CITIGROUP INC
Form 10-Q
May 05, 2011

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2011

Commission file number 1-9924

Citigroup Inc.

(Exact name of registrant as specified in its charter)

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

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

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

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

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

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

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

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

Common stock outstanding as of March 31, 2011: 29,206,440,560

Available on the web at www.citigroup.com

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CITIGROUP INC.

FIRST QUARTER 2011 FORM 10-Q

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OVERVIEW

Introduction

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

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

This Quarterly Report on Form 10-Q should be read in conjunction with Citigroup's Annual Report on Form 10-K for the year ended December 31, 2010 (2010 Annual Report on Form 10-K). Additional information about Citigroup is available on the company's Web site at *www.citigroup.com*. Citigroup's recent annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, as well as its other filings with the SEC are available free of charge through the company's Web site by clicking on the "Investors" page and selecting "All SEC Filings." The SEC's Web site also contains periodic and current reports, proxy and information statements, and other information regarding Citi at *www.sec.gov*.

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

Within this Form 10-Q, please refer to the tables of contents on pages 2 and 80 for page references to Management's Discussion and Analysis of Financial Condition and Results of Operations and Notes to Consolidated Financial Statements, respectively.

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

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

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

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

FIRST QUARTER 2011 EXECUTIVE SUMMARY

Citigroup

Citigroup reported first quarter of 2011 net income of $3.0 billion, or $0.10 per diluted share. Citigroup's income declined $1.4 billion from the first quarter of 2010, but more than doubled from the prior quarter.

Citigroup revenues, net of interest expense, were $19.7 billion, down $5.7 billion, or 22%, from the first quarter of 2010. Net interest revenues of $12.2 billion were 16% lower than the prior-year period, largely due to declining loan balances in *Local Consumer Lending* within Citi Holdings. Net interest revenues also included a $245 million pre-tax charge during the first quarter 2011 to increase reserves related to customer refunds in Japan Consumer Finance. Non-interest revenues were $7.5 billion, down 31% from the prior-year period, principally driven by lower *Securities and Banking* revenues, negative credit valuation adjustments (CVA), and a $709 million net charge resulting from the transfer of certain assets in the *Special Asset Pool* from held-to-maturity to trading assets (see " Citi Holdings *Special Asset Pool* Reclassification of HTM Securities to Trading" and Note 11 to the Consolidated Financial Statements).

Citicorp

Citicorp net income of $4.1 billion declined 19% from the prior-year period, but was up 69% from the prior quarter. Year-over-year, lower revenues and increased expenses were partially offset by improvement in credit costs. Citicorp's international operations accounted for 72% of first quarter 2011 net income.

Citicorp revenues were $16.5 billion, down $2.0 billion, or 11%, from the first quarter of 2010. Net interest revenues of $9.5 billion declined 4% from the prior-year period, principally driven by North America *Regional Consumer Banking* and *Securities and Banking*. Non-interest revenues declined 19% to $7.0 billion, largely due to the decline in *Securities and Banking* revenues, including negative CVA.

Regional Consumer Banking revenues of $7.9 billion were 2% lower year-over-year, mostly due to lower cards balances in North America, the impact of The Credit Card Accountability Responsibility and Disclosure Act (CARD Act), and continued spread compression in Asia and Latin America. Average retail banking loans increased 11% year-over-year to $121.4 billion, and average deposits increased 6% to $307.0 billion, both driven by Latin America and Asia. Citi-branded cards average loans declined 2% year-over-year to $110.3 billion, as growth in Latin America and Asia was offset by lower balances in North America. Cards purchase sales grew 8% from the prior-year period to $64.9 billion, and international investment sales increased 5% to $25.4 billion.

Securities and Banking revenues declined 25% year-over-year, driven principally by lower revenues in fixed income markets and CVA of negative $229 million in the current quarter (compared to positive $285 million in the prior-year period). Excluding CVA, fixed income markets revenues decreased 22% year-over-year, largely due to declines in revenues from rates and currencies and credit and securitized products, and equity markets revenues were 9% lower mainly driven by lower trading revenues related to principal positions. Investment banking revenues were down 19% from the prior-year period, primarily reflecting lower revenues from municipal and investment grade debt underwriting.

Transaction Services revenues were $2.6 billion, up 5% from the prior-year period, driven by growth in Latin America and Asia. Average deposits and other customer liabilities grew 11% year-over-year to $355 billion, with growth in every region. Strong growth in business volumes was partially offset by continued spread compression.

Citicorp end of period loans increased 10% year-over-year to $418 billion, with 6% growth in consumer loans and 16% growth in corporate loans.

Citi Holdings

Citi Holdings net loss of $608 million was 31% less than the net loss of $886 million in the first quarter of 2010, and down 40% from the net loss of $1.0 billion in the prior quarter, as continued improvement in credit costs and lower expenses more than offset the decline in revenues, as discussed below.

Citi Holdings revenues declined 50% to $3.3 billion from the prior-year period. Net interest revenues declined 40% year-over-year to $2.6 billion, largely driven by lower loan balances in *Local Consumer Lending* and the higher reserve build related to customer refunds in Japan Consumer Finance during the current quarter. Non-interest revenues declined 70% to $653 million from the prior-year period, reflecting the $709 million net pre-tax charge related to the asset transfer in *Special Asset Pool*, lower positive marks on subprime related direct exposures, and a repurchase reserve build of $122 million related to North America residential real estate in *Local Consumer Lending*, partially offset by gains on private equity investments.

Citi Holdings assets declined 33% from the first quarter of 2010 to $337 billion at the end of the first quarter of 2011. The decline reflected $106 billion in asset sales and business dispositions, $49 billion in net run-off and amortization, and $10 billion in net cost of credit and net asset marks. Sequentially, Citi Holdings assets declined 6% from $359 billion in the fourth quarter of 2010. At the end of the first quarter of 2011, Citi Holdings assets comprised approximately 17% of total Citigroup GAAP assets and 31% of risk-weighted assets.

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Credit Costs

Citigroup total provisions for credit losses and for benefits and claims of $3.2 billion declined $5.4 billion, or 63%, from the prior-year period. Net credit losses of $6.3 billion were down $2.1 billion, or 25%, from the first quarter of 2010. Consumer net credit losses declined $2.6 billion, or 32%, to $5.4 billion, driven by continued improvement in credit in North America Citi-branded cards in Citicorp, and retail partner cards and residential real estate lending in Citi Holdings. Corporate net credit losses increased $485 million to $849 million year-over-year, primarily due to higher cost of loan sales as well as losses from loans to specific counterparties for which reserves had previously been established and were released in the current quarter.

The net release of allowance for loan losses and unfunded lending commitments was $3.3 billion in the first quarter of 2011, compared to $53 million in the first quarter of 2010. The $2.0 billion net Consumer reserve release was mainly driven by retail partner cards and North America Citi-branded cards. The $1.4 billion net Corporate reserve release reflected releases for the overall portfolio, as credit trends continued to improve, as well as the release of previously established reserves for specific loans that offset charge-offs taken in the current quarter.

Operating Expenses

Citigroup expenses increased $808 million, or 7%, year-over-year to $12.3 billion, reflecting higher legal and related costs, the impact of foreign exchange and inflation, continued investment spending and increased business volumes, partially offset by a decline in Citi Holdings as well as productivity saves across the firm.

Citicorp expenses of $9.6 billion grew 12% from the prior-year period. More than half of the increase in Citicorp expenses was due to higher investment spending, with the remainder roughly split between the impact of foreign exchange in the translation of local currency results into U.S. dollars for reporting purposes (as used throughout this Form 10-Q, FX translation) and inflation and higher legal and related costs. Higher expenses from increased business volumes were generally offset by continued productivity saves.

Citi Holdings expenses were down 22% year-over-year to $2.0 billion, principally due to the continued decline in assets and therefore lower operating costs.

Citigroup continues to expect variability in its operating expenses during the remaining quarters of 2011 as it continues investing in Citicorp while rationalizing Citi Holdings. Certain expenses, particularly legal costs and the impact of foreign exchange, will remain difficult to predict.

Capital and Loan Loss Reserve Positions

Citigroup's Tier 1 Capital ratio was 13.3% at quarter-end, and its Tier 1 Common ratio was 11.3%.

Citigroup's total allowance for loan losses was $36.6 billion at quarter-end, or 5.79%, of total loans, down from $48.7 billion, or 6.80%, in the prior-year period. The decline in the total allowance for loan losses reflected asset sales, lower non-accrual loans, and overall improvement in the credit quality of the loan portfolio.

The Consumer allowance for loan losses was $32.7 billion, or 7.47%, of total Consumer loans, at quarter-end, compared to $41.4 billion, or 7.84%, at March 31, 2010.

Citigroup's non-accrual loans of $14.8 billion declined 48% from the prior-year period. At the end of the first quarter of 2011, the allowance for loan losses was 247% of non-accrual loans.

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RESULTS OF OPERATIONS

SUMMARY OF SELECTED FINANCIAL DATA

Citigroup Inc. and Consolidated Subsidiaries

In millions of dollars, except per-share amounts, ratios and direct staff	First Quarter 2011	2010	% Change
Net interest revenue	**$ 12,224**	$ 14,561	(16)%
Non-interest revenue	**7,502**	10,860	(31)
Revenues, net of interest expense	**$ 19,726**	$ 25,421	(22)%
Operating expenses	**12,326**	11,518	7
Provisions for credit losses and for benefits and claims	**3,184**	8,618	(63)
Income from continuing operations before income taxes	**$ 4,216**	$ 5,285	(20)%
Income taxes	**1,185**	1,036	14
Income from continuing operations	**$ 3,031**	$ 4,249	(29)%
Income from discontinued operations, net of taxes(1)	**40**	211	(81)
Net income before attribution of noncontrolling interests	**$ 3,071**	$ 4,460	(31)%
Net income attributable to noncontrolling interests	**72**	32	NM
Citigroup's net income	**$ 2,999**	$ 4,428	(32)%
Less: Preferred dividends Basic	**$ 4**	$	
Less: Dividends and undistributed earnings allocated to participating securities, applicable to Basic EPS	**35**	28	
Income allocated to unrestricted common shareholders for basic EPS	**$ 2,960**	$ 4,400	(33)%
Add: Incremental dividends and undistributed earnings allocated to participating securities, applicable to Diluted EPS	**1**		
Income allocated to unrestricted common shareholders for diluted EPS	**$ 2,961**	$ 4,400	(33)%
Earnings per share			
Basic			
Income from continuing operations	**$ 0.10**	$ 0.15	(33)%
Net income	**0.10**	0.15	(33)
Diluted			
Income from continuing operations	**$ 0.10**	$ 0.14	(29)%
Net income	**0.10**	0.15	(33)
At March 31:			
Total assets	**$ 1,947,815**	$ 2,002,213	(3)%
Total deposits	**865,863**	827,914	5
Long-term debt	**376,541**	439,274	(14)
Mandatorily redeemable securities of subsidiary trusts (included in long-term debt)	**17,940**	21,682	(17)
Common stockholders' equity	**170,725**	151,109	13
Total stockholders' equity	**171,037**	151,421	13
Direct staff *(in thousands)*	**260**	263	(1)
Ratios:			
Return on average common stockholders' equity(2)	**7.3%**	12.0%	
Return on average total stockholders' equity(2)	**7.3**	12.0	

Tier 1 Common(3)		**11.34%**		9.11%
Tier 1 Capital		**13.26**		11.28
Total Capital		**16.98**		14.88
Leverage(4)		**7.00**		6.16
Common stockholders' equity to assets		**8.76%**		7.55%
Total stockholders' equity to assets		**8.78**		7.56
Book value per common share	**$**	**5.85**	$	5.28
Tangible book value per share(5)	**$**	**4.69**	$	4.09
Ratio of earnings to fixed charges and preferred stock dividends		**1.70x**		1.82x

(1) Discontinued operations primarily reflects the sale of Nikko Cordial Securities, the sale of Citigroup's German retail banking operations, the sale of CitiCapital's equipment finance unit to General Electric, and the announced sale of the Egg Banking PLC credit card business. See Note 2 to the Consolidated Financial Statements.

(2) 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 total stockholders' equity is calculated using net income divided by average stockholders' equity.

(3) As defined by the banking regulators, the Tier 1 Common ratio represents Tier 1 Capital less qualifying perpetual preferred stock, qualifying noncontrolling interests in subsidiaries and qualifying mandatorily redeemable securities of subsidiary trusts divided by risk-weighted assets.

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

(5) Tangible book value per share is a non-GAAP financial measure for SEC purposes. For additional information and a reconciliation of this measure to the most directly comparable GAAP measure, see "Capital Resources and Liquidity Capital Resources Tangible Common Equity" below.

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SEGMENT, BUSINESS AND PRODUCT INCOME (LOSS) AND REVENUES

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

CITIGROUP INCOME (LOSS)

	First Quarter		
In millions of dollars	**2011**	2010	% Change
Income (loss) from continuing operations			
CITICORP			
Regional Consumer Banking			
North America	**$ 551**	$ 15	NM
EMEA	**49**	24	NM
Latin America	**484**	367	32%
Asia	**461**	567	(19)
Total	**$ 1,545**	$ 973	59%
Securities and Banking			
North America	**$ 458**	$ 1,422	(68)%
EMEA	**765**	1,021	(25)
Latin America	**272**	269	1
Asia	**210**	469	(55)
Total	**$ 1,705**	$ 3,181	(46)%
Transaction Services			
North America	**$ 113**	$ 161	(30)%
EMEA	**278**	303	(8)
Latin America	**170**	152	12
Asia	**284**	319	(11)
Total	**$ 845**	$ 935	(10)%
Institutional Clients Group	**$ 2,550**	$ 4,116	(38)%
Total Citicorp	**$ 4,095**	$ 5,089	(20)%
CITI HOLDINGS			
Brokerage and Asset Management	**$ (10)**	$ 76	NM
Local Consumer Lending	**(599)**	(1,829)	67%
Special Asset Pool	**62**	878	(93)
Total Citi Holdings	**$ (547)**	$ (875)	37%
Corporate/Other	**$ (517)**	$ 35	NM
Income from continuing operations	**$ 3,031**	$ 4,249	(29)%

Discontinued operations	**$**	**40**	$	211	NM
Net income attributable to noncontrolling interests		**72**		32	NM
Citigroup's net income	**$**	**2,999**	$	4,428	(32)%

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CITIGROUP REVENUES

In millions of dollars	First Quarter 2011	2010	% Change
CITICORP			
Regional Consumer Banking			
North America	**$ 3,334**	$ 3,801	(12)%
EMEA	**398**	405	(2)
Latin America	**2,309**	2,076	11
Asia	**1,901**	1,800	6
Total	**$ 7,942**	$ 8,082	(2)%
Securities and Banking			
North America	**$ 2,328**	$ 3,553	(34)%
EMEA	**2,059**	2,515	(18)
Latin America	**582**	607	(4)
Asia	**1,043**	1,328	(21)
Total	**$ 6,012**	$ 8,003	(25)%
Transaction Services			
North America	**$ 610**	$ 639	(5)%
EMEA	**836**	833	
Latin America	**408**	344	19
Asia	**696**	621	12
Total	**$ 2,550**	$ 2,437	5%
Institutional Clients Group	**$ 8,562**	$ 10,440	(18)%
Total Citicorp	**$ 16,504**	$ 18,522	(11)%
CITI HOLDINGS			
Brokerage and Asset Management	**$ 137**	$ 340	(60)%
Local Consumer Lending	**3,153**	4,670	(32)
Special Asset Pool	**(7)**	1,540	NM
Total Citi Holdings	**$ 3,283**	$ 6,550	(50)
Corporate/Other	**$ (61)**	$ 349	NM
Total net revenues	**$ 19,726**	$ 25,421	(22)%

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CITICORP

Citicorp is the Company's global bank for consumers and businesses and represents Citi's core franchise. Citicorp is focused on providing best-in-class products and services to customers and leveraging Citigroup's unparalleled global network. Citicorp is physically present in approximately 100 countries, many for over 100 years, and offers services in over 160 countries and jurisdictions. Citi believes this global network provides a strong foundation for servicing the broad financial services needs of large multinational clients and for meeting the needs of retail, private banking, commercial, public sector and institutional clients around the world. Citigroup's global footprint provides coverage of the world's emerging economies, which Citi believes represent a strong area of growth. At March 31, 2011, Citicorp had approximately $1.3 trillion of assets and $784 billion of deposits, representing approximately 68% of Citi's total assets and approximately 91% of its deposits.

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

	First Quarter		
In millions of dollars	**2011**	**2010**	**% Change**
Net interest revenue	**$ 9,506**	$ 9,870	(4)%
Non-interest revenue	**6,998**	8,652	(19)
Total revenues, net of interest expense	**$ 16,504**	$ 18,522	(11)%
Provisions for credit losses and for benefits and claims			
Net credit losses	**$ 2,318**	$ 3,142	(26)%
Credit reserve build (release)	**(1,258)**	(360)	NM
Provision for loan losses	**$ 1,060**	$ 2,782	(62)%
Provision for benefits and claims	**44**	44	
Provision for unfunded lending commitments	**4**	(7)	NM
Total provisions for credit losses and for benefits and claims	**$ 1,108**	$ 2,819	(61)%
Total operating expenses	**$ 9,601**	$ 8,595	12%
Income from continuing operations before taxes	**$ 5,795**	$ 7,108	(18)%
Provisions for income taxes	**1,700**	2,019	(16)
Income from continuing operations	**$ 4,095**	$ 5,089	(20)%
Net income attributable to noncontrolling interests	**11**	21	(48)
Citicorp's net income	**$ 4,084**	$ 5,068	(19)
Balance sheet data *(in billions of dollars)*			
Total EOP assets	**$ 1,330**	$ 1,236	8%
EOP Loans:			
Consumer	**235**	221	6
Corporate	**183**	158	16
Average assets	**1,323**	1,233	7
Total EOP deposits	**784**	730	7

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REGIONAL CONSUMER BANKING

Regional Consumer Banking (RCB) consists of Citigroup's four *RCB* businesses that provide traditional banking services to retail customers. *RCB* also contains Citigroup's branded cards business and Citi's local commercial banking business. *RCB* is a globally diversified business with over 4,200 branches in 39 countries around the world. At March 31, 2011, *RCB* had $333 billion of assets and $314 billion of deposits.

	First Quarter		
In millions of dollars	**2011**	**2010**	**% Change**
Net interest revenue	**$ 5,752**	$ 5,917	(3)%
Non-interest revenue	**2,190**	2,165	1
Total revenues, net of interest expense	**$ 7,942**	$ 8,082	(2)%
Total operating expenses	**$ 4,482**	$ 3,998	12%
Net credit losses	**$ 2,108**	$ 3,040	(31)%
Credit reserve build (release)	**(862)**	(180)	NM
Provisions for unfunded lending commitments			
Provision for benefits and claims	**44**	44	
Provisions for credit losses and for benefits and claims	**$ 1,290**	$ 2,904	(56)%
Income from continuing operations before taxes	**$ 2,170**	$ 1,180	84%
Income taxes	**625**	207	NM
Income from continuing operations	**$ 1,545**	$ 973	59%
Net income (loss) attributable to noncontrolling interests	**(2)**	(5)	60
Net income	**$ 1,547**	$ 978	58%
Average assets *(in billions of dollars)*	**$ 327**	$ 308	6%
Return on assets	**1.92%**	1.29%	
Total EOP assets	**$ 333**	$ 313	6
Average deposits *(in billions of dollars)*	**307.0**	289.2	6
Net credit losses as a percentage of	**3.69%**	5.57%	

average loans					
Revenue by business					
Retail banking	**$**	**3,907**	$	3,814	2%
Citi-branded cards		**4,035**		4,268	(5)
Total	**$**	**7,942**	$	8,082	(2)%
Income from continuing operations by business					
Retail banking	**$**	**681**	$	799	(15)%
Citi-branded cards		**864**		174	NM
Total	**$**	**1,545**	$	973	59%

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NORTH AMERICA REGIONAL CONSUMER BANKING

North America Regional Consumer Banking (NA RCB) provides traditional banking and Citi-branded card services to retail customers and small to mid-size businesses in the U.S. *NA RCB*'s approximate 1,000 retail bank branches and 13.0 million retail customer accounts are largely concentrated in the greater metropolitan areas of New York, Los Angeles, San Francisco, Chicago, Miami, Washington, D.C., Boston, Philadelphia, and certain larger cities in Texas. At March 31, 2011, *NA RCB* had $33.0 billion of retail banking and residential real estate loans and $143.6 billion of average deposits. In addition, *NA RCB* had 21.1 million Citi-branded credit card accounts, with $73.2 billion in outstanding card loan balances.

	First Quarter		
In millions of dollars	**2011**	**2010**	**% Change**
Net interest revenue	**$ 2,624**	$ 2,954	(11)%
Non-interest revenue	**710**	847	(16)
Total revenues, net of interest expense	**$ 3,334**	$ 3,801	(12)%
Total operating expenses	**$ 1,689**	$ 1,621	4%
Net credit losses	**$ 1,440**	$ 2,157	(33)%
Credit reserve build (release)	**(649)**	4	NM
Provisions for benefits and claims	**6**	8	(25)
Provisions for loan losses and for benefits and claims	**$ 797**	$ 2,169	(63)%
Income from continuing operations before taxes	**$ 848**	$ 11	NM
Income taxes (benefits)	**297**	(4)	NM
Income from continuing operations	**$ 551**	$ 15	NM
Net income attributable to noncontrolling interests			
Net income	**$ 551**	$ 15	NM
Average assets *(in billions of dollars)*	**$ 120**	$ 121	(1)%
Average deposits *(in billions of dollars)*	**144**	144	
Net credit losses as a percentage of average loans	**5.52%**	7.85%	

Revenue by business					
Retail banking	**$**	**1,187**	$	1,280	(7)%
Citi-branded cards		**2,147**		2,521	(15)
Total	**$**	**3,334**	$	3,801	(12)%
Income (loss) from continuing operations by business					
Retail banking	**$**	**91**	$	165	(45)%
Citi-branded cards		**460**		(150)	NM
Total	**$**	**551**	$	15	NM

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Not meaningful

1Q11 vs. 1Q10

NA RCB revenues, net of interest expense, decreased 12% to $3.3 billion mainly due to lower volumes in branded cards and the net impact of the Credit Card Accountability Responsibility and Disclosure Act (CARD Act) on cards revenues, as well as lower mortgage-related revenues.

Net interest revenue was down 11% to $2.6 billion driven primarily by lower volumes in cards, with average loans down 7% from the prior-year quarter. In addition, cards net interest revenue was negatively impacted by the CARD Act.

Non-interest revenue decreased 16% to $710 million from the prior-year quarter mainly due to lower gains from mortgage loan sales and lower net mortgage servicing revenues.

Operating expenses increased 4% to $1.7 billion from the prior-year quarter, primarily driven by higher marketing costs and technology spending. Management currently anticipates that, assuming credit continues to improve in *NA RCB* (see below), it will further increase investment spending in its *NA RCB* businesses.

Provisions for loan losses and for benefits and claims decreased $1.4 billion, or 63%, primarily due to a net loan loss reserve release of $649 million in the current quarter and lower net credit losses in the Citi-branded cards portfolio. Cards net credit losses were down $732 million, or 35%, from the prior-year quarter, and the net credit loss ratio decreased 325 basis points to 7.42%.

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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. Remaining activities in respect of Western Europe retail banking and cards are included in Citi Holdings. The countries in which *EMEA RCB* has the largest presence are Poland, Turkey, Russia and the United Arab Emirates. At March 31, 2011, *EMEA RCB* had 297 retail bank branches with 3.6 million customer accounts, $4.7 billion in retail banking loans and $9.7 billion in average deposits. In addition, the business had 2.5 million Citi-branded card accounts with $2.9 billion in outstanding card loan balances.

	First Quarter		
In millions of dollars	**2011**	**2010**	**% Change**
Net interest revenue	**$ 228**	$ 248	(8)%
Non-interest revenue	**170**	157	8
Total revenues, net of interest expense	**$ 398**	$ 405	(2)%
Total operating expenses	**$ 308**	$ 282	9%
Net credit losses	**$ 49**	$ 97	(49)%
Provision for unfunded lending commitments			
Credit reserve build (release)	**(33)**	(10)	NM
Provisions for loan losses	**$ 16**	$ 87	(82)%
Income from continuing operations before taxes	**$ 74**	$ 36	NM
Income taxes	**25**	12	
Income from continuing operations	**$ 49**	$ 24	NM
Net income attributable to noncontrolling interests			
Net income	**$ 49**	$ 24	NM
Average assets *(in billions of dollars)*	**$ 10**	$ 10	
Return on assets	**1.99%**	0.97%	
Average deposits *(in billions of dollars)*	**$ 10**	$ 10	
Net credit losses as a percentage of average loans	**2.69%**	4.98%	

Revenue by business

Retail banking	$	**219**	$	222	(1)%
Citi-branded cards		**179**		183	(2)
Total	$	**398**	$	405	(2)%
Income (loss) from continuing operations by business					
Retail banking	$	**4**	$	(9)	NM
Citi-branded cards		**45**		33	36%
Total	$	**49**	$	24	NM

NM
Not meaningful

1Q11 vs. 1Q10

Revenues, net of interest expense declined 2% to $398 million from the prior-year period due to lower lending revenues on the continued liquidation of non-strategic customer portfolios, unrest in Middle East markets and lower contribution from an equity investment in Turkey.

Net interest revenue was $228 million, or 8%, lower than the prior-year period due to the continued decline in the non-strategic portfolio, lower retail bank average loans and spread compression in the cards portfolio.

Non-interest revenue increased by 8% to $170 million, reflecting higher investment sales and cards fees offset by a lower contribution from an equity investment in Turkey. Investment sales grew 43% year-over-year and assets under management grew 20%.

Operating expenses increased 9% to $308 million, reflecting account acquisition-focused investment spending, expansion of the sales force and higher regulatory expenses.

Provisions for loan losses decreased 82% to $16 million. *Net credit losses* decreased 49% to $49 million, while the loan loss reserve release increased from $10 million in the first quarter of 2010 to $33 million in the first quarter of 2011, reflecting the ongoing improvement in credit quality during the period.

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LATIN AMERICA REGIONAL CONSUMER BANKING

Latin America Regional Consumer Banking (LATAM RCB) provides traditional banking and Citi-branded card services to retail customers and small to mid-size businesses, with the largest presence in Mexico and Brazil. *LATAM RCB* includes branch networks throughout *Latin America* as well as Banco Nacional de Mexico, or Banamex, Mexico's second largest bank, with over 1,700 branches. At March 31, 2011, *LATAM RCB* had 2,196 retail branches, with 26.6 million customer accounts, $23.5 billion in retail banking loan balances and $45.6 billion in average deposits. In addition, the business had 12.7 million Citi-branded card accounts with $13.5 billion in outstanding loan balances.

	First Quarter		
In millions of dollars	**2011**	**2010**	**% Change**
Net interest revenue	**$ 1,574**	$ 1,458	8%
Non-interest revenue	**735**	618	19
Total revenues, net of interest expense	**$ 2,309**	$ 2,076	11%
Total operating expenses	**$ 1,365**	$ 1,175	16%
Net credit losses	**$ 407**	$ 509	(20)%
Credit reserve build (release)	**(146)**	(136)	(7)
Provision for benefits and claims	**38**	36	6
Provisions for loan losses and for benefits and claims	**$ 299**	$ 409	(27)%
Income from continuing operations before taxes	**$ 645**	$ 492	31%
Income taxes	**161**	125	29
Income from continuing operations	**$ 484**	$ 367	32%
Net (loss) attributable to noncontrolling interests	**(2)**	(5)	60
Net income	**$ 486**	$ 372	31%
Average assets *(in billions of dollars)*	**$ 79**	$ 72	10%
Return on assets	**2.49%**	2.10%	
Average deposits *(in billions of dollars)*	**$ 46**	$ 40	15
Net credit losses as a percentage of average loans	**4.60%**	6.75%	
Revenue by business			
Retail banking	**$ 1,348**	$ 1,196	13%

Citi-branded cards	**961**	880	9
Total	**$ 2,309**	$ 2,076	11%
Income from continuing operations by business			
Retail banking	**$ 305**	$ 234	30%
Citi-branded cards	**179**	133	35
Total	**$ 484**	$ 367	32%

1Q11 vs. 1Q10

Revenues, net of interest expense increased 11% to $2.3 billion, driven by higher loan and deposit volumes as well as the impact of FX translation.

Net interest revenue increased 8% to $1.6 billion, driven by higher loan volumes, primarily in the retail business, and the impact of FX translation, which was partially offset by spread compression.

Non-interest revenue increased 19% to $735 million, driven by higher cards fee income from increased customer activity as purchase sales increased by 25%.

Operating expenses increased 16% to $1.4 billion as compared to the prior-year period, primarily driven by new investments and the impact of FX translation. Higher operating expenses also reflected an increase in business volumes, partially offset by productivity saves.

Provisions for loan losses and for benefits and claims decreased 27% to $299 million, reflecting a $102 million, or 20%, decrease in net credit losses in spite of the incremental $5.3 billion loan volumes and changes in FX rates. This progress was driven mainly by improved portfolio quality in Mexico cards. Additionally, loan loss reserve releases of $146 million were $10 million higher than the previous year, driven by retail banking loan losses.

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ASIA REGIONAL CONSUMER BANKING

Asia Regional Consumer Banking (Asia RCB) provides traditional banking and Citi-branded card services to retail customers and small to mid-size businesses, with the largest Citi presence in South Korea, Japan, Taiwan, Singapore, Australia, Hong Kong, India and Indonesia. At March 31, 2011, *Asia RCB* had 707 retail branches, 16.2 million retail banking accounts, $108.1 billion in average customer deposits, and $64.1 billion in retail banking loans. In addition, the business had 15.4 million Citi-branded card accounts with $20.0 billion in outstanding loan balances.

	First Quarter		
In millions of dollars	**2011**	**2010**	**% Change**
Net interest revenue	**$ 1,326**	$ 1,257	5%
Non-interest revenue	**575**	543	6
Total revenues, net of interest expense	**$ 1,901**	$ 1,800	6%
Total operating expenses	**$ 1,120**	$ 920	22%
Net credit losses	**$ 212**	$ 277	(23)%
Credit reserve build (release)	**(34)**	(38)	11
Provisions for loan losses and for benefits and claims	**$ 178**	$ 239	(26)%
Income from continuing operations before taxes	**$ 603**	$ 641	(6)%
Income taxes	**142**	74	92
Income from continuing operations	**$ 461**	$ 567	(19)%
Net income attributable to noncontrolling interests			
Net income	**$ 461**	$ 567	(19)%
Average assets *(in billions of dollars)*	**$ 118**	$ 105	12%
Return on assets	**1.58%**	2.19%	
Average deposits *(in billions of dollars)*	**$ 108**	$ 96	13
Net credit losses as a percentage of average loans	**1.04%**	1.57%	
Revenue by business			
Retail banking	**$ 1,153**	$ 1,116	3%
Citi-branded cards	**748**	684	9

Total	**$**	**1,901**	$	1,800	6%
Income from continuing operations by business					
Retail banking	**$**	**281**	$	409	(31)%
Citi-branded cards		**180**		158	14
Total	**$**	**461**	$	567	(19)%

1Q11 vs. 1Q10

Revenues, net of interest expense increased 6% to $1.9 billion, driven by higher cards purchase sales, investment sales, loan and deposit volumes, and the impact of FX translation. This was partially offset by lower spreads and a $70 million charge for the anticipated repurchase of certain securities.

Net interest revenue increased 5% to $1.3 billion, mainly due to higher lending and deposit volumes and the impact of FX translation, partially offset by lower spreads.

Non-interest revenue increased 6% to $575 million, primarily due to higher investment revenues, higher cards purchase sales, and the impact of FX translation, partially offset by the charge for the anticipated repurchase of certain securities and cards partnership payments.

Operating expenses increased 22% to $1.1 billion, due to continued investment spending, incremental legal and related expenses, and the impact of FX translation. Higher operating expenses also reflected an increase in business volumes, partially offset by productivity saves.

Provisions for loan losses and for benefits and claims decreased 26% to $178 million, mainly due to a 23% decline in net credit losses. These declines were partially offset by the impact of FX translation. The decrease in provision for loan losses and for benefits and claims also reflected continued credit quality improvement across the region, particularly in India, partially offset by increasing volumes.

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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 with a full range of products and services, including cash management, trade finance and services, securities services, trading, underwriting, lending and advisory services, around the world. *ICG*'s international presence is supported by trading floors in approximately 75 countries and a proprietary network within *Transaction Services* in over 95 countries. At March 31, 2011, *ICG* had $997 billion of assets and $470 billion of deposits.

	First Quarter		
In millions of dollars	**2011**	**2010**	**% Change**
Commissions and fees	**$ 1,132**	$ 1,108	2%
Administration and other fiduciary fees	**744**	721	3
Investment banking	**793**	953	(17)
Principal transactions	**2,260**	3,307	(32)
Other	**(121)**	398	NM
Total non-interest revenue	**$ 4,808**	$ 6,487	(26)%
Net interest revenue (including dividends)	**3,754**	3,953	(5)
Total revenues, net of interest expense	**$ 8,562**	$ 10,440	(18)%
Total operating expenses	**5,119**	4,597	11
Net credit losses	**210**	102	NM
Provision (release) for unfunded lending commitments	**4**	(7)	NM
Credit reserve build (release)	**(396)**	(180)	NM
Provisions for loan losses and benefits and claims	**$ (182)**	$ (85)	NM
Income from continuing operations before taxes	**$ 3,625**	$ 5,928	(39)%
Income taxes	**1,075**	1,812	(41)
Income from continuing operations	**$ 2,550**	$ 4,116	(38)%
Net income attributable to noncontrolling interests	**13**	26	(50)
Net income	**$ 2,537**	$ 4,090	(38)%
Average assets *(in billions of dollars)*	**$ 996**	$ 925	8%
Return on assets	**1.03%**	1.79%	
Revenues by region			
North America	**$ 2,938**	$ 4,192	(30)%
EMEA	**2,895**	3,348	(14)
Latin America	**990**	951	4
Asia	**1,739**	1,949	(11)
Total	**$ 8,562**	$ 10,440	(18)%
Income from continuing operations by region			
North America	**$ 571**	$ 1,583	(64)%
EMEA	**1,043**	1,324	(21)
Latin America	**442**	421	5
Asia	**494**	788	(37)
Total	**$ 2,550**	$ 4,116	(38)%

Average loans by region *(in billions of dollars)*			
North America	**$ 66**	$ 68	(3)%
EMEA	**42**	37	14
Latin America	**24**	22	9
Asia	**44**	30	47
Total	**$ 176**	$ 157	12%

NM
Not meaningful

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SECURITIES AND BANKING

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

	First Quarter		
In millions of dollars	**2011**	**2010**	**% Change**
Net interest revenue	**$ 2,324**	$ 2,565	(9)%
Non-interest revenue	**3,688**	5,438	(32)
Revenues, net of interest expense	**$ 6,012**	$ 8,003	(25)%
Total operating expenses	**3,802**	3,437	11
Net credit losses	**204**	101	NM
Provisions for unfunded lending commitments	**4**	(7)	NM
Credit reserve build (release)	**(397)**	(162)	NM
Provisions for loan losses and benefits and claims	**$ (189)**	$ (68)	NM
Income before taxes and noncontrolling interests	**$ 2,399**	$ 4,634	(48)%
Income taxes	**694**	1,453	(52)
Income from continuing operations	**1,705**	3,181	(46)
Net income attributable to noncontrolling interests	**9**	21	(57)
Net income	**$ 1,696**	$ 3,160	(46)%
Average assets *(in billions of dollars)*	**$ 875**	$ 827	6%
Return on assets	**0.79%**	1.55%	
Revenues by region			
North America	**$ 2,328**	$ 3,553	(34)%
EMEA	**2,059**	2,515	(18)
Latin America	**582**	607	(4)
Asia	**1,043**	1,328	(21)
Total revenues	**$ 6,012**	$ 8,003	(25)%
Net income from continuing operations by region			
North America	**$ 458**	$ 1,422	(68)%
EMEA	**765**	1,021	(25)
Latin America	**272**	269	1
Asia	**210**	469	(55)
Total net income from continuing operations	**$ 1,705**	$ 3,181	(46)%
Securities and Banking revenue details			
Total investment banking	**$ 851**	$ 1,057	(19)%
Lending	**244**	243	
Equity markets	**1,070**	1,213	(12)
Fixed income markets	**3,795**	5,380	(29)
Private bank	**515**	494	4
Other *Securities and Banking*	**(463)**	(384)	(21)

Total *Securities and Banking* revenues	**$**	**6,012**	$	8,003	(25)%

NM Not meaningful

1Q11 vs. 1Q10

Revenues, net of interest expense of $6.0 billion decreased 25% as compared to the prior-year period, primarily driven by lower fixed income markets revenues and negative CVA. CVA decreased $0.5 billion to negative $0.2 billion, mainly due to a greater narrowing of Citigroup spreads in the first quarter of 2011 compared to the first quarter of 2010. Fixed income markets revenues decreased 22% to $4.0 billion (excluding CVA, net of hedges, of negative $0.2 billion and positive $0.3 billion in the current quarter and prior-year period, respectively), reflecting weaker results in rates and currencies, credit products, and securitized products. Investment banking revenues declined 19% to $851 million, primarily reflecting lower revenues from municipal and investment grade debt underwriting. Equity markets declined 9% to $1.1 billion (excluding CVA, net of hedges, of negative $34 million and negative $5 million in the current quarter and prior-year period, respectively), driven by lower trading revenues related to principal positions, partially offset by growth in cash equities. The declines in these businesses were

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slightly offset by a 5% growth in private bank revenues, to $520 million (excluding CVA, net of hedges, of negative $5 million and negative $2 million in the current quarter and prior-year period, respectively).

Operating expenses increased 11% to $3.8 billion. Excluding a litigation reserve release in the prior-year period, operating expenses increased 5%, mainly due to continued investment spending, higher business volumes and the impact of FX translation, partially offset by productivity savings.

Provisions for loan losses and for benefits and claims decreased by $121 million to negative $189 million, mainly due to continued improvement in the corporate credit portfolio and net releases for specific counterparties.

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TRANSACTION SERVICES

Transaction Services is composed of Treasury and Trade Solutions (TTS) and Securities and Fund Services (SFS). TTS provides comprehensive cash management and trade finance and services for corporations, financial institutions and public sector entities worldwide. SFS 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 in TTS and SFS, as well as from trade loans and fees for transaction processing and fees on assets under custody and administration in SFS.

	First Quarter		
In millions of dollars	**2011**	**2010**	**% Change**
Net interest revenue	**$ 1,430**	$ 1,388	3%
Non-interest revenue	**1,120**	1,049	7
Total revenues, net of interest expense	**$ 2,550**	$ 2,437	5%
Total operating expenses	**1,317**	1,160	14
Provisions (releases) for credit losses and for benefits and claims	**7**	(17)	NM
Income before taxes and noncontrolling interests	**$ 1,226**	$ 1,294	(5)%
Income taxes	**381**	359	6
Income from continuing operations	**845**	935	(10)
Net income attributable to noncontrolling interests	**4**	5	(20)
Net income	**$ 841**	$ 930	(10)%
Average assets *(in billions of dollars)*	**$ 121**	$ 98	23%
Return on assets	**2.82%**	3.85%	
Revenues by region			
North America	**$ 610**	$ 639	(5)%
EMEA	**836**	833	
Latin America	**408**	344	19
Asia	**696**	621	12
Total revenues	**$ 2,550**	$ 2,437	5%
Income from continuing operations by region			
North America	**$ 113**	$ 161	(30)%
EMEA	**278**	303	(8)
Latin America	**170**	152	12
Asia	**284**	319	(11)
Total net income from continuing operations	**$ 845**	$ 935	(10)%

Key indicators *(in billions of dollars)*			
Average deposits and other customer liability balances	**$ 355**	$ 319	11%
EOP assets under custody *(in trillions of dollars)*	**13.0**	11.8	10

NM Not meaningful

1Q11 vs. 1Q10

Revenues, net of interest expense, grew 5% to $2.6 billion compared to the prior-year period, as strong growth in both TTS and SFS, driven by *Latin America* and *Asia,* more than offset spread compression. Average customer liability balances and assets under custody were up 11% and 10%, to $355 million and $13 trillion, respectively, from the first quarter of 2010.

Treasury and Trade Solutions revenue increased 3%, driven by stronger performances in the trade and cards businesses as well as increased balances, partially offset by spread compression.

Securities and Fund Services revenues increased 9%, driven by higher asset valuations, inflows, and business volumes.

Operating expenses increased 14% to $1.3 billion, due to continued investment spending primarily in operations and technology to support business expansion.

Provisions for loan losses and for benefits and claims increased $24 million from the prior-year period, primarily reflecting a reserve release in the prior-year period.

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CITI HOLDINGS

Citi Holdings contains businesses and portfolios of assets that Citigroup has determined are not central to its core Citicorp businesses. Consistent with its strategy, Citi intends to exit these businesses as quickly as practicable in an economically rational manner through business divestitures, portfolio run-offs and asset sales. Citi Holdings' GAAP assets of $337 billion have been reduced by $166 billion from March 31, 2010, and $490 billion from the peak in the first quarter of 2008, and represented approximately 17% of Citi's assets as of March 31, 2011. Citi Holdings' risk-weighted assets of approximately $305 billion represented approximately 31% of Citi's risk-weighted assets as of March 31, 2011.

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

	First Quarter		
In millions of dollars	**2011**	**2010**	**% Change**
Net interest revenue	**$ 2,630**	$ 4,375	(40)%
Non-interest revenue	**653**	2,175	(70)
Total revenues, net of interest expense	**$ 3,283**	$ 6,550	(50)%
Provisions for credit losses and for benefits and claims			
Net credit losses	**$ 3,950**	$ 5,241	(25)%
Credit reserve build (release)	**(2,112)**	340	NM
Provision for loan losses	**$ 1,838**	$ 5,581	(67)%
Provision for benefits and claims	**216**	243	(11)
Provision (release) for unfunded lending commitments	**21**	(26)	NM
Total provisions for credit losses and for benefits and claims	**$ 2,075**	$ 5,798	(64)%
Total operating expenses	**$ 2,019**	$ 2,573	(22)
Loss from continuing operations before taxes	**$ (811)**	$ (1,821)	55%
Benefits for income taxes	**(264)**	(946)	72
Loss from continuing operations	**$ (547)**	$ (875)	37%
Net income attributable to noncontrolling interests	**61**	11	NM
Citi Holdings net loss	**$ (608)**	$ (886)	31%
Balance sheet data *(in billions of dollars)*			
Total EOP assets	**$ 337**	$ 503	(33)%
Total EOP deposits	**$ 77**	$ 86	(10)%

NM Not meaningful

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BROKERAGE AND ASSET MANAGEMENT

Brokerage and Asset Management (BAM), which constituted approximately 8% of Citi Holdings by assets as of March 31, 2011, consists of Citi's global retail brokerage and asset management businesses. At March 31, 2011, *BAM* had approximately $27 billion of assets, primarily consisting of Citi's investment in, and assets related to, the Morgan Stanley Smith Barney joint venture (MSSB JV). As more fully described in Forms 8-K, filed with the SEC on January 14, 2009 and June 3, 2009, Morgan Stanley has options to purchase Citi's remaining stake in the MSSB JV over three years starting in 2012.

	First Quarter		
In millions of dollars	**2011**	**2010**	**% Change**
Net interest revenue	**$ (46)**	$ (65)	
Non-interest revenue	**183**	405	(55)%
Total revenues, net of interest expense	**$ 137**	$ 340	(60)%
Total operating expenses	**$ 174**	$ 237	(36)%
Net credit losses	**$ 1**	$ 11	(91)%
Credit reserve build (release)	**(1)**	(7)	86
Provision for unfunded lending commitments			
Provision for benefits and claims	**8**	9	(11)
Provisions for credit losses and for benefits and claims	**$ 8**	$ 13	(38)%
Income (loss) from continuing operations before taxes	**$ (45)**	$ 54	NM
Income taxes (benefits)	**(35)**	(22)	(59)%
Income (loss) from continuing operations	**$ (10)**	$ 76	NM
Net income (loss) attributable to noncontrolling interests	**2**	(5)	NM
Net income (loss)	**$ (12)**	$ 81	NM
EOP assets *(in billions of dollars)*	**$ 27**	$ 31	(13)%
EOP deposits *(in billions of dollars)*	**58**	59	(2)

NM Not meaningful

1Q11 vs. 1Q10

Revenues, net of interest expense decreased 60% to $137 million versus the prior-year period, mainly driven by the absence of the $78 million pretax gains on sales related to the Habitat and Colfondos businesses (*LATAM* asset management businesses) in the first quarter of 2010, and lower revenues from the MSSB JV.

Operating expenses decreased 36% to $174 million from the prior-year period, mainly driven by lower legal settlements and reserves associated with Smith Barney.

Provisions for credit losses and for benefits and claims decreased 38% to $8 million, mainly due to lower net credit losses.

Assets decreased 13% versus the prior year, to $27 million, mostly driven by the sales of the Citi private equity business and the run-off of tailored loan portfolios.

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LOCAL CONSUMER LENDING

Local Consumer Lending (LCL), which constituted approximately 70% of Citi Holdings assets as of March 31, 2011, includes a portion of Citigroup's North American mortgage business, retail partner cards, Western European cards and retail banking, CitiFinancial North America and other local Consumer finance businesses globally. At March 31, 2011, *LCL* had $237 billion of assets ($212 billion in *North America*). Approximately $120 billion of assets in *LCL* as of March 31, 2011 consisted of U.S. mortgages in the Company's CitiMortgage and CitiFinancial operations. The North American assets consist of residential mortgages (residential first mortgages and home equity loans), retail partner card loans, personal loans, commercial real estate (CRE), and other consumer loans and assets.

	First Quarter		
In millions of dollars	**2011**	**2010**	**% Change**
Net interest revenue	**$ 2,617**	$ 4,020	(35)%
Non-interest revenue	**536**	650	(18)
Total revenues, net of interest expense	**$ 3,153**	$ 4,670	(32)%
Total operating expenses	**$ 1,763**	$ 2,165	(19)%
Net credit losses	**$ 3,279**	$ 4,938	(34)%
Credit reserve build (release)	**(1,110)**	386	NM
Provision for benefits and claims	**208**	234	(11)
Provision for unfunded lending commitments			
Provisions for credit losses and for benefits and claims	**$ 2,377**	$ 5,558	(57)%
Loss from continuing operations before taxes	**$ (987)**	$ (3,053)	68%
Benefits for income taxes	**(388)**	(1,224)	68
Loss from continuing operations	**$ (599)**	$ (1,829)	67%
Net income attributable to noncontrolling interests			
Net loss	**$ (599)**	$ (1,829)	67%
Average assets *(in billions of dollars)*	**$ 246**	$ 355	(31)%
Net credit losses as a percentage of average loans	**6.15%**	6.30%	

NM Not meaningful

1Q11 vs. 1Q10

Revenues, net of interest expense decreased 32% to $3.2 billion from the prior-year period. *Net interest revenue* decreased 35% to $2.6 billion, primarily due to the impact of lower loan balances from portfolio run-off and continued asset sales, as well as the increase in reserves related to Japan Consumer Finance described below. *Non-interest revenue* declined 18% to $536 million, primarily due to the higher mortgage repurchase reserve charge ($122 million) in the current quarter.

Operating expenses decreased 19% to $1.8 billion, primarily due to the impact of divestitures, lower volumes and productivity saves.

Provisions for credit losses and for benefits and claims decreased 57% to $2.4 billion, reflecting a net $1.1 billion credit reserve release in the current quarter compared to a $400 million build in the prior-year quarter. Net credit losses were also lower year-over-year, driven by improvement in retail partner cards, U.S. mortgages and international portfolios.

Assets declined 32% from the prior-year period, to $237 million, primarily driven by portfolio run-off and the impact of asset sales and divestitures.

Japan Consumer Finance

During the first quarter of 2011, *LCL* recorded an additional charge of approximately $245 million (pretax) to increase its reserves related to customer refunds for the charging of gray zone interest in the Japan Consumer Finance business. For additional information on gray zone interest and Citi's Japan Consumer Finance business, see "Management's Discussion and Analysis Citi Holdings *Local Consumer Lending*" in Citigroup's 2010 Annual Report on Form 10-K. The increase in reserves during the first quarter reflected the recent trends in the market, including the previously disclosed bankruptcy of Takefuji, one of Japan's largest consumer finance companies.

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. However, as previously disclosed, the trend in the type, number and amount of refund claims remains volatile, and accordingly, the potential full amount of losses and their impact on Citi, including its reserves related thereto, is subject to significant uncertainties and continues to be difficult to predict.

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SPECIAL ASSET POOL

Special Asset Pool (SAP), which constituted approximately 22% of Citi Holdings by assets as of March 31, 2011, consists of a portfolio of securities, loans and other assets that Citigroup intends to actively reduce over time through asset sales and portfolio run-off. At March 31, 2011, *SAP* had $73 billion of assets. *SAP* assets have declined by $255 billion, or 78%, from peak levels in 2007, reflecting cumulative write-downs, asset sales and portfolio run-off.

	First Quarter		
In millions of dollars	2011	2010	% Change
Net interest revenue	**$ 59**	$ 420	(86)%
Non-interest revenue	**(66)**	1,120	NM
Revenues, net of interest expense	**$ (7)**	$ 1,540	NM
Total operating expenses	**$ 82**	$ 135	(39)%
Net credit losses	**$ 670**	$ 292	NM
Provision (releases) for unfunded lending commitments	**21**	(26)	NM
Credit reserve builds (releases)	**(1,001)**	(39)	NM
Provisions for credit losses and for benefits and claims	**$ (310)**	$ 227	NM
Income from continuing operations before taxes	**$ 221**	$ 1,178	(81)%
Income taxes	**159**	300	(47)
Net income from continuing operations	**$ 62**	$ 878	(93)%
Net income attributable to noncontrolling interests	**59**	16	NM
Net income	**$ 3**	$ 862	(100)%
EOP assets *(in billions of dollars)*	**$ 73**	$ 126	(42)%

NM Not meaningful

1Q11 vs. 1Q10

Revenues, net of interest expense decreased $1.5 billion versus the prior-year period, driven by a $709 million pretax, net loss from the movement of $12.7 billion of securities out of *Investments* held-to-maturity (HTM) during the first quarter of 2011, composed of the transfer of $10.0 billion of HTM securities to *Trading account assets* and the sale of $2.7 billion of HTM securities (Citi recognized a corresponding receivable from these unsettled sales as of March 31, 2011). See "Reclassification of HTM Securities to Trading" below. This loss was partially offset by positive marks of $501 million on private equity investments in the first quarter of 2011. First quarter of 2010 revenues included positive marks of $804 million on sub-prime related direct exposures.

Operating expenses decreased 39% to $82 million, mainly driven by a decrease in transaction expenses and lower volumes.

Provisions for credit losses and for benefits and claims decreased $537 million from the prior-year period, driven by increased releases of loan loss reserves of $962 million, partially offset by higher net credit losses of $378 million. Net credit losses more than doubled year-over-year, reflecting higher costs of loan sales and higher net credit losses on loans for which specific FAS 114 reserves had previously been established, which were released during the current quarter.

Assets declined 42% to $73 million versus the prior-year period, primarily due to asset sales and amortization and prepayments.

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Reclassification of HTM Securities to Trading

As discussed further in Note 11 to the Consolidated Financial Statements, 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. Accordingly, 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*. The Company also sold an additional $2.7 billion of such HTM securities, recognizing a corresponding receivable from the unsettled sales as of March 31, 2011. As a result of these actions, the Company recorded a pretax net loss of $709 million ($427 million after tax) in the Consolidated Statement of Income for the three months ended March 31, 2011. Through April 29, 2011, the Company has sold $10.6 billion of the $12.7 billion of HTM securities.

Citigroup reclassified and sold these securities as part of its overall efforts to mitigate the risk-weighted asset implications arising from significant new regulatory capital requirements which, although not yet fully implemented or formally adopted, are nonetheless currently being used to assess the regulatory capital status of the Company and other large U.S. banking organizations. If retained, the $12.7 billion of securities would have had an overall disproportionately higher risk-weighting under these new requirements compared to the remainder of Citi Holdings assets.

The following table provides details of the composition of *SAP* assets as of March 31, 2011.

	Assets within Special Asset Pool as of March 31, 2011		
In billions of dollars	Carrying value of assets	Face value	Carrying value as % of face value
Securities in available-for-sale (AFS)			
Corporates	$ 5.0	$ 5.0	99%
Prime and non-U.S. mortgage-backed securities (MBS)	1.4	1.6	83
Auction rate securities (ARS)	1.8	2.2	81
Other securities	0.1	0.2	79
Total securities in AFS	$ 8.3	$ 9.0	91%
Securities in held-to-maturity (HTM)			
Prime and non-U.S. MBS	$ 4.8	$ 5.8	83%
Alt-A mortgages	4.2	7.9	53
Corporates	2.6	2.7	97
Other securities(1)	2.3	2.7	82
Total securities in HTM	$ 13.9	$ 19.1	73%
Loans, leases and letters of credit (LCs) in held-for-investment (HFI)/held-for-sale (HFS)(2)			
Corporates	$ 5.0	$ 5.2	96%
Commercial real estate (CRE)	2.8	2.9	97
Other(3)	1.3	1.2	107
Loan loss reserves	(1.0)		NM
Total loans, leases and LCs in HFI/HFS	$ 8.1	$ 9.3	87%
Mark to market (trading)			
Subprime securities	$ 0.2	$ 2.2	9%
Other securities(4)	18.8	37.4	50
Derivatives	4.0	NM	NM
Loans, leases and LCs	2.3	3.2	73
Repurchase agreements	3.3	NM	NM
Total mark to market (trading)	$ 28.6	NM	NM

Highly leveraged finance commitments	**$ 0.8**	**$ 1.2**	**67%**
Equities (excludes ARS in AFS)	**8.4**	**NM**	**NM**
Consumer and other(5)	**4.7**	**NM**	**NM**
Total	**$ 72.8**		

(1) Includes assets previously held by structured investment vehicles (SIVs) ($1.6 billion of asset-backed securities, collateralized debt obligations (CDOs)/collateralized loan obligations (CLOs) and government bonds).

(2) HFS accounts for approximately $1.0 billion of the total.

(3) Includes $0.2 billion of subprime and $0.4 billion of leases.

(4) Includes $4.6 billion of Alt-A, $4.4 billion of Corporate securities, $4.1 billion of ARS and $3.2 billion of Prime MBS.

(5) Includes $1.2 billion of small business banking and finance loans and $0.8 billion of personal loans.

Excludes Discontinued Operations.

Totals may not sum due to rounding.

NM Not meaningful

Note: Assets previously held by the Citi-advised SIVs have been allocated to the corresponding asset categories above. *SAP* had total CRE exposures of $5.6 billion at March 31, 2011, which included unfunded commitments of $1.8 billion. *SAP* had total subprime assets of $1.5 billion at March 31, 2011, including assets of $0.8 billion of subprime-related direct exposures and $0.7 billion of trading account positions, which includes securities purchased from CDO liquidations.

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CORPORATE/OTHER

Corporate/Other includes global staff functions (including finance, risk, human resources, legal and compliance) and other corporate expense, global operations and technology, residual Corporate Treasury and Corporate items. At March 31, 2011, this segment had approximately $281 billion of assets, or 14% of Citigroup's total assets, consisting primarily of Citi's liquidity portfolio, including $80 billion of cash and deposits with banks, and $153 billion of liquid available-for-sale securities.

	First Quarter	
In millions of dollars	**2011**	**2010**
Net interest revenue	**$ 88**	$ 316
Non-interest revenue	**(149)**	33
Total revenues, net of interest expense	**$ (61)**	$ 349
Total operating expenses	**$ 706**	$ 350
Provisions for loan losses and for benefits and claims	**1**	1
Loss from continuing operations before taxes	**$ (768)**	$ (2)
Benefits for income taxes	**(251)**	(37)
Income loss from continuing operations	**$ (517)**	$ 35
Income (loss) from discontinued operations, net of taxes	**40**	211
Net income (loss) before attribution of noncontrolling interests	**$ (477)**	$ 246
Net income (loss) attributable to noncontrolling interests		
Net loss	**$ (477)**	$ 246

1Q11 vs. 1Q10

Revenues, net of interest expense declined $410 million to a negative $61 million, primarily due to lower investment yields in Treasury and net losses on hedging activities.

Operating Expenses increased $356 million to $706 million, primarily due to legal and related expenses.

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SEGMENT BALANCE SHEET AT MARCH 31, 2011

In millions of dollars	Regional Consumer Banking	Institutional Clients Group	Subtotal Citicorp	Citi Holdings	Corporate/Other, Discontinued Operations and Consolidating Eliminations	Total Citigroup Consolidated
Assets						
Cash and due from banks	$ 7,769	$ 17,717	$ 25,486	$ 1,845	$ 511	$ 27,842
Deposits with banks	9,870	71,075	80,945	3,403	79,255	163,603
Federal funds sold and securities borrowed or purchased under agreements to resell	90	257,347	257,437	3,683		261,120
Brokerage receivables	3	28,984	28,987	10,607	1,307	40,901
Trading account assets	11,790	284,014	295,804	27,306		323,110
Investments	35,063	99,886	134,949	39,067	153,241	327,257
Loans, net of unearned income						
Consumer	234,908		234,908	206,305		441,213
Corporate		183,401	183,401	12,522		195,923
Loans, net of unearned income	$ 234,908	$ 183,401	$ 418,309	$ 218,827		$ 637,136
Allowance for loan losses	(12,592)	(3,005)	(15,597)	(20,971)		(36,568)
Total loans, net	$ 222,316	$ 180,396	$ 402,712	$ 197,856		$ 600,568
Goodwill	10,884	10,976	21,860	4,479		26,339
Intangible assets (other than MSRs)	2,198	928	3,126	4,154		7,280
Mortgage servicing rights (MSRs)	2,232	80	2,312	2,378		4,690
Other assets	30,331	45,737	76,068	39,634	46,731	162,433
Assets of discontinued operations				2,672		2,672
Total assets	$ 332,546	$ 997,140	$ 1,329,686	$ 337,084	$ 281,045	$ 1,947,815
Liabilities and equity						
Total deposits	$ 313,727	$ 470,262	$ 783,989	$ 77,066	$ 4,808	$ 865,863
Federal funds purchased and securities loaned or sold under agreements to repurchase	5,620	182,118	187,738	1	86	187,825
Brokerage payables	152	50,168	50,320	1	73	50,394
Trading account liabilities	43	144,501	144,544	1,802		146,346
Short-term borrowings	421	57,320	57,741	1,652	19,229	78,622
Long-term debt	2,340	77,373	79,713	14,214	282,614	376,541
Other liabilities	17,572	28,078	45,650	9,785	13,357	68,792
Liabilities of discontinued operations				39		39
Net inter-segment funding (lending)	(7,329)	(12,680)	(20,009)	232,524	(212,515)	
Total Citigroup stockholders' equity					171,037	171,037
Noncontrolling interest					2,356	2,356
Total equity					173,393	173,393
Total liabilities and equity	$ 332,546	$ 997,140	$ 1,329,686	$ 337,084	$ 281,045	$ 1,947,815

The supplemental information presented above reflects Citigroup's consolidated GAAP balance sheet by reporting segment as of March 31, 2011. 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.

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CAPITAL RESOURCES AND LIQUIDITY

CAPITAL RESOURCES

Overview

Citi generates capital through earnings from its operating businesses. However, Citi may augment, and during the financial crisis did augment, its capital through issuances of common stock, convertible preferred stock, preferred stock and equity issued through awards under employee benefit plans. Citi also 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 Basel III and the Financial Reform Act (see "Capital Resources and Liquidity Capital Resources Regulatory Capital Standards Developments" and the "Risk Factors" section of Citi's 2010 Annual Report on Form 10-K). Further, the impact of future events on Citi's business results, such as corporate and asset dispositions, as well as changes in regulatory and accounting standards, also affects Citi's capital levels.

Capital is used primarily to support assets in Citi's businesses and to absorb market, credit or operational losses. Capital may be used for other purposes, such as to pay dividends or repurchase common stock. However, Citi's ability to pay regular quarterly cash dividends of more than $0.01 per share, or to redeem or repurchase equity securities or trust preferred securities, is currently restricted (which such restriction may be waived) due to Citi's agreements with certain U.S. government entities, generally for so long as the U.S. government continues to hold any Citi trust preferred securities acquired in connection with the exchange offers consummated in 2009.

For an overview of Citigroup's capital management framework, including Citi's Finance and Asset and Liability Committee (FinALCO), see "Capital Resources and Liquidity Capital Resources Overview" in Citigroup's 2010 Annual Report on Form 10-K.

Capital Ratios

Citigroup is subject to the risk-based capital guidelines issued by the Federal Reserve Board. Historically, capital adequacy has been measured, in part, based on two risk-based capital ratios, the Tier 1 Capital and Total Capital (Tier 1 Capital + Tier 2 Capital) ratios. Tier 1 Capital consists of the sum of "core capital elements," such as qualifying common stockholders' equity, as adjusted, qualifying noncontrolling interests, and qualifying mandatorily redeemable securities of subsidiary trusts, principally reduced by goodwill, other disallowed intangible assets, and disallowed deferred tax assets. Total Capital also includes "supplementary" Tier 2 Capital elements, such as qualifying subordinated debt and a limited portion of the allowance for credit losses. Both measures of capital adequacy are stated as a percentage of risk-weighted assets.

In 2009, the U.S. banking regulators developed a new measure of capital termed "Tier 1 Common," which is defined as Tier 1 Capital less non-common elements, including qualifying perpetual preferred stock, qualifying noncontrolling interests, and qualifying mandatorily redeemable securities of subsidiary trusts. For more detail on all of these capital metrics, see "Components of Capital Under Regulatory Guidelines" below.

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

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

To be "well capitalized" under current federal bank regulatory agency definitions, a bank holding company must have a Tier 1 Capital ratio of at least 6%, a Total Capital ratio of at least 10%, and a Leverage ratio of at least 3%, and not be subject to a Federal Reserve Board directive to maintain higher capital levels. The following table sets forth Citigroup's regulatory capital ratios as of March 31, 2011 and December 31, 2010:

Citigroup Regulatory Capital Ratios

At period end	**Mar. 31, 2011**	**Dec. 31, 2010**
Tier 1 Common	**11.34%**	10.75%
Tier 1 Capital	**13.26**	12.91
Total Capital (Tier 1 Capital + Tier 2 Capital)	**16.98**	16.59
Leverage ratio	**7.00**	6.60

As noted in the table above, Citigroup was "well capitalized" under the current federal bank regulatory agency definitions as of March 31, 2011 and December 31, 2010.

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Components of Capital Under Regulatory Guidelines

In millions of dollars	March 31, 2011	December 31, 2010
Tier 1 Common		
Citigroup common stockholders' equity	**$ 170,725**	$ 163,156
Less: Net unrealized losses on securities available-for-sale, net of tax(1)	**(1,655)**	(2,395)
Less: Accumulated net losses on cash flow hedges, net of tax	**(2,498)**	(2,650)
Less: Pension liability adjustment, net of tax(2)	**(4,068)**	(4,105)
Less: Cumulative effect included in fair value of financial liabilities attributable to the change in own credit worthiness, net of tax(3)	**94**	164
Less: Disallowed deferred tax assets(4)	**34,093**	34,946
Less: Intangible assets:		
Goodwill	**26,486**	26,152
Other disallowed intangible assets	**5,128**	5,211
Other	**(686)**	(698)
Total Tier 1 Common	**$ 112,459**	$ 105,135
Qualifying perpetual preferred stock	**$ 312**	$ 312
Qualifying mandatorily redeemable securities of subsidiary trusts	**17,813**	18,003
Qualifying noncontrolling interests	**926**	868
Other		1,875
Total Tier 1 Capital	**$ 131,510**	$ 126,193
Tier 2 Capital		
Allowance for credit losses(5)	**$ 12,740**	$ 12,627
Qualifying subordinated debt(6)	**23,155**	22,423
Net unrealized pretax gains on available-for-sale equity securities(1)	**983**	976
Total Tier 2 Capital	**$ 36,878**	$ 36,026
Total Capital (Tier 1 Capital and Tier 2 Capital)	**$ 168,388**	$ 162,219
Risk-weighted assets (RWA)(7)	**$ 991,607**	$ 977,629

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(1) Tier 1 Capital excludes net unrealized gains (losses) on available-for-sale debt securities and net unrealized gains on available-for-sale equity securities with readily determinable fair values, in accordance with risk-based capital guidelines. In arriving at Tier 1 Capital, banking organizations are required to deduct net unrealized losses on available-for-sale equity securities with readily determinable fair values, net of tax. Banking organizations are permitted to include in Tier 2 Capital up to 45% of net unrealized pretax gains on available-for-sale equity securities with readily determinable fair values.

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

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

(4) Of Citi's approximately $51 billion of net deferred tax assets at March 31, 2011, approximately $13 billion of such assets were includable without limitation in regulatory capital pursuant to risk-based capital guidelines, while approximately $34 billion of such assets exceeded the limitation imposed by these guidelines and, as "disallowed deferred tax assets," were deducted in arriving at Tier 1 Capital. Citigroup's approximately $4 billion of other net deferred tax assets primarily represented approximately $1 billion of deferred tax effects of unrealized gains and losses on available-for-sale debt securities and approximately $3 billion of deferred tax effects of the pension liability adjustment, which are permitted to be excluded prior to deriving the amount of net deferred tax assets subject to limitation under the guidelines.

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

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

(7) Includes risk-weighted credit equivalent amounts, net of applicable bilateral netting agreements, of $64.2 billion for interest rate, commodity and equity derivative contracts, foreign exchange contracts, and credit derivatives as of March 31, 2011, compared with $62.1 billion as of December 31, 2010. Market risk equivalent assets included in risk-weighted assets amounted to $60.9 billion at March 31, 2011 and $51.4 billion at December 31, 2010. 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.

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Common Stockholders' Equity

Citigroup's common stockholders' equity increased during the three months ended March 31, 2011 by $7.5 billion to $170.7 billion, and represented 8.8% of total assets as of March 31, 2011. The table below summarizes the change in Citigroup's common stockholders' equity during the first quarter of 2011:

In billions of dollars		
Common stockholders' equity, December 31, 2010	**$**	**163.2**
Net income(1)		**3.0**
Employee benefit plans and other activities(2)		**0.3**
Conversion of ADIA Upper DECs equity units purchase contract to common stock		**1.9**
Net change in accumulated other comprehensive income (loss), net of tax(1)		**2.3**
Common stockholders' equity, March 31, 2011	**$**	**170.7**

(1) Numbers reflect the net impact of the transfer of certain assets in *SAP* from *Investments* held-to-maturity to *Trading account assets* during the first quarter of 2011. See "Citi Holdings *Special Asset Pool*" above and Note 11 to the Consolidated Financial Statements.

(2) As of March 31, 2011, $6.7 billion of stock repurchases remained under Citi's authorized repurchase programs. No material repurchases were made in the first quarter of 2011 and the year ended December 31, 2010.

Tangible Common Equity and Tangible Book Value Per Share

Tangible common equity (TCE), as defined by Citigroup, represents *Common equity* less *Goodwill* and *Intangible assets* (other than *Mortgage Servicing Rights* (MSRs)), and related net deferred tax assets. Other companies may calculate TCE in a manner different from that of Citigroup. Citi's TCE was $136.9 billion at March 31, 2011 and $129.4 billion at December 31, 2010.

The TCE ratio (TCE divided by risk-weighted assets) was 13.8% at March 31, 2011 and 13.2% at December 31, 2010.

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

In millions at period end, except ratios and per share data		**Mar. 31, 2011**		**Dec. 31, 2010**
Total Citigroup stockholders' equity	**$**	**171,037**	$	163,468
Less:				
Preferred stock		**312**		312
Common equity	**$**	**170,725**	$	163,156
Less:				
Goodwill		**26,339**		26,152
Intangible assets (other than MSRs)		**7,280**		7,504
Goodwill related to Assets for Disc Ops held for sale		**147**		
Intangible assets (other than MSRs) related to Assets for Disc Ops held for sale		**18**		
Related net deferred tax assets		**53**		56
Tangible common equity (TCE)	**$**	**136,888**	$	129,444
Tangible assets				
GAAP assets	**$**	**1,947,815**	$	1,913,902
Less:				
Goodwill		**26,339**		26,152

Intangible assets (other than MSRs)		**7,280**		7,504
Goodwill related to Assets for Disc Ops held for sale		**147**		
Intangible assets (other than MSRs) related to Assets for Disc Ops held for sale		**18**		
Related deferred tax assets		**358**		359
Tangible assets (TA)	**$**	**1,913,673**	$	1,879,887
Risk-weighted assets (RWA)	**$**	**991,607**	$	977,629
TCE/TA ratio		**7.15%**		6.89%
TCE/RWA ratio		**13.80%**		13.24%
Common shares outstanding (CSO)		**29,206.4**		29,058.4
Book value per share (common equity/CSO)	**$**	**5.85**	$	5.61
Tangible book value per share (TCE/CSO)	**$**	**4.69**	$	4.45

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Capital Resources of Citigroup's Depository Institutions

Citigroup's U.S. subsidiary depository institutions are also subject to risk-based capital guidelines issued by their respective primary federal bank regulatory agencies, which are similar to the guidelines of the Federal Reserve Board.

The following table sets forth the capital ratios of Citibank, N.A., Citi's primary subsidiary depository institution, as of March 31, 2011 and December 31, 2010.

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

In billions of dollars at period end, except ratios	**Mar. 31, 2011**	**Dec. 31, 2010**
Tier 1 Common	**$ 106.4**	$ 103.9
Tier 1 Capital	**107.1**	104.6
Total Capital (Tier 1 Capital + Tier 2 Capital)	**120.3**	117.7
Tier 1 Common ratio	**15.13%**	15.07%
Tier 1 Capital ratio	**15.23**	15.17
Total Capital ratio	**17.11**	17.06
Leverage ratio	**9.36**	8.88

There are various legal and regulatory limitations on the ability of Citigroup's subsidiary depository institutions to pay dividends to Citigroup and its non-bank subsidiaries. In determining the declaration of dividends, each depository institution must also consider its effect on applicable risk-based capital and Leverage ratio requirements, as well as policy statements of the federal regulatory agencies that indicate that banking organizations should generally pay dividends out of current operating earnings. Citigroup did not receive any dividends from its subsidiary depository institutions during the first quarter of 2011. See also "Funding and Liquidity Liquidity Transfer Between Entities" below.

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Impact of Changes on Capital Ratios

The following table presents the estimated sensitivity of Citigroup's and Citibank, N.A.'s capital ratios to changes of $100 million in Tier 1 Common, Tier 1 Capital or Total Capital (numerator), or changes of $1 billion in risk-weighted assets or adjusted average total assets (denominator), based on financial information as of March 31, 2011. This information is provided for the purpose of analyzing the impact that a change in Citigroup's or Citibank, N.A.'s financial position or results of operations could have on these ratios. These sensitivities only consider a single change to either a component of capital, risk-weighted assets, or adjusted average total assets. Accordingly, an event that affects more than one factor may have a larger basis point impact than is reflected in this table.

	Tier 1 Common ratio		Tier 1 Capital ratio		Total Capital ratio		Leverage ratio	
	Impact of $100 million change in Tier 1 Common	Impact of $1 billion change in risk-weighted assets	Impact of $100 million change in Tier 1 Capital	Impact of $1 billion change in risk-weighted assets	Impact of $100 million change in Total Capital	Impact of $1 billion change in risk-weighted assets	Impact of $100 million change in Tier 1 Capital	Impact of $1 billion change in adjusted average total assets
Citigroup	1.0 bps	1.1 bps	1.0 bps	1.3 bps	1.0 bps	1.7 bps	0.5 bps	0.4 bps
Citibank, N.A.	1.4 bps	2.2 bps	1.4 bps	2.2 bps	1.4 bps	2.4 bps	0.9 bps	0.8 bps

Broker-Dealer Subsidiaries

At March 31, 2011, Citigroup Global Markets Inc., a broker-dealer registered with the SEC that is an indirect wholly owned subsidiary of Citigroup Global Markets Holdings Inc., had net capital, computed in accordance with the SEC's net capital rule, of $7.9 billion, which exceeded the minimum requirement by $7.2 billion.

In addition, certain of Citi's other broker-dealer subsidiaries are subject to regulation in the countries in which they do business, including requirements to maintain specified levels of net capital or its equivalent. Citigroup's broker-dealer subsidiaries were in compliance with their capital requirements at March 31, 2011.

Regulatory Capital Standards Developments

The prospective regulatory capital standards for financial institutions are currently subject to significant debate, rulemaking activity and uncertainty, both in the U.S. and internationally. For a discussion of these developments, see "Capital Resources and Liquidity Capital Resources Regulatory Capital Standards Developments" in Citi's 2010 Annual Report on Form 10-K.

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FUNDING AND LIQUIDITY

Overview

Citi's funding and liquidity objectives generally are to maintain ample 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.

Due to various constraints that limit the free transfer of liquidity or capital between Citi-affiliated entities (as discussed below), Citigroup's primary liquidity objectives are established by entity, and in aggregate, across:

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

(ii) Citi's bank subsidiaries, such as Citibank, N.A.

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 in their designated stress tests and have excess cash capital. For additional information on Citigroup's liquidity management and stress testing, see "Capital Resources and Liquidity Funding and Liquidity" in Citi's 2010 Annual Report on Form 10-K.

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 (including trust preferred securities and other long-term collateralized financing) issued at the non-bank level and certain bank subsidiaries, and (iii) stockholders' equity. These sources are supplemented by short-term borrowings, primarily in the form of commercial paper and secured financing (securities loaned or sold under agreements to repurchase) at the non-bank level.

As referenced above, Citigroup works to ensure that the structural tenor of these funding sources is sufficiently long in relation to the tenor of its asset base. In fact, 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 downward pressures on 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 bank entities			Total		
In billions of dollars	**Mar. 31, 2011**	**Dec.31, 2010**	**Mar. 31, 2010**	**Mar. 31, 2011**	**Dec. 31, 2010**	**Mar. 31, 2010**	**Mar. 31, 2011**	**Dec.31, 2010**	**Mar. 31, 2010**
Cash at major central banks	**$ 12.1**	$ 22.7	$ 9.5	**$ 85.5**	$ 82.1	$ 108.9	**$ 97.6**	$ 104.8	$ 118.4
Unencumbered liquid securities	**83.4**	71.8	72.8	**167.6**	145.3	128.7	**251.0**	217.1	201.5
Total	**$ 95.5**	$ 94.5	$ 82.3	**$ 253.1**	$ 227.4	$ 237.6	**$ 348.6**	$ 321.9	$ 319.9

As noted in the table above, Citigroup's aggregate liquidity resources totaled $348.6 billion at March 31, 2011, compared with $321.9 billion at December 31, 2010 and $319.9 billion at March 31, 2010. These amounts are as of period-end, and may increase or decrease intra-period in the ordinary course of business. During the quarter ended March 31, 2011, the intra-quarter amounts did not fluctuate materially from the quarter-end amounts noted above.

At March 31, 2011, Citigroup's non-bank "cash box" totaled $95.5 billion, compared with $94.5 billion at December 31, 2010 and $82.3 billion at March 31, 2010. This amount includes the liquidity portfolio and "cash box" held in the United States as well as government bonds and cash held by Citigroup's broker-dealer entities in the United Kingdom and Japan.

Citigroup's bank subsidiaries had an aggregate of approximately $85.5 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) at March 31, 2011, compared with $82.1 billion at December 31, 2010 and $108.9 billion at March 31, 2010.

Citigroup's bank subsidiaries also have significant additional liquidity resources through unencumbered highly liquid government and government-backed securities. These securities are available for sale or secured funding through private markets or by pledging to the major central banks. The liquidity value of these liquid securities was $167.6 billion at March 31, 2011, compared with $145.3 billion at December 31, 2010 and $128.7 billion at March 31, 2010. Significant amounts of cash and liquid securities are also available in other Citigroup entities.

In addition to the highly liquid securities noted above, Citigroup's bank subsidiaries also maintain additional unencumbered securities and loans, which are currently pledged to the U.S. Federal Home Loan Banks (FHLB) and the U.S. Federal Reserve Bank's discount window.

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Deposits

Citi's deposit base stood at $866 billion at March 31, 2011, as compared with $845 billion at December 31, 2010 and $828 billion at March 31, 2010. Deposits can be interest bearing or non-interest bearing. Of the $866 billion of deposits at March 31, 2011, $144 billion were non-interest bearing, compared to $133 billion at December 31, 2010 and $112 billion at March 31, 2010. The remainder, or $722 billion, were interest-bearing, compared to $712 billion at December 31, 2010 and $716 billion at March 31, 2010.

Year-over-year, deposits grew by $38 billion, or 5%, largely due to FX translation and higher deposit volumes in *Transaction Services* and *Regional Consumer Banking*. The $21 billion, or 3%, increase in deposits from the fourth quarter of 2010 was primarily due to increased balances in *Transaction Services* and FX translation.

Citigroup continued to focus on maintaining a geographically diverse retail and corporate deposit base during the first quarter of 2011. At March 31, 2011, approximately 65% of deposits were located outside of the United States. In addition, as of March 31, 2011, interest-bearing deposits payable by Citigroup's foreign and domestic banking subsidiaries constituted 58% and 26% of total deposits, respectively, while non-interest-bearing deposits constituted 7% and 9%, respectively.

Long-Term Debt

Long-term debt is an important funding source because of its multi-year maturity structure. At March 31, 2011, long-term debt outstanding for Citigroup was as follows:

In billions of dollars	Non-bank	Bank	Total Citigroup(1)
Long-term debt(2)(3)	**$ 267.4**	**$ 109.1(4)**	**$ 376.5**

(1) Total long-term debt at March 31, 2011 included $67.6 billion of long-term debt related to consolidated VIEs.

(2) Original maturities of one year or more.

(3) Of this amount, approximately $56.5 billion is guaranteed by the FDIC under the Temporary Liquidity Guarantee Program (TLGP) with $18.5 billion maturing in 2011 and $38.0 billion maturing in 2012.

(4) At March 31, 2011, collateralized advances from the FHLB were $17.5 billion.

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

In billions of dollars	1Q10	2Q10	3Q10	4Q10	1Q11
Unsecured long-term debt issued	**$ 1.3**	**$ 5.3(1)**	**$ 7.6**	**$ 5.9(2)**	**$ 6.8(3)**
Unsecured long-term debt issued on a local country level	**1.7**	**0.9**	**2.1**	**2.2**	**1.3**
Trust preferred securities	**2.3**				
Secured debt and securitizations	**2.0**			**2.5**	
Total	**$ 7.3**	**$ 6.2**	**$ 9.7**	**$ 10.6**	**$ 8.1**

(1) Includes issuance of $1.9 billion of senior debt during the second quarter of 2010 pursuant to the remarketing of $1.9 billion of Citigroup Capital XXX trust preferred securities held by ADIA to enable the execution of a forward stock purchase contract in September 2010.

(2) Includes the issuance of $1.9 billion of senior debt during the fourth quarter of 2010 pursuant to the remarketing of $1.9 billion of Citigroup Capital XXXI trust preferred securities held by ADIA to enable the execution of a forward stock purchase contract in March 2011.

(3) Includes $0.5 billion of long-term FHLB issuance.

During the first quarter of 2011, Citi issued approximately $6.3 billion of long-term debt, excluding FHLB issuances. Citi continues to expect to refinance an aggregate of approximately $20 billion of its maturing long-term debt during 2011, meaning it currently anticipates approximately $14 billion of issuance during the remainder of 2011. However, Citi continually reviews its funding and liquidity needs, and may adjust its expected issuances due to market conditions or regulatory requirements, among other factors.

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The table below shows the aggregate annual maturities of Citi's long-term debt obligations:

	Expected Long-Term Debt Maturities as of March 31, 2011						
In billions of dollars	2011(1)	2012	2013	2014	2015	Thereafter	Total
Senior/subordinated debt	$ 41.3	$ 63.3	$ 29.2	$ 24.5	$ 15.9	$ 88.4	$ 262.6
Local country maturities	6.2	5.2	3.8	2.3	1.7	5.0	24.2
Trust preferred securities						17.9	17.9
Securitized debt and securitizations	11.2	23.1	6.4	8.1	5.4	12.9	67.1
FHLB borrowings	12.5	**0.5**	2.5			3.0	18.5
Total long-term debt	$ 71.2	$ 92.1	$ 41.9	$ 34.9	$ 23.0	$ 127.2	$ 390.3

(1) Includes $13.8 billion of first quarter 2011 maturities.

Structural Liquidity and Cash Capital

The structural liquidity ratio, which is defined as the sum of deposits, long-term debt and stockholders' equity as a percentage of total assets, measures whether Citi's asset base is funded by sufficiently long-dated liabilities. Citi's structural liquidity ratio was 73% at March 31, 2011, 73% at December 31, 2010, and 71% at March 31, 2010.

Another measure of Citi's structural liquidity is cash capital. Cash capital is a more detailed measure of the ability to fund the structurally illiquid portion of Citigroup's balance sheet. Cash capital measures the amount of long-term funding or core customer deposits, long-term debt and equity available to fund illiquid assets. Illiquid assets generally include loans (net of securitization adjustments), securities haircuts and other assets (i.e., goodwill, intangibles, fixed assets). At March 31, 2011, both the non-bank and the aggregate bank subsidiaries had cash capital in excess of Citi's liquidity requirements. In addition, as of March 31, 2011, the non-bank maintained liquidity to meet all maturing obligations in excess of a one-year period without access to the unsecured wholesale markets.

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) and (ii) short-term borrowings consisting of commercial paper and borrowings from banks and other market participants.

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. Secured financing appears as a liability on Citi's Consolidated Balance Sheet ("Securities Loaned or Sold Under Agreements to Repurchase"). As of March 31, 2011, secured financing was $187.8 billion and averaged approximately $214 billion during the quarter. Secured financing at March 31, 2011 decreased by $20.1 billion from $207.9 billion at March 31, 2010 and by $1.8 billion from $189.6 billion at December 31, 2010. Year over year, reverse repos and securities borrowing increased by $26.8 billion, and increased by $14.5 billion as compared to the fourth quarter of 2010.

For additional information on Citi's secured financing activities, including the collateralization of such activity, see "Capital Resources and Liquidity Funding and Liquidity" in Citigroup's 2010 Annual Report on Form 10-K.

Commercial Paper

At March 31, 2011 and December 31, 2010, commercial paper outstanding for Citigroup's non-bank entities and bank subsidiaries, respectively, was as follows:

In millions of dollars	March 31, 2011	December 31, 2010

Commercial paper				
Bank	**$**	**15,096**	$	14,987
Non-bank		**9,481**		9,670
Total	**$**	**24,577**	$	24,657

(1)
At March 31, 2011 and December 31, 2010, collateralized advances from the FHLBs were $9 billion and $10 billion, respectively.

Other Short-Term Borrowings

At March 31, 2011, Citi's other short-term borrowings were $54.0 billion, compared with $54.1 billion at December 31, 2010 and $78.5 billion at March 31, 2010. This amount included $41.7 billion of borrowings from banks and other market participants, which includes borrowings from the FHLB. The average balance of borrowings from banks and other market participants for the quarter ended March 31, 2011 was approximately $42 billion. Other short-term borrowings also included $11.8 billion of broker borrowings at March 31, 2011, which averaged approximately $12 billion during the first quarter of 2011.

See Note 15 to the Consolidated Financial Statements for further information on Citigroup's and its affiliates' outstanding long-term debt and short-term borrowings.

Liquidity Transfer Between Entities

Liquidity is generally transferable within the non-bank, subject to regulatory restrictions (if any) and standard legal terms. Similarly, the non-bank can generally transfer excess liquidity into Citi's bank subsidiaries, such as Citibank, N.A. In addition, Citigroup's bank subsidiaries, including Citibank, N.A., can lend to the Citigroup parent and broker-dealer only in accordance with Section 23A of the Federal Reserve Act. As of March 31, 2011, the amount available for lending under Section 23A was approximately $25 billion, provided the funds are collateralized appropriately.

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Credit Ratings

Citigroup's ability to access the capital markets and other sources of funds, as well as the cost of these funds and its ability to maintain certain deposits, is dependent on its credit ratings. The table below indicates the current ratings for Citigroup and Citibank, N.A.

Citigroup's Debt Ratings as of March 31, 2011

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

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

Potential Impact of Ratings Downgrades

Ratings downgrades by Fitch, Moody's or S&P could have material impacts on funding and liquidity through cash obligations, reduced funding capacity, and due to collateral triggers. Because of the current credit ratings of Citigroup, a one-notch downgrade of its senior debt/long-term rating may or may not impact Citigroup's commercial paper/short-term rating by one notch.

As of March 31, 2011, Citi currently estimates that a one-notch downgrade of both the senior debt/long-term rating of Citigroup and a one-notch downgrade of Citigroup's commercial paper/short-term rating could result in the assumed loss of unsecured commercial paper ($8.7 billion) and tender option bonds funding ($0.3 billion), as well as derivative triggers and additional margin requirements ($0.5 billion). Other funding sources, such as secured financing and other margin requirements for which there are no explicit triggers, could also be adversely affected.

As set forth in the table above, the aggregate liquidity resources of Citigroup's non-bank entities stood at approximately $96 billion as of March 31, 2011, in part as a contingency for such an event, and a broad range of mitigating actions are currently included in Citigroup's detailed contingency funding plans. 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 significant bank subsidiaries.

Citi currently believes that a more severe ratings downgrade scenario, such as a two-notch downgrade of the senior debt/long-term rating of Citigroup, accompanied by a one-notch downgrade of Citigroup's commercial paper/short-term rating, could result in an additional $1.7 billion in funding requirements in the form of cash obligations and collateral.

Further, as of March 31, 2011, a one-notch downgrade of the senior debt/long-term ratings of Citibank, N.A. could result in an approximate $4.7 billion funding requirement in the form of collateral and cash obligations. Because of the current credit ratings of Citibank, N.A., a one-notch downgrade of its senior debt/long-term rating is unlikely to have any impact on its commercial paper/short-term rating. Citi's significant bank entities, including Citibank, N.A., had aggregate liquidity resources of $253.1 billion at March 31, 2011, and also have detailed contingency funding plans that encompass a broad range of mitigating actions.

For additional information on Citigroup's credit ratings, see "Capital Resources and Liquidity Funding and Liquidity Credit Ratings" and the "Risk Factors" section in Citi's 2010 Annual Report on Form 10-K.

MANAGING GLOBAL RISK

Citigroup's risk management framework balances strong corporate oversight with well-defined independent risk management functions for each business and region, as well as cross-business product expertise. The Citigroup risk management framework is more fully described in Citigroup's 2010 Annual Report on Form 10-K.

CREDIT RISK

Loan and Credit Overview

As of March 31, 2011, Citigroup's aggregate loan portfolio was $637.1 billion, down from $648.8 billion in the fourth quarter of 2010 and $721.8 billion in the prior-year period. Citi's total allowance for loan losses totaled $36.6 billion at March 31, 2011, a coverage ratio of 5.79% of total loans, down from 6.31% at December 31, 2010 and 6.80% at March 31, 2010.

Net credit losses of $6.3 billion during the first quarter of 2011 decreased $2.1 billion from year-ago levels. The decrease consisted of a net decrease of $2.6 billion for Consumer loans (mainly a $1.7 billion decrease in *LCL* and a $932 million decrease in *RCB*) partially offset by an increase of $485 million for Corporate loans, ($108 million in *ICG* and approximately $380 million in *SAP*). The increase in net credit losses for Corporate loans during the first quarter of 2011 was due to the higher cost of loans sales, as well as losses from loans to specific counterparties for which reserves had previously been established and were released in the current quarter.

Consumer non-accrual loans (excluding credit card receivables) totaled $9.3 billion at March 31, 2011, compared to $10.8 billion at December 31, 2010 and $15.6 billion at March 31, 2010. For total Consumer loans, the 90 days or more past due delinquency rate was 2.68% at March 31, 2011, compared to 2.99% at December 31, 2010 and 4.02% a year ago. The 30 to 89 days past due Consumer loan delinquency rate was 2.56% at March 31, 2011, compared to 2.92% at December 31, 2010 and 3.21% a year ago. During the first quarter of 2011, early- and later-stage delinquencies improved on a dollar and rate basis across most of the Consumer loan portfolios, driven by improvement in North America mortgages, both in residential first mortgages and home equity loans, Citi-branded cards in Citicorp and retail partner cards in Citi Holdings. The improvement in residential first mortgages was driven by continued asset sales and loans moving from trial to permanent modification under Citi's modification programs.

Corporate non-accrual loans were $5.5 billion at March 31, 2011, compared to $8.6 billion at December 31, 2010 and $12.9 billion a year ago. The decrease in non-accrual loans from the prior quarter was mainly due to the recapitalization of Maltby Acquisitions Limited (Maltby), the holding company that controls EMI Group Ltd., during the first quarter of 2011, which resulted in Citi's acquisition of 100% of Maltby's share capital, as well as loan sales, write-offs and paydowns.

During the first quarter of 2011, Citi had a net release of $3.3 billion from its credit reserves and allowance for unfunded lending commitments, compared to a net release of $2.3 billion in the fourth quarter of 2010 and a net release of $53 million in the first quarter of 2010. The release consisted of a net release of $2.0 billion for Consumer loans (mainly an $862 million release in *RCB* and a $1.1 billion release in *LCL)* and a net release of $1.4 billion for Corporate loans, principally related to previously established reserves for specific loans that offset charge-offs taken in the current quarter ($391 million in *ICG* and approximately $1.0 billion in *SAP*). Despite the reserve release during the quarter for Consumer loans, the coincident months of net credit loss coverage for the Consumer portfolio increased from 17.2 months in the fourth quarter of 2010 to 18.1 months at March 31, 2011, and increased from the year-ago level of 15.5 months.

During the first quarter of 2011, Citi's overall mortgage foreclosure inventory continued to increase. As previously disclosed, to date, this increase has been offset in part by Citi's continued loan sales and conversions of trial modifications to permanent modifications (see "U.S. Consumer Mortgage Lending Consumer Mortgage Quarterly Trends Delinquencies and Net Credit Losses" below). To the extent these actions do not offset Citi's continued backlog in its foreclosure inventory, Citi's foreclosure inventory will further increase, which has broader implications for Citigroup's U.S. Consumer mortgage portfolios. Specifically, if Citigroup is unable to take possession of the underlying assets and sell the properties on a timely basis, growth in foreclosure inventory could:

- increase the amount of 180+ day delinquencies in Citigroup's mortgage statistics;

increase Consumer non-accrual loans (90+ day delinquencies);

create a dampening effect on Citi's net interest margin as non-accrual assets build on the balance sheet;

negatively impact the amount ultimately realized for property subject to foreclosure (thereby increasing the "severity" risk, given the continued pressure on home prices in particular markets); and

cause additional costs to be incurred in collecting these assets as well as pursuant to potential governmental actions in the foreclosure area.

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Loans Outstanding

In millions of dollars	1st Qtr. 2011	4th Qtr. 2010	3rd Qtr. 2010	2nd Qtr. 2010	1st Qtr. 2010
Consumer loans					
In U.S. offices					
Mortgage and real estate(1)	**$ 147,301**	$ 151,469	$ 158,986	$ 171,102	$ 180,334
Installment, revolving credit, and other	**26,346**	28,291	29,455	61,867	69,111
Cards	**113,763**	122,384	120,781	125,337	127,818
Commercial and industrial	**4,929**	5,021	4,952	5,540	5,386
Lease financing	**2**	2	3	6	7
	$ 292,341	$ 307,167	$ 314,177	$ 363,852	$ 382,656
In offices outside the U.S.					
Mortgage and real estate(1)	**$ 53,030**	$ 52,175	$ 50,692	$ 47,921	$ 49,421
Installment, revolving credit, and other	**38,624**	38,024	39,755	38,115	44,541
Cards	**36,848**	40,948	39,466	37,510	38,191
Commercial and industrial	**19,632**	18,584	17,653	16,420	14,828
Lease financing	**626**	665	639	677	771
	$ 148,760	$ 150,396	$ 148,205	$ 140,643	$ 147,752
Total consumer loans	**$ 441,101**	$ 457,563	$ 462,382	$ 504,495	$ 530,408
Unearned income	**112**	69	722	951	1,061
Consumer loans, net of unearned income	**$ 441,213**	$ 457,632	$ 463,104	$ 505,446	$ 531,469
Corporate loans					
In U.S. offices					
Commercial and industrial	**$ 15,426**	$ 14,334	$ 11,750	$ 11,656	$ 15,558
Loans to financial institutions	**29,361**	29,813	29,518	31,450	31,279
Mortgage and real estate(1)	**19,397**	19,693	21,479	22,453	21,283
Installment, revolving credit, and other	**13,712**	12,640	16,182	14,812	15,792
Lease financing	**1,395**	1,413	1,255	1,244	1,239
	$ 79,291	$ 77,893	$ 80,184	$ 81,615	$ 85,151
In offices outside the U.S.					
Commercial and industrial	**$ 71,381**	$ 69,718	$ 67,531	$ 63,355	$ 62,854
Installment, revolving credit, and other	**13,551**	11,829	10,586	11,174	10,956
Mortgage and real estate(1)	**6,086**	5,899	6,272	7,301	9,771
Loans to financial institutions	**22,965**	22,620	24,019	20,646	19,003
Lease financing	**511**	531	568	582	663
Governments and official institutions	**2,838**	3,644	3,179	3,306	3,373
	$ 117,332	$ 114,241	$ 112,155	$ 106,364	$ 106,620
Total corporate loans	**$ 196,623**	$ 192,134	$ 192,339	$ 187,979	$ 191,771
Unearned income	**(700)**	(972)	(1,132)	(1,259)	(1,436)
Corporate loans, net of unearned income	**$ 195,923**	$ 191,162	$ 191,207	$ 186,720	$ 190,335
Total loans net of unearned income	**$ 637,136**	$ 648,794	$ 654,311	$ 692,166	$ 721,804
Allowance for loan losses on drawn exposures	**(36,568)**	(40,655)	(43,674)	(46,197)	(48,746)

Total loans net of unearned income and allowance for credit losses	**$ 600,568**	$ 608,139	$ 610,637	$ 645,969	$ 673,058
Allowance for loan losses as a percentage of total loans net of unearned income(2)	**5.79%**	6.31%	6.73%	6.72%	6.80%
Allowance for consumer loan losses as a percentage of total consumer loans net of unearned income(2)	**7.47%**	7.77%	8.16%	7.87%	7.84%
Allowance for corporate loan losses as a percentage of total corporate loans net of unearned income(2)	**1.99%**	2.76%	3.22%	3.59%	3.90%

(1) Loans secured primarily by real estate.

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

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Details of Credit Loss Experience

In millions of dollars	1st Qtr. 2011	4th Qtr. 2010	3rd Qtr. 2010	2nd Qtr. 2010	1st Qtr. 2010
Allowance for loan losses at beginning of period	**$ 40,655**	$ 43,674	$ 46,197	$ 48,746	$ 36,033
Provision for loan losses					
Consumer	**$ 3,444**	$ 4,858	$ 5,345	$ 6,672	$ 8,244
Corporate	**(545)**	(219)	321	(149)	122
	$ 2,899	$ 4,639	$ 5,666	$ 6,523	$ 8,366
Gross credit losses					
Consumer					
In U.S. offices	**$ 4,704**	$ 5,231	$ 5,727	$ 6,379	$ 6,846
In offices outside the U.S.	**1,429**	1,620	1,701	1,774	1,797
Corporate					
In U.S. offices	**291**	677	806	563	404
In offices outside the U.S.	**707**	256	265	290	155
	$ 7,131	$ 7,784	$ 8,499	$ 9,006	$ 9,202
Credit recoveries					
Consumer					
In U.S. offices	**$ 396**	$ 314	$ 341	$ 345	$ 323
In offices outside the U.S.	**317**	347	350	318	300
Corporate					
In U.S. offices	**51**	159	78	307	177
In offices outside the U.S.	**98**	110	71	74	18
	$ 862	$ 930	$ 840	$ 1,044	$ 818
Net credit losses					
In U.S. offices	**$ 4,548**	$ 5,435	$ 6,114	$ 6,290	$ 6,750
In offices outside the U.S.	**1,721**	1,419	1,545	1,672	1,634
Total	**$ 6,269**	$ 6,854	$ 7,659	$ 7,962	$ 8,384
Other net(1)(2)(3)(4)(5)	**$ (717)**	$ (804)	$ (530)	$ (1,110)	$ 12,731
Allowance for loan losses at end of period(6)	**$ 36,568**	$ 40,655	$ 43,674	$ 46,197	$ 48,746
Allowance for loan losses as a % of total loans	**5.79%**	6.31%	6.73%	6.72%	6.80%
Allowance for unfunded lending commitments(7)	**$ 1,105**	$ 1,066	$ 1,102	$ 1,054	$ 1,122
Total allowance for loan losses and unfunded	**$ 37,673**	$ 41,721	$ 44,776	$ 47,251	$ 49,868

lending commitments

Net consumer credit losses	**$ 5,420**	$ 6,190	$ 6,737	$ 7,490	$ 8,020
As a percentage of average consumer loans	**4.89%**	5.35%	5.78%	5.75%	6.04%
Net corporate credit losses	**$ 849**	$ 664	$ 922	$ 472	$ 364
As a percentage of average corporate loans	**0.45%**	0.35%	0.49%	0.25%	0.19%
Allowance for loan losses at end of period(8)					
Citicorp	**$ 15,597**	$ 17,075	$ 17,371	$ 17,524	$ 18,503
Citi Holdings	**20,971**	23,580	26,303	28,673	30,243
Total Citigroup	**$ 36,568**	$ 40,655	$ 43,674	$ 46,197	$ 48,746
Allowance by type					
Consumer(9)	**$ 32,726**	$ 35,445	$ 37,607	$ 39,578	$ 41,422
Corporate	**3,842**	5,210	6,067	6,619	7,324
Total Citigroup	**$ 36,568**	$ 40,655	$ 43,674	$ 46,197	$ 48,746

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

(2) The fourth quarter of 2010 includes a reduction of approximately $600 million related to the sale or transfers to held-for-sale of various U.S. loan portfolios.

(3) The third quarter of 2010 includes a reduction of approximately $54 million related to the announced sale of The Student Loan Corporation (the allowance was transferred to assets held-for-sale). Additionally, the third quarter of 2010 includes a reduction of approximately $950 million related to the sale or transfer to held-for-sale of various U.S. loan portfolios.

(4) The second quarter of 2010 includes a reduction of approximately $237 million related to the transfers to held-for-sale of the Canada cards portfolio and an auto portfolio. Additionally, second quarter of 2010 includes a reduction of approximately $480 million related to the sale or transfers to held-for-sale of U.S. real estate lending loans.

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

(6) Included in the allowance for loan losses are reserves for loans which have been modified subject to troubled debt restructurings (TDRs) of $8,417 million, $7,609 million, $7,090 million, $7,320 million, and $6,926 million as of March 31, 2011, December 31, 2010, September 30, 2010, June 30, 2010 and March 31, 2010, respectively.

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

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

(9) Included in the first quarter of 2011 Consumer loan loss reserve is $16.8 billion related to Citi's global credit card portfolio.

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Impaired Loans, Non-Accrual Loans and Assets, and Renegotiated Loans

The following pages include information on Citi's "Impaired Loans," "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:

Impaired Loans:

- Corporate loans are identified as impaired when they are placed on non-accrual status; that is, when it is determined that the payment of interest or principal is doubtful.
- Consumer impaired loans include: (i) Consumer loans modified in troubled debt restructurings (TDRs) where a long-term concession has been granted to a borrower in financial difficulty; and (ii) non-accrual Consumer (commercial market) loans.
- Consumer impaired loans exclude smaller-balance homogeneous loans that have not been modified and are carried on a non-accrual basis, as well as substantially all loans modified for periods of 12 months or less.

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. These loans are also included in Impaired Loans.
- Consumer non-accrual status is based on aging, i.e., the borrower has fallen behind in payments.
- *North America* branded and retail partner cards are not included, as under industry standards, they accrue interest until charge-off.

Renegotiated Loans:

- Both Corporate and Consumer loans whose terms have been modified in a TDR.
- Includes both accrual and non-accrual TDRs.

Impaired Loans

Impaired loans are those where Citigroup believes it is probable that it will not collect all amounts due according to the original contractual terms of the loan. Impaired loans include Corporate and Consumer (commercial market) non-accrual loans as well as smaller-balance homogeneous loans whose terms have been modified due to the borrower's financial difficulties and Citigroup has granted a concession to the borrower. Such modifications may include interest rate reductions and/or principal forgiveness.

Valuation allowances for impaired loans are determined in accordance with ASC 310-10-35 and estimated considering all available evidence including, as appropriate, the present value of the expected future cash flows discounted at the loan's original contractual effective rate, the secondary market value of the loan and the fair value of collateral less disposal costs.

As of March 31, 2011, Consumer smaller-balance homogenous loans included in short-term modification programs amounted to approximately $5.0 billion. The allowance for loan losses for these loans is materially consistent with the requirements of ASC 310-10-35.

The following table presents information about impaired loans:

In millions of dollars	March 31, 2011	Dec. 31, 2010
Non-accrual corporate loans		
Commercial and industrial	**$ 1,943**	$ 5,125
Loans to financial institutions	**1,094**	1,258
Mortgage and real estate	**1,826**	1,782
Lease financing	**42**	45
Other	**576**	400
Total non-accrual corporate loans	**$ 5,481**	$ 8,610
Impaired consumer loans(1)		
Mortgage and real estate	**$ 18,953**	$ 17,677
Installment and other	**3,343**	3,745
Cards	**6,276**	5,906
Total impaired consumer loans	**$ 28,572**	$ 27,328
Total(2)(3)	**$ 34,053**	$ 35,938
Non-accrual corporate loans with valuation allowances	**$ 3,031**	$ 6,324
Impaired consumer loans with valuation allowances	**27,360**	25,949
Non-accrual corporate valuation allowance	**$ 898**	$ 1,689
Impaired consumer valuation allowance	**8,605**	7,735
Total valuation allowances(4)	**$ 9,503**	$ 9,424

(1) Prior to 2008, Citi's financial accounting systems did not separately track impaired smaller-balance, homogeneous Consumer loans whose terms were modified due to the borrowers' financial difficulties and it was determined that a concession was granted to the borrower. Smaller-balance Consumer loans modified since January 1, 2008 amounted to $27.8 billion and $26.6 billion at March 31, 2011 and December 31, 2010, respectively. However, information derived from Citi's risk management systems indicates that the amounts of outstanding modified loans, including those modified prior to 2008, approximated $29.2 billion and $28.2 billion at March 31, 2011 and December 31, 2010, respectively.

(2) Excludes deferred fees/costs.

(3) Excludes loans purchased for investment purposes.

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

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Non-Accrual Loans and Assets

The table below summarizes Citigroup's non-accrual loans as of the periods indicated. Non-accrual loans are loans in which the borrower has fallen behind in interest payments or, for Corporate and Consumer (commercial market) loans, where Citi has determined that the payment of interest or principal is doubtful and which are therefore considered impaired. In situations where Citi reasonably expects that only a portion of the principal and/or interest owed will ultimately be collected, all payments received are reflected as a reduction of principal and not as interest income. There is no industry-wide definition of non-accrual assets, however, and as such, analysis across the industry is not always comparable.

Corporate non-accrual loans may still be current on interest payments but are considered non-accrual as Citi has determined that the future payment of interest and/or principal is doubtful. Consistent with industry conventions, Citi generally accrues interest on credit card loans until such loans are charged-off, which typically occurs at 180 days contractual delinquency. As such, the non-accrual loan disclosures in this section do not include U.S. credit card loans.

Non-accrual loans

In millions of dollars	**1st Qtr. 2011**	**4th Qtr. 2010**	**3rd Qtr. 2010**	**2nd Qtr. 2010**	**1st Qtr. 2010**
Citicorp	**$ 5,102**	$ 4,909	$ 4,928	$ 4,510	$ 5,024
Citi Holdings	**9,710**	14,498	17,491	20,302	23,544
Total non-accrual loans (NAL)	**$ 14,812**	$ 19,407	$ 22,419	$ 24,812	$ 28,568
Corporate NAL(1)					
North America	**$ 1,997**	$ 2,112	$ 3,299	$ 4,411	$ 5,660
EMEA(2)	**2,427**	5,327	5,473	5,508	5,834
Latin America	**606**	701	658	570	608
Asia	**451**	470	517	547	830
	$ 5,481	$ 8,610	$ 9,947	$ 11,036	$ 12,932
Citicorp	**$ 3,256**	$ 3,081	$ 2,961	$ 2,573	$ 2,975
Citi Holdings	**2,225**	5,529	6,986	8,463	9,957
	$ 5,481	$ 8,610	$ 9,947	$ 11,036	$ 12,932
Consumer NAL(1)					
North America	**$ 7,068**	$ 8,540	$ 9,978	$ 11,289	$ 12,966
EMEA	**667**	662	758	690	790
Latin America	**1,034**	1,019	1,150	1,218	1,246
Asia	**562**	576	586	579	634
	$ 9,331	$ 10,797	$ 12,472	$ 13,776	$ 15,636
Citicorp	**$ 1,846**	$ 1,828	$ 1,967	$ 1,937	$ 2,049
Citi Holdings	**7,485**	8,969	10,505	11,839	13,587
	$ 9,331	$ 10,797	$ 12,472	$ 13,776	$ 15,636

(1) Excludes purchased distressed loans as they are generally accreting interest until write-off. The carrying value of these loans was $453 million at March 31, 2011, $469 million at December 31, 2010, $568 million at September 30, 2010, $672 million at June 30, 2010, and $804 million at March 31, 2010.

(2)

Reflects the recapitalization of Maltby Acquisitions Limited, the holding company that controls EMI Group Ltd., during the first quarter of 2011.

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Non-Accrual Loans and Assets (continued)

The table below summarizes Citigroup's other real estate owned (OREO) assets. 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.

Non-Accrual Assets

OREO *(in millions of dollars)*	**1st Qtr. 2011**	**4th Qtr. 2010**	**3rd Qtr. 2010**	**2nd Qtr. 2010**	**1st Qtr. 2010**
Citicorp	**$ 776**	$ 826	$ 879	$ 866	$ 881
Citi Holdings	**787**	863	855	800	632
Corporate/Other	**14**	14	7	7	8
Total OREO	**$ 1,577**	$ 1,703	$ 1,741	$ 1,673	$ 1,521
North America	**$ 1,331**	$ 1,440	$ 1,470	$ 1,422	$ 1,291
EMEA	**140**	161	164	146	134
Latin America	**52**	47	53	49	51
Asia	**54**	55	54	56	45
	$ 1,577	$ 1,703	$ 1,741	$ 1,673	$ 1,521
Other repossessed assets	**$ 21**	$ 28	$ 38	$ 55	$ 64

Non-accrual assets (NAA) Total Citigroup	**1st Qtr. 2011**	**4th Qtr. 2010**	**3rd Qtr. 2010**	**2nd Qtr. 2010**	**1st Qtr. 2010**
Corporate NAL	**$ 5,481**	$ 8,610	$ 9,947	$ 11,036	$ 12,932
Consumer NAL	**9,331**	10,797	12,472	13,776	15,636
NAL	**$ 14,812**	$ 19,407	$ 22,419	$ 24,812	$ 28,568
OREO	**$ 1,577**	$ 1,703	$ 1,741	$ 1,673	$ 1,521
Other repossessed assets	**21**	28	38	55	64
NAA	**$ 16,410**	$ 21,138	$ 24,198	$ 26,540	$ 30,153
NAL as a percentage of total loans	**2.32%**	2.99%	3.43%	3.58%	3.96%
NAA as a percentage of total assets	**0.84%**	1.10%	1.22%	1.37%	1.51%
Allowance for loan losses as a percentage of NAL(1)	**247%**	209%	195%	186%	171%

NAA Total Citicorp	1st Qtr. 2011	4th Qtr. 2010	3rd Qtr. 2010	2nd Qtr. 2010	1st Qtr. 2010
NAL	**$ 5,102**	$ 4,909	$ 4,928	$ 4,510	$ 5,024
OREO	**776**	826	879	866	881
Other repossessed assets	**N/A**	N/A	N/A	N/A	N/A
NAA	**$ 5,878**	$ 5,735	$ 5,807	$ 5,376	$ 5,905
NAA as a percentage of total assets	**0.44%**	0.45%	0.45%	0.44%	0.48%
Allowance for loan losses as a percentage of NAL(1)	**306%**	348%	352%	389%	368%
NAA Total Citi Holdings					
NAL	**$ 9,710**	$ 14,498	$ 17,491	$ 20,302	$ 23,544
OREO	**787**	863	855	800	632
Other repossessed assets	**N/A**	N/A	N/A	N/A	N/A
NAA	**$ 10,497**	$ 15,361	$ 18,346	$ 21,102	$ 24,176
NAA as a percentage of total assets	**3.11%**	4.28%	4.36%	4.54%	4.81%
Allowance for loan losses as a percentage of NAL(1)	**216%**	163%	150%	141%	128%

(1) The allowance for loan losses includes the allowance for credit card ($16.8 billion at March 31, 2011) and purchased distressed loans, while the non-accrual loans exclude credit card balances and purchased distressed loans, as these generally continue to accrue interest until write-off.

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

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Renegotiated Loans

The following table presents Citi's renegotiated loans, which represent loans modified in TDRs.

In millions of dollars	Mar. 31, 2011	Dec. 31, 2010
Corporate renegotiated loans(1)		
In U.S. offices		
Commercial and industrial(2)	**$ 199**	**$ 240**
Mortgage and real estate(3)	**298**	**61**
Other	**608**	**699**
	$ 1,105	**$ 1,000**
In offices outside the U.S.		
Commercial and industrial(2)	**$ 213**	**$ 207**
Mortgage and real estate(3)	**77**	**90**
Other	**8**	**18**
	$ 298	**$ 315**
Total corporate renegotiated loans	**$ 1,403**	**$ 1,315**
Consumer renegotiated loans(4)(5)(6)(7)		
In U.S. offices		
Mortgage and real estate	**$ 18,900**	$ 17,717
Cards	**5,099**	4,747
Installment and other	**1,656**	1,986
	$ 25,655	$ 24,450
In offices outside the U.S.		
Mortgage and real estate	**$ 931**	$ 927
Cards	**1,178**	1,159
Installment and other	**1,649**	1,875
	$ 3,758	$ 3,961
Total consumer renegotiated loans	**$ 29,413**	$ 28,411

(1) Includes $705 million and $553 million of non-accrual loans included in the non-accrual assets table above, at March 31, 2011 and December 31, 2010, respectively. The remaining loans are accruing interest.

(2) In addition to modifications reflected as TDRs at March 31, 2011, Citi also modified $59 million and $362 million of commercial loans risk rated "Substandard Non-Performing" or worse (asset category defined by banking regulators) in U.S. offices and in offices outside the U.S., respectively. These modifications were not considered TDRs because the modifications did not involve a concession (a required element of a TDR for accounting purposes).

(3) In addition to modifications reflected as TDRs, at March 31, 2011, Citi also modified $161 million and $118 million of commercial real estate loans risk rated "Substandard Non-Performing" or worse (asset category defined by banking regulators) in U.S. offices and in offices outside the U.S., respectively. These modifications were not considered TDRs because the modifications did not involve a

concession (a required element of a TDR for accounting purposes).

(4) Includes $2,242 million and $2,751 million of non-accrual loans included in the non-accrual assets table above at March 31, 2011 and December 31, 2010, respectively. The remaining loans are accruing interest.

(5) Includes $18 million and $22 million of commercial real estate loans at March 31, 2011 and December 31, 2010, respectively.

(6) Includes $165 million and $177 million of commercial loans at March 31, 2011 and December 31, 2010, respectively.

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

In certain circumstances, Citigroup modifies certain of its Corporate loans involving a non-troubled borrower. These modifications are subject to Citi's normal underwriting standards for new loans and are made in the normal course of business to match customers' needs with available Citi products or programs (these modifications are not included in the table above). In other cases, loan modifications involve a troubled borrower to whom Citi may grant a concession (modification). Modifications involving troubled borrowers may include extension of maturity date, reduction in the stated interest rate, rescheduling of future cash flows, reduction in the face amount of the debt, or reduction of past accrued interest. In cases where Citi grants a concession to a troubled borrower, Citi accounts for the modification as a TDR under ASC 310-40 and the related allowance under ASC 310-10-35.

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North America Consumer Mortgage Lending

Overview

Citi's *North America* Consumer mortgage portfolio consists of both residential first mortgages and home equity loans. Home equity loans include both fixed rate home equity loans and loans extended under home equity lines of credit which are typically in junior lien positions. As of March 31, 2011, the residential first mortgage portfolio totaled approximately $98 billion, while the home equity loan portfolio was approximately $48 billion. Although the majority of the Consumer mortgage portfolio is recorded in *LCL* within Citi Holdings, there are $22 billion of residential first mortgages and $4 billion of home equity loans reported in Citicorp.

Citi's residential first mortgage portfolio includes $9.2 billion of loans with FHA or VA guarantees. These portfolios consist of loans originated to low-to-moderate-income borrowers with lower FICO (Fair Isaac Corporation) scores and generally have higher loan-to-value ratios (LTVs). Losses on FHA loans are borne by the sponsoring agency, provided that the insurance has not been breached as a result of an origination defect. The VA establishes a loan-level loss cap, beyond which Citi is liable for loss. FHA and VA loans have high delinquency rates but, given the guarantees, Citi has experienced negligible credit losses on these loans. The residential first mortgage portfolio also includes $1.5 billion of loans with LTVs above 80%, which have insurance through private mortgage insurance (PMI) companies, and $1.6 billion of loans subject to long-term standby commitments (LTSC), with U.S. government-sponsored entities (GSEs), for which Citi has limited exposure to credit losses. Citi's home equity loan portfolio also includes $0.5 billion of loans subject to LTSCs with GSEs, for which Citi has limited exposure to credit losses. Citi's allowance for loan loss calculations takes into consideration the impact of these guarantees.

Consumer Mortgage Quarterly Trends Delinquencies and Net Credit Losses

The following charts detail the quarterly trends in delinquencies and net credit losses for Citi's residential first mortgage and home equity loan portfolios in *North America*. As set forth in the charts below, delinquencies of 90 days or more in both residential first mortgages and home equity loans continued to improve during the first quarter of 2011.

For residential first mortgages, delinquencies of 90 days or more were down for the fifth consecutive quarter, and were down more than 50% from the year-ago period. Net credit losses increased slightly from the fourth quarter of 2010 due to lower recoveries, but were down approximately 24% from the year-ago period. The sequential decline in residential first mortgage delinquencies was mostly due to Citi's continued asset sales and trial modifications converting into permanent modifications. During the first quarter of 2011, Citi sold approximately $1.1 billion in delinquent first mortgages, and has sold approximately $6 billion of delinquent mortgages since the beginning of 2010. In addition, over the past eight quarters, Citi has converted approximately $5.3 billion of trial modifications under Citi's loan modification programs to permanent modifications, more than three-quarters of which were pursuant to the U.S. Treasury's Home Affordable Modification Program (HAMP). For information on Citi's loan modification programs regarding mortgages, see "Consumer Loan Modification Programs" below.

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Note: Includes loans for Canada and Puerto Rico. Excludes loans that are guaranteed by U.S. government agencies.

Note: Includes loans for Canada and Puerto Rico.

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Consumer Mortgage FICO and LTV

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

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

A portion of loans in the U.S. Consumer mortgage portfolio currently require a payment to satisfy only the current accrued interest for the payment period, or an interest-only payment. As of March 31, 2011, Citi's home equity loan portfolio included approximately $26 billion of home equity lines of credit (HELOCs) that are still within their revolving period and have not commenced amortization. The interest-only payment feature during the revolving period is standard for the HELOC product across the industry. The residential first mortgage portfolio contains approximately $16 billion of ARMs that are currently required to make an interest-only payment. These loans will be required to make a fully amortizing payment upon expiration of their interest-only payment period, and most will do so within a few years of origination. Borrowers that are currently required to make an interest-only payment cannot select a lower payment that would negatively amortize the loan. Residential first mortgages with this payment feature are primarily to high-credit-quality borrowers that have on average significantly higher origination and refreshed FICO scores than other loans in the residential first mortgage portfolio.

Loan Balances

Residential First Mortgages Loan Balances. As a consequence of the economic environment and the decrease in housing prices, LTV and FICO scores have generally deteriorated since origination, although the negative FICO migration has generally stabilized. On a refreshed basis, approximately 33% of residential first mortgages had a LTV ratio above 100%, compared to approximately 0% at origination. Approximately 27% of residential first mortgages had FICO scores less than 620 on a refreshed basis, compared to 16% at origination.

Balances: March 31, 2011 Residential First Mortgages

At Origination	FICO≥660	620≤FICO<660	FICO<620
LTV ≤ 80%	58%	6%	7%
80% < LTV ≤ 100%	13%	7%	9%
LTV > 100%	NM	NM	NM

Refreshed	FICO≥660	620≤FICO<660	FICO<620
LTV ≤ 80%	27%	4%	8%
80% < LTV ≤ 100%	17%	3%	8%
LTV > 100%	18%	4%	11%

Note: NM Not meaningful. Residential first mortgages table excludes loans in Canada and Puerto Rico. Table excludes loans guaranteed by U.S. government agencies, loans recorded at fair value and loans subject to LTSCs. Table also excludes $1 billion from At Origination balances and $0.4 billion from Refreshed balances for which FICO or LTV data was unavailable. Balances exclude deferred fees/costs. Refreshed FICO scores based on updated credit scores obtained from Fair Isaac Corporation. Refreshed LTV ratios are derived from data at origination updated using mainly the Core Logic Housing Price Index (HPI) or the Federal Housing Finance Agency Price Index.

Home Equity Loan Balances. In the home equity loan portfolio, the majority of loans are in the higher FICO categories. Economic conditions and the decrease in housing prices generally caused a migration towards lower FICO scores and higher LTV ratios, although the negative migration slowed. Approximately 45% of home equity loans had refreshed LTVs above 100%, compared to approximately 0% at origination. Approximately 17% of home equity loans had FICO scores less than 620 on a refreshed basis, compared to 4% at origination.

Balances: March 31, 2011 Home Equity Loans

At Origination	FICO≥660	620≤FICO<660	FICO<620
LTV ≤ 80%	54%	2%	2%
80% < LTV ≤ 100%	37%	3%	2%

LTV > 100%	**NM**	**NM**	**NM**

Refreshed	FICO≥660	620≤FICO<660	FICO<620
LTV ≤ 80%	**25%**	**2%**	**3%**
80% < LTV ≤ 100%	**18%**	**2%**	**5%**
LTV > 100%	**32%**	**4%**	**9%**

Note: NM Not meaningful. Home equity loans table excludes loans in Canada and Puerto Rico. Table excludes loans subject to LTSCs. Table also excludes $2.1 billion from At Origination balances and $0.3 billion from Refreshed balances for which FICO or LTV data was unavailable. Balances exclude deferred fees/costs. Refreshed FICO scores are based on updated credit scores obtained from Fair Isaac Corporation. Refreshed LTV ratios are derived from data at origination updated using mainly the Core Logic Housing Price Index (HPI) or the Federal Housing Finance Agency Price Index.

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Delinquencies

The tables below provide delinquency statistics for loans 90 or more days past due (90+DPD) as a percentage of outstandings in each of the FICO/LTV combinations, in both the residential first mortgage and home equity loan portfolios, at March 31, 2011. For example, loans with FICO ≥ 660 and LTV ≤ 80% at origination have a 90+DPD rate of 3.1%.

As evidenced by the tables below, loans with FICO scores of less than 620 continue to exhibit significantly higher delinquencies than in any other FICO band. Similarly, loans with LTVs greater than 100% have higher delinquencies than LTVs of less than or equal to 100%. The dollar balances and percentages of loans 90+DPD have declined for both the residential first mortgage and home equity loan portfolios from December 31, 2010.

Delinquencies: 90+DPD Rates Residential First Mortgages

At Origination	FICO≥660	620≤FICO<660	FICO<620
LTV ≤ 80%	3.1%	7.6%	9.6%
80% < LTV ≤ 100%	5.9%	9.8%	12.3%
LTV > 100%	NM	NM	NM

Refreshed	FICO≥660	620≤FICO<660	FICO<620
LTV ≤ 80%	0.2%	2.9%	12.0%
80% < LTV ≤ 100%	0.5%	5.0%	15.8%
LTV > 100%	1.1%	8.4%	19.8%

Note: NM Not meaningful. 90+DPD are based on balances referenced in the tables above.

Delinquencies: 90+DPD Rates Home Equity Loans

At Origination	FICO≥660	620≤FICO<660	FICO<620
LTV ≤ 80%	1.7%	4.0%	5.6%
80% < LTV ≤100%	3.3%	5.5%	6.1%
LTV > 100%	NM	NM	NM

Refreshed	FICO≥660	620≤FICO<660	FICO<620
LTV ≤ 80%	0.1%	1.7%	9.5%
80% < LTV ≤ 100%	0.1%	2.3%	10.4%
LTV > 100%	0.3%	3.4%	15.1%

Note: NM Not meaningful. 90+DPD are based on balances referenced in the tables above.

Origination Channel, Geographic Distribution and Origination Vintage

The following tables detail Citi's residential first mortgage and home equity loan portfolios by origination channels, geographic distribution and origination vintage.

By Origination Channel

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

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

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

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

Residential First Mortgages: March 31, 2011

As of March 31, 2011, approximately 50% of the residential first mortgage portfolio was originated through third-party channels. Given that loans originated through correspondents have historically exhibited higher 90+DPD delinquency rates than retail originated mortgages, Citi terminated business with a number of correspondent sellers in 2007 and 2008. During 2008, Citi also severed relationships with a number of brokers, maintaining only those who have produced strong, high-quality and profitable volume. 90+DPD delinquency amounts have generally improved from December 31, 2010.

CHANNEL *($ in billions)*	**Residential First Mortgages**	**Channel % Total**	**90+DPD %**	***FICO < 620**	***LTV > 100%**
Retail	**$ 41.0**	**49.6%**	**4.3%**	**$ 11.9**	**$ 8.9**
Broker	**$ 13.3**	**16.1%**	**4.7%**	**$ 2.2**	**$ 5.5**
Correspondent	**$ 28.3**	**34.3%**	**7.5%**	**$ 8.6**	**$ 12.9**

* Refreshed FICO and LTV.

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

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Home Equity Loans: March 31, 2011

For home equity loans, approximately 43% of the loans were originated through third-party channels. As these loans have demonstrated a higher incidence of delinquencies, Citi no longer originates home equity loans through third-party channels. 90+DPD delinquency amounts marginally improved from December 31, 2010.

CHANNEL *($ in billions)*	**Home Equity**	**Channel % Total**	**90+DPD %**	***FICO < 620**	***LTV > 100%**
Retail	$ 26.6	57.0%	1.9%	$ 4.3	$ 7.6
Broker	$ 10.7	23.0%	3.5%	$ 1.7	$ 6.5
Correspondent	$ 9.3	20.0%	3.2%	$ 2.0	$ 6.9

* Refreshed FICO and LTV.

Note: Excludes Canada and Puerto Rico, deferred fees/costs and loans subject to LTSCs.

By State

Approximately half of Citi's U.S. Consumer mortgage portfolio is located in five states: California, New York, Florida, Illinois and Texas. These states represent 50% of Citi's residential first mortgages and 56% of home equity loans.

With respect to residential first mortgages, Florida and Illinois had above average 90+DPD delinquency rates as of March 31, 2011. Florida has 58% of its residential first mortgage portfolio with refreshed LTV > 100%, compared to 33% overall for residential first mortgages. Illinois has 45% of its loan portfolio with refreshed LTV > 100%. Texas, despite having 39% of its portfolio with FICO < 620, had a lower delinquency rate relative to the overall portfolio. Texas had 7% of its loan portfolio with refreshed LTV > 100%.

In the home equity loan portfolio, Florida continued to experience above-average delinquencies at 4.1% as of March 31, 2011, with approximately 67% of its loans with refreshed LTV > 100%, compared to 45% overall for the home equity loan portfolio.

By Vintage

For Citigroup's combined U.S. Consumer mortgage portfolio (residential first mortgages and home equity loans), as of March 31, 2011, approximately half of the portfolio consisted of 2006 and 2007 vintages, which demonstrate above average delinquencies. In residential first mortgages, approximately 39% of the portfolio is of 2006 and 2007 vintages, which had 90+DPD rates well above the overall portfolio rate, at 7.1% for 2006 and 7.7% for 2007. In home equity loans, 58% of the portfolio is of 2006 and 2007 vintages, which again had higher delinquencies compared to the overall portfolio rate, at 3.2% for 2006 and 2.8% for 2007.

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FICO and LTV Trend Information U.S. Consumer Mortgage Lending

Residential First Mortgages (in billions of dollars)

Home Equity (in billions of dollars)

Note: Residential first mortgages chart/table excludes loans in Canada and Puerto Rico, loans guaranteed by U.S. government agencies, loans recorded at fair value and loans subject to LTSCs. Balances exclude deferred fees/costs. Balances based on refreshed FICO and LTV ratios. Chart/table also excludes balances for which FICO or LTV data was unavailable ($0.4 billion in 1Q10, $0.4 billion in 2Q10, $0.4 billion in 3Q10, $0.4 billion in 4Q10, and $0.4 billion in 1Q11).

Note: Home equity loan chart/table excludes loans in Canada and Puerto Rico, and loans subject to LTSCs. Balances exclude deferred fees/costs. Balances based on refreshed FICO and LTV ratios. Chart/table also excludes balances for which FICO or LTV data was unavailable ($0.3 billion in 1Q10, $0.3 billion in 2Q10, $0.3 billion in 3Q10, $0.3 billion in 4Q10, and $0.3 billion in 1Q11).

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As of March 31, 2011, the residential first mortgage portfolio was approximately $82 billion, a reduction of $13 billion, or 14%, from March 31, 2010. Residential first mortgages with refreshed FICO scores below 660 and refreshed LTV above 100% were $12.4 billion as of March 31, 2011, $3.9 billion, or 24%, lower than the balance as of March 31, 2010. Similarly, the home equity loan portfolio was approximately $46 billion as of March 31, 2011, a reduction of $8 billion, or 14%, from March 31, 2010. Home equity loans with refreshed FICO scores below 660 and refreshed LTV above 100% were $6.2 billion as of March 31, 2011, $1.4 billion, or 18%, lower than the balance as of March 31, 2010. Across both portfolios, 90+ DPD rates have generally improved since March 31, 2010 across each of the FICO/LTV segments outlined above, particularly those segments with refreshed FICO scores below 660.

North America Cards

Overview

Citi's *North America* cards portfolio consists of its Citi-branded and retail partner cards portfolios reported in Citicorp *Regional Consumer Banking* and Citi Holdings *Local Consumer Lending*, respectively. As of March 31, 2011, the Citi-branded portfolio totaled $73 billion, while the retail partner cards portfolio was $41 billion.

Beginning as early as 2008, Citi actively pursued loss mitigation measures, such as stricter underwriting standards for new accounts and closing high-risk accounts, in each of its Citi-branded and retail partner cards portfolios. As a result of these efforts, higher risk customers have either had their available lines of credit reduced or their accounts closed. On a net basis, the end-of-period total drawn (credit card loans outstanding) and undrawn (unused lines) exposure to credit card customers was down 7% in Citi-branded cards and 6% in retail partner cards, each versus the prior-year period levels.

See "Consumer Loan Modification Programs" below for a discussion of Citi's modification programs for card loans.

Cards Quarterly 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 and retail partner cards portfolios, which continued to reflect the improving credit quality of these portfolios during the first quarter of 2011. In Citi-branded cards, delinquencies declined for the fifth consecutive quarter and net credit losses declined for the fourth consecutive quarter. In retail partner cards, delinquencies declined for the fifth consecutive quarter while net credit losses declined for the seventh consecutive quarter. For both portfolios, early-stage delinquencies also continued to show improvement on both a dollar and a rate basis.

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Note: Includes Puerto Rico.

Note: Includes Canada, Puerto Rico and Installment Lending.

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North America Cards FICO Information

During the first quarter of 2011, the cards businesses in the U.S. began using a more updated FICO model to score customer accounts for substantially all of their loans. The change was made to incorporate a more recent version of FICO in order to improve the predictive strength of the score and to enhance Citi's ability to manage risk. This change resulted in an increase in the percentage of balances with FICO scores equal to or greater than 660 and conversely lowering the percentage of balances with FICO scores lower than 620, primarily in the Citi-branded portfolio and to a lesser extent in the retail partner cards portfolio. Without the change in FICO model, the percentages in the table below would have been the same as the respective percentages as of December 31, 2010.

As set forth in the table below, approximately 83% of the Citi-branded portfolio had FICO credit scores of at least 660 on a refreshed basis as of March 31, 2011, while 71% of the retail partner cards portfolio had scores of 660 or above.

Balances: March 31, 2011

Refreshed	Citi-Branded	Retail Partner
FICO ≥ 660	**83%**	**71%**
620 ≤ FICO < 660	**9%**	**13%**
FICO < 620	**8%**	**16%**

Note: Based on balances of $111 billion (decreased from $119 billion at December 31, 2010). Balances include interest and fees. Excludes Canada, Puerto Rico and Installment and Classified portfolios. Excludes balances where FICO was unavailable ($0.5 billion for Citi-branded, $1.6 billion for retail partner cards).

The table below provides delinquency statistics for loans 90+DPD for both the Citi-branded and retail partner cards portfolios as of March 31, 2011. As customers roll through the delinquency buckets, they materially damage their credit score and may ultimately go to charge-off. Loans 90+DPD are more likely to be associated with low refreshed FICO scores, both because low scores are indicative of repayment risk and because their delinquency has been reported by Citigroup to the credit bureaus. Loans with FICO scores less than 620, which constituted 8% of the Citi-branded portfolio as of March 31, 2011, have a 90+DPD rate of 21.2%. In the retail partner cards portfolio, loans with FICO scores less than 620 constituted 16% of the portfolio as of March 31, 2011 and have a 90+DPD rate of 19.1%.

90+DPD Delinquency Rate: March 31, 2011

Refreshed	Citi-Branded 90+DPD%	Retail Partner 90+DPD%
FICO ≥ 660	**0.1%**	**0.2%**
620 ≤ FICO <660	**1.5%**	**1.2%**
FICO < 620	**21.2%**	**19.1%**

Note: Based on balances of $111 billion (decreased from $119 billion at December 31, 2010). Balances include interest and fees. Excludes Canada, Puerto Rico and Installment and Classified portfolios. Excludes balances where FICO was unavailable ($0.5 billion for Citi-branded, $1.6 billion for retail partner cards).

U.S. Installment and Other Revolving Loans

The U.S. Installment portfolio consists of Consumer loans in the following businesses: consumer finance, retail banking, auto, student lending and cards. Other Revolving consists of Consumer loans (ready credit and checking plus products) in the Consumer retail banking business. Commercial-related loans are not included. As of March 31, 2011, the U.S. Installment portfolio totaled approximately $23 billion, while the U.S. Other Revolving portfolio was approximately $800 million.

Substantially all of the U.S. Installment portfolio is reported in *LCL* within Citi Holdings. As of March 31, 2011, approximately 43% of the Installment portfolio had FICO scores less than 620 on a refreshed basis. On a refreshed basis, loans with FICO scores of less than 620 exhibit significantly higher delinquencies than in any other FICO band and will drive the majority of the losses. The 90+DPD delinquency rate for Installment loans with FICO score less than 620 on a refreshed basis was 7.9% at March 31, 2011.

For information on Citi's loan modification programs regarding Installment loans, see "Consumer Loan Modification Programs" below.

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CONSUMER LOAN DETAILS

Consumer Loan Delinquency Amounts and Ratios

In millions of dollars, except EOP loan amounts in billions	Total loans(6) Mar. 2011	90+ days past due(1) Mar. 2011	90+ days past due(1) Dec. 2010	90+ days past due(1) Mar. 2010	30-89 days past due(1) Mar. 2011	30-89 days past due(1) Dec. 2010	30-89 days past due(1) Mar. 2010
Citicorp(2)(3)							
Total	**$ 234.9**	**$ 2,983**	$ 3,114	$ 3,982	**$ 3,362**	$ 3,555	$ 4,400
Ratio		**1.27%**	1.35%	1.80%	**1.44%**	1.54%	1.99%
Retail banking							
Total	**$ 125.3**	**$ 811**	$ 773	$ 827	**$ 1,145**	$ 1,148	$ 1,306
Ratio		**0.65%**	0.66%	0.75%	**0.92%**	0.98%	1.18%
North America	**33.0**	**241**	228	142	**185**	212	236
Ratio		**0.75%**	0.76%	0.45%	**0.58%**	0.71%	0.75%
EMEA	**4.7**	**86**	96	116	**143**	136	203
Ratio		**1.83%**	2.18%	2.37%	**3.04%**	3.09%	4.14%
Latin America	**23.5**	**249**	224	323	**326**	267	391
Ratio		**1.06%**	1.04%	1.66%	**1.39%**	1.24%	2.02%
Asia	**64.1**	**235**	225	246	**491**	533	476
Ratio		**0.37%**	0.37%	0.45%	**0.77%**	0.87%	0.87%
Citi-branded cards							
Total	**$ 109.6**	**$ 2,172**	$ 2,341	$ 3,155	**$ 2,217**	$ 2,407	3,094
Ratio		**1.98%**	2.05%	2.86%	**2.02%**	2.11%	2.81%
North America	**73.2**	**1,432**	1,597	2,304	**1,327**	1,539	2,145
Ratio		**1.96%**	2.06%	2.97%	**1.81%**	1.99%	2.76%
EMEA	**2.9**	**60**	58	77	**78**	72	113
Ratio		**2.07%**	2.07%	2.66%	**2.69%**	2.57%	3.90%
Latin America	**13.5**	**445**	446	510	**454**	456	475
Ratio		**3.30%**	3.33%	4.21%	**3.36%**	3.40%	3.93%
Asia	**20.0**	**235**	240	264	**358**	340	361
Ratio		**1.18%**	1.18%	1.51%	**1.79%**	1.67%	2.06%
Citi Holdings *Local Consumer Lending*(2)(4)(5)							
Total	**$ 207.1**	**$ 8,541**	$ 10,225	$ 16,808	**$ 7,624**	$ 9,462	$ 12,236
Ratio		**4.33%**	4.76%	5.66%	**3.86%**	4.41%	4.12%
International	**18.1**	**571**	657	953	**815**	848	1,059
Ratio		**3.15%**	3.00%	3.44%	**4.50%**	3.87%	3.82%
North America retail partner cards	**41.3**	**1,310**	1,610	2,385	**1,515**	1,751	2,374
Ratio		**3.17%**	3.47%	4.38%	**3.67%**	3.77%	4.36%
North America (excluding cards)	**147.7**	**6,660**	7,958	13,470	**5,294**	6,863	8,803
Ratio		**4.83%**	5.43%	6.27%	**3.84%**	4.68%	4.10%
Total Citigroup (excluding	**$ 442.0**	**$ 11,524**	$ 13,339	$ 20,790	**$ 10,986**	$ 13,017	$ 16,636

***Special Asset Pool*)**						
Ratio	**2.67%**	2.99%	4.02%	**2.54%**	2.92%	3.21%

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

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

(3) The 90+ days and 30-89 days past due and related ratios for *North America Regional Consumer Banking* exclude U.S. mortgage loans that are guaranteed by U.S. government sponsored agencies since the potential loss predominantly resides within the U.S. agencies. The amounts excluded for loans 90+ days past due and (end-of-period loans) are $352 million ($0.9 billion) and $235 million and ($0.8) billion at March 31, 2011 and December 31, 2010, respectively. The amount excluded for loans 30-89 days past due (end-of-period loans have the same adjustment as above) is $52 million and $30 million as of March 31, 2011 and December 31, 2010, respectively.

(4) The 90+ days and 30-89 days past due and related ratios for *North America LCL* (excluding cards) exclude U.S. mortgage loans that are guaranteed by U.S. government sponsored agencies since the potential loss predominantly resides within the U.S. agencies. The amounts excluded for loans 90+ days past due and (end-of-period loans) for each period are $4.9 billion ($8.3 billion), $5.2 billion ($8.4 billion), and $5.2 billion ($9.0 billion) as of March 31, 2011, December 31, 2010, and March 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 $1.4 billion, $1.6 billion, and 1.2 billion as of March 31, 2011, December 31, 2010, and March 31, 2010, respectively.

(5) The March 31, 2011, December 31, 2010 and March 31, 2010 loans 90+ days past due and 30-89 days past due and related ratios for *North America* (excluding Cards) exclude $1.5 billion, $1.7 billion and $2.9 billion, respectively, of loans that are carried at fair value.

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

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Consumer Loan Net Credit Losses and Ratios

In millions of dollars, except average loan amounts in billions	Average loans(1) 1Q11	Net credit losses(2) 1Q11	4Q10	1Q10
Citicorp				
Total	**$ 231.7**	**$ 2,108**	$ 2,528	$ 3,040
Ratio		**3.69%**	4.44%	5.57%
Retail banking				
Total	**$ 121.4**	**$ 277**	$ 343	$ 289
Ratio		**0.93%**	1.18%	1.07%
North America	**31.9**	**88**	97	73
Ratio		**1.12%**	1.30%	0.92%
EMEA	**4.5**	**23**	44	47
Ratio		**2.07%**	4.06%	3.81%
Latin America	**22.5**	**103**	123	91
Ratio		**1.86%**	2.29%	1.99%
Asia	**62.5**	**63**	79	78
Ratio		**0.41%**	0.52%	0.59%
Citi-branded cards				
Total	**$ 110.3**	**$ 1,831**	$ 2,185	$ 2,751
Ratio		**6.73%**	7.84%	9.96%
North America	**73.9**	**1,352**	1,671	2,084
Ratio		**7.42%**	8.80%	10.67%
EMEA	**2.9**	**26**	29	50
Ratio		**3.64%**	4.11%	6.99%
Latin America	**13.4**	**304**	328	418
Ratio		**9.20%**	10.01%	14.01%
Asia	**20.1**	**149**	157	199
Ratio		**3.01%**	3.19%	4.53%
Citi Holdings *Local Consumer Lending*				
Total	**$ 216.3**	**$ 3,279**	$ 3,618	$ 4,938
Ratio		**6.15%**	6.21%	6.30%
International	**18.9**	**341**	376	612
Ratio		**7.32%**	6.32%	8.27%
North America retail partner cards	**43.8**	**1,111**	1,352	1,932
Ratio		**10.29%**	11.71%	13.72%
North America (excluding cards)	**153.6**	**1,827**	1,890	2,394
Ratio		**4.82%**	4.64%	4.20%
Total Citigroup (excluding *Special Asset Pool*)	**$ 448.0**	**$ 5,387**	$ 6,146	$ 7,978
Ratio		**4.88%**	5.34%	6.00%

(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.

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Consumer Loan Modification Programs

Citigroup has instituted a variety of long-term and short-term modification programs to assist its mortgage, credit card (Citi-branded and retail partner cards) and installment loan borrowers with financial difficulties. These programs, include modifying the original loan terms, reducing interest rates, reducing or waiving fees, extending the remaining loan duration and/or waiving a portion of the remaining principal balance. At March 31, 2011, Citi's significant modification programs consisted of the U.S. Treasury's Home Affordable Modification Program (HAMP), as well as short-term and long-term modification programs in the U.S., as set forth in the tables below. For a more detailed description of these significant modification programs, see "Managing Global Risk Credit Risk Consumer Loans Modification Programs" in Citi's 2010 Annual Report on Form 10-K.

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.

HAMP and Other Long-Term Programs. Long-term modification programs or TDRs occur when the terms of a loan have been modified due to the borrower's financial difficulties and a long-term concession has been granted to the borrower. Substantially all long-term programs in place provide interest rate reductions. See Note 1 to the Consolidated Financial Statements in Citi's 2010 Annual Report on Form 10-K for a discussion of the allowance for loan losses for such modified loans.

The following table presents Citigroup's Consumer loan TDRs as of March 31, 2011 and December 31, 2010. These TDRs are predominantly concentrated in the U.S. HAMP loans whose terms are contractually modified after successful completion of the trial period are included in the balances below.

	Accrual		**Non-accrual**	
In millions of dollars	**Mar. 31, 2011**	**Dec. 31, 2010**	**Mar. 31, 2011**	**Dec. 31, 2010**
Mortgage and real estate	**$ 16,844**	$ 15,140	**$ 1,831**	$ 2,290
Cards	**6,240**	5,869	**37**	38
Installment and other	**2,664**	3,015	**230**	271

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Long-Term Modification Programs Summary

The following table sets forth, as of March 31, 2011, information relating to Citi's significant long-term U.S. mortgage, credit card and installment loan modification programs:

In millions of dollars	Program balance	Program start date(1)	Average interest rate reduction	Average % payment relief	Average tenor of modified loans	Deferred principal	Principal forgiveness
U.S. Consumer mortgage lending							
HAMP	$ 3,776	3Q09	4%	41%	31 years	$ 462	$ 3
Citi Supplemental	1,876	4Q09	3	23	27 years	84	1
HAMP Re-age	399	1Q10	N/A	N/A	24 years	8	
2nd FDIC	550	2Q09	5	45	21 years	33	6
FHA/VA	3,573		2	20	28 years		
CFNA AOT	3,769		3	23	29 years		
RL	960	4Q10	2	14	30 years		
2 MP	194	4Q10	5	55	21 years	10	
Other	3,076		4	42	27 years	48	47
***North America* cards**							
Paydown	2,787		16		5 years		
CCG	1,816		12		5 years		
Interest Reversal Paydown	433		20		5 years		
U.S. installment loans							
CFNA AOT	790		7	33	9 years		

(1) Provided if program was introduced after 2008.

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Short-Term Programs. Citigroup has also instituted short-term programs (primarily in the U.S.) to assist borrowers experiencing temporary hardships. These programs include short-term (12 months or less) interest rate reductions and deferrals of past due payments. See Note 1 to the Consolidated Financial Statements in Citi's 2010 Annual Report on Form 10-K for a discussion of the allowance for loan losses for such modified loans.

The following table presents the amounts of gross loans modified under short-term interest rate reduction programs in the U.S. as of March 31, 2011:

	March 31, 2011	
In millions of dollars	**Accrual**	**Non-accrual**
Cards	**$ 2,200**	**$**
Mortgage and real estate	**1,607**	**78**
Installment and other	**965**	**118**

Short-Term Modification Programs Summary

The following table sets forth, as of March 31, 2011, information related to Citi's significant short-term U.S. credit cards, mortgage, and installment loan modification programs:

In millions of dollars	Program balance	Program start date(1)	Average interest rate reduction	Average time period for reduction
UPP	$ 2,200		20%	12 months
Mortgage Temporary AOT	1,677	1Q09	3	8 months
Installment Temporary AOT	1,083	1Q09	4	7 months

(1) Provided if program was introduced after 2008.

Payment deferrals that do not continue to accrue interest (extensions) primarily occur in the U.S. residential mortgage business. Under an extension, payments that are contractually due are deferred to a later date, thereby extending the maturity date by the number of months of payments being deferred. Extensions assist delinquent borrowers who have experienced short-term financial difficulties that have been resolved by the time the extension is granted. An extension can only be offered to borrowers who are past due on their monthly payments but have since demonstrated the ability and willingness to pay as agreed. Other payment deferrals continue to accrue interest and are not deemed to offer concessions to the customer. Other types of concessions are not material.

Impact of Modification Programs

Citi considers various metrics in analyzing the success of U.S. modification programs. Payment behavior of customers during the modification (both short-term and long-term) is monitored. For short-term modifications, performance is also measured for an additional period of time after the expiration of the concession. Balance reductions and annualized loss rates are also important metrics that are monitored. Based on actual experience, program terms, including eligibility criteria, interest charged and loan tenor, may be refined. The main objective of the modification programs is to reduce the payment burden for the borrower and improve the net present value of Citi's expected cash flows.

Mortgage Modification Programs

With respect to long-term mortgage modification programs, for modifications in the "Other" category (as noted in the "Long-Term Modification Programs Summary" table above), as of March 31 2011, generally at 24 months after modification, the total balance reduction has been approximately 30% (as a percentage of the balance at the time of modification), consisting of approximately 20% of paydowns and 10% of net credit losses.

Regarding HAMP, 12 months after modification, Citi continues to experience re-default rates of approximately 15% of the number of active HAMP-modified loans as of March 31, 2011. The CSM program has less vintage history and limited loss data but is tracking to Citi's expectations and is currently exhibiting re-default rates of less than 25% of active modified loans as of March 31, 2011 at 12 months after modification.

From inception through March 31, 2011, approximately $10 billion of residential first mortgages have been enrolled in the HAMP trial period, while $4 billion have successfully completed the trial period. As of March 31, 2011, 35% of the loan units in the HAMP trial period were successfully modified, 14% were modified under the Citi Supplemental program, 5% were in HAMP or Citi Supplemental trial, 2% subsequently received other Citi modifications, 12% received HAMP Re-Age, and 32% have not received any modification from Citi to date.

For modifications under CFNA's long-term AOT program, as of March 31 2011, the total balance reduction has been approximately 13% (as a percentage of the balance at the time of modification) 24 months after modification, consisting of approximately 5% of paydowns and 8% of net credit losses.

The short-term AOT program has less vintage history and limited loss data. As of March 31 2011, 12 months after modification, the total balances reduction has been 4%, with approximately half coming from paydowns and the remaining from net credit losses.

Cards Modification Programs

Generally, as of March 31 2011, at 36 months after modification, the total balance reduction for long-term card modification programs is approximately 81% (as a percentage of the balance at the time of modification), consisting of approximately 47% of paydowns and 34% of net credit losses. In addition, these net credit losses have been approximately 40% lower, depending upon the individual program and vintage, than those of similar card accounts that were not modified.

For short-term modifications, as of March 31 2011, 24 months after starting a short-term modification, balances are typically reduced by approximately 64% (as a percentage of the balance at the time of modification), consisting of approximately 25% of paydowns and 39% of net credit losses. In addition, these net credit losses have been approximately 25% 33% lower, depending upon the individual program and vintage, than those of similar accounts that were not modified.

As previously disclosed, Citigroup implemented certain changes to its credit card modification programs beginning in the fourth quarter of 2010, including revisions to the eligibility criteria for such programs. These programs are continually evaluated and additional changes may occur in 2011, depending upon factors such as program performance and overall credit conditions. As a result of these changes, as well as the overall improving portfolio trends, in the first quarter of 2011, the overall volume of new entrants to Citi's card modification programs (both long- and short-term) decreased by 8% compared to the fourth quarter of 2010. New entrants to Citi's short-term card modification programs decreased by approximately 35% in the first quarter of 2011 as compared to the prior quarter. Citi considered these changes to its cards modification programs and their potential effect on net credit losses in determining the loan loss reserves as of March 31, 2011.

Installment Loan Modification Programs

With respect to the long-term CFNA AOT program, thirty-six months after modification, the total balance reduction is approximately 68%, consisting of approximately 19% of paydowns and 49% of net credit losses. The short-term Temporary AOT program has less vintage history and limited loss data. In this program, twelve months after modification the total balance reduction is approximately 16% (as a percentage of the balance at the time of modification), consisting of approximately 5% of paydowns and 11% of net credit losses.

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Consumer Mortgage Representations and Warranties

The majority of Citi's exposure to representation and warranty claims relates to its U.S. Consumer mortgage business.

Representation and Warranties

As of March 31, 2011, Citi services loans previously sold as follows:

	March 31, 2011(1)	
In millions	**Number of loans**	**Unpaid principal balance**
Vintage sold:		
2005 and prior	**0.9**	**$ 89,204**
2006	**0.2**	**32,032**
2007	**0.2**	**40,333**
2008	**0.3**	**48,250**
2009	**0.3**	**54,004**
2010	**0.3**	**51,659**
2011	**0.1**	**32,335**
Indemnifications(2)	**0.8**	**96,243**
Total	**3.2**	**$ 444,060**

(1) Excludes the fourth quarter of 2010 sale of servicing rights on 0.1 million loans with unpaid principal balances of approximately $28,745 million. Citi continues to be exposed to representation and warranty claims on those loans.

(2) Represents loans serviced by CitiMortgage pursuant to prior acquisitions of mortgage servicing rights which are covered by indemnification agreements from third parties in favor of CitiMortgage.

In addition, since 2000, Citi has sold $95 billion of loans to private investors, of which $49 billion were sold through securitizations. As of March 31, 2011, $36 billion of these loans (including $14 billion sold through securitizations) continue to be serviced by Citi and are included in the $444 billion of serviced loans above.

When selling a loan, Citi (through its CitiMortgage business) makes various representations and warranties relating 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.

The specific representations and warranties made by Citi depend on the nature of the transaction and the requirements of the buyer. Market conditions and credit-rating agency requirements may also affect representations and warranties and the other provisions to which Citi may agree in loan sales.

Repurchases or "Make-Whole" Payments

In the event of a breach of these representations and warranties, Citi may be required to either repurchase the mortgage loans (generally at unpaid principal balance plus accrued interest) with the identified defects, or indemnify ("make-whole") the investors for their losses. Citi's representations and warranties are generally not subject to stated limits in amount or time of coverage. However, contractual liability arises only when the representations and warranties are breached and generally only when a loss results from the breach.

For the quarters ended March 31, 2011 and 2010, 72% and 77%, respectively, of Citi's repurchases and make-whole payments were attributable to misrepresentation of facts by either the borrower or a third party (e.g., income, employment, debts, FICO, etc.), appraisal issues (e.g., an error or misrepresentation of value), or program requirements (e.g., a loan that does not meet investor guidelines, such as contractual interest rate). To date, there has not been a meaningful difference in incurred or estimated loss for each type of defect.

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*). 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.

The unpaid principal balance of loans repurchased due to representation and warranty claims for the three months ended March 31, 2011 and 2010, respectively, was as follows:

In millions of dollars	**March 31,2011 Unpaid principal balance**	**March 31, 2010 Unpaid principal balance**
GSEs	**$ 73**	$ 87
Private investors	**1**	4
Total	**$ 74**	$ 91

As evidenced in the table above, to date, Citi's repurchases have primarily been from the U.S. government sponsored entities (GSEs). In addition, Citi recorded make-whole payments of $93 million and $23 million for the quarters ended March 31, 2011 and 2010, respectively.

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Repurchase Reserve

Citi has recorded a reserve for its exposure to losses from the obligation to repurchase previously sold loans (referred to as the repurchase reserve) that is included in *Other liabilities* in the Consolidated Balance Sheet. In estimating the repurchase reserve, Citi considers reimbursements estimated to be received from third-party correspondent lenders and indemnification agreements relating to previous acquisitions of mortgage servicing rights. Citi aggressively pursues collection from any correspondent lender that it believes has the financial ability to pay. The estimated reimbursements are based on Citi's analysis of its most recent collection trends and the financial solvency of the correspondents.

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*.

The repurchase reserve is calculated by individual sales vintage (i.e., the year the loans were sold) and is based on various assumptions. While substantially all of Citi's current loan sales are with GSEs, with which Citi has considerable historical experience, these assumptions contain a level of uncertainty and risk that, if different from actual results, could have a material impact on the reserve amounts. The most significant assumptions used to calculate the reserve levels are as follows:

Loan documentation requests: Assumptions regarding future expected loan documentation requests exist as a means to predict future repurchase claim trends. These assumptions are based on recent historical trends as well as anecdotal evidence and general industry knowledge about the current repurchase environment (e.g., the level of staffing and focus by the GSEs to "put" more loans back to servicers). These factors are considered in the forecast of expected future repurchase claims and changes in these trends could have a positive or negative impact on Citi's repurchase reserve. During 2010, loan documentation requests increased compared to prior periods. In the first quarter of 2011, however, Citi observed a large decrease compared to prior periods, although the level of requests continues to be elevated and will likely remain volatile.

Repurchase claims as a percentage of loan documentation requests: Given that loan documentation requests are an indicator of future repurchase claims, an assumption is made regarding the conversion rate from loan documentation requests to repurchase claims. This assumption is also based on historical performance and, if actual rates differ in the future, could also impact repurchase reserve levels. This percentage was generally stable during 2010 and in the first quarter of 2011.

Claims appeal success rate: This assumption represents Citi's expected success at rescinding a claim by satisfying the demand for more information, disputing the claim validity, etc. This assumption is also based on recent historical successful appeals rates. These rates could fluctuate based on changes in the validity or composition of claims. During the second half of 2010, Citi's appeal success rate improved from the levels seen in prior periods. In the first quarter of 2011, this assumption was stable compared to prior periods. In Citi's recent experience, approximately half of the repurchase claims have been successfully appealed and have resulted in no loss to Citi.

Estimated loss given repurchase or make-whole: The assumption of the estimated loss amount per repurchase or make-whole payment, or loss severity, is applied separately for each sales vintage to capture volatile housing price highs and lows. The assumption is based on actual and expected losses of recent repurchases/make-whole payments calculated for each sales vintage year, which are impacted by factors such as macroeconomic indicators, including overall housing values. Since the second quarter of 2010, loss severity has increased, including during the first quarter of 2011.

As set forth in the table below, during the first quarter of 2011, the increased loss severity estimates primarily contributed to the change in estimate for the repurchase reserve amounting to $122 million. The activity in the repurchase reserve for the three months ended March 31, 2011 and 2010 was as follows:

In millions of dollars	**Mar. 31, 2011**	**Mar. 31, 2010**

Balance, beginning of period	**$**	**969**	$	482
Additions for new sales		**4**		5
Change in estimate		**122**		
Utilizations		**(151)**		(37)
Balance, end of period	**$**	**944**	$	450

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As referenced above, the repurchase reserve is calculated by sales vintage. To date, the majority of Citi's repurchases have been from the 2006 through 2008 sales vintages, which also represented the vintages with the largest loss severity. An insignificant percentage of repurchases have been from vintages prior to 2006, and Citi continues to believe that this percentage will continue to decrease, as those vintages are later in the credit cycle. Although still early in the credit cycle, Citi has also experienced lower repurchases and loss severity from 2009 and 2010 sales vintages.

Sensitivity of Repurchase Reserve

As discussed above, the repurchase reserve estimation process is subject to numerous estimates and judgments. The assumptions used to calculate the repurchase reserve contain a level of uncertainty and risk that, if different from actual results, could have a material impact on the reserve amounts. For example, Citi estimates that if there were a simultaneous 10% adverse change in each of the significant assumptions noted above, the repurchase reserve would increase by approximately $384 million as of March 31, 2011. This potential change is hypothetical and intended to indicate the sensitivity of the repurchase reserve to changes in the key assumptions. Actual changes in the key assumptions may not occur at the same time or to the same degree (i.e., an adverse change in one assumption may be offset by an improvement in another). Citi does not believe it has sufficient information to estimate a range of reasonably possible loss (as defined under ASC 450) relating to its Consumer representations and warranties.

Representation and Warranty Claims By Claimant

The representation and warranty claims by claimant for the three-month periods ended March 31, 2011 and 2010, respectively, were as follows:

	March 31, 2011		**March 31, 2010**	
Dollars in millions	**Number of claims**	**Original principal balance**	**Number of claims**	**Original principal balance**
GSEs	**3,191**	**$ 715**	2,785	$ 582
Private investors	**595**	**115**	158	39
Mortgage insurers(1)	**157**	**36**	42	10
Total	**3,943**	**$ 866**	2,985	$ 631

(1) Represents the insurer's rejection of a claim for loss reimbursement that has yet to be resolved. To the extent that mortgage insurance will not cover the claim on a loan, Citi may have to make the GSE or private investor whole.

The number of unresolved claims by type of claimant as of March 31, 2011 and December 31, 2010, respectively, was as follows:

	March 31, 2011		**December 31, 2010**	
Dollars in millions	**Number of claims(1)**	**Original principal balance**	**Number of claims**	**Original principal balance**
GSEs	**4,661**	**$ 1,058**	4,334	$ 954
Private investors	**475**	**103**	163	30
Mortgage insurers	**90**	**22**	76	17
Total	**5,226**	**$ 1,183**	4,583	$ 1,001

(1) For GSEs, the response to the repurchase claim is required within 90 days of the claim receipt. If Citi does not respond within 90 days, the claim would then be discussed between Citi and the GSE. For private investors, the time period for responding is governed by the individual sale agreement. If the specified timeframe is exceeded, the investor may choose to initiate legal action.

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***Securities and Banking*-Sponsored Private Label Residential Mortgage Securitizations Representations and Warranties**

Over the years, *S&B* has been a sponsor of private-label mortgage-backed securitizations. Mortgage securitizations sponsored by Citi's *S&B* business represent a much smaller portion of Citi's mortgage business than Citi's Consumer business discussed above.

During the period 2005 through 2008, *S&B* sponsored approximately $66 billion in private-label mortgage-backed securitization transactions, of which approximately $27 billion remained outstanding at March 31, 2011. These outstanding transactions are backed by loan collateral composed of approximately $7.1 billion prime, $5.7 billion Alt-A and $13.9 billion subprime residential mortgage loans. Citi estimates the actual cumulative losses to date incurred by the issuing trusts on the $66 billion total transactions referenced above have been approximately $7.3 billion. The mortgages included in these securitizations were purchased from parties outside of *S&B*, and fewer than 3% of the mortgages currently outstanding were originated by Citi. In addition, fewer than 10% of the currently outstanding mortgage loans underlying these securitization transactions are serviced by Citi. The loans serviced by Citi are included in the $444 billion of residential mortgage loans referenced under "Consumer Mortgage Representations and Warranties" above.

In connection with such transactions, representations and warranties (representations) relating to the mortgage loans included in each trust issuing the securities were made either by (1) Citi, or (2) in a relatively small number of cases, third-party sellers (Selling Entities, which were also often the originators of the loans). These representations were generally made or assigned to the issuing trust.

The representations in these securitization transactions generally related to, among other things, the following:

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

The specific representations relating to the mortgage loans in each securitization may vary, however, depending on various factors such as the Selling Entity, rating agency requirements and whether the mortgage loans were considered prime, Alt-A or subprime in credit quality.

In the event of a breach of its representations, Citi may be required either to repurchase the mortgage loans with the identified defects (generally at unpaid principal balance plus accrued interest) or indemnify the investors for their losses.

For securitizations in which Citi made representations, these representations typically were similar to those provided to Citi by the Selling Entities, with the exception of certain limited representations required by rating agencies. These latter representations overlapped in some cases with the representations described above.

In cases where Citi made representations and also received those representations from the Selling Entity for that loan, if Citi is the subject of a claim based on breach of those representations in respect of that loan, it may have a contractual right to pursue a similar (back-to-back) claim against the Selling Entity. If only the Selling Entity made representations, then only the Selling Entity should be responsible for a claim based on breach of these representations in respect of that loan. (This discussion only relates to contractual claims based on breaches of representations.)

However, in some cases where Citi made representations and received similar representations from Selling Entities, including a majority of such cases involving subprime and Alt-A collateral, Citi believes that those Selling Entities appear to be in bankruptcy, liquidation or financial distress. In those cases, in the event that claims for breaches of representations were to be made against Citi, the Selling Entities' financial condition may effectively preclude Citi from obtaining back-to-back recoveries against them.

In addition to securitization transactions, during the period 2005 through March 31, 2011, *S&B* sold approximately $8.2 billion in whole loan mortgages, primarily to private investors. These loans were generally sold on a "servicer released" basis and, as a result, *S&B* is not able to determine the current outstanding balances of these loans. The majority of these loans were sold with limited or no representations by *S&B*, or with limited representations that expire after a certain period of time (typically six months to one year), a portion of which have already expired.

To date, *S&B* has received only a small number of claims based on breaches of representations relating to the mortgage loans included in its securitization transactions or whole loan sales. Citi continues to monitor this claim activity closely.

In addition to the activities described above, *S&B* engages in other residential mortgage-related activities, including underwriting of residential mortgage-backed securities. *S&B* participated in the underwriting of the above-referenced *S&B*-sponsored securitizations, as well as underwritings of other residential mortgage-backed securities sponsored and issued by third parties. For additional information on litigation claims relating to these activities, see Note 23 to the Consolidated Financial Statements.

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CORPORATE LOAN DETAILS

Corporate Credit Portfolio

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

	At March 31, 2011				At December 31, 2010			
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	**$ 197**	**$ 47**	**$ 10**	**$ 254**	$ 191	$ 43	$ 8	$ 242
Unfunded lending commitments	**178**	**105**	**19**	**302**	174	94	19	287
Total	**$ 375**	**$ 152**	**$ 29**	**$ 556**	$ 365	$ 137	$ 27	$ 529

Portfolio Mix

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

	March 31, 2011	**December 31, 2010**
North America	**46%**	47%
EMEA	**29**	28
Latin America	**8**	7
Asia	**17**	18
Total	**100%**	100%

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

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

These factors may adversely affect the ability of some obligors to perform and thus increase the risk of lending activities to these obligors. Citigroup also has incorporated climate risk assessment criteria for certain obligors, as necessary. Internal obligor ratings equivalent to BBB and above are considered investment grade. Ratings below the equivalent of the BBB category are considered non-investment grade.

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The following table presents the Corporate credit portfolio by facility risk rating at March 31, 2011 and December 31, 2010, as a percentage of the total portfolio:

	Direct outstandings and unfunded commitments	
	March 31, 2011	**December 31, 2010**
AAA/AA/A	**56%**	56%
BBB	**26**	26
BB/B	**13**	13
CCC or below	**4**	5
Unrated	**1**	
Total	**100%**	100%

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