2013 Annual Stress Testing Disclosure

Dodd-Frank Wall Street Reform and Consumer Protection Act

March 28, 2013

Overview – CCAR and Dodd-Frank Stress Testing

- **In November 2012, the Federal Reserve Board (FRB) launched the 2013 Comprehensive Capital Analysis and Review (CCAR)**
  - Applies to 18 bank holding companies (BHCs), including Citigroup Inc. (Citi)
  - Requires all BHCs to submit a Capital Plan
    - Capital Plans must include: projections of (a) pre-provision net revenues, (b) losses, (c) net income before taxes, and (d) pro forma capital ratios, over a nine-quarter horizon beginning in 4Q12 and ending in 4Q14 under required hypothetical baseline and stressed scenarios
  - 6 BHCs with significant trading activities, including Citi, are also required to apply a hypothetical Global Market Shock to trading, counterparty, and fair value loan exposures

- **The 2013 CCAR also incorporates, for the first time, the stress testing requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act (DFA):**
  - Mandates annual stress testing under a set of supervisory scenarios provided by the FRB, including the Supervisory Severely Adverse Scenario (see next page)
  - Requires the FRB and BHCs participating in CCAR to publish a summary of stress test results under DFA rules, and the post-stress capital analysis
  - Sets forth a definition of "Dodd-Frank Capital Actions" to be used by the FRB and BHCs under the Supervisory Severely Adverse Scenario (see next page)

Citi's projections under the Supervisory Severely Adverse Scenario, as disclosed in this document or otherwise, should not be viewed or interpreted as forecasts or expected or likely outcomes for Citi or Citibank, N.A. (CBNA). Rather, these projections are based solely on the FRB's hypothetical Supervisory Severely Adverse Scenario and other specific conditions required to be assumed by Citi and CBNA. These assumptions include, among others, the "Dodd-Frank Capital Actions" (see next page), as well as modeling assumptions necessary to project and assess the impact of the Supervisory Severely Adverse Scenario on the capital position of Citi and CBNA.

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Overview – DFA Stress Testing Required Scenarios and Capital Actions

- As required by the DFA stress testing rules, and as adopted for the 2013 CCAR, the FRB set forth the following parameters for conducting stress tests:
  - **Stress Scenarios**
    - The FRB provided BHCs with a set of supervisory scenarios based on hypothetical projected economic and market variables; the most severe of these is the Supervisory Severely Adverse Scenario
      - Incorporates deep recessions in the U.S. and Europe along with a sharp deceleration of growth in developing Asia. The scenario further details a steep rise in the unemployment rate, significantly declining equity market prices, a drop in home values, and rising risk premia for corporate borrowers
    - Sets forth requirement that the FRB utilize the Supervisory Severely Adverse Scenario in informing the FRB's post-stress capital analysis
  - **Dodd-Frank Capital Actions:**
    - The FRB's instructions require the use of a specific formulation of "stable capital actions." For Citi's 2013 submission, these include:
      - The maintenance of Citi's current common stock dividend ($0.01 per share per quarter) and scheduled preferred stock dividends (inclusive of $2.25B issued in 4Q12)
      - Ordinary payments on trust preferred securities, assuming no additional redemption beyond $443MM redeemed in 4Q12
      - Ordinary payments on subordinated debt, assuming no repurchase
      - These projections do not reflect Citi's Planned Capital Actions

Integration of Internal Capital Adequacy Assessment Process

The decision-making and review process for capital-related actions by Citi is evaluated as part of a combined Comprehensive Capital Analysis and Review and Internal Capital Adequacy Assessment Process (CCAR/ICAAP)

- Citi utilizes a robust capital optimization process as part of its capital planning which includes both quantitative and qualitative considerations
- Citi uses the CCAR scenarios as one of the elements to size its capital actions in baseline and stressed economic environments
- The ICAAP framework is designed to provide a comprehensive view on capital adequacy which extends beyond the quantitative results of stress testing, and incorporates Material Risk Identification including internal and external considerations
- Citi also incorporates liquidity stress testing into its overall capital assessment framework, so that Citi maintains an adequate liquidity and funding profile in baseline and stressed economic environments

At the core of Citi's capital assessment framework is a focus on safety, soundness, credibility and confidence, aimed to ensure Citi remains well capitalized through economic cycles

Please refer to Citi's 2012 Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on March 1, 2013, for a broader description of Citi's capital planning and risk management processes

Citigroup Inc. (Citi)

- Description of Risk Types
- Stress Test Methodology
- Pro Forma Projections
- Key Drivers of Pro Forma Regulatory Capital Ratios
- Requested Distributions from Common Equity

Description of Risk Types

Citi quantifies three broad risk types within its 2013 CCAR:

Market Risk

- Market risk arises from fluctuations in the market value of positions, resulting from changes in market factors
- Market risk results from activities, including but not limited to: market-making and trading, investment portfolios, counterparty credit exposure from capital markets activities, and loans held-for-sale or under a fair value option

Credit Risk

- Credit risk is the potential for financial loss resulting from the failure of a borrower to honor its financial or contractual obligations
- Credit risk results primarily from Citi's lending activities within its wholesale and retail businesses
- Credit risk can also result in other-than-temporary-impairments from available-for-sale (AFS) and held-to-maturity (HTM) investment securities

Operational Risk

- Operational Risk is the risk of loss resulting from inadequate or failed internal processes, systems, or human factors, or from external events
- Operational risk is inherent in Citigroup's global business activities, as well as its internal processes which support those business activities
- Operational risk includes associated litigation, reputation, and franchise risks

Stress Test Methodology: Overview

To project its Capital Position, Citi estimated the economic impacts to PPNR and Stress Losses under the required hypothetical stressed scenarios, including the Supervisory Severely Adverse Scenario

Pre-Provision Net Revenue (PPNR)

- PPNR is defined as net interest income plus non-interest income less non-interest expense, which includes Policyholder Benefits & Claims

Stress Losses

- Stress Losses include losses arising from loans (including the net change in reserves), AFS and HTM securities, trading and counterparty activities, and other losses arising from adverse economic conditions

Capital Position

- Reflects Basel I regulatory capital, inclusive of Stress Losses and PPNR, adjusted for (a) the adoption of the final U.S. market risk rules (Basel II.5) in 1Q13, and (b) the phase-out from Tier I capital of certain trust preferred securities beginning in 1Q13, as required by the FRB's instructions

Stress Test Methodology: PPNR

Citi projects the three components of PPNR as described below:

Net Interest Income

- Loan balances, deposit balances, and other key inputs to net interest income are modeled using regression analyses, linking the outputs to economic variable projections (including but not limited to GDP, inflation, house price indices, and unemployment)
- These balances, combined with the scenario-specific interest rate and foreign exchange rate projections, are used to calculate net interest income

Non-Interest Income

- Non-interest income is primarily composed of fees and commissions from client activity
- Consumer segments are modeled using the observed and expected relationship between fee revenue and deposit and loan balances
- Institutional segments are modeled using a regression-based approach linking revenue to macroeconomic variables

Non-Interest Expense

- Projections of balances, headcount, and other specific expense drivers are used in the projection of non-interest expenses
- Additionally, certain management actions are considered, including but not limited to reduction of investments, lower marketing spending and reductions in headcount based on historical experience
- Operational loss expenses, including litigation expenses, are modeled using historically observed relationships between operational losses and macroeconomic variables (primarily credit spreads, unemployment rates and equity prices)

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Stress Test Methodology: Stress Losses

Provision for Loan Losses

- Loan losses are projected based on product-specific approaches which use historical and expected relationships between credit performance and relevant macroeconomic variables

Domestic Mortgages	Commercial & Industrial and Commercial Real Estate	Credit Cards	Other Consumer	Other Loans
• Includes First and Junior Liens; Closed-End and Revolving • Primarily driven by HPI, interest rates, and unemployment	• Includes C&I loans to obligors globally and domestic CRE loans • Projections consider obligor, collateral, industry, country, seniority, and local GDP	• Includes bank and charge cards both domestically and internationally • Loss projections consider vintage, credit score, country, and unemployment	• Includes global personal loans, student loans, auto loans, and other consumer loans • Driven by a variety of variables depending on product type and country	• Includes international CRE and mortgages and a variety of non-retail loans • Primarily driven by local GDP; real estate loans also driven by HPI, interest rates, and unemployment

Realized Gains/Losses on Securities

- The inherent credit risk is primarily modeled using historical and expected relationships with local GDP and considers security characteristics (including but not limited to country, collateral, and seniority)
- Loss estimates for the AFS and HTM portfolios are recognized in accordance with Citi's established accounting methodology

Trading and Counterparty Losses

- Trading and counterparty losses represent losses on Citi's trading portfolios, CVA and other mark-to-market assets, inclusive of default losses
- Losses are calculated by applying the instantaneous Global Market Shock to Citi's exposures in 4Q12
- Consistent with the FRB's instructions, there is no associated reduction of risk-weighted assets, GAAP assets, or compensation expenses

Other Losses/Gains

- Primarily reflects losses on loans which are held for sale or under a fair value option
- Consistent with the FRB's instructions, loans are stressed using the same Global Market Shock which is used to calculate trading and counterparty losses on a similar instantaneous basis

Stress Test Methodology: Capital Position

In addition to the inclusion of estimated Stress Losses and PPNR, Citi's Capital Position is impacted by the following items:

Final U.S. Market Risk Rules – Basel II.5

- Consistent with the FRB's instructions, Citi's projections reflect the adoption of the final U.S. market risk rules (otherwise referred to as Basel II.5) beginning in 1Q13
- This results in an increase in risk-weighted assets for certain market exposures and reduces corresponding regulatory ratios

Deferred Tax Asset (DTA) Position

- Citi conservatively assumes that the incremental DTA accrued on its balance sheet resulting from stress loss projections is limited; as such, pre-tax stress loss estimates are largely equivalent to post-tax loss estimates
- The net change in the estimated DTA disallowance further lowers Citi's regulatory capital ratios

Collins Amendment

- Consistent with FRB's instructions, certain trust preferred securities begin a gradual 4-year phase out from Tier I Capital, beginning in the 1Q13

Other Items Impacting Capital Position

- Movements in foreign exchange impacts Citi's capital position through changes to Other Comprehensive Income (OCI)
- Annual common stock awards from incentive compensation programs increase common equity, offset by compensation expense over the corresponding vesting period

Pro Forma Projections

The tables below summarize Citi's pro forma estimated results under the Supervisory Severely Adverse Scenario using Dodd-Frank Capital Actions(1):

Projected Capital Ratios through Q4 2014 under the Supervisory Severely Adverse Scenario (Dodd-Frank Capital Actions)

	Actual	Stressed Capital Ratios	
	Q3 2012	Q4 2014	Minimum[a]
Tier 1 Common Ratio (%)	12.7	8.8	8.4
Tier 1 Capital Ratio (%)	13.9	9.8	9.5
Total Risk-based Capital Ratio (%)	17.1	12.9	12.6
Tier 1 Leverage Ratio (%)	7.4	5.5	5.4

[a] Minimum ratio shows the lowest quarter-end ratio over the 9-quarter horizon. The minimum for each ratio may not occur in the same period.

Projected Cumulative Losses, Revenue, and Net Income Before Taxes through Q4 2014 under the Supervisory Severely Adverse Scenario (Dodd-Frank Capital Actions)

	Billions of Dollars	Percent of Average Assets
Pre-Provision Net Revenue	40.4	2.2%
Other Revenue	-	
Less		
Provisions	49.3	
Loan Losses	*45.0*	
Net Reserve Builds/(Releases)	*4.3*	
Realized Gains/Losses on Securities (AFS/HTM)	2.2	
Trading and Counterparty Losses	14.1	
Other Losses/Gains	2.9	
Equals		
Net Income Before Taxes	(28.1)	-1.5%

Projected Cumulative Loan Losses by Type of Loans for Q4 2012 through Q4 2014 under the Supervisory Severely Adverse Scenario (Dodd-Frank Capital Actions)

	Billions of Dollars	Portfolio Loss Rates (%)
Loan Losses	45.0	7.2%
First Lien Mortgages, Domestic	5.7	5.9%
Junior Liens and HELOCs, Domestic	4.3	12.8%
Commercial & Industrial	5.5	4.0%
Commercial Real Estate, Domestic	0.3	3.5%
Credit Cards	21.0	15.5%
Other Consumer	5.9	13.2%
Other Loans	2.2	1.3%

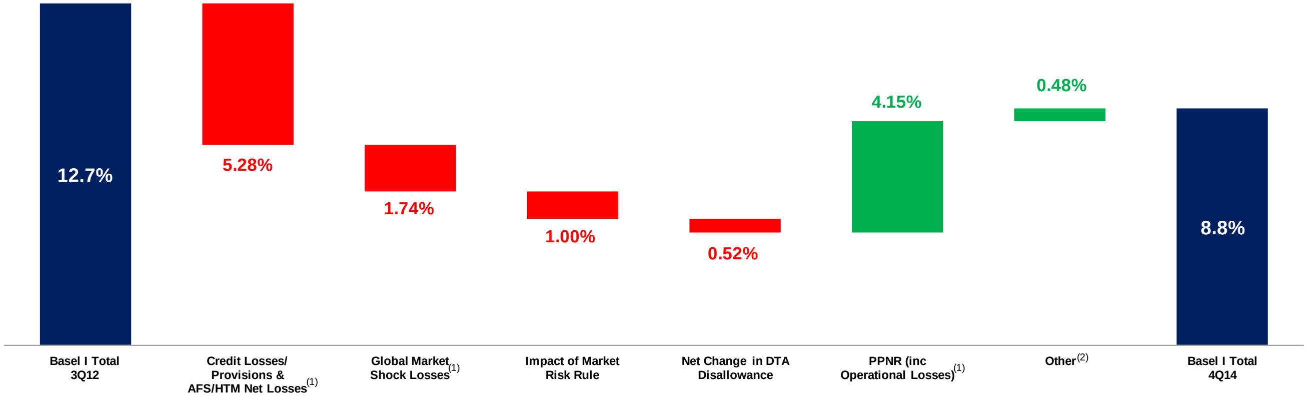
(1) Please see slide 3 for components of the Dodd-Frank Capital Actions

These projections represent hypothetical estimates based on the FRB's hypothetical Supervisory Severely Adverse Scenario and the Dodd-Frank Capital Actions. These estimates are not forecasts of Citi's expected pre-provision net revenues, losses, net income before taxes or pro forma capital ratios.

Key Drivers of Pro Forma Regulatory Capital Ratios

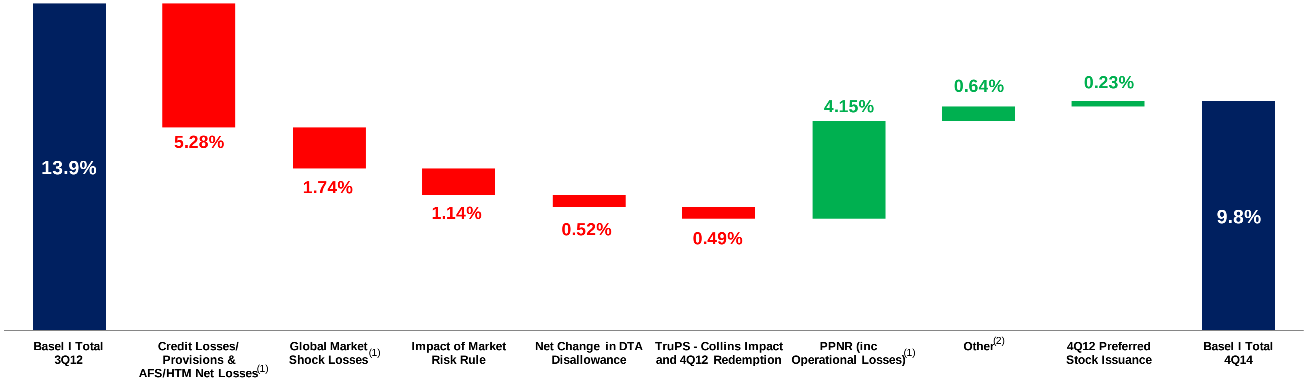
(3Q12-4Q14; Supervisory Severely Adverse Scenario, Dodd-Frank Capital Actions)

Tier 1 Common Capital Ratio



(1) Reflects pre-tax impact
(2) Other includes impacts due to (i) net change in risk-weighted assets excluding market risk rule, (ii) issuance of employee stock compensation, (iii) goodwill & intangibles amortization, (iv) FAS 52 OCI, (v) accrued taxes, (vi) common/preferred stock dividends, and (vii) losses attributable to minority interests

Tier 1 Capital Ratio



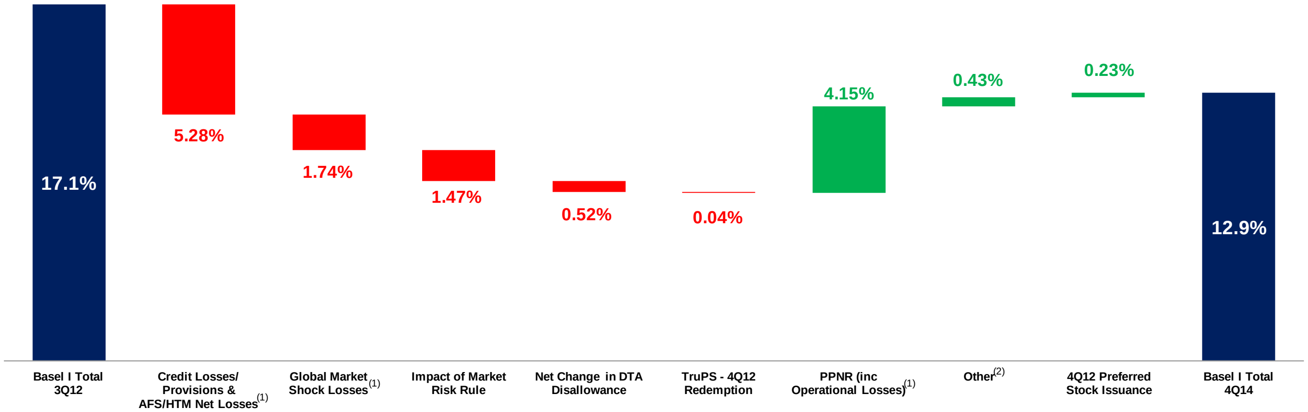
(1) Reflects pre-tax impact
(2) Other includes impacts due to (i) net change in risk-weighted assets excluding market risk rule, (ii) issuance of employee stock compensation, (iii) goodwill & intangibles amortization, (iv) FAS 52 OCI, (v) accrued taxes, (vi) common/preferred stock dividends, and (vii) losses attributable to minority interests

These projections represent hypothetical estimates based on the FRB's hypothetical Supervisory Severely Adverse Scenario and the Dodd-Frank Capital Actions. These estimates are not forecasts of Citi's expected pro forma capital ratios.

Key Drivers of Pro Forma Regulatory Capital Ratios

(3Q12-4Q14; Supervisory Severely Adverse Scenario, Dodd-Frank Capital Actions)

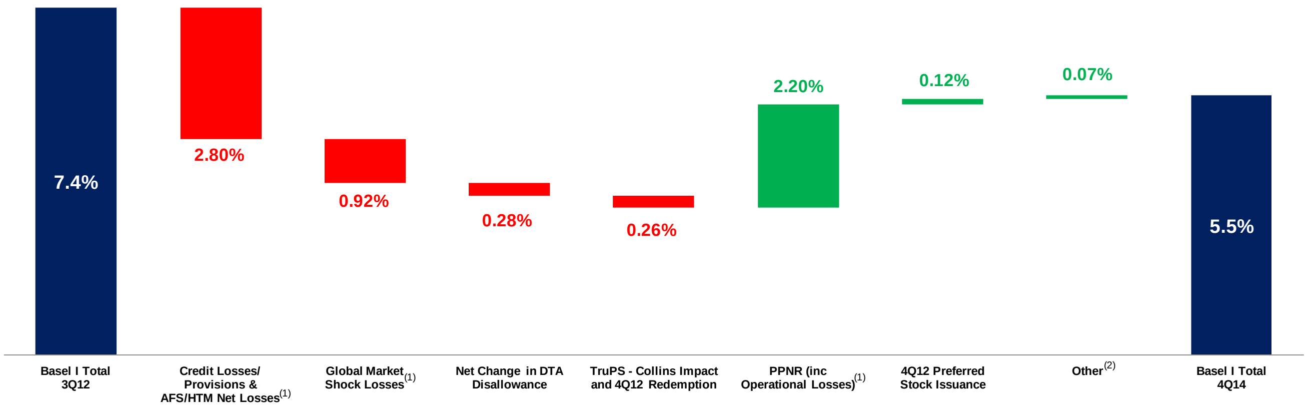
Total Capital Ratio



(1) Reflects pre-tax impact

(2) Other includes impacts due to (i) net change in risk-weighted assets excluding market risk rule, (ii) issuance of employee stock compensation, (iii) goodwill & intangibles amortization, (iv) net qualifying debt maturation, (v) FAS 52 OCI, (vi) accrued taxes, (vii) common/preferred stock dividends, (viii) losses attributable to minority interests, and (ix) decreases in capital-eligible loan loss reserves

Leverage Ratio



(1) Reflects pre-tax impact

(2) Other includes impacts due to (i) net change in leverage assets, (ii) issuance of employee stock compensation, (iii) goodwill & intangibles amortization, (iv) FAS 52 OCI, (v) accrued taxes, (vi) common/preferred stock dividends, and (vii) losses attributable to minority interests

These projections represent hypothetical estimates based on the FRB's hypothetical Supervisory Severely Adverse Scenario and the Dodd-Frank Capital Actions. These estimates are not forecasts of Citi's expected pro forma capital ratios.

Requested Distributions from Common Equity

Citi's 2013 Capital Plan, submitted to the FRB on January 7th, underlines management's commitment to build and sustain robust levels of capital

On March 14, 2013, the FRB advised Citi that it had no objection to its planned distributions from common equity in its 2013 Capital Plan submission:

- A $1.2B common stock buyback program through 1Q14
  - Intended to offset estimated dilution created by annual incentive compensation grants
- Maintenance of current common stock dividends of $0.01 per share per quarter

Any repurchases of common stock and common stock dividends remain subject to approval by Citi's Board of Directors

Citibank, N.A. (CBNA)

- Stress Test Methodology
- Pro Forma Projections
- Key Items Impacting Pro Forma Regulatory Capital Ratios

Stress Test Methodology

- Beginning January 2013, the Office of the Comptroller of the Currency (OCC) required “covered institutions”, including Citibank, N.A., to conduct the Dodd-Frank Act Stress Test (DFAST)
  - For 2013, the OCC required the use of the same hypothetical Supervisory Severely Adverse Scenario as the FRB used in CCAR, including the same Global Market Shock
- CBNA represents Citi’s principal subsidiary; CBNA accounts for approximately 70% of Citi’s overall assets as of 3Q12.
  - As such, the results of the DFAST for CBNA under the hypothetical Supervisory Severely Adverse scenario, including the Global Market Shock, are similar to those incurred for Citi under the CCAR in terms of magnitude, severity and timing of estimated losses.
  - Capital ratio projections take into account the capital structure of CBNA (1)
- CBNA used the same methodologies as described for Citi’s CCAR exercise (PPNR, Stress Losses and Capital Position).
  - *See pages 6-9 for additional details on (i) Risk Types and (ii) Stress Test Methodology as utilized for the CCAR and DFAST exercises*

(1) CBNA’s capital structure varies in amount and form from Citi. For further details, please refer to CBNA’s quarterly Call Reports on Form FFIEC-031.

Pro Forma Projections

The tables below summarize CBNA's pro forma estimated results under the Supervisory Severely Adverse Scenario:

Projected Capital Ratios through Q4 2014 under the Supervisory Severely Adverse Scenario			
	Actual	Stressed Capital Ratios	
	Q3 2012	Q4 2014	Minimum[a]
Tier 1 Common Ratio (%)	15.3	12.9	11.3
Tier 1 Capital Ratio (%)	15.4	13.0	11.4
Total Risk-based Capital Ratio (%)	16.7	15.2	13.5
Tier 1 Leverage Ratio (%)	9.7	8.3	7.7

[a] Minimum ratio shows the lowest quarter-end ratio over the 9-quarter horizon. The minimum for each ratio may not occur in the same period.

Projected Losses, Revenue, and Net Income Before Taxes through Q4 2014 under the Supervisory Severely Adverse Scenario		
	Billions of Dollars	Percent of Average Assets
Pre-Provision Net Revenue	44.7	3.4%
Other Revenue	-	0.0%
Less		
Provisions	40.7	3.1%
Loan Losses	36.8	
Net Reserve Builds/(Releases)	4.0	
Realized Gains/Losses on Securities (AFS/HTM)	1.7	0.1%
Trading and Counterparty Losses	5.0	0.4%
Other Losses/Gains	2.6	0.2%
Equals		
Net Income Before Taxes	(5.4)	-0.4%

These projections represent hypothetical estimates based on the FRB's hypothetical Supervisory Severely Adverse Scenario (as instructed by the OCC to use for purposes of the 2013 DFAST) and adjusted capital actions reflecting the temporary suspension of dividend payments through the forecast horizon (see next page). These estimates are not forecasts of CBNA's expected pre-provision net revenues, losses, net income before taxes or pro forma capital ratios.

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Key Items Impacting
Pro Forma Regulatory Capital Ratios

Under the Supervisory Severely Adverse scenario, CBNA's estimated pro-forma capital ratios are principally impacted by the following items:

Stress Losses and Pre-Provision Net Revenues

- Reductions to income driven by credit and market losses, partly offset by pre-provision net revenues (including operational losses) *– see pages 6-9 for definitions and additional details*

Final U.S. Market Risk Rules – Basel II.5

- Consistent with the OCC's instructions, CBNA's projections reflect the adoption of the final U.S. market risk rules (otherwise referred to as Basel II.5) beginning in 1Q13
- This results in an increase in risk-weighted assets for certain market exposures and reduces corresponding regulatory ratios

Deferred Tax Asset (DTA) Position

- CBNA conservatively assumes that the incremental DTA accrued on its balance sheet resulting from stress loss projections is limited; as such, pre-tax stress loss estimates are largely equivalent to post-tax loss estimates
- The net change in the estimated DTA disallowance further lowers CBNA's regulatory capital ratios

Other Key Items Impacting CBNA's Capital Position

- **Dividend Payouts**

  Under the hypothetical Supervisory Severely Adverse Scenario, CBNA included the dividend payment in 4Q12, and chose to assume the suspension of dividend payments from the 2nd through 9th quarters of the planning horizon
- **Foreign Exchange**

  Movements in foreign exchange impacts CBNA's capital position through changes to Other Comprehensive Income
- **Change in Capital Composition(1)**

  In preparation for expected rules implementing Basel III in the U.S., CBNA issued subordinated debt in 4Q12.

(1) *CBNA's capital structure varies in amount and form from Citi. For further details, please refer to CBNA's quarterly Call Reports on Form FFIEC-031.*

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