



Summary of Third Quarter Results

On the 15th of October, Citigroup reported net income for the third quarter 2009 of \$101 million, and a \$0.27 loss per share (includes \$(0.18) impact of Exchange Offers¹), based on an average 12.1 billion shares outstanding². Third quarter revenues were \$20.4 billion. Results included \$8.0 billion in net credit losses and an \$802 million net loan loss reserve build.

During the third quarter, Citigroup completed its previously announced exchange offers. This resulted in an \$851 million after-tax gain, but also in a \$3.1 billion reduction in income available to common shareholders, resulting in an incremental net \$0.18 loss per share. The reported loss per share also reflected preferred stock dividends, which did not affect net income but reduced income available to common shareholders by \$288 million or \$0.02 per share.

"This was an important quarter for us. The completion of the exchange offers and the significant actions taken during the last few quarters have created a strong foundation. With strong capital, strong liquidity and a strong franchise, we are looking forward. We continue to execute steadily against our plan, and sustainable profitability remains our primary goal in the near term. While consumer credit trends are improving in international markets, the U.S. consumer credit environment remains challenging," said Vikram Pandit, Chief Executive Officer of Citigroup.

"Our Tier 1 and Tier 1 Common ratios ended the quarter at 12.7% and 9.1% respectively. Our client franchise continues to perform well. Customer deposits grew \$28 billion during the quarter, Securities and Banking has produced record year-to-date revenues and Global Transaction Services has produced record year-to-date net income and both had a solid third quarter. We are also seeing increased customer activity in our Global Consumer business."

"Looking forward, we will continue to focus on sustainable profitability and growth, repaying TARP and helping support America's economic recovery."

Key items:

- Citigroup revenues were \$20.4 billion. Managed revenues³ were \$23.1 billion. Excluding a \$1.4 billion gain from the impact of the exchange offers and the \$11.1 billion Smith Barney gain on sale, managed revenues were stable versus the prior quarter.
 - Citicorp revenues of \$13.0 billion (managed revenues³ of \$14.8 billion) included a negative \$1.7 billion credit value adjustment ("CVA").
 - Citi Holdings revenues of \$6.7 billion (managed revenues³ of \$7.6 billion) included \$1.5 billion of positive net revenue marks.
- Net credit losses remained elevated at \$8.0 billion, but were down from \$8.4 billion in the prior quarter. Managed net credit losses³ were \$11.0 billion, down from \$11.5 billion in the prior quarter.
- Net loan loss reserve build was \$802 million, down from \$3.9 billion in the prior quarter.
- The allowance for loan losses increased to \$36.4 billion, or 5.9% of total loans.
- Completion of exchange offers resulted in an additional \$64 billion of Tier 1 Common and \$60 billion of Tangible Common Equity⁴. As a result, Tangible Common Equity and Tier 1 Common ratios improved during the third quarter to 10.3% and 9.1%, respectively. Tier 1 Capital remained stable at 12.7%. Tangible book value per share was \$4.47.
- Deposits were \$833 billion, up \$28 billion from the second quarter of 2009. Deposit growth was strong in both Transaction Services and Regional Consumer Banking.
- Citi Holdings assets declined \$32 billion to \$617 billion during the quarter and are now down \$281 billion from peak levels in the first quarter 2008.



- Enhanced liquidity position – ended the quarter with \$244 billion in cash and due from banks, and deposits with banks, up from \$209 billion at June 30, 2009.
- Completed sales of Nikko Cordial Securities and Nikko Asset Management on October 1, 2009, which will result in a further approximate \$25 billion decline in Citi Holdings assets in the fourth quarter of 2009.
- Completed more than 24,000 mortgage loan modifications during the quarter. In addition, at the end of the quarter, Citigroup had more than 63,000 loans in the trial modification period under the Home Affordable Modification Program ("HAMP").

¹ Impact of exchange offers defined as: (Gain on Extinguishment of Debt + Impact of Exchange Offer on Retained Earnings)/Average Common Shares Outstanding = (\$851 million + \$(3,055) million)/12.1 billion average shares = \$(0.18).

² At September 30, 2009, there were 22.9 billion common shares outstanding, reflecting completion of all stages of the exchange offers.

³ Managed metrics are non-GAAP measures. See Appendix C for additional information on these metrics.

⁴ Tier 1 Common, Tangible Common Equity and related ratios are non-GAAP measures. See Appendix C for additional information on these metrics.