



**TARP PROGRESS REPORT
THIRD QUARTER 2009**

November 12, 2009



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I. SUMMARY

U.S. Lending Activity

- Citi has made approximately **\$429 billion** in new credit available to U.S. borrowers since October 2008 and through the third quarter ending September 30, 2009.
 - Overall new U.S. credit in the third quarter was **\$98.0 billion**.
 - New lending to U.S. consumers was **\$37.7 billion**.
 - New commercial lending activity totaled **\$60.3 billion**

TARP Initiatives

- As of the end of the third quarter, Citi has authorized **\$53.8 billion** in initiatives supported by investments it received under the TARP capital programs. These initiatives help expand the flow of credit to individuals, families, communities and businesses in the U.S.
 - Citi has put to work **\$18.3 billion** of these approved initiatives through the end of the third quarter.

Help for U.S. Homeowners and Other Borrowers

- Since the start of the U.S. housing crisis in 2007, Citi has worked with approximately **715,000 homeowners** to avoid potential foreclosure on mortgages with a total original value of nearly **\$79 billion**.
 - In the third quarter alone, Citi worked with more than **130,000 borrowers** to avoid potential foreclosure on mortgages with a total original value of approximately **\$20 billion**.
- Citi is also currently helping more than **1.5 million credit card members** to manage their card debt through a variety of forbearance programs.
 - More than **510,000 card members** entered these programs in the third quarter.

Citi in the Community

- Citi continues to support local community organizations with financial contributions and by leveraging technical assistance and the tremendous efforts of our employee volunteers.
 - In the third quarter, Citi more than doubled its financial support of the Community Investment Corporation to **\$50 million through 2015** from \$24 million for multi-family housing rehabilitation projects in underserved Chicago neighborhoods.
 - Citi launched a new program in collaboration with the National Council of La Raza to help La Raza affiliates acquire foreclosed properties in predominantly Latino areas and revitalize their communities, starting in Phoenix, AZ.

II. U.S. LENDING ACTIVITY

New Consumer and Commercial Credit

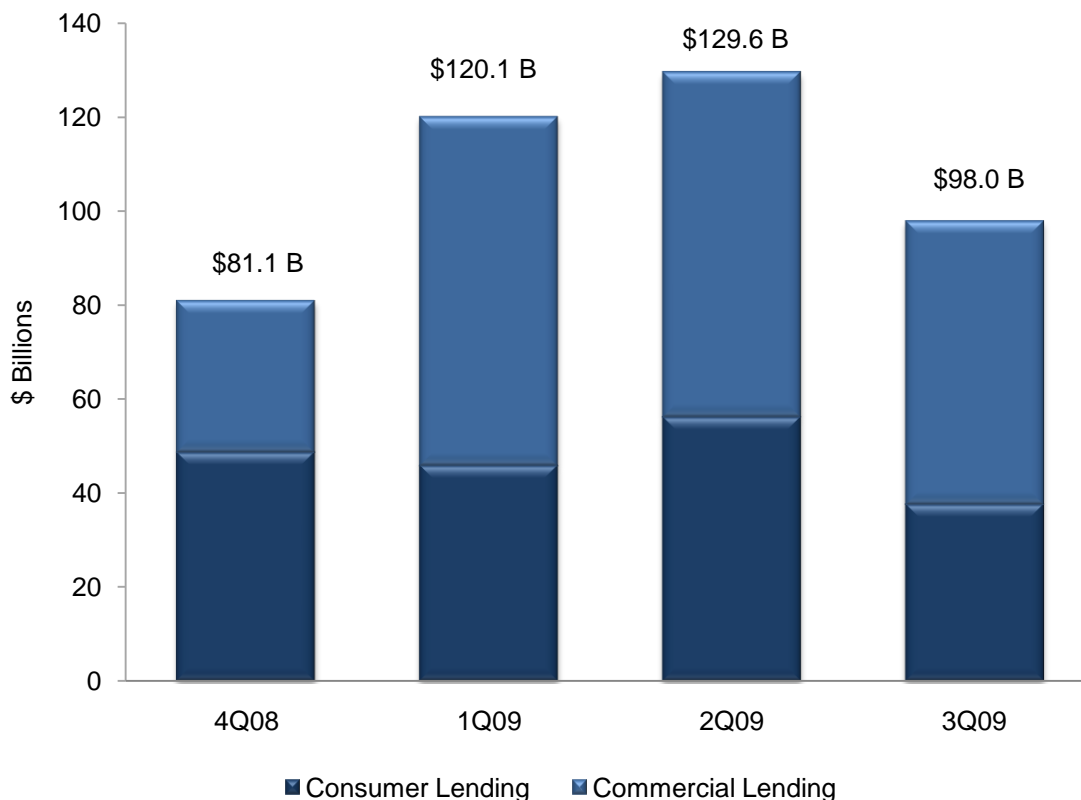
Despite the difficult economic environment, Citi has made approximately \$429 billion in new credit available to U.S. consumers and businesses since October 2008, including \$98.0 billion in the third quarter.

These efforts have helped businesses keep their doors open, spur job creation in communities and provide families with access to capital at times when they've needed it the most.

“Citibank recognized that we needed immediate help to meet payroll and the daily operating costs of our programs [and] came through with an increase in our line of credit ... As the result of the line increase, we have been able to keep the agency in operation without any interruption in services to the clients we serve.”

– Sam Tsemberis, Executive Director, Pathways to Housing, New York, NY

New U.S. Lending



Sustained weakness in the U.S. economy contributed to an overall decline in lending across the banking industry in the third quarter. Unemployment levels at 26-year highs, falling incomes and prolonged weakness in the residential and commercial real estate markets all affected loan demand, contributing to a 24 percent decline in new lending at Citi from the second quarter.

New loans to U.S. consumers totaled \$37.7 billion in the third quarter, including:

- Approximately \$14 billion in mortgage loans that helped more than 63,000 Americans purchase new homes or lower their payments through refinancing.
- \$19.6 billion in credit to new card members.
- More than \$4 billion in other consumer loans, including auto loans, personal installment loans and student loans.

New commercial lending activity totaled \$60.3 billion in the third quarter, including:

- \$52.3 billion in underwriting activity.
- Approximately \$5.8 billion in new commercial and industrial loans and the renewal of existing commitments.
- Approximately \$2.3 billion in new commercial real estate loans and the renewal of existing commitments.

Underwriting

In the third quarter Citi continued to work with its large corporate and institutional clients to provide funding for general liquidity, business expansion, and strategic transactions.

Citi's total U.S. underwriting activity in the third quarter was \$52.3 billion.

Examples of Citi's underwriting activities include:

- Joint arranger and syndication agent on a \$4 billion 364-day revolving credit facility for PepsiCo's acquisition of its two largest bottlers.

"We stuck with our previous bank for 14 years but they did not help us like Citi does ... We are going to use the additional capital to buy more merchandise ... And we may need to hire more warehouse workers and sales people."

– Kai Fok, President, Wicsun Trading Inc., Brooklyn, NY.

- Joint bookrunner on a \$3.2 billion multi-facility financing for Warner Chilcott's acquisition of P&G's pharmaceutical business.
- Lead arranger and co-administrative agent on a \$1.75 billion 364-day revolving credit facility for Harvard College.
- Lead arranger and administrative agent on a \$2.4 billion 364-day revolving credit facility for Caterpillar.
- Lead arranger and administrative agent on a \$750 million refinancing for Delta Air Lines to support the merger with Northwest Airlines.

Spotlight: Loans to Small Businesses

America's millions of small businesses provide jobs for approximately half of all private sector employees, according to the Small Business Administration.

During the third quarter, Citi provided approximately \$409 million in loans and lines of credit to small business owners that helped them operate and grow their businesses in a tough economy. Here are some examples.

- A consumer marketing strategy consulting company turned to Citi when it needed to make new hires and help provide services to some of America's leading consumer brands. Citi raised the company's line of credit to \$750,000 from \$500,000, the second increase this year.
- Citi provided a thriving wholesale distributor of ginseng with a new \$1.5 million commercial mortgage and a \$350,000 line of credit after its previous lender would not refinance the existing mortgage. The company will now be able to purchase additional inventory to grow its business.
- A non-profit that provides housing for the homeless turned to Citi when it needed to increase its line of credit to \$1.75 million from \$1 million. This helped the agency meet payroll and other operating expenses in the face of a short-term funding shortfall from sponsors, enabling the agency to keep its doors open.
- With a \$100,000 five-year loan from Citi, a cardiology and internal medicine practice invested in new imaging technology to meet new Medicare and Medicaid requirements. This will help the practice enhance services for its patients, the majority of which are low-income Americans on means-tested health care programs.

Putting TARP Capital to Work

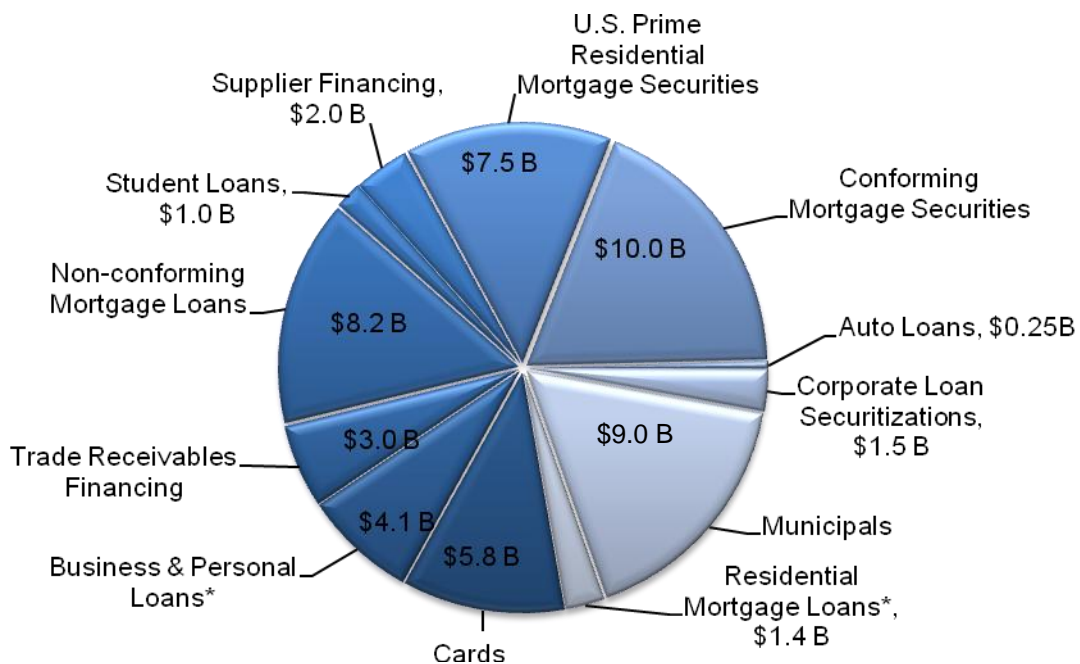
Citi is putting TARP capital to work prudently and transparently to help fund new lending initiatives in support of the U.S. economy, homeowners, businesses and communities.

Since Citi received its first TARP capital investment in October 2008, we have used it to support \$53.8 billion in initiatives to help expand the flow of credit, including a new \$3.0 billion initiative authorized in the third quarter.

TARP capital is used by Citi to support approved TARP initiatives consistent with Citi's TARP guidelines, available [here](#). Citi believes its approach to approving initiatives that are supported by TARP capital and tracking those initiatives is an appropriate way to ensure that TARP capital is used for the purposes specified by the U.S. Government.

In the third quarter of 2009, the aggregate total of initiatives approved by Citi's Special TARP Committee rose to \$53.8 billion from \$50.8 billion at the end of the second quarter.

Aggregate TARP Capital Initiatives (in \$ Billions) \$53.8 Billion as of September 30, 2009



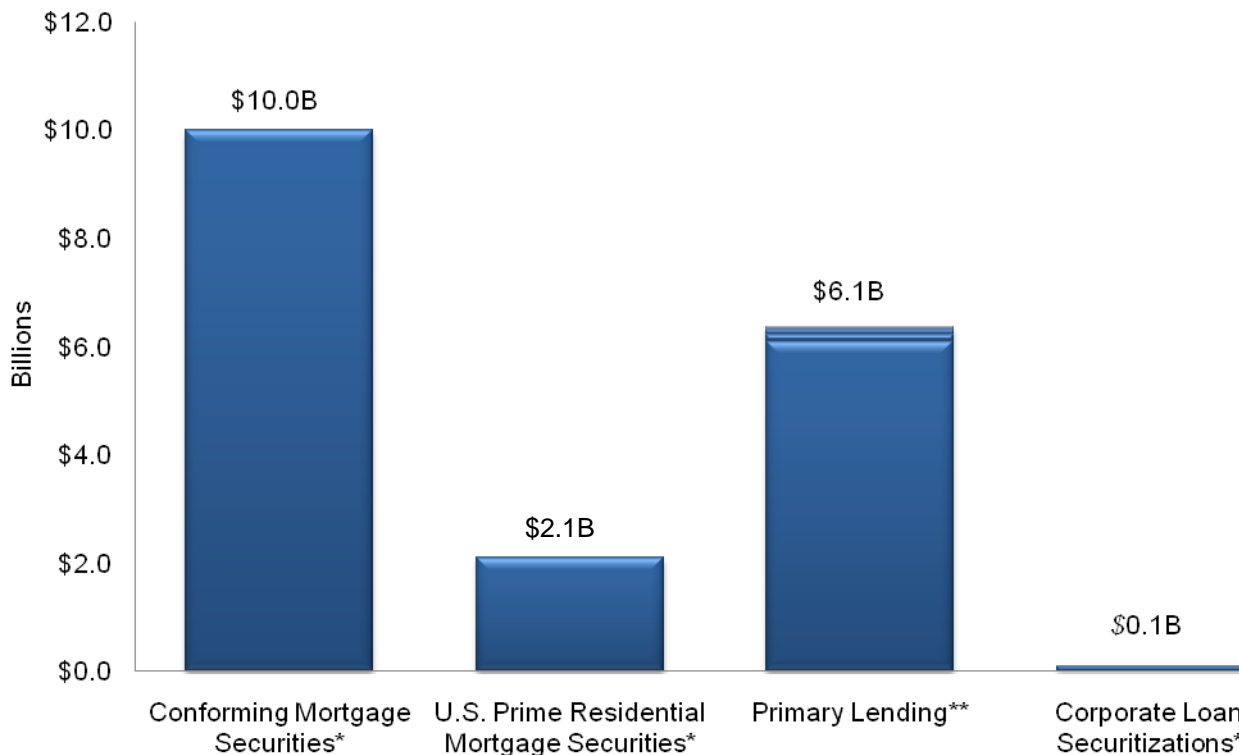
*In 2Q09 the Special TARP Committee approved the re-allocation of \$0.4B from Business & Personal Loans to Residential Mortgage Loans.

Asset-Backed Commercial Paper Conduits – \$3.0 Billion

- During the third quarter, Citi authorized a new initiative supported by TARP capital which will support the renewal of up to \$3.0 billion in liquidity to leading U.S. companies.
- Citi will provide backstop funding to asset-backed commercial paper conduits which support trade receivables for U.S. companies across a variety of industries.
- This initiative will help to ensure that credit continues to flow to businesses in the U.S.

Through the end of the third quarter of 2009, Citi has put to work \$18.3 billion supported by TARP capital to help expand the flow of credit to U.S. consumers, communities and businesses.

TARP Initiative Outlays as of September 30, 2009 = \$18.3 billion



*Secondary market activity. Figures reflect actual purchase costs.

** Reflects Business and Personal Loans, Credit Cards, Auto Loans, Non-conforming and Residential Mortgage Loans, Student Loans, Municipals, and Supplier Financing.

More than half of the money Citi has deployed so far has been used to purchase mortgage securities in the secondary market. This provides new liquidity to lenders who need to replenish their funds so that they can continue to originate mortgage loans.

During the fourth quarter, Citi intends to review its approved TARP initiatives. This review will consider a variety of factors, including a decline in demand for loans, market conditions, strategic considerations and legislative changes. As a result of this review, certain initiatives may be reduced or discontinued and new initiatives may be approved.

Update on U.S. Government Investments in Citi

Citi has paid the U.S. Government \$2.2 billion in dividends through the end of the third quarter on the Government's investment in preferred securities. As of September 10, 2009, the Government owned approximately 7,692 million Citi common shares, or 33.6 percent of outstanding common stock, which it received at a price of \$3.25 per share through the conversion of \$25 billion of preferred securities. The Government also holds \$27.1 billion of trust preferred securities on which Citi pays a coupon of 8.0 percent per annum, payable quarterly. This holding includes \$7.1 billion of trust preferred securities issued in connection with Citi's loss sharing arrangement with U.S. Government parties.

For further information on Citi's TARP activities, please click [here](#).



III. HELP FOR HOMEOWNERS AND OTHER BORROWERS

Helping Homeowners

Since the start of the housing crisis in 2007, Citi has worked successfully with approximately 715,000 homeowners to avoid potential foreclosure on mortgages totaling nearly \$79 billion.

- In the third quarter of 2009, Citi successfully worked with more than 130,000 borrowers* whose mortgages we own or service to avoid potential foreclosure on loans totaling approximately \$20 billion through modifications, extensions, forbearances, reinstatements and other loss mitigation activities.
- Also during the third quarter, Citi was able to keep approximately 9 out of 10 distressed borrowers with mortgages we own or service in their homes, a result that can be attributed, in part, to our participation in the Administration's "Making Home Affordable" program.

"I wanted to thank you for your assistance and let you know how helpful your colleagues were in helping me solve my problem. At this time of hardship, it was a pleasure dealing with these people. They made the process simple and easy and, more importantly, bearable."

– M. Y., Flushing, NY

During the third quarter of 2009, Citi:

- Processed nearly 175,000 mortgage applications with an aggregate value of approximately \$25 billion.
- Originated approximately \$14 billion in mortgage loans, helping more than 63,000 Americans either purchase a home or lower their payments through refinancing.
- Refinanced approximately 47,000 primary mortgages.

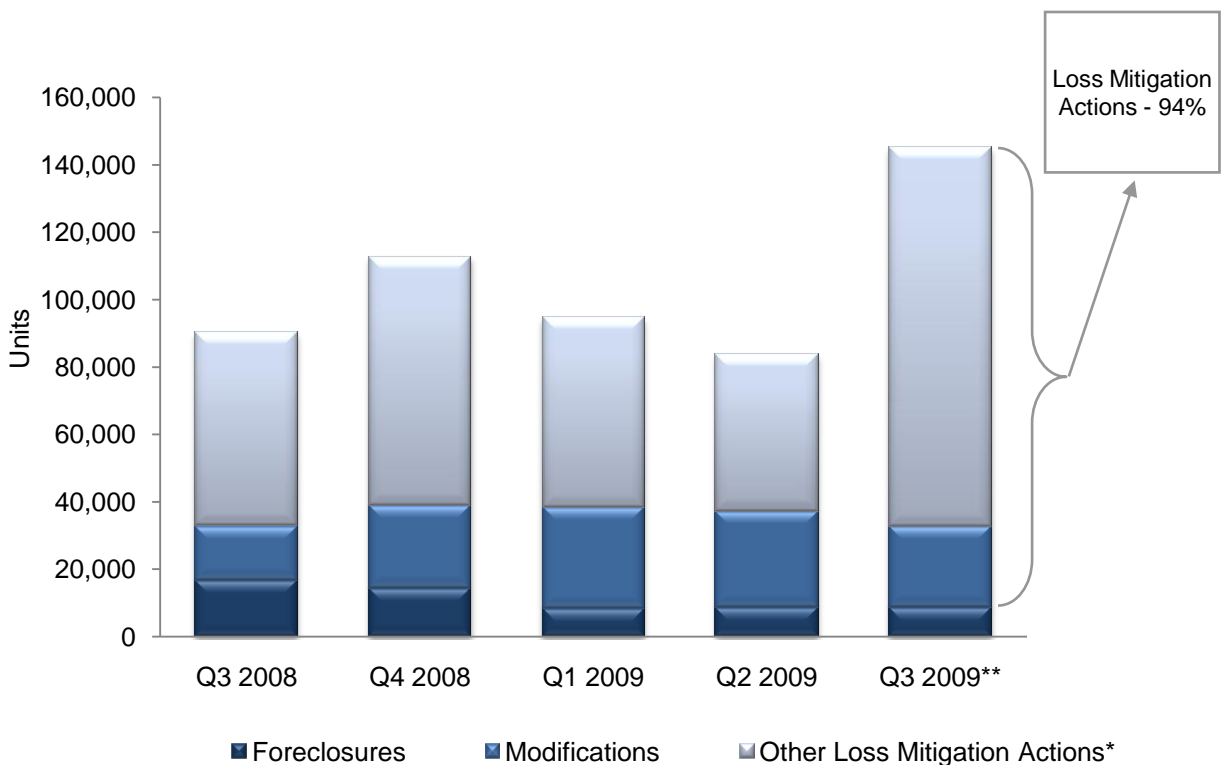
* Includes "Making Home Affordable" trial mortgage modifications re-designated from the second quarter to better align with Treasury definitions.

Support for the “Making Home Affordable” Program

Citi fully supports the Federal Government’s “Making Home Affordable” program, which gives eligible homeowners with loans owned or guaranteed by Fannie Mae or Freddie Mac an opportunity to obtain more affordable monthly payments.

As of September 30, CitiMortgage, Inc. had begun trial mortgage modifications for 33 percent of its eligible borrowers who are more than 60 days past due on their payments, the highest proportion of any of the major U.S. mortgage servicers.*

**Loss Mitigation Actions – Serviced Loans
(Total Citi)**



*Includes: Extensions, HSAs, Repayment Plans, Reinstatements, Short Sales, Deeds in Lieu, and HAMP Trial Modifications.

**Includes “Making Home Affordable” trial mortgage modifications re-designated from the second quarter to better align with Treasury definitions.

* Making Home Affordable Program – Servicer Performance Report Through September 2009, www.makinghomeaffordable.gov

Support for Credit Card Holders

Citi's primary objective, particularly in this continued difficult credit environment, is to fund the expansion of credit to existing card members and attract new account holders, based on their ability to repay their loans.

- In the first nine months of 2009, Citi Cards extended \$59.1 billion in new credit to U.S. consumers who meet Citi's customary sound lending standards, including \$19.6 billion in the third quarter.

Citi also continues to provide card members facing financial challenges with expanded eligibility forbearance programs.

- Citi is currently providing help to more than 1.5 million card members to manage their credit card debt through a variety of forbearance programs.
- More than 510,000 card members entered these programs in the third quarter of 2009, compared with approximately 270,000 during the same period in 2008.
- Programs for eligible customers include temporary forbearance, work outs, settlements and rate reductions as well as payment incentives and balance-consolidation programs that accelerate the reduction of card loans without materially increasing the cost to consumers.

Citi is also proactively reaching out to customers who, although current on their accounts, may be showing signs of financial stress and may need additional help to repay their balances.

"My financial condition is in dire straits. The Citi representative listened, and we were able to work out a new monthly payment plan which will help me to make my payments and eliminate my debt."

- H.C., Lehigh Acres, FL

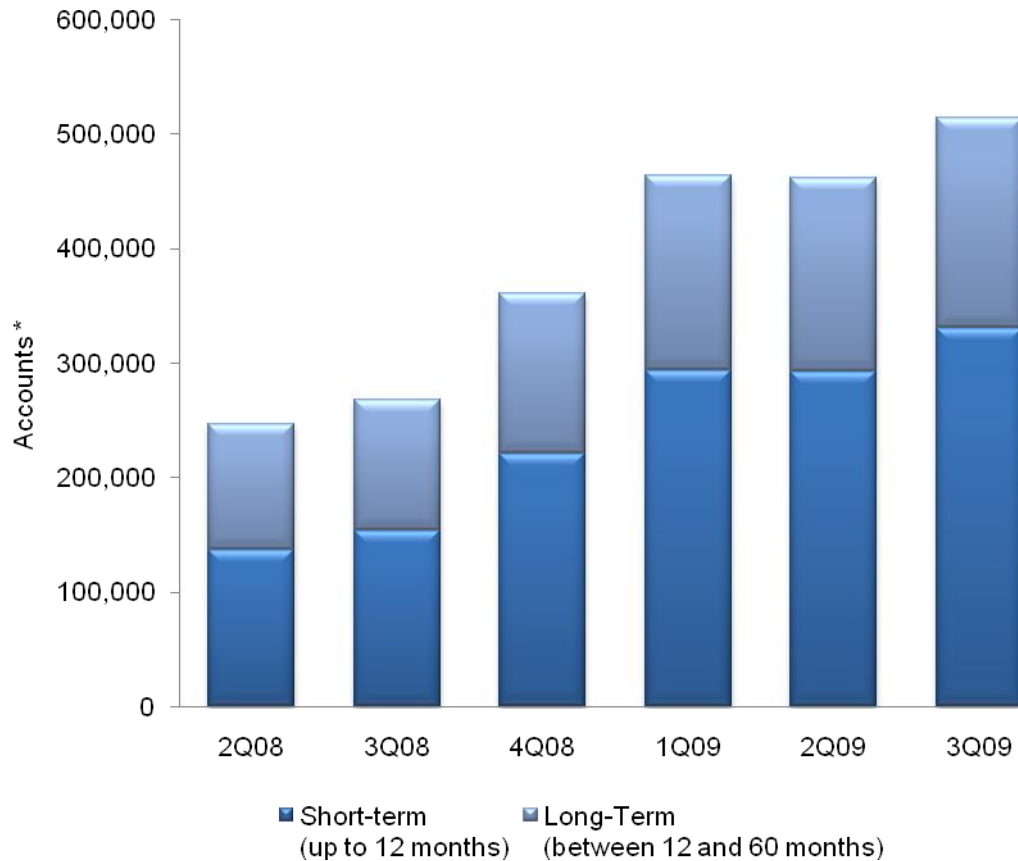
"My husband lost his job a few months earlier, and it was getting tougher and tougher to make my card payments. I called to see if Citi had any suggestions for me ... The woman on the phone was so nice! She helped ease a burden that was keeping me up at night."

- L.H., Des Moines, IA

- Citi assists these customers through a variety of programs, such as matching payments, which reduce the customer's outstanding balance. The specific programs are dependent on individual circumstances and the customer's willingness and ability to repay.

- Given the current economic challenges, Citi is continuously developing and refining these programs to help customers resolve credit problems and restore their credit health.

Citi Cards - New Entrants to Forbearance Programs



*Primarily delinquent accounts (includes limited current accounts.) Note: Short-term programs include full/partial payment deferrals, reduced minimum payments, match payments; long-term programs include balance consolidation actions and adjustment of terms.



IV. CITI IN THE COMMUNITY

Citi remains committed to helping our neighbors and non-profit partners refocus and rebuild for the future.

Citi's Office of Homeownership Preservation (OHP) provides a range of support services that go beyond modification of a mortgage loan, including our extensive partnership network with non-profit organizations that offer legal assistance, counseling, and translation services to borrowers.

We continue to support local community organizations with financial contributions and by leveraging technical assistance and the tremendous efforts of our employee volunteers.

Here are some highlights of our work in the third quarter of 2009.

- Citi more than doubled its financial support to the Community Investment Corporation to \$50 million through 2015 from \$24 million for multi-family housing rehabilitation projects in underserved Chicago neighborhoods.
- Citi launched a new program in collaboration with the National Council of La Raza to help La Raza affiliates acquire foreclosed properties in predominantly Latino areas and revitalize their communities by making these properties available to suitable homeowners. Starting in Phoenix, AZ, the program is funded by a portion of \$1.75 million in grants from the Citi Foundation.
- Citi and the Citi Foundation provided grants to the following non-profits, among others:
 - \$50,000 to the Mission Economic Development Agency in San Francisco to support foreclosure prevention and non-profit service integration.
 - \$40,000 to the Northern California Community Loan Fund to support financial training, consulting and technical assistance to non-profits serving low income communities.
 - \$25,000 to the Philadelphia Volunteers for the Indigent Program to support its efforts to recruit and train volunteer attorneys to represent the interests of low-income Philadelphians in mortgage foreclosure proceedings.

"We are honored and encouraged by Citi's leadership and commitment to our mission ... Citi's investment will allow CIC to make affordable housing available throughout the Chicago area."

- John G. Markowski, President, Community Investment Corporation
