2013 Mid-Cycle Stress Test

Citi Severely Adverse Scenario

Dodd-Frank Wall Street Reform and Consumer Protection Act

September 16, 2013

Overview & Projections

2013 Mid-Cycle Stress Test: Overview

- Under the stress testing requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as implemented by the Federal Reserve Board (FRB), Citi is required to conduct a company-run Mid-Cycle Stress Test (MCST).
  - As required by the FRB, the 2013 MCST is conducted using data as of March 31, 2013 and is based on Citi-developed scenarios only; results include estimated pro forma capital ratios based on Basel I, inclusive of the adoption of the final US Basel II.5 market risk capital rules effective January 1, 2013 (Basel II.5).
  - Citi is required to publicly disclose a summary of projected results under the hypothetical Citi Severely Adverse Scenario. In addition to the Citi Severely Adverse Scenario, Citi was required to develop Baseline and Adverse scenarios in performing its MCST.

Citi's Mid-Cycle Stress Test Scenario Design

- Citi's MCST scenario design process is based on hypothetical global economic events which could stress the firm's unique business model and strategy.
  - Citi used these events with historical data and observed relationships between variables to create a global macroeconomic forecast which is then applied to each of the firm's business units.
    - Citi assumes relationships between key variables in the MCST scenarios will perform consistently with observed relationships in historical stressed environments and validates its forecasting models to assess the reasonability of this assumption.
  - Citi's scenarios were developed in accordance with regulatory guidance which require that the Adverse and Severely Adverse scenarios reflect Citi's unique vulnerabilities to factors that affect firm-wide activities and risk exposures, including macroeconomic, market-wide and firm-specific events.
    - The macroeconomic forecast includes variables which are most strongly correlated with Citi's results in markets where the firm has a significant presence.

Citi's projections under the Citi Severely Adverse Scenario, as disclosed in this document or otherwise, should not be viewed as forecasts of expected or likely outcomes for Citi. Rather, these projections are based solely on Citi's hypothetical Citi Severely Adverse Scenario (see next page) and other specific conditions required to be assumed by Citi. These assumptions include, among others, the "Dodd-Frank Capital Actions" (see slide 15), as well as modeling assumptions necessary to project and assess the impact of the Citi Severely Adverse Scenario on the results of operations and capital position of Citi.

Citi Severely Adverse Scenario

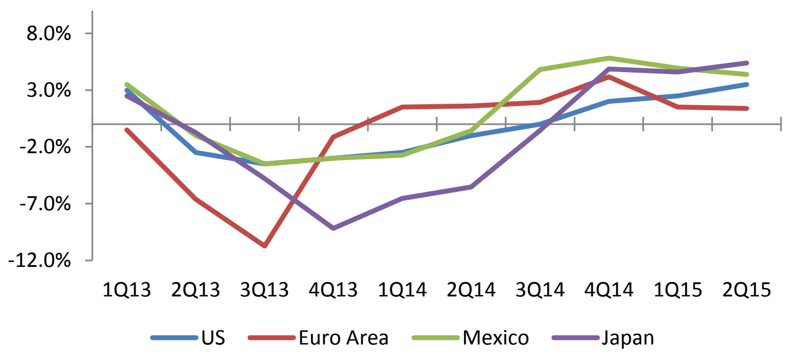
- The Citi Severely Adverse Scenario reflects a severe global recession along with a hypothetical disruption to international trade flows for a prolonged period of time.
  - Citi believes this scenario captures the key vulnerabilities and idiosyncratic risks of Citi's operating model and global footprint.
- A significant loss of consumer and investor confidence results and leads to severe output contractions, weak demand, and asset price declines in the developed markets as evidenced by:
  - Interest rates falling and remaining low
  - Sharp GDP contractions experienced in several regions of the globe which fail to regain pre-crisis GDP levels
  - Sustained increases in unemployment
  - Severe US home price declines
- A number of emerging market economies, particularly those economies most dependent on global trade (based on export vulnerability using exports as a percentage of GDP, export volatility, and certain judgmental assessments), also experience weakened growth or contractions in output.
  - The most trade dependent countries included in the forecast experience average declines of 9 percentage points relative to expected GDP growth in the Baseline scenario.
  - Moderately trade dependent countries in the forecast experience approximately 5 percentage points of similar decline relative to the Baseline scenario.

Citi's Severely Adverse Scenario should not be viewed or interpreted as an expected forecast, but rather a hypothetical scenario with assumed economic and financial conditions designed to reflect Citi's unique vulnerabilities to factors that affect its firm-wide activities and risk exposures, as required by FRB instructions.

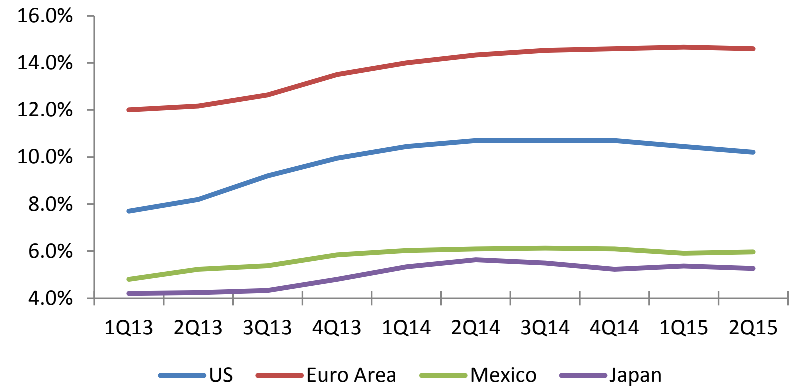
Citi Severely Adverse Scenario: Key Variables

Gross Domestic Product

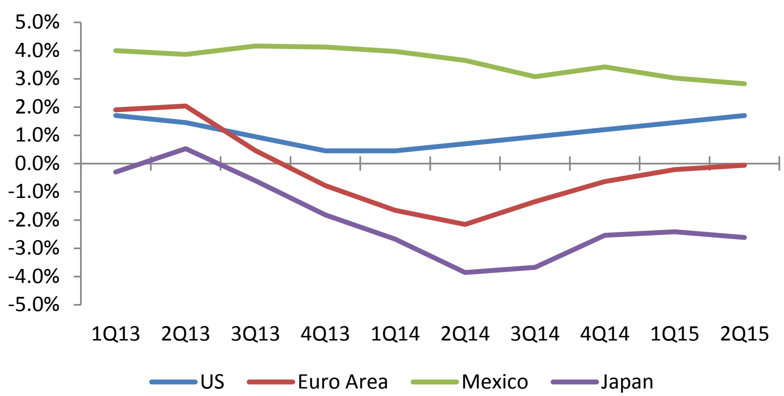
(Q/Q Change, Seasonally Adjusted Annual Rate)



Unemployment Rate

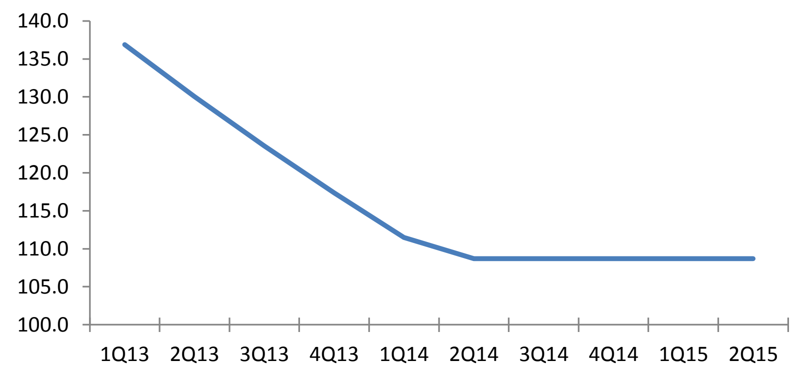


Consumer Price Index



US Home Price Index

(Case Shiller)



These conditions present the key variables included in Citi's Severely Adverse Scenario for countries or regions where Citi has a significant presence.

Citi's Severely Adverse Scenario should not be viewed or interpreted as an expected forecast, but rather a hypothetical scenario with assumed economic and financial conditions designed to reflect Citi's unique vulnerabilities to factors that affect its firm-wide activities and risk exposures, as required by FRB instructions.

Pro Forma Projections

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

Projected Capital Ratios through Q2 2015 under the Citi Severely Adverse Scenario (Dodd-Frank Capital Actions)

	Actual	Stressed Capital Ratios	
	Q1 2013	Q2 2015	Minimum[1]
Tier 1 Common Ratio (%)	11.8	9.4	9.1
Tier 1 Capital Ratio (%)	13.1	10.3	10.2
Total Risk-based Capital Ratio (%)	16.1	13.2	13.1
Tier 1 Leverage Ratio (%)	7.8	6.0	5.7

[1] 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 Q2 2015 under the Citi Severely Adverse Scenario (Dodd-Frank Capital Actions)

	Billions of Dollars	Percent of Average Assets
Pre-Provision Net Revenue	43.1	2.4%
Other Revenue	-	
Less		
Provisions	48.4	
Loan Losses	43.1	
Net Reserve Builds/(Releases)	5.3	
Realized Gains/Losses on Securities (AFS/HTM)	1.2	
Trading and Counterparty Losses	10.0	
Other Losses/Gains	4.7	
Equals		
Net Income Before Taxes	(21.2)	-1.2%

Projected Cumulative Loan Losses by Type of Loans for Q2 2013 through Q2 2015 under the Citi Severely Adverse Scenario (Dodd-Frank Capital Actions)

	Billions of Dollars	Portfolio Loss Rates (%)
Loan Losses	43.1	7.2%
First Lien Mortgages, Domestic	6.5	7.4%
Junior Liens and HELOCs, Domestic	4.7	15.9%
Commercial & Industrial	5.0	3.3%
Commercial Real Estate, Domestic	0.2	2.3%
Credit Cards	19.9	15.1%
Other Consumer	5.0	13.2%
Other Loans	1.8	1.2%

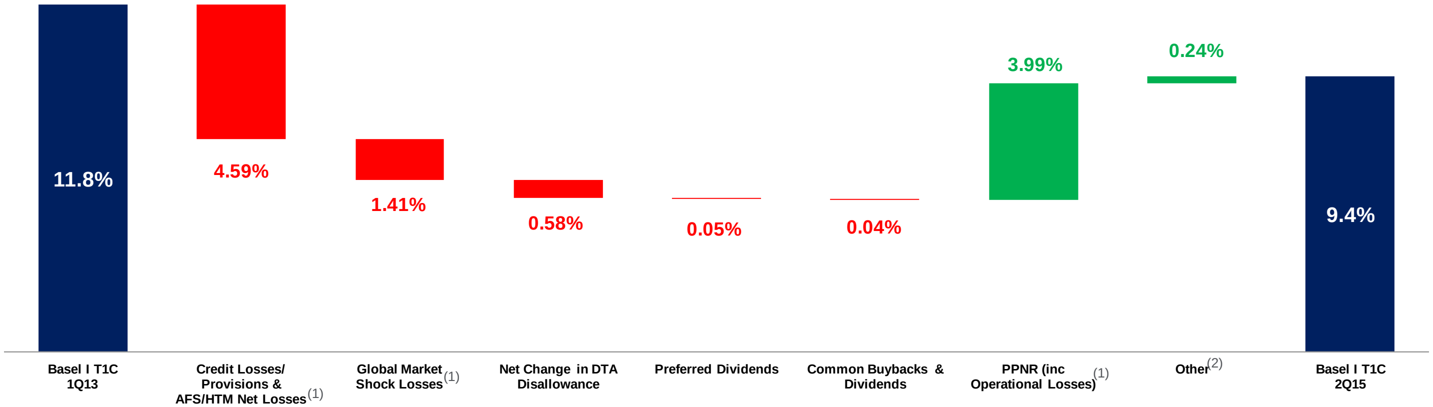
(1) Please see slide 15.

These projections represent hypothetical estimates based on Citi's 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, planned capital actions, or pro forma capital ratios.

Key Drivers of Pro Forma Regulatory Capital Ratios

(1Q13-2Q15; Citi Severely Adverse Scenario, Dodd-Frank Capital Actions)

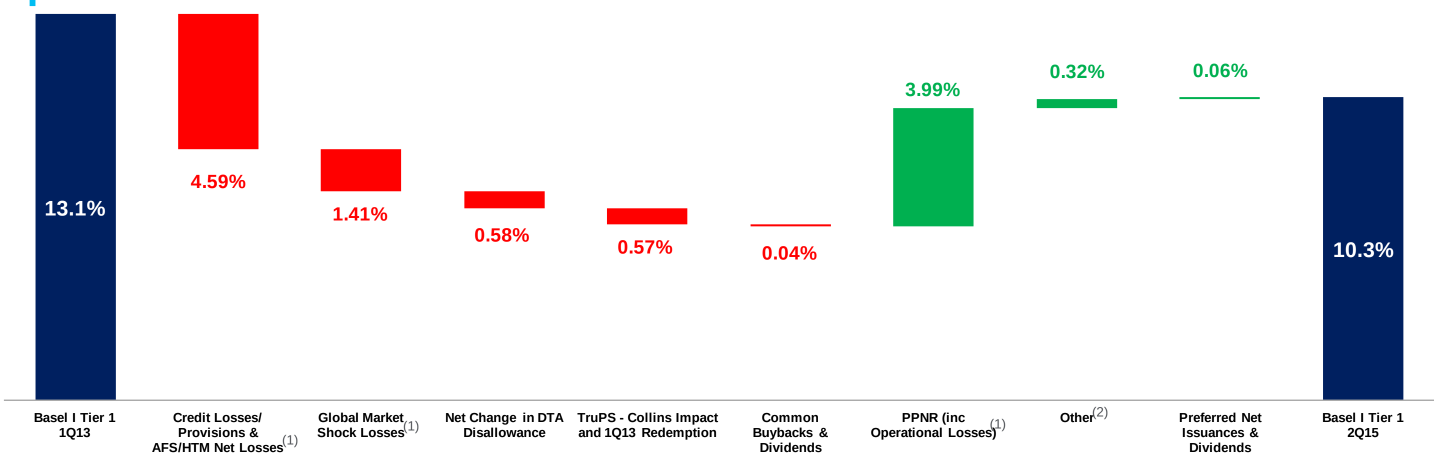
Tier 1 Common Capital Ratio



(1) Reflects pre-tax impact

(2) Other includes impacts due to (i) net change in risk-weighted assets, (ii) goodwill & intangibles amortization, (iii) issuance of employee stock compensation, (iv) FAS 52 OCI, (v) accrued taxes, and other income statement and balance sheet items

Tier 1 Capital Ratio



(1) Reflects pre-tax impact

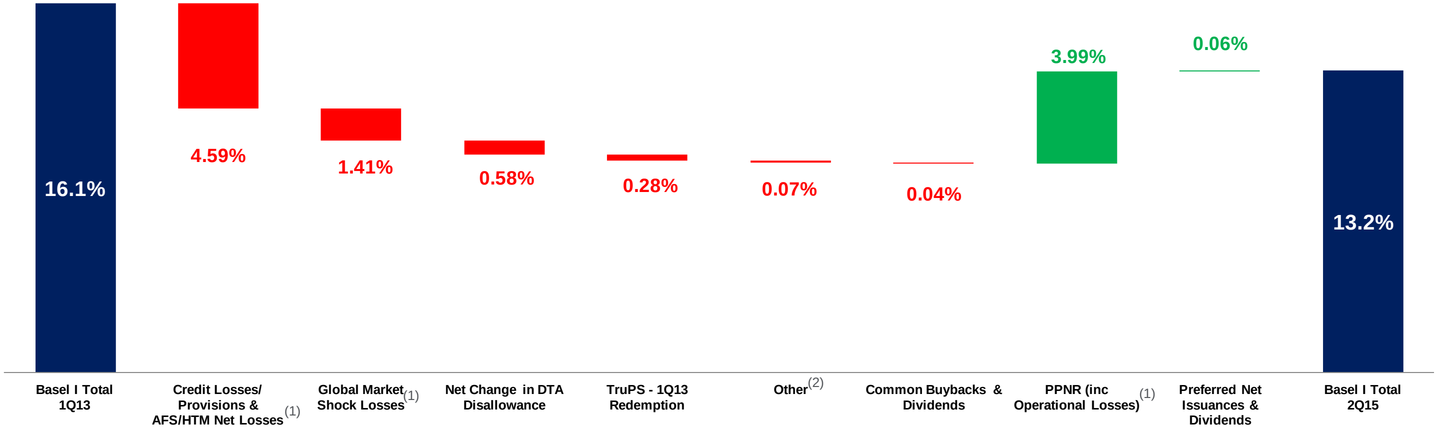
(2) Other includes impacts due to (i) net change in risk-weighted assets, (ii) goodwill & intangibles amortization, (iii) issuance of employee stock compensation, (iv) FAS 52 OCI, (v) accrued taxes, and other income statement and balance sheet items

These projections represent hypothetical estimates based on Citi's 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

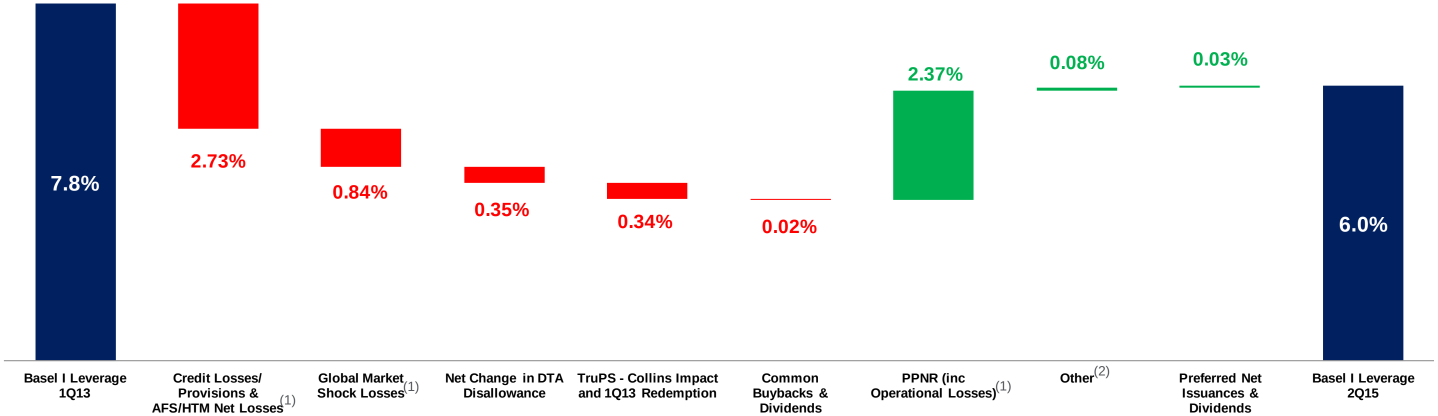
(1Q13-2Q15; Citi Severely Adverse Scenario, Dodd-Frank Capital Actions)

Total Capital Ratio



(1) Reflects pre-tax impact
(2) Other includes impacts due to (i) net change in risk-weighted assets, (ii) goodwill & intangibles amortization, (iii) issuance of employee stock compensation, (iv) decreases in capital-eligible loan loss reserves, (v) FAS 52 OCI, (vi) accrued taxes, (vii) net qualifying debt maturation, and other income statement and balance sheet items

Leverage Ratio



(1) Reflects pre-tax impact
(2) Other includes impacts due to (i) net change in leverage assets, (ii) goodwill & intangibles amortization, (iii) issuance of employee stock compensation, (iv) FAS 52 OCI, (v) accrued taxes, and other income statement and balance sheet items

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

Risk Types & Methodologies

Risks Included in 2013 Mid-Cycle Stress Test

Risk Type	Description	Components	Examples
Credit Risk	Credit risk is the potential for financial loss resulting from the failure of a borrower to honor its financial or contractual obligations.	• Provision for Loan and Lease Losses • Realized Gains / Losses on Securities • Counterparty Losses	• Loan losses and allowance builds/releases • Credit-related other-than-temporary impairment for investment securities • Credit exposure to counterparties through capital markets transactions
Market Risk	Market risk arises from fluctuations in the market value of positions, resulting from changes in market factors.	• Pre-Provision Net Revenue • Trading and Counterparty Losses • Other Losses	• Impact of market prices and interest rates on components of revenues and expenses across all business segments • Instantaneous revaluation of trading, private equity, and fair value exposures as well as incremental default risk (IDR) and credit valuation adjustment (CVA) losses • Instantaneous revaluation of loans held-for-sale or under a fair value option including mortgages held for sale to agencies
Operational Risk	Operational Risk is the risk of loss resulting from inadequate or failed internal processes, systems, or human factors, or from external events including litigation, reputation, and franchise risks.	• Pre-Provision Net Revenue	• Operational risk expenses including litigation expenses, fraud charges, etc. • Mortgage repurchase forecast

- The following pages provide details for each forecast component, segmented by key modeling units (Business, Product, etc.) where applicable.

Pre-Provision Net Revenue

- Pre-provision net revenue (PPNR) is defined as net interest income plus non-interest income less non-interest expense, which includes policyholder benefits & claims.
- PPNR is projected using models for each major business unit as shown below.
- Relies on historical relationships between loan/deposit balances, revenues, expenses, and relevant macroeconomic variables.

Major Business Units:	Global Consumer Bank (GCB)	Citi Transaction Services	Securities & Banking	Citi Holdings	Corporate / Other
Component Business Units:	• North America Retail Bank • North America Cards • North America Mortgage • Asia GCB • Latin America GCB • Europe, Middle East, Africa GCB	• Treasury & Trade Solutions • Securities & Fund Services	• Global Markets • Global Banking • Private Banking • Citi Capital Advisors	• Brokerage & Asset Management • Special Asset Pool • Local Consumer Lending (LCL)	• Treasury • Operations & Technology • Global Functions • Other
Key Modeling Inputs:	• GDP • Inflation • Unemployment rate • Interest rates • Foreign Exchange (FX) Rates	• GDP • Inflation • Unemployment rate • Interest rates	• Market Indices • GDP • Interest rates • FX rates	• Run-off models	• Non-regression models
Business Activities:	• Retail, Small Business and Commercial Loans and Deposits • Mortgages • Credit Cards	• Corporate Loans and Deposits • Trade • Corporate Cards • Transactions • Investment Services	• Corporate Loans • Trading • Investment Banking • Private Banking	• Non-core assets	• Non-Customer Facing Cost Centers

Provisions for Loan and Lease Losses

- Loan losses are projected using product-specific models utilizing historical and expected relationships between credit performance and relevant macroeconomic variables.

Major Loan Products:	**Domestic Mortgages**	**Commercial & Industrial and Commercial Real Estate**	**Credit Cards**	**Other Consumer**	**Other Loans**
Loan Types:	• Includes first and junior liens; closed-end and revolving	• Includes Commercial & Industrial loans to obligors globally and domestic Commercial Real Estate loans	• Includes bank and charge cards both domestically and internationally	• Includes global personal loans, student loans, auto loans, and other consumer loans	• Includes international real estate loans and a variety of non-retail loans
Key Modeling Inputs:	• Home Price Index (HPI) • Interest rates • Unemployment	• Obligor • Collateral • Industry • Country • Seniority • Local GDP • Sensitivity to global trade flows	• Vintage • Credit score • Country • Unemployment rate	Driven by a variety of variables depending on • Product type • Country	• Local GDP • HPI • Interest rates • Unemployment rate
Business Activities:	• Domestic residential real estate portfolios, primarily North America Mortgage, Private Bank and LCL	• Corporate and Commercial Loan and Commercial Real Estate exposures in Securities & Banking and GCB	• Consumer and corporate credit card lending globally • Primarily North America Cards in Citi Branded and Retail Services segments	• Includes portions of LCL as well as personal loans in Latin America, Europe, Middle East and Africa, and Asia GCBs	• International residential real estate in the GCB • International Commercial Real Estate and other loans in Securities & Banking

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.
- Consistent with instructions for the 2013 Comprehensive Capital Analysis and Review, instantaneous market losses are reported in the first quarter of the projection period with no associated reduction of risk-weighted assets, GAAP assets, or compensation expenses as a result of these market losses.

Trading / Counterparty Activities:	Trading Book	Counterparty Credit Risk (CCR)	Incremental Default Risk (IDR)
Risk Types	• Equity, Foreign Exchange, Interest Rates, Commodities, Securitized Products, Traded Credit, Private Equity, Other Fair Value Assets.	• Mark-to-market counterparty credit CVA	• Trading IDR from securitized products and other credit sensitive instruments. • Counterparty credit IDR
Key Modeling Inputs	• Equity spot and volatility • FX spot and volatility • Directional and basis rate risks • Interest rate volatility • Commodity prices • Agency and municipal spreads • Residential Mortgage-Backed Securities, Asset Backed Securities, Commercial Mortgage-Backed Securities prices • Corporate and sovereign credit spreads for bonds and Credit Default Swap	• Interest rate spot and volatility • FX spot and volatility • Corporate and sovereign credit spreads for bonds and Credit Default Swap • Probability of default and losses given default	• Probability of default and loss given default under stressed scenario • Jump-to-default exposure and risk rating by issuer • Bond and Credit Default Swap prices • Stressed Expected Positive Exposure (EPE) by counterparty • Stressed CVA and risk rating by counterparty
Business Activities	• Global Markets • Citi Capital Advisors • Corporate Portfolio Management • Citi Holdings	• Global Markets • Corporate Portfolio Management • Citi Holdings	• Global Markets • Corporate Portfolio Management • Citi Holdings

Realized Gains/Losses on Securities and Other Losses

Realized Gains/Losses on Securities

- Citi holds AFS/HTM securities in its Corporate Treasury as well as in other individual businesses.
- The inherent credit risk for most AFS/HTM securities is modeled with a firm-wide approach 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.

Other Losses/Gains

- Primarily reflects losses on loans which are held for sale or under a fair value option in Citi's Global Consumer Bank, Securities and Banking, and Citi Holdings units.
- Held-for-sale and fair value option loans are stressed using an instantaneous global market shock; this is the same market shock used to calculate trading and counterparty losses on a similar instantaneous basis.

Capital Position

In addition to the inclusion of estimated stress losses and PPNR, Citi's capital position is impacted by the following items:

Dodd-Frank Capital Actions

- As required by FRB rules, Dodd-Frank Capital Actions[1] were included in Citi's estimated pro forma capital ratios through the 9-quarter forecast horizon in the following aggregate amounts:

Dodd-Frank Capital Actions	
Sources of Capital	**Uses of Capital**
- 1Q13 Preferred Stock Issuance: $1.3B	- Common and Preferred Dividends: $0.8B - 1Q13 TruPS Repurchases: $2.9B - Ordinary payments on TruPS and Subordinated Debt: $3.3B

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 the FRB's instructions, certain trust preferred securities (TruPS) began a gradual 4-year phase out from Tier I Capital in 2Q13

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

Risk-Weighted Assets (RWA)

- Citi forecasted its RWA consistent with current Basel I rules for credit risk RWA and Basel II.5 for market risk RWA.

1. For additional information on the "Dodd-Frank Capital Actions", see Citi's 2013 Annual Stress Testing Disclosure dated March 14, 2013, available on Citi's Investor Relations website.

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