholders of the Company on April 21, 2009. The Plan was subsequently amended and restated upon approval by stockholders of the Company on April 20, 2010, on April 21, 2011, and on April 17, 2012, and was further amended effective January 1, 2013. Except as provided otherwise below, all share numbers in this restated and amended Plan text have been adjusted to reflect the 1-for-10 reverse stock split of the Common Stock that was effective May 6, 2011.

3. Definitions

"**Award**" shall mean an Option, SAR or other form of Stock Award granted under the Plan.

"**Award Agreement**" shall mean the paper or electronic document evidencing an Award granted under the Plan.

"**Board**" shall mean the Board of Directors of the Company.

"**Change of Control**" shall have the meaning set forth in Section 13.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended, including any rules and regulations promulgated thereunder.

"**Committee**" shall mean the Personnel and Compensation Committee of the Board, the members of which shall satisfy the requirements of Rule 16b-3 of the 1934 Act and who shall also qualify, and remain qualified, as "outside directors," as defined in Section 162(m) of the Code.

"**Common Stock**" shall mean the common stock of the Company, par value $.01 per share.

"**Company**" shall mean Citigroup Inc., a Delaware corporation.

“**Covered Employee**” shall mean “covered employee” as such term is defined in Section 162(m) of the Code.

“**Deferred Stock**” shall mean an Award payable in shares of Common Stock at the end of a specified deferral period that is subject to the terms, conditions and limitations described or referred to in Section 7(c)(iv) and Section 7(d).

“**Employee**” shall have the meaning set forth in General Instruction A to the Registration Statement on Form S-8 promulgated under the Securities Act of 1933, as amended, or any successor form or statute, as determined by the Committee.

“**Fair Market Value**” shall mean, in the case of a grant of an Option or a SAR, the closing price of a share of Common Stock on the New York Stock Exchange, or on any national securities exchange on which the shares of Common Stock are then listed, on the trading date immediately preceding the date on which the Option or the SAR was granted, or on the date on which the Option or a SAR was granted, in the case of a grant to a Section 16(a) Officer (as defined).

“**ISO**” shall mean an incentive stock option as defined in Section 422 of the Code.

“**Nonqualified Stock Option**” shall mean an Option that is granted to a Participant that is not designated as an ISO.

“**Option**” shall mean the right to purchase a specified number of shares of Common Stock at a stated exercise price for a specified period of time subject to the terms, conditions and limitations described or referred to in Section 7(a) and Section 7(d). The term “Option” as used in this Plan includes the terms “Nonqualified Stock Option” and “ISO.”

“**Participant**” shall mean an Employee who has been granted an Award under the Plan.

“**Plan Administrator**” shall have the meaning set forth in Section 10.

“**Prior Plans**” shall mean the Citigroup 1999 Stock Incentive Plan, the Citicorp 1997 Stock Incentive Plan, the Travelers Group Capital Accumulation Plan, and the Citigroup Employee Incentive Plan (formerly the Travelers Group Employee Incentive Plan).

“**Restricted Stock**” shall mean an Award of Common Stock that is subject to the terms, conditions, restrictions and limitations described or referred to in Section 7(c)(iii) and Section 7(d).

“**SAR**” shall mean a stock appreciation right that is subject to the terms, conditions, restrictions and limitations described or referred to in Section 7(b) and Section 7(d).

“**Section 16(a) Officer**” shall mean an Employee who is subject to the reporting requirements of Section 16(a) of the 1934 Act.

“**Separation from Service**” shall have the meaning set forth in Section 1.409A-1(h) of the Treasury Regulations.

“**Specified Employee**” shall have the meaning set forth in Section 409A of the Code.

“**Stock Award**” shall have the meaning set forth in Section 7(c)(i).

“**Stock Payment**” shall mean a stock payment that is subject to the terms, conditions, and limitations described or referred to in Section 7(c)(ii) and Section 7(d).

“**Stock Unit**” shall mean a stock unit that is subject to the terms, conditions and limitations described or referred to in Section 7(c)(v) and Section 7(d).

“**Subsidiary**” shall mean any entity that is directly or indirectly controlled by the Company or any entity, including an acquired entity, in which the Company has a significant equity interest, as determined by the Committee in its sole discretion, provided that with respect to any Award that is subject to Section 409A of the Code, “**Subsidiary**” shall mean a corporation or other entity in a chain of corporations or other entities in which each corporation or other entity, starting with the Company, has a controlling interest in another corporation or other entity in the chain, ending with such corporation or other entity. For purposes of the preceding sentence, the term “controlling interest” has the same meaning as provided in Section 1.414(c)-2(b)(2)(i) of the Treasury Regulations, provided that the language “at least 50 percent” is used instead of “at least 80 percent” each place it appears in Section 1.414(c)-2(b)(2)(i) of the Treasury Regulations. Notwithstanding the foregoing, for the purpose of determining whether a corporation or other entity is a Subsidiary for purposes of Section 5(a) hereof, if the Awards proposed to be granted to Employees of such corporation or other entity would be granted based upon legitimate business criteria, the term “controlling interest” has the same meaning as provided in Section 1.414(c)-2(b)(2)(i) of the Treasury Regulations, provided that the language “at least 20 percent” is used instead of “at least 80 percent” each place it appears in Code Section 1.414(c)-2(b)(2)(i). For purposes of determining ownership of an interest in an organization, the rules of Sections 1.414(c)-3 and 1.414(c)-4 of the Treasury Regulations apply.

“**Treasury Regulations**” shall mean the regulations promulgated under the Code by the United States Internal Revenue Service, as amended.

“**1934 Act**” shall mean the Securities Exchange Act of 1934, as amended, including the rules and regulations promulgated thereunder and any successor thereto.

4. The Committee

(a) ***Committee Authority.*** The Committee shall have full and exclusive power to administer and interpret the Plan, to grant Awards and to adopt such administrative rules, regulations, procedures and guidelines governing the Plan and the Awards as it deems appropriate, in its sole discretion, from time to time. The Committee' s authority shall include, but not be limited to, the authority to (i) determine the type of Awards to be granted under the Plan; (ii) select Award recipients and determine the extent of their participation; and (iii) establish all other terms, conditions, and limitations applicable to Awards, Award programs and the shares of Common Stock issued pursuant thereto. The Committee may accelerate or defer the vesting or payment of Awards, cancel or modify outstanding Awards, waive any conditions or restrictions imposed with respect to Awards or the Common Stock issued pursuant to Awards and make any and all other determinations that it deems appropriate with respect to the administration of the Plan, subject to the limitations contained in Section 21.

(b) ***Administration of the Plan***. The administration of the Plan shall be managed by the Committee. The Committee shall have the power to prescribe and modify, as necessary, the form of Award Agreement, to correct any defect, supply any omission or clarify any inconsistency in the Plan and/or in any Award Agreement and to take such actions and make such administrative determinations that the Committee deems appropriate in its sole discretion. Any decision of the Committee in the administration of the Plan, as described herein, shall be final, binding and conclusive on all parties concerned, including the Company, its stockholders and Subsidiaries and all Participants.

(c) ***Delegation of Authority***. To the extent permitted by applicable law, the Committee may at any time delegate to one or more officers or directors of the Company some or all of its authority over the administration of the Plan, with respect to persons who are not Section 16(a) Officers or Covered Employees.

(d) ***Prohibition Against Repricing.*** Notwithstanding any provision of the Plan to the contrary, in no event shall (i) any repricing (within the meaning of U.S. generally accepted accounting principles or any applicable stock exchange rule) of Awards issued under the Plan be permitted at any time under any circumstances, or (ii) any new Awards be issued in substitution for outstanding Awards previously granted to Participants if such action would be considered a repricing (within the meaning of U.S. generally accepted accounting principles or any applicable stock exchange rule).

(e) ***Indemnification.*** No member of the Committee nor any other person to whom any duty or power relating to the administration or interpretation of the Plan has been delegated shall be personally liable for any action or determination made with respect to the Plan, except for his or her own willful misconduct or as expressly provided by statute. The members of the Committee and its delegates, including any employee with responsibilities relating to the administration of the Plan, shall be entitled to indemnification and reimbursement from the Company, to the extent permitted by applicable law and the By-laws and policies of the Company. In the performance of its functions under the Plan, the Committee (and each member of the Committee and its delegates) shall be entitled to rely upon information and advice furnished by the Company' s officers, accountants, counsel and any other party they deem appropriate, and neither the Committee nor any such person shall be liable for any action taken or not taken in reliance upon any such advice.

5. Participation

(a) ***Eligible Employees.*** Subject to Section 7(a)(i), the Committee shall determine which Employees shall be eligible to receive Awards under the Plan. With respect to Employees subject to U.S. income tax, Options and SARs shall only be granted to such Employees who provide direct services to the Company or a Subsidiary of the Company as of the date of grant of the Option or SAR.

(b) ***Participation by Subsidiaries.*** Employees of Subsidiaries may participate in the Plan upon approval of Awards to such Employees by the Committee. A Subsidiary' s participation in the Plan may be conditioned upon the Subsidiary' s agreement to reimburse the Company for costs and expenses of such participation, as determined by the Company. The Committee may terminate the Subsidiary' s participation in the Plan at any time and for any reason. If a Subsidiary' s participation in the Plan shall terminate, such termination shall not relieve it of any obligations theretofore incurred by it under the Plan, except with the approval of the Committee, and the Committee shall determine, in its sole discretion, the extent to which Employees of the Subsidiary may continue to participate in the Plan with respect to previously granted Awards. Unless the Committee determines otherwise, a Subsidiary' s participation in the plan shall terminate upon the occurrence of any event that results in such entity no longer constituting a Subsidiary as defined herein; provided, however, that such termination shall not relieve such Subsidiary of any of its obligations to the Company theretofore incurred by it under the Plan, except with the approval of the Committee. Notwithstanding the foregoing, unless otherwise specified by the Committee, upon any such Subsidiary ceasing to be a Subsidiary as defined herein, the Employees and Participants employed by such Subsidiary shall be deemed to have terminated employment for purposes of the Plan. With respect to Awards subject to Section 409A of the Code, for purposes of determining whether a distribution is due to a Participant, such Participant' s employment shall be deemed terminated as described in the preceding sentence only if the Committee determines that a Separation from Service has occurred.

(c) ***Participation outside of the United States***. In order to facilitate the granting of Awards to Employees who are foreign nationals or who are employed outside of the U.S., the Committee may provide for such special terms and conditions, including, without limitation, substitutes for Awards, as the Committee may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. The Committee may approve any supplements to, or amendments, restatements or alternative versions of, this Plan as it may consider necessary or appropriate for the purposes of this Section 5(c) without thereby affecting the terms of this Plan as in effect for any other purpose, and the Secretary, or any Assistant Secretary or other appropriate officer of the Company, may certify any such documents as having been approved and adopted pursuant to properly delegated authority; provided, that no such supplements, amendments, restatements or alternative versions shall include any provisions that are inconsistent with the intent and purpose of this Plan, as then in effect; and further provided that any such action taken with respect to a Covered Employee shall be taken in compliance with Section 162(m) of the Code and that any such action taken with respect to an Employee who is subject to Section 409A of the Code shall be taken in compliance with Section 409A of the Code.

6. Available Shares of Common Stock

(a) ***Shares Subject to the Plan.*** Common Stock issued pursuant to Awards granted under the Plan may be shares that have been authorized but unissued, or have been previously issued and reacquired by the Company, or both. Reacquired shares may consist of shares purchased in open market transactions or otherwise. Pursuant to and subject to the other provisions of this Section 6, effective September 10, 2009, the aggregate number of shares of Common Stock remaining available for issuance from the initial authorization of twenty-five million (25,000,000) shares was adjusted such that the maximum number of shares of Common Stock that may be issued to Participants pursuant to Awards granted under the Plan from such date shall not exceed one-hundred-and-three million, two-hundred-and-eighty-one thousand, two hundred and eighteen (103,281,218) shares of Common Stock. Effective April 20, 2010, pursuant to amendments to the Plan approved by stockholders of the Company, (i) an additional eighty million (80,000,000) shares of Common Stock were authorized for issuance to Participants pursuant to Awards granted under the Plan, and (ii) additional shares of Common Stock totaling thirty-four million, six-hundred-and-twenty-three thousand, four hundred and fifty-three (34,623,453) were authorized for issuance as Stock Payments in settlement of "common stock equivalent" awards granted to Employees on January 19, 2009. Effective April 21, 2011, pursuant to an amendment to the Plan approved by stockholders of the Company, an additional forty million (40,000,000) shares of Common Stock were authorized for issuance to Participants pursuant to Awards granted under the Plan. Effective April 17, 2012, pursuant to an amendment to the Plan approved by stockholders of the Company, an additional forty million (40,000,000) shares of Common Stock were authorized for issuance to Participants pursuant to Awards granted under the Plan. For purposes of determining the number of shares of Common Stock remaining available for issuance to Participants pursuant to Awards granted under the Plan, each share of Common Stock subject to an Award granted pursuant to Section 7(a) or (b) on or before April 19, 2010, was counted as 2.3 shares of Common Stock (on a pre-split basis).

(b) ***Forfeited and Expired Awards.*** Awards made under the Plan which, at any time, are forfeited, expire or are canceled or settled without issuance of shares shall not count towards the maximum number of shares that may be issued under the Plan as set forth in Section 6(a) and shall be available for future Awards under the Plan. Notwithstanding the foregoing, any and all shares of Common Stock that are (i) tendered in payment of an Option exercise price (whether by attestation or by other means); (ii) withheld by the Company to satisfy any tax withholding obligation; (iii) repurchased by the Company with Option exercise proceeds; or (iv) covered by an SAR (to the extent that it is exercised and settled in shares of Common Stock, without regard to the number of shares of Stock that are actually issued to the Participant upon exercise) shall be considered issued pursuant to the Plan and shall not be added to the maximum number of shares that may be issued under the Plan as set forth in Section 6(a).

(c) ***Other Items Not Included in Allocation.*** The maximum number of shares that may be issued under the Plan as set forth in Section 6(a) shall not be affected by (i) the payment in cash of dividends or dividend equivalents in connection with outstanding Awards; (ii) the granting or payment of stock-denominated Awards that by their terms may be settled only in cash; or (iii) Awards that are granted in connection with a transaction between the Company or a Subsidiary and another entity or business in substitution or exchange for, or conversion adjustment, assumption or replacement of, awards previously granted by such other entity to any individuals who have become Employees as a result of such transaction.

(d) ***Other Limitations on Shares that May be Granted under the Plan.*** Subject to Section 6(e), the aggregate number of shares of Common Stock that may be granted to any single individual during a calendar year in the form of Options, SARs, and/or Stock Awards shall not exceed two million, sixty-five thousand, six hundred and twenty-four (2,065,624).

(e) ***Adjustments.*** In the event of any change in the Company' s capital structure, including but not limited to a change in the number of shares of Common Stock outstanding, on account of (i) any stock dividend, stock split, reverse stock split or any similar equity restructuring, or (ii) any combination or exchange of equity securities (including, without limitation, the exchange of preferred securities owned by the United States government for Common Stock, which transactions were consummated on July 29, 2009 and September 10, 2009), merger, consolidation, recapitalization, reorganization, or divesture or any other similar event affecting the Company' s capital structure, to reflect such change in the Company' s capital structure, the Committee shall make appropriate equitable adjustments to the maximum number of shares of Common Stock that may be issued under the Plan as set forth in Section 6(a) and (but only to the extent permitted under Section 162(m) of the Code) to the maximum number of shares that may be granted to any single individual pursuant to Section 6(d). In the event of any extraordinary dividend, divestiture or other distribution (other than ordinary cash dividends) of assets to stockholders, or any transaction or event described above, to the extent necessary to prevent the enlargement or diminution of the rights of Participants, the Committee shall make appropriate equitable adjustments to the number or kind of shares subject to an outstanding Award, the exercise price applicable to an outstanding Award (subject to the limitation contained in Section 4(d)), and/or any measure of performance that relates to an outstanding Award. Any adjustment to ISOs under this Section 6(e) shall be made only to the extent not constituting a "modification" within the meaning of Section 424(h)(3) of the Code, and any adjustments under this Section 6(e) shall be made in a manner that does not adversely affect the exemption provided pursuant to Rule 16b-3 under the 1934 Act. With respect to Awards subject to Section 409A of the Code, any adjustments under this Section 6(e) shall conform to the requirements of Section 409A of the Code. The Company shall give each Participant notice of an adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes. Notwithstanding the foregoing, the Committee may, in its discretion, decline to adjust any Award made to a Participant, if it determines that such adjustment would violate applicable law or result in adverse tax consequences to the Participant or to the Company.

7. Awards Under the Plan

Awards under the Plan may be granted as Options, SARs or Stock Awards, as described below. Awards may be granted singly, in combination or in tandem as determined by the Committee, in its sole discretion.

(a) **Options.** Options granted under the Plan may be Nonqualified Stock Options or ISOs or any other type of stock option permitted under the Code. Options shall expire after such period, not to exceed ten years, as may be determined by the Committee. If an Option is exercisable in installments, such installments or portions thereof that become exercisable shall remain exercisable until the Option expires or is otherwise canceled pursuant to its terms. Except as otherwise provided in Sections 7(a) and (d), Awards of Nonqualified Stock Options shall be subject to the terms, conditions, restrictions, and limitations determined by the Committee, in its sole discretion, from time to time.

(i) ***ISOs.*** The terms and conditions of any ISOs granted hereunder shall be subject to the provisions of Section 422 of the Code, and except as provided in Section 7(d), the terms, conditions, limitations and administrative procedures established by the Committee from time to time in accordance with the Plan. At the discretion of the Committee, ISOs may be granted to any employee of the Company, its parent or any subsidiary of the Company, as such terms are defined in Sections 424(e) and (f) of the Code.

(ii) ***Reload Options.*** Except as provided in this Section 7(a)(ii), no Reload Options (as defined below) shall be granted under the Plan. With respect to the exercise of (A) any Option granted under a Prior Plan (an "Original Option") pursuant to the terms of which a Participant tenders shares of Common Stock to pay the exercise price and arranges to have a portion of the shares otherwise issuable upon exercise withheld to pay the applicable withholding taxes, and thereby becomes entitled (if all other applicable conditions have been satisfied) to receive a new Option covering a number of shares of Common Stock equal to the sum of the number of shares tendered to pay the exercise price and the number of shares used to pay the withholding taxes of the Original Option, at an exercise price equal to the Fair Market Value of a share of Common Stock on the exercise date of the Original Option, and which vests six months thereafter and expires no later than the expiration date of the underlying Original Option (a "Reload Option") or (B) any Reload Option granted as described above, the Participant may receive a new Reload Option. Reload Options will be granted only as provided above and subject to such terms, conditions, restrictions and limitations as provided by the terms of the underlying Original Option or Reload Option (including, but not limited to, eligibility to receive subsequent grants of Reload Options upon satisfaction of the conditions specified in the terms of the underlying Original Option or Reload Option), and subject to such modifications thereto as the Committee (if permitted), in its sole discretion, may from time to time deem appropriate; provided, however, that any such modification shall comply with Section 409A of the Code, to the extent applicable. A Reload Option may not otherwise be granted under the terms of the Plan. To the extent a Reload Option is granted in respect of an Original Option granted under the Plan or Prior Plan, shares issued in connection with such Reload Option shall count towards the maximum number of shares of Common Stock that may be issued to Participants pursuant to Awards granted under the Plan as set forth in Section 6(a) and any individual Participant pursuant to Section 6(d). A Reload Option granted hereunder shall not be subject to the minimum vesting requirements of Section 7(d).

(iii) ***Exercise Price.*** The Committee shall determine the exercise price per share for each Option, which shall not be less than 100% of the Fair Market Value at the time of grant.

(iv) ***Exercise of Options.*** Upon satisfaction of the applicable conditions relating to vesting and exercisablility, as determined by the Committee, and upon provision for the payment in full of the exercise price and applicable taxes due, the Participant shall be entitled to exercise the Option and receive the number of shares of Common Stock issuable in connection with the Option exercise. The shares issued in connection with the Option exercise may be subject to such conditions and restrictions as the Committee may determine, from time to time. The exercise price of an Option and applicable withholding taxes relating to an Option exercise may be paid by methods permitted by the Committee from time to time including, but not limited to, (1) a cash payment in U.S. dollars; (2) tendering (either actually or by attestation) shares of Common Stock owned by the Participant (for any minimum period of time that the Committee, in its discretion, may specify), valued at the fair market value at the time of exercise; (3) arranging to have the appropriate number of shares of Common Stock issuable upon the exercise of an Option withheld or sold; or (4) any combination of the above. Additionally, the Committee may provide that an Option may be "net exercised," meaning that upon the exercise of an Option or any portion thereof, the Company shall deliver the greatest number of whole shares of Common Stock having a fair market value on the date of exercise not in excess of the difference between (x) the aggregate fair market value of the shares of Common Stock subject to the Option (or the portion of such Option then being exercised) and (y) the aggregate exercise price for all such shares of Common Stock under the Option (or the portion thereof then being exercised) plus (to the extent it would not give rise to adverse accounting consequences pursuant to applicable accounting principles) the amount of withholding tax due upon exercise, with any fractional share that would result from such equation to be payable in cash, to the extent practicable, or cancelled.

(v) ***ISO Grants to 10% Stockholders.*** Notwithstanding anything to the contrary in this Section 7(a), if an ISO is granted to a Participant who owns stock representing more than 10 percent (10%) of the voting power of all classes of stock of the Company or of a subsidiary or parent, as such terms are defined in Section 424(e) and (f) of the Code, the term of the Option shall not exceed five years from the time of grant of such Option and the exercise price shall be at least 110 percent (110%) of the Fair Market Value (at the time of grant) of the Common Stock subject to the Option.

(vi) ***$100,000 Per Year Limitation for ISOs.*** To the extent the aggregate Fair Market Value (determined at the time of grant) of the Common Stock for which ISOs are exercisable for the first time by any Participant during any calendar year (under all plans of the Company) exceeds $100,000, such excess ISOs shall be treated as Nonqualified Stock Options.

(vii) ***Disqualifying Dispositions.*** Each Participant awarded an ISO under the Plan shall notify the Company in writing immediately after the date he or she makes a disqualifying disposition of any shares of Common Stock acquired pursuant to the exercise of such ISO. A disqualifying disposition is any disposition (including any sale) of such Common Stock before the later of (i) two years after the time of grant of the ISO or (ii) one year after the date the Participant acquired the shares of Common Stock by exercising the ISO. The Company may, if determined by the Committee and in accordance with procedures established by it, retain possession of any shares of Common Stock acquired pursuant to the exercise of an ISO as agent for the applicable Participant until the end of the period described in the preceding sentence, subject to complying with any instructions from such Participant as to the sale of such Stock.

(b) ***Stock Appreciation Rights.*** A SAR represents the right to receive a payment in cash, Common Stock, or a combination thereof, in an amount equal to the excess of the fair market value of a specified number of shares of Common Stock at the time the SAR is exercised over the exercise price of such SAR which shall be no less than 100% of the Fair Market Value of the same number of shares at the time the SAR was granted, except that if a SAR is granted retroactively in substitution for an Option, the exercise price of such SAR shall be the Fair Market Value at the time such Option was granted. Any such substitution of a SAR for an Option granted to a Covered Employee may only be made in compliance with the provisions of Section 162(m) of the Code. Except as otherwise provided in Section 7(d), Awards of SARs shall be subject to the terms, conditions, restrictions and limitations determined by the Committee, in its sole discretion, from time to time. A SAR may only be granted to Employees to whom an Option could be granted under the Plan.

(c) ***Stock Awards.***

(i) ***Form of Awards.*** The Committee may grant Awards ("Stock Awards") that are payable in shares of Common Stock or denominated in units equivalent in value to shares of Common Stock or are otherwise based on or related to shares of Common Stock, including, but not limited to, Awards of Restricted Stock, Deferred Stock and Stock Units. Except as otherwise provided in Section 7(d), Stock Awards shall be subject to such terms, conditions, restrictions and limitations as the Committee may determine to be applicable to such Stock Awards, in its sole discretion, from time to time.

(ii) ***Stock Payment.*** If not prohibited by applicable law and to the extent allowed by Section 7(d) of the Plan, the Committee may issue unrestricted shares of Common Stock, alone or in tandem with other Awards, in such amounts and subject to such terms and conditions as the Committee shall from time to time in its sole discretion determine; provided, however, that to the extent Section 409A of the Code is applicable to the grant of unrestricted shares of Common Stock that are issued in tandem with another Award, then such tandem Awards shall conform to the requirements of Section 409A of the Code. A Stock Payment under the Plan may be granted as, or in payment of, a bonus (including without limitation any compensation that is intended to qualify as performance-based compensation for purposes of Section 162(m) of the Code), or to provide incentives or recognize special achievements or contributions. Any shares of Common Stock used for such payment may be valued at a fair market value at the time of payment as determined by the Committee in its sole discretion. Notwithstanding anything to the contrary contained herein, the shares issued subject to Stock Payments granted in settlement of "common stock equivalent" awards dated January 19, 2010, shall not be subject to Section 7(d).

(iii) ***Restricted Stock.*** Except as otherwise provided in Section 7(d), Awards of Restricted Stock shall be subject to the terms, conditions, restrictions, and limitations determined by the Committee, in its sole discretion, from time to time. The number of shares of Restricted Stock allocable to an Award under the Plan shall be determined by the Committee in its sole discretion.

(iv) ***Deferred Stock***. Except as otherwise provided in Section 7(d) and subject to Section 409A of the Code to the extent applicable, Awards of Deferred Stock shall be subject to the terms, conditions, restrictions and limitations determined by the Committee, in its sole discretion, from time to time. A Participant who receives an Award of Deferred Stock shall be entitled to receive the number of shares of Common Stock allocable to his or her Award, as determined by the Committee in its sole discretion, from time to time, at the end of a specified deferral period determined by the Committee. Awards of Deferred Stock represent only an unfunded, unsecured promise to deliver shares in the future and do not give Participants any greater rights than those of an unsecured general creditor of the Company.

(v) ***Stock Units.*** A Stock Unit is an Award denominated in shares of Common Stock that may be settled either in shares of Common Stock or in cash, in the discretion of the Committee, and, except as otherwise provided in Section 7(d) and subject to Section 409A of the Code to the extent applicable, shall be subject to such other terms, conditions, restrictions and limitations determined by the Committee from time to time in its sole discretion.

(d) ***Minimum Vesting.*** Except for Awards referred to in Section 6(c)(ii) or (iii) and the last sentence of Section 7(c)(ii), or as provided in this Section 7(d), Section 7(a)(ii), and Section 13, Awards shall not vest in full prior to the third anniversary of the Award date; provided, however, that the Committee may, in its sole discretion, grant Awards that provide for accelerated vesting (i) on account of a Participant' s retirement, death, disability, leave of absence, termination of employment, the sale or other disposition of a Participant' s employer or any other similar event, and/or (ii) upon the achievement of performance criteria specified by the Committee, as provided in Section 7(e). Notwithstanding the foregoing, up to twenty percent (20%) of the shares of Common Stock reserved for issuance under the Plan pursuant to Section 6(a) may be granted subject to awards with such other vesting requirements, if any, as the Committee may establish in its sole discretion (which number of shares shall be subject to adjustment in accordance with Section 6(e) and which shall not include any shares subject to Awards referred to in Section 6(c)(ii) and (iii) and the last sentence of Section 7(c)(ii), or granted pursuant to Section 7(a)(ii), Section 7(e) or any other provision of this Section 7(d)).

(e) ***Performance Criteria.*** At the discretion of the Committee, Awards may be made subject to, or may vest on an accelerated basis upon, the achievement of performance criteria related to a period of performance of not less than one year, which may be established on a Company-wide basis or with respect to one or more business units or divisions or Subsidiaries and may be based upon the attainment of criteria as may be determined by the Committee. When establishing performance criteria for any performance period, the Committee may exclude any or all "extraordinary items" as determined under U.S. generally accepted accounting principles including, without limitation, the charges or costs associated with restructurings of the Company or any Subsidiary, discontinued operations, other unusual or non-recurring items, and the cumulative effects of accounting changes. The Committee, in its sole discretion, may establish or measure performance criteria based on International Financial Reporting Standards or other appropriate accounting principles then in general use and accepted for financial reports the Company is required to file with the United States Securities and Exchange Commission.

8. Forfeiture Provisions Following a Termination of Employment

Except where prohibited by applicable law, the Committee, in its discretion, may provide in any Award Agreement that, in any instance where the rights of a Participant with respect to an Award extend past the date of termination of a Participant's employment, all or some of such rights shall terminate and be forfeited or modified upon the occurrence or non-occurrence of any specified condition or event, including, but not limited to, the Participant, at any time subsequent to his or her termination of employment engaging, directly or indirectly, either personally or as an employee, agent, partner, stockholder, officer or director of, or consultant to, any entity or person engaged in any business in which the Company or its affiliates is engaged, in conduct that breaches any obligation or duty of such Participant to the Company or a Subsidiary or that is in material competition with the Company or a Subsidiary or is materially injurious to the Company or a Subsidiary, monetarily or otherwise, which conduct shall include, but not be limited to, (i) disclosing or misusing any confidential information pertaining to the Company or a Subsidiary; (ii) any attempt, directly or indirectly, to induce any employee, agent, insurance agent, insurance broker or broker-dealer of the Company or any Subsidiary to be employed or perform services elsewhere; (iii) any attempt by a Participant, directly or indirectly, to solicit the trade of any customer or supplier or prospective customer or supplier of the Company or any Subsidiary; or (iv) disparaging the Company, any Subsidiary or any of their respective officers or directors. The Committee shall have sole discretion to make the determination of whether any conduct, action or failure to act, or occurrence or non-occurrence of a specified event or condition has triggered the application of any provision included in an Award Agreement as contemplated by this Section 8. Notwithstanding the foregoing, unless specified otherwise in the applicable Award Agreement, a Participant shall not be deemed to be a stockholder of a competing entity if the Participant's record and beneficial ownership amount to not more than one percent (1%) of the outstanding capital stock of any company subject to the periodic and other reporting requirements of the 1934 Act. This Section 8 shall not be construed to in any way limit the applicability of Section 21(d) to any Award.

9. Dividends and Dividend Equivalents

The Committee may, in its sole discretion, provide that Stock Awards shall earn dividends or dividend equivalents. Such dividends or dividend equivalents may be paid currently or may be credited to an account maintained on the books of the Company. Any payment or crediting of dividends or dividend equivalents will be subject to such terms, conditions, restrictions and limitations as the Committee may establish, from time to time, in its sole discretion, including, without limitation, reinvestment in additional shares of Common Stock or common share equivalents; provided, however, if the payment or crediting of dividends or dividend equivalents is in respect of a Stock Award that is subject to Section 409A of the Code, then the payment or crediting of such dividends or dividend equivalents shall conform to the requirements of Section 409A of the Code and such requirements shall be specified in writing. Any shares purchased by or on behalf of Participants in a dividend reinvestment program established under the Plan shall not count towards the maximum number of shares that may be issued under the Plan as set forth in Section 6(a), provided that such shares are purchased in open-market transactions or are treasury shares purchased directly from the Company at fair market value at the time of purchase. Unless the Committee determines otherwise, Section 16(a) Officers may not participate in dividend reinvestment programs established under the Plan. Notwithstanding the foregoing, dividends or dividend equivalents may not be paid or accrue with respect to any shares of Common Stock subject to an Award pursuant to Section 7(e), unless and until the relevant performance criteria have been satisfied, and then only to the extent determined by the Committee, as specified in the Award Agreement.

10. Voting

The Committee shall determine whether a Participant shall have the right to direct the vote of shares of Common Stock allocated to a Stock Award. If the Committee determines that an Award shall carry voting rights, the shares allocated to such Award shall be voted by such person as the Committee may designate (the "Plan Administrator") in accordance with instructions received from Participants (unless to do so would constitute a violation of fiduciary duties or any applicable exchange rules). In such cases, shares subject to Awards as to which no instructions are received shall be voted by the Plan Administrator proportionately in accordance with instructions received with respect to all other Awards (including, for these purposes, outstanding awards granted under the Prior Plans or any other plan of the Company) that are eligible to vote (unless to do so would constitute a violation of fiduciary duties or any applicable exchange rules).

11. Payments and Deferrals

(a) Payment of vested Awards may be in the form of cash, Common Stock or combinations thereof as the Committee shall determine, subject to such terms, conditions, restrictions and limitations as it may impose. The Committee may (i) postpone the exercise of Options or SARs (but not beyond their expiration dates), (ii) require or permit Participants to elect to defer the receipt or issuance of shares of Common Stock pursuant to Awards or the settlement of Awards in cash under such rules and procedures as it may establish, in its discretion, from time to time, or (iii) provide for deferred settlements of Awards including the payment or crediting of earnings on deferred amounts, or the payment or crediting of dividend equivalents where the deferred amounts are denominated in common share equivalents.

(b) If, pursuant to any Award granted under the Plan, a Participant is entitled to receive a payment on a specified date, such payment shall be deemed made as of such specified date if it is made (i) not earlier than 30 days before such specified date and (ii) not later than December 31 of the year in which such specified date occurs or, if later, the fifteenth day of the third month following such specified date, in each case provided that the Participant shall not be permitted, directly or indirectly, to designate the taxable year in which such payment is made.

(c) Notwithstanding the foregoing, if a Participant is a Specified Employee at the time of his or her Separation from Service, any payment(s) with respect to any Award subject to Section 409A of the Code to which such Participant would otherwise be entitled by reason of such Separation from Service shall be made on the date that is six months after the Participant’ s Separation from Service (or, if earlier, the date of the Participant’ s death).

(d) If, pursuant to any Award granted under the Plan, a Participant is entitled to a series of installment payments, such Participant’ s right to the series of installment payments shall be treated as a right to a series of separate payments and not as a right to a single payment. For purposes of the preceding sentence, the term “series of installment payments” has the same meaning as provided in Section 1.409A-2(b)(2)(iii) of the Treasury Regulations.

12. Nontransferability

Awards granted under the Plan, and during any period of restriction on transferability, shares of Common Stock issued in connection with the exercise of an Option or a SAR, may not be sold, pledged, hypothecated, assigned, margined or otherwise transferred in any manner other than by will or the laws of descent and distribution, unless and until the shares underlying such Award have been issued, and all restrictions applicable to such shares have lapsed or have been waived by the Committee. No Award or interest or right therein shall be subject to the debts, contracts or engagements of a Participant or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law, by judgment, lien, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy and divorce), and any attempted disposition thereof shall be null and void, of no effect, and not binding on the Company in any way. Notwithstanding the foregoing, the Committee may, in its sole discretion, permit (on such terms, conditions and limitations as it may establish) Nonqualified Stock Options (including non-qualified Reload Options) and/or shares issued in connection with an Option or a SAR exercise that are subject to restrictions on transferability, to be transferred one time to a member of a Participant’ s immediate family or to a trust or similar vehicle for the benefit of a Participant’ s immediate family members. During the lifetime of a Participant, all rights with respect to Awards shall be exercisable only by such Participant or, if applicable pursuant to the preceding sentence, a permitted transferee.

13. Change of Control

(a) Notwithstanding any provisions of this Plan to the contrary, the Committee may, in its sole discretion, at the time an Award is made hereunder or at any time prior to, coincident with or after the time of a Change of Control:

(i) provide for the acceleration of any time periods, or the waiver of any other conditions, relating to the vesting, exercise, payment or distribution of an Award so that any Award to a Participant whose employment has been terminated as a result of a Change of Control may be vested, exercised, paid or distributed in full on or before a date fixed by the Committee;

(ii) provide for the purchase of any Awards from a Participant whose employment has been terminated as a result of a Change of Control, upon the Participant' s request, for an amount of cash equal to the amount that could have been obtained upon the exercise, payment or distribution of such rights had such Award been currently exercisable or payable;

(iii) provide for the termination of any then outstanding Awards or make any other adjustment to the Awards then outstanding as the Committee deems necessary or appropriate to reflect such transaction or change; or

(iv) cause the Awards then outstanding to be assumed, or new rights substituted therefore, by the surviving corporation in such change.

For purposes of sub-paragraphs (i) and (ii) above, any Participant whose employment is terminated by the Company other than for "gross misconduct," or by the Participant for "good reason" (each as defined in the applicable Award Agreement) upon, or on or prior to the first anniversary of, a Change of Control, shall be deemed to have been terminated as a result of the Change of Control.

(b) A "Change of Control" shall be deemed to occur if and when:

(i) any person, including a "person" as such term is used in Section 14(d)(2) of the 1934 Act (a "Person"), is or becomes a beneficial owner (as such term is defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of securities of the Company representing 25 percent (25%) or more of the combined voting power of the Company' s then outstanding securities (provided, however, that, notwithstanding the foregoing, a "Change of Control" shall not include consummation of the exchange of preferred securities owned by the United States government for Common Stock, as announced by the Company in a press release dated February 27, 2009);

(ii) any plan or proposal for the dissolution or liquidation of the Company is adopted by the stockholders of the Company;

(iii) individuals who, as of April 21, 2009, constituted the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to April 21, 2009 whose election, or nomination for election by the Company' s stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding for this purpose any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the 1934 Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(iv) all or substantially all of the assets of the Company are sold, transferred or distributed; or

(v) there occurs a reorganization, merger, consolidation or other corporate transaction involving the Company (a "Transaction"), in each case, with respect to which the stockholders of the Company immediately prior to such Transaction do not, immediately after the Transaction, own more than 50 percent (50%) of the combined voting power of the Company or other corporation resulting from such Transaction in substantially the same respective proportions as such stockholders' ownership of the voting power of the Company immediately before such Transaction.

(c) Notwithstanding the foregoing, with respect to Awards subject to Section 409A of the Code, the effect of a Change of Control and what constitutes a Change of Control shall be set forth in the underlying Award programs and/or Award Agreements.

14. Award Agreements

Each Award under the Plan shall be evidenced by an Award Agreement (as such may be amended from time to time) that sets forth the terms, conditions, restrictions and limitations applicable to the Award, including, but not limited to, the provisions governing vesting, exercisability, payment, forfeiture, and termination of employment, all or some of which may be incorporated by reference into one or more other documents delivered or otherwise made available to a Participant in connection with an Award. The Committee need not require the execution of such document by the Participant, in which case acceptance of the Award by the Participant shall constitute agreement by the Participant to the terms, conditions, restrictions and limitations set forth in the Plan and the Award Agreement as well as the administrative guidelines and practices of the Company in effect from time to time.

15. Tax Withholding

Participants shall be solely responsible for any applicable taxes (including without limitation income, payroll and excise taxes) and penalties, and any interest that accrues thereon, which they incur in connection with the receipt, vesting or exercise of any Award. The Company and its Subsidiaries shall have the right to require payment of, or may deduct from any payment made under the Plan or otherwise to a Participant, or may permit shares to be tendered or sold, including shares of Common Stock delivered or vested in connection with an Award, in an amount sufficient to cover withholding of any federal, state, local, foreign or other governmental taxes or charges required by law or such greater amount of withholding as the Committee shall determine from time to time and to take such other action as may be necessary to satisfy any such withholding obligations. The value of any shares allowed to be withheld or tendered for tax withholding may not exceed the amount allowed consistent with fixed plan accounting in accordance with U.S. generally accepted accounting principles, to the extent applicable. To the extent that a number of shares of Common Stock sufficient to satisfy a tax withholding obligation of the Company may not be withheld (whether because the Award has not vested in full pursuant to its terms, administrative procedures in effect at such time, applicable accounting principles or any other reason), it shall be a condition to the obligation of the Company to issue shares of Common Stock upon the exercise of an Option or a SAR, or in settlement of any vested Award, that a Participant pay to the Company, on demand, such amount as may be requested by the Company for the purpose of satisfying any actual tax withholding liability (or any hypothetical tax owed to the Company, if such Participant is a current or former expatriate employee subject to a Company tax-equalization policy). If the amount is not timely paid to the Company in cash by such Participant, the Company may cancel the Award and refuse to issue such shares.

16. Other Benefit and Compensation Programs

Awards received by Participants under the Plan shall not be deemed a part of a Participant' s regular, recurring compensation for purposes of calculating payments or benefits from any Company benefit plan or severance program unless specifically provided for under the plan or program. Unless specifically set forth in an Award Agreement, Awards under the Plan are not intended as payment for compensation that otherwise would have been delivered in cash, and even if so intended, such Awards shall be subject to such vesting requirements and other terms, conditions and restrictions as may be provided in the Award Agreement.

17. Unfunded Plan

Unless otherwise determined by the Committee, the Plan shall be unfunded and shall not create (or be construed to create) a trust or a separate fund or funds. The Plan shall not establish any fiduciary relationship between the Company and any Participant or other person. To the extent any Participant holds any rights by virtue of an Award granted under the Plan, such rights shall constitute general unsecured liabilities of the Company and shall not confer upon any Participant or any other person or entity any right, title, or interest in any assets of the Company.

18. Expenses of the Plan

The expenses of the administration of the Plan shall be borne by the Company and its Subsidiaries. The Company may require Subsidiaries to pay for the Common Stock issued under the Plan.

19. Rights as a Stockholder

Unless the Committee determines otherwise, a Participant shall not have any rights as a stockholder with respect to shares of Common Stock covered by an Award until the date the Participant becomes the holder of record with respect to such shares. No adjustment will be made for dividends or other rights for which the record date is prior to such date, except as provided in Section 9.

20. Future Rights

No Employee shall have any claim or right to be granted an Award under the Plan. There shall be no obligation of uniformity of treatment of Employees under the Plan. Further, the Company and its Subsidiaries may adopt other compensation programs, plans or arrangements as it deems appropriate or necessary. The adoption of the Plan shall not confer upon any Employee any right to continued employment in any particular position or at any particular rate of compensation, nor shall it interfere in any way with the right of the Company or a Subsidiary to terminate the employment of its Employees at any time, free from any claim or liability under the Plan.

21. Amendment and Termination

The Plan may be amended, suspended or terminated at any time by the Board, provided that no amendment shall be made without stockholder approval, if it would (i) materially increase the number of shares available under the Plan, (ii) materially expand the types of awards available under the Plan, (iii) materially expand the class of persons eligible to participate in the Plan, (iv) materially extend the term of the Plan, (v) materially change the method of determining the exercise price of an Award, (vi) delete or limit the prohibition against repricing contained in Section 4(d), or (vii) otherwise require approval by the stockholders of the Company in order to comply with applicable law or the rules of the New York Stock Exchange (or, if the Common Stock is not traded on the New York Stock Exchange, the principal national securities exchange upon which the Common Stock is traded or quoted). No such amendment referred to above shall be effective unless and until it has been approved by the stockholders of the Company.

Notwithstanding the foregoing, with respect to Awards subject to Section 409A of the Code, any amendment, suspension or termination of the Plan shall conform to the requirements of Section 409A of the Code. The Committee retains the right to modify an Award without a Participant' s prior consent if it determines that the modification is required to comply with applicable law, regulation, or regulatory guidance (including applicable tax law). Except as may be provided by Section 7(e), Section 11(a), Section 13(a) and this Section, any other adverse modification shall not be effective without the Participant' s written consent. The Company shall furnish or make available to Participants a written notice of any modification through a brochure supplement or otherwise, which notice shall specify the effective date of such modification. Unless terminated earlier by the Board, the Plan will terminate on April 21, 2014.

22. Successors and Assigns

The Plan and any applicable Award Agreement entered into under the Plan shall be binding on all successors and assigns of a Participant, including, without limitation, the estate of such Participant and the executor, administrator or trustee of such estate, or any receiver or trustee in bankruptcy or representative of the Participant' s creditors.

23. Governing Law

The Plan and all agreements entered into under the Plan shall be construed in accordance with and governed by the laws of the State of New York.

24. No Liability with Respect to Tax Qualification or Adverse Tax Treatment

Notwithstanding any provision of this Plan to the contrary, in no event shall the Company or any Subsidiary be liable to a Participant on account of an Award's failure to (i) qualify for favorable U.S. or foreign tax treatment or (ii) avoid adverse tax treatment under U.S. or foreign law, including, without limitation, Sections 409A and 457A of the Code.

Exhibit 10.34

CITIGROUP INC.

DEFERRED CASH AWARD PLAN

(as Amended and Restated Effective as of January 1, 2013)

CITIGROUP INC.

DEFERRED CASH AWARD PLAN

Purpose

Citigroup Inc. has adopted this Citigroup Inc. Deferred Cash Award Plan, as amended and restated effective as of January 1, 2013 (the "Plan"), for certain eligible employees of the Company in order to provide such eligible employees with a deferred cash incentive compensation opportunity.

ARTICLE I

DEFINITIONS

As used herein, the following terms have the meanings set forth below.

"Account" means a bookkeeping account maintained on the books and records of the Company to record Deferred Cash Award(s) and Return(s) credited in accordance with the Plan. An Account is established only for purposes of measuring a deferred benefit and not to segregate assets or to identify assets that may be used to make payments hereunder.

"Account Balance" means the amount reflected on the books and records of the Company as the value of a Participant' s Account at any date of determination, as determined in accordance with the Plan.

"Affiliated Employer" means Citigroup Inc. or any company or other entity that is related to Citigroup Inc. as a member of a controlled group of corporations in accordance with Section 1.409A-1(h)(3) of the Treasury Regulations promulgated pursuant to Section 409A of the Code.

"Award" means a Participant' s Deferred Cash Award.

"Award Agreement" means a written or electronic document setting forth individualized information relating to a Participant' s deferral under the Plan. A Participant' s offer letter or other employment-related document may constitute an Award Agreement.

"Award Date" means the date as determined by the Plan Administrator in its sole discretion pursuant to the Award Agreement.

"Citi Common Stock" means shares of common stock of Citigroup Inc., par value $.01.

"Code" means the Internal Revenue Code of 1986, as amended, including any rules and regulations promulgated thereunder.

"Committee" means the Personnel & Compensation Committee of the Board of Directors of Citigroup Inc. and any person to whom it has delegated its authority, including but not limited to the Plan Administrator.

"Clawback Provision" means a term of an Award under which an Award may or shall be canceled, forfeited, reduced, or subject to recovery by the Company, whether or not the Award has been vested, distributed, or paid. For the avoidance of doubt, any Award granted under the Plan may include one or both of the clawback provisions described in Sections 2.2(a) and (b) of the DIRAP.

"Company" means Citigroup Inc., a Delaware corporation and its consolidated subsidiaries, or as applicable, any of its consolidated subsidiaries.

"Deferred Cash Award" means an unfunded, unsecured promise to make a cash payment to a Participant at the end of a specified period of time and may be a Deferred Cash Stock Unit Award.

"Deferred Cash Stock Unit Award" means a Deferred Cash Award that is denominated in units of Citi Common Stock, with each stock unit having a value equal to the value of one share of Citi Common Stock as reported on the New York Stock Exchange, with the valuation date and method determined in the sole discretion of the Plan Administrator and consistently with the SIP.

"DIRAP" means the Citi Discretionary Incentive and Retention Award Plan, as amended from time to time.

"Eligible Employee" means an employee of an Employer who (a) is eligible to receive an award pursuant to the DIRAP or (b) is selected to receive an Off-Cycle Award, and (c) for awards both under DIRAP and Off-Cycle Awards, (i) who is employed by an Employer on the Award Date and (ii) has not given notice of resignation from the Company prior to the Award Date.

"Employer" means the Affiliated Employer that employs a Participant.

"Holdback Period" means the period after the vesting date of an Award during which the award is not distributable to the Participant.

"Off-Cycle Award" means any Deferred Cash Award that is not granted pursuant to the terms of DIRAP.

"Participant" means an Eligible Employee who has been granted an Award under the Plan.

"Performance Criteria" means performance criteria related to a period of performance which may be established on a Company-wide basis, with respect to one or more business units or divisions or subsidiaries, or as otherwise described in an Award Agreement, and may be based upon the attainment of such criteria as may be determined by the Plan Administrator in its discretion and described in an Award Agreement.

"Performance Option" means the performance option(s) designated by the Plan Administrator (from time to time in its sole discretion) to measure the Return to be credited (or debited) to a Participant' s Account Balance; provided, that the Plan Administrator may change or amend such designated performance option(s) at any time in its sole discretion.

"Plan Administrator" means the Senior Human Resources Officer of Citigroup Inc. , which is currently the Head, Human Resources of Citigroup Inc., or his or her delegates. Any such delegation need not be in writing.

"Return" shall have the meaning set forth in Section 3.02.

"Separation from Service" means a termination of a Participant' s employment with an Employer, provided such termination constitutes a "separation from service" within the meaning of Treasury Regulation 1.409A-1(h) promulgated pursuant to Section 409A of the Code.

"SIP" means the 2009 Stock Incentive Plan, as amended and restated from time to time, or its successors.

"Specified Employee" means a "specified employee," as defined in Section 409A of the Code.

"Total Incentive Compensation" means the amount of a Participant' s aggregate cash and non-cash incentive compensation for a given Year, prior to giving effect to any deferral under the Plan. Total Incentive Compensation does not include base salary or any multi-year incentive award, unless otherwise provided by the Plan Administrator.

"Vesting Condition" means any term, condition or restriction including without limitation any Performance Criteria or other performance-based condition, described in applicable Award documents that a Participant must satisfy in order to receive a payment, distribution or otherwise realize monetary value from an Award.

"Vesting Date" is the date on which all Vesting Conditions have been satisfied.

"Year" means the calendar year.

ARTICLE II
AWARDS UNDER THE PLAN

Section 2.01 Participation. The Committee and/or management of the Company is authorized, consistent with the terms of the Plan, to grant Awards to Eligible Employees.

Section 2.02 Awards Generally. Deferrals under the Plan shall be automatic and mandatory and may be equal to a specified percentage of the Participant' s Total Incentive Compensation, determined by the Plan Administrator in its sole discretion.

Section 2.03 Award Agreements. Each Award granted under the Plan shall be evidenced by an Award Agreement that sets forth the terms, conditions, restrictions and limitations applicable to the Award, which may include Performance Option(s), Vesting Conditions, provisions applicable upon termination of employment with an Employer, Performance Criteria, Clawback Provisions, Holdback Periods, and other terms and conditions specified in the governing Award documentation. The Plan Administrator may require a Participant to sign (or acknowledge receipt of) an Award Agreement as a condition of participation in the Plan. If the Plan Administrator does not require the execution of an Award Agreement by a Participant, acceptance of any benefit of the Award by the Participant shall constitute agreement by the Participant to the terms, conditions, restrictions and limitations set forth in the Plan and the Award Agreement as well as the administrative guidelines and practices of the Company in effect from time to time relating to the Plan.

ARTICLE III
ACCOUNTS

Section 3.01 Maintenance of Accounts.

(a) The Company or an Employer will maintain an Account on its books and records for each Participant. The Account will be a book entry credit reflecting a Participant' s Award and will periodically be credited or charged with the Return attributable to such Award pursuant to Section 3.02. A Participant' s Account will be charged with distributions to the Participant or the Participant' s estate.

(b) For administrative purposes, a Participant' s Account may be divided into sub-Accounts, for purposes of tracking different Performance Options (if more than one) or maturity schedules, in each case as applicable, or otherwise as necessary for purposes of reflecting the Participant' s Award and the Return thereon.

Section 3.02 Return on Awards.

(a) Awards will be credited with a return (positive or negative) (the "Return") on such schedule as the Plan Administrator shall determine in its sole discretion, to reflect the equivalent of the earnings and losses that a Participant' s Account would have experienced had such amounts actually been invested in the Performance Option, as determined by the Plan Administrator in its sole discretion. The Plan Administrator shall from time to time designate such Performance Option(s) as it shall determine and the Plan Administrator may, in its sole discretion, make a different Performance Option(s) available to different Participants. The Plan Administrator shall communicate the assigned or available Performance Option(s) on or about the Award Date and any change or amendments to the assigned or available Performance Option(s) shall be communicated to Participants.

(b) A Participant' s Account will not be invested in any Performance Option and such Account does not represent the Participant' s ownership of, or any ownership interest in, any Performance Option.

(c) Notwithstanding any provision of this Plan to the contrary, the Plan Administrator may, in its sole discretion, alter, modify, eliminate or replace any Performance Option, as applicable, that is used to calculate the Return on a Participant' s Accounts under the Plan. In the event the Plan Administrator alters, modifies or eliminates any Performance Option, the Plan Administrator may, in its sole discretion, provide the affected Participants another Performance Option under the Plan.

ARTICLE IV
PAYMENTS

Section 4.01 Payments Generally. Subject to the terms of the Award Agreement, including without limitation, any Vesting Conditions and any applicable Holdback Period, and subject to Section 7.05 herein, the vested portion of a Participant' s Account Balance will be paid or distributed to the Participant as soon as practicable after the occurrence of the applicable Vesting Date or Holdback Period.

Section 4.02 Taxes and Withholding. All payments under the Plan are subject to applicable withholdings and employment or other taxes. As a condition to any payment or distribution of any Award made pursuant to the Plan, the Company may, in its discretion, require a Participant to pay such sum to the Company as may be necessary to discharge the Company' s obligations with respect to any taxes, assessments or other governmental charges, whether of the United States or any other jurisdiction, imposed on the Participant, property or income on account of participation in the Plan. In the discretion of the Company, the Company may deduct or withhold such sum from any payment or distribution to the Participant, whether pursuant to the Plan or otherwise. In addition, the Company may require a Participant to pay the Company an amount necessary to discharge Company obligations with respect to any payroll taxes that may be owed on the Participant' s Account Balance that are no longer subject to a substantial risk of forfeiture.

Section 4.03 Currency and Foreign Exchange Rates. Generally, an Award will be paid in the currency in which it is denominated, but in some circumstances, such as if a Participant' s Employer or work country changes during the deferral period, at the discretion of the Company, Participant' s vested Award may be settled by a payment in the original award currency or in the currency of the Participant' s current work country or country of residence, or by a combination of payments from former Employers or Citigroup Inc. in one or more currencies. In cases where an Award is settled in full or in part by payment in a currency other than the original award currency, the Company will convert the award currency to the payment currency at a market exchange rate on the date of payment, as determined by the Company.

Section 4.04 Nontransferability. Except as may be otherwise provided in an Award Agreement, no Participant nor any creditor or beneficiary of any Participant shall have the right to subject an amount payable or distributable under this Plan to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment during the Participant' s lifetime, including but not limited to, in connection with a divorce, legal separation, or similar event. Prior to payment as provided for herein, a Participant will have no rights under the Plan to make withdrawals from his or her Account for any reason. In no event will a Participant be entitled to receive loans from the Company or an Employer based upon his or her Account Balance.

Section 4.05 Liability for Payment. Each Employer shall be liable for the amount of any payment owed to a Participant who is employed by such Employer during the deferral period applicable to an Award; provided, however, that in the event that a Participant is employed by more than one Employer during the deferral period applicable to an Award, each Employer shall be liable for its allocable portion of such payment, unless determined otherwise by the Plan Administrator.

ARTICLE V
ADMINISTRATION

Section 5.01 Plan Administrator. The Plan shall be administered by the Plan Administrator. The Plan Administrator shall have discretionary authority to interpret the Plan, to make all legal and factual determinations, and to determine all questions arising in the administration of the Plan, including, without limitation, the reconciliation of any inconsistent provisions, the resolution of ambiguities, the correction of any defects, and the supplying of omissions. Each interpretation, determination or other action made or taken pursuant to the Plan by the Plan Administrator shall be final and binding on all persons. To the extent permitted by applicable law, the Committee or the Plan Administrator may at any time delegate to one or more employees of the Company or an Employer some or all of its authority over the administration of the Plan. Such delegation need not be in writing.

ARTICLE VI
AMENDMENTS AND TERMINATION

Section 6.01 Right to Amend or Terminate the Plan. The Committee may alter, amend, modify, suspend or terminate the Plan at any time in its sole discretion provided that no such alteration, amendment, modification, suspension or termination shall cause an Award or any portion of an Account or the Plan to violate Section 409A or Section 457A of the Code. No further Awards will be made after the effective date of termination of the Plan. Following such termination, payment in respect of each Participant' s Accounts will be made as provided in Section 6.02. For the avoidance of doubt, no action permitted to be taken by the Committee pursuant to this Section 6.01 shall require the consent of any Participant.

Section 6.02 Payment Following Termination of the Plan. Upon termination of the Plan, the Plan Administrator may take such action with respect to each Participant' s Accounts as it reasonably determines is necessary or desirable; provided, however, that the Plan Administrator may take no action which will result in accelerated taxation or tax penalties under Section 409A or 457A of the Code in respect of any Participant' s Account(s). No termination of the Plan or any Participant' s Award Agreement will give rise to a claim of constructive termination of employment by any Participant.

Section 6.03. Other Amendments. The Committee retains the right to modify an Award without a Participant' s prior consent if it determines that the modification is required to comply with applicable law, regulation, or regulatory guidance (including applicable tax law). The Company shall furnish or make available to Participants a written notice of any modification through a brochure supplement or otherwise, which notice shall specify the effective date of such modification. Any other adverse modification not elsewhere described in this Plan shall not be effective without a Participant' s written consent.

Section 6.04 Sub Plans. The Plan Administrator may, in its sole discretion, create separate sub-plans ("Sub Plans") under this Plan, which shall provide for participation in the Plan by Participants employed outside of the United States. Each Sub Plan shall comply with local law, tax policy or custom applicable to deferred compensation plans.

ARTICLE VII
GENERAL PROVISIONS

Section 7.01 Unfunded Status of the Plan. The Plan is unfunded. A Participant' s Account shall represent at all times an unfunded and unsecured contractual obligation of each Employer that employed the Participant during the deferral period applicable to an Award. Each Participant (or his or her estate) will be unsecured creditors of each Employer at which such Participant is or was employed with respect to all obligations owed to Participant (or his or her estate) under the Plan or any Award Agreement. Amounts payable under the Plan and any Award Agreement will be satisfied solely out of the general assets of an Employer subject to the claims of its creditors. A Participant (or his or her estate) will not have any interest in any fund or in any specific asset of an Employer of any kind by reason of any Return credited to him or her hereunder, nor shall the Participant (or his or his estate) have any right to receive any payment or distribution under the Plan or any Award Agreement except as, and to the extent, expressly provided in the Plan or Award Agreement. No Employer will segregate any funds or assets to provide for the distribution of an Account Balance or issue any notes or security for the payment thereof. Any reserve or other asset that an Employer may establish or acquire to assure itself of the funds to provide payments required under the Plan shall not serve in any way as security to any Participant (or his or her estate) for the performance of the Employer under the Plan.

Section 7.02 ERISA Status of the Plan. The Plan is a discretionary incentive and retention award plan and is not intended to be subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and it shall be operated and interpreted consistent with such intent. A Sub Plan may be subject to ERISA if the express terms of the Sub Plan so provide.

Section 7.03 No Right to Continued Employment. Neither the Plan, any Award Agreement nor any action taken or omitted to be taken pursuant to or in connection with the Plan shall be deemed (a) to create or confer on a Participant any right to be retained in the employ of the Company, (b) to interfere with or to limit in any way the Company' s right to terminate the employment of a Participant at any time, or (c) to confer on a Participant any right or entitlement to compensation in any specific amount for any future period. In addition, selection of an individual as a Participant for a given Award shall not be deemed to create or confer on the Participant any right to participate in the Plan, or in any similar plan or program that may be established by the Company, in respect of any Award.

Section 7.04 Offset Rights. Notwithstanding any provisions of the Plan to the contrary, to the extent consistent with the requirements of Section 409A of the Code, the Company may, if the Plan Administrator in its sole discretion shall determine, offset against any payments or distributions that would have otherwise been made to a Participant under the Plan by (a) any amounts which such Participant may owe to the Company, or (b) any amounts paid by the Company to a third party pursuant to any award, judgment, or settlement of a complaint, arbitration or lawsuit of which such Participant was the subject.

Section 7.05 Code Section 409A and Code Section 457A.

(a) Notwithstanding anything to the contrary herein or in any applicable Award Agreement, all payments and distributions due hereunder and thereunder are intended to comply with Section 409A and Section 457A of the Code and the guidance issued thereunder, and this Plan and any applicable Award Agreement shall be construed accordingly.

(b) If a Participant is a Specified Employee at the time of his or her Separation from Service, any payment(s) with respect to any Award subject to Section 409A of the Code to which such Participant would otherwise be entitled by reason of such Separation from Service shall be made on the date that is six months after the Participant' s Separation from Service (or, if earlier, the date of the Participant' s death). All payments hereunder and under any applicable Award Agreement that have been delayed pursuant to this Section 7.05 shall be paid (without interest, dividends, dividend equivalents or any compensation for any loss in market value or otherwise which occurs during such period) to the Participant in a lump sum to the extent the Award terms provide for payment in a lump sum form.

(c) Each Participant or the Participant' s estate, as the case may be, is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such Participant in connection with this Plan or any other nonqualified deferred compensation plan sponsored or maintained by the Company (including without limitation any taxes and penalties under Section 409A or Section 457A of the Code), and the Company shall have no obligation to indemnify or otherwise hold such Participant or the Participant' s estate harmless from any or all of such taxes or penalties.

Section 7.06 Successors. The obligations of the Company under this Plan shall be binding upon the successors of the Company.

Section 7.07 Governing Law. The Plan and each Award Agreement entered into with a Participant shall be subject to and construed in accordance with the laws of the State of New York, without regard to any conflicts or choice of law rule or principle that might otherwise refer the interpretation of the Award to the substantive law of another jurisdiction.

Section 7.08 Construction. The headings in this Plan have been inserted for convenience of reference only and are to be ignored in any construction of any provision hereof. Use of one gender includes the other, and the singular and plural include each other.

Section 7.09 Arbitration. Any disputes related to the Plan or an Award shall be resolved by arbitration in accordance with the Company' s arbitration policies. In the absence of an effective arbitration policy, any dispute in any way related to or arising out of the Plan or an Award shall be submitted to arbitration in accordance with the rules of the American Arbitration Association.

Exhibit 10.35

CITI DISCRETIONARY INCENTIVE AND RETENTION AWARD PLAN

Amended and Restated Effective as of January 1, 2013

PREAMBLE

The purpose of the Plan is to reward and retain Eligible Employees through discretionary incentive and/or retention awards under the terms and conditions described in the Plan. Awards under the Plan may be contingent upon the Company' s performance, an Eligible Employee' s sector or business unit performance, an Eligible Employee' s individual performance, or any combination of the foregoing.

This Plan document amends and restates the Plan, and is effective as of January 1, 2013.

ARTICLE I
DEFINITIONS

As used herein, the following terms have the meanings set forth below.

"Award" means, as to any Fiscal Year or any other period determined by the Committee or the management of the Company, a discretionary incentive and/or retention award granted to an Eligible Employee in the form of a Cash Bonus, a CAP Award, a DCAP Award, an Equity Award, or any other form of discretionary incentive or retention award made under the terms of the Plan. For the avoidance of doubt, Performance Share Awards may be granted under the Plan.

"Award Date" means the date on which an Award is made.

"CAP" means the Capital Accumulation Program, as it may be in effect from time to time.

"CAP Award" means an award of deferred stock or restricted stock made pursuant to CAP.

"Cash Bonus" means any component of an Award that is payable to a Participant in currency and not in shares of Company common stock or derivatives thereof, and that is not subject to deferral.

"Code" means the Internal Revenue Code of 1986, as amended.

"Committee" means the Personnel and Compensation Committee of the Board of Directors of Citigroup Inc. and any person to whom it has delegated its authority, including but not limited to the Plan Administrator.

"Company" means Citigroup Inc. and its Subsidiaries.

"DCAP" means the Deferred Cash Award Plan, as amended from time to time.

"DCAP Award" means an award made pursuant to DCAP.

“Eligible Employee” means any employee who (a) is eligible to receive a discretionary incentive and/or retention award package under the Company’ s personnel policies as they may be amended from time to time and as in effect on the applicable Award Date, (b) is employed by the Company on the Award Date, and (c) has not given notice of resignation from the Company prior to the Award Date.

“Equity Award” means any form of award granted pursuant to the SIP which is not a CAP Award.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Fiscal Year” means the accounting fiscal year of the Company.

“Gross Misconduct” means, unless the terms of an Award or Company policy specifically applicable to the Plan specifically provide otherwise, any conduct that is determined by the Committee, in its sole discretion, (a) to be in competition with the Company’ s business operations, (b) to be in breach of any obligation that Participant owes to the Company or Participant’ s duty of loyalty to the Company, (c) to be materially injurious to the Company, or (d) to otherwise constitute gross misconduct.

“Participant” means an Eligible Employee who has received an Award under the Plan.

“Performance Share Award” means an incentive award calculated with reference to the value of Company common stock that has a performance period of at least three years and delivers value according to the Company’ s performance against objective metrics such as total shareholder return or return on assets. Performance Share Awards may be payable in cash, an Equity Award, or any other form of discretionary incentive or retention award permitted to be made under the terms of this Plan.

“Plan” means the Citi Discretionary Incentive and Retention Award Plan, as it may be amended from time to time.

“Plan Administrator” means the Senior Human Resources Officer of Citigroup Inc., which is currently the Head, Human Resources of Citigroup Inc., or his or her delegates. Any such delegation need not be in writing.

“Program” means CAP, DCAP, or any other discretionary incentive or retention award program administered by the Company pursuant to the Plan.

“SIP” means the Citigroup 2009 Stock Incentive Plan, as it may be amended from time to time, and any successor thereto.

“Sub Plans” shall have the meaning ascribed thereto Section 4.03.

“Subsidiary” shall have the meaning set forth in the SIP.

“Vesting Conditions” means any term, condition or restriction, including without limitation any performance-based condition or criteria, described in the award documents applicable to an Award that a Participant must satisfy in order to receive a payment, distribution or otherwise realize monetary value from an Award.

ARTICLE II
AWARDS

Section 2.01 Awards. For each Fiscal Year or other period determined under the terms of an Award, the Committee and/or management of the Company is authorized, consistent with the terms of the Plan, to grant Awards to Eligible Employees and to determine the amount of and the terms (including any Vesting Conditions) of the Awards granted to Eligible Employees in respect of such period. The terms of the Awards shall be set forth in Award agreements, prospectuses, or such other documents specifically designated by the Company as setting forth the terms of the Awards. The value of each Eligible Employee' s Award will depend upon performance factors which may include the Company' s performance, his or her division' s performance and his or her individual performance, including an assessment of risk management practices and/or use of risk capital. The decision whether to grant an Award and how much to grant is at the sole discretion of Company management, or where applicable, the Committee. The Committee' s governance approval authorities shall govern which Awards are expressly subject to Committee approval or review and which may be made at the sole discretion of Company management. The Plan Administrator may require a Participant to sign (or acknowledge receipt of) an Award agreement as a condition of participation in the Plan. If the Plan Administrator does not require the execution of an Award agreement by a Participant, acceptance of any benefit of the Award by the Participant shall constitute agreement by the Participant to the terms, conditions, restrictions and limitations set forth in the Plan and any Award Agreement as well as the administrative guidelines and practices of the Company in effect from time to time relating to the Plan.

Section 2.02 Clawbacks.

(a) The terms of any Award granted pursuant to the Plan may provide that such Award may or shall be canceled, forfeited, or subject to recovery by the Company, whether or not the Award has been vested, distributed, or paid, if the Committee, in its sole discretion, determines that (i) Participant received the Award based on materially inaccurate audited publicly reported financial statements, (ii) Participant knowingly engaged in providing materially inaccurate information relating to audited publicly reported financial statements, (iii) Participant materially violated any risk limits established or revised by senior management and/or risk management, or (iv) Participant has engaged in Gross Misconduct.

(b) The Committee may determine that, with respect to an Award that is subject to any legal, regulatory or governmental requirement, direction, supervisory comment, guidance or promulgation that so requires or where any Award Agreement that so provides, if (i) there is reasonable evidence that a Participant engaged in misconduct or committed material error, in either case in connection with his or her employment, or (ii) the Company or such Participant' s business unit has suffered a material downturn in its financial performance or a material failure of risk management, the Committee in its sole discretion may determine that such Participant shall not be entitled to any unpaid amount under the Plan or that any such amount shall be reduced.

(c) The terms of any Award granted pursuant to the Plan may provide that other specified clawback, cancellation, recovery, or forfeiture provisions shall apply.

ARTICLE III
ADMINISTRATION

Section 3.01 Taxes and Withholding. As a condition to any payment or distribution of any Award made pursuant to the Plan, the Company may, in its discretion, require a Participant to pay such sum to the Company as may be necessary to discharge the Company' s obligations with respect to any taxes, assessments or other governmental charges, whether of the United States or any other jurisdiction, imposed on the Participant on account of his or her participation in the Plan. In the discretion of the Company, the Company may deduct or withhold such sum from any payment or distribution to the Participant, whether pursuant to the Plan or otherwise. In addition, the Company may require a Participant to pay the Company an amount necessary to discharge Company obligations with respect to any payroll taxes that may be owed on the Participant' s Account Balance that are no longer subject to a substantial risk of forfeiture.

Section 3.02 Currency and Foreign Exchange Rates. Generally, Cash Bonuses or other cash payments made pursuant to the Plan will be paid in the currency in which they are denominated, but in some circumstances, such as if a Participant' s Company employer or work country changes during the vesting period, at the discretion of the Company, Participant' s vested cash Award may be settled by a payment in the original award currency or in the currency of the Participant' s current work country or country of residence, or by a combination of payments from former Company employers or Citigroup Inc. in one or more currencies. In cases where a cash Award is settled in full or in part by payment in a currency other than the original award currency, the Company will convert the award currency to the payment currency at a market exchange rate on the date of payment, as determined by the Company.

Section 3.03 Nontransferability. Except as may be provided for in award documents applicable to Awards granted pursuant to a Program, no Participant nor any creditor or beneficiary of any Participant shall have the right to subject an amount payable or distributable under this Plan to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment during the Participant' s lifetime, including but not limited to, in connection with a divorce, legal separation, or similar event.

Section 3.04 Plan Administration. The Plan shall be administered by the Plan Administrator. The Plan Administrator or his or her delegates shall have discretionary authority to interpret the Plan, to make all legal and factual determinations, and to determine all questions arising in the administration of the Plan, including, without limitation, the reconciliation of any inconsistent provisions, the resolution of ambiguities, the correction of any defects, and the supplying of omissions. Each interpretation, determination or other action made or taken pursuant to the Plan by the Plan Administrator shall be final and binding on all persons, subject to the provisions of Section 5.10 hereof concerning arbitration. To the extent permitted by applicable law, the Committee or the Plan Administrator may at any time delegate to one or more employees of the Company some or all of its authority over the administration of the Plan. Such delegation need not be in writing.

Section 3.05 Policies. Company management may adopt written or unwritten policies from time to time that govern Plan administration.

ARTICLE IV
AMENDMENT AND TERMINATION

Section 4.01 Right to Amend or Terminate the Plan. The Committee may, in its sole discretion, modify, amend, terminate or suspend the Plan at any time, which modification, amendment, termination or suspension shall not require the consent of the affected Participants and which may be made irrespective of whether it could result in adverse tax consequences to any Participant.

Section 4.02 Action Following Termination of the Plan. Upon termination of the Plan, the Committee or the Plan Administrator may take such action with respect to each Award as it reasonably determines is necessary or desirable. No termination of the Plan will give rise to a claim by any Participant of constructive termination of employment.

Section 4.03 Sub Plans. The Company may, in its sole discretion, create separate sub-plans ("Sub Plans") under the Plan, which shall provide for participation in the Plan by Eligible Employees employed outside of the United States. Each Sub Plan shall comply with local laws applicable to incentive or retention plans.

ARTICLE V
GENERAL PROVISIONS

Section 5.01 Unfunded Status of the Plan. The Plan is unfunded. Any Award made pursuant to the Plan shall represent at all times an unfunded and unsecured contractual obligation of the Company. Each Participant and each of his or her beneficiaries will be unsecured creditors of the Company with respect to all obligations owed to any of them under the Plan. Amounts payable or distributable under the Plan will be satisfied solely out of the general assets of the Company subject to the claims of its creditors. A Participant and his or her beneficiaries will not have any interest in any fund or in any specific asset of the Company of any kind by reason of any return credited to him or her hereunder, nor shall the Participant or any of his or her beneficiaries or any other person have any right to receive any payment or distribution under the Plan except as, and to the extent, expressly provided pursuant to applicable Award documents. The Company will not segregate any funds or assets to provide for the distribution in respect of an Award or issue any notes or security for the payment thereof. Any reserve or other asset that the Company may establish or acquire to assure itself of the funds to provide payments required under the Plan shall not serve in any way as security to any Participant or any beneficiary of a Participant for the performance of the Company under the Plan.

Section 5.02 ERISA Status of the Plan. The Plan is a discretionary incentive and retention award plan and is not intended to be subject to ERISA, and it shall be operated and interpreted consistent with such intent. A Program may be subject to ERISA if the express terms of the Program so provide.

Section 5.03 No Right to Continued Employment. Neither the Plan nor any action taken or omitted to be taken pursuant to or in connection with the Plan shall be deemed to (a) create or confer on a Participant any right to be retained in the employ of the Company, (b) interfere with or limit in any way the Company' s right to terminate the employment of a Participant at any time or (c) confer on a Participant any right or entitlement to compensation in any specific amount for any future Fiscal Year. In addition, an Eligible Employee' s eligibility for an Award for a given Fiscal Year shall not be deemed to create or confer on the Participant any right to an Award, or any benefit or payment in any similar plan or program that may be established by the Company, in respect of any future Fiscal Year.

Section 5.04 Offset Rights. Notwithstanding any provisions of the Plan to the contrary, to the extent consistent with the requirements of Section 409A of the Code, the Company may offset against any payments or distributions that would have otherwise been made to a Participant under the Plan by (a) any amounts which such Participant may owe to the Company, or (b) any amounts paid by the Company to a third party pursuant to any award, judgment, or settlement of a complaint, arbitration or lawsuit of which such Participant was the subject.

Section 5.05 Governing Documents. Notwithstanding any provision of this Plan to the contrary, if an Award is granted pursuant to the terms of a Program, the Award documents under the Program shall control in the event of any conflict between the terms of the Plan and the applicable Award documents under the Program.

Section 5.06 Successors. The obligations of the Company under this Plan shall be binding upon the successors of the Company.

Section 5.07 Governing Law. The Plan shall be subject to and construed in accordance with the laws of the State of New York, without regard to any conflicts or choice of law rule or principle that might otherwise refer the interpretation of the Plan to the substantive law of another jurisdiction.

Section 5.08 Construction. The headings in this Plan have been inserted for convenience of reference only and are to be ignored in any construction of any provision hereof. Use of one gender includes the other, and the singular and plural include each other.

Section 5.09 Arbitration. Any disputes related to the Plan or an Award shall be resolved by arbitration in accordance with the Company' s arbitration policies. In the absence of an effective arbitration policy, any dispute in any way related to or arising out of the Plan or an Award shall be submitted to arbitration in accordance with the rules of the American Arbitration Association.

Exhibit 12.01

CITIGROUP INC.

CALCULATION OF RATIO OF INCOME TO FIXED CHARGES

In millions of dollars, except for ratios	2012 (1)(2)(5)	2011 (2)(4)(5)(6)	2010 (3)(4)(5)(6)	2009 (4)(5)(6)	2008 (4)(5)(6)
	Year ended December 31,				
EXCLUDING INTEREST ON DEPOSITS:					
Fixed Charges					
Interest expense (other than interest on deposits)	$ 12,739	$ 15,542	$ 16,674	$ 17,711	$ 33,410
Interest factor in rent expense	490	503	493	522	734
Total fixed charges	$ 13,229	$ 16,045	$ 17,167	$ 18,233	$ 34,144
Income					
Income from continuing operations before taxes, minority interest and cumulative effect of accounting changes	$ 7,936	$ 14,624	$ 13,184	$ (7,799)	$ (52,355)
Fixed charges (excluding preferred stock dividends)	13,229	16,045	17,167	18,233	34,144
Total income	$ 21,165	$ 30,669	$ 30,351	$ 10,434	$ (18,211)
Ratio of income to fixed charges excluding interest on deposits	1.60	1.91	1.77	NM	NM
INCLUDING INTEREST ON DEPOSITS:					
Fixed Charges					
Interest expense	$ 20,535	$ 24,234	$ 25,096	$ 27,902	$ 53,133
Interest factor in rent expense	490	503	493	522	734
Total fixed charges	$ 21,025	$ 24,737	$ 25,589	$ 28,424	$ 53,867
Income					
Income from continuing operations before taxes, minority interest and cumulative effect of accounting changes	$ 7,936	$ 14,624	$ 13,184	$ (7,799)	$ (52,355)
Fixed charges (excluding preferred stock dividends)	21,025	24,737	25,589	28,424	53,867
Total income	$ 28,961	$ 39,361	$ 38,773	$ 20,625	$ 1,512
Ratio of income to fixed charges including interest on deposits	1.38	1.59	1.52	NM	NM

(1) During the third quarter of 2012, the Company executed definitive agreements to transition a carve-out of its liquid strategies business within Citi Capital Advisors, which is part of the Institutional Clients Group segment, to certain employees responsible for managing those operations. The transaction will be accounted for as a sale and is currently expected to close in the first quarter of 2013 reported as discontinued operations for the second half of 2012 only. The calculation of the ratio of income to fixed charges excludes discontinued operations. Prior periods have not been restated due to the immateriality of the impact in those periods.

(2) On March 1, 2011, Citigroup announced an agreement to sell its Egg credit card business to Barclays Bank PLC. Citigroup reports this business separately as discontinued operations in the Company's Consolidated Statement of Income for the full year of 2011 and the full year of 2012. The calculation of the ratio of income to fixed charges excludes discontinued operations. Prior periods have not been restated due to the immateriality of the impact in those periods.

(3) On September 17, 2010, Citigroup announced an agreement to sell its The Student Loan Corporation to Discover Financial Services ("Discover") and SLM Corporation ("Sallie Mae"). Citigroup reports these businesses separately as discontinued operations in the Company's Consolidated Statement of Income for the third and fourth quarters of 2010 only. The calculation of the ratio of income to fixed charges excludes discontinued operations. Prior periods have not been restated due to the immateriality of the impact in those periods.

(4) On May 1, 2009, Citigroup announced an agreement to sell its Nikko Cordial Securities to Sumitomo Mitsui Banking Corporation (hereafter SMBC). Citigroup reports these businesses separately as discontinued operations in the Company's Consolidated Statement of Income. The calculation of the ratio of income to fixed charges excludes discontinued operations. Prior periods have been restated on a comparable basis.

(5) On July 11, 2008, the Company announced an agreement to sell its German retail banking operations to Credit Mutuel. Citigroup reports these businesses separately as discontinued operations in the Company's Consolidated Statement of Income. The calculation of the ratio of income to fixed charges excludes discontinued operations. Prior periods have been restated on a comparable basis.

(6) On April 17, 2008, Citigroup announced an agreement to sell most of Citigroup` s CitiCapital business unit to GE Capital. Citigroup reports these businesses separately as discontinued operations in the Company's Consolidated Statement of Income. The calculation of the ratio of income to fixed charges excludes discontinued operations. Prior periods have been restated on a comparable basis.

Exhibit 12.02

CITIGROUP INC.

CALCULATION OF RATIO OF INCOME TO FIXED CHARGES

INCLUDING PREFERRED STOCK DIVIDENDS

In millions of dollars, except for ratios	Year ended December 31, 2012 (1)(2)(5)	2011 (2)(4)(5)(6)	2010 (3)(4)(5)(6)	2009 (4)(5)(6)	2008 (4)(5)(6)
EXCLUDING INTEREST ON DEPOSITS:					
Fixed Charges					
Interest expense (other than interest on deposits)	$ 12,739	$ 15,542	$ 16,674	$ 17,711	$ 33,410
Interest factor in rent expense	490	503	493	522	734
Dividends--Preferred Stock	26	34	11	22,708	2,830
Total fixed charges	$ 13,255	$ 16,079	$ 17,178	$ 40,941	$ 36,974
Income					
Income from continuing operations before taxes, minority interest and cumulative effect of accounting changes	$ 7,936	$ 14,624	$ 13,184	$ (7,799)	$ (52,355)
Fixed charges (excluding preferred stock dividends)	13,229	16,045	17,167	18,233	34,144
Total income	$ 21,165	$ 30,669	$ 30,351	$ 10,434	$ (18,211)
Ratio of income to fixed charges excluding interest on deposits	1.60	1.91	1.77	NM	NM
INCLUDING INTEREST ON DEPOSITS:					
Fixed Charges					
Interest expense	$ 20,535	$ 24,234	$ 25,096	$ 27,902	$ 53,133
Interest factor in rent expense	490	503	493	522	734
Dividends--Preferred Stock	26	34	11	22,708	2,830
Total fixed charges	$ 21,051	$ 24,771	$ 25,600	$ 51,132	$ 56,697
Income					
Income from continuing operations before taxes, minority interest and cumulative effect of accounting changes	$ 7,936	$ 14,624	$ 13,184	$ (7,799)	$ (52,355)
Fixed charges (excluding preferred stock dividends)	21,025	24,737	25,589	28,424	53,867
Total income	$ 28,961	$ 39,361	$ 38,773	$ 20,625	$ 1,512
Ratio of income to fixed charges including interest on deposits	1.38	1.59	1.51	NM	NM

(1) During the third quarter of 2012, the Company executed definitive agreements to transition a carve-out of its liquid strategies business within Citi Capital Advisors, which is part of the Institutional Clients Group segment, to certain employees responsible for managing those operations. The transaction will be accounted for as a sale and is currently expected to close in the first quarter of 2013 reported as discontinued operations for the second half of 2012 only. The calculation of the ratio of income to fixed charges excludes discontinued operations. Prior periods have not been restated due to the immateriality of the impact in those periods.

(2) On March 1, 2011, Citigroup announced an agreement to sell its Egg credit card business to Barclays Bank PLC. Citigroup reports this business separately as discontinued operations in the Company's Consolidated Statement of Income for the full year of 2011 and the full year of 2012. The calculation of the ratio of income to fixed charges excludes discontinued operations. Prior periods have not been restated due to the immateriality of the impact in those periods.

(3) On September 17, 2010, Citigroup announced an agreement to sell its The Student Loan Corporation to Discover Financial Services ("Discover") and SLM Corporation ("Sallie Mae"). Citigroup reports these businesses separately as discontinued operations in the Company's Consolidated Statement of Income for the

third and fourth quarters of 2010 only. The calculation of the ratio of income to fixed charges excludes discontinued operations. Prior periods have not been restated due to the immateriality of the impact in those periods.

(4) On May 1, 2009, Citigroup announced an agreement to sell its Nikko Cordial Securities to Sumitomo Mitsui Banking Corporation (hereafter SMBC). Citigroup reports these businesses separately as discontinued operations in the Company's Consolidated Statement of Income. The calculation of the ratio of income to fixed charges excludes discontinued operations. Prior periods have been restated on a comparable basis.

(5) On July 11, 2008, the Company announced an agreement to sell its German retail banking operations to Credit Mutuel. Citigroup reports these businesses separately as discontinued operations in the Company's Consolidated Statement of Income. The calculation of the ratio of income to fixed charges excludes discontinued operations. Prior periods have been restated on a comparable basis.

(6) On April 17, 2008, Citigroup announced an agreement to sell most of Citigroup's CitiCapital business unit to GE Capital. Citigroup reports these businesses separately as discontinued operations in the Company's Consolidated Statement of Income. The calculation of the ratio of income to fixed charges excludes discontinued operations. Prior periods have been restated on a comparable basis.

Exhibit 21.01

Following is a list of subsidiaries of Citigroup Inc., as of December 31, 2012, and the states or countries in which they are organized. The indentation reflects the principal parenting of each subsidiary. Citigroup Inc. owns, directly or indirectly, at least 70% of the voting securities of each subsidiary. The names of particular subsidiaries have been omitted because the unnamed subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a "significant subsidiary" (as that term is defined in Rule 1-02(w) of Regulation S-X), as of December 31, 2012.

Subsidiary	Jurisdiction Name
Associated Madison Companies, Inc.	Delaware
Citigroup Insurance Holding Corporation	Georgia
Prime Reinsurance Company, Inc.	Vermont
CAFCO, LLC	Delaware
Citicorp	Delaware
Citibank, N.A.	United States
Citibank (China) Co., Ltd.	China
Citibank Overseas Investment Corporation	United States
Banco Citibank S.A.	Brazil
Bank Handlowy w Warszawie S.A.	Poland
Citi Holdings Bahamas Ltd.	Bahamas
Citi Global Investments Ltd.	Bahamas
Citi Americas Investment Ltd.	Bahamas
Banco Citicard S.A.	Brazil
Citigroup Netherlands Holdings B.V.	Netherlands
Citibank Investments Limited	England
Citi Investments Bahamas Ltd.	Bahamas
Citi Overseas Investments Bahamas Inc.	Bahamas
Citigroup Global Markets Finance Corporation & Co. beschrankt haftende KG	Germany
Citigroup Global Markets Deutschland AG	Germany
Citigroup Global Markets Finance LLC	Delaware
Citibank Anonim Sirketi	Turkey
Citibank Canada	Canada
Citibank Holdings Ireland Limited	Ireland
Citibank Europe plc	Ireland
Citibank Japan Ltd.	Japan
Citibank Taiwan Ltd.	Taiwan
Citibank-Colombia S.A.	Colombia
Citigroup Asia Pacific Holding Corporation	Delaware
Citigroup Holding (Singapore) Private Limited	Singapore
Citibank (Hong Kong) Limited	Hong Kong
Citibank Berhad	Malaysia
Citibank Singapore Limited	Singapore
Citicorp International Limited	Hong Kong
Citicorp Investment Bank (Singapore) Limited	Singapore
Citigroup Pty Limited	Australia
Citigroup Chile S.A.	Chile
Citigroup Korea Inc.	Korea, Republic of
Citibank Korea Inc.	Korea, Republic of
Citigroup Netherlands B.V.	Netherlands

ZAO Citibank	Russian Federation
Yonder Investment Corporation	Delaware
Citicorp USA, Inc.	Delaware
CitiMortgage, Inc.	New York
Citicorp Banking Corporation	Delaware

Associates First Capital Corporation	Delaware
CitiFinancial Credit Company	Delaware
CitiFinancial, Inc. <MD>	Maryland
CF Network Receivables Corporation	Delaware
CF Network Issuance Trust 2010-1	Delaware
OneMain Financial Holdings, Inc.	Delaware
Citigroup Finance Canada Inc.	Canada
1506995 Alberta ULC	Canada
1506999 Alberta ULC	Canada
CitiFinancial Canada, Inc.	Canada
CGI Private Equity LP LLC	Delaware
Citicorp Funding, Inc.	Delaware
Citicorp Global Holdings, Inc.	Delaware
NAMGK Mexico Holding, S. de R.L. de C.V.	Mexico
Citicorp (Mexico) Holdings LLC	Delaware
Grupo Financiero Banamex, S.A. de C.V.	Mexico
Acciones y Valores Banamex, S.A. de C.V. Casa de Bolsa, Integrante del Grupo Financiero Banamex	Mexico
Afore Banamex, S.A. de C.V.	Mexico
Vidapass, Sociedad Anonima de Capital Variable	Mexico
Banco Nacional de Mexico, S.A.	Mexico
Tarjetas Banamex, S.A. De C.V., Sofom, E.R.	Mexico
Seguros Banamex, S.A. de C.V., Integrante del Grupo Financiero Banamex	Mexico
Citigroup Capital Partners Mexico, S. de R.L. de C.V.	Mexico
Citicorp North America, Inc.	Delaware
Citigroup Niagara Holdings LLC	Delaware
Niagara Holdco LLC	Delaware
Citigroup Global Markets Realty Corp.	New York
Citigroup Technology, Inc.	Delaware
Primetime Reinsurance Company, Inc.	Vermont
Citigroup Funding Inc.	Delaware
Citigroup Global Markets Holdings Inc.	New York
Citigroup Financial Products Inc.	Delaware
Citicorp Securities Services, Inc.	Delaware
Citigroup Global Markets (International) Finance AG	Switzerland
Citigroup Global Markets Europe Limited	England
Citigroup Global Markets Limited	England
Citigroup Global Markets Overseas Finance Limited	Cayman Islands
Citigroup Global Markets Hong Kong Holdings Limited	Hong Kong
Citigroup Global Markets Australia Holdings Pty Limited	Australia
Citigroup Global Markets Australia Pty Limited	Australia
Citigroup Global Markets Inc.	New York
Citigroup Global Markets International LLC	Delaware
Citigroup Global Markets Switzerland Holding GmbH	Switzerland
Citigroup Global Markets Europe Finance Limited	England
Umbrella Asset Services Hong Kong Limited	Hong Kong
Y.K. PC One	Japan

Citigroup Japan Holdings Corp.	Japan
CFJ G.K.	Japan
CFJ Holdings Ltd.	Japan
Citigroup Global Markets Japan Inc.	Japan
Citigroup Japan Treasury GK	Japan

Citigroup Services Japan Ltd.	Japan
Citigroup Japan Treasury GK	Japan
Citigroup Strategic Holdings Mauritius Ltd	Mauritius
COHM Overseas Mexico Holding, S. de R.L. de C.V.	Mexico

Exhibit 23.01

Consent of Independent Registered Public Accounting Firm

The Board of Directors

Citigroup Inc.:

We consent to the incorporation by reference in the Registration Statements on:

- Form S-3 Nos. 33-55542, 33-56940, 33-68760, 33-51101, 33-62903, 33-63663, 333-04809, 333-12439, 333-27155, 333-37992, 333-42575, 333-44549, 333-48474, 333-49442, 333-51201, 333-68949, 333-90079, 333-57364, 333-75554, 333-102206, 333-103940, 333-105316, 333-106510, 333-106598, 333-108047, 333-117615, 333-122925, 333-125845, 333-126744, 333-132177, 333-132370, 333-132373, 333-135163, 333-135867, 333-142849, 333-146471, 333-152454, 333-154914, 333-157386, 333-157459, 333-172554, 333-172555, 333-172562, and 333-186425.

- Form S-8 Nos. 333-58460, 333-58458, 333-02811, 333-56589, 333-63016, 333-101134, 333-107166, 333-124635, 333-163852, 333-166242, 333-166215, 333-173683 and 333-181647.

of Citigroup Inc. of our reports dated March 1, 2013, with respect to the consolidated balance sheets of Citigroup Inc. and subsidiaries (the "Company" or "Citigroup") as of December 31, 2012 and 2011, the related consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 2012, and Citigroup's effectiveness of internal control over financial reporting as of December 31, 2012, which reports appear in the December 31, 2012 Annual Report on Form 10-K of Citigroup.

New York, New York

March 1, 2013

Exhibit 24.01

POWER OF ATTORNEY
Annual Report on Form 10-K
Citigroup Inc.

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a director of Citigroup Inc., a Delaware corporation, do hereby constitute and appoint John C. Gerspach and Rohan Weerasinghe, and each of them severally, to be my true and lawful attorneys-in-fact and agents, each acting alone with full power of substitution and re-substitution, to sign my name to the Annual Report on Form 10-K of Citigroup Inc. for the fiscal year ended December 31, 2012, and all amendments thereto, and to file, or cause to be filed, the same with all exhibits thereto (including this power of attorney), and other documents in connection therewith with the Securities and Exchange Commission, provided that such Annual Report on Form 10-K in final form, and any amendment or amendments thereto and such other documents, be approved by said attorneys-in-fact, or by any one of them; and I do hereby grant unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in or about the premises, as fully and to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have subscribed these presents this 15th day of January, 2013.

/s/ Michael L. Corbat
(Signature)

POWER OF ATTORNEY

Annual Report on Form 10-K
Citigroup Inc.

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a director of Citigroup Inc., a Delaware corporation, do hereby constitute and appoint Michael L. Corbat, John C. Gerspach and Rohan Weerasinghe, and each of them severally, to be my true and lawful attorneys-in-fact and agents, each acting alone with full power of substitution and re-substitution, to sign my name to the Annual Report on Form 10-K of Citigroup Inc. for the fiscal year ended December 31, 2012, and all amendments thereto, and to file, or cause to be filed, the same with all exhibits thereto (including this power of attorney), and other documents in connection therewith with the Securities and Exchange Commission, provided that such Annual Report on Form 10-K in final form, and any amendment or amendments thereto and such other documents, be approved by said attorneys-in-fact, or by any one of them; and I do hereby grant unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in or about the premises, as fully and to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have subscribed these presents this 15th day of January, 2013.

/s/ Franz B. Humer

(Signature) Franz B. Humer

POWER OF ATTORNEY

Annual Report on Form 10-K
Citigroup Inc.

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a director of Citigroup Inc., a Delaware corporation, do hereby constitute and appoint Michael L. Corbat, John C. Gerspach and Rohan Weerasinghe, and each of them severally, to be my true and lawful attorneys-in-fact and agents, each acting alone with full power of substitution and re-substitution, to sign my name to the Annual Report on Form 10-K of Citigroup Inc. for the fiscal year ended December 31, 2012, and all amendments thereto, and to file, or cause to be filed, the same with all exhibits thereto (including this power of attorney), and other documents in connection therewith with the Securities and Exchange Commission, provided that such Annual Report on Form 10-K in final form, and any amendment or amendments thereto and such other documents, be approved by said attorneys-in-fact, or by any one of them; and I do hereby grant unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in or about the premises, as fully and to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have subscribed these presents this 15th day of January, 2013.

/s/ Robert L. Joss

(Signature) Robert L. Joss

POWER OF ATTORNEY

Annual Report on Form 10-K
Citigroup Inc.

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a director of Citigroup Inc., a Delaware corporation, do hereby constitute and appoint Michael L. Corbat, John C. Gerspach and Rohan Weerasinghe, and each of them severally, to be my true and lawful attorneys-in-fact and agents, each acting alone with full power of substitution and re-substitution, to sign my name to the Annual Report on Form 10-K of Citigroup Inc. for the fiscal year ended December 31, 2012, and all amendments thereto, and to file, or cause to be filed, the same with all exhibits thereto (including this power of attorney), and other documents in connection therewith with the Securities and Exchange Commission, provided that such Annual Report on Form 10-K in final form, and any amendment or amendments thereto and such other documents, be approved by said attorneys-in-fact, or by any one of them; and I do hereby grant unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in or about the premises, as fully and to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have subscribed these presents this 15th day of January, 2013.

/s/ Michael E. O' Neill

(Signature) Michael E. O' Neill

POWER OF ATTORNEY

Annual Report on Form 10-K
Citigroup Inc.

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a director of Citigroup Inc., a Delaware corporation, do hereby constitute and appoint Michael L. Corbat, John C. Gerspach and Rohan Weerasinghe, and each of them severally, to be my true and lawful attorneys-in-fact and agents, each acting alone with full power of substitution and re-substitution, to sign my name to the Annual Report on Form 10-K of Citigroup Inc. for the fiscal year ended December 31, 2012, and all amendments thereto, and to file, or cause to be filed, the same with all exhibits thereto (including this power of attorney), and other documents in connection therewith with the Securities and Exchange Commission, provided that such Annual Report on Form 10-K in final form, and any amendment or amendments thereto and such other documents, be approved by said attorneys-in-fact, or by any one of them; and I do hereby grant unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in or about the premises, as fully and to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have subscribed these presents this 15th day of January, 2013.

/s/ Lawrence R. Riccardi

(Signature) Lawrence R. Riccardi

POWER OF ATTORNEY

Annual Report on Form 10-K
Citigroup Inc.

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a director of Citigroup Inc., a Delaware corporation, do hereby constitute and appoint Michael L. Corbat, John C. Gerspach and Rohan Weerasinghe, and each of them severally, to be my true and lawful attorneys-in-fact and agents, each acting alone with full power of substitution and re-substitution, to sign my name to the Annual Report on Form 10-K of Citigroup Inc. for the fiscal year ended December 31, 2012, and all amendments thereto, and to file, or cause to be filed, the same with all exhibits thereto (including this power of attorney), and other documents in connection therewith with the Securities and Exchange Commission, provided that such Annual Report on Form 10-K in final form, and any amendment or amendments thereto and such other documents, be approved by said attorneys-in-fact, or by any one of them; and I do hereby grant unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in or about the premises, as fully and to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have subscribed these presents this 15th day of January, 2013.

/s/ Judith Rodin

(Signature) Judith Rodin

POWER OF ATTORNEY

Annual Report on Form 10-K
Citigroup Inc.

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a director of Citigroup Inc., a Delaware corporation, do hereby constitute and appoint Michael L. Corbat, John C. Gerspach and Rohan Weerasinghe, and each of them severally, to be my true and lawful attorneys-in-fact and agents, each acting alone with full power of substitution and re-substitution, to sign my name to the Annual Report on Form 10-K of Citigroup Inc. for the fiscal year ended December 31, 2012, and all amendments thereto, and to file, or cause to be filed, the same with all exhibits thereto (including this power of attorney), and other documents in connection therewith with the Securities and Exchange Commission, provided that such Annual Report on Form 10-K in final form, and any amendment or amendments thereto and such other documents, be approved by said attorneys-in-fact, or by any one of them; and I do hereby grant unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in or about the premises, as fully and to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have subscribed these presents this 15th day of January, 2013.

/s/ Robert L. Ryan

(Signature) Robert L. Ryan

POWER OF ATTORNEY

Annual Report on Form 10-K
Citigroup Inc.

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a director of Citigroup Inc., a Delaware corporation, do hereby constitute and appoint Michael L. Corbat, John C. Gerspach and Rohan Weerasinghe, and each of them severally, to be my true and lawful attorneys-in-fact and agents, each acting alone with full power of substitution and re-substitution, to sign my name to the Annual Report on Form 10-K of Citigroup Inc. for the fiscal year ended December 31, 2012, and all amendments thereto, and to file, or cause to be filed, the same with all exhibits thereto (including this power of attorney), and other documents in connection therewith with the Securities and Exchange Commission, provided that such Annual Report on Form 10-K in final form, and any amendment or amendments thereto and such other documents, be approved by said attorneys-in-fact, or by any one of them; and I do hereby grant unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in or about the premises, as fully and to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have subscribed these presents this 15th day of January, 2013.

/s/ Anthony M. Santomero

(Signature) Anthony M. Santomero

POWER OF ATTORNEY

Annual Report on Form 10-K
Citigroup Inc.

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a director of Citigroup Inc., a Delaware corporation, do hereby constitute and appoint Michael L. Corbat, John C. Gerspach and Rohan Weerasinghe, and each of them severally, to be my true and lawful attorneys-in-fact and agents, each acting alone with full power of substitution and re-substitution, to sign my name to the Annual Report on Form 10-K of Citigroup Inc. for the fiscal year ended December 31, 2012, and all amendments thereto, and to file, or cause to be filed, the same with all exhibits thereto (including this power of attorney), and other documents in connection therewith with the Securities and Exchange Commission, provided that such Annual Report on Form 10-K in final form, and any amendment or amendments thereto and such other documents, be approved by said attorneys-in-fact, or by any one of them; and I do hereby grant unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in or about the premises, as fully and to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have subscribed these presents this 15th day of January, 2013.

/s/ Joan E. Spero

(Signature) Joan E. Spero

POWER OF ATTORNEY

Annual Report on Form 10-K
Citigroup Inc.

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a director of Citigroup Inc., a Delaware corporation, do hereby constitute and appoint Michael L. Corbat, John C. Gerspach and Rohan Weerasinghe, and each of them severally, to be my true and lawful attorneys-in-fact and agents, each acting alone with full power of substitution and re-substitution, to sign my name to the Annual Report on Form 10-K of Citigroup Inc. for the fiscal year ended December 31, 2012, and all amendments thereto, and to file, or cause to be filed, the same with all exhibits thereto (including this power of attorney), and other documents in connection therewith with the Securities and Exchange Commission, provided that such Annual Report on Form 10-K in final form, and any amendment or amendments thereto and such other documents, be approved by said attorneys-in-fact, or by any one of them; and I do hereby grant unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in or about the premises, as fully and to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have subscribed these presents this 15th day of January, 2013.

/s/ Diana L. Taylor

(Signature) Diana L. Taylor

POWER OF ATTORNEY

Annual Report on Form 10-K
Citigroup Inc.

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a director of Citigroup Inc., a Delaware corporation, do hereby constitute and appoint Michael L. Corbat, John C. Gerspach and Rohan Weerasinghe, and each of them severally, to be my true and lawful attorneys-in-fact and agents, each acting alone with full power of substitution and re-substitution, to sign my name to the Annual Report on Form 10-K of Citigroup Inc. for the fiscal year ended December 31, 2012, and all amendments thereto, and to file, or cause to be filed, the same with all exhibits thereto (including this power of attorney), and other documents in connection therewith with the Securities and Exchange Commission, provided that such Annual Report on Form 10-K in final form, and any amendment or amendments thereto and such other documents, be approved by said attorneys-in-fact, or by any one of them; and I do hereby grant unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in or about the premises, as fully and to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have subscribed these presents this 15th day of January, 2013.

/s/ William S. Thompson

(Signature) William S. Thompson

POWER OF ATTORNEY

Annual Report on Form 10-K
Citigroup Inc.

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a director of Citigroup Inc., a Delaware corporation, do hereby constitute and appoint Michael L. Corbat, John C. Gerspach and Rohan Weerasinghe, and each of them severally, to be my true and lawful attorneys-in-fact and agents, each acting alone with full power of substitution and re-substitution, to sign my name to the Annual Report on Form 10-K of Citigroup Inc. for the fiscal year ended December 31, 2012, and all amendments thereto, and to file, or cause to be filed, the same with all exhibits thereto (including this power of attorney), and other documents in connection therewith with the Securities and Exchange Commission, provided that such Annual Report on Form 10-K in final form, and any amendment or amendments thereto and such other documents, be approved by said attorneys-in-fact, or by any one of them; and I do hereby grant unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in or about the premises, as fully and to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have subscribed these presents this 15th day of January, 2013.

/s/ Ernesto Zedillo

(Signature) Ernesto Zedillo

Exhibit 31.01

CERTIFICATION

I, Michael L. Corbat, certify that:

1. I have reviewed this Annual Report on Form 10-K of Citigroup Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant' s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant' s internal control over financial reporting that occurred during the registrant' s most recent fiscal quarter (the registrant' s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant' s internal control over financial reporting; and

5. The registrant' s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant' s auditors and the audit committee of the registrant' s board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant' s ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant' s internal control over financial reporting.

Date: March 1, 2013

/s/ Michael L. Corbat

Michael L. Corbat
Chief Executive Officer

Exhibit 31.02

CERTIFICATION

I, John C. Gerspach, certify that:

1. I have reviewed this Annual Report on Form 10-K of Citigroup Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant' s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant' s internal control over financial reporting that occurred during the registrant' s most recent fiscal quarter (the registrant' s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant' s internal control over financial reporting; and

5. The registrant' s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant' s auditors and the audit committee of the registrant' s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant' s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant' s internal control over financial reporting.

Date: March 1, 2013

/s/ John C. Gerspach

John C. Gerspach
Chief Financial Officer

Exhibit 32.01

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Citigroup Inc. (the “Company”) for the year ended December 31, 2012 (the “Report”), Michael L. Corbat, as Chief Executive Officer of the Company, and John C. Gerspach, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael L. Corbat

Michael L. Corbat
Chief Executive Officer
March 1, 2013

/s/ John C. Gerspach

John C. Gerspach
Chief Financial Officer
March 1, 2013

This certification accompanies each Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of §18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 99.01

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Name of each exchange on which registered
Common Stock, par value $.01 per share	New York Stock Exchange Mexico Stock Exchange Tokyo Stock Exchange
Depositary Shares, each representing 1/1,000th of a share of 8.50% Non-Cumulative Preferred Stock, Series F	New York Stock Exchange
Depositary Shares, each representing 1/1,000th of a share of 6.5% Non-Cumulative Convertible Preferred Stock, Series T	New York Stock Exchange
Depositary Shares, each representing 1/1,000th of a share of 8.125% Non-Cumulative Preferred Stock, Series AA	New York Stock Exchange
7.625% Trust Preferred Securities of Citigroup Capital III (and registrant’ s guaranty with respect thereto)	New York Stock Exchange
7.125% Trust Preferred Securities (TruPS®) of Citigroup Capital VII (and registrant’ s guaranty with respect thereto)	New York Stock Exchange
6.950% Trust Preferred Securities (TruPS®) of Citigroup Capital VIII (and registrant’ s guaranty with respect thereto)	New York Stock Exchange
6.00% Trust Preferred Securities (TruPS®) of Citigroup Capital IX (and registrant’ s guaranty with respect thereto)	New York Stock Exchange
6.10% Trust Preferred Securities (TruPS®) of Citigroup Capital X (and registrant’ s guaranty with respect thereto)	New York Stock Exchange
6.00% Trust Preferred Securities (TruPS®) of Citigroup Capital XI (and registrant’ s guaranty with respect thereto)	New York Stock Exchange
6.875% Enhanced Trust Preferred Securities (Enhanced TruPS®) of Citigroup Capital XIV (and registrant’ s guaranty with respect thereto)	New York Stock Exchange
6.500% Enhanced Trust Preferred Securities (Enhanced TruPS®) of Citigroup Capital XV (and registrant’ s guaranty with respect thereto)	New York Stock Exchange
6.450% Enhanced Trust Preferred Securities (Enhanced TruPS®) of Citigroup Capital XVI (and registrant’ s guaranty with respect thereto)	New York Stock Exchange

6.350% Enhanced Trust Preferred Securities (Enhanced TruPS®) of Citigroup Capital XVII (and registrant' s guaranty with respect thereto)	New York Stock Exchange
6.829% Fixed Rate/Floating Rate Enhanced Trust Preferred Securities (Enhanced TruPS®) of Citigroup Capital XVIII (and registrant' s guaranty with respect thereto)	New York Stock Exchange

8.500% Fixed Rate/Floating Rate Trust Preferred Securities (TruPS®) of Citigroup Capital XII (and registrant' s guaranty with respect thereto)	New York Stock Exchange
7.875% Fixed Rate/Floating Rate Trust Preferred Securities (TRUPS®) of Citigroup Capital XIII (and registrant' s guaranty with respect thereto)	New York Stock Exchange
Warrants (expiring October 28, 2018)	New York Stock Exchange
Warrants (expiring January 4, 2019)	New York Stock Exchange
Principal-Protected Trust Certificates Linked to the S&P 500® Index, the Dow Jones EURO STOXX 50® Index and the Nikkei 225 Stock Average℠ Due 2013 (2008-3) +	NYSE Arca, Inc.
Principal-Protected Trust Certificates Linked to the S&P 500® Index, the Dow Jones EURO STOXX 50® Index and the Nikkei 225 Stock Average℠ Due 2013 (2007-4) +	NYSE Arca, Inc.
Principal-Protected Trust Certificates Linked to the S&P 500® Index, the Dow Jones EURO STOXX 50® Index and the Nikkei 225 Stock Average℠ Due 2014 +	NYSE Arca, Inc.
Principal-Protected Trust Certificates Linked to the S&P 500® Index Due 2013 (2008-2) +	NYSE Arca, Inc.
Principal-Protected Trust Certificates Linked to the S&P 500® Index Due 2013 (2008-4) +	NYSE Arca, Inc.
Principal-Protected Trust Certificates Linked to the S&P 500® Index Due 2014 +	NYSE Arca, Inc.
Principal-Protected Trust Certificates Linked to the Dow Jones Industrial Average℠ Due 2014 +	NYSE Arca, Inc.
3% Minimum Coupon Principal Protected Notes Based Upon the Dow Jones-AIG Commodity Index℠-Excess Return Due 2014 *	NYSE Arca, Inc.
3% Minimum Coupon Principal Protected Notes Based Upon the Russell 2000® Index Due March 2014 *	NYSE Arca, Inc.
3% Minimum Coupon Principal Protected Notes Based Upon the Russell 2000® Index Due June 2014 *	NYSE Arca, Inc.

3% Minimum Coupon Principal Protected Notes Based Upon the Russell 2000® Index Due September 2014 *	NYSE Arca, Inc.
3% Minimum Coupon Principal Protected Notes Based Upon the S&P MidCap 400® Index Due 2014 *	NYSE Arca, Inc.
3% Minimum Coupon Principal Protected Notes Based Upon the Dow Jones-UBS Commodity Index℠ Due 2014 *	NYSE Arca, Inc.

2% Minimum Coupon Principal Protected Notes Based Upon the S&P 500® Index Due 2014 *	NYSE Arca, Inc.
3% Minimum Coupon Principal Protected Notes Based Upon the S&P 500® Index Due 2014 *	NYSE Arca, Inc.
3% Minimum Coupon Principal Protected Notes Based Upon the S&P 500 Index® Due May 2014 *	NYSE Arca, Inc.
3% Minimum Coupon Principal Protected Notes Based Upon the Price of Gold Due 2014 *	NYSE Arca, Inc.
2% Minimum Coupon Principal Protected Notes Based Upon the Price of Gold Due 2014 *	NYSE Arca, Inc.
C-Tracks Exchange-Traded Notes Based on the Performance of the Citi Volatility Total Return Index Due November 12, 2020 *	NYSE Arca, Inc.

+ Originally issued by a subsidiary trust of Citigroup Funding Inc. (CFI), and included registrant' s guaranty of CFI' s performance with respect thereto. Effective December 31, 2012, the registrant became the direct guarantor for each of the above securities in connection with the merger of Citigroup Funding Inc. with and into the registrant.

* Originally issued by Citigroup Funding Inc. (CFI) and included registrant' s guaranty with respect thereto. Effective December 31, 2012, the registrant became the direct obligor for each of the above securities in connection with the merger of Citigroup Funding Inc. with and into the registrant.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Policies)	12 Months Ended Dec. 31, 2012

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

Principles of Consolidation

The Consolidated Financial Statements include the accounts of Citigroup and its subsidiaries prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP). The Company consolidates subsidiaries in which it holds, directly or indirectly, more than 50% of the voting rights or where it exercises control. Entities where the Company holds 20% to 50% of the voting rights and/or has the ability to exercise significant influence, other than investments of designated venture capital subsidiaries or investments accounted for at fair value under the fair value option, are accounted for under the equity method, and the pro rata share of their income (loss) is included in *Other revenue*. Income from investments in less than 20%-owned companies is recognized when dividends are received. As discussed in more detail in Note 22 to the Consolidated Financial Statements, Citigroup consolidates entities deemed to be variable interest entities when Citigroup is determined to be the primary beneficiary. Gains and losses on the disposition of branches, subsidiaries, affiliates, buildings, and other investments are included in *Other revenue*.

Throughout these Notes, "Citigroup," "Citi" and the "Company" refer to Citigroup Inc. and its consolidated subsidiaries.

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

Citibank, N.A.

Citibank, N.A. is a commercial bank and wholly owned subsidiary of Citigroup Inc. Citibank's principal offerings include: Consumer finance, mortgage lending, and retail banking products and services; investment banking, commercial banking, cash management, trade finance and e-commerce products and services; and private banking products and services.

Variable Interest Entities

Variable Interest Entities

An entity is referred to as a variable interest entity (VIE) if it meets the criteria outlined in ASC 810, *Consolidation* (formerly SFAS No. 167, *Amendments to FASB Interpretation No. 46(R)*) (SFAS 167), which are: (i) the entity has equity that is insufficient to permit the entity to finance its activities without additional subordinated financial support from other parties; or (ii) the entity has equity investors that cannot make significant decisions about the entity's operations or that do not absorb their proportionate share of the entity's expected losses or expected returns.

The Company consolidates a VIE when it has both the power to direct the activities that most significantly impact the VIE's economic success and a right to receive benefits or absorb losses of the entity that could be potentially significant to the VIE (that is, it is the primary beneficiary).

Along with the VIEs that are consolidated in accordance with these guidelines, the Company has variable interests in other VIEs that are not consolidated because the Company is not the primary beneficiary. These include multi-seller finance companies, certain collateralized debt obligations (CDOs), many structured finance transactions, and various investment funds.

However, these VIEs and all other unconsolidated VIEs are monitored by the Company to determine if any events have occurred that could cause its primary beneficiary status to change. These events include:

- additional purchases or sales of variable interests by Citigroup or an unrelated third party, which cause Citigroup's overall variable interest ownership to change;
- changes in contractual arrangements in a manner that reallocates expected losses and residual returns among the variable interest holders;
- changes in the party that has power to direct the activities of a VIE that most significantly impact the entity's economic performance; and
- providing support to an entity that results in an implicit variable interest.

All other entities not deemed to be VIEs with which the Company has involvement are evaluated for consolidation under other subtopics of ASC 810 (formerly Accounting Research Bulletin (ARB) No. 51, *Consolidated Financial Statements*, SFAS No. 94, *Consolidation of All Majority-Owned Subsidiaries*, and EITF Issue No. 04-5, *Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights*).

Foreign Currency Translation

Foreign Currency Translation

Assets and liabilities of Citi's foreign operations are translated from their respective functional currencies into U.S. dollars using period-end spot foreign-exchange rates. The effects of those translation adjustments are reported in *Accumulated other comprehensive income (loss)*, a component of stockholders' equity, along with related hedge and tax effects, until realized upon sale or substantial liquidation of the foreign operation. Revenues and expenses of Citi's foreign operations are translated monthly from their respective functional currencies into U.S. dollars at amounts that approximate weighted average exchange rates.

For transactions whose terms are denominated in a currency other than the functional currency, including transactions denominated in the local currencies of foreign operations with the U.S. dollar as their functional currency, the effects of changes in exchange rates are primarily included in *Principal transactions*, along with the related hedge effects. Instruments used to hedge foreign currency exposures include foreign currency forward, option and swap contracts and designated issues of non-U.S. dollar debt. Foreign operations in countries with highly inflationary economies designate the U.S. dollar as their functional currency, with the effects of changes in exchange rates primarily included in *Other revenue*.

Investment Securities

Investment Securities

Investments include fixed income and equity securities. Fixed income instruments include bonds, notes and redeemable preferred stocks, as well as certain loan-backed and structured securities that are subject to prepayment risk. Equity securities include common and nonredeemable preferred stock.

Investment securities are classified and accounted for as follows:

- Fixed income securities classified as "held-to-maturity" represent securities that the Company has both the ability and the intent to hold until maturity and are carried at amortized cost. Interest income on such securities is included in *Interest revenue*.
- Fixed income securities and marketable equity securities classified as "available-for-sale" are carried at fair value with changes in fair value reported in *Accumulated other comprehensive income (loss)*, a component of *Stockholders' equity*, net of applicable income taxes and hedges. As described in more detail in Note 15 to the Consolidated Financial Statements, declines in fair value that are determined to be other-than-temporary are recorded in earnings immediately. Realized gains and losses on sales are included in income primarily on a specific identification cost basis. Interest and dividend income on such securities is included in *Interest revenue*.
- Venture capital investments held by Citigroup's private equity subsidiaries that are considered investment companies are carried at fair value with changes in fair value reported in *Other revenue*. These subsidiaries include entities registered as Small Business Investment Companies and engage exclusively in venture capital activities.
- Certain investments in non-marketable equity securities and certain investments that would otherwise have been accounted for using the equity method are carried at fair value, since the Company has elected to apply fair value accounting. Changes in fair value of such investments are recorded in earnings.
- Certain non-marketable equity securities are carried at cost and periodically assessed for other-than-temporary impairment, as described in Note 15 to the Consolidated Financial Statements.

For investments in fixed income securities classified as held-to-maturity or available-for-sale, accrual of interest income is suspended for investments that are in default or on which it is likely that future interest payments will not be made as scheduled.

The Company uses a number of valuation techniques for investments carried at fair value, which are described in Note 25 to the Consolidated Financial Statements. Realized gains and losses on sales of investments are included in earnings.

Trading Account Assets and Liabilities

Trading Account Assets and Liabilities

Trading account assets include debt and marketable equity securities, derivatives in a receivable position, residual interests in securitizations and physical commodities inventory. In addition, as described in Note 26 to the Consolidated Financial Statements, certain assets that Citigroup has elected to carry at fair value under the fair value option, such as loans and purchased guarantees, are also included in *Trading account assets*.

Trading account liabilities include 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 (as described in Note 26 to the Consolidated Financial Statements).

Other than physical commodities inventory, all trading account assets and liabilities are carried at fair value. Revenues generated from trading assets and trading liabilities are generally reported in *Principal transactions* and include realized gains and losses as well as unrealized gains and losses resulting from changes in the fair value of such instruments. Interest income on trading assets is recorded in *Interest revenue* reduced by interest expense on trading liabilities.

Physical commodities inventory is carried at the lower of cost or market with related losses reported in *Principal transactions*. Realized gains and losses on sales of commodities inventory are included in *Principal transactions*. Investments in unallocated precious metals accounts (gold, silver, platinum and palladium) are accounted for as hybrid instruments containing a debt host contract and an embedded non-financial derivative instrument indexed to the price of the relevant precious metal. The embedded derivative instrument is separated from the debt host contract and accounted for at fair value. The debt host contract is accounted for at fair value under the fair value option, as described in Note 26 to the Consolidated Financial Statements.

Derivatives used for trading purposes include interest rate, currency, equity, credit, and commodity swap agreements, options, caps and floors, warrants, and financial and commodity futures and forward contracts. Derivative asset and liability positions are presented net by counterparty on the Consolidated Balance Sheet when a valid master netting agreement exists and the other conditions set out in ASC 210-20, *Balance Sheet—Offsetting* are met.

The Company uses a number of techniques to determine the fair value of trading assets and liabilities, which are described in Note 25 to the Consolidated Financial Statements.

Securities Borrowed and Securities Loaned

Securities Borrowed and Securities Loaned

Securities borrowing and lending transactions generally do not constitute a sale of the underlying securities for accounting purposes, and are treated as collateralized financing transactions. Such transactions are recorded at the amount of proceeds advanced or received plus accrued interest. As described in Note 26 to the Consolidated Financial Statements, the Company has elected to apply fair value accounting to a number of securities borrowing and lending transactions. Fees paid or received for all securities lending and borrowing transactions are recorded in *Interest expense* or *Interest revenue* at the contractually specified rate.

The Company monitors the fair value of securities borrowed or loaned on a daily basis and obtains or posts additional collateral in order to maintain contractual margin protection.

As described in Note 25 to the Consolidated Financial Statements, the Company uses a discounted cash flow technique to determine the fair value of securities lending and borrowing transactions.

Repurchase and Resale Agreements

Repurchase and Resale Agreements

Securities sold under agreements to repurchase (repos) and securities purchased under agreements to resell (reverse repos) generally do not constitute a sale for accounting purposes of the underlying securities and are treated as collateralized financing transactions. As described in Note 26 to the Consolidated Financial Statements, the Company has elected to apply fair value accounting to a majority of such transactions, with changes in fair value reported in earnings. Any transactions for which fair value accounting has not been elected are recorded at the amount of cash advanced or received plus accrued interest. Irrespective of whether the Company has elected fair value accounting, interest paid or received on all repo and reverse repo transactions is recorded in *Interest expense* or *Interest revenue* at the contractually specified rate.

Where the conditions of ASC 210-20-45-11, *Balance Sheet—Offsetting: Repurchase and Reverse Repurchase Agreements*, are met, repos and reverse repos are presented net on the Consolidated Balance Sheet.

The Company's policy is to take possession of securities purchased under reverse repurchase agreements. The Company monitors the fair value of securities subject to repurchase or resale on a daily basis and obtains or posts additional collateral in order to maintain contractual margin protection.

As described in Note 25 to the Consolidated Financial Statements, the Company uses a discounted cash flow technique to determine the fair value of repo and reverse repo transactions.

Repurchase and Resale Agreements, and Securities Lending and Borrowing Agreements, Accounted for as Sales

Where certain conditions are met under ASC 860-10, *Transfers and Servicing* (formerly FASB Statement No. 166, *Accounting for Transfers of Financial Assets*), the Company accounted for certain repurchase agreements and securities lending agreements as sales. The key distinction resulting in these agreements being accounted for as sales was a reduction in initial margin or restriction in daily maintenance margin. At December 31, 2011, a nominal amount of these transactions were accounted for as sales that reduced *Trading account assets*. See related discussion of the assessment of the effective control for repurchase agreements in "Accounting Changes" below.

Loans

Loans

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

As described in Note 26 to the Consolidated Financial Statements, Citi has elected fair value accounting for certain loans. Such loans are carried at fair value with changes in fair value reported in earnings. Interest income on such loans is recorded in *Interest revenue* at the contractually specified rate.

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

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

Consumer loans

Consumer loans represent loans and leases managed primarily by the *Global Consumer Banking* and *Local Consumer Lending* businesses.

Non-accrual and re-aging policies

As a general rule, interest accrual ceases for installment and real estate (both open- and closed-end) loans when payments are 90 days contractually past due. For credit cards and unsecured revolving loans, however, Citi generally accrues interest until payments are 180 days past due. As a result of OCC guidance issued in the first quarter of 2012, home equity loans in regulated bank entities are classified as non-accrual if the related residential first mortgage is 90 days or more past due. As a result of OCC guidance issued in the third quarter of 2012, mortgage loans in regulated bank entities discharged through Chapter 7 bankruptcy, other than FHA-insured loans, are classified as non-accrual. Commercial market loans are placed on a cash (non-accrual) basis when it is determined, based on actual experience and a forward-looking assessment of the collectability of the loan in full, that the payment of interest or principal is doubtful or when interest or principal is 90 days past due.

Loans that have been modified to grant a short-term or long-term concession to a borrower who is in financial difficulty may not be accruing interest at the time of the modification. The policy for returning such modified loans to accrual status varies by product and/or region. In most cases, a minimum number of payments (ranging from one to six) are required, while in other cases the loan is never returned to accrual status. For regulated bank entities, such modified loans are returned to accrual status if a credit evaluation at the time of or subsequent to the modification indicates the borrower's ability to meet the restructured terms, and the borrower is current and has demonstrated a reasonable period of sustained payment performance (minimum six months of consecutive payments).

For U.S. Consumer loans, generally one of the conditions to qualify for modification is that a minimum number of payments (typically ranging from one to three) must be made. Upon modification, the loan is re-aged to current status. However, re-aging practices for certain open-ended Consumer loans, such as credit cards, are governed by Federal Financial Institutions Examination Council (FFIEC) guidelines. For open-ended Consumer loans subject to FFIEC guidelines, one of the conditions for the loan to be re-aged to current status is that at least three consecutive minimum monthly payments, or the equivalent amount, must be received. In addition, under FFIEC guidelines, the number of times that such a loan can be re-aged is subject to limitations (generally once in 12 months and twice in five years). Furthermore, Federal Housing Administration (FHA) and Department of Veterans Affairs (VA) loans are modified under those respective agencies' guidelines and payments are not always required in order to re-age a modified loan to current.

Charge-off policies

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

- Unsecured installment loans are charged off at 120 days past due.
- Unsecured revolving loans and credit card loans are charged off at 180 days contractually past due.
- Loans secured with non-real estate collateral are written down to the estimated value of the collateral, less costs to sell, at 120 days past due.
- Real estate-secured loans are written down to the estimated value of the property, less costs to sell, at 180 days contractually past due.
- Non-bank loans secured by real estate are written down to the estimated value of the property, less costs to sell, at the earlier of the receipt of title or 12 months in foreclosure (a process that must commence when payments are 120 days contractually past due).
- Non-bank unsecured personal loans are charged off when the loan is 180 days contractually past due if there have been no payments within the last six months, but in no event can these loans exceed 360 days contractually past due.
- Unsecured loans in bankruptcy are charged off within 60 days of notification of filing by the bankruptcy court or in accordance with Citi's charge-off policy, whichever occurs earlier.
- As a result of OCC guidance issued in the third quarter of 2012, real estate-secured loans that were discharged through Chapter 7 bankruptcy, other than FHA-insured loans, are written down to the collateral value of the property, less costs to sell. Other real estate-secured loans in bankruptcy are written down to the estimated value of the property, less costs to sell, at the later of 60 days after notification or 60 days contractually past due.
- Non-bank unsecured personal loans in bankruptcy are charged off when they are 30 days contractually past due.
- Commercial market loans are written down to the extent that principal is judged to be uncollectable.

Corporate loans

Corporate loans represent loans and leases managed by *ICG* or the *Special Asset Pool*. Corporate loans are identified as impaired and placed on a cash (non-accrual) basis when it is determined, based on actual experience and a forward-looking assessment of the collectability of the loan in full, that the payment of interest or principal is doubtful or when interest or principal is 90 days past due, except when the loan is well collateralized and in the process of collection. Any interest accrued on impaired Corporate loans and leases is reversed at 90 days and charged against current earnings, and interest is thereafter included in earnings only to the extent actually received in cash. When there is doubt regarding the ultimate collectability of principal, all cash receipts are thereafter applied to reduce the recorded investment in the loan.

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

Loans Held-for-Sale

Loans Held-for-Sale

Corporate and Consumer loans that have been identified for sale are classified as loans held-for-sale and included in *Other assets*. The practice of Citi's U.S. prime mortgage business has been to sell substantially all of its conforming loans. As such, U.S. prime mortgage conforming loans are classified as held-for-sale and the fair value option is elected at origination, with changes in fair value recorded in *Other revenue*. With the exception of these loans for which the fair value option has been elected, held-for-sale loans are accounted for at the lower of cost or market value, with any write-downs or subsequent recoveries charged to *Other revenue*. The related cash flows are classified in the Consolidated Statement of Cash Flows in the cash flows from operating activities category on the line *Change in loans held-for-sale*.

Allowance for Loan Losses

Allowance for Loan Losses

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

Corporate loans

In the Corporate portfolios, the *Allowance for loan losses* includes an asset-specific component and a statistically based component. The asset-specific component is calculated under ASC 310-10-35, *Receivables—Subsequent Measurement* (formerly SFAS 114) on an individual basis for larger-balance, non-homogeneous loans, which are considered impaired. An asset-specific allowance is established when the discounted cash flows, collateral value (less disposal costs), or observable market price of the impaired loan is lower than its carrying value. This allowance considers the borrower's overall financial condition, resources, and payment record, the prospects for support from any financially responsible guarantors (discussed further below) and, if appropriate, the realizable value of any collateral. The asset-specific component of the allowance for smaller balance impaired loans is calculated on a pool basis considering historical loss experience.

The allowance for the remainder of the loan portfolio is determined under ASC 450, *Contingencies* (formerly SFAS 5) using a statistical methodology, supplemented by management judgment. The statistical analysis considers the portfolio's size, remaining tenor, and credit quality as measured by internal risk ratings assigned to individual credit facilities, which reflect probability of default and loss given default. The statistical analysis considers historical default rates and historical loss severity in the event of default, including historical average levels and historical variability. The result is an estimated range for inherent losses. The best estimate within the range is then determined by management's quantitative and qualitative assessment of current conditions, including general economic conditions, specific industry and geographic trends, and internal factors including portfolio concentrations, trends in internal credit quality indicators, and current and past underwriting standards.

For both the asset-specific and the statistically based components of the *Allowance for loan losses*, management may incorporate guarantor support. The financial wherewithal of the guarantor is evaluated, as applicable, based on net worth, cash flow statements and personal or company financial statements which are updated and reviewed at least annually. Citi seeks performance on guarantee arrangements in the normal course of business. Seeking performance entails obtaining satisfactory cooperation from the guarantor or borrower in the specific situation. This regular cooperation is indicative of pursuit and successful enforcement of the guarantee; the exposure is reduced without the expense and burden of pursuing a legal remedy. A guarantor's reputation and willingness to work with Citigroup is evaluated based on the historical experience with the guarantor and the knowledge of the marketplace. In the rare event that the guarantor is unwilling or unable to perform or facilitate borrower cooperation, Citi pursues a legal remedy; however, enforcing a guarantee via legal action against the guarantor is not the primary means of resolving a troubled loan situation and rarely occurs. If Citi does not pursue a legal remedy, it is because Citi does not believe that the guarantor has the financial wherewithal to perform regardless of legal action or because there are legal limitations on simultaneously pursuing guarantors and foreclosure. A guarantor's reputation does not impact Citi's decision or ability to seek performance under the guarantee.

In cases where a guarantee is a factor in the assessment of loan losses, it is included via adjustment to the loan's internal risk rating, which in turn is the basis for the adjustment to the statistically based component of the *Allowance for loan losses*. To date, it is only in rare circumstances that an impaired commercial loan or commercial real estate loan is carried at a value in excess of the appraised value due to a guarantee.

When Citi's monitoring of the loan indicates that the guarantor's wherewithal to pay is uncertain or has deteriorated, there is either no change in the risk rating, because the guarantor's credit support was never initially factored in, or the risk rating is adjusted to reflect that uncertainty or deterioration. Accordingly, a guarantor's ultimate failure to perform or a lack of legal enforcement of the guarantee does not materially impact the allowance for loan losses, as there is typically no further significant adjustment of the loan's risk rating at that time. Where Citi is not seeking performance under the guarantee contract, it provides for loans losses as if the loans were non-performing and not guaranteed.

Consumer loans

For Consumer loans, each portfolio of non-modified smaller-balance, homogeneous loans is independently evaluated by product type (e.g., residential mortgage, credit card, etc.) for impairment in accordance with ASC 450-20. The allowance for loan losses attributed to these loans is established via a process that estimates the probable losses inherent in the specific portfolio. This process includes migration analysis, in which historical delinquency and credit loss experience is applied to the current aging of the portfolio, together with analyses that reflect current and anticipated economic conditions, including changes in housing prices and unemployment trends. Citi's allowance for loan losses under ASC 450-20 only considers contractual principal amounts due, except for credit card loans where estimated loss amounts related to accrued interest receivable are also included.

Management also considers overall portfolio indicators, including historical credit losses, delinquent, non-performing, and classified loans, trends in volumes and terms of loans, an evaluation of overall credit quality, the credit process, including lending policies and procedures, and economic, geographical, product and other environmental factors.

Separate valuation allowances are determined for impaired smaller-balance homogeneous loans whose terms have been modified in a troubled debt restructuring (TDR). Long-term modification programs as well as short-term (less than 12 months) modifications originated beginning January 1, 2011 that provide concessions (such as interest rate reductions) to borrowers in financial difficulty are reported as TDRs. In addition, loans included in the U.S. Treasury's Home Affordable Modification Program (HAMP) trial period at December 31, 2011 are reported as TDRs. The allowance for loan losses for TDRs is determined in accordance with ASC 310-10-35 considering all available evidence, including, as appropriate, the present value of the expected future cash flows discounted at the loan's original contractual effective rate, the secondary market value of the loan and the fair value of collateral less disposal costs. These expected cash flows incorporate modification program default rate assumptions. The original contractual effective rate for credit card loans is the pre-modification rate, which may include interest rate increases under the original contractual agreement with the borrower.

Where short-term concessions have been granted prior to January 1, 2011, the allowance for loan losses is materially consistent with the requirements of ASC 310-10-35.

Valuation allowances for commercial market loans, which are classifiably managed Consumer loans, are determined in the same manner as for Corporate loans and are described in more detail in the following section. Generally, an asset-specific component is calculated under ASC 310-10-35 on an individual basis for larger-balance, non-homogeneous loans that are considered impaired and the allowance for the remainder of the classifiably managed Consumer loan portfolio is calculated under ASC 450 using a statistical methodology, supplemented by management adjustment.

Reserve Estimates and Policies

Management provides reserves for an estimate of probable losses inherent in the funded loan portfolio on the Consolidated Balance Sheet in the form of an allowance for loan losses. These reserves are established in accordance with Citigroup's credit reserve policies, as approved by the Audit Committee of the Board of Directors. Citi's Chief Risk Officer and Chief Financial Officer review the adequacy of the credit loss reserves each quarter with representatives from the risk management and finance staffs for each applicable business area. Applicable business areas include those having classifiably managed portfolios, where internal credit-risk ratings are assigned (primarily *Institutional Clients Group* and *Global Consumer Banking*) or modified Consumer loans, where concessions were granted due to the borrowers' financial difficulties.

The above-mentioned representatives for these business areas present recommended reserve balances for their funded and unfunded lending portfolios along with supporting quantitative and qualitative data. The quantitative data include:

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

Statistically calculated losses inherent in the classifiably managed portfolio for performing and de minimis non-performing exposures. The calculation is based upon: (i) Citigroup's internal system of credit-risk ratings, which are analogous to the risk ratings of the major rating agencies; and (ii) historical default and loss data, including rating agency information regarding default rates from 1983 to 2010 and internal data dating to the early 1970s on severity of losses in the event of default. Adjustments may be made to this data. Such adjustments include: (i) statistically calculated estimates to cover the historical fluctuation of the default rates over the credit cycle, the historical variability of loss severity among defaulted loans, and the degree to which there are large obligor concentrations in the global portfolio; and (ii) adjustments made for specific known items, such as current environmental factors and credit trends.

In addition, representatives from each of the risk management and finance staffs that cover business areas with delinquency-managed portfolios containing smaller-balance homogeneous loans present their recommended reserve balances based upon leading credit indicators, including loan delinquencies and changes in portfolio size as well as economic trends, including current and future housing prices, unemployment, length of time in foreclosure, costs to sell and GDP. This methodology is applied separately for each individual product within each geographic region in which these portfolios exist.

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

Allowance for Unfunded Lending Commitments

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

Mortgage Servicing Rights (MSRs)

Mortgage Servicing Rights

Mortgage servicing rights (MSRs) are recognized as intangible assets when purchased or when the Company sells or securitizes loans acquired through purchase or origination and retains the right to service the loans. Mortgage servicing rights are accounted for at fair value, with changes in value recorded in *Other revenue* in the Company's Consolidated Statement of Income.

Additional information on the Company's MSRs can be found in Note 22 to the Consolidated Financial Statements.

Representations and Warranties

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).

These sales 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 (a back-to-back claim).

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 in CitiMortgage. When selling a loan to these investors, Citi makes various representations and warranties to, among other things, the following:

- Citi's ownership of the loan;
- the validity of the lien securing the loan;
- the absence of delinquent taxes or liens against the property securing the loan;
- the effectiveness of title insurance on the property securing the loan;
- the process used in selecting the loans for inclusion in a transaction;
- the loan's compliance with any applicable loan criteria established by the buyer; and
- the loan's compliance with applicable local, state and federal laws.

In the case of a repurchase, Citi will bear any subsequent credit loss on the mortgage loan and the loan is typically considered a credit-impaired loan and accounted for under SOP 03-3, "Accounting for Certain Loans and Debt Securities Acquired in a Transfer" (now incorporated into ASC 310-30, *Receivables—Loans and Debt Securities Acquired with Deteriorated Credit Quality*) (SOP 03-3). These repurchases have not had a material impact on Citi's non-performing loan statistics because credit-impaired purchased SOP 03-3 loans are not included in non-accrual loans, since they generally continue to accrue interest until write-off. Citi's repurchases have primarily been due to GSE repurchase claims.

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. These representations were generally made or assigned to the issuing trust and related to, among other things, the following:

- the absence of fraud on the part of the borrower, the seller or any appraiser, broker or other party involved in the origination of the loan (which was sometimes wholly or partially limited to the knowledge of the representation provider);
- whether the property securing the loan was occupied by the borrower as his or her principal residence;
- the loan's compliance with applicable federal, state and local laws;
- whether the loan was originated in conformity with the originator's underwriting guidelines; and
- detailed data concerning the loans that were included on the mortgage loan schedule.

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 that is included in *Other liabilities* in the Consolidated Balance Sheet. 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.

Repurchase Reserve—Whole Loan Sales

The repurchase reserve is based on various assumptions which, as referenced above, are primarily based on Citi's historical repurchase activity with the GSEs. As of December 31, 2012, the most significant assumptions used to calculate the reserve levels are: (i) the probability of a claim based on correlation between loan characteristics and repurchase claims; (ii) claims appeal success rates; and (iii) estimated loss per repurchase or make-whole payment. In addition, 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, in estimating its repurchase reserve.

As referenced above, the repurchase reserve estimation process for potential whole loan representation and warranty claims relies on various assumptions that involve numerous estimates and judgments, including with respect to certain future events, and thus entails inherent uncertainty. Therefore, Citi estimates and discloses the range of reasonably possible loss for whole loan sale representation and warranty claims in excess of amounts accrued. This estimate is derived by modifying the key assumptions discussed above to reflect management's judgment regarding reasonably possible adverse changes to those assumptions. Citi's estimate of reasonably possible loss is based on currently available information, significant judgment and numerous assumptions that are subject to change.

In the case of a repurchase of a credit-impaired SOP 03-3 loan, the difference between the loan's fair value and unpaid principal balance at the time of the repurchase is recorded as a utilization of the repurchase reserve. Make-whole payments to the investor are also treated as utilizations and charged directly against the reserve. The repurchase reserve is estimated when Citi sells loans (recorded as an adjustment to the gain on sale, which is included in *Other revenue* in the Consolidated Statement of Income) and is updated quarterly. Any change in estimate is recorded in *Other revenue*.

Repurchase Reserve—Private-Label Securitizations

Investors in private-label securitizations may seek recovery for alleged breaches of representations and warranties, as well as losses caused by non-performing loans more generally, through repurchase claims or through litigation premised on a variety of legal theories. Citi considers litigation relating to private-label securitizations as part of its contingencies analysis. For additional information, see Note 28 to the Consolidated Financial Statements.

Citi cannot reasonably estimate probable losses from future repurchase claims for private-label securitizations because the claims to date have been received at an unpredictable rate, the factual basis for those claims is unclear, and very few such claims have been resolved. Rather, at the present time, Citi records reserves related to private-label securitizations repurchase claims based on estimated losses arising from those claims received that appear to be based on a review of the underlying loan files. These reserves are recorded in *Principal transactions* in the Consolidated Statement of Income.

Goodwill

Goodwill

Goodwill represents the excess of acquisition cost over the fair value of net tangible and intangible assets acquired. Goodwill is subject to annual impairment testing and between annual tests if an event occurs or circumstances change that would more-likely-than-not reduce the fair value of a reporting unit below its carrying amount. The Company has an option to assess qualitative factors to determine if it is necessary to perform the goodwill impairment test. If, after assessing the totality of events or circumstances, the Company determines that it is not more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, no further testing is necessary. If, however, the Company determines that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, then the Company is required to perform the first step of the two-step goodwill impairment test. Furthermore, on any business dispositions, goodwill is allocated to the business disposed of based on the ratio of the fair value of the business disposed of to the fair value of the reporting unit.

Additional information on Citi's goodwill impairment testing can be found in Note 18 to the Consolidated Financial Statements.

Intangible Assets

Intangible Assets

Intangible assets—including core deposit intangibles, present value of future profits, purchased credit card relationships, other customer relationships, and other intangible assets, but excluding MSRs—are amortized over their estimated useful lives. Intangible assets deemed to have indefinite useful lives, primarily certain asset management contracts and trade names, are not amortized and are subject to annual impairment tests. An impairment exists if the carrying value of the indefinite-lived intangible asset exceeds its fair value. For other intangible assets subject to amortization, an impairment is recognized if the carrying amount is not recoverable and exceeds the fair value of the intangible asset

Other Assets and Other Liabilities

Other Assets and Other Liabilities

Other assets include, among other items, loans held-for-sale, deferred tax assets, equity method investments, interest and fees receivable, premises and equipment, repossessed assets, and other receivables. *Other liabilities* include, among other items, accrued expenses and other payables, deferred tax liabilities, and reserves for legal claims, taxes, unfunded lending commitments, repositioning reserves, and other matters.

[Other Real Estate Owned and Repossessed Assets](#)

Other Real Estate Owned and Repossessed Assets

Real estate or other assets received through foreclosure or repossession are generally reported in *Other assets*, net of a valuation allowance for selling costs and subsequent declines in fair value.

[Securitizations](#)

Securitizations

The Company primarily securitizes credit card receivables and mortgages. Other types of securitized assets include corporate debt instruments (in cash and synthetic form) and student loans.

There are two key accounting determinations that must be made relating to securitizations. Citi first makes a determination as to whether the securitization entity would be consolidated. Second, it determines whether the transfer of financial assets to the entity is considered a sale under GAAP. If the securitization entity is a VIE, the Company consolidates the VIE if it is the primary beneficiary (as discussed in "Variable Interest Entities" above). For all other securitization entities determined not to be VIEs in which Citigroup participates, a consolidation decision is based on who has voting control of the entity, giving consideration to removal and liquidation rights in certain partnership structures. Only securitization entities controlled by Citigroup are consolidated.

Interests in the securitized and sold assets may be retained in the form of subordinated or senior interest-only strips, subordinated tranches, spread accounts and servicing rights. In credit card securitizations, the Company retains a seller's interest in the credit card receivables transferred to the trusts, which is not in securitized form. In the case of consolidated securitization entities, including the credit card trusts, these retained interests are not reported on Citi's Consolidated Balance Sheet; rather, the securitized loans remain on the balance sheet. Substantially all of the Consumer loans sold or securitized through non-consolidated trusts by Citigroup are U.S. prime residential mortgage loans. Retained interests in non-consolidated mortgage securitization trusts are classified as *Trading account assets*, except for MSRs, which are included in *Mortgage servicing rights* on Citigroup's Consolidated Balance Sheet.

[Debt](#)

Debt

Short-term borrowings and long-term debt are accounted for at amortized cost, except where the Company has elected to report the debt instruments, including certain structured notes, at fair value or the debt is in a fair value hedging relationship.

[Transfers of Financial Assets](#)

Transfers of Financial Assets

For a transfer of financial assets to be considered a sale: (i) the assets must have been isolated from the Company, even in bankruptcy or other receivership; (ii) the purchaser must have the right to pledge or sell the assets transferred or, if the purchaser is an entity whose sole purpose is to engage in securitization and asset-backed financing activities and that entity is constrained from pledging the assets it receives, each beneficial interest holder must have the right to sell the beneficial interests; and (iii) the Company may not have an option or obligation to reacquire the assets.

If these sale requirements are met, the assets are removed from the Company's Consolidated Balance Sheet. If the conditions for sale are not met, the transfer is considered to be a secured borrowing, the assets remain on the Consolidated Balance Sheet, and the sale proceeds are recognized as the Company's liability. A legal opinion on a sale is generally obtained for complex transactions or where the Company has continuing involvement with assets transferred or with the securitization entity. For a transfer to be eligible for sale accounting, those opinions must state that the asset transfer is considered a sale and that the assets transferred would not be consolidated with the Company's other assets in the event of the Company's insolvency.

For a transfer of a portion of a financial asset to be considered a sale, the portion transferred must meet the definition of a participating interest. A participating interest must represent a pro rata ownership in an entire financial asset; all cash flows must be divided proportionally, with the same priority of payment; no participating interest in the transferred asset may be subordinated to the interest of another participating interest holder; and no party may have the right to pledge or exchange the entire financial asset unless all participating interest holders agree. Otherwise, the transfer is accounted for as a secured borrowing.

See Note 22 to the Consolidated Financial Statements for further discussion.

[Risk Management Activities-Derivatives Used for Hedging Purposes](#)

Risk Management Activities—Derivatives Used for Hedging Purposes

The Company manages its exposures to market rate movements outside its trading activities by modifying the asset and liability mix, either directly or through the use of derivative financial products, including interest-rate swaps, futures, forwards, and purchased options, as well as foreign-exchange contracts. These end-user derivatives are carried at fair value in *Other assets, Other liabilities, Trading account assets* and *Trading account liabilities*.

To qualify as an accounting hedge under the hedge accounting rules (versus an economic hedge where hedge accounting is not sought), a derivative must be highly effective in offsetting the risk designated as being hedged. The hedge relationship must be formally documented at inception, detailing the particular risk management objective and strategy for the hedge, which includes the item and risk that is being hedged and the derivative that is being used, as well as how effectiveness will be assessed and ineffectiveness measured. The effectiveness of these hedging relationships is evaluated on a retrospective and prospective basis, typically using quantitative measures of correlation with hedge ineffectiveness measured and recorded in current earnings.

If a hedge relationship is found to be ineffective, it no longer qualifies as an accounting hedge and hedge accounting would not be applied. Any gains or losses attributable to the derivatives, as well as subsequent changes in fair value, are recognized in *Other revenue* or *Principal transactions* with no offset on the hedged item, similar to trading derivatives.

The foregoing criteria are applied on a decentralized basis, consistent with the level at which market risk is managed, but are subject to various limits and controls. The underlying asset, liability or forecasted transaction may be an individual item or a portfolio of similar items.

For fair value hedges, in which derivatives hedge the fair value of assets or liabilities, changes in the fair value of derivatives are reflected in *Other revenue* or *Principal transactions*, together with changes in the fair value of the hedged item related to the hedged risk. These are expected to, and generally do, offset each other. Any net amount, representing hedge ineffectiveness, is reflected in current earnings. Citigroup's fair value hedges are primarily hedges of fixed-rate long-term debt and available-for-sale securities.

For cash flow hedges, in which derivatives hedge the variability of cash flows related to floating- and fixed-rate assets, liabilities or forecasted transactions, the accounting treatment depends on the effectiveness of the hedge. To the extent these derivatives are effective in offsetting the variability of the hedged cash flows, the effective portion of the changes in the derivatives' fair values will not be included in current earnings, but is reported in *Accumulated other comprehensive income (loss)*. These changes in fair value will be included in earnings of future periods when the hedged cash flows impact earnings. To the extent these derivatives are not effective, changes in their fair values are immediately included in *Other revenue*. Citigroup's cash flow hedges primarily include hedges of floating-rate debt and floating-rate assets including loans, as well as rollovers of short-term fixed-rate liabilities and floating-rate liabilities and forecasted debt issuances.

For net investment hedges in which derivatives hedge the foreign currency exposure of a net investment in a foreign operation, the accounting treatment will similarly depend on the effectiveness of the hedge. The effective portion of the change in fair value of the derivative, including any forward premium or discount, is reflected in *Accumulated other comprehensive income (loss)* as part of the foreign currency translation adjustment.

For those accounting hedge relationships that are terminated or when hedge designations are removed, the hedge accounting treatment described in the paragraphs above is no longer applied. Instead, the end-user derivative is terminated or transferred to the trading account. For fair value hedges, any changes in the fair value of the hedged item remain as part of the basis of the asset or liability and are ultimately reflected as an element of the yield. For cash flow hedges, any changes in fair value of the end-user derivative remain in *Accumulated other comprehensive income (loss)* and are included in earnings of future periods when the hedged cash flows impact earnings. However, if it becomes probable that the hedged forecasted transaction will not occur, any amounts that remain in *Accumulated other comprehensive income (loss)* are immediately reflected in *Other revenue*.

End-user derivatives that are economic hedges, rather than qualifying for hedge accounting, are also carried at fair value, with changes in value included in *Principal transactions* or *Other revenue*. Citigroup often uses economic hedges when qualifying for hedge accounting would be too complex or operationally burdensome; examples are hedges of the credit risk component of commercial loans and loan commitments. Citigroup periodically evaluates its hedging strategies in other areas and may designate either a qualifying hedge or an economic hedge, after considering the relative cost and benefits. Economic hedges are also employed when the hedged item itself is marked to market through current earnings, such as hedges of commitments to originate one-to-four-family mortgage loans to be held for sale and MSRs.

Employee Benefits Expense

Employee Benefits Expense

Employee benefits expense includes current service costs of pension and other postretirement benefit plans (which are accrued on a current basis), contributions and unrestricted awards under other employee plans, the amortization of restricted stock awards and costs of other employee benefits.

Stock-Based Compensation

Stock-Based Compensation

The Company recognizes compensation expense related to stock and option awards over the requisite service period, generally based on the instruments' grant date fair value, reduced by expected forfeitures. Compensation cost related to awards granted to employees who meet certain age plus years-of-service requirements (retirement eligible employees) is accrued in the year prior to the grant date, in the same manner as the accrual for cash incentive compensation. Certain stock awards with performance conditions or certain clawback provisions are subject to variable accounting, pursuant to which the associated compensation expense fluctuates with changes in Citigroup's stock price.

Income Taxes

Income Taxes

The Company is subject to the income tax laws of the U.S. and its states and municipalities, and the foreign jurisdictions in which it operates. These tax laws are complex and subject to different interpretations by the taxpayer and the relevant governmental taxing authorities. In establishing a provision for income tax expense, the Company must make judgments and interpretations about the application of these inherently complex tax laws. The Company must also make estimates about when in the future certain items will affect taxable income in the various tax jurisdictions, both domestic and foreign.

Disputes over interpretations of the tax laws may be subject to review and adjudication by the court systems of the various tax jurisdictions or may be settled with the taxing authority upon examination or audit. The Company treats interest and penalties on income taxes as a component of *Income tax expense*.

Deferred taxes are recorded for the future consequences of events that have been recognized for financial statements or tax returns, based upon enacted tax laws and rates. Deferred tax assets are recognized subject to management's judgment that realization is more-likely-than-not. FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48) (now incorporated into ASC 740, *Income Taxes*), sets out a consistent framework to determine the appropriate level of tax reserves to maintain for uncertain tax positions. This interpretation uses a two-step approach wherein a tax benefit is recognized if a position is more-likely-than-not to be sustained. The amount of the benefit is then measured to be the highest tax benefit that is greater than 50% likely to be realized. FIN 48 also sets out disclosure requirements to enhance transparency of an entity's tax reserves.

See Note 10 to the Consolidated Financial Statements for a further description of the Company's tax provision and related income tax assets and liabilities.

Commissions, Underwriting and Principal Transactions

Commissions, Underwriting and Principal Transactions

Commissions revenues are recognized in income generally when earned. Underwriting revenues are recognized in income typically at the closing of the transaction. Principal transactions revenues are recognized in income on a trade-date basis. See Note 6 to the Consolidated Financial Statements for a description of the Company's revenue recognition policies for commissions and fees.

Earnings per Share

Earnings per Share

Earnings per share (EPS) is computed after deducting preferred stock dividends. The Company has granted restricted and deferred share awards with dividend rights that are considered to be participating securities, which are akin to a second class of common stock. Accordingly, a portion of Citigroup's earnings is allocated to those participating securities in the EPS calculation.

Basic earnings per share is computed by dividing income available to common stockholders after the allocation of dividends and undistributed earnings to the participating securities by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised. It is computed after giving consideration to the weighted average dilutive effect of the Company's stock options and warrants, convertible securities and the shares that could have been issued under the Company's Management Committee Long-Term Incentive Plan and after the allocation of earnings to the participating securities.

Use of Estimates

Use of Estimates

Management must make estimates and assumptions that affect the Consolidated Financial Statements and the related footnote disclosures. Such estimates are used in connection with certain fair value measurements. See Note 25 to the Consolidated Financial Statements for further discussions on estimates used in the determination of fair value. The Company also uses estimates in determining consolidation decisions for special-purpose entities as discussed in Note 22 to the Consolidated Financial Statements. Moreover, estimates are significant in determining the amounts of other-than-temporary impairments, impairments of goodwill and other intangible assets, provisions for probable losses that may arise from credit-related exposures and probable and estimable losses related to litigation and regulatory proceedings, and tax reserves. While management makes its best judgment, actual amounts or results could differ from those estimates. Current market conditions increase the risk and complexity of the judgments in these estimates.

Cash Flows

Cash Flows

Cash equivalents are defined as those amounts included in cash and due from banks. Cash flows from risk management activities are classified in the same category as the related assets and liabilities.

Related Party Transactions

Related Party Transactions

The Company has related party transactions with certain of its subsidiaries and affiliates. These transactions, which are primarily short-term in nature, include cash accounts, collateralized financing transactions, margin accounts, derivative trading, charges for operational support and the borrowing and lending of funds, and are entered into in the ordinary course of business.

DERIVATIVES ACTIVITIES (Details 5) (USD $)	12 Months Ended Dec. 31, 2012 item	Dec. 31, 2011
Credit Derivative		
Maximum potential amount of future payments	$ 1,346,494,000,000	$ 1,394,528,000,000
Fair value payable	31,830,000,000	72,491,000,000
Fair value of derivative in liability position	36,000,000,000	33,000,000,000
Fair value of collateral already posted	32,000,000,000	28,000,000,000
Number of rating agencies	3	
Additional collateral to be posted	4,000,000,000	
Collateral to be segregated	1,100,000,000	
Aggregate cash obligations and collateral requirements	5,100,000,000	
Credit derivatives purchased		
Credit Derivative		
Fair value, amounts payable	20,878,000,000	12,361,000,000
Credit derivatives sold		
Credit Derivative		
Fair value, amounts receivable	19,710,000,000	11,335,000,000
Within 1 year		
Credit Derivative		
Maximum potential amount of future payments	287,670,000,000	266,723,000,000
Fair value payable	2,388,000,000	3,705,000,000
From 1 to 5 years		
Credit Derivative		
Maximum potential amount of future payments	965,059,000,000	947,211,000,000
Fair value payable	21,542,000,000	46,596,000,000
After 5 years		
Credit Derivative		
Maximum potential amount of future payments	93,765,000,000	180,594,000,000
Fair value payable	7,900,000,000	22,190,000,000
Investment grade		
Credit Derivative		
Maximum potential amount of future payments	637,343,000,000	611,447,000,000
Fair value payable	6,290,000,000	16,913,000,000
Non-investment grade		
Credit Derivative		
Maximum potential amount of future payments	200,529,000,000	226,939,000,000
Fair value payable	15,591,000,000	28,034,000,000
Not rated		
Credit Derivative		
Maximum potential amount of future payments	508,622,000,000	556,142,000,000
Fair value payable	9,949,000,000	27,544,000,000
Credit default swaps and options		

Credit Derivative		
Maximum potential amount of future payments	1,345,162,000,000	1,393,082,000,000
Fair value payable	31,624,000,000	72,358,000,000
Total return swaps and other		
Credit Derivative		
Maximum potential amount of future payments	1,332,000,000	1,446,000,000
Fair value payable	206,000,000	133,000,000
Bank		
Credit Derivative		
Maximum potential amount of future payments	863,411,000,000	929,608,000,000
Fair value payable	18,824,000,000	45,920,000,000
Broker-dealer		
Credit Derivative		
Maximum potential amount of future payments	304,968,000,000	321,293,000,000
Fair value payable	9,193,000,000	19,026,000,000
Non-financial		
Credit Derivative		
Maximum potential amount of future payments	3,241,000,000	1,048,000,000
Fair value payable	87,000,000	98,000,000
Insurance and other financial institutions		
Credit Derivative		
Maximum potential amount of future payments	174,874,000,000	142,579,000,000
Fair value payable	$ 3,726,000,000	$ 7,447,000,000

LOANS (Details 7) (USD $) In Millions, unless otherwise specified	Dec. 31, 2012	Dec. 31, 2011
Loans receivable		
Loans at fair value	$ 5,287	$ 5,265
Loans, net of unearned income	655,464	647,242
Private Banking loans managed on a delinquency basis		
Loans receivable		
Loans, net of unearned income	14,945	12,716
Corporate		
Loans receivable		
Loans, total non-accrual	2,333	3,236
Loans at fair value	4,056	3,939
Loans, net of unearned income	246,793	223,902
Corporate | Commercial and industrial		
Loans receivable		
Loans, total non-accrual	1,078	1,134
Loans, net of unearned income	108,776	99,414
Corporate | Financial institutions		
Loans receivable		
Loans, total non-accrual	454	763
Loans, net of unearned income	54,317	43,407
Corporate | Mortgage and real estate		
Loans receivable		
Loans, total non-accrual	680	1,039
Loans, net of unearned income	31,070	28,296
Corporate | Lease financing		
Loans receivable		
Loans, total non-accrual	52	13
Loans, net of unearned income	2,015	1,838
Corporate | Other		
Loans receivable		
Loans, total non-accrual	69	287
Loans, net of unearned income	46,559	47,008
Corporate | Investment Grade		
Loans receivable		
Loans, net of unearned income	174,283	156,759
Corporate | Investment Grade | Commercial and industrial		
Loans receivable		
Loans, net of unearned income	73,822	67,282
Corporate | Investment Grade | Financial institutions		
Loans receivable		
Loans, net of unearned income	43,895	35,159

Corporate | Investment Grade | Mortgage and real estate		
Loans receivable		
Loans, net of unearned income	12,587	10,729
Corporate | Investment Grade | Lease financing		
Loans receivable		
Loans, net of unearned income	1,404	1,161
Corporate | Investment Grade | Other		
Loans receivable		
Loans, net of unearned income	42,575	42,428
Corporate | Non-Investment Grade		
Loans receivable		
Loans, net of unearned income	53,509	50,488
Corporate | Non-Investment Grade | Commercial and industrial		
Loans receivable		
Loans, total non-accrual	1,078	1,134
Loans, net of unearned income	33,876	30,998
Corporate | Non-Investment Grade | Financial institutions		
Loans receivable		
Loans, total non-accrual	454	763
Loans, net of unearned income	9,968	7,485
Corporate | Non-Investment Grade | Mortgage and real estate		
Loans receivable		
Loans, total non-accrual	680	1,039
Loans, net of unearned income	2,858	3,812
Corporate | Non-Investment Grade | Lease financing		
Loans receivable		
Loans, total non-accrual	52	13
Loans, net of unearned income	559	664
Corporate | Non-Investment Grade | Other		
Loans receivable		
Loans, total non-accrual	69	287
Loans, net of unearned income	$ 3,915	$ 4,293

LOANS (Tables)

12 Months Ended Dec. 31, 2012

Loans receivable

Schedule of changes in the accretable yield, related allowance and carrying amount, net of accretable yield

In millions of dollars	Accretable yield	Carrying amount of loan receivable	Allowance
Balance at December 31, 2011	$2	$511	$68
Purchases [1]	15	269	—
Disposals/payments received	(6)	(171)	(6)
Accretion	—	—	—
Builds (reductions) to the allowance	9	—	41
Increase to expected cash flows	5	1	—
FX/other	(3)	(72)	(5)
Balance at December 31, 2012 [2]	**$ 22**	**$ 538**	**$ 98**

(1) The balance reported in the column "Carrying amount of loan receivable" consists of $269 million of purchased loans accounted for under the level-yield method and $0 million under the cost-recovery method. These balances represent the fair value of these loans at their acquisition date. The related total expected cash flows for the level-yield loans were $285 million at their acquisition dates.

(2) The balance reported in the column "Carrying amount of loan receivable" consists of $524 million of loans accounted for under the level-yield method and $14 million accounted for under the cost-recovery method.

Consumer

Loans receivable

Schedule of loans

In millions of dollars	**2012**	2011
Consumer loans		
In U.S. offices		
Mortgage and real estate [1]	**$ 125,946**	$ 139,177
Installment, revolving credit, and other	**14,070**	15,616
Cards	**111,403**	117,908
Commercial and industrial	**5,344**	4,766
Lease financing	**—**	1
	$ 256,763	$ 277,468
In offices outside the U.S.		
Mortgage and real estate [1]	**$ 54,709**	$ 52,052
Installment, revolving credit, and other	**36,182**	34,613
Cards	**40,653**	38,926
Commercial and industrial	**20,001**	19,975
Lease financing	**781**	711
	$ 152,326	$ 146,277
Total Consumer loans	**$ 409,089**	$ 423,745
Net unearned income	**(418)**	(405)
Consumer loans, net of unearned income	**$ 408,671**	$ 423,340

(1) Loans secured primarily by real estate.

Schedule of loan delinquency and non-accrual details

In millions of dollars	Total current [1][2]	30–89 days past due [3]	≥ 90 days past due [3]	Past due Government guaranteed [4]	Total loans [2]	Total non-accrual [5]	90 days past due and accruing
In *North America* offices							
Residential first mortgages	$ 75,791	$ 3,074	$ 3,339	$ 6,000	$ 88,204	$ 4,922	$ 4,695
Home equity loans [6]	35,740	642	843	—	37,225	1,797	—
Credit cards	108,892	1,582	1,527	—	112,001	—	1,527
Installment and other	13,319	288	325	—	13,932	179	8
Commercial market loans	7,874	32	19	—	7,925	210	11
Total	$ 241,616	$ 5,618	$ 6,053	$ 6,000	$ 259,287	$ 7,108	$ 6,241
In offices outside *North America*							
Residential first mortgages	$ 45,496	$ 547	$ 485	$ —	$ 46,528	$ 807	$ —
Home equity loans [6]	4	—	2	—	6	2	—
Credit cards	38,920	970	805	—	40,695	516	508
Installment and other	29,350	496	167	—	30,013	254	—
Commercial market loans	31,263	106	181	—	31,550	428	—
Total	$ 145,033	$ 2,119	$ 1,640	$ —	$ 148,792	$ 2,007	$ 508
Total *GCB* and *LCL*	$ 386,649	$ 7,737	$ 7,693	$ 6,000	$ 408,079	$ 9,115	$ 6,749
Special Asset Pool (SAP)	545	18	29	—	592	81	—
Total Citigroup	$ 387,194	$ 7,755	$ 7,722	$ 6,000	$ 408,671	$ 9,196	$ 6,749

(1) Loans less than 30 days past due are presented as current.

(2) Includes $1.2 billion of residential first mortgages recorded at fair value.

(3) Excludes loans guaranteed by U.S. government entities.

(4) Consists of residential first mortgages that are guaranteed by U.S. government entities that are 30-89 days past due of $1.3 billion and ≥ 90 days past due of $4.7 billion.
(5) During 2012, there was an increase in Consumer non-accrual loans in *North America* of approximately $1.5 billion, as a result of OCC guidance issued in the third quarter of 2012 regarding mortgage loans where the borrower has gone through Chapter 7 bankruptcy. Of the $1.5 billion non-accrual loans, $1.3 billion were current. Additionally, during 2012, there was an increase in non-accrual Consumer loans in *North America* during the first quarter of 2012, which 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. The vast majority of these loans were current at the time of reclassification. 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.
(6) Fixed rate home equity loans and loans extended under home equity lines of credit, which are typically in junior lien positions.

Consumer Loan Delinquency and Non-Accrual Details at December 31, 2011

In millions of dollars	Total current (1)(2)	30–89 days past due (3)	≥ 90 days past due (3)	Past due Government guaranteed (4)	Total loans (2)	Total non-accrual	90 days past due and accruing
In *North America* offices							
Residential first mortgages	$ 81,081	$ 3,550	$ 4,121	$6,686	$ 95,438	$ 4,176	$ 5,054
Home equity loans (5)	41,585	868	1,022	—	43,475	982	—
Credit cards	114,022	2,344	2,058	—	118,424	—	2,058
Installment and other	15,215	340	222	—	15,777	438	10
Commercial market loans	6,643	15	207	—	6,865	220	14
Total	$ 258,546	$ 7,117	$ 7,630	$ 6,686	$ 279,979	$ 5,816	$ 7,136
In offices outside *North America*							
Residential first mortgages	$ 43,310	$ 566	$ 482	$ —	$ 44,358	$ 744	$ —
Home equity loans (5)	6	—	2	—	8	2	—
Credit cards	38,289	930	785	—	40,004	496	490
Installment and other	26,300	528	197	—	27,025	258	—
Commercial market loans	30,491	79	127	—	30,697	401	—
Total	$ 138,396	$ 2,103	$ 1,593	$ —	$ 142,092	$ 1,901	$ 490
Total *GCB* and *LCL*	$ 396,942	$ 9,220	$ 9,223	$ 6,686	$ 422,071	$ 7,717	$ 7,626
Special Asset Pool (SAP)	1,193	29	47	—	1,269	115	—
Total Citigroup	$ 398,135	$ 9,249	$ 9,270	$ 6,686	$ 423,340	$ 7,832	$ 7,626

(1) Loans less than 30 days past due are presented as current.
(2) Includes $1.3 billion of residential first mortgages recorded at fair value.
(3) Excludes loans guaranteed by U.S. government entities.
(4) Consists of residential first mortgages that are guaranteed by U.S. government entities that are 30-89 days past due of $1.6 billion and ≥ 90 days past due of $5.1 billion.
(5) Fixed rate home equity loans and loans extended under home equity lines of credit, which are typically in junior lien positions.

Schedule of loans credit quality indicators

FICO score distribution in U.S. portfolio (1)(2)

In millions of dollars	Less than 620	≥ 620 but less than 660	Equal to or greater than 660
	December 31, 2012		
Residential first mortgages	**$ 16,754**	**$ 8,013**	**$ 50,833**
Home equity loans	**5,439**	**3,208**	**26,820**
Credit cards	**7,833**	**10,304**	**90,248**
Installment and other	**4,414**	**2,417**	**5,365**
Total	**$ 34,440**	**$ 23,942**	**$ 173,266**

(1) Excludes loans guaranteed by U.S. government entities, loans subject to LTSCs with U.S. government-sponsored entities and loans recorded at fair value.
(2) Excludes balances where FICO was not available. Such amounts are not material.

FICO score distribution in U.S. portfolio (1)(2)

In millions of dollars	Less than 620	≥ 620 but less than 660	Equal to or greater than 660
	December 31, 2011		
Residential first mortgages	$ 20,370	$ 8,815	$ 52,839
Home equity loans	6,783	3,703	30,884
Credit cards	9,621	10,905	93,234
Installment and other	3,789	2,858	6,704
Total	$ 40,563	$ 26,281	$ 183,661

(1) Excludes loans guaranteed by U.S. government entities, loans subject to LTSCs with U.S. government-sponsored entities and loans recorded at fair value.
(2) Excludes balances where FICO was not available. Such amounts are not material.

Schedule of impaired consumer loans

In millions of dollars	Recorded investment (1)(2)	Unpaid principal balance	Related specific allowance (3)	Average carrying value (4)	Interest income recognized (5)(6)
	At and for the year ended December 31, 2012				
Mortgage and real estate					
Residential first mortgages	**$ 20,870**	**$ 22,062**	**$ 3,585**	**$ 19,956**	**$ 875**
Home equity loans	**2,135**	**2,727**	**636**	**1,911**	**68**
Credit cards	**4,584**	**4,639**	**1,800**	**5,272**	**308**
Installment and other					
Individual installment and other	**1,612**	**1,618**	**860**	**1,958**	**248**
Commercial market loans	**439**	**737**	**60**	**495**	**21**
Total (7)	**$ 29,640**	**$ 31,783**	**$ 6,941**	**$ 29,592**	**$ 1,520**

(1) Recorded investment in a loan includes net deferred loan fees and costs, unamortized premium or discount and direct write-downs and includes accrued interest only on credit card loans.

(2) $2,344 million of residential first mortgages, $378 million of home equity loans and $183 million of commercial market loans do not have a specific allowance.
(3) Included in the *Allowance for loan losses*.
(4) Average carrying value represents the average recorded investment ending balance for the last four quarters and does not include the related specific allowance.
(5) Includes amounts recognized on both an accrual and cash basis.
(6) Cash interest receipts on smaller-balance homogeneous loans are generally recorded as revenue. The interest recognition policy for commercial market loans is identical to that for Corporate loans, as described below.
(7) Prior to 2008, the Company's financial accounting systems did not separately track impaired smaller-balance, homogeneous Consumer loans whose terms were modified due to the borrowers' financial difficulties and where it was determined that a concession was granted to the borrower. Smaller-balance consumer loans modified since January 1, 2008 amounted to $29.2 billion at December 31, 2012. However, information derived from Citi's risk management systems indicates that the amounts of outstanding modified loans, including those modified prior to 2008, approximated $30.1 billion at December 31, 2012.

	At and for the year ended December 31, 2011				
In millions of dollars	Recorded investment (1)(2)	Unpaid principal balance	Related specific allowance (3)	Average carrying value (4)	Interest income recognized (5)(6)
Mortgage and real estate					
Residential first mortgages	$ 19,616	$ 20,803	$3,987	$ 18,642	$ 888
Home equity loans	1,771	1,823	669	1,680	72
Credit cards	6,695	6,743	3,122	6,542	387
Installment and other					
Individual installment and other	2,264	2,267	1,032	2,644	343
Commercial market loans	517	782	75	572	21
Total (7)	$ 30,863	$ 32,418	$ 8,885	$ 30,080	$ 1,711

(1) Recorded investment in a loan includes net deferred loan fees and costs, unamortized premium or discount and direct write-downs and includes accrued interest only on credit card loans.
(2) $858 million of residential first mortgages, $16 million of home equity loans and $182 million of commercial market loans do not have a specific allowance.
(3) Included in the *Allowance for loan losses*.
(4) Average carrying value represents the average recorded investment ending balance for last four quarters and does not include related specific allowance.
(5) Includes amounts recognized on both an accrual and cash basis.
(6) Cash interest receipts on smaller-balance homogeneous loans are generally recorded as revenue. The interest recognition policy for commercial market loans is identical to that for Corporate loans, as described below.
(7) Prior to 2008, the Company's financial accounting systems did not separately track impaired smaller-balance, homogeneous Consumer loans whose terms were modified due to the borrowers' financial difficulties and where it was determined that a concession was granted to the borrower. Smaller-balance consumer loans modified since January 1, 2008 amounted to $30.3 billion at December 31, 2011. However, information derived from Citi's risk management systems indicates that the amounts of outstanding modified loans, including those modified prior to 2008, approximated $31.5 billion at December 31, 2011.

Schedule of troubled debt restructurings

The following tables present Consumer TDRs occurring during the years ended December 31, 2012 and 2011:

	At and for the year ended December 31, 2012						
In millions of dollars except number of loans modified	Number of loans modified	Post-modification recorded investment (1)(2)	Chapter 7 bankruptcy charge-offs (2)	Deferred principal (3)	Contingent principal forgiveness (4)	Principal forgiveness	Average interest rate reduction
North America							
Residential first mortgages	59,869	$ 8,107	$ 154	$ 10	$ 7	$553	1 %
Home equity loans	33,586	862	450	5	—	78	2
Credit cards	204,999	1,053	—	—	—	—	16
Installment and other revolving	64,858	469	—	—	—	—	6
Commercial markets (5)	170	18	—	—	—	—	—
Total	363,482	$ 10,509	$ 604	$ 15	$ 7	$ 631	
International							
Residential first mortgages	9,447	$ 324	$ —	$ —	$ —	$ 2	1 %
Home equity loans	58	4	—	—	—	—	—
Credit cards	206,755	632	—	—	—	1	29
Installment and other revolving	45,191	280	—	—	—	1	22
Commercial markets (5)	377	171	—	—	1	2	—
Total	261,828	$ 1,411	$ —	$ —	$ 1	$ 6	

	At and for the year ended December 31, 2011					
In millions of dollars except number of loans modified	Number of loans modified	Post-modification recorded investment (1)	Deferred principal (3)	Contingent principal forgiveness (4)	Principal forgiveness	Average interest rate reduction
North America						
Residential first mortgages	33,025	$ 5,137	$ 66	$ 50	$ —	2 %
Home equity loans	18,099	923	17	1	—	4
Credit cards	611,715	3,554	—	—	—	19
Installment and other revolving	101,107	756	—	—	—	4
Commercial markets (5)	579	55	—	—	1	—
Total	764,525	$ 10,425	$ 83	$ 51	$ 1	
International						
Residential first mortgages	8,206	$ 311	$ —	$ —	$ 5	1 %
Home equity loans	61	4	—	—	—	—
Credit cards	225,238	628	—	—	2	24
Installment and other revolving	133,062	545	—	—	8	12
Commercial markets (5)	55	167	—	—	1	—
Total	366,622	$ 1,655	$ —	$ —	$ 16	

(1) Post-modification balances include past due amounts that are capitalized at modification date.

(2) Post-modification balances in *North America* include $2,740 million of residential first mortgages and $497 million of home equity loans to borrowers that have gone through Chapter 7 bankruptcy. These amounts include $1,414 million of residential first mortgages and $409 million of home equity loans that are newly classified as TDRs as a result of this OCC guidance. Chapter 7 bankruptcy column amounts are the incremental charge-offs that were recorded in the year ended December 31, 2012 as a result of this new OCC guidance.
(3) Represents portion of loan principal that is non-interest bearing but still due from borrower. Effective in the first quarter of 2012, such deferred principal is charged-off at the time of modification to the extent that the related loan balance exceeds the underlying collateral value. A significant amount of the reported balances have been charged-off.
(4) Represents portion of loan principal that is non-interest bearing and, depending upon borrower performance, eligible for forgiveness.
(5) Commercial markets loans are generally borrower-specific modifications and incorporate changes in the amount and/or timing of principal and/or interest.

Schedule of troubled debt restructuring loans that defaulted

In millions of dollars	Year ended December 31, 2012 (1)	Year ended December 31, 2011 (1)
North America		
Residential first mortgages	**$ 1,145**	$ 1,713
Home equity loans	**128**	113
Credit cards	**434**	1,307
Installment and other revolving	**121**	113
Commercial markets	**—**	3
Total	**$ 1,828**	$ 3,249
International		
Residential first mortgages	**$ 64**	$ 123
Home equity loans	**1**	2
Credit cards	**209**	329
Installment and other revolving	**117**	238
Commercial markets	**5**	14
Total	**$ 396**	$ 706

(1) Default is defined as 60 days past due, except for classifiably managed commercial markets loans, where default is defined as 90+ days past due.

Corporate

Loans receivable

Schedule of loans

In millions of dollars	December 31, 2012	December 31, 2011
Corporate		
In U.S. offices		
Commercial and industrial	**$ 26,985**	$ 20,830
Financial institutions	**18,159**	15,113
Mortgage and real estate (1)	**24,705**	21,516
Installment, revolving credit and other	**32,446**	33,182
Lease financing	**1,410**	1,270
	$ 103,705	$ 91,911
In offices outside the U.S.		
Commercial and industrial	**$ 82,939**	$ 79,764
Installment, revolving credit and other	**14,958**	14,114
Mortgage and real estate (1)	**6,485**	6,885
Financial institutions	**37,739**	29,794
Lease financing	**605**	568
Governments and official institutions	**1,159**	1,576
	$ 143,885	$ 132,701
Total Corporate loans	**$ 247,590**	$ 224,612
Net unearned income (loss)	**(797)**	(710)
Corporate loans, net of unearned income	**$ 246,793**	$ 223,902

(1) Loans secured primarily by real estate.

Schedule of loan delinquency and non-accrual details

Corporate Loan Delinquency and Non-Accrual Details at December 31, 2012

In millions of dollars	30–89 days past due and accruing (1)	≥ 90 days past due and accruing (1)	Total past due and accruing	Total non-accrual (2)	Total current (3)	Total loans
Commercial and industrial	**$38**	**$10**	**$48**	**$1,078**	**$ 107,650**	**$ 108,776**
Financial institutions	**5**	**—**	**5**	**454**	**53,858**	**54,317**
Mortgage and real estate	**224**	**109**	**333**	**680**	**30,057**	**31,070**
Leases	**7**	**—**	**7**	**52**	**1,956**	**2,015**
Other	**70**	**6**	**76**	**69**	**46,414**	**46,559**
Loans at fair value						**4,056**
Total	**$ 344**	**$ 125**	**$ 469**	**$ 2,333**	**$ 239,935**	**$ 246,793**

(1) Corporate loans that are ≥ 90 days past due are generally classified as non-accrual. Corporate loans are considered past due when principal or interest is contractually due but unpaid.
(2) Citi generally does not manage Corporate loans on a delinquency basis. Non-accrual loans generally include those loans that are ≥ 90 days past due or those loans for which Citi believes, based on actual experience and a forward-looking assessment of the collectability of the loan in full, that the payment of interest or principal is doubtful.
(3) Corporate loans are past due when principal or interest is contractually due but unpaid. Loans less than 30 days past due are presented as current.

Corporate Loan Delinquency and Non-Accrual Details at December 31, 2011

In millions of dollars	30–89 days past due and accruing (1)	≥ 90 days past due and accruing (1)	Total past due and accruing	Total non-accrual (2)	Total current (3)	Total loans
Commercial and industrial	$93	$30	$123	$1,134	$ 98,157	$ 99,414
Financial institutions	—	2	2	763	42,642	43,407

Mortgage and real estate	224	125	349	1,039	26,908	28,296
Leases	3	11	14	13	1,811	1,838
Other	225	15	240	287	46,481	47,008
Loans at fair value						3,939
Total	$ 545	$ 183	$ 728	$ 3,236	$ 215,999	$ 223,902

(1) Corporate loans that are ≥ 90 days past due are generally classified as non-accrual. Corporate loans are considered past due when principal or interest is contractually due but unpaid.
(2) Citi generally does not manage Corporate loans on a delinquency basis. Non-accrual loans generally include those loans that are ≥ 90 days past due or those loans for which Citi believes, based on actual experience and a forward-looking assessment of the collectability of the loan in full, that the payment of interest or principal is doubtful.
(3) Corporate loans are past due when principal or interest is contractually due but unpaid. Loans less than 30 days past due are presented as current.

Schedule of loans credit quality indicators

In millions of dollars	**Recorded investment in loans (1)** **December 31, 2012**	December 31, 2011
Investment grade (2)		
Commercial and industrial	**$ 73,822**	$ 67,282
Financial institutions	**43,895**	35,159
Mortgage and real estate	**12,587**	10,729
Leases	**1,404**	1,161
Other	**42,575**	42,428
Total investment grade	**$ 174,283**	$ 156,759
Non-investment grade (2)		
Accrual		
Commercial and industrial	**$ 33,876**	$ 30,998
Financial institutions	**9,968**	7,485
Mortgage and real estate	**2,858**	3,812
Leases	**559**	664
Other	**3,915**	4,293
Non-accrual		
Commercial and industrial	**1,078**	1,134
Financial institutions	**454**	763
Mortgage and real estate	**680**	1,039
Leases	**52**	13
Other	**69**	287
Total non-investment grade	**$ 53,509**	$ 50,488
Private Banking loans managed on a delinquency basis (2)	**$ 14,945**	$ 12,716
Loans at fair value	**4,056**	3,939
Corporate loans, net of unearned income	**$ 246,793**	$ 223,902

(1) Recorded investment in a loan includes net deferred loan fees and costs, unamortized premium or discount, less any direct write-downs.
(2) Held-for-investment loans accounted for on an amortized cost basis.

Schedule of non-accrual corporate loans with and without specific allowance

	At and for the period ended December 31, 2012				
In millions of dollars	**Recorded investment (1)**	**Unpaid principal balance**	**Related specific allowance**	**Average carrying value (2)**	**Interest income recognized**
Non-accrual Corporate loans					
Commercial and industrial	**$ 1,078**	**$1,368**	**$155**	**$1,076**	**$65**
Financial institutions	**454**	**504**	**14**	**518**	**—**
Mortgage and real estate	**680**	**810**	**74**	**811**	**23**
Lease financing	**52**	**61**	**16**	**19**	**2**
Other	**69**	**245**	**25**	**154**	**8**
Total non-accrual Corporate loans	**$ 2,333**	**$ 2,988**	**$ 284**	**$ 2,578**	**$ 98**

	December 31, 2011				
In millions of dollars	Recorded investment (1)	Unpaid principal balance	Related specific allowance	Average carrying value (3)	Interest Income recognized
Non-accrual Corporate loans					
Commercial and industrial	$ 1,134	$1,455	$186	$1,446	$ 76
Financial institutions	763	1,127	28	1,056	—
Mortgage and real estate	1,039	1,245	151	1,487	14
Lease financing	13	21	—	25	2
Other	287	640	55	420	17
Total non-accrual Corporate loans	$ 3,236	$ 4,488	$ 420	$ 4,434	$ 109

At and for the period ended	
In millions of dollars	Dec. 31, 2010
Average carrying value (3)	$ 10,643
Interest income recognized	65

December 31, 2012		December 31, 2011	
Recorded	**Related specific**	Recorded	Related specific

In millions of dollars	investment [1]	allowance	investment [1]	allowance
Non-accrual Corporate loans with valuation allowances				
Commercial and industrial	$ 608	$155	$ 501	$186
Financial institutions	41	14	78	28
Mortgage and real estate	345	74	540	151
Lease financing	47	16	—	—
Other	59	25	120	55
Total non-accrual Corporate loans with specific allowance	$ 1,100	$ 284	$ 1,239	$ 420
Non-accrual Corporate loans without specific allowance				
Commercial and industrial	$ 470		$ 633	
Financial institutions	413		685	
Mortgage and real estate	335		499	
Lease financing	5		13	
Other	10		167	
Total non-accrual Corporate loans without specific allowance	$ 1,233	N/A	$ 1,997	N/A

(1) Recorded investment in a loan includes net deferred loan fees and costs, unamortized premium or discount, less any direct write-downs.
(2) Average carrying value represents the average recorded investment balance and does not include related specific allowance.
(3) Average carrying value does not include related specific allowance.
N/A Not Applicable

Schedule of troubled debt restructurings

The following table presents Corporate TDRs occurring during the year ended December 31, 2012.

In millions of dollars	Carrying Value	TDRs involving changes in the amount and/or timing of principal payments [1]	TDRs involving changes in the amount and/or timing of interest payments [2]	TDRs involving changes in the amount and/or timing of both principal and interest payments	Balance of principal forgiven or deferred	Net P&L impact [3]
Commercial and industrial	$99	$84	$4	$11	$—	$1
Financial institutions	—	—	—	—	—	—
Mortgage and real estate	113	60	—	53	—	—
Other	—	—	—	—	—	—
Total	$ 212	$ 144	$ 4	$ 64	$ —	$ 1

(1) TDRs involving changes in the amount or timing of principal payments may involve principal forgiveness or deferral of periodic and/or final principal payments.
(2) TDRs involving changes in the amount or timing of interest payments may involve a below-market interest rate.
(3) Balances reflect charge-offs and reserves recorded during the years ended December 31, 2012 on loans subject to a TDR during the year then ended.

The following table presents Corporate TDRs occurring during the year ended December 31, 2011.

In millions of dollars	Carrying Value	TDRs involving changes in the amount and/or timing of principal payments [1]	TDRs involving changes in the amount and/or timing of interest payments [2]	TDRs involving changes in the amount and/or timing of both principal and interest payments	Balance of principal forgiven or deferred	Net P&L impact [3]
Commercial and industrial	$126	$—	$16	$110	$—	$16
Financial institutions	—	—	—	—	—	—
Mortgage and real estate	250	3	20	227	4	37
Other	74	—	67	7	—	—
Total	$ 450	$ 3	$ 103	$ 344	$ 4	$ 53

(1) TDRs involving changes in the amount or timing of principal payments may involve principal forgiveness or deferral of periodic and/or final principal payments.
(2) TDRs involving changes in the amount or timing of interest payments may involve a below-market interest rate.
(3) Balances reflect charge-offs and reserves recorded during the year ended December 31, 2011 on loans subject to a TDR during the period then ended.

Schedule of troubled debt restructuring loans that defaulted

In millions of dollars	TDR Balances at December 31, 2012	TDRs in payment default during the year Ended December 31, 2012	TDR Balances at December 31, 2011	TDRs in payment default during the year Ended December 31, 2011
Commercial and industrial	$275	$94	$429	$7
Financial institutions	17	—	564	—
Mortgage and real estate	131	—	258	—
Other	450	—	85	—
Total	$ 873	$ 94	$ 1,336	$ 7

(1) Payment default constitutes failure to pay principal or interest when due per the contractual terms of the loan.

Mortgage and real estate

Loans receivable

Schedule of loans credit quality indicators

LTV distribution in U.S. portfolio [1][2]	December 31, 2012		
In millions of dollars	Less than or equal to 80%	> 80% but less than or equal to 100%	Greater than 100%
Residential first mortgages	$ 41,555	$ 19,070	$ 14,995
Home equity loans	12,611	9,529	13,153
Total	$ 54,166	$ 28,599	$ 28,148

(1) Excludes loans guaranteed by U.S. government entities, loans subject to LTSCs with U.S. government-sponsored entities and loans recorded at fair value.
(2) Excludes balances where LTV was not available. Such amounts are not material.

LTV distribution in U.S. portfolio [1][2]	December 31, 2011		
In millions of dollars	Less than or equal to 80%	> 80% but less than or equal to 100%	Greater than 100%
Residential first mortgages	$ 36,422	$ 21,146	$ 24,425
Home equity loans	12,724	10,232	18,226
Total	$ 49,146	$ 31,378	$ 42,651

(1) Excludes loans guaranteed by U.S. government entities, loans subject to LTSCs with U.S. government-sponsored entities and loans recorded at fair value.
(2) Excludes balances where LTV was not available. Such amounts are not material.

FAIR VALUE ELECTIONS (Details 2) (USD $)	12 Months Ended Dec. 31, 2012	Dec. 31, 2011
FAIR VALUE ELECTIONS		
Gain (loss) on change in estimated fair value of debt liabilities due to change in company's own credit risk	$ (2,009,000,000)	$ 1,774,000,000
Notional amount of unfunded letters of credit		600,000,000
Maximum period funded letters of credit past due or on non-accrual status		90 days
Consolidated VIEs		
Fair Value Option Quantitative Disclosures		
Aggregate unpaid principal balance in excess of (less than) fair value	869,000,000	984,000,000
Certain credit products (Trading account assets)		
Fair Value Option Quantitative Disclosures		
Carrying amount reported on the Consolidated Balance Sheet	11,658,000,000	14,150,000,000
Aggregate unpaid principal balance in excess of (less than) fair value	31,000,000	540,000,000
Balance of non-accrual loans or loans more than 90 days past due	104,000,000	134,000,000
Aggregate unpaid principal balance in excess of fair value for non-accrual loans or loans more than 90 days past due	85,000,000	43,000,000
Certain credit products (Loans)		
Fair Value Option Quantitative Disclosures		
Carrying amount reported on the Consolidated Balance Sheet	3,893,000,000	3,735,000,000
Aggregate unpaid principal balance in excess of (less than) fair value	(132,000,000)	(54,000,000)
Unfunded loan commitments outstanding, certain credit related products	1,891,000,000	648,000,000
Changes in fair value due to instrument-specific credit risk gain (loss)	39,000,000	53,000,000
Certain mortgage loans (long-term debts)		
Fair Value Option Quantitative Disclosures		
Carrying amount reported on the Consolidated Balance Sheet	6,879,000,000	6,213,000,000
Aggregate fair value in excess of unpaid principal balance	390,000,000	274,000,000
Changes in fair value due to instrument-specific credit risk gain (loss)		(100,000,000)
Certain mortgage loans (long-term debts) | Consolidated VIEs		
Fair Value Option Quantitative Disclosures		
Changes in fair value due to instrument-specific credit risk gain (loss)	(107,000,000)	(275,000,000)
VIE Corporate loans		
Fair Value Option Quantitative Disclosures		
Carrying amount reported on the Consolidated Balance Sheet	157,000,000	198,000,000
Aggregate unpaid principal balance in excess of (less than) fair value	347,000,000	394,000,000
Balance of non-accrual loans or loans more than 90 days past due	34,000,000	23,000,000
Aggregate unpaid principal balance in excess of fair value for non-accrual loans or loans more than 90 days past due	36,000,000	42,000,000
VIE Consumer loans		
Fair Value Option Quantitative Disclosures		
Carrying amount reported on the Consolidated Balance Sheet	1,191,000,000	1,292,000,000
Aggregate unpaid principal balance in excess of (less than) fair value	293,000,000	436,000,000
Balance of non-accrual loans or loans more than 90 days past due	123,000,000	86,000,000

Aggregate unpaid principal balance in excess of fair value for non-accrual loans or loans more than 90 days past due	111,000,000	120,000,000
Long-term debt:		
Fair Value Option Quantitative Disclosures		
Carrying amount reported on the Consolidated Balance Sheet	28,434,000,000	22,614,000,000
Aggregate unpaid principal balance in excess of (less than) fair value	(226,000,000)	1,680,000,000
Short-term borrowings:		
Fair Value Option Quantitative Disclosures		
Carrying amount reported on the Consolidated Balance Sheet	818,000,000	1,354,000,000
Aggregate unpaid principal balance in excess of (less than) fair value	(232,000,000)	49,000,000
Certain Investments in Unallocated Precious Metals		
Fair Value Option Quantitative Disclosures		
Carrying amount reported on the Consolidated Balance Sheet	$ 5,500,000,000	

INCOME TAXES (Tables)

	12 Months Ended Dec. 31, 2012

INCOME TAXES

Schedule of components of income tax expense (benefit)

In millions of dollars	2012	2011	2010
Current			
Federal	**$ (71)**	$ (144)	$ (249)
Foreign	**3,889**	3,498	3,239
State	**300**	241	207
Total current income taxes	**$ 4,118**	$ 3,595	$ 3,197
Deferred			
Federal	**$ (4,943)**	$ (793)	$ (933)
Foreign	**900**	628	279
State	**(48)**	91	(310)
Total deferred income taxes	**$ (4,091)**	$ (74)	$ (964)

Schedule of reconciliation of income tax expense (benefit)

	2012	2011	2010
Provision (benefit) for income tax on continuing operations before noncontrolling interests (1)	**$27**	$3,521	$2,233
Provision (benefit) for income taxes on discontinued operations	**(71)**	66	(562)
Provision (benefit) for income taxes on cumulative effect of accounting changes	**(58)**	—	(4,978)
Income tax expense (benefit) reported in stockholders' equity related to:			
Foreign currency translation	**(709)**	(609)	(739)
Securities available-for-sale	**369**	1,495	1,167
Employee stock plans	**265**	297	600
Cash flow hedges	**311**	(92)	325
Pension liability adjustments	**(390)**	(235)	(434)
Income taxes before noncontrolling interests	**$ (256)**	$4,443	$ (2,388)

(1) Includes the effect of securities transactions and OTTI losses resulting in a provision (benefit) of $1,138 million and $(1,740) million in 2012, $699 million and $(789) million in 2011 and $844 million and $(494) million in 2010, respectively.

Reconciliation of the federal statutory income tax rate to the Company's effective income tax rate applicable to income from continuing operations (before noncontrolling interests and the cumulative effect of accounting changes)

	2012	2011	2010
Federal statutory rate	**35.0 %**	35.0 %	35.0 %
State income taxes, net of federal benefit	**3.0**	1.5	(0.1)
Foreign income tax rate differential	**(4.8)**	(8.6)	(10.0)
Audit settlements (1)	**(11.7)**	—	(0.5)
Effect of tax law changes (2)	**(0.1)**	2.0	(0.1)
Basis difference in affiliates	**(9.1)**	—	—
Tax advantaged investments	**(12.2)**	(6.0)	(6.7)
Other, net	**0.2**	0.2	(0.7)
Effective income tax rate	**0.3 %**	24.1 %	16.9 %

(1) For 2012 and 2010, relates to the conclusion of the audit of various issues in the Company's 2006–2008 and 2003–2005 U.S. federal tax audits, respectively. 2012 also includes an amount related to the conclusion of a New York City tax audit for 2006–2008.
(2) For 2011, includes the results of the Japan tax rate change which resulted in a $300 million DTA charge.

Deferred income taxes

In millions of dollars	2012	2011
Deferred tax assets		
Credit loss deduction	**$ 10,947**	$ 12,481
Deferred compensation and employee benefits	**4,890**	4,936
Restructuring and settlement reserves	**1,645**	1,331
Unremitted foreign earnings	**5,114**	7,362
Investment and loan basis differences	**3,878**	2,358
Cash flow hedges	**1,361**	1,673
Tax credit and net operating loss carry-forwards	**28,087**	22,764
Other deferred tax assets	**2,651**	2,127
Gross deferred tax assets	**$ 58,573**	$ 55,032

Valuation allowance	**—**	—
Deferred tax assets after valuation allowance	**$ 58,573**	$ 55,032
Deferred tax liabilities		
Deferred policy acquisition costs and value of insurance in force	**$ (495)**	$ (591)
Fixed assets and leases	**(623)**	(1,361)
Intangibles	**(1,517)**	(710)
Debt valuation adjustment on Citi liabilities	**(73)**	(533)
Other deferred tax liabilities	**(543)**	(307)
Gross deferred tax liabilities	**$ (3,251)**	$ (3,502)
Net deferred tax asset	**$ 55,322**	$ 51,530

Roll-forward of the company's unrecognized tax benefits

In millions of dollars	**2012**	2011	2010
Total unrecognized tax benefits at January 1	**$ 3,923**	$ 4,035	$ 3,079
Net amount of increases for current year's tax positions	**136**	193	1,039
Gross amount of increases for prior years' tax positions	**345**	251	371
Gross amount of decreases for prior years' tax positions	**(1,246)**	(507)	(421)
Amounts of decreases relating to settlements	**(44)**	(11)	(14)
Reductions due to lapse of statutes of limitation	**(3)**	(38)	(11)
Foreign exchange, acquisitions and dispositions	**(2)**	—	(8)
Total unrecognized tax benefits at December 31	**$ 3,109**	$ 3,923	$ 4,035

Schedule of interest and penalties included in the provision for income taxes

	2012		2011		2010	
In millions of dollars	**Pretax**	**Net of tax**	Pretax	Net of tax	Pretax	Net of tax
Total interest and penalties in the Consolidated Balance Sheet at January 1	**$ 404**	**$ 261**	$348	$ 223	$ 370	$ 239
Total interest and penalties in the Consolidated Statement of Income	**114**	**71**	61	41	(16)	(12)
Total interest and penalties in the Consolidated Balance Sheet at December 31 (1)	**492**	**315**	404	261	348	223

(1) 2012 includes $10 million for foreign penalties and $4 million for state penalties.

Major tax Jurisdictions and the earliest tax year subject to examination

Jurisdiction	**Tax year**
United States	2009
Mexico	2008
New York State and City	2005
United Kingdom	2010
Japan	2009
Brazil	2008
Singapore	2007
Hong Kong	2007
Ireland	2009

Schedule of deferred tax assets and liabilities by jurisdiction

In billions of dollars

Jurisdiction/component	**DTA balance December 31, 2012**	DTA balance December 31, 2011
U.S. federal (1)		
Consolidated tax return net operating losses (NOLs)	**$ —**	$ —
Consolidated tax return foreign tax credits (FTCs)	**22.0**	15.8
Consolidated tax return general business credits (GBCs)	**2.6**	2.1
Future tax deductions and credits	**22.0**	23.0
Other (2)	**0.9**	1.4
Total U.S. federal	**$ 47.5**	$ 42.3
State and local		
New York NOLs	**$ 1.3**	$ 1.3
Other state NOLs	**0.6**	0.7
Future tax deductions	**2.6**	2.2
Total state and local	**$ 4.5**	$ 4.2
Foreign		

APB 23 subsidiary NOLs	$	**0.2**	$	0.5
Non-APB 23 subsidiary NOLs		**1.2**		1.8
Future tax deductions		**1.9**		2.7
Total foreign	$	**3.3**	$	5.0
Total	$	**55.3**	$	51.5

(1) Included in the net U.S. federal DTAs of $47.5 billion are deferred tax liabilities of $2 billion that will reverse in the relevant carry-forward period and may be used to support the DTAs.

(2) Includes $0.8 billion and $1.2 billion for 2012 and 2011, respectively, of subsidiary tax carry-forwards related to companies that are expected to be utilized separate from Citigroup's consolidated tax carry-forwards.

Summarization of amounts of tax carryforwards and their expiration dates

In billions of dollars

Year of expiration		Amount
U.S. consolidated tax return foreign tax credit carry-forwards		
2016	$	**0.4**
2017		**6.6**
2018		**5.3**
2019		**1.3**
2020		**2.3**
2021		**1.9**
2022		**4.2**
Total U.S. consolidated tax return foreign tax credit carry-forwards	$	**22.0**
U.S. consolidated tax return general business credit carry-forwards		
2027	$	**0.3**
2028		**0.4**
2029		**0.4**
2030		**0.5**
2031		**0.5**
2032		**0.5**
Total U.S. consolidated tax return general business credit carry-forwards	$	**2.6**
U.S. subsidiary separate federal net operating loss (NOL) carry-forwards		
2027	$	**0.2**
2028		**0.1**
2030		**0.3**
2031		**1.8**
Total U.S. subsidiary separate federal NOL carry-forwards (1)	$	**2.4**
New York State NOL carry-forwards		
2027	$	**0.1**
2028		**7.2**
2029		**1.9**
2030		**0.4**
Total New York State NOL carry-forwards (1)	$	**9.6**
New York City NOL carry-forwards		
2027	$	**0.1**
2028		**3.7**
2029		**1.6**
2030		**0.2**
Total New York City NOL carry-forwards (1)	$	**5.6**
APB 23 subsidiary NOL carry-forwards		
Various	$	**0.2**
Total APB 23 subsidiary NOL carry-forwards	$	**0.2**

(1) Pretax.

GOODWILL AND INTANGIBLE ASSETS (Details 3) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Finite and indefinite-lived intangible assets.			
Gross carrying amount of Intangible assets (excluding MSRs)	$ 15,204	$ 15,376	
Accumulated amortization of Intangible assets (excluding MSRs)	9,507	8,776	
Gross carrying amount of Mortgage servicing rights (MSRs)	1,942	2,569	
Gross carrying amount of Intangible assets	17,146	17,945	
Accumulated amortization of Intangible assets	9,507	8,776	
Intangible assets amortization expense	856	898	976
Intangible assets estimated amortization expense			
2013	812		
2014	723		
2015	689		
2016	766		
2017	550		
Finite and indefinite-lived intangible assets:			
Net carrying amount of Intangible assets (excluding MSRs), balance at beginning of period	6,600		
Net carrying amount of MSRs, balance at beginning of period	2,569		
Net carrying amount of Intangible assets, balance at beginning of period	9,169		
Acquisitions/divestitures	(6)		
Amortization	(856)		
Impairments	(6)		
FX and other	(16)		
Discontinued Operations	(19)		
Net carrying amount of Intangible assets (excluding MSRs), balance at end of period	5,697	6,600	
Net carrying amount of MSRs, balance at end of period	1,942	2,569	
Net carrying amount of Intangible assets, balance at end of period	7,639	9,169	
Purchased credit card relationships			
Finite and indefinite-lived intangible assets.			
Gross carrying amount of Intangible assets (excluding MSRs)	7,632	7,616	
Accumulated amortization of Intangible assets (excluding MSRs)	5,726	5,309	
Finite and indefinite-lived intangible assets:			
Net carrying amount of Intangible assets (excluding MSRs), balance at beginning of period	2,307		
Amortization	(402)		
FX and other	1		
Net carrying amount of Intangible assets (excluding MSRs), balance at end of period	1,906		
Core deposit intangibles			

Finite and indefinite-lived intangible assets.		
Gross carrying amount of Intangible assets (excluding MSRs)	1,315	1,337
Accumulated amortization of Intangible assets (excluding MSRs)	1,019	965
Finite and indefinite-lived intangible assets:		
Net carrying amount of Intangible assets (excluding MSRs), balance at beginning of period	372	
Amortization	(84)	
FX and other	8	
Net carrying amount of Intangible assets (excluding MSRs), balance at end of period	296	
Other customer relationships		
Finite and indefinite-lived intangible assets.		
Gross carrying amount of Intangible assets (excluding MSRs)	767	830
Accumulated amortization of Intangible assets (excluding MSRs)	380	356
Finite and indefinite-lived intangible assets:		
Net carrying amount of Intangible assets (excluding MSRs), balance at beginning of period	474	
Amortization	(45)	
FX and other	(42)	
Net carrying amount of Intangible assets (excluding MSRs), balance at end of period	387	
Present value of future profits		
Finite and indefinite-lived intangible assets.		
Gross carrying amount of Intangible assets (excluding MSRs)	239	235
Accumulated amortization of Intangible assets (excluding MSRs)	135	123
Finite and indefinite-lived intangible assets:		
Net carrying amount of Intangible assets (excluding MSRs), balance at beginning of period	112	
Amortization	(9)	
FX and other	1	
Net carrying amount of Intangible assets (excluding MSRs), balance at end of period	104	
Other:		
Finite and indefinite-lived intangible assets.		
Gross carrying amount of Intangible assets (excluding MSRs)	4,764	4,866
Accumulated amortization of Intangible assets (excluding MSRs)	2,247	2,023
Finite and indefinite-lived intangible assets:		
Net carrying amount of Intangible assets (excluding MSRs), balance at beginning of period	2,843	
Acquisitions/divestitures	2	
Amortization	(316)	
Impairments	(6)	
FX and other	13	
Discontinued Operations	(19)	

Net carrying amount of Intangible assets (excluding MSRs), balance at end of period	2,517	
Indefinite-lived intangible assets		
Finite and indefinite-lived intangible assets.		
Gross carrying amount of Intangible assets (excluding MSRs)	487	492
Finite and indefinite-lived intangible assets:		
Net carrying amount of Intangible assets (excluding MSRs), balance at beginning of period	492	
Acquisitions/divestitures	(8)	
FX and other	3	
Net carrying amount of Intangible assets (excluding MSRs), balance at end of period	$ 487	

BUSINESS SEGMENTS (Details) (USD $) In Millions, unless otherwise specified	3 Months Ended								12 Months Ended		
	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Segment reporting information											
Revenues, net of interest expense	$ 18,174	$ 13,951	$ 18,642	$ 19,406	$ 17,174	$ 20,831	$ 20,622	$ 19,726	$ 70,173	$ 78,353	$ 86,601
Provision (benefit) for income taxes	(206)	(1,488)	715	1,006	91	1,278	967	1,185	27	3,521	2,233
Income (loss) from continuing operations	1,336	524	2,987	3,062	998	3,742	3,332	3,031	7,909	11,103	10,951
Pretax provisions (credits) for credit losses and for benefits and claims	3,199	2,695	2,806	3,019	2,874	3,351	3,387	3,184	11,719	12,796	26,042
Total Citicorp and Corporate/ Other											
Segment reporting information											
Revenues, net of interest expense									71,006	72,082	74,330
Provision (benefit) for income taxes									4,439	5,648	5,048
Income (loss) from continuing operations									14,469	15,206	15,384
Citicorp | North America											
Segment reporting information											
Revenues, net of interest expense									29,800	30,100	33,600
Citicorp | EMEA											
Segment reporting information											
Revenues, net of interest expense									11,500	12,300	11,800
Citicorp | Latin America											
Segment reporting information											
Revenues, net of interest expense									14,500	13,600	12,800
Citicorp | Asia											
Segment reporting information											
Revenues, net of interest expense									15,000	15,200	14,400

Global Consumer Banking				
Segment reporting information				
Regional business	4	4		
Revenues, net of interest expense		40,214	39,195	39,369
Provision (benefit) for income taxes		3,733	3,509	1,551
Income (loss) from continuing operations		8,104	7,672	4,969
Pretax provisions (credits) for credit losses and for benefits and claims		6,600	6,600	14,000
Institutional Clients Group				
Segment reporting information				
Number of countries where the entity provides a broad range of banking and financial products and services	100	100		
Revenues, net of interest expense		30,600	32,002	33,207
Provision (benefit) for income taxes		2,102	2,820	3,490
Income (loss) from continuing operations		7,990	8,262	10,173
Pretax provisions (credits) for credit losses and for benefits and claims		276	152	(82)
Corporate/Other				
Segment reporting information				
Revenues, net of interest expense		192	885	1,754
Provision (benefit) for income taxes		(1,396)	(681)	7
Income (loss) from continuing operations		(1,625)	(728)	242
Citi Holdings				
Segment reporting information				
Revenues, net of interest expense		(833)	6,271	12,271
Provision (benefit) for income taxes		(4,412)	(2,127)	(2,815)

Income (loss) from continuing operations	(6,560)	(4,103)	(4,433)
Pretax provisions (credits) for credit losses and for benefits and claims	$ 4,900	$ 6,000	$ 12,100

DEBT (Details 3) (USD $)														0 Months Ended		12 Months Ended				3 Months Ended
	Dec. 31, 2012	Dec. 31, 2012 Citigroup Capital III	Dec. 31, 2012 Citigroup Capital VII	Dec. 31, 2012 Citigroup Capital VIII	Dec. 31, 2012 Citigroup Capital IX	Dec. 31, 2012 Citigroup Capital X	Dec. 31, 2012 Citigroup Capital XI	Dec. 31, 2012 Citigroup Capital XIII	Dec. 31, 2012 Citigroup Capital XIV	Dec. 31, 2012 Citigroup Capital XV	Dec. 31, 2012 Citigroup Capital XVI	Dec. 31, 2012 Citigroup Capital XVII	Dec. 31, 2012 Citigroup Capital XVIII	Feb. 04, 2013 Citigroup Capital XXXIII	Dec. 31, 2012 Citigroup Capital XXXIII	Dec. 31, 2012 Adam Capital Trust III	Dec. 31, 2012 Adam Statutory Trust III	Dec. 31, 2012 Adam Statutory Trust IV	Dec. 31, 2012 Adam Statutory Trust V	Dec. 31, 2012 Citigroup Capital XX
Trust Preferred Securities																				
Securities issued (in shares)		194,053	35,885,898	43,651,597	33,874,813	14,757,823	18,387,128	89,840,000	12,227,281	25,210,733	38,148,947	28,047,927	99,901		3,025,000	17,500	25,000	40,000	35,000	
Liquidation value	$ 12,000,000,000	$ 194,000,000	$ 897,000,000	$ 1,091,000,000	$ 847,000,000	$ 369,000,000	$ 460,000,000	$ 2,246,000,000	$ 306,000,000	$ 630,000,000	$ 954,000,000	$ 701,000,000	$ 162,000,000		$ 3,025,000,000	$ 18,000,000	$ 25,000,000	$ 40,000,000	$ 35,000,000	
Coupon rate (as a percent)		7.625%	7.125%	6.95%	6.00%	6.10%	6.00%	7.875%	6.875%	6.50%	6.45%	6.35%	6.829%		8.00%					
Description of coupon rate basis																three months LIBOR	three months LIBOR	three months LIBOR	three months LIBOR	
Coupon rate, basis spread (as a percent)																3.35%	3.25%	2.95%	2.79%	
Common shares issued to parent		6,003	1,109,874	1,350,050	1,047,675	456,428	568,675	1,000	40,000	40,000	20,000	20,000	50		100	542	774	1,238	1,083	
Junior subordinated debentures owned by the Trust, proceeds received from the Trust at the date of issuance	12,125,000,000	200,000,000	925,000,000	1,125,000,000	873,000,000	380,000,000	474,000,000	2,246,000,000	307,000,000	631,000,000	954,000,000	702,000,000	162,000,000		3,025,000,000	18,000,000	26,000,000	41,000,000	36,000,000	
Early redemption of capital																				400,000,000
Gain recorded upon the redemption of capital																				7,000,000
Amount exchanged into subordinated debt														800,000,000						
Trust preferred securities outstanding														$ 2,225,000,000						

ALLOWANCE FOR CREDIT LOSSES (Tables)

12 Months Ended Dec. 31, 2012

ALLOWANCE FOR CREDIT LOSSES

Allowance for credit losses

In millions of dollars	2012	2011	2010
Allowance for loan losses at beginning of year	**$ 30,115**	$ 40,655	$ 36,033
Gross credit losses [1][2]	**(17,478)**	(23,164)	(34,491)
Gross recoveries	**2,902**	3,126	3,632
Net credit losses (NCLs)	**$ (14,576)**	$ (20,038)	$ (30,859)
NCLs	**$ 14,576**	$ 20,038	$ 30,859
Net reserve builds (releases) [1]	**(1,882)**	(8,434)	(6,523)
Net specific reserve builds (releases) [2]	**(1,846)**	169	858
Total provision for credit losses	**$ 10,848**	$ 11,773	$ 25,194
Other, net [3]	**(932)**	(2,275)	10,287
Allowance for loan losses at end of year	**$ 25,455**	$ 30,115	$ 40,655
Allowance for credit losses on unfunded lending commitments at beginning of year [4]	**$ 1,136**	$ 1,066	$ 1,157
Provision for unfunded lending commitments	**(16)**	51	(117)
Other, net	**(1)**	19	26
Allowance for credit losses on unfunded lending commitments at end of year [4]	**$ 1,119**	$ 1,136	$ 1,066
Total allowance for loans, leases, and unfunded lending commitments	**$ 26,574**	$ 31,251	$ 41,721

(1) 2012 includes approximately $635 million of incremental charge-offs related to OCC guidance issued in the third quarter of 2012, which required mortgage loans to borrowers that have gone through Chapter 7 of the U.S. Bankruptcy Code to be written down to collateral value. There was a corresponding approximate $600 million release in the third quarter of 2012 allowance for loan losses related to these charge-offs. 2012 also includes a benefit to charge-offs of approximately $40 million related to finalizing the impact of this OCC guidance in the fourth quarter of 2012.

(2) 2012 includes approximately $370 million of incremental charge-offs related to previously deferred principal balances on modified loans in the first quarter of 2012. These charge-offs were related to anticipated forgiveness of principal in connection with the national mortgage settlement. There was a corresponding approximate $350 million reserve release in the first quarter of 2012 related to these charge-offs.

(3) 2012 includes reductions of approximately $875 million related to the sale or transfer to held-for-sale of various U.S. loan portfolios. 2011 includes reductions of approximately $1.6 billion related to the sale or transfer to held-for-sale of various U.S. loan portfolios, approximately $240 million related to the sale of the Egg Banking PLC credit card business, approximately $72 million related to the transfer of the Citi Belgium business to held-for-sale and approximately $290 million related to FX translation. 2010 primarily includes an addition of $13.4 billion related to the impact of consolidating entities in connection with Citi's adoption of SFAS 166/167 (see Note 1 to the Consolidated Financial Statements), reductions of approximately $2.7 billion related to the sale or transfer to held-for-sale of various U.S. loan portfolios and approximately $290 million related to the transfer of a U.K. first mortgage portfolio to held-for-sale.

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

Schedule of allowance for credit losses and investment in loans by portfolio segment

In millions of dollars	Corporate	Consumer	Total
Allowance for loan losses at beginning of year	**$ 2,879**	**$ 27,236**	**$ 30,115**
Charge-offs	**(640)**	**(16,838)**	**(17,478)**
Recoveries	**417**	**2,485**	**2,902**
Replenishment of net charge-offs	**223**	**14,353**	**14,576**
Net reserve builds (releases)	**2**	**(1,884)**	**(1,882)**
Net specific reserve builds (releases)	**(138)**	**(1,708)**	**(1,846)**
Other	**33**	**(965)**	**(932)**
Ending balance	**$ 2,776**	**$ 22,679**	**$ 25,455**
Allowance for loan losses			
Determined in accordance with ASC 450-20	**$ 2,429**	**$ 15,703**	**$ 18,132**
Determined in accordance with ASC 310-10-35	**284**	**6,941**	**7,225**
Determined in accordance with ASC 310-30	**63**	**35**	**98**
Total allowance for loan losses	**$ 2,776**	**$ 22,679**	**$ 25,455**
Loans, net of unearned income			

Loans collectively evaluated for impairment in accordance with ASC 450-20	**$ 239,849**	**$ 377,374**	**$ 617,223**
Loans individually evaluated for impairment in accordance with ASC 310-10-35	**2,776**	**29,640**	**32,416**
Loans acquired with deteriorated credit quality in accordance with ASC 310-30	**112**	**426**	**538**
Loans held at fair value	**4,056**	**1,231**	**5,287**
Total loans, net of unearned income	**$ 246,793**	**$ 408,671**	**$ 655,464**

Allowance for Credit Losses and Investment in Loans at December 31, 2011

In millions of dollars	Corporate	Consumer	Total
Allowance for loan losses at beginning of year	$ 5,249	$ 35,406	$ 40,655
Charge-offs	(2,000)	(21,164)	(23,164)
Recoveries	386	2,740	3,126
Replenishment of net charge-offs	1,614	18,424	20,038
Net reserve releases	(1,083)	(7,351)	(8,434)
Net specific reserve builds (releases)	(1,270)	1,439	169
Other	(17)	(2,258)	(2,275)
Ending balance	$ 2,879	$ 27,236	$ 30,115
Allowance for loan losses			
Determined in accordance with ASC 450-20	$ 2,408	$ 18,334	$ 20,742
Determined in accordance with ASC 310-10-35	420	8,885	9,305
Determined in accordance with ASC 310-30	51	17	68
Total allowance for loan losses	$ 2,879	$ 27,236	$ 30,115
Loans, net of unearned income			
Loans collectively evaluated for impairment in accordance with ASC 450-20	$ 215,778	$ 390,831	$ 606,609
Loans individually evaluated for impairment in accordance with ASC 310-10-35	3,994	30,863	34,857
Loans acquired with deteriorated credit quality in accordance with ASC 310-30	191	320	511
Loans held at fair value	3,939	1,326	5,265
Total loans, net of unearned income	$ 223,902	$ 423,340	$ 647,242

RETIREMENT BENEFITS (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Pension Plans			
Amounts that will be amortized from Accumulated other comprehensive income (loss) into net expense in next fiscal year			
Net actuarial loss that will be amortized from Accumulated other comprehensive income (loss)	$ 226		
Prior service cost that will be amortized from Accumulated other comprehensive income (loss)	3		
U.S. Pension Plans			
Defined Benefit Plan Disclosure			
Benefits earned during the period	12	13	14
Interest cost on benefit obligation	565	612	644
Expected return on plan assets	(897)	(890)	(874)
Amortization of unrecognized			
Prior service cost (benefit)	(1)	(1)	(1)
Net actuarial loss	96	64	47
Net qualified (benefit) expense	(225)	(202)	(170)
Nonqualified plans expense	42	42	41
Total net (benefit) expense	(183)	(160)	(129)
Actual Company contributions			
Benefits directly paid by the Company	54	51	
Total Company contributions	54	51	
Estimated expected Company contributions			
Benefits paid directly by the Company	54		
Total estimated company contributions	54		
Non - U.S. Pension Plans			
Defined Benefit Plan Disclosure			
Benefits earned during the period	199	203	167
Interest cost on benefit obligation	367	382	342
Expected return on plan assets	(399)	(422)	(378)
Amortization of unrecognized			
Net transition obligation		(1)	(1)
Prior service cost (benefit)	4	4	4
Net actuarial loss	77	72	57
Curtailment (gain) loss	10	4	1
Settlement (gain) loss	35	10	7
Special termination costs	1	27	5
Net qualified (benefit) expense	294	279	204
Total net (benefit) expense	294	279	204
Actual Company contributions			
Cash contributions paid by the Company	270	342	

Benefits directly paid by the Company	82	47	
Total Company contributions	352	389	
Estimated expected Company contributions			
Estimated future cash contributions	177		
Benefits paid directly by the Company	47		
Total estimated company contributions	224		
Postretirement Benefit Plans			
Amounts that will be amortized from Accumulated other comprehensive income (loss) into net expense in next fiscal year			
Net actuarial loss that will be amortized from Accumulated other comprehensive income (loss)	45		
Prior service cost that will be amortized from Accumulated other comprehensive income (loss)	(1)		
U.S. Postretirement Benefit Plans			
Defined Benefit Plan Disclosure			
Interest cost on benefit obligation	44	53	59
Expected return on plan assets	(4)	(6)	(8)
Amortization of unrecognized			
Prior service cost (benefit)	(1)	(3)	(3)
Net actuarial loss	4	3	11
Net qualified (benefit) expense	43	47	60
Total net (benefit) expense	43	47	60
Actual Company contributions			
Benefits directly paid by the Company	54	53	
Total Company contributions	54	53	
Estimated expected Company contributions			
Benefits paid directly by the Company	57		
Total estimated company contributions	57		
Non-U.S. Postretirement Benefit Plans			
Defined Benefit Plan Disclosure			
Benefits earned during the period	29	28	23
Interest cost on benefit obligation	116	118	105
Expected return on plan assets	(108)	(117)	(100)
Amortization of unrecognized			
Net actuarial loss	25	24	20
Net qualified (benefit) expense	62	53	48
Total net (benefit) expense	62	53	48
Actual Company contributions			
Cash contributions paid by the Company	88	70	
Benefits directly paid by the Company	4	5	
Total Company contributions	92	75	
Estimated expected Company contributions			
Estimated future cash contributions	82		
Benefits paid directly by the Company	5		

Total estimated company contributions	87		
Postemployment Plans			
Defined Benefit Plan Disclosure			
Benefits earned during the period	22	16	13
Interest cost on benefit obligation	13	12	10
Amortization of unrecognized			
Prior service cost (benefit)	7	7	7
Total net (benefit) expense	$ 79	$ 67	$ 69

PLEDGED ASSETS, COLLATERAL, COMMITMENTS AND GUARANTEES (Details 3) (USD $)	Dec. 31, 2012	Dec. 31, 2011
Credit Commitments		
Credit Commitments	$ 884,327,000,000	$ 915,003,000,000
Commercial and similar letters of credit		
Credit Commitments		
Credit Commitments	7,311,000,000	8,910,000,000
One-to four-family residential mortgages		
Credit Commitments		
Credit Commitments	3,893,000,000	3,504,000,000
Revolving open-end loans secured by one- to four-family residential properties		
Credit Commitments		
Credit Commitments	18,176,000,000	19,326,000,000
Commercial real estate, construction and land development		
Credit Commitments		
Credit Commitments	3,496,000,000	1,968,000,000
Credit card lines		
Credit Commitments		
Credit Commitments	620,700,000,000	653,985,000,000
Commercial and other consumer loan commitments		
Credit Commitments		
Credit Commitments	228,492,000,000	224,109,000,000
Commercial and other consumer loan commitments, original maturity of less than one year	53,000,000,000	65,000,000,000
Other commitments and contingencies		
Credit Commitments		
Credit Commitments	2,259,000,000	3,201,000,000
U.S.		
Credit Commitments		
Credit Commitments	645,751,000,000	
U.S. | Commercial and similar letters of credit		
Credit Commitments		
Credit Commitments	1,427,000,000	
U.S. | One-to four-family residential mortgages		
Credit Commitments		
Credit Commitments	2,397,000,000	
U.S. | Revolving open-end loans secured by one- to four-family residential properties		
Credit Commitments		

Credit Commitments	14,897,000,000
U.S. | Commercial real estate, construction and land development	
Credit Commitments	
Credit Commitments	2,067,000,000
U.S. | Credit card lines	
Credit Commitments	
Credit Commitments	485,569,000,000
U.S. | Commercial and other consumer loan commitments	
Credit Commitments	
Credit Commitments	138,219,000,000
U.S. | Other commitments and contingencies	
Credit Commitments	
Credit Commitments	1,175,000,000
Outside U.S.	
Credit Commitments	
Credit Commitments	238,576,000,000
Outside U.S. | Commercial and similar letters of credit	
Credit Commitments	
Credit Commitments	5,884,000,000
Outside U.S. | One-to four-family residential mortgages	
Credit Commitments	
Credit Commitments	1,496,000,000
Outside U.S. | Revolving open-end loans secured by one- to four-family residential properties	
Credit Commitments	
Credit Commitments	3,279,000,000
Outside U.S. | Commercial real estate, construction and land development	
Credit Commitments	
Credit Commitments	1,429,000,000
Outside U.S. | Credit card lines	
Credit Commitments	
Credit Commitments	135,131,000,000
Outside U.S. | Commercial and other consumer loan commitments	
Credit Commitments	
Credit Commitments	90,273,000,000
Outside U.S. | Other commitments and contingencies	
Credit Commitments	
Credit Commitments	$ 1,084,000,000

INVESTMENTS (Details 9) (USD $) In Millions, unless otherwise specified	12 Months Ended							12 Months Ended	12 Months Ended						
	Dec. 31, 2012 AFS debt securities	Dec. 31, 2012 AFS debt securities Mortgage-backed securities	Dec. 31, 2012 AFS debt securities Prime	Dec. 31, 2012 AFS debt securities Alt-A	Dec. 31, 2011 AFS debt securities Alt-A	Dec. 31, 2012 AFS debt securities Commercial real estate	Dec. 31, 2011 AFS debt securities Commercial real estate	Dec. 31, 2012 AFS debt securities State and municipal securities	Dec. 31, 2012 AFS debt securities U.S. Treasury securities	Dec. 31, 2011 AFS debt securities U.S. Treasury securities	Dec. 31, 2012 AFS debt securities Foreign government securities	Dec. 31, 2012 AFS debt securities Corporate	Dec. 31, 2012 AFS debt securities Asset-backed securities	Dec. 31, 2011 AFS debt securities Asset-backed securities	Dec. 31, 2012 AFS debt securities Other debt securities
Schedule of other-than-temporary impairment, credit losses recognized in earnings, roll forward															
Balance at beginning of period	$ 747	$ 296	$ 292	$ 2	$ 2	$ 2	$ 2	$ 3	$ 67	$ 67	$ 168	$ 151	$ 10	$ 10	$ 52
Credit impairments recognized in earnings on securities not previously impaired	12							4			6	1			1
Credit impairments recognized in earnings on securities that have been previously impaired	4											4			
Reductions due to credit impaired securities sold, transferred or matured	(46)	(1)	(1)								(5)	(40)			
Balance at end of period	$ 717	$ 295	$ 291	$ 2	$ 2	$ 2	$ 2	$ 7	$ 67	$ 67	$ 169	$ 116	$ 10	$ 10	$ 53

INVESTMENTS (Details 9) (USD $) In Millions, unless otherwise specified	12 Months Ended												12 Months Ended
	Dec. 31, 2012 HTM debt securities	Dec. 31, 2012 HTM debt securities Mortgage-backed securities	Dec. 31, 2012 HTM debt securities Prime	Dec. 31, 2012 HTM debt securities Alt-A	Dec. 31, 2012 HTM debt securities Subprime	Dec. 31, 2012 HTM debt securities Non-U.S. residential	Dec. 31, 2012 HTM debt securities Commercial real estate	Dec. 31, 2011 HTM debt securities Commercial real estate	Dec. 31, 2012 HTM debt securities State and municipal securities	Dec. 31, 2012 HTM debt securities Corporate	Dec. 31, 2012 HTM debt securities Asset-backed securities	Dec. 31, 2011 HTM debt securities Asset-backed securities	Dec. 31, 2012 HTM debt securities Other debt securities
Schedule of other-than-temporary impairment, credit losses recognized in earnings, roll forward													
Balance at beginning of period	$ 3,182	$ 2,660	$ 84	$ 2,218	$ 252	$ 96	$ 10	$ 10	$ 9	$ 391	$ 113	$ 113	$ 9
Credit impairments recognized in earnings on securities not previously impaired	57	51	6	45					1	3			2
Credit impairments recognized in earnings on securities that have been previously impaired	243	233	15	216	2				1	9			
Reductions due to credit impaired securities sold, transferred or matured	(91)	(85)	(1)	(66)	(2)	(16)				(6)			
Balance at end of period	$ 3,391	$ 2,859	$ 104	$ 2,413	$ 252	$ 80	$ 10	$ 10	$ 11	$ 397	$ 113	$ 113	$ 11

INCENTIVE PLANS (Tables)

12 Months Ended Dec. 31, 2012

Incentive Plans

Components of compensation expense relating to stock-based compensation programs and deferred cash award programs

In millions of dollars	**2012**	2011	2010
Charges for estimated awards to retirement-eligible employees	**$ 444**	$ 338	$ 366
Option expense	**99**	161	197
Amortization of deferred cash awards and deferred cash stock units	**198**	208	280
Salary stock award expense	**—**	—	173
Immediately vested stock award expense (1)	**60**	52	174
Amortization of restricted and deferred stock awards (2)	**864**	871	747
Total	**$ 1,665**	$ 1,630	$ 1,937

(1) This represents expense for immediately vested stock awards that generally were stock payments in lieu of cash compensation. The expense is generally accrued as cash incentive compensation in the year prior to grant.

(2) All periods include amortization expense for all unvested awards to non-retirement-eligible employees. Amortization is recognized net of estimated forfeitures of awards.

Assumptions used in determining fair value of Annual Award Programs

Weighted-average per-share fair value	**$22.97**	
Weighted-average expected life	**3.85 years**	
Valuation assumptions		
Expected volatility	36.07	%
Risk-free interest rate	1.21	%
Expected dividend yield	0.88	%

Information with respect to stock option activity under stock option programs

	2012			2011			2010		
	Options	**Weighted-average exercise price**	**Intrinsic value per share**	Options	Weighted-average exercise price	Intrinsic value per share	Options	Weighted-average exercise price	Intrinsic value per share
Outstanding, beginning of period	**37,596,029**	**$ 69.60**	**$—**	37,486,011	$ 93.70	$ —	40,404,481	$ 127.50	$ —
Granted—original	**—**	**—**	**—**	3,425,000	48.86	—	4,450,017	47.80	—
Forfeited or exchanged	**(858,906)**	**83.84**	**—**	(1,539,227)	176.41	—	(4,368,086)	115.10	—
Expired	**(1,716,726)**	**438.14**	**—**	(1,610,450)	487.24	—	(2,935,863)	458.70	—
Exercised	**—**	**—**	**—**	(165,305)	40.80	6.72	(64,538)	40.80	3.80
Outstanding, end of period	**35,020,397**	**$ 51.20**	**$ —**	37,596,029	$ 69.60	$ —	37,486,011	$ 93.70	$ —
Exercisable, end of period	**32,973,444**			23,237,069			15,189,710		

Summary of the information about stock options outstanding under stock option programs

	Options outstanding			**Options exercisable**	
Range of exercise prices	**Number outstanding**	**Weighted-average contractual life remaining**	**Weighted-average exercise price**	**Number exercisable**	**Weighted-average exercise price**
$29.70–$49.99 (1)	**33,392,541**	**3.1 years**	**$42.40**	**31,431,666**	**$42.02**
$50.00–$99.99	**69,956**	**8.1 years**	**56.76**	**69,132**	**56.64**
$100.00–$199.99	**516,577**	**5.9 years**	**147.33**	**431,323**	**148.33**
$200.00–$299.99	**754,375**	**1.7 years**	**243.85**	**754,375**	**243.85**
$300.00–$399.99	**206,627**	**4.9 years**	**335.97**	**206,627**	**335.97**
$400.00–$557.00	**80,321**	**0.1 years**	**543.69**	**80,321**	**543.69**
Total at December 31, 2012	**35,020,397**	**3.1 years**	**$ 51.20**	**32,973,444**	**$ 51.13**

(1) A significant portion of the outstanding options are in the $40 to $45 range of exercise prices.

Valuation and related assumption information for option programs

For options granted during	**2012**	2011	2010
Weighted-average per-share fair value, at December 31	**N/A**	$ 13.90	$ 16.60
Weighted-average expected life			
Original grants	**N/A**	4.95 yrs.	6.06 yrs.
Valuation assumptions			

Expected volatility	N/A	35.64	%	36.42	%
Risk-free interest rate	N/A	2.33	%	2.88	%
Expected dividend yield	N/A	0.00	%	0.00	%
Expected annual forfeitures					
Original and reload grants	N/A	9.62	%	9.62	%

N/A Not applicable

Unvested stock awards that are not subject to variable accounting

Incentive Plans

Summary of the status of unvested stock awards

Unvested stock awards	Shares	Weighted-average grant date fair value
Unvested at January 1, 2012	50,213,124	$50.90
New awards	33,452,028	30.51
Cancelled awards	(2,342,822)	39.15
Vested awards [1]	(17,345,405)	62.12
Unvested at December 31, 2012	63,976,925	$ 37.62

(1) The weighted-average fair value of the vestings during 2012 was approximately $32.78 per share.

Unvested stock awards that are subject to variable accounting

Incentive Plans

Summary of the status of unvested stock awards

Unvested stock awards	Shares	Weighted-average award issuance fair value
Unvested at January 1, 2012	5,290,798	$49.30
New awards	2,219,213	30.55
Cancelled awards	(377,358)	43.92
Vested awards [1]	(1,168,429)	50.16
Unvested at December 31, 2012	5,964,224	$ 42.50

(1) The weighted-average fair value of the vestings during 2012 was approximately $29.18 per share.

CONCENTRATIONS OF CREDIT RISK	12 Months Ended Dec. 31, 2012

CONCENTRATIONS OF CREDIT RISK

CONCENTRATIONS OF CREDIT RISK

24. CONCENTRATIONS OF CREDIT RISK

Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect groups of counterparties whose aggregate credit exposure is material in relation to Citigroup’s total credit exposure. Although Citigroup’s portfolio of financial instruments is broadly diversified along industry, product, and geographic lines, material transactions are completed with other financial institutions, particularly in the securities trading, derivatives and foreign exchange businesses.

In connection with the Company’s efforts to maintain a diversified portfolio, the Company limits its exposure to any one geographic region, country or individual creditor and monitors this exposure on a continuous basis. At December 31, 2012, Citigroup’s most significant concentration of credit risk was with the U.S. government and its agencies. The Company’s exposure, which primarily results from trading assets and investments issued by the U.S. government and its agencies, amounted to $190.7 billion and $177.9 billion at December 31, 2012 and 2011, respectively. The Japanese and Mexican governments and their agencies, which are rated investment grade by both Moody’s and S&P, were the next largest exposures. The Company’s exposure to Japan amounted to $38.7 billion and $33.2 billion at December 31, 2012 and 2011, respectively, and was composed of investment securities, loans and trading assets. The Company’s exposure to Mexico amounted to $33.6 billion and $29.5 billion at December 31, 2012 and 2011, respectively, and was composed of investment securities, loans and trading assets.

The Company’s exposure to states and municipalities amounted to $35.8 billion and $39.5 billion at December 31, 2012 and 2011, respectively, and was composed of trading assets, investment securities, derivatives and lending activities.

RETIREMENT BENEFITS (Details 2) (USD $)	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
U.S. Pension Plans			
Change in projected benefit obligation			
Projected benefit obligation at beginning of year	$ 12,377,000,000	$ 11,730,000,000	
Benefits earned during the year	12,000,000	13,000,000	
Interest cost on benefit obligation	565,000,000	612,000,000	644,000,000
Plan amendments	(13,000,000)		
Actuarial (gain) loss	965,000,000	655,000,000	
Benefits paid, net of participating contributions	(638,000,000)	(633,000,000)	
Projected benefit obligation at year end	13,268,000,000	12,377,000,000	11,730,000,000
Change in plan assets			
Plan assets at fair value at beginning of year	11,991,000,000	11,561,000,000	
Actual return on plan assets	1,303,000,000	1,063,000,000	
Company contributions	54,000,000	51,000,000	
Benefits paid	(638,000,000)	(633,000,000)	
Plan assets at fair value at year end	12,656,000,000	11,991,000,000	11,561,000,000
Funded status of the plan at year end	(612,000,000)	(386,000,000)	
Net amount recognized			
Benefit liability	(612,000,000)	(386,000,000)	
Net amount recognized on the balance sheet	(612,000,000)	(386,000,000)	
Amounts recognized in Accumulated other comprehensive income (loss)			
Prior service cost (benefit)	13,000,000	1,000,000	
Net actuarial loss	(4,904,000,000)	(4,440,000,000)	
Net amount recognized in equity-pretax	(4,891,000,000)	(4,439,000,000)	
Accumulated benefit obligation at year end	13,246,000,000	12,337,000,000	
Non - U.S. Pension Plans			
Change in projected benefit obligation			
Projected benefit obligation at beginning of year	6,262,000,000	6,189,000,000	
Benefits earned during the year	199,000,000	203,000,000	
Interest cost on benefit obligation	367,000,000	382,000,000	342,000,000
Plan amendments	17,000,000	2,000,000	
Actuarial (gain) loss	923,000,000	59,000,000	
Benefits paid, net of participating contributions	(306,000,000)	(282,000,000)	
Settlements	(254,000,000)	(44,000,000)	
Curtailment (gain) loss	(8,000,000)	3,000,000	
Special/contractual termination benefits	1,000,000	27,000,000	5,000,000
Foreign exchange impact and other	198,000,000	(277,000,000)	
Projected benefit obligation at year end	7,399,000,000	6,262,000,000	6,189,000,000
Change in plan assets			
Plan assets at fair value at beginning of year	6,421,000,000	6,145,000,000	

Actual return on plan assets	786,000,000	526,000,000	
Company contributions	352,000,000	389,000,000	
Plan participants contributions	6,000,000	6,000,000	
Settlements	(254,000,000)	(44,000,000)	
Benefits paid	(312,000,000)	(288,000,000)	
Foreign exchange impact and other	155,000,000	(313,000,000)	
Plan assets at fair value at year end	7,154,000,000	6,421,000,000	6,145,000,000
Funded status of the plan at year end	(245,000,000)	159,000,000	
Net amount recognized			
Benefit asset	763,000,000	874,000,000	
Benefit liability	(1,008,000,000)	(715,000,000)	
Net amount recognized on the balance sheet	(245,000,000)	159,000,000	
Amounts recognized in Accumulated other comprehensive income (loss)			
Net transition obligation	(2,000,000)	1,000,000	
Prior service cost (benefit)	(33,000,000)	(23,000,000)	
Net actuarial loss	(1,936,000,000)	(1,454,000,000)	
Net amount recognized in equity-pretax	(1,971,000,000)	(1,476,000,000)	
Accumulated benefit obligation at year end	6,369,000,000	5,463,000,000	
U.S. Postretirement Benefit Plans			
Change in projected benefit obligation			
Projected benefit obligation at beginning of year	1,127,000,000	1,179,000,000	
Interest cost on benefit obligation	44,000,000	53,000,000	59,000,000
Actuarial (gain) loss	(24,000,000)	(44,000,000)	
Benefits paid, net of participating contributions	(85,000,000)	(79,000,000)	
Expected Medicare Part D subsidy	10,000,000	10,000,000	
Foreign exchange impact and other		8,000,000	
Projected benefit obligation at year end	1,072,000,000	1,127,000,000	1,179,000,000
Change in plan assets			
Plan assets at fair value at beginning of year	74,000,000	95,000,000	
Actual return on plan assets	7,000,000	5,000,000	
Company contributions	54,000,000	53,000,000	
Plan participants contributions	58,000,000	65,000,000	
Benefits paid	(143,000,000)	(144,000,000)	
Plan assets at fair value at year end	50,000,000	74,000,000	95,000,000
Funded status of the plan at year end	(1,022,000,000)	(1,053,000,000)	
Net amount recognized			
Benefit liability	(1,022,000,000)	(1,053,000,000)	
Net amount recognized on the balance sheet	(1,022,000,000)	(1,053,000,000)	
Amounts recognized in Accumulated other comprehensive income (loss)			
Prior service cost (benefit)	1,000,000	3,000,000	
Net actuarial loss	(123,000,000)	(152,000,000)	
Net amount recognized in equity-pretax	(122,000,000)	(149,000,000)	

Accumulated benefit obligation at year end	1,072,000,000	1,127,000,000	
Non-U.S. Postretirement Benefit Plans			
Change in projected benefit obligation			
Projected benefit obligation at beginning of year	1,368,000,000	1,395,000,000	
Benefits earned during the year	29,000,000	28,000,000	
Interest cost on benefit obligation	116,000,000	118,000,000	105,000,000
Actuarial (gain) loss	457,000,000	29,000,000	
Benefits paid, net of participating contributions	(54,000,000)	(54,000,000)	
Foreign exchange impact and other	86,000,000	(148,000,000)	
Projected benefit obligation at year end	2,002,000,000	1,368,000,000	1,395,000,000
Change in plan assets			
Plan assets at fair value at beginning of year	1,096,000,000	1,176,000,000	
Actual return on plan assets	277,000,000	40,000,000	
Company contributions	92,000,000	75,000,000	
Benefits paid	(54,000,000)	(54,000,000)	
Foreign exchange impact and other	86,000,000	(141,000,000)	
Plan assets at fair value at year end	1,497,000,000	1,096,000,000	1,176,000,000
Funded status of the plan at year end	(505,000,000)	(272,000,000)	
Net amount recognized			
Benefit liability	(505,000,000)	(272,000,000)	
Net amount recognized on the balance sheet	(505,000,000)	(272,000,000)	
Amounts recognized in Accumulated other comprehensive income (loss)			
Net transition obligation	(1,000,000)	(1,000,000)	
Prior service cost (benefit)	5,000,000	5,000,000	
Net actuarial loss	(802,000,000)	(509,000,000)	
Net amount recognized in equity-pretax	(798,000,000)	(505,000,000)	
Accumulated benefit obligation at year end	2,002,000,000	1,368,000,000	
Nonqualified pension plans			
Change in projected benefit obligation			
Projected benefit obligation at year end	769,000,000	713,000,000	
Change in plan assets			
Funded status of the plan at year end	(769,000,000)	(713,000,000)	
Amounts recognized in Accumulated other comprehensive income (loss)			
Net amount recognized in equity-pretax	298,000,000	231,000,000	
Accumulated benefit obligation at year end	$ 738,000,000	$ 694,000,000	

ALLOWANCE FOR CREDIT LOSSES (Details 3) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Allowance for credit losses			
Allowance for loan losses at the beginning of period	$ 30,115	$ 40,655	$ 36,033
Charge-offs	(17,478)	(23,164)	(34,491)
Recoveries	2,902	3,126	3,632
Replenishment of net charge-offs	14,576	20,038	30,859
Net reserve builds (releases)	(1,882)	(8,434)	(6,523)
Net specific reserve builds (releases)	(1,846)	169	858
Other	(932)	(2,275)	10,287
Allowance for loan losses at the end of period	25,455	30,115	40,655
Allowance for loan losses:			
Determined in accordance with ASC 450-20	18,132	20,742	
Determined in accordance with ASC 310-10-35	7,225	9,305	
Determined in accordance with ASC 310-30	98	68	
Total allowance for loan losses	25,455	30,115	40,655
Loans, net of unearned income:			
Loans collectively evaluated for impairment in accordance with ASC 450-20	617,223	606,609	
Loans individually evaluated for impairment in accordance with ASC 310-10-35	32,416	34,857	
Loans acquired with deteriorated credit quality in accordance with ASC 310-30	538	511	
Loans held at fair value	5,287	5,265	
Loans, net of unearned income	655,464	647,242	
Corporate			
Allowance for credit losses			
Allowance for loan losses at the beginning of period	2,879	5,249	
Charge-offs	(640)	(2,000)	
Recoveries	417	386	
Replenishment of net charge-offs	223	1,614	
Net reserve builds (releases)	2	(1,083)	
Net specific reserve builds (releases)	(138)	(1,270)	
Other	33	(17)	
Allowance for loan losses at the end of period	2,776	2,879	
Allowance for loan losses:			
Determined in accordance with ASC 450-20	2,429	2,408	
Determined in accordance with ASC 310-10-35	284	420	
Determined in accordance with ASC 310-30	63	51	
Total allowance for loan losses	2,776	2,879	
Loans, net of unearned income:			

Loans collectively evaluated for impairment in accordance with ASC 450-20	239,849	215,778
Loans individually evaluated for impairment in accordance with ASC 310-10-35	2,776	3,994
Loans acquired with deteriorated credit quality in accordance with ASC 310-30	112	191
Loans held at fair value	4,056	3,939
Loans, net of unearned income	246,793	223,902
Consumer		
Allowance for credit losses		
Allowance for loan losses at the beginning of period	27,236	35,406
Charge-offs	(16,838)	(21,164)
Recoveries	2,485	2,740
Replenishment of net charge-offs	14,353	18,424
Net reserve builds (releases)	(1,884)	(7,351)
Net specific reserve builds (releases)	(1,708)	1,439
Other	(965)	(2,258)
Allowance for loan losses at the end of period	22,679	27,236
Allowance for loan losses:		
Determined in accordance with ASC 450-20	15,703	18,334
Determined in accordance with ASC 310-10-35	6,941	8,885
Determined in accordance with ASC 310-30	35	17
Total allowance for loan losses	22,679	27,236
Loans, net of unearned income:		
Loans collectively evaluated for impairment in accordance with ASC 450-20	377,374	390,831
Loans individually evaluated for impairment in accordance with ASC 310-10-35	29,640	30,863
Loans acquired with deteriorated credit quality in accordance with ASC 310-30	426	320
Loans held at fair value	1,231	1,326
Loans, net of unearned income	$ 408,671	$ 423,340

CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended																				6 Months Ended
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2012 HDFC	Dec. 31, 2012 SPDB	Dec. 31, 2012 Net unrealized gains (losses) on investment securities	Dec. 31, 2011 Net unrealized gains (losses) on investment securities	Dec. 31, 2010 Net unrealized gains (losses) on investment securities	Dec. 31, 2012 Foreign currency translation adjustment, net of hedges	Dec. 31, 2011 Foreign currency translation adjustment, net of hedges	Dec. 31, 2010 Foreign currency translation adjustment, net of hedges	Dec. 31, 2012 Cash flow hedges	Dec. 31, 2011 Cash flow hedges	Dec. 31, 2010 Cash flow hedges	Dec. 31, 2012 Pension liability adjustments	Dec. 31, 2011 Pension liability adjustments	Dec. 31, 2010 Pension liability adjustments	Dec. 31, 2012 Accumulated other comprehensive income (loss)	Dec. 31, 2011 Accumulated other comprehensive income (loss)	Dec. 31, 2010 Accumulated other comprehensive income (loss)	Jun. 30, 2012 Accumulated other comprehensive income (loss) Akbank
Change in accumulated other comprehensive income (loss)																					
Balance at the beginning of the period, after-tax	$ (17,788)	$ (16,277)	$ (18,937)			$ (35)	$ (2,395)	$ (4,347)	$ (10,651)	$ (7,127)	$ (7,947)	$ (2,820)	$ (2,650)	$ (3,182)	$ (4,282)	$ (4,105)	$ (3,461)	$ (17,788)	$ (16,277)	$ (18,937)	
Change, net of taxes						632	2,360	1,952	721	(3,524)	820	527	(170)	532	(988)	(177)	(644)	892	(1,511)	2,660	
Balance at the end of the period, after-tax	(16,896)	(17,788)	(16,277)			597	(35)	(2,395)	(9,930)	(10,651)	(7,127)	(2,293)	(2,820)	(2,650)	(5,270)	(4,282)	(4,105)	(16,896)	(17,788)	(16,277)	
Reclassification after tax realized gains or losses on sales and impairments of securities	(1,017)	(122)	657																		
After tax realized gains from sales of minority investments				672	421																
Impairment charge related to total investment, after-tax																					$ 667

SECURITIZATIONS AND VARIABLE INTEREST ENTITIES (Details 5) (USD $) In Billions, unless otherwise specified	12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011
Citibank Credit Card Master Trust (Master Trust)		
Funding, Liquidity Facilities and Subordinated Interests		
Weighted average maturity of term notes	3 years 9 months 18 days	3 years 1 month 6 days
Term notes issued to third parties	$ 18.6	$ 30.4
Term notes retained by Citigroup affiliates	4.8	7.7
Total Trust liabilities	23.4	38.1
Citibank OMNI Master Trust (Omni Trust)		
Funding, Liquidity Facilities and Subordinated Interests		
Weighted average maturity of term notes	1 year 8 months 12 days	1 year 6 months
Term notes issued to multi-seller commercial paper conduits		3.4
Term notes issued to third parties	4.4	9.2
Term notes retained by Citigroup affiliates	7.1	7.1
Total Trust liabilities	$ 11.5	$ 19.7

COMMISSIONS AND FEES (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Commissions and fees			
Total commissions and fees	$ 12,926	$ 12,850	$ 13,658
Primerica			
Commissions and fees			
Total commissions and fees			91
Transaction Services			
Commissions and fees			
Total commissions and fees	1,441	1,520	1,454
Credit cards and bank cards			
Commissions and fees			
Total commissions and fees	3,526	3,603	3,774
Investment banking			
Commissions and fees			
Total commissions and fees	2,991	2,451	2,977
Trading-related			
Commissions and fees			
Total commissions and fees	2,296	2,587	2,368
Other Consumer			
Commissions and fees			
Total commissions and fees	878	931	1,156
Checking-related			
Commissions and fees			
Total commissions and fees	907	926	1,023
Loan servicing			
Commissions and fees			
Total commissions and fees	313	251	353
Corporate finance			
Commissions and fees			
Total commissions and fees	516	519	439
Other			
Commissions and fees			
Total commissions and fees	$ 58	$ 62	$ 23

INCOME TAXES (Details 4) (USD $)	Dec. 31, 2012	Jan. 02, 2012	Dec. 31, 2011
Deferred tax assets by jurisdiction			
Foreign Tax Credit (FTC)	$ 22,000,000,000		
General Business Credits (GBC)	2,600,000,000		
Other	2,651,000,000	58,000,000	2,127,000,000
Net deferred tax asset	55,322,000,000		51,530,000,000
U.S. Federal			
Deferred tax assets by jurisdiction			
Foreign Tax Credit (FTC)	22,000,000,000		15,800,000,000
General Business Credits (GBC)	2,600,000,000		2,100,000,000
Future Tax Deductions and Credits	22,000,000,000		23,000,000,000
Other	900,000,000		1,400,000,000
Net deferred tax asset	47,500,000,000		42,300,000,000
Deferred tax liabilities that will reverse in the relevant carryforward period	2,000,000,000		
Tax carryforwards related to companies that file U.S. federal tax separate from Citigroup's consolidated U.S. federal tax return	800,000,000		1,200,000,000
State and Local			
Deferred tax assets by jurisdiction			
Future Tax Deductions and Credits	2,600,000,000		2,200,000,000
Net deferred tax asset	4,500,000,000		4,200,000,000
New York			
Deferred tax assets by jurisdiction			
Net operating loss (NOL)	1,300,000,000		1,300,000,000
Other state			
Deferred tax assets by jurisdiction			
Net operating loss (NOL)	600,000,000		700,000,000
Foreign			
Deferred tax assets by jurisdiction			
Future Tax Deductions and Credits	1,900,000,000		2,700,000,000
Net deferred tax asset	3,300,000,000		5,000,000,000
APB 23 Subsidiaries			
Deferred tax assets by jurisdiction			
Net operating loss (NOL)	200,000,000		500,000,000
Non-APB 23 Subsidiaries			
Deferred tax assets by jurisdiction			
Net operating loss (NOL)	$ 1,200,000,000		$ 1,800,000,000

DEBT (Tables)

12 Months Ended Dec. 31, 2012

DEBT

Schedule of Short-Term Borrowings

In millions of dollars	2012 Balance	2012 Weighted average	2011 Balance	2011 Weighted average
Commercial paper				
Bank	**$ 11,092**	**0.59 %**	$ 14,872	0.32 %
Other non-bank	**378**	**0.84**	6,414	0.49
	$ 11,470		$ 21,286	
Other borrowings (1)	**40,557**	**1.06 %**	33,155	1.09 %
Total	**$ 52,027**		$ 54,441	

(1) At December 31, 2012 and December 31, 2011, collateralized short-term advances from the Federal Home Loan Banks were $4 billion and $5 billion, respectively.

Schedule of Long-Term Debt

In millions of dollars	Weighted average coupon	Maturities	Balances at December 31, 2012	Balances at December 31, 2011
Citigroup				
Senior notes	**4.29 %**	**2013–2098**	**$ 138,862**	$ 136,468
Subordinated notes (1)	**4.40**	**2013–2036**	**27,581**	29,177
Junior subordinated notes relating to trust preferred securities	**7.14**	**2031–2067**	**10,110**	16,057
Bank (2)				
Senior notes	**1.91**	**2013–2039**	**50,527**	77,036
Subordinated notes (1)	**3.29**	**2013–2039**	**707**	859
Non-bank				
Senior notes	**3.64**	**2013–2097**	**11,651**	63,712
Subordinated notes (1)	**2.26**	**2013–2017**	**25**	196
Total (3)			**$ 239,463**	$ 323,505
Senior notes			**$ 201,040**	$ 277,216
Subordinated notes (1)			**28,313**	30,232
Junior subordinated notes relating to trust preferred securities			**10,110**	16,057
Total			**$ 239,463**	$ 323,505

Note: Citigroup Funding Inc. (CFI) was previously a first-tier subsidiary of Citigroup Inc., issuing commercial paper, medium-term notes and structured equity-linked and credit-linked notes. The debt of CFI was guaranteed by Citigroup Inc. On December 31, 2012, CFI was merged into Citigroup Inc.

(1) Includes notes that are subordinated within certain countries, regions or subsidiaries.

(2) Represents Citibank, N.A., as well as subsidiaries of Citibank and Banamex. At December 31, 2012 and 2011, collateralized long-term advances from the Federal Home Loan Banks were $16.3 billion and $11.0 billion, respectively.

(3) Includes senior notes with carrying values of $186 million issued to Safety First Trust Series 2007-4, 2008-1, 2008-2, 2008-3, 2008-4, 2008-5, 2008-6, 2009-1, 2009-2, and 2009-3 at December 31, 2012 and $215 million issued to Safety First Trust Series 2007-3, 2007-4, 2008-1, 2008-2, 2008-3, 2008-4, 2008-5, 2008-6, 2009-1, 2009-2, and 2009-3 at December 31, 2011. Citigroup owns all of the voting securities of the Safety First Trusts. The Safety First Trusts have no assets, operations, revenues or cash flows other than those related to the issuance, administration and repayment of the Safety First Trust securities and the Safety First Trusts' common securities.

Aggregate annual maturities of long-term debt obligations

In millions of dollars	2013	2014	2015	2016	2017	Thereafter	Total
Bank	$ 16,601	$ 9,862	$ 8,588	$ 6,320	$ 2,943	$ 6,920	$ 51,234
Non-bank	1,586	2,921	781	800	52	5,536	11,676
Parent company	24,464	24,243	19,677	12,737	21,156	74,276	176,553
Total	$ 42,651	$ 37,026	$ 29,046	$ 19,857	$ 24,151	$ 86,732	$ 239,463

Schedule of Statutory Business Trusts

Trust securities with distributions guaranteed by Citigroup	Issuance date	Securities issued	Liquidation value (1)	Coupon rate	Common shares issued to parent	Junior subordinated debentures owned by trust: Amount	Junior subordinated debentures owned by trust: Maturity	Junior subordinated debentures owned by trust: Redeemable by issuer beginning
In millions of dollars, except share amounts								

Citigroup Capital III	Dec. 1996	194,053	$ 194	7.625%	6,003	$ 200	Dec. 1, 2036	Not redeemable
Citigroup Capital VII	July 2001	35,885,898	897	7.125%	1,109,874	925	July 31, 2031	July 31, 2006
Citigroup Capital VIII	Sept. 2001	43,651,597	1,091	6.950%	1,350,050	1,125	Sept. 15, 2031	Sept. 17, 2006
Citigroup Capital IX	Feb. 2003	33,874,813	847	6.000%	1,047,675	873	Feb. 14, 2033	Feb. 13, 2008
Citigroup Capital X	Sept. 2003	14,757,823	369	6.100%	456,428	380	Sept. 30, 2033	Sept. 30, 2008
Citigroup Capital XI	Sept. 2004	18,387,128	460	6.000%	568,675	474	Sept. 27, 2034	Sept. 27, 2009
Citigroup Capital XIII	Sept. 2010	89,840,000	2,246	7.875%	1,000	2,246	Oct. 30, 2040	Oct. 30, 2015
Citigroup Capital XIV	June 2006	12,227,281	306	6.875%	40,000	307	June 30, 2066	June 30, 2011
Citigroup Capital XV	Sept. 2006	25,210,733	630	6.500%	40,000	631	Sept. 15, 2066	Sept. 15, 2011
Citigroup Capital XVI	Nov. 2006	38,148,947	954	6.450%	20,000	954	Dec. 31, 2066	Dec. 31, 2011
Citigroup Capital XVII	Mar. 2007	28,047,927	701	6.350%	20,000	702	Mar. 15, 2067	Mar. 15, 2012
Citigroup Capital XVIII	June 2007	99,901	162	6.829%	50	162	June 28, 2067	June 28, 2017
Citigroup Capital XXXIII (2)	July 2009	3,025,000	3,025	8.000%	100	3,025	July 30, 2039	July 30, 2014
Adam Capital Trust III	Dec. 2002	17,500	18	3 mo. LIB +335 bp.	542	18	Jan. 7, 2033	Jan. 7, 2008
Adam Statutory Trust III	Dec. 2002	25,000	25	3 mo. LIB +325 bp.	774	26	Dec. 26, 2032	Dec. 26, 2007
Adam Statutory Trust IV	Sept. 2003	40,000	40	3 mo. LIB +295 bp.	1,238	41	Sept. 17, 2033	Sept. 17, 2008
Adam Statutory Trust V	Mar. 2004	35,000	35	3 mo. LIB +279 bp.	1,083	36	Mar. 17, 2034	Mar. 17, 2009
Total obligated			**$ 12,000**			**$ 12,125**		

(1) Represents the notional value received by investors from the trusts at the time of issuance.

(2) On February 4, 2013, approximately $800 million of the $3,025 million issued under Citigroup Capital XXXIII was exchanged into subordinated debt, leaving approximately $2,225 million of trust preferred securities outstanding as of such date.

LOANS (Details 4) (Consumer, USD $) In Millions, unless otherwise specified	12 Months Ended Dec. 31, 2012 loan	Dec. 31, 2011 loan
Loans receivable		
Number of days past due, default status	60 days	
Commercial market loans		
Loans receivable		
Number of days past due, default status	90 days	
In North America Offices		
Loans receivable		
Number of loans modified	363,482	764,525
Post-modification recorded investment	$ 10,509	$ 10,425
Chapter 7 bankruptcy charge-offs	604	
Deferred principal	15	83
Contingent principal forgiveness	7	51
Principal forgiveness	631	1
Loans in default	1,828	3,249
In North America Offices | Residential First Mortgage Loans		
Loans receivable		
Number of loans modified	59,869	33,025
Post-modification recorded investment	8,107	5,137
Chapter 7 bankruptcy charge-offs	154	
Deferred principal	10	66
Contingent principal forgiveness	7	50
Principal forgiveness	553	
Average interest rate reduction (as a percent)	1.00%	2.00%
Loans in default	1,145	1,713
In North America Offices | Residential First Mortgage Loans | New OCC guidance		
Loans receivable		
Post-modification recorded investment	0	
Post-modification recorded investment for borrowers that have gone through Chapter 7 bankcruptcy	2,740	
In North America Offices | Home equity loans		
Loans receivable		
Number of loans modified	33,586	18,099
Post-modification recorded investment	862	923
Chapter 7 bankruptcy charge-offs	450	
Deferred principal	5	17
Contingent principal forgiveness		1
Principal forgiveness	78	
Average interest rate reduction (as a percent)	2.00%	4.00%
Loans in default	128	113
In North America Offices | Home equity loans | New OCC guidance		

Loans receivable		
Post-modification recorded investment	409	
Post-modification recorded investment for borrowers that have gone through Chapter 7 bankcruptcy	497	
In North America Offices | Credit cards		
Loans receivable		
Number of loans modified	204,999	611,715
Post-modification recorded investment	1,053	3,554
Average interest rate reduction (as a percent)	16.00%	19.00%
Loans in default	434	1,307
In North America Offices | Installment and other		
Loans receivable		
Number of loans modified	64,858	101,107
Post-modification recorded investment	469	756
Average interest rate reduction (as a percent)	6.00%	4.00%
Loans in default	121	113
In North America Offices | Commercial market loans		
Loans receivable		
Number of loans modified	170	579
Post-modification recorded investment	18	55
Principal forgiveness		1
Loans in default		3
In offices outside North America		
Loans receivable		
Number of loans modified	261,828	366,622
Post-modification recorded investment	1,411	1,655
Contingent principal forgiveness	1	
Principal forgiveness	6	16
Loans in default	396	706
In offices outside North America | Residential First Mortgage Loans		
Loans receivable		
Number of loans modified	9,447	8,206
Post-modification recorded investment	324	311
Principal forgiveness	2	5
Average interest rate reduction (as a percent)	1.00%	1.00%
Loans in default	64	123
In offices outside North America | Home equity loans		
Loans receivable		
Number of loans modified	58	61
Post-modification recorded investment	4	4
Loans in default	1	2
In offices outside North America | Credit cards		
Loans receivable		
Number of loans modified	206,755	225,238

Post-modification recorded investment	632	628
Principal forgiveness	1	2
Average interest rate reduction (as a percent)	29.00%	24.00%
Loans in default	209	329
In offices outside North America | Installment and other		
Loans receivable		
Number of loans modified	45,191	133,062
Post-modification recorded investment	280	545
Principal forgiveness	1	8
Average interest rate reduction (as a percent)	22.00%	12.00%
Loans in default	117	238
In offices outside North America | Commercial market loans		
Loans receivable		
Number of loans modified	377	55
Post-modification recorded investment	171	167
Contingent principal forgiveness	1	
Principal forgiveness	2	1
Loans in default	$ 5	$ 14

SECURITIZATIONS AND VARIABLE INTEREST ENTITIES (Details 6) (USD $)	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
U.S. government-sponsored agency guaranteed | Citicorp			
Cash Flows Between Transferor and Transferee			
Proceeds from new securitizations	$ 54,200,000,000		
Contractual servicing fees received	500,000,000		
Cash flows received on retained interests and other net cash flows	100,000,000		
Gains (losses) recognized on the securitization	10,000,000		
Key assumptions used in measuring fair value of retained interests at date of sale or securitization of mortgage receivables			
Weighted average discount rate, date of sale or securitization (as a percent)	11.40%	12.00%	
Weighted average constant prepayment rate, date of sale or securitization (as a percent)	10.20%	7.90%	
Key assumptions used in measuring fair value related to transferor's continuing involvement			
Weighted average discount rate, transferor's continuing involvement (as a percent)	6.10%	8.10%	
Weighted average constant prepayment rate, transferor's continuing involvement (as a percent)	27.70%	28.70%	
Sensitivity analysis of fair value of interests continued to be held by transferor			
Carrying value of retained interests	1,987,000,000		
Carrying value of retained interests, impact of 10% adverse change in discount rate	(46,000,000)		
Carrying value of retained interests, impact of 20% adverse change in discount rate	(90,000,000)		
Carrying value of retained interests, impact of 10% adverse change in constant prepayment rate	(110,000,000)		
Carrying value of retained interests, impact of 20% adverse change in constant prepayment rate	(211,000,000)		
Carrying value of retained interests, impact of 10% adverse change in anticipated net credit losses	(11,000,000)		
Carrying value of retained interests, impact of 20% adverse change in anticipated net credit losses	(21,000,000)		
U.S. government-sponsored agency guaranteed | Citicorp | Low end of range			
Key assumptions used in measuring fair value of retained interests at date of sale or securitization of mortgage receivables			

Discount rate, date of sale or securitization (as a percent)	0.20%	0.60%
Constant prepayment rate, date of sale or securitization (as a percent)	6.70%	2.20%
Key assumptions used in measuring fair value related to transferor's continuing involvement		
Discount rate, transferor's continuing involvement (as a percent)	0.60%	1.30%
Constant prepayment rate, transferor's continuing involvement (as a percent)	9.00%	18.90%
U.S. government-sponsored agency guaranteed | Citicorp | High end of range		
Key assumptions used in measuring fair value of retained interests at date of sale or securitization of mortgage receivables		
Discount rate, date of sale or securitization (as a percent)	14.40%	28.30%
Constant prepayment rate, date of sale or securitization (as a percent)	36.40%	30.60%
Key assumptions used in measuring fair value related to transferor's continuing involvement		
Discount rate, transferor's continuing involvement (as a percent)	17.20%	16.40%
Constant prepayment rate, transferor's continuing involvement (as a percent)	57.80%	30.60%
U.S. government-sponsored agency guaranteed | Citi Holdings		
Cash Flows Between Transferor and Transferee		
Proceeds from new securitizations	400,000,000	
Contractual servicing fees received	400,000,000	
Gains (losses) recognized on the securitization	45,000,000	78,000,000
Key assumptions used in measuring fair value related to transferor's continuing involvement		
Discount rate, transferor's continuing involvement (as a percent)	9.70%	6.90%
Weighted average discount rate, transferor's continuing involvement (as a percent)	9.70%	6.90%
Constant prepayment rate, transferor's continuing involvement (as a percent)	28.60%	30.00%
Weighted average constant prepayment rate, transferor's continuing involvement (as a percent)	28.60%	30.00%
Weighted average life, transferor's continuing involvement	4 years 1 month 6 days	3 years 8 months 12 days
Sensitivity analysis of fair value of interests continued to be held by transferor		
Carrying value of retained interests	618,000,000	
Carrying value of retained interests, impact of 10% adverse change in discount rate	(22,000,000)	

Carrying value of retained interests, impact of 20% adverse change in discount rate	(42,000,000)	
Carrying value of retained interests, impact of 10% adverse change in constant prepayment rate	(57,000,000)	
Carrying value of retained interests, impact of 20% adverse change in constant prepayment rate	(109,000,000)	
Carrying value of retained interests, impact of 10% adverse change in anticipated net credit losses	(32,000,000)	
Carrying value of retained interests, impact of 20% adverse change in anticipated net credit losses	(64,000,000)	
Non-agency-sponsored mortgages | Citicorp		
Cash Flows Between Transferor and Transferee		
Proceeds from new securitizations	2,300,000,000	
Gains (losses) recognized on the securitization	20,000,000	
Senior interests | Citicorp		
Key assumptions used in measuring fair value of retained interests at date of sale or securitization of mortgage receivables		
Weighted average discount rate, date of sale or securitization (as a percent)	8.10%	4.50%
Weighted average constant prepayment rate, date of sale or securitization (as a percent)	9.30%	1.90%
Weighted average anticipated net credit losses, date of sale or securitization (as a percent)	60.30%	45.30%
Key assumptions used in measuring fair value related to transferor's continuing involvement		
Weighted average discount rate, transferor's continuing involvement (as a percent)	9.00%	9.60%
Weighted average constant prepayment rate, transferor's continuing involvement (as a percent)	12.30%	26.20%
Weighted average anticipated credit losses, transferor's continuing involvement (as a percent)	47.00%	37.60%
Sensitivity analysis of fair value of interests continued to be held by transferor		
Carrying value of retained interests	88,000,000	
Carrying value of retained interests, impact of 10% adverse change in discount rate	(2,000,000)	
Carrying value of retained interests, impact of 20% adverse change in discount rate	(4,000,000)	
Carrying value of retained interests, impact of 10% adverse change in constant prepayment rate	(1,000,000)	
Carrying value of retained interests, impact of 20% adverse change in constant prepayment rate	(3,000,000)	
Carrying value of retained interests, impact of 10% adverse change in anticipated net credit losses	(1,000,000)	

Carrying value of retained interests, impact of 20% adverse change in anticipated net credit losses	(3,000,000)	
Senior interests | Citicorp | Low end of range		
Key assumptions used in measuring fair value of retained interests at date of sale or securitization of mortgage receivables		
Discount rate, date of sale or securitization (as a percent)	1.20%	2.40%
Constant prepayment rate, date of sale or securitization (as a percent)	1.90%	1.00%
Anticipated net credit losses, date of sale or securitization (as a percent)	37.50%	35.00%
Key assumptions used in measuring fair value related to transferor's continuing involvement		
Discount rate, transferor's continuing involvement (as a percent)	1.20%	2.20%
Constant prepayment rate, transferor's continuing involvement (as a percent)	1.90%	1.70%
Anticipated credit losses, transferor's continuing involvement (as a percent)	0.10%	0.00%
Senior interests | Citicorp | High end of range		
Key assumptions used in measuring fair value of retained interests at date of sale or securitization of mortgage receivables		
Discount rate, date of sale or securitization (as a percent)	24.00%	10.00%
Constant prepayment rate, date of sale or securitization (as a percent)	22.80%	2.20%
Anticipated net credit losses, date of sale or securitization (as a percent)	80.20%	72.00%
Key assumptions used in measuring fair value related to transferor's continuing involvement		
Discount rate, transferor's continuing involvement (as a percent)	24.00%	24.40%
Constant prepayment rate, transferor's continuing involvement (as a percent)	22.80%	51.80%
Anticipated credit losses, transferor's continuing involvement (as a percent)	80.20%	77.90%
Senior interests | Citi Holdings		
Key assumptions used in measuring fair value related to transferor's continuing involvement		
Weighted average discount rate, transferor's continuing involvement (as a percent)	4.20%	9.80%
Constant prepayment rate, transferor's continuing involvement (as a percent)	21.70%	38.80%
Weighted average constant prepayment rate, transferor's continuing involvement (as a percent)	21.70%	38.80%

Anticipated credit losses, transferor's continuing involvement (as a percent)	0.50%	0.40%
Weighted average anticipated credit losses, transferor's continuing involvement (as a percent)	0.50%	0.40%
Weighted average life, transferor's continuing involvement	4 years 4 months 24 days	
Sensitivity analysis of fair value of interests continued to be held by transferor		
Carrying value of retained interests	39,000,000	
Carrying value of retained interests, impact of 20% adverse change in discount rate	(1,000,000)	
Carrying value of retained interests, impact of 10% adverse change in constant prepayment rate	(3,000,000)	
Carrying value of retained interests, impact of 20% adverse change in constant prepayment rate	(7,000,000)	
Carrying value of retained interests, impact of 10% adverse change in anticipated net credit losses	(9,000,000)	
Carrying value of retained interests, impact of 20% adverse change in anticipated net credit losses	(19,000,000)	
Senior interests | Citi Holdings | Low end of range		
Key assumptions used in measuring fair value related to transferor's continuing involvement		
Discount rate, transferor's continuing involvement (as a percent)	4.10%	2.90%
Weighted average life, transferor's continuing involvement		3 years 3 months 18 days
Senior interests | Citi Holdings | High end of range		
Key assumptions used in measuring fair value related to transferor's continuing involvement		
Discount rate, transferor's continuing involvement (as a percent)	10.00%	18.00%
Weighted average life, transferor's continuing involvement		4 years 8 months 12 days
Subordinated interests | Citicorp		
Key assumptions used in measuring fair value of retained interests at date of sale or securitization of mortgage receivables		
Weighted average discount rate, date of sale or securitization (as a percent)	13.80%	11.00%
Weighted average constant prepayment rate, date of sale or securitization (as a percent)	10.10%	17.30%
Weighted average anticipated net credit losses, date of sale or securitization (as a percent)	54.10%	25.00%
Key assumptions used in measuring fair value related to transferor's continuing involvement		

Weighted average discount rate, transferor's continuing involvement (as a percent)	13.80%	13.50%
Weighted average constant prepayment rate, transferor's continuing involvement (as a percent)	10.00%	10.50%
Weighted average anticipated credit losses, transferor's continuing involvement (as a percent)	54.10%	57.20%
Sensitivity analysis of fair value of interests continued to be held by transferor		
Carrying value of retained interests	466,000,000	
Carrying value of retained interests, impact of 10% adverse change in discount rate	(31,000,000)	
Carrying value of retained interests, impact of 20% adverse change in discount rate	(59,000,000)	
Carrying value of retained interests, impact of 10% adverse change in constant prepayment rate	(11,000,000)	
Carrying value of retained interests, impact of 20% adverse change in constant prepayment rate	(22,000,000)	
Carrying value of retained interests, impact of 10% adverse change in anticipated net credit losses	(13,000,000)	
Carrying value of retained interests, impact of 20% adverse change in anticipated net credit losses	(24,000,000)	
Subordinated interests | Citicorp | Low end of range		
Key assumptions used in measuring fair value of retained interests at date of sale or securitization of mortgage receivables		
Discount rate, date of sale or securitization (as a percent)	1.10%	8.40%
Constant prepayment rate, date of sale or securitization (as a percent)	1.60%	5.20%
Anticipated net credit losses, date of sale or securitization (as a percent)	33.40%	11.40%
Key assumptions used in measuring fair value related to transferor's continuing involvement		
Discount rate, transferor's continuing involvement (as a percent)	1.10%	1.30%
Constant prepayment rate, transferor's continuing involvement (as a percent)	0.50%	0.60%
Anticipated credit losses, transferor's continuing involvement (as a percent)	33.40%	29.30%
Subordinated interests | Citicorp | High end of range		
Key assumptions used in measuring fair value of retained interests at date of sale or securitization of mortgage receivables		
Discount rate, date of sale or securitization (as a percent)	29.20%	17.60%
Constant prepayment rate, date of sale or securitization (as a percent)	29.40%	22.10%

Anticipated net credit losses, date of sale or securitization (as a percent)	90.00%	58.60%
Key assumptions used in measuring fair value related to transferor's continuing involvement		
Discount rate, transferor's continuing involvement (as a percent)	29.20%	28.10%
Constant prepayment rate, transferor's continuing involvement (as a percent)	29.40%	29.10%
Anticipated credit losses, transferor's continuing involvement (as a percent)	90.00%	90.00%
Subordinated interests | Citi Holdings		
Key assumptions used in measuring fair value related to transferor's continuing involvement		
Weighted average discount rate, transferor's continuing involvement (as a percent)	8.00%	9.20%
Weighted average constant prepayment rate, transferor's continuing involvement (as a percent)	15.70%	8.10%
Weighted average anticipated credit losses, transferor's continuing involvement (as a percent)	50.10%	63.20%
Sensitivity analysis of fair value of interests continued to be held by transferor		
Carrying value of retained interests	16,000,000	
Carrying value of retained interests, impact of 10% adverse change in discount rate	(1,000,000)	
Carrying value of retained interests, impact of 20% adverse change in discount rate	(2,000,000)	
Carrying value of retained interests, impact of 20% adverse change in constant prepayment rate	(1,000,000)	
Carrying value of retained interests, impact of 10% adverse change in anticipated net credit losses	(2,000,000)	
Carrying value of retained interests, impact of 20% adverse change in anticipated net credit losses	(4,000,000)	
Subordinated interests | Citi Holdings | Low end of range		
Key assumptions used in measuring fair value related to transferor's continuing involvement		
Discount rate, transferor's continuing involvement (as a percent)	3.40%	6.70%
Constant prepayment rate, transferor's continuing involvement (as a percent)	12.70%	2.00%
Anticipated credit losses, transferor's continuing involvement (as a percent)	50.00%	57.20%
Weighted average life, transferor's continuing involvement	6 years	0 years
Subordinated interests | Citi Holdings | High end of range		
Key assumptions used in measuring fair value related to transferor's continuing involvement		

Discount rate, transferor's continuing involvement (as a percent)	12.40%	18.20%	
Constant prepayment rate, transferor's continuing involvement (as a percent)	18.70%	9.60%	
Anticipated credit losses, transferor's continuing involvement (as a percent)	50.10%	90.00%	
Weighted average life, transferor's continuing involvement	7 years 4 months 24 days	8 years 1 month 6 days	
Mortgage-backed securities | Citicorp			
Cash Flows Between Transferor and Transferee			
Proceeds from new securitizations		57,300,000,000	65,100,000,000
Contractual servicing fees received		500,000,000	500,000,000
Cash flows received on retained interests and other net cash flows		100,000,000	100,000,000
Gains (losses) recognized on the securitization		(9,000,000)	(5,000,000)
Mortgage-backed securities | Citi Holdings			
Cash Flows Between Transferor and Transferee			
Proceeds from new securitizations		1,100,000,000	600,000,000
Contractual servicing fees received		600,000,000	800,000,000
Cash flows received on retained interests and other net cash flows		100,000,000	100,000,000
Collateralized debt obligations (CDOs) | Citi Holdings			
Sensitivity analysis of fair value of interests continued to be held by transferor			
Carrying value of retained interests	16,000,000		
Carrying value of retained interests, impact of 10% adverse change in discount rate	(2,000,000)		
Carrying value of retained interests, impact of 20% adverse change in discount rate	(3,000,000)		
Collateralized debt obligations (CDOs) | Citi Holdings | Low end of range			
Key assumptions used in measuring fair value of retained interests at date of sale or securitization of mortgage receivables			
Discount rate, date of sale or securitization (as a percent)	46.90%		
Collateralized debt obligations (CDOs) | Citi Holdings | High end of range			
Key assumptions used in measuring fair value of retained interests at date of sale or securitization of mortgage receivables			
Discount rate, date of sale or securitization (as a percent)	51.60%		
Collateralized loan obligations (CLOs) | Citi Holdings			
Sensitivity analysis of fair value of interests continued to be held by transferor			
Carrying value of retained interests	428,000,000		

Carrying value of retained interests, impact of 10% adverse change in discount rate	(2,000,000)		
Carrying value of retained interests, impact of 20% adverse change in discount rate	(4,000,000)		
Collateralized loan obligations (CLOs) | Citi Holdings | Low end of range			
Key assumptions used in measuring fair value of retained interests at date of sale or securitization of mortgage receivables			
Discount rate, date of sale or securitization (as a percent)	1.90%		
Collateralized loan obligations (CLOs) | Citi Holdings | High end of range			
Key assumptions used in measuring fair value of retained interests at date of sale or securitization of mortgage receivables			
Discount rate, date of sale or securitization (as a percent)	2.10%		
Asset-based financing | Citicorp			
Sensitivity analysis of fair value of interests continued to be held by transferor			
Carrying value of retained interests	1,726,000,000		
Carrying value of retained interests, impact of 10% adverse change in discount rate	(22,000,000)		
Carrying value of retained interests, impact of 20% adverse change in discount rate	(44,000,000)		
Asset-based financing | Citi Holdings			
Sensitivity analysis of fair value of interests continued to be held by transferor			
Carrying value of retained interests	339,000,000		
Credit card securitizations | Citicorp			
Cash Flows Between Transferor and Transferee			
Proceeds from new securitizations	2,400,000,000	3,900,000,000	5,500,000,000
Pay down of maturing notes	(21,700,000,000)	(20,500,000,000)	(40,300,000,000)
Credit card securitizations | Citi Holdings			
Cash Flows Between Transferor and Transferee			
Proceeds from new securitizations	$ 400,000,000		

INCENTIVE PLANS (Details 2) (USD $)	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Stock options outstanding and exercisable			
Options Outstanding, Number (in options)	35,020,397		
Options Outstanding, Weighted-average contractual life remaining (in years)	3 years 1 month 6 days		
Options Outstanding, Weighted-average exercise price (in dollars per share)	$ 51.20		
Options outstanding, Number exercisable (in options)	32,973,444		
Options exercisable, Weighted-average exercise price (in dollars per share)	$ 51.13		
Assumption information for option programs			
Weighted-average per-share fair value at the end of the period (in dollars per share)		$ 13.90	$ 16.60
Weighted-average expected life, Original grants		4 years 11 months 12 days	6 years 22 days
Valuation assumptions			
Expected volatility (as a percent)		35.64%	36.42%
Risk-free interest rate (as a percent)		2.33%	2.88%
Expected dividend yield (as a percent)		0.00%	0.00%
Expected annual forfeitures, original and reload grants (as a percent)		9.62%	9.62%
Range of exercise prices, $29.70-$49.99			
Stock options outstanding and exercisable			
Exercise price, low end of the range (in dollars per share)	$ 29.70		
Exercise price, high end of the range (in dollars per share)	$ 49.99		
Options Outstanding, Number (in options)	33,392,541		
Options Outstanding, Weighted-average contractual life remaining (in years)	3 years 1 month 6 days		
Options Outstanding, Weighted-average exercise price (in dollars per share)	$ 42.40		
Options outstanding, Number exercisable (in options)	31,431,666		
Options exercisable, Weighted-average exercise price (in dollars per share)	$ 42.02		
Range of exercise prices, $50.00-$99.99			
Stock options outstanding and exercisable			
Exercise price, low end of the range (in dollars per share)	$ 50.00		
Exercise price, high end of the range (in dollars per share)	$ 99.99		
Options Outstanding, Number (in options)	69,956		
Options Outstanding, Weighted-average contractual life remaining (in years)	8 years 1 month 6 days		
Options Outstanding, Weighted-average exercise price (in dollars per share)	$ 56.76		

Options outstanding, Number exercisable (in options)	69,132
Options exercisable, Weighted-average exercise price (in dollars per share)	$ 56.64
Range of exercise prices, $100.00-$199.99	
Stock options outstanding and exercisable	
Exercise price, low end of the range (in dollars per share)	$ 100.00
Exercise price, high end of the range (in dollars per share)	$ 199.99
Options Outstanding, Number (in options)	516,577
Options Outstanding, Weighted-average contractual life remaining (in years)	5 years 10 months 24 days
Options Outstanding, Weighted-average exercise price (in dollars per share)	$ 147.33
Options outstanding, Number exercisable (in options)	431,323
Options exercisable, Weighted-average exercise price (in dollars per share)	$ 148.33
Range of exercise prices, $200.00-$299.99	
Stock options outstanding and exercisable	
Exercise price, low end of the range (in dollars per share)	$ 200.00
Exercise price, high end of the range (in dollars per share)	$ 299.99
Options Outstanding, Number (in options)	754,375
Options Outstanding, Weighted-average contractual life remaining (in years)	1 year 8 months 12 days
Options Outstanding, Weighted-average exercise price (in dollars per share)	$ 243.85
Options outstanding, Number exercisable (in options)	754,375
Options exercisable, Weighted-average exercise price (in dollars per share)	$ 243.85
Range of exercise prices, $300.00-$399.99	
Stock options outstanding and exercisable	
Exercise price, low end of the range (in dollars per share)	$ 300.00
Exercise price, high end of the range (in dollars per share)	$ 399.99
Options Outstanding, Number (in options)	206,627
Options Outstanding, Weighted-average contractual life remaining (in years)	4 years 10 months 24 days
Options Outstanding, Weighted-average exercise price (in dollars per share)	$ 335.97
Options outstanding, Number exercisable (in options)	206,627
Options exercisable, Weighted-average exercise price (in dollars per share)	$ 335.97
Range of exercise prices, $400.00-$557.00	
Stock options outstanding and exercisable	
Exercise price, low end of the range (in dollars per share)	$ 400.00
Exercise price, high end of the range (in dollars per share)	$ 557.00
Options Outstanding, Number (in options)	80,321

Options Outstanding, Weighted-average contractual life remaining (in years)	1 month 6 days
Options Outstanding, Weighted-average exercise price (in dollars per share)	$ 543.69
Options outstanding, Number exercisable (in options)	80,321
Options exercisable, Weighted-average exercise price (in dollars per share)	$ 543.69
Range of exercise prices, $40.00-$45.00	
Stock options outstanding and exercisable	
Exercise price, low end of the range (in dollars per share)	$ 40.00
Exercise price, high end of the range (in dollars per share)	$ 45.00

FAIR VALUE MEASUREMENT (Details 5) (USD $) In Millions, unless otherwise specified			12 Months Ended									
	Dec. 31, 2012 Morgan Stanley Smith Barney joint venture	Sep. 16, 2012 Morgan Stanley Smith Barney joint venture	Dec. 31, 2012 Nonrecurring Nonrecurring fair value changes included in earnings	Dec. 31, 2011 Nonrecurring Nonrecurring fair value changes included in earnings	Dec. 31, 2012 Nonrecurring Nonrecurring fair value changes included in earnings Morgan Stanley Smith Barney joint venture	Dec. 31, 2012 Nonrecurring Fair value	Dec. 31, 2011 Nonrecurring Fair value	Dec. 31, 2012 Nonrecurring Fair value Morgan Stanley Smith Barney joint venture	Dec. 31, 2012 Nonrecurring Level 2	Dec. 31, 2011 Nonrecurring Level 2	Dec. 31, 2012 Nonrecurring Level 3	Dec. 31, 2011 Nonrecurring Level 3
Items Measured at Fair Value on a Nonrecurring Basis												
Loans held-for-sale						$ 2,647	$ 2,644		$ 1,159	$ 1,668	$ 1,488	$ 976
Other real estate owned						201	271		22	88	179	183
Loans						5,732	3,911		5,160	3,185	572	726
Other assets						4,725			4,725			
Total assets						13,305	6,826		11,066	4,941	2,239	1,885
Nonrecurring fair value changes included in earnings												
Loans held-for-sale			(19)	(201)								
Other real estate owned			(29)	(71)								
Loans			(1,489)	(973)								
Other assets			(3,340)									
Total nonrecurring fair value gains (losses)			(4,877)	(1,245)								
Percentage of ownership interest held	35.00%	49.00%						35.00%				
Impairment charge related to investment					$ 3,340							

INCOME TAXES (Details) (USD $) In Millions, unless otherwise specified	3 Months Ended								12 Months Ended		
	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Current											
Federal									$ (71)	$ (144)	$ (249)
Foreign									3,889	3,498	3,239
State									300	241	207
Total current income taxes									4,118	3,595	3,197
Deferred											
Federal									(4,943)	(793)	(933)
Foreign									900	628	279
State									(48)	91	(310)
Total deferred income taxes									(4,091)	(74)	(964)
Income taxes (benefits)	(206)	(1,488)	715	1,006	91	1,278	967	1,185	27	3,521	2,233
Provision (benefit) for income taxes on discontinued operations									(71)	66	(562)
Provision (benefit) for income taxes on cumulative effect of accounting changes									(58)		(4,978)
Income tax expense (benefit) reported in stockholders' equity related to:											
Foreign currency translation									(709)	(609)	(739)
Securities available-for-sale									369	1,495	1,167
Employee stock plans									265	297	600
Cash flow hedges									311	(92)	325
Pension liability adjustments									(390)	(235)	(434)
Income taxes before noncontrolling interests									(256)	4,443	(2,388)
Provision (benefit) for effect of securities transactions									1,138	699	844
Provision (benefit) for effect of OTTI losses									(1,740)	(789)	(494)
Reconciliation of the federal statutory income tax rate to the Company's effective income tax rate applicable to income from continuing operations (before noncontrolling interests and the cumulative effect of accounting changes)											
Federal statutory rate (as a percent)									35.00%	35.00%	35.00%
State income taxes, net of federal benefit (as a percent)									3.00%	1.50%	(0.10%)

Foreign income tax rate differential (as a percent)		(4.80%)	(8.60%)	(10.00%)
Audit settlements (as a percent)		(11.70%)		(0.50%)
Effect of tax law changes		(0.10%)	2.00%	(0.10%)
Basis difference in affiliates		(9.10%)		
Tax advantaged investments (as a percent)		(12.20%)	(6.00%)	(6.70%)
Other, net (as a percent)		0.20%	0.20%	(0.70%)
Effective income tax rate (as a percent)		0.30%	24.10%	16.90%
Effect of Japan tax rate change	$ 300		$ 300	

FAIR VALUE MEASUREMENT (Details 2) (USD $) In Millions, unless otherwise specified	12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011
Interest-bearing deposits | Recurring		
Fair value, liabilities measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, liability	$ 431	$ 277
Net realized/unrealized gains (losses) included in locations other than principal transactions, liabilities	(141)	86
Transfers into Level 3, liabilities	213	
Transfers out of Level 3, liabilities	(36)	
Transfers into and/or out of Level 3, liabilities		(72)
Issuance, liability	268	325
Settlements, liability	(231)	(13)
Balance at end of period, liability	786	431
Unrealized gains (losses) still held, liabilities	(414)	(76)
Federal funds purchased and securities loaned or sold under agreements to repurchase | Recurring		
Fair value, liabilities measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, liability	1,061	1,261
Net realized/unrealized gains (losses) included in principal transactions, liabilities	(64)	(22)
Transfers out of Level 3, liabilities	(14)	
Transfers into and/or out of Level 3, liabilities		45
Sales, liability	(179)	(117)
Settlements, liability	(91)	(150)
Balance at end of period, liability	841	1,061
Unrealized gains (losses) still held, liabilities	43	(64)
Trading account liabilities | Securities sold, not yet purchased | Recurring		
Fair value, liabilities measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, liability	412	187
Net realized/unrealized gains (losses) included in principal transactions, liabilities	(1)	48
Transfers into Level 3, liabilities	294	
Transfers out of Level 3, liabilities	(47)	
Transfers into and/or out of Level 3, liabilities		438
Sales, liability	216	413
Settlements, liability	(511)	(578)
Balance at end of period, liability	365	412
Unrealized gains (losses) still held, liabilities	(42)	42
Short-term borrowings | Recurring		

Fair value, liabilities measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, liability	499	802
Net realized/unrealized gains (losses) included in principal transactions, liabilities	(108)	190
Transfers into Level 3, liabilities	47	
Transfers out of Level 3, liabilities	(20)	
Transfers into and/or out of Level 3, liabilities		(220)
Issuance, liability	268	551
Settlements, liability	(790)	(444)
Balance at end of period, liability	112	499
Unrealized gains (losses) still held, liabilities	(57)	39
Long-term debt | Recurring		
Fair value, liabilities measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, liability	6,904	8,494
Net realized/unrealized gains (losses) included in principal transactions, liabilities	98	160
Net realized/unrealized gains (losses) included in locations other than principal transactions, liabilities	119	266
Transfers into Level 3, liabilities	2,548	
Transfers out of Level 3, liabilities	(2,694)	
Transfers into and/or out of Level 3, liabilities		(509)
Issuance, liability	2,480	1,485
Settlements, liability	(2,295)	(2,140)
Balance at end of period, liability	6,726	6,904
Unrealized gains (losses) still held, liabilities	(688)	(225)
Other financial liabilities measured on a recurring basis | Recurring		
Fair value, liabilities measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, liability	3	19
Net realized/unrealized gains (losses) included in locations other than principal transactions, liabilities	(31)	(19)
Transfers into Level 3, liabilities	2	
Transfers out of Level 3, liabilities	(2)	
Transfers into and/or out of Level 3, liabilities		7
Purchases, liability	(4)	1
Issuance, liability	6	13
Sales, liability		(1)
Settlements, liability	(12)	(55)
Balance at end of period, liability	24	3
Unrealized gains (losses) still held, liabilities	(13)	(3)
Federal funds sold and securities borrowed or purchased under agreements to resell | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	4,701	4,911

Net realized/unrealized gains (losses) included in principal transactions, assets	306	90
Transfers into Level 3, assets	540	
Transfers out of Level 3, assets	(444)	
Transfers into and/or out of Level 3, assets		(300)
Settlements, assets	(60)	
Balance at end of period, asset	5,043	4,701
Unrealized gains (losses) still held, assets	317	89
Trading account assets | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	15,792	19,656
Net realized/unrealized gains (losses) included in principal transactions, assets	639	(151)
Transfers into Level 3, assets	4,510	
Transfers out of Level 3, assets	(5,240)	
Transfers into and/or out of Level 3, assets		2,086
Purchases, assets	17,079	19,408
Issuance, assets	79	73
Sales, assets	(15,794)	(20,247)
Settlements, assets	(3,242)	(5,033)
Balance at end of period, asset	13,823	15,792
Unrealized gains (losses) still held, assets	158	(1,630)
Trading account assets | Mortgage-backed securities | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	2,988	3,577
Net realized/unrealized gains (losses) included in principal transactions, assets	210	119
Transfers into Level 3, assets	2,469	
Transfers out of Level 3, assets	(1,539)	
Transfers into and/or out of Level 3, assets		376
Purchases, assets	3,365	5,245
Issuance, assets	79	73
Sales, assets	(3,177)	(6,157)
Settlements, assets	(146)	(245)
Balance at end of period, asset	4,249	2,988
Unrealized gains (losses) still held, assets	(15)	(39)
Trading account assets | U.S. government-sponsored agency guaranteed | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	861	831
Net realized/unrealized gains (losses) included in principal transactions, assets	38	(62)
Transfers into Level 3, assets	1,294	
Transfers out of Level 3, assets	(735)	
Transfers into and/or out of Level 3, assets		169
Purchases, assets	657	677

Issuance, assets	79	73
Sales, assets	(735)	(686)
Settlements, assets	(134)	(141)
Balance at end of period, asset	1,325	861
Unrealized gains (losses) still held, assets	(16)	(100)
Trading account assets | Residential | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	1,509	2,328
Net realized/unrealized gains (losses) included in principal transactions, assets	204	148
Transfers into Level 3, assets	848	
Transfers out of Level 3, assets	(499)	
Transfers into and/or out of Level 3, assets		(138)
Purchases, assets	1,652	4,150
Sales, assets	(1,897)	(4,901)
Settlements, assets	(12)	(78)
Balance at end of period, asset	1,805	1,509
Unrealized gains (losses) still held, assets	(27)	118
Trading account assets | Commercial | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	618	418
Net realized/unrealized gains (losses) included in principal transactions, assets	(32)	33
Transfers into Level 3, assets	327	
Transfers out of Level 3, assets	(305)	
Transfers into and/or out of Level 3, assets		345
Purchases, assets	1,056	418
Sales, assets	(545)	(570)
Settlements, assets		(26)
Balance at end of period, asset	1,119	618
Unrealized gains (losses) still held, assets	28	(57)
Trading account assets | U.S. Treasury and federal agency securities | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	3	72
Net realized/unrealized gains (losses) included in principal transactions, assets		9
Transfers into and/or out of Level 3, assets		(45)
Purchases, assets	13	8
Sales, assets	(16)	(41)
Balance at end of period, asset		3
Trading account assets | State and municipal securities | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	252	208
Net realized/unrealized gains (losses) included in principal transactions, assets	24	67

Transfers into Level 3, assets	19	
Transfers out of Level 3, assets	(18)	
Transfers into and/or out of Level 3, assets		102
Purchases, assets	61	1,128
Sales, assets	(143)	(1,243)
Settlements, assets		(10)
Balance at end of period, asset	195	252
Unrealized gains (losses) still held, assets	(2)	(35)
Trading account assets | Foreign government | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	521	566
Net realized/unrealized gains (losses) included in principal transactions, assets	25	(33)
Transfers into Level 3, assets	89	
Transfers out of Level 3, assets	(875)	
Transfers into and/or out of Level 3, assets		(243)
Purchases, assets	960	1,556
Sales, assets	(409)	(797)
Settlements, assets		(528)
Balance at end of period, asset	311	521
Unrealized gains (losses) still held, assets	5	(22)
Trading account assets | Corporate		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Transfers into Level 3, assets		1,500
Trading account assets | Corporate | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	3,240	5,004
Net realized/unrealized gains (losses) included in principal transactions, assets	(90)	(60)
Transfers into Level 3, assets	464	
Transfers out of Level 3, assets	(558)	
Transfers into and/or out of Level 3, assets		1,452
Purchases, assets	2,622	3,272
Sales, assets	(1,942)	(3,864)
Settlements, assets	(1,706)	(2,564)
Balance at end of period, asset	2,030	3,240
Unrealized gains (losses) still held, assets	(28)	(680)
Trading account assets | Equity securities | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	244	776
Net realized/unrealized gains (losses) included in principal transactions, assets	(25)	(202)
Transfers into Level 3, assets	121	
Transfers out of Level 3, assets	(47)	

Transfers into and/or out of Level 3, assets		(145)
Purchases, assets	231	191
Sales, assets	(192)	(376)
Settlements, assets	(68)	
Balance at end of period, asset	264	244
Unrealized gains (losses) still held, assets	(5)	(143)
Trading account assets | Asset-backed securities | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	5,801	7,620
Net realized/unrealized gains (losses) included in principal transactions, assets	503	128
Transfers into Level 3, assets	222	
Transfers out of Level 3, assets	(114)	
Transfers into and/or out of Level 3, assets		606
Purchases, assets	6,873	5,198
Sales, assets	(7,823)	(6,069)
Settlements, assets	(1,009)	(1,682)
Balance at end of period, asset	4,453	5,801
Unrealized gains (losses) still held, assets	(173)	(779)
Trading account assets | Other debt securities | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	2,743	1,833
Net realized/unrealized gains (losses) included in principal transactions, assets	(8)	(179)
Transfers into Level 3, assets	1,126	
Transfers out of Level 3, assets	(2,089)	
Transfers into and/or out of Level 3, assets		(17)
Purchases, assets	2,954	2,810
Sales, assets	(2,092)	(1,700)
Settlements, assets	(313)	(4)
Balance at end of period, asset	2,321	2,743
Unrealized gains (losses) still held, assets	376	68
Derivatives | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	(779)	(1,432)
Net realized/unrealized gains (losses) included in principal transactions, assets	(1,545)	1,041
Transfers into Level 3, assets	613	
Transfers out of Level 3, assets	(153)	
Transfers into and/or out of Level 3, assets		1,559
Purchases, assets	1,152	494
Sales, assets	(1,164)	(371)
Settlements, assets	(504)	(2,070)
Balance at end of period, asset	(2,380)	(779)

Unrealized gains (losses) still held, assets	(1,572)	380
Investments: | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	16,797	17,286
Net realized/unrealized gains (losses) included in locations other than principal transactions, assets	460	762
Transfers into Level 3, assets	1,564	
Transfers out of Level 3, assets	(5,787)	
Transfers into and/or out of Level 3, assets		(768)
Purchases, assets	7,352	6,749
Sales, assets	(4,679)	(3,001)
Settlements, assets	(3,800)	(4,231)
Balance at end of period, asset	11,903	16,797
Unrealized gains (losses) still held, assets	312	537
Investments: | Mortgage-backed securities | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	687	716
Net realized/unrealized gains (losses) included in locations other than principal transactions, assets	13	(28)
Transfers into Level 3, assets	1,099	
Transfers out of Level 3, assets	(3,759)	
Transfers into and/or out of Level 3, assets		(206)
Purchases, assets	3,679	319
Sales, assets	(54)	(113)
Settlements, assets	(2)	(1)
Balance at end of period, asset	1,663	687
Unrealized gains (losses) still held, assets	43	(38)
Investments: | U.S. government-sponsored agency guaranteed | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	679	22
Net realized/unrealized gains (losses) included in locations other than principal transactions, assets	7	(22)
Transfers into Level 3, assets	894	
Transfers out of Level 3, assets	(3,742)	
Transfers into and/or out of Level 3, assets		416
Purchases, assets	3,622	270
Sales, assets		(7)
Settlements, assets	(2)	
Balance at end of period, asset	1,458	679
Unrealized gains (losses) still held, assets	43	(38)
Investments: | Residential | Recurring		

Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	8	167
Net realized/unrealized gains (losses) included in locations other than principal transactions, assets	6	(2)
Transfers into Level 3, assets	205	
Transfers out of Level 3, assets	(6)	
Transfers into and/or out of Level 3, assets		(109)
Purchases, assets	46	7
Sales, assets	(54)	(54)
Settlements, assets		(1)
Balance at end of period, asset	205	8
Investments: | Commercial | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset		527
Net realized/unrealized gains (losses) included in locations other than principal transactions, assets		(4)
Transfers out of Level 3, assets	(11)	
Transfers into and/or out of Level 3, assets		(513)
Purchases, assets	11	42
Sales, assets		(52)
Investments: | U.S. Treasury and federal agency securities | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	75	17
Transfers into Level 3, assets	75	
Transfers out of Level 3, assets	(150)	
Transfers into and/or out of Level 3, assets		60
Purchases, assets	12	
Sales, assets		(2)
Balance at end of period, asset	12	75
Investments: | State and municipal securities | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	667	504
Net realized/unrealized gains (losses) included in locations other than principal transactions, assets	12	(10)
Transfers into Level 3, assets	129	
Transfers out of Level 3, assets	(153)	
Transfers into and/or out of Level 3, assets		(59)
Purchases, assets	412	324
Sales, assets	(218)	(92)
Balance at end of period, asset	849	667
Unrealized gains (losses) still held, assets	(20)	(20)

Investments: | Foreign government | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	447	358
Net realized/unrealized gains (losses) included in locations other than principal transactions, assets	20	13
Transfers into Level 3, assets	193	
Transfers out of Level 3, assets	(297)	
Transfers into and/or out of Level 3, assets		(21)
Purchases, assets	519	352
Sales, assets	(387)	(67)
Settlements, assets	(112)	(188)
Balance at end of period, asset	383	447
Unrealized gains (losses) still held, assets	1	6
Investments: | Corporate | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	989	525
Net realized/unrealized gains (losses) included in locations other than principal transactions, assets	(6)	(106)
Transfers into Level 3, assets	68	
Transfers out of Level 3, assets	(698)	
Transfers into and/or out of Level 3, assets		199
Purchases, assets	224	732
Sales, assets	(144)	(56)
Settlements, assets	(48)	(305)
Balance at end of period, asset	385	989
Unrealized gains (losses) still held, assets	8	6
Investments: | Equity securities | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	1,453	2,055
Net realized/unrealized gains (losses) included in locations other than principal transactions, assets	119	(38)
Transfers into and/or out of Level 3, assets		(31)
Sales, assets	(308)	(84)
Settlements, assets	(491)	(449)
Balance at end of period, asset	773	1,453
Unrealized gains (losses) still held, assets	(34)	
Investments: | Asset-backed securities | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	4,041	5,424
Net realized/unrealized gains (losses) included in locations other than principal transactions, assets	(98)	43

Transfers out of Level 3, assets	(730)	
Transfers into and/or out of Level 3, assets		55
Purchases, assets	930	106
Sales, assets	(77)	(460)
Settlements, assets	(1,846)	(1,127)
Balance at end of period, asset	2,220	4,041
Unrealized gains (losses) still held, assets	1	5
Investments: | Other debt securities | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	120	727
Net realized/unrealized gains (losses) included in locations other than principal transactions, assets	(53)	26
Transfers into and/or out of Level 3, assets		121
Purchases, assets	310	35
Sales, assets	(118)	(289)
Settlements, assets	(1)	(500)
Balance at end of period, asset	258	120
Unrealized gains (losses) still held, assets		(2)
Investments: | Non-marketable equity securities | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	8,318	6,960
Net realized/unrealized gains (losses) included in locations other than principal transactions, assets	453	862
Transfers into and/or out of Level 3, assets		(886)
Purchases, assets	1,266	4,881
Sales, assets	(3,373)	(1,838)
Settlements, assets	(1,300)	(1,661)
Balance at end of period, asset	5,364	8,318
Unrealized gains (losses) still held, assets	313	580
Loans		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Transfers into Level 3, assets		400
Loans | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	4,682	3,213
Net realized/unrealized gains (losses) included in locations other than principal transactions, assets	(34)	(309)
Transfers into Level 3, assets	1,051	
Transfers out of Level 3, assets	(185)	
Transfers into and/or out of Level 3, assets		425
Purchases, assets	301	250

Issuance, assets	930	2,002
Sales, assets	(251)	(85)
Settlements, assets	(1,563)	(814)
Balance at end of period, asset	4,931	4,682
Unrealized gains (losses) still held, assets	156	(265)
Mortgage servicing rights | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	2,569	4,554
Net realized/unrealized gains (losses) included in locations other than principal transactions, assets	(426)	(1,465)
Purchases, assets	2	
Issuance, assets	421	408
Sales, assets	(5)	(212)
Settlements, assets	(619)	(716)
Balance at end of period, asset	1,942	2,569
Unrealized gains (losses) still held, assets	(427)	(1,465)
Other financial assets measured on a recurring basis | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	2,245	2,509
Net realized/unrealized gains (losses) included in locations other than principal transactions, assets	366	109
Transfers into Level 3, assets	21	
Transfers out of Level 3, assets	(35)	
Transfers into and/or out of Level 3, assets		(90)
Purchases, assets	4	57
Issuance, assets	1,700	553
Sales, assets	(50)	(172)
Settlements, assets	(1,799)	(721)
Balance at end of period, asset	2,452	2,245
Unrealized gains (losses) still held, assets	101	112
Interest rate contracts | Derivatives | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	726	(730)
Net realized/unrealized gains (losses) included in principal transactions, assets	(101)	(242)
Transfers into Level 3, assets	682	
Transfers out of Level 3, assets	(438)	
Transfers into and/or out of Level 3, assets		1,549
Purchases, assets	311	111
Sales, assets	(194)	(21)
Settlements, assets	(805)	59
Balance at end of period, asset	181	726
Unrealized gains (losses) still held, assets	(298)	52

Foreign exchange contracts | Derivatives | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	(562)	(336)
Net realized/unrealized gains (losses) included in principal transactions, assets	440	(134)
Transfers into Level 3, assets	(1)	
Transfers out of Level 3, assets	25	
Transfers into and/or out of Level 3, assets		(62)
Purchases, assets	196	11
Sales, assets	(213)	(3)
Settlements, assets	115	(38)
Balance at end of period, asset		(562)
Unrealized gains (losses) still held, assets	(190)	(100)
Equity contracts | Derivatives | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	(1,737)	(1,639)
Net realized/unrealized gains (losses) included in principal transactions, assets	326	471
Transfers into Level 3, assets	(34)	
Transfers out of Level 3, assets	443	
Transfers into and/or out of Level 3, assets		(28)
Purchases, assets	428	362
Sales, assets	(657)	(242)
Settlements, assets	(217)	(661)
Balance at end of period, asset	(1,448)	(1,737)
Unrealized gains (losses) still held, assets	(506)	(1,139)
Commodity and other contracts | Derivatives | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	(934)	(1,023)
Net realized/unrealized gains (losses) included in principal transactions, assets	145	426
Transfers into Level 3, assets	(66)	
Transfers out of Level 3, assets	5	
Transfers into and/or out of Level 3, assets		(83)
Purchases, assets	100	2
Sales, assets	(89)	(104)
Settlements, assets	68	(152)
Balance at end of period, asset	(771)	(934)
Unrealized gains (losses) still held, assets	114	(48)
Credit derivatives | Derivatives | Recurring		
Fair value, assets measured on recurring basis, level 3 fair-value category reconciliation		
Balance at beginning of period, asset	1,728	2,296
Net realized/unrealized gains (losses) included in principal transactions, assets	(2,355)	520
Transfers into Level 3, assets	32	

Transfers out of Level 3, assets	(188)	
Transfers into and/or out of Level 3, assets		183
Purchases, assets	117	8
Sales, assets	(11)	(1)
Settlements, assets	335	(1,278)
Balance at end of period, asset	(342)	1,728
Unrealized gains (losses) still held, assets	$ (692)	$ 1,615

										12 Months Ended								12 Months Ended	
FAIR VALUE MEASUREMENT (Details 6) (Nonrecurring, Level 3, USD $)	**Dec. 31, 2012**	**Dec. 31, 2011**	**Dec. 31, 2012 Other real estate owned Price-based**	**Dec. 31, 2012 Other real estate owned Price-based Minimum**	**Dec. 31, 2012 Other real estate owned Price-based Maximum**	**Dec. 31, 2012 Loans held-for-sale Price-based**	**Dec. 31, 2012 Loans held-for-sale Price-based Minimum**	**Dec. 31, 2012 Loans held-for-sale Price-based Maximum**	**Dec. 31, 2012 Loans held-for-sale External model**	**Dec. 31, 2012 Loans held-for-sale External model Minimum**	**Dec. 31, 2012 Loans held-for-sale External model Maximum**	**Dec. 31, 2012 Loans held-for-sale Recovery analysis**	**Dec. 31, 2012 Loans**	**Dec. 31, 2012 Loans Price-based**	**Dec. 31, 2012 Loans Price-based Minimum**	**Dec. 31, 2012 Loans Price-based Maximum**	**Dec. 31, 2012 Loans Internal model**	**Dec. 31, 2012 Loans Internal model Minimum**	**Dec. 31, 2012 Loans Internal model Maximum**
Fair Value Inputs Assets Liabilities Quantitative Information																			
Fair value of assets as of the balance sheet date	$ 2,239,000,000	$ 1,885,000,000	$ 165,000,000			$ 747,000,000			$ 485,000,000			$ 174,000,000	$ 220,000,000	$ 351,000,000			$ 111,000,000		
Price				$ 39,774.00	$ 15,457,452.00		$ 63.42	$ 100.00											
Credit spread (as a percent)										0.40%	0.40%								
Discount to price (as a percent)				11.00%	50.00%										25.00%	34.00%			
Appraised Value																		$ 6,272,242	$ 86,200,000
Discount rate																		6.00%	16.49%

RETIREMENT BENEFITS (Details 4) (USD $) In Millions, unless otherwise specified	12 Months Ended Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
U.S. Pension Plans			
Discount rate			
Discount rate (as a percent)	3.90%	4.70%	
Assumption used in determining net benefit expense			
Discount rate (as a percent)	4.70%	5.45%	
Expected return on assets (as a percent)	7.00%	7.50%	7.50%
Effect of one-percentage-point change in the discount rates			
Effect of one-percentage-point increase in the discount rates	$ 18	$ 19	$ 19
Effect of one-percentage-point decrease in the discount rates	(36)	(34)	(34)
Effect of one-percentage-point change in the expected rates of return			
Effect of one-percentage-point increase in the expected rates of return on pension expense	(120)	(118)	(119)
Effect of one-percentage-point decrease in the expected rates of return on pension expense	120	118	119
Expected returns on Plan assets	897	890	874
Actual return on plan assets	1,303	1,063	
Non - U.S. Pension Plans			
Effect of one-percentage-point change in the discount rates			
Effect of one-percentage-point increase in the discount rates	(48)	(57)	(49)
Effect of one-percentage-point decrease in the discount rates	64	70	56
Effect of one-percentage-point change in the expected rates of return			
Effect of one-percentage-point increase in the expected rates of return on pension expense	(64)	(62)	(54)
Effect of one-percentage-point decrease in the expected rates of return on pension expense	64	62	54
Expected returns on Plan assets	399	422	378
Actual return on plan assets	786	526	
Non - U.S. Pension Plans | Minimum			
Discount rate			
Discount rate (as a percent)	1.50%	1.75%	
Future compensation increase rate (as a percent)	1.20%	1.60%	
Expected return on assets, Weighted average (as a percent)	0.90%	1.00%	
Assumption used in determining net benefit expense			
Discount rate (as a percent)	1.75%	1.75%	
Future compensation increase rate (as a percent)	1.60%	1.00%	
Expected long-term rate of return on assets (as a percent)	1.00%	1.00%	
Non - U.S. Pension Plans | Maximum			
Discount rate			
Discount rate (as a percent)	28.00%	13.25%	
Future compensation increase rate (as a percent)	26.00%	13.30%	

Expected return on assets, Weighted average (as a percent)	11.50%	12.50%	
Assumption used in determining net benefit expense			
Discount rate (as a percent)	13.25%	14.00%	
Future compensation increase rate (as a percent)	13.30%	11.00%	
Expected long-term rate of return on assets (as a percent)	12.50%	12.50%	
Non - U.S. Pension Plans | Weighted Average			
Discount rate			
Discount rate (as a percent)	5.24%	5.94%	
Future compensation increase rate (as a percent)	3.93%	4.04%	
Expected return on assets, Weighted average (as a percent)	5.76%	6.25%	
Assumption used in determining net benefit expense			
Discount rate (as a percent)	5.94%	6.23%	
Future compensation increase rate (as a percent)	4.04%	4.66%	
Expected long-term rate of return on assets (as a percent)	6.25%	6.89%	
U.S. Postretirement Benefit Plans			
Discount rate			
Discount rate (as a percent)	3.60%	4.30%	
Assumption used in determining net benefit expense			
Discount rate (as a percent)	4.30%	5.10%	
Health-care cost increase rate for U.S. plans			
Following year (as a percent)	8.50%	9.00%	
Ultimate rate to which cost increase is assume to decline (as a percent)	5.00%	5.00%	
Year in which the ultimate rate is reached	2020	2020	
Effect of one-percentage-point change in assumed health-care cost-trend rates			
Effect on benefits earned and interest cost, increase	2	2	
Effect on benefits earned and interest cost, decrease	(1)	(2)	
Effect on accumulated postretirement benefit obligation, increase	44	43	
Effect on accumulated postretirement benefit obligation, decrease	(39)	(38)	
Effect of one-percentage-point change in the expected rates of return			
Expected returns on Plan assets	4	6	8
Actual return on plan assets	$ 7	$ 5	
U.S. pension and postretirement benefit plans			
Assumption used in determining net benefit expense			
Expected long-term rate of return on assets (as a percent)	7.50%	7.50%	7.75%
Effect of one-percentage-point change in the expected rates of return			
Actual rate of return (as a percent)	11.79%	11.13%	14.11%
Grandfathered employees in frozen U.S. pension plans | Minimum			
Assumption used in determining net benefit expense			
Future compensation increase rate (as a percent)	3.00%		
Grandfathered employees in frozen U.S. pension plans | Maximum			
Assumption used in determining net benefit expense			
Future compensation increase rate (as a percent)	4.00%		
Postemployment Plans			

Discount rate		
Discount rate (as a percent)	3.10%	3.95%
Health-care cost increase rate for U.S. plans		
Following year (as a percent)	8.50%	9.00%
Ultimate rate to which cost increase is assume to decline (as a percent)	5.00%	5.00%
Year in which the ultimate rate is reached	2020	2020

INCOME TAXES (Details 2) (USD $)	12 Months Ended			
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010	Jan. 02, 2012
Deferred tax assets				
Credit loss deduction	$ 10,947,000,000	$ 12,481,000,000		
Deferred compensation and employee benefits	4,890,000,000	4,936,000,000		
Restructuring and settlement reserves	1,645,000,000	1,331,000,000		
Unremitted foreign earnings	5,114,000,000	7,362,000,000		
Investment and loan basis differences	3,878,000,000	2,358,000,000		
Cash flow hedges	1,361,000,000	1,673,000,000		
Tax credit and net operating loss carryforwards	28,087,000,000	22,764,000,000		
Other deferred tax assets	2,651,000,000	2,127,000,000		58,000,000
Gross deferred tax assets	58,573,000,000	55,032,000,000		
Deferred tax assets after valuation allowance	58,573,000,000	55,032,000,000		
Deferred tax liabilities				
Deferred policy acquisition costs and value of insurance in force	(495,000,000)	(591,000,000)		
Fixed assets and leases	(623,000,000)	(1,361,000,000)		
Intangibles	(1,517,000,000)	(710,000,000)		
Debt valuation adjustments on Citi liabilities	(73,000,000)	(533,000,000)		
Other deferred tax liabilities	(543,000,000)	(307,000,000)		
Gross deferred tax liabilities	(3,251,000,000)	(3,502,000,000)		
Net deferred tax asset	55,322,000,000	51,530,000,000		
Roll-forward of company's unrecognized tax benefits				
Total unrecognized tax benefits at the beginning of the period	3,923,000,000	4,035,000,000	3,079,000,000	
Net amount of increase for current years' tax positions	136,000,000	193,000,000	1,039,000,000	
Gross amount of increases for prior years' tax positions	345,000,000	251,000,000	371,000,000	
Gross amount of decreases for prior years' tax positions	(1,246,000,000)	(507,000,000)	(421,000,000)	
Amounts of decreases relating to settlements	(44,000,000)	(11,000,000)	(14,000,000)	
Reductions due to lapse of statutes of limitations	(3,000,000)	(38,000,000)	(11,000,000)	
Foreign exchange, acquisitions and dispositions	(2,000,000)		(8,000,000)	
Total unrecognized tax benefits at the end of the period	3,109,000,000	3,923,000,000	4,035,000,000	
Amount of unrecognized tax benefit which would impact effective tax rate if recognized.	1,300,000,000	2,200,000,000	2,100,000,000	
Uncertain tax positions recognized	900,000,000			
Interest and penalties included as a component of the Provision for income taxes				

Total interest and penalties in the consolidated balance sheet at the beginning of the period, pretax	404,000,000	348,000,000	370,000,000
Total interest and penalties in the consolidated statement of income, pretax	114,000,000	61,000,000	(16,000,000)
Total interest and penalties in the consolidated balance sheet at the end of the period, pretax	492,000,000	404,000,000	348,000,000
Total interest and penalties in the consolidated balance sheet at the beginning of the period, net of tax	261,000,000	223,000,000	239,000,000
Total interest and penalties in the consolidated statement of income, net of tax	71,000,000	41,000,000	(12,000,000)
Total interest and penalties in the consolidated balance sheet at the end of the period, net of tax	315,000,000	261,000,000	223,000,000
Foreign penalties included in total interest and penalties in the balance sheet	10,000,000		
State penalties included in total interest and penalties	$ 4,000,000		

INCENTIVE PLANS (Details 3) (USD $) In Millions, unless otherwise specified	12 Months Ended			1 Months Ended	12 Months Ended		1 Months Ended	12 Months Ended				
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010	Oct. 31, 2010 2010 Key Employee Profit Sharing Plan (KEPSP)	Dec. 31, 2012 2010 Key Employee Profit Sharing Plan (KEPSP)	Dec. 31, 2010 2010 Key Employee Profit Sharing Plan (KEPSP)	Oct. 31, 2010 2010 Key Employee Profit Sharing Plan (KEPSP) Minimum	Dec. 31, 2012 Performance Share Units	Dec. 31, 2012 Performance Share Units Minimum	Dec. 31, 2012 Performance Share Units Maximum	Dec. 31, 2012 Variable Incentive Compensation	Dec. 31, 2011 Variable Incentive Compensation
Profit Sharing Plan disclosures												
Ratio of each participant's calculated award that will be paid as the initial payment				0.6667								
Holdback payment minimum				$ 0								
Proportion of each U. K. participant's initial payment in common stocks that is subject to sale restriction							50.00%					
Proportion of each U. K. participant's holdback payment in common stocks that is subject to sale restriction							50.00%					
Period of restriction for the sale of shares paid to U. K. participants						6 months						
Compensation expense for profit sharing plans					246							
Expenses for deferred cash awards	$ 1,665	$ 1,630	$ 1,937								$ 670	$ 1,000
Period for calculating performance goals								3 years				
Percentage of target shares an employee can earn									0.00%	150.00%		

BUSINESS SEGMENTS (Details 2) (USD $) In Millions, unless otherwise specified	Dec. 31, 2012	Dec. 31, 2011
Segment reporting information		
Identifiable assets	$ 1,864,660	$ 1,873,878
Total Citicorp and Corporate/Other		
Segment reporting information		
Identifiable assets	1,709,000	1,649,000
Global Consumer Banking		
Segment reporting information		
Identifiable assets	402,000	385,000
Institutional Clients Group		
Segment reporting information		
Identifiable assets	1,059,000	980,000
Corporate/Other		
Segment reporting information		
Identifiable assets	248,000	284,000
Citi Holdings		
Segment reporting information		
Identifiable assets	$ 156,000	$ 225,000

LOANS	12 Months Ended Dec. 31, 2012

LOANS

LOANS

16. LOANS

Citigroup loans are reported in two categories—Consumer and Corporate. These categories are classified primarily according to the segment and subsegment that manages the loans.

Consumer Loans

Consumer loans represent loans and leases managed primarily by the *Global Consumer Banking* and *Local Consumer Lending* businesses. The following table provides information by loan type:

In millions of dollars	2012	2011
Consumer loans		
In U.S. offices		
Mortgage and real estate [1]	**$ 125,946**	$ 139,177
Installment, revolving credit, and other	**14,070**	15,616
Cards	**111,403**	117,908
Commercial and industrial	**5,344**	4,766
Lease financing	**—**	1
	$ 256,763	$ 277,468
In offices outside the U.S.		
Mortgage and real estate [1]	**$ 54,709**	$ 52,052
Installment, revolving credit, and other	**36,182**	34,613
Cards	**40,653**	38,926
Commercial and industrial	**20,001**	19,975
Lease financing	**781**	711
	$ 152,326	$ 146,277
Total Consumer loans	**$ 409,089**	$ 423,745
Net unearned income	**(418)**	(405)
Consumer loans, net of unearned income	**$ 408,671**	$ 423,340

(1) Loans secured primarily by real estate.

Included in the loan table above are lending products whose terms may give rise to additional credit issues. Credit cards with below-market introductory interest rates and interest-only loans are examples of such products. These products are closely managed using credit techniques that are intended to mitigate their additional inherent risk.

During the years ended December 31, 2012 and 2011, the Company sold and/or reclassified (to held-for-sale) $4.3 billion and $21.0 billion, respectively, of Consumer loans. The Company did not have significant purchases of Consumer loans during the years ended December 31, 2012 or December 31, 2011.

Citigroup has established a risk management process to monitor, evaluate and manage the principal risks associated with its Consumer loan portfolio. Credit quality indicators that are actively monitored include delinquency status, consumer credit scores (FICO), and loan to value (LTV) ratios, each as discussed in more detail below.

Delinquency Status

Delinquency status is carefully monitored and considered a key indicator of credit quality of Consumer loans. Substantially all of the U.S. residential first mortgage loans use the MBA method of reporting delinquencies, which considers a loan delinquent if a monthly payment has not been received by the end of the day immediately preceding the loan's next due date. All other loans use the OTS method of reporting delinquencies, which considers a loan delinquent if a monthly payment has not been received by the close of business on the loan's next due date.

As a general policy, residential first mortgages, home equity loans and installment loans are classified as non-accrual when loan payments are 90 days contractually past due. Credit cards and unsecured revolving loans generally accrue interest until payments are 180 days past due. As a result of OCC guidance issued in the first quarter of 2012, home equity loans in regulated bank entities are classified as non-accrual if the related residential first mortgage is 90 days or more past due. As a result of OCC guidance issued in the third quarter of 2012, mortgage loans in regulated bank entities discharged through Chapter 7 bankruptcy, other than FHA-insured loans, are classified as non-accrual. Commercial market loans are placed on a cash (non-accrual) basis when it is determined, based on actual experience and a forward-looking assessment of the collectability of the loan in full, that the payment of interest or principal is doubtful or when interest or principal is 90 days past due.

The policy for re-aging modified U.S. Consumer loans to current status varies by product. Generally, one of the conditions to qualify for these modifications is that a minimum number of payments (typically ranging from one to three) be made. Upon modification, the loan is re-aged to current status. However, re-aging practices for certain open-ended Consumer loans, such as credit cards, are governed by Federal Financial Institutions Examination Council (FFIEC) guidelines. For open-ended Consumer loans subject to FFIEC guidelines, one of the conditions for the loan to be re-aged to current status is that at least three consecutive minimum monthly payments, or the equivalent amount, must be received. In addition, under FFIEC guidelines, the number of times that such a loan can be re-aged is subject to limitations (generally once in 12 months and twice in five years). Furthermore, Federal Housing Administration (FHA) and Department of Veterans Affairs (VA) loans are modified under those respective agencies' guidelines, and payments are not always required in order to re-age a modified loan to current.

The following tables provide details on Citigroup's Consumer loan delinquency and non-accrual loans as of December 31, 2012 and December 31, 2011:

Consumer Loan Delinquency and Non-Accrual Details at December 31, 2012

In millions of dollars	Total current [1][2]	30–89 days past due [3]	≥ 90 days past due [3]	Past due Government guaranteed [4]	Total loans [2]	Total non-accrual [5]	90 days past due and accruing
In *North America* offices							
Residential first mortgages	**$ 75,791**	**$ 3,074**	**$ 3,339**	**$ 6,000**	**$ 88,204**	**$ 4,922**	**$ 4,695**
Home equity loans [6]	**35,740**	**642**	**843**	**—**	**37,225**	**1,797**	**—**
Credit cards	**108,892**	**1,582**	**1,527**	**—**	**112,001**	**—**	**1,527**
Installment and other	**13,319**	**288**	**325**	**—**	**13,932**	**179**	**8**
Commercial market loans	**7,874**	**32**	**19**	**—**	**7,925**	**210**	**11**
Total	**$ 241,616**	**$ 5,618**	**$ 6,053**	**$ 6,000**	**$ 259,287**	**$ 7,108**	**$ 6,241**
In offices outside *North America*							
Residential first mortgages	**$ 45,496**	**$ 547**	**$ 485**	**$ —**	**$ 46,528**	**$ 807**	**$ —**
Home equity loans [6]	**4**	**—**	**2**	**—**	**6**	**2**	**—**
Credit cards	**38,920**	**970**	**805**	**—**	**40,695**	**516**	**508**
Installment and other	**29,350**	**496**	**167**	**—**	**30,013**	**254**	**—**
Commercial market loans	**31,263**	**106**	**181**	**—**	**31,550**	**428**	**—**
Total	**$ 145,033**	**$ 2,119**	**$ 1,640**	**$ —**	**$ 148,792**	**$ 2,007**	**$ 508**
Total *GCB* and *LCL*	**$ 386,649**	**$ 7,737**	**$ 7,693**	**$ 6,000**	**$ 408,079**	**$ 9,115**	**$ 6,749**

Special Asset Pool (SAP)	**545**	**18**	**29**	**—**	**592**	**81**	**—**
Total Citigroup	**$ 387,194**	**$ 7,755**	**$ 7,722**	**$ 6,000**	**$ 408,671**	**$ 9,196**	**$ 6,749**

(1) Loans less than 30 days past due are presented as current.
(2) Includes $1.2 billion of residential first mortgages recorded at fair value.
(3) Excludes loans guaranteed by U.S. government entities.
(4) Consists of residential first mortgages that are guaranteed by U.S. government entities that are 30-89 days past due of $1.3 billion and ≥ 90 days past due of $4.7 billion.
(5) During 2012, there was an increase in Consumer non-accrual loans in *North America* of approximately $1.5 billion, as a result of OCC guidance issued in the third quarter of 2012 regarding mortgage loans where the borrower has gone through Chapter 7 bankruptcy. Of the $1.5 billion non-accrual loans, $1.3 billion were current. Additionally, during 2012, there was an increase in non-accrual Consumer loans in *North America* during the first quarter of 2012, which 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. The vast majority of these loans were current at the time of reclassification. 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.
(6) Fixed rate home equity loans and loans extended under home equity lines of credit, which are typically in junior lien positions.

Consumer Loan Delinquency and Non-Accrual Details at December 31, 2011

In millions of dollars	**Total current** (1)(2)	**30–89 days past due** (3)	**≥ 90 days past due** (3)	**Past due Government guaranteed** (4)	**Total loans** (2)	**Total non-accrual**	**90 days past due and accruing**
In *North America* offices							
Residential first mortgages	$ 81,081	$ 3,550	$ 4,121	$6,686	$ 95,438	$ 4,176	$ 5,054
Home equity loans (5)	41,585	868	1,022	—	43,475	982	—
Credit cards	114,022	2,344	2,058	—	118,424	—	2,058
Installment and other	15,215	340	222	—	15,777	438	10
Commercial market loans	6,643	15	207	—	6,865	220	14
Total	$ 258,546	$ 7,117	$ 7,630	$ 6,686	$ 279,979	$ 5,816	$ 7,136
In offices outside *North America*							
Residential first mortgages	$ 43,310	$ 566	$ 482	$ —	$ 44,358	$ 744	$ —
Home equity loans (5)	6	—	2	—	8	2	—
Credit cards	38,289	930	785	—	40,004	496	490
Installment and other	26,300	528	197	—	27,025	258	—
Commercial market loans	30,491	79	127	—	30,697	401	—
Total	$ 138,396	$ 2,103	$ 1,593	$ —	$ 142,092	$ 1,901	$ 490
Total *GCB* and *LCL*	$ 396,942	$ 9,220	$ 9,223	$ 6,686	$ 422,071	$ 7,717	$ 7,626
Special Asset Pool (SAP)	1,193	29	47	—	1,269	115	—
Total Citigroup	$ 398,135	$ 9,249	$ 9,270	$ 6,686	$ 423,340	$ 7,832	$ 7,626

(1) Loans less than 30 days past due are presented as current.
(2) Includes $1.3 billion of residential first mortgages recorded at fair value.
(3) Excludes loans guaranteed by U.S. government entities.
(4) Consists of residential first mortgages that are guaranteed by U.S. government entities that are 30-89 days past due of $1.6 billion and ≥ 90 days past due of $5.1 billion.
(5) Fixed rate home equity loans and loans extended under home equity lines of credit, which are typically in junior lien positions.

Consumer Credit Scores (FICO)

In the U.S., independent credit agencies rate an individual's risk for assuming debt based on the individual's credit history and assign every consumer a "FICO" credit score. These scores are continually updated by the agencies based upon an individual's credit actions (e.g., taking out a loan or missed or late payments).

The following table provides details on the FICO scores attributable to Citi's U.S. Consumer loan portfolio as of December 31, 2012 and 2011 (commercial market loans are not included in the table since they are business-based and FICO scores are not a primary driver in their credit evaluation). FICO scores are updated monthly for substantially all of the portfolio or, otherwise, on a quarterly basis.

FICO score distribution in U.S. portfolio (1)(2)	**December 31, 2012**		
In millions of dollars	**Less than 620**	**≥ 620 but less than 660**	**Equal to or greater than 660**
Residential first mortgages	**$ 16,754**	**$ 8,013**	**$ 50,833**
Home equity loans	**5,439**	**3,208**	**26,820**
Credit cards	**7,833**	**10,304**	**90,248**
Installment and other	**4,414**	**2,417**	**5,365**
Total	**$ 34,440**	**$ 23,942**	**$ 173,266**

(1) Excludes loans guaranteed by U.S. government entities, loans subject to LTSCs with U.S. government-sponsored entities and loans recorded at fair value.
(2) Excludes balances where FICO was not available. Such amounts are not material.

FICO score distribution in U.S. portfolio (1)(2)	December 31, 2011		
In millions of dollars	Less than 620	≥ 620 but less than 660	Equal to or greater than 660
Residential first mortgages	$ 20,370	$ 8,815	$ 52,839
Home equity loans	6,783	3,703	30,884
Credit cards	9,621	10,905	93,234
Installment and other	3,789	2,858	6,704
Total	$ 40,563	$ 26,281	$ 183,661

(1) Excludes loans guaranteed by U.S. government entities, loans subject to LTSCs with U.S. government-sponsored entities and loans recorded at fair value.
(2) Excludes balances where FICO was not available. Such amounts are not material.

Loan to Value Ratios (LTV)

LTV ratios (loan balance divided by appraised value) are calculated at origination and updated by applying market price data.

The following tables provide details on the LTV ratios attributable to Citi's U.S. Consumer mortgage portfolios as of December 31, 2012 and 2011. LTV ratios are updated monthly using the most recent Core Logic HPI data available for substantially all of the portfolio applied at the Metropolitan Statistical Area level, if available and the state level if not. The remainder of the portfolio is updated in a similar manner using the Office of Federal Housing Enterprise Oversight indices.

LTV distribution in U.S. portfolio (1)(2) **December 31, 2012**

In millions of dollars	Less than or equal to 80%	> 80% but less than or equal to 100%	Greater than 100%
Residential first mortgages	$ 41,555	$ 19,070	$ 14,995
Home equity loans	12,611	9,529	13,153
Total	$ 54,166	$ 28,599	$ 28,148

(1) Excludes loans guaranteed by U.S. government entities, loans subject to LTSCs with U.S. government-sponsored entities and loans recorded at fair value.
(2) Excludes balances where LTV was not available. Such amounts are not material.

LTV distribution in U.S. portfolio (1)(2)

	December 31, 2011		
In millions of dollars	Less than or equal to 80%	> 80% but less than or equal to 100%	Greater than 100%
Residential first mortgages	$ 36,422	$ 21,146	$ 24,425
Home equity loans	12,724	10,232	18,226
Total	$ 49,146	$ 31,378	$ 42,651

(1) Excludes loans guaranteed by U.S. government entities, loans subject to LTSCs with U.S. government-sponsored entities and loans recorded at fair value.
(2) Excludes balances where LTV was not available. Such amounts are not material.

Impaired Consumer Loans

Impaired loans are those loans about which Citigroup believes it is probable that it will not collect all amounts due according to the original contractual terms of the loan. Impaired Consumer loans include non-accrual commercial market loans, as well as smaller-balance homogeneous loans whose terms have been modified due to the borrower's financial difficulties and where Citigroup has granted a concession to the borrower. These modifications may include interest rate reductions and/or principal forgiveness. Impaired Consumer loans exclude smaller-balance homogeneous loans that have not been modified and are carried on a non-accrual basis. In addition, impaired Consumer loans exclude substantially all loans modified pursuant to Citi's short-term modification programs (i.e., for periods of 12 months or less) that were modified prior to January 1, 2011.

As a result of OCC guidance issued in the third quarter of 2012, mortgage loans to borrowers that have gone through Chapter 7 bankruptcy are classified as TDRs. These TDRs, other than FHA-insured loans, are written down to collateral value less cost to sell. FHA-insured loans are reserved based on a discounted cash flow model (see Note 1 to the Consolidated Financial Statements). Approximately $635 million of incremental charge-offs was recorded in the third quarter as a result of this new guidance, the vast majority of which related to current loans, and was substantially offset by a related reserve release of approximately $600 million. The recorded investment in receivables reclassified to TDRs in the third quarter of 2012 as a result of this OCC guidance approximated $1,714 million, composed of $1,327 million of residential first mortgages and $387 million of home equity loans.

The following tables present information about total impaired Consumer loans at and for the years ending December 31, 2012 and 2011, respectively:

Impaired Consumer Loans

	At and for the year ended December 31, 2012				
In millions of dollars	Recorded investment (1)(2)	Unpaid principal balance	Related specific allowance (3)	Average carrying value (4)	Interest income recognized (5)(6)
Mortgage and real estate					
Residential first mortgages	$ 20,870	$ 22,062	$ 3,585	$ 19,956	$ 875
Home equity loans	2,135	2,727	636	1,911	68
Credit cards	4,584	4,639	1,800	5,272	308
Installment and other					
Individual installment and other	1,612	1,618	860	1,958	248
Commercial market loans	439	737	60	495	21
Total (7)	$ 29,640	$ 31,783	$ 6,941	$ 29,592	$ 1,520

(1) Recorded investment in a loan includes net deferred loan fees and costs, unamortized premium or discount and direct write-downs and includes accrued interest only on credit card loans.
(2) $2,344 million of residential first mortgages, $378 million of home equity loans and $183 million of commercial market loans do not have a specific allowance.
(3) Included in the *Allowance for loan losses*.
(4) Average carrying value represents the average recorded investment ending balance for the last four quarters and does not include the related specific allowance.
(5) Includes amounts recognized on both an accrual and cash basis.
(6) Cash interest receipts on smaller-balance homogeneous loans are generally recorded as revenue. The interest recognition policy for commercial market loans is identical to that for Corporate loans, as described below.
(7) Prior to 2008, the Company's financial accounting systems did not separately track impaired smaller-balance, homogeneous Consumer loans whose terms were modified due to the borrowers' financial difficulties and where it was determined that a concession was granted to the borrower. Smaller-balance consumer loans modified since January 1, 2008 amounted to $29.2 billion at December 31, 2012. However, information derived from Citi's risk management systems indicates that the amounts of outstanding modified loans, including those modified prior to 2008, approximated $30.1 billion at December 31, 2012.

	At and for the year ended December 31, 2011				
In millions of dollars	Recorded investment (1)(2)	Unpaid principal balance	Related specific allowance (3)	Average carrying value (4)	Interest income recognized (5)(6)
Mortgage and real estate					
Residential first mortgages	$ 19,616	$ 20,803	$3,987	$ 18,642	$ 888
Home equity loans	1,771	1,823	669	1,680	72
Credit cards	6,695	6,743	3,122	6,542	387
Installment and other					
Individual installment and other	2,264	2,267	1,032	2,644	343
Commercial market loans	517	782	75	572	21
Total (7)	$ 30,863	$ 32,418	$ 8,885	$ 30,080	$ 1,711

(1) Recorded investment in a loan includes net deferred loan fees and costs, unamortized premium or discount and direct write-downs and includes accrued interest only on credit card loans.
(2) $858 million of residential first mortgages, $16 million of home equity loans and $182 million of commercial market loans do not have a specific allowance.
(3) Included in the *Allowance for loan losses*.
(4) Average carrying value represents the average recorded investment ending balance for last four quarters and does not include related specific allowance.
(5) Includes amounts recognized on both an accrual and cash basis.

(6) Cash interest receipts on smaller-balance homogeneous loans are generally recorded as revenue. The interest recognition policy for commercial market loans is identical to that for Corporate loans, as described below.

(7) Prior to 2008, the Company's financial accounting systems did not separately track impaired smaller-balance, homogeneous Consumer loans whose terms were modified due to the borrowers' financial difficulties and where it was determined that a concession was granted to the borrower. Smaller-balance consumer loans modified since January 1, 2008 amounted to $30.3 billion at December 31, 2011. However, information derived from Citi's risk management systems indicates that the amounts of outstanding modified loans, including those modified prior to 2008, approximated $31.5 billion at December 31, 2011.

Consumer Troubled Debt Restructurings

The following tables present Consumer TDRs occurring during the years ended December 31, 2012 and 2011:

In millions of dollars except number of loans modified	At and for the year ended December 31, 2012 Number of loans modified	Post-modification recorded investment (1)(2)	Chapter 7 bankruptcy charge-offs (2)	Deferred principal (3)	Contingent principal forgiveness (4)	Principal forgiveness	Average interest rate reduction
North America							
Residential first mortgages	**59,869**	**$ 8,107**	**$ 154**	**$ 10**	**$ 7**	**$553**	**1 %**
Home equity loans	**33,586**	**862**	**450**	**5**	**—**	**78**	**2**
Credit cards	**204,999**	**1,053**	**—**	**—**	**—**	**—**	**16**
Installment and other revolving	**64,858**	**469**	**—**	**—**	**—**	**—**	**6**
Commercial markets (5)	**170**	**18**	**—**	**—**	**—**	**—**	**—**
Total	**363,482**	**$ 10,509**	**$ 604**	**$ 15**	**$ 7**	**$ 631**	
International							
Residential first mortgages	**9,447**	**$ 324**	**$ —**	**$ —**	**$ —**	**$ 2**	**1 %**
Home equity loans	**58**	**4**	**—**	**—**	**—**	**—**	**—**
Credit cards	**206,755**	**632**	**—**	**—**	**—**	**1**	**29**
Installment and other revolving	**45,191**	**280**	**—**	**—**	**—**	**1**	**22**
Commercial markets (5)	**377**	**171**	**—**	**—**	**1**	**2**	**—**
Total	**261,828**	**$ 1,411**	**$ —**	**$ —**	**$ 1**	**$ 6**	

In millions of dollars except number of loans modified	At and for the year ended December 31, 2011 Number of loans modified	Post-modification recorded investment (1)	Deferred principal (3)	Contingent principal forgiveness (4)	Principal forgiveness	Average interest rate reduction
North America						
Residential first mortgages	33,025	$ 5,137	$ 66	$ 50	$ —	2 %
Home equity loans	18,099	923	17	1	—	4
Credit cards	611,715	3,554	—	—	—	19
Installment and other revolving	101,107	756	—	—	—	4
Commercial markets (5)	579	55	—	—	1	—
Total	764,525	$ 10,425	$ 83	$ 51	$ 1	
International						
Residential first mortgages	8,206	$ 311	$ —	$ —	$ 5	1 %
Home equity loans	61	4	—	—	—	—
Credit cards	225,238	628	—	—	2	24
Installment and other revolving	133,062	545	—	—	8	12
Commercial markets (5)	55	167	—	—	1	—
Total	366,622	$ 1,655	$ —	$ —	$ 16	

(1) Post-modification balances include past due amounts that are capitalized at modification date.

(2) Post-modification balances in *North America* include $2,740 million of residential first mortgages and $497 million of home equity loans to borrowers that have gone through Chapter 7 bankruptcy. These amounts include $1,414 million of residential first mortgages and $409 million of home equity loans that are newly classified as TDRs as a result of this OCC guidance. Chapter 7 bankruptcy column amounts are the incremental charge-offs that were recorded in the year ended December 31, 2012 as a result of this new OCC guidance.

(3) Represents portion of loan principal that is non-interest bearing but still due from borrower. Effective in the first quarter of 2012, such deferred principal is charged-off at the time of modification to the extent that the related loan balance exceeds the underlying collateral value. A significant amount of the reported balances have been charged-off.

(4) Represents portion of loan principal that is non-interest bearing and, depending upon borrower performance, eligible for forgiveness.

(5) Commercial markets loans are generally borrower-specific modifications and incorporate changes in the amount and/or timing of principal and/or interest.

The following table presents Consumer TDRs that defaulted during the years ended December 31, 2012 and 2011, respectively, and for which the payment default occurred within one year of the modification:

In millions of dollars	**Year ended December 31, 2012 (1)**	Year ended December 31, 2011 (1)
North America		
Residential first mortgages	**$ 1,145**	$ 1,713
Home equity loans	**128**	113
Credit cards	**434**	1,307
Installment and other revolving	**121**	113
Commercial markets	**—**	3
Total	**$ 1,828**	$ 3,249
International		
Residential first mortgages	**$ 64**	$ 123
Home equity loans	**1**	2
Credit cards	**209**	329
Installment and other revolving	**117**	238
Commercial markets	**5**	14
Total	**$ 396**	$ 706

(1) Default is defined as 60 days past due, except for classifiably managed commercial markets loans, where default is defined as 90+ days past due.

Corporate Loans

Corporate loans represent loans and leases managed by the *Institutional Clients Group* or the *Special Asset Pool* in Citi Holdings. The following table presents information by Corporate loan type as of December 31, 2012 and 2011:

In millions of dollars	December 31, 2012	December 31, 2011
Corporate		
In U.S. offices		
Commercial and industrial	**$ 26,985**	$ 20,830
Financial institutions	**18,159**	15,113
Mortgage and real estate (1)	**24,705**	21,516
Installment, revolving credit and other	**32,446**	33,182
Lease financing	**1,410**	1,270
	$ 103,705	$ 91,911
In offices outside the U.S.		
Commercial and industrial	**$ 82,939**	$ 79,764
Installment, revolving credit and other	**14,958**	14,114
Mortgage and real estate (1)	**6,485**	6,885
Financial institutions	**37,739**	29,794
Lease financing	**605**	568
Governments and official institutions	**1,159**	1,576
	$ 143,885	$ 132,701
Total Corporate loans	**$ 247,590**	$ 224,612
Net unearned income (loss)	**(797)**	(710)
Corporate loans, net of unearned income	**$ 246,793**	$ 223,902

(1) Loans secured primarily by real estate.

For the years ended December 31, 2012 and 2011, the Company sold and/or reclassified (to held-for-sale) $4.4 billion and $6.4 billion, respectively, of held-for-investment Corporate loans. The Company did not have significant purchases of Corporate loans classified as held-for-investment for the year ended December 31, 2012 or December 31, 2011.

Corporate loans are identified as impaired and placed on a cash (non-accrual) basis when it is determined, based on actual experience and a forward-looking assessment of the collectability of the loan in full, that the payment of interest or principal is doubtful or when interest or principal is 90 days past due, except when the loan is well collateralized and in the process of collection. Any interest accrued on impaired Corporate loans and leases is reversed at 90 days and charged against current earnings, and interest is thereafter included in earnings only to the extent actually received in cash. When there is doubt regarding the ultimate collectability of principal, all cash receipts are thereafter applied to reduce the recorded investment in the loan. While Corporate loans are generally managed based on their internally assigned risk rating (see further discussion below), the following tables present delinquency information by Corporate loan type as of December 31, 2012 and 2011:

Corporate Loan Delinquency and Non-Accrual Details at December 31, 2012

In millions of dollars	30–89 days past due and accruing (1)	≥ 90 days past due and accruing (1)	Total past due and accruing	Total non-accrual (2)	Total current (3)	Total loans
Commercial and industrial	**$38**	**$10**	**$48**	**$1,078**	**$ 107,650**	**$ 108,776**
Financial institutions	**5**	**—**	**5**	**454**	**53,858**	**54,317**
Mortgage and real estate	**224**	**109**	**333**	**680**	**30,057**	**31,070**
Leases	**7**	**—**	**7**	**52**	**1,956**	**2,015**
Other	**70**	**6**	**76**	**69**	**46,414**	**46,559**
Loans at fair value						**4,056**
Total	**$ 344**	**$ 125**	**$ 469**	**$ 2,333**	**$ 239,935**	**$ 246,793**

(1) Corporate loans that are ≥ 90 days past due are generally classified as non-accrual. Corporate loans are considered past due when principal or interest is contractually due but unpaid.

(2) Citi generally does not manage Corporate loans on a delinquency basis. Non-accrual loans generally include those loans that are ≥ 90 days past due or those loans for which Citi believes, based on actual experience and a forward-looking assessment of the collectability of the loan in full, that the payment of interest or principal is doubtful.

(3) Corporate loans are past due when principal or interest is contractually due but unpaid. Loans less than 30 days past due are presented as current.

Corporate Loan Delinquency and Non-Accrual Details at December 31, 2011

In millions of dollars	30–89 days past due and accruing (1)	≥ 90 days past due and accruing (1)	Total past due and accruing	Total non-accrual (2)	Total current (3)	Total loans
Commercial and industrial	$93	$30	$123	$1,134	$ 98,157	$ 99,414
Financial institutions	—	2	2	763	42,642	43,407
Mortgage and real estate	224	125	349	1,039	26,908	28,296
Leases	3	11	14	13	1,811	1,838
Other	225	15	240	287	46,481	47,008
Loans at fair value						3,939
Total	$ 545	$ 183	$ 728	$ 3,236	$ 215,999	$ 223,902

(1) Corporate loans that are ≥ 90 days past due are generally classified as non-accrual. Corporate loans are considered past due when principal or interest is contractually due but unpaid.

(2) Citi generally does not manage Corporate loans on a delinquency basis. Non-accrual loans generally include those loans that are ≥ 90 days past due or those loans for which Citi believes, based on actual experience and a forward-looking assessment of the collectability of the loan in full, that the payment of interest or principal is doubtful.

(3) Corporate loans are past due when principal or interest is contractually due but unpaid. Loans less than 30 days past due are presented as current.

Citigroup has a risk management process to monitor, evaluate and manage the principal risks associated with its Corporate loan portfolio. As part of its risk management process, Citi assigns numeric risk ratings to its Corporate loan facilities based on quantitative and qualitative assessments of the obligor and facility. These risk ratings are reviewed at least annually or more often if material events related to the obligor or facility warrant. Factors considered in assigning the risk ratings include: financial condition of the obligor, qualitative assessment of management and strategy, amount and sources of repayment, amount and type of collateral and guarantee arrangements, amount and type of any contingencies associated with the obligor, and the obligor's industry and geography.

The obligor risk ratings are defined by ranges of default probabilities. The facility risk ratings are defined by ranges of loss norms, which are the product of the probability of default and the loss given default. The investment grade rating categories are similar to the category BBB-/Baa3 and above as defined by S&P and Moody's. Loans classified according to the bank regulatory definitions as special mention, substandard and doubtful will have risk ratings within the non-investment grade categories.

Corporate Loans Credit Quality Indicators at December 31, 2012 and December 31, 2011

In millions of dollars	Recorded investment in loans (1) December 31, 2012	December 31, 2011
Investment grade (2)		
Commercial and industrial	**$ 73,822**	$ 67,282
Financial institutions	**43,895**	35,159
Mortgage and real estate	**12,587**	10,729
Leases	**1,404**	1,161
Other	**42,575**	42,428
Total investment grade	**$ 174,283**	$ 156,759
Non-investment grade (2)		
Accrual		
Commercial and industrial	**$ 33,876**	$ 30,998
Financial institutions	**9,968**	7,485
Mortgage and real estate	**2,858**	3,812
Leases	**559**	664
Other	**3,915**	4,293
Non-accrual		
Commercial and industrial	**1,078**	1,134
Financial institutions	**454**	763
Mortgage and real estate	**680**	1,039
Leases	**52**	13
Other	**69**	287
Total non-investment grade	**$ 53,509**	$ 50,488
Private Banking loans managed on a delinquency basis (2)	**$ 14,945**	$ 12,716
Loans at fair value	**4,056**	3,939
Corporate loans, net of unearned income	**$ 246,793**	$ 223,902

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

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

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

The following tables present non-accrual loan information by Corporate loan type at and for the years ended December 31, 2012, 2011 and 2010, respectively:

Non-Accrual Corporate Loans

In millions of dollars	At and for the period ended December 31, 2012 Recorded investment (1)	Unpaid principal balance	Related specific allowance	Average carrying value (2)	Interest income recognized
Non-accrual Corporate loans					
Commercial and industrial	**$ 1,078**	**$1,368**	**$155**	**$1,076**	**$65**
Financial institutions	**454**	**504**	**14**	**518**	**—**
Mortgage and real estate	**680**	**810**	**74**	**811**	**23**
Lease financing	**52**	**61**	**16**	**19**	**2**
Other	**69**	**245**	**25**	**154**	**8**
Total non-accrual Corporate loans	**$ 2,333**	**$ 2,988**	**$ 284**	**$ 2,578**	**$ 98**

In millions of dollars	December 31, 2011 Recorded investment (1)	Unpaid principal balance	Related specific allowance	Average carrying value (3)	Interest Income recognized
Non-accrual Corporate loans					
Commercial and industrial	$ 1,134	$1,455	$186	$1,446	$ 76
Financial institutions	763	1,127	28	1,056	—
Mortgage and real estate	1,039	1,245	151	1,487	14
Lease financing	13	21	—	25	2
Other	287	640	55	420	17
Total non-accrual Corporate loans	$ 3,236	$ 4,488	$ 420	$ 4,434	$ 109

At and for the period ended In millions of dollars	Dec. 31, 2010
Average carrying value (3)	$ 10,643
Interest income recognized	65

In millions of dollars	December 31, 2012 Recorded investment (1)	Related specific allowance	December 31, 2011 Recorded investment (1)	Related specific allowance
Non-accrual Corporate loans with valuation allowances				
Commercial and industrial	**$ 608**	**$155**	$ 501	$186
Financial institutions	**41**	**14**	78	28
Mortgage and real estate	**345**	**74**	540	151

Lease financing	47	16	—	—
Other	59	25	120	55
Total non-accrual Corporate loans with specific allowance	**$ 1,100**	**$ 284**	$ 1,239	$ 420
Non-accrual Corporate loans without specific allowance				
Commercial and industrial	**$ 470**		$ 633	
Financial institutions	**413**		685	
Mortgage and real estate	**335**		499	
Lease financing	**5**		13	
Other	**10**		167	
Total non-accrual Corporate loans without specific allowance	**$ 1,233**	**N/A**	$ 1,997	N/A

(1) Recorded investment in a loan includes net deferred loan fees and costs, unamortized premium or discount, less any direct write-downs.
(2) Average carrying value represents the average recorded investment balance and does not include related specific allowance.
(3) Average carrying value does not include related specific allowance.
N/A Not Applicable

Corporate Troubled Debt Restructurings

The following tables provide details on Corporate TDR activity and default information as of and for the years ended December 31, 2012 and 2011.

The following table presents Corporate TDRs occurring during the year ended December 31, 2012.

In millions of dollars	Carrying Value	TDRs involving changes in the amount and/or timing of principal payments (1)	TDRs involving changes in the amount and/or timing of interest payments (2)	TDRs involving changes in the amount and/or timing of both principal and interest payments	Balance of principal forgiven or deferred	Net P&L impact (3)
Commercial and industrial	**$99**	**$84**	**$4**	**$11**	**$—**	**$1**
Financial institutions	**—**	**—**	**—**	**—**	**—**	**—**
Mortgage and real estate	**113**	**60**	**—**	**53**	**—**	**—**
Other	**—**	**—**	**—**	**—**	**—**	**—**
Total	**$ 212**	**$ 144**	**$ 4**	**$ 64**	**$ —**	**$ 1**

(1) TDRs involving changes in the amount or timing of principal payments may involve principal forgiveness or deferral of periodic and/or final principal payments.
(2) TDRs involving changes in the amount or timing of interest payments may involve a below-market interest rate.
(3) Balances reflect charge-offs and reserves recorded during the years ended December 31, 2012 on loans subject to a TDR during the year then ended.

The following table presents Corporate TDRs occurring during the year ended December 31, 2011.

In millions of dollars	Carrying Value	TDRs involving changes in the amount and/or timing of principal payments (1)	TDRs involving changes in the amount and/or timing of interest payments (2)	TDRs involving changes in the amount and/or timing of both principal and interest payments	Balance of principal forgiven or deferred	Net P&L impact (3)
Commercial and industrial	$126	$—	$16	$110	$—	$16
Financial institutions	—	—	—	—	—	—
Mortgage and real estate	250	3	20	227	4	37
Other	74	—	67	7	—	—
Total	$ 450	$ 3	$ 103	$ 344	$ 4	$ 53

(1) TDRs involving changes in the amount or timing of principal payments may involve principal forgiveness or deferral of periodic and/or final principal payments.
(2) TDRs involving changes in the amount or timing of interest payments may involve a below-market interest rate.
(3) Balances reflect charge-offs and reserves recorded during the year ended December 31, 2011 on loans subject to a TDR during the period then ended.

The following table presents total Corporate loans modified in a TDR at December 31, 2012 and 2011, as well as those TDRs that defaulted during 2012 and 2011, and for which the payment default occurred within one year of the modification:

In millions of dollars	TDR Balances at December 31, 2012	TDRs in payment default during the year Ended December 31, 2012	TDR Balances at December 31, 2011	TDRs in payment default during the year Ended December 31, 2011
Commercial and industrial	**$275**	**$94**	$429	$7
Financial institutions	**17**	**—**	564	—
Mortgage and real estate	**131**	**—**	258	—
Other	**450**	**—**	85	—
Total	**$ 873**	**$ 94**	$ 1,336	$ 7

(1) Payment default constitutes failure to pay principal or interest when due per the contractual terms of the loan.

Purchased Distressed Loans

Included in the Corporate and Consumer loan outstanding tables above are purchased distressed loans, which are loans that have evidenced significant credit deterioration subsequent to origination but prior to acquisition by Citigroup. In accordance with SOP 03-3 (codified as ASC 310-30), the difference between the total expected cash flows for these loans and the initial recorded investment is recognized in income over the life of the loans using a level yield. Accordingly, these loans have been excluded from the impaired loan table information presented above. In addition, per SOP 03-3, subsequent decreases in the expected cash flows for a purchased distressed loan require a build of an allowance so the loan retains its level yield. However, increases in the expected cash flows are first recognized as a reduction of any previously established allowance and then recognized as income prospectively over the remaining life of the loan by increasing the loan's level yield. Where the expected cash flows cannot be reliably estimated, the purchased distressed loan is accounted for under the cost recovery method. The carrying amount of the Company's purchased distressed loan portfolio at December 31, 2012 was $440 million, net of an allowance of $98 million.

The changes in the accretable yield, related allowance and carrying amount net of accretable yield for 2012 are as follows:

In millions of dollars	Accretable yield	Carrying amount of loan receivable	Allowance
Balance at December 31, 2011	$2	$511	$68

Purchases [1]	15	269	—
Disposals/payments received	(6)	(171)	(6)
Accretion	—	—	—
Builds (reductions) to the allowance	9	—	41
Increase to expected cash flows	5	1	—
FX/other	(3)	(72)	(5)
Balance at December 31, 2012 [2]	**$ 22**	**$ 538**	**$ 98**

(1) The balance reported in the column “Carrying amount of loan receivable” consists of $269 million of purchased loans accounted for under the level-yield method and $0 million under the cost-recovery method. These balances represent the fair value of these loans at their acquisition date. The related total expected cash flows for the level-yield loans were $285 million at their acquisition dates.

(2) The balance reported in the column “Carrying amount of loan receivable” consists of $524 million of loans accounted for under the level-yield method and $14 million accounted for under the cost-recovery method.

DERIVATIVES ACTIVITIES (Details 4) (USD $)	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Derivative gain (loss)			
Gains (losses) recognized in Other revenue related to derivatives not designated in a qualifying hedging relationship	$ (1,267,000,000)	$ 1,531,000,000	$ (2,759,000,000)
Gain (loss) on fair value hedges			
Gain (loss) on the derivatives in designated and qualifying fair value hedges	499,000,000	4,306,000,000	1,677,000,000
Gain (loss) on the hedged item in designated and qualifying fair value hedges	(702,000,000)	(4,270,000,000)	(1,524,000,000)
Hedge ineffectiveness recognized in earnings on designated and qualifying fair value hedges	(233,000,000)	119,000,000	(13,000,000)
Net gain (loss) excluded from assessment of the effectiveness of fair value hedges	30,000,000	(83,000,000)	166,000,000
Pretax change in accumulated other comprehensive income (loss)			
Effective portion of cash flow hedges included in AOCI	(179,000,000)	(1,746,000,000)	(1,039,000,000)
Effective portion of cash flow hedges reclassified from AOCI to earnings	(1,017,000,000)	(1,484,000,000)	(1,896,000,000)
Cash flow hedges expected to be reclassified within 12 months	1,000,000,000		
Maximum length of time hedged in cash flow hedge	10 years		
Interest rate contracts			
Derivative gain (loss)			
Gains (losses) recognized in Other revenue related to derivatives not designated in a qualifying hedging relationship	(427,000,000)	1,192,000,000	(205,000,000)
Gain (loss) on fair value hedges			
Gain (loss) on the derivatives in designated and qualifying fair value hedges	122,000,000	4,423,000,000	948,000,000
Gain (loss) on the hedged item in designated and qualifying fair value hedges	(371,000,000)	(4,296,000,000)	(945,000,000)
Hedge ineffectiveness recognized in earnings on designated and qualifying fair value hedges	(249,000,000)	118,000,000	(23,000,000)
Net gain (loss) excluded from assessment of the effectiveness of fair value hedges		9,000,000	26,000,000
Pretax change in accumulated other comprehensive income (loss)			
Effective portion of cash flow hedges included in AOCI	(322,000,000)	(1,827,000,000)	(469,000,000)
Effective portion of cash flow hedges reclassified from AOCI to earnings	(837,000,000)	(1,227,000,000)	(1,396,000,000)
Foreign exchange contracts			
Derivative gain (loss)			
Gains (losses) recognized in Other revenue related to derivatives not designated in a qualifying hedging relationship	182,000,000	224,000,000	(2,052,000,000)
Gain (loss) on fair value hedges			

Gain (loss) on the derivatives in designated and qualifying fair value hedges	377,000,000	(117,000,000)	729,000,000
Gain (loss) on the hedged item in designated and qualifying fair value hedges	(331,000,000)	26,000,000	(579,000,000)
Hedge ineffectiveness recognized in earnings on designated and qualifying fair value hedges	16,000,000	1,000,000	10,000,000
Net gain (loss) excluded from assessment of the effectiveness of fair value hedges	30,000,000	(92,000,000)	140,000,000
Pretax change in accumulated other comprehensive income (loss)			
Effective portion of cash flow hedges included in AOCI	143,000,000	81,000,000	(570,000,000)
Effective portion of cash flow hedges reclassified from AOCI to earnings	(180,000,000)	(257,000,000)	(500,000,000)
Credit derivatives			
Derivative gain (loss)			
Gains (losses) recognized in Other revenue related to derivatives not designated in a qualifying hedging relationship	(1,022,000,000)	115,000,000	(502,000,000)
Net Investment Hedges			
Pretax change in accumulated other comprehensive income (loss)			
Effective portion of cash flow hedges included in AOCI	$ (3,829,000,000)	$ 904,000,000	$ (3,620,000,000)

FEDERAL FUNDS/ SECURITIES BORROWED, LOANED, AND SUBJECT TO REPURCHASE AGREEMENTS (Tables)

	12 Months Ended
	Dec. 31, 2012

FEDERAL FUNDS/SECURITIES BORROWED, LOANED, AND SUBJECT TO REPURCHASE AGREEMENTS

Fair value of federal funds sold and securities borrowed or purchased under agreements to resell

In millions of dollars	**2012**	2011
Federal funds sold	**$97**	$37
Securities purchased under agreements to resell (1)	**138,549**	153,492
Deposits paid for securities borrowed	**122,665**	122,320
Total	**$261,311**	$275,849

(1) Securities purchased under agreements to resell are reported net by counterparty, when applicable requirements for net presentation are met. The amounts in the table above were reduced for allowable netting by $49.4 billion and $53.0 billion at December 31, 2012 and 2011, respectively.

Fair value of federal funds purchased and securities loaned or sold under agreements to repurchase

In millions of dollars	**2012**	2011
Federal funds purchased	**$ 1,005**	$ 688
Securities sold under agreements to repurchase (1)	**182,330**	164,849
Deposits received for securities loaned	**27,901**	32,836
Total	**$ 211,236**	$ 198,373

(1) Securities sold under agreements to repurchase are reported net by counterparty, when applicable requirements for net presentation are met. The amounts in the table above were reduced for allowable netting by $49.4 billion and $53.0 billion at December 31, 2012 and 2011, respectively.

CONTINGENCIES (Details)	Dec. 31, 2012 USD ($)	1 Months Ended Dec. 31, 2011 Citigroup Global Markets Inc. (CGMI) trust	Dec. 16, 2011 Citigroup Global Markets Inc. (CGMI) item	1 Months Ended Oct. 31, 2011 Citigroup Global Markets Inc. (CGMI) Regulatory action by the SEC USD ($)	Oct. 19, 2011 Citigroup Global Markets Inc. (CGMI) Regulatory action by the SEC USD ($)	0 Months Ended Jan. 07, 2013 Citi Mortgage USD ($)	Sep. 02, 2011 Residential Mortgage-Backed Securities Investor Actions and Repurchase Claims In Re Citigroup Inc. Securities Litigation item	12 Months Ended Dec. 31, 2012 Residential Mortgage-Backed Securities Investor Actions and Repurchase Claims In Re Citigroup Inc. Securities Litigation USD ($)	Aug. 30, 2012 Residential Mortgage-Backed Securities Investor Actions and Repurchase Claims In Re Citigroup Inc. Securities Litigation USD ($)	12 Months Ended Dec. 31, 2012 KIKOs CKI USD ($) item	Dec. 31, 2012 Subprime Mortgage-Related Litigation and Other Matters Arbitration brought by the Abu Dhabi Investment Authority USD ($)	Dec. 31, 2007 Subprime Mortgage-Related Litigation and Other Matters Arbitration brought by the Abu Dhabi Investment Authority USD ($)	1 Months Ended Dec. 31, 2010 Lehman Structured Notes Matters employee	0 Months Ended Dec. 13, 2012 Lehman Brothers Bankruptcy Proceedings USD ($)	Feb. 08, 2012 Lehman Brothers Bankruptcy Proceedings USD ($)	Mar. 18, 2011 Lehman Brothers Bankruptcy Proceedings USD ($)	1 Months Ended Dec. 31, 2009 Terra Firma Litigation GBP (£) item	Dec. 31, 2012 Terra Firma Litigation USD ($)	Dec. 31, 2007 Tribune Company Bankruptcy USD ($)	12 Months Ended Dec. 31, 2012 Interbank Offered Rates-Related Litigation and Other Matters item	0 Months Ended Jul. 13, 2012 Interchange Fees Litigation USD ($)	Oct. 20, 2008 Parmalat Litigation and Other Matters EUR (€) item	12 Months Ended Dec. 31, 2012 Parmalat Litigation and Other Matters EUR (€)	Dec. 31, 2003 Allied Irish Bank Litigation USD ($)	1 Months Ended Apr. 30, 2011 Alternative investment fund-related litigations item	Oct. 31, 2012 Alternative investment fund-related litigations USD ($)
CONTINGENCIES																										
Possible loss, high end of the range	$ 5,000,000,000																									
Contingencies																										
Settlement agreement consideration									590,000,000												60,500,000,000					
Debt securities and preferred stock issued								71,000,000,000																		
Amount of disgorgement				160,000,000																		70,000,000				
Amount of prejudgment interest				30,000,000																						
Amount of civil penalty which Citigroup agreed to pay					95,000,000																					
Aggregate original purchase amount								10,800,000,000																		
Aggregate original purchase amount of the purchases covered by tolling agreements								6,400,000,000																		
Number of putative class actions against entity (in lawsuit)							15													3						
Amount of settlement						305,000,000																				
Amount of mortgage assistance offered to borrowers						487,000,000																				
Number of MBS trusts in which requisite interests were held by Gibbs & Bruns LLP clients		87																								
Investments in entity by counterparties and investors' alleged arbitration												7,500,000,000														
Estimation of damages											4,000,000,000							120,000,000								400,000,000
Number civil lawsuits filed by small and medium-sized enterprises										88																
Number of decision rendered at district court level										82																
Decisions favorable to entity										64																
Number of decisions awarded to plaintiff for portion of damages sought										18																
Number of adverse decision against which appeal is made										18																
Contigent loss as claimed by certain investors																							130,000,000			
Contigent loss as claimed against the company										28,500,000													14,000,000,000	500,000,000		
Total damages awarded														245,000,000												
Number of decisions appealed at the high court										60																
Number of cases decided at the high court										17																
Number of decisions favorable to the entity in the high court										11																
Number of decisions awarded by the high court to the plaintiff for a portion of damages sought										6																
Increase in damages awarded										10,900,000																
Number of decisions appealed at the Korean Supreme court										5																
Current or former employees													3													
Amount claimed by Citigroup entities															2,600,000,000											
Amount of setoff to be avoided relating to terminated derivatives contracts															2,000,000,000											
Amount of setoff to be avoided															500,000,000											
Number of plaintiffs																	2									
Acquisition price																			11,000,000,000							
Number of lawsuits stayed																				17						
Number of putative class actions against entity brought by various putative plaintiff classes																				11						
Number of putative class actions against entity brought by individual plaintiffs																				6						
Rebate to merchants participating in the class settlement (as a percent)																					0.10%					
Period of collecting interchange fees																					8 months					
Number of counterclaims on which favorable verdict was rendered																						3				
Amount of fine																						900,000				
Number of ASTA/MAT investors																									2	
Setoff Citibank N.A. took with respect to certain clearing obligations of LBI														1,050,000,000		1,000,000,000										
Deposits made by LBI prior to collapse															2,000,000,000											
Acquisition price of EMI																	£ 4,200,000,000									
Number of traders			2																							

BUSINESS SEGMENTS (Tables)	12 Months Ended Dec. 31, 2012

BUSINESS SEGMENTS

Information regarding the Company's operations by segment

In millions of dollars, except identifiable assets in billions	Revenues, net of interest expense (1)			Provision (benefit) for income taxes			Income (loss) from continuing operations (2)			Identifiable assets	
	2012	2011	2010	**2012**	2011	2010	**2012**	2011	2010	**2012**	2011
Global Consumer Banking	**$ 40,214**	$ 39,195	$ 39,369	**$ 3,733**	$ 3,509	$ 1,551	**$ 8,104**	$ 7,672	$ 4,969	**$ 402**	$ 385
Institutional Clients Group	**30,600**	32,002	33,207	**2,102**	2,820	3,490	**7,990**	8,262	10,173	**1,059**	980
Corporate/Other	**192**	885	1,754	**(1,396)**	(681)	7	**(1,625)**	(728)	242	**248**	284
Total Citicorp	**$ 71,006**	$ 72,082	$ 74,330	**$ 4,439**	$ 5,648	$ 5,048	**$ 14,469**	$ 15,206	$ 15,384	**$ 1,709**	$ 1,649
Citi Holdings	**(833)**	6,271	12,271	**(4,412)**	(2,127)	(2,815)	**(6,560)**	(4,103)	(4,433)	**156**	225
Total	**$ 70,173**	$ 78,353	$ 86,601	**$ 27**	$ 3,521	$ 2,233	**$ 7,909**	$ 11,103	$ 10,951	**$ 1,865**	$ 1,874

(1) Includes Citicorp (excluding *Corporate/Other*) total revenues, net of interest expense, in *North America* of $29.8 billion, $30.1 billion and $33.6 billion; in *EMEA* of $11.5 billion, $12.3 billion and $11.8 billion; in *Latin America* of $14.5 billion, $13.6 billion and $12.8 billion; and in *Asia* of $15.0 billion, $15.2 billion and $14.4 billion in 2012, 2011 and 2010, respectively. Regional numbers exclude Citi Holdings and *Corporate/Other*, which largely operate within the U.S.

(2) Includes pretax provisions (credits) for credit losses and for benefits and claims in the *GCB* results of $6.6 billion, $6.6 billion and $14.0 billion; in the *ICG* results of $276 million, $152 million and $(82) million; and in the Citi Holdings results of $4.9 billion, $6.0 billion and $12.1 billion for 2012, 2011 and 2010, respectively.

INCENTIVE PLANS (Details) (USD $)	12 Months Ended Dec. 31, 2012	12 Months Ended Dec. 31, 2011	12 Months Ended Dec. 31, 2010	1 Months Ended Feb. 28, 2011 Executive Officers	12 Months Ended Dec. 31, 2012 Executive Officers	12 Months Ended Feb. 14, 2011 Executive Officers installment	12 Months Ended Dec. 31, 2012 Charges for estimated awards to retirement-eligible employees	12 Months Ended Dec. 31, 2011 Charges for estimated awards to retirement-eligible employees	12 Months Ended Dec. 31, 2010 Charges for estimated awards to retirement-eligible employees	12 Months Ended Dec. 31, 2012 Amortization of deferred cash awards and deferred cash stock units	12 Months Ended Dec. 31, 2011 Amortization of deferred cash awards and deferred cash stock units	12 Months Ended Dec. 31, 2010 Amortization of deferred cash awards and deferred cash stock units	12 Months Ended Dec. 31, 2010 Salary stock award expense	12 Months Ended Dec. 31, 2012 Immediately vested stock award expense	12 Months Ended Dec. 31, 2011 Immediately vested stock award expense	12 Months Ended Dec. 31, 2010 Immediately vested stock award expense	12 Months Ended Dec. 31, 2012 Amortization of restricted and deferred stock awards	12 Months Ended Dec. 31, 2011 Amortization of restricted and deferred stock awards	12 Months Ended Dec. 31, 2010 Amortization of restricted and deferred stock awards	12 Months Ended Dec. 31, 2012 Annual Incentive Awards item	12 Months Ended Dec. 31, 2012 Annual Incentive Awards Maximum	12 Months Ended Dec. 31, 2012 Annual Incentive Awards Highly compensated employees Minimum	12 Months Ended Dec. 31, 2012 Annual Incentive Awards Highly compensated employees Maximum	12 Months Ended Dec. 31, 2012 Capital Accumulation Program Awards (CAP)	1 Months Ended Feb. 28, 2013 Capital Accumulation Program Awards (CAP) Minimum	12 Months Ended Dec. 31, 2012 Capital Accumulation Program Awards (CAP) Minimum	12 Months Ended Dec. 31, 2012 Capital Accumulation Program Awards (CAP) Maximum	12 Months Ended Dec. 31, 2012 European Union, CAP awards to identified staff	12 Months Ended Dec. 31, 2012 Incentive Awards to identified staff in European Union	12 Months Ended Dec. 31, 2012 Incentive Awards to identified staff in European Union Minimum	12 Months Ended Dec. 31, 2012 Incentive Awards to identified staff in European Union Maximum	1 Months Ended Jan. 31, 2010 Deferred cash awards item	1 Months Ended Jan. 31, 2009 Deferred cash awards item	12 Months Ended Dec. 31, 2012 Deferred cash awards	12 Months Ended Dec. 31, 2010 Deferred cash awards	12 Months Ended Dec. 31, 2012 Deferred cash awards Minimum	12 Months Ended Dec. 31, 2010 Deferred cash awards Minimum	12 Months Ended Dec. 31, 2009 Deferred cash awards Minimum	12 Months Ended Dec. 31, 2012 Deferred cash awards Maximum	12 Months Ended Dec. 31, 2010 Deferred cash awards Maximum	12 Months Ended Dec. 31, 2009 Deferred cash awards Maximum	12 Months Ended Dec. 31, 2012 Citigroup Ownership Program (COP) restricted or deferred stock	12 Months Ended Dec. 31, 2012 Deferred stock awards	12 Months Ended Dec. 31, 2012 Deferred stock awards Non-employee director	12 Months Ended Dec. 31, 2012 Restricted or deferred stock awards Minimum	12 Months Ended Dec. 31, 2012 Restricted or deferred stock awards Maximum	12 Months Ended Dec. 31, 2012 2009 Performance awards-Special Master Minimum	12 Months Ended Dec. 31, 2012 2009 Performance awards-Special Master Maximum	1 Months Ended Jan. 31, 2011 Fully vested stock payments, long-term restricted stock (LTRS), and/or restricted and deferred stock awards Maximum	1 Months Ended Jan. 31, 2010 Fully vested stock payments, long-term restricted stock (LTRS), and/or restricted and deferred stock awards Maximum	1 Months Ended Jan. 31, 2009 Performance incentive award Certain senior executives	12 Months Ended Dec. 31, 2012 Unvested stock awards that are not subject to variable accounting	12 Months Ended Dec. 31, 2012 Unvested stock awards that are subject to variable accounting	1 Months Ended Jan. 31, 2010 Annual incentive awards in January 2009 and 2010 Minimum	1 Months Ended Jan. 31, 2009 Annual incentive awards in January 2009 and 2010 Minimum	1 Months Ended Jan. 31, 2010 Annual incentive awards in January 2009 and 2010 Maximum	1 Months Ended Jan. 31, 2009 Annual incentive awards in January 2009 and 2010 Maximum	12 Months Ended Dec. 31, 2012 Annual incentive awards prior to 2009 Minimum	0 Months Ended Apr. 20, 2010 Stock Option Programs	0 Months Ended Oct. 29, 2009 Stock Option Programs	1 Months Ended Feb. 28, 2011 Stock Option Programs	1 Months Ended Oct. 31, 2009 Stock Option Programs installment	12 Months Ended Dec. 31, 2012 Stock Option Programs	12 Months Ended Dec. 31, 2011 Stock Option Programs	12 Months Ended Dec. 31, 2010 Stock Option Programs	Oct. 31, 2010 Stock Option Programs installment	0 Months Ended Jan. 31, 2009 Stock Option Programs Management Executive Committee	1 Months Ended Jan. 31, 2009 Stock Option Programs Management Executive Committee	12 Months Ended Dec. 31, 2012 Stock options granted from 2003 through 2009	12 Months Ended Dec. 31, 2012 Stock options granted from 2003 through 2009 Minimum	12 Months Ended Dec. 31, 2012 Stock options granted from 2003 through 2009 Maximum	12 Months Ended Dec. 31, 2012 Stock options granted prior to 2003	12 Months Ended Dec. 31, 2012 Annual option grant programs, 1997 to 2002	12 Months Ended May 17, 2011 Retention awards Vikram Pandit, CEO installment	12 Months Ended Dec. 31, 2012 2009 Stock Incentive Plan
Incentive Plans																																																																										
Number of shares authorized for grant (in shares)																																																																										86,900,000
Number of shares available for grant/purchase (in shares)																																																																										86,900,000
Components of compensation expense																																																																										
Total compensation expense relating to stock-based compensation programs and deferred cash award programs	$ 1,665,000,000	$ 1,630,000,000	$ 1,937,000,000				$ 444,000,000	$ 338,000,000	$ 366,000,000	$ 198,000,000	$ 208,000,000	$ 280,000,000	$ 173,000,000	$ 60,000,000	$ 52,000,000	$ 174,000,000	$ 864,000,000	$ 871,000,000	$ 747,000,000																								$ 147,000,000																						$ 99,000,000	$ 161,000,000	$ 197,000,000										
Value of awards paid entirely in the form of an immediate cash bonus																					100,000																																																						
Percentage of incentive pay required to be deferred																						25.00%	60.00%							40.00%	60.00%																								25.00%	25.00%	40.00%	40.00%	25.00%																	
Percentage of immediate incentive delivered in the form of a stock payment																													50.00%																																														
Number of types of awards in which awards are delivered																				2																																																							
Value of awards subject to deferral requirements																																																						100,000	100,000			20,000																	
Number of types of deferred cash awards																																2	2																																										
Vesting period																										3 years	4 years					4 years	4 years			2 years	2 years	2 years	4 years	4 years	4 years	3 years		2 years	2 years	4 years	1 year	3 years	3 years	3 years												3 years						4 years		3 years	4 years	5 years	5 years		
Vested shares sale restriction period																								6 months				6 months																																									2 years						
First vesting period, minimum																																																																								12 months			
First vesting period, maximum (in months)																																																																								18 months			
Percentage of reduction applicable in case of first dollar of loss																									20.00%																																																		
Period of exercise for transfer restriction					5 years																																																																						
Period of restriction for sale of shares acquired					1 year																																																																						
Percentage of vesting of share-based awards																																																																								20.00%			
Reference rate																																LIBOR	LIBOR	LIBOR	LIBOR																																								
Percentage of awards granted two																																																			30.00%																10.00%	10.00%							
First target price (in dollars per share)																																																			$ 106.10																								
Second target price (in dollars per share)																																																			$ 178.50																								
Assumption information for option programs																																																																										
Weighted-average per-share fair value at the end of the period (in dollars per share)																																																			$ 22.97	$ 37.62	$ 42.50																						
Weighted-average expected life, Original grants		4 years 11 months 12 days	6 years 22 days																																																3 years 10 months 6 days																								
Valuation assumptions																																																																										
Expected volatility (as a percent)		35.64%	36.42%																																																36.07%																								
Risk-free interest rate (as a percent)		2.33%	2.88%																																																1.21%																								
Expected dividend yield (as a percent)		0.00%	0.00%																																																0.88%																								
Tenure of award	10 years			6 years																																																										6 years	6 years					10 years	10 years	6 years			10 years	10 years		
Intrinsic value of options exercised, outstanding at the end of the period (in dollars per share)		$ 6.72	$ 3.80																																																																								
Unvested at the beginning of the period (in dollars per share)																																																				$ 50.90	$ 49.30																						
New awards (in dollars per share)																																																				$ 30.51	$ 30.55																						
Cancelled awards (in dollars per share)																																																				$ 39.15	$ 43.92																						
Vested awards (in dollars per share)																																																				$ 62.12	$ 50.16																						
Unvested at the end of the period (in dollars per share)																																																			$ 22.97	$ 37.62	$ 42.50																						
Unvested stock awards, shares																																																																										
Unvested at the beginning of the period (in shares)																																																				50,213,124	5,290,798																						
New awards (in shares)																																																				33,452,028	2,219,213																						
Cancelled awards (in shares)																																																				(2,342,822)	(377,358)																						
Vested awards (in shares)																																																				(17,345,405)	(1,168,429)																						
Unvested at the end of the period (in shares)																																																				63,976,925	5,964,224																						
Weighted-average market value (in dollars per share)																																																				$ 32.78	$ 29.18																						
Unrecognized compensation cost of unvested stock awards																				$ 886,000,000																																												$ 8,700,000												
Weighted-average period of recognition of unrecognized compensation cost of unvested stock awards																				2 years 1 month 6 days																																												3 months 18 days												
Closing price of common stock (in dollars per share)						$ 49.10																																																						$ 48.80	$ 40.80							$ 45.30	$ 45.30							
Number of equal installments in which awards are vested						3																																																									3				3								3	
Exercise price of half of stock options (in dollars per share)																																																																			$ 178.50	$ 178.50							
Exercise price of next half of stock options (in dollars per share)																																																																			$ 106.10	$ 106.10							
Options																																																																										
Outstanding at the beginning of the period (in options)	37,596,029	37,486,011	40,404,481																																																																								
Granted (in shares)		3,425,000	4,450,017	2,900,000																																																																							
Forfeited or exchanged (in options)	(858,906)	(1,539,227)	(4,368,086)																																																																								
Expired (in options)	(1,716,726)	(1,610,450)	(2,935,863)																																																																								
Exercised (in options)		(165,305)	(64,538)																																																																								
Outstanding at the end of the period (in options)	35,020,397	37,596,029	37,486,011																																																																								
Exercisable at end of period (in options)	32,973,444	23,237,069	15,189,710																																																																								
Weighted-average exercise price																																																																										
Outstanding at the beginning of the period (in dollars per share)	$ 69.60	$ 93.70	$ 127.50																																																																								
Granted-original (in dollars per share)		$ 48.86	$ 47.80																																																								$ 48.80	$ 40.80														
Forfeited or exchanged (in dollars per share)	$ 83.84	$ 176.41	$ 115.10																																																																								
Expired (in dollars per share)	$ 438.14	$ 487.24	$ 458.70																																																																								
Exercised (in dollars per share)		$ 40.80	$ 40.80																																																																								
Outstanding at the end of the period (in dollars per share)	$ 51.20	$ 69.60	$ 93.70																																																																								
Period of restriction for the sale of shares paid to participants in the European Union (EU)																													6 months																																														

INVESTMENTS (Details 2) (USD $) In Millions, unless otherwise specified	Dec. 31, 2012	Dec. 31, 2011
Mortgage-backed securities		
Available for Sale Securities Continuous Unrealized Loss Position		
Fair value of available for sale securities that have been in an unrealized loss position for less than twelve months	$ 8,808	$ 8,878
Gross unrealized losses of available for sale securities that have been in an unrealized loss position for less than twelve months	138	56
Fair value of available for sale securities that have been in an unrealized loss position for twelve months or longer	500	179
Gross unrealized losses of available for sale securities that have been in an unrealized loss position for twelve months or longer	28	32
Total fair value of available for sale securities that have been in an unrealized loss position	9,308	9,057
Total gross unrealized losses of available for sale securities that have been in an unrealized loss position	166	88
U.S. government-sponsored agency guaranteed		
Available for Sale Securities Continuous Unrealized Loss Position		
Fair value of available for sale securities that have been in an unrealized loss position for less than twelve months	8,759	5,398
Gross unrealized losses of available for sale securities that have been in an unrealized loss position for less than twelve months	138	32
Fair value of available for sale securities that have been in an unrealized loss position for twelve months or longer	464	51
Gross unrealized losses of available for sale securities that have been in an unrealized loss position for twelve months or longer	25	19
Total fair value of available for sale securities that have been in an unrealized loss position	9,223	5,449
Total gross unrealized losses of available for sale securities that have been in an unrealized loss position	163	51
Prime		
Available for Sale Securities Continuous Unrealized Loss Position		
Fair value of available for sale securities that have been in an unrealized loss position for less than twelve months	15	27
Gross unrealized losses of available for sale securities that have been in an unrealized loss position for less than twelve months		1
Fair value of available for sale securities that have been in an unrealized loss position for twelve months or longer	5	40
Gross unrealized losses of available for sale securities that have been in an unrealized loss position for twelve months or longer		5
Total fair value of available for sale securities that have been in an unrealized loss position	20	67
Total gross unrealized losses of available for sale securities that have been in an unrealized loss position		6
Non-U.S. residential		
Available for Sale Securities Continuous Unrealized Loss Position		

Fair value of available for sale securities that have been in an unrealized loss position for less than twelve months	5	3,418
Gross unrealized losses of available for sale securities that have been in an unrealized loss position for less than twelve months		22
Fair value of available for sale securities that have been in an unrealized loss position for twelve months or longer	7	57
Total fair value of available for sale securities that have been in an unrealized loss position	12	3,475
Total gross unrealized losses of available for sale securities that have been in an unrealized loss position		22
Commercial		
Available for Sale Securities Continuous Unrealized Loss Position		
Fair value of available for sale securities that have been in an unrealized loss position for less than twelve months	29	35
Gross unrealized losses of available for sale securities that have been in an unrealized loss position for less than twelve months		1
Fair value of available for sale securities that have been in an unrealized loss position for twelve months or longer	24	31
Gross unrealized losses of available for sale securities that have been in an unrealized loss position for twelve months or longer	3	8
Total fair value of available for sale securities that have been in an unrealized loss position	53	66
Total gross unrealized losses of available for sale securities that have been in an unrealized loss position	3	9
U.S. Treasury and federal agency securities		
Available for Sale Securities Continuous Unrealized Loss Position		
Fair value of available for sale securities that have been in an unrealized loss position for less than twelve months	11,054	3,523
Gross unrealized losses of available for sale securities that have been in an unrealized loss position for less than twelve months	35	2
Total fair value of available for sale securities that have been in an unrealized loss position	11,054	3,523
Total gross unrealized losses of available for sale securities that have been in an unrealized loss position	35	2
U.S. Treasury		
Available for Sale Securities Continuous Unrealized Loss Position		
Fair value of available for sale securities that have been in an unrealized loss position for less than twelve months	10,558	553
Gross unrealized losses of available for sale securities that have been in an unrealized loss position for less than twelve months	34	
Total fair value of available for sale securities that have been in an unrealized loss position	10,558	553
Total gross unrealized losses of available for sale securities that have been in an unrealized loss position	34	
Agency obligations		
Available for Sale Securities Continuous Unrealized Loss Position		
Fair value of available for sale securities that have been in an unrealized loss position for less than twelve months	496	2,970
Gross unrealized losses of available for sale securities that have been in an unrealized loss position for less than twelve months	1	2

Total fair value of available for sale securities that have been in an unrealized loss position	496	2,970
Total gross unrealized losses of available for sale securities that have been in an unrealized loss position	1	2
State and municipal securities		
Available for Sale Securities Continuous Unrealized Loss Position		
Fair value of available for sale securities that have been in an unrealized loss position for less than twelve months	10	59
Gross unrealized losses of available for sale securities that have been in an unrealized loss position for less than twelve months		2
Fair value of available for sale securities that have been in an unrealized loss position for twelve months or longer	11,095	11,591
Gross unrealized losses of available for sale securities that have been in an unrealized loss position for twelve months or longer	1,820	2,552
Total fair value of available for sale securities that have been in an unrealized loss position	11,105	11,650
Total gross unrealized losses of available for sale securities that have been in an unrealized loss position	1,820	2,554
Foreign government		
Available for Sale Securities Continuous Unrealized Loss Position		
Fair value of available for sale securities that have been in an unrealized loss position for less than twelve months	22,806	33,109
Gross unrealized losses of available for sale securities that have been in an unrealized loss position for less than twelve months	54	211
Fair value of available for sale securities that have been in an unrealized loss position for twelve months or longer	3,910	11,205
Gross unrealized losses of available for sale securities that have been in an unrealized loss position for twelve months or longer	76	193
Total fair value of available for sale securities that have been in an unrealized loss position	26,716	44,314
Total gross unrealized losses of available for sale securities that have been in an unrealized loss position	130	404
Corporate		
Available for Sale Securities Continuous Unrealized Loss Position		
Fair value of available for sale securities that have been in an unrealized loss position for less than twelve months	1,420	2,104
Gross unrealized losses of available for sale securities that have been in an unrealized loss position for less than twelve months	8	24
Fair value of available for sale securities that have been in an unrealized loss position for twelve months or longer	225	203
Gross unrealized losses of available for sale securities that have been in an unrealized loss position for twelve months or longer	18	29
Total fair value of available for sale securities that have been in an unrealized loss position	1,645	2,307
Total gross unrealized losses of available for sale securities that have been in an unrealized loss position	26	53
Asset-backed securities		
Available for Sale Securities Continuous Unrealized Loss Position		
Fair value of available for sale securities that have been in an unrealized loss position for less than twelve months	1,942	4,625

Gross unrealized losses of available for sale securities that have been in an unrealized loss position for less than twelve months	4	68
Fair value of available for sale securities that have been in an unrealized loss position for twelve months or longer	2,888	466
Gross unrealized losses of available for sale securities that have been in an unrealized loss position for twelve months or longer	139	13
Total fair value of available for sale securities that have been in an unrealized loss position	4,830	5,091
Total gross unrealized losses of available for sale securities that have been in an unrealized loss position	143	81
Other debt securities		
Available for Sale Securities Continuous Unrealized Loss Position		
Fair value of available for sale securities that have been in an unrealized loss position for less than twelve months		164
Total fair value of available for sale securities that have been in an unrealized loss position		164
Marketable equity securities AFS		
Available for Sale Securities Continuous Unrealized Loss Position		
Fair value of available for sale securities that have been in an unrealized loss position for less than twelve months	15	47
Gross unrealized losses of available for sale securities that have been in an unrealized loss position for less than twelve months	1	5
Fair value of available for sale securities that have been in an unrealized loss position for twelve months or longer	764	1,457
Gross unrealized losses of available for sale securities that have been in an unrealized loss position for twelve months or longer	144	190
Total fair value of available for sale securities that have been in an unrealized loss position	779	1,504
Total gross unrealized losses of available for sale securities that have been in an unrealized loss position	145	195
Total securities AFS		
Available for Sale Securities Continuous Unrealized Loss Position		
Fair value of available for sale securities that have been in an unrealized loss position for less than twelve months	46,055	52,509
Gross unrealized losses of available for sale securities that have been in an unrealized loss position for less than twelve months	240	368
Fair value of available for sale securities that have been in an unrealized loss position for twelve months or longer	19,382	25,101
Gross unrealized losses of available for sale securities that have been in an unrealized loss position for twelve months or longer	2,225	3,009
Total fair value of available for sale securities that have been in an unrealized loss position	65,437	77,610
Total gross unrealized losses of available for sale securities that have been in an unrealized loss position	2,465	3,377
Fixed-income investments		
Available for Sale Securities Continuous Unrealized Loss Position		
Gross unrealized losses of available for sale securities that have been in an unrealized loss position for twelve months or longer	$ 2,082	

CONTINGENCIES

CONTINGENCIES
CONTINGENCIES

	12 Months Ended Dec. 31, 2012

28. CONTINGENCIES

Overview

In addition to the matters described below, in the ordinary course of business, Citigroup, its affiliates and subsidiaries, and current and former officers, directors and employees (for purposes of this section, sometimes collectively referred to as Citigroup and Related Parties) routinely are named as defendants in, or as parties to, various legal actions and proceedings. Certain of these actions and proceedings assert claims or seek relief in connection with alleged violations of consumer protection, securities, banking, antifraud, antitrust, anti-money laundering, employment and other statutory and common laws. Certain of these actual or threatened legal actions and proceedings include claims for substantial or indeterminate compensatory or punitive damages, or for injunctive relief, and in some instances seek recovery on a class-wide basis.

In the ordinary course of business, Citigroup and Related Parties also are subject to governmental and regulatory examinations, information-gathering requests, investigations and proceedings (both formal and informal), certain of which may result in adverse judgments, settlements, fines, penalties, restitution, disgorgement, injunctions or other relief. In addition, certain affiliates and subsidiaries of Citigroup are banks, registered broker-dealers, futures commission merchants, investment advisers or other regulated entities and, in those capacities, are subject to regulation by various U.S., state and foreign securities, banking, commodity futures, consumer protection and other regulators. In connection with formal and informal inquiries by these regulators, Citigroup and such affiliates and subsidiaries receive numerous requests, subpoenas and orders seeking documents, testimony and other information in connection with various aspects of their regulated activities. From time to time Citigroup and Related Parties also receive grand jury subpoenas and other requests for information or assistance, formal or informal, from federal or state law enforcement agencies, including among others various United States Attorneys' Offices, the Asset Forfeiture and Money Laundering Section and other divisions of the Department of Justice, the Financial Crimes Enforcement Network of the United States Department of the Treasury, and the Federal Bureau of Investigation, relating to Citigroup and its customers.

Because of the global scope of Citigroup's operations, and its presence in countries around the world, Citigroup and Related Parties are subject to litigation and governmental and regulatory examinations, information-gathering requests, investigations and proceedings (both formal and informal) in multiple jurisdictions with legal and regulatory regimes that may differ substantially, and present substantially different risks, from those Citigroup and Related Parties are subject to in the United States. In some instances Citigroup and Related Parties may be involved in proceedings involving the same subject matter in multiple jurisdictions, which may result in overlapping, cumulative or inconsistent outcomes.

Citigroup seeks to resolve all litigation and regulatory matters in the manner management believes is in the best interests of Citigroup and its shareholders, and contests liability, allegations of wrongdoing and, where applicable, the amount of damages or scope of any penalties or other relief sought as appropriate in each pending matter.

Accounting and Disclosure Framework

ASC 450 (formerly SFAS 5) governs the disclosure and recognition of loss contingencies, including potential losses from litigation and regulatory matters. ASC 450 defines a "loss contingency" as "an existing condition, situation, or set of circumstances involving uncertainty as to possible loss to an entity that will ultimately be resolved when one or more future events occur or fail to occur." It imposes different requirements for the recognition and disclosure of loss contingencies based on the likelihood of occurrence of the contingent future event or events. It distinguishes among degrees of likelihood using the following three terms: "probable," meaning that "the future event or events are likely to occur"; "remote," meaning that "the chance of the future event or events occurring is slight"; and "reasonably possible," meaning that "the chance of the future event or events occurring is more than remote but less than likely." These three terms are used below as defined in ASC 450.

Accruals. ASC 450 requires accrual for a loss contingency when it is "probable that one or more future events will occur confirming the fact of loss" *and* "the amount of the loss can be reasonably estimated." In accordance with ASC 450, Citigroup establishes accruals for all litigation and regulatory matters, including matters disclosed herein, when Citigroup believes it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. When the reasonable estimate of the loss is within a range of amounts, the minimum amount of the range is accrued, unless some higher amount within the range is a better estimate than any other amount within the range. Once established, accruals are adjusted from time to time, as appropriate, in light of additional information. The amount of loss ultimately incurred in relation to those matters may be substantially higher or lower than the amounts accrued for those matters.

Disclosure. ASC 450 requires disclosure of a loss contingency if "there is at least a reasonable possibility that a loss or an additional loss may have been incurred" *and* there is no accrual for the loss because the conditions described above are not met or an exposure to loss exists in excess of the amount accrued. In accordance with ASC 450, if Citigroup has not accrued for a matter because Citigroup believes that a loss is reasonably possible but not probable, or that a loss is probable but not reasonably estimable, and the matter thus does not meet the criteria for accrual, and the reasonably possible loss is material, it discloses the loss contingency. In addition, Citigroup discloses matters for which it has accrued if it believes a reasonably possible exposure to material loss exists in excess of the amount accrued. In accordance with ASC 450, Citigroup's disclosure includes an estimate of the reasonably possible loss or range of loss for those matters as to which an estimate can be made. ASC 450 does not require disclosure of an estimate of the reasonably possible loss or range of loss where an estimate cannot be made. Neither accrual nor disclosure is required for losses that are deemed remote.

Inherent Uncertainty of the Matters Disclosed. Certain of the matters disclosed below involve claims for substantial or indeterminate damages. The claims asserted in these matters typically are broad, often spanning a multi-year period and sometimes a wide range of business activities, and the plaintiffs' or claimants' alleged damages frequently are not quantified or factually supported in the complaint or statement of claim. As a result, Citigroup is often unable to estimate the loss in such matters, even if it believes that a loss is probable or reasonably possible, until developments in the case have yielded additional information sufficient to support a quantitative assessment of the range of reasonably possible loss. Such developments may include, among other things, discovery from adverse parties or third parties, rulings by the court on key issues, analysis by retained experts, and engagement in settlement negotiations. Depending on a range of factors, such as the complexity of the facts, the novelty of the legal theories, the pace of discovery, the court's scheduling order, the timing of court decisions, and the adverse party's willingness to negotiate in good faith toward a resolution, it may be months or years after the filing of a case before an estimate of the range of reasonably possible loss can be made.

Matters as to Which an Estimate Can Be Made. For some of the matters disclosed below, Citigroup is currently able to estimate a reasonably possible loss or range of loss in excess of amounts accrued (if any). For some of the matters included within this estimation, an accrual has been made because a loss is believed to be both probable and reasonably estimable, but an exposure to loss exists in excess of the amount accrued; in these cases, the estimate reflects the reasonably possible range of loss in excess of the accrued amount. For other matters included within this estimation, no accrual has been made because a loss, although estimable, is believed to be reasonably possible, but not probable; in these cases the estimate reflects the reasonably possible loss or range of loss. As of December 31, 2012, Citigroup estimates that the reasonably possible unaccrued loss in future periods for these matters ranges up to approximately $5 billion in the aggregate.

These estimates are based on currently available information. As available information changes, the matters for which Citigroup is able to estimate will change, and the estimates themselves will change. In addition, while many estimates presented in financial statements and other financial disclosure involve significant judgment and may be subject to significant uncertainty, estimates of the range of reasonably possible loss arising from litigation and regulatory proceedings are subject to particular uncertainties. For example, at the time of making an estimate, Citigroup may have only preliminary, incomplete, or inaccurate information about the facts underlying the claim; its assumptions about the future rulings of the court or other tribunal on significant issues, or the behavior and incentives of adverse parties or regulators, may prove to be wrong; and the outcomes it is attempting to predict are often not amenable to the use of statistical or other quantitative analytical tools. In addition, from time to time an outcome may occur that Citigroup had not accounted for in its estimate because it had deemed such an outcome to be remote. For all these reasons, the amount of loss in excess of accruals ultimately incurred for the matters as to which an estimate has been made could be substantially higher or lower than the range of loss included in the estimate.

Matters as to Which an Estimate Cannot Be Made. For other matters disclosed below, Citigroup is not currently able to estimate the reasonably possible loss or range of loss. Many of these matters remain in very preliminary stages (even in some cases where a substantial period of time has passed since the commencement of the matter), with few or no substantive legal decisions by the court or tribunal defining the scope of the claims, the class (if any), or the potentially available damages, and fact discovery is still in progress or has not yet begun. In many of these matters, Citigroup has not yet answered the complaint or statement of claim or asserted its defenses, nor has it engaged in any negotiations with the adverse party (whether a regulator or a private party). For all these reasons, Citigroup cannot at this time estimate the reasonably possible loss or range of loss, if any, for these matters.

Opinion of Management as to Eventual Outcome. Subject to the foregoing, it is the opinion of Citigroup's management, based on current knowledge and after taking into account its current legal accruals, that the eventual outcome of all matters described in this Note would not be likely to have a material adverse effect on the consolidated financial condition of Citigroup. Nonetheless, given the substantial or indeterminate amounts sought in certain of these matters, and the inherent unpredictability of such matters, an adverse outcome in certain of these matters could, from time to time, have a material adverse effect on Citigroup's consolidated results of operations or cash flows in particular quarterly or annual periods.

Credit Crisis–Related Litigation and Other Matters

Citigroup and Related Parties have been named as defendants in numerous legal actions and other proceedings asserting claims for damages and related relief for losses arising from the global financial credit crisis that began in 2007. Such matters include, among other types of proceedings, claims asserted by: (i) individual investors and purported classes of investors in Citigroup's common and preferred stock and debt, alleging violations of the federal securities laws, foreign laws, state securities and fraud law, and the Employee Retirement Income Security Act (ERISA); and (ii) individual investors and purported classes of investors in securities and other investments underwritten, issued or marketed by Citigroup, including securities issued by other public companies, collateralized debt obligations (CDOs), mortgage-backed securities (MBS), auction rate securities (ARS), investment funds, and other structured or leveraged instruments, which have suffered losses as a result of the credit crisis. These matters have been filed in state and federal courts across the U.S. and in foreign tribunals, as well as in arbitrations before the Financial Industry Regulatory Authority (FINRA) and other arbitration associations.

In addition to these litigations and arbitrations, Citigroup continues to cooperate fully in response to subpoenas and requests for information from the Securities and Exchange Commission (SEC), FINRA, state attorneys general, the Department of Justice and subdivisions thereof, bank regulators, and other government agencies and authorities, in connection with various formal and informal (and, in many instances, industry-wide) inquiries concerning Citigroup's mortgage-related conduct and business activities, as well as other business activities affected by the credit crisis. These business activities include, but are not limited to, Citigroup's sponsorship, packaging, issuance, marketing, servicing and underwriting of CDOs and MBS, and its origination, sale or other transfer, servicing, and foreclosure of residential mortgages.

Mortgage-Related Litigation and Other Matters

Securities Actions: Beginning in November 2007, Citigroup and Related Parties were named as defendants in a variety of class action and individual securities lawsuits filed by investors in Citigroup's equity and debt securities in state and federal courts relating to the Company's disclosures regarding its exposure to subprime-related assets.

Citigroup and Related Parties have been named as defendants in the consolidated putative class action IN RE CITIGROUP INC. SECURITIES LITIGATION, pending in the United States District Court for the Southern District of New York. The consolidated amended complaint asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 on behalf of a putative class of purchasers of Citigroup common stock from January 1, 2004 through January 15, 2009. On November 9, 2010, the court issued an opinion and order dismissing all claims except those arising out of Citigroup's exposure to CDOs for the time period February 1, 2007 through April 18, 2008. On August 30, 2012, the court entered an order preliminarily approving the parties' proposed settlement, pursuant to which Citigroup will pay $590 million in exchange for a release of all claims asserted on behalf of the settlement class. A fairness hearing is scheduled for April 8, 2013. Additional information concerning this action is publicly available in court filings under the consolidated lead docket number 07 Civ. 9901 (S.D.N.Y.) (Stein, J.).

Citigroup and Related Parties also have been named as defendants in the consolidated putative class action IN RE CITIGROUP INC. BOND LITIGATION, also pending in the United States District Court for the Southern District of New York. The plaintiffs assert claims under Sections 11, 12 and 15 of the Securities Act of 1933 on behalf of a putative class of purchasers of $71 billion of debt securities and preferred stock issued by Citigroup between May 2006 and August 2008. On July 12, 2010, the court issued an opinion and order dismissing plaintiffs' claims under Section 12 of the Securities Act of 1933, but denying defendants' motion to dismiss certain claims under Section 11. Fact discovery began in November 2010, and plaintiffs' motion to certify a class is pending. Additional information concerning this action is publicly available in court filings under the consolidated lead docket number 08 Civ. 9522 (S.D.N.Y.) (Stein, J.).

Citigroup and Related Parties also have been named as defendants in a variety of other putative class actions and individual actions arising out of similar facts to those alleged in the actions described above. These actions assert a wide range of claims, including claims under the federal securities laws, Section 90 of the Financial Services and Markets Act of 2000 (Eng.), ERISA, and state law. Additional information concerning these actions is publicly available in court filings under the docket numbers 09 Civ. 7359 (S.D.N.Y.) (Stein, J.), 09 Civ. 8755 (S.D.N.Y.) (Stein, J.), 11 Civ. 7672 (S.D.N.Y.) (Koeltl, J.), 12 Civ. 6653 (S.D.N.Y.) (Stein, J.), 12 Civ. 9050 (S.D.N.Y.) (Stein, J.), and Case No. 110105028 (Pa. Commw. Ct.) (Sheppard, J.).

Beginning in November 2007, certain Citigroup affiliates also have been named as defendants arising out of their activities as underwriters of securities in actions brought by investors in securities of public companies adversely affected by the credit crisis. Many of these matters have been dismissed or settled. As a general matter, issuers indemnify underwriters in connection with such claims, but in certain of these matters Citigroup affiliates are not being indemnified or may in the future cease to be indemnified because of the financial condition of the issuer.

Regulatory Actions: On October 19, 2011, in connection with its industry-wide investigation concerning CDO-related business activities, the SEC filed a complaint in the United States District Court for the Southern District of New York regarding Citigroup's structuring and sale of the Class V Funding III CDO transaction (Class V). On the same day, the SEC and Citigroup announced a settlement of the SEC's claims, subject to judicial approval, and the SEC filed a proposed final judgment pursuant to which Citigroup's U.S. broker-dealer Citigroup Global Markets Inc. (CGMI) agreed to disgorge $160 million and to pay $30 million in prejudgment interest and a $95 million penalty. On November 28, 2011, the court issued an order refusing to approve the proposed settlement and ordering trial to begin on July 16, 2012. The parties appealed from this order to the United States Court of Appeals for the Second Circuit, which, on March 15, 2012, granted a stay of the district court proceedings pending resolution of the appeals. The parties have fully briefed their appeals, and the Second Circuit held oral argument on February 8, 2013. Additional information concerning this matter is publicly available in court filings under the docket numbers 11 Civ. 7387 (S.D.N.Y.) (Rakoff, J.) and 11-5227 (2d Cir.).

Mortgage-Backed Securities and CDO Investor Actions and Repurchase Claims: Beginning in July 2010, Citigroup and Related Parties have been named as defendants in complaints filed by purchasers of MBS and CDOs sold or underwritten by Citigroup. The MBS-related complaints generally assert that the defendants made material misrepresentations and omissions about the credit quality of the mortgage loans underlying the securities, such as the underwriting standards to which the loans conformed, the loan-to-value ratio of the loans, and the extent to which the mortgaged properties were owner-occupied, and typically assert claims under Section 11 of the Securities Act of 1933, state blue sky laws, and/or common-law misrepresentation-based causes of action. The CDO-related complaints further allege that the defendants adversely selected or permitted the adverse selection of CDO collateral without full disclosure to investors. The plaintiffs in these actions generally seek rescission of their investments, recovery of their investment losses, or other damages. Other purchasers of MBS and CDOs sold or underwritten by Citigroup have threatened to file additional suits, for some of which Citigroup has agreed to toll (extend) the statute of limitations.

The filed actions generally are in the early stages of proceedings, and certain of the actions or threatened actions have been resolved through settlement or otherwise. The aggregate original purchase amount of the purchases at issue in the filed suits is approximately $10.8 billion, and the aggregate original purchase amount of the purchases covered by tolling agreements with investors threatening litigation is approximately $6.4 billion. The largest MBS investor claim against Citigroup and Related Parties, as measured by the face value of purchases at issue, has been asserted by the Federal Housing Finance Agency, as conservator for Fannie Mae and Freddie Mac. This suit was filed on September 2, 2011, and has been coordinated in the United States District Court for the Southern District of New York with 15 other related suits brought by the same plaintiff against various other financial institutions. Motions to dismiss in the coordinated suits have been denied in large part, and discovery is proceeding. An interlocutory appeal currently is pending in the United States Court of Appeals for the Second Circuit on issues common to all of the coordinated suits. Additional information concerning certain of these actions is publicly available in court filings under the docket numbers 11 Civ. 6196 (S.D.N.Y.) (Cote, J.), 12 Civ. 4000 (S.D.N.Y.) (Swain, J.), 12 Civ. 00790 (M.D. Al.) (Watkins, C.J.), 12 Civ. 4354 (C.D. Cal.) (Pfaezler, J.), 650212/12 (N.Y. Sup. Ct.) (Oing, J.), 652607/2012 (N.Y. Sup. Ct.) (Schweitzer, J.), and CGC-10-501610 (Cal. Super. Ct.) (Kramer, J.).

In addition to these actions, various parties to MBS securitizations and other interested parties have asserted that certain Citigroup affiliates breached representations and warranties made in connection with mortgage loans sold into securitization trusts (private-label securitizations). In connection with such assertions, Citi has received significant levels of inquiries and demands for loan files, as well as requests to toll (extend) the applicable statutes of limitation for, among others, representation and warranty claims relating to its private-label securitizations. These inquiries, demands and requests have come from trustees of securitization trusts and others.

Among these requests, in December 2011, Citigroup received a letter from the law firm Gibbs & Bruns LLP, which purports to represent a group of investment advisers and holders of MBS issued or underwritten by Citigroup affiliates. Through that letter and subsequent discussions, Gibbs & Bruns LLP has asserted that its clients collectively hold certificates in 87 MBS trusts purportedly issued and/or underwritten by Citigroup affiliates, and that Citigroup affiliates have repurchase obligations for certain mortgages in these trusts.

Citi has also received repurchase claims for breaches of representations and warranties related to private-label securitizations. These claims have been received at an unpredictable rate, although the number of claims increased substantially during 2012 and is expected to remain elevated, particularly given the level of inquiries, demands and requests noted above. Upon receipt of a claim, Citi typically requests that it be provided with the underlying detail supporting the claim; however, to date, Citi has received little or no response to these requests for information. As a result, the vast majority of the repurchase claims received on Citi's private-label securitizations remain unresolved. Citi expects unresolved repurchase claims for private-label securitizations to continue to increase because new claims and requests for loan files continue to be received, while there has been little progress to date in resolving these repurchase claims.

Independent Foreclosure Review: On January 7, 2013, Citi, along with other major mortgage servicers operating under consent orders dated April 13, 2011 with the Federal Reserve Board and the Office of the Comptroller of the Currency (OCC), entered into a settlement agreement with those regulators to modify the requirements of the independent foreclosure review mandated by the consent orders. Under the settlement, Citi agreed to pay approximately $305 million into a qualified settlement fund and to offer $487 million of mortgage assistance to borrowers in accordance with agreed criteria. Upon completion of Citi's payment and mortgage assistance obligations under the agreement, the Federal Reserve Board and the OCC have agreed to deem the requirements of the independent foreclosure review under the consent orders to be satisfied.

Abu Dhabi Investment Authority

In 2010, Abu Dhabi Investment Authority (ADIA) commenced an arbitration against Citigroup and Related Parties alleging statutory and common law claims in connection with its $7.5 billion investment in Citigroup in December 2007. ADIA sought rescission of the investment agreement or, in the alternative, more than $4 billion in damages. Following a hearing in May 2011 and post-hearing proceedings, on October 14, 2011, the arbitration panel issued a final award and statement of reasons finding in favor of Citigroup on all claims asserted by ADIA. On January 11, 2012, ADIA filed a petition to vacate the award in New York state court. On January 13, 2012, Citigroup removed the petition to the United States District Court for the Southern District of

New York. On April 3, 2012, Citigroup filed an opposition to ADIA's petition and a cross-petition to confirm the award. Both ADIA's petition and Citigroup's cross-petition are pending. Additional information concerning this matter is publicly available in court filings under the docket number 12 Civ. 283 (S.D.N.Y.) (Daniels, J.).

Alternative Investment Fund–Related Litigation and Other Matters

The SEC is investigating the management and marketing of the ASTA/ MAT and Falcon funds, alternative investment funds managed and marketed by certain Citigroup affiliates that suffered substantial losses during the credit crisis. In addition to the SEC inquiry, on June 11, 2012, the New York Attorney General served a subpoena on a Citigroup affiliate seeking documents and information concerning certain of these funds, and on August 1, 2012, the Massachusetts Attorney General served a Civil Investigative Demand on a Citigroup affiliate seeking similar documents and information. Citigroup is cooperating fully with these inquiries.

In October 2012, Citigroup Alternative Investments LLC (CAI) was named as a defendant in a putative class action lawsuit filed on behalf of investors in CSO Ltd., CSO US Ltd., and Corporate Special Opportunities Ltd., whose investments were managed indirectly by a CAI affiliate. The plaintiff asserts a variety of state common law claims, alleging that he and other investors were misled into investing in the funds and were further misled into not redeeming their investments. The complaint seeks to recover more than $400 million on behalf of a putative class of investors. Additional information concerning this action is publicly available in court filings under the docket number 12-cv-7717 (S.D.N.Y.) (Castel, J.).

In addition, numerous investors in the ASTA/MAT funds have filed lawsuits or arbitrations against Citigroup and Related Parties seeking damages and related relief. Although most of these investor disputes have been resolved, some remain pending.

Auction Rate Securities–Related Litigation and Other Matters

Beginning in March 2008, Citigroup and Related Parties have been named as defendants in numerous actions and proceedings brought by Citigroup shareholders and purchasers or issuers of ARS, asserting claims under the federal securities laws, Section 1 of the Sherman Act and state law arising from the collapse of the ARS market in early 2008, which plaintiffs contend Citigroup and other ARS underwriters foresaw or should have foreseen but failed adequately to disclose. Most of these matters have been dismissed or settled. Additional information concerning certain of the pending actions is publicly available in court filings under the docket numbers 08 Civ. 3095 (S.D.N.Y.) (Swain, J.), 10-722, 10-867, and 11-1270 (2d Cir.).

KIKOs

Prior to the devaluation of the Korean won in 2008, several local banks in Korea, including a Citigroup subsidiary (CKI), entered into foreign exchange derivative transactions with small and medium-size export businesses (SMEs) to enable the SMEs to hedge their currency risk. The derivatives had "knock-in, knock-out" features. Following the devaluation of the won, many of these SMEs incurred significant losses on the derivative transactions and filed civil lawsuits against the banks, including CKI. The claims generally allege that the products were not suitable and that the risk disclosure was inadequate.

As of December 31, 2012, there were 88 civil lawsuits filed by SMEs against CKI. To date, 82 decisions have been rendered at the district court level, and CKI has prevailed in 64 of those decisions. In the other 18 decisions, plaintiffs were awarded only a portion of the damages sought. The damage awards total in the aggregate approximately $28.5 million. CKI is appealing the 18 adverse decisions. A significant number of plaintiffs that had decisions rendered against them are also filing appeals, including plaintiffs that were awarded less than all of the damages they sought.

Of the 82 cases decided at the district court level, 60 have been appealed to the high court, including the 18 in which an adverse decision was rendered against CKI in the district court. Of the 17 appeals decided at high court level, CKI prevailed in 11 cases, and in the other six plaintiffs were awarded partial damages, which increased the aggregate damages awarded against CKI by a further $10.9 million. CKI is appealing five of the adverse decisions to the Korean Supreme Court.

Lehman Structured Notes Matters

Like many other financial institutions, certain Citigroup affiliates and subsidiaries distributed structured notes (Notes) issued and guaranteed by Lehman entities to retail customers outside the United States, principally in Europe and Asia. After the relevant Lehman entities filed for bankruptcy protection in September 2008, certain regulators commenced investigations and some purchasers of the Notes filed civil actions or otherwise complained about the sales process. Citigroup has resolved the vast majority of these regulatory proceedings and customer complaints.

In Belgium, criminal charges were brought against a Citigroup subsidiary (CBB) and three former employees. On December 1, 2010, the court acquitted all defendants of fraud and anti-money laundering charges but convicted all defendants under the Prospectus Act, and convicted CBB under Fair Trade Practices legislation. Both CBB and the Public Prosecutor appealed the judgment. On May 21, 2012, the Belgian appellate court dismissed all criminal charges against CBB. The Public Prosecutor has appealed this decision to the Belgian Supreme Court.

Lehman Brothers Bankruptcy Proceedings

Beginning in September 2010, Citigroup and Related Parties have been named as defendants in various adversary proceedings in the Chapter 11 bankruptcy proceedings of Lehman Brothers Holdings Inc. (LBHI) and the liquidation proceedings of Lehman Brothers Inc. (LBI).

On March 18, 2011, Citigroup and Related Parties were named as defendants in an adversary proceeding asserting claims under federal bankruptcy and state law to recover a $1 billion deposit LBI placed with Citibank, N.A., to avoid a setoff taken by Citibank, N.A. against the deposit, and to recover additional assets of LBI held by Citibank, N.A. and its affiliates. On December 13, 2012, the court entered an order approving a settlement between the parties resolving all of LBI's claims. Under the settlement, Citibank, N.A. retained $1.05 billion of assets to set off against its claims and received an allowed unsecured claim in the amount of $245 million. Additional information concerning this adversary proceeding is publicly available in court filings under the docket numbers 11-01681 (Bankr. S.D.N.Y.) (Peck, J.) and 08-01420 (Bankr. S.D.N.Y.) (Peck, J.).

On February 8, 2012, Citigroup and Related Parties were named as defendants in an adversary proceeding asserting objections to proofs of claim filed by Citibank, N.A. and its affiliates totaling approximately $2.6 billion, and claims under federal bankruptcy and state law to recover $2 billion deposited by LBHI with Citibank, N.A. against which Citibank, N.A. asserts a right of setoff. Plaintiffs also seek avoidance of a $500 million transfer and an amendment to a guarantee in favor of Citibank, N.A., and other relief. Additional information concerning this adversary proceeding is publicly available in court filings under the docket numbers 12-01044 (Bankr. S.D.N.Y.) (Peck, J.) and 08-13555 (Bankr. S.D.N.Y.) (Peck, J.).

Terra Firma Litigation

In December 2009, the general partners of two related private equity funds filed a complaint in New York state court, subsequently removed to the United States District Court for the Southern District of New York, asserting multi-billion-dollar fraud and other common law claims against certain Citigroup affiliates arising out of the May 2007 auction of the music company EMI, in which Citigroup acted as advisor to EMI and as a lender to plaintiffs' acquisition vehicle. Following a jury trial, a verdict was returned in favor of Citigroup on November 4, 2010. Plaintiffs have appealed the judgment with respect to certain of their claims to the United States Court of Appeals for the Second Circuit. Argument was held on October 4, 2012, and the matter is pending. Additional information concerning this action is publicly available in court filings under the docket numbers 09 Civ. 10459 (S.D.N.Y.) (Rakoff, J.) and 11-0126 (2d Cir.).

Terra Securities–Related Litigation

Certain Citigroup affiliates have been named as defendants in an action brought by seven Norwegian municipalities, asserting claims for fraud and negligent misrepresentation arising out of the municipalities' purchase of fund-linked notes acquired from the now-defunct securities firm, Terra Securities, which in turn acquired those notes from Citigroup. Plaintiffs seek approximately $120 million in compensatory damages, plus punitive damages. Defendants' motion for summary judgment is pending. Additional information related to this action is publicly available in court filings under the docket number 09 Civ. 7058 (S.D.N.Y.) (Marrero, J.).

Tribune Company Bankruptcy

Certain Citigroup affiliates have been named as defendants in adversary proceedings related to the Chapter 11 cases of Tribune Company (Tribune) filed in the United States Bankruptcy Court for the District of Delaware, asserting claims arising out of the approximately $11 billion leveraged buyout of Tribune in 2007. On July 23, 2012, the Bankruptcy Court confirmed the Fourth Amended Joint Plan of Reorganization, which provides for releases of claims against Citigroup, other than those against CGMI relating to its role as advisor to Tribune. Certain Citigroup affiliates also have been named as defendants in actions brought by Tribune creditors alleging state law constructive fraudulent conveyance claims. These matters are pending in the

United States District Court for the Southern District of New York as part of a multi-district litigation. Additional information concerning these actions is publicly available in court filings under the docket numbers 08-13141 (Bankr. D. Del.) (Carey, J.), 11 MD 02296 (S.D.N.Y.) (Pauley, J.), and 12 MC 2296 (S.D.N.Y.) (Pauley, J.).

Interbank Offered Rates–Related Litigation and Other Matters

Regulatory Actions: Government agencies in the U.S., including the Department of Justice, the Commodity Futures Trading Commission, the SEC, and a consortium of state attorneys general, as well as agencies in other jurisdictions, including the European Commission, the U.K. Financial Services Authority, the Japanese Financial Services Agency (JFSA), the Canadian Competition Bureau, the Swiss Competition Commission and the Monetary Authority of Singapore, are conducting investigations or making inquiries regarding submissions made by panel banks to bodies that publish various interbank offered rates and other benchmark rates. As members of a number of such panels, Citigroup subsidiaries have received requests for information and documents. Citigroup is cooperating with the investigations and inquiries and is responding to the requests.

On December 16, 2011, the JFSA took administrative action against Citigroup Global Markets Japan Inc. (CGMJ) for, among other things, certain communications made by two CGMJ traders about the Euroyen Tokyo interbank offered rate (TIBOR) and the Japanese yen London interbank offered rate (LIBOR). The JFSA issued a business improvement order and suspended CGMJ's trading in derivatives related to yen LIBOR and Euroyen and yen TIBOR from January 10 to January 23, 2012. On the same day, the JFSA also took administrative action against Citibank Japan Ltd. (CJL) for conduct arising out of CJL's retail business and also noted that the communications made by the CGMJ traders to employees of CJL about Euroyen TIBOR had not been properly reported to CJL's management team.

Antitrust and Other Litigation: Citigroup and Citibank, N.A., along with other U.S. Dollar (USD) LIBOR panel banks, are defendants in a multi-district litigation (MDL) proceeding before Judge Buchwald in the United States District Court for the Southern District of New York captioned IN RE LIBOR-BASED FINANCIAL INSTRUMENTS ANTITRUST LITIGATION, appearing under docket number 1:11-md-2262 (S.D.N.Y.). Judge Buchwald has appointed interim lead class counsel for, and consolidated amended complaints have been filed on behalf of, three separate putative classes of plaintiffs: (i) over-the-counter (OTC) purchasers of derivative instruments tied to USD LIBOR; (ii) purchasers of exchange-traded derivative instruments tied to USD LIBOR; and (iii) indirect OTC purchasers of U.S. debt securities. Each of these putative classes alleges that the panel bank defendants conspired to suppress USD LIBOR in violation of the Sherman Act and/or the Commodity Exchange Act, thereby causing plaintiffs to suffer losses on the instruments they purchased. Also consolidated into the MDL proceeding are individual civil actions commenced by various Charles Schwab entities alleging that the panel bank defendants conspired to suppress the USD LIBOR rates in violation of the Sherman Act, the Racketeer Influenced and Corrupt Organizations Act (RICO), and California state law, causing the Schwab entities to suffer losses on USD LIBOR-linked financial instruments they owned. Plaintiffs in these actions seek compensatory damages and restitution for losses caused by the alleged violations, as well as treble damages under the Sherman Act. The Schwab and OTC plaintiffs also seek injunctive relief.

Citigroup and Citibank, N.A., along with other defendants, have moved to dismiss all of the above actions that were consolidated into the MDL proceeding as of June 29, 2012. Briefing on the motion to dismiss was completed on September 27, 2012. Judge Buchwald has stayed all subsequently filed actions that fall within the scope of the MDL until the motion to dismiss has been resolved. Citigroup and/or Citibank, N.A. are named in the 17 such stayed actions that have been consolidated with or marked as related to the MDL proceeding.

Eleven of these actions have been brought on behalf of various putative plaintiff classes, including (i) banks, savings and loans institutions and credit unions that allegedly suffered losses on loans they made at interest rates tied to USD LIBOR, (ii) holders of adjustable-rate mortgages tied to USD LIBOR, and (iii) individual and municipal purchasers of various financial instruments tied to USD LIBOR. The remaining six actions have been brought by individual plaintiffs, including an entity that allegedly purchased municipal bonds and various California counties, municipalities, and related public entities that invested in various derivatives tied to USD LIBOR. Plaintiffs in each of the 17 stayed actions allege that the panel bank defendants manipulated USD LIBOR in violation of the Sherman Act, RICO, and/or state antitrust and racketeering laws, and several plaintiffs also assert common law claims, including fraud, unjust enrichment, negligent misrepresentation, interference with economic advantage, and/or breach of the implied covenant of good faith and fair dealing. Plaintiffs seek compensatory damages and, where authorized by statute, treble damages and injunctive relief.

Additional information concerning the stayed actions is publicly available in court filings under docket numbers 1:12-cv-4205 (S.D.N.Y.) (Buchwald, J.), 1:12-cv-5723 (S.D.N.Y.) (Buchwald, J.), 1:12-cv-5822 (S.D.N.Y.) (Buchwald, J.), 1:12-cv-6056 (S.D.N.Y.) (Buchwald, J.), 1:12-cv-7461 (S.D.N.Y.) (Buchwald, J.), 2:12-cv-10903 (C.D. Calif.) (Snyder, J.), 3:12-cv-6571 (N.D. Calif.) (Conti, J.), 3:13-cv-106 (N.D. Calif.) (Beeler, J.), 4:13-cv-108 (N.D. Calif.) (Ryu, J.), 3:13-cv-109 (N.D. Calif.) (Laporte, J.), 5:13-cv-62 (C.D. Calif.) (Phillips, J.), 3:13-cv-48 (S.D. Calif.) (Huff, J.), 1:13-cv-346 (S.D.N.Y.) (Buchwald, J.), 1:13-cv-407 (S.D.N.Y.) (Buchwald, J.), 5:13-cv-122 (C.D. Calif.) (Bernal, J.), 1:13-cv-981 (S.D.N.Y.) (Buchwald, J.), and 1:13-cv-1016 (S.D.N.Y.) (Buchwald, J.).

In addition, on November 27, 2012, an action captioned MARAGOS V. BANK OF AMERICA CORP. ET AL. was filed on behalf of the County of Nassau against various USD LIBOR panel banks, including Citibank, N.A., and the other defendants with whom the plaintiff had entered into interest rate swap transactions. The action was commenced in state court and subsequently removed to the United States District Court for the Eastern District of New York. The plaintiff asserts claims for fraud and deceptive trade practices under New York law against the panel bank defendants based on allegations that the panel banks colluded to artificially suppress USD LIBOR, thereby lowering the payments the plaintiff received in connection with various interest rate swap transactions. The plaintiff seeks compensatory damages and treble damages. The defendants have sought consolidation of this action with the MDL proceeding. Additional information concerning this action is publicly available in court filings under docket number 2:12-cv-6294 (E.D.N.Y.) (Spatt, J.).

Separately, on April 30, 2012, an action was filed in the United States District Court for the Southern District of New York on behalf of a putative class of persons and entities who transacted in exchange-traded Euroyen futures and option contracts between June 2006 and September 2010. This action is captioned LAYDON V. MIZUHO BANK LTD. ET AL. The plaintiff filed an amended complaint on November 30, 2012, naming as defendants banks that are or were members of the panels making submissions used in the calculation of Japanese yen LIBOR and TIBOR, and certain affiliates of some of those banks, including Citibank, N.A., Citigroup, CJL and CGMJ. The complaint alleges that the plaintiffs were injured as a result of purported manipulation of those reference interest rates, and asserts claims arising under the Commodity Exchange Act and the Sherman Act and for unjust enrichment. Plaintiffs seek compensatory damages, treble damages under the Sherman Act, and injunctive relief. Additional information concerning this action is publicly available in court filings under the docket number 12-cv-3419 (S.D.N.Y.) (Daniels, J.).

Interchange Fees Litigation

Beginning in 2005, several putative class actions were filed against Citigroup and Related Parties, together with Visa, MasterCard and other banks and their affiliates, in various federal district courts and consolidated with other related cases in a multi-district litigation proceeding before Judge Gleeson in the United States District Court for the Eastern District of New York. This proceeding is captioned IN RE PAYMENT CARD INTERCHANGE FEE AND MERCHANT DISCOUNT ANTITRUST LITIGATION.

The plaintiffs, merchants that accept Visa- and MasterCard-branded payment cards as well as membership associations that claim to represent certain groups of merchants, allege, among other things, that defendants have engaged in conspiracies to set the price of interchange and merchant discount fees on credit and debit card transactions and to restrain trade through various Visa and MasterCard rules governing merchant conduct, all in violation of Section 1 of the Sherman Act and certain California statutes. Plaintiffs seek, on behalf of classes of U.S. merchants, treble damages, including all interchange fees paid to all Visa and MasterCard members with respect to Visa and MasterCard transactions in the U.S. since at least January 1, 2004, as well as injunctive relief. Supplemental complaints have also been filed against defendants in the putative class actions alleging that Visa's and MasterCard's respective initial public offerings were anticompetitive and violated Section 7 of the Clayton Act, and that MasterCard's initial public offering constituted a fraudulent conveyance.

On July 13, 2012, all parties to the putative class actions, including Citigroup and Related Parties, entered into a Memorandum of Understanding (MOU) setting forth the material terms of a class settlement. The class settlement contemplated by the MOU provides for, among other things, a total payment by all defendants to the class of $6.05 billion; a rebate to merchants participating in the damages class settlement of 10 basis points on interchange collected for a period of eight months by the Visa and MasterCard networks; changes to certain network rules that would permit merchants to surcharge some payment card transactions subject to certain limitations and conditions, including disclosure to consumers at the point of sale; and broad releases in favor of the defendants. Subsequently, all defendants and certain of the plaintiffs who had entered into the MOU executed a settlement agreement consistent with the terms of the MOU.

On November 27, 2012, the court entered an order granting preliminary approval of the proposed class settlements and provisionally certified two classes for settlement purposes only. The court scheduled a final approval hearing for September 12, 2013. Several large merchants and associations have stated publicly that they intend to object to or opt out of the settlement, and have appealed from the court's preliminary approval of the proposed class settlements.

Visa and MasterCard have also entered into a settlement agreement with merchants that filed individual, non-class actions. While Citigroup and Related Parties are not parties to the individual merchant non-class settlement agreement, they are contributing to that settlement, and the agreement provides for a release of claims against Citigroup and Related Parties.

Additional information concerning these consolidated actions is publicly available in court filings under the docket number MDL 05-1720 (E.D.N.Y.) (Gleeson, J.).

Regulatory Review of Consumer "Add-On" Products

Certain of Citi's consumer businesses, including its Citi-branded and retail services cards businesses, offer or have in the past offered or participated in the marketing, distribution, or servicing of products, such as payment protection and identity monitoring, that are ancillary to the provision of credit to the consumer (add-on products). These add-on products have been the subject of enforcement actions against other institutions by regulators, including the Consumer Financial Protection Bureau (CFPB), the OCC, and the FDIC, that have resulted in orders to pay restitution to customers and penalties in substantial amounts. Certain state attorneys general also have filed industry-wide suits under state consumer protection statutes, alleging deceptive marketing practices in connection with the sale of payment protection products and demanding restitution and statutory damages for instate customers. In light of the current regulatory focus on add-on products and the actions regulators have taken in relation to other credit card issuers, one or more regulators may order that Citi pay restitution to customers and/or impose penalties or other relief arising from Citi's marketing, distribution, or servicing of add-on products.

Parmalat Litigation and Related Matters

On July 29, 2004, Dr. Enrico Bondi, the Extraordinary Commissioner appointed under Italian law to oversee the administration of various Parmalat companies, filed a complaint in New Jersey state court against Citigroup and Related Parties alleging, among other things, that the defendants "facilitated" a number of frauds by Parmalat insiders. On October 20, 2008, following trial, a jury rendered a verdict in Citigroup's favor on Parmalat's claims and in favor of Citibank, N.A. on three counterclaims. Parmalat has exhausted all appeals, and the judgment is now final. Additional information concerning this matter is publicly available in court filings under docket number A-2654-08T2 (N.J. Sup. Ct.).

Prosecutors in Parma and Milan, Italy, have commenced criminal proceedings against certain current and former Citigroup employees (along with numerous other investment banks and certain of their current and former employees, as well as former Parmalat officers and accountants). In the event of an adverse judgment against the individuals in question, the authorities could seek administrative remedies against Citigroup. On April 18, 2011, the Milan criminal court acquitted the sole Citigroup defendant of market-rigging charges. The Milan prosecutors have appealed part of that judgment and seek administrative remedies against Citigroup, which may include disgorgement of 70 million Euro and a fine of 900,000 Euro. Additionally, the Parmalat administrator filed a purported civil complaint against Citigroup in the context of the Parma criminal proceedings, which seeks 14 billion Euro in damages. In January 2011, certain Parmalat institutional investors filed a civil complaint seeking damages of approximately 130 million Euro against Citigroup and other financial institutions.

Allied Irish Bank Litigation

In 2003, Allied Irish Bank (AIB) filed a complaint in the United States District Court for the Southern District of New York seeking to hold Citibank, N.A. and Bank of America, N.A., former prime brokers for AIB's subsidiary Allfirst Bank (Allfirst), liable for losses incurred by Allfirst as a result of fraudulent and fictitious foreign currency trades entered into by one of Allfirst's traders. AIB seeks compensatory damages of approximately $500 million, plus punitive damages, from Citibank, N.A. and Bank of America, N.A. collectively. In 2006, the court granted in part and denied in part defendants' motion to dismiss. In 2009, AIB filed an amended complaint. In 2012, the parties completed discovery and the court granted Citibank, N.A.'s motion to strike AIB's demand for a jury trial. Citibank, N.A. also filed a motion for summary judgment, which is pending. AIB has announced a settlement with Bank of America, N.A. for an undisclosed amount, leaving Citibank, N.A. as the sole remaining defendant. Additional information concerning this matter is publicly available in court filings under docket number 03 Civ. 3748 (S.D.N.Y.) (Batts, J.).

Settlement Payments

Payments required in settlement agreements described above have been made or are covered by existing litigation accruals.

*   *   *

Additional matters asserting claims similar to those described above may be filed in the future.

TRADING ACCOUNT ASSETS AND LIABILITIES (Tables)

12 Months Ended

Dec. 31, 2012

TRADING ACCOUNT ASSETS AND LIABILITIES

Trading account assets and liabilities

In millions of dollars	**2012**	2011
Trading account assets		
Mortgage-backed securities [(1)]		
U.S. government-sponsored agency guaranteed	**$31,160**	$27,535
Prime	**1,248**	877
Alt-A	**801**	609
Subprime	**812**	989
Non-U.S. residential	**607**	396
Commercial	**2,441**	2,333
Total mortgage-backed securities	**$37,069**	$32,739
U.S. Treasury and federal agency securities		
U.S. Treasury	**$17,472**	$18,227
Agency obligations	**2,884**	1,172
Total U.S. Treasury and federal agency securities	**$20,356**	$19,399
State and municipal securities	**$3,806**	$5,364
Foreign government securities	**89,239**	79,551
Corporate	**35,224**	37,026
Derivatives [(2)]	**54,620**	62,327
Equity securities	**56,998**	33,230
Asset-backed securities [(1)]	**5,352**	7,071
Other debt securities	**18,265**	15,027
Total trading account assets	**$320,929**	$291,734
Trading account liabilities		
Securities sold, not yet purchased	**$63,798**	$69,809
Derivatives [(2)]	**51,751**	56,273
Total trading account liabilities	**$115,549**	$126,082

(1) The Company invests in mortgage-backed and asset-backed securities. These securitizations are generally considered VIEs. The Company's maximum exposure to loss from these VIEs is equal to the carrying amount of the securities, which is reflected in the table above. For mortgage-backed and asset-backed securitizations in which the Company has other involvement, see Note 22 to the Consolidated Financial Statements.

(2) Presented net, pursuant to enforceable master netting agreements. See Note 23 to the Consolidated Financial Statements for a discussion regarding the accounting and reporting for derivatives.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Details 2) (USD $)	0 Months Ended	3 Months Ended	12 Months Ended													3 Months Ended										3 Months Ended		12 Months Ended	3 Months Ended
	Jan. 02, 2012	Mar. 31, 2012	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2012 Mortgage-backed securities	Dec. 31, 2011 Mortgage-backed securities	Dec. 31, 2012 Prime	Dec. 31, 2011 Prime	Dec. 31, 2012 Alt-A	Dec. 31, 2011 Alt-A	Dec. 31, 2012 Non-U.S. residential	Dec. 31, 2011 Non-U.S. residential	Dec. 31, 2012 Asset-backed securities	Dec. 31, 2011 Asset-backed securities	Jun. 30, 2010 Embedded Credit Derivatives	Jul. 02, 2010 Embedded Credit Derivatives	Jul. 02, 2010 Embedded Credit Derivatives Mortgage-backed securities	Jul. 02, 2010 Embedded Credit Derivatives Prime	Jul. 02, 2010 Embedded Credit Derivatives Alt-A	Jul. 02, 2010 Embedded Credit Derivatives Subprime	Jul. 02, 2010 Embedded Credit Derivatives Non-U.S. residential	Jul. 02, 2010 Embedded Credit Derivatives Asset-backed securities	Jul. 02, 2010 Embedded Credit Derivatives Auction rate securities	Jul. 02, 2010 Embedded Credit Derivatives Other asset-backed	Dec. 31, 2012 OCC Chapter 7 Bankruptcy Guidance	Sep. 30, 2012 OCC Chapter 7 Bankruptcy Guidance	Dec. 31, 2012 OCC Chapter 7 Bankruptcy Guidance	Sep. 30, 2011 Troubled Debt Restructurings (TDRs)
New Accounting Pronouncements or Change in Accounting Principle																													
Allowance for credit losses associated with loans modified under the ASU																													$ 467,000,000
Impact of the adoption of the ASU to the pretax income																													60,000,000
Amortized cost						53,965,000,000	49,649,000,000	85,000,000	118,000,000	1,000,000	1,000,000	7,442,000,000	4,671,000,000	14,188,000,000	11,053,000,000		12,062,000,000	3,410,000,000	390,000,000	550,000,000	221,000,000	2,249,000,000	8,652,000,000	4,463,000,000	4,189,000,000				
Gross unrealized losses recognized in AOCI						166,000,000	88,000,000		6,000,000				22,000,000	143,000,000	81,000,000		420,000,000						420,000,000	401,000,000	19,000,000				
Gross unrealized gains recognized in AOCI						1,672,000,000	1,464,000,000	1,000,000	1,000,000			148,000,000	9,000,000	85,000,000	31,000,000		359,000,000	147,000,000	49,000,000	54,000,000	6,000,000	38,000,000	212,000,000	48,000,000	164,000,000				
Fair Value																	12,001,000,000	3,557,000,000	439,000,000	604,000,000	227,000,000	2,287,000,000	8,444,000,000	4,110,000,000	4,334,000,000				
Other-than-temporary-impairment charges			4,655,000,000													176,000,000													
Reserves released as a result of implementing the prohibition on valuation adjustments		125,000,000																											
Incremental charge-offs due to implementation of new guidance			17,478,000,000	23,164,000,000	34,491,000,000																					(40,000,000)	635,000,000		
Release of loan loss reserve due to implementation of new guidance			(1,882,000,000)	(8,434,000,000)	(6,523,000,000)																						(600,000,000)		
Impaired Financing Receivable, Recorded Investment																													1,170,000,000
Reduction in deferred asset cost as a result of adoption of new accounting standards for deferred asset acquisition costs	165,000,000																												
Deferred tax asset recorded as a result of adoption of new accounting standards for deferred asset acquisition costs	58,000,000		2,651,000,000	2,127,000,000																									
Change in opening retained earning as a result of adoption of new accounting standards for deferred asset acquisition costs	107,000,000																												
Net reduction in pretax income due to implementation of new guidance																												35,000,000	
Increase in TDRs resulted from implementation of new guidance																											1,700,000,000		
Increase in non-accrual loans resulted from implementation of new guidance																											1,500,000,000		
Increase in current non-accrual loans resulted from implementation of new guidance																											$ 1,300,000,000		

LOANS (Details 6) (USD $)	12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011
Loans receivable		
Loans at fair value	$ 5,287,000,000	$ 5,265,000,000
Loans, net of unearned income	655,464,000,000	647,242,000,000
Corporate		
Loans receivable		
Loans sold and/or reclassified to held-for-sale	4,400,000,000	6,400,000,000
Number of days past due for reversal of accrued interest and charging to earnings	90 days	90 days
Loans, equal to 30- 89 days past due and accruing	344,000,000	545,000,000
Loans, greater than or equal to 90 days past due and accruing	125,000,000	183,000,000
Loans, total Past due and accruing	469,000,000	728,000,000
Loans, total non-accrual	2,333,000,000	3,236,000,000
Loans, total current	239,935,000,000	215,999,000,000
Loans at fair value	4,056,000,000	3,939,000,000
Loans, net of unearned income	246,793,000,000	223,902,000,000
Number of days past due, non-accrual status	90 days	90 days
Loans less than this number of days past due are considered current	30 days	30 days
Corporate | Commercial and industrial		
Loans receivable		
Loans, equal to 30- 89 days past due and accruing	38,000,000	93,000,000
Loans, greater than or equal to 90 days past due and accruing	10,000,000	30,000,000
Loans, total Past due and accruing	48,000,000	123,000,000
Loans, total non-accrual	1,078,000,000	1,134,000,000
Loans, total current	107,650,000,000	98,157,000,000
Loans, net of unearned income	108,776,000,000	99,414,000,000
Corporate | Financial institutions		
Loans receivable		
Loans, equal to 30- 89 days past due and accruing	5,000,000	
Loans, greater than or equal to 90 days past due and accruing		2,000,000
Loans, total Past due and accruing	5,000,000	2,000,000
Loans, total non-accrual	454,000,000	763,000,000
Loans, total current	53,858,000,000	42,642,000,000
Loans, net of unearned income	54,317,000,000	43,407,000,000
Corporate | Mortgage and real estate		
Loans receivable		
Loans, equal to 30- 89 days past due and accruing	224,000,000	224,000,000
Loans, greater than or equal to 90 days past due and accruing	109,000,000	125,000,000
Loans, total Past due and accruing	333,000,000	349,000,000
Loans, total non-accrual	680,000,000	1,039,000,000
Loans, total current	30,057,000,000	26,908,000,000
Loans, net of unearned income	31,070,000,000	28,296,000,000

Corporate | Lease financing		
Loans receivable		
Loans, equal to 30- 89 days past due and accruing	7,000,000	3,000,000
Loans, greater than or equal to 90 days past due and accruing		11,000,000
Loans, total Past due and accruing	7,000,000	14,000,000
Loans, total non-accrual	52,000,000	13,000,000
Loans, total current	1,956,000,000	1,811,000,000
Loans, net of unearned income	2,015,000,000	1,838,000,000
Corporate | Other		
Loans receivable		
Loans, equal to 30- 89 days past due and accruing	70,000,000	225,000,000
Loans, greater than or equal to 90 days past due and accruing	6,000,000	15,000,000
Loans, total Past due and accruing	76,000,000	240,000,000
Loans, total non-accrual	69,000,000	287,000,000
Loans, total current	46,414,000,000	46,481,000,000
Loans, net of unearned income	$ 46,559,000,000	$ 47,008,000,000

FAIR VALUE ELECTIONS (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011
Assets		
Federal funds sold and securities borrowed or purchased under agreements to resell, selected portfolios of securities purchased under agreements to resell and securities borrowed	$ 160,589	$ 142,862
Investments	294,463	274,040
Loans	5,287	5,265
Other assets	13,299	13,360
Liabilities		
Federal funds purchased and securities loaned or sold under agreements to repurchase	116,689	97,712
Short-term borrowings	818	1,354
Long-term debt, at fair value	29,764	24,172
Fair value, fair value option		
Assets		
Federal funds sold and securities borrowed or purchased under agreements to resell, selected portfolios of securities purchased under agreements to resell and securities borrowed	160,589	142,862
Trading account assets	17,206	14,179
Investments	443	526
Loans	5,287	5,265
Other assets	8,843	8,829
Total assets	192,368	171,661
Liabilities		
Interest-bearing deposits	1,447	1,326
Federal funds purchased and securities loaned or sold under agreements to repurchase	116,689	97,712
Trading account liabilities	1,461	1,763
Short-term borrowings	818	1,354
Long-term debt, at fair value	29,764	24,172
Total liabilities	150,179	126,327
Fair value, fair value option | Corporate loans		
Assets		
Loans	4,056	3,939
Fair value, fair value option | Consumer loans		
Assets		
Loans	1,231	1,326
Fair value, fair value option | Mortgage servicing rights		
Assets		
Other assets	1,942	2,569
Fair value, fair value option | Certain mortgage loans held for sale		
Assets		
Other assets	6,879	6,213
Fair value, fair value option | Certain equity method investments		

Assets		
Other assets	22	47
Changes in fair value gains (losses)		
Assets		
Federal funds sold and securities borrowed or purchased under agreements to resell, selected portfolios of securities purchased under agreements to resell and securities borrowed	(409)	(138)
Trading account assets	838	(1,775)
Investments	(50)	233
Loans	(27)	(199)
Other assets	(74)	(1,310)
Total assets Changes in fair value gain (loss) on assets	278	(3,189)
Liabilities		
Interest-bearing deposits	(218)	107
Federal funds purchased and securities loaned or sold under agreements to repurchase Selected portfolios of securities sold under agreements to repurchase and securities loaned	66	(108)
Trading account liabilities	(143)	872
Short-term borrowings	(2)	(15)
Long-term debt	(2,225)	1,611
Fair value option changes in fair value gain (loss) on liabilities	(2,522)	2,467
Changes in fair value gains (losses) | Corporate loans		
Assets		
Loans	77	82
Changes in fair value gains (losses) | Consumer loans		
Assets		
Loans	(104)	(281)
Changes in fair value gains (losses) | Mortgage servicing rights		
Assets		
Other assets	(427)	(1,465)
Changes in fair value gains (losses) | Certain mortgage loans held for sale		
Assets		
Other assets	350	172
Changes in fair value gains (losses) | Certain equity method investments		
Assets		
Other assets	$ 3	$ (17)

DERIVATIVES ACTIVITIES (Tables)	12 Months Ended Dec. 31, 2012

DERIVATIVES ACTIVITIES

Derivative Notionals

In millions of dollars	Hedging instruments under ASC 815 (SFAS 133) (1)(2) December 31, 2012	December 31, 2011	Other derivative instruments: Trading derivatives December 31, 2012	December 31, 2011	Management hedges (3) December 31, 2012	December 31, 2011
Interest rate contracts						
Swaps	**$ 114,296**	$ 163,079	**$ 30,050,856**	$ 28,069,960	**$ 99,434**	$ 119,344
Futures and forwards	**—**	—	**4,823,370**	3,549,642	**45,856**	43,965
Written options	**—**	—	**3,752,905**	3,871,700	**22,992**	16,786
Purchased options	**—**	—	**3,542,048**	3,888,415	**7,890**	7,338
Total interest rate contract notionals	**$ 114,296**	$ 163,079	**$ 42,169,179**	$ 39,379,717	**$ 176,172**	$ 187,433
Foreign exchange contracts						
Swaps	**$ 22,207**	$ 27,575	**$ 1,393,368**	$ 1,182,363	**$ 16,900**	$ 22,458
Futures and forwards	**70,484**	55,211	**3,484,193**	3,191,687	**33,768**	31,095
Written options	**96**	4,292	**781,698**	591,818	**989**	190
Purchased options	**456**	39,163	**778,438**	583,891	**2,106**	53
Total foreign exchange contract notionals	**$ 93,243**	$ 126,241	**$ 6,437,697**	$ 5,549,759	**$ 53,763**	$ 53,796
Equity contracts						
Swaps	**$ —**	$ —	**$ 96,039**	$ 86,978	**$ —**	$ —
Futures and forwards	**—**	—	**16,171**	12,882	**—**	—
Written options	**—**	—	**320,243**	552,333	**—**	—
Purchased options	**—**	—	**281,236**	509,322	**—**	—
Total equity contract notionals	**$ —**	$ —	**$ 713,689**	$ 1,161,515	**$ —**	$ —
Commodity and other contracts						
Swaps	**$ —**	$ —	**$ 27,323**	$ 23,403	**$ —**	$ —
Futures and forwards	**—**	—	**75,897**	73,090	**—**	—
Written options	**—**	—	**86,418**	90,650	**—**	—
Purchased options	**—**	—	**89,284**	99,234	**—**	—
Total commodity and other contract notionals	**$ —**	$ —	**$ 278,922**	$ 286,377	**$ —**	$ —
Credit derivatives (4)						
Protection sold	**$ —**	$ —	**$ 1,346,494**	$ 1,394,528	**$ —**	$ —
Protection purchased	**354**	4,253	**1,412,194**	1,486,723	**21,741**	21,914
Total credit derivatives	**$ 354**	$ 4,253	**$ 2,758,688**	$ 2,881,251	**$ 21,741**	$ 21,914
Total derivative notionals	**$ 207,893**	$ 293,573	**$ 52,358,175**	$ 49,258,619	**$ 251,676**	$ 263,143

(1) The notional amounts presented in this table do not include hedge accounting relationships under ASC 815 (SFAS 133) where Citigroup is hedging the foreign currency risk of a net investment in a foreign operation by issuing a foreign-currency-denominated debt instrument. The notional amount of such debt is $4,888 million and $7,060 million at December 31, 2012 and December 31, 2011, respectively.

(2) Derivatives in hedge accounting relationships accounted for under ASC 815 (SFAS 133) are recorded in either *Other assets/Other liabilities* or *Trading account assets/Trading account liabilities* on the Consolidated Balance Sheet.

(3) Management hedges represent derivative instruments used in certain economic hedging relationships that are identified for management purposes, but for which hedge accounting is not applied. These derivatives are recorded in either *Other assets/Other liabilities* or *Trading account assets/Trading account liabilities* on the Consolidated Balance Sheet.

(4) Credit derivatives are arrangements designed to allow one party (protection buyer) to transfer the credit risk of a "reference asset" to another party (protection seller). These arrangements allow a protection seller to assume the credit risk associated with the reference asset without directly purchasing that asset. The Company has entered into credit derivative positions for purposes such as risk management, yield enhancement, reduction of credit concentrations and diversification of overall risk.

Derivative Mark-to-Market (MTM) Receivables/Payables

In millions of dollars at December 31, 2012	Derivatives classified in trading account assets/liabilities (1)(2) Assets	Liabilities	Derivatives classified in other assets/liabilities (2) Assets	Liabilities
Derivative instruments designated as ASC 815 (SFAS 133) hedges				
Interest rate contracts	**$7,795**	**$ 2,263**	**$ 4,574**	**$ 1,178**
Foreign exchange contracts	**341**	**1,350**	**978**	**525**
Credit derivatives	**—**	**—**	**—**	**16**
Total derivative instruments designated as ASC 815 (SFAS 133) hedges	**$ 8,136**	**$ 3,613**	**$ 5,552**	**$ 1,719**
Other derivative instruments				
Interest rate contracts	**$ 895,726**	**$ 890,405**	**$ 449**	**$ 29**
Foreign exchange contracts	**76,291**	**80,771**	**200**	**112**
Equity contracts	**18,293**	**31,867**	**—**	**—**

Commodity and other contracts	10,907	12,142	—	—
Credit derivatives [3]	54,275	52,300	102	392
Total other derivative instruments	**$ 1,055,492**	**$ 1,067,485**	**$ 751**	**$ 533**
Total derivatives	**$ 1,063,628**	**$ 1,071,098**	**$ 6,303**	**$ 2,252**
Cash collateral paid/received [4][5]	**5,597**	**7,923**	**214**	**658**
Less: Netting agreements and market value adjustments [6]	**(975,695)**	**(971,715)**	**—**	**—**
Less: Net cash collateral received/paid [7]	**(38,910)**	**(55,555)**	**(4,660)**	**—**
Net receivables/payables	**$ 54,620**	**$ 51,751**	**$ 1,857**	**$ 2,910**

(1) The trading derivatives fair values are presented in Note 14 to the Consolidated Financial Statements.
(2) Derivative mark-to-market receivables/payables related to management hedges are recorded in either *Other assets/Other liabilities* or *Trading account assets/ Trading account liabilities*.
(3) The credit derivatives trading assets are composed of $34,565 million related to protection purchased and $19,710 million related to protection sold as of December 31, 2012. The credit derivatives trading liabilities are composed of $20,470 million related to protection purchased and $31,830 million related to protection sold as of December 31, 2012.
(4) For the trading assets/liabilities, this is the net amount of the $61,152 million and $46,833 million of gross cash collateral paid and received, respectively. Of the gross cash collateral paid, $55,555 million was used to offset derivative liabilities and, of the gross cash collateral received, $38,910 million was used to offset derivative assets.
(5) For the other assets/liabilities, this is the net amount of the $214 million and $5,318 million of the gross cash collateral paid and received, respectively. Of the gross cash collateral received, $4,660 million was used to offset derivative assets.
(6) Represents the netting of derivative receivable and payable balances for the same counterparty under enforceable netting agreements.
(7) Represents the netting of cash collateral paid and received by counterparty under enforceable credit support agreements.

	Derivatives classified in trading account assets/liabilities [1][2]		**Derivatives classified in other assets/liabilities [2]**	
In millions of dollars at December 31, 2011	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Derivative instruments designated as ASC 815 (SFAS 133) hedges				
Interest rate contracts	$ 8,274	$3,306	$ 3,968	$ 1,518
Foreign exchange contracts	3,706	1,451	1,201	863
Credit derivatives	—	—	—	—
Total derivative instruments designated as ASC 815 (SFAS 133) hedges	$ 11,980	$4,757	$ 5,169	$ 2,381
Other derivative instruments				
Interest rate contracts	$ 749,213	$ 736,785	$ 212	$ 96
Foreign exchange contracts	90,611	95,912	325	959
Equity contracts	20,235	33,139	—	—
Commodity and other contracts	13,763	14,631	—	—
Credit derivatives [3]	90,424	84,726	430	126
Total other derivative instruments	$ 964,246	$ 965,193	$ 967	$ 1,181
Total derivatives	$ 976,226	$ 969,950	$ 6,136	$ 3,562
Cash collateral paid/received [4][5]	6,634	7,870	307	180
Less: Netting agreements and market value adjustments [6]	(875,592)	(870,366)	—	—
Less: Net cash collateral received/paid [7]	(44,941)	(51,181)	(3,462)	—
Net receivables/payables	$ 62,327	$ 56,273	$ 2,981	$ 3,742

(1) The trading derivatives fair values are presented in Note 14 to the Consolidated Financial Statements.
(2) Derivative mark-to-market receivables/payables related to management hedges are recorded in either *Other assets/Other liabilities* or *Trading account assets/ Trading account liabilities*.
(3) The credit derivatives trading assets are composed of $79,089 million related to protection purchased and $11,335 million related to protection sold as of December 31, 2011. The credit derivatives trading liabilities are composed of $12,235 million related to protection purchased and $72,491 million related to protection sold as of December 31, 2011.
(4) For the trading assets/liabilities, this is the net amount of the $57,815 million and $52,811 million of gross cash collateral paid and received, respectively. Of the gross cash collateral paid, $51,181 million was used to offset derivative liabilities and, of the gross cash collateral received, $44,941 million was used to offset derivative assets.
(5) For the other assets/liabilities, this is the net amount of the $307 million and $3,642 million of the gross cash collateral paid and received, respectively. Of the gross cash collateral received, $3,462 million was used to offset derivative assets.
(6) Represents the netting of derivative receivable and payable balances for the same counterparty under enforceable netting agreements.
(7) Represents the netting of cash collateral paid and received by counterparty under enforceable credit support agreements.

Schedule of amounts recognized in Principal transactions in the Consolidated Statement of Income related to derivatives not designated in a qualifying hedging

	Year ended December 31,		
In millions of dollars	**2012**	2011	2010
Interest rate contracts	**$ 2,301**	$ 5,136	$ 3,231
Foreign exchange	**2,403**	2,309	1,852
Equity contracts	**158**	3	995
Commodity and other	**92**	76	126
Credit derivatives	**(173)**	(290)	1,313
Total Citigroup [1]	**$ 4,781**	$ 7,234	$ 7,517

(1) Also see Note 7 to the Consolidated Financial Statements.

[Schedule of amounts recognized in Other Revenue in the Consolidated Statement of Income related to derivatives not designated in a qualifying hedging relationship and underlying non-derivative instruments]

In millions of dollars	Gains (losses) included in Other revenue Year ended December 31, 2012	2011	2010
Interest rate contracts	**$ (427)**	$ 1,192	$ (205)
Foreign exchange contracts	**182**	224	(2,052)
Credit derivatives	**(1,022)**	115	(502)
Total Citigroup [(1)]	**$ (1,267)**	$ 1,531	$ (2,759)

(1) Non-designated derivatives are derivative instruments not designated in qualifying hedging relationships.

[Gains (losses) on fair value hedges]

In millions of dollars	Gains (losses) on fair value hedges [(1)] Year ended December 31, 2012	2011	2010
Gain (loss) on derivatives in designated and qualifying fair value hedges			
Interest rate contracts	**$ 122**	$ 4,423	$ 948
Foreign exchange contracts	**377**	(117)	729
Total gain (loss) on derivatives in designated and qualifying fair value hedges	**$ 499**	$ 4,306	$ 1,677
Gain (loss) on the hedged item in designated and qualifying fair value hedges			
Interest rate hedges	**$ (371)**	$ (4,296)	$ (945)
Foreign exchange hedges	**(331)**	26	(579)
Total gain (loss) on the hedged item in designated and qualifying fair value hedges	**$ (702)**	$ (4,270)	$ (1,524)
Hedge ineffectiveness recognized in earnings on designated and qualifying fair value hedges			
Interest rate hedges	**$ (249)**	$ 118	$ (23)
Foreign exchange hedges	**16**	1	10
Total hedge ineffectiveness recognized in earnings on designated and qualifying fair value hedges	**$ (233)**	$ 119	$ (13)
Net gain (loss) excluded from assessment of the effectiveness of fair value hedges			
Interest rate contracts	**$ —**	$ 9	$ 26
Foreign exchange contracts	**30**	(92)	140
Total net gain (loss) excluded from assessment of the effectiveness of fair value hedges	**$ 30**	$ (83)	$ 166

(1) Amounts are included in *Other revenue* on the Consolidated Statement of Income. The accrued interest income on fair value hedges is recorded in *Net interest revenue* and is excluded from this table.

[Pretax change in accumulated other comprehensive income (loss) from cash flow hedges]

In millions of dollars	Year ended December 31, 2012	2011	2010
Effective portion of cash flow hedges included in AOCI			
Interest rate contracts	**$ (322)**	$ (1,827)	$ (469)
Foreign exchange contracts	**143**	81	(570)
Total effective portion of cash flow hedges included in AOCI	**$ (179)**	$ (1,746)	$ (1,039)
Effective portion of cash flow hedges reclassified from AOCI to earnings			
Interest rate contracts	**$ (837)**	$ (1,227)	$ (1,396)
Foreign exchange contracts	**(180)**	(257)	(500)
Total effective portion of cash flow hedges reclassified from AOCI to earnings [(1)]	**$ (1,017)**	$ (1,484)	$ (1,896)

(1) Included primarily in *Other revenue* and *Net interest revenue* on the Consolidated Income Statement.

[Credit derivative portfolio]

In millions of dollars as of December 31, 2012	Maximum potential amount of future payments	Fair value payable [(1)(2)]
By industry/counterparty		
Bank	**$ 863,411**	**$ 18,824**
Broker-dealer	**304,968**	**9,193**
Non-financial	**3,241**	**87**
Insurance and other financial institutions	**174,874**	**3,726**
Total by industry/counterparty	**$ 1,346,494**	**$ 31,830**
By instrument		
Credit default swaps and options	**$ 1,345,162**	**$ 31,624**
Total return swaps and other	**1,332**	**206**
Total by instrument	**$ 1,346,494**	**$ 31,830**
By rating		
Investment grade	**$ 637,343**	**$ 6,290**
Non-investment grade	**200,529**	**15,591**
Not rated	**508,622**	**9,949**
Total by rating	**$ 1,346,494**	**$ 31,830**

By maturity		
Within 1 year	**$ 287,670**	**$ 2,388**
From 1 to 5 years	**965,059**	**21,542**
After 5 years	**93,765**	**7,900**
Total by maturity	**$ 1,346,494**	**$ 31,830**

(1) In addition, fair value amounts payable under credit derivatives purchased were $20,878 million.
(2) In addition, fair value amounts receivable under credit derivatives sold were $19,710 million.

In millions of dollars as of December 31, 2011	**Maximum potential amount of future payments**	**Fair value payable** (1)(2)
By industry/counterparty		
Bank	$ 929,608	$ 45,920
Broker-dealer	321,293	19,026
Non-financial	1,048	98
Insurance and other financial institutions	142,579	7,447
Total by industry/counterparty	$ 1,394,528	$ 72,491
By instrument		
Credit default swaps and options	$ 1,393,082	$ 72,358
Total return swaps and other	1,446	133
Total by instrument	$ 1,394,528	$ 72,491
By rating		
Investment grade	$ 611,447	$ 16,913
Non-investment grade	226,939	28,034
Not rated	556,142	27,544
Total by rating	$ 1,394,528	$ 72,491
By maturity		
Within 1 year	$ 266,723	$ 3,705
From 1 to 5 years	947,211	46,596
After 5 years	180,594	22,190
Total by maturity	$ 1,394,528	$ 72,491

(1) In addition, fair value amounts payable under credit derivatives purchased were $12,361 million.
(2) In addition, fair value amounts receivable under credit derivatives sold were $11,335 million.

RETIREMENT BENEFITS (Tables)

12 Months Ended Dec. 31, 2012

Defined Benefit Plan Disclosure

Retirement benefits, components of net (benefit) expense

	Pension plans						Postretirement benefit plans					
	U.S. plans			Non-U.S. plans			U.S. plans			Non-U.S. plans		
In millions of dollars	**2012**	2011	2010	**2012**	2011	2010	**2012**	2011	2010	**2012**	2011	2010
Qualified Plans												
Benefits earned during the year	**$ 12**	$ 13	$ 14	**$ 199**	$ 203	$ 167	**$ —**	$ —	$ 1	**$ 29**	$ 28	$ 23
Interest cost on benefit obligation	**565**	612	644	**367**	382	342	**44**	53	59	**116**	118	105
Expected return on plan assets	**(897)**	(890)	(874)	**(399)**	(422)	(378)	**(4)**	(6)	(8)	**(108)**	(117)	(100)
Amortization of unrecognized												
Net transition obligation	**—**	—	—	**—**	(1)	(1)	**—**	—	—	**—**	—	—
Prior service cost (benefit)	**(1)**	(1)	(1)	**4**	4	4	**(1)**	(3)	(3)	**—**	—	—
Net actuarial loss	**96**	64	47	**77**	72	57	**4**	3	11	**25**	24	20
Curtailment (gain) loss	**—**	—	—	**10**	4	1	**—**	—	—	**—**	—	—
Settlement (gain) loss	**—**	—	—	**35**	10	7	**—**	—	—	**—**	—	—
Special termination benefits	**—**	—	—	**1**	27	5	**—**	—	—	**—**	—	—
Net qualified (benefit) expense	**$ (225)**	$ (202)	$ (170)	**$ 294**	$ 279	$ 204	**$ 43**	$ 47	$ 60	**$ 62**	$ 53	$ 48
Nonqualified plans expense	**$ 42**	$ 42	$ 41	**$ —**	$ —	$ —	**$ —**	$ —	$ —	**$ —**	$ —	$ —
Total net (benefit) expense	**$ (183)**	$ (160)	$ (129)	**$ 294**	$ 279	$ 204	**$ 43**	$ 47	$ 60	**$ 62**	$ 53	$ 48

Schedule of actual and estimated expected Company contributions

	Pension plans (1)						Postretirement plans (1)					
	U.S. plans (2)			Non-U.S. plans			U.S. plans			Non-U.S. plans		
In millions of dollars	2013	**2012**	2011	2013	**2012**	2011	2013	**2012**	2011	2013	**2012**	2011
Cash contributions paid by the Company	$ —	**$ —**	$ —	$ 177	**$ 270**	$ 342	$ —	**$ —**	$ —	$ 82	**$ 88**	$ 70
Benefits paid directly by the Company	54	**54**	51	47	**82**	47	57	**54**	53	5	**4**	5
Total Company contributions	$ 54	**$ 54**	$ 51	$ 224	**$ 352**	$ 389	$ 57	**$ 54**	$ 53	$ 87	**$ 92**	$ 75

(1) Payments reported for 2013 are expected amounts.

(2) The U.S. pension plans include benefits paid directly by the Company for the nonqualified pension plan.

Summary of the funded status and amounts recognized in the Consolidated Balance Sheet for the Company's U.S. qualified, non-qualified plans and plans outside the U.S.

	Pension plans				Postretirement plans			
	U.S. plans (1)		Non-U.S. plans		U.S. plans		Non-U.S. plans	
In millions of dollars	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
Change in projected benefit obligation								
Projected benefit obligation at beginning of year	**$ 12,377**	$ 11,730	**$ 6,262**	$ 6,189	**$ 1,127**	$ 1,179	**$ 1,368**	$ 1,395
Benefits earned during the year	**12**	13	**199**	203	**—**	—	**29**	28
Interest cost on benefit obligation	**565**	612	**367**	382	**44**	53	**116**	118
Plan amendments	**(13)**	—	**17**	2	**—**	—	**—**	—
Actuarial (gain) loss	**965**	655	**923**	59	**(24)**	(44)	**457**	29
Benefits paid, net of participating contributions	**(638)**	(633)	**(306)**	(282)	**(85)**	(79)	**(54)**	(54)
Expected Medicare Part D subsidy	**—**	—	**—**	—	**10**	10	**—**	—
Settlements	**—**	—	**(254)**	(44)	**—**	—	**—**	—
Curtailment (gain) loss	**—**	—	**(8)**	3	**—**	—	**—**	—
Special/contractual termination benefits	**—**	—	**1**	27	**—**	—	**—**	—
Foreign exchange impact and other	**—**	—	**198**	(277)	**—**	8	**86**	(148)
Projected benefit obligation at year end	**$ 13,268**	$ 12,377	**$ 7,399**	$ 6,262	**$ 1,072**	$ 1,127	**$ 2,002**	$ 1,368
Change in plan assets								
Plan assets at fair value at beginning of year	**$ 11,991**	$ 11,561	**$ 6,421**	$ 6,145	**$ 74**	$ 95	**$ 1,096**	$ 1,176
Actual return on plan assets	**1,303**	1,063	**786**	526	**7**	5	**277**	40
Company contributions	**—**	—	**352**	389	**54**	53	**92**	75
Plan participants contributions	**—**	—	**6**	6	**58**	65	**—**	—
Settlements	**—**	—	**(254)**	(44)	**—**	—	**—**	—
Benefits paid	**(638)**	(633)	**(312)**	(288)	**(143)**	(144)	**(54)**	(54)
Foreign exchange impact and other	**—**	—	**155**	(313)	**—**	—	**86**	(141)
Plan assets at fair value at year end	**$ 12,656**	$ 11,991	**$ 7,154**	$ 6,421	**$ 50**	$ 74	**$ 1,497**	$ 1,096
Funded status of the plan at year end (2)	**$ (612)**	$ (386)	**$ (245)**	$ 159	**$ (1,022)**	$ (1,053)	**$ (505)**	(272)
Net amount recognized								
Benefit asset	**$ —**	$ —	**$ 763**	$ 874	**$ —**	$ —	**$ —**	$ —
Benefit liability	**(612)**	(386)	**(1,008)**	(715)	**(1,022)**	(1,053)	**(505)**	(272)

Net amount recognized on the balance sheet	**$ (612)**	$ (386)	**$ (245)**	$ 159	**$ (1,022)**	$ (1,053)	**$ (505)**	$ (272)
Amounts recognized in *Accumulated other comprehensive income (loss)*								
Net transition obligation	**$ —**	$ —	**$ (2)**	$ 1	**$ —**	$ —	**$ (1)**	$ (1)
Prior service cost (benefit)	**13**	1	**(33)**	(23)	**1**	3	**5**	5
Net actuarial loss	**(4,904)**	(4,440)	**(1,936)**	(1,454)	**(123)**	(152)	**(802)**	(509)
Net amount recognized in equity—pretax	**$ (4,891)**	$ (4,439)	**$ (1,971)**	$ (1,476)	**$ (122)**	$ (149)	**$ (798)**	(505)
Accumulated benefit obligation at year end	**$ 13,246**	$ 12,337	**$ 6,369**	$ 5,463	**$ 1,072**	$ 1,127	**$ 2,002**	$ 1,368

(1) The U.S. plans exclude nonqualified pension plans, for which the aggregate projected benefit obligation was $769 million and $713 million and the aggregate accumulated benefit obligation was $738 million and $694 million at December 31, 2012 and 2011, respectively. These plans are unfunded. As such, the funded status of these plans is $(769) million and $(713) million at December 31, 2012 and 2011, respectively. *Accumulated other comprehensive income (loss)* reflects pretax charges of $298 million and $231 million at December 31, 2012 and 2011, respectively, that primarily relate to net actuarial loss.

(2) The U.S. qualified pension plan is fully funded under specified ERISA funding rules as of January 1, 2013 and no minimum required funding is expected for 2012 or 2013.

Change in Accumulated other comprehensive income (loss)

In millions of dollars	**2012**	2011
Balance, January 1, net of tax (1)	**$ (4,282)**	$ (4,105)
Actuarial assumptions changes and plan experience (2)	**(2,400)**	(820)
Net asset gain due to actual returns exceeding expected returns	**963**	197
Net amortizations	**214**	183
Foreign exchange impact and other	**(155)**	28
Change in deferred taxes, net	**390**	235
Change, net of tax	**$ (988)**	$ (177)
Balance, December 31, net of tax (1)	**$ (5,270)**	$ (4,282)

(1) See Note 21 to the Consolidated Financial Statements for further discussion of net *Accumulated other comprehensive income (loss)* balance.

(2) Includes $62 million and $70 million in net actuarial losses related to U.S. nonqualified pension plans for 2012 and 2011, respectively.

Aggregate projected benefit obligation (PBO), accumulated benefit obligation (ABO), and fair value of plan assets for pension plans with a PBO or ABO that exceeds the fair value of plan assets

	PBO exceeds fair value of plan assets				**ABO exceeds fair value plan assets**			
	U.S. plans (1)		**Non-U.S. plans**		**U.S. plans** (1)		**Non-U.S. plans**	
In millions of dollars	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
Projected benefit obligation	**$ 14,037**	$ 13,089	**$ 4,792**	$ 2,386	**$ 14,037**	$ 13,089	**$ 2,608**	$ 1,970
Accumulated benefit obligation	**13,984**	13,031	**3,876**	1,992	**13,984**	13,031	**2,263**	1,691
Fair value of plan assets	**12,656**	11,991	**3,784**	1,671	**12,656**	11,991	**1,677**	1,139

(1) In 2012, the PBO and ABO of the U.S. plans include $13,268 million and $13,246 million, respectively, relating to the qualified plan and $769 million and $738 million, respectively, relating to the nonqualified plans. In 2011, the PBO and ABO of the U.S. plans include $12,377 million and $12,337 million, respectively, relating to the qualified plan and $712 million and $694 million, respectively, relating to the nonqualified plans.

Assumptions used in determining pension and postretirement benefit obligations and net benefit expense

At year end	**2012**	2011
Discount rate		
U.S. plans (1)		
Pension	**3.90 %**	4.70 %
Postretirement	**3.60**	4.30
Non-U.S. pension plans		
Range	**1.50 to 28.00**	1.75 to 13.25
Weighted average	**5.24**	5.94
Future compensation increase rate		
U.S. plans (2)	**N/A**	N/A
Non-U.S. pension plans		
Range	**1.20 to 26.00**	1.60 to 13.30
Weighted average	**3.93**	4.04
Expected return on assets		
U.S. plans	**7.00**	7.50
Non-U.S. pension plans		
Range	**0.90 to 11.50**	1.00 to 12.50
Weighted average	**5.76**	6.25

During the year	**2012**	2011
Discount rate		
U.S. plans (1)		
Pension	**4.70 %**	5.45 %
Postretirement	**4.30**	5.10

Non-U.S. pension plans		
Range	**1.75 to 13.25**	1.75 to 14.00
Weighted average	**5.94**	6.23
Future compensation increase rate		
U.S. plans (2)	**N/A**	N/A
Non-U.S. pension plans		
Range	**1.60 to 13.30**	1.00 to 11.00
Weighted average	**4.04**	4.66
Expected return on assets		
U.S. plans	**7.50**	7.50
Non-U.S. pension plans		
Range	**1.00 to 12.50**	1.00 to 12.50
Weighted average	**6.25**	6.89

(1) Weighted-average rates for the U.S. plans equal the stated rates.

(2) Since the U.S. qualified pension plan was frozen, a compensation increase rate applies only to certain small groups of grandfathered employees accruing benefits under a final pay plan formula. Only the future compensation increases for these grandfathered employees will affect future pension expense and obligations. Compensation increase rates for these small groups of participants range from 3.00% to 4.00%.

Expected and actual rates of return on pension and postretirement plan assets

	2012	2011	2010
Expected rate of return (1)	**7.50 %**	7.50 %	7.75 %
Actual rate of return (2)	**11.79%**	11.13%	14.11%

(1) Effective December 31, 2012, the expected rate of return decreased from 7.50% to 7.00%.

(2) Actual rates of return are presented gross of fees.

Effect of one-percentage-point change in the discount rates on pension expense

	One-percentage-point increase		
In millions of dollars	**2012**	2011	2010
U.S. plans	**$18**	$19	$19
Non-U.S. plans	**(48)**	(57)	(49)

	One-percentage-point decrease		
In millions of dollars	**2012**	2011	2010
U.S. plans	**$ (36)**	$ (34)	$ (34)
Non-U.S. plans	**64**	70	56

Effect of one-percentage-point change in the expected rates of return on pension expense

	One-percentage-point increase		
In millions of dollars	**2012**	2011	2010
U.S. plans	**$ (120)**	$ (118)	$ (119)
Non-U.S. plans	**(64)**	(62)	(54)

	One-percentage-point decrease		
In millions of dollars	**2012**	2011	2010
U.S. plans	**$ 120**	$ 118	$ 119
Non-U.S. plans	**64**	62	54

Assumed health-care cost-trend rates, U.S plans

	2012	2011
Health-care cost increase rate for U.S. plans		
Following year	**8.50 %**	9.00 %
Ultimate rate to which cost increase is assumed to decline	**5.00**	5.00
Year in which the ultimate rate is reached	**2020**	2020

Effect of one-percentage-point change in assumed health-care cost- trend rates

	One-percentage-point increase		**One-percentage-point decrease**	
In millions of dollars	**2012**	2011	**2012**	2011
Effect on benefits earned and interest cost for U.S. plans	**$2**	$2	**$(1)**	$(2)
Effect on accumulated postretirement benefit obligation for U.S. plans	**44**	43	**(39)**	(38)

Estimated Future Benefit Payments

In millions of dollars	Pension plans U.S. plans	Pension plans Non-U.S. plans	Postretirement benefit plans U.S. plans	Postretirement benefit plans Non-U.S. plans
2013	$ 774	$366	$88	$ 58
2014	796	356	86	63
2015	798	373	86	66
2016	811	391	83	71
2017	825	408	81	75
2018–2022	4,370	2,399	370	483

Postemployment Plans

Defined Benefit Plan Disclosure

Retirement benefits, components of net (benefit) expense

In millions of dollars	Net Expense 2012	2011	2010
Service related expense			
Service cost	**$ 22**	$ 16	$ 13
Interest cost	**13**	12	10
Prior service cost	**7**	7	7
Net actuarial loss	**13**	9	6
Total service related expense	**$ 55**	$ 44	$ 36
Non-service related expense	**$ 24**	$ 23	$ 33
Total net expense	**$ 79**	$ 67	$ 69

Assumptions used in determining pension and postretirement benefit obligations and net benefit expense

	2012	2011
Discount rate	**3.10 %**	3.95 %
Health-care cost increase rate		
Following year	**8.50 %**	9.00 %
Ultimate rate to which cost increase is assumed to decline	**5.00**	5.00
Year in which the ultimate rate is reached	**2020**	2020

Estimated Future Benefit Payments

In millions of dollars	Expected U.S. postretirement benefit payments: Before Medicare Part D subsidy	Medicare Part D subsidy	After Medicare Part D subsidy
2013	$ 98	$ 10	$ 88
2014	96	10	86
2015	94	8	86
2016	91	8	83
2017	89	8	81
2018–2022	399	29	370

U.S. Pension Plans

Defined Benefit Plan Disclosure

Asset allocations for the current reporting period and target allocations for next year by asset category based on asset fair values

Asset category [(1)]	Target asset allocation 2013	U.S. pension assets at December 31, 2012	2011	U.S. postretirement assets at December 31, 2012	2011
Equity securities [(2)]	0 - 30 %	**17 %**	16 %	**17 %**	16 %
Debt securities	25 - 73	**45**	44	**45**	44
Real estate	0 - 7	**5**	5	**5**	5
Private equity	0 - 15	**11**	13	**11**	13
Other investments	12 - 29	**22**	22	**22**	22
Total		**100 %**	100 %	**100 %**	100 %

(1) Asset allocations for the U.S. plans are set by investment strategy, not by investment product. For example, private equities with an underlying investment in real estate are classified in the real estate asset category, not private equity.

(2) Equity securities in the U.S. pension plans include no Citigroup common stock at the end of 2012 and 2011.

Plan assets by detailed asset categories and the fair value hierarchy

In millions of dollars — U.S. pension and postretirement benefit plans [(1)]

Asset categories	Fair value measurement at December 31, 2012 Level 1	Level 2	Level 3	Total
Equity securities				

U.S. equity	**$ 677**	**$ —**	**$ —**	**$ 677**
Non-U.S. equity	**412**	**5**	**—**	**417**
Mutual funds	**177**	**—**	**—**	**177**
Commingled funds	**—**	**1,132**	**—**	**1,132**
Debt securities				
U.S. Treasuries	**1,431**	**—**	**—**	**1,431**
U.S. agency	**—**	**112**	**—**	**112**
U.S. corporate bonds	**1**	**1,396**	**—**	**1,397**
Non-U.S. government debt	**—**	**387**	**—**	**387**
Non-U.S. corporate bonds	**4**	**346**	**—**	**350**
State and municipal debt	**—**	**142**	**—**	**142**
Hedge funds	**—**	**1,132**	**1,524**	**2,656**
Asset-backed securities	**—**	**55**	**—**	**55**
Mortgage-backed securities	**—**	**52**	**—**	**52**
Annuity contracts	**—**	**—**	**130**	**130**
Private equity	**—**	**—**	**2,419**	**2,419**
Derivatives	**593**	**37**	**—**	**630**
Other investments	**—**	**—**	**142**	**142**
Total investments at fair value	**$ 3,295**	**$ 4,796**	**$ 4,215**	**$ 12,306**
Cash and short-term investments	**$ 130**	**$ 906**	**$ —**	**$ 1,036**
Other investment receivables	**—**	**6**	**24**	**30**
Total assets	**$ 3,425**	**$ 5,708**	**$ 4,239**	**$ 13,372**
Other investment liabilities	**$ (607)**	**$ (60)**	**$ —**	**$ (667)**
Total net assets	**$ 2,818**	**$ 5,648**	**$ 4,239**	**$ 12,705**

(1) The investments of the U.S. pension and postretirement benefit plans are commingled in one trust. At December 31, 2012, the allocable interests of the U.S. pension and postretirement benefit plans were 99.6% and 0.4%, respectively.

In millions of dollars	**U.S. pension and postretirement benefit plans** [(1)]			
	Fair value measurement at December 31, 2011			
Asset categories	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity securities				
U.S. equity	$572	$5	$51	$628
Non-U.S. equity	229	—	19	248
Mutual funds	137	—	—	137
Commingled funds	440	594	—	1,034
Debt securities				
U.S. Treasuries	1,760	—	—	1,760
U.S. agency	—	120	—	120
U.S. corporate bonds	2	1,073	5	1,080
Non-U.S. government debt	—	352	—	352
Non-U.S. corporate bonds	4	271	—	275
State and municipal debt	—	122	—	122
Hedge funds	—	1,087	870	1,957
Asset-backed securities	—	19	—	19
Mortgage-backed securities	—	32	—	32
Annuity contracts	—	—	155	155
Private equity	—	—	2,474	2,474
Derivatives	691	36	—	727
Other investments	92	20	121	233
Total investments at fair value	$ 3,927	$ 3,731	$ 3,695	$ 11,353
Cash and short-term investments	$ 412	$ 402	$ —	$ 814
Other investment receivables	—	393	221	614
Total assets	$ 4,339	$ 4,526	$ 3,916	$ 12,781
Other investment liabilities	$ (683)	$ (33)	$ —	$ (716)
Total net assets	$ 3,656	$ 4,493	$ 3,916	$ 12,065

(1) The investments of the U.S. pension and postretirement benefit plans are commingled in one trust. At December 31, 2011, the allocable interests of the U.S. pension and postretirement benefit plans were 99.2% and 0.8%, respectively.

Reconciliations of the beginning and ending balances during the period for Level 3 assets

In millions of dollars	**U.S. pension and postretirement benefit plans**					
Asset categories	**Beginning Level 3 fair value at Dec. 31, 2011**	**Realized gains (losses)**	**Unrealized gains (losses)**	**Purchases, sales, and issuances**	**Transfers in and/or out of Level 3**	**Ending Level 3 fair value at Dec. 31, 2012**
Equity securities						
U.S. equity	$ 51	$ —	$ —	$ —	$ (51)	**$ —**

Non-U.S. equity	19	—	8	—	(27)	**—**
Debt securities						
U.S. corporate bonds	5	—	1	—	(6)	**—**
Non-U.S. government debt	—	(1)	—	1	—	**—**
Non-U.S. corporate bonds	—	—	—	—	—	**—**
Hedge funds	870	(28)	149	199	334	**1,524**
Annuity contracts	155	—	6	(31)	—	**130**
Private equity	2,474	267	98	(484)	64	**2,419**
Other investments	121	—	14	12	(5)	**142**
Total investments	$ 3,695	$ 238	$ 276	$ (303)	$ 309	**$ 4,215**
Other investment receivables	221	—	—	—	(197)	**24**
Total assets	$ 3,916	$ 238	$ 276	$ (303)	$ 112	**$ 4,239**

In millions of dollars	**U.S. pension and postretirement benefit plans**					
Asset categories	**Beginning Level 3 fair value at Dec. 31, 2010**	**Realized gains (losses)**	**Unrealized gains (losses)**	**Purchases, sales, and issuances**	**Transfers in and/or out of Level 3**	**Ending Level 3 fair value at Dec. 31, 2011**
Equity securities						
U.S. equity	$ —	$—	$ —	$ —	$ 51	$51
Non-U.S. equity	—	—	(1)	—	20	19
Debt securities						
U.S. corporate bonds	5	(2)	(1)	(1)	4	5
Non-U.S. corporate bonds	1	—	—	(1)	—	—
Hedge funds	1,014	42	(45)	(131)	(10)	870
Annuity contracts	187	—	3	(35)	—	155
Private equity	2,920	89	94	(497)	(132)	2,474
Other investments	4	—	(6)	—	123	121
Total investments	$ 4,131	$ 129	$ 44	$ (665)	$ 56	$ 3,695
Other investment receivables	—	—	—	221	—	221
Total assets	$ 4,131	$ 129	$ 44	$ (444)	$ 56	$ 3,916

Non - U.S. Pension Plans

Defined Benefit Plan Disclosure

Plan assets by detailed asset categories and the fair value hierarchy

In millions of dollars	**Non-U.S. pension and postretirement benefit plans**			
	Fair value measurement at December 31, 2012			
Asset categories	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity securities				
U.S. equity	**$ 12**	**$ 12**	**$ —**	**$ 24**
Non-U.S. equity	**88**	**77**	**48**	**213**
Mutual funds	**31**	**4,583**	**—**	**4,614**
Commingled funds	**26**	**—**	**—**	**26**
Debt securities				
U.S. Treasuries	**—**	**1**	**—**	**1**
U.S. corporate bonds	**10**	**478**	**—**	**488**
Non-U.S. government debt	**1,806**	**144**	**4**	**1,954**
Non-U.S. corporate bonds	**162**	**804**	**4**	**970**
State and municipal debt	**—**	**—**	**—**	**—**
Hedge funds	**—**	**—**	**16**	**16**
Mortgage-backed securities	**—**	**1**	**—**	**1**
Annuity contracts	**—**	**5**	**6**	**11**
Derivatives	**—**	**40**	**—**	**40**
Other investments	**3**	**9**	**219**	**231**
Total investments at fair value	**$ 2,138**	**$ 6,154**	**$ 297**	**$ 8,589**
Cash and short-term investments	**$ 56**	**$ 4**	**$ 3**	**$ 63**
Total assets	**$ 2,194**	**$ 6,158**	**$ 300**	**$ 8,652**

In millions of dollars	**Non-U.S. pension and postretirement benefit plans**			
	Fair value measurement at December 31, 2011			
Asset categories	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity securities				
U.S. equity	$ 12	$ —	$ —	$ 12
Non-U.S. equity	48	180	5	233
Mutual funds	11	4,439	32	4,482

Commingled funds	26	—	—	26
Debt securities				
U.S. Treasuries	1	—	—	1
U.S. corporate bonds	1	379	—	380
Non-U.S. government debt	1,484	129	5	1,618
Non-U.S. corporate bonds	5	318	3	326
State and municipal debt	—	—	—	—
Hedge funds	—	3	12	15
Mortgage-backed securities	1	—	—	1
Annuity contracts	—	3	—	3
Derivatives	—	3	—	3
Other investments	3	6	240	249
Total investments at fair value	$ 1,592	$ 5,460	$ 297	$ 7,349
Cash and short-term investments	$ 168	$ —	$ —	$ 168
Total assets	$ 1,760	$ 5,460	$ 297	$ 7,517

Reconciliations of the beginning and ending balances during the period for Level 3 assets

In millions of dollars	Non-U.S. pension and postretirement benefit plans					
Asset categories	**Beginning Level 3 fair value at Dec. 31, 2011**	**Realized gains (losses)**	**Unrealized gains (losses)**	**Purchases, sales, and issuances**	**Transfers in and/or out of Level 3**	**Ending Level 3 fair value at Dec. 31, 2012**
Equity securities						
Non-U.S. equity	$ 5	$ —	$ —	$43	$—	**$48**
Mutual funds	32	—	—	(10)	(22)	**—**
Debt securities						
Non-U.S. government bonds	5	—	—	—	(1)	**4**
Non-U.S. corporate bonds	3	(3)	—	2	2	**4**
Hedge funds	12	—	—	—	4	**16**
Annuity contracts	—	—	—	1	5	**6**
Other investments	240	7	14	(23)	(19)	**219**
Total investments	$ 297	$ 4	$ 14	$ 13	$ (31)	**$ 297**
Cash and short-term investments	—	—	—	—	3	**3**
Total assets	$ 297	$ 4	$ 14	$ 13	$ (28)	**$ 300**

In millions of dollars	Non-U.S. pension and postretirement benefit plans					
Asset categories	**Beginning Level 3 fair value at Dec. 31, 2010**	**Realized gains (losses)**	**Unrealized gains (losses)**	**Purchases, sales, and issuances**	**Transfers in and/or out of Level 3**	**Ending Level 3 fair value at Dec. 31, 2011**
Equity securities						
Non-U.S. equity	$ 3	$ —	$ 2	$ —	$ —	$ 5
Mutual funds	—	—	—	—	32	32
Debt securities						
Non-U.S. government bonds	—	—	—	—	5	5
Non-U.S. corporate bonds	107	—	—	2	(105)	4
Hedge funds	14	(2)	—	—	—	12
Other investments	189	4	—	(10)	56	239
Total assets	$ 313	$ 2	$ 2	$ (8)	$ (12)	$ 297

Non-U.S. pension and postretirement benefit plans

Defined Benefit Plan Disclosure

Asset allocations for the current reporting period and target allocations for next year by asset category based on asset fair values

	Non-U.S. pension plans				
	Weighted-average target asset allocation	**Actual range at December 31,**		**Weighted-average at December 31,**	
Asset category	2013	**2012**	2011	**2012**	2011
Equity securities	16 %	**0 to 63 %**	0 to 65 %	**16 %**	19 %
Debt securities	75	**0 to 100**	0 to 99	**72**	71
Real estate	1	**0 to 41**	0 to 42	**1**	1
Other investments	8	**0 to 100**	0 to 100	**11**	9
Total	100 %			**100 %**	100 %

Non-U.S. postretirement plans		
Weighted-average target asset allocation	**Actual range at December 31,**	**Weighted-average at December 31,**

Asset category	2013		2012		2011		2012		2011	
Equity securities	27	%	**0 to 28**	%	0 to 44	%	**28**	**%**	44	%
Debt securities	55		**46 to 100**		45 to 100		**46**		45	
Other investments	18		**0 to 26**		0 to 11		**26**		11	
Total	100	%					**100**	**%**	100	%

CONSOLIDATED STATEMENT OF CASH FLOWS (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Cash flows from operating activities of continuing operations			
Net income before attribution of noncontrolling interests	$ 7,760	$ 11,215	$ 10,883
Net income attributable to noncontrolling interests	219	148	281
Citigroup's net income	7,541	11,067	10,602
(Loss) income from discontinued operations, net of taxes	(148)	17	215
(Loss) gain on sale, net of taxes	(1)	95	(283)
Income from continuing operations-excluding noncontrolling interests	7,690	10,955	10,670
Adjustments to reconcile net income to net cash provided by (used in) operating activities of continuing operations			
Amortization of deferred policy acquisition costs and present value of future profits	203	250	302
(Additions) reductions to deferred policy acquisition costs	85	(54)	(98)
Depreciation and amortization	2,507	2,872	2,664
Deferred tax benefit	(4,091)	(74)	(964)
Provision for credit losses	10,832	11,824	25,077
Realized gains from sales of investments	(3,251)	(1,997)	(2,411)
Net impairment losses recognized in earnings	4,971	2,254	1,411
Change in trading account assets	(29,195)	38,238	15,601
Change in trading account liabilities	(10,533)	(2,972)	(8,458)
Change in federal funds sold and securities borrowed or purchased under agreements to resell	14,538	(29,132)	(24,695)
Change in federal funds purchased and securities loaned or sold under agreements to repurchase	12,863	8,815	35,277
Change in brokerage receivables net of brokerage payables	945	8,383	(6,676)
Change in loans held-for-sale	(1,106)	1,021	2,483
Change in other assets	(524)	14,933	(7,538)
Change in other liabilities	(1,457)	(3,814)	(293)
Other, net	9,794	3,277	(6,666)
Total adjustments	6,581	53,824	25,016
Net cash provided by operating activities of continuing operations	14,271	64,779	35,686
Cash flows from investing activities of continuing operations			
Change in deposits with banks	53,650	6,653	4,977
Change in loans	(28,817)	(31,597)	60,730
Proceeds from sales and securitizations of loans	7,287	10,022	9,918
Purchases of investments	(256,907)	(314,250)	(406,046)
Proceeds from sales of investments	143,853	182,566	183,688
Proceeds from maturities of investments	102,020	139,959	189,814
Capital expenditures on premises and equipment and capitalized software	(3,604)	(3,448)	(2,363)

Proceeds from sales of premises and equipment, subsidiaries and affiliates, and repossessed assets	1,089	1,323	2,619
Net cash provided by (used in) investing activities of continuing operations	18,571	(8,772)	43,337
Cash flows from financing activities of continuing operations			
Dividends paid	(143)	(107)	(9)
Issuance of preferred stock	2,250		
Issuance of ADIA Upper DECs equity units purchase contract		3,750	3,750
Treasury stock acquired	(5)	(1)	(6)
Stock tendered for payment of withholding taxes	(194)	(230)	(806)
Issuance of long-term debt	27,843	30,242	33,677
Payments and redemptions of long-term debt	(117,575)	(89,091)	(75,910)
Change in deposits	64,624	23,858	9,065
Change in short-term borrowings	(2,164)	(25,067)	(47,189)
Net cash used in financing activities of continuing operations	(25,364)	(56,646)	(77,428)
Effect of exchange rate changes on cash and cash equivalents	274	(1,301)	691
Discontinued operations			
Net cash provided by discontinued operations		2,669	214
Change in cash and due from banks	7,752	729	2,500
Cash and due from banks at beginning of year	28,701	27,972	25,472
Cash and due from banks at end of year	36,453	28,701	27,972
Supplemental disclosure of cash flow information for continuing operations			
Cash paid during the year for income taxes	3,900	2,705	4,307
Cash paid during the year for interest	19,739	21,230	23,209
Non-cash investing activities			
Transfers to OREO and other repossessed assets	500	1,284	2,595
Transfers to trading account assets from investments (available-for-sale)			12,001
Transfers to trading account assets from investments (held-to-maturity)		$ 12,700	

DERIVATIVES ACTIVITIES (Details 2) (USD $) In Millions, unless otherwise specified	Dec. 31, 2012	Dec. 31, 2011
Trading account assets		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative receivables	$ 1,063,628	$ 976,226
Cash collateral paid, net of amount used to offset derivative liabilities	5,597	6,634
Less: Netting agreements and market value adjustments to assets	(975,695)	(875,592)
Net, cash collateral received	(38,910)	(44,941)
Net receivables	54,620	62,327
Cash collateral paid, gross	61,152	57,815
Trading account liabilities		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative payables	1,071,098	969,950
Cash collateral received, net of amount used to offset derivative assets	7,923	7,870
Less: Netting agreements and market value adjustments to liabilities	(971,715)	(870,366)
Net, cash collateral paid	(55,555)	(51,181)
Net payables	51,751	56,273
Cash collateral received, gross	46,833	52,811
Other assets		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative receivables	6,303	6,136
Cash collateral paid, net of amount used to offset derivative liabilities	214	307
Net, cash collateral received	(4,660)	(3,462)
Net receivables	1,857	2,981
Cash collateral paid, gross	214	307
Other liabilities		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative payables	2,252	3,562
Cash collateral received, net of amount used to offset derivative assets	658	180
Net payables	2,910	3,742
Cash collateral received, gross	5,318	3,642
Protection purchased		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative payables	20,878	12,361
Protection sold		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative receivables	19,710	11,335
Derivative instruments designated as ASC 815 (SFAS 133) hedges | Trading account assets		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative receivables	8,136	11,980

Derivative instruments designated as ASC 815 (SFAS 133) hedges | Trading account liabilities		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative payables	3,613	4,757
Derivative instruments designated as ASC 815 (SFAS 133) hedges | Other assets		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative receivables	5,552	5,169
Derivative instruments designated as ASC 815 (SFAS 133) hedges | Other liabilities		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative payables	1,719	2,381
Derivative instruments designated as ASC 815 (SFAS 133) hedges | Interest rate contracts | Trading account assets		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative receivables	7,795	8,274
Derivative instruments designated as ASC 815 (SFAS 133) hedges | Interest rate contracts | Trading account liabilities		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative payables	2,263	3,306
Derivative instruments designated as ASC 815 (SFAS 133) hedges | Interest rate contracts | Other assets		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative receivables	4,574	3,968
Derivative instruments designated as ASC 815 (SFAS 133) hedges | Interest rate contracts | Other liabilities		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative payables	1,178	1,518
Derivative instruments designated as ASC 815 (SFAS 133) hedges | Foreign exchange contracts | Trading account assets		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative receivables	341	3,706
Derivative instruments designated as ASC 815 (SFAS 133) hedges | Foreign exchange contracts | Trading account liabilities		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative payables	1,350	1,451
Derivative instruments designated as ASC 815 (SFAS 133) hedges | Foreign exchange contracts | Other assets		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative receivables	978	1,201
Derivative instruments designated as ASC 815 (SFAS 133) hedges | Foreign exchange contracts | Other liabilities		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative payables	525	863
Derivative instruments designated as ASC 815 (SFAS 133) hedges | Credit derivatives | Other liabilities		
Derivative Mark-to-Market (MTM) Receivables/Payables		

Derivative payables	16	
Other derivative instruments | Trading account assets		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative receivables	1,055,492	964,246
Other derivative instruments | Trading account liabilities		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative payables	1,067,485	965,193
Other derivative instruments | Other assets		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative receivables	751	967
Other derivative instruments | Other liabilities		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative payables	533	1,181
Other derivative instruments | Interest rate contracts | Trading account assets		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative receivables	895,726	749,213
Other derivative instruments | Interest rate contracts | Trading account liabilities		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative payables	890,405	736,785
Other derivative instruments | Interest rate contracts | Other assets		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative receivables	449	212
Other derivative instruments | Interest rate contracts | Other liabilities		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative payables	29	96
Other derivative instruments | Foreign exchange contracts | Trading account assets		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative receivables	76,291	90,611
Other derivative instruments | Foreign exchange contracts | Trading account liabilities		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative payables	80,771	95,912
Other derivative instruments | Foreign exchange contracts | Other assets		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative receivables	200	325
Other derivative instruments | Foreign exchange contracts | Other liabilities		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative payables	112	959
Other derivative instruments | Equity contracts | Trading account assets		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative receivables	18,293	20,235
Other derivative instruments | Equity contracts | Trading account liabilities		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative payables	31,867	33,139
Other derivative instruments | Commodity and other contracts | Trading account assets		

Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative receivables	10,907	13,763
Other derivative instruments | Commodity and other contracts | Trading account liabilities		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative payables	12,142	14,631
Other derivative instruments | Credit derivatives | Trading account assets		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative receivables	54,275	90,424
Other derivative instruments | Credit derivatives | Trading account liabilities		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative payables	52,300	84,726
Other derivative instruments | Credit derivatives | Other assets		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative receivables	102	430
Other derivative instruments | Credit derivatives | Other liabilities		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative payables	392	126
Other derivative instruments | Credit derivatives | Protection purchased | Trading account assets		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative receivables	34,565	79,089
Other derivative instruments | Credit derivatives | Protection purchased | Trading account liabilities		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative payables	20,470	12,235
Other derivative instruments | Credit derivatives | Protection sold | Trading account assets		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative receivables	19,710	11,335
Other derivative instruments | Credit derivatives | Protection sold | Trading account liabilities		
Derivative Mark-to-Market (MTM) Receivables/Payables		
Derivative payables	$ 31,830	$ 72,491

ALLOWANCE FOR CREDIT LOSSES (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Allowance for credit losses			
Allowance for loan losses at the beginning of period	$ 30,115	$ 40,655	$ 36,033
Gross credit losses	(17,478)	(23,164)	(34,491)
Gross recoveries	2,902	3,126	3,632
Net credit losses (NCLs)	(14,576)	(20,038)	(30,859)
NCLs	14,576	20,038	30,859
Net reserve builds (releases)	(1,882)	(8,434)	(6,523)
Net specific reserve builds (releases)	(1,846)	169	858
Total provision for credit losses	10,848	11,773	25,194
Other, net	(932)	(2,275)	10,287
Allowance for loan losses at the end of period	25,455	30,115	40,655
Allowance for credit losses on unfunded lending commitments			
Allowance for credit losses on unfunded lending commitments at beginning of period	1,136	1,066	1,157
Provision (release) for unfunded lending commitments	(16)	51	(117)
Other, net	(1)	19	26
Allowance for credit losses on unfunded lending commitments at end of period	1,119	1,136	1,066
Total allowance for loans, leases, and unfunded lending commitments at end of period	$ 26,574	$ 31,251	$ 41,721

FAIR VALUE MEASUREMENT (Tables)

12 Months Ended Dec. 31, 2012

FAIR VALUE MEASUREMENT

Items measured at fair value on a recurring basis

Fair Value Levels

In millions of dollars at December 31, 2012	Level 1 [1]	Level 2 [1]	Level 3	Gross inventory	Netting [2]	Net balance
Assets						
Federal funds sold and securities borrowed or purchased under agreements to resell	$ —	$ 198,278	$ 5,043	$ 203,321	$ (42,732)	$ 160,589
Trading securities						
Trading mortgage-backed securities						
U.S. government-sponsored agency guaranteed	—	29,835	1,325	31,160	—	31,160
Residential	—	1,663	1,805	3,468	—	3,468
Commercial	—	1,322	1,119	2,441	—	2,441
Total trading mortgage-backed securities	$ —	$ 32,820	$ 4,249	$ 37,069	$ —	$ 37,069
U.S. Treasury and federal agency securities	$ 15,416	$ 4,940	$ —	$ 20,356	$ —	$ 20,356
State and municipal	—	3,611	195	3,806	—	3,806
Foreign government	57,831	31,097	311	89,239	—	89,239
Corporate	—	33,194	2,030	35,224	—	35,224
Equity securities	54,640	2,094	264	56,998	—	56,998
Asset-backed securities	—	899	4,453	5,352	—	5,352
Other debt securities	—	15,944	2,321	18,265	—	18,265
Total trading securities	$ 127,887	$ 124,599	$ 13,823	$ 266,309	$ —	$ 266,309
Trading account derivatives						
Interest rate contracts	$ 2	$ 901,809	$ 1,710	$ 903,521		
Foreign exchange contracts	18	75,712	902	76,632		
Equity contracts	2,359	14,193	1,741	18,293		
Commodity contracts	410	9,802	695	10,907		
Credit derivatives	—	50,109	4,166	54,275		
Total trading account derivatives	$ 2,789	$ 1,051,625	$ 9,214	$ 1,063,628		
Gross cash collateral paid				61,152		
Netting agreements and market value adjustments					$ (1,070,160)	
Total trading account derivatives	$ 2,789	$ 1,051,625	$ 9,214	$ 1,124,780	$ (1,070,160)	$ 54,620
Investments						
Mortgage-backed securities						
U.S. government-sponsored agency guaranteed	$ 46	$ 45,841	$ 1,458	$ 47,345	$ —	$ 47,345
Residential	—	7,472	205	7,677	—	7,677
Commercial	—	449	—	449	—	449
Total investment mortgage-backed securities	$ 46	$ 53,762	$ 1,663	$ 55,471	$ —	$ 55,471
U.S. Treasury and federal agency securities	$ 13,204	$ 78,625	$ 12	$ 91,841	$ —	$ 91,841
In millions of dollars at December 31, 2012	Level 1 [1]	Level 2 [1]	Level 3	Gross inventory	Netting [2]	Net balance
State and municipal	$ —	$ 17,483	$ 849	$ 18,332	$ —	$ 18,332
Foreign government	36,048	57,616	383	94,047	—	94,047
Corporate	—	9,289	385	9,674	—	9,674
Equity securities	4,037	132	773	4,942	—	4,942
Asset-backed securities	—	11,910	2,220	14,130	—	14,130
Other debt securities	—	—	258	258	—	258
Non-marketable equity securities	—	404	5,364	5,768	—	5,768
Total investments	$ 53,335	$ 229,221	$ 11,907	$ 294,463	$ —	$ 294,463
Loans [3]	$ —	$ 356	$ 4,931	$ 5,287	$ —	$ 5,287
Mortgage servicing rights	—	—	1,942	1,942	—	1,942
Nontrading derivatives and other financial assets measured on a recurring basis, gross	$ —	$ 15,293	$ 2,452	$ 17,745		
Gross cash collateral paid				214		
Netting agreements and market value adjustments					$ (4,660)	
Nontrading derivatives and other financial assets measured on a recurring basis	$ —	$ 15,293	$ 2,452	$ 17,959	$ (4,660)	$ 13,299
Total assets	$ 184,011	$ 1,619,372	$ 49,312	$ 1,914,061	$ (1,117,552)	$ 796,509
Total as a percentage of gross assets [4]	9.9 %	87.4 %	2.7 %	100.0 %		
Liabilities						
Interest-bearing deposits	$ —	$ 661	$ 786	$ 1,447	$ —	$ 1,447
Federal funds purchased and securities loaned or sold under agreements to repurchase	—	158,580	841	159,421	(42,732)	116,689
Trading account liabilities						

	Level 1	Level 2	Level 3	Gross inventory	Netting	Net balance
Securities sold, not yet purchased	**55,145**	**8,288**	**365**	**63,798**		**63,798**
Trading account derivatives						
Interest rate contracts	**1**	**891,138**	**1,529**	**892,668**		
Foreign exchange contracts	**10**	**81,209**	**902**	**82,121**		
Equity contracts	**2,664**	**26,014**	**3,189**	**31,867**		
Commodity contracts	**317**	**10,359**	**1,466**	**12,142**		
Credit derivatives	**—**	**47,792**	**4,508**	**52,300**		
Total trading account derivatives	**$ 2,992**	**$ 1,056,512**	**$ 11,594**	**$ 1,071,098**		
Gross cash collateral received				**46,833**		
Netting agreements and market value adjustments					**$ (1,066,180)**	
Total trading account derivatives	**$ 2,992**	**$ 1,056,512**	**$ 11,594**	**$ 1,117,931**	**$ (1,066,180)**	**$ 51,751**
Short-term borrowings	**—**	**706**	**112**	**818**	**—**	**818**
Long-term debt	**—**	**23,038**	**6,726**	**29,764**	**—**	**29,764**
Nontrading derivatives and other financial liabilities measured on a recurring basis, gross	**$ —**	**$ 2,228**	**$ 24**	**$ 2,252**		
Gross cash collateral received				**$ 5,318**		
Netting agreements and market value adjustments					**$ (4,660)**	
Nontrading derivatives and other financial liabilities measured on a recurring basis	**$ —**	**$ 2,228**	**$ 24**	**$ 7,570**	**$ (4,660)**	**$ 2,910**
Total liabilities	**$ 58,137**	**$ 1,250,013**	**$ 20,448**	**$ 1,380,749**	**$ (1,113,572)**	**$ 267,177**
Total as a percentage of gross liabilities (4)	**4.4 %**	**94.1 %**	**1.5 %**	**100.0 %**		

(1) For the year ended December 31, 2012, the Company transferred assets of $1.7 billion from Level 1 to Level 2, primarily related to foreign government bonds, which were not traded with enough frequency to constitute an active market. During the year ended December 31, 2012, the Company transferred assets of $1.2 billion from Level 2 to Level 1 primarily related to foreign government bonds, which were traded with sufficient frequency to constitute an active market. During the year ended December 31, 2012, the Company transferred liabilities of $70 million, from Level 1 to Level 2, and liabilities of $150 million from Level 2 to Level 1.

(2) Represents netting of: (i) the amounts due under securities purchased under agreements to resell and the amounts owed under securities sold under agreements to repurchase; and (ii) derivative exposures covered by a qualifying master netting agreement, cash collateral and the market value adjustment.

(3) There is no allowance for loan losses recorded for loans reported at fair value.

(4) Percentage is calculated based on total assets and liabilities measured at fair value on a recurring basis, excluding collateral paid/received on derivatives.

Fair Value Levels

In millions of dollars at December 31, 2011	Level 1	Level 2	Level 3	Gross inventory	Netting	Net (1) balance
Assets						
Federal funds sold and securities borrowed or purchased under agreements to resell	$ —	$ 188,034	$ 4,701	$ 192,735	$ (49,873)	$ 142,862
Trading securities						
Trading mortgage-backed securities						
U.S. government-sponsored agency guaranteed	$ —	$ 26,674	$ 861	$ 27,535	$ —	$ 27,535
Residential	—	1,362	1,509	2,871	—	2,871
Commercial	—	1,715	618	2,333	—	2,333
Total trading mortgage-backed securities	$ —	$ 29,751	$ 2,988	$ 32,739	$ —	$ 32,739
U.S. Treasury and federal agency securities	$ 15,612	$ 3,784	$ 3	$ 19,399	$ —	$ 19,399
State and municipal	—	5,112	252	5,364	—	5,364
Foreign government	52,429	26,601	521	79,551	—	79,551
Corporate	—	33,786	3,240	37,026	—	37,026
Equity securities	29,707	3,279	244	33,230	—	33,230
Asset-backed securities	—	1,270	5,801	7,071	—	7,071
Other debt securities	—	12,284	2,743	15,027	—	15,027
Total trading securities	$ 97,748	$ 115,867	$ 15,792	$ 229,407	$ —	$ 229,407
Trading account derivatives						
Interest rate contracts	$ 67	$ 755,473	$ 1,947	$ 757,487		
Foreign exchange contracts	—	93,536	781	94,317		
Equity contracts	2,240	16,376	1,619	20,235		
Commodity contracts	958	11,940	865	13,763		
Credit derivatives	—	81,123	9,301	90,424		
Total trading account derivatives	$ 3,265	$ 958,448	$ 14,513	$ 976,226		
Gross cash collateral paid				57,815		
Netting agreements and market value adjustments					$ (971,714)	
Total trading account derivatives	$ 3,265	$ 958,448	$ 14,513	$ 1,034,041	$ (971,714)	$ 62,327
Investments						
Mortgage-backed securities						
U.S. government-sponsored agency guaranteed	$ 59	$ 45,043	$ 679	$ 45,781	$ —	$ 45,781
Residential	—	4,764	8	4,772	—	4,772
Commercial	—	472	—	472	—	472
Total investment mortgage-backed securities	$ 59	$ 50,279	$ 687	$ 51,025	$ —	$ 51,025
U.S. Treasury and federal agency securities	$11,642	$ 73,421	$ 75	$ 85,138	$ —	$ 85,138

In millions of dollars at December 31, 2011	Level 1	Level 2	Level 3	Gross inventory	Netting	Net (1) balance
State and municipal	$ —	$ 13,732	$ 667	$ 14,399	$ —	$ 14,399

Foreign government	33,544	50,523	447	84,514	—	84,514
Corporate	—	9,268	989	10,257	—	10,257
Equity securities	6,634	98	1,453	8,185	—	8,185
Asset-backed securities	—	6,962	4,041	11,003	—	11,003
Other debt securities	—	563	120	683	—	683
Non-marketable equity securities	—	518	8,318	8,836	—	8,836
Total investments	$ 51,879	$ 205,364	$ 16,797	$ 274,040	$ —	$ 274,040
Loans (2)	$ —	$ 583	$ 4,682	$ 5,265	$ —	$ 5,265
Mortgage servicing rights	—	—	2,569	2,569	—	2,569
Nontrading derivatives and other financial assets measured on a recurring basis, gross	$ —	$ 14,270	$ 2,245	$ 16,515		
Gross cash collateral paid				307		
Netting agreements and market value adjustments					$ (3,462)	
Nontrading derivatives and other financial assets measured on a recurring basis	$ —	$ 14,270	$ 2,245	$ 16,822	$ (3,462)	$ 13,360
Total assets	$ 152,892	$ 1,482,566	$ 61,299	$ 1,754,879	$ (1,025,049)	$ 729,830
Total as a percentage of gross assets (3)	9.0 %	87.4 %	3.6 %	100.0 %		
Liabilities						
Interest-bearing deposits	$ —	$ 895	$ 431	$ 1,326	$ —	$ 1,326
Federal funds purchased and securities loaned or sold under agreements to repurchase	—	146,524	1,061	147,585	(49,873)	97,712
Trading account liabilities						
Securities sold, not yet purchased	58,456	10,941	412	69,809		69,809
Trading account derivatives						
Interest rate contracts	$ 37	$ 738,833	$ 1,221	$ 740,091		
Foreign exchange contracts	—	96,020	1,343	97,363		
Equity contracts	2,822	26,961	3,356	33,139		
Commodity contracts	873	11,959	1,799	14,631		
Credit derivatives	—	77,153	7,573	84,726		
Total trading account derivatives	$ 3,732	$ 950,926	$ 15,292	$ 969,950		
Gross cash collateral received				52,811		
Netting agreements and market value adjustments					$ (966,488)	
Total trading account derivatives	$ 3,732	$ 950,926	$ 15,292	$ 1,022,761	$ (966,488)	$ 56,273
Short-term borrowings	—	855	499	1,354	—	1,354
Long-term debt	—	17,268	6,904	24,172	—	24,172
Nontrading derivatives and other financial liabilities measured on a recurring basis, gross	$ —	$ 3,559	$ 3	$ 3,562		
Gross cash collateral received				$ 3,642		
Netting agreements and market value adjustments					$ (3,462)	
Nontrading derivatives and other financial liabilities measured on a recurring basis	$ —	$ 3,559	$ 3	$ 7,204	$ (3,462)	$ 3,742
Total liabilities	$ 62,188	$ 1,130,968	$ 24,602	$ 1,274,211	$ (1,019,823)	$ 254,388
Total as a percentage of gross liabilities (3)	5.1 %	92.9 %	2.0 %	100.0 %		

(1) Represents netting of: (i) the amounts due under securities purchased under agreements to resell and the amounts owed under securities sold under agreements to repurchase; and (ii) derivative exposures covered by a qualifying master netting agreement, cash collateral and the market value adjustment.
(2) There is no allowance for loan losses recorded for loans reported at fair value.
(3) Percentage is calculated based on total assets and liabilities measured at fair value on a recurring basis, excluding collateral paid/received on derivatives.

Changes in level 3 fair value category

In millions of dollars	Dec. 31, 2011	Net realized/unrealized gains (losses) included in Principal transactions	Other (1)(2)	Transfers into Level 3	Transfers out of Level 3	Purchases	Issuances	Sales	Settlements	Dec. 31, 2012	Unrealized gains (losses) still held (3)
Assets											
Federal funds sold and securities borrowed or purchased under agreements to resell	$ 4,701	$ 306	$—	$ 540	$ (444)	$ —	$—	$ —	$ (60)	$ 5,043	$ 317
Trading securities											
Trading mortgage-backed securities											
U.S. government-sponsored agency guaranteed	861	38	—	1,294	(735)	657	79	(735)	(134)	1,325	(16)
Residential	1,509	204	—	848	(499)	1,652	—	(1,897)	(12)	1,805	(27)

Commercial	618	(32)	—	327	(305)	1,056	—	(545)	—	1,119	28
Total trading mortgage-backed securities	$ 2,988	$ 210	$ —	$ 2,469	$ (1,539)	$ 3,365	$ 79	$ (3,177)	$ (146)	$ 4,249	$ (15)
U.S. Treasury and federal agency securities	$ 3	$ —	$ —	$ —	$ —	$ 13	$ —	$ (16)	$ —	$ —	$ —
State and municipal	$ 252	$ 24	$ —	$ 19	$ (18)	$ 61	$ —	$ (143)	$ —	$ 195	$ (2)
Foreign government	521	25	—	89	(875)	960	—	(409)	—	311	5
Corporate	3,240	(90)	—	464	(558)	2,622	—	(1,942)	(1,706)	2,030	(28)
Equity securities	244	(25)	—	121	(47)	231	—	(192)	(68)	264	(5)
Asset-backed securities	5,801	503	—	222	(114)	6,873	—	(7,823)	(1,009)	4,453	(173)
Other debt securities	2,743	(8)	—	1,126	(2,089)	2,954	—	(2,092)	(313)	2,321	376
Total trading securities	$ 15,792	$ 639	$ —	$ 4,510	$ (5,240)	$ 17,079	$ 79	$ (15,794)	$ (3,242)	$ 13,823	$ 158
Trading derivatives, net (4)											
Interest rate contracts	$ 726	$ (101)	$ —	$ 682	$ (438)	$ 311	$ —	$ (194)	$ (805)	$ 181	$ (298)
Foreign exchange contracts	(562)	440	—	(1)	25	196	—	(213)	115	—	(190)
Equity contracts	(1,737)	326	—	(34)	443	428	—	(657)	(217)	(1,448)	(506)
Commodity contracts	(934)	145	—	(66)	5	100	—	(89)	68	(771)	114
Credit derivatives	1,728	(2,355)	—	32	(188)	117	—	(11)	335	(342)	(692)
Total trading derivatives, net (4)	$ (779)	$ (1,545)	$ —	$ 613	$ (153)	$ 1,152	$ —	$ (1,164)	$ (504)	$ (2,380)	$ (1,572)
Investments											
Mortgage-backed securities											
U.S. government-sponsored agency guaranteed	$ 679	$ —	$ 7	$ 894	$ (3,742)	$ 3,622	$ —	$ —	$ (2)	$ 1,458	$ 43
Residential	8	—	6	205	(6)	46	—	(54)	—	205	—
Commercial	—	—	—	—	(11)	11	—	—	—	—	—
Total investment mortgage-backed securities	$ 687	$ —	$ 13	$ 1,099	$ (3,759)	$ 3,679	$ —	$ (54)	$ (2)	$ 1,663	$ 43
U.S. Treasury and federal agency securities	$ 75	$ —	$ —	$ 75	$ (150)	$ 12	$ —	$ —	$ —	$ 12	$ —
State and municipal	667	—	12	129	(153)	412	—	(218)	—	849	(20)
Foreign government	447	—	20	193	(297)	519	—	(387)	(112)	383	1
Corporate	989	—	(6)	68	(698)	224	—	(144)	(48)	385	8
Equity securities	1,453	—	119	—	—	—	—	(308)	(491)	773	(34)
Asset-backed securities	4,041	—	(98)	—	(730)	930	—	(77)	(1,846)	2,220	1
Other debt securities	120	—	(53)	—	—	310	—	(118)	(1)	258	—
Non-marketable equity securities	8,318	—	453	—	—	1,266	—	(3,373)	(1,300)	5,364	313
Total investments	$ 16,797	$—	$ 460	$ 1,564	$ (5,787)	$ 7,352	$ —	$ (4,679)	$ (3,800)	$ 11,907	$ 312

In millions of dollars	Dec. 31, 2011	Net realized/unrealized gains (losses) included in Principal transactions	Other (1)(2)	Transfers into Level 3	Transfers out of Level 3	Purchases	Issuances	Sales	Settlements	Dec. 31, 2012	Unrealized gains (losses) still held (3)
Loans	$ 4,682	$—	$ (34)	$ 1,051	$ (185)	$301	$930	$ (251)	$(1,563)	$ 4,931	$156
Mortgage servicing rights	2,569	—	(426)	—	—	2	421	(5)	(619)	1,942	(427)

Other financial assets measured on a recurring basis	2,245	**—**	**366**	**21**	**(35)**	**4**	**1,700**	**(50)**	**(1,799)**	**2,452**	**101**
Liabilities											
Interest-bearing deposits	$ 431	**$ —**	**$ (141)**	**$ 213**	**$ (36)**	**$ —**	**$ 268**	**$ —**	**$ (231)**	**$ 786**	**$ (414)**
Federal funds purchased and securities loaned or sold under agreements to repurchase	1,061	**(64)**	**—**	**—**	**(14)**	**—**	**—**	**(179)**	**(91)**	**841**	**43**
Trading account liabilities											
Securities sold, not yet purchased	412	**(1)**	**—**	**294**	**(47)**	**—**	**—**	**216**	**(511)**	**365**	**(42)**
Short-term borrowings	499	**(108)**	**—**	**47**	**(20)**	**—**	**268**	**—**	**(790)**	**112**	**(57)**
Long-term debt	6,904	**98**	**119**	**2,548**	**(2,694)**	**—**	**2,480**	**—**	**(2,295)**	**6,726**	**(688)**
Other financial liabilities measured on a recurring basis	3	**—**	**(31)**	**2**	**(2)**	**(4)**	**6**	**—**	**(12)**	**24**	**(13)**

(1) Changes in fair value for available-for-sale investments (debt securities) are recorded in *Accumulated other comprehensive income (loss)*, unless other-than-temporarily impaired, while gains and losses from sales are recorded in *Realized gains (losses) from sales of investments* on the Consolidated Statement of Income.
(2) Unrealized gains (losses) on MSRs are recorded in *Other revenue* on the Consolidated Statement of Income.
(3) Represents the amount of total gains or losses for the period, included in earnings (and *Accumulated other comprehensive income (loss)* for changes in fair value for available-for-sale investments), attributable to the change in fair value relating to assets and liabilities classified as Level 3 that are still held at December 31, 2012 and 2011.
(4) Total Level 3 derivative assets and liabilities have been netted in these tables for presentation purposes only.

In millions of dollars	**Dec. 31, 2010**	**Net realized/unrealized gains (losses) included in Principal transactions**	**Other** (1)(2)	**Transfers into and/or out of Level 3**	**Purchases**	**Issuances**	**Sales**	**Settlements**	**Dec. 31, 2011**	**Unrealized gains (losses) still held** (3)
Assets										
Federal funds sold and securities borrowed or purchased under agreements to resell	$ 4,911	$90	$ —	$(300)	$ —	$—	$ —	$—	$ 4,701	$ 89
Trading securities										
Trading mortgage-backed securities										
U.S. government-sponsored agency guaranteed	$ 831	$ (62)	$ —	$ 169	$ 677	$ 73	$ (686)	$ (141)	$ 861	$ (100)
Residential	2,328	148	—	(138)	4,150	—	(4,901)	(78)	1,509	118
Commercial	418	33	—	345	418	—	(570)	(26)	618	(57)
Total trading mortgage-backed securities	$ 3,577	$ 119	$ —	$ 376	$ 5,245	$ 73	$ (6,157)	$ (245)	$ 2,988	$ (39)
U.S. Treasury and federal agencies securities	$ 72	$ 9	$ —	$ (45)	$ 8	$ —	$ (41)	$ —	$ 3	$ —
State and municipal	$ 208	$ 67	$ —	$ 102	$ 1,128	$ —	$ (1,243)	$ (10)	$ 252	$ (35)
Foreign government	566	(33)	—	(243)	1,556	—	(797)	(528)	521	(22)
Corporate	5,004	(60)	—	1,452	3,272	—	(3,864)	(2,564)	3,240	(680)
Equity securities	776	(202)	—	(145)	191	—	(376)	—	244	(143)
Asset-backed securities	7,620	128	—	606	5,198	—	(6,069)	(1,682)	5,801	(779)
Other debt securities	1,833	(179)	—	(17)	2,810	—	(1,700)	(4)	2,743	68
Total trading securities	$ 19,656	$ (151)	$ —	$ 2,086	$ 19,408	$ 73	$ (20,247)	$ (5,033)	$ 15,792	$ (1,630)
Trading derivatives, net (4)										
Interest rate contracts	$ (730)	$ (242)	$ —	$ 1,549	$ 111	$ —	$ (21)	$ 59	$ 726	$ 52
Foreign exchange contracts	(336)	(134)	—	(62)	11	—	(3)	(38)	(562)	(100)
Equity contracts	(1,639)	471	—	(28)	362	—	(242)	(661)	(1,737)	(1,139)
Commodity contracts	(1,023)	426	—	(83)	2	—	(104)	(152)	(934)	(48)
Credit derivatives	2,296	520	—	183	8	—	(1)	(1,278)	1,728	1,615
Total trading derivatives, net (4)	$ (1,432)	$ 1,041	$ —	$ 1,559	$ 494	$ —	$ (371)	$ (2,070)	$ (779)	$ 380
Investments										
Mortgage-backed securities										
U.S. government-sponsored agency guaranteed	$ 22	$ —	$ (22)	$ 416	$ 270	$ —	$ (7)	$ —	$ 679	$ (38)
Residential	167	—	(2)	(109)	7	—	(54)	(1)	8	—
Commercial	527	—	(4)	(513)	42	—	(52)	—	—	—
Total investment mortgage-backed securities	$ 716	$ —	$ (28)	$ (206)	$ 319	$ —	$ (113)	$ (1)	$ 687	$ (38)
U.S. Treasury and federal										

agencies securities	$ 17	$ —	$ —	$ 60	$ —	$ —	$ (2)$	—	$ 75	$ —
State and municipal	504	—	(10)	(59)	324	—	(92)	—	667	(20)
Foreign government	358	—	13	(21)	352	—	(67)	(188)	447	6
Corporate	525	—	(106)	199	732	—	(56)	(305)	989	6
Equity securities	2,055	—	(38)	(31)	—	—	(84)	(449)	1,453	—
Asset-backed securities	5,424	—	43	55	106	—	(460)	(1,127)	4,041	5
Other debt securities	727	—	26	121	35	—	(289)	(500)	120	(2)
Non-marketable equity securities	6,960	—	862	(886)	4,881	—	(1,838)	(1,661)	8,318	580
Total investments	$ 17,286	$ —	$ 762	$ (768)	$ 6,749	$ —	$ (3,001)	$ (4,231)	$ 16,797	$ 537

In millions of dollars	Dec. 31, 2010	Net realized/unrealized gains (losses) included in Principal transactions	Other (1)(2)	Transfers into and/or out of Level 3	Purchases	Issuances	Sales	Settlements	Dec. 31, 2011	Unrealized gains (losses) still held (3)
Loans	$ 3,213	$—	$ (309)	$425	$250	$2,002	$ (85)	$(814)	$ 4,682	$ (265)
Mortgage servicing rights	4,554	—	(1,465)	—	—	408	(212)	(716)	2,569	(1,465)
Other financial assets measured on a recurring basis	$ 2,509	$ —	$ 109	$ (90)	$ 57	$ 553	$ (172)	$ (721)	$ 2,245	$ 112
Liabilities										
Interest-bearing deposits	$ 277	$ —	$ 86	$ (72)	$ —	$ 325	$ —	$ (13)	$ 431	$ (76)
Federal funds purchased and securities loaned or sold under agreements to repurchase	1,261	(22)	—	45	—	—	(117)	(150)	1,061	(64)
Trading account liabilities										
Securities sold, not yet purchased	187	48	—	438	—	—	413	(578)	412	42
Short-term borrowings	802	190	—	(220)	—	551	—	(444)	499	39
Long-term debt	8,494	160	266	(509)	—	1,485	—	(2,140)	6,904	(225)
Other financial liabilities measured on a recurring basis	19	—	(19)	7	1	13	(1)	(55)	3	(3)

(1) Changes in fair value for available-for-sale investments (debt securities) are recorded in *Accumulated other comprehensive income (loss)* unless other-than-temporarily impaired, while gains and losses from sales are recorded in *Realized gains (losses) from sales of investments* on the Consolidated Statement of Income.
(2) Unrealized gains (losses) on MSRs are recorded in *Other revenue* on the Consolidated Statement of Income. See Note 15 to the Consolidated Financial Statements for a discussion of other-than-temporary impairment.
(3) Represents the amount of total gains or losses for the period, included in earnings (and *Accumulated other comprehensive income (loss)* for changes in fair value for available-for-sale investments), attributable to the change in fair value relating to assets and liabilities classified as Level 3 that are still held at December 31, 2012 and 2011.
(4) Total Level 3 derivative assets and liabilities have been netted in these tables for presentation purposes only.

Significant valuation techniques and most significant unobservable inputs used in Level 3 fair value measurements

	Fair Value (1) *(in millions)*	Methodology	Input	Low (2)(3)	High (2)(3)
Assets					
Federal funds sold and securities borrowed or purchased under agreements to resell	**$4,786**	Cash flow	Interest rate	1.09 %	1.50 %
Trading and investment securities					
Mortgage-backed securities	**$ 4,402**	Price-based	Price	$ 0.00	$ 135.00
	1,148	Yield analysis	Yield	0.00 %	25.84 %
			Prepayment period	2.16 years	7.84 years
State and municipal, foreign government, corporate and other debt securities	**$ 4,416**	Price-based	Price	$ 0.00	$ 159.63
	1,231	Cash flow	Yield	0.00 %	30.00 %
	787	Yield analysis	Credit spread	35 bps	300 bps
Equity securities	**$ 792**	Cash flow	Yield	9.00 %	10.00 %
	147	Price-based	Prepayment period	3 years	3 years
			Price	$ 0.00	$ 750.00
Asset-backed securities	**$ 4,253**	Price-based	Price	$ 0.00	$ 136.63
	1,775	Internal model	Yield	0.00 %	27.00 %
	561	Cash flow	Credit correlation	15.00 %	90.00 %
			Weighted average life (WAL)	0.34 years	16.07 years
Non-marketable equity	**$ 2,768**	Price-based	Fund NAV	$ 1.00	$ 456,773,838
	1,803	Comparables analysis	EBITDA multiples	4.70	14.39
			Price-to-book ratio	0.77	1.50
	709	Cash flow	Discount to price	0.00 %	75.00 %
Derivatives – Gross (4)					
Interest rate contracts (gross)	**$ 3,202**	Internal model	Interest rate (IR)-IR correlation	(98.00)%	90.00 %
			Credit spread	0 bps	550.27 bps
			IR volatility	0.09 %	100.00 %
			Interest rate	0 %	15.00 %
Foreign exchange contracts (gross)	**$ 1,542**	Internal model	Foreign exchange (FX) volatility	3.20 %	67.35 %

			IR-FX correlation	40.00 %	60.00 %
			Credit spread	0 bps	376 bps
Equity contracts (gross) (5)	$ 4,669	Internal model	Equity volatility	1.00 %	185.20 %
			Equity forward	74.94 %	132.70 %
			Equity-equity correlation	1.00 %	99.90 %
Commodity contracts (gross)	$ 2,160	Internal model	Forward price	37.45 %	181.50 %
			Commodity correlation	(77.00)%	95.00 %
			Commodity volatility	5.00 %	148.00 %
Credit derivatives (gross)	$ 4,777	Internal model	Price	$ 0.00	$ 121.16
	3,886	Price-based	Recovery rate	6.50 %	78.00 %
			Credit correlation	5.00 %	99.00 %
			Credit spread	0 bps	2,236 bps
			Upfront points	3.62	100.00
Nontrading derivatives and other financial assets and	$ 2,000	External model	Price	$ 100.00	$ 100.00
liabilities measured on a recurring basis (gross) (4)	461	Internal model	Redemption rate	30.79 %	99.50 %
Loans	$ 2,447	Price-based	Price	$ 0.00	$ 103.32
	1,423	Yield analysis	Credit spread	55 bps	600.19 bps
	888	Internal model			
Mortgage servicing rights	$ 1,858	Cash flow	Yield	0.00 %	53.19 %
			Prepayment period	2.16 years	7.84 years
Liabilities					
Interest-bearing deposits	$785	Internal model	Equity volatility	11.13 %	86.10 %
			Forward price	67.80 %	182.00%
			Commodity correlation	(76.00)%	95.00 %
			Commodity volatility	5.00 %	148.00%
Federal funds purchased and securities loaned					
or sold under agreements to repurchase	$841	Internal model	Interest rate	0.33 %	4.91 %
Trading account liabilities					
Securities sold, not yet purchased	$265	Internal model	Price	$0.00	$166.47
	75	Price-based			
Short-term borrowings and long-term debt	$5,067	Internal model	Price	$0.00	$121.16
	1,112	Price-based	Equity volatility	12.40 %	185.20%
	649	Yield analysis	Equity forward	75.40 %	132.70%
			Equity-equity correlation	1.00 %	99.90 %
			Equity-FX correlation	(80.50)%	50.40 %

(1) The fair value amounts presented in this table represent the primary valuation technique or techniques for each class of assets or liabilities.
(2) Some inputs are shown as zero due to rounding.
(3) When the low and high inputs are the same, there is either a constant input applied to all positions, or the methodology involving the input applies to one large position only.
(4) Both trading and nontrading account derivatives—assets and liabilities—are presented on a gross absolute value basis.
(5) Includes hybrid products.

Schedule of fixed income instruments weighted average price input

Mortgage-backed securities	$ 86.02
State and municipal, foreign government, corporate, and other debt securities	90.95
Asset-backed securities	79.71
Loans	91.25
Short-term borrowings and long-term debt	93.38

Items measured at fair value of a nonrecurring basis

In millions of dollars	Fair value	Level 2	Level 3
December 31, 2012			
Loans held-for-sale	**$ 2,647**	**$ 1,159**	**$ 1,488**
Other real estate owned	**201**	**22**	**179**
Loans (1)	**5,732**	**5,160**	**572**
Other assets (2)	**4,725**	**4,725**	**—**
Total assets at fair value on a nonrecurring basis	**$ 13,305**	**$ 11,066**	**$ 2,239**

(1) Represents impaired loans held for investment whose carrying amount is based on the fair value of the underlying collateral, including primarily real-estate secured loans.
(2) Represents Citi's remaining 35% investment in the Morgan Stanley Smith Barney joint venture whose carrying amount is the agreed purchase price. See Note 15 to the Consolidated Financial Statements.

In millions of dollars	Fair value	Level 2	Level 3
December 31, 2011			
Loans held-for-sale	$ 2,644	$ 1,668	$ 976
Other real estate owned	271	88	183
Loans (1)	3,911	3,185	726
Total assets at fair value on a nonrecurring basis	$ 6,826	$ 4,941	$ 1,885

(1) Represents impaired loans held for investment whose carrying amount is based on the fair value of the underlying collateral, including primarily real-estate secured loans.

Valuation techniques and inputs for Level 3 nonrecurring fair value measurements

	Fair Value [1] (in millions)	Methodology	Input	Low	High
Loans held-for-sale	**$747**	Price-based	Price	$ 63.42	$ 100.00
	485	External model	Credit spread	40 bps	40 bps
	174	Recovery analysis			
Other real estate owned	**165**	Price-based	Discount to price	11.00 %	50.00 %
			Price [2]	$ 39,774	$ 15,457,452
Loans [3]	**351**	Price-based	Discount to price	25.00 %	34.00 %
	111	Internal model	Price [2]	$ 6,272,242	$ 86,200,000
			Discount rate	6.00 %	16.49 %

(1) The fair value amounts presented in this table represent the primary valuation technique or techniques for each class of assets or liabilities.
(2) Prices are based on appraised values.
(3) Represents loans held for investment whose carrying amounts are based on the fair value of the underlying collateral.

Changes in total nonrecurring fair value measurements

In millions of dollars	December 31, 2012
Loans held-for-sale	**$(19)**
Other real estate owned	**(29)**
Loans [1]	**(1,489)**
Other assets [2]	**(3,340)**
Total nonrecurring fair value gains (losses)	**$ (4,877)**

(1) Represents loans held for investment whose carrying amount is based on the fair value of the underlying collateral, including primarily real-estate loans.
(2) Includes the recognition of a $3,340 million impairment charge related to the carrying value of Citi's remaining 35% interest in the Morgan Stanley Smith Barney joint venture. See Note 15 to the Consolidated Financial Statements.

In millions of dollars	December 31, 2011
Loans held-for-sale	$(201)
Other real estate owned	(71)
Loans [1]	(973)
Total nonrecurring fair value gains (losses)	$ (1,245)

(1) Represents loans held for investment whose carrying amount is based on the fair value of the underlying collateral, including primarily real-estate loans.

Estimated Fair Value of Financial Instruments

	December 31, 2012		Estimated fair value		
In billions of dollars	Carrying value	Estimated fair value	Level 1	Level 2	Level 3
Assets					
Investments	**$17.9**	**$18.4**	**$3.0**	**$ 14.3**	**$ 1.1**
Federal funds sold and securities borrowed or purchased under agreements to resell	**100.7**	**100.7**	**—**	**94.8**	**5.9**
Loans [1][2]	**621.9**	**612.2**	**—**	**4.2**	**608.0**
Other financial assets [2][3]	**192.8**	**192.8**	**11.4**	**128.3**	**53.1**
Liabilities					
Deposits	**$ 929.1**	**$ 927.4**	**$ —**	**$ 765.5**	**$ 161.9**
Federal funds purchased and securities loaned or sold under agreements to repurchase	**94.5**	**94.5**	**—**	**94.4**	**0.1**
Long-term debt [4]	**209.7**	**215.3**	**—**	**177.0**	**38.3**
Other financial liabilities [5]	**139.0**	**139.0**	**—**	**31.1**	**107.9**

	December 31, 2011	
In billions of dollars	Carrying value	Estimated fair value
Assets		
Investments	$ 19.4	$ 18.4
Federal funds sold and securities borrowed or purchased under agreements to resell	133.0	133.0
Loans [1][2]	609.3	598.7
Other financial assets [2][3]	245.7	245.7
Liabilities		
Deposits	$ 864.6	$ 864.5
Federal funds purchased and securities loaned or sold under agreements to repurchase	100.7	100.7
Long-term debt [4]	299.3	289.7
Other financial liabilities [5]	141.1	141.1

(1) The carrying value of loans is net of the *Allowance for loan losses* of $25.5 billion for December 31, 2012 and $30.1 billion for December 31, 2011. In addition, the carrying values exclude $2.8 billion and $2.5 billion of lease finance receivables at December 31, 2012 and December 31, 2011, respectively.
(2) Includes items measured at fair value on a nonrecurring basis.

(3) Includes cash and due from banks, deposits with banks, brokerage receivables, reinsurance recoverable and other financial instruments included in *Other assets* on the Consolidated Balance Sheet, for all of which the carrying value is a reasonable estimate of fair value.

(4) The carrying value includes long-term debt balances carried at fair value under fair value hedge accounting.

(5) Includes brokerage payables, separate and variable accounts, short-term borrowings (carried at cost) and other financial instruments included in *Other liabilities* on the Consolidated Balance Sheet, for all of which the carrying value is a reasonable estimate of fair value.

CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) (Details 2) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Change in accumulated other comprehensive income (loss), pretax			
Balance at the beginning of the period, pretax	$ (25,807)	$ (24,855)	$ (27,834)
Change in net unrealized gains (losses) on investment securities, pretax	1,001	3,855	3,119
Foreign currency translation adjustment, pretax	12	(4,133)	81
Cash flow hedges, pretax	838	(262)	857
Pension liability adjustment, pretax	(1,378)	(412)	(1,078)
Change, pretax	473	(952)	2,979
Balance at the end of the period, pretax	(25,334)	(25,807)	(24,855)
Change in accumulated other comprehensive income (loss), tax effect			
Balance at the beginning of the period, tax effect	8,019	8,578	8,897
Change in net unrealized gains (losses) on investment securities, tax effect	(369)	(1,495)	(1,167)
Foreign currency translation adjustment, tax effect	709	609	739
Cash flow hedges, tax effect	(311)	92	(325)
Pension liability adjustment, tax effect	390	235	434
Change, tax effect	419	(559)	(319)
Balance at the end of the period, tax effect	8,438	8,019	8,578
Change in accumulated other comprehensive income (loss), after-tax			
Balance at the beginning of the period, after-tax	(17,788)	(16,277)	(18,937)
Change in net unrealized gains (losses) on investment securities, after-tax	632	2,360	1,952
Foreign currency translation adjustment, after-tax	721	(3,524)	820
Cash flow hedges, after-tax	527	(170)	532
Pension liability adjustment, after-tax	(988) [1]	(177) [1]	(644) [1]
Change, after-tax	892	(1,511)	2,660
Balance at the end of the period, after-tax	$ (16,896)	$ (17,788)	$ (16,277)

[1] Primarily reflects adjustments based on the year-end actuarial valuations of the Company's pension and postretirement plans and amortization of amounts previously recognized in Other comprehensive income.

SECURITIZATIONS AND VARIABLE INTEREST ENTITIES (Details 8) (USD $)	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Variable Interest Entity			
Total unconsolidated VIE assets	$ 499,481,000,000	$ 552,446,000,000	
Maximum exposure to unconsolidated VIEs	45,971,000,000	53,258,000,000	
Citicorp			
Variable Interest Entity			
Total unconsolidated VIE assets	354,493,000,000	347,347,000,000	
Maximum exposure to unconsolidated VIEs	41,644,000,000	43,584,000,000	
Citicorp | Asset-based financing			
Variable Interest Entity			
Total unconsolidated VIE assets	40,200,000,000		
Maximum exposure to unconsolidated VIEs	17,100,000,000		
Cash flows received on retained interest and other net cash flows	300,000,000		
Citi Holdings			
Variable Interest Entity			
Total unconsolidated VIE assets	144,988,000,000	205,099,000,000	
Maximum exposure to unconsolidated VIEs	4,327,000,000	9,674,000,000	
Citi Holdings | Asset-based financing			
Variable Interest Entity			
Total unconsolidated VIE assets	4,200,000,000		
Maximum exposure to unconsolidated VIEs	1,200,000,000		
Cash flows received on retained interest and other net cash flows	1,700,000,000	1,400,000,000	2,800,000,000
Commercial and other real estate | Citicorp | Asset-based financing			
Variable Interest Entity			
Total unconsolidated VIE assets	16,100,000,000		
Maximum exposure to unconsolidated VIEs	3,100,000,000		
Commercial and other real estate | Citi Holdings | Asset-based financing			
Variable Interest Entity			
Total unconsolidated VIE assets	900,000,000		
Maximum exposure to unconsolidated VIEs	300,000,000		
Corporate loans | Citicorp | Asset-based financing			
Variable Interest Entity			
Total unconsolidated VIE assets	2,000,000,000		
Maximum exposure to unconsolidated VIEs	1,600,000,000		
Corporate loans | Citi Holdings | Asset-based financing			
Variable Interest Entity			

Total unconsolidated VIE assets	400,000,000
Maximum exposure to unconsolidated VIEs	300,000,000
Hedge funds and equities | Citicorp | Asset-based financing	
Variable Interest Entity	
Total unconsolidated VIE assets	600,000,000
Maximum exposure to unconsolidated VIEs	400,000,000
Airplanes, ships and other assets | Citicorp | Asset-based financing	
Variable Interest Entity	
Total unconsolidated VIE assets	21,500,000,000
Maximum exposure to unconsolidated VIEs	12,000,000,000
Airplanes, ships and other assets | Citi Holdings | Asset-based financing	
Variable Interest Entity	
Total unconsolidated VIE assets	2,900,000,000
Maximum exposure to unconsolidated VIEs	$ 600,000,000

INTEREST REVENUE AND EXPENSE (Tables)	12 Months Ended Dec. 31, 2012

INTEREST REVENUE AND INTEREST EXPENSE

Interest revenue and Interest expense

In millions of dollars	2012	2011	2010
Interest revenue			
Loan interest, including fees	**$ 48,544**	$ 50,281	$ 55,056
Deposits with banks	**1,269**	1,750	1,252
Federal funds sold and securities borrowed or purchased under agreements to resell	**3,418**	3,631	3,156
Investments, including dividends	**7,525**	8,320	11,004
Trading account assets (1)	**6,802**	8,186	8,079
Other interest	**580**	513	735
Total interest revenue	**$ 68,138**	$ 72,681	$ 79,282
Interest expense			
Deposits (2)	**$ 7,613**	$ 8,556	$ 8,371
Federal funds purchased and securities loaned or sold under agreements to repurchase	**2,817**	3,197	2,808
Trading account liabilities (1)	**190**	408	379
Short-term borrowings	**727**	650	917
Long-term debt	**9,188**	11,423	12,621
Total interest expense	**$ 20,535**	$ 24,234	$ 25,096
Net interest revenue	**$ 47,603**	$ 48,447	$ 54,186
Provision for loan losses	**10,848**	11,773	25,194
Net interest revenue after provision for loan losses	**$ 36,755**	$ 36,674	$ 28,992

(1) Interest expense on *Trading account liabilities* of *ICG* is reported as a reduction of interest revenue from *Trading account assets*.

(2) Includes deposit insurance fees and charges of $1,262 million, $1,332 million and $981 million for the years ended December 31, 2012, December 31, 2011 and December 31, 2010, respectively.

REGULATORY CAPITAL AND CITIGROUP INC. PARENT COMPANY INFORMATION	12 Months Ended
	Dec. 31, 2012
REGULATORY CAPITAL AND CITIGROUP INC. PARENT COMPANY INFORMATION	
REGULATORY CAPITAL AND CITIGROUP INC. PARENT COMPANY INFORMATION	**20. REGULATORY CAPITAL AND CITIGROUP INC. PARENT COMPANY INFORMATION**

Citigroup is subject to risk-based capital and leverage guidelines issued by the Federal Reserve System (FRB). Citi's U.S. insured depository institution subsidiaries, including Citibank, N.A., are subject to similar guidelines issued by their respective primary federal bank regulatory agencies. These guidelines are used to evaluate capital adequacy and include the required minimums shown in the following table. The regulatory agencies are required by law to take specific prompt actions with respect to institutions that do not meet minimum capital standards.

The following table sets forth Citigroup's and Citibank, N.A.'s regulatory capital ratios as of December 31, 2012:

In millions of dollars	Required minimum	Well-capitalized minimum	Citigroup	Citibank, N.A.
Tier 1 Common			$ 123,095	$ 116,633
Tier 1 Capital			136,532	117,367
Total Capital (1)			167,686	135,513
Tier 1 Common ratio	N/A	N/A	12.67 %	14.12 %
Tier 1 Capital ratio	4.0 %	6.0 %	14.06	14.21
Total Capital ratio	8.0	10.0	17.26	16.41
Leverage ratio	3.0	5.0 (2)	7.48	8.97

(1) Total Capital includes Tier 1 Capital and Tier 2 Capital.

(2) Applicable only to depository institutions.

N/A Not Applicable

As indicated in the table above, Citigroup and Citibank, N.A. were well capitalized under the current federal bank regulatory definitions as of December 31, 2012.

Banking Subsidiaries—Constraints on Dividends

There are various legal limitations on the ability of Citigroup's subsidiary depository institutions to extend credit, pay dividends or otherwise supply funds to Citigroup and its non-bank subsidiaries. The approval of the Office of the Comptroller of the Currency is required if total dividends declared in any calendar year exceed amounts specified by the applicable agency's regulations. State-chartered depository institutions are subject to dividend limitations imposed by applicable state law.

In determining the dividends, each depository institution must also consider its effect on applicable risk-based capital and leverage ratio requirements, as well as policy statements of the federal regulatory agencies that indicate that banking organizations should generally pay dividends out of current operating earnings. Citigroup received $19.1 billion in dividends from Citibank, N.A. in 2012.

Non-Banking Subsidiaries

Citigroup also receives dividends from its non-bank subsidiaries. These non-bank subsidiaries are generally not subject to regulatory restrictions on dividends.

The ability of CGMHI to declare dividends can be restricted by capital considerations of its broker-dealer subsidiaries.

In millions of dollars

Subsidiary	Jurisdiction	Net capital or equivalent	Excess over minimum requirement
Citigroup Global Markets Inc.	U.S. Securities and Exchange Commission Uniform Net Capital Rule		

	(Rule 15c3-1)	$6,250	$5,659
Citigroup Global Markets Limited	United Kingdom's Financial Services Authority	$ 6,212	$ 3,594

Citigroup Inc. Parent Company Only(1) Income Statement and Statement of Comprehensive Income

	Years Ended December 31,		
In millions of dollars	**2012**	2011	2010
Revenues			
Interest revenue	**$ 3,384**	$ 3,684	$ 3,237
Interest expense	**6,573**	7,618	7,728
Net interest revenue	**$ (3,189)**	$ (3,934)	$ (4,491)
Dividends from subsidiaries	**20,780**	13,046	14,448
Non-interest revenue	**613**	939	30
Total revenues, net of interest expense	**$ 18,204**	$ 10,051	$ 9,987
Total operating expenses	**$ 1,497**	$ 1,503	$ 878
Income before taxes and equity in undistributed income of subsidiaries	**$ 16,707**	$ 8,548	$ 9,109
Benefit for income taxes	**(2,062)**	(1,821)	(2,480)
Equity in undistributed income of subsidiaries	**(11,228)**	698	(987)
Parent company's net income	**$ 7,541**	$ 11,067	$ 10,602
Comprehensive income			
Parent company's net income	**$ 7,541**	$ 11,067	$ 10,602
Other comprehensive income (loss)	**892**	(1,511)	2,660
Parent company's comprehensive income	**$ 8,433**	$ 9,556	$ 13,262

Citigroup Inc. Parent Company Only(1) Balance Sheet

	Years Ended December 31,	
In millions of dollars	**2012**	2011
Assets		
Cash and deposits from banks	**$ 153**	$ 3
Trading account assets	**150**	99
Investments	**1,676**	37,477
Advances to subsidiaries	**107,074**	108,644
Investments in subsidiaries	**184,615**	194,979
Other assets	**102,335**	65,711
Total assets	**$ 396,003**	$ 406,913
Liabilities		
Federal funds purchased and securities loaned or sold under agreements to repurchase	**$ 185**	$ 185
Trading account liabilities	**170**	96
Short-term borrowings	**725**	13
Long-term debt	**176,553**	181,702
Advances from subsidiaries other than banks	**12,759**	17,046
Other liabilities	**16,562**	30,065
Total liabilities	**$ 206,954**	$ 229,107
Total equity	**189,049**	177,806
Total liabilities and equity	**$ 396,003**	$ 406,913

Citigroup Inc. Parent Company Only(1) Cash Flows Statement

	Years Ended December 31,		
In millions of dollars	**2012**	2011	2010
Net cash provided by operating activities of continuing operations	**$ 1,598**	$ 1,710	$ 8,756
Cash flows from investing activities of continuing operations			

Purchases of investments	**$ (5,701)**	$ (47,190)	$ (31,346)
Proceeds from sales of investments	**37,056**	9,524	6,029
Proceeds from maturities of investments	**4,286**	22,386	16,834
Changes in investments and advances—intercompany	**(397)**	32,419	13,363
Other investing activities	**994**	(10)	(20)
Net cash provided by investing activities of continuing operations	**$ 36,238**	$ 17,129	$ 4,860
Cash flows from financing activities of continuing operations			
Dividends paid	**$ (143)**	$ (113)	$ (9)
Issuance of preferred stock	**2,250**	—	—
Proceeds/(repayments) from issuance of long-term debt—third-party, net	**(33,434)**	(16,481)	(8,339)
Net change in short-term borrowings and other advances—intercompany	**(6,160)**	(5,772)	(8,211)
Other financing activities	**(199)**	3,519	2,949
Net cash used in financing activities of continuing operations	**$ (37,686)**	$ (18,847)	$ (13,610)
Net increase (decrease) in cash and due from banks	**$ 150**	$ (8)	$ 6
Cash and due from banks at beginning of period	**3**	11	5
Cash and due from banks at end of period	**$ 153**	$ 3	$ 11
Supplemental disclosure of cash flow information for continuing operations			
Cash paid (received) during the year for			
Income taxes	**$ 78**	$ (458)	$ (507)
Interest	**7,883**	9,271	9,317

(1) "Citigroup Inc. parent company only" refers to the parent holding company Citigroup Inc., excluding consolidated subsidiaries. Note that Citigroup Funding Inc. (CFI) was previously a first-tier subsidiary of Citigroup Inc., issuing commercial paper, medium-term notes and structured equity-linked and credit-linked notes. The debt of CFI was guaranteed by Citigroup Inc. On December 31, 2012, CFI was merged into Citigroup Inc., the parent holding company.

DEBT

DEBT
DEBT

12 Months Ended
Dec. 31, 2012

19. DEBT

Short-Term Borrowings

Short-term borrowings consist of commercial paper and other borrowings with weighted average interest rates at December 31 as follows:

In millions of dollars	2012 Balance	2012 Weighted average	2011 Balance	2011 Weighted average
Commercial paper				
Bank	$ 11,092	0.59 %	$ 14,872	0.32 %
Other non-bank	378	0.84	6,414	0.49
	$ 11,470		$ 21,286	
Other borrowings (1)	40,557	1.06 %	33,155	1.09 %
Total	$ 52,027		$ 54,441	

(1) At December 31, 2012 and December 31, 2011, collateralized short-term advances from the Federal Home Loan Banks were $4 billion and $5 billion, respectively.

Borrowings under bank lines of credit may be at interest rates based on LIBOR, CD rates, the prime rate, or bids submitted by the banks. Citigroup pays commitment fees for its lines of credit.

Some of Citigroup's non-bank subsidiaries have credit facilities with Citigroup's subsidiary depository institutions, including Citibank, N.A. Borrowings under these facilities are secured in accordance with Section 23A of the Federal Reserve Act.

Citigroup Global Markets Holdings Inc. (CGMHI) has borrowing agreements consisting of facilities that CGMHI has been advised are available, but where no contractual lending obligation exists. These arrangements are reviewed on an ongoing basis to ensure flexibility in meeting CGMHI's short-term requirements.

Long-Term Debt

In millions of dollars	Weighted average coupon	Maturities	Balances at December 31, 2012	Balances at December 31, 2011
Citigroup				
Senior notes	4.29 %	2013–2098	$ 138,862	$ 136,468
Subordinated notes (1)	4.40	2013–2036	27,581	29,177
Junior subordinated notes relating to trust preferred securities	7.14	2031–2067	10,110	16,057
Bank (2)				
Senior notes	1.91	2013–2039	50,527	77,036
Subordinated notes (1)	3.29	2013–2039	707	859
Non-bank				
Senior notes	3.64	2013–2097	11,651	63,712
Subordinated notes (1)	2.26	2013–2017	25	196
Total (3)			$ 239,463	$ 323,505
Senior notes			$ 201,040	$ 277,216
Subordinated notes (1)			28,313	30,232
Junior subordinated notes relating to trust preferred securities			10,110	16,057
Total			$ 239,463	$ 323,505

Note: Citigroup Funding Inc. (CFI) was previously a first-tier subsidiary of Citigroup Inc., issuing commercial paper, medium-term notes and structured equity-linked and credit-linked notes. The debt of CFI was guaranteed by Citigroup Inc. On December 31, 2012, CFI was merged into Citigroup Inc.

(1) Includes notes that are subordinated within certain countries, regions or subsidiaries.

(2) Represents Citibank, N.A., as well as subsidiaries of Citibank and Banamex. At December 31, 2012 and 2011, collateralized long-term advances from the Federal Home Loan Banks were $16.3 billion and $11.0 billion, respectively.

(3) Includes senior notes with carrying values of $186 million issued to Safety First Trust Series 2007-4, 2008-1, 2008-2, 2008-3, 2008-4, 2008-5, 2008-6, 2009-1, 2009-2, and 2009-3 at December 31, 2012 and $215 million issued to Safety First Trust Series 2007-3, 2007-4, 2008-1, 2008-2, 2008-3, 2008-4, 2008-5, 2008-6, 2009-1, 2009-2, and 2009-3 at December 31, 2011. Citigroup owns all of the voting securities of the Safety First Trusts. The Safety First Trusts have no assets, operations, revenues or cash flows other than those related to the issuance, administration and repayment of the Safety First Trust securities and the Safety First Trusts' common securities.

CGMHI has committed long-term financing facilities with unaffiliated banks. At December 31, 2012, CGMHI had drawn down $300 million available under these facilities. Generally, a bank can terminate these facilities by giving CGMHI one-year prior notice.

The Company issues both fixed and variable rate debt in a range of currencies. It uses derivative contracts, primarily interest rate swaps, to effectively convert a portion of its fixed rate debt to variable rate debt and variable rate debt to fixed rate debt. The maturity structure of the derivatives generally corresponds to the maturity structure of the debt being hedged. In addition, the Company uses other derivative contracts to manage the foreign exchange impact of certain debt issuances. At December 31, 2012, the Company's overall weighted average interest rate for long-term debt was 3.88% on a contractual basis and 2.71% including the effects of derivative contracts.

Aggregate annual maturities of long-term debt obligations (based on final maturity dates) including trust preferred securities are as follows:

In millions of dollars	2013	2014	2015	2016	2017	Thereafter	Total
Bank	$ 16,601	$ 9,862	$ 8,588	$ 6,320	$ 2,943	$ 6,920	$ 51,234
Non-bank	1,586	2,921	781	800	52	5,536	11,676
Parent company	24,464	24,243	19,677	12,737	21,156	74,276	176,553
Total	$ 42,651	$ 37,026	$ 29,046	$ 19,857	$ 24,151	$ 86,732	$ 239,463

Long-term debt outstanding includes trust preferred securities with a balance sheet carrying value of $10,110 million and $16,057 million at December 31, 2012 and December 31, 2011, respectively. In issuing these trust preferred securities, Citi formed statutory business trusts under the laws of the State of Delaware. The trusts exist for the exclusive purposes of (i) issuing trust preferred securities representing undivided beneficial interests in the assets of the trust; (ii) investing the gross proceeds of the trust preferred securities in junior subordinated deferrable interest debentures (subordinated debentures) of its parent; and (iii) engaging in only those activities necessary or incidental thereto. Generally, upon receipt of certain regulatory approvals, Citigroup has the right to redeem these securities.

As previously disclosed, during the third quarter of 2012, Citi redeemed three series of its trust preferred securities resulting in a pretax gain of $198 million. The redemptions under Citigroup Capital XII and XXI closed on July 18, 2012, while Citigroup Capital XIX closed on August 15, 2012. During the fourth quarter of 2012, Citigroup completed the early redemption of Citigroup Capital XX in the amount of $0.4 billion. The gain recorded upon the redemption was $7 million. The redemption under Citigroup Capital XX closed on December 17, 2012.

The following table summarizes the financial structure of each of the Company's subsidiary trusts at December 31, 2012:

						Junior subordinated debentures owned by trust		
Trust securities with distributions guaranteed by Citigroup	**Issuance date**	**Securities issued**	**Liquidation value** [(1)]	**Coupon rate**	**Common shares issued to parent**	**Amount**	**Maturity**	**Redeemable by issuer beginning**
In millions of dollars, except share amounts								
Citigroup Capital III	Dec. 1996	194,053	$ 194	7.625%	6,003	$ 200	Dec. 1, 2036	Not redeemable
Citigroup Capital VII	July 2001	35,885,898	897	7.125%	1,109,874	925	July 31, 2031	July 31, 2006
Citigroup Capital VIII	Sept. 2001	43,651,597	1,091	6.950%	1,350,050	1,125	Sept. 15, 2031	Sept. 17, 2006
Citigroup Capital IX	Feb. 2003	33,874,813	847	6.000%	1,047,675	873	Feb. 14, 2033	Feb. 13, 2008
Citigroup Capital X	Sept. 2003	14,757,823	369	6.100%	456,428	380	Sept. 30, 2033	Sept. 30, 2008
Citigroup Capital XI	Sept. 2004	18,387,128	460	6.000%	568,675	474	Sept. 27, 2034	Sept. 27, 2009
Citigroup Capital XIII	Sept. 2010	89,840,000	2,246	7.875%	1,000	2,246	Oct. 30, 2040	Oct. 30, 2015
Citigroup Capital XIV	June 2006	12,227,281	306	6.875%	40,000	307	June 30, 2066	June 30, 2011
Citigroup Capital XV	Sept. 2006	25,210,733	630	6.500%	40,000	631	Sept. 15, 2066	Sept. 15, 2011
Citigroup Capital XVI	Nov. 2006	38,148,947	954	6.450%	20,000	954	Dec. 31, 2066	Dec. 31, 2011
Citigroup Capital XVII	Mar. 2007	28,047,927	701	6.350%	20,000	702	Mar. 15, 2067	Mar. 15, 2012
Citigroup Capital XVIII	June 2007	99,901	162	6.829%	50	162	June 28, 2067	June 28, 2017
Citigroup Capital XXXIII [(2)]	July 2009	3,025,000	3,025	8.000%	100	3,025	July 30, 2039	July 30, 2014
Adam Capital Trust III	Dec. 2002	17,500	18	3 mo. LIB +335 bp.	542	18	Jan. 7, 2033	Jan. 7, 2008
Adam Statutory Trust III	Dec. 2002	25,000	25	3 mo. LIB +325 bp.	774	26	Dec. 26, 2032	Dec. 26, 2007
Adam Statutory Trust IV	Sept. 2003	40,000	40	3 mo. LIB +295 bp.	1,238	41	Sept. 17, 2033	Sept. 17, 2008
Adam Statutory Trust V	Mar. 2004	35,000	35	3 mo. LIB +279 bp.	1,083	36	Mar. 17, 2034	Mar. 17, 2009
Total obligated			**$ 12,000**			**$ 12,125**		

(1) Represents the notional value received by investors from the trusts at the time of issuance.

(2) On February 4, 2013, approximately $800 million of the $3,025 million issued under Citigroup Capital XXXIII was exchanged into subordinated debt, leaving approximately $2,225 million of trust preferred securities outstanding as of such date.

In each case, the coupon rate on the debentures is the same as that on the trust securities. Distributions on the trust securities and interest on the debentures are payable quarterly, except for Citigroup Capital III and Citigroup Capital XVIII on which distributions are payable semiannually.

INVESTMENTS (Details 5) (USD $)	Dec. 31, 2012	Dec. 31, 2011
Held-to-maturity Securities, Continuous Unrealized Loss Position		
Fair value less than 12 months	$ 382,000,000	$ 1,215,000,000
Gross unrecognized losses less than 12 months	7,000,000	134,000,000
Fair value 12 months or longer	2,311,000,000	7,242,000,000
Gross unrecognized losses 12 months or longer	396,000,000	1,031,000,000
Fair value, total	2,693,000,000	8,457,000,000
Gross unrecognized losses, total	403,000,000	1,165,000,000
Unrealized loss, other than temporary impairment, not credit loss, recorded in AOCI	1,500,000,000	2,300,000,000
Mortgage-backed securities		
Held-to-maturity Securities, Continuous Unrealized Loss Position		
Fair value less than 12 months	88,000,000	735,000,000
Gross unrecognized losses less than 12 months	7,000,000	63,000,000
Fair value 12 months or longer	1,522,000,000	4,827,000,000
Gross unrecognized losses 12 months or longer	351,000,000	689,000,000
Fair value, total	1,610,000,000	5,562,000,000
Gross unrecognized losses, total	358,000,000	752,000,000
State and municipal securities		
Held-to-maturity Securities, Continuous Unrealized Loss Position		
Fair value 12 months or longer	383,000,000	682,000,000
Gross unrecognized losses 12 months or longer	37,000,000	72,000,000
Fair value, total	383,000,000	682,000,000
Gross unrecognized losses, total	37,000,000	72,000,000
Corporate		
Held-to-maturity Securities, Continuous Unrealized Loss Position		
Fair value 12 months or longer		1,427,000,000
Gross unrecognized losses 12 months or longer		254,000,000
Fair value, total		1,427,000,000
Gross unrecognized losses, total		254,000,000
Asset-backed securities		
Held-to-maturity Securities, Continuous Unrealized Loss Position		
Fair value less than 12 months		480,000,000
Gross unrecognized losses less than 12 months		71,000,000
Fair value 12 months or longer	406,000,000	306,000,000
Gross unrecognized losses 12 months or longer	8,000,000	16,000,000
Fair value, total	406,000,000	786,000,000
Gross unrecognized losses, total	8,000,000	87,000,000
Foreign Government		
Held-to-maturity Securities, Continuous Unrealized Loss Position		
Fair value less than 12 months	294,000,000	
Fair value, total	$ 294,000,000	

GOODWILL AND INTANGIBLE ASSETS (Tables)

12 Months Ended Dec. 31, 2012

GOODWILL AND INTANGIBLE ASSETS

Changes in Goodwill

In millions of dollars	
Balance at December 31, 2010	$ 26,152
Foreign exchange translation	(636)
Smaller acquisitions/divestitures, purchase accounting adjustments and other	44
Discontinued operations	(147)
Balance at December 31, 2011	$ 25,413
Foreign exchange translation	**294**
Smaller acquisitions/divestitures, purchase accounting adjustments and other	**(21)**
Discontinued operations	**(13)**
Balance at December 31, 2012	**$ 25,673**

Changes in Goodwill by segment

In millions of dollars	Global Consumer Banking	Institutional Clients Group	Citi Holdings	Corporate/ Other	Total
Balance at December 31, 2010	$ 10,701	$ 10,826	$ 4,625	$—	$ 26,152
Goodwill acquired during 2011	$ —	$ 19	$ —	$ —	$ 19
Goodwill disposed of during 2011	—	(6)	(153)	—	(159)
Other (1)	(465)	(102)	(32)	—	(599)
Balance at December 31, 2011	$ 10,236	$ 10,737	$ 4,440	$ —	$ 25,413
Goodwill acquired during 2012	**$ —**	**$ —**	**$ —**	**$ —**	**$—**
Goodwill disposed of during 2012	**—**	**—**	**(8)**	**—**	**(8)**
Other (1)	**20**	**244**	**4**	**—**	**268**
Intersegment transfers in/(out) (2)	**4,283**	**—**	**(4,283)**	**—**	**—**
Balance at December 31, 2012	**$ 14,539**	**$ 10,981**	**$ 153**	**$ —**	**$ 25,673**

(1) Other changes in *Goodwill* primarily reflect foreign exchange effects on non-dollar-denominated goodwill, discontinued operations in 2012, and purchase accounting adjustments.
(2) Primarily includes the transfer of the substantial majority of the Citi retail services business from *Citi Holdings—Local Consumer Lending* to *Citicorp—North America Regional Consumer Banking* during the first quarter of 2012. See Note 4 to the Consolidated Financial Statements for a further discussion of this segment transfer.

Goodwill by reporting units

In millions of dollars

Reporting unit (1)	Fair value as a % of allocated book value	Goodwill
North America Regional Consumer Banking	**225 %**	**$ 6,803**
EMEA Regional Consumer Banking	**150 %**	**$ 366**
Asia Regional Consumer Banking	**281 %**	**$ 5,489**
Latin America Regional Consumer Banking	**186 %**	**$ 1,881**
Securities and Banking	**137 %**	**$ 9,378**
Transaction Services	**1,336 %** (2)	**$ 1,603**
Brokerage and Asset Management	**121 %**	**$ 42**
Local Consumer Lending—Cards	**110 %**	**$ 111**

(1) *Local Consumer Lending—Other* is excluded from the table as there is no goodwill allocated to it.
(2) *Transaction Services:* 2011 fair value has been carried forward for this reporting unit for purposes of the 2012 annual impairment test as discussed above.

Components of intangible assets

	December 31, 2012			December 31, 2011		
In millions of dollars	**Gross carrying amount**	**Accumulated amortization**	**Net carrying amount**	Gross carrying amount	Accumulated amortization	Net carrying amount
Purchased credit card relationships	**$ 7,632**	**$5,726**	**$ 1,906**	$ 7,616	$5,309	$ 2,307
Core deposit intangibles	**1,315**	**1,019**	**296**	1,337	965	372
Other customer relationships	**767**	**380**	**387**	830	356	474
Present value of future profits	**239**	**135**	**104**	235	123	112
Indefinite-lived intangible assets	**487**	**—**	**487**	492	—	492
Other (1)	**4,764**	**2,247**	**2,517**	4,866	2,023	2,843
Intangible assets (excluding MSRs)	**$ 15,204**	**$ 9,507**	**$ 5,697**	$ 15,376	$ 8,776	$ 6,600
Mortgage servicing rights (MSRs)	**1,942**	**—**	**1,942**	2,569	—	2,569
Total intangible assets	**$ 17,146**	**$ 9,507**	**$ 7,639**	$ 17,945	$ 8,776	$ 9,169

(1) Includes contract-related intangible assets.

Changes in intangible assets

	Net carrying amount at December 31,	**Acquisitions/**	**FX and**	**Discontinued**	**Net carrying amount at December 31,**

In millions of dollars	2011	divestitures	Amortization	Impairments	other (1)	operations	2012
Purchased credit card relationships	$2,307	$—	$(402)	$—	$ 1	$—	$1,906
Core deposit intangibles	372	—	(84)	—	8	—	296
Other customer relationships	474	—	(45)	—	(42)	—	387
Present value of future profits	112	—	(9)	—	1	—	104
Indefinite-lived intangible assets	492	(8)	—	—	3	—	487
Other	2,843	2	(316)	(6)	13	(19)	2,517
Intangible assets (excluding MSRs)	$ 6,600	$ (6)	$ (856)	$ (6)	$ (16)	$ (19)	$ 5,697
Mortgage servicing rights (MSRs) (2)	2,569						1,942
Total intangible assets	$ 9,169						$ 7,639

(1) Includes foreign exchange translation and purchase accounting adjustments.

(2) See Note 22 to the Consolidated Financial Statements for the roll-forward of MSRs.

COMMISSIONS AND FEES (Tables)

12 Months Ended Dec. 31, 2012

COMMISSIONS AND FEES

Commissions and fees revenues

In millions of dollars	**2012**	2011	2010
Credit cards and bank cards	**$ 3,526**	$ 3,603	$ 3,774
Investment banking	**2,991**	2,451	2,977
Trading-related	**2,296**	2,587	2,368
Transaction services	**1,441**	1,520	1,454
Other Consumer (1)	**878**	931	1,156
Checking-related	**907**	926	1,023
Primerica	**—**	—	91
Loan servicing	**313**	251	353
Corporate finance (2)	**516**	519	439
Other	**58**	62	23
Total commissions and fees	**$ 12,926**	$ 12,850	$ 13,658

(1) Primarily consists of fees for investment fund administration and management, third-party collections, commercial demand deposit accounts and certain credit card services.

(2) Consists primarily of fees earned from structuring and underwriting loan syndications.

CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

12 Months Ended

Dec. 31, 2012

CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

21. CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Changes in each component of *Accumulated other comprehensive income (loss)* for the three-year period ended December 31, 2012 are as follows:

In millions of dollars	Net unrealized gains (losses) on investment securities	Foreign currency translation adjustment, net of hedges	Cash flow hedges	Pension liability adjustments	Accumulated other comprehensive income (loss)
Balance at December 31, 2009	$(4,347)	$ (7,947)	$(3,182)	$(3,461)	$(18,937)
Change, net of taxes [1][2][3][4]	1,952	820	532	(644)	2,660
Balance at December 31, 2010	$ (2,395)	$ (7,127)	$ (2,650)	$ (4,105)	$ (16,277)
Change, net of taxes [1][2][3][4]	2,360	(3,524)	(170)	(177)	(1,511)
Balance at December 31, 2011	$ (35)	$ (10,651)	$ (2,820)	$ (4,282)	$ (17,788)
Change, net of taxes [1][2][3][4][5][6]	632	721	527	(988)	892
Balance at December 31, 2012	**$ 597**	**$ (9,930)**	**$ (2,293)**	**$ (5,270)**	**$ (16,896)**

(1) The after-tax realized gains (losses) on sales and impairments of securities during the years ended December 31, 2012, 2011 and 2010 were $(1,017) million, $(122) million and $657 million, respectively. For details of the realized gains (losses) on sales and impairments on Citigroup's investment securities included in income, see Note 15 to the Consolidated Financial Statements.

(2) Primarily reflects the movements in (by order of impact) the Mexican peso, Japanese yen, Euro, and Brazilian real against the U.S. dollar, and changes in related tax effects and hedges in 2012. Primarily reflects the movements in the Mexican peso, Turkish lira, Brazilian real, Indian rupee and Polish zloty against the U.S. dollar, and changes in related tax effects and hedges in 2011. Primarily reflects the movements in the Australian dollar, Brazilian real, Canadian dollar, Japanese yen, Mexican peso, and Chinese yuan (renminbi) against the U.S. dollar, and changes in related tax effects and hedges in 2010.

(3) For cash flow hedges, primarily driven by Citigroup's pay fixed/receive floating interest rate swap programs that are hedging the floating rates on liabilities.

(4) For the pension liability adjustment, primarily reflects adjustments based on the final year-end actuarial valuations of the Company's pension and postretirement plans and amortization of amounts previously recognized in other comprehensive income.

(5) For net unrealized gains (losses) on investment securities, includes the after-tax impact of realized gains from the sales of minority investments: $672 million from the Company's entire interest in Housing Development Finance Corporation Ltd. (HDFC); and $421 million from the Company's entire interest in Shanghai Pudong Development Bank (SPDB).

(6) The after-tax impact due to impairment charges and the loss related to Akbank, included within the foreign currency translation adjustment, during the six months ended June 30, 2012 was $667 million. See Note 15 to the Consolidated Financial Statements.

The pretax and after-tax changes in each component of *Accumulated other comprehensive income (loss)* for the three-year period ended December 31, 2012 are as follows:

In millions of dollars	Pretax	Tax effect	After-tax
Balance, December 31, 2009	$ (27,834)	$ 8,897	$ (18,937)
Change in net unrealized gains (losses) on investment securities	3,119	(1,167)	1,952
Foreign currency translation adjustment	81	739	820
Cash flow hedges	857	(325)	532
Pension liability adjustment	(1,078)	434	(644)
Change	$ 2,979	$ (319)	$ 2,660
Balance, December 31, 2010	$ (24,855)	$ 8,578	$ (16,277)
Change in net unrealized gains (losses) on investment securities	3,855	(1,495)	2,360
Foreign currency translation adjustment	(4,133)	609	(3,524)

Cash flow hedges		(262)		92		(170)
Pension liability adjustment		(412)		235		(177)
Change	$	(952)	$	(559)	$	(1,511)
Balance, December 31, 2011	$	(25,807)	$	8,019	$	(17,788)
Change in net unrealized gains (losses) on investment securities		1,001		(369)		632
Foreign currency translation adjustment		12		709		721
Cash flow hedges		838		(311)		527
Pension liability adjustment		(1,378)		390		(988)
Change	$	473	$	419	$	892
Balance, December 31, 2012	**$**	**(25,334)**	**$**	**8,438**	**$**	**(16,896)**

SECURITIZATIONS AND VARIABLE INTEREST ENTITIES

SECURITIZATIONS AND VARIABLE INTEREST ENTITIES	12 Months Ended Dec. 31, 2012

SECURITIZATIONS AND VARIABLE INTEREST ENTITIES

SECURITIZATIONS AND VARIABLE INTEREST ENTITIES

22. SECURITIZATIONS AND VARIABLE INTEREST ENTITIES

Uses of SPEs

A special purpose entity (SPE) is an entity designed to fulfill a specific limited need of the company that organized it. The principal uses of SPEs are to obtain liquidity and favorable capital treatment by securitizing certain of Citigroup's financial assets, to assist clients in securitizing their financial assets and to create investment products for clients. SPEs may be organized in various legal forms including trusts, partnerships or corporations. In a securitization, the company transferring assets to an SPE converts all (or a portion) of those assets into cash before they would have been realized in the normal course of business through the SPE's issuance of debt and equity instruments, certificates, commercial paper and other notes of indebtedness, which are recorded on the balance sheet of the SPE, which may or may not be consolidated onto the balance sheet of the company that organized the SPE.

Investors usually only have recourse to the assets in the SPE and often benefit from other credit enhancements, such as a collateral account or over-collateralization in the form of excess assets in the SPE, a line of credit, or from a liquidity facility, such as a liquidity put option or asset purchase agreement. Because of these enhancements, the SPE issuances can typically obtain a more favorable credit rating from rating agencies than the transferor could obtain for its own debt issuances, resulting in less expensive financing costs than unsecured debt. The SPE may also enter into derivative contracts in order to convert the yield or currency of the underlying assets to match the needs of the SPE investors or to limit or change the credit risk of the SPE. Citigroup may be the provider of certain credit enhancements as well as the counterparty to any related derivative contracts.

Most of Citigroup's SPEs are variable interest entities (VIEs), as described below.

Variable Interest Entities

VIEs are entities that have either a total equity investment that is insufficient to permit the entity to finance its activities without additional subordinated financial support, or whose equity investors lack the characteristics of a controlling financial interest (i.e., ability to make significant decisions through voting rights, and right to receive the expected residual returns of the entity or obligation to absorb the expected losses of the entity). Investors that finance the VIE through debt or equity interests or other counterparties that provide other forms of support, such as guarantees, subordinated fee arrangements, or certain types of derivative contracts, are variable interest holders in the entity.

The variable interest holder, if any, that has a controlling financial interest in a VIE is deemed to be the primary beneficiary and must consolidate the VIE. Citigroup would be deemed to have a controlling financial interest and be the primary beneficiary if it has both of the following characteristics:

- power to direct activities of a VIE that most significantly impact the entity's economic performance; and
- obligation to absorb losses of the entity that could potentially be significant to the VIE or right to receive benefits from the entity that could potentially be significant to the VIE.

The Company must evaluate its involvement in each VIE and understand the purpose and design of the entity, the role the Company had in the entity's design and its involvement in the VIE's ongoing activities. The Company then must evaluate which activities most significantly impact the economic performance of the VIE and who has the power to direct such activities.

For those VIEs where the Company determines that it has the power to direct the activities that most significantly impact the VIE's economic performance, the Company then must evaluate its economic interests, if any, and determine whether it could absorb losses or receive benefits that could potentially be significant to the VIE. When evaluating whether the Company has an obligation to absorb losses that could potentially be significant, it considers the maximum exposure to such loss without consideration of probability. Such obligations could be in various forms, including, but not limited to, debt and equity investments, guarantees, liquidity agreements, and certain derivative contracts.

In various other transactions, the Company may: (i) act as a derivative counterparty (for example, interest rate swap, cross-currency swap, or purchaser of credit protection under a credit default swap or total return swap where the Company pays the total return on certain assets to the SPE); (ii) act as underwriter or placement agent; (iii) provide administrative, trustee or other services; or (iv) make a market in debt securities or other instruments issued by VIEs. The Company generally considers such involvement, by itself, not to be variable interests and thus not an indicator of power or potentially significant benefits or losses.

Citigroup's involvement with consolidated and unconsolidated VIEs with which the Company holds significant variable interests or has continuing involvement through servicing a majority of the assets in a VIE as of December 31, 2012 and 2011 is presented below:

In millions of dollars

				As of December 31, 2012				
				Maximum exposure to loss in significant unconsolidated VIEs (1)				
				Funded exposures (2)		Unfunded exposures (3)		
Citicorp	**Total involvement with SPE assets**	**Consolidated VIE / SPE assets**	**Significant unconsolidated VIE assets (4)**	**Debt investments**	**Equity investments**	**Funding commitments**	**Guarantees and derivatives**	**Total**
Credit card securitizations	$ 79,109	$79,109	$—	$ —	$—	$—	$—	$ —
Mortgage securitizations (5)								
U.S. agency-sponsored	232,741	—	232,741	3,042	—	—	45	3,087
Non-agency-sponsored	9,308	1,686	7,622	382	—	—	—	382
Citi-administered asset-backed commercial paper conduits (ABCP)	30,002	22,387	7,615	—	—	7,615	—	7,615
Third-party commercial paper conduits	—	—	—	—	—	—	—	—
Collateralized debt obligations (CDOs)	5,539	—	5,539	24	—	—	—	24
Collateralized loan obligations (CLOs)	15,120	—	15,120	642	19	—	—	661
Asset-based financing	41,399	1,125	40,274	14,798	84	2,081	159	17,122
Municipal securities tender option bond trusts (TOBs)	15,163	7,573	7,590	352	—	4,628	—	4,980
Municipal investments	19,693	255	19,438	2,003	3,049	1,669	—	6,721
Client intermediation	2,486	151	2,335	319	—	—	—	319
Investment funds	4,286	2,196	2,090	—	14	—	—	14
Trust preferred securities	12,221	—	12,221	—	126	—	—	126
Other	2,023	115	1,908	113	382	22	76	593
Total	$ 469,090	$ 114,597	$ 354,493	$ 21,675	$ 3,674	$ 16,015	$ 280	$ 41,644
Citi Holdings								
Credit card securitizations	$ 838	$ 397	$ 441	$ —	$ —	$ —	$ —	$ —
Mortgage securitizations								

U.S. agency-sponsored	**106,888**	**—**	**106,888**	**700**	**—**	**—**	**163**	**863**
Non-agency-sponsored	**16,693**	**1,628**	**15,065**	**43**	**—**	**—**	**2**	**45**
Student loan securitizations	**1,681**	**1,681**	**—**	**—**	**—**	**—**	**—**	**—**
Collateralized debt obligations (CDOs)	**4,752**	**—**	**4,752**	**139**	**—**	**—**	**124**	**263**
Collateralized loan obligations (CLOs)	**4,676**	**—**	**4,676**	**435**	**—**	**13**	**108**	**556**
Asset-based financing	**4,166**	**3**	**4,163**	**984**	**6**	**243**	**—**	**1,233**
Municipal investments	**7,766**	**—**	**7,766**	**90**	**235**	**992**	**—**	**1,317**
Client intermediation	**13**	**13**	**—**	**—**	**—**	**—**	**—**	**—**
Investment funds	**1,083**	**—**	**1,083**	**—**	**47**	**—**	**—**	**47**
Other	**6,005**	**5,851**	**154**	**—**	**3**	**—**	**—**	**3**
Total	**$ 154,561**	**$ 9,573**	**$ 144,988**	**$ 2,391**	**$ 291**	**$ 1,248**	**$ 397**	**$ 4,327**
Total Citigroup	**$ 623,651**	**$ 124,170**	**$ 499,481**	**$ 24,066**	**$ 3,965**	**$ 17,263**	**$ 677**	**$ 45,971**

(1) The definition of maximum exposure to loss is included in the text that follows this table.
(2) Included in Citigroup's December 31, 2012 Consolidated Balance Sheet.
(3) Not included in Citigroup's December 31, 2012 Consolidated Balance Sheet.
(4) A significant unconsolidated VIE is an entity where the Company has any variable interest considered to be significant, regardless of the likelihood of loss or the notional amount of exposure.
(5) Citicorp mortgage securitizations also include agency and non-agency (private-label) re-securitization activities. These SPEs are not consolidated. See "Re-Securitizations" below for further discussion.

In millions of dollars				**As of December 31, 2011**				
				Maximum exposure to loss in significant unconsolidated VIEs [1]				
				Funded exposures [2]		**Unfunded exposures** [3]		
	Total involvement with SPE assets	**Consolidated VIE / SPE assets**	**Significant unconsolidated VIE assets** [4]	**Debt investments**	**Equity investments**	**Funding commitments**	**Guarantees and derivatives**	**Total**
	$ 87,083	$ 87,083	$—	$—	$—	$—	$—	$ —
	232,179	—	232,179	3,769	—	—	26	3,795
	9,743	1,622	8,121	348	—	—	—	348
	34,987	21,971	13,016	—	—	13,016	—	13,016
	7,507	—	7,507	—	—	298	—	298
	3,334	—	3,334	20	—	—	—	20
	8,127	—	8,127	64	—	—	—	64
	19,034	1,303	17,731	7,892	2	2,891	121	10,906
	16,849	8,224	8,625	708	—	5,413	—	6,121
	20,331	299	20,032	2,345	3,535	1,586	—	7,466
	2,110	24	2,086	468	—	—	—	468
	4,621	2,027	2,594	—	70	—	—	70
	17,882	—	17,882	—	128	—	—	128
	6,210	97	6,113	354	172	279	79	884
	$ 469,997	$ 122,650	$ 347,347	$ 15,968	$ 3,907	$ 23,483	$ 226	$ 43,584
	$ 780	$ 581	$ 199	$ —	$ —	$ —	$ —	$ —
	152,265	—	152,265	1,159	—	—	120	1,279
	20,821	1,764	19,057	61	—	—	2	63
	1,822	1,822	—	—	—	—	—	—
	6,581	—	6,581	117	—	—	120	237
	7,479	—	7,479	1,125	—	6	90	1,221
	10,490	73	10,417	5,004	3	250	—	5,257
	7,820	—	7,820	206	265	1,049	—	1,520
	111	111	—	—	—	—	—	—
	1,114	14	1,100	—	43	—	—	43
	6,762	6,581	181	3	36	15	—	54
	$ 216,045	$ 10,946	$ 205,099	$ 7,675	$ 347	$ 1,320	$ 332	$ 9,674
	$ 686,042	$ 133,596	$ 552,446	$ 23,643	$ 4,254	$ 24,803	$ 558	$ 53,258

(1) The definition of maximum exposure to loss is included in the text that follows this table.
(2) Included in Citigroup's December 31, 2011 Consolidated Balance Sheet.
(3) Not included in Citigroup's December 31, 2011 Consolidated Balance Sheet.
(4) A significant unconsolidated VIE is an entity where the Company has any variable interest considered to be significant, regardless of the likelihood of loss or the notional amount of exposure.
(5) Citicorp mortgage securitizations also include agency and non-agency (private-label) re-securitization activities. These SPEs are not consolidated. See "Re-Securitizations" below for further discussion.

Reclassified to conform to the current year's presentation.

The previous tables do not include:

- certain venture capital investments made by some of the Company's private equity subsidiaries, as the Company accounts for these investments in accordance with the Investment Company Audit Guide;

- certain limited partnerships that are investment funds that qualify for the deferral from the requirements of ASC 810 where the Company is the general partner and the limited partners have the right to replace the general partner or liquidate the funds;
- certain investment funds for which the Company provides investment management services and personal estate trusts for which the Company provides administrative, trustee and/or investment management services;
- VIEs structured by third parties where the Company holds securities in inventory, as these investments are made on arm's-length terms;
- certain positions in mortgage-backed and asset-backed securities held by the Company, which are classified as *Trading account assets* or *Investments*, where the Company has no other involvement with the related securitization entity deemed to be significant (for more information on these positions, see Notes 14 and 15 to the Consolidated Financial Statements);
- certain representations and warranties exposures in legacy *Securities and Banking*—sponsored mortgage-backed and asset-backed securitizations, where the Company has no variable interest or continuing involvement as servicer. The outstanding balance of mortgage loans securitized during 2005 to 2008 where the Company has no variable interest or continuing involvement as servicer was approximately $19 billion at December 31, 2012; and
- certain representations and warranties exposures in Citigroup residential mortgage securitizations, where the original mortgage loan balances are no longer outstanding.

The asset balances for consolidated VIEs represent the carrying amounts of the assets consolidated by the Company. The carrying amount may represent the amortized cost or the current fair value of the assets depending on the legal form of the asset (e.g., security or loan) and the Company's standard accounting policies for the asset type and line of business.

The asset balances for unconsolidated VIEs where the Company has significant involvement represent the most current information available to the Company. In most cases, the asset balances represent an amortized cost basis without regard to impairments in fair value, unless fair value information is readily available to the Company. For VIEs that obtain asset exposures synthetically through derivative instruments (for example, synthetic CDOs), the tables generally include the full original notional amount of the derivative as an asset balance.

The maximum funded exposure represents the balance sheet carrying amount of the Company's investment in the VIE. It reflects the initial amount of cash invested in the VIE adjusted for any accrued interest and cash principal payments received. The carrying amount may also be adjusted for increases or declines in fair value or any impairment in value recognized in earnings. The maximum exposure of unfunded positions represents the remaining undrawn committed amount, including liquidity and credit facilities provided by the Company, or the notional amount of a derivative instrument considered to be a variable interest. In certain transactions, the Company has entered into derivative instruments or other arrangements that are not considered variable interests in the VIE (e.g., interest rate swaps, cross-currency swaps, or where the Company is the purchaser of credit protection under a credit default swap or total return swap where the Company pays the total return on certain assets to the SPE). Receivables under such arrangements are not included in the maximum exposure amounts.

Funding Commitments for Significant Unconsolidated VIEs—Liquidity Facilities and Loan Commitments

The following table presents the notional amount of liquidity facilities and loan commitments that are classified as funding commitments in the VIE tables above as of December 31, 2012:

In millions of dollars	Liquidity facilities	Loan commitments
Citicorp		
Citi-administered asset-backed commercial paper conduits (ABCP)	$ 7,615	$ —
Asset-based financing	6	2,075
Municipal securities tender option bond trusts (TOBs)	4,628	—
Municipal investments	—	1,669
Other	—	22
Total Citicorp	$ 12,249	$ 3,766
Citi Holdings		
Asset-based financing	$ —	$ 243
Collateralized loan obligations (CLOs)	13	—
Municipal investments	—	992
Total Citi Holdings	$ 13	$ 1,235
Total Citigroup funding commitments	$ 12,262	$ 5,001

Citicorp and Citi Holdings Consolidated VIEs

The Company engages in on-balance-sheet securitizations which are securitizations that do not qualify for sales treatment; thus, the assets remain on the Company's balance sheet. The consolidated VIEs included in the tables below represent hundreds of separate entities with which the Company is involved. In general, the third-party investors in the obligations of consolidated VIEs have legal recourse only to the assets of the VIEs and do not have such recourse to the Company, except where the Company has provided a guarantee to the investors or is the counterparty to certain derivative transactions involving the VIE. In addition, the assets are generally restricted only to pay such liabilities.

Thus, the Company's maximum legal exposure to loss related to consolidated VIEs is significantly less than the carrying value of the consolidated VIE assets due to outstanding third-party financing. Intercompany assets and liabilities are excluded from the table. All assets are restricted from being sold or pledged as collateral. The cash flows from these assets are the only source used to pay down the associated liabilities, which are non-recourse to the Company's general assets.

The following table presents the carrying amounts and classifications of consolidated assets that are collateral for consolidated VIE and SPE obligations as of December 31, 2012 and December 31, 2011:

In billions of dollars	**December 31, 2012**			December 31, 2011		
	Citicorp	**Citi Holdings**	**Citigroup**	Citicorp	Citi Holdings	Citigroup
Cash	$ 0.3	$ 0.2	$ 0.5	$ 0.2	$ 0.4	$ 0.6
Trading account assets	0.5	—	0.5	0.4	0.1	0.5
Investments	10.7	—	10.7	12.5	—	12.5
Total loans, net	102.6	9.1	111.7	109.0	10.1	119.1
Other	0.5	0.2	0.7	0.5	0.3	0.8
Total assets	$ 114.6	$ 9.5	$ 124.1	$ 122.6	$ 10.9	$ 133.5
Short-term borrowings	$ 17.9	$ —	$ 17.9	$ 22.5	$ 0.8	$ 23.3
Long-term debt	23.8	2.6	26.4	44.8	5.6	50.4
Other liabilities	1.1	0.1	1.2	0.9	0.2	1.1
Total liabilities	$ 42.8	$ 2.7	$ 45.5	$ 68.2	$ 6.6	$ 74.8

Citicorp and Citi Holdings Significant Variable Interests in Unconsolidated VIEs—Balance Sheet Classification

The following table presents the carrying amounts and classification of significant variable interests in unconsolidated VIEs as of December 31, 2012 and December 31, 2011:

In billions of dollars	**December 31, 2012**			December 31, 2011		
	Citicorp	**Citi Holdings**	**Citigroup**	Citicorp	Citi Holdings	Citigroup
Trading account assets	$ 4.0	$ 0.5	$4.5	$ 5.5	$ 1.0	$ 6.5
Investments	5.4	0.7	6.1	3.8	4.4	8.2
Total loans, net	14.6	0.9	15.5	9.0	1.6	10.6
Other	1.4	0.5	1.9	1.6	1.0	2.6
Total assets	$ 25.4	$ 2.6	$ 28.0	$ 19.9	$ 8.0	$ 27.9

Long-term debt	$ —	$ —	$ —	$ —	$ —	$ —
Total liabilities	—	—	—	—	—	—

Credit Card Securitizations

The Company securitizes credit card receivables through trusts that are established to purchase the receivables. Citigroup transfers receivables into the trusts on a non-recourse basis. Credit card securitizations are revolving securitizations; that is, as customers pay their credit card balances, the cash proceeds are used to purchase new receivables and replenish the receivables in the trust.

Substantially all of the Company's credit card securitization activity is through two trusts—Citibank Credit Card Master Trust (Master Trust) and the Citibank Omni Master Trust (Omni Trust). Since the adoption of SFAS 167 (ASC 810) on January 1, 2010, these trusts are treated as consolidated entities because, as servicer, Citigroup has the power to direct the activities that most significantly impact the economic performance of the trusts and also holds a seller's interest and certain securities issued by the trusts, and provides liquidity facilities to the trusts, which could result in potentially significant losses or benefits from the trusts. Accordingly, the transferred credit card receivables remain on the Consolidated Balance Sheet with no gain or loss recognized. The debt issued by the trusts to third parties is included in the Consolidated Balance Sheet.

The Company relies on securitizations to fund a significant portion of its credit card businesses in *North America*. The following table reflects amounts related to the Company's securitized credit card receivables as of December 31, 2012 and December 31, 2011:

	Citicorp		Citi Holdings	
In billions of dollars	**December 31, 2012**	December 31, 2011	**December 31, 2012**	December 31, 2011
Principal amount of credit card receivables in trusts	**$80.7**	$89.8	**$0.4**	$0.6
Ownership interests in principal amount of trust credit card receivables				
Sold to investors via trust-issued securities	**$ 22.9**	$ 42.7	**$ 0.1**	$ 0.3
Retained by Citigroup as trust-issued securities	**13.2**	14.7	**0.1**	0.1
Retained by Citigroup via non-certificated interests	**44.6**	32.4	**0.2**	0.2
Total ownership interests in principal amount of trust credit card receivables	**$ 80.7**	$ 89.8	**$ 0.4**	$ 0.6

Credit Card Securitizations—Citicorp

The following table summarizes selected cash flow information related to Citicorp's credit card securitizations for the years ended December 31, 2012, 2011 and 2010:

In billions of dollars	**2012**	2011	2010
Proceeds from new securitizations	**$ 2.4**	$ 3.9	$ 5.5
Pay down of maturing notes	**(21.7)**	(20.5)	(40.3)

Credit Card Securitizations—Citi Holdings

The proceeds from Citi Holdings' credit card securitizations were $0.4 billion for the year ended December 31, 2012.

Managed Loans

After securitization of credit card receivables, the Company continues to maintain credit card customer account relationships and provides servicing for receivables transferred to the trusts. As a result, the Company considers the securitized credit card receivables to be part of the business it manages. As Citigroup consolidates the credit card trusts, all managed securitized card receivables are on-balance sheet.

Funding, Liquidity Facilities and Subordinated Interests

As noted above, Citigroup securitizes credit card receivables through two securitization trusts—Master Trust, which is part of Citicorp, and Omni Trust, which is also substantially part of Citicorp. The liabilities of the trusts are included in the Consolidated Balance Sheet, excluding those retained by Citigroup.

Master Trust issues fixed- and floating-rate term notes. Some of the term notes are issued to multi-seller commercial paper conduits. The weighted average maturity of the term notes issued by the Master Trust was 3.8 years as of December 31, 2012 and 3.1 years as of December 31, 2011.

Master Trust Liabilities (at par value)

In billions of dollars	**December 31, 2012**	December 31, 2011
Term notes issued to multi-seller commercial paper conduits	**$ —**	$ —
Term notes issued to third parties	**18.6**	30.4
Term notes retained by Citigroup affiliates	**4.8**	7.7
Total Master Trust liabilities	**$ 23.4**	$ 38.1

The Omni Trust issues fixed- and floating-rate term notes, some of which are purchased by multi-seller commercial paper conduits. The weighted average maturity of the third-party term notes issued by the Omni Trust was 1.7 years as of December 31, 2012 and 1.5 years as of December 31, 2011.

Omni Trust Liabilities (at par value)

In billions of dollars	**December 31, 2012**	December 31, 2011
Term notes issued to multi-seller commercial paper conduits	**$ —**	$ 3.4
Term notes issued to third parties	**4.4**	9.2
Term notes retained by Citigroup affiliates	**7.1**	7.1
Total Omni Trust liabilities	**$ 11.5**	$ 19.7

Mortgage Securitizations

The Company provides a wide range of mortgage loan products to a diverse customer base. Once originated, the Company often securitizes these loans through the use of SPEs. These SPEs are funded through the issuance of trust certificates backed solely by the transferred assets. These certificates have the same average life as the transferred assets. In addition to providing a source of liquidity and less expensive funding, securitizing these assets also reduces the Company's credit exposure to the borrowers. These mortgage loan securitizations are primarily non-recourse, thereby effectively transferring the risk of future credit losses to the purchasers of the securities issued by the trust. However, the Company's Consumer business generally retains the servicing rights and in certain instances retains investment securities, interest-only strips and residual interests in future cash flows from the trusts and also provides servicing for a limited number of *Securities and Banking* securitizations. *Securities and Banking* and *Special Asset Pool* do not retain servicing for their mortgage securitizations.

The Company securitizes mortgage loans generally through either a government-sponsored agency, such as Ginnie Mae, Fannie Mae or Freddie Mac (U.S. agency-sponsored mortgages), or private-label (non-agency-sponsored mortgages) securitization. The Company is not the primary beneficiary of its U.S. agency-sponsored mortgage securitizations because Citigroup does not have the power to direct the activities of the SPE that most significantly impact the entity's economic performance. Therefore, Citi does not consolidate these U.S. agency-sponsored mortgage securitizations.

The Company does not consolidate certain non-agency-sponsored mortgage securitizations because Citi is either not the servicer with the power to direct the significant activities of the entity or Citi is the servicer but the servicing relationship is deemed to be a fiduciary relationship and, therefore, Citi is not deemed to be the primary beneficiary of the entity.

In certain instances, the Company has (i) the power to direct the activities and (ii) the obligation to either absorb losses or right to receive benefits that could be potentially significant to its non-agency-sponsored mortgage securitizations and, therefore, is the primary beneficiary and consolidates the SPE.

Mortgage Securitizations—Citicorp

The following tables summarize selected cash flow information related to Citicorp mortgage securitizations for the years ended December 31, 2012, 2011 and 2010:

In billions of dollars	2012 U.S. agency-sponsored mortgages	2012 Non-agency-sponsored mortgages	2011 Agency- and non-agency-sponsored mortgages	2010 Agency- and non-agency-sponsored mortgages
Proceeds from new securitizations	$ 54.2	$ 2.3	$ 57.3	$ 65.1
Contractual servicing fees received	0.5	—	0.5	0.5
Cash flows received on retained interests and other net cash flows	0.1	—	0.1	0.1

Gains (losses) recognized on the securitization of U.S. agency-sponsored mortgages during 2012 were $10 million. For the year ended December 31, 2012, gains (losses) recognized on the securitization of non-agency-sponsored mortgages were $20 million.

Agency and non-agency mortgage securitization gains (losses) for the years ended December 31, 2011 and 2010 were $(9) million and $(5) million, respectively.

Key assumptions used in measuring the fair value of retained interests at the date of sale or securitization of mortgage receivables for the years ended December 31, 2012 and 2011 were as follows:

December 31, 2012	U.S. agency-sponsored mortgages	Non-agency-sponsored mortgages (1) Senior interests	Non-agency-sponsored mortgages (1) Subordinated interests
Discount rate	0.2% to 14.4%	1.2% to 24.0%	1.1% to 29.2%
Weighted average discount rate	11.4%	8.1%	13.8%
Constant prepayment rate	6.7% to 36.4%	1.9% to 22.8%	1.6% to 29.4%
Weighted average constant prepayment rate	10.2%	9.3%	10.1%
Anticipated net credit losses (2)	NM	37.5% to 80.2%	33.4% to 90.0%
Weighted average anticipated net credit losses	NM	60.3%	54.1%

December 31, 2011	U.S. agency-sponsored mortgages	Non-agency-sponsored mortgages (1) Senior interests	Non-agency-sponsored mortgages (1) Subordinated interests
Discount rate	0.6% to 28.3%	2.4% to 10.0%	8.4% to 17.6%
Weighted average discount rate	12.0%	4.5%	11.0%
Constant prepayment rate	2.2% to 30.6%	1.0% to 2.2%	5.2% to 22.1%
Weighted average constant prepayment rate	7.9%	1.9%	17.3%
Anticipated net credit losses (2)	NM	35.0% to 72.0%	11.4% to 58.6%
Weighted average anticipated net credit losses	NM	45.3%	25.0%

(1) Disclosure of non-agency-sponsored mortgages as senior and subordinated interests is indicative of the interests' position in the capital structure of the securitization.

(2) Anticipated net credit losses represent estimated loss severity associated with defaulted mortgage loans underlying the mortgage securitizations disclosed above. Anticipated net credit losses, in this instance, do not represent total credit losses incurred to date, nor do they represent credit losses expected on retained interests in mortgage securitizations.

NM Not meaningful. Anticipated net credit losses are not meaningful due to U.S. agency guarantees.

The range in the key assumptions is due to the different characteristics of the interests retained by the Company. The interests retained range from highly rated and/or senior in the capital structure to unrated and/or residual interests.

The effect of adverse changes of 10% and 20% in each of the key assumptions used to determine the fair value of retained interests and the sensitivity of the fair value to such adverse changes, each as of December 31, 2012 and 2011, is set forth in the tables below. The negative effect of each change is calculated independently, holding all other assumptions constant. Because the key assumptions may not in fact be independent, the net effect of simultaneous adverse changes in the key assumptions may be less than the sum of the individual effects shown below.

December 31, 2012	U.S. agency-sponsored mortgages	Non-agency-sponsored mortgages (1) Senior interests	Non-agency-sponsored mortgages (1) Subordinated interests
Discount rate	0.6% to 17.2%	1.2% to 24.0%	1.1% to 29.2%
Weighted average discount rate	6.1%	9.0%	13.8%
Constant prepayment rate	9.0% to 57.8%	1.9% to 22.8%	0.5% to 29.4%
Weighted average constant prepayment rate	27.7%	12.3%	10.0%
Anticipated net credit losses (2)	NM	0.1% to 80.2%	33.4% to 90.0%
Weighted average anticipated net credit losses	NM	47.0%	54.1%

December 31, 2011	U.S. agency-sponsored mortgages	Non-agency-sponsored mortgages (1) Senior interests	Non-agency-sponsored mortgages (1) Subordinated interests
Discount rate	1.3% to 16.4%	2.2% to 24.4%	1.3% to 28.1%
Weighted average discount rate	8.1%	9.6%	13.5%
Constant prepayment rate	18.9% to 30.6%	1.7% to 51.8%	0.6% to 29.1%
Weighted average constant prepayment rate	28.7%	26.2%	10.5%
Anticipated net credit losses (2)	NM	0.0% to 77.9%	29.3% to 90.0%
Weighted average anticipated net credit losses	NM	37.6%	57.2%

(1) Disclosure of non-agency-sponsored mortgages as senior and subordinated interests is indicative of the interests' position in the capital structure of the securitization.

(2) Anticipated net credit losses represent estimated loss severity associated with defaulted mortgage loans underlying the mortgage securitizations disclosed above. Anticipated net credit losses, in this instance, do not represent total credit losses incurred to date, nor do they represent credit losses expected on retained interests in mortgage securitizations.

NM Not meaningful. Anticipated net credit losses are not meaningful due to U.S. agency guarantees.

In millions of dollars at December 31, 2012	U.S. agency-sponsored mortgages	Non-agency-sponsored mortgages (1) Senior interests	Subordinated interests
Carrying value of retained interests	$1,987	$88	$466
Discount rates			
Adverse change of 10%	$ (46)	$ (2)	$ (31)
Adverse change of 20%	(90)	(4)	(59)
Constant prepayment rate			
Adverse change of 10%	(110)	(1)	(11)
Adverse change of 20%	(211)	(3)	(22)
Anticipated net credit losses			
Adverse change of 10%	(11)	(1)	(13)
Adverse change of 20%	(21)	(3)	(24)

(1) Disclosure of non-agency-sponsored mortgages as senior and subordinated interests is indicative of the interests' position in the capital structure of the securitization.

Mortgage Securitizations—Citi Holdings

The following tables summarize selected cash flow information related to Citi Holdings mortgage securitizations for the years ended December 31, 2012, 2011 and 2010:

In billions of dollars	**2012** U.S. agency-sponsored mortgages	2011 Agency- and non-agency-sponsored mortgages	2010 Agency- and non-agency-sponsored mortgages
Proceeds from new securitizations	**$0.4**	$1.1	$0.6
Contractual servicing fees received	**0.4**	0.6	0.8
Cash flows received on retained interests and other net cash flows	**—**	0.1	0.1

Gains recognized on the securitization of U.S. agency-sponsored mortgages were $45 million and $78 million for the years ended December 31, 2012 and 2011, respectively. The Company did not securitize non-agency-sponsored mortgages during the years ended December 31, 2012 and 2011.

Similar to Citicorp mortgage securitizations discussed above, the range in the key assumptions is due to the different characteristics of the interests retained by the Company. The interests retained range from highly rated and/or senior in the capital structure to unrated and/or residual interests.

The effect of adverse changes of 10% and 20% in each of the key assumptions used to determine the fair value of retained interests, and the sensitivity of the fair value to such adverse changes, each as of December 31, 2012 and 2011, is set forth in the tables below. The negative effect of each change is calculated independently, holding all other assumptions constant. Because the key assumptions may not in fact be independent, the net effect of simultaneous adverse changes in the key assumptions may be less than the sum of the individual effects shown below.

	December 31, 2012 U.S. agency-sponsored mortgages	Non-agency-sponsored mortgages (1) Senior interests	Subordinated interests
Discount rate	**9.7%**	**4.1% to 10.0%**	**3.4% to 12.4%**
Weighted average discount rate	**9.7%**	**4.2%**	**8.0%**
Constant prepayment rate	**28.6%**	**21.7%**	**12.7% to 18.7%**
Weighted average constant prepayment rate	**28.6%**	**21.7%**	**15.7%**
Anticipated net credit losses	**NM**	**0.5%**	**50.0% to 50.1%**
Weighted average anticipated net credit losses	**NM**	**0.5%**	**50.1%**
Weighted average life	**4.1 years**	**4.4 years**	**6.0 to 7.4 years**

	December 31, 2011 U.S. agency-sponsored mortgages	Non-agency-sponsored mortgages (1) Senior interests	Subordinated interests
Discount rate	6.9%	2.9% to 18.0%	6.7% to 18.2%
Weighted average discount rate	6.9%	9.8%	9.2%
Constant prepayment rate	30.0%	38.8%	2.0% to 9.6%
Weighted average constant prepayment rate	30.0%	38.8%	8.1%
Anticipated net credit losses	NM	0.4%	57.2% to 90.0%
Weighted average anticipated net credit losses	NM	0.4%	63.2%
Weighted average life	3.7 years	3.3 to 4.7 years	0.0 to 8.1 years

(1) Disclosure of non-agency-sponsored mortgages as senior and subordinated interests is indicative of the interests' position in the capital structure of the securitization.

NM Not meaningful. Anticipated net credit losses are not meaningful due to U.S. agency guarantees.

In millions of dollars at December 31, 2012	U.S. agency-sponsored mortgages	Non-agency-sponsored mortgages (1) Senior interests	Subordinated interests
Carrying value of retained interests	$618	$39	$16
Discount rates			
Adverse change of 10%	$ (22)	$ —	$ (1)
Adverse change of 20%	(42)	(1)	(2)
Constant prepayment rate			
Adverse change of 10%	(57)	(3)	—
Adverse change of 20%	(109)	(7)	(1)
Anticipated net credit losses			
Adverse change of 10%	(32)	(9)	(2)
Adverse change of 20%	(64)	(19)	(4)

(1) Disclosure of non-agency-sponsored mortgages as senior and subordinated interests is indicative of the interests' position in the capital structure of the securitization.

Mortgage Servicing Rights
In connection with the securitization of mortgage loans, the Company's U.S. Consumer mortgage business generally retains the servicing rights, which entitle the Company to a future stream of cash flows based on the outstanding principal balances of the loans and the contractual servicing fee. Failure to service the loans in accordance with contractual requirements may lead to a termination of the servicing rights and the loss of future servicing fees.

The fair value of capitalized mortgage servicing rights (MSRs) was $1.9 billion and $2.6 billion at December 31, 2012 and 2011, respectively. The MSRs correspond to principal loan balances of $325 billion and $401 billion as of December 31, 2012 and 2011, respectively. The following table summarizes the changes in capitalized MSRs for the years ended December 31, 2012 and 2011:

In millions of dollars	**2012**	2011
Balance, beginning of year	**$ 2,569**	$ 4,554
Originations	**423**	611
Changes in fair value of MSRs due to changes in inputs and assumptions	**(198)**	(1,210)
Other changes [(1)]	**(852)**	(1,174)
Sale of MSRs	**—**	(212)
Balance, end of year	**$ 1,942**	$ 2,569

(1) Represents changes due to customer payments and passage of time.

The fair value of the MSRs is primarily affected by changes in prepayments of mortgages that result from shifts in mortgage interest rates. In managing this risk, the Company economically hedges a significant portion of the value of its MSRs through the use of interest rate derivative contracts, forward purchase and sale commitments of mortgage-backed securities and purchased securities classified as *Trading account assets*.

The Company receives fees during the course of servicing previously securitized mortgages. The amounts of these fees for the years ended December 31, 2012, 2011 and 2010 were as follows:

In millions of dollars	**2012**	2011	2010
Servicing fees	**$ 990**	$ 1,170	$ 1,356
Late fees	**65**	76	87
Ancillary fees	**122**	130	214
Total MSR fees	**$ 1,177**	$ 1,376	$ 1,657

These fees are classified in the Consolidated Statement of Income as *Other revenue.*

Re-securitizations
The Company engages in re-securitization transactions in which debt securities are transferred to a VIE in exchange for new beneficial interests. During the year ended December 31, 2012, Citi transferred non-agency (private-label) securities with an original par value of approximately $1.5 billion to re-securitization entities. These securities are backed by either residential or commercial mortgages and are often structured on behalf of clients. As of December 31, 2012, the fair value of Citi-retained interests in private-label re-securitization transactions structured by Citi totaled approximately $380 million ($128 million of which relates to re-securitization transactions executed in 2012) and are recorded in *Trading account assets*. Of this amount, approximately $11 million and $369 million related to senior and subordinated beneficial interests, respectively. The original par value of private-label re-securitization transactions in which Citi holds a retained interest as of December 31, 2012 was approximately $7.1 billion.

The Company also re-securitizes U.S. government-agency guaranteed mortgage-backed (agency) securities. During the 12 months ended December 31, 2012, Citi transferred agency securities with a fair value of approximately $30.3 billion to re-securitization entities. As of December 31, 2012, the fair value of Citi-retained interests in agency re-securitization transactions structured by Citi totaled approximately $1.7 billion ($1.1 billion of which related to re-securitization transactions executed in 2012) and is recorded in *Trading account assets*. The original fair value of agency re-securitization transactions in which Citi holds a retained interest as of December 31, 2012 was approximately $71.2 billion.

As of December 31, 2012, the Company did not consolidate any private-label or agency re-securitization entities.

Citi-Administered Asset-Backed Commercial Paper Conduits
The Company is active in the asset-backed commercial paper conduit business as administrator of several multi-seller commercial paper conduits and also as a service provider to single-seller and other commercial paper conduits sponsored by third parties.

Citi's multi-seller commercial paper conduits are designed to provide the Company's clients access to low-cost funding in the commercial paper markets. The conduits purchase assets from or provide financing facilities to clients and are funded by issuing commercial paper to third-party investors. The conduits generally do not purchase assets originated by the Company. The funding of the conduits is facilitated by the liquidity support and credit enhancements provided by the Company.

As administrator to Citi's conduits, the Company is generally responsible for selecting and structuring assets purchased or financed by the conduits, making decisions regarding the funding of the conduits, including determining the tenor and other features of the commercial paper issued, monitoring the quality and performance of the conduits' assets, and facilitating the operations and cash flows of the conduits. In return, the Company earns structuring fees from customers for individual transactions and earns an administration fee from the conduit, which is equal to the income from the client program and liquidity fees of the conduit after payment of conduit expenses. This administration fee is fairly stable, since most risks and rewards of the underlying assets are passed back to the clients and, once the asset pricing is negotiated, most ongoing income, costs and fees are relatively stable as a percentage of the conduit's size.

The conduits administered by the Company do not generally invest in liquid securities that are formally rated by third parties. The assets are privately negotiated and structured transactions that are designed to be held by the conduit, rather than actively traded and sold. The yield earned by the conduit on each asset is generally tied to the rate on the commercial paper issued by the conduit, thus passing interest rate risk to the client. Each asset purchased by the conduit is structured with transaction-specific credit enhancement features provided by the third-party client seller, including over collateralization, cash and excess spread collateral accounts, direct recourse or third-party guarantees. These credit enhancements are sized with the objective of approximating a credit rating of A or above, based on the Company's internal risk ratings.

Substantially all of the funding of the conduits is in the form of short-term commercial paper, with a weighted average life generally ranging from 25 to 45 days. At the respective period ends December 31, 2012 and December 31, 2011, the weighted average lives of the commercial paper issued by consolidated and unconsolidated conduits were approximately 38 and 37 days, respectively.

The primary credit enhancement provided to the conduit investors is in the form of transaction-specific credit enhancement described above. In addition, each consolidated conduit has obtained a letter of credit from the Company, which needs to be sized to at least 8–10% of the conduit's assets with a floor of $200 million. The letters of credit provided by the Company to the consolidated conduits total approximately $2.1 billion. The net result across all multi-seller conduits administered by the Company is that, in the event defaulted assets exceed the transaction-specific credit enhancements described above, any losses in each conduit are allocated first to the Company and then the commercial paper investors.

The Company also provides the conduits with two forms of liquidity agreements that are used to provide funding to the conduits in the event of a market disruption, among other events. Each asset of the conduits is supported by a transaction-specific liquidity facility in the form of an asset purchase agreement (APA). Under the APA, the Company has generally agreed to purchase non-defaulted eligible receivables from the conduit at par. The APA is not generally designed to provide credit support to the conduit, as it generally does not permit the purchase of defaulted or impaired assets. Any funding under the APA will likely subject the underlying borrower to the conduits to increased interest costs. In addition, the Company provides the conduits with program-wide liquidity in the form of short-term lending commitments. Under these commitments, the Company has agreed to lend to the conduits in the event of a short-term disruption in the commercial paper market, subject to specified conditions. The Company receives fees for providing both types of liquidity agreements and considers these fees to be on fair market terms.

Finally, the Company is one of several named dealers in the commercial paper issued by the conduits and earns a market-based fee for providing such services. Along with third-party dealers, the Company makes a market in the commercial paper and may from time to time fund commercial paper pending sale to a third party. On specific dates with less liquidity in the market, the Company may hold in inventory commercial paper issued by conduits administered by the Company, as well as conduits administered by third parties. The amount of commercial paper issued by its administered conduits held in inventory fluctuates based on market conditions and activity. As of December 31, 2012, the Company owned $11.7 billion and $131 million of the commercial paper issued by its consolidated and unconsolidated administered conduits, respectively.

With the exception of the government-guaranteed loan conduit described below, the asset-backed commercial paper conduits are consolidated by the Company. The Company determined that through its role as administrator it had the power to direct the activities that most significantly impacted the entities' economic performance. These powers included its ability to structure and approve the assets purchased by the conduits, its ongoing surveillance and credit mitigation activities, and its liability management. In addition, as a result of all the Company's involvement described above, it was concluded that the Company had an economic interest that could potentially be significant. However, the assets and liabilities of the conduits are separate and apart from those of Citigroup. No assets of any conduit are available to satisfy the creditors of Citigroup or any of its other subsidiaries.

The Company administers one conduit that originates loans to third-party borrowers and those obligations are fully guaranteed primarily by AAA-rated government agencies that support export and development financing programs. The economic performance of this government-guaranteed loan conduit is most significantly impacted by the performance of its underlying assets. The guarantors must approve each loan held by the entity and the guarantors have the ability (through establishment of the servicing terms to direct default mitigation and to purchase defaulted loans) to manage the conduit's loans that become delinquent to improve the economic performance of the conduit. Because the Company does not have the power to direct the activities of this government-guaranteed loan conduit that most significantly impact the economic performance of the entity, it was concluded that the Company should not consolidate the entity. The total notional exposure under the program-wide liquidity agreement for the Company's unconsolidated administered conduit as of December 31, 2012 is $0.6 billion. The program-wide liquidity agreement, along with each asset APA, is considered in the Company's maximum exposure to loss to the unconsolidated administered conduit.

As of December 31, 2012, this unconsolidated government-guaranteed loan conduit held assets and funding commitments of approximately $7.6 billion.

Third-Party Commercial Paper Conduits

The Company also provides liquidity facilities to single- and multi-seller conduits sponsored by third parties. These conduits are independently owned and managed and invest in a variety of asset classes, depending on the nature of the conduit. The facilities provided by the Company typically represent a small portion of the total liquidity facilities obtained by each conduit, and are collateralized by the assets of each conduit. The Company is not the party that has the power to direct the activities of these conduits that most significantly impact their economic performance and thus does not consolidate them. As of December 31, 2012, the Company had no involvement in third-party commercial paper conduits.

Collateralized Debt and Loan Obligations

A securitized collateralized debt obligation (CDO) is an SPE that purchases a pool of assets consisting of asset-backed securities and synthetic exposures through derivatives on asset-backed securities and issues multiple tranches of equity and notes to investors.

A cash CDO, or arbitrage CDO, is a CDO designed to take advantage of the difference between the yield on a portfolio of selected assets, typically residential mortgage-backed securities, and the cost of funding the CDO through the sale of notes to investors. "Cash flow" CDOs are entities in which the CDO passes on cash flows from a pool of assets, while "market value" CDOs pay to investors the market value of the pool of assets owned by the CDO at maturity. In these transactions, all of the equity and notes issued by the CDO are funded, as the cash is needed to purchase the debt securities.

A synthetic CDO is similar to a cash CDO, except that the CDO obtains exposure to all or a portion of the referenced assets synthetically through derivative instruments, such as credit default swaps. Because the CDO does not need to raise cash sufficient to purchase the entire referenced portfolio, a substantial portion of the senior tranches of risk is typically passed on to CDO investors in the form of unfunded liabilities or derivative instruments. The CDO writes credit protection on select referenced debt securities to the Company or third parties and the risk is then passed on to the CDO investors in the form of funded notes or purchased credit protection through derivative instruments. Any cash raised from investors is invested in a portfolio of collateral securities or investment contracts. The collateral is then used to support the obligations of the CDO on the credit default swaps written to counterparties.

A securitized collateralized loan obligation (CLO) is substantially similar to the CDO transactions described above, except that the assets owned by the SPE (either cash instruments or synthetic exposures through derivative instruments) are corporate loans and to a lesser extent corporate bonds, rather than asset-backed debt securities.

A third-party asset manager is typically retained by the CDO/CLO to select the pool of assets and manage those assets over the term of the SPE. The Company is the manager for a limited number of CLO transactions.

The Company earns fees for warehousing assets prior to the creation of a "cash flow" or "market value" CDO/CLO, structuring CDOs/CLOs and placing debt securities with investors. In addition, the Company has retained interests in many of the CDOs/CLOs it has structured and makes a market in the issued notes.

The Company's continuing involvement in synthetic CDOs/CLOs generally includes purchasing credit protection through credit default swaps with the CDO/CLO, owning a portion of the capital structure of the CDO/CLO in the form of both unfunded derivative positions (primarily super-senior exposures discussed below) and funded notes, entering into interest-rate swap and total-return swap transactions with the CDO/CLO, lending to the CDO/CLO, and making a market in the funded notes.

Where a CDO/CLO entity issues preferred shares (or subordinated notes that are the equivalent form), the preferred shares generally represent an insufficient amount of equity (less than 10%) and create the presumption that preferred shares are insufficient to finance the entity's activities without subordinated financial support. In addition, although the preferred shareholders generally have full exposure to expected losses on the collateral and uncapped potential to receive expected residual returns, they generally do not have the ability to make decisions about the entity that have a significant effect on the entity's financial results because of their limited role in making day-to-day decisions and their limited ability to remove the asset manager. Because one or both of the above conditions will generally be met, the Company has concluded that, even where a CDO/CLO entity issued preferred shares, the entity should be classified as a VIE.

In general, the asset manager, through its ability to purchase and sell assets or—where the reinvestment period of a CDO/CLO has expired—the ability to sell assets, will have the power to direct the activities of the entity that most significantly impact the economic performance of the CDO/CLO. However, where a CDO/CLO has experienced an event of default or an optional redemption period has gone into effect, the activities of the asset manager may be curtailed and/or certain additional rights will generally be provided to the investors in a CDO/CLO entity, including the right to direct the liquidation of the CDO/CLO entity.

The Company has retained significant portions of the "super-senior" positions issued by certain CDOs. These positions are referred to as "super-senior" because they represent the most senior positions in the CDO and, at the time of structuring, were senior to tranches rated AAA by independent rating agencies.

The Company does not generally have the power to direct the activities of the entity that most significantly impact the economic performance of the CDOs/CLOs as this power is generally held by a third-party asset manager of the CDO/CLO. As such, those CDOs/CLOs are not consolidated. The Company may consolidate the CDO/CLO when: (i) the Company is the asset manager and no other single investor has the unilateral ability to remove the Company or unilaterally cause the liquidation of the CDO/CLO, or the Company is not the asset manager but has a unilateral right to remove the third-party asset manager or unilaterally liquidate the CDO/CLO and receive the underlying assets, and (ii) the Company has economic exposure to the entity that could be potentially significant to the entity.

The Company continues to monitor its involvement in unconsolidated CDOs/CLOs to assess future consolidation risk. For example, if the Company were to acquire additional interests in these entities and obtain the right, due to an event of default trigger being met, to unilaterally liquidate or direct the activities of a CDO/CLO, the Company may be required to consolidate the asset entity. For cash CDOs/CLOs, the net result of such consolidation would be to gross up the Company's balance sheet by the current fair value of the securities held by third parties and assets held by the CDO/CLO, which amounts are not considered material. For synthetic CDOs/CLOs, the net result of such consolidation may reduce the Company's balance sheet, because intercompany derivative receivables and payables would be eliminated in consolidation, and other assets held by the CDO/CLO and the securities held by third parties would be recognized at their current fair values.

Key Assumptions and Retained Interests—Citi Holdings

The key assumptions, used for the securitization of CDOs and CLOs during the year ended December 31, 2012, in measuring the fair value of retained interests were as follows:

	CDOs	CLOs
Discount rate	**46.9% to 51.6%**	**1.9% to 2.1%**

The effect of an adverse change of 10% and 20% in the discount rates used to determine the fair value of retained interests at December 31, 2012 is set forth in the table below:

In millions of dollars	CDOs	CLOs
Carrying value of retained interests	**$ 16**	**$ 428**

Discount rates		
Adverse change of 10%	$ (2)	$ (2)
Adverse change of 20%	(3)	(4)

Asset-Based Financing

The Company provides loans and other forms of financing to VIEs that hold assets. Those loans are subject to the same credit approvals as all other loans originated or purchased by the Company. Financings in the form of debt securities or derivatives are, in most circumstances, reported in *Trading account assets* and accounted for at fair value through earnings. The Company generally does not have the power to direct the activities that most significantly impact these VIEs' economic performance and thus it does not consolidate them.

Asset-Based Financing—Citicorp

The primary types of Citicorp's asset-based financings, total assets of the unconsolidated VIEs with significant involvement and the Company's maximum exposure to loss at December 31, 2012, are shown below. For the Company to realize that maximum loss, the VIE (borrower) would have to default with no recovery from the assets held by the VIE.

In billions of dollars	**Total unconsolidated VIE assets**	**Maximum exposure to unconsolidated VIEs**
Type		
Commercial and other real estate	**$ 16.1**	**$ 3.1**
Corporate loans	**2.0**	**1.6**
Hedge funds and equities	**0.6**	**0.4**
Airplanes, ships and other assets	**21.5**	**12.0**
Total	**$ 40.2**	**$ 17.1**

The following table summarizes selected cash flow information related to asset-based financings for the years ended December 31, 2012, 2011 and 2010:

In billions of dollars	**2012**	2011	2010
Cash flows received on retained interests and other net cash flows	**$ 0.3**	$ —	$ —

The effect of an adverse change of 10% and 20% in the discount rates used to determine the fair value of retained interests at December 31, 2012 is set forth in the table below:

In millions of dollars	**Asset-based Financing**
Carrying value of retained interests	**$ 1,726**
Value of underlying portfolio	
Adverse change of 10%	**$ (22)**
Adverse change of 20%	**(44)**

Asset-Based Financing—Citi Holdings

The primary types of Citi Holdings' asset-based financings, total assets of the unconsolidated VIEs with significant involvement and the Company's maximum exposure to loss at December 31, 2012, are shown below. For the Company to realize that maximum loss, the VIE (borrower) would have to default with no recovery from the assets held by the VIE.

In billions of dollars	**Total unconsolidated VIE assets**	**Maximum exposure to unconsolidated VIEs**
Type		
Commercial and other real estate	**$ 0.9**	**$ 0.3**
Corporate loans	**0.4**	**0.3**
Airplanes, ships and other assets	**2.9**	**0.6**
Total	**$ 4.2**	**$ 1.2**

The following table summarizes selected cash flow information related to asset-based financings for the years ended December 31, 2012, 2011 and 2010:

In billions of dollars	**2012**	2011	2010
Cash flows received on retained interests and other net cash flows	**$ 1.7**	$ 1.4	$ 2.8

The effect of an adverse change of 10% and 20% in the discount rates used to determine the fair value of retained interests at December 31, 2012 is set forth in the table below:

In millions of dollars	**Asset-based Financing**
Carrying value of retained interests	**$339**
Value of underlying portfolio	
Adverse change of 10%	**$ —**
Adverse change of 20%	**—**

Municipal Securities Tender Option Bond (TOB) Trusts

TOB trusts hold fixed- and floating-rate, taxable and tax-exempt securities issued by state and local governments and municipalities. The trusts are typically single-issuer trusts whose assets are purchased from the Company or from other investors in the municipal securities market. The TOB trusts fund the purchase of their assets by issuing long-term, putable floating rate certificates (Floaters) and residual certificates (Residuals). The trusts are referred to as TOB trusts because the Floater holders have the ability to tender their interests periodically back to the issuing trust, as described further below. The Floaters and Residuals evidence beneficial ownership interests in, and are collateralized by, the underlying assets of the trust. The Floaters are held by third-party investors, typically tax-exempt money market funds. The Residuals are typically held by the original owner of the municipal securities being financed.

The Floaters and the Residuals have a tenor that is equal to or shorter than the tenor of the underlying municipal bonds. The Residuals entitle their holders to the residual cash flows from the issuing trust, the interest income generated by the underlying municipal securities net of interest paid on the Floaters, and trust expenses. The Residuals are rated based on the long-term rating of the underlying municipal bond. The Floaters bear variable interest rates that are reset periodically to a new market rate based on a spread to a high grade, short-term, tax-exempt index. The Floaters have a long-term rating based on the long-term rating of the underlying municipal bond and a short-term rating based on that of the liquidity provider to the trust.

There are two kinds of TOB trusts: customer TOB trusts and non-customer TOB trusts. Customer TOB trusts are trusts through which customers finance their investments in municipal securities. The Residuals are held by customers and the Floaters by third-party investors, typically tax-exempt money market funds. Non-customer TOB trusts are trusts through which the Company finances its own investments in municipal securities. In such trusts, the Company holds the Residuals and third-party investors, typically tax-exempt money market funds, hold the Floaters.

The Company serves as remarketing agent to the trusts, placing the Floaters with third-party investors at inception, facilitating the periodic reset of the variable rate of interest on the Floaters and remarketing any tendered Floaters. If Floaters are tendered and the Company (in its role as remarketing agent) is unable to find a new investor within a specified period of time, it can declare a failed remarketing, in which case the trust is unwound. The Company may, but is not obligated to, buy the Floaters into its own inventory. The level of the Company's inventory of Floaters fluctuates over time. As of December 31, 2012, the Company held $203 million of Floaters related to both customer and non-customer TOB trusts.

For certain non-customer trusts, the Company also provides credit enhancement. Approximately $184 million of the municipal bonds owned by TOB trusts have a credit guarantee provided by the Company.

The Company provides liquidity to many of the outstanding trusts. If a trust is unwound early due to an event other than a credit event on the underlying municipal bond, the underlying municipal bonds are sold in the market. If there is a shortfall in the trust's cash flows between the redemption price of the tendered Floaters and the proceeds from the sale of the underlying municipal bonds, the trust draws on a liquidity agreement in an amount equal to the shortfall. For customer TOBs where the Residual is less than 25% of the trust's capital structure, the Company has a reimbursement agreement with the Residual holder under which the Residual holder reimburses the Company for any payment made under the liquidity arrangement. Through this reimbursement agreement, the Residual holder remains economically exposed to fluctuations in value of the underlying municipal bonds. These reimbursement agreements are generally subject to daily margining based on changes in value of the underlying municipal bond. In cases where a third party provides liquidity to a non-customer TOB trust, a similar reimbursement arrangement is made whereby the Company (or a consolidated subsidiary of the Company) as Residual holder absorbs any losses incurred by the liquidity provider.

As of December 31, 2012, liquidity agreements provided with respect to customer TOB trusts totaled $4.9 billion, of which $3.6 billion was offset by reimbursement agreements. The remaining exposure related to TOB transactions, where the Residual owned by the customer was at least 25% of the bond value at the inception of the transaction and no reimbursement agreement was executed. The Company also provides other liquidity agreements or letters of credit to customer-sponsored municipal investment funds, which are not variable interest entities, and municipality-related issuers that totaled $6.4 billion as of December 31, 2012. These liquidity agreements and letters of credit are offset by reimbursement agreements with various term-out provisions.

The Company considers the customer and non-customer TOB trusts to be VIEs. Customer TOB trusts are not consolidated by the Company. The Company has concluded that the power to direct the activities that most significantly impact the economic performance of the customer TOB trusts is primarily held by the customer Residual holder, who may unilaterally cause the sale of the trust's bonds.

Non-customer TOB trusts generally are consolidated. Similar to customer TOB trusts, the Company has concluded that the power over the non-customer TOB trusts is primarily held by the Residual holder, which may unilaterally cause the sale of the trust's bonds. Because the Company holds the Residual interest, and thus has the power to direct the activities that most significantly impact the trust's economic performance, it consolidates the non-customer TOB trusts.

Municipal Investments

Municipal investment transactions include debt and equity interests in partnerships that finance the construction and rehabilitation of low-income housing, facilitate lending in new or underserved markets, or finance the construction or operation of renewable municipal energy facilities. The Company generally invests in these partnerships as a limited partner and earns a return primarily through the receipt of tax credits and grants earned from the investments made by the partnership. The Company may also provide construction loans or permanent loans to the development or continuation of real estate properties held by partnerships. These entities are generally considered VIEs. The power to direct the activities of these entities is typically held by the general partner. Accordingly, these entities are not consolidated by the Company.

Client Intermediation

Client intermediation transactions represent a range of transactions designed to provide investors with specified returns based on the returns of an underlying security, referenced asset or index. These transactions include credit-linked notes and equity-linked notes. In these transactions, the VIE typically obtains exposure to the underlying security, referenced asset or index through a derivative instrument, such as a total-return swap or a credit-default swap. In turn the VIE issues notes to investors that pay a return based on the specified underlying security, referenced asset or index. The VIE invests the proceeds in a financial asset or a guaranteed insurance contract that serves as collateral for the derivative contract over the term of the transaction. The Company's involvement in these transactions includes being the counterparty to the VIE's derivative instruments and investing in a portion of the notes issued by the VIE. In certain transactions, the investor's maximum risk of loss is limited and the Company absorbs risk of loss above a specified level. The Company does not have the power to direct the activities of the VIEs that most significantly impact their economic performance and thus it does not consolidate them.

The Company's maximum risk of loss in these transactions is defined as the amount invested in notes issued by the VIE and the notional amount of any risk of loss absorbed by the Company through a separate instrument issued by the VIE. The derivative instrument held by the Company may generate a receivable from the VIE (for example, where the Company purchases credit protection from the VIE in connection with the VIE's issuance of a credit-linked note), which is collateralized by the assets owned by the VIE. These derivative instruments are not considered variable interests and any associated receivables are not included in the calculation of maximum exposure to the VIE.

Investment Funds

The Company is the investment manager for certain investment funds that invest in various asset classes including private equity, hedge funds, real estate, fixed income and infrastructure. The Company earns a management fee, which is a percentage of capital under management, and may earn performance fees. In addition, for some of these funds the Company has an ownership interest in the investment funds. The Company has also established a number of investment funds as opportunities for qualified employees to invest in private equity investments. The Company acts as investment manager to these funds and may provide employees with financing on both recourse and non-recourse bases for a portion of the employees' investment commitments.

The Company has determined that a majority of the investment entities managed by Citigroup are provided a deferral from the requirements of SFAS 167, *Amendments to FASB Interpretation No. 46(R)*, because they meet the criteria in Accounting Standards Update No. 2010-10, *Consolidation (Topic 810), Amendments for Certain Investment Funds* (ASU 2010-10). These entities continue to be evaluated under the requirements of ASC 810-10, prior to the implementation of SFAS 167 (FIN 46(R), *Consolidation of Variable Interest Entities*), which required that a VIE be consolidated by the party with a variable interest that will absorb a majority of the entity's expected losses or residual returns, or both.

Trust Preferred Securities

The Company has raised financing through the issuance of trust preferred securities. In these transactions, the Company forms a statutory business trust and owns all of the voting equity shares of the trust. The trust issues preferred equity securities to third-party investors and invests the gross proceeds in junior subordinated deferrable interest debentures issued by the Company. The trusts have no assets, operations, revenues or cash flows other than those related to the issuance, administration and repayment of the preferred equity securities held by third-party investors. Obligations of the trusts are fully and unconditionally guaranteed by the Company.

Because the sole asset of each of the trusts is a receivable from the Company and the proceeds to the Company from the receivable exceed the Company's investment in the VIE's equity shares, the Company is not permitted to consolidate the trusts, even though it owns all of the voting equity shares of the trust, has fully guaranteed the trusts' obligations, and has the right to redeem the preferred securities in certain circumstances. The Company recognizes the subordinated debentures on its Consolidated Balance Sheet as long-term liabilities. For additional information, see Note 19 to the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (Parenthetical) (USD $)	3 Months Ended						
	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY							
Common dividends declared (in dollars per share)	$ 0.01	$ 0.01	$ 0.01	$ 0.01	$ 0.01	$ 0.01	$ 0.01

DERIVATIVES ACTIVITIES	12 Months Ended Dec. 31, 2012

DERIVATIVES ACTIVITIES

DERIVATIVES ACTIVITIES

23. DERIVATIVES ACTIVITIES

In the ordinary course of business, Citigroup enters into various types of derivative transactions. These derivative transactions include:

- *Futures and forward contracts,* which are commitments to buy or sell at a future date a financial instrument, commodity or currency at a contracted price and may be settled in cash or through delivery.
- *Swap contracts,* which are commitments to settle in cash at a future date or dates that may range from a few days to a number of years, based on differentials between specified financial indices, as applied to a notional principal amount.
- *Option contracts,* which give the purchaser, for a premium, the right, but not the obligation, to buy or sell within a specified time a financial instrument, commodity or currency at a contracted price that may also be settled in cash, based on differentials between specified indices or prices.

Citigroup enters into these derivative contracts relating to interest rate, foreign currency, commodity and other market/credit risks for the following reasons:

- *Trading Purposes—Customer Needs:* Citigroup offers its customers derivatives in connection with their risk-management actions to transfer, modify or reduce their interest rate, foreign exchange and other market/credit risks or for their own trading purposes. As part of this process, Citigroup considers the customers' suitability for the risk involved and the business purpose for the transaction. Citigroup also manages its derivative risk positions through offsetting trade activities, controls focused on price verification, and daily reporting of positions to senior managers.
- *Trading Purposes*—Citigroup trades derivatives as an active market maker. Trading limits and price verification controls are key aspects of this activity.
- *Hedging*—Citigroup uses derivatives in connection with its risk-management activities to hedge certain risks or reposition the risk profile of the Company. For example, Citigroup issues fixed-rate long-term debt and then enters into a receive-fixed, pay-variable-rate interest rate swap with the same tenor and notional amount to convert the interest payments to a net variable-rate basis. This strategy is the most common form of an interest rate hedge, as it minimizes interest cost in certain yield curve environments. Derivatives are also used to manage risks inherent in specific groups of on-balance-sheet assets and liabilities, including AFS securities and borrowings, as well as other interest-sensitive assets and liabilities. In addition, foreign-exchange contracts are used to hedge non-U.S.-dollar-denominated debt, foreign-currency-denominated AFS securities and net investment exposures.

Derivatives may expose Citigroup to market, credit or liquidity risks in excess of the amounts recorded on the Consolidated Balance Sheet. Market risk on a derivative product is the exposure created by potential fluctuations in interest rates, foreign-exchange rates and other factors and is a function of the type of product, the volume of transactions, the tenor and terms of the agreement and the underlying volatility. Credit risk is the exposure to loss in the event of nonperformance by the other party to the transaction where the value of any collateral held is not adequate to cover such losses. The recognition in earnings of unrealized gains on these transactions is subject to management's assessment as to collectability. Liquidity risk is the potential exposure that arises when the size of the derivative position may not be able to be rapidly adjusted at a reasonable cost in periods of high volatility and financial stress.

Information pertaining to the volume of derivative activity is provided in the tables below. The notional amounts, for both long and short derivative positions, of Citigroup's derivative instruments as of December 31, 2012 and December 31, 2011 are presented in the table below.

Derivative Notionals

	Hedging instruments under ASC 815 (SFAS 133) (1)(2)		Other derivative instruments			
			Trading derivatives		Management hedges (3)	
In millions of dollars	**December 31, 2012**	December 31, 2011	**December 31, 2012**	December 31, 2011	**December 31, 2012**	December 31, 2011
Interest rate contracts						
Swaps	**$ 114,296**	$ 163,079	**$ 30,050,856**	$ 28,069,960	**$ 99,434**	$ 119,344
Futures and forwards	**—**	—	**4,823,370**	3,549,642	**45,856**	43,965
Written options	**—**	—	**3,752,905**	3,871,700	**22,992**	16,786
Purchased options	**—**	—	**3,542,048**	3,888,415	**7,890**	7,338
Total interest rate contract notionals	**$ 114,296**	$ 163,079	**$ 42,169,179**	$ 39,379,717	**$ 176,172**	$ 187,433
Foreign exchange contracts						
Swaps	**$ 22,207**	$ 27,575	**$ 1,393,368**	$ 1,182,363	**$ 16,900**	$ 22,458
Futures and forwards	**70,484**	55,211	**3,484,193**	3,191,687	**33,768**	31,095
Written options	**96**	4,292	**781,698**	591,818	**989**	190
Purchased options	**456**	39,163	**778,438**	583,891	**2,106**	53
Total foreign exchange contract notionals	**$ 93,243**	$ 126,241	**$ 6,437,697**	$ 5,549,759	**$ 53,763**	$ 53,796
Equity contracts						
Swaps	**$ —**	$ —	**$ 96,039**	$ 86,978	**$ —**	$ —
Futures and forwards	**—**	—	**16,171**	12,882	**—**	—
Written options	**—**	—	**320,243**	552,333	**—**	—
Purchased options	**—**	—	**281,236**	509,322	**—**	—
Total equity contract notionals	**$ —**	$ —	**$ 713,689**	$ 1,161,515	**$ —**	$ —
Commodity and other contracts						
Swaps	**$ —**	$ —	**$ 27,323**	$ 23,403	**$ —**	$ —
Futures and forwards	**—**	—	**75,897**	73,090	**—**	—
Written options	**—**	—	**86,418**	90,650	**—**	—
Purchased options	**—**	—	**89,284**	99,234	**—**	—
Total commodity and other contract notionals	**$ —**	$ —	**$ 278,922**	$ 286,377	**$ —**	$ —
Credit derivatives (4)						

Protection sold	$ —	$ —	$ 1,346,494	$ 1,394,528	$ —	$ —
Protection purchased	354	4,253	1,412,194	1,486,723	21,741	21,914
Total credit derivatives	$ 354	$ 4,253	$ 2,758,688	$ 2,881,251	$ 21,741	$ 21,914
Total derivative notionals	$ 207,893	$ 293,573	$ 52,358,175	$ 49,258,619	$ 251,676	$ 263,143

(1) The notional amounts presented in this table do not include hedge accounting relationships under ASC 815 (SFAS 133) where Citigroup is hedging the foreign currency risk of a net investment in a foreign operation by issuing a foreign-currency-denominated debt instrument. The notional amount of such debt is $4,888 million and $7,060 million at December 31, 2012 and December 31, 2011, respectively.

(2) Derivatives in hedge accounting relationships accounted for under ASC 815 (SFAS 133) are recorded in either *Other assets/Other liabilities* or *Trading account assets/Trading account liabilities* on the Consolidated Balance Sheet.

(3) Management hedges represent derivative instruments used in certain economic hedging relationships that are identified for management purposes, but for which hedge accounting is not applied. These derivatives are recorded in either *Other assets/Other liabilities* or *Trading account assets/Trading account liabilities* on the Consolidated Balance Sheet.

(4) Credit derivatives are arrangements designed to allow one party (protection buyer) to transfer the credit risk of a "reference asset" to another party (protection seller). These arrangements allow a protection seller to assume the credit risk associated with the reference asset without directly purchasing that asset. The Company has entered into credit derivative positions for purposes such as risk management, yield enhancement, reduction of credit concentrations and diversification of overall risk.

Derivative Mark-to-Market (MTM) Receivables/Payables

	Derivatives classified in trading account assets/liabilities [1][2]		Derivatives classified in other assets/liabilities [2]	
In millions of dollars at December 31, 2012	Assets	Liabilities	Assets	Liabilities
Derivative instruments designated as ASC 815 (SFAS 133) hedges				
Interest rate contracts	$7,795	$ 2,263	$ 4,574	$ 1,178
Foreign exchange contracts	341	1,350	978	525
Credit derivatives	—	—	—	16
Total derivative instruments designated as ASC 815 (SFAS 133) hedges	$ 8,136	$ 3,613	$ 5,552	$ 1,719
Other derivative instruments				
Interest rate contracts	$ 895,726	$ 890,405	$ 449	$ 29
Foreign exchange contracts	76,291	80,771	200	112
Equity contracts	18,293	31,867	—	—
Commodity and other contracts	10,907	12,142	—	—
Credit derivatives [3]	54,275	52,300	102	392
Total other derivative instruments	$ 1,055,492	$ 1,067,485	$ 751	$ 533
Total derivatives	$ 1,063,628	$ 1,071,098	$ 6,303	$ 2,252
Cash collateral paid/received [4][5]	5,597	7,923	214	658
Less: Netting agreements and market value adjustments [6]	(975,695)	(971,715)	—	—
Less: Net cash collateral received/paid [7]	(38,910)	(55,555)	(4,660)	—
Net receivables/payables	$ 54,620	$ 51,751	$ 1,857	$ 2,910

(1) The trading derivatives fair values are presented in Note 14 to the Consolidated Financial Statements.

(2) Derivative mark-to-market receivables/payables related to management hedges are recorded in either *Other assets/Other liabilities* or *Trading account assets/ Trading account liabilities*.

(3) The credit derivatives trading assets are composed of $34,565 million related to protection purchased and $19,710 million related to protection sold as of December 31, 2012. The credit derivatives trading liabilities are composed of $20,470 million related to protection purchased and $31,830 million related to protection sold as of December 31, 2012.

(4) For the trading assets/liabilities, this is the net amount of the $61,152 million and $46,833 million of gross cash collateral paid and received, respectively. Of the gross cash collateral paid, $55,555 million was used to offset derivative liabilities and, of the gross cash collateral received, $38,910 million was used to offset derivative assets.

(5) For the other assets/liabilities, this is the net amount of the $214 million and $5,318 million of the gross cash collateral paid and received, respectively. Of the gross cash collateral received, $4,660 million was used to offset derivative assets.

(6) Represents the netting of derivative receivable and payable balances for the same counterparty under enforceable netting agreements.

(7) Represents the netting of cash collateral paid and received by counterparty under enforceable credit support agreements.

	Derivatives classified in trading account assets/liabilities [1][2]		Derivatives classified in other assets/liabilities [2]	
In millions of dollars at December 31, 2011	Assets	Liabilities	Assets	Liabilities
Derivative instruments designated as ASC 815 (SFAS 133) hedges				
Interest rate contracts	$ 8,274	$3,306	$ 3,968	$ 1,518
Foreign exchange contracts	3,706	1,451	1,201	863
Credit derivatives	—	—	—	—
Total derivative instruments designated as ASC 815 (SFAS 133) hedges	$ 11,980	$4,757	$ 5,169	$ 2,381
Other derivative instruments				
Interest rate contracts	$ 749,213	$ 736,785	$ 212	$ 96
Foreign exchange contracts	90,611	95,912	325	959
Equity contracts	20,235	33,139	—	—
Commodity and other contracts	13,763	14,631	—	—
Credit derivatives [3]	90,424	84,726	430	126
Total other derivative instruments	$ 964,246	$ 965,193	$ 967	$ 1,181

Total derivatives	$ 976,226	$ 969,950	$ 6,136	$ 3,562
Cash collateral paid/received [4][5]	6,634	7,870	307	180
Less: Netting agreements and market value adjustments [6]	(875,592)	(870,366)	—	—
Less: Net cash collateral received/paid [7]	(44,941)	(51,181)	(3,462)	—
Net receivables/payables	$ 62,327	$ 56,273	$ 2,981	$ 3,742

(1) The trading derivatives fair values are presented in Note 14 to the Consolidated Financial Statements.

(2) Derivative mark-to-market receivables/payables related to management hedges are recorded in either *Other assets/Other liabilities* or *Trading account assets/ Trading account liabilities*.

(3) The credit derivatives trading assets are composed of $79,089 million related to protection purchased and $11,335 million related to protection sold as of December 31, 2011. The credit derivatives trading liabilities are composed of $12,235 million related to protection purchased and $72,491 million related to protection sold as of December 31, 2011.

(4) For the trading assets/liabilities, this is the net amount of the $57,815 million and $52,811 million of gross cash collateral paid and received, respectively. Of the gross cash collateral paid, $51,181 million was used to offset derivative liabilities and, of the gross cash collateral received, $44,941 million was used to offset derivative assets.

(5) For the other assets/liabilities, this is the net amount of the $307 million and $3,642 million of the gross cash collateral paid and received, respectively. Of the gross cash collateral received, $3,462 million was used to offset derivative assets.

(6) Represents the netting of derivative receivable and payable balances for the same counterparty under enforceable netting agreements.

(7) Represents the netting of cash collateral paid and received by counterparty under enforceable credit support agreements.

All derivatives are reported on the Consolidated Balance Sheet at fair value. In addition, where applicable, all such contracts covered by master netting agreements are reported net. Gross positive fair values are netted with gross negative fair values by counterparty pursuant to a valid master netting agreement. In addition, payables and receivables in respect of cash collateral received from or paid to a given counterparty are included in this netting. However, non-cash collateral is not included.

The amounts recognized in *Principal transactions* in the Consolidated Statement of Income for the years ended December 31, 2012, 2011 and 2010 related to derivatives not designated in a qualifying hedging relationship as well as the underlying non-derivative instruments are included in the table below. Citigroup presents this disclosure by business classification, showing derivative gains and losses related to its trading activities together with gains and losses related to non-derivative instruments within the same trading portfolios, as this represents the way these portfolios are risk managed.

	Year ended December 31,		
In millions of dollars	**2012**	2011	2010
Interest rate contracts	**$ 2,301**	$ 5,136	$ 3,231
Foreign exchange	**2,403**	2,309	1,852
Equity contracts	**158**	3	995
Commodity and other	**92**	76	126
Credit derivatives	**(173)**	(290)	1,313
Total Citigroup [1]	**$ 4,781**	$ 7,234	$ 7,517

(1) Also see Note 7 to the Consolidated Financial Statements.

The amounts recognized in *Other revenue* in the Consolidated Statement of Income for the years ended December 31, 2012, 2011 and 2010 are shown below. The table below does not include the offsetting gains/losses on the hedged items, which amounts are also recorded in *Other revenue*.

	Gains (losses) included in Other revenue		
	Year ended December 31,		
In millions of dollars	**2012**	2011	2010
Interest rate contracts	**$ (427)**	$ 1,192	$ (205)
Foreign exchange contracts	**182**	224	(2,052)
Credit derivatives	**(1,022)**	115	(502)
Total Citigroup [1]	**$ (1,267)**	$ 1,531	$ (2,759)

(1) Non-designated derivatives are derivative instruments not designated in qualifying hedging relationships.

Accounting for Derivative Hedging

Citigroup accounts for its hedging activities in accordance with ASC 815, *Derivatives and Hedging* (formerly SFAS 133). As a general rule, hedge accounting is permitted where the Company is exposed to a particular risk, such as interest-rate or foreign-exchange risk, that causes changes in the fair value of an asset or liability or variability in the expected future cash flows of an existing asset, liability or a forecasted transaction that may affect earnings.

Derivative contracts hedging the risks associated with the changes in fair value are referred to as fair value hedges, while contracts hedging the risks affecting the expected future cash flows are called cash flow hedges. Hedges that utilize derivatives or debt instruments to manage the foreign exchange risk associated with equity investments in non-U.S.-dollar-functional-currency foreign subsidiaries (net investment in a foreign operation) are called net investment hedges.

If certain hedging criteria specified in ASC 815 are met, including testing for hedge effectiveness, special hedge accounting may be applied. The hedge effectiveness assessment methodologies for similar hedges are performed in a similar manner and are used consistently throughout the hedging relationships. For fair value hedges, the changes in value of the hedging derivative, as well as the changes in value of the related hedged item due to the risk being hedged, are reflected in current earnings. For cash flow hedges and net investment hedges, the changes in value of the hedging derivative are reflected in *Accumulated other comprehensive income (loss)* in Citigroup's stockholders' equity, to the extent the hedge is effective. Hedge ineffectiveness, in either case, is reflected in current earnings.

For asset/liability management hedging, the fixed-rate long-term debt would be recorded at amortized cost under current U.S. GAAP. However, by electing to use ASC 815 (SFAS 133) fair value hedge accounting, the carrying value of the debt is adjusted for changes in the benchmark interest rate, with any such changes in value recorded in current earnings. The related interest-rate swap is also recorded on the balance sheet at fair value, with any changes in fair value reflected in earnings. Thus, any ineffectiveness resulting from the hedging relationship is recorded in current earnings. Alternatively, a management hedge, which does not meet the ASC 815 hedging criteria, would involve recording only the derivative at fair value on the balance sheet, with its associated changes in fair value recorded in earnings. The debt would continue to be carried at amortized cost and, therefore, current earnings would be impacted only by the interest rate shifts and other factors that cause the change in the swap's value and may change the underlying yield of the debt. This type of hedge is undertaken when hedging requirements cannot be achieved or management decides not to apply ASC 815 hedge accounting. Another alternative for the Company is to elect to carry the debt at fair value under the fair value option. Once the irrevocable election is made upon issuance of the debt, the full change in fair value of the debt would be reported in earnings. The related interest rate swap, with changes in fair value, would also be reflected in earnings, and provides a natural offset to the debt's fair value change. To the extent the two offsets are not exactly equal, the difference is reflected in current earnings.

Key aspects of achieving ASC 815 hedge accounting are documentation of hedging strategy and hedge effectiveness at the hedge inception and substantiating hedge effectiveness on an ongoing basis. A derivative must be highly effective in accomplishing the hedge objective of offsetting either changes in the fair value or cash flows of the hedged item for the risk being hedged. Any ineffectiveness in the hedge relationship is recognized in current earnings. The assessment of effectiveness excludes changes in the value of the hedged item that are unrelated to the risks being hedged. Similarly, the assessment of effectiveness may exclude changes in the fair value of a derivative related to time value that, if excluded, are recognized in current earnings.

Fair Value Hedges

Hedging of benchmark interest rate risk

Citigroup hedges exposure to changes in the fair value of outstanding fixed-rate issued debt and certificates of deposit. Depending on the risk management objectives, these types of hedges are designated as either fair value hedges of only the benchmark interest rate risk or fair value hedges of both the benchmark interest rate and foreign exchange risk. The fixed cash flows from those financing transactions are converted to benchmark variable-rate cash flows by entering into, respectively, receive-fixed, pay-variable interest rate swaps or receive-fixed in non-functional currency, pay variable in functional currency swaps. These fair value hedge relationships use either regression or dollar-offset ratio analysis to determine whether the hedging relationships are highly effective at inception and on an ongoing basis.

Citigroup also hedges exposure to changes in the fair value of fixed-rate assets, including available-for-sale debt securities and loans. When certain interest rates do not qualify as a benchmark interest rate, Citigroup designates the risk being hedged as the risk of changes in overall fair value of the hedged AFS securities. The hedging instruments used are receive-variable, pay-fixed interest rate swaps. These fair value hedging relationships use either regression or dollar-offset ratio analysis to determine whether the hedging relationships are highly effective at inception and on an ongoing basis.

Hedging of foreign exchange risk

Citigroup hedges the change in fair value attributable to foreign-exchange rate movements in available-for-sale securities that are denominated in currencies other than the functional currency of the entity holding the securities, which may be within or outside the U.S. The hedging instrument employed is a forward foreign-exchange contract. In this type of hedge, the change in fair value of the hedged available-for-sale security attributable to the portion of foreign exchange risk hedged is reported in earnings and not *Accumulated other comprehensive income*—a process that serves to offset substantially the change in fair value of the forward contract that is also reflected in earnings. Citigroup considers the premium associated with forward contracts (differential between spot and contractual forward rates) as the cost of hedging; this is excluded from the assessment of hedge effectiveness and reflected directly in earnings. The dollar-offset method is used to assess hedge effectiveness. Since that assessment is based on changes in fair value attributable to changes in spot rates on both the available-for-sale securities and the forward contracts for the portion of the relationship hedged, the amount of hedge ineffectiveness is not significant.

The following table summarizes the gains (losses) on the Company's fair value hedges for the years ended December 31, 2012, 2011 and 2010:

	Gains (losses) on fair value hedges (1)		
	Year ended December 31,		
In millions of dollars	**2012**	2011	2010
Gain (loss) on derivatives in designated and qualifying fair value hedges			
Interest rate contracts	**$ 122**	$ 4,423	$ 948
Foreign exchange contracts	**377**	(117)	729
Total gain (loss) on derivatives in designated and qualifying fair value hedges	**$ 499**	$ 4,306	$ 1,677
Gain (loss) on the hedged item in designated and qualifying fair value hedges			
Interest rate hedges	**$ (371)**	$ (4,296)	$ (945)
Foreign exchange hedges	**(331)**	26	(579)
Total gain (loss) on the hedged item in designated and qualifying fair value hedges	**$ (702)**	$ (4,270)	$ (1,524)
Hedge ineffectiveness recognized in earnings on designated and qualifying fair value hedges			
Interest rate hedges	**$ (249)**	$ 118	$ (23)
Foreign exchange hedges	**16**	1	10
Total hedge ineffectiveness recognized in earnings on designated and qualifying fair value hedges	**$ (233)**	$ 119	$ (13)
Net gain (loss) excluded from assessment of the effectiveness of fair value hedges			
Interest rate contracts	**$ —**	$ 9	$ 26
Foreign exchange contracts	**30**	(92)	140
Total net gain (loss) excluded from assessment of the effectiveness of fair value hedges	**$ 30**	$ (83)	$ 166

(1) Amounts are included in *Other revenue* on the Consolidated Statement of Income. The accrued interest income on fair value hedges is recorded in *Net interest revenue* and is excluded from this table.

Cash Flow Hedges

Hedging of benchmark interest rate risk

Citigroup hedges variable cash flows resulting from floating-rate liabilities and rollover (re-issuance) of liabilities. Variable cash flows from those liabilities are converted to fixed-rate cash flows by entering into receive-variable, pay-fixed interest rate swaps and receive-variable, pay-fixed forward-starting interest rate swaps. Citi also hedges variable cash flows from recognized and forecasted floating-rate assets and origination of short-term assets. Variable cash flows from those assets are converted to fixed-rate cash flows by entering into receive-fixed, pay-variable interest rate swaps. These cash-flow hedging relationships use either regression analysis or dollar-offset ratio analysis to assess whether the hedging relationships are highly effective at inception and on an ongoing basis. When certain interest rates do not qualify as a benchmark interest rate, Citigroup designates the risk being hedged as the risk of overall changes in the hedged cash flows. Since efforts are made to match the terms of the derivatives to those of the hedged forecasted cash flows as closely as possible, the amount of hedge ineffectiveness is not significant.

Hedging of foreign exchange risk

Citigroup locks in the functional currency equivalent cash flows of long-term debt and short-term borrowings that are denominated in a currency other than the functional currency of the issuing entity. Depending on the risk management objectives, these types of hedges are designated as either cash flow hedges of only foreign exchange risk or cash flow hedges of both foreign exchange and interest rate risk, and the hedging instruments used are foreign exchange cross-currency swaps and forward contracts. These cash flow hedge relationships use dollar-offset ratio analysis to determine whether the hedging relationships are highly effective at inception and on an ongoing basis.

Hedging of overall changes in cash flows

Citigroup hedges the overall exposure to variability in cash flows related to the future acquisition of mortgage-backed securities using "to be announced" forward contracts. Since the hedged transaction is the gross settlement of the forward, the assessment of hedge effectiveness is based on assuring that the terms of the hedging instrument and the hedged forecasted transaction are the same.

Hedging total return
Citigroup generally manages the risk associated with leveraged loans it has originated or in which it participates by transferring a majority of its exposure to the market through SPEs prior to or shortly after funding. Retained exposures to leveraged loans receivable are generally hedged using total return swaps.

The amount of hedge ineffectiveness on the cash flow hedges recognized in earnings for the years ended December 31, 2012, 2011 and 2010 is not significant.

The pretax change in *Accumulated other comprehensive income (loss)* from cash flow hedges is presented below:

	Year ended December 31,		
In millions of dollars	**2012**	2011	2010
Effective portion of cash flow hedges included in AOCI			
Interest rate contracts	**$ (322)**	$ (1,827)	$ (469)
Foreign exchange contracts	**143**	81	(570)
Total effective portion of cash flow hedges included in AOCI	**$ (179)**	$ (1,746)	$ (1,039)
Effective portion of cash flow hedges reclassified from AOCI to earnings			
Interest rate contracts	**$ (837)**	$ (1,227)	$ (1,396)
Foreign exchange contracts	**(180)**	(257)	(500)
Total effective portion of cash flow hedges reclassified from AOCI to earnings (1)	**$ (1,017)**	$ (1,484)	$ (1,896)

(1) Included primarily in *Other revenue* and *Net interest revenue* on the Consolidated Income Statement.

For cash flow hedges, any changes in the fair value of the end-user derivative remaining in *Accumulated other comprehensive income (loss)* on the Consolidated Balance Sheet will be included in earnings of future periods to offset the variability of the hedged cash flows when such cash flows affect earnings. The net loss associated with cash flow hedges expected to be reclassified from *Accumulated other comprehensive income (loss)* within 12 months of December 31, 2012 is approximately $1.0 billion. The maximum length of time over which forecasted cash flows are hedged is 10 years.

The after-tax impact of cash flow hedges on AOCI is shown in Note 21 to the Consolidated Financial Statements.

Net Investment Hedges
Consistent with ASC 830-20, *Foreign Currency Matters—Foreign Currency Transactions* (formerly SFAS 52, *Foreign Currency Translation*), ASC 815 allows hedging of the foreign currency risk of a net investment in a foreign operation. Citigroup uses foreign currency forwards, options and foreign-currency-denominated debt instruments to manage the foreign exchange risk associated with Citigroup's equity investments in several non-U.S.-dollar-functional-currency foreign subsidiaries. Citigroup records the change in the carrying amount of these investments in the *Foreign currency translation adjustment* account within *Accumulated other comprehensive income (loss)*. Simultaneously, the effective portion of the hedge of this exposure is also recorded in the *Foreign currency translation adjustment* account and the ineffective portion, if any, is immediately recorded in earnings.

For derivatives designated as net investment hedges, Citigroup follows the forward-rate method from FASB Derivative Implementation Group Issue H8 (now ASC 815-35-35-16 through 35-26), "Foreign Currency Hedges: Measuring the Amount of Ineffectiveness in a Net Investment Hedge." According to that method, all changes in fair value, including changes related to the forward-rate component of the foreign currency forward contracts and the time value of foreign currency options, are recorded in the *Foreign currency translation adjustment* account within *Accumulated other comprehensive income (loss)*.

For foreign-currency-denominated debt instruments that are designated as hedges of net investments, the translation gain or loss that is recorded in the *Foreign currency translation adjustment* account is based on the spot exchange rate between the functional currency of the respective subsidiary and the U.S. dollar, which is the functional currency of Citigroup. To the extent the notional amount of the hedging instrument exactly matches the hedged net investment and the underlying exchange rate of the derivative hedging instrument relates to the exchange rate between the functional currency of the net investment and Citigroup's functional currency (or, in the case of a non-derivative debt instrument, such instrument is denominated in the functional currency of the net investment), no ineffectiveness is recorded in earnings.

The pretax gain (loss) recorded in the *Foreign currency translation adjustment* account within *Accumulated other comprehensive income (loss)*, related to the effective portion of the net investment hedges, is $(3,829) million, $904 million, and $(3,620) million, for the years ended December 31, 2012, 2011, and 2010, respectively.

Credit Derivatives
A credit derivative is a bilateral contract between a buyer and a seller under which the seller agrees to provide protection to the buyer against the credit risk of a particular entity ("reference entity" or "reference credit"). Credit derivatives generally require that the seller of credit protection make payments to the buyer upon the occurrence of predefined credit events (commonly referred to as "settlement triggers"). These settlement triggers are defined by the form of the derivative and the reference credit and are generally limited to the market standard of failure to pay on indebtedness and bankruptcy of the reference credit and, in a more limited range of transactions, debt restructuring. Credit derivative transactions referring to emerging market reference credits will also typically include additional settlement triggers to cover the acceleration of indebtedness and the risk of repudiation or a payment moratorium. In certain transactions, protection may be provided on a portfolio of reference credits or asset-backed securities. The seller of such protection may not be required to make payment until a specified amount of losses has occurred with respect to the portfolio and/or may only be required to pay for losses up to a specified amount.

The Company makes markets and trades a range of credit derivatives. Through these contracts, the Company either purchases or writes protection on either a single name or a portfolio of reference credits. The Company also uses credit derivatives to help mitigate credit risk in its Corporate and Consumer loan portfolios and other cash positions, and to facilitate client transactions.

The range of credit derivatives sold includes credit default swaps, total return swaps, credit options and credit-linked notes.

A credit default swap is a contract in which, for a fee, a protection seller agrees to reimburse a protection buyer for any losses that occur due to a credit event on a reference entity. If there is no credit default event or settlement trigger, as defined by the specific derivative contract, then the protection seller makes no payments to the protection buyer and receives only the contractually specified fee. However, if a credit event occurs as defined in the specific derivative contract sold, the protection seller will be required to make a payment to the protection buyer.

A total return swap transfers the total economic performance of a reference asset, which includes all associated cash flows, as well as capital appreciation or depreciation. The protection buyer receives a floating rate of interest and any depreciation on the reference asset from the protection seller and, in return, the protection seller receives the cash flows associated with the reference asset plus any appreciation. Thus, according to the total return swap agreement, the protection seller will be obligated to make a payment any time the floating interest rate payment and any depreciation of the reference asset exceed the cash flows associated with the underlying asset. A total return swap may terminate upon a default of the reference asset subject to the provisions of the related total return swap agreement between the protection seller and the protection buyer.

A credit option is a credit derivative that allows investors to trade or hedge changes in the credit quality of the reference asset. For example, in a credit spread option, the option writer assumes the obligation to purchase or sell the reference asset at a specified "strike" spread level. The option purchaser buys the right to sell the reference asset to, or purchase it from, the option writer at the strike spread level. The payments on credit spread options depend either on a particular credit spread or the price of the underlying credit-sensitive asset. The options usually terminate if the underlying assets default.

A credit-linked note is a form of credit derivative structured as a debt security with an embedded credit default swap. The purchaser of the note writes credit protection to the issuer, and receives a return that will be negatively affected by credit events on the underlying reference credit. If the reference entity defaults, the purchaser of the credit-linked note may assume the long position in the debt security and any future cash flows from it, but will lose the amount paid to the issuer of the credit-linked note. Thus the maximum amount of the exposure is the carrying amount of the credit-linked note. As of December 31, 2012 and December 31, 2011, the amount of credit-linked notes held by the Company in trading inventory was immaterial.

The following tables summarize the key characteristics of the Company's credit derivative portfolio as protection seller as of December 31, 2012 and December 31, 2011:

In millions of dollars as of December 31, 2012	Maximum potential amount of future payments	Fair value payable (1)(2)
By industry/counterparty		
Bank	**$ 863,411**	**$ 18,824**
Broker-dealer	**304,968**	**9,193**
Non-financial	**3,241**	**87**
Insurance and other financial institutions	**174,874**	**3,726**
Total by industry/counterparty	**$ 1,346,494**	**$ 31,830**
By instrument		
Credit default swaps and options	**$ 1,345,162**	**$ 31,624**
Total return swaps and other	**1,332**	**206**
Total by instrument	**$ 1,346,494**	**$ 31,830**
By rating		
Investment grade	**$ 637,343**	**$ 6,290**
Non-investment grade	**200,529**	**15,591**
Not rated	**508,622**	**9,949**
Total by rating	**$ 1,346,494**	**$ 31,830**
By maturity		
Within 1 year	**$ 287,670**	**$ 2,388**
From 1 to 5 years	**965,059**	**21,542**
After 5 years	**93,765**	**7,900**
Total by maturity	**$ 1,346,494**	**$ 31,830**

(1) In addition, fair value amounts payable under credit derivatives purchased were $20,878 million.

(2) In addition, fair value amounts receivable under credit derivatives sold were $19,710 million.

In millions of dollars as of December 31, 2011	Maximum potential amount of future payments	Fair value payable (1)(2)
By industry/counterparty		
Bank	$ 929,608	$ 45,920
Broker-dealer	321,293	19,026
Non-financial	1,048	98
Insurance and other financial institutions	142,579	7,447
Total by industry/counterparty	$ 1,394,528	$ 72,491
By instrument		
Credit default swaps and options	$ 1,393,082	$ 72,358
Total return swaps and other	1,446	133
Total by instrument	$ 1,394,528	$ 72,491
By rating		
Investment grade	$ 611,447	$ 16,913
Non-investment grade	226,939	28,034
Not rated	556,142	27,544
Total by rating	$ 1,394,528	$ 72,491
By maturity		
Within 1 year	$ 266,723	$ 3,705
From 1 to 5 years	947,211	46,596
After 5 years	180,594	22,190
Total by maturity	$ 1,394,528	$ 72,491

(1) In addition, fair value amounts payable under credit derivatives purchased were $12,361 million.

(2) In addition, fair value amounts receivable under credit derivatives sold were $11,335 million.

Citigroup evaluates the payment/performance risk of the credit derivatives for which it stands as a protection seller based on the credit rating assigned to the underlying referenced credit. Where external ratings by nationally recognized statistical rating organizations (such as Moody's and S&P) are used, investment grade ratings are considered to be Baa/BBB or above, while anything below is considered non-investment grade. The Citigroup internal ratings are in line with the related external credit rating system. On certain underlying reference credits, mainly related to over-the-counter credit derivatives, ratings are not available, and these are included in the not-rated category. Credit derivatives written on an underlying non-investment grade reference credit represent greater payment risk to the Company. The non-investment grade category in the table above primarily includes credit derivatives where the underlying referenced entity has been downgraded subsequent to the inception of the derivative.

The maximum potential amount of future payments under credit derivative contracts presented in the table above is based on the notional value of the derivatives. The Company believes that the maximum potential amount of future payments for credit protection sold is not representative of the actual loss exposure based on historical experience. This amount has not been reduced by the Company's rights to the underlying assets and the related cash flows. In accordance with most credit derivative contracts, should a credit event (or settlement trigger) occur, the Company is usually liable for the difference between the protection sold and the recourse it holds in the value of the underlying assets. Thus, if the reference entity defaults, Citi will generally have a right to collect on the underlying reference credit and any related cash flows, while being liable for the full notional amount of credit protection sold to the buyer. Furthermore, this maximum potential amount of future payments for credit protection sold has not been reduced for any cash collateral paid to a given counterparty as such payments would be calculated after netting all derivative exposures, including any credit derivatives with that counterparty in accordance with a related master netting agreement. Due to such netting processes, determining the amount of collateral that corresponds to credit derivative exposures alone is not possible. The Company actively monitors open credit risk exposures and manages this exposure by using a variety of strategies, including purchased credit derivatives, cash collateral or direct holdings of the referenced assets. This risk mitigation activity is not captured in the table above.

Credit-Risk-Related Contingent Features in Derivatives

Certain derivative instruments contain provisions that require the Company to either post additional collateral or immediately settle any outstanding liability balances upon the occurrence of a specified credit-risk-related event. These events, which are defined by the existing derivative contracts, are primarily downgrades in the credit ratings of the Company and its affiliates. The fair value (excluding CVA) of all derivative instruments with credit-risk-related contingent features that are in a net liability position at December 31, 2012 and December 31, 2011 is $36 billion and $33 billion, respectively. The Company has posted $32 billion and $28 billion as collateral for this exposure in the normal course of business as of December 31, 2012 and December 31, 2011, respectively.

Each downgrade would trigger additional collateral or cash settlement requirements for the Company and its affiliates. In the event that each legal entity was downgraded a single notch by the three rating agencies as of December 31, 2012, the Company would be required to post an additional $4.0 billion, as either collateral or settlement of the derivative transactions. Additionally, the Company would be required to segregate with third-party custodians collateral previously received from existing derivative counterparties in the amount of $1.1 billion upon the single notch downgrade, resulting in aggregate cash obligations and collateral requirements of approximately $5.1 billion.

RETIREMENT BENEFITS (Details 6) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
U.S. pension and postretirement benefit plans | Level 1			
Defined Benefit Plan Disclosure			
Total assets	$ 3,425	$ 4,339	
Other investment liabilities	(607)	(683)	
Total net assets	2,818	3,656	
U.S. pension and postretirement benefit plans | Level 1 | U.S. equity			
Defined Benefit Plan Disclosure			
Total assets	677	572	
U.S. pension and postretirement benefit plans | Level 1 | Non-U.S. equity			
Defined Benefit Plan Disclosure			
Total assets	412	229	
U.S. pension and postretirement benefit plans | Level 1 | Mutual Funds			
Defined Benefit Plan Disclosure			
Total assets	177	137	
U.S. pension and postretirement benefit plans | Level 1 | Commingled funds			
Defined Benefit Plan Disclosure			
Total assets		440	
U.S. pension and postretirement benefit plans | Level 1 | U.S. Treasury			
Defined Benefit Plan Disclosure			
Total assets	1,431	1,760	
U.S. pension and postretirement benefit plans | Level 1 | U.S. corporate bonds			
Defined Benefit Plan Disclosure			
Total assets	1	2	
U.S. pension and postretirement benefit plans | Level 1 | Non-U.S. corporate bond			
Defined Benefit Plan Disclosure			
Total assets	4	4	
U.S. pension and postretirement benefit plans | Level 1 | Derivatives			
Defined Benefit Plan Disclosure			
Total assets	593	691	
U.S. pension and postretirement benefit plans | Level 1 | Other investments			
Defined Benefit Plan Disclosure			
Total assets		92	
U.S. pension and postretirement benefit plans | Level 1 | Investments:			
Defined Benefit Plan Disclosure			
Total assets	3,295	3,927	
U.S. pension and postretirement benefit plans | Level 1 | Cash and short-term investments			
Defined Benefit Plan Disclosure			
Total assets	130	412	

U.S. pension and postretirement benefit plans | Level 2

Defined Benefit Plan Disclosure		
Total assets	5,708	4,526
Other investment liabilities	(60)	(33)
Total net assets	5,648	4,493
U.S. pension and postretirement benefit plans | Level 2 | U.S. equity		
Defined Benefit Plan Disclosure		
Total assets		5
U.S. pension and postretirement benefit plans | Level 2 | Non-U.S. equity		
Defined Benefit Plan Disclosure		
Total assets	5	
U.S. pension and postretirement benefit plans | Level 2 | Commingled funds		
Defined Benefit Plan Disclosure		
Total assets	1,132	594
U.S. pension and postretirement benefit plans | Level 2 | U.S. Agency		
Defined Benefit Plan Disclosure		
Total assets	112	120
U.S. pension and postretirement benefit plans | Level 2 | U.S. corporate bonds		
Defined Benefit Plan Disclosure		
Total assets	1,396	1,073
U.S. pension and postretirement benefit plans | Level 2 | Foreign government		
Defined Benefit Plan Disclosure		
Total assets	387	352
U.S. pension and postretirement benefit plans | Level 2 | Non-U.S. corporate bond		
Defined Benefit Plan Disclosure		
Total assets	346	271
U.S. pension and postretirement benefit plans | Level 2 | State and municipal securities		
Defined Benefit Plan Disclosure		
Total assets	142	122
U.S. pension and postretirement benefit plans | Level 2 | Hedge funds		
Defined Benefit Plan Disclosure		
Total assets	1,132	1,087
U.S. pension and postretirement benefit plans | Level 2 | Asset-backed securities		
Defined Benefit Plan Disclosure		
Total assets	55	19
U.S. pension and postretirement benefit plans | Level 2 | Mortgage-backed securities		
Defined Benefit Plan Disclosure		
Total assets	52	32
U.S. pension and postretirement benefit plans | Level 2 | Derivatives		
Defined Benefit Plan Disclosure		
Total assets	37	36

U.S. pension and postretirement benefit plans | Level 2 | Other investments			
Defined Benefit Plan Disclosure			
Total assets		20	
U.S. pension and postretirement benefit plans | Level 2 | Investments:			
Defined Benefit Plan Disclosure			
Total assets	4,796	3,731	
U.S. pension and postretirement benefit plans | Level 2 | Cash and short-term investments			
Defined Benefit Plan Disclosure			
Total assets	906	402	
U.S. pension and postretirement benefit plans | Level 2 | Other investment receivables			
Defined Benefit Plan Disclosure			
Total assets	6	393	
U.S. pension and postretirement benefit plans | Level 3			
Defined Benefit Plan Disclosure			
Total assets	4,239	3,916	4,131
Total net assets	4,239	3,916	
U.S. pension and postretirement benefit plans | Level 3 | U.S. equity			
Defined Benefit Plan Disclosure			
Total assets		51	
U.S. pension and postretirement benefit plans | Level 3 | Non-U.S. equity			
Defined Benefit Plan Disclosure			
Total assets		19	
U.S. pension and postretirement benefit plans | Level 3 | U.S. corporate bonds			
Defined Benefit Plan Disclosure			
Total assets		5	5
U.S. pension and postretirement benefit plans | Level 3 | Non-U.S. corporate bond			
Defined Benefit Plan Disclosure			
Total assets			1
U.S. pension and postretirement benefit plans | Level 3 | Hedge funds			
Defined Benefit Plan Disclosure			
Total assets	1,524	870	1,014
U.S. pension and postretirement benefit plans | Level 3 | Annuity contracts			
Defined Benefit Plan Disclosure			
Total assets	130	155	187
U.S. pension and postretirement benefit plans | Level 3 | Private equity			
Defined Benefit Plan Disclosure			
Total assets	2,419	2,474	2,920
U.S. pension and postretirement benefit plans | Level 3 | Other investments			
Defined Benefit Plan Disclosure			
Total assets	142	121	4
U.S. pension and postretirement benefit plans | Level 3 | Investments:			

Defined Benefit Plan Disclosure			
Total assets	4,215	3,695	4,131
U.S. pension and postretirement benefit plans | Level 3 | Other investment receivables			
Defined Benefit Plan Disclosure			
Total assets	24	221	
U.S. pension and postretirement benefit plans | Fair value			
Defined Benefit Plan Disclosure			
Total assets	13,372	12,781	
Other investment liabilities	(667)	(716)	
Total net assets	12,705	12,065	
U.S. pension and postretirement benefit plans | Fair value | U.S. equity			
Defined Benefit Plan Disclosure			
Total assets	677	628	
U.S. pension and postretirement benefit plans | Fair value | Non-U.S. equity			
Defined Benefit Plan Disclosure			
Total assets	417	248	
U.S. pension and postretirement benefit plans | Fair value | Mutual Funds			
Defined Benefit Plan Disclosure			
Total assets	177	137	
U.S. pension and postretirement benefit plans | Fair value | Commingled funds			
Defined Benefit Plan Disclosure			
Total assets	1,132	1,034	
U.S. pension and postretirement benefit plans | Fair value | U.S. Treasury			
Defined Benefit Plan Disclosure			
Total assets	1,431	1,760	
U.S. pension and postretirement benefit plans | Fair value | U.S. Agency			
Defined Benefit Plan Disclosure			
Total assets	112	120	
U.S. pension and postretirement benefit plans | Fair value | U.S. corporate bonds			
Defined Benefit Plan Disclosure			
Total assets	1,397	1,080	
U.S. pension and postretirement benefit plans | Fair value | Foreign government			
Defined Benefit Plan Disclosure			
Total assets	387	352	
U.S. pension and postretirement benefit plans | Fair value | Non-U.S. corporate bond			
Defined Benefit Plan Disclosure			
Total assets	350	275	
U.S. pension and postretirement benefit plans | Fair value | State and municipal securities			
Defined Benefit Plan Disclosure			
Total assets	142	122	

U.S. pension and postretirement benefit plans | Fair value | Hedge funds		
Defined Benefit Plan Disclosure		
Total assets	2,656	1,957
U.S. pension and postretirement benefit plans | Fair value | Asset-backed securities		
Defined Benefit Plan Disclosure		
Total assets	55	19
U.S. pension and postretirement benefit plans | Fair value | Mortgage-backed securities		
Defined Benefit Plan Disclosure		
Total assets	52	32
U.S. pension and postretirement benefit plans | Fair value | Annuity contracts		
Defined Benefit Plan Disclosure		
Total assets	130	155
U.S. pension and postretirement benefit plans | Fair value | Private equity		
Defined Benefit Plan Disclosure		
Total assets	2,419	2,474
U.S. pension and postretirement benefit plans | Fair value | Derivatives		
Defined Benefit Plan Disclosure		
Total assets	630	727
U.S. pension and postretirement benefit plans | Fair value | Other investments		
Defined Benefit Plan Disclosure		
Total assets	142	233
U.S. pension and postretirement benefit plans | Fair value | Investments:		
Defined Benefit Plan Disclosure		
Total assets	12,306	11,353
U.S. pension and postretirement benefit plans | Fair value | Cash and short-term investments		
Defined Benefit Plan Disclosure		
Total assets	1,036	814
U.S. pension and postretirement benefit plans | Fair value | Other investment receivables		
Defined Benefit Plan Disclosure		
Total assets	30	614
Non-U.S. pension and postretirement benefit plans | Level 1		
Defined Benefit Plan Disclosure		
Total assets	2,194	1,760
Non-U.S. pension and postretirement benefit plans | Level 1 | U.S. equity		
Defined Benefit Plan Disclosure		
Total assets	12	12
Non-U.S. pension and postretirement benefit plans | Level 1 | Non-U.S. equity		
Defined Benefit Plan Disclosure		
Total assets	88	48
Non-U.S. pension and postretirement benefit plans | Level 1 | Mutual Funds		
Defined Benefit Plan Disclosure		

Total assets	31	11
Non-U.S. pension and postretirement benefit plans | Level 1 | Commingled funds		
Defined Benefit Plan Disclosure		
Total assets	26	26
Non-U.S. pension and postretirement benefit plans | Level 1 | U.S. Treasury		
Defined Benefit Plan Disclosure		
Total assets		1
Non-U.S. pension and postretirement benefit plans | Level 1 | U.S. corporate bonds		
Defined Benefit Plan Disclosure		
Total assets	10	1
Non-U.S. pension and postretirement benefit plans | Level 1 | Foreign government		
Defined Benefit Plan Disclosure		
Total assets	1,806	1,484
Non-U.S. pension and postretirement benefit plans | Level 1 | Non-U.S. corporate bond		
Defined Benefit Plan Disclosure		
Total assets	162	5
Non-U.S. pension and postretirement benefit plans | Level 1 | Mortgage-backed securities		
Defined Benefit Plan Disclosure		
Total assets		1
Non-U.S. pension and postretirement benefit plans | Level 1 | Other investments		
Defined Benefit Plan Disclosure		
Total assets	3	3
Non-U.S. pension and postretirement benefit plans | Level 1 | Investments:		
Defined Benefit Plan Disclosure		
Total assets	2,138	1,592
Non-U.S. pension and postretirement benefit plans | Level 1 | Cash and short-term investments		
Defined Benefit Plan Disclosure		
Total assets	56	168
Non-U.S. pension and postretirement benefit plans | Level 2		
Defined Benefit Plan Disclosure		
Total assets	6,158	5,460
Non-U.S. pension and postretirement benefit plans | Level 2 | U.S. equity		
Defined Benefit Plan Disclosure		
Total assets	12	
Non-U.S. pension and postretirement benefit plans | Level 2 | Non-U.S. equity		
Defined Benefit Plan Disclosure		
Total assets	77	180
Non-U.S. pension and postretirement benefit plans | Level 2 | Mutual Funds		

Defined Benefit Plan Disclosure			
Total assets	4,583	4,439	
Non-U.S. pension and postretirement benefit plans | Level 2 | U.S. Treasury			
Defined Benefit Plan Disclosure			
Total assets	1		
Non-U.S. pension and postretirement benefit plans | Level 2 | U.S. corporate bonds			
Defined Benefit Plan Disclosure			
Total assets	478	379	
Non-U.S. pension and postretirement benefit plans | Level 2 | Foreign government			
Defined Benefit Plan Disclosure			
Total assets	144	129	
Non-U.S. pension and postretirement benefit plans | Level 2 | Non-U.S. corporate bond			
Defined Benefit Plan Disclosure			
Total assets	804	318	
Non-U.S. pension and postretirement benefit plans | Level 2 | Hedge funds			
Defined Benefit Plan Disclosure			
Total assets		3	
Non-U.S. pension and postretirement benefit plans | Level 2 | Mortgage-backed securities			
Defined Benefit Plan Disclosure			
Total assets	1		
Non-U.S. pension and postretirement benefit plans | Level 2 | Annuity contracts			
Defined Benefit Plan Disclosure			
Total assets	5	3	
Non-U.S. pension and postretirement benefit plans | Level 2 | Derivatives			
Defined Benefit Plan Disclosure			
Total assets	40	3	
Non-U.S. pension and postretirement benefit plans | Level 2 | Other investments			
Defined Benefit Plan Disclosure			
Total assets	9	6	
Non-U.S. pension and postretirement benefit plans | Level 2 | Investments:			
Defined Benefit Plan Disclosure			
Total assets	6,154	5,460	
Non-U.S. pension and postretirement benefit plans | Level 2 | Cash and short-term investments			
Defined Benefit Plan Disclosure			
Total assets	4		
Non-U.S. pension and postretirement benefit plans | Level 3			
Defined Benefit Plan Disclosure			
Total assets	300	297	313

Non-U.S. pension and postretirement benefit plans | Level 3 | Non-U.S. equity			
Defined Benefit Plan Disclosure			
Total assets	48	5	3
Non-U.S. pension and postretirement benefit plans | Level 3 | Mutual Funds			
Defined Benefit Plan Disclosure			
Total assets		32	
Non-U.S. pension and postretirement benefit plans | Level 3 | Foreign government			
Defined Benefit Plan Disclosure			
Total assets	4	5	
Non-U.S. pension and postretirement benefit plans | Level 3 | Non-U.S. corporate bond			
Defined Benefit Plan Disclosure			
Total assets	4	4	107
Non-U.S. pension and postretirement benefit plans | Level 3 | Hedge funds			
Defined Benefit Plan Disclosure			
Total assets	16	12	14
Non-U.S. pension and postretirement benefit plans | Level 3 | Annuity contracts			
Defined Benefit Plan Disclosure			
Total assets	6		
Non-U.S. pension and postretirement benefit plans | Level 3 | Other investments			
Defined Benefit Plan Disclosure			
Total assets	219	240	189
Non-U.S. pension and postretirement benefit plans | Level 3 | Investments:			
Defined Benefit Plan Disclosure			
Total assets	297	297	
Non-U.S. pension and postretirement benefit plans | Level 3 | Cash and short-term investments			
Defined Benefit Plan Disclosure			
Total assets	3		
Non-U.S. pension and postretirement benefit plans | Fair value			
Defined Benefit Plan Disclosure			
Total assets	8,652	7,517	
Non-U.S. pension and postretirement benefit plans | Fair value | U.S. equity			
Defined Benefit Plan Disclosure			
Total assets	24	12	
Non-U.S. pension and postretirement benefit plans | Fair value | Non-U.S. equity			
Defined Benefit Plan Disclosure			
Total assets	213	233	
Non-U.S. pension and postretirement benefit plans | Fair value | Mutual Funds			
Defined Benefit Plan Disclosure			
Total assets	4,614	4,482	

Non-U.S. pension and postretirement benefit plans | Fair value | Commingled funds		
Defined Benefit Plan Disclosure		
Total assets	26	26
Non-U.S. pension and postretirement benefit plans | Fair value | U.S. Treasury		
Defined Benefit Plan Disclosure		
Total assets	1	1
Non-U.S. pension and postretirement benefit plans | Fair value | U.S. corporate bonds		
Defined Benefit Plan Disclosure		
Total assets	488	380
Non-U.S. pension and postretirement benefit plans | Fair value | Foreign government		
Defined Benefit Plan Disclosure		
Total assets	1,954	1,618
Non-U.S. pension and postretirement benefit plans | Fair value | Non-U.S. corporate bond		
Defined Benefit Plan Disclosure		
Total assets	970	326
Non-U.S. pension and postretirement benefit plans | Fair value | Hedge funds		
Defined Benefit Plan Disclosure		
Total assets	16	15
Non-U.S. pension and postretirement benefit plans | Fair value | Mortgage-backed securities		
Defined Benefit Plan Disclosure		
Total assets	1	1
Non-U.S. pension and postretirement benefit plans | Fair value | Annuity contracts		
Defined Benefit Plan Disclosure		
Total assets	11	3
Non-U.S. pension and postretirement benefit plans | Fair value | Derivatives		
Defined Benefit Plan Disclosure		
Total assets	40	3
Non-U.S. pension and postretirement benefit plans | Fair value | Other investments		
Defined Benefit Plan Disclosure		
Total assets	231	249
Non-U.S. pension and postretirement benefit plans | Fair value | Investments:		
Defined Benefit Plan Disclosure		
Total assets	8,589	7,349
Non-U.S. pension and postretirement benefit plans | Fair value | Cash and short-term investments		
Defined Benefit Plan Disclosure		
Total assets	63	168
U.S. Pension Plans		

Defined Benefit Plan Disclosure			
Total assets	12,656	11,991	11,561
Allocable interest (as a percent)	99.60%	99.20%	
U.S. Postretirement Benefit Plans			
Defined Benefit Plan Disclosure			
Total assets	$ 50	$ 74	$ 95
Allocable interest (as a percent)	0.40%	0.80%	

LOANS (Details 9) (Corporate, USD $) In Millions, unless otherwise specified	12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011
Financing receivable impaired		
Carrying Value	$ 212	$ 450
TDRs involving changes in the amount and/or timing of principal payments	144	3
TDRs involving changes in the amount and/or timing of interest payments	4	103
TDRs involving changes in the amount and/or timing of both principal and interest payments	64	344
Balance of principal forgiven or deferred		4
Net P&L Impact	1	53
Carrying Value	873	1,336
TDR in payment default	94	7
Commercial and industrial		
Financing receivable impaired		
Carrying Value	99	126
TDRs involving changes in the amount and/or timing of principal payments	84	
TDRs involving changes in the amount and/or timing of interest payments	4	16
TDRs involving changes in the amount and/or timing of both principal and interest payments	11	110
Net P&L Impact	1	16
Carrying Value	275	429
TDR in payment default	94	7
Financial institutions		
Financing receivable impaired		
Carrying Value	17	564
Mortgage and real estate		
Financing receivable impaired		
Carrying Value	113	250
TDRs involving changes in the amount and/or timing of principal payments	60	3
TDRs involving changes in the amount and/or timing of interest payments		20
TDRs involving changes in the amount and/or timing of both principal and interest payments	53	227
Balance of principal forgiven or deferred		4
Net P&L Impact		37
Carrying Value	131	258
Other		
Financing receivable impaired		
Carrying Value		74
TDRs involving changes in the amount and/or timing of interest payments		67
TDRs involving changes in the amount and/or timing of both principal and interest payments		7
Carrying Value	$ 450	$ 85

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Tables)

12 Months Ended

Dec. 31, 2012

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Impact of accounting changes under fair value option

In millions of dollars at June 30, 2010	Amortized cost	July 1, 2010 Pretax cumulative effect adjustment to Retained earnings: Gross unrealized losses recognized in AOCI (1)	July 1, 2010 Pretax cumulative effect adjustment to Retained earnings: Gross unrealized gains recognized in AOCI	Fair value
Mortgage-backed securities				
Prime	$ 390	$ —	$ 49	$ 439
Alt-A	550	—	54	604
Subprime	221	—	6	227
Non-U.S. residential	2,249	—	38	2,287
Total mortgage-backed securities	$ 3,410	$ —	$ 147	$ 3,557
Asset-backed securities				
Auction rate securities	$ 4,463	$ 401	$ 48	$ 4,110
Other asset-backed	4,189	19	164	4,334
Total asset-backed securities	$ 8,652	$ 420	$ 212	$ 8,444
Total reclassified debt securities	$ 12,062	$ 420	$ 359	$ 12,001

(1) All reclassified debt securities with gross unrealized losses were assessed for other-than-temporary-impairment as of June 30, 2010, including an assessment of whether the Company intends to sell the security. For securities that the Company intends to sell, impairment charges of $176 million were recorded in earnings in the second quarter of 2010.

INVESTMENTS (Tables)

	12 Months Ended Dec. 31, 2012

Schedule of Investments disclosures

Schedule of Investments

In millions of dollars	2012	2011
Securities available-for-sale	**$ 288,695**	$ 265,204
Debt securities held-to-maturity [(1)]	**10,130**	11,483
Non-marketable equity securities carried at fair value [(2)]	**5,768**	8,836
Non-marketable equity securities carried at cost [(3)]	**7,733**	7,890
Total investments	**$ 312,326**	$ 293,413

(1) Recorded at amortized cost less impairment for securities that have credit-related impairment.

(2) Unrealized gains and losses for non-marketable equity securities carried at fair value are recognized in earnings. During the third quarter of 2012, the Company sold EMI Music resulting in a total $1.5 billion decrease in non-marketable equity securities carried at fair value. During the second quarter of 2012, the Company sold EMI Music Publishing resulting in a total of $1.3 billion decrease in non-marketable equity securities carried at fair value.

(3) Non-marketable equity securities carried at cost primarily consist of shares issued by the Federal Reserve Bank, Federal Home Loan Banks, foreign central banks and various clearing houses of which Citigroup is a member.

Amortized cost and fair value of securities available-for-sale

	2012				2011			
In millions of dollars	**Amortized cost**	**Gross unrealized gains**	**Gross unrealized losses**	**Fair value**	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Debt securities AFS								
Mortgage-backed securities [(1)]								
U.S. government-sponsored agency guaranteed	**$ 46,001**	**$1,507**	**$ 163**	**$ 47,345**	$ 44,394	$1,438	$ 51	$ 45,781
Prime	**85**	**1**	**—**	**86**	118	1	6	113
Alt-A	**1**	**—**	**—**	**1**	1	—	—	1
Non-U.S. residential	**7,442**	**148**	**—**	**7,590**	4,671	9	22	4,658
Commercial	**436**	**16**	**3**	**449**	465	16	9	472
Total mortgage-backed securities	**$ 53,965**	**$1,672**	**$ 166**	**$ 55,471**	$ 49,649	$1,464	$ 88	$ 51,025
U.S. Treasury and federal agency securities								
U.S. Treasury	**$ 64,456**	**$1,172**	**$ 34**	**$ 65,594**	$ 48,790	$1,439	$ —	$ 50,229
Agency obligations	**25,844**	**404**	**1**	**26,247**	34,310	601	2	34,909
Total U.S. Treasury and federal agency securities	**$ 90,300**	**$1,576**	**$ 35**	**$ 91,841**	$ 83,100	$2,040	$ 2	$ 85,138
State and municipal [(2)]	**$ 20,020**	**$ 132**	**$1,820**	**$ 18,332**	$ 16,819	$ 134	$2,554	$ 14,399
Foreign government	**93,259**	**918**	**130**	**94,047**	84,360	558	404	84,514
Corporate	**9,302**	**398**	**26**	**9,674**	10,005	305	53	10,257
Asset-backed securities [(1)]	**14,188**	**85**	**143**	**14,130**	11,053	31	81	11,003
Other debt securities	**256**	**2**	**—**	**258**	670	13	—	683
Total debt securities AFS	**$281,290**	**$4,783**	**$2,320**	**$283,753**	$255,656	$4,545	$3,182	$257,019
Marketable equity securities AFS	**$ 4,643**	**$ 444**	**$ 145**	**$ 4,942**	$ 6,722	$1,658	$ 195	$ 8,185
Total securities AFS	**$285,933**	**$5,227**	**$2,465**	**$288,695**	$262,378	$6,203	$3,377	$265,204

(1) The Company invests in mortgage-backed and asset-backed securities. These securitizations are generally considered VIEs. The Company's maximum exposure to loss from these VIEs is equal to the carrying amount of the securities, which is reflected in the table above. For mortgage-backed and asset-backed securitizations in which the Company has other involvement, see Note 22 to the Consolidated Financial Statements.

(2) The unrealized losses on state and municipal debt securities are primarily attributable to the result of yields on taxable fixed income instruments decreasing relatively faster than the general tax-exempt municipal yields and the effects of fair value hedge accounting.

Interest and dividends on investments

In millions of dollars	2012	2011	2010
Taxable interest	**$ 6,509**	$ 7,257	$ 9,922
Interest exempt from U.S. federal income tax	**683**	746	760
Dividends	**333**	317	322
Total interest and dividends	**$ 7,525**	$ 8,320	$ 11,004

Realized gains and losses on investments

In millions of dollars	2012	2011	2010
Gross realized investment gains	**$ 3,663**	$ 2,498	$ 2,873
Gross realized investment losses	**(412)**	(501)	(462)
Net realized gains	**$ 3,251**	$ 1,997	$ 2,411

Carrying value and fair value of debt securities held-to-maturity (HTM)

In millions of dollars	**Amortized cost** [(1)]	**Net unrealized loss recognized in AOCI**	**Carrying value** [(2)]	**Gross unrealized gains**	**Gross unrealized losses**	**Fair value**

December 31, 2012						
Debt securities held-to-maturity						
Mortgage-backed securities (3)						
Prime	**$ 258**	**$ 49**	**$ 209**	**$ 30**	**$ 4**	**$235**
Alt-A	**2,969**	**837**	**2,132**	**653**	**250**	**2,535**
Subprime	**201**	**43**	**158**	**13**	**21**	**150**
Non-U.S. residential	**2,488**	**401**	**2,087**	**50**	**81**	**2,056**
Commercial	**123**	**—**	**123**	**1**	**2**	**122**
Total mortgage-backed securities	**$ 6,039**	**$ 1,330**	**$ 4,709**	**$ 747**	**$ 358**	**$5,098**
State and municipal	**$ 1,278**	**$ 73**	**$ 1,205**	**$ 89**	**$ 37**	**$1,257**
Foreign government (4)	**2,987**	**—**	**2,987**	**—**	**—**	**2,987**
Corporate	**829**	**103**	**726**	**73**	**—**	**799**
Asset-backed securities (3)	**529**	**26**	**503**	**8**	**8**	**503**
Total debt securities held-to-maturity	**$ 11,662**	**$ 1,532**	**$ 10,130**	**$ 917**	**$ 403**	**$10,644**
December 31, 2011						
Debt securities held-to-maturity						
Mortgage-backed securities (3)						
Prime	$ 360	$ 73	$ 287	$ 21	$ 20	$288
Alt-A	4,732	1,404	3,328	20	319	3,029
Subprime	383	47	336	1	71	266
Non-U.S. residential	3,487	520	2,967	59	290	2,736
Commercial	513	1	512	4	52	464
Total mortgage-backed securities	$ 9,475	$ 2,045	$ 7,430	$ 105	$ 752	$6,783
State and municipal	$ 1,422	$ 95	$ 1,327	$ 68	$ 72	$1,323
Foreign government	—	—	—	—	—	—
Corporate	1,862	113	1,749	—	254	1,495
Asset-backed securities (3)	1,000	23	977	9	87	899
Total debt securities held-to-maturity	$ 13,759	$ 2,276	$ 11,483	$ 182	$ 1,165	$10,500

(1) For securities transferred to HTM from *Trading account assets*, amortized cost is defined as the fair value of the securities at the date of transfer plus any accretion income and less any impairments recognized in earnings subsequent to transfer. For securities transferred to HTM from AFS, amortized cost is defined as the original purchase cost, plus or minus any accretion or amortization of a purchase discount or premium, less any impairment recognized in earnings.

(2) HTM securities are carried on the Consolidated Balance Sheet at amortized cost, plus or minus any unamortized unrealized gains and losses recognized in AOCI prior to reclassifying the securities from AFS to HTM. The changes in the values of these securities are not reported in the financial statements, except for other-than-temporary impairments. For HTM securities, only the credit loss component of the impairment is recognized in earnings, while the remainder of the impairment is recognized in AOCI.

(3) The Company invests in mortgage-backed and asset-backed securities. These securitizations are generally considered VIEs. The Company's maximum exposure to loss from these VIEs is equal to the carrying amount of the securities, which is reflected in the table above. For mortgage-backed and asset-backed securitizations in which the Company has other involvement, see Note 22 to the Consolidated Financial Statements.

(4) In 2012, the Company (via its Banamex entity) purchased Mexican government bonds with a par value of $2.6 billion and classified them as held-to-maturity.

Key assumptions for mortgage-backed securities

	December 31, 2012
Prepayment rate (1)	**1%–8% CRR**
Loss severity (2)	**45%–90%**

(1) Conditional repayment rate (CRR) represents the annualized expected rate of voluntary prepayment of principal for mortgage-backed securities over a certain period of time.

(2) Loss severity rates are estimated considering collateral characteristics and generally range from 45%–60% for prime bonds, 50%–90% for Alt-A bonds and 65%–90% for subprime bonds.

Total other-than-temporary impairments recognized

OTTI on Investments and Other Assets	**Year Ended December 31, 2012**			
In millions of dollars	**AFS (1)**	**HTM**	**Other Assets**	**Total**
Impairment losses related to securities that the Company does not intend to sell nor will likely be required to sell:				
Total OTTI losses recognized during the year ended December 31, 2012	**$ 17**	**$ 365**	**$ —**	**$ 382**
Less: portion of impairment loss recognized in AOCI (before taxes)	**1**	**65**	**—**	**66**
Net impairment losses recognized in earnings for securities that the Company does not intend to sell nor will likely be required to sell	**$ 16**	**$ 300**	**$ —**	**$ 316**
Impairment losses recognized in earnings for securities that the Company intends to sell or more-likely-than-not will be required to sell before recovery (2)	**139**	**—**	**4,516**	**4,655**
Total impairment losses recognized in earnings	**$ 155**	**$ 300**	**$ 4,516**	**$ 4,971**

(1) Includes OTTI on non-marketable equity securities.

(2) As described under "MSSB" above, the third quarter of 2012 includes the recognition of a $3,340 million impairment charge related to the carrying value of Citi's remaining 35% interest in MSSB. Additionally, as described under "Akbank" above, in the first quarter of 2012, the Company recorded an impairment charge relating to its total investment in Akbank amounting to $1.2 billion pretax ($763 million after-tax).

Cumulative Other-Than-Temporary Impairment Credit

Cumulative OTTI credit losses recognized in earnings

Losses Recognized in Earnings

In millions of dollars	Dec. 31, 2011 balance	Credit impairments recognized in earnings on securities not previously impaired	Credit impairments recognized in earnings on securities that have been previously impaired	Reductions due to credit-impaired securities sold, transferred or matured	Dec. 31, 2012 balance
AFS debt securities					
Mortgage-backed securities					
Prime	$ 292	$—	$—	$(1)	$ 291
Alt-A	2	—	—	—	2
Commercial real estate	2	—	—	—	2
Total mortgage-backed securities	$ 296	$ —	$ —	$ (1)	$ 295
State and municipal securities	3	4	—	—	7
U.S. Treasury securities	67	—	—	—	67
Foreign government securities	168	6	—	(5)	169
Corporate	151	1	4	(40)	116
Asset-backed securities	10	—	—	—	10
Other debt securities	52	1	—	—	53
Total OTTI credit losses recognized for AFS debt securities	$ 747	$ 12	$ 4	$ (46)	$ 717
HTM debt securities					
Mortgage-backed securities					
Prime	$ 84	$ 6	$ 15	$ (1)	$ 104
Alt-A	2,218	45	216	(66)	2,413
Subprime	252	—	2	(2)	252
Non-U.S. residential	96	—	—	(16)	80
Commercial real estate	10	—	—	—	10
Total mortgage-backed securities	$ 2,660	$ 51	$ 233	$ (85)	$ 2,859
State and municipal securities	9	1	1	—	11
Foreign Government	—	—	—	—	—
Corporate	391	3	9	(6)	397
Asset-backed securities	113	—	—	—	113
Other debt securities	9	2	—	—	11
Total OTTI credit losses recognized for HTM debt securities	$ 3,182	$ 57	$ 243	$ (91)	$ 3,391

Investments in Alternative Investment Funds

In millions of dollars at December 31, 2012	Fair value	Unfunded commitments	Redemption frequency (if currently eligible) monthly, quarterly, annually	Redemption notice period
Hedge funds	$ 1,316	$—	Generally quarterly	10–95 days
Private equity funds [1][2][3]	837	342	—	—
Real estate funds [3][4]	228	57	—	—
Total	$ 2,381 [5]	$ 399	—	—

(1) Includes investments in private equity funds carried at cost with a carrying value of $6 million.
(2) Private equity funds include funds that invest in infrastructure, leveraged buyout transactions, emerging markets and venture capital.
(3) With respect to the Company's investments in private equity funds and real estate funds, distributions from each fund will be received as the underlying assets held by these funds are liquidated. It is estimated that the underlying assets of these funds will be liquidated over a period of several years as market conditions allow. Private equity and real estate funds do not allow redemption of investments by their investors. Investors are permitted to sell or transfer their investments, subject to the approval of the general partner or investment manager of these funds, which generally may not be unreasonably withheld.
(4) Includes several real estate funds that invest primarily in commercial real estate in the U.S., Europe and Asia.
(5) Included in the total fair value of investments above is $0.4 billion of fund assets that are valued using NAVs provided by third-party asset managers. Amounts exclude investments in funds that are consolidated by Citi.

AFS debt securities

Schedule of Investments disclosures

Fair value of securities in unrealized loss position

In millions of dollars	Less than 12 months Fair value	Less than 12 months Gross unrealized losses	12 months or longer Fair value	12 months or longer Gross unrealized losses	Total Fair value	Total Gross unrealized losses
December 31, 2012						
Securities AFS						
Mortgage-backed securities						
U.S. government-sponsored agency guaranteed	$ 8,759	$138	$ 464	$ 25	$ 9,223	$ 163
Prime	15	—	5	—	20	—

Non-U.S. residential	**5**	**—**	**7**	**—**	**12**	**—**
Commercial	**29**	**—**	**24**	**3**	**53**	**3**
Total mortgage-backed securities	**$ 8,808**	**$138**	**$ 500**	**$ 28**	**$ 9,308**	**$ 166**
U.S. Treasury and federal agency securities						
U.S. Treasury	**$10,558**	**$ 34**	**$ —**	**$ —**	**$10,558**	**$ 34**
Agency obligations	**496**	**1**	**—**	**—**	**496**	**1**
Total U.S. Treasury and federal agency securities	**$11,054**	**$ 35**	**$ —**	**$ —**	**$11,054**	**$ 35**
State and municipal	**$ 10**	**$ —**	**$11,095**	**$1,820**	**$11,105**	**$1,820**
Foreign government	**22,806**	**54**	**3,910**	**76**	**26,716**	**130**
Corporate	**1,420**	**8**	**225**	**18**	**1,645**	**26**
Asset-backed securities	**1,942**	**4**	**2,888**	**139**	**4,830**	**143**
Marketable equity securities AFS	**15**	**1**	**764**	**144**	**779**	**145**
Total securities AFS	**$46,055**	**$240**	**$19,382**	**$2,225**	**$65,437**	**$2,465**
December 31, 2011						
Securities AFS						
Mortgage-backed securities						
U.S. government-sponsored agency guaranteed	$ 5,398	$ 32	$ 51	$ 19	$ 5,449	$ 51
Prime	27	1	40	5	67	6
Non-U.S. residential	3,418	22	57	—	3,475	22
Commercial	35	1	31	8	66	9
Total mortgage-backed securities	$ 8,878	$ 56	$ 179	$ 32	$ 9,057	$ 88
U.S. Treasury and federal agency securities						
U.S. Treasury	$ 553	$ —	$ —	$ —	$ 553	$ —
Agency obligations	2,970	2	—	—	2,970	2
Total U.S. Treasury and federal agency securities	$ 3,523	$ 2	$ —	$ —	$ 3,523	$ 2
State and municipal	$ 59	$ 2	$11,591	$2,552	$11,650	$2,554
Foreign government	33,109	211	11,205	193	44,314	404
Corporate	2,104	24	203	29	2,307	53
Asset-backed securities	4,625	68	466	13	5,091	81
Other debt securities	164	—	—	—	164	—
Marketable equity securities AFS	47	5	1,457	190	1,504	195
Total securities AFS	$52,509	$368	$25,101	$3,009	$77,610	$3,377

Amortized cost and fair value of debt securities by contractual maturity dates

	2012		2011	
In millions of dollars	**Amortized cost**	**Fair value**	Amortized cost	Fair value
Mortgage-backed securities (1)				
Due within 1 year	**$ 10**	**$ 10**	$ —	$ —
After 1 but within 5 years	**365**	**374**	422	423
After 5 but within 10 years	**1,992**	**2,124**	2,757	2,834
After 10 years (2)	**51,598**	**52,963**	46,470	47,768
Total	**$ 53,965**	**$ 55,471**	$ 49,649	$ 51,025
U.S. Treasury and federal agency securities				
Due within 1 year	**$ 9,492**	**$ 9,499**	$ 14,615	$ 14,637
After 1 but within 5 years	**75,967**	**77,267**	62,241	63,823
After 5 but within 10 years	**2,171**	**2,408**	5,862	6,239
After 10 years (2)	**2,670**	**2,667**	382	439
Total	**$ 90,300**	**$ 91,841**	$ 83,100	$ 85,138
State and municipal				
Due within 1 year	**$ 208**	**$ 208**	$ 142	$ 142
After 1 but within 5 years	**3,221**	**3,223**	455	457
After 5 but within 10 years	**155**	**165**	182	188
After 10 years (2)	**16,436**	**14,736**	16,040	13,612
Total	**$ 20,020**	**$ 18,332**	$ 16,819	$ 14,399
Foreign government				
Due within 1 year	**$ 34,873**	**$ 34,869**	$ 34,924	$ 34,864
After 1 but within 5 years	**49,548**	**49,933**	41,612	41,675
After 5 but within 10 years	**7,239**	**7,380**	6,993	6,998
After 10 years (2)	**1,599**	**1,865**	831	977
Total	**$ 93,259**	**$ 94,047**	$ 84,360	$ 84,514
All other (3)				
Due within 1 year	**$ 1,001**	**$ 1,009**	$ 4,055	$ 4,072
After 1 but within 5 years	**11,285**	**11,351**	9,843	9,928

After 5 but within 10 years	**4,330**	**4,505**	3,009	3,160
After 10 years [(2)]	**7,130**	**7,197**	4,821	4,783
Total	**$ 23,746**	**$ 24,062**	$ 21,728	$ 21,943
Total debt securities AFS	**$ 281,290**	**$ 283,753**	$ 255,656	$ 257,019

(1) Includes mortgage-backed securities of U.S. government-sponsored entities.
(2) Investments with no stated maturities are included as contractual maturities of greater than 10 years. Actual maturities may differ due to call or prepayment rights.
(3) Includes corporate, asset-backed and other debt securities.

HTM debt securities

Schedule of Investments disclosures

Fair value of securities in unrealized loss position

	Less than 12 months		12 months or longer		Total	
In millions of dollars	Fair value	Gross unrecognized losses	Fair value	Gross unrecognized losses	Fair value	Gross unrecognized losses
December 31, 2012						
Debt securities held-to-maturity						
Mortgage-backed securities	**$ 88**	**$ 7**	**$ 1,522**	**$ 351**	**$ 1,610**	**$ 358**
State and municipal	**—**	**—**	**383**	**37**	**383**	**37**
Foreign government	294	**—**	**—**	**—**	294	**—**
Corporate	**—**	**—**	**—**	**—**	**—**	**—**
Asset-backed securities	**—**	**—**	**406**	**8**	**406**	**8**
Total debt securities held-to-maturity	**$ 382**	**$ 7**	**$ 2,311**	**$ 396**	**$ 2,693**	**$ 403**
December 31, 2011						
Debt securities held-to-maturity						
Mortgage-backed securities	$ 735	$ 63	$ 4,827	$ 689	$ 5,562	$ 752
State and municipal	—	—	682	72	682	72
Foreign government	—	—	—	—	—	—
Corporate	—	—	1,427	254	1,427	254
Asset-backed securities	480	71	306	16	786	87
Total debt securities held-to-maturity	$ 1,215	$ 134	$ 7,242	$ 1,031	$ 8,457	$ 1,165

Amortized cost and fair value of debt securities by contractual maturity dates

	December 31, 2012		December 31, 2011	
In millions of dollars	Carrying value	Fair value	Carrying value	Fair value
Mortgage-backed securities				
Due within 1 year	**$ —**	**$ —**	$ —	$ —
After 1 but within 5 years	**69**	**67**	275	239
After 5 but within 10 years	**54**	**54**	238	224
After 10 years [(1)]	**4,586**	**4,977**	6,917	6,320
Total	**$ 4,709**	**$ 5,098**	$ 7,430	$ 6,783
State and municipal				
Due within 1 year	**$ 14**	**$ 15**	$ 4	$ 4
After 1 but within 5 years	**36**	**37**	43	46
After 5 but within 10 years	**58**	**62**	31	30
After 10 years [(1)]	**1,097**	**1,143**	1,249	1,243
Total	**$ 1,205**	**$ 1,257**	$ 1,327	$ 1,323
Foreign government				
Due within 1 year	**$ —**	**$ —**	$ —	$ —
After 1 but within 5 years	**2,987**	**2,987**	—	—
After 5 but within 10 years	**—**	**—**	—	—
After 10 years [(1)]	**—**	**—**	—	—
Total	**$ 2,987**	**$ 2,987**	$ —	$ —
All other [(2)]				
Due within 1 year	**$ —**	**$ —**	$ 21	$ 21
After 1 but within 5 years	**728**	**802**	470	438
After 5 but within 10 years	**—**	**—**	1,404	1,182
After 10 years [(1)]	**501**	**500**	831	753
Total	**$ 1,229**	**$ 1,302**	$ 2,726	$ 2,394
Total debt securities held-to-maturity	**$ 10,130**	**$ 10,644**	$ 11,483	$ 10,500

(1) Investments with no stated maturities are included as contractual maturities of greater than 10 years. Actual maturities may differ due to call or prepayment rights.
(2) Includes corporate and asset-backed securities.

INTEREST REVENUE AND EXPENSE (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Interest revenue			
Loan interest, including fees	$ 48,544	$ 50,281	$ 55,056
Deposits with banks	1,269	1,750	1,252
Federal funds sold and securities borrowed or purchased under agreements to resell	3,418	3,631	3,156
Investments, including dividends	7,525	8,320	11,004
Trading account assets	6,802	8,186	8,079
Other interest	580	513	735
Total interest revenue	68,138	72,681	79,282
Interest expense			
Deposits	7,613	8,556	8,371
Federal funds purchased and securities loaned or sold under agreements to repurchase	2,817	3,197	2,808
Trading account liabilities	190	408	379
Short-term borrowings	727	650	917
Long-term debt	9,188	11,423	12,621
Total interest expense	20,535	24,234	25,096
Net interest revenue	47,603	48,447	54,186
Provision for loan losses	10,848	11,773	25,194
Net interest revenue after provision for loan losses	36,755	36,674	28,992
Insurance fees and charges	$ 1,262	$ 1,332	$ 981

CONSOLIDATED STATEMENT OF INCOME (USD $) In Millions, except Per Share data, unless otherwise specified	12 Months Ended					
	Dec. 31, 2012		Dec. 31, 2011		Dec. 31, 2010	
Revenues						
Interest revenue	$ 68,138		$ 72,681		$ 79,282	
Interest expense	20,535		24,234		25,096	
Net interest revenue	47,603		48,447		54,186	
Commissions and fees	12,926		12,850		13,658	
Principal transactions	4,781		7,234		7,517	
Administration and other fiduciary fees	4,012		3,995		4,005	
Realized gains (losses) on sales of investments, net	3,251		1,997		2,411	
Other-than-temporary impairment losses on investments						
Gross impairment losses	(5,037)	[1]	(2,413)	[1]	(1,495)	[1]
Less: Impairments recognized in AOCI	66		159		84	
Net impairment losses recognized in earnings	(4,971)		(2,254)		(1,411)	
Insurance premiums	2,476		2,647		2,684	
Other revenue	95	[2]	3,437	[2]	3,551	[2]
Total non-interest revenues	22,570		29,906		32,415	
Total revenues, net of interest expense	70,173		78,353		86,601	
Provisions for credit losses and for benefits and claims						
Provision for loan losses	10,848		11,773		25,194	
Policyholder benefits and claims	887		972		965	
Provision (release) for unfunded lending commitments	(16)		51		(117)	
Total provisions for credit losses and for benefits and claims	11,719		12,796		26,042	
Operating expenses						
Compensation and benefits	25,204		25,688		24,430	
Premises and equipment	3,282		3,326		3,331	
Technology/communication	5,914		5,133		4,924	
Advertising and marketing	2,224		2,346		1,645	
Other operating	13,894		14,440		13,045	
Total operating expenses	50,518	[3]	50,933	[3]	47,375	[3]
Income (loss) from continuing operations before income taxes	7,936		14,624		13,184	
Provision for income taxes (benefit)	27		3,521		2,233	
Income from continuing operations	7,909		11,103		10,951	
Discontinued operations						
Income (loss) from discontinued operations	(219)		23		72	
Gain (loss) on sale	(1)		155		(702)	
Provision (benefit) for income taxes	(71)		66		(562)	
Income (loss) from discontinued operations, net of taxes	(149)		112		(68)	
Net income before attribution of noncontrolling interests	7,760		11,215		10,883	

Noncontrolling interests	219	148	281
Citigroup's net income	$ 7,541	$ 11,067	$ 10,602
Basic earnings per share			
Income from continuing operations (in dollars per share)	$ 2.56 [4]	$ 3.69 [4]	$ 3.66 [4]
Income (loss) from discontinued operations, net of taxes (in dollars per share)	$ (0.05) [4]	$ 0.04 [4]	$ (0.01) [4]
Net income (in dollars per share)	$ 2.51 [4]	$ 3.73 [4]	$ 3.65 [4]
Weighted average common shares outstanding (in shares)	2,930.6	2,909.8	2,877.6
Diluted earnings per share			
Income from continuing operations (in dollars per share)	$ 2.49 [4]	$ 3.59 [4]	$ 3.55 [4]
Income (loss) from discontinued operations, net of taxes (in dollars per share)	$ (0.05) [4]	$ 0.04 [4]	$ (0.01) [4]
Net income (in dollars per share)	$ 2.44 [4]	$ 3.63 [4]	$ 3.54 [4]
Adjusted weighted average common shares outstanding (in shares)	3,015.5	2,998.8	2,967.8

[1] 2012 includes the recognition of a $3,340 million impairment charge related to the carrying value of Citi's remaining 35% interest in the Morgan Stanley Smith Barney joint venture (MSSB), as well as the recognition of a $1,181 million impairment charge related to Citi's investment in Akbank. See Note 15 to the Consolidated Financial Statements.

[2] Other revenue for 2012 includes a $1,344 million loss related to the sale of a 14% interest in MSSB, as well as the recognition of a $424 million loss related to the sale of a 10.1% stake in Akbank.

[3] Citigroup recorded repositioning charges of $1,375 million for 2012, $706 million for 2011 and $507 million for 2010.

[4] 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.

PRINCIPAL TRANSACTIONS (Tables)

PRINCIPAL TRANSACTIONS	12 Months Ended Dec. 31, 2012

PRINCIPAL TRANSACTIONS

Principal transactions revenue

In millions of dollars	**2012**	2011	2010
Global Consumer Banking	**$ 812**	$ 716	$ 533
Institutional Clients Group	**4,130**	4,873	5,566
Corporate/Other	**(192)**	45	(406)
Subtotal Citicorp	**$ 4,750**	$ 5,634	$ 5,693
Local Consumer Lending	**$ (69)**	$ (102)	$ (217)
Brokerage and Asset Management	**5**	(11)	(37)
Special Asset Pool	**95**	1,713	2,078
Subtotal Citi Holdings	**$ 31**	$ 1,600	$ 1,824
Total Citigroup	**$ 4,781**	$ 7,234	$ 7,517
Interest rate contracts (1)	**$ 2,301**	$ 5,136	$ 3,231
Foreign exchange contracts (2)	**2,403**	2,309	1,852
Equity contracts (3)	**158**	3	995
Commodity and other contracts (4)	**92**	76	126
Credit derivatives (5)	**(173)**	(290)	1,313
Total	**$ 4,781**	$ 7,234	$ 7,517

(1) Includes revenues from government securities and corporate debt, municipal securities, preferred stock, mortgage securities and other debt instruments. Also includes spot and forward trading of currencies and exchange-traded and over-the-counter (OTC) currency options, options on fixed income securities, interest rate swaps, currency swaps, swap options, caps and floors, financial futures, OTC options and forward contracts on fixed income securities.

(2) Includes revenues from foreign exchange spot, forward, option and swap contracts, as well as FX translation gains and losses.

(3) Includes revenues from common, preferred and convertible preferred stock, convertible corporate debt, equity-linked notes and exchange-traded and OTC equity options and warrants.

(4) Primarily includes revenues from crude oil, refined oil products, natural gas and other commodities trades.

(5) Includes revenues from structured credit products.

INVESTMENTS (Details) (USD $)	3 Months Ended									
	Sep. 30, 2012	Jun. 30, 2012	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012 Mortgage-backed securities	Dec. 31, 2011 Mortgage-backed securities	Dec. 31, 2012 U.S. government-sponsored agency guaranteed	Dec. 31, 2011 U.S. government-sponsored agency guaranteed	Dec. 31, 2012 Prime	Dec. 31, 2011 Prime
Investments summary										
Securities available-for-sale, at fair value			$ 288,695,000,000	$ 265,204,000,000	$ 55,471,000,000	$ 51,025,000,000	$ 47,345,000,000	$ 45,781,000,000	$ 86,000,000	$ 113,000,000
Debt securities held-to-maturity			10,130,000,000	11,483,000,000	4,709,000,000	7,430,000,000			209,000,000	287,000,000
Non-marketable equity securities carried at fair value			5,768,000,000	8,836,000,000						
Non-marketable equity securities carried at cost			7,733,000,000	7,890,000,000						
Total investments			312,326,000,000	293,413,000,000						
Decrease in non-marketable equity securities carried at fair value	1,500,000,000	1,300,000,000								
Securities available-for-sale										
Amortized cost					53,965,000,000	49,649,000,000	46,001,000,000	44,394,000,000	85,000,000	118,000,000
Gross unrealized gains					1,672,000,000	1,464,000,000	1,507,000,000	1,438,000,000	1,000,000	1,000,000
Gross unrealized losses					166,000,000	88,000,000	163,000,000	51,000,000		6,000,000
Fair value			288,695,000,000	265,204,000,000	55,471,000,000	51,025,000,000	47,345,000,000	45,781,000,000	86,000,000	113,000,000
Number of securities where their cost exceeded their fair value (in quantity)										
Unrealized loss of fixed income investments in gross unrealized loss position for less than twelve months										
Percentage of fixed-income investments in gross-unrealized-loss position for less than a year that were rated investment grade										
Percentage of fixed-income investments in gross-unrealized-loss position for a year or more, rated investment grade										

INVESTMENTS (Details) (USD $)	Dec. 31, 2012 Alt-A	Dec. 31, 2011 Alt-A	Dec. 31, 2012 Non-U.S. residential	Dec. 31, 2011 Non-U.S. residential	Dec. 31, 2012 Commercial	Dec. 31, 2011 Commercial	Dec. 31, 2012 Subprime	Dec. 31, 2011 Subprime	Dec. 31, 2012 U.S. Treasury and federal agency securities	Dec. 31, 2011 U.S. Treasury and federal agency securities
Investments summary										
Securities available-for-sale, at fair value	$ 1,000,000	$ 1,000,000	$ 7,590,000,000	$ 4,658,000,000	$ 449,000,000	$ 472,000,000			$ 91,841,000,000	$ 85,138,000,000
Debt securities held-to-maturity	2,132,000,000	3,328,000,000	2,087,000,000	2,967,000,000	123,000,000	512,000,000	158,000,000	336,000,000		
Non-marketable equity securities carried at fair value										
Non-marketable equity securities carried at cost										
Total investments										
Decrease in non-marketable equity securities carried at fair value										
Securities available-for-sale										
Amortized cost	1,000,000	1,000,000	7,442,000,000	4,671,000,000	436,000,000	465,000,000			90,300,000,000	83,100,000,000
Gross unrealized gains			148,000,000	9,000,000	16,000,000	16,000,000			1,576,000,000	2,040,000,000
Gross unrealized losses				22,000,000	3,000,000	9,000,000			35,000,000	2,000,000
Fair value	1,000,000	1,000,000	7,590,000,000	4,658,000,000	449,000,000	472,000,000			91,841,000,000	85,138,000,000
Number of securities where their cost exceeded their fair value (in quantity)										
Unrealized loss of fixed income investments in gross unrealized loss position for less than twelve months										
Percentage of fixed-income investments in gross-unrealized-loss position for less than a year that were rated investment grade										
Percentage of fixed-income investments in gross-unrealized-loss position for a year or more, rated investment grade										

INVESTMENTS (Details) (USD $)	Dec. 31, 2012 U.S. Treasury	Dec. 31, 2011 U.S. Treasury	Dec. 31, 2012 Agency obligations	Dec. 31, 2011 Agency obligations	Dec. 31, 2012 State and municipal securities	Dec. 31, 2011 State and municipal securities	Dec. 31, 2012 Foreign government	Dec. 31, 2011 Foreign government	Dec. 31, 2012 Corporate	Dec. 31, 2011 Corporate
Investments summary										
Securities available-for-sale, at fair value	$ 65,594,000,000	$ 50,229,000,000	$ 26,247,000,000	$ 34,909,000,000	$ 18,332,000,000	$ 14,399,000,000	$ 94,047,000,000	$ 84,514,000,000	$ 9,674,000,000	$ 10,257,000,000
Debt securities held-to-maturity					1,205,000,000	1,327,000,000	2,987,000,000		726,000,000	1,749,000,000
Non-marketable equity securities carried at fair value										
Non-marketable equity securities carried at cost										
Total investments										
Decrease in non-marketable equity securities carried at fair value										
Securities available-for-sale										
Amortized cost	64,456,000,000	48,790,000,000	25,844,000,000	34,310,000,000	20,020,000,000	16,819,000,000	93,259,000,000	84,360,000,000	9,302,000,000	10,005,000,000
Gross unrealized gains	1,172,000,000	1,439,000,000	404,000,000	601,000,000	132,000,000	134,000,000	918,000,000	558,000,000	398,000,000	305,000,000
Gross unrealized losses	34,000,000		1,000,000	2,000,000	1,820,000,000	2,554,000,000	130,000,000	404,000,000	26,000,000	53,000,000
Fair value	65,594,000,000	50,229,000,000	26,247,000,000	34,909,000,000	18,332,000,000	14,399,000,000	94,047,000,000	84,514,000,000	9,674,000,000	10,257,000,000
Number of securities where their cost exceeded their fair value (in quantity)										
Unrealized loss of fixed income investments in gross unrealized loss position for less than twelve months										
Percentage of fixed-income investments in gross-unrealized-loss position for less than a year that were rated investment grade										
Percentage of fixed-income investments in gross-unrealized-loss position for a year or more, rated investment grade										

INVESTMENTS (Details) (USD $)									12 Months Ended			
	Dec. 31, 2012 Asset-backed securities	Dec. 31, 2011 Asset-backed securities	Dec. 31, 2012 Other debt securities	Dec. 31, 2011 Other debt securities	Dec. 31, 2012 Total debt securities AFS	Dec. 31, 2011 Total debt securities AFS	Dec. 31, 2012 Marketable equity securities AFS	Dec. 31, 2011 Marketable equity securities AFS	Dec. 31, 2012 Total securities AFS securities	Dec. 31, 2011 Total securities AFS	Dec. 31, 2012 Debt securities	Dec. 31, 2012 Privately sponsored securities
Investments summary												
Securities available-for-sale, at fair value	$ 14,130,000,000	$ 11,003,000,000	$ 258,000,000	$ 683,000,000	$ 283,753,000,000	$ 257,019,000,000	$ 4,942,000,000	$ 8,185,000,000	$ 288,695,000,000	$ 265,204,000,000		$ 8,126,000,000
Debt securities held-to-maturity	503,000,000	977,000,000										
Non-marketable equity securities carried at fair value												
Non-marketable equity securities carried at cost												
Total investments												
Decrease in non-marketable equity securities carried at fair value												
Securities available-for-sale												
Amortized cost	14,188,000,000	11,053,000,000	256,000,000	670,000,000	281,290,000,000	255,656,000,000	4,643,000,000	6,722,000,000	285,933,000,000	262,378,000,000		
Gross unrealized gains	85,000,000	31,000,000	2,000,000	13,000,000	4,783,000,000	4,545,000,000	444,000,000	1,658,000,000	5,227,000,000	6,203,000,000		
Gross unrealized losses	143,000,000	81,000,000			2,320,000,000	3,182,000,000	145,000,000	195,000,000	2,465,000,000	3,377,000,000		
Fair value	14,130,000,000	11,003,000,000	258,000,000	683,000,000	283,753,000,000	257,019,000,000	4,942,000,000	8,185,000,000	288,695,000,000	265,204,000,000		8,126,000,000
Number of securities where their cost exceeded their fair value (in quantity)									3,500			
Unrealized loss of fixed income investments in gross unrealized loss position for less than twelve months											$ 238,000,000	
Percentage of fixed-income investments in gross-unrealized-loss position for less than a year that were rated investment grade					98.00%							
Percentage of fixed-income investments in gross-unrealized-loss position for a year or more, rated investment grade					92.00%							

SECURITIZATIONS AND VARIABLE INTEREST ENTITIES (Details 7) (USD $)	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Re-securitizations			
Balance at end of period	$ 1,942,000,000	$ 2,569,000,000	
Mortgage servicing rights			
Classification of Securitizations			
Fair value of capitalized mortgage servicing rights	1,900,000,000	2,600,000,000	
Principal amount of loans and other financial instruments	325,000,000,000	401,000,000,000	
Re-securitizations			
Balance at beginning of period	2,569,000,000	4,554,000,000	
Originations	423,000,000	611,000,000	
Changes in fair value of MSRs due to changes in inputs and assumptions	(198,000,000)	(1,210,000,000)	
Other changes	(852,000,000)	(1,174,000,000)	
Sale of MSRs		(212,000,000)	
Balance at end of period	1,942,000,000	2,569,000,000	4,554,000,000
Servicing fees	990,000,000	1,170,000,000	1,356,000,000
Late fees	65,000,000	76,000,000	87,000,000
Ancillary fees	122,000,000	130,000,000	214,000,000
Total MSR fees	1,177,000,000	1,376,000,000	1,657,000,000
Non-agency-sponsored mortgages			
Re-securitizations			
Original par value of securities transferred to re-securitization entities	1,500,000,000		
Original par value of re-securitizations deals in which the entity holds a retained interest	7,100,000,000		
Fair value of re-securitizations deals in which the entity holds a retained interest	380,000,000		
Market value of retained interest related to re-securitization transaction in 2012	128,000,000		
Senior interests			
Re-securitizations			
Fair value of re-securitizations deals in which the entity holds a retained interest	11,000,000		
Subordinated interests			
Re-securitizations			
Fair value of re-securitizations deals in which the entity holds a retained interest	369,000,000		
U.S. government-sponsored agency guaranteed			
Re-securitizations			
Fair value of re-securitizations deals in which the entity holds a retained interest	1,700,000,000		

Market value of retained interest related to re-securitization transaction in 2012	1,100,000,000
Original fair value of re-securitizations deals in which the entity holds a retained interest	71,200,000,000
Securities transferred to re-securitization entities	$ 30,300,000,000

LOANS (Details 8) (Corporate, USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Financing receivable impaired			
Recorded investment	$ 2,333	$ 3,236	
Unpaid principal balance	2,988	4,488	
Related specific allowance	284	420	
Average Carrying Value	2,578	4,434	10,643
Interest Income Recognized	98	109	65
Impaired financing receivable with specific allowance	1,100	1,239	
Impaired financing receivable without specific allowance	1,233	1,997	
Number of months in sustained period of repayment performance for cash-basis loans to return to an accrual status	6 months	6 months	
Commercial and industrial			
Financing receivable impaired			
Recorded investment	1,078	1,134	
Unpaid principal balance	1,368	1,455	
Related specific allowance	155	186	
Average Carrying Value	1,076	1,446	
Interest Income Recognized	65	76	
Impaired financing receivable with specific allowance	608	501	
Impaired financing receivable without specific allowance	470	633	
Financial institutions			
Financing receivable impaired			
Recorded investment	454	763	
Unpaid principal balance	504	1,127	
Related specific allowance	14	28	
Average Carrying Value	518	1,056	
Impaired financing receivable with specific allowance	41	78	
Impaired financing receivable without specific allowance	413	685	
Mortgage and real estate			
Financing receivable impaired			
Recorded investment	680	1,039	
Unpaid principal balance	810	1,245	
Related specific allowance	74	151	
Average Carrying Value	811	1,487	
Interest Income Recognized	23	14	
Impaired financing receivable with specific allowance	345	540	
Impaired financing receivable without specific allowance	335	499	
Lease financing			
Financing receivable impaired			
Recorded investment	52	13	
Unpaid principal balance	61	21	

Related specific allowance	16	
Average Carrying Value	19	25
Interest Income Recognized	2	2
Impaired financing receivable with specific allowance	47	
Impaired financing receivable without specific allowance	5	13
Other		
Financing receivable impaired		
Recorded investment	69	287
Unpaid principal balance	245	640
Related specific allowance	25	55
Average Carrying Value	154	420
Interest Income Recognized	8	17
Impaired financing receivable with specific allowance	59	120
Impaired financing receivable without specific allowance	$ 10	$ 167

CONSOLIDATED BALANCE SHEET (Parenthetical) (USD $) In Millions, except Share data, unless otherwise specified	Dec. 31, 2012	Dec. 31, 2011
Federal funds sold and securities borrowed or purchased under agreements to resell, at fair value	$ 160,589	$ 142,862
Trading account assets, pledged to creditors	105,458	119,054
Investments, pledged to creditors	21,423	14,940
Investments, at fair value	294,463	274,040
Loans at fair value	5,287	5,265
Other assets, at fair value	13,299	13,360
Federal funds purchased and securities loaned or sold under agreements to repurchase, at fair value	116,689	97,712
Short-term borrowings, at fair value	818	1,354
Long-term debt, at fair value	29,764	24,172
Other liabilities, at fair value	2,910	3,742
Preferred stock, par value (in dollars per share)	$ 1.00	$ 1.00
Preferred stock, authorized shares (in shares)	30,000,000	30,000,000
Preferred stock, issued shares, at aggregate liquidation value (in shares)	102,038	12,038
Common stock, par value (in dollars per share)	$ 0.01	$ 0.01
Common stock, authorized shares (in shares)	6,000,000,000	6,000,000,000
Common stock, issued shares (in shares)	3,043,153,204	2,937,755,921
Treasury stock, shares (in shares)	14,269,301	13,877,688
U.S.		
Interest-bearing deposits, at fair value	889	848
Outside of U.S.		
Interest-bearing deposits, at fair value	558	478
Consumer		
Loans at fair value	1,231	1,326
Corporate		
Loans at fair value	4,056	3,939
Consolidated VIEs		
Long-term debt, at fair value	1,330	1,558
Consolidated VIEs | Consumer		
Loans at fair value	1,191	1,292
Consolidated VIEs | Corporate		
Loans at fair value	$ 157	$ 198

BROKERAGE RECEIVABLES AND BROKERAGE PAYABLES (Details) (USD $) In Millions, unless otherwise specified	Dec. 31, 2012	Dec. 31, 2011
BROKERAGE RECEIVABLES AND BROKERAGE PAYABLES		
Receivables from customers	$ 12,191	$ 19,991
Receivables from brokers, dealers, and clearing organization	10,299	7,786
Total brokerage receivable	22,490	27,777
Payables to customers	38,279	40,111
Payables to brokers, dealers, and clearing organization	18,734	16,585
Total brokerage payable	$ 57,013	$ 56,696

DERIVATIVES ACTIVITIES (Details) (USD $) In Millions, unless otherwise specified	Dec. 31, 2012	Dec. 31, 2011
Trading derivatives		
Derivatives		
Derivative notionals	$ 52,358,175	$ 49,258,619
Trading derivatives | Interest rate contracts		
Derivatives		
Derivative notionals	42,169,179	39,379,717
Trading derivatives | Interest rate contracts | Swaps		
Derivatives		
Derivative notionals	30,050,856	28,069,960
Trading derivatives | Interest rate contracts | Futures and forwards		
Derivatives		
Derivative notionals	4,823,370	3,549,642
Trading derivatives | Interest rate contracts | Written options		
Derivatives		
Derivative notionals	3,752,905	3,871,700
Trading derivatives | Interest rate contracts | Purchased options		
Derivatives		
Derivative notionals	3,542,048	3,888,415
Trading derivatives | Foreign exchange contracts		
Derivatives		
Derivative notionals	6,437,697	5,549,759
Trading derivatives | Foreign exchange contracts | Swaps		
Derivatives		
Derivative notionals	1,393,368	1,182,363
Trading derivatives | Foreign exchange contracts | Futures and forwards		
Derivatives		
Derivative notionals	3,484,193	3,191,687
Trading derivatives | Foreign exchange contracts | Written options		
Derivatives		
Derivative notionals	781,698	591,818
Trading derivatives | Foreign exchange contracts | Purchased options		
Derivatives		
Derivative notionals	778,438	583,891
Trading derivatives | Equity contracts		
Derivatives		
Derivative notionals	713,689	1,161,515
Trading derivatives | Equity contracts | Swaps		
Derivatives		

Derivative notionals	96,039	86,978
Trading derivatives | Equity contracts | Futures and forwards		
Derivatives		
Derivative notionals	16,171	12,882
Trading derivatives | Equity contracts | Written options		
Derivatives		
Derivative notionals	320,243	552,333
Trading derivatives | Equity contracts | Purchased options		
Derivatives		
Derivative notionals	281,236	509,322
Trading derivatives | Commodity and other contracts		
Derivatives		
Derivative notionals	278,922	286,377
Trading derivatives | Commodity and other contracts | Swaps		
Derivatives		
Derivative notionals	27,323	23,403
Trading derivatives | Commodity and other contracts | Futures and forwards		
Derivatives		
Derivative notionals	75,897	73,090
Trading derivatives | Commodity and other contracts | Written options		
Derivatives		
Derivative notionals	86,418	90,650
Trading derivatives | Commodity and other contracts | Purchased options		
Derivatives		
Derivative notionals	89,284	99,234
Trading derivatives | Credit derivatives		
Derivatives		
Derivative notionals	2,758,688	2,881,251
Trading derivatives | Credit derivatives | Protection sold		
Derivatives		
Derivative notionals	1,346,494	1,394,528
Trading derivatives | Credit derivatives | Protection purchased		
Derivatives		
Derivative notionals	1,412,194	1,486,723
Hedging instruments under ASC 815 (SFAS 133)		
Derivatives		
Derivative notionals	207,893	293,573
Hedging instruments under ASC 815 (SFAS 133) | Interest rate contracts		
Derivatives		
Derivative notionals	114,296	163,079
Hedging instruments under ASC 815 (SFAS 133) | Interest rate contracts | Swaps		
Derivatives		
Derivative notionals	114,296	163,079
Hedging instruments under ASC 815 (SFAS 133) | Foreign exchange contracts		

Derivatives		
Derivative notionals	93,243	126,241
Hedging instruments under ASC 815 (SFAS 133) | Foreign exchange contracts | Swaps		
Derivatives		
Derivative notionals	22,207	27,575
Hedging instruments under ASC 815 (SFAS 133) | Foreign exchange contracts | Futures and forwards		
Derivatives		
Derivative notionals	70,484	55,211
Hedging instruments under ASC 815 (SFAS 133) | Foreign exchange contracts | Written options		
Derivatives		
Derivative notionals	96	4,292
Hedging instruments under ASC 815 (SFAS 133) | Foreign exchange contracts | Purchased options		
Derivatives		
Derivative notionals	456	39,163
Hedging instruments under ASC 815 (SFAS 133) | Credit derivatives		
Derivatives		
Derivative notionals	354	4,253
Hedging instruments under ASC 815 (SFAS 133) | Credit derivatives | Protection purchased		
Derivatives		
Derivative notionals	354	4,253
Hedging instruments under ASC 815 (SFAS 133) | Net investment hedge		
Derivatives		
Derivative notionals	4,888	7,060
Management hedges		
Derivatives		
Derivative notionals	251,676	263,143
Management hedges | Interest rate contracts		
Derivatives		
Derivative notionals	176,172	187,433
Management hedges | Interest rate contracts | Swaps		
Derivatives		
Derivative notionals	99,434	119,344
Management hedges | Interest rate contracts | Futures and forwards		
Derivatives		
Derivative notionals	45,856	43,965
Management hedges | Interest rate contracts | Written options		
Derivatives		
Derivative notionals	22,992	16,786
Management hedges | Interest rate contracts | Purchased options		
Derivatives		
Derivative notionals	7,890	7,338

Management hedges | Foreign exchange contracts		
Derivatives		
Derivative notionals	53,763	53,796
Management hedges | Foreign exchange contracts | Swaps		
Derivatives		
Derivative notionals	16,900	22,458
Management hedges | Foreign exchange contracts | Futures and forwards		
Derivatives		
Derivative notionals	33,768	31,095
Management hedges | Foreign exchange contracts | Written options		
Derivatives		
Derivative notionals	989	190
Management hedges | Foreign exchange contracts | Purchased options		
Derivatives		
Derivative notionals	2,106	53
Management hedges | Credit derivatives		
Derivatives		
Derivative notionals	21,741	21,914
Management hedges | Credit derivatives | Protection purchased		
Derivatives		
Derivative notionals	$ 21,741	$ 21,914

DERIVATIVES ACTIVITIES (Details 3) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Realized and unrealized gains and losses from derivative and non-derivative trading activities			
Principal transactions	$ 4,781	$ 7,234	$ 7,517
Interest rate contracts			
Realized and unrealized gains and losses from derivative and non-derivative trading activities			
Principal transactions	2,301	5,136	3,231
Foreign exchange contracts			
Realized and unrealized gains and losses from derivative and non-derivative trading activities			
Principal transactions	2,403	2,309	1,852
Equity contracts			
Realized and unrealized gains and losses from derivative and non-derivative trading activities			
Principal transactions	158	3	995
Commodity and other contracts			
Realized and unrealized gains and losses from derivative and non-derivative trading activities			
Principal transactions	92	76	126
Credit derivatives			
Realized and unrealized gains and losses from derivative and non-derivative trading activities			
Principal transactions	$ (173)	$ (290)	$ 1,313

CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) (Tables)

12 Months Ended

Dec. 31, 2012

CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Changes in each component of Accumulated Other Comprehensive Income (Loss)

In millions of dollars	Net unrealized gains (losses) on investment securities	Foreign currency translation adjustment, net of hedges	Cash flow hedges	Pension liability adjustments	Accumulated other comprehensive income (loss)
Balance at December 31, 2009	$(4,347)	$ (7,947)	$(3,182)	$(3,461)	$(18,937)
Change, net of taxes (1)(2)(3)(4)	1,952	820	532	(644)	2,660
Balance at December 31, 2010	$ (2,395)	$ (7,127)	$ (2,650)	$ (4,105)	$ (16,277)
Change, net of taxes (1)(2)(3)(4)	2,360	(3,524)	(170)	(177)	(1,511)
Balance at December 31, 2011	$ (35)	$ (10,651)	$ (2,820)	$ (4,282)	$ (17,788)
Change, net of taxes (1)(2)(3)(4)(5)(6)	632	721	527	(988)	892
Balance at December 31, 2012	**$ 597**	**$ (9,930)**	**$ (2,293)**	**$ (5,270)**	**$ (16,896)**

(1) The after-tax realized gains (losses) on sales and impairments of securities during the years ended December 31, 2012, 2011 and 2010 were $(1,017) million, $(122) million and $657 million, respectively. For details of the realized gains (losses) on sales and impairments on Citigroup's investment securities included in income, see Note 15 to the Consolidated Financial Statements.

(2) Primarily reflects the movements in (by order of impact) the Mexican peso, Japanese yen, Euro, and Brazilian real against the U.S. dollar, and changes in related tax effects and hedges in 2012. Primarily reflects the movements in the Mexican peso, Turkish lira, Brazilian real, Indian rupee and Polish zloty against the U.S. dollar, and changes in related tax effects and hedges in 2011. Primarily reflects the movements in the Australian dollar, Brazilian real, Canadian dollar, Japanese yen, Mexican peso, and Chinese yuan (renminbi) against the U.S. dollar, and changes in related tax effects and hedges in 2010.

(3) For cash flow hedges, primarily driven by Citigroup's pay fixed/receive floating interest rate swap programs that are hedging the floating rates on liabilities.

(4) For the pension liability adjustment, primarily reflects adjustments based on the final year-end actuarial valuations of the Company's pension and postretirement plans and amortization of amounts previously recognized in other comprehensive income.

(5) For net unrealized gains (losses) on investment securities, includes the after-tax impact of realized gains from the sales of minority investments: $672 million from the Company's entire interest in Housing Development Finance Corporation Ltd. (HDFC); and $421 million from the Company's entire interest in Shanghai Pudong Development Bank (SPDB).

(6) The after-tax impact due to impairment charges and the loss related to Akbank, included within the foreign currency translation adjustment, during the six months ended June 30, 2012 was $667 million. See Note 15 to the Consolidated Financial Statements.

Schedule of pretax and after-tax changes in each component of Accumulated other comprehensive income (loss)

In millions of dollars	Pretax	Tax effect	After-tax
Balance, December 31, 2009	$ (27,834)	$ 8,897	$ (18,937)
Change in net unrealized gains (losses) on investment securities	3,119	(1,167)	1,952
Foreign currency translation adjustment	81	739	820
Cash flow hedges	857	(325)	532
Pension liability adjustment	(1,078)	434	(644)
Change	$ 2,979	$ (319)	$ 2,660
Balance, December 31, 2010	$ (24,855)	$ 8,578	$ (16,277)
Change in net unrealized gains (losses) on investment securities	3,855	(1,495)	2,360
Foreign currency translation adjustment	(4,133)	609	(3,524)
Cash flow hedges	(262)	92	(170)
Pension liability adjustment	(412)	235	(177)
Change	$ (952)	$ (559)	$ (1,511)

Balance, December 31, 2011	$	(25,807)	$	8,019	$	(17,788)
Change in net unrealized gains (losses) on investment securities		1,001		(369)		632
Foreign currency translation adjustment		12		709		721
Cash flow hedges		838		(311)		527
Pension liability adjustment		(1,378)		390		(988)
Change	$	473	$	419	$	892
Balance, December 31, 2012	**$**	**(25,334)**	**$**	**8,438**	**$**	**(16,896)**

INVESTMENTS (Details 4) (USD $)	12 Months Ended			3 Months Ended																					
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010	Mar. 31, 2011 Reclassification of debt securities from held-to-maturity to trading account assets	Dec. 31, 2011 Reclassification of debt securities from held-to-maturity to trading account assets	Dec. 31, 2012 Mortgage-backed securities	Dec. 31, 2011 Mortgage-backed securities	Dec. 31, 2012 Prime	Dec. 31, 2011 Prime	Dec. 31, 2012 Alt-A	Dec. 31, 2011 Alt-A	Dec. 31, 2012 Subprime	Dec. 31, 2011 Subprime	Dec. 31, 2012 Non-U.S. residential	Dec. 31, 2011 Non-U.S. residential	Dec. 31, 2012 Commercial	Dec. 31, 2011 Commercial	Dec. 31, 2012 State and municipal securities	Dec. 31, 2011 State and municipal securities	Dec. 31, 2012 Foreign government	Dec. 31, 2012 Foreign government Held-to-maturity	Dec. 31, 2012 Corporate	Dec. 31, 2011 Corporate	Dec. 31, 2012 Asset-backed securities	Dec. 31, 2011 Asset-backed securities
Schedule of Held-to-maturity Securities																									
Investment reclassified from investments held-to-maturity to trading account assets				$ 10,000,000,000																					
Investment reclassified from investments held-to-maturity to trading account assets subsequently sold substantially					12,700,000,000																				
Investments held-to-maturity sold	2,110,000,000	1,612,000,000	413,000,000	2,700,000,000																					
Net pretax loss recognized in the consolidated statement of income	187,000,000	299,000,000	49,000,000	709,000,000																					
After tax loss recognized in the consolidated statement of income				427,000,000																					
Gross unrealized gains included in other revenue				311,000,000																					
Gross unrealized losses included in other-than-temporary-impairment losses on investments				1,387,000,000																					
Net realized gains included in realized gains (losses) on sales of investments				367,000,000																					
After tax unrealized losses reflected in AOCI				1,012,000,000																					
Debt Securities Held-to-maturity																									
Amortized cost	11,662,000,000	13,759,000,000				6,039,000,000	9,475,000,000	258,000,000	360,000,000	2,969,000,000	4,732,000,000	201,000,000	383,000,000	2,488,000,000	3,487,000,000	123,000,000	513,000,000	1,278,000,000	1,422,000,000	2,987,000,000		829,000,000	1,862,000,000	529,000,000	1,000,000,000
Net unrealized loss recognized in AOCI	1,532,000,000	2,276,000,000		1,656,000,000		1,330,000,000	2,045,000,000	49,000,000	73,000,000	837,000,000	1,404,000,000	43,000,000	47,000,000	401,000,000	520,000,000		1,000,000	73,000,000	95,000,000			103,000,000	113,000,000	26,000,000	23,000,000
Carrying value	10,130,000,000	11,483,000,000				4,709,000,000	7,430,000,000	209,000,000	287,000,000	2,132,000,000	3,328,000,000	158,000,000	336,000,000	2,087,000,000	2,967,000,000	123,000,000	512,000,000	1,205,000,000	1,327,000,000	2,987,000,000		726,000,000	1,749,000,000	503,000,000	977,000,000
Gross unrecognized gains	917,000,000	182,000,000				747,000,000	105,000,000	30,000,000	21,000,000	653,000,000	20,000,000	13,000,000	1,000,000	50,000,000	59,000,000	1,000,000	4,000,000	89,000,000	68,000,000			73,000,000		8,000,000	9,000,000
Gross unrecognized losses	403,000,000	1,165,000,000				358,000,000	752,000,000	4,000,000	20,000,000	250,000,000	319,000,000	21,000,000	71,000,000	81,000,000	290,000,000	2,000,000	52,000,000	37,000,000	72,000,000				254,000,000	8,000,000	87,000,000
Fair value	10,644,000,000	10,500,000,000				5,098,000,000	6,783,000,000	235,000,000	288,000,000	2,535,000,000	3,029,000,000	150,000,000	266,000,000	2,056,000,000	2,736,000,000	122,000,000	464,000,000	1,257,000,000	1,323,000,000	2,987,000,000		799,000,000	1,495,000,000	503,000,000	899,000,000
Mexican Government bonds purchased																					$ 2,600,000,000				

FAIR VALUE ELECTIONS	12 Months Ended Dec. 31, 2012

FAIR VALUE ELECTIONS

FAIR VALUE ELECTIONS

26. FAIR VALUE ELECTIONS

The Company may elect to report most financial instruments and certain other items at fair value on an instrument-by-instrument basis with changes in fair value reported in earnings. The election is made upon the acquisition of an eligible financial asset, financial liability or firm commitment or when certain specified reconsideration events occur. The fair value election may not be revoked once an election is made. The changes in fair value are recorded in current earnings. Additional discussion regarding the applicable areas in which fair value elections were made is presented in Note 25 to the Consolidated Financial Statements.

All servicing rights are recognized initially at fair value. The Company has elected fair value accounting for its mortgage servicing rights. See Note 22 to the Consolidated Financial Statements for further discussions regarding the accounting and reporting of MSRs.

The following table presents, as of December 31, 2012 and 2011, the fair value of those positions selected for fair value accounting, as well as the changes in fair value gains and losses for the years ended December 31, 2012 and 2011:

In millions of dollars	Fair value at December 31, 2012	Fair value at December 31, 2011	Changes in fair value gains (losses) for the years ended December 31, 2012	Changes in fair value gains (losses) for the years ended December 31, 2011
Assets				
Federal funds sold and securities borrowed or purchased under agreements to resell				
Selected portfolios of securities purchased under agreements to resell and securities borrowed (1)	**$ 160,589**	$ 142,862	**$(409)**	$ (138)
Trading account assets	**17,206**	14,179	**838**	(1,775)
Investments	**443**	526	**(50)**	233
Loans				
Certain Corporate loans (2)	**4,056**	3,939	**77**	82
Certain Consumer loans (2)	**1,231**	1,326	**(104)**	(281)
Total loans	**$ 5,287**	$ 5,265	**$ (27)**	$ (199)
Other assets				
MSRs	**$ 1,942**	$ 2,569	**$ (427)**	$ (1,465)
Certain mortgage loans held for sale	**6,879**	6,213	**350**	172
Certain equity method investments	**22**	47	**3**	(17)
Total other assets	**$ 8,843**	$ 8,829	**$ (74)**	$ (1,310)
Total assets	**$ 192,368**	$ 171,661	**$ 278**	$ (3,189)
Liabilities				
Interest-bearing deposits	**$ 1,447**	$ 1,326	**$ (218)**	$ 107
Federal funds purchased and securities loaned or sold under agreements to repurchase				
Selected portfolios of securities sold under agreements to repurchase and securities loaned (1)	**116,689**	97,712	**66**	(108)
Trading account liabilities	**1,461**	1,763	**(143)**	872
Short-term borrowings	**818**	1,354	**(2)**	(15)
Long-term debt	**29,764**	24,172	**(2,225)**	1,611
Total liabilities	**$ 150,179**	$ 126,327	**$ (2,522)**	$ 2,467

(1) Reflects netting of the amounts due from securities purchased under agreements to resell and the amounts owed under securities sold under agreements to repurchase.

(2) Includes mortgage loans held by mortgage loan securitization VIEs consolidated upon the adoption of SFAS 167 on January 1, 2010.

Own Debt Valuation Adjustments for Structured Debt

Own debt valuation adjustments are recognized on Citi's debt liabilities for which the fair value option has been elected using Citi's credit spreads observed in the bond market. The fair value of debt liabilities for which the fair value option is elected (other than non-recourse and similar liabilities) is impacted by the narrowing or widening of the Company's credit spreads. The estimated change in the fair value of these debt liabilities due to such changes in the Company's own credit risk (or instrument-specific credit risk) was a loss of $2,009 million and a gain of $1,774 million for the years ended December 31, 2012 and 2011, respectively. Changes in fair value resulting from changes in instrument-specific credit risk were estimated by incorporating the Company's current credit spreads observable in the bond market into the relevant valuation technique used to value each liability as described above.

The Fair Value Option for Financial Assets and Financial Liabilities

Selected portfolios of securities purchased under agreements to resell, securities borrowed, securities sold under agreements to repurchase, securities loaned and certain non-collateralized short-term borrowings

The Company elected the fair value option for certain portfolios of fixed-income securities purchased under agreements to resell and fixed-income securities sold under agreements to repurchase, securities borrowed, securities loaned (and certain non-collateralized short-term borrowings) on broker-dealer entities in the United States, United Kingdom and Japan. In each case, the election was made because the related interest-rate risk is managed on a portfolio basis, primarily with derivative instruments that are accounted for at fair value through earnings.

Changes in fair value for transactions in these portfolios are recorded in *Principal transactions*. The related interest revenue and interest expense are measured based on the contractual rates specified in the transactions and are reported as interest revenue and expense in the Consolidated Statement of Income.

Selected letters of credit and revolving loans hedged by credit default swaps or participation notes

The Company has elected the fair value option for certain letters of credit that are hedged with derivative instruments or participation notes. Citigroup elected the fair value option for these transactions because the risk is managed on a fair value basis and mitigates accounting mismatches.

There was no notional amount of these unfunded letters of credit at December 31, 2012 and $0.6 billion at December 31, 2011. The amount funded was insignificant with no amounts 90 days or more past due or on non-accrual status at December 31, 2012 and 2011.

These items have been classified in *Trading account assets* or *Trading account liabilities* on the Consolidated Balance Sheet. Changes in fair value of these items are classified in *Principal transactions* in the Company's Consolidated Statement of Income.

Certain loans and other credit products

Citigroup has elected the fair value option for certain originated and purchased loans, including certain unfunded loan products, such as guarantees and letters of credit, executed by Citigroup's lending and trading businesses. None of these credit products are highly leveraged financing commitments. Significant groups of transactions include loans and unfunded loan products that are expected to be either sold or securitized in the near term, or transactions where the economic risks are hedged with derivative instruments such as purchased credit default swaps or total return swaps where the Company pays the total return on the underlying loans to a third party. Citigroup has elected the fair value option to mitigate accounting mismatches in cases where hedge accounting is complex and to achieve operational simplifications. Fair value was not elected for most lending transactions across the Company, including where management objectives would not be met.

Certain investments in unallocated precious metals

Citigroup invests in unallocated precious metals accounts (gold, silver, platinum and palladium) as part of its commodity trading business or to economically hedge certain exposures from issuing structured liabilities. Under ASC 815, the investment is bifurcated into a debt host contract and a commodity forward derivative instrument. Citigroup elects the fair value option for the debt host contract, and reports the debt host contract within *Trading account assets* on the Company's Consolidated Balance Sheet. The total carrying amount of debt host contracts across unallocated precious metals accounts at December 31, 2012 was approximately $5.5 billion. The amounts are expected to fluctuate based on trading activity in the future periods.

The following table provides information about certain credit products carried at fair value at December 31, 2012 and 2011:

	December 31, 2012		December 31, 2011	
In millions of dollars	**Trading assets**	**Loans**	Trading assets	Loans
Carrying amount reported on the Consolidated Balance Sheet	**$11,658**	**$ 3,893**	$14,150	$ 3,735
Aggregate unpaid principal balance in excess of (less than) fair value	**31**	**(132)**	540	(54)
Balance of non-accrual loans or loans more than 90 days past due	**104**	**—**	134	—
Aggregate unpaid principal balance in excess of fair value for non-accrual loans or loans more than 90 days past due	**85**	**—**	43	—

In addition to the amounts reported above, $1,891 million and $648 million of unfunded loan commitments related to certain credit products selected for fair value accounting were outstanding as of December 31, 2012 and 2011, respectively.

Changes in fair value of funded and unfunded credit products are classified in *Principal transactions* in the Company's Consolidated Statement of Income. Related interest revenue is measured based on the contractual interest rates and reported as *Interest revenue* on *Trading account assets* or loan interest depending on the balance sheet classifications of the credit products. The changes in fair value for the years ended December 31, 2012 and 2011 due to instrument-specific credit risk totaled to a gain of $39 million and $53 million, respectively.

Certain investments in private equity and real estate ventures and certain equity method investments

Citigroup invests in private equity and real estate ventures for the purpose of earning investment returns and for capital appreciation. The Company has elected the fair value option for certain of these ventures, because such investments are considered similar to many private equity or hedge fund activities in Citi's investment companies, which are reported at fair value. The fair value option brings consistency in the accounting and evaluation of these investments. All investments (debt and equity) in such private equity and real estate entities are accounted for at fair value. These investments are classified as *Investments* on Citigroup's Consolidated Balance Sheet.

Citigroup also holds various non-strategic investments in leveraged buyout funds and other hedge funds for which the Company elected fair value accounting to reduce operational and accounting complexity. Since the funds account for all of their underlying assets at fair value, the impact of applying the equity method to Citigroup's investment in these funds was equivalent to fair value accounting. These investments are classified as *Other assets* on Citigroup's Consolidated Balance Sheet.

Changes in the fair values of these investments are classified in *Other revenue* in the Company's Consolidated Statement of Income.

Certain mortgage loans (HFS)

Citigroup has elected the fair value option for certain purchased and originated prime fixed-rate and conforming adjustable-rate first mortgage loans HFS. These loans are intended for sale or securitization and are hedged with derivative instruments. The Company has elected the fair value option to mitigate accounting mismatches in cases where hedge accounting is complex and to achieve operational simplifications.

The following table provides information about certain mortgage loans HFS carried at fair value at December 31, 2012 and 2011:

In millions of dollars	**December 31, 2012**	December 31, 2011
Carrying amount reported on the Consolidated Balance Sheet	**$6,879**	$6,213
Aggregate fair value in excess of unpaid principal balance	**390**	274
Balance of non-accrual loans or loans more than 90 days past due	**—**	—
Aggregate unpaid principal balance in excess of fair value for non-accrual loans or loans more than 90 days past due	**—**	—

The changes in fair values of these mortgage loans are reported in *Other revenue* in the Company's Consolidated Statement of Income. There was no change in fair value during the year ended December 31, 2012 due to instrument-specific credit risk. The change in fair value during the year ended December 31, 2011 due to instrument-specific credit risk resulted in a loss of $0.1 million. Related interest income continues to be measured based on the contractual interest rates and reported as such in the Consolidated Statement of Income.

Certain consolidated VIEs

The Company has elected the fair value option for all qualified assets and liabilities of certain VIEs that were consolidated upon the adoption of SFAS 167 on January 1, 2010, including certain private label mortgage securitizations, mutual fund deferred sales commissions and collateralized loan obligation VIEs. The Company elected the fair value option for these VIEs, as the Company believes this method better reflects the economic risks, since substantially all of the Company's retained interests in these entities are carried at fair value.

With respect to the consolidated mortgage VIEs, the Company determined the fair value for the mortgage loans and long-term debt utilizing internal valuation techniques. The fair value of the long-term debt measured using internal valuation techniques is verified, where possible, to prices obtained from independent vendors. Vendors compile prices from various sources and may apply matrix pricing for similar securities when no price is observable. Security pricing associated with long-term debt that is valued using observable inputs is classified as Level 2, and debt that is valued using one or more significant unobservable inputs is classified as Level 3. The fair value of mortgage loans of each VIE is derived from the security pricing. When substantially all of the long-term debt of a VIE is valued using Level 2 inputs, the corresponding mortgage loans are classified as Level 2. Otherwise, the mortgage loans of a VIE are classified as Level 3.

With respect to the consolidated mortgage VIEs for which the fair value option was elected, the mortgage loans are classified as *Loans* on Citigroup's Consolidated Balance Sheet. The changes in fair value of the loans are reported as *Other revenue* in the Company's Consolidated Statement of Income. Related interest revenue is measured based on the contractual interest rates and reported as *Interest revenue* in the Company's Consolidated Statement of Income. Information about these mortgage loans is included in the table below. The change in fair value of these loans due to instrument-specific credit risk was a loss of $107 million and $275 million for the years ended December 31, 2012 and 2011, respectively.

The debt issued by these consolidated VIEs is classified as long-term debt on Citigroup's Consolidated Balance Sheet. The changes in fair value for the majority of these liabilities are reported in *Other revenue* in the Company's Consolidated Statement of Income. Related interest expense is measured based on the contractual interest rates and reported as such in the Consolidated Statement of Income. The aggregate unpaid principal balance of long-term debt of these consolidated VIEs exceeded the aggregate fair value by $869 million and $984 million as of December 31, 2012 and 2011, respectively.

The following table provides information about Corporate and Consumer loans of consolidated VIEs carried at fair value at December 31, 2012 and 2011:

	December 31, 2012		December 31, 2011	
In millions of dollars	**Corporate loans**	**Consumer loans**	Corporate loans	Consumer loans
Carrying amount reported on the Consolidated Balance Sheet	**$157**	**$1,191**	$198	$1,292
Aggregate unpaid principal balance in excess of fair value	**347**	**293**	394	436
Balance of non-accrual loans or loans more than 90 days past due	**34**	**123**	23	86
Aggregate unpaid principal balance in excess of fair value for non-accrual loans or loans more than 90 days past due	**36**	**111**	42	120

Certain structured liabilities

The Company has elected the fair value option for certain structured liabilities whose performance is linked to structured interest rates, inflation, currency, equity, referenced credit or commodity risks (structured liabilities). The Company elected the fair value option, because these exposures are considered to be trading-related positions and, therefore, are managed on a fair value basis. These positions will continue to be classified as debt, deposits or derivatives (*Trading account liabilities*) on the Company's Consolidated Balance Sheet according to their legal form.

The change in fair value for these structured liabilities is reported in *Principal transactions* in the Company's Consolidated Statement of Income. Changes in fair value for these structured liabilities include an economic component for accrued interest, which is included in the change in fair value reported in *Principal transactions*.

Certain non-structured liabilities

The Company has elected the fair value option for certain non-structured liabilities with fixed and floating interest rates (non-structured liabilities). The Company has elected the fair value option where the interest-rate risk of such liabilities is economically hedged with derivative contracts or the proceeds are used to purchase financial assets that will also be accounted for at fair value through earnings. The election has been made to mitigate accounting mismatches and to achieve operational simplifications. These positions are reported in *Short-term borrowings* and *Long-term debt* on the Company's Consolidated Balance Sheet. The change in fair value for these non-structured liabilities is reported in *Principal transactions* in the Company's Consolidated Statement of Income.

Related interest expense on non-structured liabilities is measured based on the contractual interest rates and reported as such in the Consolidated Statement of Income.

The following table provides information about long-term debt carried at fair value, excluding the debt issued by the consolidated VIEs, at December 31, 2012 and 2011:

In millions of dollars	**December 31, 2012**	December 31, 2011
Carrying amount reported on the Consolidated Balance Sheet	**$28,434**	$22,614
Aggregate unpaid principal balance in excess of (less than) fair value	**(226)**	1,680

The following table provides information about short-term borrowings carried at fair value at December 31, 2012 and 2011:

In millions of dollars	**December 31, 2012**	December 31, 2011
Carrying amount reported on the Consolidated Balance Sheet	**$818**	$1,354
Aggregate unpaid principal balance in excess of (less than) fair value	**(232)**	49

FAIR VALUE MEASUREMENT (Details 4) (Level 3, USD $)	12 Months Ended Dec. 31, 2012
Interest-bearing deposits | Internal model	
Fair Value Inputs Assets Liabilities Quantitative Information	
Fair value of liabilities as of the balance sheet date	$ 785,000,000
Interest-bearing deposits | Internal model | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Equity Volatility	11.13%
Forward Price	0.6780
Commodity Correlation	(76.00%)
Commodity Volatility (as a percent)	5.00%
Interest-bearing deposits | Internal model | Maximum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Equity Volatility	86.10%
Forward Price	1.8200
Commodity Correlation	95.00%
Commodity Volatility (as a percent)	148.00%
Federal funds purchased and securities loaned or sold under agreements to repurchase | Internal model	
Fair Value Inputs Assets Liabilities Quantitative Information	
Fair value of liabilities as of the balance sheet date	841,000,000
Federal funds purchased and securities loaned or sold under agreements to repurchase | Internal model | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Interest rate (as a percent)	0.33%
Federal funds purchased and securities loaned or sold under agreements to repurchase | Internal model | Maximum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Interest rate (as a percent)	4.91%
Short-term borrowings and long-term debt	
Fair Value Inputs Assets Liabilities Quantitative Information	
Price	$ 93.38
Short-term borrowings and long-term debt | Price-based	
Fair Value Inputs Assets Liabilities Quantitative Information	
Fair value of liabilities as of the balance sheet date	1,112,000,000
Short-term borrowings and long-term debt | Price-based | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Equity Volatility	12.40%
Short-term borrowings and long-term debt | Price-based | Maximum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Equity Volatility	185.20%
Short-term borrowings and long-term debt | Yield analysis	
Fair Value Inputs Assets Liabilities Quantitative Information	

Fair value of liabilities as of the balance sheet date	649,000,000
Short-term borrowings and long-term debt | Yield analysis | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Equity Forward	75.40%
Equity-Equity Correlation	1.00%
Equity-FX correlation	(80.50%)
Short-term borrowings and long-term debt | Yield analysis | Maximum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Equity Forward	132.70%
Equity-Equity Correlation	99.90%
Equity-FX correlation	50.40%
Short-term borrowings and long-term debt | Internal model	
Fair Value Inputs Assets Liabilities Quantitative Information	
Fair value of liabilities as of the balance sheet date	5,067,000,000
Short-term borrowings and long-term debt | Internal model | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Price	$ 0.00
Short-term borrowings and long-term debt | Internal model | Maximum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Price	$ 121.16
Federal funds sold and securities borrowed or purchased under agreements to resell | Cash flow	
Fair Value Inputs Assets Liabilities Quantitative Information	
Fair value of assets as of the balance sheet date	4,786,000,000
Federal funds sold and securities borrowed or purchased under agreements to resell | Cash flow | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Interest rate (as a percent)	1.09%
Federal funds sold and securities borrowed or purchased under agreements to resell | Cash flow | Maximum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Interest rate (as a percent)	1.50%
Loans	
Fair Value Inputs Assets Liabilities Quantitative Information	
Price	$ 91.25
Loans | Price-based	
Fair Value Inputs Assets Liabilities Quantitative Information	
Fair value of assets as of the balance sheet date	2,447,000,000
Loans | Price-based | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Price	$ 0.00
Loans | Price-based | Maximum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Price	$ 103.32
Loans | Yield analysis	

Fair Value Inputs Assets Liabilities Quantitative Information	
Fair value of assets as of the balance sheet date	1,423,000,000
Loans | Yield analysis | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Credit spread (as a percent)	0.55%
Loans | Yield analysis | Maximum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Credit spread (as a percent)	6.0019%
Loans | Internal model	
Fair Value Inputs Assets Liabilities Quantitative Information	
Fair value of assets as of the balance sheet date	888,000,000
Mortgage servicing rights | Cash flow	
Fair Value Inputs Assets Liabilities Quantitative Information	
Fair value of assets as of the balance sheet date	1,858,000,000
Mortgage servicing rights | Cash flow | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Yield (as a percent)	0.00%
Prepayment period	2 years 1 month 28 days
Mortgage servicing rights | Cash flow | Maximum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Yield (as a percent)	53.19%
Prepayment period	7 years 10 months 2 days
Interest rate contracts | Derivatives, assets | Internal model	
Fair Value Inputs Assets Liabilities Quantitative Information	
Fair value of assets as of the balance sheet date	3,202,000,000
Interest rate contracts | Derivatives, assets | Internal model | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Interest rate (as a percent)	0.00%
Credit spread (as a percent)	0.00%
IR Volatility (as a percent)	0.09%
IR-IR Correlation	(98.00%)
Interest rate contracts | Derivatives, assets | Internal model | Maximum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Interest rate (as a percent)	15.00%
Credit spread (as a percent)	5.5027%
IR Volatility (as a percent)	100.00%
IR-IR Correlation	90.00%
Foreign exchange contracts | Derivatives, assets | Internal model	
Fair Value Inputs Assets Liabilities Quantitative Information	
Fair value of assets as of the balance sheet date	1,542,000,000
Foreign exchange contracts | Derivatives, assets | Internal model | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	

Credit spread (as a percent)	0.00%
Foreign exchange (FX) volatility (as a Percent)	3.20%
IR-FX correlation	40.00%
Foreign exchange contracts | Derivatives, assets | Internal model | Maximum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Credit spread (as a percent)	3.76%
Foreign exchange (FX) volatility (as a Percent)	67.35%
IR-FX correlation	60.00%
Equity contracts | Derivatives, assets | Internal model	
Fair Value Inputs Assets Liabilities Quantitative Information	
Fair value of assets as of the balance sheet date	4,669,000,000
Equity contracts | Derivatives, assets | Internal model | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Equity Volatility	1.00%
Equity Forward	74.94%
Equity-Equity Correlation	1.00%
Equity contracts | Derivatives, assets | Internal model | Maximum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Equity Volatility	185.20%
Equity Forward	132.70%
Equity-Equity Correlation	99.90%
Commodity contracts | Derivatives, assets | Internal model	
Fair Value Inputs Assets Liabilities Quantitative Information	
Fair value of assets as of the balance sheet date	2,160,000,000
Commodity contracts | Derivatives, assets | Internal model | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Forward Price	0.3745
Commodity Correlation	(77.00%)
Commodity Volatility (as a percent)	5.00%
Commodity contracts | Derivatives, assets | Internal model | Maximum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Forward Price	1.8150
Commodity Correlation	95.00%
Commodity Volatility (as a percent)	148.00%
Credit derivatives | Derivatives, assets | Price-based	
Fair Value Inputs Assets Liabilities Quantitative Information	
Fair value of assets as of the balance sheet date	3,886,000,000
Credit derivatives | Derivatives, assets | Price-based | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Credit spread (as a percent)	0.00%
Recovery rate (as a percent)	6.50%
Credit Correlation	5.00%
Upfront points	3.62
Credit derivatives | Derivatives, assets | Price-based | Maximum	

Fair Value Inputs Assets Liabilities Quantitative Information	
Credit spread (as a percent)	22.36%
Recovery rate (as a percent)	78.00%
Credit Correlation	99.00%
Upfront points	100.00
Credit derivatives | Derivatives, assets | Internal model	
Fair Value Inputs Assets Liabilities Quantitative Information	
Fair value of assets as of the balance sheet date	4,777,000,000
Credit derivatives | Derivatives, assets | Internal model | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Price	$ 0.00
Credit derivatives | Derivatives, assets | Internal model | Maximum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Price	$ 121.16
Nontrading derivatives and other financial assets and liabilities measured on a recurring basis (gross) | Derivatives | Internal model | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Redemption Rate (as a percent)	30.79%
Nontrading derivatives and other financial assets and liabilities measured on a recurring basis (gross) | Derivatives | Internal model | Maximum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Redemption Rate (as a percent)	99.50%
Nontrading derivatives and other financial assets and liabilities measured on a recurring basis (gross) | Derivatives | External model | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Price	$ 100.00
Nontrading derivatives and other financial assets and liabilities measured on a recurring basis (gross) | Derivatives | External model | Maximum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Price	$ 100.00
Nontrading derivatives and other financial assets and liabilities measured on a recurring basis (gross) | Derivatives, assets | Internal model	
Fair Value Inputs Assets Liabilities Quantitative Information	
Fair value of assets as of the balance sheet date	461,000,000
Nontrading derivatives and other financial assets and liabilities measured on a recurring basis (gross) | Derivatives, assets | External model	
Fair Value Inputs Assets Liabilities Quantitative Information	
Fair value of assets as of the balance sheet date	2,000,000,000
Structured debt securities with embedded derivatives | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Price	$ 100
Mortgage-backed securities	
Fair Value Inputs Assets Liabilities Quantitative Information	
Price	$ 86.02
Mortgage-backed securities | Trading and investment securities | Price-based	

Fair Value Inputs Assets Liabilities Quantitative Information	
Fair value of assets as of the balance sheet date	4,402,000,000
Mortgage-backed securities | Trading and investment securities | Price-based | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Price	$ 0.00
Mortgage-backed securities | Trading and investment securities | Price-based | Maximum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Price	$ 135.00
Mortgage-backed securities | Trading and investment securities | Yield analysis	
Fair Value Inputs Assets Liabilities Quantitative Information	
Fair value of assets as of the balance sheet date	1,148,000,000
Mortgage-backed securities | Trading and investment securities | Yield analysis | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Yield (as a percent)	0.00%
Prepayment period	2 years 1 month 28 days
Mortgage-backed securities | Trading and investment securities | Yield analysis | Maximum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Yield (as a percent)	25.84%
Prepayment period	7 years 10 months 2 days
Equity securities | Trading and investment securities | Cash flow	
Fair Value Inputs Assets Liabilities Quantitative Information	
Fair value of assets as of the balance sheet date	792,000,000
Equity securities | Trading and investment securities | Cash flow | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Yield (as a percent)	9.00%
Equity securities | Trading and investment securities | Cash flow | Maximum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Yield (as a percent)	10.00%
Equity securities | Trading and investment securities | Price-based	
Fair Value Inputs Assets Liabilities Quantitative Information	
Fair value of assets as of the balance sheet date	147,000,000
Equity securities | Trading and investment securities | Price-based | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Price	$ 0.00
Prepayment period	3 years
Equity securities | Trading and investment securities | Price-based | Maximum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Price	$ 750.00
Prepayment period	3 years
Asset-backed securities	
Fair Value Inputs Assets Liabilities Quantitative Information	
Price	$ 79.71

Asset-backed securities | Trading and investment securities | Cash flow	
Fair Value Inputs Assets Liabilities Quantitative Information	
Fair value of assets as of the balance sheet date	561,000,000
Asset-backed securities | Trading and investment securities | Cash flow | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Weighted Average Life (WAL)	4 months 2 days
Credit Correlation	15.00%
Asset-backed securities | Trading and investment securities | Cash flow | Maximum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Weighted Average Life (WAL)	16 years 25 days
Credit Correlation	90.00%
Asset-backed securities | Trading and investment securities | Price-based	
Fair Value Inputs Assets Liabilities Quantitative Information	
Fair value of assets as of the balance sheet date	4,253,000,000
Asset-backed securities | Trading and investment securities | Price-based | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Price	$ 0.00
Asset-backed securities | Trading and investment securities | Price-based | Maximum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Price	$ 136.63
Asset-backed securities | Trading and investment securities | Internal model	
Fair Value Inputs Assets Liabilities Quantitative Information	
Fair value of assets as of the balance sheet date	1,775,000,000
Asset-backed securities | Trading and investment securities | Internal model | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Yield (as a percent)	0.00%
Asset-backed securities | Trading and investment securities | Internal model | Maximum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Yield (as a percent)	27.00%
State and municipal, foreign government, corporate, and other debt securities	
Fair Value Inputs Assets Liabilities Quantitative Information	
Price	$ 90.95
State and municipal, foreign government, corporate, and other debt securities | Trading and investment securities | Cash flow	
Fair Value Inputs Assets Liabilities Quantitative Information	
Fair value of assets as of the balance sheet date	1,231,000,000
State and municipal, foreign government, corporate, and other debt securities | Trading and investment securities | Cash flow | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Yield (as a percent)	0.00%
State and municipal, foreign government, corporate, and other debt securities | Trading and investment securities | Cash flow | Maximum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Yield (as a percent)	30.00%

State and municipal, foreign government, corporate, and other debt securities | Trading and investment securities | Price-based

Fair Value Inputs Assets Liabilities Quantitative Information

Fair value of assets as of the balance sheet date	4,416,000,000

State and municipal, foreign government, corporate, and other debt securities | Trading and investment securities | Price-based | Minimum

Fair Value Inputs Assets Liabilities Quantitative Information

Price	$ 0.00

State and municipal, foreign government, corporate, and other debt securities | Trading and investment securities | Price-based | Maximum

Fair Value Inputs Assets Liabilities Quantitative Information

Price	$ 159.63

State and municipal, foreign government, corporate, and other debt securities | Trading and investment securities | Yield analysis

Fair Value Inputs Assets Liabilities Quantitative Information

Fair value of assets as of the balance sheet date	787,000,000

State and municipal, foreign government, corporate, and other debt securities | Trading and investment securities | Yield analysis | Minimum

Fair Value Inputs Assets Liabilities Quantitative Information

Credit spread (as a percent)	0.35%

State and municipal, foreign government, corporate, and other debt securities | Trading and investment securities | Yield analysis | Maximum

Fair Value Inputs Assets Liabilities Quantitative Information

Credit spread (as a percent)	3.00%

Non-marketable equity securities | Trading and investment securities | Cash flow

Fair Value Inputs Assets Liabilities Quantitative Information

Fair value of assets as of the balance sheet date	709,000,000

Non-marketable equity securities | Trading and investment securities | Cash flow | Minimum

Fair Value Inputs Assets Liabilities Quantitative Information

Discount to price (as a percent)	0.00%

Non-marketable equity securities | Trading and investment securities | Cash flow | Maximum

Fair Value Inputs Assets Liabilities Quantitative Information

Discount to price (as a percent)	75.00%

Non-marketable equity securities | Trading and investment securities | Price-based

Fair Value Inputs Assets Liabilities Quantitative Information

Fair value of assets as of the balance sheet date	2,768,000,000

Non-marketable equity securities | Trading and investment securities | Price-based | Minimum

Fair Value Inputs Assets Liabilities Quantitative Information

Fund NAV	1.00

Non-marketable equity securities | Trading and investment securities | Price-based | Maximum

Fair Value Inputs Assets Liabilities Quantitative Information

Fund NAV	456,773,838

Non-marketable equity securities | Trading and investment securities | Comparables Analysis

Fair Value Inputs Assets Liabilities Quantitative Information

Fair value of assets as of the balance sheet date	1,803,000,000

Non-marketable equity securities | Trading and investment securities | Comparables Analysis | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	
EBITDA multiples	4.70
Price-to-book ratio	0.77
Non-marketable equity securities | Trading and investment securities | Comparables Analysis | Maximum	
Fair Value Inputs Assets Liabilities Quantitative Information	
EBITDA multiples	14.39
Price-to-book ratio	1.50
Securities sold, not yet purchased | Trading account liabilities | Price-based	
Fair Value Inputs Assets Liabilities Quantitative Information	
Fair value of liabilities as of the balance sheet date	75,000,000
Securities sold, not yet purchased | Trading account liabilities | Internal model	
Fair Value Inputs Assets Liabilities Quantitative Information	
Fair value of liabilities as of the balance sheet date	$ 265,000,000
Securities sold, not yet purchased | Trading account liabilities | Internal model | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Price	$ 0.00
Securities sold, not yet purchased | Trading account liabilities | Internal model | Maximum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Price	$ 166.47
Fixed-income investments	
Fair Value Inputs Assets Liabilities Quantitative Information	
Price input for instrument valued at par	$ 100
Fixed-income investments | Minimum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Price	$ 0
Fixed-income investments | Maximum	
Fair Value Inputs Assets Liabilities Quantitative Information	
Price	$ 100

SECURITIZATIONS AND VARIABLE INTEREST ENTITIES (Details 3) (USD $)	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Variable Interest Entity				
Cash and due from banks (including segregated cash and other deposits)	$ 36,453,000,000	$ 28,701,000,000	$ 27,972,000,000	$ 25,472,000,000
Trading account assets	320,929,000,000	291,734,000,000		
Investments	312,326,000,000	293,413,000,000		
Total loans, net	630,009,000,000	617,127,000,000		
Other assets	145,660,000,000	148,911,000,000		
Total assets	1,864,660,000,000	1,873,878,000,000		
Long-term debt	239,463,000,000	323,505,000,000		
Consolidated VIEs				
Variable Interest Entity				
Cash and due from banks (including segregated cash and other deposits)	498,000,000	591,000,000		
Trading account assets	481,000,000	567,000,000		
Investments	10,751,000,000	12,509,000,000		
Total loans, net	111,766,000,000	119,055,000,000		
Other assets	674,000,000	874,000,000		
Total assets	124,170,000,000	133,596,000,000		
Short-term borrowings	17,900,000,000	23,300,000,000		
Long-term debt	26,346,000,000	50,451,000,000		
Long-term debt	26,400,000,000	50,400,000,000		
Other liabilities	1,200,000,000	1,100,000,000		
Total Liabilities	45,500,000,000	74,800,000,000		
Significant unconsolidated VIE assets				
Variable Interest Entity				
Trading account assets	4,500,000,000	6,500,000,000		
Investments	6,100,000,000	8,200,000,000		
Total loans, net	15,500,000,000	10,600,000,000		
Other assets	1,900,000,000	2,600,000,000		
Total assets	28,000,000,000	27,900,000,000		
Citicorp | Consolidated VIEs				
Variable Interest Entity				
Cash and due from banks (including segregated cash and other deposits)	300,000,000	200,000,000		
Trading account assets	500,000,000	400,000,000		
Investments	10,700,000,000	12,500,000,000		
Total loans, net	102,600,000,000	109,000,000,000		
Other assets	500,000,000	500,000,000		
Total assets	114,600,000,000	122,600,000,000		
Short-term borrowings	17,900,000,000	22,500,000,000		

Long-term debt	23,800,000,000	44,800,000,000
Other liabilities	1,100,000,000	900,000,000
Total Liabilities	42,800,000,000	68,200,000,000
Citicorp | Significant unconsolidated VIE assets		
Variable Interest Entity		
Trading account assets	4,000,000,000	5,500,000,000
Investments	5,400,000,000	3,800,000,000
Total loans, net	14,600,000,000	9,000,000,000
Other assets	1,400,000,000	1,600,000,000
Total assets	25,400,000,000	19,900,000,000
Citi Holdings		
Variable Interest Entity		
Total assets	156,000,000,000	225,000,000,000
Citi Holdings | Consolidated VIEs		
Variable Interest Entity		
Cash and due from banks (including segregated cash and other deposits)	200,000,000	400,000,000
Trading account assets		100,000,000
Total loans, net	9,100,000,000	10,100,000,000
Other assets	200,000,000	300,000,000
Total assets	9,500,000,000	10,900,000,000
Short-term borrowings		800,000,000
Long-term debt	2,600,000,000	5,600,000,000
Other liabilities	100,000,000	200,000,000
Total Liabilities	2,700,000,000	6,600,000,000
Citi Holdings | Significant unconsolidated VIE assets		
Variable Interest Entity		
Trading account assets	500,000,000	1,000,000,000
Investments	700,000,000	4,400,000,000
Total loans, net	900,000,000	1,600,000,000
Other assets	500,000,000	1,000,000,000
Total assets	$ 2,600,000,000	$ 8,000,000,000

SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED) (Tables)

12 Months Ended

Dec. 31, 2012

SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

	2012				2011			
In millions of dollars, except per share amounts	**Fourth**	**Third**	**Second**	**First**	Fourth	Third	Second	First
Revenues, net of interest expense	**$ 18,174**	**$ 13,951**	**$ 18,642**	**$ 19,406**	$ 17,174	$ 20,831	$ 20,622	$ 19,726
Operating expenses	**13,845**	**12,220**	**12,134**	**12,319**	13,211	12,460	12,936	12,326
Provisions for credit losses and for benefits and claims	**3,199**	**2,695**	**2,806**	**3,019**	2,874	3,351	3,387	3,184
Income from continuing operations before income taxes	**$ 1,130**	**$ (964)**	**$ 3,702**	**$ 4,068**	$ 1,089	$ 5,020	$ 4,299	$ 4,216
Income taxes (benefits)	**(206)**	**(1,488)**	**715**	**1,006**	91	1,278	967	1,185
Income from continuing operations	**$ 1,336**	**$ 524**	**$ 2,987**	**$ 3,062**	$ 998	$ 3,742	$ 3,332	$ 3,031
Income (loss) from discontinued operations, net of taxes	**(112)**	**(31)**	**(1)**	**(5)**	—	1	71	40
Net income before attribution of noncontrolling interests	**$ 1,224**	**$ 493**	**$ 2,986**	**$ 3,057**	$ 998	$ 3,743	$ 3,403	$ 3,071
Noncontrolling interests	**28**	**25**	**40**	**126**	42	(28)	62	72
Citigroup's net income	**$ 1,196**	**$ 468**	**$ 2,946**	**$ 2,931**	$ 956	$ 3,771	$ 3,341	$ 2,999
Earnings per share (1)(2)								
Basic								
Income from continuing operations	**$ 0.43**	**$ 0.17**	**$ 0.98**	**$ 0.98**	$ 0.32	$ 1.27	$ 1.10	$ 1.01
Net income	**0.39**	**0.15**	**0.98**	**0.98**	0.32	1.27	1.12	1.02
Diluted								
Income from continuing operations	**0.42**	**0.16**	**0.95**	**0.96**	0.31	1.23	1.07	0.97
Net income	**0.38**	**0.15**	**0.95**	**0.95**	0.31	1.23	1.09	0.99
Common stock price per share (2)								
High	**$ 40.17**	**$ 34.79**	**$ 36.87**	**$ 38.08**	$ 34.17	$ 42.88	$ 45.90	$ 51.30
Low	**32.75**	**25.24**	**24.82**	**28.17**	23.11	23.96	36.81	43.90
Close	**39.56**	**32.72**	**27.41**	**36.55**	26.31	25.62	41.64	44.20
Dividends per share of common stock	**0.01**	**0.01**	**0.01**	**0.01**	0.01	0.01	0.01	—

This Note to the Consolidated Financial Statements is unaudited due to the Company's individual quarterly results not being subject to an audit.

(1) Due to averaging of shares, quarterly earnings per share may not add up to the totals reported for the full year.

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

BROKERAGE RECEIVABLES AND BROKERAGE PAYABLES	12 Months Ended Dec. 31, 2012
BROKERAGE RECEIVABLES AND BROKERAGE PAYABLES	
BROKERAGE RECEIVABLES AND BROKERAGE PAYABLES	

13. BROKERAGE RECEIVABLES AND BROKERAGE PAYABLES

The Company has receivables and payables for financial instruments purchased from and sold to brokers, dealers and customers, which arise in the ordinary course of business. The Company is exposed to risk of loss from the inability of brokers, dealers or customers to pay for purchases or to deliver the financial instruments sold, in which case the Company would have to sell or purchase the financial instruments at prevailing market prices. Credit risk is reduced to the extent that an exchange or clearing organization acts as a counterparty to the transaction and replaces the broker, dealer or customer in question.

The Company seeks to protect itself from the risks associated with customer activities by requiring customers to maintain margin collateral in compliance with regulatory and internal guidelines. Margin levels are monitored daily, and customers deposit additional collateral as required. Where customers cannot meet collateral requirements, the Company will liquidate sufficient underlying financial instruments to bring the customer into compliance with the required margin level.

Exposure to credit risk is impacted by market volatility, which may impair the ability of clients to satisfy their obligations to the Company. Credit limits are established and closely monitored for customers and for brokers and dealers engaged in forwards, futures and other transactions deemed to be credit sensitive.

Brokerage receivables and *brokerage payables* consisted of the following at December 31:

In millions of dollars	**2012**	2011
Receivables from customers	**$12,191**	$19,991
Receivables from brokers, dealers, and clearing organizations	**10,299**	7,786
Total brokerage receivables [(1)]	**$22,490**	$27,777
Payables to customers	**$38,279**	$40,111
Payables to brokers, dealers, and clearing organizations	**18,734**	16,585
Total brokerage payables [(1)]	**$57,013**	$56,696

(1) Brokerage receivables and payables are accounted for in accordance with ASC 940-320.

PLEDGED ASSETS, COLLATERAL, COMMITMENTS AND GUARANTEES	12 Months Ended Dec. 31, 2012

PLEDGED ASSETS, COLLATERAL, COMMITMENTS AND GUARANTEES

PLEDGED ASSETS, COLLATERAL, COMMITMENTS AND GUARANTEES

27. PLEDGED ASSETS, COLLATERAL, COMMITMENTS AND GUARANTEES

Pledged Assets

In connection with the Company's financing and trading activities, the Company has pledged assets to collateralize its obligations under repurchase agreements, secured financing agreements, secured liabilities of consolidated VIEs and other borrowings. At December 31, 2012 and 2011, the approximate carrying values of the significant components of pledged assets recognized on the Company's Consolidated Balance Sheet include:

In millions of dollars	**2012**	2011
Investment securities	**$ 187,295**	$ 129,093
Loans	**234,797**	235,031
Trading account assets	**123,178**	114,539
Total	**$ 545,270**	$ 478,663

In addition, included in cash and due from banks at December 31, 2012 and 2011 are $13.4 billion and $13.6 billion, respectively, of cash segregated under federal and other brokerage regulations or deposited with clearing organizations.

At December 31, 2012 and 2011, the Company had $286 million and $1.4 billion, respectively, of outstanding letters of credit from third-party banks to satisfy various collateral and margin requirements.

Collateral

At December 31, 2012 and 2011, the approximate fair value of collateral received by the Company that may be resold or repledged by the Company, excluding the impact of allowable netting, was $305.9 billion and $350.0 billion, respectively. This collateral was received in connection with resale agreements, securities borrowings and loans, derivative transactions and margined broker loans.

At December 31, 2012 and 2011, a substantial portion of the collateral received by the Company had been sold or repledged in connection with repurchase agreements, securities sold, not yet purchased, securities borrowings and loans, pledges to clearing organizations, segregation requirements under securities laws and regulations, derivative transactions and bank loans.

In addition, at December 31, 2012 and 2011, the Company had pledged $418 billion and $345 billion, respectively, of collateral that may not be sold or repledged by the secured parties.

Lease Commitments

Rental expense (principally for offices and computer equipment) was $1.5 billion, $1.6 billion and $1.6 billion for the years ended December 31, 2012, 2011 and 2010, respectively.

Future minimum annual rentals under noncancelable leases, net of sublease income, are as follows:

In millions of dollars	
2013	$1,220
2014	1,125
2015	1,001
2016	881
2017	754
Thereafter	2,293
Total	$7,274

Guarantees

The Company provides a variety of guarantees and indemnifications to Citigroup customers to enhance their credit standing and enable them to complete a wide variety of business transactions. For certain contracts meeting the definition of a guarantee, the guarantor must recognize, at inception, a liability for the fair value of the obligation undertaken in issuing the guarantee.

In addition, the guarantor must disclose the maximum potential amount of future payments that the guarantor could be required to make under the guarantee, if there were a total default by the guaranteed parties. The determination of the maximum potential future payments is based on the notional amount of the guarantees without consideration of possible recoveries under recourse provisions or from collateral held or pledged. As such, the Company believes such amounts bear no relationship to the anticipated losses, if any, on these guarantees. The following tables present information about the Company's guarantees at December 31, 2012 and December 31, 2011:

	Maximum potential amount of future payments			
In billions of dollars at December 31, 2012 except carrying value in millions	**Expire within 1 year**	**Expire after 1 year**	**Total amount outstanding**	**Carrying value** *(in millions of dollars)*
Financial standby letters of credit	**$22.3**	**$79.8**	**$102.1**	**$432.8**
Performance guarantees	**7.3**	**4.7**	**12.0**	**41.6**
Derivative instruments considered to be guarantees	**11.2**	**45.5**	**56.7**	**2,648.7**
Loans sold with recourse	**—**	**0.5**	**0.5**	**87.0**
Securities lending indemnifications (1)	**80.4**	**—**	**80.4**	**—**
Credit card merchant processing (1)	**70.3**	**—**	**70.3**	**—**
Custody indemnifications and other	**—**	**30.2**	**30.2**	**—**
Total	**$ 191.5**	**$ 160.7**	**$ 352.2**	**$ 3,210.1**

(1) The carrying values of securities lending indemnifications and credit card merchant processing are not material, as the Company has determined that the amount and probability of potential liabilities arising from these guarantees are not significant.

In billions of dollars at December 31, 2011 except carrying value in millions	Maximum potential amount of future payments Expire within 1 year	 Expire after 1 year	 Total amount outstanding	Carrying value (in millions of dollars)
Financial standby letters of credit	$25.2	$79.5	$104.7	$417.5
Performance guarantees	7.8	4.5	12.3	43.9
Derivative instruments considered to be guarantees	9.8	40.0	49.8	2,686.1
Loans sold with recourse	—	0.4	0.4	89.6
Securities lending indemnifications (1)	90.9	—	90.9	—
Credit card merchant processing (1)	70.2	—	70.2	—
Custody indemnifications and other	—	40.0	40.0	30.7
Total	$ 203.9	$ 164.4	$ 368.3	$ 3,267.8

(1) The carrying values of securities lending indemnifications and credit card merchant processing are not material, as the Company has determined that the amount and probability of potential liabilities arising from these guarantees are not significant.

Financial standby letters of credit

Citigroup issues standby letters of credit which substitute its own credit for that of the borrower. If a letter of credit is drawn down, the borrower is obligated to repay Citigroup. Standby letters of credit protect a third party from defaults on contractual obligations. Financial standby letters of credit include guarantees of payment of insurance premiums and reinsurance risks that support industrial revenue bond underwriting and settlement of payment obligations to clearing houses, and also support options and purchases of securities or are in lieu of escrow deposit accounts. Financial standbys also backstop loans, credit facilities, promissory notes and trade acceptances.

Performance guarantees

Performance guarantees and letters of credit are issued to guarantee a customer's tender bid on a construction or systems-installation project or to guarantee completion of such projects in accordance with contract terms. They are also issued to support a customer's obligation to supply specified products, commodities, or maintenance or warranty services to a third party.

Derivative instruments considered to be guarantees

Derivatives are financial instruments whose cash flows are based on a notional amount and an underlying instrument, where there is little or no initial investment, and whose terms require or permit net settlement. Derivatives may be used for a variety of reasons, including risk management, or to enhance returns. Financial institutions often act as intermediaries for their clients, helping clients reduce their risks. However, derivatives may also be used to take a risk position.

The derivative instruments considered to be guarantees, which are presented in the tables above, include only those instruments that require Citi to make payments to the counterparty based on changes in an underlying instrument that is related to an asset, a liability, or an equity security held by the guaranteed party. More specifically, derivative instruments considered to be guarantees include certain over-the-counter written put options where the counterparty is not a bank, hedge fund or broker-dealer (such counterparties are considered to be dealers in these markets and may, therefore, not hold the underlying instruments). However, credit derivatives sold by the Company are excluded from the tables above as they are disclosed separately in Note 23 to the Consolidated Financial Statements. In addition, non-credit derivative contracts that are cash settled and for which the Company is unable to assert that it is probable the counterparty held the underlying instrument at the inception of the contract also are excluded from the tables above.

In instances where the Company's maximum potential future payment is unlimited, the notional amount of the contract is disclosed.

Loans sold with recourse

Loans sold with recourse represent the Company's obligations to reimburse the buyers for loan losses under certain circumstances. Recourse refers to the clause in a sales agreement under which a lender will fully reimburse the buyer/investor for any losses resulting from the purchased loans. This may be accomplished by the seller taking back any loans that become delinquent.

In addition to the amounts shown in the tables above, Citi has recorded a mortgage repurchase reserve for potential repurchases and for make-whole liability regarding representation and warranty claims. The repurchase reserve was $1,565 million and $1,188 million at December 31, 2012 and December 31, 2011, respectively, and these amounts are included in *Other liabilities* on the Consolidated Balance Sheet.

Repurchase Reserve—Whole Loan Sales

The repurchase reserve estimation process for potential residential mortgage whole loan representation and warranty claims is based on various assumptions which are primarily based on Citi's historical repurchase activity with the GSEs. The assumptions used to calculate this repurchase reserve include numerous estimates and judgments and thus contain a level of uncertainty and risk that, if different from actual results, could have a material impact on the reserve amounts.

As of December 31, 2012, Citi estimates that the range of reasonably possible loss for whole loan sale representation and warranty claims in excess of amounts accrued could be up to $0.6 billion. This estimate was derived by modifying the key assumptions discussed above to reflect management's judgment regarding reasonably possible adverse changes to those assumptions. Citi's estimate of reasonably possible loss is based on currently available information, significant judgment and numerous assumptions that are subject to change.

Repurchase Reserve—Private-Label Securitizations

Investors in private-label securitizations may seek recovery for alleged breaches of representations and warranties, as well as losses caused by non-performing loans more generally, through repurchase claims or through litigation premised on a variety of legal theories. Citi considers litigation relating to private-label securitizations as part of its contingencies analysis. For additional information, see Note 28 to the Consolidated Financial Statements.

Of the repurchase claims received, Citi believes some are based on a review of the underlying loan files, while others are not based on such a review. In either case, upon receipt of a claim, Citi typically requests that it be provided with the underlying detail supporting the claim. To date, Citi has received little or no response to these requests for information.

Citi cannot reasonably estimate probable losses from future repurchase claims for private-label securitizations because the claims to date have been received at an unpredictable rate, the factual basis for those claims is unclear, and very few such claims have been resolved. Rather, at the present time, Citi records reserves related to private-label securitizations repurchase claims based on estimated losses arising from those actual claims received that appear to be based on a review of the underlying loan files. The estimation reflected in this reserve is based on currently available information and relies on various assumptions that involve numerous estimates and judgments that are inherently uncertain and subject to change. If actual experiences differ from Citi's assumptions, future provisions may differ substantially from Citi's current reserves.

Securities lending indemnifications

Owners of securities frequently lend those securities for a fee to other parties who may sell them short or deliver them to another party to satisfy some other obligation. Banks may administer such securities lending programs for their clients. Securities lending indemnifications are issued by the bank to guarantee that a securities lending customer will be made whole in the event that the security borrower does not return the security subject to the lending agreement and collateral held is insufficient to cover the market value of the security.

Credit card merchant processing

Credit card merchant processing guarantees represent the Company's indirect obligations in connection with the processing of private label and bank card transactions on behalf of merchants.

Citigroup's primary credit card business is the issuance of credit cards to individuals. In addition, the Company: (i) provides transaction processing services to various merchants with respect to its private-label cards and (ii) has potential liability for bank card transaction processing services. The nature of the liability in either case arises as a result of a billing dispute between a merchant and a cardholder that is ultimately resolved in the cardholder's favor. The merchant is liable to refund the amount to the cardholder. In general, if the credit card processing company is unable to collect this amount from the merchant, the credit card processing company bears the loss for the amount of the credit or refund paid to the cardholder.

With regard to (i) above, the Company continues to have the primary contingent liability with respect to its portfolio of private-label merchants. The risk of loss is mitigated as the cash flows between the Company and the merchant are settled on a net basis and the Company has the right to offset any payments with cash flows otherwise due to the merchant. To further mitigate this risk the Company may delay settlement, require a merchant to make an escrow deposit, include event triggers to provide the Company with more financial and operational control in the event of the financial deterioration of the merchant, or require various credit enhancements (including letters of credit and bank guarantees). In the unlikely event that a private-label merchant is unable to deliver products, services or a refund to its private-label cardholders, the Company is contingently liable to credit or refund cardholders.

With regard to (ii) above, the Company has a potential liability for bank card transactions where Citi provides the transaction processing services as well as those where a third party provides the services and Citi acts as a secondary guarantor, should that processor fail to perform.

The Company's maximum potential contingent liability related to both bank card and private-label merchant processing services is estimated to be the total volume of credit card transactions that meet the requirements to be valid charge-back transactions at any given time. At December 31, 2012 and December 31, 2011, this maximum potential exposure was estimated to be $70 billion.

However, the Company believes that the maximum exposure is not representative of the actual potential loss exposure based on the Company's historical experience. This contingent liability is unlikely to arise, as most products and services are delivered when purchased and amounts are refunded when items are returned to merchants. The Company assesses the probability and amount of its contingent liability related to merchant processing based on the financial strength of the primary guarantor, the extent and nature of unresolved charge-backs and its historical loss experience. At December 31, 2012 and December 31, 2011, the losses incurred and the carrying amounts of the Company's contingent obligations related to merchant processing activities were immaterial.

Custody indemnifications

Custody indemnifications are issued to guarantee that custody clients will be made whole in the event that a third-party subcustodian or depository institution fails to safeguard clients' assets.

Other guarantees and indemnifications

Credit Card Protection Programs

The Company, through its credit card business, provides various cardholder protection programs on several of its card products, including programs that provide insurance coverage for rental cars, coverage for certain losses associated with purchased products, price protection for certain purchases and protection for lost luggage. These guarantees are not included in the table, since the total outstanding amount of the guarantees and the Company's maximum exposure to loss cannot be quantified. The protection is limited to certain types of purchases and certain types of losses, and it is not possible to quantify the purchases that would qualify for these benefits at any given time. The Company assesses the probability and amount of its potential liability related to these programs based on the extent and nature of its historical loss experience. At December 31, 2012 and December 31, 2011, the actual and estimated losses incurred and the carrying value of the Company's obligations related to these programs were immaterial.

Other Representation and Warranty Indemnifications

In the normal course of business, the Company provides standard representations and warranties to counterparties in contracts in connection with numerous transactions and also provides indemnifications, including indemnifications that protect the counterparties to the contracts in the event that additional taxes are owed due either to a change in the tax law or an adverse interpretation of the tax law. Counterparties to these transactions provide the Company with comparable indemnifications. While such representations, warranties and indemnifications are essential components of many contractual relationships, they do not represent the underlying business purpose for the transactions. The indemnification clauses are often standard contractual terms related to the Company's own performance under the terms of a contract and are entered into in the normal course of business based on an assessment that the risk of loss is remote. Often these clauses are intended to ensure that terms of a contract are met at inception. No compensation is received for these standard representations and warranties, and it is not possible to determine their fair value because they rarely, if ever, result in a payment. In many cases, there are no stated or notional amounts included in the indemnification clauses, and the contingencies potentially triggering the obligation to indemnify have not occurred and are not expected to occur. These indemnifications are not included in the tables above.

Value-Transfer Networks

The Company is a member of, or shareholder in, hundreds of value-transfer networks (VTNs) (payment, clearing and settlement systems as well as exchanges) around the world. As a condition of membership, many of these VTNs require that members stand ready to pay a pro rata share of the losses incurred by the organization due to another member's default on its obligations. The Company's potential obligations may be limited to its membership interests in the VTNs, contributions to the VTN's funds, or, in limited cases, the obligation may be unlimited. The maximum exposure cannot be estimated as this would require an assessment of future claims that have not yet occurred. We believe the risk of loss is remote given historical experience with the VTNs. Accordingly, the Company's participation in VTNs is not reported in the Company's guarantees tables above, and there are no amounts reflected on the Consolidated Balance Sheet as of December 31, 2012 or December 31, 2011 for potential obligations that could arise from the Company's involvement with VTN associations.

Long-Term Care Insurance Indemnification

In the sale of an insurance subsidiary, the Company provided an indemnification to an insurance company for policyholder claims and other liabilities relating to a book of long-term care (LTC) business (for the entire term of the LTC policies) that is fully reinsured by another insurance company. The reinsurer has funded two trusts with securities whose fair value (approximately $4.9 billion at December 31, 2012 and $4.4 billion at December 31, 2011) is designed to cover the insurance company's statutory liabilities for the LTC policies. The assets in these trusts are evaluated and adjusted periodically to ensure that the fair value of the assets continues to cover the estimated statutory liabilities related to the LTC policies, as those statutory liabilities change over time. If the reinsurer fails to perform under the reinsurance agreement for any reason, including insolvency, and the assets in the two trusts are insufficient or unavailable to the ceding insurance company, then Citigroup must indemnify the ceding insurance company for any losses actually incurred in connection with the LTC policies. Since both events would have to occur before Citi would become responsible for any payment to the ceding insurance company pursuant to its indemnification obligation, and the likelihood of such events occurring is currently not probable, there is no liability reflected in the Consolidated Balance Sheet as of December 31, 2012 related to this indemnification. Citi continues to closely monitor its potential exposure under this indemnification obligation.

Carrying Value—Guarantees and Indemnifications

At December 31, 2012 and December 31, 2011, the total carrying amounts of the liabilities related to the guarantees and indemnifications included in the tables above amounted to approximately $3.2 billion and $3.3 billion, respectively. The carrying value of derivative instruments is included in either *Trading account liabilities* or *Other liabilities*, depending upon whether the derivative was entered into for trading or non-trading purposes. The carrying value of financial and performance guarantees is included in *Other liabilities*. For loans sold with recourse, the carrying value of the liability is included in *Other liabilities*. In addition, at December 31, 2012 and December 31, 2011, *Other liabilities* on the Consolidated Balance Sheet included an allowance for credit losses of $1,119 million and $1,136 million, respectively, relating to letters of credit and unfunded lending commitments.

Collateral

Cash collateral available to the Company to reimburse losses realized under these guarantees and indemnifications amounted to $39 billion and $35 billion at December 31, 2012 and December 31, 2011, respectively. Securities and other marketable assets held as collateral amounted to $51 billion and $65 billion at December 31, 2012 and December 31, 2011, respectively. The majority of collateral is held to reimburse losses realized under securities lending indemnifications. Additionally, letters of credit in favor of the Company held as collateral amounted to $1.8 billion and $1.5 billion at December 31, 2012 and December 31, 2011, respectively. Other property may also be available to the Company to cover losses under certain guarantees and indemnifications; however, the value of such property has not been determined.

Performance risk

Citi evaluates the performance risk of its guarantees based on the assigned referenced counterparty internal or external ratings. Where external ratings are used, investment-grade ratings are considered to be Baa/BBB and above, while anything below is considered non-investment grade. The Citi internal ratings are in line with the related external rating system. On certain underlying referenced credits or entities, ratings are not available. Such referenced credits are included in the "not rated" category. The maximum potential amount of the future payments related to guarantees and credit derivatives sold is determined to be the notional amount of these contracts, which is the par amount of the assets guaranteed.

Presented in the tables below are the maximum potential amounts of future payments that are classified based upon internal and external credit ratings as of December 31, 2012 and December 31, 2011. As previously mentioned, the determination of the maximum potential future payments is based on the notional amount of the guarantees without consideration of possible recoveries under recourse provisions or from collateral held or pledged. As such, the Company believes such amounts bear no relationship to the anticipated losses, if any, on these guarantees.

	Maximum potential amount of future payments			
In billions of dollars as of December 31, 2012	**Investment grade**	**Non-investment grade**	**Not rated**	**Total**
Financial standby letters of credit	**$80.9**	**$11.0**	**$ 10.2**	**$ 102.1**
Performance guarantees	**7.3**	**3.0**	**1.7**	**12.0**
Derivative instruments deemed to be guarantees	**—**	**—**	**56.7**	**56.7**
Loans sold with recourse	**—**	**—**	**0.5**	**0.5**
Securities lending indemnifications	**—**	**—**	**80.4**	**80.4**
Credit card merchant processing	**—**	**—**	**70.3**	**70.3**
Custody indemnifications and other	**30.1**	**0.1**	**—**	**30.2**
Total	**$ 118.3**	**$ 14.1**	**$ 219.8**	**$ 352.2**

	Maximum potential amount of future payments			
In billions of dollars as of December 31, 2011	**Investment grade**	**Non-investment grade**	**Not rated**	**Total**
Financial standby letters of credit	$79.3	$17.2	$ 8.2	$ 104.7
Performance guarantees	6.9	3.2	2.2	12.3
Derivative instruments deemed to be guarantees	—	—	49.8	49.8
Loans sold with recourse	—	—	0.4	0.4
Securities lending indemnifications	—	—	90.9	90.9
Credit card merchant processing	—	—	70.2	70.2
Custody indemnifications and other	40.0	—	—	40.0
Total	$ 126.2	$ 20.4	$ 221.7	$ 368.3

Credit Commitments and Lines of Credit

The table below summarizes Citigroup's credit commitments as of December 31, 2012 and December 31, 2011:

In millions of dollars	**U.S.**	**Outside U.S.**	**December 31, 2012**	December 31, 2011
Commercial and similar letters of credit	**$ 1,427**	**$ 5,884**	**$ 7,311**	$8,910
One- to four-family residential mortgages	**2,397**	**1,496**	**3,893**	3,504
Revolving open-end loans secured by one- to four-family residential properties	**14,897**	**3,279**	**18,176**	19,326
Commercial real estate, construction and land development	**2,067**	**1,429**	**3,496**	1,968
Credit card lines	**485,569**	**135,131**	**620,700**	653,985
Commercial and other consumer loan commitments	**138,219**	**90,273**	**228,492**	224,109
Other commitments and contingencies	**1,175**	**1,084**	**2,259**	3,201
Total	**$ 645,751**	**$ 238,576**	**$ 884,327**	$ 915,003

The majority of unused commitments are contingent upon customers' maintaining specific credit standards. Commercial commitments generally have floating interest rates and fixed expiration dates and may require payment of fees. Such fees (net of certain direct costs) are deferred and, upon exercise of the commitment, amortized over the life of the loan or, if exercise is deemed remote, amortized over the commitment period.

Commercial and similar letters of credit

A commercial letter of credit is an instrument by which Citigroup substitutes its credit for that of a customer to enable the customer to finance the purchase of goods or to incur other commitments. Citigroup issues a letter on behalf of its client to a supplier and agrees to pay the supplier upon presentation of documentary evidence that the supplier has performed in accordance with the terms of the letter of credit. When a letter of credit is drawn, the customer is then required to reimburse Citigroup.

One- to four-family residential mortgages

A one- to four-family residential mortgage commitment is a written confirmation from Citigroup to a seller of a property that the bank will advance the specified sums enabling the buyer to complete the purchase.

Revolving open-end loans secured by one- to four-family residential properties

Revolving open-end loans secured by one- to four-family residential properties are essentially home equity lines of credit. A home equity line of credit is a loan secured by a primary residence or second home to the extent of the excess of fair market value over the debt outstanding for the first mortgage.

Commercial real estate, construction and land development

Commercial real estate, construction and land development include unused portions of commitments to extend credit for the purpose of financing commercial and multifamily residential properties as well as land development projects.

Both secured-by-real-estate and unsecured commitments are included in this line, as well as undistributed loan proceeds, where there is an obligation to advance for construction progress payments. However, this line only includes those extensions of credit that, once funded, will be classified as *Total loans, net* on the Consolidated Balance Sheet.

Credit card lines

Credit card lines are unconditionally cancellable by the issuer.

Commercial and other consumer loan commitments

Commercial and other consumer loan commitments include overdraft and liquidity facilities, as well as commercial commitments to make or purchase loans, to purchase third-party receivables, to provide note issuance or revolving underwriting facilities and to invest in the form of equity. Amounts include $53 billion and $65 billion with an original maturity of less than one year at December 31, 2012 and December 31, 2011, respectively.

In addition, included in this line item are highly leveraged financing commitments, which are agreements that provide funding to a borrower with higher levels of debt (measured by the ratio of debt capital to equity capital of the borrower) than is generally considered normal for other companies. This type of financing is commonly employed in corporate acquisitions, management buy-outs and similar transactions.

Other commitments and contingencies

Other commitments and contingencies include all other transactions related to commitments and contingencies not reported on the lines above.

INVESTMENTS (Details 3) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Available-for-sale Securities, Debt Maturities			
Total amortized cost	$ 281,290	$ 255,656	
Total fair value	283,753	257,019	
Minimum contractual maturities of investments with no stated maturities, included as contractual maturities	10 years		
Available-for-sale Securities transferred from Held-to-maturity			
Carrying value of securities reclassified as available-for-sale	244		
Other-than-temporary impairment loss recorded for available-for-sale investments transferred from held-to-maturity	59		
Carrying value of held-to-maturity investments sold	2,110	1,612	413
Loss realized on sale of held to maturity securities	187	299	49
Interest and dividends on investments			
Taxable interest	6,509	7,257	9,922
Interest exempt from U.S. federal income tax	683	746	760
Dividends	333	317	322
Total interest and dividends	7,525	8,320	11,004
Gross realized investments losses, excluding losses from other-than-temporary impairment			
Gross realized investment gains	3,663	2,498	2,873
Gross realized investment losses	(412)	(501)	(462)
Net realized gains (losses)	3,251	1,997	2,411
Mortgage-backed securities			
Available-for-sale Securities, Debt Maturities			
Due within 1 year, amortized cost	10		
After 1 but within 5 years, amortized cost	365	422	
After 5 but within 10 years, amortized cost	1,992	2,757	
After 10 years, amortized cost	51,598	46,470	
Total amortized cost	53,965	49,649	
Fair value, due within 1 year	10		
Fair value, after 1 but within 5 years	374	423	
Fair value, after 5 but within 10 years	2,124	2,834	
Fair value, after 10 years	52,963	47,768	
Total fair value	55,471	51,025	
U.S. Treasury and federal agency securities			
Available-for-sale Securities, Debt Maturities			
Due within 1 year, amortized cost	9,492	14,615	
After 1 but within 5 years, amortized cost	75,967	62,241	
After 5 but within 10 years, amortized cost	2,171	5,862	
After 10 years, amortized cost	2,670	382	

Total amortized cost	90,300	83,100
Fair value, due within 1 year	9,499	14,637
Fair value, after 1 but within 5 years	77,267	63,823
Fair value, after 5 but within 10 years	2,408	6,239
Fair value, after 10 years	2,667	439
Total fair value	91,841	85,138
State and municipal securities		
Available-for-sale Securities, Debt Maturities		
Due within 1 year, amortized cost	208	142
After 1 but within 5 years, amortized cost	3,221	455
After 5 but within 10 years, amortized cost	155	182
After 10 years, amortized cost	16,436	16,040
Total amortized cost	20,020	16,819
Fair value, due within 1 year	208	142
Fair value, after 1 but within 5 years	3,223	457
Fair value, after 5 but within 10 years	165	188
Fair value, after 10 years	14,736	13,612
Total fair value	18,332	14,399
Foreign government		
Available-for-sale Securities, Debt Maturities		
Due within 1 year, amortized cost	34,873	34,924
After 1 but within 5 years, amortized cost	49,548	41,612
After 5 but within 10 years, amortized cost	7,239	6,993
After 10 years, amortized cost	1,599	831
Total amortized cost	93,259	84,360
Fair value, due within 1 year	34,869	34,864
Fair value, after 1 but within 5 years	49,933	41,675
Fair value, after 5 but within 10 years	7,380	6,998
Fair value, after 10 years	1,865	977
Total fair value	94,047	84,514
All other		
Available-for-sale Securities, Debt Maturities		
Due within 1 year, amortized cost	1,001	4,055
After 1 but within 5 years, amortized cost	11,285	9,843
After 5 but within 10 years, amortized cost	4,330	3,009
After 10 years, amortized cost	7,130	4,821
Total amortized cost	23,746	21,728
Fair value, due within 1 year	1,009	4,072
Fair value, after 1 but within 5 years	11,351	9,928
Fair value, after 5 but within 10 years	4,505	3,160
Fair value, after 10 years	7,197	4,783
Total fair value	$ 24,062	$ 21,943

DEBT (Details 2) (USD $)	3 Months Ended Sep. 30, 2012 item	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012 Senior notes	Dec. 31, 2011 Senior notes	Dec. 31, 2012 Subordinated notes	Dec. 31, 2011 Subordinated notes	Dec. 31, 2012 Junior subordinated notes relating to trust preferred securities	Dec. 31, 2011 Junior subordinated notes relating to trust preferred securities	Dec. 31, 2012 Citigroup	Dec. 31, 2011 Citigroup
Long-Term Debt:											
Weighted average coupon (as a percent)											
Total long-term debt		$ 239,463,000,000	$ 323,505,000,000	$ 201,040,000,000	$ 277,216,000,000	$ 28,313,000,000	$ 30,232,000,000	$ 10,110,000,000	$ 16,057,000,000	$ 176,553,000,000	$ 181,702,000,000
Collateralized long-term advances from Federal Home Loan Bank											
Carrying value of Principal-Protected Trust Securities											
Amount drawn down on long-term financing facilities with unaffiliated banks											
Notice period banks are required to give CGMHI prior to terminating financing facilities											
Overall weighted average interest rate for long-term debt (as a percent)		3.88%									
Overall weighted average interest rate for long-term debt including effects of derivative contracts (as a percent)		2.71%									
Aggregate annual maturities of long-term debt obligations											
2013		42,651,000,000								24,464,000,000	
2014		37,026,000,000								24,243,000,000	
2015		29,046,000,000								19,677,000,000	
2016		19,857,000,000								12,737,000,000	
2017		24,151,000,000								21,156,000,000	
Thereafter		86,732,000,000								74,276,000,000	
Number of series of trust preferred securities redeemed	3										
Pretax gain on redemption of trust preferred securities	198,000,000										
Junior subordinated debentures owned by statutory business trusts		$ 10,110,000,000	$ 16,057,000,000								

DEBT (Details 2) (USD $)	12 Months Ended Dec. 31, 2012 Citigroup Senior notes	Dec. 31, 2011 Citigroup Senior notes	12 Months Ended Dec. 31, 2012 Citigroup Subordinated notes	Dec. 31, 2011 Citigroup Subordinated notes	12 Months Ended Dec. 31, 2012 Citigroup Junior subordinated notes relating to trust preferred securities	Dec. 31, 2011 Citigroup Junior subordinated notes relating to trust preferred securities	Dec. 31, 2012 Bank	12 Months Ended Dec. 31, 2012 Bank Senior notes	Dec. 31, 2011 Bank Senior notes	12 Months Ended Dec. 31, 2012 Bank Subordinated notes	Dec. 31, 2011 Bank Subordinated notes	12 Months Ended Dec. 31, 2012 Citigroup Global Markets Holdings Inc. (CGMHI) Revolving line of credit facility
Long-Term Debt:												
Weighted average coupon (as a percent)	4.29%		4.40%		7.14%			1.91%		3.29%		
Total long-term debt	$ 138,862,000,000	$ 136,468,000,000	$ 27,581,000,000	$ 29,177,000,000	$ 10,110,000,000	$ 16,057,000,000	$ 51,234,000,000	$ 50,527,000,000	$ 77,036,000,000	$ 707,000,000	$ 859,000,000	
Collateralized long-term advances from Federal Home Loan Bank								16,300,000,000	11,000,000,000			
Carrying value of Principal-Protected Trust Securities												
Amount drawn down on long-term financing facilities with unaffiliated banks												300,000,000
Notice period banks are required to give CGMHI prior to terminating financing facilities												1 year
Overall weighted average interest rate for long-term debt (as a percent)												
Overall weighted average interest rate for long-term debt including effects of derivative contracts (as a percent)												
Aggregate annual maturities of long-term debt obligations												
2013							16,601,000,000					
2014							9,862,000,000					
2015							8,588,000,000					
2016							6,320,000,000					
2017							2,943,000,000					
Thereafter							6,920,000,000					
Number of series of trust preferred securities redeemed												
Pretax gain on redemption of trust preferred securities												
Junior subordinated debentures owned by statutory business trusts												

DEBT (Details 2) (USD $)	Dec. 31, 2012 Non-bank	12 Months Ended Dec. 31, 2012 Non-bank Senior notes	Dec. 31, 2011 Non-bank Senior notes	12 Months Ended Dec. 31, 2012 Non-bank Subordinated notes	Dec. 31, 2011 Non-bank Subordinated notes	Dec. 31, 2012 Citigroup Funding Inc. (CFI)	Dec. 31, 2011 Citigroup Funding Inc. (CFI)
Long-Term Debt:							
Weighted average coupon (as a percent)		3.64%		2.26%			
Total long-term debt	$ 11,676,000,000	$ 11,651,000,000	$ 63,712,000,000	$ 25,000,000	$ 196,000,000		
Collateralized long-term advances from Federal Home Loan Bank							
Carrying value of Principal-Protected Trust Securities						186,000,000	215,000,000
Amount drawn down on long-term financing facilities with unaffiliated banks							
Notice period banks are required to give CGMHI prior to terminating financing facilities							
Overall weighted average interest rate for long-term debt (as a percent)							
Overall weighted average interest rate for long-term debt including effects of derivative contracts (as a percent)							
Aggregate annual maturities of long-term debt obligations							
2013	1,586,000,000						
2014	2,921,000,000						
2015	781,000,000						
2016	800,000,000						
2017	52,000,000						
Thereafter	5,536,000,000						
Number of series of trust preferred securities redeemed							
Pretax gain on redemption of trust preferred securities							
Junior subordinated debentures owned by statutory business trusts							

INVESTMENTS

12 Months Ended Dec. 31, 2012

INVESTMENTS.

INVESTMENTS

15. INVESTMENTS

Overview

In millions of dollars	**2012**	2011
Securities available-for-sale	**$ 288,695**	$ 265,204
Debt securities held-to-maturity (1)	**10,130**	11,483
Non-marketable equity securities carried at fair value (2)	**5,768**	8,836
Non-marketable equity securities carried at cost (3)	**7,733**	7,890
Total investments	**$ 312,326**	$ 293,413

(1) Recorded at amortized cost less impairment for securities that have credit-related impairment.

(2) Unrealized gains and losses for non-marketable equity securities carried at fair value are recognized in earnings. During the third quarter of 2012, the Company sold EMI Music resulting in a total $1.5 billion decrease in non-marketable equity securities carried at fair value. During the second quarter of 2012, the Company sold EMI Music Publishing resulting in a total of $1.3 billion decrease in non-marketable equity securities carried at fair value.

(3) Non-marketable equity securities carried at cost primarily consist of shares issued by the Federal Reserve Bank, Federal Home Loan Banks, foreign central banks and various clearing houses of which Citigroup is a member.

Securities Available-for-Sale

The amortized cost and fair value of securities available-for-sale (AFS) at December 31, 2012 and 2011 were as follows:

	2012				2011			
In millions of dollars	**Amortized cost**	**Gross unrealized gains**	**Gross unrealized losses**	**Fair value**	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Debt securities AFS								
Mortgage-backed securities (1)								
U.S. government-sponsored agency guaranteed	**$ 46,001**	**$1,507**	**$ 163**	**$ 47,345**	$ 44,394	$1,438	$ 51	$ 45,781
Prime	**85**	**1**	**—**	**86**	118	1	6	113
Alt-A	**1**	**—**	**—**	**1**	1	—	—	1
Non-U.S. residential	**7,442**	**148**	**—**	**7,590**	4,671	9	22	4,658
Commercial	**436**	**16**	**3**	**449**	465	16	9	472
Total mortgage-backed securities	**$ 53,965**	**$1,672**	**$ 166**	**$ 55,471**	$ 49,649	$1,464	$ 88	$ 51,025
U.S. Treasury and federal agency securities								
U.S. Treasury	**$ 64,456**	**$1,172**	**$ 34**	**$ 65,594**	$ 48,790	$1,439	$ —	$ 50,229
Agency obligations	**25,844**	**404**	**1**	**26,247**	34,310	601	2	34,909
Total U.S. Treasury and federal agency securities	**$ 90,300**	**$1,576**	**$ 35**	**$ 91,841**	$ 83,100	$2,040	$ 2	$ 85,138
State and municipal (2)	**$ 20,020**	**$ 132**	**$1,820**	**$ 18,332**	$ 16,819	$ 134	$2,554	$ 14,399
Foreign government	**93,259**	**918**	**130**	**94,047**	84,360	558	404	84,514
Corporate	**9,302**	**398**	**26**	**9,674**	10,005	305	53	10,257
Asset-backed securities (1)	**14,188**	**85**	**143**	**14,130**	11,053	31	81	11,003
Other debt securities	**256**	**2**	**—**	**258**	670	13	—	683
Total debt securities AFS	**$281,290**	**$4,783**	**$2,320**	**$283,753**	$255,656	$4,545	$3,182	$257,019
Marketable equity securities AFS	**$ 4,643**	**$ 444**	**$ 145**	**$ 4,942**	$ 6,722	$1,658	$ 195	$ 8,185
Total securities AFS	**$285,933**	**$5,227**	**$2,465**	**$288,695**	$262,378	$6,203	$3,377	$265,204

(1) The Company invests in mortgage-backed and asset-backed securities. These securitizations are generally considered VIEs. The Company's maximum exposure to loss from these VIEs is equal to the carrying amount of the securities, which is reflected in the table above. For mortgage-backed and asset-backed securitizations in which the Company has other involvement, see Note 22 to the Consolidated Financial Statements.

(2) The unrealized losses on state and municipal debt securities are primarily attributable to the result of yields on taxable fixed income instruments decreasing relatively faster than the general tax-exempt municipal yields and the effects of fair value hedge accounting.

At December 31, 2012, the amortized cost of approximately 3,500 investments in equity and fixed-income securities exceeded their fair value by $2.465 billion. Of the $2.465 billion, the gross unrealized loss on equity securities was $145 million. Of the remainder, $238 million represents fixed-income investments that have been in a gross-unrealized-loss position for less than a year and, of these, 98% are rated investment grade; $2.082 billion represents fixed-income investments that have been in a gross-unrealized-loss position for a year or more and, of these, 92% are rated investment grade.

The AFS mortgage-backed securities portfolio fair value balance of $55.471 billion consists of $47.345 billion of government-sponsored agency securities, and $8.126 billion of privately sponsored securities, of which the majority are backed by mortgages that are not Alt-A or subprime.

As discussed in more detail below, the Company conducts and documents periodic reviews of all securities with unrealized losses to evaluate whether the impairment is other than temporary. Any credit-related impairment related to debt securities that the Company does not plan to sell and is not likely to be required to sell is recognized in the Consolidated Statement of Income, with the non-credit-related impairment recognized in accumulated other comprehensive income (AOCI). For other impaired debt securities, the entire impairment is recognized in the Consolidated Statement of Income.

The table below shows the fair value of AFS securities that have been in an unrealized loss position for less than 12 months or for 12 months or longer as of December 31, 2012 and 2011:

	Less than 12 months		**12 months or longer**		**Total**	
In millions of dollars	**Fair value**	**Gross unrealized losses**	**Fair value**	**Gross unrealized losses**	**Fair value**	**Gross unrealized losses**

December 31, 2012						
Securities AFS						
Mortgage-backed securities						
U.S. government-sponsored agency guaranteed	$ 8,759	$138	$ 464	$ 25	$ 9,223	$ 163
Prime	15	—	5	—	20	—
Non-U.S. residential	5	—	7	—	12	—
Commercial	29	—	24	3	53	3
Total mortgage-backed securities	$ 8,808	$138	$ 500	$ 28	$ 9,308	$ 166
U.S. Treasury and federal agency securities						
U.S. Treasury	$10,558	$ 34	$ —	$ —	$10,558	$ 34
Agency obligations	496	1	—	—	496	1
Total U.S. Treasury and federal agency securities	$11,054	$ 35	$ —	$ —	$11,054	$ 35
State and municipal	$ 10	$ —	$11,095	$1,820	$11,105	$1,820
Foreign government	22,806	54	3,910	76	26,716	130
Corporate	1,420	8	225	18	1,645	26
Asset-backed securities	1,942	4	2,888	139	4,830	143
Marketable equity securities AFS	15	1	764	144	779	145
Total securities AFS	$46,055	$240	$19,382	$2,225	$65,437	$2,465
December 31, 2011						
Securities AFS						
Mortgage-backed securities						
U.S. government-sponsored agency guaranteed	$ 5,398	$ 32	$ 51	$ 19	$ 5,449	$ 51
Prime	27	1	40	5	67	6
Non-U.S. residential	3,418	22	57	—	3,475	22
Commercial	35	1	31	8	66	9
Total mortgage-backed securities	$ 8,878	$ 56	$ 179	$ 32	$ 9,057	$ 88
U.S. Treasury and federal agency securities						
U.S. Treasury	$ 553	$ —	$ —	$ —	$ 553	$ —
Agency obligations	2,970	2	—	—	2,970	2
Total U.S. Treasury and federal agency securities	$ 3,523	$ 2	$ —	$ —	$ 3,523	$ 2
State and municipal	$ 59	$ 2	$11,591	$2,552	$11,650	$2,554
Foreign government	33,109	211	11,205	193	44,314	404
Corporate	2,104	24	203	29	2,307	53
Asset-backed securities	4,625	68	466	13	5,091	81
Other debt securities	164	—	—	—	164	—
Marketable equity securities AFS	47	5	1,457	190	1,504	195
Total securities AFS	$52,509	$368	$25,101	$3,009	$77,610	$3,377

The following table presents the amortized cost and fair value of AFS debt securities by contractual maturity dates as of December 31, 2012 and 2011:

	2012		2011	
In millions of dollars	**Amortized cost**	**Fair value**	Amortized cost	Fair value
Mortgage-backed securities (1)				
Due within 1 year	$ 10	$ 10	$ —	$ —
After 1 but within 5 years	365	374	422	423
After 5 but within 10 years	1,992	2,124	2,757	2,834
After 10 years (2)	51,598	52,963	46,470	47,768
Total	$ 53,965	$ 55,471	$ 49,649	$ 51,025
U.S. Treasury and federal agency securities				
Due within 1 year	$ 9,492	$ 9,499	$ 14,615	$ 14,637
After 1 but within 5 years	75,967	77,267	62,241	63,823
After 5 but within 10 years	2,171	2,408	5,862	6,239
After 10 years (2)	2,670	2,667	382	439
Total	$ 90,300	$ 91,841	$ 83,100	$ 85,138
State and municipal				
Due within 1 year	$ 208	$ 208	$ 142	$ 142
After 1 but within 5 years	3,221	3,223	455	457
After 5 but within 10 years	155	165	182	188
After 10 years (2)	16,436	14,736	16,040	13,612
Total	$ 20,020	$ 18,332	$ 16,819	$ 14,399
Foreign government				
Due within 1 year	$ 34,873	$ 34,869	$ 34,924	$ 34,864
After 1 but within 5 years	49,548	49,933	41,612	41,675

After 5 but within 10 years	**7,239**	**7,380**	6,993	6,998
After 10 years [(2)]	**1,599**	**1,865**	831	977
Total	**$ 93,259**	**$ 94,047**	$ 84,360	$ 84,514
All other [(3)]				
Due within 1 year	**$ 1,001**	**$ 1,009**	$ 4,055	$ 4,072
After 1 but within 5 years	**11,285**	**11,351**	9,843	9,928
After 5 but within 10 years	**4,330**	**4,505**	3,009	3,160
After 10 years [(2)]	**7,130**	**7,197**	4,821	4,783
Total	**$ 23,746**	**$ 24,062**	$ 21,728	$ 21,943
Total debt securities AFS	**$ 281,290**	**$ 283,753**	$ 255,656	$ 257,019

(1) Includes mortgage-backed securities of U.S. government-sponsored entities.

(2) Investments with no stated maturities are included as contractual maturities of greater than 10 years. Actual maturities may differ due to call or prepayment rights.

(3) Includes corporate, asset-backed and other debt securities.

The following table presents interest and dividends on investments:

In millions of dollars	**2012**	2011	2010
Taxable interest	**$ 6,509**	$ 7,257	$ 9,922
Interest exempt from U.S. federal income tax	**683**	746	760
Dividends	**333**	317	322
Total interest and dividends	**$ 7,525**	$ 8,320	$ 11,004

The following table presents realized gains and losses on all investments. The gross realized investment losses exclude losses from other-than-temporary impairment:

In millions of dollars	**2012**	2011	2010
Gross realized investment gains	**$ 3,663**	$ 2,498	$ 2,873
Gross realized investment losses	**(412)**	(501)	(462)
Net realized gains	**$ 3,251**	$ 1,997	$ 2,411

During 2012, 2011 and 2010, the Company sold various debt securities that were classified as held-to-maturity. These sales were in response to a significant deterioration in the creditworthiness of the issuers or securities. In addition, during 2012 certain securities were reclassified to AFS investments in response to significant credit deterioration. The Company intended to sell the securities at the time of reclassification to AFS investments and recorded other-than-temporary impairment reflected in the following table. The securities sold during 2012, 2011 and 2010 had carrying values of $2,110 million, $1,612 million and $413 million respectively, and the Company recorded realized losses of $187 million, $299 million and $49 million, respectively. The securities reclassified to AFS investments during 2012 totaled $244 million and the Company recorded other-than-temporary impairment of $59 million.

Debt Securities Held-to-Maturity

The carrying value and fair value of debt securities held-to-maturity (HTM) at December 31, 2012 and 2011 were as follows:

In millions of dollars	**Amortized cost [(1)]**	**Net unrealized loss recognized in AOCI**	**Carrying value [(2)]**	**Gross unrealized gains**	**Gross unrealized losses**	**Fair value**
December 31, 2012						
Debt securities held-to-maturity						
Mortgage-backed securities [(3)]						
Prime	**$ 258**	**$ 49**	**$ 209**	**$ 30**	**$ 4**	**$235**
Alt-A	**2,969**	**837**	**2,132**	**653**	**250**	**2,535**
Subprime	**201**	**43**	**158**	**13**	**21**	**150**
Non-U.S. residential	**2,488**	**401**	**2,087**	**50**	**81**	**2,056**
Commercial	**123**	**—**	**123**	**1**	**2**	**122**
Total mortgage-backed securities	**$ 6,039**	**$ 1,330**	**$ 4,709**	**$ 747**	**$ 358**	**$5,098**
State and municipal	**$ 1,278**	**$ 73**	**$ 1,205**	**$ 89**	**$ 37**	**$1,257**
Foreign government [(4)]	**2,987**	**—**	**2,987**	**—**	**—**	**2,987**
Corporate	**829**	**103**	**726**	**73**	**—**	**799**
Asset-backed securities [(3)]	**529**	**26**	**503**	**8**	**8**	**503**
Total debt securities held-to-maturity	**$ 11,662**	**$ 1,532**	**$ 10,130**	**$ 917**	**$ 403**	**$10,644**
December 31, 2011						
Debt securities held-to-maturity						
Mortgage-backed securities [(3)]						
Prime	$ 360	$ 73	$ 287	$ 21	$ 20	$288
Alt-A	4,732	1,404	3,328	20	319	3,029
Subprime	383	47	336	1	71	266
Non-U.S. residential	3,487	520	2,967	59	290	2,736
Commercial	513	1	512	4	52	464
Total mortgage-backed securities	$ 9,475	$ 2,045	$ 7,430	$ 105	$ 752	$6,783
State and municipal	$ 1,422	$ 95	$ 1,327	$ 68	$ 72	$1,323
Foreign government	—	—	—	—	—	—
Corporate	1,862	113	1,749	—	254	1,495

Asset-backed securities (3)	1,000	23	977	9	87	899
Total debt securities held-to-maturity	$ 13,759	$ 2,276	$ 11,483	$ 182	$ 1,165	$10,500

(1) For securities transferred to HTM from *Trading account assets*, amortized cost is defined as the fair value of the securities at the date of transfer plus any accretion income and less any impairments recognized in earnings subsequent to transfer. For securities transferred to HTM from AFS, amortized cost is defined as the original purchase cost, plus or minus any accretion or amortization of a purchase discount or premium, less any impairment recognized in earnings.

(2) HTM securities are carried on the Consolidated Balance Sheet at amortized cost, plus or minus any unamortized unrealized gains and losses recognized in AOCI prior to reclassifying the securities from AFS to HTM. The changes in the values of these securities are not reported in the financial statements, except for other-than-temporary impairments. For HTM securities, only the credit loss component of the impairment is recognized in earnings, while the remainder of the impairment is recognized in AOCI.

(3) The Company invests in mortgage-backed and asset-backed securities. These securitizations are generally considered VIEs. The Company's maximum exposure to loss from these VIEs is equal to the carrying amount of the securities, which is reflected in the table above. For mortgage-backed and asset-backed securitizations in which the Company has other involvement, see Note 22 to the Consolidated Financial Statements.

(4) In 2012, the Company (via its Banamex entity) purchased Mexican government bonds with a par value of $2.6 billion and classified them as held-to-maturity.

The Company has the positive intent and ability to hold these securities to maturity absent any unforeseen further significant changes in circumstances, including deterioration in credit or with regard to regulatory capital requirements.

The net unrealized losses classified in AOCI relate to debt securities reclassified from AFS investments to HTM investments in a prior year. Additionally, for HTM securities that have suffered credit impairment, declines in fair value for reasons other than credit losses are recorded in AOCI, while credit-related impairment is recognized in earnings. The AOCI balance for HTM securities is amortized over the remaining life of the related securities as an adjustment of yield in a manner consistent with the accretion of discount on the same debt securities. This will have no impact on the Company's net income because the amortization of the unrealized holding loss reported in equity will offset the effect on interest income of the accretion of the discount on these securities.

During the first quarter of 2011, the Company determined that it no longer had the intent to hold $12.7 billion of HTM securities to maturity. As a result, the Company reclassified $10.0 billion carrying value of mortgage-backed, other asset-backed, state and municipal, and corporate debt securities from *Investments* held-to-maturity to *Trading account assets* and sold the remaining $2.7 billion of such securities. As a result of these actions, a net pretax loss of $709 million ($427 million after-tax) was recognized in the Consolidated Statement of Income, composed of gross unrealized gains of $311 million included in *Other revenue*, gross unrealized losses of $1,387 million included in *Other-than-temporary-impairment losses on investments*, and net realized gains of $367 million included in *Realized gains (losses) on sales of investments*. Prior to the reclassification, unrealized losses totaling $1,656 million pretax ($1,012 million after-tax) had been reflected in AOCI and have now been reflected in the Consolidated Statement of Income, as detailed above. During 2011, the Company sold substantially all of the $12.7 billion of HTM securities.

Citigroup reclassified and sold the securities as part of its overall efforts to mitigate its risk-weighted assets (RWA) in order to comply with significant new regulatory capital requirements which, although not yet implemented or formally adopted, are nonetheless currently being used to assess the forecasted capital adequacy of the Company and other large U.S. banking organizations. These regulatory capital changes, which were largely unforeseen when the Company initially reclassified the debt securities from *Trading account assets* and *Investments* available-for-sale to *Investments* held-to-maturity in the fourth quarter of 2008, include: (i) the U.S. Basel II credit and operational risk capital standards; (ii) the Basel Committee's agreed-upon, and the U.S.-proposed, revisions to the market risk capital rules, which significantly increased the risk weightings for certain trading book positions; (iii) the Basel Committee's substantial issuance of Basel III, which raised the quantity and quality of required regulatory capital and materially increased RWA for securitization exposures; and (iv) certain regulatory capital-related provisions in The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

The table below shows the fair value of debt securities in HTM that have been in an unrecognized loss position for less than 12 months or for 12 months or longer as of December 31, 2012 and 2011:

	Less than 12 months		**12 months or longer**		**Total**	
In millions of dollars	**Fair value**	**Gross unrecognized losses**	**Fair value**	**Gross unrecognized losses**	**Fair value**	**Gross unrecognized losses**
December 31, 2012						
Debt securities held-to-maturity						
Mortgage-backed securities	**$ 88**	**$ 7**	**$ 1,522**	**$ 351**	**$ 1,610**	**$ 358**
State and municipal	**—**	**—**	**383**	**37**	**383**	**37**
Foreign government	294	**—**	**—**	**—**	294	**—**
Corporate	**—**	**—**	**—**	**—**	**—**	**—**
Asset-backed securities	**—**	**—**	**406**	**8**	**406**	**8**
Total debt securities held-to-maturity	**$ 382**	**$ 7**	**$ 2,311**	**$ 396**	**$ 2,693**	**$ 403**
December 31, 2011						
Debt securities held-to-maturity						
Mortgage-backed securities	$ 735	$ 63	$ 4,827	$ 689	$ 5,562	$ 752
State and municipal	—	—	682	72	682	72
Foreign government	—	—	—	—	—	—
Corporate	—	—	1,427	254	1,427	254
Asset-backed securities	480	71	306	16	786	87
Total debt securities held-to-maturity	$ 1,215	$ 134	$ 7,242	$ 1,031	$ 8,457	$ 1,165

Excluded from the gross unrecognized losses presented in the above table are the $1.5 billion and $2.3 billion of gross unrealized losses recorded in AOCI as of December 31, 2012 and December 31, 2011, respectively, mainly related to the HTM securities that were reclassified from AFS investments. Virtually all of these unrecognized losses relate to securities that have been in a loss position for 12 months or longer at December 31, 2012 and December 31, 2011.

The following table presents the carrying value and fair value of HTM debt securities by contractual maturity dates as of December 31, 2012 and 2011:

	December 31, 2012		December 31, 2011	
In millions of dollars	**Carrying value**	**Fair value**	Carrying value	Fair value
Mortgage-backed securities				
Due within 1 year	**$ —**	**$ —**	$ —	$ —
After 1 but within 5 years	**69**	**67**	275	239
After 5 but within 10 years	**54**	**54**	238	224

After 10 years (1)	**4,586**	**4,977**	6,917	6,320
Total	**$ 4,709**	**$ 5,098**	$ 7,430	$ 6,783
State and municipal				
Due within 1 year	**$ 14**	**$ 15**	$ 4	$ 4
After 1 but within 5 years	**36**	**37**	43	46
After 5 but within 10 years	**58**	**62**	31	30
After 10 years (1)	**1,097**	**1,143**	1,249	1,243
Total	**$ 1,205**	**$ 1,257**	$ 1,327	$ 1,323
Foreign government				
Due within 1 year	**$ —**	**$ —**	$ —	$ —
After 1 but within 5 years	**2,987**	**2,987**	—	—
After 5 but within 10 years	**—**	**—**	—	—
After 10 years (1)	**—**	**—**	—	—
Total	**$ 2,987**	**$ 2,987**	$ —	$ —
All other (2)				
Due within 1 year	**$ —**	**$ —**	$ 21	$ 21
After 1 but within 5 years	**728**	**802**	470	438
After 5 but within 10 years	**—**	**—**	1,404	1,182
After 10 years (1)	**501**	**500**	831	753
Total	**$ 1,229**	**$ 1,302**	$ 2,726	$ 2,394
Total debt securities held-to-maturity	**$ 10,130**	**$ 10,644**	$ 11,483	$ 10,500

(1) Investments with no stated maturities are included as contractual maturities of greater than 10 years. Actual maturities may differ due to call or prepayment rights.

(2) Includes corporate and asset-backed securities.

Evaluating Investments for Other-Than-Temporary Impairment

Overview

The Company conducts and documents periodic reviews of all securities with unrealized losses to evaluate whether the impairment is other than temporary.

An unrealized loss exists when the current fair value of an individual security is less than its amortized cost basis. Unrealized losses that are determined to be temporary in nature are recorded, net of tax, in AOCI for AFS securities. Losses related to HTM securities are not recorded, as these investments are carried at amortized cost. For securities transferred to HTM from *Trading account assets*, amortized cost is defined as the fair value of the securities at the date of transfer, plus any accretion income and less any impairment recognized in earnings subsequent to transfer. For securities transferred to HTM from AFS, amortized cost is defined as the original purchase cost, plus or minus any accretion or amortization of a purchase discount or premium, less any impairment recognized in earnings.

Regardless of the classification of the securities as AFS or HTM, the Company has assessed each position with an unrealized loss for other-than-temporary impairment (OTTI). Factors considered in determining whether a loss is temporary include:

- the length of time and the extent to which fair value has been below cost;
- the severity of the impairment;
- the cause of the impairment and the financial condition and near-term prospects of the issuer;
- activity in the market of the issuer that may indicate adverse credit conditions; and
- the Company's ability and intent to hold the investment for a period of time sufficient to allow for any anticipated recovery.

The Company's review for impairment generally entails:

- identification and evaluation of investments that have indications of possible impairment;
- analysis of individual investments that have fair values less than amortized cost, including consideration of the length of time the investment has been in an unrealized loss position and the expected recovery period;
- discussion of evidential matter, including an evaluation of factors or triggers that could cause individual investments to qualify as having other-than-temporary impairment and those that would not support other-than-temporary impairment; and
- documentation of the results of these analyses, as required under business policies.

Debt

Under the guidance for debt securities, OTTI is recognized in earnings for debt securities that the Company has an intent to sell or that the Company believes it is more-likely-than-not that it will be required to sell prior to recovery of the amortized cost basis. For those securities that the Company does not intend to sell or expect to be required to sell, credit-related impairment is recognized in earnings, with the non-credit-related impairment recorded in AOCI.

For debt securities that are not deemed to be credit impaired, management assesses whether it intends to sell or whether it is more-likely-than-not that it would be required to sell the investment before the expected recovery of the amortized cost basis. In most cases, management has asserted that it has no intent to sell and that it believes it is not likely to be required to sell the investment before recovery of its amortized cost basis. Where such an assertion cannot be made, the security's decline in fair value is deemed to be other than temporary and is recorded in earnings.

For debt securities, a critical component of the evaluation for OTTI is the identification of credit impaired securities, where management does not expect to receive cash flows sufficient to recover the entire amortized cost basis of the security. For securities purchased and classified as AFS with the expectation of receiving full principal and interest cash flows as of the date of purchase, this analysis considers the likelihood of receiving all contractual principal and interest. For securities reclassified out of the trading category in the fourth quarter of 2008, the analysis considers the likelihood of receiving the expected principal and interest cash flows anticipated as of the date of reclassification in the fourth quarter of 2008. The extent of the Company's analysis regarding credit quality and the stress on assumptions used in the analysis have been refined for securities where the current fair value or other characteristics of the security warrant.

Equity

For equity securities, management considers the various factors described above, including its intent and ability to hold the equity security for a period of time sufficient for recovery to cost or whether it is more-likely-than-not that the Company will be required to sell the security prior to recovery of its cost basis. Where management lacks that intent or ability, the security's decline in fair value is deemed to be other-than-temporary and is recorded in earnings. AFS equity securities deemed other-than-temporarily impaired are written down to fair value, with the full difference between fair value and cost recognized in earnings.

Management assesses equity method investments with fair value less than carrying value for OTTI. Fair value is measured as price multiplied by quantity if the investee has publicly listed securities. If the investee is not publicly listed, other methods are used (see Note 25 to the Consolidated Financial Statements).

For impaired equity method investments that Citi plans to sell prior to recovery of value or would likely be required to sell, with no expectation that the fair value will recover prior to the expected sale date, the full impairment is recognized in earnings as OTTI regardless of severity and duration. The measurement of the OTTI does not include partial projected recoveries subsequent to the balance sheet date.

For impaired equity method investments that management does not plan to sell prior to recovery of value and is not likely to be required to sell, the evaluation of whether an impairment is other-than-temporary is based on (i) whether and when an equity method investment will recover in value and (ii) whether the investor has the intent and ability to hold that investment for a period of time sufficient to recover the value. The determination of whether the impairment is considered other-than-temporary is based on all of the following indicators, regardless of the time and extent of impairment:

- Cause of the impairment and the financial condition and near-term prospects of the issuer, including any specific events that may influence the operations of the issuer;
- Intent and ability to hold the investment for a period of time sufficient to allow for any anticipated recovery in market value; and
- Length of time and extent to which fair value has been less than the carrying value.

The sections below describe current circumstances related to certain of the Company's significant equity method investments, specific impairments and the Company's process for identifying credit-related impairments in its security types with the most significant unrealized losses as of December 31, 2012.

Akbank

In March 2012, Citi decided to reduce its ownership interest in Akbank T.A.S., an equity investment in Turkey (Akbank), to below 10%. As of March 31, 2012, Citi held a 20% equity interest in Akbank, which it purchased in January 2007, accounted for as an equity method investment. As a result of its decision to sell its share holdings in Akbank, in the first quarter of 2012 Citi recorded an impairment charge related to its total investment in Akbank amounting to approximately $1.2 billion pretax ($763 million after-tax). This impairment charge was primarily driven by the recognition of all net investment foreign currency hedging and translation losses previously reflected in AOCI as well as a reduction in the carrying value of the investment to reflect the market price of Akbank's shares. The impairment charge was recorded in other-than-temporary impairment losses on investments in the Consolidated Statement of Income. During the second quarter of 2012, Citi sold a 10.1% stake in Akbank, resulting in a loss on sale of $424 million ($274 million after-tax), recorded in *Other revenue*. As of December 31, 2012, the remaining 9.9% stake in Akbank is recorded within marketable equity securities available-for-sale.

MSSB

On September 17, 2012, Citi sold to Morgan Stanley a 14% interest (the "14% Interest") in MSSB, to which Morgan Stanley exercised its purchase option on June 1, 2012. Morgan Stanley paid to Citi $1.89 billion in cash as the purchase price of the 14% Interest. The purchase price was based on an implied 100% valuation of MSSB of $13.5 billion, as agreed between Morgan Stanley and Citi pursuant to an agreement dated September 11, 2012. The related approximate $4.5 billion in deposits were transferred to Morgan Stanley at no premium, as agreed between the parties.

In addition, Morgan Stanley has agreed, subject to obtaining regulatory approval, to purchase Citi's remaining 35% interest in MSSB no later than June 1, 2015 at a purchase price of $4.725 billion, which is based on the same implied 100% valuation of MSSB of $13.5 billion.

Prior to the September 2012 sale, Citi's carrying value of its 49% interest in MSSB was approximately $11.3 billion. As a result of the agreement entered into with Morgan Stanley on September 11, 2012, Citi recorded a charge to net income in the third quarter of 2012 of approximately $2.9 billion after-tax ($4.7 billion pretax), consisting of (i) a charge recorded in *Other revenue* of approximately $800 million after-tax ($1.3 billion pretax), representing a loss on sale of the 14% Interest, and (ii) an other-than-temporary impairment of the carrying value of its remaining 35% interest in MSSB of approximately $2.1 billion after-tax ($3.4 billion pretax).

As of December 31, 2012, Citi continues to account for its remaining 35% interest in MSSB under the equity method, with the carrying value capped at the agreed selling price of $4.725 billion.

Mortgage-backed securities

For U.S. mortgage-backed securities (and in particular for Alt-A and other mortgage-backed securities that have significant unrealized losses as a percentage of amortized cost), credit impairment is assessed using a cash flow model that estimates the cash flows on the underlying mortgages, using the security-specific collateral and transaction structure. The model estimates cash flows from the underlying mortgage loans and distributes those cash flows to various tranches of securities, considering the transaction structure and any subordination and credit enhancements that exist in that structure. The cash flow model incorporates actual cash flows on the mortgage-backed securities through the current period and then projects the remaining cash flows using a number of assumptions, including default rates, prepayment rates and recovery rates (on foreclosed properties).

Management develops specific assumptions using as much market data as possible and includes internal estimates as well as estimates published by rating agencies and other third-party sources. Default rates are projected by considering current underlying mortgage loan performance, generally assuming the default of (i) 10% of current loans, (ii) 25% of 30–59 day delinquent loans, (iii) 70% of 60–90 day delinquent loans and (4) 100% of 91+ day delinquent loans. These estimates are extrapolated along a default timing curve to estimate the total lifetime pool default rate. Other assumptions contemplate the actual collateral attributes, including geographic concentrations, rating agency loss projections, rating actions and current market prices.

The key assumptions for mortgage-backed securities as of December 31, 2012 are in the table below:

	December 31, 2012
Prepayment rate (1)	1%–8% CRR
Loss severity (2)	45%–90%

(1) Conditional repayment rate (CRR) represents the annualized expected rate of voluntary prepayment of principal for mortgage-backed securities over a certain period of time.

(2) Loss severity rates are estimated considering collateral characteristics and generally range from 45%–60% for prime bonds, 50%–90% for Alt-A bonds and 65%–90% for subprime bonds.

In addition, cash flow projections are developed using more stressful parameters. Management assesses the results of those stress tests (including the severity of any cash shortfall indicated and the likelihood of the stress scenarios actually occurring based on the underlying pool's characteristics and performance) to assess whether management expects to recover the amortized cost basis of the security. If cash flow projections indicate that the Company does not expect to recover its amortized cost basis, the Company recognizes the estimated credit loss in earnings.

State and municipal securities

Citigroup's AFS state and municipal bonds consist mainly of bonds that are financed through Tender Option Bond programs or were previously financed in this program. The process for identifying credit impairments for these bonds is largely based on third-party credit ratings. Individual bond positions that are financed through Tender Option Bonds are required to meet minimum ratings requirements, which vary based on the sector of the bond issuer.

Citigroup monitors the bond issuer and insurer ratings on a daily basis. The average portfolio rating, ignoring any insurance, is Aa3/AA-. In the event of a rating downgrade, the subject bond is specifically reviewed for potential shortfall in contractual principal and interest. The remainder of Citigroup's AFS and HTM state and municipal bonds are specifically reviewed for credit impairment based on instrument-specific estimates of cash flows, probability of default and loss given default.

For impaired AFS state and municipal bonds that Citi plans to sell, or would likely be required to sell with no expectation that the fair value will recover prior to the expected sale date, the full impairment is recognized in earnings.

Recognition and Measurement of OTTI

The following table presents the total OTTI recognized in earnings for the year ended December 31, 2012:

OTTI on Investments and Other Assets	Year Ended December 31, 2012			
In millions of dollars	AFS (1)	HTM	Other Assets	Total
Impairment losses related to securities that the Company does not intend to sell nor will likely be required to sell:				
Total OTTI losses recognized during the year ended December 31, 2012	$ 17	$ 365	$ —	$ 382
Less: portion of impairment loss recognized in AOCI (before taxes)	1	65	—	66
Net impairment losses recognized in earnings for securities that the Company does not intend to sell nor will likely be required to sell	$ 16	$ 300	$ —	$ 316
Impairment losses recognized in earnings for securities that the Company intends to sell or more-likely-than-not will be required to sell before recovery (2)	139	—	4,516	4,655
Total impairment losses recognized in earnings	$ 155	$ 300	$ 4,516	$ 4,971

(1) Includes OTTI on non-marketable equity securities.

(2) As described under "MSSB" above, the third quarter of 2012 includes the recognition of a $3,340 million impairment charge related to the carrying value of Citi's remaining 35% interest in MSSB. Additionally, as described under "Akbank" above, in the first quarter of 2012, the Company recorded an impairment charge relating to its total investment in Akbank amounting to $1.2 billion pretax ($763 million after-tax).

The following is a 12-month roll-forward of the credit-related impairments recognized in earnings for AFS and HTM debt securities held as of December 31, 2012 that the Company does not intend to sell nor will likely be required to sell:

	Cumulative OTTI credit losses recognized in earnings				
In millions of dollars	Dec. 31, 2011 balance	Credit impairments recognized in earnings on securities not previously impaired	Credit impairments recognized in earnings on securities that have been previously impaired	Reductions due to credit-impaired securities sold, transferred or matured	Dec. 31, 2012 balance
AFS debt securities					
Mortgage-backed securities					
Prime	$ 292	$—	$—	$(1)	$ 291
Alt-A	2	—	—	—	2
Commercial real estate	2	—	—	—	2
Total mortgage-backed securities	$ 296	$ —	$ —	$ (1)	$ 295
State and municipal securities	3	4	—	—	7
U.S. Treasury securities	67	—	—	—	67
Foreign government securities	168	6	—	(5)	169
Corporate	151	1	4	(40)	116
Asset-backed securities	10	—	—	—	10
Other debt securities	52	1	—	—	53
Total OTTI credit losses recognized for AFS debt securities	$ 747	$ 12	$ 4	$ (46)	$ 717
HTM debt securities					
Mortgage-backed securities					
Prime	$ 84	$ 6	$ 15	$ (1)	$ 104
Alt-A	2,218	45	216	(66)	2,413
Subprime	252	—	2	(2)	252
Non-U.S. residential	96	—	—	(16)	80
Commercial real estate	10	—	—	—	10
Total mortgage-backed securities	$ 2,660	$ 51	$ 233	$ (85)	$ 2,859
State and municipal securities	9	1	1	—	11
Foreign Government	—	—	—	—	—
Corporate	391	3	9	(6)	397
Asset-backed securities	113	—	—	—	113
Other debt securities	9	2	—	—	11
Total OTTI credit losses recognized for HTM debt securities	$ 3,182	$ 57	$ 243	$ (91)	$ 3,391

Investments in Alternative Investment Funds That Calculate Net Asset Value per Share

The Company holds investments in certain alternative investment funds that calculate net asset value (NAV) per share, including hedge funds, private equity funds, funds of funds and real estate funds. The Company's investments include co-investments in funds that are managed by the Company and investments in funds that are managed by third parties. Investments in funds are generally classified as non-marketable equity securities carried at fair value.

The fair values of these investments are estimated using the NAV per share of the Company's ownership interest in the funds, where it is not probable that the Company will sell an investment at a price other than the NAV.

In millions of dollars at December 31, 2012	Fair value	Unfunded commitments	Redemption frequency (if currently eligible) monthly, quarterly, annually	Redemption notice period
Hedge funds	$ 1,316	$—	Generally quarterly	10–95 days
Private equity funds (1)(2)(3)	837	342	—	—

Real estate funds (3)(4)	228	57	—	—
Total	**$ 2,381 (5)**	**$ 399**	**—**	**—**

(1) Includes investments in private equity funds carried at cost with a carrying value of $6 million.

(2) Private equity funds include funds that invest in infrastructure, leveraged buyout transactions, emerging markets and venture capital.

(3) With respect to the Company's investments in private equity funds and real estate funds, distributions from each fund will be received as the underlying assets held by these funds are liquidated. It is estimated that the underlying assets of these funds will be liquidated over a period of several years as market conditions allow. Private equity and real estate funds do not allow redemption of investments by their investors. Investors are permitted to sell or transfer their investments, subject to the approval of the general partner or investment manager of these funds, which generally may not be unreasonably withheld.

(4) Includes several real estate funds that invest primarily in commercial real estate in the U.S., Europe and Asia.

(5) Included in the total fair value of investments above is $0.4 billion of fund assets that are valued using NAVs provided by third-party asset managers. Amounts exclude investments in funds that are consolidated by Citi.

BUSINESS DIVESTITURES (Details) (Primerica, USD $) In Millions, unless otherwise specified	1 Months Ended Apr. 30, 2010	12 Months Ended Dec. 31, 2011
Primerica		
Noncash or Part Noncash Divestitures		
Percentage of ownership sold to public investor through IPO	34.00%	
Percentage of ownership sold to private equity firm	22.00%	
Percentage of ownership contributed for employees and agent stock-based awards	4.00%	
Percentage of ownership retained	40.00%	
Percentage of reinsurance	90.00%	
After-tax gain (loss) on the sale of business	$ 26	$ (11)

LOANS (Details 3) (USD $)	12 Months Ended			3 Months Ended		12 Months Ended		3 Months Ended		12 Months Ended			12 Months Ended			12 Months Ended					
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2012 New OCC guidance	Sep. 30, 2012 New OCC guidance	Dec. 31, 2012 Consumer	Dec. 31, 2011 Consumer	Sep. 30, 2012 Consumer New OCC guidance	Dec. 31, 2012 Consumer New OCC guidance	Dec. 31, 2012 Consumer Residential First Mortgage Loans	Dec. 31, 2011 Consumer Residential First Mortgage Loans	Sep. 30, 2012 Consumer Residential First Mortgage Loans New OCC guidance	Dec. 31, 2012 Consumer Home equity loans	Dec. 31, 2011 Consumer Home equity loans	Sep. 30, 2012 Consumer Home equity loans New OCC guidance	Dec. 31, 2012 Consumer Credit cards	Dec. 31, 2011 Consumer Credit cards	Dec. 31, 2012 Consumer Individual installment and other	Dec. 31, 2011 Consumer Individual installment and other	Dec. 31, 2012 Consumer Commercial market loans	Dec. 31, 2011 Consumer Commercial market loans
LOANS																					
Maximum period of loan modification under Citi's short-term modification programs	12 months																				
Financing receivable impaired																					
Charge-offs	$ 17,478,000,000	$ 23,164,000,000	$ 34,491,000,000	$ (40,000,000)	$ 635,000,000			$ 635,000,000													
Net reserve builds (releases)	1,882,000,000	8,434,000,000	6,523,000,000		600,000,000				0												
Recorded investment in receivables reclassified to TDR as a result of new guidance issued by OCC								1,714,000,000				1,327,000,000			387,000,000						
Recorded investment						29,640,000,000	30,863,000,000			20,870,000,000	19,616,000,000		2,135,000,000	1,771,000,000		4,584,000,000	6,695,000,000	1,612,000,000	2,264,000,000	439,000,000	517,000,000
Unpaid principal balance						31,783,000,000	32,418,000,000			22,062,000,000	20,803,000,000		2,727,000,000	1,823,000,000		4,639,000,000	6,743,000,000	1,618,000,000	2,267,000,000	737,000,000	782,000,000
Related specific allowance						6,941,000,000	8,885,000,000			3,585,000,000	3,987,000,000		636,000,000	669,000,000		1,800,000,000	3,122,000,000	860,000,000	1,032,000,000	60,000,000	75,000,000
Average carrying value						29,592,000,000	30,080,000,000			19,956,000,000	18,642,000,000		1,911,000,000	1,680,000,000		5,272,000,000	6,542,000,000	1,958,000,000	2,644,000,000	495,000,000	572,000,000
Interest income recognized						1,520,000,000	1,711,000,000			875,000,000	888,000,000		68,000,000	72,000,000		308,000,000	387,000,000	248,000,000	343,000,000	21,000,000	21,000,000
Impaired financing receivable without specific allowance										2,344,000,000	858,000,000		378,000,000	16,000,000						183,000,000	182,000,000
Smaller-balance impaired consumer loans modified since January 1, 2008, dollar amount						29,200,000,000	30,300,000,000														
Amounts of such outstanding modified consumer loans, including those modified prior to 2008						$ 30,100,000,000	$ 31,500,000,000														

PLEDGED ASSETS, COLLATERAL, COMMITMENTS AND GUARANTEES (Details) (USD $)	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Carrying values of the significant components of pledged assets recognized			
Investment securities	$ 187,295,000,000	$ 129,093,000,000	
Loans	234,797,000,000	235,031,000,000	
Trading account assets	123,178,000,000	114,539,000,000	
Total	545,270,000,000	478,663,000,000	
Cash segregated under federal and other brokerage regulations included in cash and due from banks	13,400,000,000	13,600,000,000	
Outstanding letters of credit	286,000,000	1,400,000,000	
Market value of collateral received that may be sold or repledged	305,900,000,000	350,000,000,000	
Amount of collateral pledged with secured parties that may not be sold or repledged	418,000,000,000	345,000,000,000	
Lease Commitments			
Rental expense	1,500,000,000	1,600,000,000	1,600,000,000
Future minimum annual rentals under noncancelable leases, net of sublease income			
2013	1,220,000,000		
2014	1,125,000,000		
2015	1,001,000,000		
2016	881,000,000		
2017	754,000,000		
Thereafter	2,293,000,000		
Future minimum annual rentals, total	$ 7,274,000,000		

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (USD $)	Total	Citigroup stockholders' equity	Preferred stock at aggregate liquidation value	Citigroup common stockholders' equity	Common stock and additional paid-in capital	Retained earnings	Treasury stock, at cost	Citigroup's accumulated other comprehensive income (loss)	Noncontrolling interest
Balance, beginning of year at Dec. 31, 2009			$ 312,000,000		$ 98,428,000,000	$ 77,440,000,000	$ (4,543,000,000)	$ (18,937,000,000)	$ 2,273,000,000
Treasury stock balance (in shares), beginning of year at Dec. 31, 2009							(14,283,000)		
Shares issued balance (in shares), beginning of year at Dec. 31, 2009			12,000		2,862,610,000				
Increase (Decrease) in Stockholders' Equity									
Adjustment to opening balance, net of taxes [1],[2]						(8,483,000,000)			
Adjusted balance, beginning of period						68,957,000,000			
Citigroup's net income	10,602,000,000					10,602,000,000			
Employee benefit plans					(736,000,000)				
Employee benefit plans (in shares)					46,703,000		2,128,000		
Issuance of shares and T-DECs for TARP repayment (in shares)					1,270,000				
ADIA Upper DECs equity units purchase contract					3,750,000,000				
ADIA Upper DECs equity units purchase contract (in shares)					11,781,000				
Common dividends [3]						10,000,000			
Preferred dividends	(9,000,000)					(9,000,000)			
Issuance of shares pursuant to employee benefit plans							3,106,000,000		
Treasury stock acquired [4]							(6,000,000)		
Treasury stock acquired (in shares) [4]							(162,000)		
Initial origination of a noncontrolling interest									412,000,000
Transactions between Citigroup and the noncontrolling-interest shareholders									(231,000,000)
Net income attributable to noncontrolling-interest shareholders	(281,000,000)								281,000,000
Dividends paid to noncontrolling-interest shareholders									(99,000,000)
Other					(126,000,000)	(1,000,000)	1,000,000		(289,000,000)
Other (in shares)					38,000		(7,000)		
Net change in Accumulated other comprehensive income (loss)	2,660,000,000							2,660,000,000	
Total other comprehensive income (loss) attributable to noncontrolling interests	(26,000,000)								(26,000,000)
Net change in noncontrolling interests									48,000,000
Balance, end of period at Dec. 31, 2010	165,789,000,000	163,468,000,000	312,000,000	163,156,000,000	101,316,000,000	79,559,000,000	(1,442,000,000)	(16,277,000,000)	2,321,000,000
Shares outstanding balance (in shares), end of year at Dec. 31, 2010				2,905,836,000					
Treasury stock balance (in shares), end of year at Dec. 31, 2010							(16,566,000)		
Shares issued balance (in shares), end of year at Dec. 31, 2010			12,000		2,922,402,000				
Increase (Decrease) in Stockholders' Equity									
Adjusted balance, beginning of period						79,559,000,000			

Citigroup's net income		11,067,000,000					11,067,000,000			
Employee benefit plans						766,000,000				
Employee benefit plans (in shares)						3,540,000		(2,714,000)		
ADIA Upper DECs equity units purchase contract						3,750,000,000				
ADIA Upper DECs equity units purchase contract (in shares)						11,781,000				
Common dividends	[3]						(81,000,000)			
Preferred dividends		(26,000,000)					(26,000,000)			
Issuance of shares pursuant to employee benefit plans								372,000,000		
Treasury stock acquired	[4]							(1,000,000)		
Treasury stock acquired (in shares)	[4]							(26,000)		
Initial origination of a noncontrolling interest										28,000,000
Transactions between Citigroup and the noncontrolling-interest shareholders										(274,000,000)
Net income attributable to noncontrolling-interest shareholders		(148,000,000)								148,000,000
Dividends paid to noncontrolling-interest shareholders										(67,000,000)
Other						1,000,000	1,000,000			(297,000,000)
Other (in shares)						33,000				
Net change in Accumulated other comprehensive income (loss)		(1,511,000,000)							(1,511,000,000)	
Total other comprehensive income (loss) attributable to noncontrolling interests		(92,000,000)								(92,000,000)
Net change in noncontrolling interests										(554,000,000)
Balance, end of period at Dec. 31, 2011		179,573,000,000	177,806,000,000	312,000,000	177,494,000,000	105,833,000,000	90,520,000,000	(1,071,000,000)	(17,788,000,000)	1,767,000,000
Shares outstanding balance (in shares), end of year at Dec. 31, 2011					2,923,878,000					
Treasury stock balance (in shares), end of year at Dec. 31, 2011		(13,877,688)						(13,878,000)		
Shares issued balance (in shares), end of year at Dec. 31, 2011				12,000		2,937,756,000				
Increase (Decrease) in Stockholders' Equity										
Adjustment to opening balance, net of taxes	[1],[2]						(107,000,000)			
Adjusted balance, beginning of period							90,413,000,000			
Issuance of new preferred stock				2,250,000,000						
Issuance of new preferred stock (in shares)				90,000						
Citigroup's net income		7,541,000,000					7,541,000,000			
Employee benefit plans						597,000,000				
Employee benefit plans (in shares)						9,037,000		253,000		
Issuance of shares and T-DECs for TARP repayment (in shares)						96,338,000				
Common dividends	[3]						(120,000,000)			
Preferred dividends		(26,000,000)					(26,000,000)			
Issuance of shares pursuant to employee benefit plans								229,000,000		
Treasury stock acquired	[4]							(5,000,000)		
Treasury stock acquired (in shares)	[4]							(138,000)		
Initial origination of a noncontrolling interest										88,000,000

Transactions between Citigroup and the noncontrolling-interest shareholders									41,000,000
Net income attributable to noncontrolling-interest shareholders	(219,000,000)								219,000,000
Dividends paid to noncontrolling-interest shareholders									(33,000,000)
Other					(9,000,000)	1,000,000			(224,000,000)
Other (in shares)					22,000				
Net change in Accumulated other comprehensive income (loss)	892,000,000							892,000,000	
Total other comprehensive income (loss) attributable to noncontrolling interests	90,000,000								90,000,000
Net change in noncontrolling interests									181,000,000
Balance, end of period at Dec. 31, 2012	$ 190,997,000,000	$ 189,049,000,000	$ 2,562,000,000	$ 186,487,000,000	$ 106,421,000,000	$ 97,809,000,000	$ (847,000,000)	$ (16,896,000,000)	$ 1,948,000,000
Shares outstanding balance (in shares), end of year at Dec. 31, 2012				3,028,884,000					
Treasury stock balance (in shares), end of year at Dec. 31, 2012	(14,269,301)						(14,269,000)		
Shares issued balance (in shares), end of year at Dec. 31, 2012			102,000		3,043,153,000			0	

[1] The adjustment to the opening balance for Retained earnings in 2012 represents the cumulative effect of adopting ASU 2010-26, Financial Services - Insurance (Topic 944): Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts. See Note 1 to the Consolidated Financial Statements.

[2] The adjustment to the opening balance for Retained earnings in 2010 represents the cumulative effect of initially adopting ASC 810, Consolidation (SFAS 167) and ASU 2010-11 (Scope Exception Related to Embedded Credit Derivatives). See Note 1 to the Consolidated Financial Statements.

[3] Common dividends declared were $0.01 per share in each of the first, second, third and fourth quarters of 2012, and second, third and fourth quarters of 2011. Common dividends in 2010 represent a reversal of dividends accrued on forfeitures of previously issued but unvested employee stock awards related to employees who have left Citigroup.

[4] All open market repurchases were transacted under an existing authorized share repurchase plan and relate to customer fails/errors.

CONSOLIDATED STATEMENT OF INCOME (Parenthetical) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Repositioning charge	$ 1,375	$ 706	$ 507
Reverse stock split conversion ratio	0.10		

INCENTIVE PLANS	12 Months Ended Dec. 31, 2012

INCENTIVE PLANS

INCENTIVE PLANS

8. INCENTIVE PLANS

Overview

The Company makes restricted or deferred stock and/or deferred cash awards, as well as stock payments, as part of its discretionary annual incentive award programs involving a large segment of Citigroup's employees worldwide.

Stock awards and grants of stock options may also be made at various times during the year as sign-on awards to induce new hires to join the Company, or to high-potential employees as long-term retention awards.

Long-term restricted stock awards and salary stock payments have also been used to fulfill specific regulatory requirements to deliver annual salary and incentive awards to certain officers and highly-compensated employees in the form of equity.

Consistent with long-standing practice, a portion of annual compensation for non-employee directors is also delivered in the form of equity awards.

In addition, equity awards are made occasionally as additional incentives to retain and motivate officers or employees. Various other incentive award programs are made on an annual or other regular basis to retain and motivate certain employees who do not participate in Citigroup's annual discretionary incentive awards.

Recipients of Citigroup stock awards generally do not have any stockholder rights until shares are delivered upon vesting or exercise, or after the expiration of applicable restricted periods. Recipients of restricted or deferred stock awards, however, may be entitled to receive dividends or dividend-equivalent payments during the vesting period, unless the award is subject to performance criteria. (Citigroup's 2009 Stock Incentive Plan currently does not permit the payment or accrual of dividend equivalents on stock awards subject to performance criteria.) Additionally, because unvested shares of restricted stock are considered issued and outstanding, recipients of such awards are generally entitled to vote the shares in their award during the vesting period. Once a stock award vests, the shares are freely transferable, unless they are subject to a restriction on sale or transfer for a specified period. Pursuant to a stock ownership commitment, certain executives have committed to holding most of their vested shares indefinitely.

All equity awards granted since April 19, 2005, have been made pursuant to stockholder-approved stock incentive plans that are administered by the Personnel and Compensation Committee of the Citigroup Board of Directors (the Committee), which is composed entirely of independent non-employee directors.

At December 31, 2012, approximately 86.9 million shares of Citigroup common stock were authorized and available for grant under Citigroup's 2009 Stock Incentive Plan, the only plan from which equity awards are currently granted.

The 2009 Stock Incentive Plan and predecessor plans permit the use of treasury stock or newly issued shares in connection with awards granted under the plans. Until recently, Citigroup's practice has been to deliver shares from treasury stock upon the exercise or vesting of equity awards. However, newly issued shares were issued to settle certain awards in April 2010, and the vesting of annual deferred stock awards in January 2011, 2012 and 2013. The newly issued shares in April 2010 and January 2011 were specifically intended to increase the Company's equity capital. The practice of issuing new shares to settle the annual vesting of deferred stock awards is expected to continue in the absence of a share repurchase program by which treasury shares can be replenished. The use of treasury stock or newly issued shares to settle stock awards does not affect the amortization recorded in the Consolidated Income Statement for equity awards.

The following table shows components of compensation expense relating to the Company's stock-based compensation programs and deferred cash award programs as recorded during 2012, 2011 and 2010:

In millions of dollars	**2012**	2011	2010
Charges for estimated awards to retirement-eligible employees	**$ 444**	$ 338	$ 366
Option expense	**99**	161	197
Amortization of deferred cash awards and deferred cash stock units	**198**	208	280
Salary stock award expense	**—**	—	173
Immediately vested stock award expense (1)	**60**	52	174
Amortization of restricted and deferred stock awards (2)	**864**	871	747
Total	**$ 1,665**	$ 1,630	$ 1,937

(1) This represents expense for immediately vested stock awards that generally were stock payments in lieu of cash compensation. The expense is generally accrued as cash incentive compensation in the year prior to grant.

(2) All periods include amortization expense for all unvested awards to non-retirement-eligible employees. Amortization is recognized net of estimated forfeitures of awards.

Annual Incentive Awards

Most of the shares of common stock issued by Citigroup as part of its equity compensation programs are to settle the vesting of restricted and deferred stock awards granted as part of annual incentive awards. These annual incentive awards generally also include immediate cash bonus payments and deferred cash awards, and in the European Union (EU), immediately vested stock payments.

Annual incentives are generally awarded in the first quarter of the year based upon previous years' performance. Awards valued at less than US$100,000 (or local currency equivalent) are generally paid entirely in the form of an immediate cash bonus. Pursuant to Citigroup policy and/or regulatory requirements, employees and officers with higher incentive award values are subject to mandatory deferrals of incentive pay, and generally receive 25%-60% of their award in a combination of restricted or deferred stock and deferred cash awards. In some cases, reduced deferral requirements apply to awards valued at less than US$100,000 (or local currency equivalent). Annual incentive awards made to many employees in the EU are subject to deferral requirements between 40%-60%, regardless of the total award value, with 50% of the immediate incentive delivered in the form of a stock payment subject to a restriction on sale or transfer (generally, for six months).

Deferred annual incentive awards are generally delivered as two awards—a restricted or deferred stock award under the Company's Capital Accumulation Program (CAP) and a deferred cash award. The applicable mix of CAP and deferred cash awards may vary based on the employee's minimum deferral requirement and the country of employment. In some cases, the entire deferral will be in the form of either a CAP award or deferred cash.

Subject to certain exceptions (principally, for retirement-eligible employees), continuous employment within Citigroup is required to vest in CAP and deferred cash awards. Post-employment vesting by retirement-eligible employees and participants who meet other conditions is generally conditioned upon their refraining from competition with Citigroup during the remaining vesting period, unless the employment relationship has been terminated by Citigroup under certain conditions.

Generally, the CAP and deferred cash awards vest in equal annual installments over three- or four-year periods. Vested CAP awards are delivered in shares of common stock. Dividend equivalent payments are paid to participants during the vesting period, unless the CAP award is subject to the performance-vesting condition described below. Deferred cash awards are payable in cash and earn a fixed notional rate of interest that is paid only if and when the underlying principal award amount vests. Generally, in the EU, vested CAP shares are subject to a restriction on sale or transfer after vesting, and vested deferred cash awards are subject to hold-back (generally, for six months in each case).

Unvested CAP and deferred cash awards made in January 2011 or later are subject to one or more clawback provisions that apply in certain circumstances, including in the case of employee risk-limit violations or other misconduct or where the awards were based on earnings that were misstated. Deferred cash awards made to certain employees in February 2013 are subject to a discretionary performance-based vesting condition under which an amount otherwise scheduled to vest may be reduced in the event of a "material adverse outcome" for which a participant has "significant responsibility."

CAP awards made to certain employees in February 2013 and deferred cash awards made to certain employees in January 2012 are subject to a formulaic performance-based vesting condition pursuant to which amounts otherwise scheduled to vest will be reduced based on the amount of any pre-tax loss by a participant's business in the calendar year preceding the scheduled vesting date. For the February 2013 CAP awards, a minimum reduction of 20% applies for the first dollar of loss.

The annual incentive award structure and terms and conditions described above apply generally to awards made in 2011 and later, except where indicated otherwise. Annual incentive awards in January 2009 and 2010 of US$100,000 or more (or local currency equivalent) were generally subject to deferral requirements between 25%-40%. In 2010, because an insufficient number of shares were available for grant under the 2009 Stock Incentive Plan, an alternative award structure was applied, primarily for deferrals of incentive awards in the U.S. and U.K. Under this structure, portions of the amounts that would normally have been deferred in the form of CAP awards were instead awarded as two types of deferred cash awards—one subject to a four-year vesting schedule and earning a LIBOR-based return, and the other subject to a two-year vesting schedule and denominated in stock units, the value of which fluctuated based on the price of Citigroup common stock. Other terms and conditions of these awards were the same as the CAP awards granted in 2010. In 2009, some deferrals were also in the form of a deferred cash award subject to a four-year vesting schedule and earning a LIBOR-based return, in addition to a CAP award.

Prior to 2009, a mandatory deferral requirement of at least 25% applied to incentive awards valued as low as US$20,000. Deferrals were in the form of CAP awards. In some cases, participants were entitled to elect to receive stock options in lieu of some or all of the value that would otherwise have been awarded as restricted or deferred stock. CAP awards granted prior to 2011 were not subject to clawback provisions or performance criteria.

The total expense recognized for stock awards represents the fair value of Citigroup common stock at the award date. Generally, the expense is recognized as a charge to income ratably over the vesting period, except for awards to retirement-eligible employees, and stock payments (e.g., salary stock and other immediately vested awards). Whenever awards are made or are expected to be made to retirement-eligible employees, the charge to income is accelerated based on the dates the applicable conditions to retirement eligibility are or will be met. If the employee is retirement eligible on the grant date, the entire expense is recognized in the year prior to the grant. For employees who become retirement eligible during the vesting period, expense is recognized from the grant date until the date eligibility conditions are met.

Expense for immediately vested stock awards that generally were made in lieu of cash compensation (salary stock and other stock payments) is also recognized in the year prior to the grant in accordance with U.S. GAAP. (See "Other EESA-related Stock Compensation" below for additional information regarding salary stock.)

Annual incentive awards made in January 2011 and January 2010 to certain executive officers and other highly compensated employees were administered in accordance with the Emergency Economic Stabilization Act of 2008, as amended (EESA), pursuant to structures approved by the Special Master for TARP Executive Compensation (Special Master). Generally the affected executives and employees did not participate in CAP and instead received equity compensation in the form of fully vested stock payments, long-term restricted stock (LTRS), and/or restricted and deferred stock awards, all of which were subject to vesting requirements over periods of up to three years, and/or sale restrictions. Certain of these awards are subject to discretionary performance-based vesting conditions. These awards, and CAP awards to participants in the EU that are subject to certain clawback provisions, are subject to variable accounting, pursuant to which the associated charges fluctuate with changes in Citigroup's common stock price over the applicable vesting periods. For these awards, the total amount that will be recognized as expense cannot be determined in full until the awards vest. For stock awards subject to discretionary performance conditions, compensation expense was accrued based on Citigroup's common stock price at the end of the reporting period, and the estimated outcome of meeting the performance conditions.

In January 2009, certain senior executives received 30% of their annual incentive awards as performance-vesting equity awards conditioned primarily on stock-price performance. Because the price targets were not met, only a fraction of the awards vested. The fraction of awarded shares that vested was determined based on a ratio of the price of Citigroup's common stock on January 14, 2013, to the award's price targets of $106.10 and $178.50. None of the shares awarded or vested were entitled to any payment or accrual of dividend equivalents. The fair value of the awards was recognized as compensation expense ratably over the vesting period.
This fair value was determined using the following assumptions:

Weighted-average per-share fair value	**$22.97**	
Weighted-average expected life	**3.85 years**	
Valuation assumptions		
Expected volatility	36.07	%
Risk-free interest rate	1.21	%
Expected dividend yield	0.88	%

From 2003 to 2007, Citigroup granted annual stock awards under its Citigroup Ownership Program (COP) to a broad base of employees who were not eligible for CAP. The COP awards of restricted or deferred stock vest after three years, but otherwise have terms similar to CAP. Amortization of restricted and deferred stock awards shown in the table above for 2010 included expense associated with these awards.

Sign-on and Long-Term Awards

As referenced above, from time to time, restricted or deferred stock awards, and/or stock option grants are made outside of Citigroup's annual incentive programs to induce employees to join Citigroup or as special retention awards to key employees. Vesting periods vary, but are generally two to four years. Generally, recipients must remain employed through the vesting dates to vest in the awards, except in cases of death, disability, or involuntary termination other than for "gross misconduct." Unlike CAP awards, these awards do not usually provide for post-employment vesting by retirement-eligible participants. If these stock awards are subject to certain clawback provisions or performance conditions, they may be subject to variable accounting.

Deferred cash awards are often granted to induce new hires to join the Company, and are usually intended to replace deferred incentives awarded by prior employers that were forfeited when the employees joined Citigroup. As such, the vesting schedules and terms and conditions of these awards are generally structured to match the vesting schedules and terms and conditions of the forfeited awards. Expense taken in 2012 for these awards was $147 million.

A retention award of deferred stock to then-CEO Vikram Pandit was made on May 17, 2011, and was scheduled to vest in three equal installments on December 31, 2013, 2014, and 2015. The award was cancelled in its entirety when Mr. Pandit resigned in October 2012. Because of discretionary performance vesting conditions, the award was subject to variable accounting until its cancellation in the fourth quarter of 2012.

Other EESA-related Stock Compensation

Pursuant to structures approved by the Special Master in 2009, and in January and September 2010, certain executives and highly-compensated employees received stock payments in lieu of salary that would have otherwise been paid in cash (salary stock). Shares awarded as salary stock are immediately vested but become transferrable in monthly installments over periods of one to three years. There are no provisions for early release of the transfer restrictions on salary stock in the event of retirement, involuntary termination of employment, change in control, or any other reason.

Director Compensation

Non-employee directors receive part of their compensation in the form of deferred stock awards that vest in two years, and may elect to receive part of their retainer in the form of a stock payment, which they may elect to defer.

A summary of the status of Citigroup's unvested stock awards that are not subject to variable accounting at December 31, 2012 and changes during the 12 months ended December 31, 2012 are presented below:

Unvested stock awards	Shares	Weighted-average grant date fair value
Unvested at January 1, 2012	50,213,124	$50.90
New awards	33,452,028	30.51
Cancelled awards	(2,342,822)	39.15
Vested awards (1)	(17,345,405)	62.12
Unvested at December 31, 2012	63,976,925	$ 37.62

(1) The weighted-average fair value of the vestings during 2012 was approximately $32.78 per share.

A summary of the status of Citigroup's unvested stock awards that are subject to variable accounting at December 31, 2012, and changes during the 12 months ended December 31, 2012, are presented below:

Unvested stock awards	Shares	Weighted-average award issuance fair value
Unvested at January 1, 2012	5,290,798	$49.30
New awards	2,219,213	30.55
Cancelled awards	(377,358)	43.92
Vested awards (1)	(1,168,429)	50.16
Unvested at December 31, 2012	5,964,224	$ 42.50

(1) The weighted-average fair value of the vestings during 2012 was approximately $29.18 per share.

At December 31, 2012, there was $886 million of total unrecognized compensation cost related to unvested stock awards, net of the forfeiture provision. That cost is expected to be recognized over a weighted-average period of 2.1 years. However, the cost of awards subject to variable accounting will fluctuate with changes in Citigroup's common stock price.

Stock Option Programs

While the Company no longer grants options as part of its annual incentive award programs, Citigroup may grant stock options to employees or directors on a one-time basis, as sign-on awards or as retention awards, as referenced above. All stock options are granted on Citigroup common stock with exercise prices that are no less than the fair market value at the time of grant (which is defined under the 2009 Stock Incentive Plan to be the NYSE closing price on the trading day immediately preceding the grant date or on the grant date for grants to executive officers). Vesting periods and other terms and conditions of sign-on and retention option grants tend to vary by grant. Beginning in 2009, Citigroup eliminated the stock option election for all directors and employees (except certain CAP participants who were permitted to make a stock option election for awards made in 2009). This stock option election allowed participants to trade a certain percentage of their annual incentive that would otherwise be granted in CAP shares and elect to have the award delivered instead as a stock option.

On February 14, 2011, Citigroup granted options exercisable for approximately 2.9 million shares of Citigroup common stock to certain of its executive officers. The options have six-year terms and vest in three equal annual installments beginning on February 14, 2012. The exercise price of the options is $49.10, which was the closing price of a share of Citigroup common stock on the grant date. On any exercise of the options before the fifth anniversary of the grant date, the shares received on exercise (net of the amount required to pay taxes and the exercise price) are subject to a one-year transfer restriction.

On April 20, 2010, Citigroup made an option grant to a group of employees who were not eligible for the October 29, 2009 broad-based grant described below. The options were awarded with an exercise price equal to the NYSE closing price of a share of Citigroup common stock on the trading day immediately preceding the date of grant ($48.80). The options vest in three annual installments beginning on October 29, 2010. The options have a six-year term.

On October 29, 2009, Citigroup made a broad-based option grant to employees worldwide. The options have a six-year term, and generally vest in three equal installments over three years, beginning on the first anniversary of the grant date. The options were awarded with an exercise price equal to the NYSE closing price on the trading day immediately preceding the date of grant ($40.80). The CEO and other employees whose 2009 compensation was subject to structures approved by the Special Master did not participate in this grant.

In January 2009, members of Citigroup's Management Executive Committee received 10% of their awards as performance-priced stock options, with an exercise price that placed the awards significantly "out of the money" on the date of grant. Half of each executive's options have an exercise price of $178.50 and half have an exercise price of $106.10. The options were granted on a day on which the NYSE closing price of a share of Citigroup common stock was $45.30. The options have a 10-year term and vest ratably over a four-year period.

Generally, all other options granted from 2003 through 2009 have six-year terms and vest ratably over three- or four-year periods; however, options granted to directors provided for cliff vesting. All outstanding options granted prior to 2009 are significantly out of the money.

Prior to 2003, Citigroup options had 10-year terms and generally vested at a rate of 20% per year over five years (with the first vesting date occurring 12 to 18 months following the grant date). All outstanding options that were granted prior to 2003 expired in 2012.

From 1997 to 2002, a broad base of employees participated in annual option grant programs. The options vested over five-year periods, or cliff vested after five years, and had 10-year terms but no reload features. No grants have been made under these programs since 2002 and all options that remained outstanding expired in 2012.

All unvested options granted to former CEO Vikram Pandit, including premium-priced stock options granted on May 17, 2011, were cancelled upon his resignation in October 2012.

Information with respect to stock option activity under Citigroup stock option programs for the years ended December 31, 2012, 2011 and 2010 is as follows:

	2012			2011			2010		
	Options	**Weighted-average exercise price**	**Intrinsic value per share**	Options	Weighted-average exercise price	Intrinsic value per share	Options	Weighted-average exercise price	Intrinsic value per share
Outstanding, beginning of period	**37,596,029**	**$ 69.60**	**$—**	37,486,011	$ 93.70	$ —	40,404,481	$ 127.50	$ —
Granted—original	**—**	**—**	**—**	3,425,000	48.86	—	4,450,017	47.80	—
Forfeited or exchanged	**(858,906)**	**83.84**	**—**	(1,539,227)	176.41	—	(4,368,086)	115.10	—
Expired	**(1,716,726)**	**438.14**	**—**	(1,610,450)	487.24	—	(2,935,863)	458.70	—
Exercised	**—**	**—**	**—**	(165,305)	40.80	6.72	(64,538)	40.80	3.80
Outstanding, end of period	**35,020,397**	**$ 51.20**	**$ —**	37,596,029	$ 69.60	$ —	37,486,011	$ 93.70	$ —
Exercisable, end of period	**32,973,444**			23,237,069			15,189,710		

The following table summarizes the information about stock options outstanding under Citigroup stock option programs at December 31, 2012:

	Options outstanding			**Options exercisable**	
Range of exercise prices	**Number outstanding**	**Weighted-average contractual life remaining**	**Weighted-average exercise price**	**Number exercisable**	**Weighted-average exercise price**
$29.70–$49.99 (1)	**33,392,541**	**3.1 years**	**$42.40**	**31,431,666**	**$42.02**
$50.00–$99.99	**69,956**	**8.1 years**	**56.76**	**69,132**	**56.64**
$100.00–$199.99	**516,577**	**5.9 years**	**147.33**	**431,323**	**148.33**
$200.00–$299.99	**754,375**	**1.7 years**	**243.85**	**754,375**	**243.85**
$300.00–$399.99	**206,627**	**4.9 years**	**335.97**	**206,627**	**335.97**
$400.00–$557.00	**80,321**	**0.1 years**	**543.69**	**80,321**	**543.69**
Total at December 31, 2012	**35,020,397**	**3.1 years**	**$ 51.20**	**32,973,444**	**$ 51.13**

(1) A significant portion of the outstanding options are in the $40 to $45 range of exercise prices.

As of December 31, 2012, there was $8.7 million of total unrecognized compensation cost related to stock options; this cost is expected to be recognized over a weighted-average period of 0.3 years.

Valuation and related assumption information for Citigroup option programs is presented below. Citigroup uses a lattice-type model to value stock options.

For options granted during	**2012**	2011	2010
Weighted-average per-share fair value, at December 31	**N/A**	$ 13.90	$ 16.60
Weighted-average expected life			
Original grants	**N/A**	4.95 yrs.	6.06 yrs.
Valuation assumptions			
Expected volatility	**N/A**	35.64 %	36.42 %
Risk-free interest rate	**N/A**	2.33 %	2.88 %
Expected dividend yield	**N/A**	0.00 %	0.00 %
Expected annual forfeitures			
Original and reload grants	**N/A**	9.62 %	9.62 %

N/A Not applicable

Profit Sharing Plan

In October 2010, the Committee approved awards under the 2010 Key Employee Profit Sharing Plan (KEPSP), which may entitle participants to profit-sharing payments based on an initial performance measurement period of January 1, 2010 through December 31, 2012. Generally, if a participant remains employed and all other conditions to vesting and payment are satisfied, the participant will be entitled to an initial payment in 2013, as well as a holdback payment in 2014 that may be reduced based on performance during the subsequent holdback period (generally, January 1, 2013 through December 31, 2013). If the vesting and performance conditions are satisfied, a participant's initial payment will equal two-thirds of the product of the cumulative pretax income of Citicorp (as defined in the KEPSP) for the initial performance period and the participant's applicable percentage. The initial payment will be paid after January 20, 2013 but no later than March 15, 2013.

The participant's holdback payment, if any, will equal the product of (i) the lesser of cumulative pretax income of Citicorp for the initial performance period and cumulative pretax income of Citicorp for the initial performance period and the holdback period combined (generally, January 1, 2010 through December 31, 2013), and (ii) the participant's applicable percentage, less the initial payment; provided that the holdback payment may not be less than zero. The holdback payment, if any, will be paid after January 20, 2014 but no later than March 15, 2014. The holdback payment, if any, will be credited with notional interest during the holdback period. It is intended that the initial payment and holdback payment will be paid in cash; however, awards may be paid in Citigroup common stock if required by regulatory authority. Regulators have required that U.K. participants receive at least 50% of their initial payment and at least 50% of their holdback payment, if any, in shares of Citigroup common stock that will be subject to a six-month sales restriction. Clawbacks apply to the award.

Independent risk function employees were not eligible to participate in the KEPSP, as the independent risk function participates in the determination of whether payouts will be made under the KEPSP. Instead, key employees in the independent risk function were eligible to receive deferred cash retention awards, which vest two-thirds on January 20, 2013 and one-third on January 20, 2014. The deferred cash awards incentivize key risk employees to contribute to the Company's long-term profitability by ensuring that the Company's risk profile is properly aligned with its long-term strategies, objectives and risk appetite, thereby, aligning the employees' interests with those of Company shareholders.

On February 14, 2011, the Committee approved grants of awards under the 2011 KEPSP to certain executive officers, and on May 17, 2011 to the then-CEO Vikram Pandit. These awards have a performance period of January 1, 2011 to December 31, 2012 and other terms of the awards are similar to the 2010 KEPSP. The KEPSP award granted to Mr. Pandit was cancelled upon his resignation in October 2012.

Expense recognized in 2012 in respect of the KEPSP was $246 million.

Performance Share Units

Certain executive officers were awarded a target number of performance share units (PSUs) on February 19, 2013 for performance in 2012. PSUs will be earned only to the extent that Citigroup attains specified performance goals relating to Citigroup's return on assets and relative total shareholder return against peers over a three-year period covering 2013, 2014 and 2015. The actual number of PSUs ultimately earned could vary from zero, if performance goals are not met, to as much as 150% of target, if performance goals are meaningfully exceeded. The value of each PSU is equal to the value of one share of Citi common stock. The value of the award will fluctuate with changes in Citigroup's share price and the attainment of the specified performance goals, until it is settled solely in cash after the end of the performance period.

Variable Incentive Compensation

Citigroup has various incentive plans globally that are used to motivate and reward performance primarily in the areas of sales, operational excellence and customer satisfaction. These programs are reviewed on a periodic basis to ensure that they are structured appropriately, aligned to shareholder interests and adequately risk balanced. For the years ended December 31, 2012 and 2011, Citigroup expensed $670 million and $1.0 billion, respectively, for these plans globally.

INVESTMENTS (Details 8) (USD $) In Millions, unless otherwise specified	12 Months Ended					12 Months Ended		12 Months Ended	3 Months Ended		12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2012 MSSB	Sep. 16, 2012 MSSB	Dec. 31, 2012 Akbank	Mar. 31, 2012 Akbank	Dec. 31, 2012 Total securities AFS	Sep. 30, 2012 Total securities AFS MSSB	Mar. 31, 2012 Total securities AFS Akbank	Dec. 31, 2012 Held-to-maturity Securities	Dec. 31, 2012 Other assets
OTTI on Investments disclosures												
Total OTTI losses recognized during the year	$ 382	$ 743						$ 17			$ 365	
Less: Impairments recognized in AOCI	66	159	84					1			65	
Net impairment losses recognized in earnings for securities that the Company does not intend to sell nor will likely be required to sell	316	584						16			300	
Impairment losses recognized in earnings for securities that the Company intends to sell or more- likely-than-not will be required to sell before recovery	4,655							139				4,516
Total impairment losses recognized in earnings	4,971	2,254	1,411					155			300	4,516
Impairment charge related to investment, pre-tax						1,181			3,340	1,200		
Impairment charge related to investment, after-tax										$ 763		
Percentage of ownership interest held				35.00%	49.00%		20.00%		35.00%			

FEDERAL FUNDS/ SECURITIES BORROWED, LOANED, AND SUBJECT TO REPURCHASE AGREEMENTS (Details) (USD $)	Dec. 31, 2012	Dec. 31, 2011
FEDERAL FUNDS/SECURITIES BORROWED, LOANED, AND SUBJECT TO REPURCHASE AGREEMENTS		
Federal funds sold	$ 97,000,000	$ 37,000,000
Securities purchased under agreements to resell	138,549,000,000	153,492,000,000
Deposits paid for securities borrowed	122,665,000,000	122,320,000,000
Total federal funds sold and securities borrowed or purchased under agreements to resell	261,311,000,000	275,849,000,000
Allowable netting on securities purchased under agreements to resell	49,400,000,000	53,000,000,000
Federal funds purchased	1,005,000,000	688,000,000
Securities sold under agreements to repurchase	182,330,000,000	164,849,000,000
Deposits received for securities loaned	27,901,000,000	32,836,000,000
Total federal funds purchased and securities loaned or sold under agreements to repurchase	211,236,000,000	198,373,000,000
Allowable netting on securities sold under agreements to repurchase	$ 49,400,000,000	$ 53,000,000,000

EARNINGS PER SHARE (Details) (USD $) In Millions, except Share data, unless otherwise specified	0 Months Ended		3 Months Ended								12 Months Ended		
	Dec. 17, 2012	May 06, 2011	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
EARNINGS PER SHARE													
Income from continuing operations before attribution of noncontrolling interests			$ 1,336	$ 524	$ 2,987	$ 3,062	$ 998	$ 3,742	$ 3,332	$ 3,031	$ 7,909	$ 11,103	$ 10,951
Less: Noncontrolling interests from continuing operations											219	148	329
Net income from continuing operations (for EPS purposes)											7,690	10,955	10,622
Income (loss) from discontinued operations, net of taxes			(112)	(31)	(1)	(5)		1	71	40	(149)	112	(68)
Less: Noncontrolling interests from discontinuing operations													(48)
Citigroup's net income			1,196	468	2,946	2,931	956	3,771	3,341	2,999	7,541	11,067	10,602
Less: Preferred dividends											26	26	9
Net income available to common shareholders											7,515	11,041	10,593
Less: Dividends and undistributed earnings allocated to employee restricted and deferred shares that contain nonforfeitable rights to dividends, applicable to basic EPS											166	186	90
Net income allocated to common shareholders for basic											7,349	10,855	10,503
Add: Interest expense, net of tax, on convertible securities and adjustment of undistributed earnings allocated to employee restricted and deferred shares with nonforfeitable rights to dividends, applicable to diluted EPS											11	17	2
Net income allocated to common shareholders for diluted EPS											$ 7,360	$ 10,872	$ 10,505
Weighted-average common shares outstanding applicable to basic EPS											2,930,600,000	2,909,800,000	2,877,600,000
Reverse stock split effective May 6, 2011		0.1									0.10		
Effect of dilutive securities													
T-DECs (in shares)											84,200,000	87,600,000	87,800,000
Other employee plans (in shares)											600,000	500,000	1,900,000
Convertible securities (in shares)											100,000	100,000	100,000
Options (in shares)												800,000	400,000
Adjusted weighted-average common shares outstanding applicable to diluted EPS											3,015,500,000	2,998,800,000	2,967,800,000
Basic earnings per share													
Income from continuing operations (in dollars per share)			$ 0.43	$ 0.17	$ 0.98	$ 0.98	$ 0.32	$ 1.27	$ 1.10	$ 1.01	$ 2.56 [1]	$ 3.69 [1]	$ 3.66 [1]

Discontinued operations (in dollars per share)										$ (0.05) [1]	$ 0.04 [1]	$ (0.01) [1]
Net income (in dollars per share)		$ 0.39	$ 0.15	$ 0.98	$ 0.98	$ 0.32	$ 1.27	$ 1.12	$ 1.02	$ 2.51 [1]	$ 3.73 [1]	$ 3.65 [1]
Diluted earnings per share												
Income from continuing operations (in dollars per share)		$ 0.42	$ 0.16	$ 0.95	$ 0.96	$ 0.31	$ 1.23	$ 1.07	$ 0.97	$ 2.49 [1]	$ 3.59 [1]	$ 3.55 [1]
Discontinued operations (in dollars per share)										$ (0.05) [1]	$ 0.04 [1]	$ (0.01) [1]
Net income (in dollars per share)		$ 0.38	$ 0.15	$ 0.95	$ 0.95	$ 0.31	$ 1.23	$ 1.09	$ 0.99	$ 2.44 [1]	$ 3.63 [1]	$ 3.54 [1]
Number of shares delivered for the final settlement of the prepaid stock purchase contract	96,337,772											
Weighted-average options to purchase common stock												
Antidilutive Securities Excluded from Computation of Earnings Per Share												
Antidilutive securities excluded from computation of earnings per common share (in shares)										35,800,000	24,100,000	38,600,000
Antidilutive securities exercise price (in dollars per share)		$ 54.18				$ 123.47				$ 54.18	$ 123.47	$ 102.89
Warrants issued to U.S. Treasury as part of TARP and loss-sharing agreement | Warrant with the exercise price of $178.50												
Antidilutive Securities Excluded from Computation of Earnings Per Share												
Antidilutive securities excluded from computation of earnings per common share (in shares)										21,000,000	21,000,000	21,000,000
Antidilutive securities exercise price (in dollars per share)		$ 178.50				$ 178.50				$ 178.50	$ 178.50	$ 178.50
Warrants issued to U.S. Treasury as part of TARP and loss-sharing agreement | Warrant with the exercise price of $106.10												
Antidilutive Securities Excluded from Computation of Earnings Per Share												
Antidilutive securities excluded from computation of earnings per common share (in shares)										25,500,000	25,500,000	25,500,000
Antidilutive securities exercise price (in dollars per share)		$ 106.10				$ 106.10				$ 106.10	$ 106.10	$ 106.10
Equity units convertible into common stock held by the Abu Dhabi Investment Authority (ADIA)												
Antidilutive Securities Excluded from Computation of Earnings Per Share												
Antidilutive securities excluded from computation of												11,800,000

earnings per common share (in shares)		
Number of common stocks issued to convert equity units	5,900,000	
Antidilutive securities exercise price (in dollars per share)		$ 318.30

[1] 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.

DEBT (Details) (USD $)	Dec. 31, 2012	Dec. 31, 2011
Short-Term Borrowings:		
Commercial paper	$ 11,470,000,000	$ 21,286,000,000
Other short-term borrowings	40,557,000,000	33,155,000,000
Weighted average interest rate of other short-term borrowings (as a percent)	1.06%	1.09%
Total short-term borrowings	52,027,000,000	54,441,000,000
Collateralized short-term advances from Federal Home Loan Bank	4,000,000,000	5,000,000,000
Bank		
Short-Term Borrowings:		
Commercial paper	11,092,000,000	14,872,000,000
Weighted average (as a percent)	0.59%	0.32%
Other non-bank		
Short-Term Borrowings:		
Commercial paper	$ 378,000,000	$ 6,414,000,000
Weighted average (as a percent)	0.84%	0.49%

SECURITIZATIONS AND VARIABLE INTEREST ENTITIES (Details 4) (USD $) In Billions, unless otherwise specified	Dec. 31, 2012	Dec. 31, 2011
Citicorp		
Securitized credit card receivables		
Principal amount of credit card receivables in trusts	$ 80.7	$ 89.8
Ownership interests in principal amount of trust credit card receivables		
Sold to investors via trust-issued securities	22.9	42.7
Retained by Citigroup as trust-issued securities	13.2	14.7
Retained by Citigroup via non-certificated interests	44.6	32.4
Total ownership interests in principal amount of trust credit card receivables	80.7	89.8
Citi Holdings		
Securitized credit card receivables		
Principal amount of credit card receivables in trusts	0.4	0.6
Ownership interests in principal amount of trust credit card receivables		
Sold to investors via trust-issued securities	0.1	0.3
Retained by Citigroup as trust-issued securities	0.1	0.1
Retained by Citigroup via non-certificated interests	0.2	0.2
Total ownership interests in principal amount of trust credit card receivables	$ 0.4	$ 0.6

FAIR VALUE MEASUREMENT (Details 3) (USD $)	12 Months Ended											
	Dec. 31, 2011	Dec. 31, 2011 Loans	Dec. 31, 2011 Mortgage-backed securities	Dec. 31, 2011 Prime	Dec. 31, 2011 Alt-A	Dec. 31, 2011 Subprime	Dec. 31, 2011 Commercial	Dec. 31, 2011 State and municipal securities	Dec. 31, 2011 Corporate	Dec. 31, 2011 Corporate Trading account assets	Dec. 31, 2011 Asset-backed securities	Dec. 31, 2012 Non-marketable equity securities Investments: EMI Music and EMI Music Publishing	Dec. 31, 2011 Non-marketable equity securities Investments: Maltby Acquisitions Limited
Fair Value Asset and Liabilities Measured on Recurring Basis Unobservable Input Changes													
Purchases of securities													$ 2,800,000,000
Transfers from Level 2 to Level 3		400,000,000								1,500,000,000			
Sales of securities												2,800,000,000	
Investments held-to-maturity reclassified to Trading account assets	$ 4,300,000,000		$ 2,800,000,000	$ 1,000,000,000	$ 1,500,000,000	$ 200,000,000	$ 100,000,000	$ 900,000,000	$ 300,000,000		$ 200,000,000		

GOODWILL AND INTANGIBLE ASSETS (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011
Goodwill		
Balance of goodwill at beginning of period	$ 25,413	$ 26,152
Foreign exchange translation	294	(636)
Smaller acquisitions/divestitures, purchase accounting adjustments and other	(21)	44
Discontinued Operations	(13)	(147)
Balance of goodwill at end of period	$ 25,673	$ 25,413

Document and Entity Information (USD $) In Billions, except Share data, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Jan. 31, 2013	Jun. 30, 2012
Document and Entity Information			
Entity Registrant Name	CITIGROUP INC		
Entity Central Index Key	0000831001		
Document Type	10-K		
Document Period End Date	Dec. 31, 2012		
Amendment Flag	false		
Current Fiscal Year End Date	--12-31		
Entity Well-known Seasoned Issuer	No		
Entity Voluntary Filers	No		
Entity Current Reporting Status	Yes		
Entity Filer Category	Large Accelerated Filer		
Entity Public Float			$ 80.4
Entity Common Stock, Shares Outstanding		3,038,758,550	
Document Fiscal Year Focus	2012		
Document Fiscal Period Focus	FY		

REGULATORY CAPITAL AND CITIGROUP INC. PARENT COMPANY INFORMATION (Details) (USD $)	12 Months Ended
	Dec. 31, 2012
Regulatory capital requirement	
Tier 1 Common	$ 123,095,000,000
Tier 1 Capital	136,532,000,000
Total Capital	167,686,000,000
Required minimum tier 1 capital ratio (as a percent)	4.00%
Well-capitalized minimum tier 1 capital ratio (as a percent)	6.00%
Required minimum total capital ratio (as a percent)	8.00%
Well-capitalized minimum total capital ratio (as a percent)	10.00%
Tier 1 Common ratio (as a percent)	12.67%
Tier 1 Capital ratio (as a percent)	14.06%
Total Capital ratio (as a percent)	17.26%
Required minimum leverage ratio (as a percent)	3.00%
Well-capitalized minimum leverage ratio (as a percent)	5.00%
Leverage ratio (as a percent)	7.48%
Dividend received from Citibank	19,100,000,000
Citibank, N.A.	
Regulatory capital requirement	
Tier 1 Common	116,633,000,000
Tier 1 Capital	117,367,000,000
Total Capital	135,513,000,000
Tier 1 Common ratio (as a percent)	14.12%
Tier 1 Capital ratio (as a percent)	14.21%
Total Capital ratio (as a percent)	16.41%
Leverage ratio (as a percent)	8.97%
Citigroup Global Markets Holdings Inc. (CGMHI)	
Regulatory capital requirement	
Net capital or equivalent	6,250,000,000
Excess over minimum requirement	5,659,000,000
Citigroup Global Markets Limited	
Regulatory capital requirement	
Net capital or equivalent	6,212,000,000
Excess over minimum requirement	$ 3,594,000,000

RETIREMENT BENEFITS	12 Months Ended Dec. 31, 2012
RETIREMENT BENEFITS	
RETIREMENT BENEFITS	

9. RETIREMENT BENEFITS

Pension and Postretirement Plans

The Company has several non-contributory defined benefit pension plans covering certain U.S. employees and has various defined benefit pension and termination indemnity plans covering employees outside the United States. The U.S. qualified defined benefit plan was frozen effective January 1, 2008 for most employees. Accordingly, no additional compensation-based contributions were credited to the cash balance portion of the plan for existing plan participants after 2007. However, certain employees covered under the prior final pay plan formula continue to accrue benefits. The Company also offers postretirement health care and life insurance benefits to certain eligible U.S. retired employees, as well as to certain eligible employees outside the United States.

The following table summarizes the components of net (benefit) expense recognized in the Consolidated Statement of Income for the Company's U.S. qualified and nonqualified pension plans, postretirement plans and plans outside the United States. The Company uses a December 31 measurement date for its U.S. and non-U.S. plans.

Net (Benefit) Expense

	Pension plans						**Postretirement benefit plans**					
	U.S. plans			**Non-U.S. plans**			**U.S. plans**			**Non-U.S. plans**		
In millions of dollars	**2012**	2011	2010	**2012**	2011	2010	**2012**	2011	2010	**2012**	2011	2010
Qualified Plans												
Benefits earned during the year	**$ 12**	$ 13	$ 14	**$ 199**	$ 203	$ 167	**$ —**	$ —	$ 1	**$ 29**	$ 28	$ 23
Interest cost on benefit obligation	**565**	612	644	**367**	382	342	**44**	53	59	**116**	118	105
Expected return on plan assets	**(897)**	(890)	(874)	**(399)**	(422)	(378)	**(4)**	(6)	(8)	**(108)**	(117)	(100)
Amortization of unrecognized												
Net transition obligation	**—**	—	—	**—**	(1)	(1)	**—**	—	—	**—**	—	—
Prior service cost (benefit)	**(1)**	(1)	(1)	**4**	4	4	**(1)**	(3)	(3)	**—**	—	—
Net actuarial loss	**96**	64	47	**77**	72	57	**4**	3	11	**25**	24	20
Curtailment (gain) loss	**—**	—	—	**10**	4	1	**—**	—	—	**—**	—	—
Settlement (gain) loss	**—**	—	—	**35**	10	7	**—**	—	—	**—**	—	—
Special termination benefits	**—**	—	—	**1**	27	5	**—**	—	—	**—**	—	—
Net qualified (benefit) expense	**$ (225)**	$ (202)	$ (170)	**$ 294**	$ 279	$ 204	**$ 43**	$ 47	$ 60	**$ 62**	$ 53	$ 48
Nonqualified plans expense	**$ 42**	$ 42	$ 41	**$ —**	$ —	$ —	**$ —**	$ —	$ —	**$ —**	$ —	$ —
Total net (benefit) expense	**$ (183)**	$ (160)	$ (129)	**$ 294**	$ 279	$ 204	**$ 43**	$ 47	$ 60	**$ 62**	$ 53	$ 48

Contributions

The Company's funding practice for U.S. and non-U.S. pension plans is generally to fund to minimum funding requirements in accordance with applicable local laws and regulations. The Company may increase its contributions above the minimum required contribution, if appropriate. In addition, management has the ability to change its funding practices. For the U.S. pension plans, there were no minimum required cash contributions for 2012 or 2011. The following table summarizes the actual Company contributions for the years ended December 31, 2012 and 2011, as well as estimated expected Company contributions for 2013. Expected contributions are subject to change since contribution decisions are affected by various factors, such as market performance and regulatory requirements.

	Pension plans (1)						**Postretirement plans** (1)					
	U.S. plans (2)			**Non-U.S. plans**			**U.S. plans**			**Non-U.S. plans**		
In millions of dollars	2013	**2012**	2011	2013	**2012**	2011	2013	**2012**	2011	2013	**2012**	2011
Cash contributions paid by the Company	$ —	**$ —**	$ —	$ 177	**$ 270**	$ 342	$ —	**$ —**	$ —	$ 82	**$ 88**	$ 70
Benefits paid directly by the Company	54	**54**	51	47	**82**	47	57	**54**	53	5	**4**	5
Total Company contributions	$ 54	**$ 54**	$ 51	$ 224	**$ 352**	$ 389	$ 57	**$ 54**	$ 53	$ 87	**$ 92**	$ 75

(1) Payments reported for 2013 are expected amounts.

(2) The U.S. pension plans include benefits paid directly by the Company for the nonqualified pension plan.

The estimated net actuarial loss and prior service cost that will be amortized from *Accumulated other comprehensive income (loss)* into net expense in 2013 are approximately $226 million and $3 million, respectively, for defined benefit pension plans. For postretirement plans, the estimated 2013 net actuarial loss and prior service cost amortizations are approximately $45 million and $(1) million, respectively.

The following table summarizes the funded status and amounts recognized in the Consolidated Balance Sheet for the Company's U.S. qualified and nonqualified pension plans, postretirement plans and plans outside the United States.

Net Amount Recognized

	Pension plans				**Postretirement plans**			
	U.S. plans (1)		**Non-U.S. plans**		**U.S. plans**		**Non-U.S. plans**	
In millions of dollars	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
Change in projected benefit obligation								
Projected benefit obligation at beginning of year	**$ 12,377**	$ 11,730	**$ 6,262**	$ 6,189	**$ 1,127**	$ 1,179	**$ 1,368**	$ 1,395
Benefits earned during the year	**12**	13	**199**	203	**—**	—	**29**	28
Interest cost on benefit obligation	**565**	612	**367**	382	**44**	53	**116**	118
Plan amendments	**(13)**	—	**17**	2	**—**	—	**—**	—
Actuarial (gain) loss	**965**	655	**923**	59	**(24)**	(44)	**457**	29
Benefits paid, net of participating contributions	**(638)**	(633)	**(306)**	(282)	**(85)**	(79)	**(54)**	(54)
Expected Medicare Part D subsidy	**—**	—	**—**	—	**10**	10	**—**	—
Settlements	**—**	—	**(254)**	(44)	**—**	—	**—**	—
Curtailment (gain) loss	**—**	—	**(8)**	3	**—**	—	**—**	—

Special/contractual termination benefits	**—**	—	**1**	27	**—**	—	**—**	—
Foreign exchange impact and other	**—**	—	**198**	(277)	**—**	8	**86**	(148)
Projected benefit obligation at year end	**$ 13,268**	$ 12,377	**$ 7,399**	$ 6,262	**$ 1,072**	$ 1,127	**$ 2,002**	$ 1,368
Change in plan assets								
Plan assets at fair value at beginning of year	**$ 11,991**	$ 11,561	**$ 6,421**	$ 6,145	**$ 74**	$ 95	**$ 1,096**	$ 1,176
Actual return on plan assets	**1,303**	1,063	**786**	526	**7**	5	**277**	40
Company contributions	**—**	—	**352**	389	**54**	53	**92**	75
Plan participants contributions	**—**	—	**6**	6	**58**	65	**—**	—
Settlements	**—**	—	**(254)**	(44)	**—**	—	**—**	—
Benefits paid	**(638)**	(633)	**(312)**	(288)	**(143)**	(144)	**(54)**	(54)
Foreign exchange impact and other	**—**	—	**155**	(313)	**—**	—	**86**	(141)
Plan assets at fair value at year end	**$ 12,656**	$ 11,991	**$ 7,154**	$ 6,421	**$ 50**	$ 74	**$ 1,497**	$ 1,096
Funded status of the plan at year end (2)	**$ (612)**	$ (386)	**$ (245)**	$ 159	**$ (1,022)**	$ (1,053)	**$ (505)**	(272)
Net amount recognized								
Benefit asset	**$ —**	$ —	**$ 763**	$ 874	**$ —**	$ —	**$ —**	$ —
Benefit liability	**(612)**	(386)	**(1,008)**	(715)	**(1,022)**	(1,053)	**(505)**	(272)
Net amount recognized on the balance sheet	**$ (612)**	$ (386)	**$ (245)**	$ 159	**$ (1,022)**	$ (1,053)	**$ (505)**	$ (272)
Amounts recognized in *Accumulated other comprehensive income (loss)*								
Net transition obligation	**$ —**	$ —	**$ (2)**	$ 1	**$ —**	$ —	**$ (1)**	$ (1)
Prior service cost (benefit)	**13**	1	**(33)**	(23)	**1**	3	**5**	5
Net actuarial loss	**(4,904)**	(4,440)	**(1,936)**	(1,454)	**(123)**	(152)	**(802)**	(509)
Net amount recognized in equity—pretax	**$ (4,891)**	$ (4,439)	**$ (1,971)**	$ (1,476)	**$ (122)**	$ (149)	**$ (798)**	(505)
Accumulated benefit obligation at year end	**$ 13,246**	$ 12,337	**$ 6,369**	$ 5,463	**$ 1,072**	$ 1,127	**$ 2,002**	$ 1,368

(1) The U.S. plans exclude nonqualified pension plans, for which the aggregate projected benefit obligation was $769 million and $713 million and the aggregate accumulated benefit obligation was $738 million and $694 million at December 31, 2012 and 2011, respectively. These plans are unfunded. As such, the funded status of these plans is $(769) million and $(713) million at December 31, 2012 and 2011, respectively. *Accumulated other comprehensive income (loss)* reflects pretax charges of $298 million and $231 million at December 31, 2012 and 2011, respectively, that primarily relate to net actuarial loss.

(2) The U.S. qualified pension plan is fully funded under specified ERISA funding rules as of January 1, 2013 and no minimum required funding is expected for 2012 or 2013.

The following table shows the change in *Accumulated other comprehensive income (loss)* for the years ended December 31, 2012 and 2011:

In millions of dollars	**2012**	2011
Balance, January 1, net of tax (1)	**$ (4,282)**	$ (4,105)
Actuarial assumptions changes and plan experience (2)	**(2,400)**	(820)
Net asset gain due to actual returns exceeding expected returns	**963**	197
Net amortizations	**214**	183
Foreign exchange impact and other	**(155)**	28
Change in deferred taxes, net	**390**	235
Change, net of tax	**$ (988)**	$ (177)
Balance, December 31, net of tax (1)	**$ (5,270)**	$ (4,282)

(1) See Note 21 to the Consolidated Financial Statements for further discussion of net *Accumulated other comprehensive income (loss)* balance.

(2) Includes $62 million and $70 million in net actuarial losses related to U.S. nonqualified pension plans for 2012 and 2011, respectively.

At December 31, 2012 and 2011, for both qualified and nonqualified plans and for both funded and unfunded plans, the aggregate projected benefit obligation (PBO), the aggregate accumulated benefit obligation (ABO), and the aggregate fair value of plan assets are presented for pension plans with a projected benefit obligation in excess of plan assets and for pension plans with an accumulated benefit obligation in excess of plan assets as follows:

	PBO exceeds fair value of plan assets				**ABO exceeds fair value plan assets**			
	U.S. plans (1)		**Non-U.S. plans**		**U.S. plans (1)**		**Non-U.S. plans**	
In millions of dollars	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
Projected benefit obligation	**$ 14,037**	$ 13,089	**$ 4,792**	$ 2,386	**$ 14,037**	$ 13,089	**$ 2,608**	$ 1,970
Accumulated benefit obligation	**13,984**	13,031	**3,876**	1,992	**13,984**	13,031	**2,263**	1,691
Fair value of plan assets	**12,656**	11,991	**3,784**	1,671	**12,656**	11,991	**1,677**	1,139

(1) In 2012, the PBO and ABO of the U.S. plans include $13,268 million and $13,246 million, respectively, relating to the qualified plan and $769 million and $738 million, respectively, relating to the nonqualified plans. In 2011, the PBO and ABO of the U.S. plans include $12,377 million and $12,337 million, respectively, relating to the qualified plan and $712 million and $694 million, respectively, relating to the nonqualified plans.

At December 31, 2012, combined accumulated benefit obligations for the U.S. and non-U.S. pension plans, excluding U.S. nonqualified plans, were less than plan assets by $0.2 billion. At December 31, 2011, combined accumulated benefit obligations for the U.S. and non-U.S. pension plans, excluding U.S. nonqualified plans, exceeded plan assets by $0.6 billion.

Plan Assumptions

The Company utilizes a number of assumptions to determine plan obligations and expense. Changes in one or a combination of these assumptions will have an impact on the Company's pension and postretirement PBO, funded status and benefit expense. Changes in the plans' funded status resulting from changes in the PBO and fair value of plan assets will have a corresponding impact on *Accumulated other* *comprehensive income (loss)*.

Certain assumptions used in determining pension and postretirement benefit obligations and net benefit expenses for the Company's plans are shown in the following table:

At year end	**2012**		2011	
Discount rate				
U.S. plans (1)				
Pension	**3.90**	**%**	4.70	%
Postretirement	**3.60**		4.30	
Non-U.S. pension plans				
Range	**1.50 to 28.00**		1.75 to 13.25	
Weighted average	**5.24**		5.94	
Future compensation increase rate				
U.S. plans (2)	**N/A**		N/A	
Non-U.S. pension plans				
Range	**1.20 to 26.00**		1.60 to 13.30	
Weighted average	**3.93**		4.04	
Expected return on assets				
U.S. plans	**7.00**		7.50	
Non-U.S. pension plans				
Range	**0.90 to 11.50**		1.00 to 12.50	
Weighted average	**5.76**		6.25	

During the year	**2012**		2011	
Discount rate				
U.S. plans (1)				
Pension	**4.70**	**%**	5.45	%
Postretirement	**4.30**		5.10	
Non-U.S. pension plans				
Range	**1.75 to 13.25**		1.75 to 14.00	
Weighted average	**5.94**		6.23	
Future compensation increase rate				
U.S. plans (2)	**N/A**		N/A	
Non-U.S. pension plans				
Range	**1.60 to 13.30**		1.00 to 11.00	
Weighted average	**4.04**		4.66	
Expected return on assets				
U.S. plans	**7.50**		7.50	
Non-U.S. pension plans				
Range	**1.00 to 12.50**		1.00 to 12.50	
Weighted average	**6.25**		6.89	

(1) Weighted-average rates for the U.S. plans equal the stated rates.

(2) Since the U.S. qualified pension plan was frozen, a compensation increase rate applies only to certain small groups of grandfathered employees accruing benefits under a final pay plan formula. Only the future compensation increases for these grandfathered employees will affect future pension expense and obligations. Compensation increase rates for these small groups of participants range from 3.00% to 4.00%.

A discussion of certain key assumptions follows.

Discount Rate

The discount rates for the U.S. pension and postretirement plans were selected by reference to a Citigroup-specific analysis using each plan's specific cash flows and compared with high-quality corporate bond indices for reasonableness. Citigroup's policy is to round to the nearest five hundredths of a percent.

Accordingly, at December 31, 2012, the discount rate was set at 3.90% for the pension plans and 3.60% for the postretirement plans. At December 31, 2011, the discount rate was set at 4.70% for the pension plans and 4.30% for the postretirement plans.

The discount rates for the non-U.S. pension and postretirement plans are selected by reference to high-quality corporate bond rates in countries that have developed corporate bond markets. However, where developed corporate bond markets do not exist, the discount rates are selected by reference to local government bond rates with a premium added to reflect the additional risk for corporate bonds in certain countries.

Expected Rate of Return

The Company determines its assumptions for the expected rate of return on plan assets for its U.S. pension and postretirement plans using a "building block" approach, which focuses on ranges of anticipated rates of return for each asset class. A weighted range of nominal rates is then determined based on target allocations to each asset class. Market performance over a number of earlier years is evaluated covering a wide range of economic conditions to determine whether there are sound reasons for projecting any past trends.

The Company considers the expected rate of return to be a long-term assessment of return expectations and does not anticipate changing this assumption annually unless there are significant changes in investment strategy or economic conditions. This contrasts with the selection of the discount rate and certain other assumptions, which are reconsidered annually in accordance with generally accepted accounting principles.

The expected rate of return for the U.S. pension and postretirement plans was 7.00% at December 31, 2012, 7.50% at December 31, 2011, and 7.50% at December 31, 2010. Actual returns in 2012, 2011 and 2010 were greater than the expected returns. The expected return on assets reflects the expected annual appreciation of the plan assets and reduces the annual pension expense of the Company. It is deducted from the sum of service cost, interest cost and other components of pension expense to arrive at the net pension (benefit) expense. Net pension (benefit) expense for the U.S. pension plans for 2012, 2011, and 2010 reflects deductions of $897 million, $890 million, and $874 million of expected returns, respectively.

The following table shows the expected rate of return during the year versus actual rate of return on plan assets for 2012, 2011 and 2010 for the U.S. pension and postretirement plans:

	2012	2011	2010
Expected rate of return (1)	**7.50 %**	7.50 %	7.75 %
Actual rate of return (2)	**11.79%**	11.13%	14.11%

(1) Effective December 31, 2012, the expected rate of return decreased from 7.50% to 7.00%.
(2) Actual rates of return are presented gross of fees.

For the non-U.S. plans, pension expense for 2012 was reduced by the expected return of $399 million, compared with the actual return of $786 million. Pension expense for 2011 and 2010 was reduced by expected returns of $422 million and $378 million, respectively. Actual returns were higher in 2012, 2011, and 2010 than the expected returns in those years.

Sensitivities of Certain Key Assumptions

The following tables summarize the effect on pension expense of a one-percentage-point change in the discount rate:

	One-percentage-point increase		
In millions of dollars	**2012**	2011	2010
U.S. plans	**$18**	$19	$19
Non-U.S. plans	**(48)**	(57)	(49)

	One-percentage-point decrease		
In millions of dollars	**2012**	2011	2010
U.S. plans	**$ (36)**	$ (34)	$ (34)
Non-U.S. plans	**64**	70	56

Since the U.S. qualified pension plan was frozen, the majority of the prospective service cost has been eliminated and the gain/loss amortization period was changed to the life expectancy for inactive participants. As a result, pension expense for the U.S. qualified pension plan is driven more by interest costs than service costs, and an increase in the discount rate would increase pension expense, while a decrease in the discount rate would decrease pension expense.

The following tables summarize the effect on pension expense of a one-percentage-point change in the expected rates of return:

	One-percentage-point increase		
In millions of dollars	**2012**	2011	2010
U.S. plans	**$ (120)**	$ (118)	$ (119)
Non-U.S. plans	**(64)**	(62)	(54)

	One-percentage-point decrease		
In millions of dollars	**2012**	2011	2010
U.S. plans	**$ 120**	$ 118	$ 119
Non-U.S. plans	**64**	62	54

Health-Care Cost-Trend Rate

Assumed health-care cost-trend rates were as follows:

	2012	2011
Health-care cost increase rate for U.S. plans		
Following year	**8.50 %**	9.00 %
Ultimate rate to which cost increase is assumed to decline	**5.00**	5.00
Year in which the ultimate rate is reached	**2020**	2020

A one-percentage-point change in assumed health-care cost-trend rates would have the following effects:

	One-percentage-point increase		One-percentage-point decrease	
In millions of dollars	**2012**	2011	**2012**	2011
Effect on benefits earned and interest cost for U.S. plans	**$2**	$2	**$(1)**	$(2)
Effect on accumulated postretirement benefit obligation for U.S. plans	**44**	43	**(39)**	(38)

Plan Assets

Citigroup's pension and postretirement plans' asset allocations for the U.S. plans at December 31, 2012 and 2011, and the target allocations for 2013 by asset category based on asset fair values, are as follows:

	Target asset allocation	U.S. pension assets at December 31,		U.S. postretirement assets at December 31,	
Asset category (1)	2013	**2012**	2011	**2012**	2011
Equity securities (2)	0 - 30 %	**17 %**	16 %	**17 %**	16 %
Debt securities	25 - 73	**45**	44	**45**	44
Real estate	0 - 7	**5**	5	**5**	5
Private equity	0 - 15	**11**	13	**11**	13

Other investments	12 - 29	**22**	22	**22**	22
Total		**100 %**	100 %	**100 %**	100 %

(1) Asset allocations for the U.S. plans are set by investment strategy, not by investment product. For example, private equities with an underlying investment in real estate are classified in the real estate asset category, not private equity.
(2) Equity securities in the U.S. pension plans include no Citigroup common stock at the end of 2012 and 2011.

Third-party investment managers and advisors provide their services to Citigroup's U.S. pension plans. Assets are rebalanced as the Pension Plan Investment Committee deems appropriate. Citigroup's investment strategy, with respect to its pension assets, is to maintain a globally diversified investment portfolio across several asset classes that, when combined with Citigroup's contributions to the plans, will maintain the plans' ability to meet all required benefit obligations.

Citigroup's pension and postretirement plans' weighted-average asset allocations for the non-U.S. plans and the actual ranges at the end of 2012 and 2011, and the weighted-average target allocations for 2013 by asset category based on asset fair values are as follows:

	Non-U.S. pension plans				
	Weighted-average target asset allocation	**Actual range at December 31,**		**Weighted-average at December 31,**	
Asset category	2013	**2012**	2011	**2012**	2011
Equity securities	16 %	**0 to 63 %**	0 to 65 %	**16 %**	19 %
Debt securities	75	**0 to 100**	0 to 99	**72**	71
Real estate	1	**0 to 41**	0 to 42	**1**	1
Other investments	8	**0 to 100**	0 to 100	**11**	9
Total	100 %			**100 %**	100 %

	Non-U.S. postretirement plans				
	Weighted-average target asset allocation	**Actual range at December 31,**		**Weighted-average at December 31,**	
Asset category	2013	**2012**	2011	**2012**	2011
Equity securities	27 %	**0 to 28 %**	0 to 44 %	**28 %**	44 %
Debt securities	55	**46 to 100**	45 to 100	**46**	45
Other investments	18	**0 to 26**	0 to 11	**26**	11
Total	100 %			**100 %**	100 %

Fair Value Disclosure

For information on fair value measurements, including descriptions of Level 1, 2 and 3 of the fair value hierarchy and the valuation methodology utilized by the Company, see "Significant Accounting Policies and Significant Estimates" and Note 25 to the Consolidated Financial Statements.

Certain investments may transfer between the fair value hierarchy classifications during the year due to changes in valuation methodology and pricing sources. There were no significant transfers of investments between Level 1 and Level 2 during the years ended December 31, 2012 and 2011.

Plan assets by detailed asset categories and the fair value hierarchy are as follows:

In millions of dollars	**U.S. pension and postretirement benefit plans** (1)			
	Fair value measurement at December 31, 2012			
Asset categories	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity securities				
U.S. equity	**$ 677**	**$ —**	**$ —**	**$ 677**
Non-U.S. equity	**412**	**5**	**—**	**417**
Mutual funds	**177**	**—**	**—**	**177**
Commingled funds	**—**	**1,132**	**—**	**1,132**
Debt securities				
U.S. Treasuries	**1,431**	**—**	**—**	**1,431**
U.S. agency	**—**	**112**	**—**	**112**
U.S. corporate bonds	**1**	**1,396**	**—**	**1,397**
Non-U.S. government debt	**—**	**387**	**—**	**387**
Non-U.S. corporate bonds	**4**	**346**	**—**	**350**
State and municipal debt	**—**	**142**	**—**	**142**
Hedge funds	**—**	**1,132**	**1,524**	**2,656**
Asset-backed securities	**—**	**55**	**—**	**55**
Mortgage-backed securities	**—**	**52**	**—**	**52**
Annuity contracts	**—**	**—**	**130**	**130**
Private equity	**—**	**—**	**2,419**	**2,419**
Derivatives	**593**	**37**	**—**	**630**
Other investments	**—**	**—**	**142**	**142**
Total investments at fair value	**$ 3,295**	**$ 4,796**	**$ 4,215**	**$ 12,306**
Cash and short-term investments	**$ 130**	**$ 906**	**$ —**	**$ 1,036**
Other investment receivables	**—**	**6**	**24**	**30**
Total assets	**$ 3,425**	**$ 5,708**	**$ 4,239**	**$ 13,372**
Other investment liabilities	**$ (607)**	**$ (60)**	**$ —**	**$ (667)**
Total net assets	**$ 2,818**	**$ 5,648**	**$ 4,239**	**$ 12,705**

(1) The investments of the U.S. pension and postretirement benefit plans are commingled in one trust. At December 31, 2012, the allocable interests of the U.S. pension and postretirement benefit plans were 99.6% and 0.4%, respectively.

In millions of dollars	U.S. pension and postretirement benefit plans (1)			
	Fair value measurement at December 31, 2011			
Asset categories	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity securities				
U.S. equity	$572	$5	$51	$628
Non-U.S. equity	229	—	19	248
Mutual funds	137	—	—	137
Commingled funds	440	594	—	1,034
Debt securities				
U.S. Treasuries	1,760	—	—	1,760
U.S. agency	—	120	—	120
U.S. corporate bonds	2	1,073	5	1,080
Non-U.S. government debt	—	352	—	352
Non-U.S. corporate bonds	4	271	—	275
State and municipal debt	—	122	—	122
Hedge funds	—	1,087	870	1,957
Asset-backed securities	—	19	—	19
Mortgage-backed securities	—	32	—	32
Annuity contracts	—	—	155	155
Private equity	—	—	2,474	2,474
Derivatives	691	36	—	727
Other investments	92	20	121	233
Total investments at fair value	$ 3,927	$ 3,731	$ 3,695	$ 11,353
Cash and short-term investments	$ 412	$ 402	$ —	$ 814
Other investment receivables	—	393	221	614
Total assets	$ 4,339	$ 4,526	$ 3,916	$ 12,781
Other investment liabilities	$ (683)	$ (33)	$ —	$ (716)
Total net assets	$ 3,656	$ 4,493	$ 3,916	$ 12,065

(1) The investments of the U.S. pension and postretirement benefit plans are commingled in one trust. At December 31, 2011, the allocable interests of the U.S. pension and postretirement benefit plans were 99.2% and 0.8%, respectively.

In millions of dollars	Non-U.S. pension and postretirement benefit plans			
	Fair value measurement at December 31, 2012			
Asset categories	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity securities				
U.S. equity	**$ 12**	**$ 12**	**$ —**	**$ 24**
Non-U.S. equity	**88**	**77**	**48**	**213**
Mutual funds	**31**	**4,583**	**—**	**4,614**
Commingled funds	**26**	**—**	**—**	**26**
Debt securities				
U.S. Treasuries	**—**	**1**	**—**	**1**
U.S. corporate bonds	**10**	**478**	**—**	**488**
Non-U.S. government debt	**1,806**	**144**	**4**	**1,954**
Non-U.S. corporate bonds	**162**	**804**	**4**	**970**
State and municipal debt	**—**	**—**	**—**	**—**
Hedge funds	**—**	**—**	**16**	**16**
Mortgage-backed securities	**—**	**1**	**—**	**1**
Annuity contracts	**—**	**5**	**6**	**11**
Derivatives	**—**	**40**	**—**	**40**
Other investments	**3**	**9**	**219**	**231**
Total investments at fair value	**$ 2,138**	**$ 6,154**	**$ 297**	**$ 8,589**
Cash and short-term investments	**$ 56**	**$ 4**	**$ 3**	**$ 63**
Total assets	**$ 2,194**	**$ 6,158**	**$ 300**	**$ 8,652**

In millions of dollars	Non-U.S. pension and postretirement benefit plans			
	Fair value measurement at December 31, 2011			
Asset categories	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity securities				
U.S. equity	$ 12	$ —	$ —	$ 12
Non-U.S. equity	48	180	5	233
Mutual funds	11	4,439	32	4,482
Commingled funds	26	—	—	26

Debt securities				
U.S. Treasuries	1	—	—	1
U.S. corporate bonds	1	379	—	380
Non-U.S. government debt	1,484	129	5	1,618
Non-U.S. corporate bonds	5	318	3	326
State and municipal debt	—	—	—	—
Hedge funds	—	3	12	15
Mortgage-backed securities	1	—	—	1
Annuity contracts	—	3	—	3
Derivatives	—	3	—	3
Other investments	3	6	240	249
Total investments at fair value	$ 1,592	$ 5,460	$ 297	$ 7,349
Cash and short-term investments	$ 168	$ —	$ —	$ 168
Total assets	$ 1,760	$ 5,460	$ 297	$ 7,517

Level 3 Roll Forward

The reconciliations of the beginning and ending balances during the period for Level 3 assets are as follows:

In millions of dollars	**U.S. pension and postretirement benefit plans**					
Asset categories	**Beginning Level 3 fair value at Dec. 31, 2011**	**Realized gains (losses)**	**Unrealized gains (losses)**	**Purchases, sales, and issuances**	**Transfers in and/or out of Level 3**	**Ending Level 3 fair value at Dec. 31, 2012**
Equity securities						
U.S. equity	$ 51	$ —	$ —	$ —	$ (51)	**$ —**
Non-U.S. equity	19	—	8	—	(27)	**—**
Debt securities						
U.S. corporate bonds	5	—	1	—	(6)	**—**
Non-U.S. government debt	—	(1)	—	1	—	**—**
Non-U.S. corporate bonds	—	—	—	—	—	**—**
Hedge funds	870	(28)	149	199	334	**1,524**
Annuity contracts	155	—	6	(31)	—	**130**
Private equity	2,474	267	98	(484)	64	**2,419**
Other investments	121	—	14	12	(5)	**142**
Total investments	$ 3,695	$ 238	$ 276	$ (303)	$ 309	**$ 4,215**
Other investment receivables	221	—	—	—	(197)	**24**
Total assets	$ 3,916	$ 238	$ 276	$ (303)	$ 112	**$ 4,239**

In millions of dollars	**U.S. pension and postretirement benefit plans**					
Asset categories	**Beginning Level 3 fair value at Dec. 31, 2010**	**Realized gains (losses)**	**Unrealized gains (losses)**	**Purchases, sales, and issuances**	**Transfers in and/or out of Level 3**	**Ending Level 3 fair value at Dec. 31, 2011**
Equity securities						
U.S. equity	$ —	$—	$ —	$ —	$ 51	$ 51
Non-U.S. equity	—	—	(1)	—	20	19
Debt securities						
U.S. corporate bonds	5	(2)	(1)	(1)	4	5
Non-U.S. corporate bonds	1	—	—	(1)	—	—
Hedge funds	1,014	42	(45)	(131)	(10)	870
Annuity contracts	187	—	3	(35)	—	155
Private equity	2,920	89	94	(497)	(132)	2,474
Other investments	4	—	(6)	—	123	121
Total investments	$ 4,131	$ 129	$ 44	$ (665)	$ 56	$ 3,695
Other investment receivables	—	—	—	221	—	221
Total assets	$ 4,131	$ 129	$ 44	$ (444)	$ 56	$ 3,916

In millions of dollars	**Non-U.S. pension and postretirement benefit plans**					
Asset categories	**Beginning Level 3 fair value at Dec. 31, 2011**	**Realized gains (losses)**	**Unrealized gains (losses)**	**Purchases, sales, and issuances**	**Transfers in and/or out of Level 3**	**Ending Level 3 fair value at Dec. 31, 2012**
Equity securities						
Non-U.S. equity	$ 5	$ —	$ —	$43	$—	**$48**
Mutual funds	32	—	—	(10)	(22)	**—**
Debt securities						
Non-U.S. government bonds	5	—	—	—	(1)	**4**
Non-U.S. corporate bonds	3	(3)	—	2	2	**4**
Hedge funds	12	—	—	—	4	**16**

Annuity contracts	—	—	—	1	5	**6**
Other investments	240	7	14	(23)	(19)	**219**
Total investments	$ 297	$ 4	$ 14	$ 13	$ (31)	**$ 297**
Cash and short-term investments	—	—	—	—	3	**3**
Total assets	$ 297	$ 4	$ 14	$ 13	$ (28)	**$ 300**

In millions of dollars	**Non-U.S. pension and postretirement benefit plans**					
Asset categories	**Beginning Level 3 fair value at Dec. 31, 2010**	**Realized gains (losses)**	**Unrealized gains (losses)**	**Purchases, sales, and issuances**	**Transfers in and/or out of Level 3**	**Ending Level 3 fair value at Dec. 31, 2011**
Equity securities						
Non-U.S. equity	$ 3	$ —	$ 2	$ —	$ —	$ 5
Mutual funds	—	—	—	—	32	32
Debt securities						
Non-U.S. government bonds	—	—	—	—	5	5
Non-U.S. corporate bonds	107	—	—	2	(105)	4
Hedge funds	14	(2)	—	—	—	12
Other investments	189	4	—	(10)	56	239
Total assets	$ 313	$ 2	$ 2	$ (8)	$ (12)	$ 297

Investment Strategy

The Company's global pension and postretirement funds' investment strategies are to invest in a prudent manner for the exclusive purpose of providing benefits to participants. The investment strategies are targeted to produce a total return that, when combined with the Company's contributions to the funds, will maintain the funds' ability to meet all required benefit obligations. Risk is controlled through diversification of asset types and investments in domestic and international equities, fixed-income securities and cash and short-term investments. The target asset allocation in most locations outside the U.S. is to have the majority of the assets in equity and debt securities. These allocations may vary by geographic region and country depending on the nature of applicable obligations and various other regional considerations. The wide variation in the actual range of plan asset allocations for the funded non-U.S. plans is a result of differing local statutory requirements and economic conditions. For example, in certain countries local law requires that all pension plan assets must be invested in fixed-income investments, government funds, or local-country securities.

Significant Concentrations of Risk in Plan Assets

The assets of the Company's pension plans are diversified to limit the impact of any individual investment. The U.S. qualified pension plan is diversified across multiple asset classes, with publicly traded fixed income, hedge funds, publicly traded equity, and private equity representing the most significant asset allocations. Investments in these four asset classes are further diversified across funds, managers, strategies, vintages, sectors and geographies, depending on the specific characteristics of each asset class. The pension assets for the Company's largest non-U.S. plans are primarily invested in publicly traded fixed income and publicly traded equity securities.

Oversight and Risk Management Practices

The framework for the Company's pensions oversight process includes monitoring of retirement plans by plan fiduciaries and/or management at the global, regional or country level, as appropriate. Independent risk management contributes to the risk oversight and monitoring for the Company's U.S. qualified pension plan and largest non-U.S. pension plans. Although the specific components of the oversight process are tailored to the requirements of each region, country and plan, the following elements are common to the Company's monitoring and risk management process:

- Periodic asset/liability management studies and strategic asset allocation reviews
- Periodic monitoring of funding levels and funding ratios
- Periodic monitoring of compliance with asset allocation guidelines
- Periodic monitoring of asset class and/or investment manager performance against benchmarks
- Periodic risk capital analysis and stress testing

Estimated Future Benefit Payments

The Company expects to pay the following estimated benefit payments in future years:

	Pension plans		**Postretirement benefit plans**	
In millions of dollars	**U.S. plans**	**Non-U.S. plans**	**U.S. plans**	**Non-U.S. plans**
2013	$ 774	$366	$88	$ 58
2014	796	356	86	63
2015	798	373	86	66
2016	811	391	83	71
2017	825	408	81	75
2018–2022	4,370	2,399	370	483

Prescription Drugs

In December 2003, the Medicare Prescription Drug Improvement and Modernization Act of 2003 (Act of 2003) was enacted. The Act of 2003 established a prescription drug benefit under Medicare known as "Medicare Part D," and a federal subsidy to sponsors of U.S. retiree health-care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D. The benefits provided to certain participants are at least actuarially equivalent to Medicare Part D and, accordingly, the Company is entitled to a subsidy.

The expected subsidy reduced the accumulated postretirement benefit obligation (APBO) by approximately $93 million and $96 million as of December 31, 2012 and 2011, respectively, and the postretirement expense by approximately $9 million and $10 million for 2012 and 2011, respectively.

The following table shows the estimated future benefit payments without the effect of the subsidy and the amounts of the expected subsidy in future years:

	Expected U.S. postretirement benefit payments		
In millions of dollars	**Before Medicare Part D subsidy**	**Medicare Part D subsidy**	**After Medicare Part D subsidy**
2013	$ 98	$ 10	$ 88
2014	96	10	86

2015	94	8	86
2016	91	8	83
2017	89	8	81
2018–2022	399	29	370

The Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively, the Act of 2010) were signed into law in the U.S. in March 2010. One provision that impacted Citigroup was the elimination of the tax deductibility for benefits paid that are related to the Medicare Part D subsidy, starting in 2013. Citigroup was required to recognize the full accounting impact in 2010, the period in which the Act of 2010 was signed. As a result, there was a $45 million reduction in deferred tax assets with a corresponding charge to earnings from continuing operations.

Certain provisions of the Act of 2010 improved the Medicare Part D option known as the Employer Group Waiver Plan (EGWP), with respect to the Medicare Part D subsidy. The EGWP provides prescription drug benefits that are more cost effective for Medicare-eligible participants and large employers. Effective April 1, 2013, the Company will sponsor and implement an EGWP for eligible retirees. The expected Company subsidy received under EGWP is expected to be at least actuarially equivalent to the subsidy the Company would have previously received under the Medicare Part D benefit.

The other provisions of the Act of 2010 are not expected to have a significant impact on Citigroup's pension and postretirement plans.

Early Retiree Reinsurance Program

The Company participates in the Early Retiree Reinsurance Program (ERRP), which provides federal government reimbursement to eligible employers to cover a portion of the health benefit costs associated with early retirees. Of the $8 million the Company received in reimbursements in 2012, approximately $5 million was used to reduce the health benefit costs for certain eligible retirees. In accordance with federal regulations, the remaining reimbursements will be used to reduce retirees' health benefit costs by December 31, 2014.

Postemployment Plans

The Company sponsors U.S. postemployment plans that provide income continuation and health and welfare benefits to certain eligible U.S. employees on long-term disability.

As of December 31, 2012 and 2011, the plans' funded status recognized in the Company's Consolidated Balance Sheet was $(501) million and $(469) million, respectively. The amounts recognized in *Accumulated other comprehensive income (loss)* as of December 31, 2012 and 2011 were $(185) million and $(188) million, respectively.

The following table summarizes the components of net expense recognized in the Consolidated Statement of Income for the Company's U.S. postemployment plans.

	Net Expense		
In millions of dollars	**2012**	**2011**	**2010**
Service related expense			
Service cost	**$ 22**	$ 16	$ 13
Interest cost	**13**	12	10
Prior service cost	**7**	7	7
Net actuarial loss	**13**	9	6
Total service related expense	**$ 55**	$ 44	$ 36
Non-service related expense	**$ 24**	$ 23	$ 33
Total net expense	**$ 79**	$ 67	$ 69

The following table summarizes certain assumptions used in determining the postemployment benefit obligations and net benefit expenses for the Company's U.S. postemployment plans.

	2012	2011
Discount rate	**3.10 %**	3.95 %
Health-care cost increase rate		
Following year	**8.50 %**	9.00 %
Ultimate rate to which cost increase is assumed to decline	**5.00**	5.00
Year in which the ultimate rate is reached	**2020**	2020

Defined Contribution Plans

The Company sponsors defined contribution plans in the U.S. and in certain non-U.S. locations, all of which are administered in accordance with local laws. The most significant defined contribution plan is the Citigroup 401(k) Plan sponsored by the Company in the U.S.

Under the Citigroup 401(k) Plan, eligible U.S. employees received matching contributions of up to 6% of their eligible compensation for 2012 and 2011, subject to statutory limits. Additionally, for eligible employees whose eligible compensation is $100,000 or less, a fixed contribution of up to 2% of eligible compensation is provided. All Company contributions are invested according to participants' individual elections. The pretax expense associated with this plan amounted to approximately $389 million, $383 million and $301 million in 2012, 2011 and 2010, respectively.

RETIREMENT BENEFITS (Details 3) (USD $)	12 Months Ended Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Change in accumulated other comprehensive income (loss)			
Balance at the beginning of the period, after-tax	$ (17,788,000,000)	$ (16,277,000,000)	$ (18,937,000,000)
Change in deferred taxes, net	390,000,000	235,000,000	434,000,000
Balance at the end of the period, after-tax	(16,896,000,000)	(17,788,000,000)	(16,277,000,000)
Pension liability adjustments			
Change in accumulated other comprehensive income (loss)			
Balance at the beginning of the period, after-tax	(4,282,000,000)	(4,105,000,000)	(3,461,000,000)
Actuarial assumptions changes and plan experience	(2,400,000,000)	(820,000,000)	
Net asset gain due to actual returns exceeding expected returns	963,000,000	197,000,000	
Net amortizations	214,000,000	183,000,000	
Foreign exchange impact and other	(155,000,000)	28,000,000	
Change in deferred taxes, net	390,000,000	235,000,000	
Change in accumulated other comprehensive income (loss)	(988,000,000)	(177,000,000)	(644,000,000)
Balance at the end of the period, after-tax	(5,270,000,000)	(4,282,000,000)	(4,105,000,000)
Pension Plans			
PBO exceeds fair value of plan assets			
ABO less than fair value of plan assets, accumulated benefit obligation	200,000,000		
ABO exceeds fair value of plan assets			
Accumulated benefit obligation		600,000,000	
U.S. Pension Plans			
PBO exceeds fair value of plan assets			
Projected benefit obligation	14,037,000,000	13,089,000,000	
Accumulated benefit obligation	13,984,000,000	13,031,000,000	
Fair value of plan assets	12,656,000,000	11,991,000,000	
ABO exceeds fair value of plan assets			
Projected benefit obligation	14,037,000,000	13,089,000,000	
Accumulated benefit obligation	13,984,000,000	13,031,000,000	
Fair value of plan assets	12,656,000,000	11,991,000,000	
Non - U.S. Pension Plans			
PBO exceeds fair value of plan assets			
Projected benefit obligation	4,792,000,000	2,386,000,000	
Accumulated benefit obligation	3,876,000,000	1,992,000,000	
Fair value of plan assets	3,784,000,000	1,671,000,000	
ABO exceeds fair value of plan assets			
Projected benefit obligation	2,608,000,000	1,970,000,000	
Accumulated benefit obligation	2,263,000,000	1,691,000,000	
Fair value of plan assets	1,677,000,000	1,139,000,000	

United States Qualified Pension Plans		
PBO exceeds fair value of plan assets		
Projected benefit obligation	13,268,000,000	12,377,000,000
ABO exceeds fair value of plan assets		
Projected benefit obligation	13,246,000,000	12,337,000,000
Nonqualified pension plans		
PBO exceeds fair value of plan assets		
Projected benefit obligation	769,000,000	712,000,000
ABO exceeds fair value of plan assets		
Projected benefit obligation	738,000,000	694,000,000
Nonqualified pension plans | Pension liability adjustments		
Change in accumulated other comprehensive income (loss)		
Actuarial assumptions changes and plan experience	$ 62,000,000	$ 70,000,000

INCOME TAXES (Details 5) (USD $)	12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011
Operating loss and tax credit carryforwards		
U.S. foreign tax credit carryforward period	$ 22,000,000,000	
Total U.S. consolidated tax return general business credit carryforward	2,600,000,000	
Total U.S. separate tax returns federal NOL carryforwards	2,400,000,000	
Total New York State NOL carryforwards	9,600,000,000	
Total New York City NOL carryforwards	5,600,000,000	
Total APB 23 subsidiary NOL carryforwards	200,000,000	
Amount of recognized net deferred tax asset for which realization is more likely than not	55,322,000,000	51,530,000,000
Amount of taxable income necessary to fully realize U.S. federal, state and local DTAs	112,000,000,000	
U.S. Federal and New York State and City NOL carryforward period	20 years	
U.S. foreign tax credit carryforward period	10 years	
Limit on utilization of foreign tax credit carryforwards (as a percent)	35.00%	35.00%
Domestic losses allowed to be reclassified as foreign source income	63,000,000,000	
Limit on domestic losses to be reclassified as foreign source income (as a percent)	50.00%	
2016		
Operating loss and tax credit carryforwards		
U.S. foreign tax credit carryforward period	400,000,000	
2017		
Operating loss and tax credit carryforwards		
U.S. foreign tax credit carryforward period	6,600,000,000	
2018		
Operating loss and tax credit carryforwards		
U.S. foreign tax credit carryforward period	5,300,000,000	
2019		
Operating loss and tax credit carryforwards		
U.S. foreign tax credit carryforward period	1,300,000,000	
2020		
Operating loss and tax credit carryforwards		
U.S. foreign tax credit carryforward period	2,300,000,000	
2021		
Operating loss and tax credit carryforwards		
U.S. foreign tax credit carryforward period	1,900,000,000	
2022		
Operating loss and tax credit carryforwards		
U.S. foreign tax credit carryforward period	4,200,000,000	
2027		
Operating loss and tax credit carryforwards		
Total U.S. consolidated tax return general business credit carryforward	300,000,000	

Total U.S. separate tax returns federal NOL carryforwards	200,000,000
Total New York State NOL carryforwards	100,000,000
Total New York City NOL carryforwards	100,000,000
2028	
Operating loss and tax credit carryforwards	
Total U.S. consolidated tax return general business credit carryforward	400,000,000
Total U.S. separate tax returns federal NOL carryforwards	100,000,000
Total New York State NOL carryforwards	7,200,000,000
Total New York City NOL carryforwards	3,700,000,000
2029	
Operating loss and tax credit carryforwards	
Total U.S. consolidated tax return general business credit carryforward	400,000,000
Total New York State NOL carryforwards	1,900,000,000
Total New York City NOL carryforwards	1,600,000,000
2030	
Operating loss and tax credit carryforwards	
Total U.S. consolidated tax return general business credit carryforward	500,000,000
Total U.S. separate tax returns federal NOL carryforwards	300,000,000
Total New York State NOL carryforwards	400,000,000
Total New York City NOL carryforwards	200,000,000
2031	
Operating loss and tax credit carryforwards	
Total U.S. consolidated tax return general business credit carryforward	500,000,000
Total U.S. separate tax returns federal NOL carryforwards	1,800,000,000
2032	
Operating loss and tax credit carryforwards	
Total U.S. consolidated tax return general business credit carryforward	500,000,000
Various	
Operating loss and tax credit carryforwards	
Total APB 23 subsidiary NOL carryforwards	$ 200,000,000

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
Net income before attribution of noncontrolling interests	$ 7,760	$ 11,215	$ 10,883
Citigroup's other comprehensive income (loss)			
Net change in unrealized gains and losses on investment securities, net of taxes	632	2,360	1,952
Net change in cash flow hedges, net of taxes	527	(170)	532
Net change in foreign currency translation adjustment, net of taxes and hedges	721	(3,524)	820
Pension liability adjustment, net of taxes	(988) [1]	(177) [1]	(644) [1]
Citigroup's total other comprehensive income (loss)	892	(1,511)	2,660
Other comprehensive income (loss) attributable to noncontrolling interests			
Net change in unrealized gains and losses on investment securities, net of taxes	32	(5)	1
Net change in foreign currency translation adjustment, net of taxes	58	(87)	(27)
Total other comprehensive income (loss) attributable to noncontrolling interests	90	(92)	(26)
Total comprehensive income before attribution of noncontrolling interests	8,742	9,612	13,517
Total comprehensive income attributable to noncontrolling interests	309	56	255
Citigroup's comprehensive income	$ 8,433	$ 9,556	$ 13,262

[1] Primarily reflects adjustments based on the year-end actuarial valuations of the Company's pension and postretirement plans and amortization of amounts previously recognized in Other comprehensive income.

DISCONTINUED OPERATIONS	12 Months Ended Dec. 31, 2012

DISCONTINUED OPERATIONS
DISCONTINUED OPERATIONS

3. DISCONTINUED OPERATIONS

Sale of Certain Citi Capital Advisors Business

During the third quarter of 2012, the Company executed definitive agreements to transition a carve-out of its liquid strategies business within Citi Capital Advisors (CCA), which is part of the *Institutional Clients Group* segment, to certain employees responsible for managing those operations. This transition will occur pursuant to two separate transactions, creating two separate management companies. Each transaction will be accounted for as a sale. The first transaction closed on February 28, 2013 and Citigroup retained a 24.9% passive equity interest in the management company (which will continue to be held in Citi's *Institutional Clients Group* segment). The second transaction is expected to be completed in the first half of 2013.

This sale is reported as discontinued operations for the second half of 2012 only. Prior periods were not reclassified due to the immateriality of the impact in those periods.

The following is a summary as of December 31, 2012 of the assets held for sale on the Consolidated Balance Sheet for the operations related to the CCA business to be sold:

In millions of dollars	2012
Assets	
Deposits at interest with banks	$ 4
Goodwill	13
Intangible assets	19
Total assets	$ 36

Summarized financial information for *Discontinued operations* for the operations related to CCA follows:

In millions of dollars	2012
Total revenues, net of interest expense	$ 60
Income (loss) from discontinued operations	$ (123)
Gain on sale	—
Benefit for income taxes	(44)
Income (loss) from discontinued operations, net of taxes	$ (79)

Sale of Egg Banking plc Credit Card Business

On March 1, 2011, the Company announced that Egg Banking plc (Egg), an indirect subsidiary that was part of Citi Holdings, entered into a definitive agreement to sell its credit card business to Barclays PLC. The sale closed on April 28, 2011.

This sale is reported as discontinued operations for 2011 and 2012 only. 2010 was not reclassified, due to the immateriality of the impact in that period. An after-tax gain on sale of $126 million was recognized upon closing. Egg operations had total assets and total liabilities of approximately $2.7 billion and $39 million, respectively, at the time of sale.

Summarized financial information for *Discontinued operations*, including cash flows, for the credit card operations related to Egg follows:

In millions of dollars	2012	2011
Total revenues, net of interest expense	$ 1	$340
Income (loss) from discontinued operations	$ (96)	$ 24
Gain (loss) on sale	(1)	143
(Benefit) provision for income taxes	(34)	58
Income (loss) from discontinued operations, net of taxes	$ (63)	$ 109

Cash Flows from Discontinued Operations

In millions of dollars	2012	2011

Cash flows from operating activities	**$ —**	$ (146)
Cash flows from investing activities	**—**	2,827
Cash flows from financing activities	**—**	(12)
Net cash provided by discontinued operations	**$ —**	$ 2,669

Sale of The Student Loan Corporation

On September 17, 2010, the Company announced that The Student Loan Corporation (SLC), an indirect subsidiary that was 80% owned by Citibank and 20% owned by public shareholders, and which was part of Citi Holdings, entered into definitive agreements that resulted in the divestiture of Citi's private student loan business and approximately $31 billion of its approximate $40 billion in assets to Discover Financial Services (Discover) and SLM Corporation (Sallie Mae). The transaction closed on December 31, 2010. As part of the transaction, Citi provided Sallie Mae with $1.1 billion of seller-financing. Additionally, as part of the transactions, Citibank, N.A. purchased approximately $8.6 billion of assets from SLC prior to the sale of SLC.

This sale was reported as discontinued operations for the third and fourth quarters of 2010 only. Prior periods were not reclassified, due to the immateriality of the impact in those periods. The total 2010 impact from the sale of SLC resulted in an after-tax loss of $427 million. SLC operations had total assets and total liabilities of approximately $31 billion and $29 billion, respectively, at the time of sale.

Summarized financial information for discontinued operations, including cash flows, related to the sale of SLC follows:

In millions of dollars	**2012**	2011	2010
Total revenues, net of interest expense	**$ —**	$ —	$ (577)
Income from discontinued operations	**$ —**	$ —	$ 97
Gain (loss) on sale	**—**	—	(825)
Benefit for income taxes	**—**	—	(339)
Income (loss) from discontinued operations, net of taxes	**$—**	$—	$(389)

Cash Flows from Discontinued Operations

In millions of dollars	**2012**	2011	2010
Cash flows from operating activities	**$ —**	$ —	$ 5,106
Cash flows from investing activities	**—**	—	1,532
Cash flows from financing activities	**—**	—	(6,483)
Net cash provided by discontinued operations	**$ —**	$ —	$ 155

Combined Results for Discontinued Operations

The following is summarized financial information for the CCA business, the Egg credit card business, The Student Loan Corporation business and previous discontinued operations, for which Citi continues to have minimal residual costs associated with the sales.

In millions of dollars	**2012**	2011	2010
Total revenues, net of interest expense	**$ 61**	$ 352	$ (410)
Income (loss) from discontinued operations	**$ (219)**	$ 23	$ 72
Gain (loss) on sale	**(1)**	155	(702)
Provision (benefit) for income taxes	**(71)**	66	(562)
Income (loss) from discontinued operations, net of taxes	**$ (149)**	$ 112	$ (68)

Cash Flows from Discontinued Operations

In millions of dollars	**2012**	2011	2010
Cash flows from operating activities	**$ —**	$ (146)	$ 4,974
Cash flows from investing activities	**—**	2,827	1,726
Cash flows from financing activities	**—**	(12)	(6,486)

Net cash provided by discontinued operations	**$ —**	$ 2,669	$ 214

BUSINESS DIVESTITURES	12 Months Ended Dec. 31, 2012
BUSINESS DIVESTITURES	
BUSINESS DIVESTITURES	**2. BUSINESS DIVESTITURES** The following divestitures occurred in 2011 and 2010 and did not qualify as *Discontinued operations*. Divestitures that qualified as *Discontinued operations* are discussed in Note 3 to the Consolidated Financial Statements. In April 2010, Citi completed the IPO of Primerica, which was part of Citi Holdings, and sold approximately 34% to public investors. Also in April 2010, Citi completed the sale of approximately 22% of Primerica to Warburg Pincus, a private equity firm. Citi contributed 4% of the Primerica shares to Primerica for employee and agent stock-based awards immediately prior to the sales. Citi retained an approximate 40% interest in Primerica after the sales and recorded the investment under the equity method. Citi recorded an after-tax gain on sale of $26 million. Concurrent with the sale of the shares, Citi entered into co-insurance agreements with Primerica to reinsure up to 90% of the risk associated with the in-force insurance policies. During 2011, Citi sold its remaining shares in Primerica for an after-tax loss of $11 million.

FAIR VALUE MEASUREMENT (Details) (USD $)	12 Months Ended Dec. 31, 2012 item	Dec. 31, 2011
FAIR VALUE MEASUREMENT		
Weighted average FICO score of the underlying collateral for Alt-A mortgage securities recorded at fair value, low end of range	680	
Weighted average FICO score of the underlying collateral for Alt-A mortgage securities recorded at fair value, high end of range	720	
Maximum percentage of underlying collateral where FICO scores are greater than 720	30.00%	
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Federal funds sold and securities borrowed or purchased under agreements to resell, selected portfolios of securities purchased under agreements to resell and securities borrowed	$ 160,589,000,000	$ 142,862,000,000
Investments	294,463,000,000	274,040,000,000
Loans	5,287,000,000	5,265,000,000
Nontrading derivatives and other financial assets measured on a recurring basis	13,299,000,000	13,360,000,000
Federal funds purchased and securities loaned or sold under agreements to repurchase	116,689,000,000	97,712,000,000
Short-term borrowings	818,000,000	1,354,000,000
Long-term debt, at fair value	29,764,000,000	24,172,000,000
Nontrading derivatives and other financial liabilities measured on a recurring basis, gross	2,910,000,000	3,742,000,000
Recurring		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Transfers of assets from Level 2 to Level 1	1,200,000,000	
Transfers of assets from Level 1 to Level 2	1,700,000,000	
Transfers of liabilities from Level 1 to Level 2	70,000,000	
Transfers of liabilities from Level 2 to Level 1	150,000,000	
Recurring | Level 1		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	127,887,000,000	97,748,000,000
Total Gross Trading account derivatives, Assets	2,789,000,000	3,265,000,000
Total trading account derivatives, assets	2,789,000,000	3,265,000,000
Investments	53,335,000,000	51,879,000,000
Total assets	184,011,000,000	152,892,000,000
Total as a percentage of gross assets	9.90%	9.00%
Securities sold, not yet purchased	55,145,000,000	58,456,000,000
Total Gross trading account derivatives, Liabilities	2,992,000,000	3,732,000,000
Total trading account derivatives, liabilities	2,992,000,000	3,732,000,000
Total liabilities	58,137,000,000	62,188,000,000
Total as a percentage of gross liabilities	4.40%	5.10%
Recurring | Level 1 | Interest rate contracts		

Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Total Gross Trading account derivatives, Assets	2,000,000	67,000,000
Total Gross trading account derivatives, Liabilities	1,000,000	37,000,000
Recurring | Level 1 | Foreign exchange contracts		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Total Gross Trading account derivatives, Assets	18,000,000	
Total Gross trading account derivatives, Liabilities	10,000,000	
Recurring | Level 1 | Equity contracts		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Total Gross Trading account derivatives, Assets	2,359,000,000	2,240,000,000
Total Gross trading account derivatives, Liabilities	2,664,000,000	2,822,000,000
Recurring | Level 1 | Commodity contracts		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Total Gross Trading account derivatives, Assets	410,000,000	958,000,000
Total Gross trading account derivatives, Liabilities	317,000,000	873,000,000
Recurring | Level 1 | Mortgage-backed securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Investments	46,000,000	59,000,000
Recurring | Level 1 | U.S. government-sponsored agency guaranteed		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Investments	46,000,000	59,000,000
Recurring | Level 1 | U.S. Treasury and federal agency securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	15,416,000,000	15,612,000,000
Investments	13,204,000,000	11,642,000,000
Recurring | Level 1 | Foreign government		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	57,831,000,000	52,429,000,000
Investments	36,048,000,000	33,544,000,000
Recurring | Level 1 | Equity securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	54,640,000,000	29,707,000,000
Investments	4,037,000,000	6,634,000,000
Recurring | Level 2		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Federal funds sold and securities borrowed or purchased under agreements to resell, selected portfolios of securities purchased under agreements to resell and securities borrowed	198,278,000,000	188,034,000,000
Trading securities	124,599,000,000	115,867,000,000
Total Gross Trading account derivatives, Assets	1,051,625,000,000	958,448,000,000
Total trading account derivatives, assets	1,051,625,000,000	958,448,000,000
Investments	229,221,000,000	205,364,000,000
Loans	356,000,000	583,000,000

Nontrading derivatives and other financial assets measured on a recurring basis, gross	15,293,000,000	14,270,000,000
Nontrading derivatives and other financial assets measured on a recurring basis	15,293,000,000	14,270,000,000
Total assets	1,619,372,000,000	1,482,566,000,000
Total as a percentage of gross assets	87.40%	87.40%
Interest-bearing deposits	661,000,000	895,000,000
Federal funds purchased and securities loaned or sold under agreements to repurchase	158,580,000,000	146,524,000,000
Securities sold, not yet purchased	8,288,000,000	10,941,000,000
Total Gross trading account derivatives, Liabilities	1,056,512,000,000	950,926,000,000
Total trading account derivatives, liabilities	1,056,512,000,000	950,926,000,000
Short-term borrowings	706,000,000	855,000,000
Long-term debt, at fair value	23,038,000,000	17,268,000,000
Nontrading derivatives and other financial liabilities measured on a recurring basis, gross	2,228,000,000	3,559,000,000
Nontrading derivatives and other financial liabilities measured on a recurring basis	2,228,000,000	3,559,000,000
Total liabilities	1,250,013,000,000	1,130,968,000,000
Total as a percentage of gross liabilities	94.10%	92.90%
Recurring | Level 2 | Interest rate contracts		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Total Gross Trading account derivatives, Assets	901,809,000,000	755,473,000,000
Total Gross trading account derivatives, Liabilities	891,138,000,000	738,833,000,000
Recurring | Level 2 | Foreign exchange contracts		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Total Gross Trading account derivatives, Assets	75,712,000,000	93,536,000,000
Total Gross trading account derivatives, Liabilities	81,209,000,000	96,020,000,000
Recurring | Level 2 | Equity contracts		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Total Gross Trading account derivatives, Assets	14,193,000,000	16,376,000,000
Total Gross trading account derivatives, Liabilities	26,014,000,000	26,961,000,000
Recurring | Level 2 | Commodity contracts		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Total Gross Trading account derivatives, Assets	9,802,000,000	11,940,000,000
Total Gross trading account derivatives, Liabilities	10,359,000,000	11,959,000,000
Recurring | Level 2 | Credit derivatives		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Total Gross Trading account derivatives, Assets	50,109,000,000	81,123,000,000
Total Gross trading account derivatives, Liabilities	47,792,000,000	77,153,000,000
Recurring | Level 2 | Mortgage-backed securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	32,820,000,000	29,751,000,000
Investments	53,762,000,000	50,279,000,000
Recurring | Level 2 | U.S. government-sponsored agency guaranteed		

Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	29,835,000,000	26,674,000,000
Investments	45,841,000,000	45,043,000,000
Recurring | Level 2 | Residential		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	1,663,000,000	1,362,000,000
Investments	7,472,000,000	4,764,000,000
Recurring | Level 2 | Commercial		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	1,322,000,000	1,715,000,000
Investments	449,000,000	472,000,000
Recurring | Level 2 | U.S. Treasury and federal agency securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	4,940,000,000	3,784,000,000
Investments	78,625,000,000	73,421,000,000
Recurring | Level 2 | State and municipal securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	3,611,000,000	5,112,000,000
Investments	17,483,000,000	13,732,000,000
Recurring | Level 2 | Foreign government		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	31,097,000,000	26,601,000,000
Investments	57,616,000,000	50,523,000,000
Recurring | Level 2 | Corporate		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	33,194,000,000	33,786,000,000
Investments	9,289,000,000	9,268,000,000
Recurring | Level 2 | Equity securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	2,094,000,000	3,279,000,000
Investments	132,000,000	98,000,000
Recurring | Level 2 | Asset-backed securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	899,000,000	1,270,000,000
Investments	11,910,000,000	6,962,000,000
Recurring | Level 2 | Other debt securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	15,944,000,000	12,284,000,000
Investments		563,000,000
Recurring | Level 2 | Non-marketable equity securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Investments	404,000,000	518,000,000
Recurring | Level 3		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		

Federal funds sold and securities borrowed or purchased under agreements to resell, selected portfolios of securities purchased under agreements to resell and securities borrowed	5,043,000,000	4,701,000,000
Trading securities	13,823,000,000	15,792,000,000
Total Gross Trading account derivatives, Assets	9,214,000,000	14,513,000,000
Total trading account derivatives, assets	9,214,000,000	14,513,000,000
Investments	11,907,000,000	16,797,000,000
Loans	4,931,000,000	4,682,000,000
Mortgage servicing rights (MSRs)	1,942,000,000	2,569,000,000
Nontrading derivatives and other financial assets measured on a recurring basis, gross	2,452,000,000	2,245,000,000
Nontrading derivatives and other financial assets measured on a recurring basis	2,452,000,000	2,245,000,000
Total assets	49,312,000,000	61,299,000,000
Total as a percentage of gross assets	2.70%	3.60%
Interest-bearing deposits	786,000,000	431,000,000
Federal funds purchased and securities loaned or sold under agreements to repurchase	841,000,000	1,061,000,000
Securities sold, not yet purchased	356,000,000	412,000,000
Total Gross trading account derivatives, Liabilities	11,594,000,000	15,292,000,000
Total trading account derivatives, liabilities	11,594,000,000	15,292,000,000
Short-term borrowings	112,000,000	499,000,000
Long-term debt, at fair value	6,726,000,000	6,904,000,000
Nontrading derivatives and other financial liabilities measured on a recurring basis, gross	24,000,000	3,000,000
Nontrading derivatives and other financial liabilities measured on a recurring basis	24,000,000	3,000,000
Total liabilities	20,448,000,000	24,602,000,000
Total as a percentage of gross liabilities	1.50%	2.00%
Recurring | Level 3 | Interest rate contracts		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Total Gross Trading account derivatives, Assets	1,710,000,000	1,947,000,000
Total Gross trading account derivatives, Liabilities	1,529,000,000	1,221,000,000
Recurring | Level 3 | Foreign exchange contracts		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Total Gross Trading account derivatives, Assets	902,000,000	781,000,000
Total Gross trading account derivatives, Liabilities	902,000,000	1,343,000,000
Recurring | Level 3 | Equity contracts		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Total Gross Trading account derivatives, Assets	1,741,000,000	1,619,000,000
Total Gross trading account derivatives, Liabilities	3,189,000,000	3,356,000,000
Recurring | Level 3 | Commodity contracts		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Total Gross Trading account derivatives, Assets	695,000,000	865,000,000
Total Gross trading account derivatives, Liabilities	1,466,000,000	1,799,000,000

Recurring | Level 3 | Credit derivatives		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Total Gross Trading account derivatives, Assets	4,166,000,000	9,301,000,000
Total Gross trading account derivatives, Liabilities	4,508,000,000	7,573,000,000
Recurring | Level 3 | Mortgage-backed securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	4,249,000,000	2,988,000,000
Investments	1,663,000,000	687,000,000
Recurring | Level 3 | U.S. government-sponsored agency guaranteed		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	1,325,000,000	861,000,000
Investments	1,458,000,000	679,000,000
Recurring | Level 3 | Residential		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	1,805,000,000	1,509,000,000
Investments	205,000,000	8,000,000
Recurring | Level 3 | Commercial		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	1,119,000,000	618,000,000
Recurring | Level 3 | U.S. Treasury and federal agency securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities		3,000,000
Investments	12,000,000	75,000,000
Recurring | Level 3 | State and municipal securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	195,000,000	252,000,000
Investments	849,000,000	667,000,000
Recurring | Level 3 | Foreign government		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	311,000,000	521,000,000
Investments	383,000,000	447,000,000
Recurring | Level 3 | Corporate		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	2,030,000,000	3,240,000,000
Investments	385,000,000	989,000,000
Recurring | Level 3 | Equity securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	264,000,000	244,000,000
Investments	773,000,000	1,453,000,000
Recurring | Level 3 | Asset-backed securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	4,453,000,000	5,801,000,000
Investments	2,220,000,000	4,041,000,000
Recurring | Level 3 | Other debt securities		

Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	2,321,000,000	2,743,000,000
Investments	258,000,000	120,000,000
Recurring | Level 3 | Non-marketable equity securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Investments	5,364,000,000	8,318,000,000
Recurring | Gross inventory		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Federal funds sold and securities borrowed or purchased under agreements to resell, selected portfolios of securities purchased under agreements to resell and securities borrowed	203,321,000,000	192,735,000,000
Trading securities	266,309,000,000	229,407,000,000
Total Gross Trading account derivatives, Assets	1,063,628,000,000	976,226,000,000
Gross cash collateral paid	61,152,000,000	57,815,000,000
Total trading account derivatives, assets	1,124,780,000,000	1,034,041,000,000
Investments	294,463,000,000	274,040,000,000
Loans	5,287,000,000	5,265,000,000
Mortgage servicing rights (MSRs)	1,942,000,000	2,569,000,000
Nontrading derivatives and other financial assets measured on a recurring basis, gross	17,745,000,000	16,515,000,000
Gross cash collateral paid	214,000,000	307,000,000
Nontrading derivatives and other financial assets measured on a recurring basis	17,959,000,000	16,822,000,000
Total assets	1,914,061,000,000	1,754,879,000,000
Total as a percentage of gross assets	100.00%	100.00%
Interest-bearing deposits	1,447,000,000	1,326,000,000
Federal funds purchased and securities loaned or sold under agreements to repurchase	159,421,000,000	147,585,000,000
Securities sold, not yet purchased	63,798,000,000	69,809,000,000
Total Gross trading account derivatives, Liabilities	1,071,098,000,000	969,950,000,000
Gross cash collateral received	46,833,000,000	52,811,000,000
Total trading account derivatives, liabilities	1,117,931,000,000	1,022,761,000,000
Short-term borrowings	818,000,000	1,354,000,000
Long-term debt, at fair value	29,764,000,000	24,172,000,000
Nontrading derivatives and other financial liabilities measured on a recurring basis, gross	2,252,000,000	3,562,000,000
Gross cash collateral received	5,318,000,000	3,642,000,000
Nontrading derivatives and other financial liabilities measured on a recurring basis	7,570,000,000	7,204,000,000
Total liabilities	1,380,749,000,000	1,274,211,000,000
Total as a percentage of gross liabilities	100.00%	100.00%
Recurring | Gross inventory | Interest rate contracts		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Total Gross Trading account derivatives, Assets	903,521,000,000	757,487,000,000
Total Gross trading account derivatives, Liabilities	892,668,000,000	740,091,000,000

Recurring | Gross inventory | Foreign exchange contracts		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Total Gross Trading account derivatives, Assets	76,632,000,000	94,317,000,000
Total Gross trading account derivatives, Liabilities	82,121,000,000	97,363,000,000
Recurring | Gross inventory | Equity contracts		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Total Gross Trading account derivatives, Assets	18,293,000,000	20,235,000,000
Total Gross trading account derivatives, Liabilities	31,867,000,000	33,139,000,000
Recurring | Gross inventory | Commodity contracts		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Total Gross Trading account derivatives, Assets	10,907,000,000	13,763,000,000
Total Gross trading account derivatives, Liabilities	12,142,000,000	14,631,000,000
Recurring | Gross inventory | Credit derivatives		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Total Gross Trading account derivatives, Assets	54,275,000,000	90,424,000,000
Total Gross trading account derivatives, Liabilities	52,300,000,000	84,726,000,000
Recurring | Gross inventory | Mortgage-backed securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	37,069,000,000	32,739,000,000
Investments	55,471,000,000	51,025,000,000
Recurring | Gross inventory | U.S. government-sponsored agency guaranteed		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	31,160,000,000	27,535,000,000
Investments	47,345,000,000	45,781,000,000
Recurring | Gross inventory | Residential		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	3,468,000,000	2,871,000,000
Investments	7,677,000,000	4,772,000,000
Recurring | Gross inventory | Commercial		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	2,441,000,000	2,333,000,000
Investments	449,000,000	472,000,000
Recurring | Gross inventory | U.S. Treasury and federal agency securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	20,356,000,000	19,399,000,000
Investments	91,841,000,000	85,138,000,000
Recurring | Gross inventory | State and municipal securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	3,806,000,000	5,364,000,000
Investments	18,332,000,000	14,399,000,000
Recurring | Gross inventory | Foreign government		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		

Trading securities	89,239,000,000	79,551,000,000
Investments	94,047,000,000	84,514,000,000
Recurring | Gross inventory | Corporate		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	35,224,000,000	37,026,000,000
Investments	9,674,000,000	10,257,000,000
Recurring | Gross inventory | Equity securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	56,998,000,000	33,230,000,000
Investments	4,942,000,000	8,185,000,000
Recurring | Gross inventory | Asset-backed securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	5,352,000,000	7,071,000,000
Investments	14,130,000,000	11,003,000,000
Recurring | Gross inventory | Other debt securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	18,265,000,000	15,027,000,000
Investments	258,000,000	683,000,000
Recurring | Gross inventory | Non-marketable equity securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Investments	5,768,000,000	8,836,000,000
Recurring | Netting		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Federal funds sold and securities borrowed or purchased under agreements to resell, selected portfolios of securities purchased under agreements to resell and securities borrowed	(42,732,000,000)	(49,873,000,000)
Less: Netting agreements and market value adjustments to assets	(1,070,160,000,000)	(971,714,000,000)
Total trading account derivatives, assets	(1,070,160,000,000)	(971,714,000,000)
Netting agreements and market value adjustments	(4,660,000,000)	(3,462,000,000)
Nontrading derivatives and other financial assets measured on a recurring basis	(4,660,000,000)	(3,462,000,000)
Total assets	(1,117,552,000,000)	(1,025,049,000,000)
Federal funds purchased and securities loaned or sold under agreements to repurchase	(42,732,000,000)	(49,873,000,000)
Netting agreements and market value adjustments to liabilities	(1,066,180,000,000)	(966,488,000,000)
Total trading account derivatives, liabilities	(1,066,180,000,000)	(966,488,000,000)
Netting agreements and market value adjustments	(4,660,000,000)	(3,462,000,000)
Nontrading derivatives and other financial liabilities measured on a recurring basis	(4,660,000,000)	(3,462,000,000)
Total liabilities	(1,113,572,000,000)	(1,019,823,000,000)
Recurring | Fair value		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Federal funds sold and securities borrowed or purchased under agreements to resell, selected portfolios of securities purchased under agreements to resell and securities borrowed	160,589,000,000	142,862,000,000

Trading securities	266,309,000,000	229,407,000,000
Total trading account derivatives, assets	54,620,000,000	62,327,000,000
Investments	294,463,000,000	274,040,000,000
Loans	5,287,000,000	5,265,000,000
Mortgage servicing rights (MSRs)	1,942,000,000	2,569,000,000
Nontrading derivatives and other financial assets measured on a recurring basis	13,299,000,000	13,360,000,000
Total assets	796,509,000,000	729,830,000,000
Interest-bearing deposits	1,447,000,000	1,326,000,000
Federal funds purchased and securities loaned or sold under agreements to repurchase	116,689,000,000	97,712,000,000
Securities sold, not yet purchased	63,798,000,000	69,809,000,000
Total trading account derivatives, liabilities	51,751,000,000	56,273,000,000
Short-term borrowings	818,000,000	1,354,000,000
Long-term debt, at fair value	29,764,000,000	24,172,000,000
Nontrading derivatives and other financial liabilities measured on a recurring basis	2,910,000,000	3,742,000,000
Total liabilities	267,177,000,000	254,388,000,000
Recurring | Fair value | Mortgage-backed securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	37,069,000,000	32,739,000,000
Investments	55,471,000,000	51,025,000,000
Recurring | Fair value | U.S. government-sponsored agency guaranteed		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	31,160,000,000	27,535,000,000
Investments	47,345,000,000	45,781,000,000
Recurring | Fair value | Residential		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	3,468,000,000	2,871,000,000
Investments	7,677,000,000	4,772,000,000
Recurring | Fair value | Commercial		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	2,441,000,000	2,333,000,000
Investments	449,000,000	472,000,000
Recurring | Fair value | U.S. Treasury and federal agency securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	20,356,000,000	19,399,000,000
Investments	91,841,000,000	85,138,000,000
Recurring | Fair value | State and municipal securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	3,806,000,000	5,364,000,000
Investments	18,332,000,000	14,399,000,000
Recurring | Fair value | Foreign government		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		

Trading securities	89,239,000,000	79,551,000,000
Investments	94,047,000,000	84,514,000,000
Recurring | Fair value | Corporate		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	35,224,000,000	37,026,000,000
Investments	9,674,000,000	10,257,000,000
Recurring | Fair value | Equity securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	56,998,000,000	33,230,000,000
Investments	4,942,000,000	8,185,000,000
Recurring | Fair value | Asset-backed securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	5,352,000,000	7,071,000,000
Investments	14,130,000,000	11,003,000,000
Recurring | Fair value | Other debt securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Trading securities	18,265,000,000	15,027,000,000
Investments	258,000,000	683,000,000
Recurring | Fair value | Non-marketable equity securities		
Assets and Liabilities Measured at Fair Value on a Recurring Basis		
Investments	$ 5,768,000,000	$ 8,836,000,000

TRADING ACCOUNT ASSETS AND LIABILITIES

12 Months Ended

Dec. 31, 2012

TRADING ACCOUNT ASSETS AND LIABILITIES

TRADING ACCOUNT ASSETS AND LIABILITIES

14. TRADING ACCOUNT ASSETS AND LIABILITIES

Trading account assets and *Trading account liabilities*, at fair value, consisted of the following at December 31:

In millions of dollars	**2012**	2011
Trading account assets		
Mortgage-backed securities (1)		
U.S. government-sponsored agency guaranteed	**$31,160**	$27,535
Prime	**1,248**	877
Alt-A	**801**	609
Subprime	**812**	989
Non-U.S. residential	**607**	396
Commercial	**2,441**	2,333
Total mortgage-backed securities	**$37,069**	$32,739
U.S. Treasury and federal agency securities		
U.S. Treasury	**$17,472**	$18,227
Agency obligations	**2,884**	1,172
Total U.S. Treasury and federal agency securities	**$20,356**	$19,399
State and municipal securities	**$3,806**	$5,364
Foreign government securities	**89,239**	79,551
Corporate	**35,224**	37,026
Derivatives (2)	**54,620**	62,327
Equity securities	**56,998**	33,230
Asset-backed securities (1)	**5,352**	7,071
Other debt securities	**18,265**	15,027
Total trading account assets	**$320,929**	$291,734
Trading account liabilities		
Securities sold, not yet purchased	**$63,798**	$69,809
Derivatives (2)	**51,751**	56,273
Total trading account liabilities	**$115,549**	$126,082

(1) The Company invests in mortgage-backed and asset-backed securities. These securitizations are generally considered VIEs. The Company's maximum exposure to loss from these VIEs is equal to the carrying amount of the securities, which is reflected in the table above. For mortgage-backed and asset-backed securitizations in which the Company has other involvement, see Note 22 to the Consolidated Financial Statements.

(2) Presented net, pursuant to enforceable master netting agreements. See Note 23 to the Consolidated Financial Statements for a discussion regarding the accounting and reporting for derivatives.

INCOME TAXES

INCOME TAXES

INCOME TAXES

	12 Months Ended Dec. 31, 2012

10. INCOME TAXES

In millions of dollars	2012	2011	2010
Current			
Federal	**$ (71)**	$ (144)	$ (249)
Foreign	**3,889**	3,498	3,239
State	**300**	241	207
Total current income taxes	**$ 4,118**	$ 3,595	$ 3,197
Deferred			
Federal	**$ (4,943)**	$ (793)	$ (933)
Foreign	**900**	628	279
State	**(48)**	91	(310)
Total deferred income taxes	**$ (4,091)**	$ (74)	$ (964)
Provision (benefit) for income tax on continuing operations before noncontrolling interests (1)	**$ 27**	$ 3,521	$ 2,233
Provision (benefit) for income taxes on discontinued operations	**(71)**	66	(562)
Provision (benefit) for income taxes on cumulative effect of accounting changes	**(58)**	—	(4,978)
Income tax expense (benefit) reported in stockholders' equity related to:			
Foreign currency translation	**(709)**	(609)	(739)
Securities available-for-sale	**369**	1,495	1,167
Employee stock plans	**265**	297	600
Cash flow hedges	**311**	(92)	325
Pension liability adjustments	**(390)**	(235)	(434)
Income taxes before noncontrolling interests	**$ (256)**	$ 4,443	$ (2,388)

(1) Includes the effect of securities transactions and OTTI losses resulting in a provision (benefit) of $1,138 million and $(1,740) million in 2012, $699 million and $(789) million in 2011 and $844 million and $(494) million in 2010, respectively.

The reconciliation of the federal statutory income tax rate to the Company's effective income tax rate applicable to income from continuing operations (before noncontrolling interests and the cumulative effect of accounting changes) for the years ended December 31 was as follows:

	2012	2011	2010
Federal statutory rate	**35.0 %**	35.0 %	35.0 %
State income taxes, net of federal benefit	**3.0**	1.5	(0.1)
Foreign income tax rate differential	**(4.8)**	(8.6)	(10.0)
Audit settlements (1)	**(11.7)**	—	(0.5)
Effect of tax law changes (2)	**(0.1)**	2.0	(0.1)
Basis difference in affiliates	**(9.1)**	—	—
Tax advantaged investments	**(12.2)**	(6.0)	(6.7)
Other, net	**0.2**	0.2	(0.7)
Effective income tax rate	**0.3 %**	24.1 %	16.9 %

(1) For 2012 and 2010, relates to the conclusion of the audit of various issues in the Company's 2006–2008 and 2003–2005 U.S. federal tax audits, respectively. 2012 also includes an amount related to the conclusion of a New York City tax audit for 2006–2008.

(2) For 2011, includes the results of the Japan tax rate change which resulted in a $300 million DTA charge.

Deferred income taxes at December 31 related to the following:

In millions of dollars	2012	2011
Deferred tax assets		
Credit loss deduction	**$ 10,947**	$ 12,481
Deferred compensation and employee benefits	**4,890**	4,936
Restructuring and settlement reserves	**1,645**	1,331
Unremitted foreign earnings	**5,114**	7,362
Investment and loan basis differences	**3,878**	2,358
Cash flow hedges	**1,361**	1,673
Tax credit and net operating loss carry-forwards	**28,087**	22,764
Other deferred tax assets	**2,651**	2,127

Gross deferred tax assets	**$ 58,573**	$ 55,032
Valuation allowance	**—**	—
Deferred tax assets after valuation allowance	**$ 58,573**	$ 55,032
Deferred tax liabilities		
Deferred policy acquisition costs		
and value of insurance in force	**$ (495)**	$ (591)
Fixed assets and leases	**(623)**	(1,361)
Intangibles	**(1,517)**	(710)
Debt valuation adjustment on Citi liabilities	**(73)**	(533)
Other deferred tax liabilities	**(543)**	(307)
Gross deferred tax liabilities	**$ (3,251)**	$ (3,502)
Net deferred tax asset	**$ 55,322**	$ 51,530

The following is a roll-forward of the Company's unrecognized tax benefits.

In millions of dollars	**2012**	2011	2010
Total unrecognized tax benefits at January 1	**$ 3,923**	$ 4,035	$ 3,079
Net amount of increases for current year's tax positions	**136**	193	1,039
Gross amount of increases for prior years' tax positions	**345**	251	371
Gross amount of decreases for prior years' tax positions	**(1,246)**	(507)	(421)
Amounts of decreases relating to settlements	**(44)**	(11)	(14)
Reductions due to lapse of statutes of limitation	**(3)**	(38)	(11)
Foreign exchange, acquisitions and dispositions	**(2)**	—	(8)
Total unrecognized tax benefits at December 31	**$ 3,109**	$ 3,923	$ 4,035

Total amount of unrecognized tax benefits at December 31, 2012, 2011 and 2010 that, if recognized, would affect the effective tax rate are $1.3 billion, $2.2 billion and $2.1 billion, respectively. The remainder of the uncertain tax positions have offsetting amounts in other jurisdictions or are temporary differences, except for $0.9 billion, which would be booked directly to *Retained earnings*.

Interest and penalties (not included in "unrecognized tax benefits" above) are a component of the *Provision for income taxes*.

	2012		2011		2010	
In millions of dollars	**Pretax**	**Net of tax**	Pretax	Net of tax	Pretax	Net of tax
Total interest and penalties in the Consolidated Balance Sheet at January 1	**$ 404**	**$ 261**	$348	$ 223	$ 370	$ 239
Total interest and penalties in the Consolidated Statement of Income	**114**	**71**	61	41	(16)	(12)
Total interest and penalties in the Consolidated Balance Sheet at December 31 [(1)]	**492**	**315**	404	261	348	223

(1) 2012 includes $10 million for foreign penalties and $4 million for state penalties.

The Company is currently under audit by the Internal Revenue Service and other major taxing jurisdictions around the world. It is thus reasonably possible that significant changes in the gross balance of unrecognized tax benefits may occur within the next 12 months, but the Company does not expect such audits to result in amounts that would cause a significant change to its effective tax rate, other than the following items.

The Company may resolve certain issues with IRS Appeals for the 2003–2005 and 2006–2008 cycles within the next 12 months. The gross uncertain tax positions at December 31, 2012 for the items that may be resolved are as much as $655 million plus gross interest of $92 million. Because of the number and nature of the issues remaining to be resolved, the potential tax benefit to continuing operations could be anywhere in a range between $0 and $383 million. In addition, the audit for the companies in the Germany tax group for the years 2005–2008 may conclude in 2013. The gross uncertain tax positions at December 31, 2012 for this audit is as much as $112 million plus gross interest of $29 million. The potential tax benefit, most of which would go to discontinued operations, is anywhere in the range from $0 to $137 million.

The following are the major tax jurisdictions in which the Company and its affiliates operate and the earliest tax year subject to examination:

Jurisdiction	**Tax year**
United States	2009
Mexico	2008
New York State and City	2005
United Kingdom	2010
Japan	2009
Brazil	2008
Singapore	2007
Hong Kong	2007
Ireland	2009

Foreign pretax earnings approximated $14.7 billion in 2012, $13.1 billion in 2011 and $12.3 billion in 2010 (of which $0.1 billion loss, $0.2 billion profit and $0.1 billion profit, respectively, are in discontinued operations). As a U.S. corporation, Citigroup and its U.S. subsidiaries are currently subject to U.S. taxation on all foreign pretax earnings earned by a foreign branch. Pretax earnings of a foreign subsidiary or affiliate are subject to U.S. taxation when effectively repatriated. The Company provides income taxes on the undistributed earnings of non-U.S. subsidiaries except to the extent that such earnings are indefinitely reinvested outside the United States. At December 31, 2012, $42.6 billion of accumulated undistributed earnings of non-U.S. subsidiaries were indefinitely invested. At the existing U.S. federal income tax rate, additional taxes (net of U.S. foreign tax credits) of $11.5 billion would have to be provided if such earnings were remitted currently. The current year's effect on the income tax expense from continuing operations is included in the "Foreign income tax rate differential" line in the reconciliation of the federal statutory rate to the Company's effective income tax rate in the table above.

Income taxes are not provided for the Company's "savings bank base year bad debt reserves" that arose before 1988, because under current U.S. tax rules, such taxes will become payable only to the extent such amounts are distributed in excess of limits prescribed by federal law. At December 31, 2012, the amount of the base year reserves totaled approximately $358 million (subject to a tax of $125 million).

The Company has no valuation allowance on its deferred tax assets (DTAs) at December 31, 2012 and December 31, 2011.

In billions of dollars

Jurisdiction/component	DTA balance December 31, 2012	DTA balance December 31, 2011
U.S. federal [1]		
Consolidated tax return net operating losses (NOLs)	**$ —**	$ —
Consolidated tax return foreign tax credits (FTCs)	**22.0**	15.8
Consolidated tax return general business credits (GBCs)	**2.6**	2.1
Future tax deductions and credits	**22.0**	23.0
Other [2]	**0.9**	1.4
Total U.S. federal	**$ 47.5**	$ 42.3
State and local		
New York NOLs	**$ 1.3**	$ 1.3
Other state NOLs	**0.6**	0.7
Future tax deductions	**2.6**	2.2
Total state and local	**$ 4.5**	$ 4.2
Foreign		
APB 23 subsidiary NOLs	**$ 0.2**	$ 0.5
Non-APB 23 subsidiary NOLs	**1.2**	1.8
Future tax deductions	**1.9**	2.7
Total foreign	**$ 3.3**	$ 5.0
Total	**$ 55.3**	$ 51.5

(1) Included in the net U.S. federal DTAs of $47.5 billion are deferred tax liabilities of $2 billion that will reverse in the relevant carry-forward period and may be used to support the DTAs.

(2) Includes $0.8 billion and $1.2 billion for 2012 and 2011, respectively, of subsidiary tax carry-forwards related to companies that are expected to be utilized separate from Citigroup's consolidated tax carry-forwards.

The following table summarizes the amounts of tax carry-forwards and their expiration dates as of December 31, 2012:

In billions of dollars

Year of expiration	Amount
U.S. consolidated tax return foreign tax credit carry-forwards	
2016	**$ 0.4**
2017	**6.6**
2018	**5.3**
2019	**1.3**
2020	**2.3**
2021	**1.9**
2022	**4.2**
Total U.S. consolidated tax return foreign tax credit carry-forwards	**$ 22.0**
U.S. consolidated tax return general business credit carry-forwards	
2027	**$ 0.3**
2028	**0.4**
2029	**0.4**
2030	**0.5**
2031	**0.5**
2032	**0.5**
Total U.S. consolidated tax return general business credit carry-forwards	**$ 2.6**
U.S. subsidiary separate federal net operating loss (NOL) carry-forwards	
2027	**$ 0.2**
2028	**0.1**
2030	**0.3**
2031	**1.8**
Total U.S. subsidiary separate federal NOL carry-forwards [1]	**$ 2.4**
New York State NOL carry-forwards	

2027	$	**0.1**
2028		**7.2**
2029		**1.9**
2030		**0.4**
Total New York State NOL carry-forwards (1)	**$**	**9.6**
New York City NOL carry-forwards		
2027	**$**	**0.1**
2028		**3.7**
2029		**1.6**
2030		**0.2**
Total New York City NOL carry-forwards (1)	**$**	**5.6**
APB 23 subsidiary NOL carry-forwards		
Various	**$**	**0.2**
Total APB 23 subsidiary NOL carry-forwards	**$**	**0.2**

(1) Pretax.

While Citi's net total DTAs increased year-over-year, the time remaining for utilization has shortened, given the passage of time, particularly with respect to the foreign tax credit (FTC) component of the DTAs. Realization of the DTAs will continue to be driven by Citi's ability to generate U.S. taxable earnings in the carry-forward periods, including through actions that optimize Citi's U.S. taxable earnings.

Although realization is not assured, Citi believes that the realization of the recognized net DTAs of $55.3 billion at December 31, 2012 is more-likely-than-not based upon expectations as to future taxable income in the jurisdictions in which the DTAs arise and available tax planning strategies (as defined in ASC 740, *Income Taxes*) that would be implemented, if necessary, to prevent a carry-forward from expiring. In general, Citi would need to generate approximately $112 billion of U.S. taxable income during the respective carry-forward periods, substantially all of which must be generated during the FTC carry-forward periods, to fully realize its U.S. federal, state and local DTAs. Citi's net DTAs will decline primarily as additional domestic GAAP taxable income is generated.

Citi has concluded that there are two components of positive evidence that support the full realization of its DTAs. First, Citi forecasts sufficient U.S. taxable income in the carry-forward periods, exclusive of ASC 740 tax planning strategies, although Citi's estimated future taxable income has decreased due to the ongoing challenging economic environment, which will continue to be subject to overall market and global economic conditions. Citi's forecasted taxable income incorporates geographic business forecasts and taxable income adjustments to those forecasts (e.g., U.S. tax exempt income, loan loss reserves deductible for U.S. tax reporting in subsequent years), as well as actions intended to optimize its U.S. taxable earnings.

Second, Citi has sufficient tax planning strategies available to it under ASC 740 that would be implemented, if necessary, to prevent a carry-forward from expiring. These strategies include repatriating low taxed foreign source earnings for which an assertion that the earnings have been indefinitely reinvested has not been made, accelerating U.S. taxable income into, or deferring U.S. tax deductions out of, the latter years of the carry-forward period (e.g., selling appreciated intangible assets, electing straight-line depreciation), accelerating deductible temporary differences outside the U.S., and selling certain assets that produce tax-exempt income, while purchasing assets that produce fully taxable income. In addition, the sale or restructuring of certain businesses can produce significant U.S. taxable income within the relevant carry-forward periods.

Based upon the foregoing discussion, Citi believes the U.S. federal and New York state and city NOL carry-forward period of 20 years provides enough time to fully utilize the DTAs pertaining to the existing NOL carry-forwards and any NOL that would be created by the reversal of the future net deductions that have not yet been taken on a tax return.

The U.S. FTC carry-forward period is 10 years and represents the most time sensitive component of Citi's DTAs. Utilization of FTCs in any year is restricted to 35% of foreign source taxable income in that year. However, overall domestic losses that Citi has incurred of approximately $63 billion as of December 31, 2012 are allowed to be reclassified as foreign source income to the extent of 50% of domestic source income produced in subsequent years. Resulting foreign source income would cover the FTCs being carried forward. Citi believes the foreign source taxable income limitation will not be an impediment to the FTC carry-forward usage as long as Citi can generate sufficient domestic taxable income within the 10-year carry-forward period.

Citi believes that it will generate sufficient U.S. taxable income within the 10-year carry-forward period referenced above to be able to fully utilize the FTC carry-forward, in addition to any FTCs produced in such period.

RETIREMENT BENEFITS (Details 7) (Level 3, USD $)	12 Months Ended Dec. 31, 2012	Dec. 31, 2011
U.S. pension and postretirement benefit plans		
Reconciliations of the beginning and ending balances during the period for Level 3 assets		
Plan assets at fair value at beginning of year	$ 3,916,000,000	$ 4,131,000,000
Realized gains (losses)	238,000,000	129,000,000
Unrealized gains (losses)	276,000,000	44,000,000
Purchases, sales, and issuances	(303,000,000)	(444,000,000)
Transfers in and/or out of Level 3	112,000,000	56,000,000
Plan assets at fair value at year end	4,239,000,000	3,916,000,000
U.S. pension and postretirement benefit plans | U.S. equity		
Reconciliations of the beginning and ending balances during the period for Level 3 assets		
Plan assets at fair value at beginning of year	51,000,000	
Transfers in and/or out of Level 3	(51,000,000)	51,000,000
Plan assets at fair value at year end		51,000,000
U.S. pension and postretirement benefit plans | Non-U.S. equity		
Reconciliations of the beginning and ending balances during the period for Level 3 assets		
Plan assets at fair value at beginning of year	19,000,000	
Unrealized gains (losses)	8,000,000	(1,000,000)
Transfers in and/or out of Level 3	(27,000,000)	20,000,000
Plan assets at fair value at year end		19,000,000
U.S. pension and postretirement benefit plans | U.S. corporate bonds		
Reconciliations of the beginning and ending balances during the period for Level 3 assets		
Plan assets at fair value at beginning of year	5,000,000	5,000,000
Realized gains (losses)		(2,000,000)
Unrealized gains (losses)	1,000,000	(1,000,000)
Purchases, sales, and issuances		(1,000,000)
Transfers in and/or out of Level 3	(6,000,000)	4,000,000
Plan assets at fair value at year end		5,000,000
U.S. pension and postretirement benefit plans | Non-U.S. government debt		
Reconciliations of the beginning and ending balances during the period for Level 3 assets		
Realized gains (losses)	(1,000,000)	
Purchases, sales, and issuances	1,000,000	
U.S. pension and postretirement benefit plans | Non-U.S. corporate bond		
Reconciliations of the beginning and ending balances during the period for Level 3 assets		
Plan assets at fair value at beginning of year		1,000,000
Purchases, sales, and issuances		(1,000,000)

U.S. pension and postretirement benefit plans | Hedge funds

Reconciliations of the beginning and ending balances during the period for Level 3 assets		
Plan assets at fair value at beginning of year	870,000,000	1,014,000,000
Realized gains (losses)	(28,000,000)	42,000,000
Unrealized gains (losses)	149,000,000	(45,000,000)
Purchases, sales, and issuances	199,000,000	(131,000,000)
Transfers in and/or out of Level 3	334,000,000	(10,000,000)
Plan assets at fair value at year end	1,524,000,000	870,000,000

U.S. pension and postretirement benefit plans | Annuity contracts

Reconciliations of the beginning and ending balances during the period for Level 3 assets		
Plan assets at fair value at beginning of year	155,000,000	187,000,000
Unrealized gains (losses)	6,000,000	3,000,000
Purchases, sales, and issuances	(31,000,000)	(35,000,000)
Plan assets at fair value at year end	130,000,000	155,000,000

U.S. pension and postretirement benefit plans | Private equity

Reconciliations of the beginning and ending balances during the period for Level 3 assets		
Plan assets at fair value at beginning of year	2,474,000,000	2,920,000,000
Realized gains (losses)	267,000,000	89,000,000
Unrealized gains (losses)	98,000,000	94,000,000
Purchases, sales, and issuances	(484,000,000)	(497,000,000)
Transfers in and/or out of Level 3	64,000,000	(132,000,000)
Plan assets at fair value at year end	2,419,000,000	2,474,000,000

U.S. pension and postretirement benefit plans | Other investments

Reconciliations of the beginning and ending balances during the period for Level 3 assets		
Plan assets at fair value at beginning of year	121,000,000	4,000,000
Unrealized gains (losses)	14,000,000	(6,000,000)
Purchases, sales, and issuances	12,000,000	
Transfers in and/or out of Level 3	(5,000,000)	123,000,000
Plan assets at fair value at year end	142,000,000	121,000,000

U.S. pension and postretirement benefit plans | Investments:

Reconciliations of the beginning and ending balances during the period for Level 3 assets		
Plan assets at fair value at beginning of year	3,695,000,000	4,131,000,000
Realized gains (losses)	238,000,000	129,000,000
Unrealized gains (losses)	276,000,000	44,000,000
Purchases, sales, and issuances	(303,000,000)	(665,000,000)
Transfers in and/or out of Level 3	309,000,000	56,000,000
Plan assets at fair value at year end	4,215,000,000	3,695,000,000

U.S. pension and postretirement benefit plans | Other investment receivables

Reconciliations of the beginning and ending balances during the period for Level 3 assets

Plan assets at fair value at beginning of year	221,000,000	
Purchases, sales, and issuances		221,000,000
Transfers in and/or out of Level 3	(197,000,000)	
Plan assets at fair value at year end	24,000,000	221,000,000
Non-U.S. pension and postretirement benefit plans		
Reconciliations of the beginning and ending balances during the period for Level 3 assets		
Plan assets at fair value at beginning of year	297,000,000	313,000,000
Realized gains (losses)	4,000,000	2,000,000
Unrealized gains (losses)	14,000,000	2,000,000
Purchases, sales, and issuances	13,000,000	(8,000,000)
Transfers in and/or out of Level 3	(28,000,000)	(12,000,000)
Plan assets at fair value at year end	300,000,000	297,000,000
Non-U.S. pension and postretirement benefit plans | Non-U.S. equity		
Reconciliations of the beginning and ending balances during the period for Level 3 assets		
Plan assets at fair value at beginning of year	5,000,000	3,000,000
Unrealized gains (losses)		2,000,000
Purchases, sales, and issuances	43,000,000	
Plan assets at fair value at year end	48,000,000	5,000,000
Non-U.S. pension and postretirement benefit plans | Mutual Funds		
Reconciliations of the beginning and ending balances during the period for Level 3 assets		
Plan assets at fair value at beginning of year	32,000,000	
Purchases, sales, and issuances	(10,000,000)	
Transfers in and/or out of Level 3	(22,000,000)	32,000,000
Plan assets at fair value at year end		32,000,000
Non-U.S. pension and postretirement benefit plans | Foreign government		
Reconciliations of the beginning and ending balances during the period for Level 3 assets		
Plan assets at fair value at beginning of year	5,000,000	
Transfers in and/or out of Level 3	(1,000,000)	5,000,000
Plan assets at fair value at year end	4,000,000	5,000,000
Non-U.S. pension and postretirement benefit plans | Non-U.S. corporate bond		
Reconciliations of the beginning and ending balances during the period for Level 3 assets		
Plan assets at fair value at beginning of year	4,000,000	107,000,000
Realized gains (losses)	(3,000,000)	
Purchases, sales, and issuances	2,000,000	2,000,000
Transfers in and/or out of Level 3	2,000,000	(105,000,000)
Plan assets at fair value at year end	4,000,000	4,000,000
Non-U.S. pension and postretirement benefit plans | Hedge funds		
Reconciliations of the beginning and ending balances during the period for Level 3 assets		
Plan assets at fair value at beginning of year	12,000,000	14,000,000

Realized gains (losses)		(2,000,000)
Transfers in and/or out of Level 3	4,000,000	
Plan assets at fair value at year end	16,000,000	12,000,000
Non-U.S. pension and postretirement benefit plans | Annuity contracts		
Reconciliations of the beginning and ending balances during the period for Level 3 assets		
Purchases, sales, and issuances	1,000,000	
Transfers in and/or out of Level 3	5,000,000	
Plan assets at fair value at year end	6,000,000	
Non-U.S. pension and postretirement benefit plans | Other investments		
Reconciliations of the beginning and ending balances during the period for Level 3 assets		
Plan assets at fair value at beginning of year	240,000,000	189,000,000
Realized gains (losses)	7,000,000	4,000,000
Unrealized gains (losses)	14,000,000	
Purchases, sales, and issuances	(23,000,000)	(10,000,000)
Transfers in and/or out of Level 3	(19,000,000)	56,000,000
Plan assets at fair value at year end	219,000,000	240,000,000
Non-U.S. pension and postretirement benefit plans | Investments:		
Reconciliations of the beginning and ending balances during the period for Level 3 assets		
Plan assets at fair value at beginning of year	297,000,000	
Realized gains (losses)	4,000,000	
Unrealized gains (losses)	14,000,000	
Purchases, sales, and issuances	13,000,000	
Transfers in and/or out of Level 3	(31,000,000)	
Plan assets at fair value at year end	297,000,000	
Non-U.S. pension and postretirement benefit plans | Cash and short-term investments		
Reconciliations of the beginning and ending balances during the period for Level 3 assets		
Transfers in and/or out of Level 3	3,000,000	
Plan assets at fair value at year end	$ 3,000,000	

COMMISSIONS AND FEES	12 Months Ended Dec. 31, 2012
COMMISSIONS AND FEES	
COMMISSIONS AND FEES	

6. COMMISSIONS AND FEES

The table below sets forth Citigroup's *Commissions and fees* revenue for the years ended December 31, 2012, 2011 and 2010, respectively. The primary components of *Commissions and fees* revenue for the year ended December 31, 2012 were credit card and bank card fees, investment banking fees and trading-related fees.

Credit card and bank card fees are primarily composed of interchange revenue and certain card fees, including annual fees, reduced by reward program costs. Interchange revenue and fees are recognized when earned, except for annual card fees, which are deferred and amortized on a straight-line basis over a 12-month period. Reward costs are recognized when points are earned by the customers.

Investment banking fees are substantially composed of underwriting and advisory revenues. Investment banking fees are recognized when Citigroup's performance under the terms of the contractual arrangements is completed, which is typically at the closing of the transaction. Underwriting revenue is recorded in *Commissions and fees*, net of both reimbursable and non-reimbursable expenses, consistent with the AICPA Audit and Accounting Guide for Brokers and Dealers in Securities (codified in ASC 940-605-05-1). Expenses associated with advisory transactions are recorded in *Other operating expenses,* net of client reimbursements. Out-of-pocket expenses are deferred and recognized at the time the related revenue is recognized. In general, expenses incurred related to investment banking transactions that fail to close (are not consummated) are recorded gross in *Other operating expenses*.

Trading-related fees primarily include commissions and fees from the following: executing transactions for clients on exchanges and over-the-counter markets; sale of mutual funds, insurance and other annuity products; and assisting clients in clearing transactions, providing brokerage services and other such activities. Trading-related fees are recognized when earned in *Commissions and fees*. Gains or losses, if any, on these transactions are included in *Principal transactions* (see Note 7 to the Consolidated Financial Statements).

The following table presents *Commissions and fees* revenue for the years ended December 31:

In millions of dollars	**2012**	2011	2010
Credit cards and bank cards	**$ 3,526**	$ 3,603	$ 3,774
Investment banking	**2,991**	2,451	2,977
Trading-related	**2,296**	2,587	2,368
Transaction services	**1,441**	1,520	1,454
Other Consumer (1)	**878**	931	1,156
Checking-related	**907**	926	1,023
Primerica	**—**	—	91
Loan servicing	**313**	251	353
Corporate finance (2)	**516**	519	439
Other	**58**	62	23
Total commissions and fees	**$ 12,926**	$ 12,850	$ 13,658

(1) Primarily consists of fees for investment fund administration and management, third-party collections, commercial demand deposit accounts and certain credit card services.

(2) Consists primarily of fees earned from structuring and underwriting loan syndications.

FAIR VALUE MEASUREMENT (Details 7) (USD $)	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Assets.				
Investments	$ 294,463,000,000	$ 274,040,000,000		
Federal funds sold and securities borrowed or purchased under agreements to resell	160,589,000,000	142,862,000,000		
Loans	5,287,000,000	5,265,000,000		
Other financial assets	13,299,000,000	13,360,000,000		
Liabilities;				
Deposits	930,560,000,000	865,936,000,000		
Federal funds purchased and securities loaned or sold under agreements to repurchase	116,689,000,000	97,712,000,000		
Long-term debt	29,764,000,000	24,172,000,000		
Other financial liabilities	2,910,000,000	3,742,000,000		
Allowance for loan losses	25,455,000,000	30,115,000,000	40,655,000,000	36,033,000,000
Lease finance receivables	2,800,000,000	2,500,000,000		
Consumer				
Assets.				
Loans	1,231,000,000	1,326,000,000		
Corporate				
Assets.				
Loans	4,056,000,000	3,939,000,000		
Nonrecurring | Loans, excluding lease finance receivables				
Fair value measurements additional disclosures				
Aggregate carrying value in excess of (less than) fair value	9,700,000,000	10,600,000,000		
Nonrecurring | Consumer				
Fair value measurements additional disclosures				
Aggregate carrying value in excess of (less than) fair value	7,400,000,000			
Nonrecurring | Corporate				
Fair value measurements additional disclosures				
Aggregate carrying value in excess of (less than) fair value	2,300,000,000			
Nonrecurring | Level 1				
Assets.				
Investments	3,000,000,000			
Other financial assets	11,400,000,000			

Nonrecurring | Level 2		
Assets.		
Investments	14,300,000,000	
Federal funds sold and securities borrowed or purchased under agreements to resell	94,800,000,000	
Loans	4,200,000,000	
Other financial assets	128,300,000,000	
Liabilities;		
Deposits	765,500,000,000	
Federal funds purchased and securities loaned or sold under agreements to repurchase	94,400,000,000	
Long-term debt	177,000,000,000	
Other financial liabilities	31,100,000,000	
Nonrecurring | Level 3		
Assets.		
Investments	1,100,000,000	
Federal funds sold and securities borrowed or purchased under agreements to resell	5,900,000,000	
Loans	608,000,000,000	
Other financial assets	53,100,000,000	
Liabilities;		
Deposits	161,900,000,000	
Federal funds purchased and securities loaned or sold under agreements to repurchase	100,000,000	
Long-term debt	38,300,000,000	
Other financial liabilities	107,900,000,000	
Nonrecurring | Carrying value		
Assets.		
Investments	17,900,000,000	19,400,000,000
Federal funds sold and securities borrowed or purchased under agreements to resell	100,700,000,000	133,000,000,000
Loans	621,900,000,000	609,300,000,000
Other financial assets	192,800,000,000	245,700,000,000
Liabilities;		
Deposits	929,100,000,000	864,600,000,000
Federal funds purchased and securities loaned or sold under agreements to repurchase	94,500,000,000	100,700,000,000
Long-term debt	209,700,000,000	299,300,000,000
Other financial liabilities	139,000,000,000	141,100,000,000
Nonrecurring | Fair value		
Assets.		
Investments	18,400,000,000	18,400,000,000
Federal funds sold and securities borrowed or purchased under agreements to resell	100,700,000,000	133,000,000,000
Loans	612,200,000,000	598,700,000,000

Other financial assets	192,800,000,000	245,700,000,000
Liabilities;		
Deposits	927,400,000,000	864,500,000,000
Federal funds purchased and securities loaned or sold under agreements to repurchase	94,500,000,000	100,700,000,000
Long-term debt	215,300,000,000	289,700,000,000
Other financial liabilities	139,000,000,000	141,100,000,000
Nonrecurring | Fair value | Level 3		
Fair value measurements additional disclosures		
Estimated fair values of corporate unfunded lending commitments	$ 4,900,000,000	$ 4,700,000,000

SECURITIZATIONS AND VARIABLE INTEREST ENTITIES (Tables)

12 Months Ended

Dec. 31, 2012

Variable Interest Entity

Schedule of consolidated and unconsolidated VIEs with which the Company holds significant variable interests

In millions of dollars

				As of December 31, 2012				
				Maximum exposure to loss in significant unconsolidated VIEs (1)				
				Funded exposures (2)		Unfunded exposures (3)		
Citicorp	Total involvement with SPE assets	Consolidated VIE / SPE assets	Significant unconsolidated VIE assets (4)	Debt investments	Equity investments	Funding commitments	Guarantees and derivatives	Total
Credit card securitizations	$ 79,109	$79,109	$—	$ —	$—	$—	$—	$ —
Mortgage securitizations (5)								
U.S. agency-sponsored	232,741	—	232,741	3,042	—	—	45	3,087
Non-agency-sponsored	9,308	1,686	7,622	382	—	—	—	382
Citi-administered asset-backed commercial paper conduits (ABCP)	30,002	22,387	7,615	—	—	7,615	—	7,615
Third-party commercial paper conduits	—	—	—	—	—	—	—	—
Collateralized debt obligations (CDOs)	5,539	—	5,539	24	—	—	—	24
Collateralized loan obligations (CLOs)	15,120	—	15,120	642	19	—	—	661
Asset-based financing	41,399	1,125	40,274	14,798	84	2,081	159	17,122
Municipal securities tender option bond trusts (TOBs)	15,163	7,573	7,590	352	—	4,628	—	4,980
Municipal investments	19,693	255	19,438	2,003	3,049	1,669	—	6,721
Client intermediation	2,486	151	2,335	319	—	—	—	319
Investment funds	4,286	2,196	2,090	—	14	—	—	14
Trust preferred securities	12,221	—	12,221	—	126	—	—	126
Other	2,023	115	1,908	113	382	22	76	593
Total	$ 469,090	$ 114,597	$ 354,493	$ 21,675	$ 3,674	$ 16,015	$ 280	$ 41,644
Citi Holdings								
Credit card securitizations	$ 838	$ 397	$ 441	$ —	$ —	$ —	$ —	$ —
Mortgage securitizations								
U.S. agency-sponsored	106,888	—	106,888	700	—	—	163	863
Non-agency-sponsored	16,693	1,628	15,065	43	—	—	2	45
Student loan securitizations	1,681	1,681	—	—	—	—	—	—
Collateralized debt obligations (CDOs)	4,752	—	4,752	139	—	—	124	263
Collateralized loan obligations (CLOs)	4,676	—	4,676	435	—	13	108	556
Asset-based financing	4,166	3	4,163	984	6	243	—	1,233
Municipal investments	7,766	—	7,766	90	235	992	—	1,317
Client intermediation	13	13	—	—	—	—	—	—
Investment funds	1,083	—	1,083	—	47	—	—	47
Other	6,005	5,851	154	—	3	—	—	3
Total	$ 154,561	$ 9,573	$ 144,988	$ 2,391	$ 291	$ 1,248	$ 397	$ 4,327
Total Citigroup	$ 623,651	$ 124,170	$ 499,481	$ 24,066	$ 3,965	$ 17,263	$ 677	$ 45,971

(1) The definition of maximum exposure to loss is included in the text that follows this table.

(2) Included in Citigroup's December 31, 2012 Consolidated Balance Sheet.

(3) Not included in Citigroup's December 31, 2012 Consolidated Balance Sheet.

(4) A significant unconsolidated VIE is an entity where the Company has any variable interest considered to be significant, regardless of the likelihood of loss or the notional amount of exposure.

(5) Citicorp mortgage securitizations also include agency and non-agency (private-label) re-securitization activities. These SPEs are not consolidated. See "Re-Securitizations" below for further discussion.

In millions of dollars

				As of December 31, 2011				
				Maximum exposure to loss in significant unconsolidated VIEs (1)				
				Funded exposures (2)		Unfunded exposures (3)		
	Total involvement with SPE assets	Consolidated VIE / SPE assets	Significant unconsolidated VIE assets (4)	Debt investments	Equity investments	Funding commitments	Guarantees and derivatives	Total
	$ 87,083	$ 87,083	$—	$—	$—	$—	$—	$ —
	232,179	—	232,179	3,769	—	—	26	3,795
	9,743	1,622	8,121	348	—	—	—	348
	34,987	21,971	13,016	—	—	13,016	—	13,016

7,507	—	7,507	—	—	298	—	298
3,334	—	3,334	20	—	—	—	20
8,127	—	8,127	64	—	—	—	64
19,034	1,303	17,731	7,892	2	2,891	121	10,906
16,849	8,224	8,625	708	—	5,413	—	6,121
20,331	299	20,032	2,345	3,535	1,586	—	7,466
2,110	24	2,086	468	—	—	—	468
4,621	2,027	2,594	—	70	—	—	70
17,882	—	17,882	—	128	—	—	128
6,210	97	6,113	354	172	279	79	884
$ 469,997	$ 122,650	$ 347,347	$ 15,968	$ 3,907	$ 23,483	$ 226	$ 43,584
$ 780	$ 581	$ 199	$ —	$ —	$ —	$ —	$ —
152,265	—	152,265	1,159	—	—	120	1,279
20,821	1,764	19,057	61	—	—	2	63
1,822	1,822	—	—	—	—	—	—
6,581	—	6,581	117	—	—	120	237
7,479	—	7,479	1,125	—	6	90	1,221
10,490	73	10,417	5,004	3	250	—	5,257
7,820	—	7,820	206	265	1,049	—	1,520
111	111	—	—	—	—	—	—
1,114	14	1,100	—	43	—	—	43
6,762	6,581	181	3	36	15	—	54
$ 216,045	$ 10,946	$ 205,099	$ 7,675	$ 347	$ 1,320	$ 332	$ 9,674
$ 686,042	$ 133,596	$ 552,446	$ 23,643	$ 4,254	$ 24,803	$ 558	$ 53,258

(1) The definition of maximum exposure to loss is included in the text that follows this table.
(2) Included in Citigroup's December 31, 2011 Consolidated Balance Sheet.
(3) Not included in Citigroup's December 31, 2011 Consolidated Balance Sheet.
(4) A significant unconsolidated VIE is an entity where the Company has any variable interest considered to be significant, regardless of the likelihood of loss or the notional amount of exposure.
(5) Citicorp mortgage securitizations also include agency and non-agency (private-label) re-securitization activities. These SPEs are not consolidated. See "Re-Securitizations" below for further discussion.

Reclassified to conform to the current year's presentation.

Schedule of funding commitments of unconsolidated Variable Interest Entities

In millions of dollars	Liquidity facilities	Loan commitments
Citicorp		
Citi-administered asset-backed commercial paper conduits (ABCP)	**$ 7,615**	**$ —**
Asset-based financing	**6**	**2,075**
Municipal securities tender option bond trusts (TOBs)	**4,628**	**—**
Municipal investments	**—**	**1,669**
Other	**—**	**22**
Total Citicorp	**$ 12,249**	**$ 3,766**
Citi Holdings		
Asset-based financing	**$ —**	**$ 243**
Collateralized loan obligations (CLOs)	**13**	**—**
Municipal investments	**—**	**992**
Total Citi Holdings	**$ 13**	**$ 1,235**
Total Citigroup funding commitments	**$ 12,262**	**$ 5,001**

Schedule of carrying amounts and classifications of consolidated assets that are collateral for consolidated VIE and SPE obligations

In billions of dollars	**December 31, 2012**			December 31, 2011		
	Citicorp	**Citi Holdings**	**Citigroup**	Citicorp	Citi Holdings	Citigroup
Cash	**$ 0.3**	**$ 0.2**	**$ 0.5**	$ 0.2	$ 0.4	$ 0.6
Trading account assets	**0.5**	**—**	**0.5**	0.4	0.1	0.5
Investments	**10.7**	**—**	**10.7**	12.5	—	12.5
Total loans, net	**102.6**	**9.1**	**111.7**	109.0	10.1	119.1
Other	**0.5**	**0.2**	**0.7**	0.5	0.3	0.8
Total assets	**$ 114.6**	**$ 9.5**	**$ 124.1**	$ 122.6	$ 10.9	$ 133.5
Short-term borrowings	**$ 17.9**	**$ —**	**$ 17.9**	$ 22.5	$ 0.8	$ 23.3
Long-term debt	**23.8**	**2.6**	**26.4**	44.8	5.6	50.4
Other liabilities	**1.1**	**0.1**	**1.2**	0.9	0.2	1.1
Total liabilities	**$ 42.8**	**$ 2.7**	**$ 45.5**	$ 68.2	$ 6.6	$ 74.8

Schedule of significant interests in unconsolidated VIEs - balance sheet classification

In billions of dollars	**December 31, 2012**			December 31, 2011		
	Citicorp	**Citi Holdings**	**Citigroup**	Citicorp	Citi Holdings	Citigroup
Trading account assets	**$ 4.0**	**$ 0.5**	**$4.5**	$ 5.5	$ 1.0	$ 6.5
Investments	**5.4**	**0.7**	**6.1**	3.8	4.4	8.2
Total loans, net	**14.6**	**0.9**	**15.5**	9.0	1.6	10.6
Other	**1.4**	**0.5**	**1.9**	1.6	1.0	2.6
Total assets	**$ 25.4**	**$ 2.6**	**$ 28.0**	$ 19.9	$ 8.0	$ 27.9

Long-term debt	$ —	$ —	$ —	$ —	$ —	$ —
Total liabilities	—	—	—	—	—	—

Schedule of securitized credit card receivables

In billions of dollars	Citicorp December 31, 2012	Citicorp December 31, 2011	Citi Holdings December 31, 2012	Citi Holdings December 31, 2011
Principal amount of credit card receivables in trusts	**$80.7**	$89.8	**$0.4**	$0.6
Ownership interests in principal amount of trust credit card receivables				
Sold to investors via trust-issued securities	**$ 22.9**	$ 42.7	**$ 0.1**	$ 0.3
Retained by Citigroup as trust-issued securities	**13.2**	14.7	**0.1**	0.1
Retained by Citigroup via non-certificated interests	**44.6**	32.4	**0.2**	0.2
Total ownership interests in principal amount of trust credit card receivables	**$ 80.7**	$ 89.8	**$ 0.4**	$ 0.6

Schedule of Master Trust liabilities (at par value)

In billions of dollars	December 31, 2012	December 31, 2011
Term notes issued to multi-seller commercial paper conduits	**$ —**	$ —
Term notes issued to third parties	**18.6**	30.4
Term notes retained by Citigroup affiliates	**4.8**	7.7
Total Master Trust liabilities	**$ 23.4**	$ 38.1

Schedule of Omni Trust liabilities (at par value)

In billions of dollars	December 31, 2012	December 31, 2011
Term notes issued to multi-seller commercial paper conduits	**$ —**	$ 3.4
Term notes issued to third parties	**4.4**	9.2
Term notes retained by Citigroup affiliates	**7.1**	7.1
Total Omni Trust liabilities	**$ 11.5**	$ 19.7

Schedule of changes in capitalized MSRs

In millions of dollars	2012	2011
Balance, beginning of year	**$ 2,569**	$ 4,554
Originations	**423**	611
Changes in fair value of MSRs due to changes in inputs and assumptions	**(198)**	(1,210)
Other changes (1)	**(852)**	(1,174)
Sale of MSRs	**—**	(212)
Balance, end of year	**$ 1,942**	$ 2,569

(1) Represents changes due to customer payments and passage of time.

Schedule of fees received on servicing previously securitized mortgages

In millions of dollars	2012	2011	2010
Servicing fees	**$ 990**	$ 1,170	$ 1,356
Late fees	**65**	76	87
Ancillary fees	**122**	130	214
Total MSR fees	**$ 1,177**	$ 1,376	$ 1,657

Citicorp

Variable Interest Entity

Schedule of cash flow information, credit card securitizations

In billions of dollars	2012	2011	2010
Proceeds from new securitizations	**$ 2.4**	$ 3.9	$ 5.5
Pay down of maturing notes	**(21.7)**	(20.5)	(40.3)

Schedule of cash flow information, mortgage securitizations

In billions of dollars	2012 U.S. agency-sponsored mortgages	2012 Non-agency-sponsored mortgages	2011 Agency- and non-agency-sponsored mortgages	2010 Agency- and non-agency-sponsored mortgages
Proceeds from new securitizations	**$ 54.2**	**$ 2.3**	$ 57.3	$ 65.1
Contractual servicing fees received	**0.5**	**—**	0.5	0.5
Cash flows received on retained interests and other net cash flows	**0.1**	**—**	0.1	0.1

Schedule of key assumptions used in measuring fair value of retained interest at the date of sale or securitization of mortgage receivables

	December 31, 2012 U.S. agency-sponsored mortgages	Non-agency-sponsored mortgages (1) Senior interests	Non-agency-sponsored mortgages (1) Subordinated interests
Discount rate	**0.2% to 14.4 %**	**1.2% to 24.0 %**	**1.1% to 29.2 %**
Weighted average discount rate	**11.4 %**	**8.1 %**	**13.8 %**

Constant prepayment rate	**6.7% to 36.4 %**	**1.9% to 22.8 %**	**1.6% to 29.4 %**
Weighted average constant prepayment rate	**10.2 %**	**9.3 %**	**10.1 %**
Anticipated net credit losses [2]	**NM**	**37.5% to 80.2 %**	**33.4% to 90.0 %**
Weighted average anticipated net credit losses	**NM**	**60.3 %**	**54.1 %**

	December 31, 2011		
		Non-agency-sponsored mortgages [1]	
	U.S. agency-sponsored mortgages	Senior interests	Subordinated interests
Discount rate	0.6% to 28.3 %	2.4% to 10.0 %	8.4% to 17.6 %
Weighted average discount rate	12.0 %	4.5 %	11.0 %
Constant prepayment rate	2.2% to 30.6 %	1.0% to 2.2 %	5.2% to 22.1 %
Weighted average constant prepayment rate	7.9 %	1.9 %	17.3 %
Anticipated net credit losses [2]	NM	35.0% to 72.0 %	11.4% to 58.6 %
Weighted average anticipated net credit losses	NM	45.3 %	25.0 %

(1) Disclosure of non-agency-sponsored mortgages as senior and subordinated interests is indicative of the interests' position in the capital structure of the securitization.
(2) Anticipated net credit losses represent estimated loss severity associated with defaulted mortgage loans underlying the mortgage securitizations disclosed above. Anticipated net credit losses, in this instance, do not represent total credit losses incurred to date, nor do they represent credit losses expected on retained interests in mortgage securitizations.
NM Not meaningful. Anticipated net credit losses are not meaningful due to U.S. agency guarantees.

Schedule of key assumptions used to value retained interests and sensitivity of adverse changes of 10% and 20%, mortgage securitizations

	December 31, 2012		
		Non-agency-sponsored mortgages [1]	
	U.S. agency-sponsored mortgages	Senior interests	Subordinated interests
Discount rate	**0.6% to 17.2 %**	**1.2% to 24.0 %**	**1.1% to 29.2 %**
Weighted average discount rate	**6.1 %**	**9.0 %**	**13.8 %**
Constant prepayment rate	**9.0% to 57.8 %**	**1.9% to 22.8 %**	**0.5% to 29.4 %**
Weighted average constant prepayment rate	**27.7 %**	**12.3 %**	**10.0 %**
Anticipated net credit losses [2]	**NM**	**0.1% to 80.2 %**	**33.4% to 90.0 %**
Weighted average anticipated net credit losses	**NM**	**47.0 %**	**54.1 %**

	December 31, 2011		
		Non-agency-sponsored mortgages [1]	
	U.S. agency-sponsored mortgages	Senior interests	Subordinated interests
Discount rate	1.3% to 16.4 %	2.2% to 24.4 %	1.3% to 28.1 %
Weighted average discount rate	8.1 %	9.6 %	13.5 %
Constant prepayment rate	18.9% to 30.6 %	1.7% to 51.8 %	0.6% to 29.1 %
Weighted average constant prepayment rate	28.7 %	26.2 %	10.5 %
Anticipated net credit losses [2]	NM	0.0% to 77.9 %	29.3% to 90.0 %
Weighted average anticipated net credit losses	NM	37.6 %	57.2 %

(1) Disclosure of non-agency-sponsored mortgages as senior and subordinated interests is indicative of the interests' position in the capital structure of the securitization.
(2) Anticipated net credit losses represent estimated loss severity associated with defaulted mortgage loans underlying the mortgage securitizations disclosed above. Anticipated net credit losses, in this instance, do not represent total credit losses incurred to date, nor do they represent credit losses expected on retained interests in mortgage securitizations.
NM Not meaningful. Anticipated net credit losses are not meaningful due to U.S. agency guarantees.

		Non-agency-sponsored mortgages [1]	
In millions of dollars at December 31, 2012	U.S. agency-sponsored mortgages	Senior interests	Subordinated interests
Carrying value of retained interests	$1,987	$88	$466
Discount rates			
Adverse change of 10%	$ (46)	$ (2)	$ (31)
Adverse change of 20%	(90)	(4)	(59)
Constant prepayment rate			
Adverse change of 10%	(110)	(1)	(11)
Adverse change of 20%	(211)	(3)	(22)
Anticipated net credit losses			
Adverse change of 10%	(11)	(1)	(13)
Adverse change of 20%	(21)	(3)	(24)

(1) Disclosure of non-agency-sponsored mortgages as senior and subordinated interests is indicative of the interests' position in the capital structure of the securitization.

Schedule of asset-based financing

In billions of dollars	Total unconsolidated VIE assets	Maximum exposure to unconsolidated VIEs
Type		
Commercial and other real estate	**$ 16.1**	**$ 3.1**
Corporate loans	**2.0**	**1.6**
Hedge funds and equities	**0.6**	**0.4**
Airplanes, ships and other assets	**21.5**	**12.0**

Total	$ 40.2	$ 17.1

Schedule of selected cash flow information related to asset-based financing

In billions of dollars	2012	2011	2010
Cash flows received on retained interests and other net cash flows	$ 0.3	$ —	$ —

Schedule of sensitivity of adverse changes of 10% and 20% to discount rate, asset-based financing

In millions of dollars	Asset-based Financing
Carrying value of retained interests	**$ 1,726**
Value of underlying portfolio	
Adverse change of 10%	**$ (22)**
Adverse change of 20%	**(44)**

Citi Holdings

Variable Interest Entity

Schedule of cash flow information, mortgage securitizations

In billions of dollars	2012 U.S. agency-sponsored mortgages	2011 Agency- and non-agency-sponsored mortgages	2010 Agency- and non-agency-sponsored mortgages
Proceeds from new securitizations	**$0.4**	$1.1	$0.6
Contractual servicing fees received	**0.4**	0.6	0.8
Cash flows received on retained interests and other net cash flows	**—**	0.1	0.1

Schedule of key assumptions used to value retained interests and sensitivity of adverse changes of 10% and 20%, mortgage securitizations

	December 31, 2012		
		Non-agency-sponsored mortgages (1)	
	U.S. agency-sponsored mortgages	Senior interests	Subordinated interests
Discount rate	**9.7 %**	**4.1% to 10.0 %**	**3.4% to 12.4 %**
Weighted average discount rate	**9.7 %**	**4.2 %**	**8.0 %**
Constant prepayment rate	**28.6 %**	**21.7 %**	**12.7% to 18.7 %**
Weighted average constant prepayment rate	**28.6 %**	**21.7 %**	**15.7 %**
Anticipated net credit losses	**NM**	**0.5 %**	**50.0% to 50.1 %**
Weighted average anticipated net credit losses	**NM**	**0.5 %**	**50.1 %**
Weighted average life	**4.1 years**	**4.4 years**	**6.0 to 7.4 years**

	December 31, 2011		
		Non-agency-sponsored mortgages (1)	
	U.S. agency-sponsored mortgages	Senior interests	Subordinated interests
Discount rate	6.9 %	2.9% to 18.0 %	6.7% to 18.2 %
Weighted average discount rate	6.9 %	9.8 %	9.2 %
Constant prepayment rate	30.0 %	38.8 %	2.0% to 9.6 %
Weighted average constant prepayment rate	30.0 %	38.8 %	8.1 %
Anticipated net credit losses	NM	0.4 %	57.2% to 90.0 %
Weighted average anticipated net credit losses	NM	0.4 %	63.2 %
Weighted average life	3.7 years	3.3 to 4.7 years	0.0 to 8.1 years

(1) Disclosure of non-agency-sponsored mortgages as senior and subordinated interests is indicative of the interests' position in the capital structure of the securitization.
NM Not meaningful. Anticipated net credit losses are not meaningful due to U.S. agency guarantees.

		Non-agency-sponsored mortgages (1)	
In millions of dollars at December 31, 2012	U.S. agency-sponsored mortgages	Senior interests	Subordinated interests
Carrying value of retained interests	$618	$39	$16
Discount rates			
Adverse change of 10%	$ (22)	$ —	$ (1)
Adverse change of 20%	(42)	(1)	(2)
Constant prepayment rate			
Adverse change of 10%	(57)	(3)	—
Adverse change of 20%	(109)	(7)	(1)
Anticipated net credit losses			
Adverse change of 10%	(32)	(9)	(2)
Adverse change of 20%	(64)	(19)	(4)

(1) Disclosure of non-agency-sponsored mortgages as senior and subordinated interests is indicative of the interests' position in the capital structure of the securitization.

Schedule of key assumptions for measuring fair value of retained interests at the date of sale or securitization of CDOs and CLOs

	CDOs	CLOs
Discount rate	**46.9% to 51.6%**	**1.9% to 2.1%**

Schedule of sensitivity of adverse changes of 10% and 20% to discount rate, CDOs and CLOs

In millions of dollars	CDOs	CLOs
Carrying value of retained interests	**$ 16**	**$ 428**
Discount rates		
Adverse change of 10%	**$ (2)**	**$ (2)**
Adverse change of 20%	**(3)**	**(4)**

Schedule of asset-based financing

In billions of dollars	Total unconsolidated VIE assets	Maximum exposure to unconsolidated VIEs
Type		
Commercial and other real estate	**$ 0.9**	**$ 0.3**
Corporate loans	**0.4**	**0.3**
Airplanes, ships and other assets	**2.9**	**0.6**
Total	**$ 4.2**	**$ 1.2**

Schedule of selected cash flow information related to asset-based financing

In billions of dollars	2012	2011	2010
Cash flows received on retained interests and other net cash flows	**$ 1.7**	$ 1.4	$ 2.8

Schedule of sensitivity of adverse changes of 10% and 20% to discount rate, asset-based financing

In millions of dollars	Asset-based Financing
Carrying value of retained interests	**$339**
Value of underlying portfolio	
Adverse change of 10%	**$ —**
Adverse change of 20%	**—**

PLEDGED ASSETS, COLLATERAL, COMMITMENTS AND GUARANTEES (Details 2) (USD $)	Dec. 31, 2012 item	Dec. 31, 2011
Maximum potential amount of future payments		
Expire Within One Year	$ 191,500,000,000	$ 203,900,000,000
Expire After One Year	160,700,000,000	164,400,000,000
Total amount outstanding	352,200,000,000	368,300,000,000
Carrying value	3,210,100,000	3,267,800,000
Allowance for credit losses relating to letters of credit and unfunded lending commitments	1,119,000,000	1,136,000,000
Cash collateral available to reimburse losses realized under guarantees and indemnifications	39,000,000,000	35,000,000,000
Securities and other marketable assets held as collateral, the majority of which collateral is held to reimburse losses realized under securities lending indemnifications	51,000,000,000	65,000,000,000
Letters of credit in favor of the Company held as collateral	1,800,000,000	1,500,000,000
Number of trusts funded by the reinsurer	2	
Fair value of securities in trusts funded by reinsurer relating to indemnification	4,900,000,000	4,400,000,000
Investment grade		
Maximum potential amount of future payments		
Total amount outstanding	118,300,000,000	126,200,000,000
Non-investment grade		
Maximum potential amount of future payments		
Total amount outstanding	14,100,000,000	20,400,000,000
Not rated		
Maximum potential amount of future payments		
Total amount outstanding	219,800,000,000	221,700,000,000
Financial standby letters of credit		
Maximum potential amount of future payments		
Expire Within One Year	22,300,000,000	25,200,000,000
Expire After One Year	79,800,000,000	79,500,000,000
Total amount outstanding	102,100,000,000	104,700,000,000
Carrying value	432,800,000	417,500,000
Financial standby letters of credit | Investment grade		
Maximum potential amount of future payments		
Total amount outstanding	80,900,000,000	79,300,000,000
Financial standby letters of credit | Non-investment grade		
Maximum potential amount of future payments		
Total amount outstanding	11,000,000,000	17,200,000,000
Financial standby letters of credit | Not rated		
Maximum potential amount of future payments		

Total amount outstanding	10,200,000,000	8,200,000,000
Performance guarantees		
Maximum potential amount of future payments		
Expire Within One Year	7,300,000,000	7,800,000,000
Expire After One Year	4,700,000,000	4,500,000,000
Total amount outstanding	12,000,000,000	12,300,000,000
Carrying value	41,600,000	43,900,000
Performance guarantees | Investment grade		
Maximum potential amount of future payments		
Total amount outstanding	7,300,000,000	6,900,000,000
Performance guarantees | Non-investment grade		
Maximum potential amount of future payments		
Total amount outstanding	3,000,000,000	3,200,000,000
Performance guarantees | Not rated		
Maximum potential amount of future payments		
Total amount outstanding	1,700,000,000	2,200,000,000
Derivative instruments considered to be guarantees		
Maximum potential amount of future payments		
Expire Within One Year	11,200,000,000	9,800,000,000
Expire After One Year	45,500,000,000	40,000,000,000
Total amount outstanding	56,700,000,000	49,800,000,000
Carrying value	2,648,700,000	2,686,100,000
Derivative instruments considered to be guarantees | Not rated		
Maximum potential amount of future payments		
Total amount outstanding	56,700,000,000	49,800,000,000
Loans sold with recourse		
Maximum potential amount of future payments		
Expire After One Year	500,000,000	400,000,000
Total amount outstanding	500,000,000	400,000,000
Carrying value	87,000,000	89,600,000
Repurchase reserve for Consumer mortgages representations and warranties	1,565,000,000	1,188,000,000
Reasonably possible loss from whole loan sale representation and warranty claims in excess of amounts accrued due to modifying the key assumptions	600,000,000	
Loans sold with recourse | Not rated		
Maximum potential amount of future payments		
Total amount outstanding	500,000,000	400,000,000
Securities lending indemnifications		
Maximum potential amount of future payments		
Expire Within One Year	80,400,000,000	90,900,000,000
Total amount outstanding	80,400,000,000	90,900,000,000
Securities lending indemnifications | Not rated		
Maximum potential amount of future payments		
Total amount outstanding	80,400,000,000	90,900,000,000
Credit card merchant processing		

Maximum potential amount of future payments		
Expire Within One Year	70,300,000,000	70,200,000,000
Total amount outstanding	70,300,000,000	70,200,000,000
Maximum potential contingent liability related to bankcard and private-label merchant processing services	70,000,000,000	70,000,000,000
Credit card merchant processing | Not rated		
Maximum potential amount of future payments		
Total amount outstanding	70,300,000,000	70,200,000,000
Custody indemnifications and other		
Maximum potential amount of future payments		
Expire After One Year	30,200,000,000	40,000,000,000
Total amount outstanding	30,200,000,000	40,000,000,000
Carrying value		30,700,000
Custody indemnifications and other | Investment grade		
Maximum potential amount of future payments		
Total amount outstanding	30,100,000,000	40,000,000,000
Custody indemnifications and other | Non-investment grade		
Maximum potential amount of future payments		
Total amount outstanding	$ 100,000,000	

LOANS (Details 5) (USD $) In Millions, unless otherwise specified	Dec. 31, 2012	Dec. 31, 2011
Loans		
Loans, net of unearned income	$ 655,464	$ 647,242
Corporate		
Loans		
Total loans	247,590	224,612
Net unearned income	(797)	(710)
Loans, net of unearned income	246,793	223,902
Corporate | Commercial and industrial		
Loans		
Loans, net of unearned income	108,776	99,414
Corporate | Financial institutions		
Loans		
Loans, net of unearned income	54,317	43,407
Corporate | Mortgage and real estate		
Loans		
Loans, net of unearned income	31,070	28,296
Corporate | Lease financing		
Loans		
Loans, net of unearned income	2,015	1,838
In U.S. offices | Corporate		
Loans		
Total loans	103,705	91,911
In U.S. offices | Corporate | Commercial and industrial		
Loans		
Total loans	26,985	20,830
In U.S. offices | Corporate | Financial institutions		
Loans		
Total loans	18,159	15,113
In U.S. offices | Corporate | Mortgage and real estate		
Loans		
Total loans	24,705	21,516
In U.S. offices | Corporate | Installment, revolving credit and other		
Loans		
Total loans	32,446	33,182
In U.S. offices | Corporate | Lease financing		
Loans		
Total loans	1,410	1,270
In offices outside the U.S. | Corporate		
Loans		
Total loans	143,885	132,701

In offices outside the U.S. | Corporate | Commercial and industrial		
Loans		
Total loans	82,939	79,764
In offices outside the U.S. | Corporate | Financial institutions		
Loans		
Total loans	37,739	29,794
In offices outside the U.S. | Corporate | Mortgage and real estate		
Loans		
Total loans	6,485	6,885
In offices outside the U.S. | Corporate | Installment, revolving credit and other		
Loans		
Total loans	14,958	14,114
In offices outside the U.S. | Corporate | Lease financing		
Loans		
Total loans	605	568
In offices outside the U.S. | Corporate | Government and official institutions		
Loans		
Total loans	$ 1,159	$ 1,576

BUSINESS SEGMENTS

12 Months Ended Dec. 31, 2012

BUSINESS SEGMENTS

BUSINESS SEGMENTS

4. BUSINESS SEGMENTS

Citigroup is a diversified bank holding company whose businesses provide a broad range of financial services to Consumer and Corporate customers around the world. The Company's activities are conducted through the *Global Consumer Banking (GCB), Institutional Clients Group (ICG), Corporate/Other* and Citi Holdings business segments.

The *Global Consumer Banking* segment includes a global, full-service Consumer franchise delivering a wide array of banking, credit card lending and investment services through a network of local branches, offices and electronic delivery systems and is composed of four *Regional Consumer Banking (RCB)* businesses: *North America, EMEA, Latin America* and *Asia*.

The Company's *ICG* segment is composed of *Securities and Banking* and *Transaction Services* and provides corporate, institutional, public sector and high net-worth clients in approximately 100 countries with a broad range of banking and financial products and services.

Corporate/Other includes net treasury results, unallocated corporate expenses, offsets to certain line-item reclassifications (eliminations), the results of discontinued operations and unallocated taxes.

The Citi Holdings segment is composed of *Brokerage and Asset Management, Local Consumer Lending* and *Special Asset Pool*.

The accounting policies of these reportable segments are the same as those disclosed in Note 1 to the Consolidated Financial Statements.

The prior-period balances reflect reclassifications to conform the presentation in those periods to the current period's presentation. Reclassifications during the first quarter of 2012 related to the transfer of the substantial majority of the Company's retail partner cards business (which Citi now refers to as "Citi retail services") from Citi Holdings—*Local Consumer Lending* to Citicorp—*North America Regional Consumer Banking*. Additionally, certain consolidated expenses were re-allocated to the respective businesses receiving the services.

The following table presents certain information regarding the Company's continuing operations by segment:

In millions of dollars, except identifiable assets in billions	Revenues, net of interest expense (1) 2012	2011	2010	Provision (benefit) for income taxes 2012	2011	2010	Income (loss) from continuing operations (2) 2012	2011	2010	Identifiable assets 2012	2011
Global Consumer Banking	**$ 40,214**	$ 39,195	$ 39,369	**$ 3,733**	$ 3,509	$ 1,551	**$ 8,104**	$ 7,672	$ 4,969	**$ 402**	$ 385
Institutional Clients Group	**30,600**	32,002	33,207	**2,102**	2,820	3,490	**7,990**	8,262	10,173	**1,059**	980
Corporate/Other	**192**	885	1,754	**(1,396)**	(681)	7	**(1,625)**	(728)	242	**248**	284
Total Citicorp	**$ 71,006**	$ 72,082	$ 74,330	**$ 4,439**	$ 5,648	$ 5,048	**$ 14,469**	$ 15,206	$ 15,384	**$ 1,709**	$ 1,649
Citi Holdings	**(833)**	6,271	12,271	**(4,412)**	(2,127)	(2,815)	**(6,560)**	(4,103)	(4,433)	**156**	225
Total	**$ 70,173**	$ 78,353	$ 86,601	**$ 27**	$ 3,521	$ 2,233	**$ 7,909**	$ 11,103	$ 10,951	**$ 1,865**	$ 1,874

(1) Includes Citicorp (excluding *Corporate/Other*) total revenues, net of interest expense, in *North America* of $29.8 billion, $30.1 billion and $33.6 billion; in *EMEA* of $11.5 billion, $12.3 billion and $11.8 billion; in *Latin America* of $14.5 billion, $13.6 billion and $12.8 billion; and in *Asia* of $15.0 billion, $15.2 billion and $14.4 billion in 2012, 2011 and 2010, respectively. Regional numbers exclude Citi Holdings and *Corporate/Other*, which largely operate within the U.S.

(2) Includes pretax provisions (credits) for credit losses and for benefits and claims in the *GCB* results of $6.6 billion, $6.6 billion and $14.0 billion; in the *ICG* results of $276 million, $152 million and $(82) million; and in the Citi Holdings results of $4.9 billion, $6.0 billion and $12.1 billion for 2012, 2011 and 2010, respectively.

INTEREST REVENUE AND EXPENSE	12 Months Ended Dec. 31, 2012

INTEREST REVENUE AND INTEREST EXPENSE

INTEREST REVENUE AND EXPENSE

5. INTEREST REVENUE AND EXPENSE

For the years ended December 31, 2012, 2011 and 2010, respectively, *Interest revenue* and *Interest expense* consisted of the following:

In millions of dollars	**2012**	2011	2010
Interest revenue			
Loan interest, including fees	**$ 48,544**	$ 50,281	$ 55,056
Deposits with banks	**1,269**	1,750	1,252
Federal funds sold and securities borrowed or purchased under agreements to resell	**3,418**	3,631	3,156
Investments, including dividends	**7,525**	8,320	11,004
Trading account assets (1)	**6,802**	8,186	8,079
Other interest	**580**	513	735
Total interest revenue	**$ 68,138**	$ 72,681	$ 79,282
Interest expense			
Deposits (2)	**$ 7,613**	$ 8,556	$ 8,371
Federal funds purchased and securities loaned or sold under agreements to repurchase	**2,817**	3,197	2,808
Trading account liabilities (1)	**190**	408	379
Short-term borrowings	**727**	650	917
Long-term debt	**9,188**	11,423	12,621
Total interest expense	**$ 20,535**	$ 24,234	$ 25,096
Net interest revenue	**$ 47,603**	$ 48,447	$ 54,186
Provision for loan losses	**10,848**	11,773	25,194
Net interest revenue after provision for loan losses	**$ 36,755**	$ 36,674	$ 28,992

(1) Interest expense on *Trading account liabilities* of *ICG* is reported as a reduction of interest revenue from *Trading account assets*.

(2) Includes deposit insurance fees and charges of $1,262 million, $1,332 million and $981 million for the years ended December 31, 2012, December 31, 2011 and December 31, 2010, respectively.

SECURITIZATIONS AND VARIABLE INTEREST ENTITIES (Details 9) (USD $)	12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011
Classification of Other Securitization Details		
Commercial paper	$ 11,470,000,000	21,286,000,000
Citi-administered asset-backed commercial paper conduits (ABCP)		
Classification of Other Securitization Details		
Weighted average life of commercial paper issued by conduits	38 days	37 days
Floor price of conduit's assets	200,000,000	
Citi-administered asset-backed commercial paper conduits (ABCP) | Minimum		
Classification of Other Securitization Details		
Weighted average life of commercial paper	25 days	
Letters of credit as percentage of conduit assets	8.00%	
Citi-administered asset-backed commercial paper conduits (ABCP) | Maximum		
Classification of Other Securitization Details		
Weighted average life of commercial paper	45 days	
Letters of credit as percentage of conduit assets	10.00%	
Citi-administered asset-backed unconsolidated commercial paper conduits (ABCP)		
Classification of Other Securitization Details		
Commercial paper	131,000,000	
Notional exposure under program-wide liquidity agreement	600,000,000	
Assets held by unconsolidated government guaranteed loan conduit	7,600,000,000	
Citi-administered asset-backed consolidated commercial paper conduits (ABCP)		
Classification of Other Securitization Details		
Letters of credit provided to conduits	2,100,000,000	
Commercial paper	11,700,000,000	
Municipal securities tender option bond trusts (TOBs)		
Classification of Other Securitization Details		
The threshold ownership percentage on Residual value of customers TOBs for which the reimbursement agreement applied	25.00%	
Municipal bonds owned by trusts, that have credit guarantee provided by the Company	184,000,000	
Liquidity agreements, customer TOB trust	4,900,000,000	
Liquidity agreements, other trusts	6,400,000,000	
Notional amount of offsetting reimbursement agreements	3,600,000,000	
Floater inventory held by entity	$ 203,000,000	

PRINCIPAL TRANSACTIONS	12 Months Ended Dec. 31, 2012
PRINCIPAL TRANSACTIONS	
PRINCIPAL TRANSACTIONS	

7. PRINCIPAL TRANSACTIONS

Principal transactions revenue consists of realized and unrealized gains and losses from trading activities. Trading activities include revenues from fixed income, equities, credit and commodities products, and foreign exchange transactions. Not included in the table below is the impact of net interest revenue related to trading activities, which is an integral part of trading activities' profitability. See Note 5 to the Consolidated Financial Statements for information about net interest revenue related to trading activity. Principal transactions include CVA and DVA.

The following table presents principal transactions revenue for the years ended December 31:

In millions of dollars	**2012**	2011	2010
Global Consumer Banking	**$ 812**	$ 716	$ 533
Institutional Clients Group	**4,130**	4,873	5,566
Corporate/Other	**(192)**	45	(406)
Subtotal Citicorp	**$ 4,750**	$ 5,634	$ 5,693
Local Consumer Lending	**$ (69)**	$ (102)	$ (217)
Brokerage and Asset Management	**5**	(11)	(37)
Special Asset Pool	**95**	1,713	2,078
Subtotal Citi Holdings	**$ 31**	$ 1,600	$ 1,824
Total Citigroup	**$ 4,781**	$ 7,234	$ 7,517
Interest rate contracts (1)	**$ 2,301**	$ 5,136	$ 3,231
Foreign exchange contracts (2)	**2,403**	2,309	1,852
Equity contracts (3)	**158**	3	995
Commodity and other contracts (4)	**92**	76	126
Credit derivatives (5)	**(173)**	(290)	1,313
Total	**$ 4,781**	$ 7,234	$ 7,517

(1) Includes revenues from government securities and corporate debt, municipal securities, preferred stock, mortgage securities and other debt instruments. Also includes spot and forward trading of currencies and exchange-traded and over-the-counter (OTC) currency options, options on fixed income securities, interest rate swaps, currency swaps, swap options, caps and floors, financial futures, OTC options and forward contracts on fixed income securities.

(2) Includes revenues from foreign exchange spot, forward, option and swap contracts, as well as FX translation gains and losses.

(3) Includes revenues from common, preferred and convertible preferred stock, convertible corporate debt, equity-linked notes and exchange-traded and OTC equity options and warrants.

(4) Primarily includes revenues from crude oil, refined oil products, natural gas and other commodities trades.

(5) Includes revenues from structured credit products.

PLEDGED ASSETS, COLLATERAL, COMMITMENTS AND GUARANTEES (Tables)

12 Months Ended

Dec. 31, 2012

PLEDGED ASSETS, COLLATERAL, COMMITMENTS AND GUARANTEES

Carrying values of the significant components of pledged assets recognized

In millions of dollars	**2012**	2011
Investment securities	**$ 187,295**	$ 129,093
Loans	**234,797**	235,031
Trading account assets	**123,178**	114,539
Total	**$ 545,270**	$ 478,663

Future minimum annual rentals under noncancelable leases, net of sublease income

In millions of dollars	
2013	$1,220
2014	1,125
2015	1,001
2016	881
2017	754
Thereafter	2,293
Total	$7,274

Schedule of Guarantor Obligations by Expiration Date, Amount Outstanding and Carrying Value

	Maximum potential amount of future payments			
In billions of dollars at December 31, 2012 except carrying value in millions	**Expire within 1 year**	**Expire after 1 year**	**Total amount outstanding**	**Carrying value** *(in millions of dollars)*
Financial standby letters of credit	**$22.3**	**$79.8**	**$102.1**	**$432.8**
Performance guarantees	**7.3**	**4.7**	**12.0**	**41.6**
Derivative instruments considered to be guarantees	**11.2**	**45.5**	**56.7**	**2,648.7**
Loans sold with recourse	**—**	**0.5**	**0.5**	**87.0**
Securities lending indemnifications [(1)]	**80.4**	**—**	**80.4**	**—**
Credit card merchant processing [(1)]	**70.3**	**—**	**70.3**	**—**
Custody indemnifications and other	**—**	**30.2**	**30.2**	**—**
Total	**$ 191.5**	**$ 160.7**	**$ 352.2**	**$ 3,210.1**

(1) The carrying values of securities lending indemnifications and credit card merchant processing are not material, as the Company has determined that the amount and probability of potential liabilities arising from these guarantees are not significant.

	Maximum potential amount of future payments			
In billions of dollars at December 31, 2011 except carrying value in millions	**Expire within 1 year**	**Expire after 1 year**	**Total amount outstanding**	**Carrying value** *(in millions of dollars)*
Financial standby letters of credit	$25.2	$79.5	$104.7	$417.5
Performance guarantees	7.8	4.5	12.3	43.9
Derivative instruments considered to be guarantees	9.8	40.0	49.8	2,686.1
Loans sold with recourse	—	0.4	0.4	89.6
Securities lending indemnifications [(1)]	90.9	—	90.9	—
Credit card merchant processing [(1)]	70.2	—	70.2	—
Custody indemnifications and other	—	40.0	40.0	30.7
Total	$ 203.9	$ 164.4	$ 368.3	$ 3,267.8

(1) The carrying values of securities lending indemnifications and credit card merchant processing are not material, as the Company has determined that the amount and probability of potential liabilities arising from these guarantees are not significant.

Schedule of Guarantor Obligations by Credit Ratings

	Maximum potential amount of future payments			
In billions of dollars as of December 31, 2012	**Investment grade**	**Non-investment grade**	**Not rated**	**Total**
Financial standby letters of credit	**$80.9**	**$11.0**	**$ 10.2**	**$ 102.1**
Performance guarantees	**7.3**	**3.0**	**1.7**	**12.0**
Derivative instruments deemed to be guarantees	**—**	**—**	**56.7**	**56.7**
Loans sold with recourse	**—**	**—**	**0.5**	**0.5**
Securities lending indemnifications	**—**	**—**	**80.4**	**80.4**
Credit card merchant processing	**—**	**—**	**70.3**	**70.3**

Custody indemnifications and other	**30.1**	**0.1**	**—**	**30.2**
Total	**$ 118.3**	**$ 14.1**	**$ 219.8**	**$ 352.2**

In billions of dollars as of December 31, 2011	Maximum potential amount of future payments Investment grade	Non-investment grade	Not rated	Total
Financial standby letters of credit	$79.3	$17.2	$ 8.2	$ 104.7
Performance guarantees	6.9	3.2	2.2	12.3
Derivative instruments deemed to be guarantees	—	—	49.8	49.8
Loans sold with recourse	—	—	0.4	0.4
Securities lending indemnifications	—	—	90.9	90.9
Credit card merchant processing	—	—	70.2	70.2
Custody indemnifications and other	40.0	—	—	40.0
Total	$ 126.2	$ 20.4	$ 221.7	$ 368.3

Schedule of Credit Commitments

In millions of dollars	**U.S.**	**Outside U.S.**	**December 31, 2012**	December 31, 2011
Commercial and similar letters of credit	**$ 1,427**	**$ 5,884**	**$ 7,311**	$8,910
One- to four-family residential mortgages	**2,397**	**1,496**	**3,893**	3,504
Revolving open-end loans secured by one- to four-family residential properties	**14,897**	**3,279**	**18,176**	19,326
Commercial real estate, construction and land development	**2,067**	**1,429**	**3,496**	1,968
Credit card lines	**485,569**	**135,131**	**620,700**	653,985
Commercial and other consumer loan commitments	**138,219**	**90,273**	**228,492**	224,109
Other commitments and contingencies	**1,175**	**1,084**	**2,259**	3,201
Total	**$ 645,751**	**$ 238,576**	**$ 884,327**	$ 915,003

GOODWILL AND INTANGIBLE ASSETS (Details 2) (USD $) In Millions, unless otherwise specified	12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011
Goodwill		
Balance of goodwill at beginning of period	$ 25,413	$ 26,152
Goodwill acquired during the period		19
Goodwill disposed of during the period	(8)	(159)
Other	268	(599)
Balance of goodwill at end of period	25,673	25,413
Goodwill	25,673	25,413
Global Consumer Banking		
Goodwill		
Balance of goodwill at beginning of period	10,236	10,701
Other	20	(465)
Intersegment transfers in/(out)	4,283	
Balance of goodwill at end of period	14,539	10,236
Goodwill	14,539	10,236
North America Regional Consumer Banking		
Goodwill		
Balance of goodwill at end of period	6,803	
Fair value as a percentage of allocated book value	225.00%	
Goodwill	6,803	
EMEA Regional Consumer Banking		
Goodwill		
Balance of goodwill at end of period	366	
Fair value as a percentage of allocated book value	150.00%	
Goodwill	366	
Asia Regional Consumer Banking		
Goodwill		
Balance of goodwill at end of period	5,489	
Fair value as a percentage of allocated book value	281.00%	
Goodwill	5,489	
LATAM America Regional Consumer Banking		
Goodwill		
Balance of goodwill at end of period	1,881	
Fair value as a percentage of allocated book value	186.00%	
Goodwill	1,881	
Institutional Clients Group		
Goodwill		
Balance of goodwill at beginning of period	10,737	10,826
Goodwill acquired during the period		19
Goodwill disposed of during the period		(6)

Other	244	(102)
Balance of goodwill at end of period	10,981	10,737
Goodwill	10,981	10,737
Securities and Banking		
Goodwill		
Balance of goodwill at end of period	9,378	
Fair value as a percentage of allocated book value	137.00%	
Goodwill	9,378	
Transaction Services		
Goodwill		
Balance of goodwill at end of period	1,603	
Fair value as a percentage of allocated book value	1336.00%	
Goodwill	1,603	
Citi Holdings		
Goodwill		
Balance of goodwill at beginning of period	4,440	4,625
Goodwill disposed of during the period	(8)	(153)
Other	4	(32)
Intersegment transfers in/(out)	(4,283)	
Balance of goodwill at end of period	153	4,440
Goodwill	153	4,440
Brokerage and Asset Management		
Goodwill		
Balance of goodwill at end of period	42	
Fair value as a percentage of allocated book value	121.00%	
Goodwill	42	
Local Consumer Lending-Cards		
Goodwill		
Balance of goodwill at end of period	111	
Fair value as a percentage of allocated book value	110.00%	
Goodwill	$ 111	

RETIREMENT BENEFITS (Details 8) (USD $)	12 Months Ended Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Expected U.S. postretirement benefit payments Medicare Part D subsidy			
Reduction in deferred tax assets, elimination in deductibility of Medicare Part D subsidy	$ 45,000,000		
Early Retiree Reinsurance Program			
Reimbursements received under Early Retiree Reinsurance Program	8,000,000		
Reimbursements used to reduce health benefit costs	5,000,000		
Postemployment Plans			
Funded status recognized	(501,000,000)	(469,000,000)	
Change in accumulated other comprehensive income (loss)	(185,000,000)	(188,000,000)	
Defined Contribution Pension and Other Postretirement Plans Disclosure			
Percentage of fixed contribution by employer, for eligible employees whose compensation is $100,000 or less	2.00%		
Maximum compensation to be eligible for fixed contribution from employer	100,000		
Pretax expense associated with Citigroup 401(k) plan	389,000,000	383,000,000	301,000,000
Maximum percentage contribution by employer of employees eligible pay	6.00%	6.00%	
U.S. Pension Plans			
Estimated Future Benefit Payments			
2013	774,000,000		
2014	796,000,000		
2015	798,000,000		
2016	811,000,000		
2017	825,000,000		
2018-2022	4,370,000,000		
Net Expense			
Service cost	12,000,000	13,000,000	14,000,000
Interest cost	565,000,000	612,000,000	644,000,000
Prior service cost	(1,000,000)	(1,000,000)	(1,000,000)
Net actuarial loss	965,000,000	655,000,000	
Total net (benefit) expense	(183,000,000)	(160,000,000)	(129,000,000)
Non - U.S. Pension Plans			
Estimated Future Benefit Payments			
2013	366,000,000		
2014	356,000,000		
2015	373,000,000		
2016	391,000,000		
2017	408,000,000		
2018-2022	2,399,000,000		
Net Expense			

Service cost	199,000,000	203,000,000	167,000,000
Interest cost	367,000,000	382,000,000	342,000,000
Prior service cost	4,000,000	4,000,000	4,000,000
Net actuarial loss	923,000,000	59,000,000	
Total net (benefit) expense	294,000,000	279,000,000	204,000,000
U.S. Postretirement Benefit Plans			
Estimated Future Benefit Payments			
2013	88,000,000		
2014	86,000,000		
2015	86,000,000		
2016	83,000,000		
2017	81,000,000		
2018-2022	370,000,000		
Reduction in accumulated postretirement benefit obligation due to subsidy received	93,000,000	96,000,000	
Reduction in postretirement expense due to subsidy received	9,000,000	10,000,000	
Expected U.S. postretirement benefit payments Before Medicare Part D subsidy			
2013	98,000,000		
2014	96,000,000		
2015	94,000,000		
2016	91,000,000		
2017	89,000,000		
2018-2022	399,000,000		
Expected U.S. postretirement benefit payments Medicare Part D subsidy			
2013	10,000,000		
2014	10,000,000		
2015	8,000,000		
2016	8,000,000		
2017	8,000,000		
2018-2022	29,000,000		
Net Expense			
Interest cost	44,000,000	53,000,000	59,000,000
Prior service cost	(1,000,000)	(3,000,000)	(3,000,000)
Net actuarial loss	(24,000,000)	(44,000,000)	
Total net (benefit) expense	43,000,000	47,000,000	60,000,000
Non-U.S. Postretirement Benefit Plans			
Estimated Future Benefit Payments			
2013	58,000,000		
2014	63,000,000		
2015	66,000,000		
2016	71,000,000		
2017	75,000,000		

2018-2022	483,000,000		
Net Expense			
Service cost	29,000,000	28,000,000	23,000,000
Interest cost	116,000,000	118,000,000	105,000,000
Net actuarial loss	457,000,000	29,000,000	
Total net (benefit) expense	62,000,000	53,000,000	48,000,000
Postemployment Plans			
Net Expense			
Service cost	22,000,000	16,000,000	13,000,000
Interest cost	13,000,000	12,000,000	10,000,000
Prior service cost	7,000,000	7,000,000	7,000,000
Net actuarial loss	13,000,000	9,000,000	6,000,000
Total service related expense	55,000,000	44,000,000	36,000,000
Non-service related expense	24,000,000	23,000,000	33,000,000
Total net (benefit) expense	$ 79,000,000	$ 67,000,000	$ 69,000,000

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Details)	12 Months Ended Dec. 31, 2012
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	
Minimum voting rights percentage for consolidation	50.00%
Ownership percentage, if less than this amount then income from investments is recognized when dividends are received	20.00%
Home equity loans | New OCC guidance	
Loans charge off and interest accrual period	
Number of days past due, non-accrual status	90 days
Minimum	
Loans charge off and interest accrual period	
Number of months in sustained period of repayment performance for cash-basis loans to return to an accrual status	6 months
Minimum number of payments on a modified loan to return to accrual status	1
Maximum	
Loans charge off and interest accrual period	
Minimum number of payments on a modified loan to return to accrual status	6
Consumer | Minimum	
Loans charge off and interest accrual period	
Minimum number of payments required for modification of loans	1
Consumer | Maximum	
Loans charge off and interest accrual period	
Minimum number of payments required for modification of loans	3
Installment and real estate loans	
Loans charge off and interest accrual period	
Past due period for consumer loans when interest accrual ceases	90 days
Credit cards and unsecured revolving loans	
Loans charge off and interest accrual period	
Past due period for consumer loans when interest accrual ceases	180 days
Unsecured installment loans	
Loans charge off and interest accrual period	
Period for consumer loans charged-off	120 days
Loans secured with non-real estate collateral	
Loans charge off and interest accrual period	
Past due period for secured consumer loans after which they are written down to net collateral value	120 days
Mortgage and real estate	
Loans charge off and interest accrual period	
Past due period for secured consumer loans after which they are written down to net collateral value	180 days
Non-bank loans secured by real estate	
Loans charge off and interest accrual period	
Maximum period in foreclosure process to write down loans to net collateral values	12 months
Past due period of contractual payments after which the foreclosure process should be started	120 days

Non-bank unsecured personal loans	
Loans charge off and interest accrual period	
Past due period of contractual payments to charge-off if no payments in six months	180 days
Maximum past due period of contractual payments	360 days
Unsecured loans in bankruptcy	
Loans charge off and interest accrual period	
Maximum period from receiving bankruptcy court filing notification to charge-off	60 days
Real estate-secured loans in bankruptcy	
Loans charge off and interest accrual period	
Maximum past due period of contractual payments to write down secured loans to net collateral values	60 days
Maximum period from receiving bankruptcy court filing notification to write down secured loans	60 days
Non-bank unsecured personal loans in bankruptcy	
Loans charge off and interest accrual period	
Period for consumer loans charged-off	30 days
Open-ended consumer loans	
Loans charge off and interest accrual period	
Minimum number of payments required for modification of loans	3
Number of re-age modification limitations in twelve months	1
Number of re-age modification limitations in five years	2
Commercial market loans	
Loans charge off and interest accrual period	
Period for past due interest or principal payment of commercial market loans to be considered doubtful after which loans are placed on a cash (non-accrual) basis	90 days
Corporate	
Loans charge off and interest accrual period	
Period for past due interest or principal payment of corporate loans to be considered doubtful	90 days
Time period for reversing accrued interest on impaired corporate loans	90 days

INVESTMENTS (Details 7)	12 Months Ended Dec. 31, 2012
Mortgage-backed securities | Minimum	
Key assumptions for mortgage-backed securities	
Prepayment rate assumption (as a percent)	1.00%
Loss severity assumption (as a percent)	45.00%
Mortgage-backed securities | Maximum	
Key assumptions for mortgage-backed securities	
Prepayment rate assumption (as a percent)	8.00%
Loss severity assumption (as a percent)	90.00%
Mortgage-backed securities | Current loans	
Key assumptions for mortgage-backed securities	
Default rate projection (as a percent)	10.00%
Mortgage-backed securities | 30-59 day deliquent loans	
Key assumptions for mortgage-backed securities	
Default rate projection (as a percent)	25.00%
Mortgage-backed securities | 60-90 day deliquent loans	
Key assumptions for mortgage-backed securities	
Default rate projection (as a percent)	70.00%
Mortgage-backed securities | 91+ day deliquent loans	
Key assumptions for mortgage-backed securities	
Default rate projection (as a percent)	100.00%
Prime | Minimum	
Key assumptions for mortgage-backed securities	
Loss severity assumption (as a percent)	45.00%
Prime | Maximum	
Key assumptions for mortgage-backed securities	
Loss severity assumption (as a percent)	60.00%
Alt-A | Minimum	
Key assumptions for mortgage-backed securities	
Loss severity assumption (as a percent)	50.00%
Alt-A | Maximum	
Key assumptions for mortgage-backed securities	
Loss severity assumption (as a percent)	90.00%
Subprime | Minimum	
Key assumptions for mortgage-backed securities	
Loss severity assumption (as a percent)	65.00%
Subprime | Maximum	
Key assumptions for mortgage-backed securities	
Loss severity assumption (as a percent)	90.00%

FAIR VALUE ELECTIONS (Tables) | **12 Months Ended Dec. 31, 2012**

FAIR VALUE ELECTIONS

Schedule of financial instruments selected for fair value accounting

In millions of dollars	Fair value at December 31, 2012	2011	Changes in fair value gains (losses) for the years ended December 31, 2012	2011
Assets				
Federal funds sold and securities borrowed or purchased under agreements to resell				
Selected portfolios of securities purchased under agreements to resell and securities borrowed (1)	**$ 160,589**	$ 142,862	**$(409)**	$ (138)
Trading account assets	**17,206**	14,179	**838**	(1,775)
Investments	**443**	526	**(50)**	233
Loans				
Certain Corporate loans (2)	**4,056**	3,939	**77**	82
Certain Consumer loans (2)	**1,231**	1,326	**(104)**	(281)
Total loans	**$ 5,287**	$ 5,265	**$ (27)**	$ (199)
Other assets				
MSRs	**$ 1,942**	$ 2,569	**$ (427)**	$ (1,465)
Certain mortgage loans held for sale	**6,879**	6,213	**350**	172
Certain equity method investments	**22**	47	**3**	(17)
Total other assets	**$ 8,843**	$ 8,829	**$ (74)**	$ (1,310)
Total assets	**$ 192,368**	$ 171,661	**$ 278**	$ (3,189)
Liabilities				
Interest-bearing deposits	**$ 1,447**	$ 1,326	**$ (218)**	$ 107
Federal funds purchased and securities loaned or sold under agreements to repurchase				
Selected portfolios of securities sold under agreements to repurchase and securities loaned (1)	**116,689**	97,712	**66**	(108)
Trading account liabilities	**1,461**	1,763	**(143)**	872
Short-term borrowings	**818**	1,354	**(2)**	(15)
Long-term debt	**29,764**	24,172	**(2,225)**	1,611
Total liabilities	**$ 150,179**	$ 126,327	**$ (2,522)**	$ 2,467

(1) Reflects netting of the amounts due from securities purchased under agreements to resell and the amounts owed under securities sold under agreements to repurchase.
(2) Includes mortgage loans held by mortgage loan securitization VIEs consolidated upon the adoption of SFAS 167 on January 1, 2010.

Schedule of fair value of loans and other disclosures for certain credit related products

In millions of dollars	December 31, 2012 Trading assets	Loans	December 31, 2011 Trading assets	Loans
Carrying amount reported on the Consolidated Balance Sheet	**$11,658**	**$ 3,893**	$14,150	$ 3,735
Aggregate unpaid principal balance in excess of (less than) fair value	**31**	**(132)**	540	(54)
Balance of non-accrual loans or loans more than 90 days past due	**104**	**—**	134	—
Aggregate unpaid principal balance in excess of fair value for non-accrual loans or loans more than 90 days past due	**85**	**—**	43	—

Schedule of fair value of loans and other disclosures for certain mortgage loans

In millions of dollars	December 31, 2012	December 31, 2011
Carrying amount reported on the Consolidated Balance Sheet	**$6,879**	$6,213
Aggregate fair value in excess of unpaid principal balance	**390**	274
Balance of non-accrual loans or loans more than 90 days past due	**—**	—
Aggregate unpaid principal balance in excess of fair value for non-accrual loans or loans more than 90 days past due	**—**	—

Corporate and consumer loans of consolidated VIEs carried at fair value

In millions of dollars	December 31, 2012 Corporate loans	Consumer loans	December 31, 2011 Corporate loans	Consumer loans
Carrying amount reported on the Consolidated Balance Sheet	**$157**	**$1,191**	$198	$1,292
Aggregate unpaid principal balance in excess of fair value	**347**	**293**	394	436
Balance of non-accrual loans or loans more than 90 days past due	**34**	**123**	23	86
Aggregate unpaid principal balance in excess of fair value for non-accrual loans or loans more than 90 days past due	**36**	**111**	42	120

Schedule of fair value of long-term debt, excluding debt issued by consolidated VIEs

In millions of dollars	December 31, 2012	December 31, 2011
Carrying amount reported on the Consolidated Balance Sheet	**$28,434**	$22,614
Aggregate unpaid principal balance in excess of (less than) fair value	**(226)**	1,680

Schedule of fair value of short term borrowings, excluding debt issued by consolidated VIEs

In millions of dollars	December 31, 2012	December 31, 2011
Carrying amount reported on the Consolidated Balance Sheet	**$818**	$1,354
Aggregate unpaid principal balance in excess of (less than) fair value	**(232)**	49

EARNINGS PER SHARE (Details 2) (USD $) In Millions, unless otherwise specified	3 Months Ended	12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2012	Dec. 31, 2013 Forecast
EARNINGS PER SHARE			
Issuance of non-cumulative perpetual preferred stock	$ 2,250	$ 2,250	
Issuance of preferred stock			
Distribution of preferred dividends			$ 97

SECURITIZATIONS AND VARIABLE INTEREST ENTITIES (Details) (USD $)	Dec. 31, 2012	Dec. 31, 2011
Variable Interest Entity		
Total involvement with SPE assets	$ 623,651,000,000	$ 686,042,000,000
Consolidated VIE / SPE assets	124,170,000,000	133,596,000,000
Significant unconsolidated VIE assets	499,481,000,000	552,446,000,000
Funded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, debt investments	24,066,000,000	23,643,000,000
Maximum exposure to loss in significant unconsolidated VIEs, equity investments	3,965,000,000	4,254,000,000
Unfunded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, funding commitments	17,263,000,000	24,803,000,000
Maximum exposure to loss in significant unconsolidated VIEs, guarantees and derivatives	677,000,000	558,000,000
Maximum exposure to loss in significant unconsolidated VIEs	45,971,000,000	53,258,000,000
Citicorp		
Variable Interest Entity		
Total involvement with SPE assets	469,090,000,000	469,997,000,000
Consolidated VIE / SPE assets	114,597,000,000	122,650,000,000
Significant unconsolidated VIE assets	354,493,000,000	347,347,000,000
Funded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, debt investments	21,675,000,000	15,968,000,000
Maximum exposure to loss in significant unconsolidated VIEs, equity investments	3,674,000,000	3,907,000,000
Unfunded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, funding commitments	16,015,000,000	23,483,000,000
Maximum exposure to loss in significant unconsolidated VIEs, guarantees and derivatives	280,000,000	226,000,000
Maximum exposure to loss in significant unconsolidated VIEs	41,644,000,000	43,584,000,000
Citicorp | Mortgage-backed securities		
Unfunded Exposure		
Private label mortgage-backed securities, outstanding	19,000,000,000	
Citicorp | Credit card securitizations		
Variable Interest Entity		
Total involvement with SPE assets	79,109,000,000	87,083,000,000
Consolidated VIE / SPE assets	79,109,000,000	87,083,000,000
Citicorp | U.S. government-sponsored agency guaranteed		
Variable Interest Entity		

Total involvement with SPE assets	232,741,000,000	232,179,000,000
Significant unconsolidated VIE assets	232,741,000,000	232,179,000,000
Funded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, debt investments	3,042,000,000	3,769,000,000
Unfunded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, guarantees and derivatives	45,000,000	26,000,000
Maximum exposure to loss in significant unconsolidated VIEs	3,087,000,000	3,795,000,000
Citicorp | Non-agency-sponsored mortgages		
Variable Interest Entity		
Total involvement with SPE assets	9,308,000,000	9,743,000,000
Consolidated VIE / SPE assets	1,686,000,000	1,622,000,000
Significant unconsolidated VIE assets	7,622,000,000	8,121,000,000
Funded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, debt investments	382,000,000	348,000,000
Unfunded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs	382,000,000	348,000,000
Citicorp | Citi-administered asset-backed commercial paper conduits (ABCP)		
Variable Interest Entity		
Total involvement with SPE assets	30,002,000,000	34,987,000,000
Consolidated VIE / SPE assets	22,387,000,000	21,971,000,000
Significant unconsolidated VIE assets	7,615,000,000	13,016,000,000
Unfunded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, funding commitments	7,615,000,000	13,016,000,000
Maximum exposure to loss in significant unconsolidated VIEs	7,615,000,000	13,016,000,000
Citicorp | Third-party commercial paper conduits		
Variable Interest Entity		
Total involvement with SPE assets		7,507,000,000
Significant unconsolidated VIE assets		7,507,000,000
Unfunded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, funding commitments		298,000,000
Maximum exposure to loss in significant unconsolidated VIEs		298,000,000
Citicorp | Collateralized debt obligations (CDOs)		
Variable Interest Entity		
Total involvement with SPE assets	5,539,000,000	3,334,000,000
Significant unconsolidated VIE assets	5,539,000,000	3,334,000,000
Funded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, debt investments	24,000,000	20,000,000
Unfunded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs	24,000,000	20,000,000

Citicorp | Collateralized loan obligations (CLOs)		
Variable Interest Entity		
Total involvement with SPE assets	15,120,000,000	8,127,000,000
Significant unconsolidated VIE assets	15,120,000,000	8,127,000,000
Funded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, debt investments	642,000,000	64,000,000
Maximum exposure to loss in significant unconsolidated VIEs, equity investments	19,000,000	
Unfunded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs	661,000,000	64,000,000
Citicorp | Asset-based financing		
Variable Interest Entity		
Total involvement with SPE assets	41,399,000,000	19,034,000,000
Consolidated VIE / SPE assets	1,125,000,000	1,303,000,000
Significant unconsolidated VIE assets	40,274,000,000	17,731,000,000
Funded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, debt investments	14,798,000,000	7,892,000,000
Maximum exposure to loss in significant unconsolidated VIEs, equity investments	84,000,000	2,000,000
Unfunded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, funding commitments	2,081,000,000	2,891,000,000
Maximum exposure to loss in significant unconsolidated VIEs, guarantees and derivatives	159,000,000	121,000,000
Maximum exposure to loss in significant unconsolidated VIEs	17,122,000,000	10,906,000,000
Citicorp | Municipal securities tender option bond trusts (TOBs)		
Variable Interest Entity		
Total involvement with SPE assets	15,163,000,000	16,849,000,000
Consolidated VIE / SPE assets	7,573,000,000	8,224,000,000
Significant unconsolidated VIE assets	7,590,000,000	8,625,000,000
Funded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, debt investments	352,000,000	708,000,000
Unfunded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, funding commitments	4,628,000,000	5,413,000,000
Maximum exposure to loss in significant unconsolidated VIEs	4,980,000,000	6,121,000,000
Citicorp | Municipal investments		
Variable Interest Entity		
Total involvement with SPE assets	19,693,000,000	20,331,000,000
Consolidated VIE / SPE assets	255,000,000	299,000,000
Significant unconsolidated VIE assets	19,438,000,000	20,032,000,000
Funded Exposure		

Maximum exposure to loss in significant unconsolidated VIEs, debt investments	2,003,000,000	2,345,000,000
Maximum exposure to loss in significant unconsolidated VIEs, equity investments	3,049,000,000	3,535,000,000
Unfunded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, funding commitments	1,669,000,000	1,586,000,000
Maximum exposure to loss in significant unconsolidated VIEs	6,721,000,000	7,466,000,000
Citicorp | Client intermediation		
Variable Interest Entity		
Total involvement with SPE assets	2,486,000,000	2,110,000,000
Consolidated VIE / SPE assets	151,000,000	24,000,000
Significant unconsolidated VIE assets	2,335,000,000	2,086,000,000
Funded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, debt investments	319,000,000	468,000,000
Unfunded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs	319,000,000	468,000,000
Citicorp | Investment funds		
Variable Interest Entity		
Total involvement with SPE assets	4,286,000,000	4,621,000,000
Consolidated VIE / SPE assets	2,196,000,000	2,027,000,000
Significant unconsolidated VIE assets	2,090,000,000	2,594,000,000
Funded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, equity investments	14,000,000	70,000,000
Unfunded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs	14,000,000	70,000,000
Citicorp | Trust preferred securities		
Variable Interest Entity		
Total involvement with SPE assets	12,221,000,000	17,882,000,000
Significant unconsolidated VIE assets	12,221,000,000	17,882,000,000
Funded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, equity investments	126,000,000	128,000,000
Unfunded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs	126,000,000	128,000,000
Citicorp | Other		
Variable Interest Entity		
Total involvement with SPE assets	2,023,000,000	6,210,000,000
Consolidated VIE / SPE assets	115,000,000	97,000,000
Significant unconsolidated VIE assets	1,908,000,000	6,113,000,000
Funded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, debt investments	113,000,000	354,000,000

Maximum exposure to loss in significant unconsolidated VIEs, equity investments	382,000,000	172,000,000
Unfunded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, funding commitments	22,000,000	279,000,000
Maximum exposure to loss in significant unconsolidated VIEs, guarantees and derivatives	76,000,000	79,000,000
Maximum exposure to loss in significant unconsolidated VIEs	593,000,000	884,000,000
Citi Holdings		
Variable Interest Entity		
Total involvement with SPE assets	154,561,000,000	216,045,000,000
Consolidated VIE / SPE assets	9,573,000,000	10,946,000,000
Significant unconsolidated VIE assets	144,988,000,000	205,099,000,000
Funded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, debt investments	2,391,000,000	7,675,000,000
Maximum exposure to loss in significant unconsolidated VIEs, equity investments	291,000,000	347,000,000
Unfunded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, funding commitments	1,248,000,000	1,320,000,000
Maximum exposure to loss in significant unconsolidated VIEs, guarantees and derivatives	397,000,000	332,000,000
Maximum exposure to loss in significant unconsolidated VIEs	4,327,000,000	9,674,000,000
Citi Holdings | Credit card securitizations		
Variable Interest Entity		
Total involvement with SPE assets	838,000,000	780,000,000
Consolidated VIE / SPE assets	397,000,000	581,000,000
Significant unconsolidated VIE assets	441,000,000	199,000,000
Citi Holdings | U.S. government-sponsored agency guaranteed		
Variable Interest Entity		
Total involvement with SPE assets	106,888,000,000	152,265,000,000
Significant unconsolidated VIE assets	106,888,000,000	152,265,000,000
Funded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, debt investments	700,000,000	1,159,000,000
Unfunded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, guarantees and derivatives	163,000,000	120,000,000
Maximum exposure to loss in significant unconsolidated VIEs	863,000,000	1,279,000,000
Citi Holdings | Non-agency-sponsored mortgages		
Variable Interest Entity		
Total involvement with SPE assets	16,693,000,000	20,821,000,000
Consolidated VIE / SPE assets	1,628,000,000	1,764,000,000
Significant unconsolidated VIE assets	15,065,000,000	19,057,000,000

Funded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, debt investments	43,000,000	61,000,000
Unfunded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, guarantees and derivatives	2,000,000	2,000,000
Maximum exposure to loss in significant unconsolidated VIEs	45,000,000	63,000,000
Citi Holdings | Student loan securitizations		
Variable Interest Entity		
Total involvement with SPE assets	1,681,000,000	1,822,000,000
Consolidated VIE / SPE assets	1,681,000,000	1,822,000,000
Citi Holdings | Collateralized debt obligations (CDOs)		
Variable Interest Entity		
Total involvement with SPE assets	4,752,000,000	6,581,000,000
Significant unconsolidated VIE assets	4,752,000,000	6,581,000,000
Funded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, debt investments	139,000,000	117,000,000
Unfunded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, guarantees and derivatives	124,000,000	120,000,000
Maximum exposure to loss in significant unconsolidated VIEs	263,000,000	237,000,000
Citi Holdings | Collateralized loan obligations (CLOs)		
Variable Interest Entity		
Total involvement with SPE assets	4,676,000,000	7,479,000,000
Significant unconsolidated VIE assets	4,676,000,000	7,479,000,000
Funded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, debt investments	435,000,000	1,125,000,000
Unfunded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, funding commitments	13,000,000	6,000,000
Maximum exposure to loss in significant unconsolidated VIEs, guarantees and derivatives	108,000,000	90,000,000
Maximum exposure to loss in significant unconsolidated VIEs	556,000,000	1,221,000,000
Citi Holdings | Asset-based financing		
Variable Interest Entity		
Total involvement with SPE assets	4,166,000,000	10,490,000,000
Consolidated VIE / SPE assets	3,000,000	73,000,000
Significant unconsolidated VIE assets	4,163,000,000	10,417,000,000
Funded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, debt investments	984,000,000	5,004,000,000
Maximum exposure to loss in significant unconsolidated VIEs, equity investments	6,000,000	3,000,000

Unfunded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, funding commitments	243,000,000	250,000,000
Maximum exposure to loss in significant unconsolidated VIEs	1,233,000,000	5,257,000,000
Citi Holdings | Municipal investments		
Variable Interest Entity		
Total involvement with SPE assets	7,766,000,000	7,820,000,000
Significant unconsolidated VIE assets	7,766,000,000	7,820,000,000
Funded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, debt investments	90,000,000	206,000,000
Maximum exposure to loss in significant unconsolidated VIEs, equity investments	235,000,000	265,000,000
Unfunded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, funding commitments	992,000,000	1,049,000,000
Maximum exposure to loss in significant unconsolidated VIEs	1,317,000,000	1,520,000,000
Citi Holdings | Client intermediation		
Variable Interest Entity		
Total involvement with SPE assets	13,000,000	111,000,000
Consolidated VIE / SPE assets	13,000,000	111,000,000
Citi Holdings | Investment funds		
Variable Interest Entity		
Total involvement with SPE assets	1,083,000,000	1,114,000,000
Consolidated VIE / SPE assets		14,000,000
Significant unconsolidated VIE assets	1,083,000,000	1,100,000,000
Funded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, equity investments	47,000,000	43,000,000
Unfunded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs	47,000,000	43,000,000
Citi Holdings | Other		
Variable Interest Entity		
Total involvement with SPE assets	6,005,000,000	6,762,000,000
Consolidated VIE / SPE assets	5,851,000,000	6,581,000,000
Significant unconsolidated VIE assets	154,000,000	181,000,000
Funded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, debt investments		3,000,000
Maximum exposure to loss in significant unconsolidated VIEs, equity investments	3,000,000	36,000,000
Unfunded Exposure		
Maximum exposure to loss in significant unconsolidated VIEs, funding commitments		15,000,000
Maximum exposure to loss in significant unconsolidated VIEs	$ 3,000,000	$ 54,000,000

FAIR VALUE MEASUREMENT	12 Months Ended Dec. 31, 2012
FAIR VALUE MEASUREMENT	
FAIR VALUE MEASUREMENT	**25. FAIR VALUE MEASUREMENT**

ASC 820-10 (formerly SFAS 157) *Fair Value Measurement*, defines fair value, establishes a consistent framework for measuring fair value and requires disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Among other things, the standard requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Under ASC 820-10, the probability of default of a counterparty is factored into the valuation of derivative positions and includes the impact of Citigroup's own credit risk on derivatives and other liabilities measured at fair value.

Fair Value Hierarchy

ASC 820-10 specifies a hierarchy of inputs based on whether the inputs are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1: Quoted prices for *identical* instruments in active markets.
- Level 2: Quoted prices for *similar* instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are *observable* in active markets.
- Level 3: Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are *unobservable*.

This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible. The frequency of transactions, the size of the bid-ask spread and the amount of adjustment necessary when comparing similar transactions are all factors in determining the liquidity of markets and the relevance of observed prices in those markets.

The Company's policy with respect to transfers between levels of the fair value hierarchy is to recognize transfers into and out of each level as of the end of the reporting period.

Determination of Fair Value

For assets and liabilities carried at fair value, the Company measures such value using the procedures set out below, irrespective of whether these assets and liabilities are carried at fair value as a result of an election or whether they are required to be carried at fair value.

When available, the Company generally uses quoted market prices to determine fair value and classifies such items as Level 1. In some cases where a market price is available, the Company will make use of acceptable practical expedients (such as matrix pricing) to calculate fair value, in which case the items are classified as Level 2.

If quoted market prices are not available, fair value is based upon internally developed valuation techniques that use, where possible, current market-based parameters, such as interest rates, currency rates, option volatilities, etc. Items valued using such internally generated valuation techniques are classified according to the lowest level input or value driver that is significant to the valuation. Thus, an item may be classified as Level 3 even though there may be some significant inputs that are readily observable.

The Company may also apply a price-based methodology, which utilizes, where available, quoted prices or other market information obtained from recent trading activity in positions with the same or similar characteristics to the position being valued. The market activity and the amount of the bid-ask spread are among the factors considered in determining the liquidity of markets and the relevance of observed prices from those markets. If relevant and observable prices are available, those valuations may be classified as Level 2. When less liquidity exists for a security or loan, a quoted price is stale, a significant adjustment to the price of a similar security is necessary to reflect differences in the terms of the actual security or loan being valued, or prices from independent sources are insufficient to corroborate the valuation, the "price" inputs are considered unobservable and the fair value measurements are classified as Level 3.

Fair value estimates from internal valuation techniques are verified, where possible, to prices obtained from independent vendors or brokers. Vendors and brokers' valuations may be based on a variety of inputs ranging from observed prices to proprietary valuation models.

The following section describes the valuation methodologies used by the Company to measure various financial instruments at fair value, including an indication of the level in the fair value hierarchy in which each instrument is generally classified. Where appropriate, the description includes details of the valuation models, the key inputs to those models and any significant assumptions.

Market valuation adjustments

Liquidity adjustments are applied to items in Level 2 and Level 3 of the fair value hierarchy to ensure that the fair value reflects the liquidity or illiquidity of the market. The liquidity reserve may utilize the bid-offer spread for an instrument as one of the factors.

Counterparty credit-risk adjustments are applied to derivatives, such as over-the-counter uncollateralized derivatives, where the base valuation uses market parameters based on the relevant base interest rate curves. Not all counterparties have the same credit risk as that implied by the relevant base curve, so it is necessary to consider the market view of the credit risk of a counterparty in order to estimate the fair value of such an item.

Bilateral or "own" credit-risk adjustments are applied to reflect the Company's own credit risk when valuing derivatives and liabilities measured at fair value. Counterparty and own credit adjustments consider the expected future cash flows between Citi and its counterparties under the terms of the instrument and the effect of credit risk on the valuation of those cash flows, rather than a point-in-time assessment of the current recognized net asset or liability. Furthermore, the credit-risk adjustments take into account the effect of credit-risk mitigants, such as pledged collateral and any legal right of offset (to the extent such offset exists) with a counterparty through arrangements such as netting agreements.

Generally, the unit of account for a financial instrument is the individual financial instrument. The Company applies market valuation adjustments that are consistent with the unit of account, which does not include adjustment due to the size of the Company's position, except as follows. ASC 820-10 permits an exception, through an accounting policy election, to measure the fair value of a portfolio of financial assets and financial liabilities on the basis of the net open risk position when certain criteria are met. Citi has elected to measure certain portfolios of financial instruments, such as derivatives, that meet those criteria on the basis of the net open risk position. The Company applies market valuation adjustments, including adjustments to account for the size of the net open risk position, consistent with market participant assumptions and in accordance with the unit of account.

Valuation Process for Level 3 Fair Value Measurements

Price verification procedures and related internal control procedures are governed by the Citigroup *Pricing and Price Verification Policy and Standards*, which is jointly owned by Finance and Risk Management. Finance has implemented the *ICG Securities and Banking Pricing and Price Verification Standards and Procedures* to facilitate compliance with this policy.

For fair value measurements of substantially all assets and liabilities held by the Company, individual business units are responsible for valuing the trading account assets and liabilities, and Product Control within Finance performs independent price verification procedures to evaluate those fair value measurements. Product Control is independent of the individual business units and reports into the Global Head of Product Control. It has the final authority over the independent valuation of financial assets and liabilities. Fair value measurements of assets and liabilities are determined using various techniques, including, but not limited to, discounted cash flows and internal models, such as option and correlation models.

Based on the observability of inputs used, Product Control classifies the inventory as Level 1, Level 2 or Level 3 of the fair value hierarchy. When a position involves one or more significant inputs that are not directly observable, additional price verification procedures are applied. These procedures may include reviewing relevant historical data, analyzing profit and loss, valuing each component of a structured trade individually, and benchmarking, among others.

Reports of inventory that is classified within Level 3 of the fair value hierarchy are distributed to senior management in Finance, Risk and the individual business. This inventory is also discussed in Risk Committees and in monthly meetings with senior trading management. As deemed necessary, reports may go to the Audit Committee of the Board of Directors or to the full Board of Directors. Whenever a valuation adjustment is needed to bring the price of an asset or liability to its exit price, Product Control reports it to management along with other price verification results.

In addition, the pricing models used in measuring fair value are governed by an independent control framework. Although the models are developed and tested by the individual business units, they are independently validated by the Model Validation Group within Risk Management and reviewed by Finance with respect to their impact on the price verification procedures. The purpose of this independent control framework is to assess model risk arising from models' theoretical soundness, calibration techniques where needed, and the appropriateness of the model for a specific product in a defined market. Valuation adjustments, if any, go through a similar independent review process as the valuation models. To ensure their continued applicability, models are independently reviewed annually. In addition, Risk Management approves and maintains a list of products permitted to be valued under each approved model for a given business.

Securities purchased under agreements to resell and securities sold under agreements to repurchase

No quoted prices exist for such instruments, so fair value is determined using a discounted cash-flow technique. Cash flows are estimated based on the terms of the contract, taking into account any embedded derivative or other features. Expected cash flows are discounted using interest rates appropriate to the maturity of the instrument as well as the nature of the underlying collateral. Generally, when such instruments are held at fair value, they are classified within Level 2 of the fair value hierarchy, as the inputs used in the valuation are readily observable. However, certain long-dated positions are classified within Level 3 of the fair value hierarchy.

Trading account assets and liabilities—trading securities and trading loans

When available, the Company uses quoted market prices to determine the fair value of trading securities; such items are classified as Level 1 of the fair value hierarchy. Examples include some government securities and exchange-traded equity securities.

For bonds and secondary market loans traded over the counter, the Company generally determines fair value utilizing valuation techniques, including discounted cash flows, price-based and internal models, such as Black-Scholes and Monte Carlo simulation. Fair value estimates from these internal valuation techniques are verified, where possible, to prices obtained from independent vendors. Vendors compile prices from various sources and may apply matrix pricing for similar bonds or loans where no price is observable. A price-based methodology utilizes, where available, quoted prices or other market information obtained from recent trading activity of assets with similar characteristics to the bond or loan being valued. The yields used in discounted cash flow models are derived from the same price information. Trading securities and loans priced using such methods are generally classified as Level 2. However, when less liquidity exists for a security or loan, a quoted price is stale, a significant adjustment to the price of a similar security or loan is necessary to reflect differences in the terms of the actual security or loan being valued, or prices from independent sources are insufficient to corroborate valuation, a loan or security is generally classified as Level 3. The price input used in a price-based methodology may be zero for a security, such as a subprime CDO, that is not receiving any principal or interest and is currently written down to zero.

Where the Company's principal market for a portfolio of loans is the securitization market, the Company uses the securitization price to determine the fair value of the portfolio. The securitization price is determined from the assumed proceeds of a hypothetical securitization in the current market, adjusted for transformation costs (i.e., direct costs other than transaction costs) and securitization uncertainties such as market conditions and liquidity. As a result of the severe reduction in the level of activity in certain securitization markets since the second half of 2007, observable securitization prices for certain directly comparable portfolios of loans have not been readily available. Therefore, such portfolios of loans are generally classified as Level 3 of the fair value hierarchy. However, for other loan securitization markets, such as commercial real estate loans, pricing verification of the hypothetical securitizations has been possible, since these markets have remained active. Accordingly, this loan portfolio is classified as Level 2 of the fair value hierarchy.

Trading account assets and liabilities—derivatives

Exchange-traded derivatives are generally measured at fair value using quoted market (i.e., exchange) prices and are classified as Level 1 of the fair value hierarchy.

The majority of derivatives entered into by the Company are executed over the counter and are valued using internal valuation techniques, as no quoted market prices exist for such instruments. The valuation techniques and inputs depend on the type of derivative and the nature of the underlying instrument. The principal techniques used to value these instruments are discounted cash flows and internal models, including Black-Scholes and Monte Carlo simulation. The fair values of derivative contracts reflect cash the Company has paid or received (for example, option premiums paid and received).

The key inputs depend upon the type of derivative and the nature of the underlying instrument and include interest rate yield curves, foreign-exchange rates, volatilities and correlation. The Company uses overnight indexed swap (OIS) curves as fair value measurement inputs for the valuation of certain collateralized interest-rate related derivatives. The instrument is classified as either Level 2 or Level 3 depending upon the observability of the significant inputs to the model.

Subprime-related direct exposures in CDOs

The valuation of high-grade and mezzanine asset-backed security (ABS) CDO positions utilizes prices based on the underlying assets of each high-grade and mezzanine ABS CDO. The high-grade and mezzanine positions are largely hedged through the ABX and bond short positions. This results in closer symmetry in the way these long and short positions are valued by the Company. Citigroup uses trader marks to value this portion of the portfolio and will do so as long as it remains largely hedged.

For most of the lending and structuring direct subprime exposures, fair value is determined utilizing observable transactions where available, other market data for similar assets in markets that are not active and other internal valuation techniques.

Investments

The investments category includes available-for-sale debt and marketable equity securities, whose fair value is generally determined by utilizing similar procedures described for trading securities above or, in some cases, using consensus pricing as the primary source.

Also included in investments are nonpublic investments in private equity and real estate entities held by the *S&B* business. Determining the fair value of nonpublic securities involves a significant degree of management resources and judgment, as no quoted prices exist and such securities are generally very thinly traded. In addition, there may be transfer restrictions on private equity securities. The Company uses an established process for determining the fair value of such securities, utilizing commonly accepted valuation techniques, including comparables analysis. In determining the fair value of nonpublic securities, the Company also considers events such as a proposed sale of the investee company, initial public offerings, equity issuances or other observable transactions. As discussed in Note 15 to the Consolidated Financial Statements, the Company uses net asset value (NAV) to value certain of these investments.

Private equity securities are generally classified as Level 3 of the fair value hierarchy.

Short-term borrowings and long-term debt

Where fair value accounting has been elected, the fair value of non-structured liabilities is determined by utilizing internal models using the appropriate discount rate for the applicable maturity. Such instruments are generally classified as Level 2 of the fair value hierarchy, as all inputs are readily observable.

The Company determines the fair value of structured liabilities (where performance is linked to structured interest rates, inflation or currency risks) and hybrid financial instruments (where performance is linked to risks other than interest rates, inflation or currency risks) using the appropriate derivative valuation methodology (described above) given the nature of the embedded risk profile. Such instruments are classified as Level 2 or Level 3 depending on the observability of significant inputs to the model.

Alt-A mortgage securities

The Company classifies its Alt-A mortgage securities as held-to-maturity, available-for-sale and trading investments. The securities classified as trading and available-for-sale are recorded at fair value with changes in fair value reported in current earnings and AOCI, respectively. For these purposes, Citi defines Alt-A mortgage securities as non-agency residential mortgage-backed securities (RMBS) where (i) the underlying collateral has weighted average FICO scores between 680 and 720 or (ii) for instances where FICO scores are greater than 720, RMBS have 30% or less of the underlying collateral composed of full documentation loans.

Similar to the valuation methodologies used for other trading securities and trading loans, the Company generally determines the fair values of Alt-A mortgage securities utilizing internal valuation techniques. Fair value estimates from internal valuation techniques are verified, where possible, to prices obtained from independent vendors. Consensus data providers compile prices from various sources. Where available, the Company may also make use of quoted prices for recent trading activity in securities with the same or similar characteristics to the security being valued.

The valuation techniques used for Alt-A mortgage securities, as with other mortgage exposures, are price-based and discounted cash flows. The primary market-derived input is yield. Cash flows are based on current collateral performance with prepayment rates and loss projections reflective of current economic conditions of housing price change, unemployment rates, interest rates, borrower attributes and other market indicators.

Alt-A mortgage securities that are valued using these methods are generally classified as Level 2. However, Alt-A mortgage securities backed by Alt-A mortgages of lower quality or subordinated tranches in the capital structure are mostly classified as Level 3 due to the reduced liquidity that exists for such positions, which reduces the reliability of prices available from independent sources.

Items Measured at Fair Value on a Recurring Basis

The following tables present for each of the fair value hierarchy levels the Company's assets and liabilities that are measured at fair value on a recurring basis at December 31, 2012 and 2011. The Company's hedging of positions that have been classified in the Level 3 category is not limited to other financial instruments (hedging instruments) that have been classified as Level 3, but also instruments classified as Level 1 or Level 2 of the fair value hierarchy. The effects of these hedges are presented gross in the following table.

Fair Value Levels

In millions of dollars at December 31, 2012	Level 1	(1) Level 2	(1) Level 3	Gross inventory	Netting	(2) Net balance
Assets						
Federal funds sold and securities borrowed or purchased under agreements to resell	$ —	$ 198,278	$ 5,043	$ 203,321	$ (42,732)	$ 160,589
Trading securities						
Trading mortgage-backed securities						
U.S. government-sponsored agency guaranteed	—	29,835	1,325	31,160	—	31,160
Residential	—	1,663	1,805	3,468	—	3,468
Commercial	—	1,322	1,119	2,441	—	2,441
Total trading mortgage-backed securities	$ —	$ 32,820	$ 4,249	$ 37,069	$ —	$ 37,069
U.S. Treasury and federal agency securities	$ 15,416	$ 4,940	$ —	$ 20,356	$ —	$ 20,356
State and municipal	—	3,611	195	3,806	—	3,806
Foreign government	57,831	31,097	311	89,239	—	89,239
Corporate	—	33,194	2,030	35,224	—	35,224
Equity securities	54,640	2,094	264	56,998	—	56,998
Asset-backed securities	—	899	4,453	5,352	—	5,352
Other debt securities	—	15,944	2,321	18,265	—	18,265
Total trading securities	$ 127,887	$ 124,599	$ 13,823	$ 266,309	$ —	$ 266,309
Trading account derivatives						
Interest rate contracts	$ 2	$ 901,809	$ 1,710	$ 903,521		
Foreign exchange contracts	18	75,712	902	76,632		
Equity contracts	2,359	14,193	1,741	18,293		
Commodity contracts	410	9,802	695	10,907		
Credit derivatives	—	50,109	4,166	54,275		
Total trading account derivatives	$ 2,789	$ 1,051,625	$ 9,214	$ 1,063,628		
Gross cash collateral paid				61,152		
Netting agreements and market value adjustments					$ (1,070,160)	
Total trading account derivatives	$ 2,789	$ 1,051,625	$ 9,214	$ 1,124,780	$ (1,070,160)	$ 54,620
Investments						
Mortgage-backed securities						
U.S. government-sponsored agency guaranteed	$ 46	$ 45,841	$ 1,458	$ 47,345	$ —	$ 47,345
Residential	—	7,472	205	7,677	—	7,677
Commercial	—	449	—	449	—	449
Total investment mortgage-backed securities	$ 46	$ 53,762	$ 1,663	$ 55,471	$ —	$ 55,471
U.S. Treasury and federal agency securities	$ 13,204	$ 78,625	$ 12	$ 91,841	$ —	$ 91,841

In millions of dollars at December 31, 2012	Level 1	(1) Level 2	(1) Level 3	Gross inventory	Netting	(2) Net balance
State and municipal	$ —	$ 17,483	$ 849	$ 18,332	$ —	$ 18,332
Foreign government	36,048	57,616	383	94,047	—	94,047
Corporate	—	9,289	385	9,674	—	9,674
Equity securities	4,037	132	773	4,942	—	4,942
Asset-backed securities	—	11,910	2,220	14,130	—	14,130
Other debt securities	—	—	258	258	—	258
Non-marketable equity securities	—	404	5,364	5,768	—	5,768
Total investments	$ 53,335	$ 229,221	$ 11,907	$ 294,463	$ —	$ 294,463
Loans (3)	$ —	$ 356	$ 4,931	$ 5,287	$ —	$ 5,287
Mortgage servicing rights	—	—	1,942	1,942	—	1,942
Nontrading derivatives and other financial assets measured on a recurring basis, gross	$ —	$ 15,293	$ 2,452	$ 17,745		
Gross cash collateral paid				214		
Netting agreements and market value adjustments					$ (4,660)	
Nontrading derivatives and other financial assets measured on a recurring basis	$ —	$ 15,293	$ 2,452	$ 17,959	$ (4,660)	$ 13,299
Total assets	$ 184,011	$ 1,619,372	$ 49,312	$ 1,914,061	$ (1,117,552)	$ 796,509
Total as a percentage of gross assets (4)	9.9 %	87.4 %	2.7 %	100.0 %		
Liabilities						
Interest-bearing deposits	$ —	$ 661	$ 786	$ 1,447	$ —	$ 1,447
Federal funds purchased and securities loaned or sold under agreements to repurchase	—	158,580	841	159,421	(42,732)	116,689
Trading account liabilities						
Securities sold, not yet purchased	55,145	8,288	365	63,798		63,798
Trading account derivatives						

	Level 1	Level 2	Level 3	Gross inventory	Netting	Net balance
Interest rate contracts	1	891,138	1,529	892,668		
Foreign exchange contracts	10	81,209	902	82,121		
Equity contracts	2,664	26,014	3,189	31,867		
Commodity contracts	317	10,359	1,466	12,142		
Credit derivatives	—	47,792	4,508	52,300		
Total trading account derivatives	$ 2,992	$ 1,056,512	$ 11,594	$ 1,071,098		
Gross cash collateral received				46,833		
Netting agreements and market value adjustments					$ (1,066,180)	
Total trading account derivatives	$ 2,992	$ 1,056,512	$ 11,594	$ 1,117,931	$ (1,066,180)	$ 51,751
Short-term borrowings	—	706	112	818	—	818
Long-term debt	—	23,038	6,726	29,764	—	29,764
Nontrading derivatives and other financial liabilities measured on a recurring basis, gross	$ —	$ 2,228	$ 24	$ 2,252		
Gross cash collateral received				$ 5,318		
Netting agreements and market value adjustments					$ (4,660)	
Nontrading derivatives and other financial liabilities measured on a recurring basis	$ —	$ 2,228	$ 24	$ 7,570	$ (4,660)	$ 2,910
Total liabilities	$ 58,137	$ 1,250,013	$ 20,448	$ 1,380,749	$ (1,113,572)	$ 267,177
Total as a percentage of gross liabilities (4)	4.4 %	94.1 %	1.5 %	100.0 %		

(1) For the year ended December 31, 2012, the Company transferred assets of $1.7 billion from Level 1 to Level 2, primarily related to foreign government bonds, which were not traded with enough frequency to constitute an active market. During the year ended December 31, 2012, the Company transferred assets of $1.2 billion from Level 2 to Level 1 primarily related to foreign government bonds, which were traded with sufficient frequency to constitute an active market. During the year ended December 31, 2012, the Company transferred liabilities of $70 million, from Level 1 to Level 2, and liabilities of $150 million from Level 2 to Level 1.

(2) Represents netting of: (i) the amounts due under securities purchased under agreements to resell and the amounts owed under securities sold under agreements to repurchase; and (ii) derivative exposures covered by a qualifying master netting agreement, cash collateral and the market value adjustment.

(3) There is no allowance for loan losses recorded for loans reported at fair value.

(4) Percentage is calculated based on total assets and liabilities measured at fair value on a recurring basis, excluding collateral paid/received on derivatives.

Fair Value Levels

In millions of dollars at December 31, 2011	Level 1	Level 2	Level 3	Gross inventory	Netting (1)	Net balance
Assets						
Federal funds sold and securities borrowed or purchased under agreements to resell	$ —	$ 188,034	$ 4,701	$ 192,735	$ (49,873)	$ 142,862
Trading securities						
Trading mortgage-backed securities						
U.S. government-sponsored agency guaranteed	$ —	$ 26,674	$ 861	$ 27,535	$ —	$ 27,535
Residential	—	1,362	1,509	2,871	—	2,871
Commercial	—	1,715	618	2,333	—	2,333
Total trading mortgage-backed securities	$ —	$ 29,751	$ 2,988	$ 32,739	$ —	$ 32,739
U.S. Treasury and federal agency securities	$ 15,612	$ 3,784	$ 3	$ 19,399	$ —	$ 19,399
State and municipal	—	5,112	252	5,364	—	5,364
Foreign government	52,429	26,601	521	79,551	—	79,551
Corporate	—	33,786	3,240	37,026	—	37,026
Equity securities	29,707	3,279	244	33,230	—	33,230
Asset-backed securities	—	1,270	5,801	7,071	—	7,071
Other debt securities	—	12,284	2,743	15,027	—	15,027
Total trading securities	$ 97,748	$ 115,867	$ 15,792	$ 229,407	$ —	$ 229,407
Trading account derivatives						
Interest rate contracts	$ 67	$ 755,473	$ 1,947	$ 757,487		
Foreign exchange contracts	—	93,536	781	94,317		
Equity contracts	2,240	16,376	1,619	20,235		
Commodity contracts	958	11,940	865	13,763		
Credit derivatives	—	81,123	9,301	90,424		
Total trading account derivatives	$ 3,265	$ 958,448	$ 14,513	$ 976,226		
Gross cash collateral paid				57,815		
Netting agreements and market value adjustments					$ (971,714)	
Total trading account derivatives	$ 3,265	$ 958,448	$ 14,513	$ 1,034,041	$ (971,714)	$ 62,327
Investments						
Mortgage-backed securities						
U.S. government-sponsored agency guaranteed	$ 59	$ 45,043	$ 679	$ 45,781	$ —	$ 45,781
Residential	—	4,764	8	4,772	—	4,772
Commercial	—	472	—	472	—	472
Total investment mortgage-backed securities	$ 59	$ 50,279	$ 687	$ 51,025	$ —	$ 51,025
U.S. Treasury and federal agency securities	$ 11,642	$ 73,421	$ 75	$ 85,138	$ —	$ 85,138

In millions of dollars at December 31, 2011	Level 1	Level 2	Level 3	Gross inventory	Netting (1)	Net balance
State and municipal	$ —	$ 13,732	$ 667	$ 14,399	$ —	$ 14,399
Foreign government	33,544	50,523	447	84,514	—	84,514
Corporate	—	9,268	989	10,257	—	10,257

Equity securities	6,634	98	1,453	8,185	—	8,185
Asset-backed securities	—	6,962	4,041	11,003	—	11,003
Other debt securities	—	563	120	683	—	683
Non-marketable equity securities	—	518	8,318	8,836	—	8,836
Total investments	$ 51,879	$ 205,364	$ 16,797	$ 274,040	$ —	$ 274,040
Loans (2)	$ —	$ 583	$ 4,682	$ 5,265	$ —	$ 5,265
Mortgage servicing rights	—	—	2,569	2,569	—	2,569
Nontrading derivatives and other financial assets measured on a recurring basis, gross	$ —	$ 14,270	$ 2,245	$ 16,515		
Gross cash collateral paid				307		
Netting agreements and market value adjustments					$ (3,462)	
Nontrading derivatives and other financial assets measured on a recurring basis	$ —	$ 14,270	$ 2,245	$ 16,822	$ (3,462)	$ 13,360
Total assets	$ 152,892	$ 1,482,566	$ 61,299	$ 1,754,879	$ (1,025,049)	$ 729,830
Total as a percentage of gross assets (3)	9.0 %	87.4 %	3.6 %	100.0 %		
Liabilities						
Interest-bearing deposits	$ —	$ 895	$ 431	$ 1,326	$ —	$ 1,326
Federal funds purchased and securities loaned or sold under agreements to repurchase	—	146,524	1,061	147,585	(49,873)	97,712
Trading account liabilities						
Securities sold, not yet purchased	58,456	10,941	412	69,809		69,809
Trading account derivatives						
Interest rate contracts	$ 37	$ 738,833	$ 1,221	$ 740,091		
Foreign exchange contracts	—	96,020	1,343	97,363		
Equity contracts	2,822	26,961	3,356	33,139		
Commodity contracts	873	11,959	1,799	14,631		
Credit derivatives	—	77,153	7,573	84,726		
Total trading account derivatives	$ 3,732	$ 950,926	$ 15,292	$ 969,950		
Gross cash collateral received				52,811		
Netting agreements and market value adjustments					$ (966,488)	
Total trading account derivatives	$ 3,732	$ 950,926	$ 15,292	$ 1,022,761	$ (966,488)	$ 56,273
Short-term borrowings	—	855	499	1,354	—	1,354
Long-term debt	—	17,268	6,904	24,172	—	24,172
Nontrading derivatives and other financial liabilities measured on a recurring basis, gross	$ —	$ 3,559	$ 3	$ 3,562		
Gross cash collateral received				$ 3,642		
Netting agreements and market value adjustments					$ (3,462)	
Nontrading derivatives and other financial liabilities measured on a recurring basis	$ —	$ 3,559	$ 3	$ 7,204	$ (3,462)	$ 3,742
Total liabilities	$ 62,188	$ 1,130,968	$ 24,602	$ 1,274,211	$ (1,019,823)	$ 254,388
Total as a percentage of gross liabilities (3)	5.1 %	92.9 %	2.0 %	100.0 %		

(1) Represents netting of: (i) the amounts due under securities purchased under agreements to resell and the amounts owed under securities sold under agreements to repurchase; and (ii) derivative exposures covered by a qualifying master netting agreement, cash collateral and the market value adjustment.
(2) There is no allowance for loan losses recorded for loans reported at fair value.
(3) Percentage is calculated based on total assets and liabilities measured at fair value on a recurring basis, excluding collateral paid/received on derivatives.

Changes in Level 3 Fair Value Category

The following tables present the changes in the Level 3 fair value category for the years ended December 31, 2012 and 2011. The Company classifies financial instruments as Level 3 of the fair value hierarchy when there is reliance on at least one significant unobservable input to the valuation model. In addition to these unobservable inputs, the valuation models for Level 3 financial instruments typically also rely on a number of inputs that are readily observable either directly or indirectly. The gains and losses presented below include changes in the fair value related to both observable and unobservable inputs.

The Company often hedges positions with offsetting positions that are classified in a different level. For example, the gains and losses for assets and liabilities in the Level 3 category presented in the tables below do not reflect the effect of offsetting losses and gains on hedging instruments that have been classified by the Company in the Level 1 and Level 2 categories. In addition, the Company hedges items classified in the Level 3 category with instruments also classified in Level 3 of the fair value hierarchy. The effects of these hedges are presented gross in the following tables.

Level 3 Fair Value Rollforward

		Net realized/unrealized gains (losses) included in									
In millions of dollars	Dec. 31, 2011	Principal transactions	Other (1)(2)	Transfers into Level 3	Transfers out of Level 3	Purchases	Issuances	Sales	Settlements	Dec. 31, 2012	Unrealized gains (losses) still held (3)
Assets											
Federal funds sold and securities borrowed or purchased under agreements to resell	$ 4,701	$ 306	$—	$ 540	$ (444)	$ —	$—	$ —	$ (60)	$ 5,043	$ 317
Trading securities											
Trading mortgage-backed securities											

U.S. government-sponsored agency guaranteed	861	38	—	1,294	(735)	657	79	(735)	(134)	1,325	(16)
Residential	1,509	204	—	848	(499)	1,652	—	(1,897)	(12)	1,805	(27)
Commercial	618	(32)	—	327	(305)	1,056	—	(545)	—	1,119	28
Total trading mortgage-backed securities	$ 2,988	$ 210	$ —	$ 2,469	$ (1,539)	$ 3,365	$ 79	$ (3,177)	$ (146)	$ 4,249	$ (15)
U.S. Treasury and federal agency securities	$ 3	$ —	$ —	$ —	$ —	$ 13	$ —	$ (16)	$ —	$ —	$ —
State and municipal	$ 252	$ 24	$ —	$ 19	$ (18)	$ 61	$ —	$ (143)	$ —	$ 195	$ (2)
Foreign government	521	25	—	89	(875)	960	—	(409)	—	311	5
Corporate	3,240	(90)	—	464	(558)	2,622	—	(1,942)	(1,706)	2,030	(28)
Equity securities	244	(25)	—	121	(47)	231	—	(192)	(68)	264	(5)
Asset-backed securities	5,801	503	—	222	(114)	6,873	—	(7,823)	(1,009)	4,453	(173)
Other debt securities	2,743	(8)	—	1,126	(2,089)	2,954	—	(2,092)	(313)	2,321	376
Total trading securities	$ 15,792	$ 639	$ —	$ 4,510	$ (5,240)	$ 17,079	$ 79	$ (15,794)	$ (3,242)	$ 13,823	$ 158
Trading derivatives, net (4)											
Interest rate contracts	$ 726	$ (101)	$ —	$ 682	$ (438)	$ 311	$ —	$ (194)	$ (805)	$ 181	$ (298)
Foreign exchange contracts	(562)	440	—	(1)	25	196	—	(213)	115	—	(190)
Equity contracts	(1,737)	326	—	(34)	443	428	—	(657)	(217)	(1,448)	(506)
Commodity contracts	(934)	145	—	(66)	5	100	—	(89)	68	(771)	114
Credit derivatives	1,728	(2,355)	—	32	(188)	117	—	(11)	335	(342)	(692)
Total trading derivatives, net (4)	$ (779)	$ (1,545)	$ —	$ 613	$ (153)	$ 1,152	$ —	$ (1,164)	$ (504)	$ (2,380)	$ (1,572)
Investments											
Mortgage-backed securities											
U.S. government-sponsored agency guaranteed	$ 679	$ —	$ 7	$ 894	$ (3,742)	$ 3,622	$ —	$ —	$ (2)	$ 1,458	$ 43
Residential	8	—	6	205	(6)	46	—	(54)	—	205	—
Commercial	—	—	—	—	(11)	11	—	—	—	—	—
Total investment mortgage-backed securities	$ 687	$ —	$ 13	$ 1,099	$ (3,759)	$ 3,679	$ —	$ (54)	$ (2)	$ 1,663	$ 43
U.S. Treasury and federal agency securities	$ 75	$ —	$ —	$ 75	$ (150)	$ 12	$ —	$ —	$ —	$ 12	$ —
State and municipal	667	—	12	129	(153)	412	—	(218)	—	849	(20)
Foreign government	447	—	20	193	(297)	519	—	(387)	(112)	383	1
Corporate	989	—	(6)	68	(698)	224	—	(144)	(48)	385	8
Equity securities	1,453	—	119	—	—	—	—	(308)	(491)	773	(34)
Asset-backed securities	4,041	—	(98)	—	(730)	930	—	(77)	(1,846)	2,220	1
Other debt securities	120	—	(53)	—	—	310	—	(118)	(1)	258	—
Non-marketable equity securities	8,318	—	453	—	—	1,266	—	(3,373)	(1,300)	5,364	313
Total investments	$ 16,797	$—	$ 460	$ 1,564	$ (5,787)	$ 7,352	$ —	$ (4,679)	$ (3,800)	$ 11,907	$ 312

Net realized/unrealized **Unrealized**

In millions of dollars	Dec. 31, 2011	gains (losses) included in Principal transactions	Other (1)(2)	Transfers into Level 3	Transfers out of Level 3	Purchases	Issuances	Sales	Settlements	Dec. 31, 2012	gains (losses) still held (3)
Loans	$ 4,682	$—	$ (34)	$ 1,051	$ (185)	$301	$930	$ (251)	$(1,563)	$ 4,931	$156
Mortgage servicing rights	2,569	—	(426)	—	—	2	421	(5)	(619)	1,942	(427)
Other financial assets measured on a recurring basis	2,245	—	366	21	(35)	4	1,700	(50)	(1,799)	2,452	101
Liabilities											
Interest-bearing deposits	$ 431	$ —	$ (141)	$ 213	$ (36)	$ —	$ 268	$ —	$ (231)	$ 786	$ (414)
Federal funds purchased and securities loaned or sold under agreements to repurchase	1,061	(64)	—	—	(14)	—	—	(179)	(91)	841	43
Trading account liabilities											
Securities sold, not yet purchased	412	(1)	—	294	(47)	—	—	216	(511)	365	(42)
Short-term borrowings	499	(108)	—	47	(20)	—	268	—	(790)	112	(57)
Long-term debt	6,904	98	119	2,548	(2,694)	—	2,480	—	(2,295)	6,726	(688)
Other financial liabilities measured on a recurring basis	3	—	(31)	2	(2)	(4)	6	—	(12)	24	(13)

(1) Changes in fair value for available-for-sale investments (debt securities) are recorded in *Accumulated other comprehensive income (loss)*, unless other-than-temporarily impaired, while gains and losses from sales are recorded in *Realized gains (losses) from sales of investments* on the Consolidated Statement of Income.
(2) Unrealized gains (losses) on MSRs are recorded in *Other revenue* on the Consolidated Statement of Income.
(3) Represents the amount of total gains or losses for the period, included in earnings (and *Accumulated other comprehensive income (loss)* for changes in fair value for available-for-sale investments), attributable to the change in fair value relating to assets and liabilities classified as Level 3 that are still held at December 31, 2012 and 2011.
(4) Total Level 3 derivative assets and liabilities have been netted in these tables for presentation purposes only.

In millions of dollars	Dec. 31, 2010	Net realized/unrealized gains (losses) included in Principal transactions	Other (1)(2)	Transfers into and/or out of Level 3	Purchases	Issuances	Sales	Settlements	Dec. 31, 2011	Unrealized gains (losses) still held (3)
Assets										
Federal funds sold and securities borrowed or purchased under agreements to resell	$ 4,911	$90	$ —	$(300)	$ —	$—	$ —	$—	$ 4,701	$ 89
Trading securities										
Trading mortgage-backed securities										
U.S. government-sponsored agency guaranteed	$ 831	$ (62)	$ —	$ 169	$ 677	$ 73	$ (686)$	(141)$	861	$ (100)
Residential	2,328	148	—	(138)	4,150	—	(4,901)	(78)	1,509	118
Commercial	418	33	—	345	418	—	(570)	(26)	618	(57)
Total trading mortgage-backed securities	$ 3,577	$ 119	$ —	$ 376	$ 5,245	$ 73	$ (6,157)$	(245)$	2,988	$ (39)
U.S. Treasury and federal agencies securities	$ 72	$ 9	$ —	$ (45)	$ 8	$ —	$ (41)$	—	$ 3	$ —
State and municipal	$ 208	$ 67	$ —	$ 102	$ 1,128	$ —	$ (1,243)$	(10)$	252	$ (35)
Foreign government	566	(33)	—	(243)	1,556	—	(797)	(528)	521	(22)
Corporate	5,004	(60)	—	1,452	3,272	—	(3,864)	(2,564)	3,240	(680)
Equity securities	776	(202)	—	(145)	191	—	(376)	—	244	(143)
Asset-backed securities	7,620	128	—	606	5,198	—	(6,069)	(1,682)	5,801	(779)
Other debt securities	1,833	(179)	—	(17)	2,810	—	(1,700)	(4)	2,743	68
Total trading securities	$ 19,656	$ (151)	$ —	$ 2,086	$ 19,408	$ 73	$ (20,247)$	(5,033)$	15,792	$ (1,630)
Trading derivatives, net (4)										
Interest rate contracts	$ (730)$	(242)	$ —	$ 1,549	$ 111	$ —	$ (21)$	59	$ 726	$ 52
Foreign exchange contracts	(336)	(134)	—	(62)	11	—	(3)	(38)	(562)	(100)
Equity contracts	(1,639)	471	—	(28)	362	—	(242)	(661)	(1,737)	(1,139)
Commodity contracts	(1,023)	426	—	(83)	2	—	(104)	(152)	(934)	(48)
Credit derivatives	2,296	520	—	183	8	—	(1)	(1,278)	1,728	1,615
Total trading derivatives, net (4)	$ (1,432)$	1,041	$ —	$ 1,559	$ 494	$ —	$ (371)$	(2,070)$	(779)$	380
Investments										
Mortgage-backed securities										
U.S. government-sponsored agency guaranteed	$ 22	$ —	$ (22)	$ 416	$ 270	$ —	$ (7)$	—	$ 679	$ (38)

Residential	167	—	(2)	(109)	7	—	(54)	(1)	8	—
Commercial	527	—	(4)	(513)	42	—	(52)	—	—	—
Total investment mortgage-backed securities	$ 716	$ —	$ (28)	$ (206)	$ 319	$ —	$ (113)	$ (1)	$ 687	$ (38)
U.S. Treasury and federal agencies securities	$ 17	$ —	$ —	$ 60	$ —	$ —	$ (2)	$ —	$ 75	$ —
State and municipal	504	—	(10)	(59)	324	—	(92)	—	667	(20)
Foreign government	358	—	13	(21)	352	—	(67)	(188)	447	6
Corporate	525	—	(106)	199	732	—	(56)	(305)	989	6
Equity securities	2,055	—	(38)	(31)	—	—	(84)	(449)	1,453	—
Asset-backed securities	5,424	—	43	55	106	—	(460)	(1,127)	4,041	5
Other debt securities	727	—	26	121	35	—	(289)	(500)	120	(2)
Non-marketable equity securities	6,960	—	862	(886)	4,881	—	(1,838)	(1,661)	8,318	580
Total investments	$ 17,286	$ —	$ 762	$ (768)	$ 6,749	$ —	$ (3,001)	$ (4,231)	$ 16,797	$ 537

In millions of dollars	Dec. 31, 2010	Net realized/unrealized gains (losses) included in Principal transactions	Other (1)(2)	Transfers into and/or out of Level 3	Purchases	Issuances	Sales	Settlements	Dec. 31, 2011	Unrealized gains (losses) still held (3)
Loans	$ 3,213	$—	$ (309)	$425	$250	$2,002	$ (85)	$(814)	$ 4,682	$ (265)
Mortgage servicing rights	4,554	—	(1,465)	—	—	408	(212)	(716)	2,569	(1,465)
Other financial assets measured on a recurring basis	$ 2,509	$ —	$ 109	$ (90)	$ 57	$ 553	$ (172)	$ (721)	$ 2,245	$ 112
Liabilities										
Interest-bearing deposits	$ 277	$ —	$ 86	$ (72)	$ —	$ 325	$ —	$ (13)	$ 431	$ (76)
Federal funds purchased and securities loaned or sold under agreements to repurchase	1,261	(22)	—	45	—	—	(117)	(150)	1,061	(64)
Trading account liabilities										
Securities sold, not yet purchased	187	48	—	438	—	—	413	(578)	412	42
Short-term borrowings	802	190	—	(220)	—	551	—	(444)	499	39
Long-term debt	8,494	160	266	(509)	—	1,485	—	(2,140)	6,904	(225)
Other financial liabilities measured on a recurring basis	19	—	(19)	7	1	13	(1)	(55)	3	(3)

(1) Changes in fair value for available-for-sale investments (debt securities) are recorded in *Accumulated other comprehensive income (loss)* unless other-than-temporarily impaired, while gains and losses from sales are recorded in *Realized gains (losses) from sales of investments* on the Consolidated Statement of Income.

(2) Unrealized gains (losses) on MSRs are recorded in *Other revenue* on the Consolidated Statement of Income. See Note 15 to the Consolidated Financial Statements for a discussion of other-than-temporary impairment.

(3) Represents the amount of total gains or losses for the period, included in earnings (and *Accumulated other comprehensive income (loss)* for changes in fair value for available-for-sale investments), attributable to the change in fair value relating to assets and liabilities classified as Level 3 that are still held at December 31, 2012 and 2011.

(4) Total Level 3 derivative assets and liabilities have been netted in these tables for presentation purposes only.

Level 3 Fair Value Rollforward

The following were the significant Level 3 transfers for the period December 31, 2011 to December 31, 2012:

- Transfers of U.S. government-sponsored agency guaranteed mortgage-backed securities in *Trading account assets* of $1.3 billion from Level 2 to Level 3 primarily due to a decrease in observability of prices.
- Transfers of other debt trading securities from Level 2 to Level 3 of $1.1 billion, the majority of which consisted of trading loans for which there were a reduced number of market quotations.
- Transfers of other debt trading securities from Level 3 to Level 2 of $2.1 billion included $1.0 billion transferred to Level 2 primarily as a result of an increased volume of market quotations, and a majority of the remaining amount relates to positions that were reclassified as Level 3 positions within *Loans* to conform with the balance sheet presentation. The reclassification has also been reflected as transfers into Level 3 within loans in the roll-forward table above.
- Transfers of $3.7 billion of U.S. government-sponsored agency guaranteed mortgage-backed securities in *Investments* from Level 3 to Level 2 consisting mainly of securities that were newly issued during the year. At issuance, these securities had limited trading activity and were previously classified as Level 3. As trading activity in these securities increased and pricing became observable, these positions were transferred to Level 2.
- Transfers of *Long-term debt* in the amounts of $2.5 billion from Level 2 to Level 3 and $2.7 billion from Level 3 to Level 2 were the result of Citi's conforming and refining the application of the fair value level classification methodologies to certain structured debt instruments containing embedded derivatives, as well as certain underlying market inputs becoming less or more observable.

In addition, 2012 included sales of non-marketable equity securities classified as *Investments* of $2.8 billion relating to the sale of EMI Music and EMI Music Publishing.

The following were the significant Level 3 transfers for the period December 31, 2010 to December 31, 2011:

- Transfers of corporate debt trading securities of $1.5 billion from Level 2 to Level 3 due primarily to less price transparency for the securities.
- Transfers of *Loans* from Level 2 to Level 3 of $0.4 billion, due to a lack of observable prices for certain loans.

In addition to the Level 3 transfers, the Level 3 roll-forward table above for the period December 31, 2010 to December 31, 2011 included:

- The reclassification of $4.3 billion of securities from *Investments* held-to-maturity to *Trading account assets*. These reclassifications have been included in purchases in the Level 3 roll-forward table above. The Level 3 assets reclassified, and subsequently sold, included $2.8 billion of trading mortgage-backed securities (of which $1.5 billion were Alt-A, $1.0 billion were prime, $0.2 billion were subprime and $0.1 billion were commercial), $0.9 billion of state and municipal debt securities, $0.3 billion of corporate debt securities and $0.2 billion of asset-backed securities.
- Purchases of non-marketable equity securities classified as *Investments* included approximately $2.8 billion relating to Citi's acquisition of the share capital of Maltby Acquisitions Limited, the holding company that controls EMI Group Ltd. (which were sold in 2012).

Valuation Techniques and Inputs for Level 3 Fair Value Measurements

The Company's Level 3 inventory consists of both cash securities and derivatives of varying complexities. The valuation methodologies applied to measure the fair value of these positions include discounted cash flow analyses, internal models and comparative analysis. A position is classified within Level 3 of the fair value hierarchy when at least one input is unobservable and is considered significant to its valuation. The specific reason an input is deemed unobservable varies. For example, at least one significant input to the pricing model is not observable in the market, at least one significant input has been adjusted to make it more representative of the position being valued, or the price quote available does not reflect sufficient trading activities.

The following table presents the valuation techniques covering the majority of Level 3 inventory and the most significant unobservable inputs used in Level 3 fair value measurements as of December 31, 2012. Differences between this table and amounts presented in the Level 3 Fair Value Rollforward table represent individually immaterial items that have been measured using a variety of valuation techniques other than those listed.

Valuation Techniques and Inputs for Level 3 Fair Value Measurements

	Fair Value [1] *(in millions)*	**Methodology**	**Input**	**Low** [2][3]	**High** [2][3]
Assets					
Federal funds sold and securities borrowed or purchased under agreements to resell	**$4,786**	Cash flow	Interest rate	1.09 %	1.50 %
Trading and investment securities					
Mortgage-backed securities	**$ 4,402**	Price-based	Price	$ 0.00	$ 135.00
	1,148	Yield analysis	Yield	0.00 %	25.84 %
			Prepayment period	2.16 years	7.84 years
State and municipal, foreign government, corporate and other debt securities	**$ 4,416**	Price-based	Price	$ 0.00	$ 159.63
	1,231	Cash flow	Yield	0.00 %	30.00 %
	787	Yield analysis	Credit spread	35 bps	300 bps
Equity securities	**$ 792**	Cash flow	Yield	9.00 %	10.00 %
	147	Price-based	Prepayment period	3 years	3 years
			Price	$ 0.00	$ 750.00
Asset-backed securities	**$ 4,253**	Price-based	Price	$ 0.00	$ 136.63
	1,775	Internal model	Yield	0.00 %	27.00 %
	561	Cash flow	Credit correlation	15.00 %	90.00 %
			Weighted average life (WAL)	0.34 years	16.07 years
Non-marketable equity	**$ 2,768**	Price-based	Fund NAV	$ 1.00	$ 456,773,838
	1,803	Comparables analysis	EBITDA multiples	4.70	14.39
			Price-to-book ratio	0.77	1.50
	709	Cash flow	Discount to price	0.00 %	75.00 %
Derivatives – Gross [4]					
Interest rate contracts (gross)	**$ 3,202**	Internal model	Interest rate (IR)-IR correlation	(98.00)%	90.00 %
			Credit spread	0 bps	550.27 bps
			IR volatility	0.09 %	100.00 %
			Interest rate	0 %	15.00 %
Foreign exchange contracts (gross)	**$ 1,542**	Internal model	Foreign exchange (FX) volatility	3.20 %	67.35 %
			IR-FX correlation	40.00 %	60.00 %
			Credit spread	0 bps	376 bps
Equity contracts (gross) [5]	**$ 4,669**	Internal model	Equity volatility	1.00 %	185.20 %
			Equity forward	74.94 %	132.70 %
			Equity-equity correlation	1.00 %	99.90 %
Commodity contracts (gross)	**$ 2,160**	Internal model	Forward price	37.45 %	181.50 %
			Commodity correlation	(77.00)%	95.00 %
			Commodity volatility	5.00 %	148.00 %
Credit derivatives (gross)	**$ 4,777**	Internal model	Price	$ 0.00	$ 121.16
	3,886	Price-based	Recovery rate	6.50 %	78.00 %
			Credit correlation	5.00 %	99.00 %
			Credit spread	0 bps	2,236 bps
			Upfront points	3.62	100.00
Nontrading derivatives and other financial assets and liabilities measured on a recurring basis (gross) [4]	**$ 2,000**	External model	Price	$ 100.00	$ 100.00
	461	Internal model	Redemption rate	30.79 %	99.50 %
Loans	**$ 2,447**	Price-based	Price	$ 0.00	$ 103.32
	1,423	Yield analysis	Credit spread	55 bps	600.19 bps
	888	Internal model			
Mortgage servicing rights	**$ 1,858**	Cash flow	Yield	0.00 %	53.19 %
			Prepayment period	2.16 years	7.84 years
Liabilities					
Interest-bearing deposits	**$785**	Internal model	Equity volatility	11.13 %	86.10 %
			Forward price	67.80 %	182.00%
			Commodity correlation	(76.00)%	95.00 %
			Commodity volatility	5.00 %	148.00%
Federal funds purchased and securities loaned or sold under agreements to repurchase	**$841**	Internal model	Interest rate	0.33 %	4.91 %
Trading account liabilities					
Securities sold, not yet purchased	**$265**	Internal model	Price	$0.00	$166.47
	75	Price-based			
Short-term borrowings and long-term debt	**$5,067**	Internal model	Price	$0.00	$121.16
	1,112	Price-based	Equity volatility	12.40 %	185.20%
	649	Yield analysis	Equity forward	75.40 %	132.70%

Equity-equity correlation	1.00 %	99.90 %
Equity-FX correlation	(80.50)%	50.40 %

(1) The fair value amounts presented in this table represent the primary valuation technique or techniques for each class of assets or liabilities.
(2) Some inputs are shown as zero due to rounding.
(3) When the low and high inputs are the same, there is either a constant input applied to all positions, or the methodology involving the input applies to one large position only.
(4) Both trading and nontrading account derivatives—assets and liabilities—are presented on a gross absolute value basis.
(5) Includes hybrid products.

Sensitivity to Unobservable Inputs and Interrelationships between Unobservable Inputs

The impact of key unobservable inputs on the Level 3 fair value measurements may not be independent of one another. In addition, the amount and direction of the impact on a fair value measurement for a given change in an unobservable input depends on the nature of the instrument as well as whether the Company holds the instrument as an asset or a liability. For certain instruments, the pricing hedging and risk management are sensitive to the correlation between various inputs rather than on the analysis and aggregation of the individual inputs.

The following section describes the sensitivities and interrelationships of the most significant unobservable inputs used by the Company in Level 3 fair value measurements.

Correlation

Correlation is a measure of the co-movement between two or more variables. A variety of correlation-related assumptions are required for a wide range of instruments, including equity and credit baskets, foreign-exchange options, CDOs backed by loans or bonds, mortgages, subprime mortgages and many other instruments. For almost all of these instruments, correlations are not observable in the market and must be estimated using historical information. Estimating correlation can be especially difficult where it may vary over time. Extracting correlation information from market data requires significant assumptions regarding the informational efficiency of the market (for example, swaption markets). Changes in correlation levels can have a major impact, favorable or unfavorable, on the value of an instrument, depending on its nature. A change in the default correlation of the fair value of the underlying bonds comprising a CDO structure would affect the fair value of the senior tranche. For example, an increase in the default correlation of the underlying bonds would reduce the fair value of the senior tranche, because highly correlated instruments produce larger losses in the event of default and a part of these losses would become attributable to the senior tranche. That same change in default correlation would have a different impact on junior tranches of the same structure.

Volatility

Volatility represents the speed and severity of market price changes and is a key factor in pricing options. Typically, instruments can become more expensive if volatility increases. For example, as an index becomes more volatile, the cost to Citi of maintaining a given level of exposure increases because more frequent rebalancing of the portfolio is required. Volatility generally depends on the tenor of the underlying instrument and the strike price or level defined in the contract. Volatilities for certain combinations of tenor and strike are not observable. The general relationship between changes in the value of a portfolio to changes in volatility also depends on changes in interest rates and the level of the underlying index. Generally, long option positions (assets) benefit from increases in volatility, whereas short option positions (liabilities) will suffer losses. Some instruments are more sensitive to changes in volatility than others. For example, an at-the-money option would experience a larger percentage change in its fair value than a deep-in-the-money option. In addition, the fair value of an option with more than one underlying security (for example, an option on a basket of bonds) depends on the volatility of the individual underlying securities as well as their correlations.

Yield

Adjusted yield is generally used to discount the projected future principal and interest cash flows on instruments, such as asset-backed securities. Adjusted yield is impacted by changes in the interest rate environment and relevant credit spreads.

Sometimes, the yield of an instrument is not observable in the market and must be estimated from historical data or from yields of similar securities. This estimated yield may need to be adjusted to capture the characteristics of the security being valued. In other situations, the estimated yield may not represent sufficient market liquidity and must be adjusted as well. Whenever the amount of the adjustment is significant to the value of the security, the fair value measurement is classified as Level 3.

Prepayment

Voluntary unscheduled payments (prepayments) change the future cash flows for the investor and thereby change the fair value of the security. The effect of prepayments is more pronounced for residential mortgage-backed securities. An increase in prepayment—in speed or magnitude—generally creates losses for the holder of these securities. Prepayment is generally negatively correlated with delinquency and interest rate. A combination of low prepayment and high delinquencies amplify each input's negative impact on mortgage securities' valuation. As prepayment speeds change, the weighted average life of the security changes, which impacts the valuation either positively or negatively, depending upon the nature of the security and the direction of the change in the weighted average life.

Recovery

Recovery is the proportion of the total outstanding balance of a bond or loan that is expected to be collected in a liquidation scenario. For many credit securities (such as asset-backed securities), there is no directly observable market input for recovery, but indications of recovery levels are available from pricing services. The assumed recovery of a security may differ from its actual recovery that will be observable in the future. The recovery rate impacts the valuation of credit securities. Generally, an increase in the recovery rate assumption increases the fair value of the security. An increase in loss severity, the inverse of the recovery rate, reduces the amount of principal available for distribution and, as a result, decreases the fair value of the security.

Credit Spread

Credit spread is a component of the security representing its credit quality. Credit spread reflects the market perception of changes in prepayment, delinquency and recovery rates, therefore capturing the impact of other variables on the fair value. Changes in credit spread affect the fair value of securities differently depending on the characteristics and maturity profile of the security. For example, credit spread is a more significant driver of the fair value measurement of a high yield bond as compared to an investment grade bond. Generally, the credit spread for an investment grade bond is also more observable and less volatile than its high yield counterpart.

Qualitative Discussion of the Ranges of Significant Unobservable Inputs

The following section describes the ranges of the most significant unobservable inputs used by the Company in Level 3 fair value measurements. The level of aggregation and the diversity of instruments held by the Company lead to a wide range of unobservable inputs that may not be evenly distributed across the Level 3 inventory.

Correlation

There are many different types of correlation inputs, including credit correlation, cross-asset correlation (such as equity-interest rate correlation), and same-asset correlation (such as interest rate-interest rate correlation). Correlation inputs are generally used to value hybrid and exotic instruments. Generally, same-asset correlation inputs have a narrower range than cross-asset correlation inputs. However, due to the complex and unique nature of these instruments, the ranges for correlation inputs can vary widely across portfolios.

Volatility

Similar to correlation, asset-specific volatility inputs vary widely by asset type. For example, ranges for foreign exchange volatility are generally lower and narrower than equity volatility. Equity volatilities are wider due to the nature of the equities market and the terms of certain exotic instruments. For most instruments, the interest rate volatility input is on the lower end of the range; however, for certain structured or exotic instruments (such as market-linked deposits or exotic interest rate derivatives), the range is much wider.

Yield

Ranges for the yield inputs vary significantly depending upon the type of security. For example, securities that typically have lower yields, such as municipal bonds, will fall on the lower end of the range, while more illiquid securities or securities with lower credit quality, such as certain residual tranche asset-backed securities, will have much higher yield inputs.

Credit Spread

Credit spread is relevant primarily for fixed income and credit instruments; however, the ranges for the credit spread input can vary across instruments. For example, certain fixed income instruments, such as certificates of deposit, typically have lower credit spreads, whereas certain derivative instruments with high-risk counterparties are typically subject to higher credit spreads when they are uncollateralized or have a longer tenor. Other instruments, such as credit default swaps, also have credit spreads that vary with the attributes of the underlying obligor. Stronger companies have tighter credit spreads, and weaker companies have wider credit spreads.

Price

The price input is a significant unobservable input for certain fixed income instruments. For these instruments, the price input is expressed as a percentage of the notional amount, with a price of $100 meaning that the instrument is valued at par. For most of these instruments, the price varies between zero to $100, or slightly above $100. Relatively illiquid assets that have experienced significant losses since issuance, such as certain asset-backed securities, are at the lower end of the range, whereas most investment grade corporate bonds will fall in the middle to the higher end of the range. For certain structured debt instruments with embedded derivatives, the price input may be above $100 to reflect the embedded features of the instrument (for example, a step-up coupon or a conversion option). For the following classes of fixed income instruments, the weighted average price input below provides insight regarding the central tendencies of the ranges of this input reported for each instrument class as of December 31, 2012:

Mortgage-backed securities	$ 86.02
State and municipal, foreign government, corporate, and other debt securities	90.95
Asset-backed securities	79.71
Loans	91.25
Short-term borrowings and long-term debt	93.38

The price input is also a significant unobservable input for certain equity securities; however, the range of price inputs varies depending on the nature of the position, the number of shares outstanding and other factors. Because of these factors, the weighted average price input for equity securities does not provide insight regarding the central tendencies of the ranges for equity securities, as equity prices are generally independent of one another and are not subject to a common measurement scale (for example, the zero to $100 range applicable to debt instruments).

Items Measured at Fair Value on a Nonrecurring Basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis and therefore are not included in the tables above. These include assets measured at cost that have been written down to fair value during the periods as a result of an impairment. In addition, these assets include loans held-for-sale and other real estate owned that are measured at the lower of cost or market (LOCOM).

The following table presents the carrying amounts of all assets that were still held as of December 31, 2012 and 2011, and for which a nonrecurring fair value measurement was recorded during the year then ended:

In millions of dollars	Fair value	Level 2	Level 3
December 31, 2012			
Loans held-for-sale	**$ 2,647**	**$ 1,159**	**$ 1,488**
Other real estate owned	**201**	**22**	**179**
Loans (1)	**5,732**	**5,160**	**572**
Other assets (2)	**4,725**	**4,725**	**—**
Total assets at fair value on a nonrecurring basis	**$ 13,305**	**$ 11,066**	**$ 2,239**

(1) Represents impaired loans held for investment whose carrying amount is based on the fair value of the underlying collateral, including primarily real-estate secured loans.

(2) Represents Citi's remaining 35% investment in the Morgan Stanley Smith Barney joint venture whose carrying amount is the agreed purchase price. See Note 15 to the Consolidated Financial Statements.

In millions of dollars	Fair value	Level 2	Level 3
December 31, 2011			
Loans held-for-sale	$ 2,644	$ 1,668	$ 976
Other real estate owned	271	88	183
Loans (1)	3,911	3,185	726
Total assets at fair value on a nonrecurring basis	$ 6,826	$ 4,941	$ 1,885

(1) Represents impaired loans held for investment whose carrying amount is based on the fair value of the underlying collateral, including primarily real-estate secured loans.

The fair value of loans-held-for-sale is determined where possible using quoted secondary-market prices. If no such quoted price exists, the fair value of a loan is determined using quoted prices for a similar asset or assets, adjusted for the specific attributes of that loan. Fair value for the other real estate owned is based on appraisals. For loans whose carrying amount is based on the fair value of the underlying collateral, the fair values depend on the type of collateral. Fair value of the collateral is typically estimated based on quoted market prices if available, appraisals or other internal valuation techniques.

Where the fair value of the related collateral is based on an unadjusted appraised value, the loan is generally classified as Level 2. Where significant adjustments are made to the appraised value, the loan is classified as Level 3. Additionally, for corporate loans, appraisals of the collateral are often based on sales of similar assets; however, because the prices of similar assets require significant adjustments to reflect the unique features of the underlying collateral, these fair value measurements are generally classified as Level 3.

Valuation Techniques and Inputs for Level 3 Nonrecurring Fair Value Measurements

The following table presents the valuation techniques covering the majority of Level 3 nonrecurring fair value measurements and the most significant unobservable inputs used in those measurements as of December 31, 2012:

	Fair Value (1) *(in millions)*	Methodology	Input	Low	High
Loans held-for-sale	**$747**	Price-based	Price	$ 63.42	$ 100.00
	485	External model	Credit spread	40 bps	40 bps
	174	Recovery analysis			
Other real estate owned	**165**	Price-based	Discount to price	11.00 %	50.00 %
			Price (2)	$ 39,774	$ 15,457,452
Loans (3)	**351**	Price-based	Discount to price	25.00 %	34.00 %
	111	Internal model	Price (2)	$ 6,272,242	$ 86,200,000
			Discount rate	6.00 %	16.49 %

(1) The fair value amounts presented in this table represent the primary valuation technique or techniques for each class of assets or liabilities.

(2) Prices are based on appraised values.

(3) Represents loans held for investment whose carrying amounts are based on the fair value of the underlying collateral.

Nonrecurring Fair Value Changes

The following table presents total nonrecurring fair value measurements for the period, included in earnings, attributable to the change in fair value relating to assets that are still held at December 31, 2012 and 2011:

In millions of dollars	December 31, 2012
Loans held-for-sale	**$(19)**
Other real estate owned	**(29)**
Loans [(1)]	**(1,489)**
Other assets [(2)]	**(3,340)**
Total nonrecurring fair value gains (losses)	**$ (4,877)**

(1) Represents loans held for investment whose carrying amount is based on the fair value of the underlying collateral, including primarily real-estate loans.
(2) Includes the recognition of a $3,340 million impairment charge related to the carrying value of Citi's remaining 35% interest in the Morgan Stanley Smith Barney joint venture. See Note 15 to the Consolidated Financial Statements.

In millions of dollars	December 31, 2011
Loans held-for-sale	$(201)
Other real estate owned	(71)
Loans [(1)]	(973)
Total nonrecurring fair value gains (losses)	$ (1,245)

(1) Represents loans held for investment whose carrying amount is based on the fair value of the underlying collateral, including primarily real-estate loans.

Estimated Fair Value of Financial Instruments Not Carried at Fair Value

The table below presents the carrying value and fair value of Citigroup's financial instruments which are not carried at fair value. The table below therefore excludes items measured at fair value on a recurring basis presented in the tables above.

The disclosure also excludes leases, affiliate investments, pension and benefit obligations and insurance policy claim reserves. In addition, contract-holder fund amounts exclude certain insurance contracts. Also, as required, the disclosure excludes the effect of taxes, any premium or discount that could result from offering for sale at one time the entire holdings of a particular instrument, excess fair value associated with deposits with no fixed maturity, and other expenses that would be incurred in a market transaction. In addition, the table excludes the values of non-financial assets and liabilities, as well as a wide range of franchise, relationship and intangible values, which are integral to a full assessment of Citigroup's financial position and the value of its net assets.

The fair value represents management's best estimates based on a range of methodologies and assumptions. The carrying value of short-term financial instruments not accounted for at fair value, as well as receivables and payables arising in the ordinary course of business, approximates fair value because of the relatively short period of time between their origination and expected realization. Quoted market prices are used when available for investments and for liabilities, such as long-term debt not carried at fair value. For loans not accounted for at fair value, cash flows are discounted at quoted secondary market rates or estimated market rates if available. Otherwise, sales of comparable loan portfolios or current market origination rates for loans with similar terms and risk characteristics are used. Expected credit losses are either embedded in the estimated future cash flows or incorporated as an adjustment to the discount rate used. The value of collateral is also considered. For liabilities such as long-term debt not accounted for at fair value and without quoted market prices, market borrowing rates of interest are used to discount contractual cash flows.

	December 31, 2012		Estimated fair value		
In billions of dollars	Carrying value	Estimated fair value	Level 1	Level 2	Level 3
Assets					
Investments	**$17.9**	**$18.4**	**$3.0**	**$ 14.3**	**$ 1.1**
Federal funds sold and securities borrowed or purchased under agreements to resell	**100.7**	**100.7**	**—**	**94.8**	**5.9**
Loans [(1)(2)]	**621.9**	**612.2**	**—**	**4.2**	**608.0**
Other financial assets [(2)(3)]	**192.8**	**192.8**	**11.4**	**128.3**	**53.1**
Liabilities					
Deposits	**$ 929.1**	**$ 927.4**	**$ —**	**$ 765.5**	**$ 161.9**
Federal funds purchased and securities loaned or sold under agreements to repurchase	**94.5**	**94.5**	**—**	**94.4**	**0.1**
Long-term debt [(4)]	**209.7**	**215.3**	**—**	**177.0**	**38.3**
Other financial liabilities [(5)]	**139.0**	**139.0**	**—**	**31.1**	**107.9**

	December 31, 2011	
In billions of dollars	Carrying value	Estimated fair value
Assets		
Investments	$ 19.4	$ 18.4
Federal funds sold and securities borrowed or purchased under agreements to resell	133.0	133.0
Loans [(1)(2)]	609.3	598.7
Other financial assets [(2)(3)]	245.7	245.7
Liabilities		
Deposits	$ 864.6	$ 864.5
Federal funds purchased and securities loaned or sold under agreements to repurchase	100.7	100.7
Long-term debt [(4)]	299.3	289.7
Other financial liabilities [(5)]	141.1	141.1

(1) The carrying value of loans is net of the *Allowance for loan losses* of $25.5 billion for December 31, 2012 and $30.1 billion for December 31, 2011. In addition, the carrying values exclude $2.8 billion and $2.5 billion of lease finance receivables at December 31, 2012 and December 31, 2011, respectively.
(2) Includes items measured at fair value on a nonrecurring basis.
(3) Includes cash and due from banks, deposits with banks, brokerage receivables, reinsurance recoverable and other financial instruments included in *Other assets* on the Consolidated Balance Sheet, for all of which the carrying value is a reasonable estimate of fair value.
(4) The carrying value includes long-term debt balances carried at fair value under fair value hedge accounting.
(5) Includes brokerage payables, separate and variable accounts, short-term borrowings (carried at cost) and other financial instruments included in *Other liabilities* on the Consolidated Balance Sheet, for all of which the carrying value is a reasonable estimate of fair value.

Fair values vary from period to period based on changes in a wide range of factors, including interest rates, credit quality and market perceptions of value, and as existing assets and liabilities run off and new transactions are entered into. The estimated fair values of loans reflect changes in credit status since the loans were made, changes in interest rates in the case of fixed-rate loans, and premium values at origination of certain loans. The carrying values (reduced by the *Allowance for loan losses*) exceeded the estimated fair values of Citigroup's loans, in aggregate, by $9.7 billion and by $10.6 billion at December 31, 2012 and December 31, 2011, respectively. At December 31, 2012, the carrying values, net of allowances, exceeded the estimated fair values by $7.4 billion and $2.3 billion for Consumer loans and Corporate loans, respectively.

The estimated fair values of the Company's corporate unfunded lending commitments at December 31, 2012 and December 31, 2011 were liabilities of $4.9 billion and $4.7 billion, respectively, which are substantially fair valued at Level 3. The Company does not estimate the fair values of consumer unfunded lending commitments, which are generally cancelable by providing notice to the borrower.

CONCENTRATIONS OF CREDIT RISK (Details) (Investments, USD $) In Billions, unless otherwise specified	12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011
US Government and Government Agencies and Authorities		
Concentration Risk		
Credit exposure from investment securities, loans and trading assets	$ 190.7	$ 177.9
Japanese government and its agencies		
Concentration Risk		
Credit exposure from investment securities, loans and trading assets	38.7	33.2
Mexican government and its agencies		
Concentration Risk		
Credit exposure from investment securities, loans and trading assets	33.6	29.5
State and municipal securities		
Concentration Risk		
Credit exposure from investment securities, loans and trading assets	$ 35.8	$ 39.5

BROKERAGE RECEIVABLES AND BROKERAGE PAYABLES (Tables)	12 Months Ended Dec. 31, 2012

BROKERAGE RECEIVABLES AND BROKERAGE PAYABLES

Brokerage receivables and brokerage payables

In millions of dollars	**2012**	2011
Receivables from customers	**$12,191**	$19,991
Receivables from brokers, dealers, and clearing organizations	**10,299**	7,786
Total brokerage receivables [1]	**$22,490**	$27,777
Payables to customers	**$38,279**	$40,111
Payables to brokers, dealers, and clearing organizations	**18,734**	16,585
Total brokerage payables [1]	**$57,013**	$56,696

(1) Brokerage receivables and payables are accounted for in accordance with ASC 940-320.

FEDERAL FUNDS/ SECURITIES BORROWED, LOANED, AND SUBJECT TO REPURCHASE AGREEMENTS	12 Months Ended
	Dec. 31, 2012

FEDERAL FUNDS/ SECURITIES BORROWED, LOANED, AND SUBJECT TO REPURCHASE AGREEMENTS

FEDERAL FUNDS/ SECURITIES BORROWED, LOANED, AND SUBJECT TO REPURCHASE AGREEMENTS

12. FEDERAL FUNDS/SECURITIES BORROWED, LOANED, AND SUBJECT TO REPURCHASE AGREEMENTS

Federal funds sold and securities borrowed or purchased under agreements to resell, at their respective carrying values, consisted of the following at December 31:

In millions of dollars	**2012**	2011
Federal funds sold	**$97**	$37
Securities purchased under agreements to resell (1)	**138,549**	153,492
Deposits paid for securities borrowed	**122,665**	122,320
Total	**$261,311**	$275,849

(1) Securities purchased under agreements to resell are reported net by counterparty, when applicable requirements for net presentation are met. The amounts in the table above were reduced for allowable netting by $49.4 billion and $53.0 billion at December 31, 2012 and 2011, respectively.

Federal funds purchased and securities loaned or sold under agreements to repurchase, at their respective carrying values, consisted of the following at December 31:

In millions of dollars	**2012**	2011
Federal funds purchased	**$ 1,005**	$ 688
Securities sold under agreements to repurchase (1)	**182,330**	164,849
Deposits received for securities loaned	**27,901**	32,836
Total	**$ 211,236**	$ 198,373

(1) Securities sold under agreements to repurchase are reported net by counterparty, when applicable requirements for net presentation are met. The amounts in the table above were reduced for allowable netting by $49.4 billion and $53.0 billion at December 31, 2012 and 2011, respectively.

The resale and repurchase agreements represent collateralized financing transactions. The Company executes these transactions through its broker-dealer subsidiaries to facilitate customer matched-book activity and to fund a portion of the Company's trading inventory efficiently. Transactions executed by the Company's bank subsidiaries primarily facilitate customer financing activity.

It is the Company's policy to take possession of the underlying collateral, monitor its market value relative to the amounts due under the agreements and, when necessary, require prompt transfer of additional collateral in order to maintain contractual margin protection. Collateral typically consists of government and government-agency securities, corporate and municipal bonds, and mortgage-backed and other asset-backed securities. In the event of counterparty default, the financing agreement provides the Company with the right to liquidate the collateral held.

The majority of the resale and repurchase agreements are recorded at fair value. The remaining portion is carried at the amount of cash initially advanced or received, plus accrued interest, as specified in the respective agreements.

A majority of securities borrowing and lending agreements are recorded at the amount of cash advanced or received and are collateralized principally by government and government-agency securities and corporate debt and equity securities. The remaining portion is recorded at fair value as the Company elected the fair value option for certain securities borrowed and loaned portfolios. With respect to securities loaned, the Company receives cash collateral in an amount generally in excess of the market value of the securities loaned. The Company monitors the market value of securities borrowed and securities loaned on a daily basis and obtains or posts additional collateral in order to maintain contractual margin protection.

LOANS (Details 10) (USD $) In Millions, unless otherwise specified	12 Months Ended Dec. 31, 2012
LOANS	
Purchased distressed loan portfolio, carrying amount	$ 440
Purchased distressed loan portfolio, allowance	98
Certain loans acquired in transfer accounted for as debt securities, accretable yield movement schedule	
Balance at the beginning of the period	2
Purchases	15
Disposals/payments received	(6)
Builds (reductions) to the allowance	9
Increase to expected cash flows	5
FX/Other	(3)
Balance at the end of the period	22
Carrying amount of loans acquired in transfer accounted for as debt securities	
Balance at the beginning of the period	511
Purchases	269
Disposals/payments received	(171)
Increase to expected cash flows	1
FX/other	(72)
Balance at the end of the period	538
Financing receivable allowance for credit losses	
Beginning balance	68
Disposals/payments received	(6)
Builds (reductions) to the allowance	(41)
FX/other	(5)
Balance, December 31, 2010	98
Level-yield method	
Carrying amount of loans acquired in transfer accounted for as debt securities	
Purchases	269
Increase to expected cash flows	285
Balance at the end of the period	524
Cost-recovery method	
Carrying amount of loans acquired in transfer accounted for as debt securities	
Purchases	0
Balance at the end of the period	$ 14

ALLOWANCE FOR CREDIT LOSSES	12 Months Ended Dec. 31, 2012

ALLOWANCE FOR CREDIT LOSSES

ALLOWANCE FOR CREDIT LOSSES

17. ALLOWANCE FOR CREDIT LOSSES

In millions of dollars	**2012**	2011	2010
Allowance for loan losses at beginning of year	**$ 30,115**	$ 40,655	$ 36,033
Gross credit losses (1)(2)	**(17,478)**	(23,164)	(34,491)
Gross recoveries	**2,902**	3,126	3,632
Net credit losses (NCLs)	**$ (14,576)**	$ (20,038)	$ (30,859)
NCLs	**$ 14,576**	$ 20,038	$ 30,859
Net reserve builds (releases) (1)	**(1,882)**	(8,434)	(6,523)
Net specific reserve builds (releases) (2)	**(1,846)**	169	858
Total provision for credit losses	**$ 10,848**	$ 11,773	$ 25,194
Other, net (3)	**(932)**	(2,275)	10,287
Allowance for loan losses at end of year	**$ 25,455**	$ 30,115	$ 40,655
Allowance for credit losses on unfunded lending commitments at beginning of year (4)	**$ 1,136**	$ 1,066	$ 1,157
Provision for unfunded lending commitments	**(16)**	51	(117)
Other, net	**(1)**	19	26
Allowance for credit losses on unfunded lending commitments at end of year (4)	**$ 1,119**	$ 1,136	$ 1,066
Total allowance for loans, leases, and unfunded lending commitments	**$ 26,574**	$ 31,251	$ 41,721

(1) 2012 includes approximately $635 million of incremental charge-offs related to OCC guidance issued in the third quarter of 2012, which required mortgage loans to borrowers that have gone through Chapter 7 of the U.S. Bankruptcy Code to be written down to collateral value. There was a corresponding approximate $600 million release in the third quarter of 2012 allowance for loan losses related to these charge-offs. 2012 also includes a benefit to charge-offs of approximately $40 million related to finalizing the impact of this OCC guidance in the fourth quarter of 2012.

(2) 2012 includes approximately $370 million of incremental charge-offs related to previously deferred principal balances on modified loans in the first quarter of 2012. These charge-offs were related to anticipated forgiveness of principal in connection with the national mortgage settlement. There was a corresponding approximate $350 million reserve release in the first quarter of 2012 related to these charge-offs.

(3) 2012 includes reductions of approximately $875 million related to the sale or transfer to held-for-sale of various U.S. loan portfolios. 2011 includes reductions of approximately $1.6 billion related to the sale or transfer to held-for-sale of various U.S. loan portfolios, approximately $240 million related to the sale of the Egg Banking PLC credit card business, approximately $72 million related to the transfer of the Citi Belgium business to held-for-sale and approximately $290 million related to FX translation. 2010 primarily includes an addition of $13.4 billion related to the impact of consolidating entities in connection with Citi's adoption of SFAS 166/167 (see Note 1 to the Consolidated Financial Statements), reductions of approximately $2.7 billion related to the sale or transfer to held-for-sale of various U.S. loan portfolios and approximately $290 million related to the transfer of a U.K. first mortgage portfolio to held-for-sale.

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

Allowance for Credit Losses and Investment in Loans at December 31, 2012

In millions of dollars	**Corporate**	**Consumer**	**Total**
Allowance for loan losses at beginning of year	**$ 2,879**	**$ 27,236**	**$ 30,115**
Charge-offs	**(640)**	**(16,838)**	**(17,478)**
Recoveries	**417**	**2,485**	**2,902**
Replenishment of net charge-offs	**223**	**14,353**	**14,576**
Net reserve builds (releases)	**2**	**(1,884)**	**(1,882)**
Net specific reserve builds (releases)	**(138)**	**(1,708)**	**(1,846)**
Other	**33**	**(965)**	**(932)**
Ending balance	**$ 2,776**	**$ 22,679**	**$ 25,455**
Allowance for loan losses			
Determined in accordance with ASC 450-20	**$ 2,429**	**$ 15,703**	**$ 18,132**
Determined in accordance with ASC 310-10-35	**284**	**6,941**	**7,225**
Determined in accordance with ASC 310-30	**63**	**35**	**98**
Total allowance for loan losses	**$ 2,776**	**$ 22,679**	**$ 25,455**
Loans, net of unearned income			

	Corporate	Consumer	Total
Loans collectively evaluated for impairment in accordance with ASC 450-20	**$ 239,849**	**$ 377,374**	**$ 617,223**
Loans individually evaluated for impairment in accordance with ASC 310-10-35	**2,776**	**29,640**	**32,416**
Loans acquired with deteriorated credit quality in accordance with ASC 310-30	**112**	**426**	**538**
Loans held at fair value	**4,056**	**1,231**	**5,287**
Total loans, net of unearned income	**$ 246,793**	**$ 408,671**	**$ 655,464**

Allowance for Credit Losses and Investment in Loans at December 31, 2011

In millions of dollars	Corporate	Consumer	Total
Allowance for loan losses at beginning of year	$ 5,249	$ 35,406	$ 40,655
Charge-offs	(2,000)	(21,164)	(23,164)
Recoveries	386	2,740	3,126
Replenishment of net charge-offs	1,614	18,424	20,038
Net reserve releases	(1,083)	(7,351)	(8,434)
Net specific reserve builds (releases)	(1,270)	1,439	169
Other	(17)	(2,258)	(2,275)
Ending balance	$ 2,879	$ 27,236	$ 30,115
Allowance for loan losses			
Determined in accordance with ASC 450-20	$ 2,408	$ 18,334	$ 20,742
Determined in accordance with ASC 310-10-35	420	8,885	9,305
Determined in accordance with ASC 310-30	51	17	68
Total allowance for loan losses	$ 2,879	$ 27,236	$ 30,115
Loans, net of unearned income			
Loans collectively evaluated for impairment in accordance with ASC 450-20	$ 215,778	$ 390,831	$ 606,609
Loans individually evaluated for impairment in accordance with ASC 310-10-35	3,994	30,863	34,857
Loans acquired with deteriorated credit quality in accordance with ASC 310-30	191	320	511
Loans held at fair value	3,939	1,326	5,265
Total loans, net of unearned income	$ 223,902	$ 423,340	$ 647,242

TRADING ACCOUNT ASSETS AND LIABILITIES (Details) (USD $) In Millions, unless otherwise specified	Dec. 31, 2012	Dec. 31, 2011
Trading account assets and Trading account liabilities		
Trading account assets	$ 320,929	$ 291,734
Trading account liabilities	115,549	126,082
Mortgage-backed securities		
Trading account assets and Trading account liabilities		
Trading account assets	37,069	32,739
U.S. government-sponsored agency guaranteed		
Trading account assets and Trading account liabilities		
Trading account assets	31,160	27,535
Prime		
Trading account assets and Trading account liabilities		
Trading account assets	1,248	877
Alt-A		
Trading account assets and Trading account liabilities		
Trading account assets	801	609
Subprime		
Trading account assets and Trading account liabilities		
Trading account assets	812	989
Non-U.S. residential		
Trading account assets and Trading account liabilities		
Trading account assets	607	396
Commercial		
Trading account assets and Trading account liabilities		
Trading account assets	2,441	2,333
U.S. Treasury and federal agency securities		
Trading account assets and Trading account liabilities		
Trading account assets	20,356	19,399
U.S. Treasury		
Trading account assets and Trading account liabilities		
Trading account assets	17,472	18,227
Agency obligations		
Trading account assets and Trading account liabilities		
Trading account assets	2,884	1,172
State and municipal securities		
Trading account assets and Trading account liabilities		
Trading account assets	3,806	5,364
Foreign government securities		
Trading account assets and Trading account liabilities		

Trading account assets	89,239	79,551
Corporate		
Trading account assets and Trading account liabilities		
Trading account assets	35,224	37,026
Derivatives, assets		
Trading account assets and Trading account liabilities		
Trading account assets	54,620	62,327
Equity securities		
Trading account assets and Trading account liabilities		
Trading account assets	56,998	33,230
Asset-backed securities		
Trading account assets and Trading account liabilities		
Trading account assets	5,352	7,071
Other debt securities		
Trading account assets and Trading account liabilities		
Trading account assets	18,265	15,027
Securities sold, not yet purchased		
Trading account assets and Trading account liabilities		
Trading account liabilities	63,798	69,809
Derivatives, liabilities		
Trading account assets and Trading account liabilities		
Trading account liabilities	$ 51,751	$ 56,273

EARNINGS PER SHARE (Tables)

EARNINGS PER SHARE

Reconciliation of the income and share data used in the basic and diluted earnings per share computations

12 Months Ended Dec. 31, 2012

In millions, except per-share amounts	2012	2011 [1]	2010 [1]
Income from continuing operations before attribution of noncontrolling interests	**$7,909**	$11,103	$10,951
Less: Noncontrolling interests from continuing operations	**219**	148	329
Net income from continuing operations (for EPS purposes)	**$7,690**	$10,955	$10,622
Income (loss) from discontinued operations, net of taxes	**(149)**	112	(68)
Less: Noncontrolling interests from discontinuing operations	**—**	—	(48)
Citigroup's net income	**$7,541**	$11,067	$10,602
Less: Preferred dividends	**26**	26	9
Net income available to common shareholders	**$7,515**	$11,041	$10,593
Less: Dividends and undistributed earnings allocated to employee restricted and deferred shares with nonforfeitable rights to dividends, applicable to basic EPS	**166**	186	90
Net income allocated to common shareholders for basic EPS	**$7,349**	$10,855	$10,503
Add: Interest expense, net of tax, on convertible securities and adjustment of undistributed earnings allocated to employee restricted and deferred shares with nonforfeitable rights to dividends, applicable to diluted EPS	**11**	17	2
Net income allocated to common shareholders for diluted EPS	**$7,360**	$10,872	$10,505
Weighted-average common shares outstanding applicable to basic EPS	**2,930.6**	2,909.8	2,877.6
Effect of dilutive securities			
T-DECs	**84.2**	87.6	87.8
Other employee plans	**0.6**	0.5	1.9
Convertible securities	**0.1**	0.1	0.1
Options	**—**	0.8	0.4
Adjusted weighted-average common shares outstanding applicable to diluted EPS	**3,015.5**	2,998.8	2,967.8
Basic earnings per share [2]			
Income from continuing operations	**$2.56**	$3.69	$3.66
Discontinued operations	**(0.05)**	0.04	(0.01)
Net income	**$2.51**	$3.73	$3.65
Diluted earnings per share [2]			
Income from continuing operations	**$2.49**	$3.59	$3.55
Discontinued operations	**(0.05)**	0.04	(0.01)
Net income	**$2.44**	$3.63	$3.54

(1) 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.

(2) Due to rounding, earnings per share on continuing operations and discontinued operations may not sum to earnings per share on net income.

INVESTMENTS (Details 10) (USD $)	12 Months Ended Dec. 31, 2012
Investments in Alternative Investment Funds	
Alternative investment funds, fair value	$ 2,381,000,000
Alternative investment funds, unfunded commitments	399,000,000
Alternative investment funds, estimated sales price	400,000,000
Hedge funds	
Investments in Alternative Investment Funds	
Alternative investment funds, fair value	1,316,000,000
Alternative investment funds, redemption frequency (if currently eligible)	Generally quarterly
Hedge funds | Maximum	
Investments in Alternative Investment Funds	
Alternative investment funds, redemption notice period	P95D
Hedge funds | Minimum	
Investments in Alternative Investment Funds	
Alternative investment funds, redemption notice period	P10D
Private equity funds	
Investments in Alternative Investment Funds	
Alternative investment funds, fair value	837,000,000
Alternative investment funds, unfunded commitments	342,000,000
Alternative investment funds, carried at cost	6,000,000
Real estate funds	
Investments in Alternative Investment Funds	
Alternative investment funds, fair value	228,000,000
Alternative investment funds, unfunded commitments	$ 57,000,000

DISCONTINUED OPERATIONS (Tables)

12 Months Ended Dec. 31, 2012

Discontinued operations

Summarized financial information for Combined Results of Discontinued Operations

In millions of dollars	2012	2011	2010
Total revenues, net of interest expense	**$ 61**	$ 352	$ (410)
Income (loss) from discontinued operations	**$ (219)**	$ 23	$ 72
Gain (loss) on sale	**(1)**	155	(702)
Provision (benefit) for income taxes	**(71)**	66	(562)
Income (loss) from discontinued operations, net of taxes	**$ (149)**	$ 112	$ (68)

Cash Flows from Discontinued Operations

In millions of dollars	2012	2011	2010
Cash flows from operating activities	**$ —**	$ (146)	$ 4,974
Cash flows from investing activities	**—**	2,827	1,726
Cash flows from financing activities	**—**	(12)	(6,486)
Net cash provided by discontinued operations	**$ —**	$ 2,669	$ 214

CCA business

Discontinued operations

Summarized financial information for Combined Results of Discontinued Operations

In millions of dollars	2012
Assets	
Deposits at interest with banks	**$ 4**
Goodwill	**13**
Intangible assets	**19**
Total assets	**$ 36**

Summarized financial information for *Discontinued operations* for the operations related to CCA follows:

In millions of dollars	2012
Total revenues, net of interest expense	**$ 60**
Income (loss) from discontinued operations	**$ (123)**
Gain on sale	**—**
Benefit for income taxes	**(44)**
Income (loss) from discontinued operations, net of taxes	**$ (79)**

Egg Banking PLC

Discontinued operations

Summarized financial information for Combined Results of Discontinued Operations

In millions of dollars	2012	2011
Total revenues, net of interest expense	**$ 1**	$340
Income (loss) from discontinued operations	**$ (96)**	$ 24
Gain (loss) on sale	**(1)**	143
(Benefit) provision for income taxes	**(34)**	58
Income (loss) from discontinued operations, net of taxes	**$ (63)**	$ 109

Cash Flows from Discontinued Operations

In millions of dollars	2012	2011
Cash flows from operating activities	$ —	$ (146)
Cash flows from investing activities	—	2,827
Cash flows from financing activities	—	(12)
Net cash provided by discontinued operations	**$ —**	$ 2,669

Student Loan Corporation

Discontinued operations

Summarized financial information for Combined Results of Discontinued Operations

In millions of dollars	2012	2011	2010
Total revenues, net of interest expense	**$ —**	$ —	$ (577)
Income from discontinued operations	$ —	$ —	$ 97
Gain (loss) on sale	—	—	(825)
Benefit for income taxes	—	—	(339)
Income (loss) from discontinued operations, net of taxes	**$—**	$—	$(389)

Cash Flows from Discontinued Operations

In millions of dollars	2012	2011	2010
Cash flows from operating activities	$ —	$ —	$ 5,106
Cash flows from investing activities	—	—	1,532
Cash flows from financing activities	—	—	(6,483)
Net cash provided by discontinued operations	**$ —**	$ —	$ 155

LOANS (Details 3) (USD $)	Dec. 31, 2012	Dec. 31, 2011	Sep. 30, 2012 OCC Chapter 7 Bankruptcy Guidance	Dec. 31, 2012 Residential First Mortgage Loans Loan to Values (LTVs)	Dec. 31, 2011 Residential First Mortgage Loans Loan to Values (LTVs)	Dec. 31, 2012 Residential First Mortgage Loans Consumer Credit Scores (FICOs)	Dec. 31, 2011 Residential First Mortgage Loans Consumer Credit Scores (FICOs)	3 Months Ended Mar. 31, 2012 Home equity loans OCC Chapter 7 Bankruptcy Guidance	Dec. 31, 2012 Home equity loans Loan to Values (LTVs)	Dec. 31, 2011 Home equity loans Loan to Values (LTVs)	Dec. 31, 2012 Home equity loans Consumer Credit Scores (FICOs)	Dec. 31, 2011 Home equity loans Consumer Credit Scores (FICOs)	Dec. 31, 2012 Credit cards Consumer Credit Scores (FICOs)	Dec. 31, 2011 Credit cards Consumer Credit Scores (FICOs)	Dec. 31, 2012 Installment and other Consumer Credit Scores (FICOs)	Dec. 31, 2011 Installment and other Consumer Credit Scores (FICOs)
Loans receivable																
Recorded investment in loans																
Loans, 30-89 days past due																
Loans, greater than or equal to 90 days past due																
Loans, Past due Government guaranteed																
Loans, net of unearned income	655,464,000,000	647,242,000,000														
Loans, total non-accrual																
Loans, 90 days past due and accruing																
Loans, 30-89 days past due, guaranteed by U.S. government-sponsored agencies																
Loans, greater than or equal to 90 days past due, guaranteed by U.S. government-sponsored agencies																
Total loans reclassified to non-accrual as result from new guidance issued by OCC			1,500,000,000													
Loans current but reclassified to non-accrual as result from new guidance issued by OCC			1,300,000,000													
Increase in non-accrual loans due to reclassification from accrual to non-accrual																
Loans less than this number of days past due are considered current																
Loans at fair value	5,287,000,000	5,265,000,000														
Delinquency status																
Number of days past due, non-accrual status								90 days								
Consumer Loans Credit Quality Indicators, FICO score																
Loan, credit score less than 620						16,754,000,000	20,370,000,000				5,439,000,000	6,783,000,000	7,833,000,000	9,621,000,000	4,414,000,000	3,789,000,000
Loan, credit score equal to or greater than 660						50,833,000,000	52,839,000,000				26,820,000,000	30,884,000,000	90,248,000,000	93,234,000,000	5,365,000,000	6,704,000,000
Loan, credit score equal to or greater than 620 but less than 660						8,013,000,000	8,815,000,000				3,208,000,000	3,703,000,000	10,304,000,000	10,905,000,000	2,417,000,000	2,858,000,000
Residential Mortgage Loan to Values																
Loan, credit indicator ratio less than or equal to 80%				41,555,000,000	36,422,000,000				12,611,000,000	12,724,000,000						
Loan, credit indicator ratio greater than 80% but less than or equal to 100%				19,070,000,000	21,146,000,000				9,529,000,000	10,232,000,000						
Loan, credit indicator ratio greater than 100%				$ 14,995,000,000	$ 24,425,000,000				$ 13,153,000,000	$ 18,226,000,000						
Minimum number of payments made consecutively for the loans to be re-aged																

LOANS (Details 3) (USD $)	Dec. 31, 2012 Consumer	Dec. 31, 2011 Consumer	12 Months Ended Dec. 31, 2012 Consumer Minimum item	12 Months Ended Dec. 31, 2011 Consumer Minimum item	12 Months Ended Dec. 31, 2012 Consumer Maximum item	12 Months Ended Dec. 31, 2011 Consumer Maximum item	Dec. 31, 2012 Consumer Loan to Values (LTVs)	Dec. 31, 2011 Consumer Loan to Values (LTVs)	Dec. 31, 2012 Consumer Consumer Credit Scores (FICOs)	Dec. 31, 2011 Consumer Consumer Credit Scores (FICOs)
Recorded investment in loans	$ 387,194,000,000	$ 398,135,000,000								
Loans, 30-89 days past due	7,755,000,000	9,249,000,000								
Loans, greater than or equal to 90 days past due	7,722,000,000	9,270,000,000								
Loans, Past due Government guaranteed	6,000,000,000	6,686,000,000								
Loans, net of unearned income	408,671,000,000	423,340,000,000								
Loans, total non-accrual	9,196,000,000	7,832,000,000								
Loans, 90 days past due and accruing	6,749,000,000	7,626,000,000								
Loans less than this number of days past due are considered current	30 days	30 days								
Loans at fair value	1,231,000,000	1,326,000,000								
Loan, credit score less than 620									34,440,000,000	40,563,000,000
Loan, credit score equal to or greater than 660									173,266,000,000	183,661,000,000
Loan, credit score equal to or greater than 620 but less than 660									23,942,000,000	26,281,000,000
Loan, credit indicator ratio less than or equal to 80%							54,166,000,000	49,146,000,000		
Loan, credit indicator ratio greater than 80% but less than or equal to 100%							28,599,000,000	31,378,000,000		
Loan, credit indicator ratio greater than 100%							$ 28,148,000,000	$ 42,651,000,000		
Minimum number of payments made consecutively for the loans to be re-aged			1	1	3	3				

LOANS (Details 3) (USD $)	12 Months Ended Dec. 31, 2012 Consumer Residential First Mortgage Loans	12 Months Ended Dec. 31, 2011 Consumer Residential First Mortgage Loans	12 Months Ended Dec. 31, 2012 Consumer Home equity loans	12 Months Ended Dec. 31, 2011 Consumer Home equity loans	12 Months Ended Dec. 31, 2012 Consumer Credit cards	12 Months Ended Dec. 31, 2011 Consumer Credit cards	12 Months Ended Dec. 31, 2012 Consumer Installment and other	12 Months Ended Dec. 31, 2011 Consumer Installment and other	12 Months Ended Dec. 31, 2012 Consumer Commercial market loans	12 Months Ended Dec. 31, 2011 Consumer Commercial market loans	Dec. 31, 2012 Consumer Special Asset Pool (SAP)	Dec. 31, 2011 Consumer Special Asset Pool (SAP)	Dec. 31, 2012 Consumer Total GCB and LCL	Dec. 31, 2011 Consumer Total GCB and LCL	12 Months Ended Dec. 31, 2012 Consumer Unsecured Revolving Loans	12 Months Ended Dec. 31, 2011 Consumer Unsecured Revolving Loans
Recorded investment in loans											$ 545,000,000	$ 1,193,000,000	$ 386,649,000,000	$ 396,942,000,000		
Loans, 30-89 days past due											18,000,000	29,000,000	7,737,000,000	9,220,000,000		
Loans, greater than or equal to 90 days past due											29,000,000	47,000,000	7,693,000,000	9,223,000,000		
Loans, Past due Government guaranteed													6,000,000,000	6,686,000,000		
Loans, net of unearned income											592,000,000	1,269,000,000	408,079,000,000	422,071,000,000		
Loans, total non-accrual											81,000,000	115,000,000	9,115,000,000	7,717,000,000		
Loans, 90 days past due and accruing													6,749,000,000	7,626,000,000		
Loans at fair value	1,200,000,000	1,300,000,000														
Number of days past due, non-accrual status	90 days	90 days	90 days	90 days	180 days	180 days	90 days	90 days	90 days	90 days					180 days	180 days

LOANS (Details 3) (USD $)	Dec. 31, 2012 Consumer In North America Offices	Dec. 31, 2011 Consumer In North America Offices	Sep. 30, 2012 Consumer In North America Offices OCC Chapter 7 Bankruptcy Guidance	Dec. 31, 2012 Consumer In North America Offices Residential First Mortgage Loans	Dec. 31, 2011 Consumer In North America Offices Residential First Mortgage Loans	Dec. 31, 2012 Consumer In North America Offices Home equity loans	Mar. 31, 2012 Consumer In North America Offices Home equity loans	Dec. 31, 2011 Consumer In North America Offices Home equity loans	Dec. 31, 2012 Consumer In North America Offices Credit cards	Dec. 31, 2011 Consumer In North America Offices Credit cards	Dec. 31, 2012 Consumer In North America Offices Installment and other	Dec. 31, 2011 Consumer In North America Offices Installment and other	Dec. 31, 2012 Consumer In North America Offices Commercial market loans	Dec. 31, 2011 Consumer In North America Offices Commercial market loans
Recorded investment in loans	$ 241,616,000,000	$ 258,546,000,000		$ 75,791,000,000	$ 81,081,000,000	$ 35,740,000,000		$ 41,585,000,000	$ 108,892,000,000	$ 114,022,000,000	$ 13,319,000,000	$ 15,215,000,000	$ 7,874,000,000	$ 6,643,000,000
Loans, 30-89 days past due	5,618,000,000	7,117,000,000		3,074,000,000	3,550,000,000	642,000,000		868,000,000	1,582,000,000	2,344,000,000	288,000,000	340,000,000	32,000,000	15,000,000
Loans, greater than or equal to 90 days past due	6,053,000,000	7,630,000,000		3,339,000,000	4,121,000,000	843,000,000		1,022,000,000	1,527,000,000	2,058,000,000	325,000,000	222,000,000	19,000,000	207,000,000
Loans, Past due Government guaranteed	6,000,000,000	6,686,000,000		6,000,000,000	6,686,000,000									
Loans, net of unearned income	259,287,000,000	279,979,000,000		88,204,000,000	95,438,000,000	37,225,000,000		43,475,000,000	112,001,000,000	118,424,000,000	13,932,000,000	15,777,000,000	7,925,000,000	6,865,000,000
Loans, total non-accrual	7,108,000,000	5,816,000,000		4,922,000,000	4,176,000,000	1,797,000,000		982,000,000			179,000,000	438,000,000	210,000,000	220,000,000
Loans, 90 days past due and accruing	6,241,000,000	7,136,000,000		4,695,000,000	5,054,000,000				1,527,000,000	2,058,000,000	8,000,000	10,000,000	11,000,000	14,000,000
Loans, 30-89 days past due, guaranteed by U.S. government-sponsored agencies				1,300,000,000	1,600,000,000									
Loans, greater than or equal to 90 days past due, guaranteed by U.S. government-sponsored agencies				4,700,000,000	5,100,000,000									
Total loans reclassified to non-accrual as result from new guidance issued by OCC	1,500,000,000		1,500,000,000											
Loans current but reclassified to non-accrual as result from new guidance issued by OCC	800,000,000		1,300,000,000											
Increase in non-accrual loans due to reclassification from accrual to non-accrual							800,000,000							

LOANS (Details 3) (USD $)	Dec. 31, 2012 Consumer In offices outside North America	Dec. 31, 2011 Consumer In offices outside North America	Dec. 31, 2012 Consumer In offices outside North America Residential First Mortgage Loans	Dec. 31, 2011 Consumer In offices outside North America Residential First Mortgage Loans	Dec. 31, 2012 Consumer In offices outside North America Home equity loans	Dec. 31, 2011 Consumer In offices outside North America Home equity loans	Dec. 31, 2012 Consumer In offices outside North America Credit cards	Dec. 31, 2011 Consumer In offices outside North America Credit cards	Dec. 31, 2012 Consumer In offices outside North America Installment and other	Dec. 31, 2011 Consumer In offices outside North America Installment and other	Dec. 31, 2012 Consumer In offices outside North America Commercial market loans	Dec. 31, 2011 Consumer In offices outside North America Commercial market loans	12 Months Ended Dec. 31, 2012 Open-ended consumer loans item	12 Months Ended Dec. 31, 2011 Open-ended consumer loans item
Recorded investment in loans	$ 145,033,000,000	$ 138,396,000,000	$ 45,496,000,000	$ 43,310,000,000	$ 4,000,000	$ 6,000,000	$ 38,920,000,000	$ 38,289,000,000	$ 29,350,000,000	$ 26,300,000,000	$ 31,263,000,000	$ 30,491,000,000		
Loans, 30-89 days past due	2,119,000,000	2,103,000,000	547,000,000	566,000,000			970,000,000	930,000,000	496,000,000	528,000,000	106,000,000	79,000,000		
Loans, greater than or equal to 90 days past due	1,640,000,000	1,593,000,000	485,000,000	482,000,000	2,000,000	2,000,000	805,000,000	785,000,000	167,000,000	197,000,000	181,000,000	127,000,000		
Loans, net of unearned income	148,792,000,000	142,092,000,000	46,528,000,000	44,358,000,000	6,000,000	8,000,000	40,695,000,000	40,004,000,000	30,013,000,000	27,025,000,000	31,550,000,000	30,697,000,000		
Loans, total non-accrual	2,007,000,000	1,901,000,000	807,000,000	744,000,000	2,000,000	2,000,000	516,000,000	496,000,000	254,000,000	258,000,000	428,000,000	401,000,000		
Loans, 90 days past due and accruing	508,000,000	490,000,000					508,000,000	490,000,000						
Minimum number of payments made consecutively for the loans to be re-aged													3	3

CONSOLIDATED BALANCE SHEET (USD $) In Millions, unless otherwise specified	Dec. 31, 2012	Dec. 31, 2011
Assets		
Cash and due from banks (including segregated cash and other deposits)	$ 36,453	$ 28,701
Deposits with banks	102,134	155,784
Federal funds sold and securities borrowed or purchased under agreements to resell (including $160,589 and $142,862 as of December 31, 2012 and December 31, 2011, respectively, at fair value)	261,311	275,849
Brokerage receivables	22,490	27,777
Trading account assets	320,929	291,734
Investments	312,326	293,413
Loans, net of unearned income		
Loans, net of unearned income	655,464	647,242
Allowance for loan losses	(25,455)	(30,115)
Total loans, net	630,009	617,127
Goodwill	25,673	25,413
Intangible assets (other than MSRs)	5,697	6,600
Mortgage servicing rights (MSRs)	1,942	2,569
Other assets	145,660	148,911
Assets of discontinued operations held for sale	36	
Total assets	1,864,660	1,873,878
Liabilities		
Non-interest-bearing deposits in U.S. offices	129,657	119,437
Interest-bearing deposits in U.S. offices (including $889 and $848 as of December 31, 2012 and December 31, 2011, respectively, at fair value)	247,716	223,851
Non-interest-bearing deposits in offices outside the U.S.	65,024	57,357
Interest-bearing deposits in offices outside the U.S. (including $558 and $478 as of December 31, 2012 and December 31, 2011, respectively, at fair value)	488,163	465,291
Total deposits	930,560	865,936
Federal funds purchased and securities loaned or sold under agreements to repurchase (including $116,689 and $97,712 as of December 31, 2012 and December 31, 2011, respectively, at fair value)	211,236	198,373
Brokerage payables	57,013	56,696
Trading account liabilities	115,549	126,082
Short-term borrowings	52,027	54,441
Long-term debt	239,463	323,505
Other liabilities	67,815	69,272
Liabilities of discontinued operations held for sale	0	
Total liabilities	1,673,663	1,694,305
Stockholders' equity		
Preferred stock ($1.00 par value; authorized shares: 30 million), issued shares: 102,038 as of December 31, 2012 and 12,038 as of December 31, 2011, at aggregate liquidation value	2,562	312

Common stock ($0.01 par value; authorized shares: 6 billion), issued shares: 3,043,153,204 as of December 31, 2012 and 2,937,755,921 as of December 31, 2011	30	29
Additional paid-in capital	106,391	105,804
Retained earnings	97,809	90,520
Treasury stock, at cost: December 31, 2012-14,269,301 shares and December 31, 2011-13,877,688 shares	(847)	(1,071)
Accumulated other comprehensive income (loss)	(16,896)	(17,788)
Total Citigroup stockholders' equity	189,049	177,806
Noncontrolling interest	1,948	1,767
Total equity	190,997	179,573
Total liabilities and equity	1,864,660	1,873,878
Consumer		
Loans, net of unearned income		
Loans, net of unearned income	408,671	423,340
Corporate		
Loans, net of unearned income		
Loans, net of unearned income	246,793	223,902
Consolidated VIEs		
Assets		
Cash and due from banks (including segregated cash and other deposits)	498	591
Trading account assets	481	567
Investments	10,751	12,509
Loans, net of unearned income		
Loans, net of unearned income	117,620	127,055
Allowance for loan losses	(5,854)	(8,000)
Total loans, net	111,766	119,055
Other assets	674	874
Total assets	124,170	133,596
Liabilities		
Short-term borrowings	15,637	21,009
Long-term debt	26,346	50,451
Other liabilities	1,224	1,051
Total liabilities	43,207	72,511
Consolidated VIEs | Consumer		
Loans, net of unearned income		
Loans, net of unearned income	93,936	103,275
Consolidated VIEs | Corporate		
Loans, net of unearned income		
Loans, net of unearned income	$ 23,684	$ 23,780

INCOME TAXES (Details 3) (USD $)	12 Months Ended Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Deferred Tax Liability Not Recognized			
Accumulated undistributed profits of non-U.S. subsidiaries considered indefinitely reinvested	$ 42,600,000,000		
Additional tax liability to be provided should the undistributed earnings of foreign subsidiaries which were indefinitely invested were remitted currently	11,500,000,000		
Pretax earnings from discontinued operations	(219,000,000)	23,000,000	72,000,000
IRS			
Deferred Tax Liability Not Recognized			
Gross uncertain tax positions for items expected to be resolved in next 12 months	655,000,000		
Gross interest related to gross uncertain tax positions for items expected to be resolved in next 12 months	92,000,000		
IRS | Minimum			
Deferred Tax Liability Not Recognized			
Potential tax benefit to continuing operations from gross uncertain tax positions expected to be resolved in next 12 months	0		
IRS | Maximum			
Deferred Tax Liability Not Recognized			
Potential tax benefit to continuing operations from gross uncertain tax positions expected to be resolved in next 12 months	383,000,000		
Germany tax group			
Deferred Tax Liability Not Recognized			
Gross uncertain tax positions for items expected to be resolved in next 12 months	112,000,000		
Gross interest related to gross uncertain tax positions for items expected to be resolved in next 12 months	29,000,000		
Germany tax group | Minimum			
Deferred Tax Liability Not Recognized			
Potential tax benefit to discontinuing operations from gross uncertain tax positions expected to be resolved in next 12 months	0		
Germany tax group | Maximum			
Deferred Tax Liability Not Recognized			
Potential tax benefit to discontinuing operations from gross uncertain tax positions expected to be resolved in next 12 months	137,000,000		
In offices outside the U.S.			
Deferred Tax Liability Not Recognized			
Pretax earnings	14,700,000,000	13,100,000,000	12,300,000,000
Pretax earnings from discontinued operations	(100,000,000)	200,000,000	100,000,000
Bad Debt Reserve for Tax Purposes of US Savings and Loan Associations or Other Qualified Thrift Lender			
Deferred Tax Liability Not Recognized			

Deferred Tax Liability Not Recognized, Amount of Unrecognized Deferred Tax Liability	125,000,000
Deferred Tax Liability Not Recognized, Cumulative Amount of Temporary Difference	$ 358,000,000

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	12 Months Ended Dec. 31, 2012
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The Consolidated Financial Statements include the accounts of Citigroup and its subsidiaries prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP). The Company consolidates subsidiaries in which it holds, directly or indirectly, more than 50% of the voting rights or where it exercises control. Entities where the Company holds 20% to 50% of the voting rights and/or has the ability to exercise significant influence, other than investments of designated venture capital subsidiaries or investments accounted for at fair value under the fair value option, are accounted for under the equity method, and the pro rata share of their income (loss) is included in *Other revenue*. Income from investments in less than 20%-owned companies is recognized when dividends are received. As discussed in more detail in Note 22 to the Consolidated Financial Statements, Citigroup consolidates entities deemed to be variable interest entities when Citigroup is determined to be the primary beneficiary. Gains and losses on the disposition of branches, subsidiaries, affiliates, buildings, and other investments are included in *Other revenue*.

Throughout these Notes, “Citigroup,” “Citi” and the “Company” refer to Citigroup Inc. and its consolidated subsidiaries.

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

Citibank, N.A.

Citibank, N.A. is a commercial bank and wholly owned subsidiary of Citigroup Inc. Citibank’s principal offerings include: Consumer finance, mortgage lending, and retail banking products and services; investment banking, commercial banking, cash management, trade finance and e-commerce products and services; and private banking products and services.

Variable Interest Entities

An entity is referred to as a variable interest entity (VIE) if it meets the criteria outlined in ASC 810, *Consolidation* (formerly SFAS No. 167, *Amendments to FASB Interpretation No. 46(R)*) (SFAS 167), which are: (i) the entity has equity that is insufficient to permit the entity to finance its activities without additional subordinated financial support from other parties; or (ii) the entity has equity investors that cannot make significant decisions about the entity’s operations or that do not absorb their proportionate share of the entity’s expected losses or expected returns.

The Company consolidates a VIE when it has both the power to direct the activities that most significantly impact the VIE’s economic success and a right to receive benefits or absorb losses of the entity that could be potentially significant to the VIE (that is, it is the primary beneficiary).

Along with the VIEs that are consolidated in accordance with these guidelines, the Company has variable interests in other VIEs that are not consolidated because the Company is not the primary beneficiary. These include multi-seller finance companies, certain collateralized debt obligations (CDOs), many structured finance transactions, and various investment funds.

However, these VIEs and all other unconsolidated VIEs are monitored by the Company to determine if any events have occurred that could cause its primary beneficiary status to change. These events include:

- additional purchases or sales of variable interests by Citigroup or an unrelated third party, which cause Citigroup’s overall variable interest ownership to change;
- changes in contractual arrangements in a manner that reallocates expected losses and residual returns among the variable interest holders;
- changes in the party that has power to direct the activities of a VIE that most significantly impact the entity’s economic performance; and
- providing support to an entity that results in an implicit variable interest.

All other entities not deemed to be VIEs with which the Company has involvement are evaluated for consolidation under other subtopics of ASC 810 (formerly Accounting Research Bulletin (ARB) No. 51, *Consolidated Financial Statements*, SFAS No. 94, *Consolidation of All Majority-Owned Subsidiaries*, and EITF Issue No. 04-5, *Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights*).

Foreign Currency Translation

Assets and liabilities of Citi’s foreign operations are translated from their respective functional currencies into U.S. dollars using period-end spot foreign-exchange rates. The effects of those translation adjustments are reported in *Accumulated other comprehensive income (loss)*, a component of stockholders’ equity, along with related hedge and tax effects, until realized upon sale or substantial liquidation of the foreign operation. Revenues and expenses of Citi’s foreign operations are translated monthly from their respective functional currencies into U.S. dollars at amounts that approximate weighted average exchange rates.

For transactions whose terms are denominated in a currency other than the functional currency, including transactions denominated in the local currencies of foreign operations with the U.S. dollar as their functional currency, the effects of changes in exchange rates are primarily included in *Principal transactions*, along with the related hedge effects. Instruments used to hedge foreign currency exposures include foreign currency forward, option and swap contracts and designated issues of non-U.S. dollar debt. Foreign operations in countries with highly inflationary economies designate the U.S. dollar as their functional currency, with the effects of changes in exchange rates primarily included in *Other revenue*.

Investment Securities

Investments include fixed income and equity securities. Fixed income instruments include bonds, notes and redeemable preferred stocks, as well as certain loan-backed and structured securities that are subject to prepayment risk. Equity securities include common and nonredeemable preferred stock.

Investment securities are classified and accounted for as follows:

- Fixed income securities classified as "held-to-maturity" represent securities that the Company has both the ability and the intent to hold until maturity and are carried at amortized cost. Interest income on such securities is included in *Interest revenue*.
- Fixed income securities and marketable equity securities classified as "available-for-sale" are carried at fair value with changes in fair value reported in *Accumulated other comprehensive income (loss)*, a component of *Stockholders' equity*, net of applicable income taxes and hedges. As described in more detail in Note 15 to the Consolidated Financial Statements, declines in fair value that are determined to be other-than-temporary are recorded in earnings immediately. Realized gains and losses on sales are included in income primarily on a specific identification cost basis. Interest and dividend income on such securities is included in *Interest revenue*.
- Venture capital investments held by Citigroup's private equity subsidiaries that are considered investment companies are carried at fair value with changes in fair value reported in *Other revenue*. These subsidiaries include entities registered as Small Business Investment Companies and engage exclusively in venture capital activities.
- Certain investments in non-marketable equity securities and certain investments that would otherwise have been accounted for using the equity method are carried at fair value, since the Company has elected to apply fair value accounting. Changes in fair value of such investments are recorded in earnings.
- Certain non-marketable equity securities are carried at cost and periodically assessed for other-than-temporary impairment, as described in Note 15 to the Consolidated Financial Statements.

For investments in fixed income securities classified as held-to-maturity or available-for-sale, accrual of interest income is suspended for investments that are in default or on which it is likely that future interest payments will not be made as scheduled.

The Company uses a number of valuation techniques for investments carried at fair value, which are described in Note 25 to the Consolidated Financial Statements. Realized gains and losses on sales of investments are included in earnings.

Trading Account Assets and Liabilities

Trading account assets include debt and marketable equity securities, derivatives in a receivable position, residual interests in securitizations and physical commodities inventory. In addition, as described in Note 26 to the Consolidated Financial Statements, certain assets that Citigroup has elected to carry at fair value under the fair value option, such as loans and purchased guarantees, are also included in *Trading account assets*.

Trading account liabilities include 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 (as described in Note 26 to the Consolidated Financial Statements).

Other than physical commodities inventory, all trading account assets and liabilities are carried at fair value. Revenues generated from trading assets and trading liabilities are generally reported in *Principal transactions* and include realized gains and losses as well as unrealized gains and losses resulting from changes in the fair value of such instruments. Interest income on trading assets is recorded in *Interest revenue* reduced by interest expense on trading liabilities.

Physical commodities inventory is carried at the lower of cost or market with related losses reported in *Principal transactions*. Realized gains and losses on sales of commodities inventory are included in *Principal transactions*. Investments in unallocated precious metals accounts (gold, silver, platinum and palladium) are accounted for as hybrid instruments containing a debt host contract and an embedded non-financial derivative instrument indexed to the price of the relevant precious metal. The embedded derivative instrument is separated from the debt host contract and accounted for at fair value. The debt host contract is accounted for at fair value under the fair value option, as described in Note 26 to the Consolidated Financial Statements.

Derivatives used for trading purposes include interest rate, currency, equity, credit, and commodity swap agreements, options, caps and floors, warrants, and financial and commodity futures and forward contracts. Derivative asset and liability positions are presented net by counterparty on the Consolidated Balance Sheet when a valid master netting agreement exists and the other conditions set out in ASC 210-20, *Balance Sheet—Offsetting* are met.

The Company uses a number of techniques to determine the fair value of trading assets and liabilities, which are described in Note 25 to the Consolidated Financial Statements.

Securities Borrowed and Securities Loaned

Securities borrowing and lending transactions generally do not constitute a sale of the underlying securities for accounting purposes, and are treated as collateralized financing transactions. Such transactions are recorded at the amount of proceeds advanced or received plus accrued interest. As described in Note 26 to the Consolidated Financial Statements, the Company has elected to apply fair value accounting to a number of securities borrowing and lending transactions. Fees paid or received for all securities lending and borrowing transactions are recorded in *Interest expense* or *Interest revenue* at the contractually specified rate.

The Company monitors the fair value of securities borrowed or loaned on a daily basis and obtains or posts additional collateral in order to maintain contractual margin protection.

As described in Note 25 to the Consolidated Financial Statements, the Company uses a discounted cash flow technique to determine the fair value of securities lending and borrowing transactions.

Repurchase and Resale Agreements

Securities sold under agreements to repurchase (repos) and securities purchased under agreements to resell (reverse repos) generally do not constitute a sale for accounting purposes of the underlying securities and are treated as collateralized financing transactions. As described in Note 26 to the Consolidated Financial Statements, the Company has elected to apply fair value accounting to a majority of such transactions, with changes in fair value reported in earnings. Any transactions for which fair value accounting has not been elected are recorded at the amount of cash advanced or received plus accrued interest. Irrespective of whether the Company has elected fair value accounting, interest paid or received on all repo and reverse repo transactions is recorded in *Interest expense* or *Interest revenue* at the contractually specified rate.

Where the conditions of ASC 210-20-45-11, *Balance Sheet—Offsetting: Repurchase and Reverse Repurchase Agreements*, are met, repos and reverse repos are presented net on the Consolidated Balance Sheet.

The Company's policy is to take possession of securities purchased under reverse repurchase agreements. The Company monitors the fair value of securities subject to repurchase or resale on a daily basis and obtains or posts additional collateral in order to maintain contractual margin protection.

As described in Note 25 to the Consolidated Financial Statements, the Company uses a discounted cash flow technique to determine the fair value of repo and reverse repo transactions.

Repurchase and Resale Agreements, and Securities Lending and Borrowing Agreements, Accounted for as Sales

Where certain conditions are met under ASC 860-10, *Transfers and Servicing* (formerly FASB Statement No. 166, *Accounting for Transfers of Financial Assets*), the Company accounted for certain repurchase agreements and securities lending agreements as sales. The key distinction resulting in these agreements being accounted for as sales was a reduction in initial margin or restriction in daily maintenance margin. At December 31, 2011, a nominal amount of these transactions were accounted for as sales that reduced *Trading account assets*. See related discussion of the assessment of the effective control for repurchase agreements in "Accounting Changes" below.

Loans

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

As described in Note 26 to the Consolidated Financial Statements, Citi has elected fair value accounting for certain loans. Such loans are carried at fair value with changes in fair value reported in earnings. Interest income on such loans is recorded in *Interest revenue* at the contractually specified rate.

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

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

Consumer loans

Consumer loans represent loans and leases managed primarily by the *Global Consumer Banking* and *Local Consumer Lending* businesses.

Non-accrual and re-aging policies

As a general rule, interest accrual ceases for installment and real estate (both open- and closed-end) loans when payments are 90 days contractually past due. For credit cards and unsecured revolving loans, however, Citi generally accrues interest until payments are 180 days past due. As a result of OCC guidance issued in the first quarter of 2012, home equity loans in regulated bank entities are classified as non-accrual if the related residential first mortgage is 90 days or more past due. As a result of OCC guidance issued in the third quarter of 2012, mortgage loans in regulated bank entities discharged through Chapter 7 bankruptcy, other than FHA-insured loans, are classified as non-accrual. Commercial market loans are placed on a cash (non-accrual) basis when it is determined, based on actual experience and a forward-looking assessment of the collectability of the loan in full, that the payment of interest or principal is doubtful or when interest or principal is 90 days past due.

Loans that have been modified to grant a short-term or long-term concession to a borrower who is in financial difficulty may not be accruing interest at the time of the modification. The policy for returning such modified loans to accrual status varies by product and/or region. In most cases, a minimum number of payments (ranging from one to six) are required, while in other cases the loan is never returned to accrual status. For regulated bank entities, such modified loans are returned to accrual status if a credit evaluation at the time of or subsequent to the modification indicates the borrower's ability to meet the restructured terms, and the borrower is current and has demonstrated a reasonable period of sustained payment performance (minimum six months of consecutive payments).

For U.S. Consumer loans, generally one of the conditions to qualify for modification is that a minimum number of payments (typically ranging from one to three) must be made. Upon modification, the loan is re-aged to current status. However, re-aging practices for certain open-ended Consumer loans, such as credit cards, are governed by Federal Financial Institutions Examination Council (FFIEC) guidelines. For open-ended Consumer loans subject to FFIEC guidelines, one of the conditions for the loan to be re-aged to current status is that at least three consecutive minimum monthly payments, or the equivalent amount, must be received. In addition, under FFIEC guidelines, the number of times that such a loan can be re-aged is subject to limitations (generally once in 12 months and twice in five years). Furthermore, Federal Housing Administration (FHA) and Department of Veterans Affairs (VA) loans are modified under those respective agencies' guidelines and payments are not always required in order to re-age a modified loan to current.

Charge-off policies

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

- Unsecured installment loans are charged off at 120 days past due.
- Unsecured revolving loans and credit card loans are charged off at 180 days contractually past due.
- Loans secured with non-real estate collateral are written down to the estimated value of the collateral, less costs to sell, at 120 days past due.

- Real estate-secured loans are written down to the estimated value of the property, less costs to sell, at 180 days contractually past due.
- Non-bank loans secured by real estate are written down to the estimated value of the property, less costs to sell, at the earlier of the receipt of title or 12 months in foreclosure (a process that must commence when payments are 120 days contractually past due).
- Non-bank unsecured personal loans are charged off when the loan is 180 days contractually past due if there have been no payments within the last six months, but in no event can these loans exceed 360 days contractually past due.
- Unsecured loans in bankruptcy are charged off within 60 days of notification of filing by the bankruptcy court or in accordance with Citi's charge-off policy, whichever occurs earlier.
- As a result of OCC guidance issued in the third quarter of 2012, real estate-secured loans that were discharged through Chapter 7 bankruptcy, other than FHA-insured loans, are written down to the collateral value of the property, less costs to sell. Other real estate-secured loans in bankruptcy are written down to the estimated value of the property, less costs to sell, at the later of 60 days after notification or 60 days contractually past due.
- Non-bank unsecured personal loans in bankruptcy are charged off when they are 30 days contractually past due.
- Commercial market loans are written down to the extent that principal is judged to be uncollectable.

Corporate loans

Corporate loans represent loans and leases managed by *ICG* or the *Special Asset Pool*. Corporate loans are identified as impaired and placed on a cash (non-accrual) basis when it is determined, based on actual experience and a forward-looking assessment of the collectability of the loan in full, that the payment of interest or principal is doubtful or when interest or principal is 90 days past due, except when the loan is well collateralized and in the process of collection. Any interest accrued on impaired Corporate loans and leases is reversed at 90 days and charged against current earnings, and interest is thereafter included in earnings only to the extent actually received in cash. When there is doubt regarding the ultimate collectability of principal, all cash receipts are thereafter applied to reduce the recorded investment in the loan.

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

Loans Held-for-Sale

Corporate and Consumer loans that have been identified for sale are classified as loans held-for-sale and included in *Other assets*. The practice of Citi's U.S. prime mortgage business has been to sell substantially all of its conforming loans. As such, U.S. prime mortgage conforming loans are classified as held-for-sale and the fair value option is elected at origination, with changes in fair value recorded in *Other revenue*. With the exception of these loans for which the fair value option has been elected, held-for-sale loans are accounted for at the lower of cost or market value, with any write-downs or subsequent recoveries charged to *Other revenue*. The related cash flows are classified in the Consolidated Statement of Cash Flows in the cash flows from operating activities category on the line *Change in loans held-for-sale*.

Allowance for Loan Losses

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

Corporate loans

In the Corporate portfolios, the *Allowance for loan losses* includes an asset-specific component and a statistically based component. The asset-specific component is calculated under ASC 310-10-35, *Receivables—Subsequent Measurement* (formerly SFAS 114) on an individual basis for larger-balance, non-homogeneous loans, which are considered impaired. An asset-specific allowance is established when the discounted cash flows, collateral value (less disposal costs), or observable market price of the impaired loan is lower than its carrying value. This allowance considers the borrower's overall financial condition, resources, and payment record, the prospects for support from any financially responsible guarantors (discussed further below) and, if appropriate, the realizable value of any collateral. The asset-specific component of the allowance for smaller balance impaired loans is calculated on a pool basis considering historical loss experience.

The allowance for the remainder of the loan portfolio is determined under ASC 450, *Contingencies* (formerly SFAS 5) using a statistical methodology, supplemented by management judgment. The statistical analysis considers the portfolio's size, remaining tenor, and credit quality as measured by internal risk ratings assigned to individual credit facilities, which reflect probability of default and loss given default. The statistical analysis considers historical default rates and historical loss severity in the event of default, including historical average levels and historical variability. The result is an estimated range for inherent losses. The best estimate within the range is then determined by management's quantitative and qualitative assessment of current conditions, including general economic conditions, specific industry and geographic trends, and internal factors including portfolio concentrations, trends in internal credit quality indicators, and current and past underwriting standards.

For both the asset-specific and the statistically based components of the *Allowance for loan losses*, management may incorporate guarantor support. The financial wherewithal of the guarantor is evaluated, as applicable, based on net worth, cash flow statements and personal or company financial statements which are updated and reviewed at least annually. Citi seeks performance on guarantee arrangements in the normal course of business. Seeking performance entails obtaining satisfactory cooperation from the guarantor or borrower in the specific situation. This regular cooperation is indicative of pursuit and successful enforcement of the guarantee; the exposure is reduced without the expense and burden of pursuing a legal remedy. A guarantor's reputation and willingness to work with Citigroup is evaluated based on the historical experience with the guarantor and the knowledge of the marketplace. In the rare event that the guarantor is unwilling or unable to perform or facilitate borrower cooperation, Citi pursues a legal remedy; however, enforcing a guarantee via legal action against the guarantor is not the primary means of resolving a troubled loan situation and rarely occurs. If Citi does not pursue a legal remedy, it is because Citi does not believe that the guarantor has the financial wherewithal to perform regardless of legal action or because there are legal limitations on simultaneously pursuing guarantors and foreclosure. A guarantor's reputation does not impact Citi's decision or ability to seek performance under the guarantee.

In cases where a guarantee is a factor in the assessment of loan losses, it is included via adjustment to the loan's internal risk rating, which in turn is the basis for the adjustment to the statistically based component of the *Allowance for loan losses*. To date, it is only in rare circumstances that an impaired commercial loan or commercial real estate loan is carried at a value in excess of the appraised value due to a guarantee.

When Citi's monitoring of the loan indicates that the guarantor's wherewithal to pay is uncertain or has deteriorated, there is either no change in the risk rating, because the guarantor's credit support was never initially factored in, or the risk rating is adjusted to reflect that uncertainty or deterioration. Accordingly, a guarantor's ultimate failure to perform or a lack of legal enforcement of the guarantee does not materially impact the allowance for loan losses, as there is typically no further significant adjustment of the loan's risk rating at that time. Where Citi is not seeking performance under the guarantee contract, it provides for loans losses as if the loans were non-performing and not guaranteed.

Consumer loans

For Consumer loans, each portfolio of non-modified smaller-balance, homogeneous loans is independently evaluated by product type (e.g., residential mortgage, credit card, etc.) for impairment in accordance with ASC 450-20. The allowance for loan losses attributed to these loans is established via a process that estimates the probable losses inherent in the specific portfolio. This process includes migration analysis, in which historical delinquency and credit loss experience is applied to the current aging of the portfolio, together with analyses that reflect current and anticipated economic conditions, including changes in housing prices and unemployment trends. Citi's allowance for loan losses under ASC 450-20 only considers contractual principal amounts due, except for credit card loans where estimated loss amounts related to accrued interest receivable are also included.

Management also considers overall portfolio indicators, including historical credit losses, delinquent, non-performing, and classified loans, trends in volumes and terms of loans, an evaluation of overall credit quality, the credit process, including lending policies and procedures, and economic, geographical, product and other environmental factors.

Separate valuation allowances are determined for impaired smaller-balance homogeneous loans whose terms have been modified in a troubled debt restructuring (TDR). Long-term modification programs as well as short-term (less than 12 months) modifications originated beginning January 1, 2011 that provide concessions (such as interest rate reductions) to borrowers in financial difficulty are reported as TDRs. In addition, loans included in the U.S. Treasury's Home Affordable Modification Program (HAMP) trial period at December 31, 2011 are reported as TDRs. The allowance for loan losses for TDRs is determined in accordance with ASC 310-10-35 considering all available evidence, including, as appropriate, the present value of the expected future cash flows discounted at the loan's original contractual effective rate, the secondary market value of the loan and the fair value of collateral less disposal costs. These expected cash flows incorporate modification program default rate assumptions. The original contractual effective rate for credit card loans is the pre-modification rate, which may include interest rate increases under the original contractual agreement with the borrower.

Where short-term concessions have been granted prior to January 1, 2011, the allowance for loan losses is materially consistent with the requirements of ASC 310-10-35.

Valuation allowances for commercial market loans, which are classifiably managed Consumer loans, are determined in the same manner as for Corporate loans and are described in more detail in the following section. Generally, an asset-specific component is calculated under ASC 310-10-35 on an individual basis for larger-balance, non-homogeneous loans that are considered impaired and the allowance for the remainder of the classifiably managed Consumer loan portfolio is calculated under ASC 450 using a statistical methodology, supplemented by management adjustment.

Reserve Estimates and Policies

Management provides reserves for an estimate of probable losses inherent in the funded loan portfolio on the Consolidated Balance Sheet in the form of an allowance for loan losses. These reserves are established in accordance with Citigroup's credit reserve policies, as approved by the Audit Committee of the Board of Directors. Citi's Chief Risk Officer and Chief Financial Officer review the adequacy of the credit loss reserves each quarter with representatives from the risk management and finance staffs for each applicable business area. Applicable business areas include those having classifiably managed portfolios, where internal credit-risk ratings are assigned (primarily *Institutional Clients Group* and *Global Consumer Banking*) or modified Consumer loans, where concessions were granted due to the borrowers' financial difficulties.

The above-mentioned representatives for these business areas present recommended reserve balances for their funded and unfunded lending portfolios along with supporting quantitative and qualitative data. The quantitative data include:

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

Statistically calculated losses inherent in the classifiably managed portfolio for performing and de minimis non-performing exposures. The calculation is based upon: (i) Citigroup's internal system of credit-risk ratings, which are analogous to the risk ratings of the major rating agencies; and (ii) historical default and loss data, including rating agency information regarding default rates from 1983 to 2010 and internal data dating to the early 1970s on severity of losses in the event of default. Adjustments may be made to this data. Such adjustments include: (i) statistically calculated estimates to cover the historical fluctuation of the default rates over the credit cycle, the historical variability of loss severity among defaulted loans, and the degree to which there are large obligor concentrations in the global portfolio; and (ii) adjustments made for specific known items, such as current environmental factors and credit trends.

In addition, representatives from each of the risk management and finance staffs that cover business areas with delinquency-managed portfolios containing smaller-balance homogeneous loans present their recommended reserve balances based upon leading credit indicators, including loan delinquencies and changes in portfolio size as well as economic trends, including current and future housing prices, unemployment, length of time in foreclosure, costs to sell and GDP. This methodology is applied separately for each individual product within each geographic region in which these portfolios exist.

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

Allowance for Unfunded Lending Commitments

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

Mortgage Servicing Rights

Mortgage servicing rights (MSRs) are recognized as intangible assets when purchased or when the Company sells or securitizes loans acquired through purchase or origination and retains the right to service the loans. Mortgage servicing rights are accounted for at fair value, with changes in value recorded in *Other revenue* in the Company's Consolidated Statement of Income.

Additional information on the Company's MSRs can be found in Note 22 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).

These sales 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 (a back-to-back claim).

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 in CitiMortgage. When selling a loan to these investors, Citi makes various representations and warranties to, among other things, the following:

- Citi's ownership of the loan;
- the validity of the lien securing the loan;
- the absence of delinquent taxes or liens against the property securing the loan;
- the effectiveness of title insurance on the property securing the loan;
- the process used in selecting the loans for inclusion in a transaction;
- the loan's compliance with any applicable loan criteria established by the buyer; and
- the loan's compliance with applicable local, state and federal laws.

In the case of a repurchase, Citi will bear any subsequent credit loss on the mortgage loan and the loan is typically considered a credit-impaired loan and accounted for under SOP 03-3, "Accounting for Certain Loans and Debt Securities Acquired in a Transfer" (now incorporated into ASC 310-30, *Receivables—Loans and Debt Securities Acquired with Deteriorated Credit Quality*) (SOP 03-3). These repurchases have not had a material impact on Citi's non-performing loan statistics because credit-impaired purchased SOP 03-3 loans are not included in non-accrual loans, since they generally continue to accrue interest until write-off. Citi's repurchases have primarily been due to GSE repurchase claims.

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. These representations were generally made or assigned to the issuing trust and related to, among other things, the following:

- the absence of fraud on the part of the borrower, the seller or any appraiser, broker or other party involved in the origination of the loan (which was sometimes wholly or partially limited to the knowledge of the representation provider);
- whether the property securing the loan was occupied by the borrower as his or her principal residence;
- the loan's compliance with applicable federal, state and local laws;
- whether the loan was originated in conformity with the originator's underwriting guidelines; and
- detailed data concerning the loans that were included on the mortgage loan schedule.

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 that is included in *Other liabilities* in the Consolidated Balance

Sheet. 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.

Repurchase Reserve—Whole Loan Sales

The repurchase reserve is based on various assumptions which, as referenced above, are primarily based on Citi's historical repurchase activity with the GSEs. As of December 31, 2012, the most significant assumptions used to calculate the reserve levels are: (i) the probability of a claim based on correlation between loan characteristics and repurchase claims; (ii) claims appeal success rates; and (iii) estimated loss per repurchase or make-whole payment. In addition, 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, in estimating its repurchase reserve.

As referenced above, the repurchase reserve estimation process for potential whole loan representation and warranty claims relies on various assumptions that involve numerous estimates and judgments, including with respect to certain future events, and thus entails inherent uncertainty. Therefore, Citi estimates and discloses the range of reasonably possible loss for whole loan sale representation and warranty claims in excess of amounts accrued. This estimate is derived by modifying the key assumptions discussed above to reflect management's judgment regarding reasonably possible adverse changes to those assumptions. Citi's estimate of reasonably possible loss is based on currently available information, significant judgment and numerous assumptions that are subject to change.

In the case of a repurchase of a credit-impaired SOP 03-3 loan, the difference between the loan's fair value and unpaid principal balance at the time of the repurchase is recorded as a utilization of the repurchase reserve. Make-whole payments to the investor are also treated as utilizations and charged directly against the reserve. The repurchase reserve is estimated when Citi sells loans (recorded as an adjustment to the gain on sale, which is included in *Other revenue* in the Consolidated Statement of Income) and is updated quarterly. Any change in estimate is recorded in *Other revenue*.

Repurchase Reserve—Private-Label Securitizations

Investors in private-label securitizations may seek recovery for alleged breaches of representations and warranties, as well as losses caused by non-performing loans more generally, through repurchase claims or through litigation premised on a variety of legal theories. Citi considers litigation relating to private-label securitizations as part of its contingencies analysis. For additional information, see Note 28 to the Consolidated Financial Statements.

Citi cannot reasonably estimate probable losses from future repurchase claims for private-label securitizations because the claims to date have been received at an unpredictable rate, the factual basis for those claims is unclear, and very few such claims have been resolved. Rather, at the present time, Citi records reserves related to private-label securitizations repurchase claims based on estimated losses arising from those claims received that appear to be based on a review of the underlying loan files. These reserves are recorded in *Principal transactions* in the Consolidated Statement of Income.

Goodwill

Goodwill represents the excess of acquisition cost over the fair value of net tangible and intangible assets acquired. Goodwill is subject to annual impairment testing and between annual tests if an event occurs or circumstances change that would more-likely-than-not reduce the fair value of a reporting unit below its carrying amount. The Company has an option to assess qualitative factors to determine if it is necessary to perform the goodwill impairment test. If, after assessing the totality of events or circumstances, the Company determines that it is not more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, no further testing is necessary. If, however, the Company determines that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, then the Company is required to perform the first step of the two-step goodwill impairment test. Furthermore, on any business dispositions, goodwill is allocated to the business disposed of based on the ratio of the fair value of the business disposed of to the fair value of the reporting unit.

Additional information on Citi's goodwill impairment testing can be found in Note 18 to the Consolidated Financial Statements.

Intangible Assets

Intangible assets—including core deposit intangibles, present value of future profits, purchased credit card relationships, other customer relationships, and other intangible assets, but excluding MSRs—are amortized over their estimated useful lives. Intangible assets deemed to have indefinite useful lives, primarily certain asset management contracts and trade names, are not amortized and are subject to annual impairment tests. An impairment exists if the carrying value of the indefinite-lived intangible asset exceeds its fair value. For other intangible assets subject to amortization, an impairment is recognized if the carrying amount is not recoverable and exceeds the fair value of the intangible asset.

Other Assets and Other Liabilities

Other assets include, among other items, loans held-for-sale, deferred tax assets, equity method investments, interest and fees receivable, premises and equipment, repossessed assets, and other receivables. *Other liabilities* include, among other items, accrued expenses and other payables, deferred tax liabilities, and reserves for legal claims, taxes, unfunded lending commitments, repositioning reserves, and other matters.

Other Real Estate Owned and Repossessed Assets

Real estate or other assets received through foreclosure or repossession are generally reported in *Other assets*, net of a valuation allowance for selling costs and subsequent declines in fair value.

Securitizations

The Company primarily securitizes credit card receivables and mortgages. Other types of securitized assets include corporate debt instruments (in cash and synthetic form) and student loans.

There are two key accounting determinations that must be made relating to securitizations. Citi first makes a determination as to whether the securitization entity would be consolidated. Second, it determines whether the transfer of financial assets to the entity is considered a sale under GAAP. If the securitization entity is a VIE, the Company consolidates the VIE if it is the primary beneficiary (as discussed in "Variable Interest Entities" above). For all other securitization entities determined not to be VIEs in which Citigroup participates, a consolidation decision is based on who has voting control of the entity, giving consideration to removal and liquidation rights in certain partnership structures. Only securitization entities controlled by Citigroup are consolidated.

Interests in the securitized and sold assets may be retained in the form of subordinated or senior interest-only strips, subordinated tranches, spread accounts and servicing rights. In credit card securitizations, the Company retains a seller's interest in the credit card receivables transferred to the trusts, which is not in securitized form. In the case of consolidated securitization entities, including the credit card trusts, these retained interests are not reported on Citi's Consolidated Balance Sheet; rather, the securitized loans remain on the balance sheet. Substantially all of the Consumer loans sold or securitized through non-consolidated trusts by Citigroup are U.S. prime residential mortgage loans. Retained interests in non-consolidated mortgage securitization trusts are classified as *Trading account assets*, except for MSRs, which are included in *Mortgage servicing rights* on Citigroup's Consolidated Balance Sheet.

Debt

Short-term borrowings and long-term debt are accounted for at amortized cost, except where the Company has elected to report the debt instruments, including certain structured notes, at fair value or the debt is in a fair value hedging relationship.

Transfers of Financial Assets

For a transfer of financial assets to be considered a sale: (i) the assets must have been isolated from the Company, even in bankruptcy or other receivership; (ii) the purchaser must have the right to pledge or sell the assets transferred or, if the purchaser is an entity whose sole purpose is to engage in securitization and asset-backed financing activities and that entity is constrained from pledging the assets it receives, each beneficial interest holder must have the right to sell the beneficial interests; and (iii) the Company may not have an option or obligation to reacquire the assets.

If these sale requirements are met, the assets are removed from the Company's Consolidated Balance Sheet. If the conditions for sale are not met, the transfer is considered to be a secured borrowing, the assets remain on the Consolidated Balance Sheet, and the sale proceeds are recognized as the Company's liability. A legal opinion on a sale is generally obtained for complex transactions or where the Company has continuing involvement with assets transferred or with the securitization entity. For a transfer to be eligible for sale accounting, those opinions must state that the asset transfer is considered a sale and that the assets transferred would not be consolidated with the Company's other assets in the event of the Company's insolvency.

For a transfer of a portion of a financial asset to be considered a sale, the portion transferred must meet the definition of a participating interest. A participating interest must represent a pro rata ownership in an entire financial asset; all cash flows must be divided proportionally, with the same priority of payment; no participating interest in the transferred asset may be subordinated to the interest of another participating interest holder; and no party may have the right to pledge or exchange the entire financial asset unless all participating interest holders agree. Otherwise, the transfer is accounted for as a secured borrowing.

See Note 22 to the Consolidated Financial Statements for further discussion.

Risk Management Activities—Derivatives Used for Hedging Purposes

The Company manages its exposures to market rate movements outside its trading activities by modifying the asset and liability mix, either directly or through the use of derivative financial products, including interest-rate swaps, futures, forwards, and purchased options, as well as foreign-exchange contracts. These end-user derivatives are carried at fair value in *Other assets, Other liabilities, Trading account assets* and *Trading account liabilities*.

To qualify as an accounting hedge under the hedge accounting rules (versus an economic hedge where hedge accounting is not sought), a derivative must be highly effective in offsetting the risk designated as being hedged. The hedge relationship must be formally documented at inception, detailing the particular risk management objective and strategy for the hedge, which includes the item and risk that is being hedged and the derivative that is being used, as well as how effectiveness will be assessed and ineffectiveness measured. The effectiveness of these hedging relationships is evaluated on a retrospective and prospective basis, typically using quantitative measures of correlation with hedge ineffectiveness measured and recorded in current earnings.

If a hedge relationship is found to be ineffective, it no longer qualifies as an accounting hedge and hedge accounting would not be applied. Any gains or losses attributable to the derivatives, as well as subsequent changes in fair value, are recognized in *Other revenue* or *Principal transactions* with no offset on the hedged item, similar to trading derivatives.

The foregoing criteria are applied on a decentralized basis, consistent with the level at which market risk is managed, but are subject to various limits and controls. The underlying asset, liability or forecasted transaction may be an individual item or a portfolio of similar items.

For fair value hedges, in which derivatives hedge the fair value of assets or liabilities, changes in the fair value of derivatives are reflected in *Other revenue* or *Principal transactions*, together with changes in the fair value of the hedged item related to the hedged risk. These are expected to, and generally do, offset each other. Any net amount, representing hedge ineffectiveness, is reflected in current earnings. Citigroup's fair value hedges are primarily hedges of fixed-rate long-term debt and available-for-sale securities.

For cash flow hedges, in which derivatives hedge the variability of cash flows related to floating- and fixed-rate assets, liabilities or forecasted transactions, the accounting treatment depends on the effectiveness of the hedge. To the extent these derivatives are effective in offsetting the variability of the hedged cash flows, the effective portion of the changes in the derivatives' fair values will not be included in current earnings, but is reported in *Accumulated other comprehensive income (loss)*. These changes in fair value will be included in earnings of future periods when the hedged cash flows impact earnings. To the extent these derivatives are not effective, changes in their fair values are immediately included in *Other revenue*. Citigroup's cash flow hedges primarily include hedges of floating-rate debt and floating-rate assets including loans, as well as rollovers of short-term fixed-rate liabilities and floating-rate liabilities and forecasted debt issuances.

For net investment hedges in which derivatives hedge the foreign currency exposure of a net investment in a foreign operation, the accounting treatment will similarly depend on the effectiveness of the hedge. The effective portion of the change in fair value of the derivative, including any forward premium or discount, is reflected in *Accumulated other comprehensive income (loss)* as part of the foreign currency translation adjustment.

For those accounting hedge relationships that are terminated or when hedge designations are removed, the hedge accounting treatment described in the paragraphs above is no longer applied. Instead, the end-user derivative is terminated or transferred to the trading account. For fair value hedges, any changes in the fair value of the hedged item remain as part of the basis of the asset or liability and are ultimately reflected as an element of the yield. For cash flow hedges, any changes in fair value of the end-user derivative remain in *Accumulated other comprehensive income (loss)* and are included in earnings of future periods when the hedged cash flows impact earnings. However, if it becomes probable that the hedged forecasted transaction will not occur, any amounts that remain in *Accumulated other comprehensive income (loss)* are immediately reflected in *Other revenue*.

End-user derivatives that are economic hedges, rather than qualifying for hedge accounting, are also carried at fair value, with changes in value included in *Principal transactions* or *Other revenue*. Citigroup often uses economic hedges when qualifying for hedge accounting would be too complex or operationally burdensome; examples are hedges of the credit risk component of commercial loans and loan commitments. Citigroup periodically evaluates its hedging strategies in other areas and may designate either a qualifying hedge or an economic hedge, after considering the relative cost and benefits. Economic hedges are also employed when the hedged item itself is marked to market through current earnings, such as hedges of commitments to originate one-to-four-family mortgage loans to be held for sale and MSRs.

Employee Benefits Expense

Employee benefits expense includes current service costs of pension and other postretirement benefit plans (which are accrued on a current basis), contributions and unrestricted awards under other employee plans, the amortization of restricted stock awards and costs of other employee benefits.

Stock-Based Compensation

The Company recognizes compensation expense related to stock and option awards over the requisite service period, generally based on the instruments' grant date fair value, reduced by expected forfeitures. Compensation cost related to awards granted to employees who meet certain age plus years-of-service requirements (retirement eligible employees) is accrued in the year prior to the grant date, in the same manner as the accrual for cash incentive compensation. Certain stock awards with performance conditions or certain clawback provisions are subject to variable accounting, pursuant to which the associated compensation expense fluctuates with changes in Citigroup's stock price.

Income Taxes

The Company is subject to the income tax laws of the U.S. and its states and municipalities, and the foreign jurisdictions in which it operates. These tax laws are complex and subject to different interpretations by the taxpayer and the relevant governmental taxing authorities. In establishing a provision for income tax expense, the Company must make judgments and interpretations about the application of these inherently complex tax laws. The Company must also make estimates about when in the future certain items will affect taxable income in the various tax jurisdictions, both domestic and foreign.

Disputes over interpretations of the tax laws may be subject to review and adjudication by the court systems of the various tax jurisdictions or may be settled with the taxing authority upon examination or audit. The Company treats interest and penalties on income taxes as a component of *Income tax expense*.

Deferred taxes are recorded for the future consequences of events that have been recognized for financial statements or tax returns, based upon enacted tax laws and rates. Deferred tax assets are recognized subject to management's judgment that realization is more-likely-than-not. FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48) (now incorporated into ASC 740, *Income Taxes*), sets out a consistent framework to determine the appropriate level of tax reserves to maintain for uncertain tax positions. This interpretation uses a two-step approach wherein a tax benefit is recognized if a position is more-likely-than-not to be sustained. The amount of the benefit is then measured to be the highest tax benefit that is greater than 50% likely to be realized. FIN 48 also sets out disclosure requirements to enhance transparency of an entity's tax reserves.

See Note 10 to the Consolidated Financial Statements for a further description of the Company's tax provision and related income tax assets and liabilities.

Commissions, Underwriting and Principal Transactions

Commissions revenues are recognized in income generally when earned. Underwriting revenues are recognized in income typically at the closing of the transaction. Principal transactions revenues are recognized in income on a trade-date basis. See Note 6 to the Consolidated Financial Statements for a description of the Company's revenue recognition policies for commissions and fees.

Earnings per Share

Earnings per share (EPS) is computed after deducting preferred stock dividends. The Company has granted restricted and deferred share awards with dividend rights that are considered to be participating securities, which are akin to a second class of common stock. Accordingly, a portion of Citigroup's earnings is allocated to those participating securities in the EPS calculation.

Basic earnings per share is computed by dividing income available to common stockholders after the allocation of dividends and undistributed earnings to the participating securities by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised. It is computed after giving consideration to the weighted average dilutive effect of the Company's stock options and warrants, convertible securities and the shares that could have been issued under the Company's Management Committee Long-Term Incentive Plan and after the allocation of earnings to the participating securities.

Use of Estimates

Management must make estimates and assumptions that affect the Consolidated Financial Statements and the related footnote disclosures. Such estimates are used in connection with certain fair value measurements. See Note 25 to the Consolidated Financial Statements for further discussions on estimates used in the determination of fair value. The Company also uses estimates in determining consolidation decisions for special-purpose entities as discussed in Note 22 to the Consolidated Financial Statements. Moreover, estimates are significant in determining the amounts of other-than-temporary impairments, impairments of goodwill and other intangible assets, provisions for probable losses that may arise from credit-related exposures and probable and estimable losses related to litigation and regulatory proceedings, and tax reserves. While management makes its best judgment, actual amounts or results could differ from those estimates. Current market conditions increase the risk and complexity of the judgments in these estimates.

Cash Flows

Cash equivalents are defined as those amounts included in cash and due from banks. Cash flows from risk management activities are classified in the same category as the related assets and liabilities.

Related Party Transactions

The Company has related party transactions with certain of its subsidiaries and affiliates. These transactions, which are primarily short-term in nature, include cash accounts, collateralized financing transactions, margin accounts, derivative trading, charges for operational support and the borrowing and lending of funds, and are entered into in the ordinary course of business.

ACCOUNTING CHANGES

OCC Chapter 7 Bankruptcy Guidance

In the third quarter of 2012, the Office of the Comptroller of the Currency (OCC) issued guidance relating to the accounting for mortgage loans discharged through bankruptcy proceedings pursuant to Chapter 7 of the U.S. Bankruptcy Code (Chapter 7 bankruptcy). Under this OCC guidance, the discharged loans are accounted for as troubled debt restructurings (TDRs). These TDRs, other than FHA-insured loans, are written down to their collateral value less cost to sell. FHA-insured loans are reserved for, based on a discounted cash flow model. As a result of implementing this guidance, Citigroup recorded an incremental $635 million of charge-offs in the third quarter of 2012, the vast majority of which related to loans that were current. These charge-offs were substantially offset by a related loan loss reserve release of approximately $600 million, with a net reduction in pretax income of $35 million. In the fourth quarter of 2012, Citigroup recorded a benefit to charge-offs of approximately $40 million related to finalizing the impact of this OCC guidance. Furthermore, as a result of this OCC guidance, TDRs increased by $1.7 billion, and non-accrual loans increased by $1.5 billion in the third quarter of 2012 ($1.3 billion of which was current).

Presentation of Comprehensive Income

In June 2011, the FASB issued ASU No. 2011-05, *Comprehensive Income (Topic 220): Presentation of Comprehensive Income*. The ASU requires an entity to present the total of comprehensive income, the components of net income, and the components of other comprehensive income (OCI) either in a single continuous statement of comprehensive income or in two separate but consecutive statements. Citigroup has selected the two-statement approach. Under this approach, Citi is required to present components of net income and total net income in the Statement of Income. The Statement of Comprehensive Income follows the Statement of Income and includes the components of OCI and a total for OCI, along with a total for comprehensive income. The ASU removed the option of reporting other comprehensive income in the statement of changes in stockholders' equity. This ASU became effective for Citigroup on January 1, 2012 and a Statement of Comprehensive Income is included in these Consolidated Financial Statements. See "Future Application of Accounting Standards" below for further discussion.

Credit Quality and Allowance for Credit Losses Disclosures

In July 2010, the FASB issued ASU No. 2010-20, *Receivables (Topic 310): Disclosures about Credit Quality of Financing Receivables and Allowance for Credit Losses*. The ASU required a greater level of disaggregated information about the allowance for credit losses and the credit quality of financing receivables. The period-end balance disclosure requirements for loans and the allowance for loan losses were effective for reporting periods ended on or after December 15, 2010 and were included in the Company's 2010 Annual Report on Form 10-K, while disclosures for activity during a reporting period in the loan and allowance for loan losses accounts were effective for reporting periods beginning on or after December 15, 2010 and were included in the Company's Forms 10-Q beginning with the first quarter of 2011 (see Notes 16 and 17 to the Consolidated Financial Statements). The troubled debt restructuring disclosure requirements that were part of this ASU became effective in the third quarter of 2011 (see below).

Troubled Debt Restructurings (TDRs)

In April 2011, the FASB issued ASU No. 2011-02, *Receivables (Topic 310): A Creditor's Determination of whether a Restructuring Is a Troubled Debt Restructuring*, to clarify the guidance for accounting for troubled debt restructurings. The ASU clarified the guidance on a creditor's evaluation of whether it has granted a concession and whether a debtor is experiencing financial difficulties, such as:

- Any shortfall in contractual loan payments is considered a concession.
- Creditors cannot assume that debt extensions at or above a borrower's original contractual rate do not constitute troubled debt restructurings, because the new contractual rate could still be below the market rate.
- If a borrower doesn't have access to funds at a market rate for debt with characteristics similar to the restructured debt, that may indicate that the creditor has granted a concession.
- A borrower that is not currently in default may still be considered to be experiencing financial difficulty when payment default is considered "probable in the foreseeable future."

Effective in the third quarter of 2011, as a result of the Company's adoption of ASU 2011-02, certain loans modified under short-term programs beginning January 1, 2011 that were previously measured for impairment under ASC 450 are now measured for impairment under ASC 310-10-35. At the end of the first interim period of adoption (September 30, 2011), the recorded investment in receivables previously measured under ASC 450 was $1,170 million and the allowance for credit losses associated with those loans was $467 million. The effect of adopting the ASU was an approximate $60 million reduction in pretax income for the quarter ended September 30, 2011.

Repurchase Agreements—Assessment of Effective Control

In April 2011, the FASB issued ASU No. 2011-03, *Transfers and Servicing (Topic 860): Reconsideration of Effective Control for Repurchase Agreements*. The amendments in the ASU remove from the assessment of effective control: (i) the criterion requiring the transferor to have the ability to repurchase or redeem the financial assets on substantially the agreed terms, even in the event of default by the transferee, and (ii) the collateral maintenance implementation guidance related to that criterion. Other criteria applicable to the assessment of effective control are not changed by the amendments in the ASU.

The ASU became effective for Citigroup on January 1, 2012. The guidance has been applied prospectively to transactions or modifications of existing transactions occurring on or after January 1, 2012. The ASU has not had a material effect on the

Company's financial statements. A nominal amount of the Company's repurchase transactions that would previously have been accounted for as sales is now accounted for as financing transactions.

Fair Value Measurement

In May 2011, the FASB issued ASU No. 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS*. The ASU created a common definition of fair value for U.S. GAAP and IFRS and aligned the measurement and disclosure requirements. It required significant additional disclosures both of a qualitative and quantitative nature, particularly for those instruments measured at fair value that are classified in Level 3 of the fair value hierarchy. Additionally, the ASU provided guidance on when it is appropriate to measure fair value on a portfolio basis and expanded the prohibition on valuation adjustments where the size of the Company's position is a characteristic of the adjustment from Level 1 to all levels of the fair value hierarchy.

The ASU became effective for Citigroup on January 1, 2012. As a result of implementing the prohibition on valuation adjustments where the size of the Company's position is a characteristic, the Company released reserves of approximately $125 million, increasing pretax income in the first quarter of 2012.

Deferred Asset Acquisition Costs

In October 2010, the FASB issued ASU No. 2010-26, *Financial Services – Insurance (Topic 944): Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts*. The ASU amended the guidance for insurance entities that required deferral and subsequent amortization of certain costs incurred during the acquisition of new or renewed insurance contracts, commonly referred to as deferred acquisition costs (DAC). The new guidance limited DAC to those costs directly related to the successful acquisition of insurance contracts; all other acquisition-related costs must be expensed as incurred. Under prior guidance, DAC consisted of those costs that vary with, and primarily relate to, the acquisition of insurance contracts.

The ASU became effective for Citigroup on January 1, 2012 and was adopted using the retrospective method. As a result of implementing the ASU, DAC was reduced by approximately $165 million and a $58 million deferred tax asset was recorded with an offset to opening retained earnings of $107 million (net of tax).

Change in Accounting for Embedded Credit Derivatives

In March 2010, the FASB issued ASU No. 2010-11, *Scope Exception Related to Embedded Credit Derivatives*. The ASU clarifies that certain embedded derivatives, such as those contained in certain securitizations, CDOs and structured notes, should be considered embedded credit derivatives subject to potential bifurcation and separate fair value accounting. The ASU allows any beneficial interest issued by a securitization vehicle to be accounted for under the fair value option at transition on July 1, 2010.

As set forth in the table below, the Company elected to account for certain beneficial interests issued by securitization vehicles under the fair value option beginning July 1, 2010. Beneficial interests previously classified as held-to-maturity (HTM) were reclassified to available-for-sale (AFS) on June 30, 2010 because, as of that reporting date, the Company did not have the intent to hold the beneficial interests until maturity. The following table also shows the gross gains and gross losses that make up the pretax cumulative-effect adjustment to retained earnings for reclassified beneficial interests, recorded on July 1, 2010:

		July 1, 2010		
		Pretax cumulative effect adjustment to Retained earnings		
In millions of dollars at June 30, 2010	Amortized cost	Gross unrealized losses recognized in AOCI (1)	Gross unrealized gains recognized in AOCI	Fair value
Mortgage-backed securities				
Prime	$ 390	$ —	$ 49	$ 439
Alt-A	550	—	54	604
Subprime	221	—	6	227
Non-U.S. residential	2,249	—	38	2,287
Total mortgage-backed securities	$ 3,410	$ —	$ 147	$ 3,557
Asset-backed securities				
Auction rate securities	$ 4,463	$ 401	$ 48	$ 4,110
Other asset-backed	4,189	19	164	4,334
Total asset-backed securities	$ 8,652	$ 420	$ 212	$ 8,444
Total reclassified debt securities	$ 12,062	$ 420	$ 359	$ 12,001

(1) All reclassified debt securities with gross unrealized losses were assessed for other-than-temporary-impairment as of June 30, 2010, including an assessment of whether the Company intends to sell the security. For securities that the Company intends to sell, impairment charges of $176 million were recorded in earnings in the second quarter of 2010.

The Company elected to account for these beneficial interests under the fair value option beginning July 1, 2010 for various reasons, including:

- To reduce the operational burden of assessing beneficial interests for bifurcation under the guidance in the ASU;
- Where bifurcation would otherwise be required under the ASU, to avoid the complicated operational requirements of bifurcating the embedded derivatives from the host contracts and accounting for each separately. The Company reclassified substantially all beneficial interests where bifurcation would otherwise be required under the ASU; and
- To permit more economic hedging strategies without generating volatility in reported earnings.

Additional Disclosures Regarding Fair Value Measurements

In January 2010, the FASB issued ASU No. 2010-06, *Improving Disclosures about Fair Value Measurements*. The ASU requires disclosure of the amounts of significant transfers in and out of Levels 1 and 2 of the fair value hierarchy and the reasons for the transfers. The disclosures were effective for reporting periods beginning after December 15, 2009. Additionally, disclosures of the gross purchases, sales, issuances and settlements activity in Level 3 of the fair value measurement hierarchy were required for fiscal years beginning after December 15, 2010. The Company adopted ASU 2010-06 as of January 1, 2010. The required disclosures are included in Note 25 to the Consolidated Financial Statements.

Non-Consolidation of Certain Investment Funds

The FASB issued ASU No. 2010-10, *Consolidation (Topic 810): Amendments for Certain Investment Funds* in the first quarter of 2010. ASU 2010-10 provides a deferral of the requirements of SFAS 167 where the following criteria are met:

- The entity being evaluated for consolidation is an investment company, as defined in ASC 946-10, *Financial Services—Investment Companies*, or an entity for which it is acceptable based on industry practice to apply measurement principles that are consistent with an investment company;
- The reporting enterprise does not have an explicit or implicit obligation to fund losses of the entity that could potentially be significant to the entity; and
- The entity being evaluated for consolidation is not:
  - a securitization entity;
  - an asset-backed financing entity; or
  - an entity that was formerly considered a qualifying special-purpose entity.

The Company has determined that a majority of the investment entities managed by Citigroup are provided a deferral from the requirements of SFAS 167 because they meet these criteria. These entities continue to be evaluated under the requirements of FIN 46(R) (ASC 810-10), prior to the implementation of SFAS 167.

Where the Company has determined that certain investment vehicles are subject to the consolidation requirements of SFAS 167, the consolidation conclusions reached upon initial application of SFAS 167 are consistent with the consolidation conclusions reached under the requirements of ASC 810-10, prior to the implementation of SFAS 167.

FUTURE APPLICATION OF ACCOUNTING STANDARDS

Reclassification out of Accumulated Other Comprehensive Income

In February 2013, the FASB issued ASU No. 2013-02, *Comprehensive Income (Topic 220): Reporting of Amounts Reclassified out of Accumulated Other Comprehensive Income*. The Accounting Standards Update (ASU) requires new footnote disclosures of items reclassified from accumulated OCI to net income. The requirements will be effective for the first quarter of 2013.

Testing Indefinite-Lived Intangible Assets for Impairment

In July 2012, the FASB issued Accounting Standards Update No. 2012-02, *Intangibles—Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment*. The ASU is intended to simplify the guidance for testing the decline in the realizable value (impairment) of indefinite-lived intangible assets other than goodwill. Some examples of intangible assets subject to the guidance include indefinite-lived trademarks, licenses and distribution rights. The ASU allows companies to perform a qualitative assessment about the likelihood of impairment of an indefinite-lived intangible asset to determine whether further impairment testing is necessary, similar in approach to the goodwill impairment test.

The ASU became effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012.

Offsetting

In December 2011, the FASB issued Accounting Standards Update No. 2011-11, *Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities*. The standard requires new disclosures about certain financial instruments and derivative instruments that are either offset in the balance sheet (presented on a net basis) or subject to an enforceable master netting arrangement or similar arrangement. The standard requires disclosures that provide both gross and net information in the notes to the financial statements for relevant assets and liabilities. This ASU does not change the existing offsetting eligibility criteria or the permitted balance sheet presentation for those instruments that meet the eligibility criteria.

Citi believes the new disclosure requirements should enhance comparability between those companies that prepare their financial statements on the basis of U.S. GAAP and those that prepare their financial statements in accordance with IFRS. For many financial institutions, the differences in the offsetting requirements between U.S. GAAP and IFRS result in a significant difference in the amounts presented in the balance sheets prepared in accordance with U.S. GAAP and IFRS. The disclosure standard will become effective for annual and quarterly periods beginning January 1, 2013. The disclosures are required retrospectively for all comparative periods presented.

Accounting for Financial Instruments—Credit Losses

In December 2012, the FASB issued a proposed Accounting Standards Update (ASU), *Financial Instruments—Credit Losses.* This proposed ASU, or exposure draft, was issued for public comment in order to allow stakeholders the opportunity to review the proposal and provide comments to the FASB, and does not constitute accounting guidance until such a final ASU is issued.

The exposure draft contains accounting guidance developed by the FASB with the goal of improving financial reporting about expected credit losses on loans, securities and other financial assets held by banks, financial institutions, and other public and private organizations. The exposure draft proposes a new accounting model intended to require earlier recognition of credit losses, while also providing additional transparency about credit risk.

The FASB's proposed model would utilize a single "expected credit loss" measurement objective for the recognition of credit losses, replacing the multiple existing impairment models in U.S. GAAP, which generally require that a loss be "incurred" before it is recognized.

The FASB's proposed model represents a significant departure from existing U.S. GAAP, and may result in material changes to the Company's accounting for financial instruments. The impact of the FASB's final ASU to the Company's financial statements will be assessed when it is issued. The exposure draft does not contain a proposed effective date; this would be included in the final ASU, when issued.

Other Potential Amendments to Current Accounting Standards

The FASB and IASB, either jointly or separately, are currently working on several major projects, including amendments to existing accounting standards governing financial instruments, leases, consolidation and investment companies. As part of the joint financial instruments project, the FASB has issued a proposed ASU that would result in significant changes to the guidance for recognition and measurement of financial instruments, in addition to the proposed ASU that would change the accounting for credit losses on financial instruments discussed above.

The FASB is also working on a joint project that would require all leases to be capitalized on the balance sheet. Additionally, the FASB has issued a proposal on principal-agent considerations that would change the way the Company needs to evaluate whether to consolidate VIEs and non-VIE partnerships. Furthermore, the FASB has issued a proposed ASU that would change the criteria used to determine whether an entity is subject to the accounting and reporting requirements of an investment company.

The principal-agent consolidation proposal would require all VIEs, including those that are investment companies, to be evaluated for consolidation under the same requirements. All these projects may have significant impacts for the Company. Upon completion of the standards, the Company will need to re-evaluate its accounting and disclosures. However, due to ongoing deliberations of the standard-setters, the Company is currently unable to determine the effect of future amendments or proposals.

REGULATORY CAPITAL AND CITIGROUP INC. PARENT COMPANY INFORMATION (Tables)

12 Months Ended

Dec. 31, 2012

REGULATORY CAPITAL AND CITIGROUP INC. PARENT COMPANY INFORMATION

Regulatory capital as set forth in guidelines issued by the U.S. federal bank regulators

In millions of dollars	Required minimum	Well-capitalized minimum	Citigroup	Citibank, N.A.
Tier 1 Common			$ 123,095	$ 116,633
Tier 1 Capital			136,532	117,367
Total Capital (1)			167,686	135,513
Tier 1 Common ratio	N/A	N/A	12.67 %	14.12 %
Tier 1 Capital ratio	4.0 %	6.0 %	14.06	14.21
Total Capital ratio	8.0	10.0	17.26	16.41
Leverage ratio	3.0	5.0 (2)	7.48	8.97

(1) Total Capital includes Tier 1 Capital and Tier 2 Capital.
(2) Applicable only to depository institutions.
N/A Not Applicable

Capital restrictions on non-banking subsidiaries

In millions of dollars

Subsidiary	Jurisdiction	Net capital or equivalent	Excess over minimum requirement
Citigroup Global Markets Inc.	U.S. Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1)	$6,250	$5,659
Citigroup Global Markets Limited	United Kingdom's Financial Services Authority	$ 6,212	$ 3,594

Schedule of parent company financial statements

In millions of dollars	Years Ended December 31, 2012	2011	2010
Revenues			
Interest revenue	**$ 3,384**	$ 3,684	$ 3,237
Interest expense	**6,573**	7,618	7,728
Net interest revenue	**$ (3,189)**	$ (3,934)	$ (4,491)
Dividends from subsidiaries	**20,780**	13,046	14,448
Non-interest revenue	**613**	939	30
Total revenues, net of interest expense	**$ 18,204**	$ 10,051	$ 9,987
Total operating expenses	**$ 1,497**	$ 1,503	$ 878
Income before taxes and equity in undistributed income of subsidiaries	**$ 16,707**	$ 8,548	$ 9,109
Benefit for income taxes	**(2,062)**	(1,821)	(2,480)
Equity in undistributed income of subsidiaries	**(11,228)**	698	(987)

Parent company's net income	**$ 7,541**	$ 11,067	$ 10,602
Comprehensive income			
Parent company's net income	**$ 7,541**	$ 11,067	$ 10,602
Other comprehensive income (loss)	**892**	(1,511)	2,660
Parent company's comprehensive income	**$ 8,433**	$ 9,556	$ 13,262

Citigroup Inc. Parent Company Only[1] Balance Sheet

In millions of dollars	Years Ended December 31, **2012**	2011
Assets		
Cash and deposits from banks	**$ 153**	$ 3
Trading account assets	**150**	99
Investments	**1,676**	37,477
Advances to subsidiaries	**107,074**	108,644
Investments in subsidiaries	**184,615**	194,979
Other assets	**102,335**	65,711
Total assets	**$ 396,003**	$ 406,913
Liabilities		
Federal funds purchased and securities loaned or sold under agreements to repurchase	**$ 185**	$ 185
Trading account liabilities	**170**	96
Short-term borrowings	**725**	13
Long-term debt	**176,553**	181,702
Advances from subsidiaries other than banks	**12,759**	17,046
Other liabilities	**16,562**	30,065
Total liabilities	**$ 206,954**	$ 229,107
Total equity	**189,049**	177,806
Total liabilities and equity	**$ 396,003**	$ 406,913

Citigroup Inc. Parent Company Only[1] Cash Flows Statement

	Years Ended December 31,		
In millions of dollars	**2012**	2011	2010
Net cash provided by operating activities of continuing operations	**$ 1,598**	$ 1,710	$ 8,756
Cash flows from investing activities of continuing operations			
Purchases of investments	**$ (5,701)**	$ (47,190)	$ (31,346)
Proceeds from sales of investments	**37,056**	9,524	6,029
Proceeds from maturities of investments	**4,286**	22,386	16,834
Changes in investments and advances—intercompany	**(397)**	32,419	13,363
Other investing activities	**994**	(10)	(20)
Net cash provided by investing activities of continuing operations	**$ 36,238**	$ 17,129	$ 4,860
Cash flows from financing activities of continuing operations			
Dividends paid	**$ (143)**	$ (113)	$ (9)
Issuance of preferred stock	**2,250**	—	—
Proceeds/(repayments) from issuance of long-term debt—third-party, net	**(33,434)**	(16,481)	(8,339)
Net change in short-term borrowings and other advances—intercompany	**(6,160)**	(5,772)	(8,211)
Other financing activities	**(199)**	3,519	2,949
Net cash used in financing activities of continuing operations	**$ (37,686)**	$ (18,847)	$ (13,610)
Net increase (decrease) in cash and due from banks	**$ 150**	$ (8)	$ 6
Cash and due from banks at beginning of period	**3**	11	5
Cash and due from banks at end of period	**$ 153**	$ 3	$ 11
Supplemental disclosure of cash flow information for continuing operations			
Cash paid (received) during the year for			
Income taxes	**$ 78**	$ (458)	$ (507)
Interest	**7,883**	9,271	9,317

(1) “Citigroup Inc. parent company only” refers to the parent holding company Citigroup Inc., excluding consolidated subsidiaries. Note that Citigroup Funding Inc. (CFI) was previously a first-tier subsidiary of Citigroup Inc., issuing commercial paper, medium-term notes and structured equity-linked and credit-linked notes. The debt of CFI was guaranteed by Citigroup Inc. On December 31, 2012, CFI was merged into Citigroup Inc., the parent holding company.

RETIREMENT BENEFITS (Details 5)	12 Months Ended Dec. 31, 2012	Dec. 31, 2011
U.S. Pension Plans		
Defined Benefit Plan Disclosure		
Weighted-average asset allocation (as a percent)	100.00%	100.00%
U.S. Pension Plans | Equity securities		
Defined Benefit Plan Disclosure		
Weighted-average asset allocation (as a percent)	17.00%	16.00%
U.S. Pension Plans | Debt securities		
Defined Benefit Plan Disclosure		
Weighted-average asset allocation (as a percent)	45.00%	44.00%
U.S. Pension Plans | Real estate		
Defined Benefit Plan Disclosure		
Weighted-average asset allocation (as a percent)	5.00%	5.00%
U.S. Pension Plans | Private equity		
Defined Benefit Plan Disclosure		
Weighted-average asset allocation (as a percent)	11.00%	13.00%
U.S. Pension Plans | Other investments		
Defined Benefit Plan Disclosure		
Weighted-average asset allocation (as a percent)	22.00%	22.00%
U.S. Pension Plans | Minimum | Equity securities		
Defined Benefit Plan Disclosure		
Target asset allocation (as a percent)	0.00%	
U.S. Pension Plans | Minimum | Debt securities		
Defined Benefit Plan Disclosure		
Target asset allocation (as a percent)	25.00%	
U.S. Pension Plans | Minimum | Real estate		
Defined Benefit Plan Disclosure		
Target asset allocation (as a percent)	0.00%	
U.S. Pension Plans | Minimum | Private equity		
Defined Benefit Plan Disclosure		
Target asset allocation (as a percent)	0.00%	
U.S. Pension Plans | Minimum | Other investments		
Defined Benefit Plan Disclosure		
Target asset allocation (as a percent)	12.00%	
U.S. Pension Plans | Maximum | Equity securities		
Defined Benefit Plan Disclosure		
Target asset allocation (as a percent)	30.00%	
U.S. Pension Plans | Maximum | Debt securities		
Defined Benefit Plan Disclosure		
Target asset allocation (as a percent)	73.00%	
U.S. Pension Plans | Maximum | Real estate		
Defined Benefit Plan Disclosure		

Target asset allocation (as a percent)	7.00%	
U.S. Pension Plans | Maximum | Private equity		
Defined Benefit Plan Disclosure		
Target asset allocation (as a percent)	15.00%	
U.S. Pension Plans | Maximum | Other investments		
Defined Benefit Plan Disclosure		
Target asset allocation (as a percent)	29.00%	
Non - U.S. Pension Plans | Weighted Average		
Defined Benefit Plan Disclosure		
Target asset allocation (as a percent)	100.00%	
Weighted-average asset allocation (as a percent)	100.00%	100.00%
Non - U.S. Pension Plans | Weighted Average | Equity securities		
Defined Benefit Plan Disclosure		
Target asset allocation (as a percent)	16.00%	
Weighted-average asset allocation (as a percent)	16.00%	19.00%
Non - U.S. Pension Plans | Weighted Average | Debt securities		
Defined Benefit Plan Disclosure		
Target asset allocation (as a percent)	75.00%	
Weighted-average asset allocation (as a percent)	72.00%	71.00%
Non - U.S. Pension Plans | Weighted Average | Real estate		
Defined Benefit Plan Disclosure		
Target asset allocation (as a percent)	1.00%	
Weighted-average asset allocation (as a percent)	1.00%	1.00%
Non - U.S. Pension Plans | Weighted Average | Other investments		
Defined Benefit Plan Disclosure		
Target asset allocation (as a percent)	8.00%	
Weighted-average asset allocation (as a percent)	11.00%	9.00%
Non - U.S. Pension Plans | Minimum | Equity securities		
Defined Benefit Plan Disclosure		
Weighted-average asset allocation (as a percent)	0.00%	0.00%
Non - U.S. Pension Plans | Minimum | Debt securities		
Defined Benefit Plan Disclosure		
Weighted-average asset allocation (as a percent)	0.00%	0.00%
Non - U.S. Pension Plans | Minimum | Real estate		
Defined Benefit Plan Disclosure		
Weighted-average asset allocation (as a percent)	0.00%	0.00%
Non - U.S. Pension Plans | Minimum | Other investments		
Defined Benefit Plan Disclosure		
Weighted-average asset allocation (as a percent)	0.00%	0.00%
Non - U.S. Pension Plans | Maximum | Equity securities		
Defined Benefit Plan Disclosure		
Weighted-average asset allocation (as a percent)	63.00%	65.00%
Non - U.S. Pension Plans | Maximum | Debt securities		
Defined Benefit Plan Disclosure		

Weighted-average asset allocation (as a percent)	100.00%	99.00%
Non - U.S. Pension Plans | Maximum | Real estate		
Defined Benefit Plan Disclosure		
Weighted-average asset allocation (as a percent)	41.00%	42.00%
Non - U.S. Pension Plans | Maximum | Other investments		
Defined Benefit Plan Disclosure		
Weighted-average asset allocation (as a percent)	100.00%	100.00%
U.S. Postretirement Benefit Plans		
Defined Benefit Plan Disclosure		
Weighted-average asset allocation (as a percent)	100.00%	100.00%
U.S. Postretirement Benefit Plans | Equity securities		
Defined Benefit Plan Disclosure		
Weighted-average asset allocation (as a percent)	17.00%	16.00%
U.S. Postretirement Benefit Plans | Debt securities		
Defined Benefit Plan Disclosure		
Weighted-average asset allocation (as a percent)	45.00%	44.00%
U.S. Postretirement Benefit Plans | Real estate		
Defined Benefit Plan Disclosure		
Weighted-average asset allocation (as a percent)	5.00%	5.00%
U.S. Postretirement Benefit Plans | Private equity		
Defined Benefit Plan Disclosure		
Weighted-average asset allocation (as a percent)	11.00%	13.00%
U.S. Postretirement Benefit Plans | Other investments		
Defined Benefit Plan Disclosure		
Weighted-average asset allocation (as a percent)	22.00%	22.00%
U.S. Postretirement Benefit Plans | Minimum | Equity securities		
Defined Benefit Plan Disclosure		
Target asset allocation (as a percent)	0.00%	
U.S. Postretirement Benefit Plans | Minimum | Debt securities		
Defined Benefit Plan Disclosure		
Target asset allocation (as a percent)	25.00%	
U.S. Postretirement Benefit Plans | Minimum | Real estate		
Defined Benefit Plan Disclosure		
Target asset allocation (as a percent)	0.00%	
U.S. Postretirement Benefit Plans | Minimum | Private equity		
Defined Benefit Plan Disclosure		
Target asset allocation (as a percent)	0.00%	
U.S. Postretirement Benefit Plans | Minimum | Other investments		
Defined Benefit Plan Disclosure		
Target asset allocation (as a percent)	12.00%	
U.S. Postretirement Benefit Plans | Maximum | Equity securities		
Defined Benefit Plan Disclosure		
Target asset allocation (as a percent)	30.00%	
U.S. Postretirement Benefit Plans | Maximum | Debt securities		

Defined Benefit Plan Disclosure		
Target asset allocation (as a percent)	73.00%	
U.S. Postretirement Benefit Plans | Maximum | Real estate		
Defined Benefit Plan Disclosure		
Target asset allocation (as a percent)	7.00%	
U.S. Postretirement Benefit Plans | Maximum | Private equity		
Defined Benefit Plan Disclosure		
Target asset allocation (as a percent)	15.00%	
U.S. Postretirement Benefit Plans | Maximum | Other investments		
Defined Benefit Plan Disclosure		
Target asset allocation (as a percent)	29.00%	
Non-U.S. Postretirement Benefit Plans | Weighted Average		
Defined Benefit Plan Disclosure		
Target asset allocation (as a percent)	100.00%	
Weighted-average asset allocation (as a percent)	100.00%	100.00%
Non-U.S. Postretirement Benefit Plans | Weighted Average | Equity securities		
Defined Benefit Plan Disclosure		
Target asset allocation (as a percent)	27.00%	
Weighted-average asset allocation (as a percent)	28.00%	44.00%
Non-U.S. Postretirement Benefit Plans | Weighted Average | Debt securities		
Defined Benefit Plan Disclosure		
Target asset allocation (as a percent)	55.00%	
Weighted-average asset allocation (as a percent)	46.00%	45.00%
Non-U.S. Postretirement Benefit Plans | Weighted Average | Other investments		
Defined Benefit Plan Disclosure		
Target asset allocation (as a percent)	18.00%	
Weighted-average asset allocation (as a percent)	26.00%	11.00%
Non-U.S. Postretirement Benefit Plans | Minimum | Equity securities		
Defined Benefit Plan Disclosure		
Weighted-average asset allocation (as a percent)	0.00%	0.00%
Non-U.S. Postretirement Benefit Plans | Minimum | Debt securities		
Defined Benefit Plan Disclosure		
Weighted-average asset allocation (as a percent)	46.00%	45.00%
Non-U.S. Postretirement Benefit Plans | Minimum | Other investments		
Defined Benefit Plan Disclosure		
Weighted-average asset allocation (as a percent)	0.00%	0.00%
Non-U.S. Postretirement Benefit Plans | Maximum | Equity securities		
Defined Benefit Plan Disclosure		
Weighted-average asset allocation (as a percent)	28.00%	44.00%
Non-U.S. Postretirement Benefit Plans | Maximum | Debt securities		
Defined Benefit Plan Disclosure		
Weighted-average asset allocation (as a percent)	100.00%	100.00%
Non-U.S. Postretirement Benefit Plans | Maximum | Other investments		
Defined Benefit Plan Disclosure		

Weighted-average asset allocation (as a percent)	26.00%	11.00%

LOANS (Details) (USD $)	12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011
LOANS		
Number of loan categories	2	
Loans		
Loans, net of unearned income	$ 655,464,000,000	$ 647,242,000,000
Consumer		
Loans		
Total loans	409,089,000,000	423,745,000,000
Net unearned income	(418,000,000)	(405,000,000)
Loans, net of unearned income	408,671,000,000	423,340,000,000
Loans sold and/or reclassified to held-for-sale	4,300,000,000	21,000,000,000
In U.S. offices | Consumer		
Loans		
Total loans	256,763,000,000	277,468,000,000
In U.S. offices | Consumer | Mortgage and real estate		
Loans		
Total loans	125,946,000,000	139,177,000,000
In U.S. offices | Consumer | Installment, revolving credit and other		
Loans		
Total loans	14,070,000,000	15,616,000,000
In U.S. offices | Consumer | Credit cards		
Loans		
Total loans	111,403,000,000	117,908,000,000
In U.S. offices | Consumer | Commercial and industrial		
Loans		
Total loans	5,344,000,000	4,766,000,000
In U.S. offices | Consumer | Lease financing		
Loans		
Total loans		1,000,000
In offices outside the U.S. | Consumer		
Loans		
Total loans	152,326,000,000	146,277,000,000
In offices outside the U.S. | Consumer | Mortgage and real estate		
Loans		
Total loans	54,709,000,000	52,052,000,000
In offices outside the U.S. | Consumer | Installment, revolving credit and other		
Loans		
Total loans	36,182,000,000	34,613,000,000
In offices outside the U.S. | Consumer | Credit cards		
Loans		

Total loans	40,653,000,000	38,926,000,000
In offices outside the U.S. | Consumer | Commercial and industrial		
Loans		
Total loans	20,001,000,000	19,975,000,000
In offices outside the U.S. | Consumer | Lease financing		
Loans		
Total loans	$ 781,000,000	$ 711,000,000

DISCONTINUED OPERATIONS (Details) (USD $)	3 Months Ended							12 Months Ended				3 Months Ended	12 Months Ended			6 Months Ended	12 Months Ended		
	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Sep. 30, 2011	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2012 Citi Capital Advisors Business item	Jun. 30, 2011 Egg Banking PLC	Dec. 31, 2012 Egg Banking PLC	Dec. 31, 2011 Egg Banking PLC	Apr. 28, 2011 Egg Banking PLC	Dec. 31, 2010 Student Loan Corporation	Dec. 31, 2010 Student Loan Corporation	Dec. 31, 2010 SLM Corporation (Sallie Mae)	Dec. 31, 2010 Discover Financial Services (Discover) and SLM Corporation (Sallie Mae)
Discontinued operations																			
Number of transactions											2								
Number of management companies resulting from the sale of business											2								
Percentage of ownership retained											24.90%								
Ownership interest (as a percent)																	80.00%		
Percentage of ownership interest of public shareholders in the Student Loan Corporation (SLC)																	20.00%		
A gain or loss on sale transaction																	$ (427,000,000)		
Seller-financing																		1,100,000,000	
Purchase of assets by Citibank, N.A from Student Loan Corporation (SLC)																	8,600,000,000		
Assets of discontinued operations at time of sale	36,000,000							36,000,000			36,000,000				2,700,000,000	31,000,000,000	31,000,000,000		40,000,000,000
Portion amount of assets sold																			31,000,000,000
Liabilities of discontinued operations held for sale	0							0							39,000,000	29,000,000,000	29,000,000,000		
Gain on sale of discontinued operations								(1,000,000)	155,000,000	(702,000,000)		126,000,000	(1,000,000)	143,000,000		(825,000,000)			
Results of Discontinued Operations																			
Total revenues, net of interest expense								61,000,000	352,000,000	(410,000,000)	60,000,000		1,000,000	340,000,000		(577,000,000)			
Income (loss) from discontinued operations								(219,000,000)	23,000,000	72,000,000	(123,000,000)		(96,000,000)	24,000,000		97,000,000			
Gain (loss) on sale								(1,000,000)	155,000,000	(702,000,000)		126,000,000	(1,000,000)	143,000,000		(825,000,000)			
Provision (benefit) for income taxes								(71,000,000)	66,000,000	(562,000,000)	(44,000,000)		(34,000,000)	58,000,000		(339,000,000)			
Income (loss) from discontinued operations, net of taxes	(112,000,000)	(31,000,000)	(1,000,000)	(5,000,000)	1,000,000	71,000,000	40,000,000	(149,000,000)	112,000,000	(68,000,000)	(79,000,000)		(63,000,000)	109,000,000		(389,000,000)			
Discontinued operations																			
Cash flows from operating activities									(146,000,000)	4,974,000,000				(146,000,000)		5,106,000,000			
Cash flows from investing activities									2,827,000,000	1,726,000,000				2,827,000,000		1,532,000,000			
Cash flows from financing activities									(12,000,000)	(6,486,000,000)				(12,000,000)		(6,483,000,000)			
Net cash provided by (used in) discontinued operations									2,669,000,000	214,000,000				2,669,000,000		155,000,000			
Assets																			
Deposits at interest with banks											4,000,000								
Goodwill											13,000,000								
Intangible assets											19,000,000								
Total assets	36,000,000							36,000,000			36,000,000				2,700,000,000	31,000,000,000	31,000,000,000		40,000,000,000
Liabilities																			
Total liabilities	$ 0							$ 0							$ 39,000,000	$ 29,000,000,000	$ 29,000,000,000		

GOODWILL AND INTANGIBLE ASSETS	12 Months Ended Dec. 31, 2012

GOODWILL AND INTANGIBLE ASSETS

GOODWILL AND INTANGIBLE ASSETS

18. GOODWILL AND INTANGIBLE ASSETS

Goodwill

The changes in *Goodwill* during 2012 and 2011 were as follows:

In millions of dollars

Balance at December 31, 2010	$ 26,152
Foreign exchange translation	(636)
Smaller acquisitions/divestitures, purchase accounting adjustments and other	44
Discontinued operations	(147)
Balance at December 31, 2011	$ 25,413
Foreign exchange translation	**294**
Smaller acquisitions/divestitures, purchase accounting adjustments and other	**(21)**
Discontinued operations	**(13)**
Balance at December 31, 2012	**$ 25,673**

The changes in *Goodwill* by segment during 2012 and 2011 were as follows:

In millions of dollars	Global Consumer Banking	Institutional Clients Group	Citi Holdings	Corporate/ Other	Total
Balance at December 31, 2010	$ 10,701	$ 10,826	$ 4,625	$—	$ 26,152
Goodwill acquired during 2011	$ —	$ 19	$ —	$ —	$ 19
Goodwill disposed of during 2011	—	(6)	(153)	—	(159)
Other (1)	(465)	(102)	(32)	—	(599)
Balance at December 31, 2011	$ 10,236	$ 10,737	$ 4,440	$ —	$ 25,413
Goodwill acquired during 2012	**$ —**	**$ —**	**$ —**	**$ —**	**$—**
Goodwill disposed of during 2012	**—**	**—**	**(8)**	**—**	**(8)**
Other (1)	**20**	**244**	**4**	**—**	**268**
Intersegment transfers in/(out) (2)	**4,283**	**—**	**(4,283)**	**—**	**—**
Balance at December 31, 2012	**$ 14,539**	**$ 10,981**	**$ 153**	**$ —**	**$ 25,673**

(1) Other changes in *Goodwill* primarily reflect foreign exchange effects on non-dollar-denominated goodwill, discontinued operations in 2012, and purchase accounting adjustments.

(2) Primarily includes the transfer of the substantial majority of the Citi retail services business from *Citi Holdings—Local Consumer Lending* to *Citicorp—North America Regional Consumer Banking* during the first quarter of 2012. See Note 4 to the Consolidated Financial Statements for a further discussion of this segment transfer.

Goodwill impairment testing is performed at the level below the business segments (referred to as a reporting unit). The reporting unit structure in 2012 was the same as the reporting unit structure in 2011, although certain underlying businesses were transferred between certain reporting units in the first quarter of 2012, as discussed further below.

As of January 1, 2012, a substantial majority of the Citi retail services business previously included within the *Local Consumer Lending—Cards* reporting unit was transferred to *North America—Regional Consumer Banking*. In addition, certain small businesses included within the *Local Consumer Lending—Cards* reporting unit were transferred to *Local Consumer Lending—Other*. Additionally, an insurance business in El Salvador within *Brokerage and Asset Management*was transferred to *Latin America Regional Consumer Banking*. Goodwill affected by the reorganization was reassigned from *Local Consumer Lending—Cards* and*Brokerage and Asset Management* to those reporting units that received businesses using a relative fair value approach. Subsequent to January 1, 2012, goodwill has been allocated to disposals and tested for impairment under the reporting unit structure reflecting these transfers. An interim goodwill impairment test was performed on the impacted reporting units as of January 1, 2012, resulting in no impairment.

The Company performed its annual goodwill impairment test as of July 1, 2012 resulting in no impairment for any of the reporting units.

As per ASC 350, *Intangibles—Goodwill and Other* management elected to perform a qualitative assessment for the *Transaction Services* reporting unit. Through consideration of various factors including excess of fair value over the carrying value in prior year, projected growth via positive cash flows, and no adverse changes anticipated in the business and macroeconomic environment, management determined that it is not more-likely-than-not that the fair value of this reporting unit is less than its carrying amount and therefore the two-step impairment test was not required.

No goodwill was deemed impaired in 2010, 2011 and 2012.

The following table shows reporting units with goodwill balances as of December 31, 2012 and the excess of fair value as a percentage over allocated book value as of the annual impairment test.

In millions of dollars

Reporting unit (1)	**Fair value as a % of allocated book value**		**Goodwill**
North America Regional Consumer Banking	**225**	**%**	**$ 6,803**
EMEA Regional Consumer Banking	**150**	**%**	**$ 366**
Asia Regional Consumer Banking	**281**	**%**	**$ 5,489**
Latin America Regional Consumer Banking	**186**	**%**	**$ 1,881**
Securities and Banking	**137**	**%**	**$ 9,378**
Transaction Services	**1,336**	**% (2)**	**$ 1,603**
Brokerage and Asset Management	**121**	**%**	**$ 42**
Local Consumer Lending—Cards	**110**	**%**	**$ 111**

(1) *Local Consumer Lending—Other* is excluded from the table as there is no goodwill allocated to it.

(2) *Transaction Services:* 2011 fair value has been carried forward for this reporting unit for purposes of the 2012 annual impairment test as discussed above.

Citigroup engaged an independent valuation specialist in 2011 and 2012 to assist in Citi's valuation for most of the reporting units employing both the market approach and the discounted cash flow (DCF) method. Citi believes that the DCF method, using management projections for the selected reporting units and an appropriate risk-adjusted discount rate, is the most reflective of a market participant's view of fair values given current market conditions. For the reporting units where both methods were utilized in 2011 and 2012, the resulting fair values were relatively consistent and appropriate weighting was given to outputs from both methods.

While no impairment was noted in step one of the *Local Consumer Lending—Cards* reporting unit impairment test as of July 1, 2012, goodwill present in the reporting unit may be particularly sensitive to further deterioration in economic conditions.

Under the market approach for valuing this reporting unit, the key assumption is the price multiple. The selection of the multiple considers operating performance and financial condition such as return on equity and net income growth of *Local Consumer Lending—Cards* as compared to those of selected guideline companies. Among other factors, the level and expected growth in return on tangible equity relative to those of the guideline companies is considered. Since the guideline company prices used are on a minority interest basis, the selection of the multiple considers the guideline acquisition prices which reflect control rights and privileges in arriving at a multiple that reflects an appropriate control premium.

For the *Local Consumer Lending—Cards* valuation under the income approach, the assumptions used as the basis for the model include cash flows for the forecasted period, assumptions embedded in arriving at an estimation of the terminal year value and discount rate. The cash flows are estimated based on management's most recent projections available as of the testing date, giving consideration to target equity capital requirements based on selected guideline companies for the reporting unit. In arriving at a terminal value for *Local Consumer Lending—Cards*, using 2015 as the terminal year, the assumptions used included a long-term growth rate. The discount rate used in the analysis is based on the reporting units' estimated cost of equity capital computed under the capital asset pricing model.

If the future were to differ adversely from management's best estimate of key economic assumptions and associated cash flows were to decrease by a small margin, the Company could potentially experience future impairment charges with respect to the $111 million goodwill remaining in its *Local Consumer Lending—Cards* reporting unit. Any such charge, by itself, would not negatively affect the Company's regulatory capital ratios, tangible common equity or liquidity position.

INTANGIBLE ASSETS

The components of intangible assets were as follows:

	December 31, 2012			December 31, 2011		
In millions of dollars	**Gross carrying amount**	**Accumulated amortization**	**Net carrying amount**	Gross carrying amount	Accumulated amortization	Net carrying amount
Purchased credit card relationships	**$ 7,632**	**$5,726**	**$ 1,906**	$ 7,616	$5,309	$ 2,307
Core deposit intangibles	**1,315**	**1,019**	**296**	1,337	965	372
Other customer relationships	**767**	**380**	**387**	830	356	474
Present value of future profits	**239**	**135**	**104**	235	123	112
Indefinite-lived intangible assets	**487**	**—**	**487**	492	—	492
Other (1)	**4,764**	**2,247**	**2,517**	4,866	2,023	2,843
Intangible assets (excluding MSRs)	**$ 15,204**	**$ 9,507**	**$ 5,697**	$ 15,376	$ 8,776	$ 6,600
Mortgage servicing rights (MSRs)	**1,942**	**—**	**1,942**	2,569	—	2,569
Total intangible assets	**$ 17,146**	**$ 9,507**	**$ 7,639**	$ 17,945	$ 8,776	$ 9,169

(1) Includes contract-related intangible assets.

Intangible assets amortization expense was $856 million, $898 million and $976 million for 2012, 2011 and 2010, respectively. Intangible assets amortization expense is estimated to be $812 million in 2013, $723 million in 2014, $689 million in 2015, $766 million in 2016, and $550 million in 2017.

The changes in intangible assets during 2012 were as follows:

In millions of dollars	Net carrying amount at December 31, 2011	**Acquisitions/ divestitures**	**Amortization**	**Impairments**	**FX and other (1)**	**Discontinued operations**	**Net carrying amount at December 31, 2012**
Purchased credit card relationships	$2,307	**$—**	**$(402)**	**$—**	**$ 1**	**$—**	**$1,906**
Core deposit intangibles	372	**—**	**(84)**	**—**	**8**	**—**	**296**
Other customer relationships	474	**—**	**(45)**	**—**	**(42)**	**—**	**387**
Present value of future profits	112	**—**	**(9)**	**—**	**1**	**—**	**104**
Indefinite-lived intangible assets	492	**(8)**	**—**	**—**	**3**	**—**	**487**
Other	2,843	**2**	**(316)**	**(6)**	**13**	**(19)**	**2,517**
Intangible assets (excluding MSRs)	$ 6,600	**$ (6)**	**$ (856)**	**$ (6)**	**$ (16)**	**$ (19)**	**$ 5,697**
Mortgage servicing rights (MSRs) (2)	2,569						**1,942**
Total intangible assets	$ 9,169						**$ 7,639**

(1) Includes foreign exchange translation and purchase accounting adjustments.

(2) See Note 22 to the Consolidated Financial Statements for the roll-forward of MSRs.

ALLOWANCE FOR CREDIT LOSSES (Details 2) (USD $) In Millions, unless otherwise specified	12 Months Ended												3 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2012 U.S. loan portfolios	Dec. 31, 2011 U.S. loan portfolios	Dec. 31, 2010 U.S. loan portfolios	Dec. 31, 2011 Egg Banking PLC	Dec. 31, 2011 Citi Belgium business	Dec. 31, 2011 FX translation	Dec. 31, 2010 Adoption of SFAS 167	Dec. 31, 2010 U.K. first mortgage portfolio	Dec. 31, 2012 New OCC guidance	Sep. 30, 2012 New OCC guidance	Mar. 31, 2012 Anticipated forgiveness of principal in connection with national mortgage settlement
Allowance for loan losses disclosures														
Gross credit losses	$ (17,478)	$ (23,164)	$ (34,491)									$ 40	$ (635)	$ (370)
Net reserve builds (releases)	1,882	8,434	6,523										600	
Net specific reserve builds (releases)	1,846	(169)	(858)											350
Other, net	$ 932	$ 2,275	$ (10,287)	$ 875	$ 1,600	$ 2,700	$ 240	$ 72	$ 290	$ (13,400)	$ 290			

SECURITIZATIONS AND VARIABLE INTEREST ENTITIES (Details 2) (USD $) In Millions, unless otherwise specified	Dec. 31, 2012	Dec. 31, 2011
Funding Commitments for Significant Unconsolidated VIEs		
Notional amount	$ 17,263	$ 24,803
Liquidity facilities Citigroup		
Funding Commitments for Significant Unconsolidated VIEs		
Notional amount	12,262	
Loan commitments Citigroup		
Funding Commitments for Significant Unconsolidated VIEs		
Notional amount	5,001	
Citicorp		
Funding Commitments for Significant Unconsolidated VIEs		
Notional amount	16,015	23,483
Citicorp | Liquidity facilities Citigroup		
Funding Commitments for Significant Unconsolidated VIEs		
Notional amount	12,249	
Citicorp | Liquidity facilities Citigroup | Citi-administered asset-backed commercial paper conduits (ABCP)		
Funding Commitments for Significant Unconsolidated VIEs		
Notional amount	7,615	
Citicorp | Liquidity facilities Citigroup | Asset-based financing		
Funding Commitments for Significant Unconsolidated VIEs		
Notional amount	6	
Citicorp | Liquidity facilities Citigroup | Municipal securities tender option bond trusts (TOBs)		
Funding Commitments for Significant Unconsolidated VIEs		
Notional amount	4,628	
Citicorp | Loan commitments Citigroup		
Funding Commitments for Significant Unconsolidated VIEs		
Notional amount	3,766	
Citicorp | Loan commitments Citigroup | Asset-based financing		
Funding Commitments for Significant Unconsolidated VIEs		
Notional amount	2,075	
Citicorp | Loan commitments Citigroup | Municipal investments		
Funding Commitments for Significant Unconsolidated VIEs		
Notional amount	1,669	
Citicorp | Loan commitments Citigroup | Other		
Funding Commitments for Significant Unconsolidated VIEs		
Notional amount	22	
Citi Holdings		

Funding Commitments for Significant Unconsolidated VIEs		
Notional amount	1,248	1,320
Citi Holdings | Liquidity facilities Citigroup		
Funding Commitments for Significant Unconsolidated VIEs		
Notional amount	13	
Citi Holdings | Liquidity facilities Citigroup | Collateralized loan obligations (CLOs)		
Funding Commitments for Significant Unconsolidated VIEs		
Notional amount	13	
Citi Holdings | Loan commitments Citigroup		
Funding Commitments for Significant Unconsolidated VIEs		
Notional amount	1,235	
Citi Holdings | Loan commitments Citigroup | Asset-based financing		
Funding Commitments for Significant Unconsolidated VIEs		
Notional amount	243	
Citi Holdings | Loan commitments Citigroup | Municipal investments		
Funding Commitments for Significant Unconsolidated VIEs		
Notional amount	$ 992	

REGULATORY CAPITAL AND CITIGROUP INC. PARENT COMPANY INFORMATION (Details 2) (USD $) In Millions, unless otherwise specified	3 Months Ended								12 Months Ended		
	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Revenues											
Interest revenue									$ 68,138	$ 72,681	$ 79,282
Interest expense									20,535	24,234	25,096
Net interest revenue									47,603	48,447	54,186
Non-interest revenue									22,570	29,906	32,415
Total revenues, net of interest expense	18,174	13,951	18,642	19,406	17,174	20,831	20,622	19,726	70,173	78,353	86,601
Total operating expenses	13,845	12,220	12,134	12,319	13,211	12,460	12,936	12,326	50,518 [1]	50,933 [1]	47,375 [1]
Income (loss) from continuing operations before income taxes	1,130	(964)	3,702	4,068	1,089	5,020	4,299	4,216	7,936	14,624	13,184
Benefit for income taxes	(206)	(1,488)	715	1,006	91	1,278	967	1,185	27	3,521	2,233
Citigroup's net income	1,196	468	2,946	2,931	956	3,771	3,341	2,999	7,541	11,067	10,602
Comprehensive income											
Parent company's net income	1,196	468	2,946	2,931	956	3,771	3,341	2,999	7,541	11,067	10,602
Other comprehensive income (loss)									892	(1,511)	2,660
Citigroup's comprehensive income									8,433	9,556	13,262
Assets											
Cash and deposits from banks	36,453				28,701				36,453	28,701	27,972
Trading account assets	320,929				291,734				320,929	291,734	
Investments	312,326				293,413				312,326	293,413	
Other Assets	145,660				148,911				145,660	148,911	
Total assets	1,864,660				1,873,878				1,864,660	1,873,878	
Liabilities											
Federal funds purchased and securities loaned or sold under agreements to repurchase	211,236				198,373				211,236	198,373	
Trading account liabilities	115,549				126,082				115,549	126,082	
Short-term borrowings	52,027				54,441				52,027	54,441	
Long-term debt	239,463				323,505				239,463	323,505	
Other liabilities	67,815				69,272				67,815	69,272	
Total liabilities	1,673,663				1,694,305				1,673,663	1,694,305	
Total equity	189,049				177,806				189,049	177,806	
Total liabilities and equity	1,864,660				1,873,878				1,864,660	1,873,878	
Citigroup Inc. Parent Company Only, Cash Flows Statement											
Net cash provided by operating activities of continuing operations									14,271	64,779	35,686
Cash flows from investing activities of continuing operations											
Purchases of investments									(256,907)	(314,250)	(406,046)

Proceeds from sales of investments					143,853	182,566	183,688
Proceeds from maturities of investments					102,020	139,959	189,814
Net cash provided by (used in) investing activities of continuing operations					18,571	(8,772)	43,337
Cash flows from financing activities of continuing operations							
Dividends paid					(143)	(107)	(9)
Issuance of preferred stock	2,250				2,250		
Net cash used in financing activities of continuing operations					(25,364)	(56,646)	(77,428)
Change in cash and due from banks					7,752	729	2,500
Cash and due from banks at beginning of year		28,701		27,972	28,701	27,972	25,472
Cash and due from banks at end of year	36,453		28,701		36,453	28,701	27,972
Cash paid (received) during the year for							
Income taxes					3,900	2,705	4,307
Interest					19,739	21,230	23,209
Citigroup Parent Company							
Revenues							
Interest revenue					3,384	3,684	3,237
Interest expense					6,573	7,618	7,728
Net interest revenue					(3,189)	(3,934)	(4,491)
Dividends from subsidiaries					20,780	13,046	14,448
Non-interest revenue					613	939	30
Total revenues, net of interest expense					18,204	10,051	9,987
Total operating expenses					1,497	1,503	878
Income (loss) from continuing operations before income taxes					16,707	8,548	9,109
Benefit for income taxes					(2,062)	(1,821)	(2,480)
Equity in undistributed income of subsidiaries					(11,228)	698	(987)
Citigroup's net income					7,541	11,067	10,602
Comprehensive income							
Parent company's net income					7,541	11,067	10,602
Other comprehensive income (loss)					892	(1,511)	2,660
Citigroup's comprehensive income					8,433	9,556	13,262
Assets							
Cash and deposits from banks	153		3		153	3	11
Trading account assets	150		99		150	99	
Investments	1,676		37,477		1,676	37,477	
Advances to subsidiaries	107,074		108,644		107,074	108,644	
Investments in subsidiaries	184,615		194,979		184,615	194,979	
Other Assets	102,335		65,711		102,335	65,711	

Total assets	396,003		406,913		396,003	406,913	
Liabilities							
Federal funds purchased and securities loaned or sold under agreements to repurchase	185		185		185	185	
Trading account liabilities	170		96		170	96	
Short-term borrowings	725		13		725	13	
Long-term debt	176,553		181,702		176,553	181,702	
Advances from subsidiaries other than banks	12,759		17,046		12,759	17,046	
Other liabilities	16,562		30,065		16,562	30,065	
Total liabilities	206,954		229,107		206,954	229,107	
Total equity	189,049		177,806		189,049	177,806	
Total liabilities and equity	396,003		406,913		396,003	406,913	
Citigroup Inc. Parent Company Only, Cash Flows Statement							
Net cash provided by operating activities of continuing operations					1,598	1,710	8,756
Cash flows from investing activities of continuing operations							
Purchases of investments					(5,701)	(47,190)	(31,346)
Proceeds from sales of investments					37,056	9,524	6,029
Proceeds from maturities of investments					4,286	22,386	16,834
Changes in investments and advances-intercompany					(397)	32,419	13,363
Other investing activities					994	(10)	(20)
Net cash provided by (used in) investing activities of continuing operations					36,238	17,129	4,860
Cash flows from financing activities of continuing operations							
Dividends paid					(143)	(113)	(9)
Issuance of preferred stock					2,250		
Proceeds / (repayments) from issuance of long-term debt-third-party, net					(33,434)	(16,481)	(8,339)
Net change in short-term borrowings and other advances-intercompany					(6,160)	(5,772)	(8,211)
Other financing activities					(199)	3,519	2,949
Net cash used in financing activities of continuing operations					(37,686)	(18,847)	(13,610)
Change in cash and due from banks					150	(8)	6
Cash and due from banks at beginning of year		3		11	3	11	5
Cash and due from banks at end of year	153		3		153	3	11

Cash paid (received) during the year for			
Income taxes	78	(458)	(507)
Interest	$ 7,883	$ 9,271	$ 9,317

[1] Citigroup recorded repositioning charges of $1,375 million for 2012, $706 million for 2011 and $507 million for 2010.

PRINCIPAL TRANSACTIONS (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Principal transactions revenue			
Principal transactions revenue Interest rate contracts	$ 4,781	$ 7,234	$ 7,517
Principal transactions revenue			
Principal transactions revenue Foreign exchange contracts	2,301	5,136	3,231
Principal transactions revenue			
Principal transactions revenue Equity contracts	2,403	2,309	1,852
Principal transactions revenue			
Principal transactions revenue Commodity and other contracts	158	3	995
Principal transactions revenue			
Principal transactions revenue Credit derivatives	92	76	126
Principal transactions revenue			
Principal transactions revenue Citicorp	(173)	(290)	1,313
Principal transactions revenue			
Principal transactions revenue Global Consumer Banking	4,750	5,634	5,693
Principal transactions revenue			
Principal transactions revenue Institutional Clients Group	812	716	533
Principal transactions revenue			
Principal transactions revenue Corporate/Other	4,130	4,873	5,566
Principal transactions revenue			
Principal transactions revenue Citi Holdings	(192)	45	(406)
Principal transactions revenue			
Principal transactions revenue Local Consumer Lending	31	1,600	1,824
Principal transactions revenue			
Principal transactions revenue Brokerage and Asset Management	(69)	(102)	(217)
Principal transactions revenue			
Principal transactions revenue Special Asset Pool	5	(11)	(37)

Principal transactions revenue

Principal transactions revenue	$ 95	$ 1,713	$ 2,078

SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED) (Details) (USD $) In Millions, except Per Share data, unless otherwise specified	3 Months Ended								12 Months Ended		
	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)											
Revenues, net of interest expense	$ 18,174	$ 13,951	$ 18,642	$ 19,406	$ 17,174	$ 20,831	$ 20,622	$ 19,726	$ 70,173	$ 78,353	$ 86,601
Operating expenses	13,845	12,220	12,134	12,319	13,211	12,460	12,936	12,326	50,518 [1]	50,933 [1]	47,375 [1]
Provisions for credit losses and for benefits and claims	3,199	2,695	2,806	3,019	2,874	3,351	3,387	3,184	11,719	12,796	26,042
Income (loss) from continuing operations before income taxes	1,130	(964)	3,702	4,068	1,089	5,020	4,299	4,216	7,936	14,624	13,184
Income taxes (benefits)	(206)	(1,488)	715	1,006	91	1,278	967	1,185	27	3,521	2,233
Income from continuing operations	1,336	524	2,987	3,062	998	3,742	3,332	3,031	7,909	11,103	10,951
Income (loss) from discontinued operations, net of taxes	(112)	(31)	(1)	(5)		1	71	40	(149)	112	(68)
Net income before attribution of noncontrolling interests	1,224	493	2,986	3,057	998	3,743	3,403	3,071	7,760	11,215	10,883
Noncontrolling interests	28	25	40	126	42	(28)	62	72	219	148	281
Citigroup's net income	$ 1,196	$ 468	$ 2,946	$ 2,931	$ 956	$ 3,771	$ 3,341	$ 2,999	$ 7,541	$ 11,067	$ 10,602
Earnings per share Basic											
Income from continuing operations (in dollars per share)	$ 0.43	$ 0.17	$ 0.98	$ 0.98	$ 0.32	$ 1.27	$ 1.10	$ 1.01	$ 2.56 [2]	$ 3.69 [2]	$ 3.66 [2]
Net income (in dollars per share)	$ 0.39	$ 0.15	$ 0.98	$ 0.98	$ 0.32	$ 1.27	$ 1.12	$ 1.02	$ 2.51 [2]	$ 3.73 [2]	$ 3.65 [2]
Earnings per share Diluted											
Income from continuing operations (in dollars per share)	$ 0.42	$ 0.16	$ 0.95	$ 0.96	$ 0.31	$ 1.23	$ 1.07	$ 0.97	$ 2.49 [2]	$ 3.59 [2]	$ 3.55 [2]
Net income (in dollars per share)	$ 0.38	$ 0.15	$ 0.95	$ 0.95	$ 0.31	$ 1.23	$ 1.09	$ 0.99	$ 2.44 [2]	$ 3.63 [2]	$ 3.54 [2]
Common stock price per share											
High (in dollars per share)	$ 40.17	$ 34.79	$ 36.87	$ 38.08	$ 34.17	$ 42.88	$ 45.90	$ 51.30	$ 40.17	$ 34.17	
Low (in dollars per share)	$ 32.75	$ 25.24	$ 24.82	$ 28.17	$ 23.11	$ 23.96	$ 36.81	$ 43.90	$ 32.75	$ 23.11	
Close (in dollars per share)	$ 39.56	$ 32.72	$ 27.41	$ 36.55	$ 26.31	$ 25.62	$ 41.64	$ 44.20	$ 39.56	$ 26.31	

Dividends per share of common stock (in dollars per share)	$ 0.01	$ 0.01	$ 0.01	$ 0.01	$ 0.01	$ 0.01	$ 0.01

[1] Citigroup recorded repositioning charges of $1,375 million for 2012, $706 million for 2011 and $507 million for 2010.

[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.

SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

12 Months Ended

Dec. 31, 2012

29. SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

	2012				2011			
In millions of dollars, except per share amounts	**Fourth**	**Third**	**Second**	**First**	Fourth	Third	Second	First
Revenues, net of interest expense	**$ 18,174**	**$ 13,951**	**$ 18,642**	**$ 19,406**	$ 17,174	$ 20,831	$ 20,622	$ 19,726
Operating expenses	**13,845**	**12,220**	**12,134**	**12,319**	13,211	12,460	12,936	12,326
Provisions for credit losses and for benefits and claims	**3,199**	**2,695**	**2,806**	**3,019**	2,874	3,351	3,387	3,184
Income from continuing operations before income taxes	**$ 1,130**	**$ (964)**	**$ 3,702**	**$ 4,068**	$ 1,089	$ 5,020	$ 4,299	$ 4,216
Income taxes (benefits)	**(206)**	**(1,488)**	**715**	**1,006**	91	1,278	967	1,185
Income from continuing operations	**$ 1,336**	**$ 524**	**$ 2,987**	**$ 3,062**	$ 998	$ 3,742	$ 3,332	$ 3,031
Income (loss) from discontinued operations, net of taxes	**(112)**	**(31)**	**(1)**	**(5)**	—	1	71	40
Net income before attribution of noncontrolling interests	**$ 1,224**	**$ 493**	**$ 2,986**	**$ 3,057**	$ 998	$ 3,743	$ 3,403	$ 3,071
Noncontrolling interests	**28**	**25**	**40**	**126**	42	(28)	62	72
Citigroup's net income	**$ 1,196**	**$ 468**	**$ 2,946**	**$ 2,931**	$ 956	$ 3,771	$ 3,341	$ 2,999
Earnings per share (1)(2)								
Basic								
Income from continuing operations	**$ 0.43**	**$ 0.17**	**$ 0.98**	**$ 0.98**	$ 0.32	$ 1.27	$ 1.10	$ 1.01
Net income	**0.39**	**0.15**	**0.98**	**0.98**	0.32	1.27	1.12	1.02
Diluted								
Income from continuing operations	**0.42**	**0.16**	**0.95**	**0.96**	0.31	1.23	1.07	0.97
Net income	**0.38**	**0.15**	**0.95**	**0.95**	0.31	1.23	1.09	0.99
Common stock price per share (2)								
High	**$ 40.17**	**$ 34.79**	**$ 36.87**	**$ 38.08**	$ 34.17	$ 42.88	$ 45.90	$ 51.30
Low	**32.75**	**25.24**	**24.82**	**28.17**	23.11	23.96	36.81	43.90
Close	**39.56**	**32.72**	**27.41**	**36.55**	26.31	25.62	41.64	44.20
Dividends per share of common stock	**0.01**	**0.01**	**0.01**	**0.01**	0.01	0.01	0.01	—

This Note to the Consolidated Financial Statements is unaudited due to the Company's individual quarterly results not being subject to an audit.

(1) Due to averaging of shares, quarterly earnings per share may not add up to the totals reported for the full year.

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

EARNINGS PER SHARE

12 Months Ended Dec. 31, 2012

EARNINGS PER SHARE

EARNINGS PER SHARE

11. EARNINGS PER SHARE

The following is a reconciliation of the income and share data used in the basic and diluted earnings per share (EPS) computations for the years ended December 31:

In millions, except per-share amounts	**2012**	2011 (1)	2010 (1)
Income from continuing operations before attribution of noncontrolling interests	**$7,909**	$11,103	$10,951
Less: Noncontrolling interests from continuing operations	**219**	148	329
Net income from continuing operations (for EPS purposes)	**$7,690**	$10,955	$10,622
Income (loss) from discontinued operations, net of taxes	**(149)**	112	(68)
Less: Noncontrolling interests from discontinued operations	**—**	—	(48)
Citigroup's net income	**$7,541**	$11,067	$10,602
Less: Preferred dividends	**26**	26	9
Net income available to common shareholders	**$7,515**	$11,041	$10,593
Less: Dividends and undistributed earnings allocated to employee restricted and deferred shares with nonforfeitable rights to dividends, applicable to basic EPS	**166**	186	90
Net income allocated to common shareholders for basic EPS	**$7,349**	$10,855	$10,503
Add: Interest expense, net of tax, on convertible securities and adjustment of undistributed earnings allocated to employee restricted and deferred shares with nonforfeitable rights to dividends, applicable to diluted EPS	**11**	17	2
Net income allocated to common shareholders for diluted EPS	**$7,360**	$10,872	$10,505
Weighted-average common shares outstanding applicable to basic EPS	**2,930.6**	2,909.8	2,877.6
Effect of dilutive securities			
T-DECs	**84.2**	87.6	87.8
Other employee plans	**0.6**	0.5	1.9
Convertible securities	**0.1**	0.1	0.1
Options	**—**	0.8	0.4
Adjusted weighted-average common shares outstanding applicable to diluted EPS	**3,015.5**	2,998.8	2,967.8
Basic earnings per share (2)			
Income from continuing operations	**$2.56**	$3.69	$3.66
Discontinued operations	**(0.05)**	0.04	(0.01)
Net income	**$2.51**	$3.73	$3.65
Diluted earnings per share (2)			
Income from continuing operations	**$2.49**	$3.59	$3.55
Discontinued operations	**(0.05)**	0.04	(0.01)
Net income	**$2.44**	$3.63	$3.54

(1) 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.

(2) Due to rounding, earnings per share on continuing operations and discontinued operations may not sum to earnings per share on net income.

During 2012, 2011 and 2010 weighted-average options to purchase 35.8 million, 24.1 million and 38.6 million shares of common stock, respectively, were outstanding but not included in the computation of earnings per share because the weighted-average exercise prices of $54.18, $123.47 and $102.89, respectively, were greater than the average market price of the Company's common stock.

Warrants issued to the U.S. Treasury as part of the Troubled Asset Relief Program (TARP) and the loss-sharing agreement (all of which were subsequently sold to the public in January 2011), with an exercise price of $178.50 and $106.10 for approximately 21.0 million and 25.5 million shares of common stock, respectively, were not included in the computation of earnings per share in 2012, 2011 and 2010, because they were anti-dilutive.

The final tranche of equity units held by the Abu Dhabi Investment Authority (ADIA) converted into 5.9

million shares of Citigroup common stock during the third quarter of 2011. Equity units of approximately 11.8 million shares of Citigroup common stock held by ADIA were not included in the computation of earnings per share in 2010 because the exercise price of $318.30 was greater than the average market price of the Company's common stock.

Pursuant to the terms of Citi's previously outstanding Tangible Dividend Enhanced Common Stock Securities (T-DECs), on December 17, 2012, the Company delivered 96,337,772 shares of Citigroup common stock for the final settlement of the prepaid stock purchase contract. The impact of these additional shares to the weighted-average common shares outstanding applicable to basic EPS for the year ended 2012 was negligible due to the timing of when they were issued. The full impact of the T-DECs settlement will be reflected in the basic earnings per share calculation for the first quarter of 2013. The impact of the T-DECs was fully reflected in the diluted shares and the diluted EPS for 2012, 2011 and 2010.

During the fourth quarter of 2012, Citi issued approximately $2.25 billion of non-cumulative perpetual preferred stock. If declared by the Board of Directors, Citi will distribute preferred dividends of approximately $97 million relating to its preferred stock issuance during 2013.

INVESTMENTS (Details 6) (USD $)	Dec. 31, 2012	Dec. 31, 2011	3 Months Ended Jun. 30, 2012 Akbank	12 Months Ended Dec. 31, 2012 Akbank	Mar. 31, 2012 Akbank	1 Months Ended Sep. 30, 2012 Morgan Stanley Smith Barney joint venture	3 Months Ended Sep. 30, 2012 Morgan Stanley Smith Barney joint venture	12 Months Ended Dec. 31, 2012 Morgan Stanley Smith Barney joint venture	Sep. 16, 2012 Morgan Stanley Smith Barney joint venture	Sep. 11, 2012 Morgan Stanley Smith Barney joint venture	Dec. 31, 2012 Mortgage-backed securities	Dec. 31, 2011 Mortgage-backed securities	Dec. 31, 2012 State and municipal securities	Dec. 31, 2011 State and municipal securities	Dec. 31, 2012 Foreign government	Dec. 31, 2012 All Other	Dec. 31, 2011 All Other
Held-to-maturity Securities, Debt Maturities, Net Carrying Amount;																	
Due within 1 year, carrying value													$ 14,000,000	$ 4,000,000			$ 21,000,000
After 1 but within 5 years, carrying value											69,000,000	275,000,000	36,000,000	43,000,000	2,987,000,000	728,000,000	470,000,000
After 5 but within 10 years, carrying value											54,000,000	238,000,000	58,000,000	31,000,000			1,404,000,000
After 10 years, carrying value											4,586,000,000	6,917,000,000	1,097,000,000	1,249,000,000		501,000,000	831,000,000
Total carrying value	10,130,000,000	11,483,000,000									4,709,000,000	7,430,000,000	1,205,000,000	1,327,000,000	2,987,000,000	1,229,000,000	2,726,000,000
Held-to-maturity Securities, Debt Maturities, Fair Value;																	
Due within 1 year, fair value													15,000,000	4,000,000			21,000,000
After 1 but within 5 years, fair value											67,000,000	239,000,000	37,000,000	46,000,000	2,987,000,000	802,000,000	438,000,000
After 5 but within 10 years, fair value											54,000,000	224,000,000	62,000,000	30,000,000			1,182,000,000
After 10 years, fair value											4,977,000,000	6,320,000,000	1,143,000,000	1,243,000,000		500,000,000	753,000,000
Total fair value	10,644,000,000	10,500,000,000									5,098,000,000	6,783,000,000	1,257,000,000	1,323,000,000	2,987,000,000	1,302,000,000	2,394,000,000
Carrying value of equity method investment									11,300,000,000								
Maximum equity method investment ownership percentage					10.00%												
Percentage of ownership interest held					20.00%			35.00%	49.00%								
Proceed from selling 14% interest in the joint venture						1,890,000,000											
Total charge to earnings related to the investment, pretax							4,700,000,000										
Total charge to earnings related to the investment, after-tax							2,900,000,000										
Ownership interest sold by entity (as a percent)			10.10%	10.10%		14.00%	14.00%	14.00%									
Percentage of ownership interest held in the investment which is recorded within marketable equity securities available-for-sale				9.90%													
Impairment charge related to investment, pre-tax				1,181,000,000													
100% value of the joint venture										13,500,000,000							
Agreed selling price for the remaining 35% interest in the joint venture								4,725,000,000									
Deposit transferred to the buyer of the investment at no premium						4,500,000,000											
Loss on sale of investment, before tax			424,000,000	424,000,000			1,300,000,000	1,344,000,000									
Loss on sale of investment, after tax			274,000,000				800,000,000										
Other-than-temporary impairment of the carrying value, pretax							3,400,000,000										
Other-than-temporary impairment of the carrying value, after-tax							$ 2,100,000,000										