

# *Fourth Quarter 2008 Earnings Review*

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January 16, 2009

On February 27, 2009, Citi announced a fourth quarter 2008 goodwill impairment charge and a further impairment to the intangible asset related to Nikko Asset Management. These pre-tax charges of approximately \$9.9 billion are not reflected in the fourth quarter 2008 press release, financial supplement and investor presentation, each dated January 16, 2009. For updated financial information, please refer to the Citigroup, Inc. 2008 Form 10-K filed with the U.S. Securities and Exchange Commission on February 27, 2009.



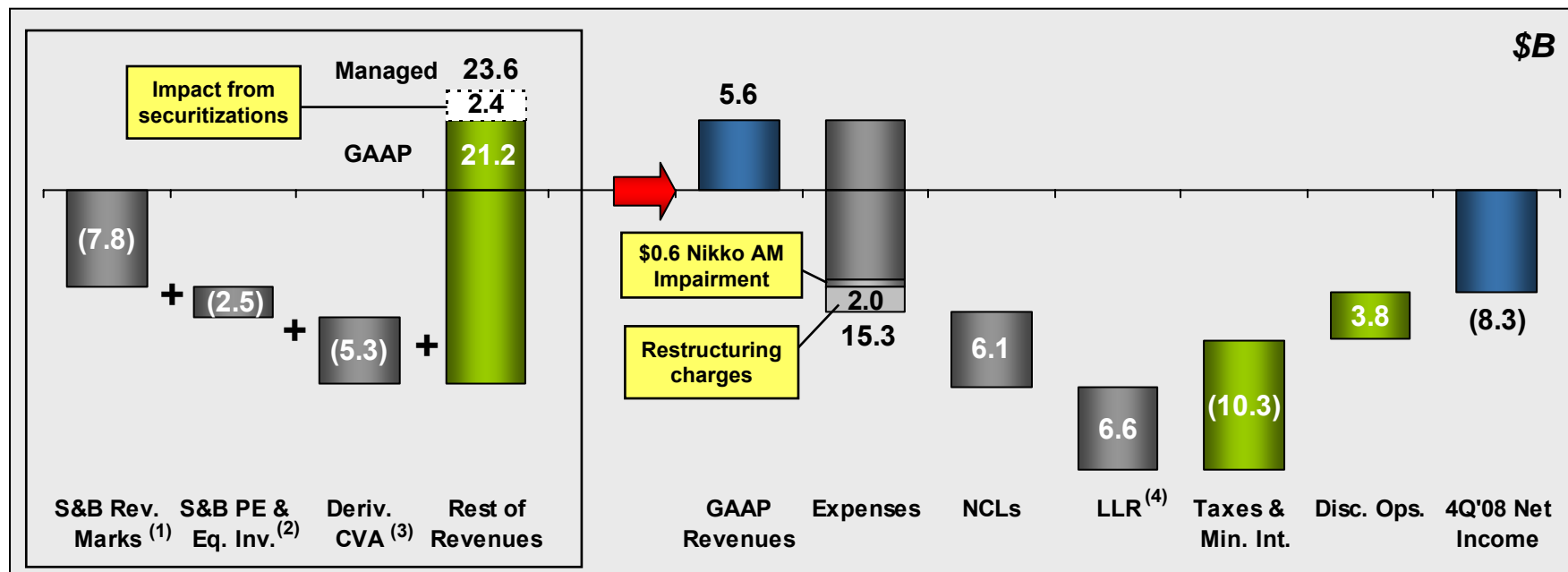
# Fourth Quarter Summary

## Negatives

- ▶ Continued Securities & Banking revenue marks
- ▶ Outsized private equity and equity investment revenue losses
- ▶ Volatile in credit spreads
- ▶ Higher cost of credit; LLR build of \$6.0B

## Positives

- ▶ Higher net interest margin
- ▶ Lower expenses and assets
- ▶ Stable deposits
- ▶ Strong Tier 1 ratio



(1) For a list of Securities and Banking revenue marks please refer to page 29. (2) Losses on Securities and Banking private equity and equity investments. (3) Credit value adjustment on the fair value of derivative instruments with non-monoline counterparties. (4) Loan Loss Reserves (LLR) includes Policyholder benefits & claims (PB&C). Note: Totals may not sum due to rounding.

# Summary Income Statement

(\$B, except EPS)	4Q'08	4Q'07	%△
Net Interest Revenue	\$13.3	\$12.2	8%
Non-Interest Revenue	(7.7)	(5.8)	(32)
<b>Net Revenues</b>	<b>5.6</b>	<b>6.4</b>	<b>(13)</b>
Operating Expenses	15.3	16.1	(5)
Credit Losses, Claims & Benefits	12.7	7.7	66
Income Taxes and Minority Interest	(10.3)	(7.3)	(41)
<b>Income from Cont. Ops.</b>	<b>\$(12.1)</b>	<b>\$(10.0)</b>	<b>(21)%</b>
Net Income	(8.3)	(9.8)	16
Preferred Share Dividend	\$0.9	\$0.0	NM
<b>Diluted EPS from Cont. Ops. (1)</b>	<b>\$(2.44)</b>	<b>\$(2.03)</b>	<b>(20)%</b>
<b>Diluted EPS (1)</b>	<b>(1.72)</b>	<b>(1.99)</b>	<b>14</b>

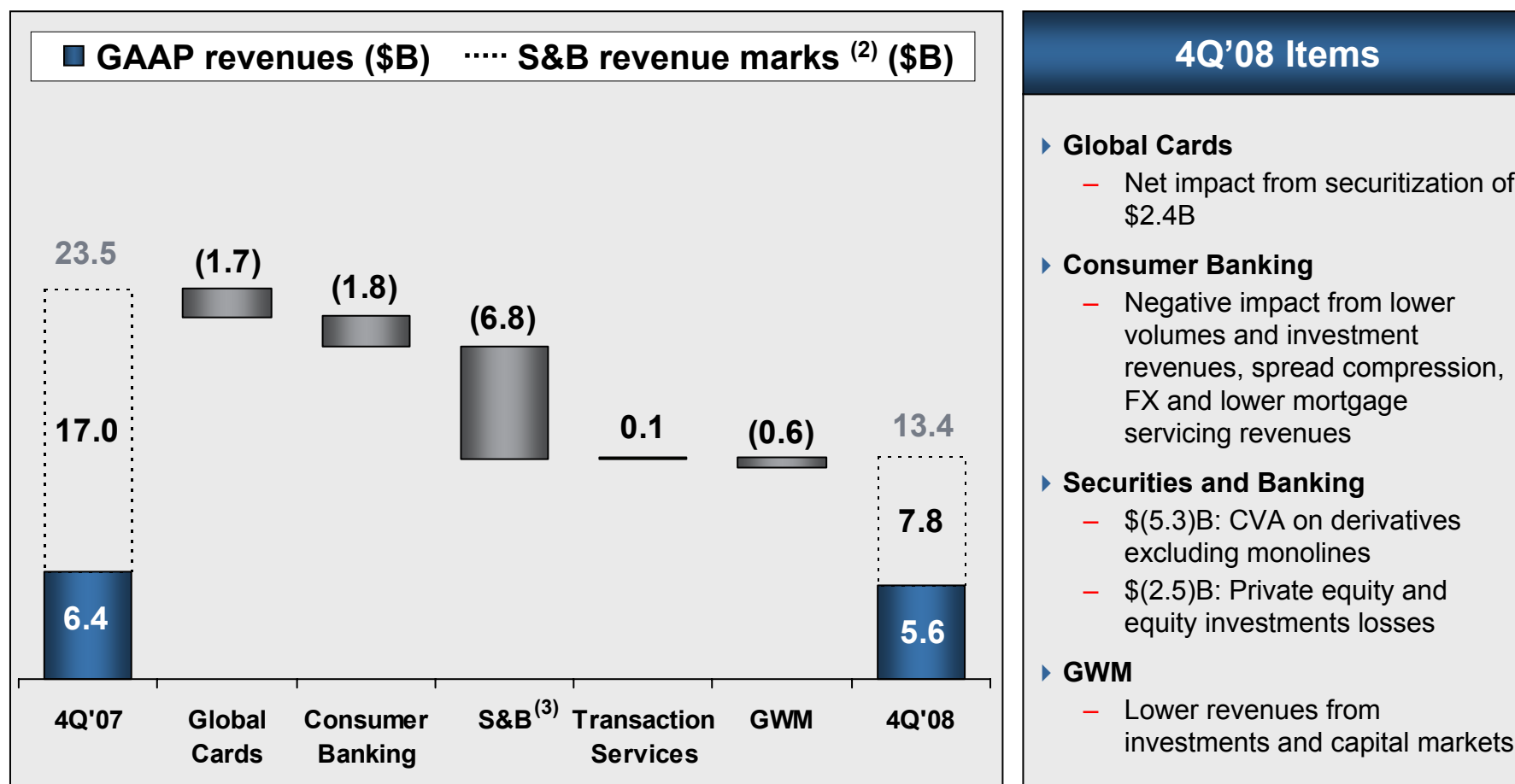
(1) Diluted shares used in the diluted EPS calculation represent basic shares for the fourth quarter of 2008 due to the Net Loss. Using actual diluted shares would result in anti-dilution. 4Q'08: Average basic shares equal 5,347 million and average diluted shares equal 5,922 million.

Note: Totals may not sum due to rounding.

# Revenues

## Main Drivers of 4Q'08 Year-over-Year Change

Revenues down 7% excluding S&B episodic items <sup>(1)</sup>



(1) S&B revenue marks, CVA on derivatives excluding monolines and private equity and equity investments losses considered episodic for the purpose of this calculation.

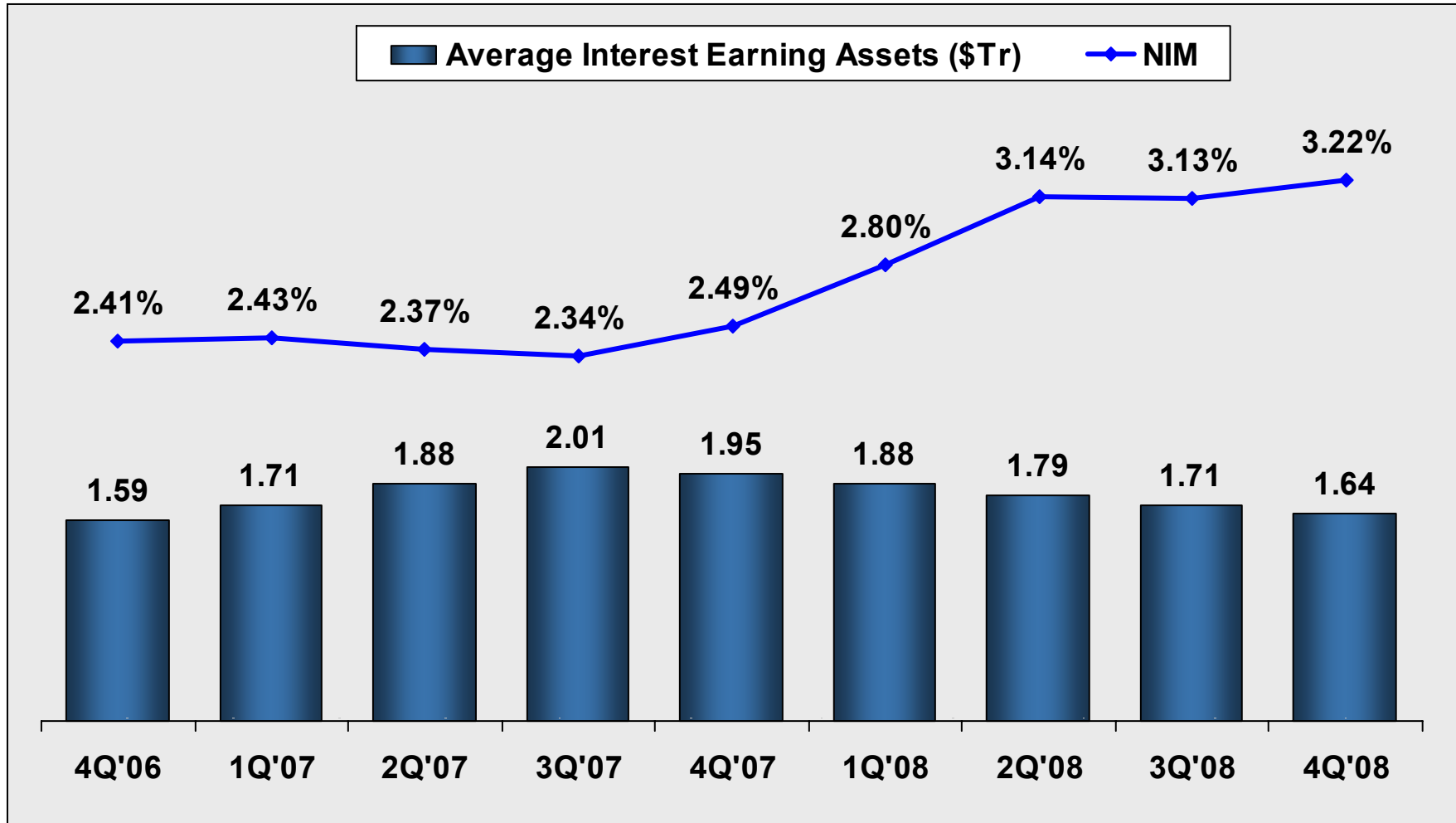
(2) For a list of Securities & Banking revenue marks please refer to page 29.

(3) Excluding Securities and Banking revenue marks.

Note: Totals may not sum due to rounding. Corporate/Other revenue change of \$623 million not shown separately.

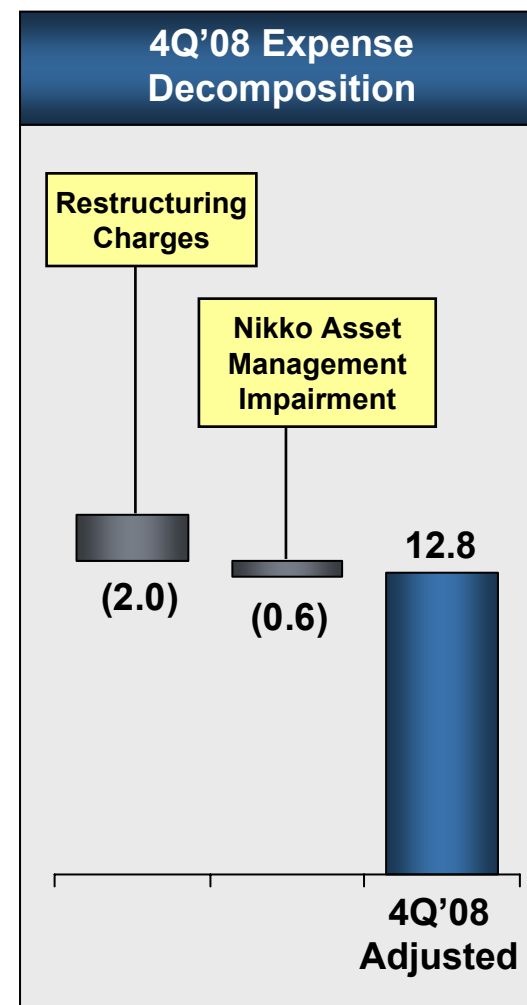
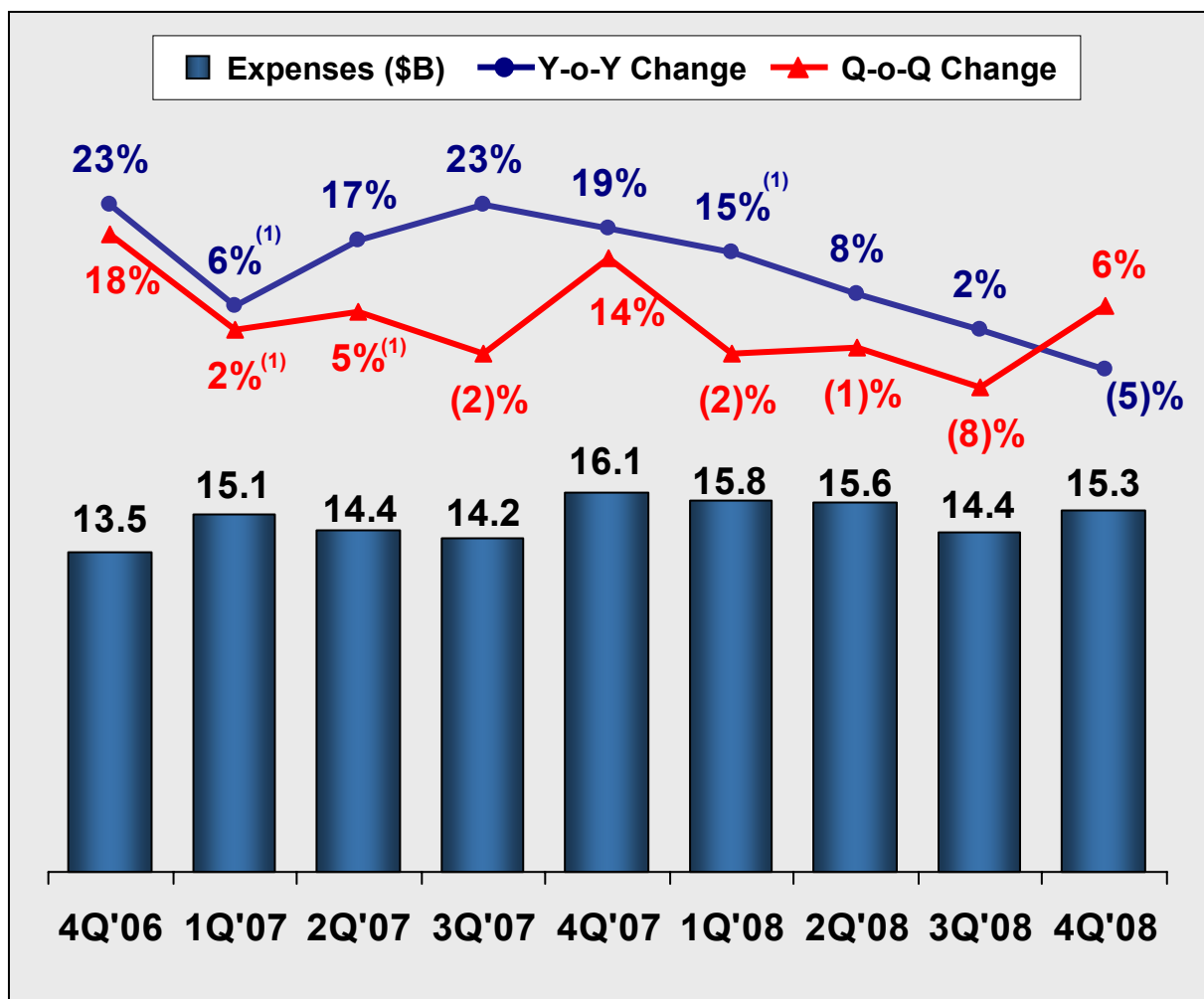
# Net Interest Margin

Net Interest Margin improved 73 basis points Y-o-Y



# Expenses

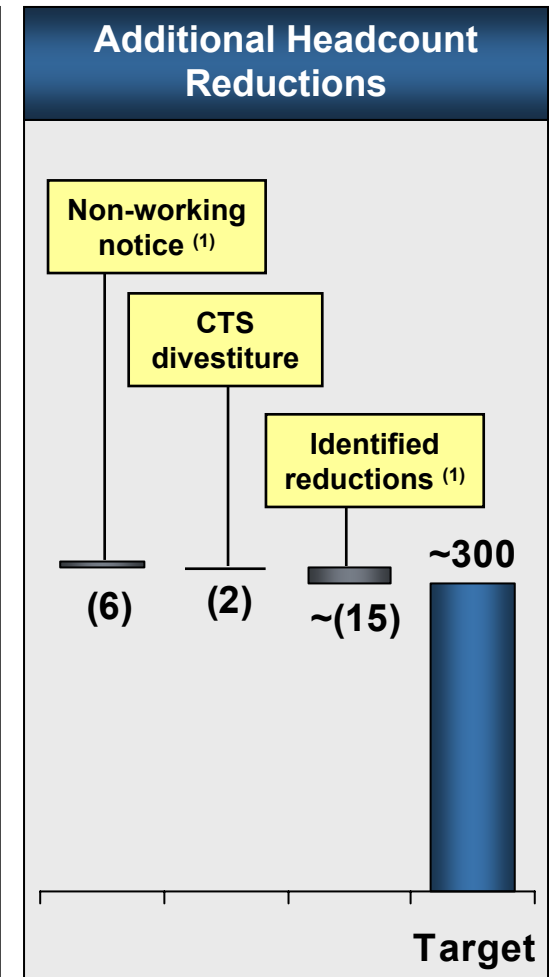
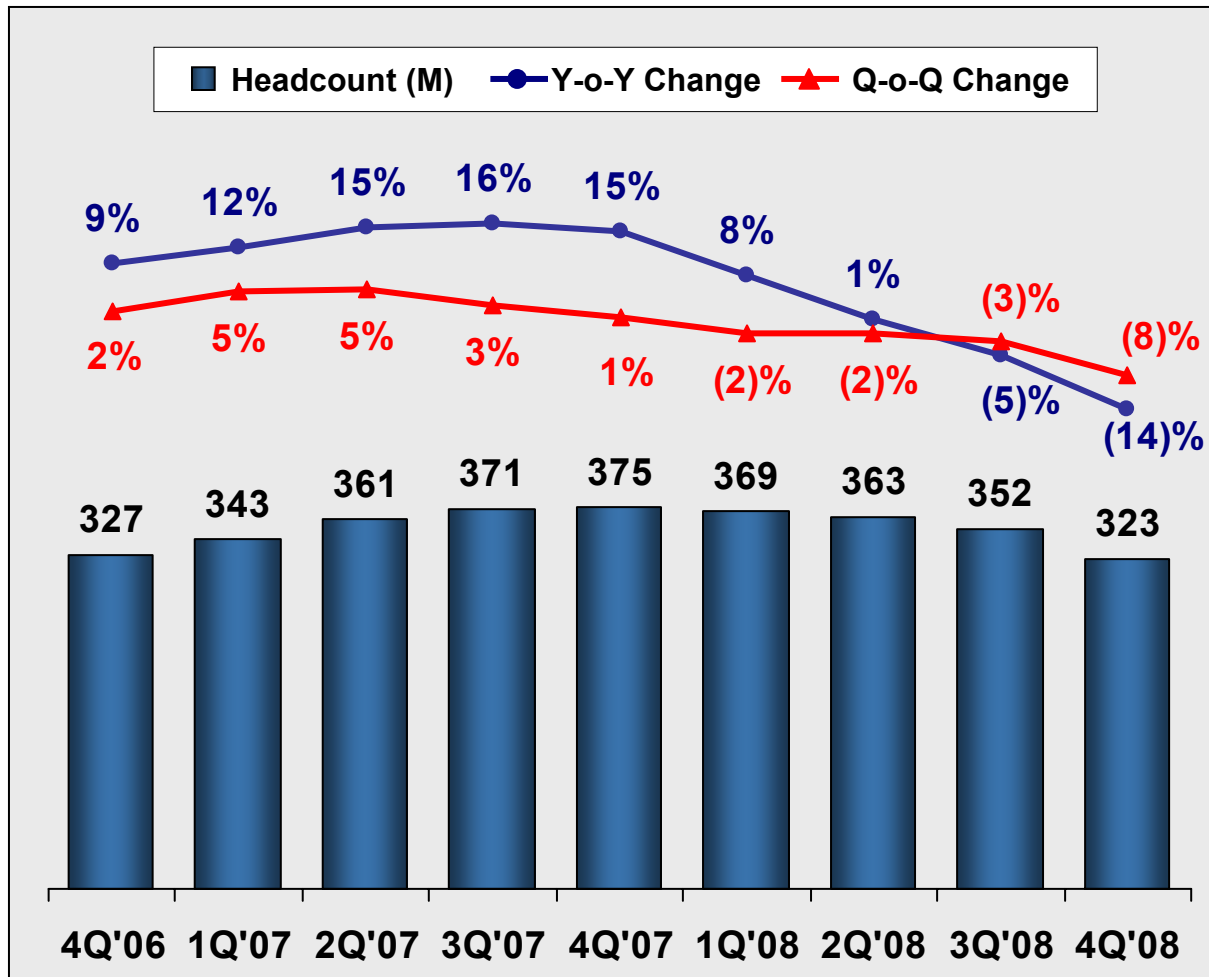
Re-engineering momentum drives acceleration in expense reductions



(1) Excludes the impact from the 1Q'07 \$1.38B pre-tax charge related to a structural expense review.  
 Note: Historical numbers have been restated to exclude discontinued operations.

# Headcount

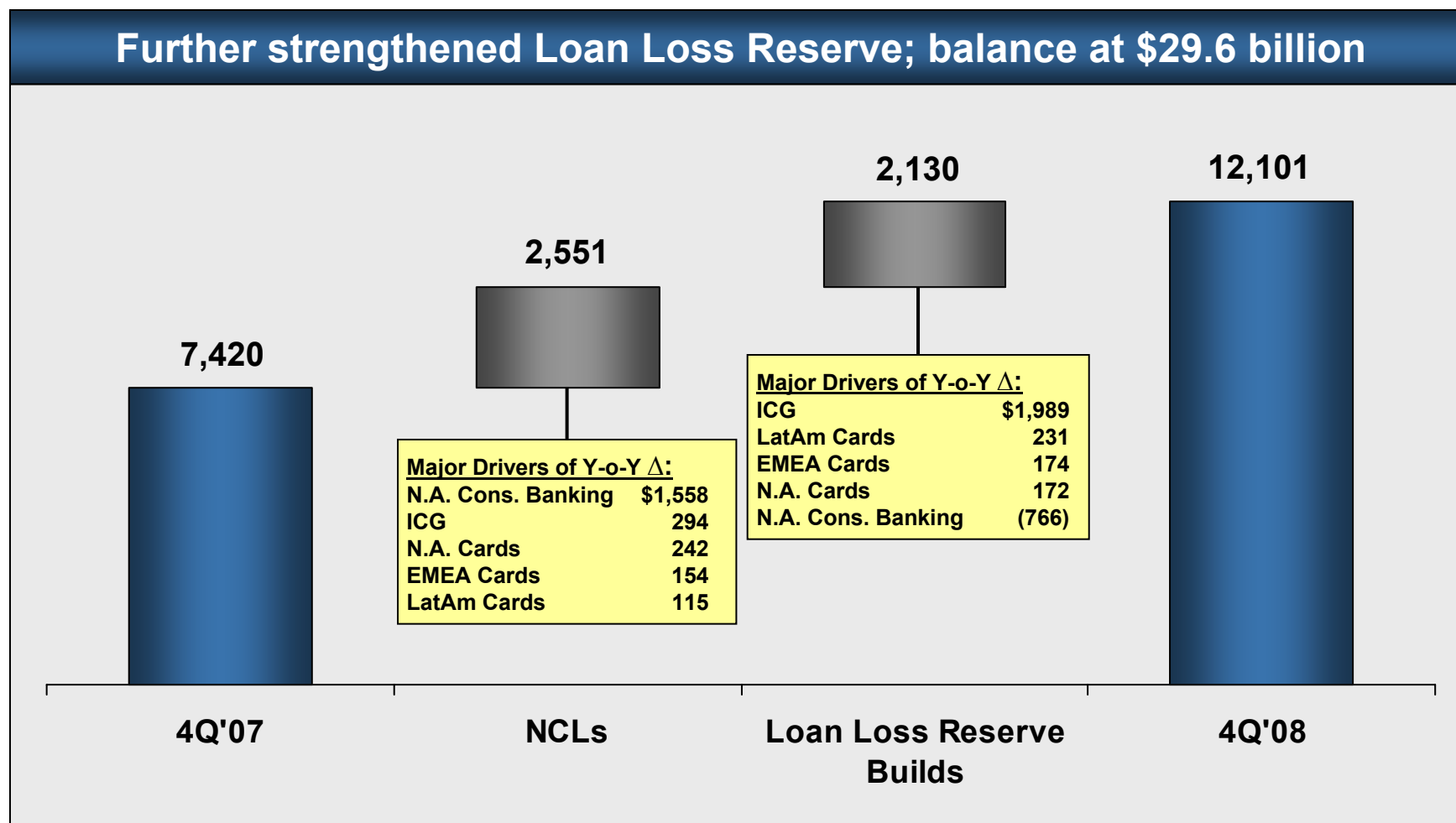
December was 14<sup>th</sup> consecutive month of headcount reductions



(1) Reflected in 2008 restructuring charges.

# Cost of Credit

Year-over-Year Change (\$MM)



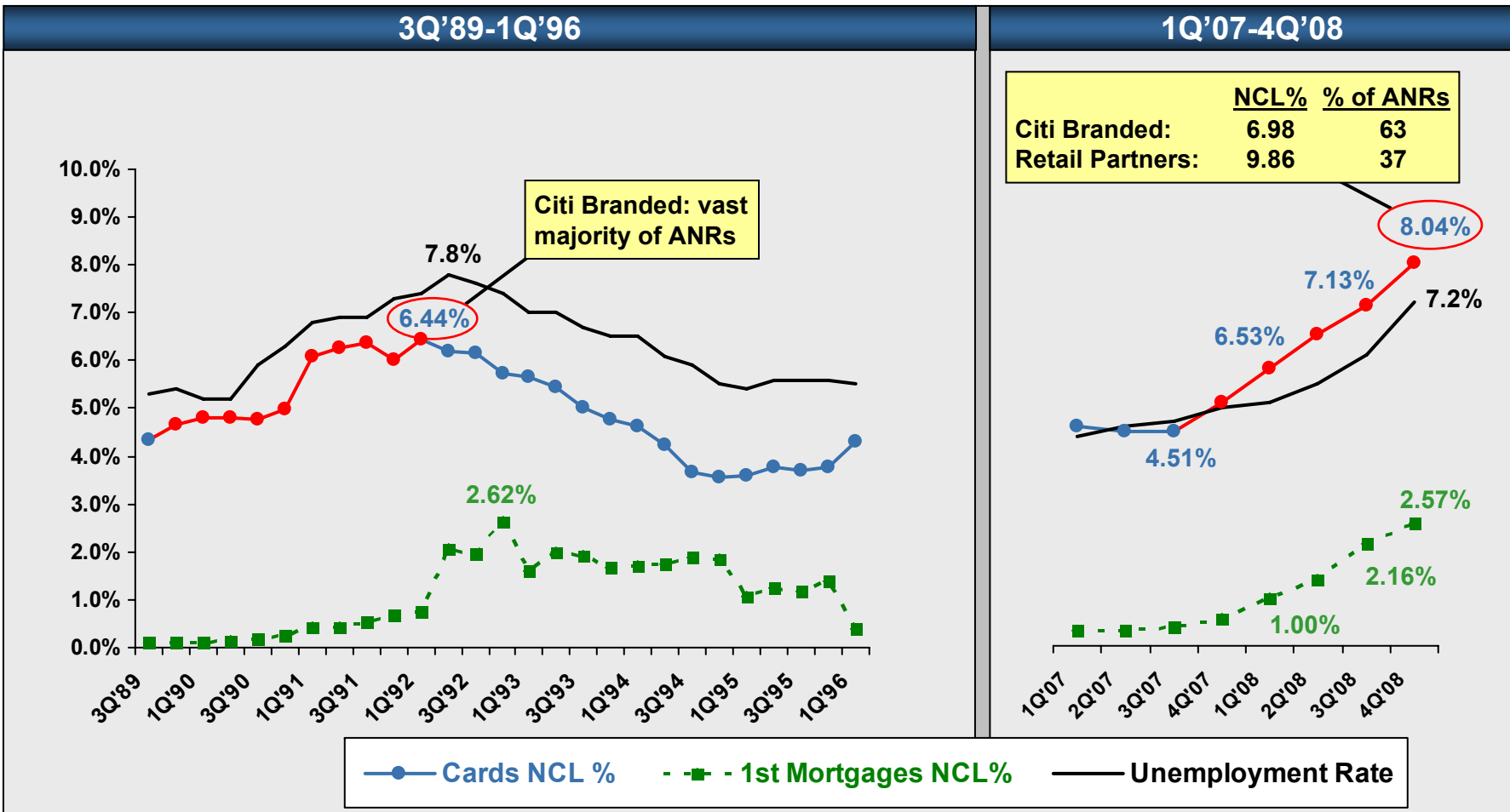
Note: Excludes policyholder benefits and claims, includes provisions for unfunded lending commitments.



# N.A. Consumer – Credit Trends

## Cards and 1<sup>st</sup> Mortgages: Comparative NCL Ratios

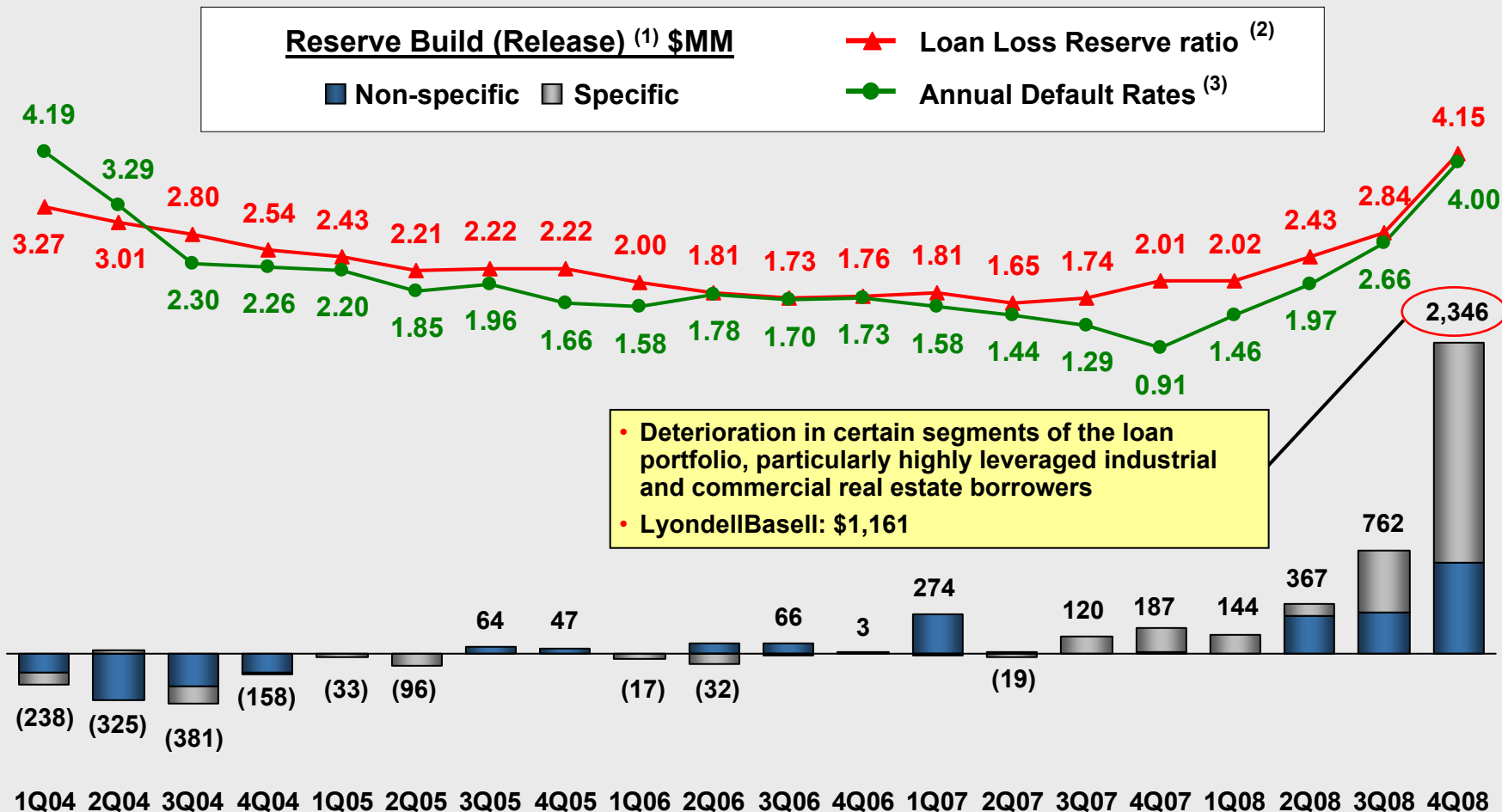
Consumer Credit costs likely to continue to rise



Note: Cards data on a managed basis. Cards and 1<sup>st</sup> Mortgages data from 3Q'89 to 1Q'96 sourced from Risk Management database, 1Q'07 onwards based on Corporate Reporting database.

# Corporate Credit Trends

## Non-specific portfolio reserves likely to increase as default rates rise



(1) Total allowance comprised of non-specific and specific reserves and builds for purchased distressed loan portfolios.

(2) Corporate allowance for credit losses as a % of EOP corporate loans.

(3) Moody's Non-Investment Grade trailing one-year default rate.

# Covered Assets Guarantee

Asset guarantee provides significant downside protection

## Assets (\$B) – as of 11/21/08

### Loans:

First Mortgages	\$98.9
Second Mortgages	55.2
Retail Auto Loans	16.2
<u>Other Consumer Loans</u>	<u>21.3</u>
<b>Total Consumer Loans</b>	<b>\$191.6</b>
<hr/>	
CRE loans	\$12.4
Leveraged Finance Loans	2.3
<u>Other Corporate Loans</u>	<u>11.1</u>
<b>Total Corporate Loans</b>	<b>\$25.8</b>

### Securities:

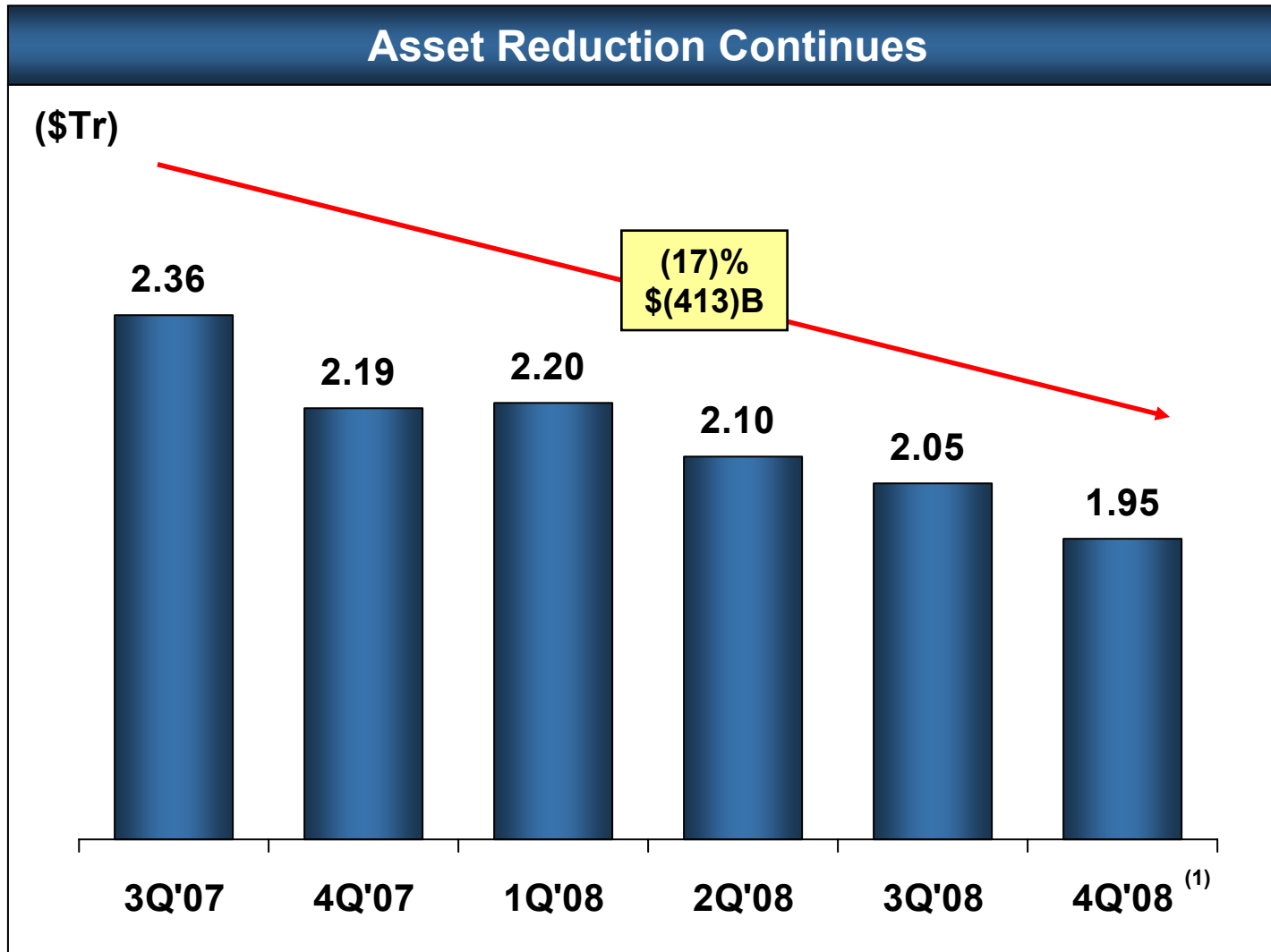
Alt-A	\$11.4
SIVs	6.4
CRE	2.1
<u>Other</u>	<u>12.0</u>
<b>Total Securities</b>	<b>\$31.9</b>

### Unfunded Lending Commitments (ULC)

2nd mortgages	\$22.4
Other consumer loans	5.2
Leveraged Finance	0.2
CRE	5.4
<u>Other Commitments</u>	<u>18.3</u>
<b>Total ULC</b>	<b>\$51.5</b>

**Total Covered Assets: \$301 billion**

# Balance Sheet – Assets

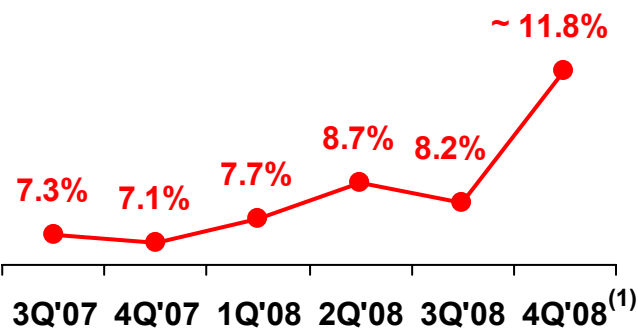


(1) Preliminary.

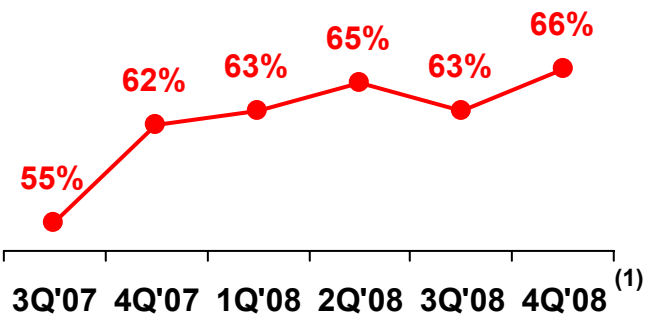
# Balance Sheet – Capital & Liquidity

## Capital position and liquidity remain strong

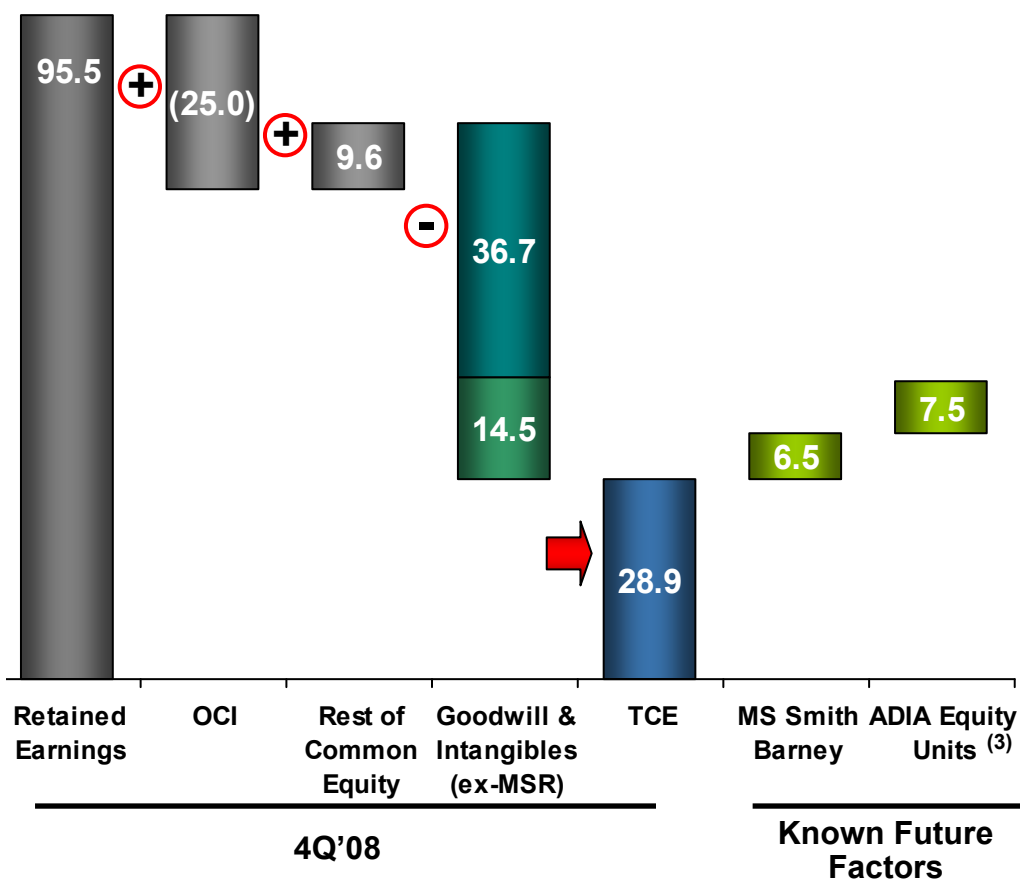
### Tier 1 Capital Ratio



### Structural Liquidity <sup>(2)</sup>



### TCE <sup>(1)</sup> (\$B)

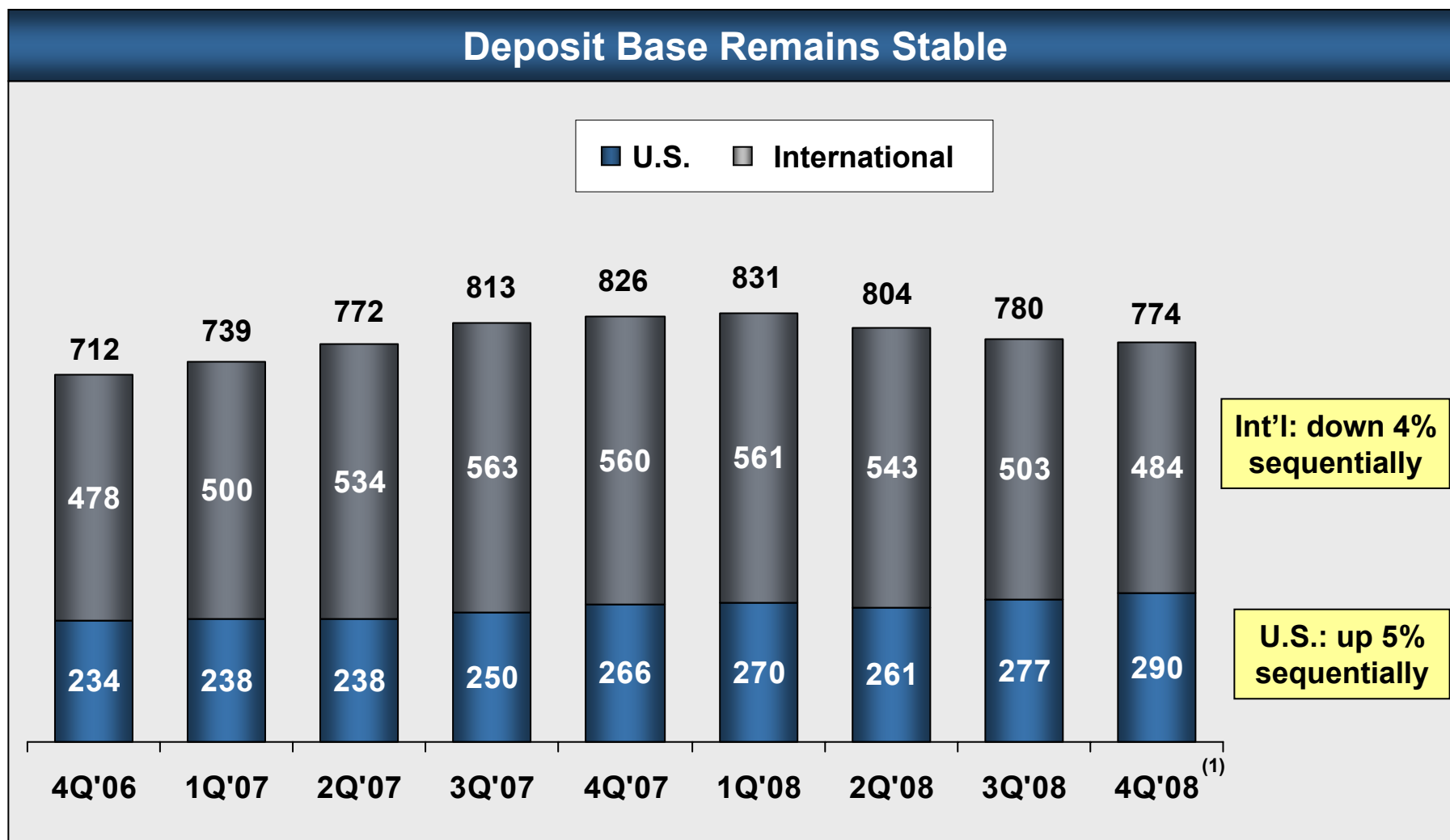


(1) Preliminary. (2) Structural Liquidity equals deposits, long-term debt and equity, as a % of total assets.

(3) \$7.5 billion of Equity Units private placement to the Abu Dhabi Investment Authority (ADIA), each Equity Unit provides for the purchase of Citigroup common shares. First tranche scheduled to be converted on March 15<sup>th</sup>, 2010.

# Deposits

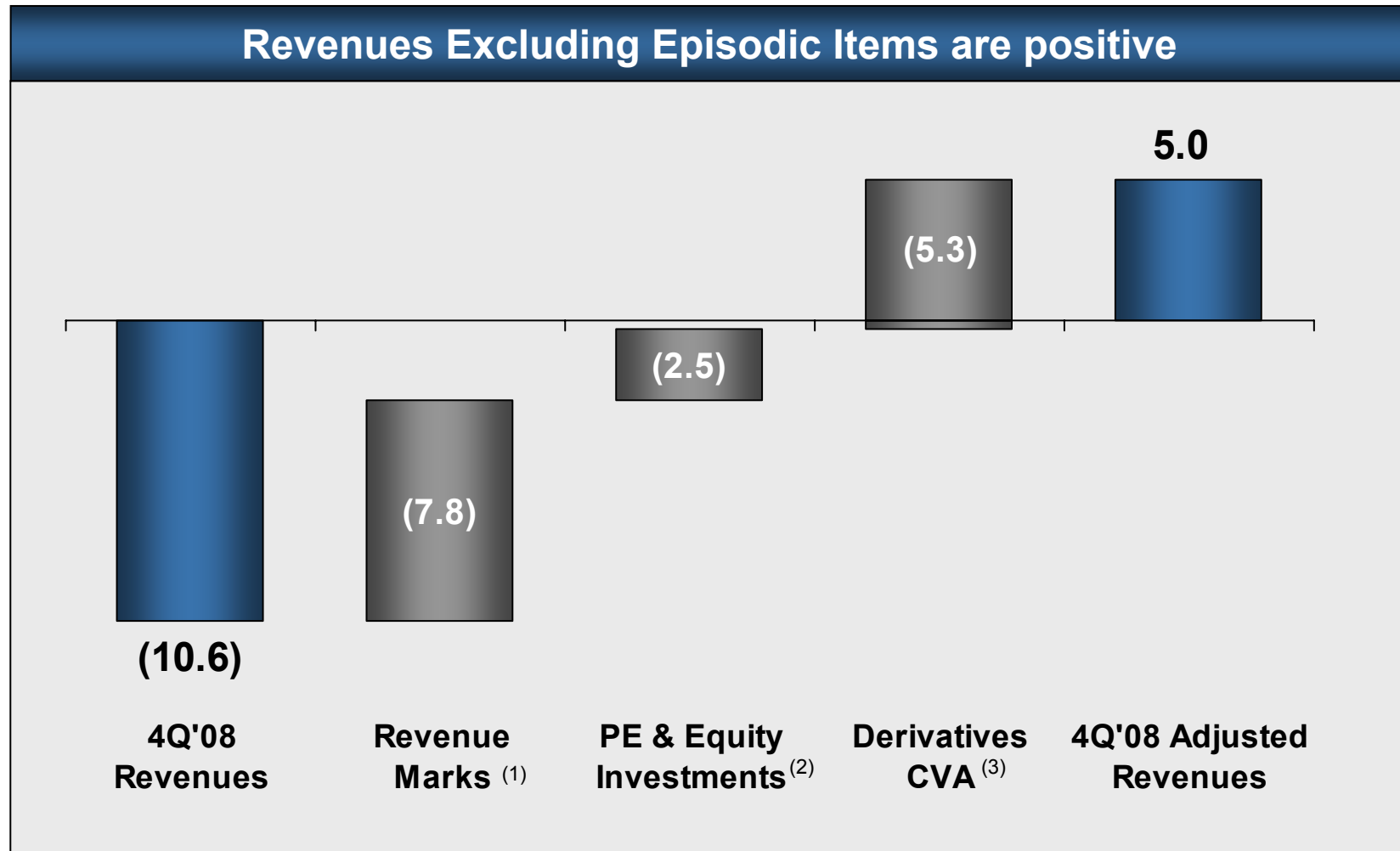
End Of Period, \$B



(1) Preliminary.

# S&B – Revenue Summary

\$B



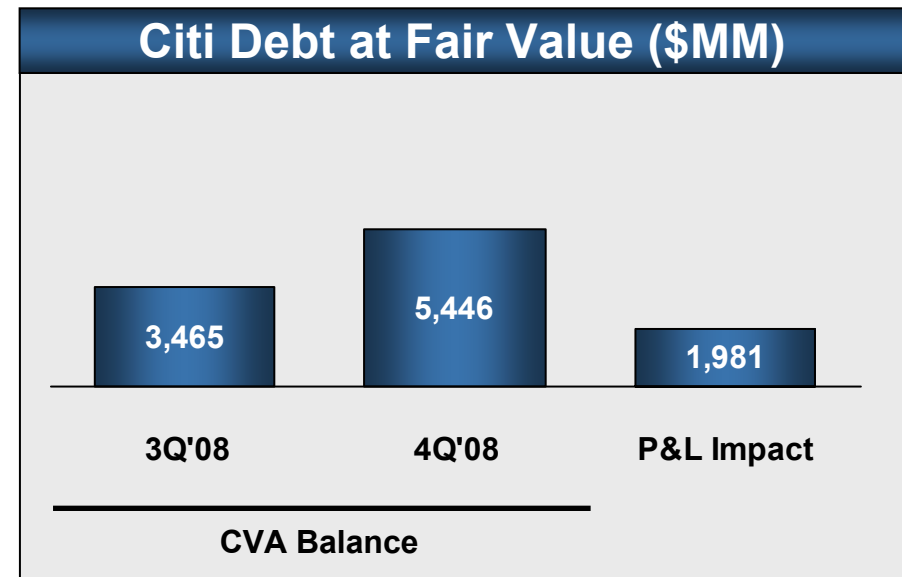
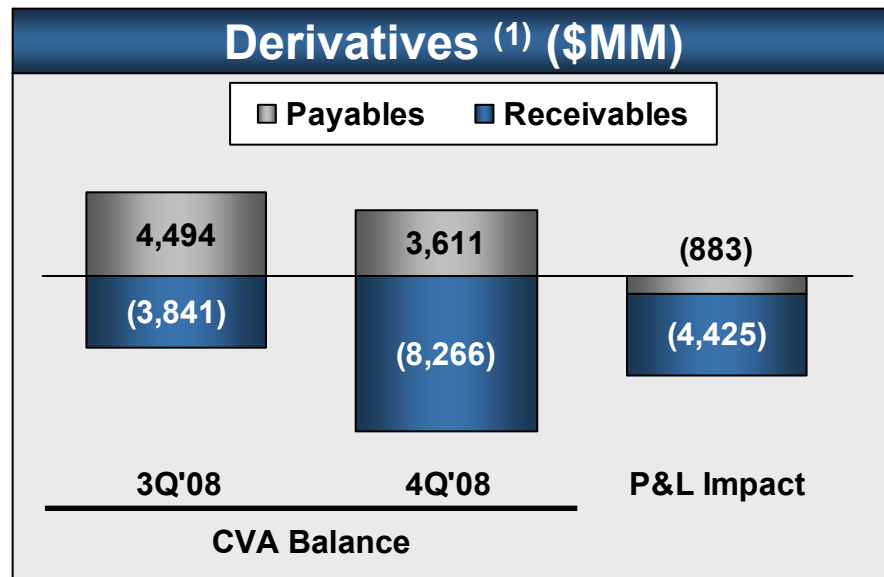
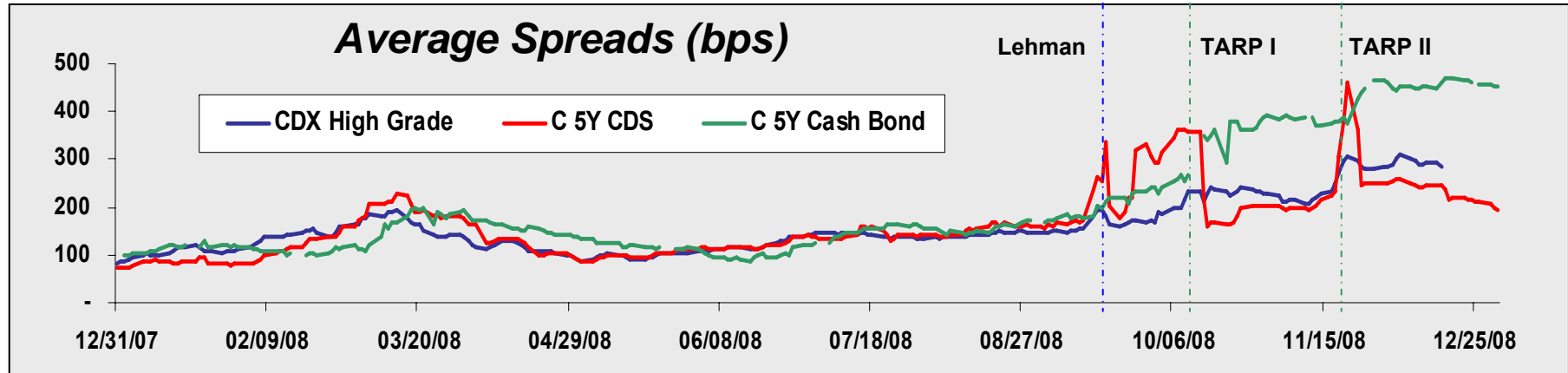
(1) For a list of Securities and Banking revenue marks please refer to page 29.

(2) Losses on Securities and Banking private equity and equity investments.

(3) Credit value adjustment on the fair value of derivative instruments with non-monoline counterparties.

# S&B – Credit Spreads

Significant impact from movements in credit spreads



(1) Credit value adjustment on the fair value of derivative instruments with non-monoline counterparties.



# S&B – Key Risk Categories

## Significant Reduction In Risk Exposures

Asset (\$B)	Risk Exposure Reduction			at MTM <sup>(1)</sup> Acct.	
	12/31/07	12/31/08	YoY %	12/31/07	12/31/08
<b>Direct Sub-prime Exposures</b>	<b>\$37.3</b>	<b>\$14.1</b>	<b>(62)%</b>	<b>36.2</b>	<b>13.8</b>
<b>Highly Leveraged Fin. Commitments</b>	<b>43.2</b>	<b>10.0</b>	<b>(77)</b>	<b>43.2</b>	<b>1.5</b>
<b>Alt-A Mortgages</b>	<b>22.0</b>	<b>12.6</b>	<b>(43)</b>	<b>22.0</b>	<b>1.1</b>
<b>Auction Rate Securities <sup>(2)</sup></b>	<b>8.0</b>	<b>8.8</b>	<b>10</b>	<b>8.0</b>	<b>3.2</b>
<b>SIVs</b>	<b>46.4</b>	<b>17.3</b>	<b>(63)</b>	<b>46.4</b>	<b>0.3</b>
<b>CRE</b>	<b>53.7</b>	<b>37.5</b>	<b>(30)</b>	<b>23.8</b>	<b>5.8</b>
<b>Private Equity &amp; Equity Investments <sup>(3)</sup></b>	<b>16.2</b>	<b>11.3</b>	<b>(30)</b>	<b>14.9</b>	<b>10.2</b>

(1) MTM accounting includes both Trading and Available For Sale assets.

(2) Market Value at 12/31/08 includes \$4.3B of ARS repurchased through the August 7th settlement. Excluding that amount, inventory would have been reduced from \$8.0B at 12/31/07 to \$4.5B at 12/31/08.

(3) Excludes trading assets. The amount shown excludes unfunded commitments of \$3.8B as of 12/31/08.

# S&B – Direct Subprime Exposures

\$B	Sep. 30, 2008 Exposure	4Q'08 Write-downs <sup>(1)</sup>	4Q'08 Other <sup>(2)</sup>	Dec. 31, 2008 Exposure
<b><u>ABS CDO Super Senior</u></b>				
<b>Total Gross Exposures</b>	<b>\$25.7</b>			<b>\$18.9</b>
Hedged Exposures	9.4			6.9
<b>Net Exposures</b>				
ABCP <sup>(3)</sup>	\$13.3	\$(3.1)	(0.3)	\$9.9
High grade	1.1	(0.4) <sup>(4)</sup>	0.1	0.8
Mezzanine	1.7	(0.3) <sup>(4)</sup>	(0.2)	1.3
ABS CDO-squared	0.1	(0.1)	(0.0)	0.0
<b>Total Net Exposures</b>	<b>\$16.3</b>	<b>\$(3.9)</b>	<b>\$(0.3)</b> <sup>(5)</sup>	<b>\$12.0</b>
<b><u>Lending &amp; Structuring</u></b>				
<b>Gross Exposures</b>				
CDO warehousing/unsold tranches of ABS CDOs	\$0.1	\$(0.0)	\$(0.0)	\$0.0
Subprime loans purchased for sale or securitization	2.1	(0.5)	(0.2)	1.3
Financing transactions secured by subprime	1.1	(0.1) <sup>(4)</sup>	(0.3)	0.7
<b>Total Gross Exposures</b>	<b>\$3.3</b>	<b>\$(0.7)</b>	<b>\$(0.5)</b>	<b>\$2.0</b>
<b>Total Exposures <sup>(6)</sup></b>	<b>\$19.6</b>	<b>\$(4.6)</b>	<b>\$(0.9)</b>	<b>\$14.1</b>
Credit Adj. on hedge counterparty exposure <sup>(7)</sup>		\$(0.9)		
<b>Total Net Write-Downs</b>		<b>\$(5.6)</b>		

(1) Includes net profits and losses associated with liquidations. (2) Other includes sales, transfers, repayment of principal and restructuring/liquidations.

(3) Consists of older vintage, high grade ABS CDOs. (4) Includes \$63 million recorded in credit costs. (5) A portion of the underlying securities were purchased in liquidations of CDOs and we have been managing and selling these securities in our trading books. As of December 31, 2008, \$227 million relating to deals liquidated were held in the trading books. (6) Comprised of net CDO Super Senior exposures and gross Lending and Structuring exposures. (7) FAS 157 adjustment related to counterparty credit risk. Note: Totals may not sum due to rounding.

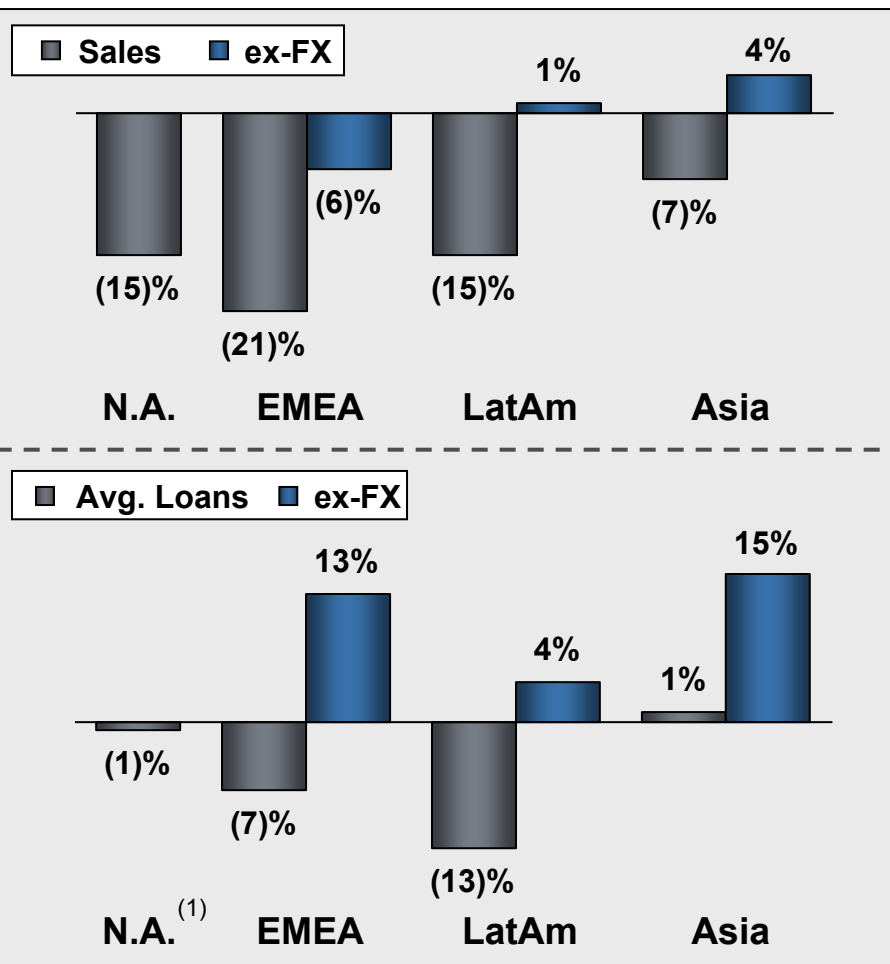
# ***APPENDIX***

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# Global Cards

- ▶ Managed revenues up 6% ex-FX and prior-year gains of \$584MM on Visa and MasterCard shares
- ▶ Sustained expense reduction
- ▶ Continued deterioration in credit: net credit losses increased \$550MM, LLR build of \$1.3B

(\$MM)	4Q'08	4Q'07	%Δ
<b><u>N.A. Cards Managed Revenue</u></b>			
GAAP Revenues.	2,640	3,678	(28)
Impact of sec. act.	2,426	1,200	NM
<b>Managed Revenues</b>	<b>\$5,066</b>	<b>\$4,878</b>	<b>4%</b>
<hr/>			
<b>Revenues</b>	<b>\$4,612</b>	<b>\$6,279</b>	<b>(27)%</b>
- GAAP N.A.	2,640	3,678	(28)
- EMEA	537	565	(5)
- Latin America	869	1,218	(29)
- Asia	566	818	(31)
<b>Expenses</b>	<b>2,656</b>	<b>3,082</b>	<b>(14)</b>
<b>Credit Costs</b>	<b>2,974</b>	<b>1,787</b>	<b>66</b>
<b>Net Income</b>	<b>\$(610)</b>	<b>\$934</b>	<b>NM</b>
- North America	(371)	322	NM
- EMEA	(138)	120	NM
- Latin America	(154)	251	NM
- Asia	53	241	(78)

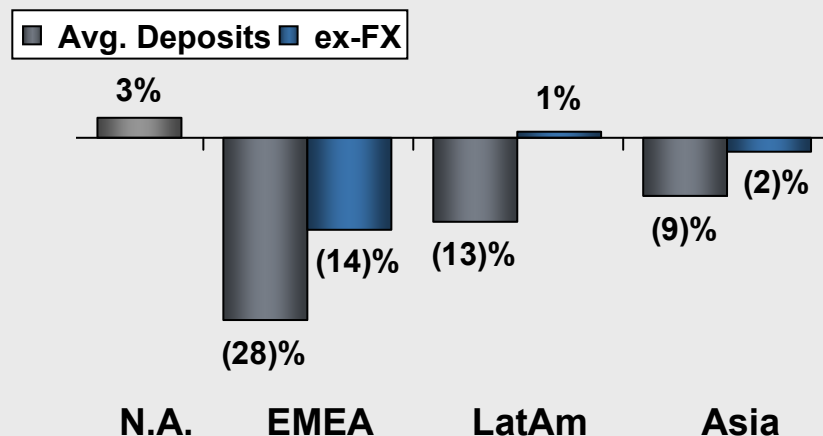
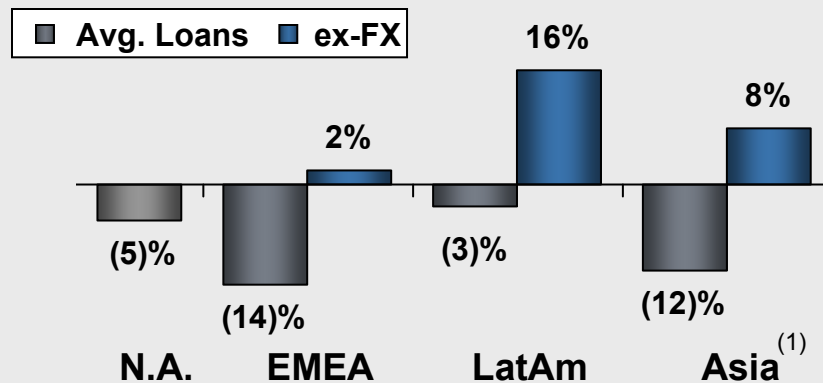


(1) Managed basis.

# Consumer Banking

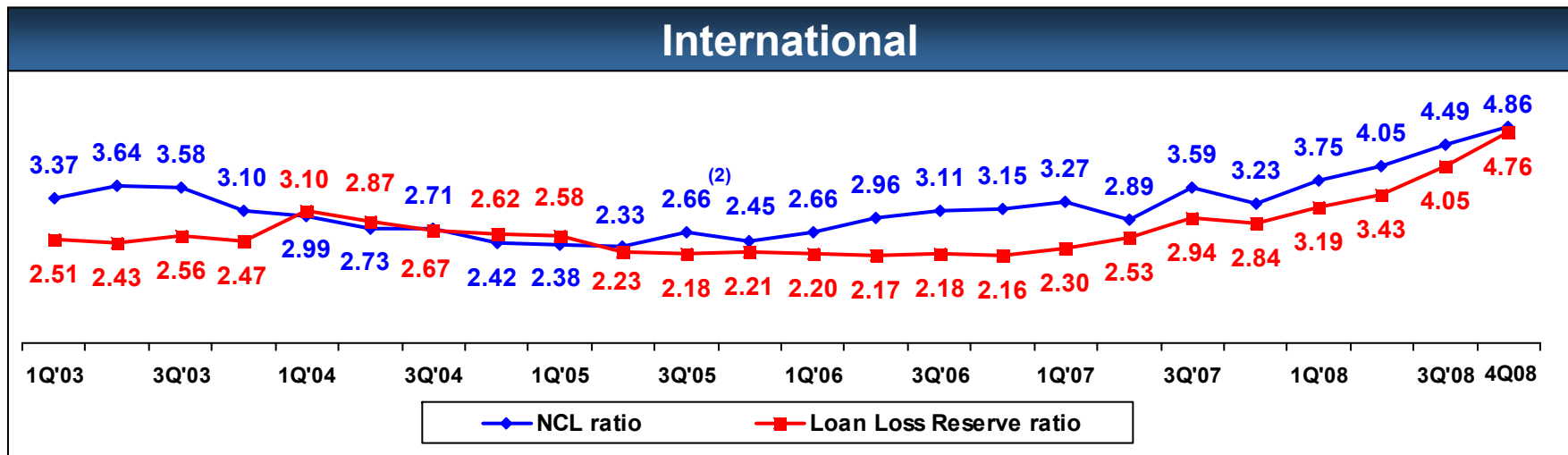
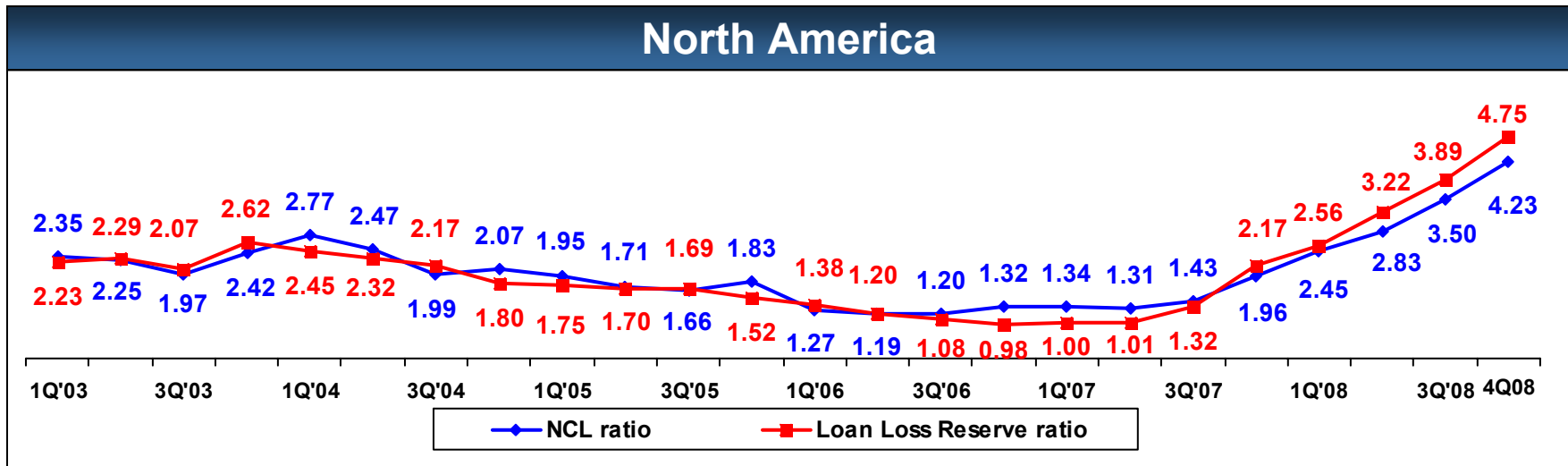
- ▶ Revenue decline driven by a 47% reduction in investment sales, lower volumes, spread compression, FX and lower mortgage servicing revenue
- ▶ Sustained progress in expense management partially offset by \$384MM in restructuring charges
- ▶ Continued credit deterioration driven by N.A. Real Estate NCLs; India, Spain and Mexico largest int'l increases
- ▶ Tax benefit of \$850MM from Japan Consumer Finance re-organization

(\$MM)	4Q'08	4Q'07	%Δ
<b>Revenues</b>	<b>\$6,077</b>	<b>\$7,836</b>	<b>(22)%</b>
– North America	3,604	4,545	(21)
– EMEA	512	697	(27)
– Latin America	858	1,172	(27)
– Asia	1,103	1,422	(22)
<b>Expenses</b>	<b>4,146</b>	<b>4,262</b>	<b>(3)</b>
<b>Credit Costs</b>	<b>6,231</b>	<b>4,833</b>	<b>29</b>
<b>Net Income</b>	<b>\$(1,678)</b>	<b>\$(578)</b>	<b>NM</b>
– North America	(2,165)	(920)	NM
– EMEA	(233)	(64)	NM
– Latin America	(76)	206	NM
– Asia	796	200	NM
<b>Excluding Japan Consumer Finance</b>			
<b>Revenues</b>	<b>\$6,010</b>	<b>\$7,710</b>	<b>(22)%</b>
– Asia	1,036	1,296	(20)
<b>Net Income</b>	<b>\$(2,223)</b>	<b>\$(394)</b>	<b>NM</b>
– Asia	251	384	(35)



(1) Excluding Japan Consumer Finance.

# Consumer <sup>(1)</sup> Credit Trends



(1) Consumer: comprised of Global Cards and Consumer Banking.

(2) Includes impact from conforming of EMEA Retail Banking and Consumer Finance write-off policy.

Note: NCLs as a % of average loans; Loan Loss Reserves as a % of EOP loans.

# N.A. Consumer Banking – Mortgages

## End of Period

1 <sup>st</sup> Mortgages \$133.9B	FICO <sub>≥</sub> 660	620 <sub>≤</sub> FICO <660	FICO<620
LTV ≤ 80%	57%	6%	7%
80% < LTV < 90%	4%	2%	4%
LTV ≥ 90%	9%	5%	6%

2 <sup>nd</sup> Mortgages \$59.0B	FICO <sub>≥</sub> 660	620 <sub>≤</sub> FICO <660	FICO<620
LTV ≤ 80%	51%	2%	0%
80% < LTV < 90%	16%	1%	0%
LTV ≥ 90%	29%	1%	0%

Note: FICO and LTV primarily at origination, data as of December 2008. 1st mortgage table excludes Canada & Puerto Rico (\$2.0B) and First Collateral Services (\$0.1B commercial loans portfolio). 2nd mortgage table excludes loans originated to Smith Barney clients since Jan. 2007 (\$1.8B). Tables exclude \$2.6B from 1st mortgages and \$0.7B from 2nd mortgages for which FICO & LTV data was unavailable. 90+ DPD delinquency rate for the excluded 1st mortgages is 4.69% (vs. 5.66% for total portfolio), and 1.72% for the excluded 2nd mortgages (vs. 2.39% for total portfolio).

## Delinquencies – 90+DPD

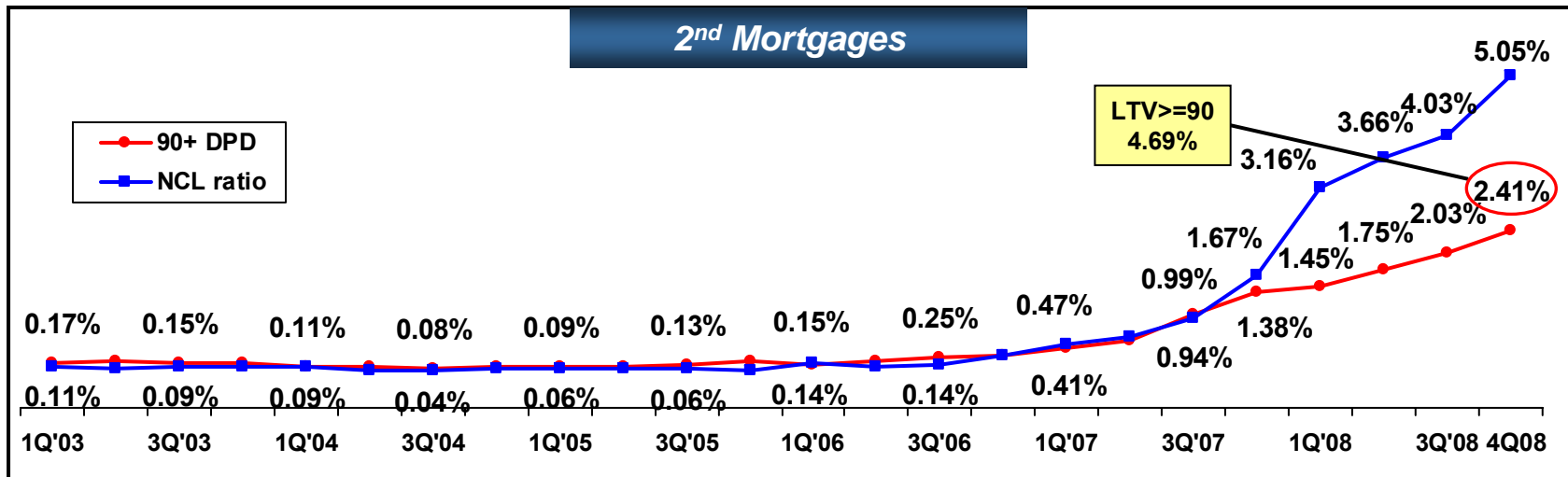
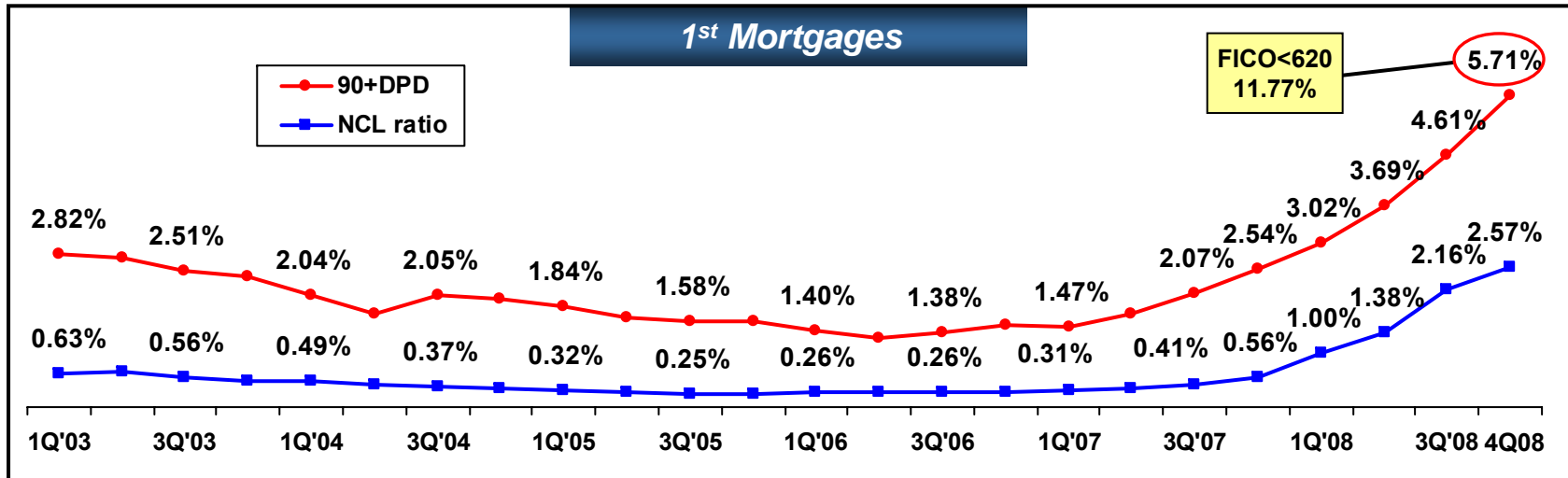
1 <sup>st</sup> Mortgages 90+DPD	FICO <sub>≥</sub> 660	620 <sub>≤</sub> FICO <660	FICO<620
LTV ≤ 80%	3.4%	6.2%	6.9%
80% < LTV < 90%	3.7%	7.1%	10.4%
LTV ≥ 90%	5.9%	11.2%	18.4%

2 <sup>nd</sup> Mortgages 90+DPD	FICO <sub>≥</sub> 660	620 <sub>≤</sub> FICO <660	FICO<620
LTV ≤ 80%	0.9%	2.6%	2.8%
80% < LTV < 90%	2.8%	4.2%	6.8%
LTV ≥ 90%	4.7%	4.3%	5.0%

Note: 90+DPD are based on balances referenced in the table above. 2nd mortgages 90+DPD delinquency rates are calculated using the OTS methodology. 2nd mortgages with FICOs below 620 are less than 1% of the total, and the Company provides 90+ DPD delinquency rates as a measure of their performance.

# N.A. Consumer Banking – Mortgages

## 90+ Days Past Due, NCL ratios



Note: 1st mortgage portfolio: comprised of the Citibank 1st mortgage portfolios and the CitiFinancial Real Estate portfolio. It includes deferred fees/costs and loans held for sale. 4Q'08 90+DPD based on EOP balances of \$137.5 billion. 2nd mortgage portfolio: comprised of the Citibank Home Equity portfolios; 90+DPD rate calculated by combined MBA/OTS methodology. 4Q'08 90+DPD based on EOP balances of \$59.6 billion.



# International Consumer – Credit Trends

	Rank		% of Total ANRs	NCL Ratio	% of Total NCLs	% of NCL QoQ \$ Δ <sup>(1)</sup>
	ANR	QoQ NCL \$ Δ				
Mexico	1	1	13.2%	8.5%	23.2%	21.1%
Korea	2	5	12.2	1.0	2.4	7.5
UK	3	2	9.6	4.0	7.8	14.3
Japan	4	51	8.5	11.7	20.4	(17.9)
Australia	5	27	7.2	1.3	2.0	1.1
India	6	6	6.0	6.3	7.8	7.3
Singapore	7	28	3.8	0.5	0.4	1.0
Malaysia	8	26	3.8	0.9	0.7	1.3
Taiwan	9	48	3.8	2.3	1.8	(2.0)
Hong Kong	10	13	3.4	1.2	0.8	2.6
Spain	11	3	3.4	5.0	3.5	11.8
Greece	12	4	2.7	5.1	2.8	8.5
Belgium	13	8	2.5	2.3	1.2	5.6
Brazil	14	49	2.4	13.1	6.4	(8.4)
Italy	15	19	1.6	7.0	2.3	2.0
Poland	16	10	1.4	2.1	0.6	3.3
Colombia	18	7	1.0	9.4	2.0	6.2
<b>Total</b>			<b>86.4%</b>		<b>86.0%</b>	<b>65.1%</b>

(1) NCLs of \$1.7B used for the calculation of sequential change, based on 3Q'08 constant US\$.

Note: International Consumer comprised of Cards and Consumer Banking. 4Q'08 total ANR of \$129.5B and total NCLs of \$1.6B.

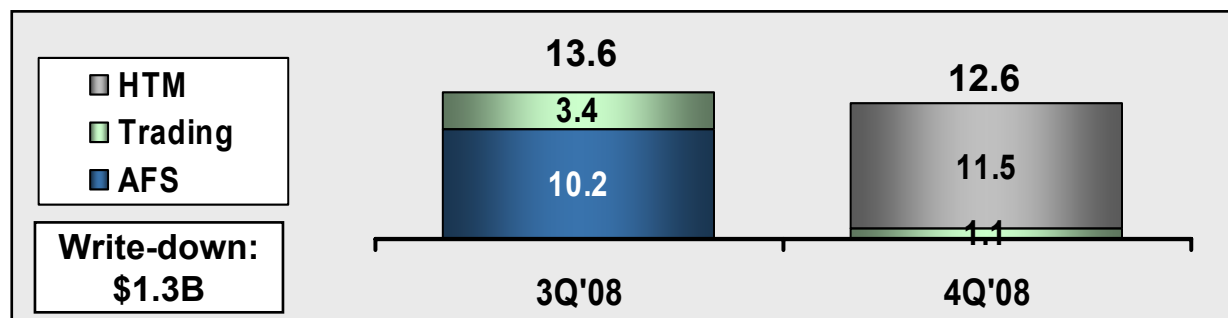
# ICG – Securities and Banking

(\$MM)	4Q'08	4Q'07	%△
<b>Revenues</b>	<b>\$(10,590)</b>	<b>\$(13,090)</b>	<b>19%</b>
– North America	(11,331)	(11,889)	5
– EMEA	988	(3,762)	NM
– Latin America	561	812	(31)
– Asia	(808)	1,749	NM
<b>Expenses</b>	<b>4,104</b>	<b>4,666</b>	<b>(12)</b>
<b>Credit Costs</b>	<b>3,232</b>	<b>1,041</b>	<b>NM</b>
<b>Net Income</b>	<b>\$(10,178)</b>	<b>\$(11,390)</b>	<b>11</b>
– North America	(8,784)	(8,785)	0
– EMEA	(240)	(3,543)	93
– Latin America	129	334	(61)
– Asia	(1,283)	604	NM
<b>Product Revenues (\$MM):</b>			
– Investment Banking	\$275	\$1,285	(79)%
– Lending	2,089	1,018	NM
– Equity Markets	(650)	738	NM
– Fixed Income Mkts.	(13,383)	(16,306)	18

- ▶ **Revenues: client flow business remains strong in a number of areas**
  - Record results in interest rate and currency trading
  - Continued strength in prime brokerage
- ▶ **Sustained progress on expense management despite Nikko Asset Management intangible impairment of \$563 million and restructuring charges of \$457 million**
  - Headcount reduced by 20% Y-o-Y
- ▶ **Higher credit costs**
  - NCLs up by \$263MM mainly due rising write-offs
  - LLR build of \$2.1B reflecting builds for specific counterparties and weakness in leading indicators of losses
- ▶ **Significant asset reduction and de-risking of the business**

# S&B – Alt-A Mortgage Loans

As of December 31, 2008

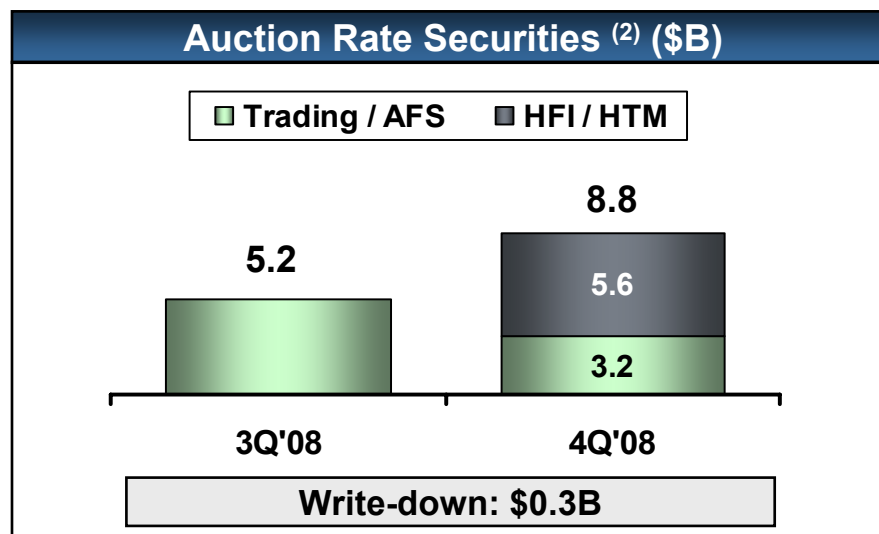
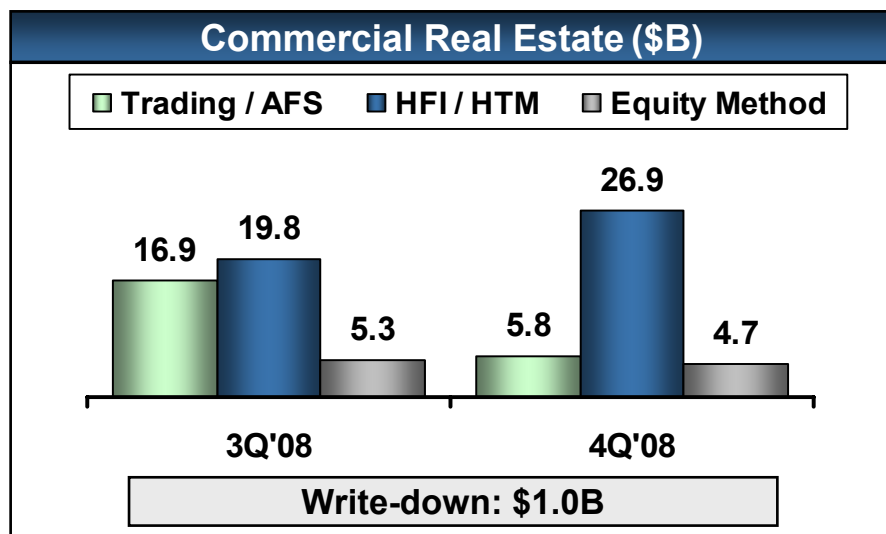
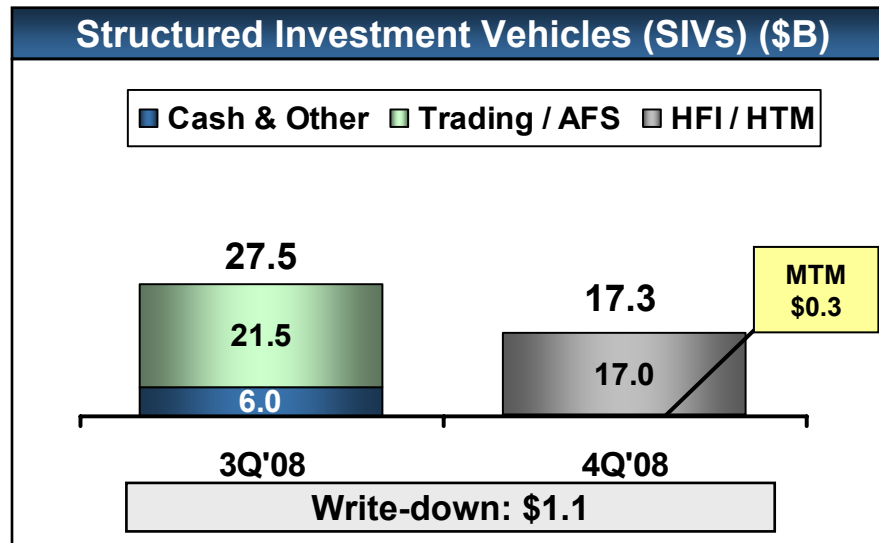
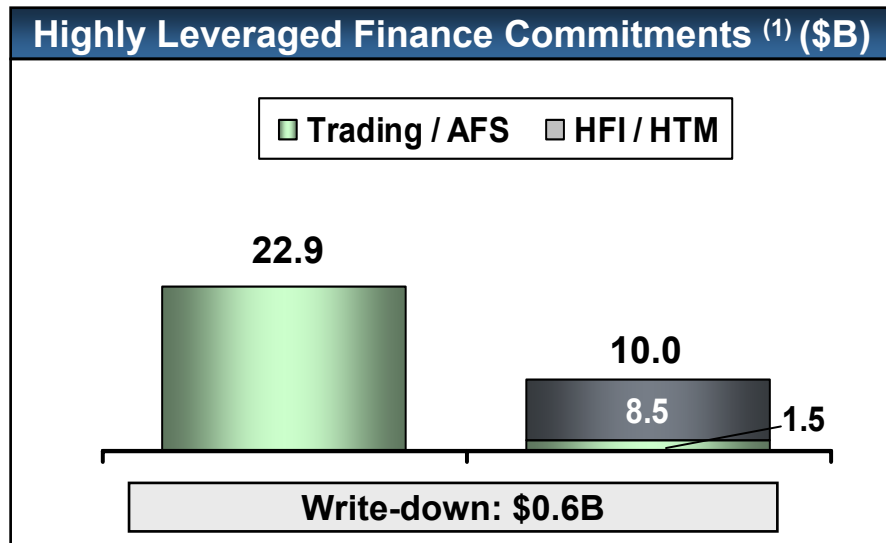


Exposure Type	Face Value	Market Value	% Mark	Current Rating	Stratification by Face Value			Total
					Vintage			
					≤ 04	05	≥ 06	
<b>HTM</b>	\$19.7B	\$11.5B	59%	AAA to AA	3%	17%	35%	55%
				A	0	2	6	8
				≤ BBB	0	4	33	37
				<b>Total</b>	<b>3</b>	<b>23</b>	<b>74</b>	<b>100</b>
<b>Trading</b>	\$2.3B	\$1.1B	48%	AAA to AA	2%	21%	48%	71%
				A	0	2	4	6
				≤ BBB	0	2	21	23
				<b>Total</b>	<b>2</b>	<b>25</b>	<b>73</b>	<b>100</b>

Note: Trading exposure face value adjusted to exclude residuals and the I/O. When included, the % mark drops to 6%.

Alt-A is defined for the purposes of this presentation as non-agency residential mortgage-backed securities (RMBS) where the underlying collateral has weighted average FICO scores between 680 and 720 or, for FICO scores greater than 720, RMBS where ≤ 30% of the underlying collateral is comprised of full documentation loans.

# S&B – Other Exposures



(1) Shown at face value.

(2) Proprietary positions, 4Q'08 includes \$4.3B of ARS acquired as a result of the ARS legal settlement. In 3Q'08 Citi committed to acquire \$6.2B face value (\$5.6B market value), but no purchases occurred in the quarter.

Note: Highly leveraged finance commitments, commercial real estate and auction rate securities exclude positions in SIVs. Totals may not sum due to rounding.

# S&B – Direct Subprime Exposures

As of December 31, 2008

Exposure Type	Face Value	Market Value	% Mark	Stratification by Face Value				Total
				Current Rating	Vintage			
					≤ 04	05	≥ 06	
<b>ABCP (1)</b>	\$23.2B	\$9.9B	43%	AAA to AA	25%	17%	10%	<b>51%</b>
				A	5	5	2	<b>11</b>
				≤ BBB	9	18	10	<b>37</b>
				Total	<b>39</b>	<b>39</b>	<b>21</b>	<b>100</b>
<b>High Grade</b>	\$4.2B	\$0.8B	20%	AAA to AA	15%	16%	8%	<b>39%</b>
				A	4	3	1	<b>9</b>
				≤ BBB	2	18	31	<b>52</b>
				Total	<b>21</b>	<b>37</b>	<b>41</b>	<b>100</b>
<b>Mezzanine</b>	\$7.3B	\$1.3B	17%	AAA to AA	0%	0%	1%	<b>1%</b>
				A	1	1	1	<b>3</b>
				≤ BBB	7	48	41	<b>96</b>
				Total	<b>9</b>	<b>49</b>	<b>42</b>	<b>100</b>

(1) Consists of older vintage, high grade ABS CDOs.

Note: Totals may not sum due to rounding. The information in the above table is based on Citi's ABS CDO super senior exposures as of December 31, 2008 and is as of the most recent portfolio data available as of December 31, 2008. The vintage information is expressed as a percentage of the notional amount of the assets underlying the CDOs. The vintage information was derived from third party sources that publish the date of issue for securities. Mortgage loans or exposures underlying other CDOs in which the transactions have invested may have been originated prior to or after the date of issue of such other CDOs.

# Securities and Banking Revenue Marks

(\$MM)	3Q'07	4Q'07	1Q'08	2Q'08	3Q'08	4Q'08
Write-downs on sub-prime related direct exposures <sup>(1)</sup>	(1,831)	(16,481)	(5,912)	(3,395)	(394)	(4,582)
Monoline Credit Value Adjustment (CVA)	---	(935)	(1,495)	(2,430)	(919)	(897)
Write-downs on highly lev'd finance commitments <sup>(2)</sup>	(1,352)	(135)	(3,078)	(428)	(792)	(594)
Write-downs on Alt-A mortgages <sup>(3, 5)</sup>	---	---	(1,015)	(325)	(1,153)	(1,319)
Mark to market on ARS <sup>(4)</sup>	---	---	(1,457)	197	(166)	(307)
Write-downs on CRE <sup>(5)</sup>	---	---	(573)	(545)	(518)	(991)
Write-downs on SIVs	---	---	(212)	11	(2,004)	(1,064)
CVA on Citi Liabilities at Fair Value Option	194	512	1,279	(228)	1,526	1,981
<b>Total Revenue Marks</b>	<b>(2,989)</b>	<b>(17,039)</b>	<b>(12,463)</b>	<b>(7,143)</b>	<b>(4,420)</b>	<b>(7,773)</b>

(1) Net of impact from hedges against direct subprime ABS CDO super senior positions as disclosed on slide 17.

(2) Net of underwriting fees. (3) Net of hedges. (4) Excludes write-downs of \$306 million in 3Q'08 and \$87 million in 4Q'08 arising from the ARS legal settlement.

(5) Excludes positions in SIVs.

# ICG – Transaction Services

- ▶ Revenue up 11% ex-FX
- ▶ Progress on expense management partially offset by upfront cost of business wins
- ▶ Credit costs driven primarily by Emerging Markets SME clients

(\$MM)	4Q'08	4Q'07	%△
<b>Revenues</b>	<b>\$2,399</b>	<b>\$2,299</b>	<b>4%</b>
– North America	591	468	26
– EMEA	818	779	5
– Latin America	336	341	(1)
– Asia	654	711	(8)
<b>Expenses</b>	<b>1,343</b>	<b>1,367</b>	<b>(2)</b>
<b>Credit Costs</b>	<b>82</b>	<b>(15)</b>	<b>NM</b>
<b>Net Income</b>	<b>\$721</b>	<b>\$667</b>	<b>8%</b>
– North America	71	50	42
– EMEA	265	171	55
– Latin America	108	132	(18)
– Asia	277	314	(12)
<b><u>Product Revenues (\$MM):</u></b>			
– TTS	\$1,706	\$1,483	15%
– Securities Services	693	816	(15)

- ▶ **Revenues**
  - TTS driven by higher balances and new wins
  - SFS negatively impacted by lower balances & spreads, AUC decline due to lower valuations
  - Strong N.A. results partially offset by EMEA (FX impact), Latam and Asia (adverse market conditions)
- ▶ **Expenses**
  - Higher business volumes, new wins, increased investment spending offset by re-engineering. Ex-FX up 3%
- ▶ **Credit costs**
  - Higher net credit losses, mostly driven by SME clients in developing markets due to deteriorating environment
- ▶ **Liability balances up 5% (up 9% ex-FX) to \$292 billion**
- ▶ **Assets under custody down 18% to \$10.7 trillion**

# Global Wealth Management

(\$MM)	4Q'08	4Q'07	%△										
<b>Revenues</b>	<b>\$2,843</b>	<b>\$3,464</b>	<b>(18)%</b>	<ul style="list-style-type: none"> <li>▶ <b>Non-interest revenues down 29%; AUMs down 35% to \$332 billion, due to challenging capital markets</b> <ul style="list-style-type: none"> <li>- \$87MM ARS MTM loss related to the August 7<sup>th</sup> settlement</li> </ul> </li> <li>▶ <b>Lower compensation expenses offset by restructuring charges</b></li> <li>▶ <b>Credit costs primarily driven by reserve builds in N.A.</b></li> <li>▶ <b>Average deposits and customer liability balances down 4%</b></li> <li>▶ <b>Net client outflows of \$17 billion, driven by negative market environment and FA attrition</b></li> <li>▶ <b>Estimated to remain at Citi post Morgan Stanley Smith Barney joint venture:</b> <table style="margin-left: 20px; border: none;"> <thead> <tr> <th></th> <th>4Q'08</th> <th>4Q'07</th> </tr> </thead> <tbody> <tr> <td><b>Revenues (\$MM)</b></td> <td><b>966</b></td> <td><b>1,223</b></td> </tr> <tr> <td><b>FAs</b></td> <td><b>1,803</b></td> <td><b>3,015</b></td> </tr> </tbody> </table> </li> </ul>		4Q'08	4Q'07	<b>Revenues (\$MM)</b>	<b>966</b>	<b>1,223</b>	<b>FAs</b>	<b>1,803</b>	<b>3,015</b>
	4Q'08	4Q'07											
<b>Revenues (\$MM)</b>	<b>966</b>	<b>1,223</b>											
<b>FAs</b>	<b>1,803</b>	<b>3,015</b>											
– North America	2,175	2,509	(13)										
– EMEA	134	159	(16)										
– Latin America	63	98	(36)										
– Asia	471	698	(33)										
<b>Expenses</b>	<b>2,605</b>	<b>2,664</b>	<b>(2)</b>										
<b>Credit Costs</b>	<b>175</b>	<b>15</b>	<b>NM</b>										
<b>Net Income</b>	<b>\$29</b>	<b>\$524</b>	<b>(94)%</b>										
– North America	230	386	(40)										
– EMEA	14	20	(30)										
– Latin America	(1)	16	NM										
– Asia	(214)	102	NM										
<b><u>Product Revenues (\$MM):</u></b>													
– Smith Barney	\$2,297	\$2,782	(17)%										
– Private Bank	546	682	(20)										



# Corporate/Other

## Corporate/Other

(\$MM)	4Q'08	4Q'07	%△	
Revenues	\$254	\$(369)	NM	<ul style="list-style-type: none"> <li>▶ Improved revenues reflect the gain on sale of CGSL and effective hedging</li> <li>▶ Negative net income driven by higher expenses mainly due to restructuring charges and higher taxes held at corporate</li> </ul>
Net Income	(421)	(188)	NM	

## Discontinued Operations

(\$MM)	4Q'08	4Q'07	%△	
Net Income	\$3,843	\$198	NM	<ul style="list-style-type: none"> <li>▶ After-tax gain of \$3.9 billion from close of announced sale of German retail banking operations, including a hedge gain of \$0.4B</li> </ul>

# Summary of Press Release Disclosed Items

\$MM	4Q'07		4Q'08	
	Pre-tax	After-tax	Pre-tax	After-tax
North America	(162) <sup>(3,5,6)</sup>	(107) <sup>(3,5,6)</sup>	(97) <sup>(7)</sup>	(60) <sup>(7)</sup>
EMEA	21 <sup>(1,6)</sup>	14 <sup>(1,6)</sup>	(14) <sup>(7)</sup>	(10) <sup>(7)</sup>
Latin America	183 <sup>(1,6)</sup>	117 <sup>(1,6)</sup>	(4) <sup>(7)</sup>	(3) <sup>(7)</sup>
Asia	240 <sup>(1,6)</sup>	156 <sup>(1,6)</sup>	(12) <sup>(7)</sup>	17 <sup>(7,11)</sup>
<b>Global Cards</b>	<b>\$283</b>	<b>\$181</b>	<b>\$(127)</b>	<b>\$(55)</b>
North America	(16) <sup>(6)</sup>	(10) <sup>(6)</sup>	(226) <sup>(7)</sup>	(142) <sup>(7)</sup>
EMEA	8 <sup>(1,6)</sup>	5 <sup>(1,6)</sup>	(55) <sup>(7)</sup>	(36) <sup>(7)</sup>
Latin America	41 <sup>(1,6)</sup>	16 <sup>(1,6)</sup>	(36) <sup>(7)</sup>	(23) <sup>(7)</sup>
Asia	(187) <sup>(1,4,6)</sup>	(121) <sup>(1,4,6)</sup>	(240) <sup>(4,7)</sup>	694 <sup>(4,7,11)</sup>
<b>Consumer Banking</b>	<b>\$(155)</b>	<b>\$(110)</b>	<b>\$(558)</b>	<b>\$493</b>
North America	(202) <sup>(6)</sup>	(125) <sup>(6)</sup>	(322) <sup>(7,8)</sup>	(195) <sup>(7,8)</sup>
EMEA	(141) <sup>(6)</sup>	(89) <sup>(6)</sup>	(128) <sup>(7)</sup>	(79) <sup>(7)</sup>
Latin America	(5) <sup>(6)</sup>	(3) <sup>(6)</sup>	(11) <sup>(7)</sup>	(7) <sup>(7)</sup>
Asia	291 <sup>(2,6)</sup>	92 <sup>(2,6)</sup>	(647) <sup>(7,10)</sup>	(307) <sup>(7,10,11)</sup>
<b>Securities and Banking</b>	<b>\$(57)</b>	<b>\$(126)</b>	<b>\$(1,107)</b>	<b>\$(589)</b>
North America	(28) <sup>(3,5,6)</sup>	(16) <sup>(3,5,6)</sup>	(22) <sup>(7)</sup>	(13) <sup>(7)</sup>
EMEA	(31) <sup>(1,6)</sup>	(19) <sup>(1,6)</sup>	(23) <sup>(7)</sup>	(14) <sup>(7)</sup>
Latin America	5 <sup>(1,6)</sup>	4 <sup>(1,6)</sup>	(2) <sup>(7)</sup>	(1) <sup>(7)</sup>
Asia	17 <sup>(1,6)</sup>	12 <sup>(1,6)</sup>	(15) <sup>(7)</sup>	3 <sup>(7,11)</sup>
<b>Transaction Services</b>	<b>\$(38)</b>	<b>\$(20)</b>	<b>\$(62)</b>	<b>\$(26)</b>
North America	(22) <sup>(6)</sup>	(14) <sup>(6)</sup>	(152) <sup>(7,8)</sup>	(92) <sup>(7,8)</sup>
EMEA	(22) <sup>(6)</sup>	(14) <sup>(6)</sup>	(7) <sup>(7)</sup>	(5) <sup>(7)</sup>
Latin America	(1) <sup>(6)</sup>	(0) <sup>(6)</sup>	(10) <sup>(7)</sup>	(6) <sup>(7)</sup>
Asia	(22) <sup>(6)</sup>	(13) <sup>(6)</sup>	(224) <sup>(7)</sup>	(136) <sup>(7)</sup>
<b>Global Wealth Management</b>	<b>\$(67)</b>	<b>\$(41)</b>	<b>\$(393)</b>	<b>\$(240)</b>
<b>Corporate Other</b>	--	--	<b>\$(371)<sup>(7,9)</sup></b>	<b>\$(198)<sup>(7,9)</sup></b>
<b>Discontinued Operations</b>	--	--	<b>n.a.</b>	<b>\$(3,919)<sup>(12)</sup></b>

(1) Gain on Visa Inc. shares of \$534 million pre-tax (\$336 million after-tax). (2) Gain on sale of ownership in Simplex Investment Advisors in Japan of \$313 million pre-tax (\$106 million after-tax). (3) Gain on sale of MasterCard shares of \$152 million pre-tax (\$99 million after-tax). (4) Establishment of a reserve for customer settlements of 4Q07 of (\$188) million pre-tax ((\$122) million after-tax) 4Q08 of (\$174) million pre-tax ((\$113) million after-tax) in Japan consumer finance. (5) Charge related to Citi's pro-rata share of certain Visa Inc.-related litigation exposure of (\$306) million pre-tax ((\$199) million after-tax). (6) Repositioning charges related to headcount reductions of (\$539) million pre-tax ((\$337) million after-tax). (7) Restructuring charges of (\$1,970) million pre-tax ((\$1,217) million after-tax). (8) Impact of the Auction Rate Securities settlement allocated evenly between Securities & Banking and Global Wealth Management: write-downs of (\$173) million pre-tax ((\$105) million after-tax). (9) Gain on sale of Citi Global Services Limited of \$263 million pre-tax (\$192 million after-tax). (10) Nikko Asset Management Impairment Charge of (\$563) million pre-tax ((\$363) million after-tax) in Japan. (11) Tax benefit relating to restructuring of \$994 million in Japan consumer finance. (12) Gain on sale of German retail banking operations of \$3,919 million after-tax (includes the benefit of a currency hedge put in place post-signing).

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Certain statements in this document are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act. These statements are based on management’s current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from those included in these statements due to a variety of factors. More information about these factors is contained in Citigroup’s filings with the Securities and Exchange Commission.