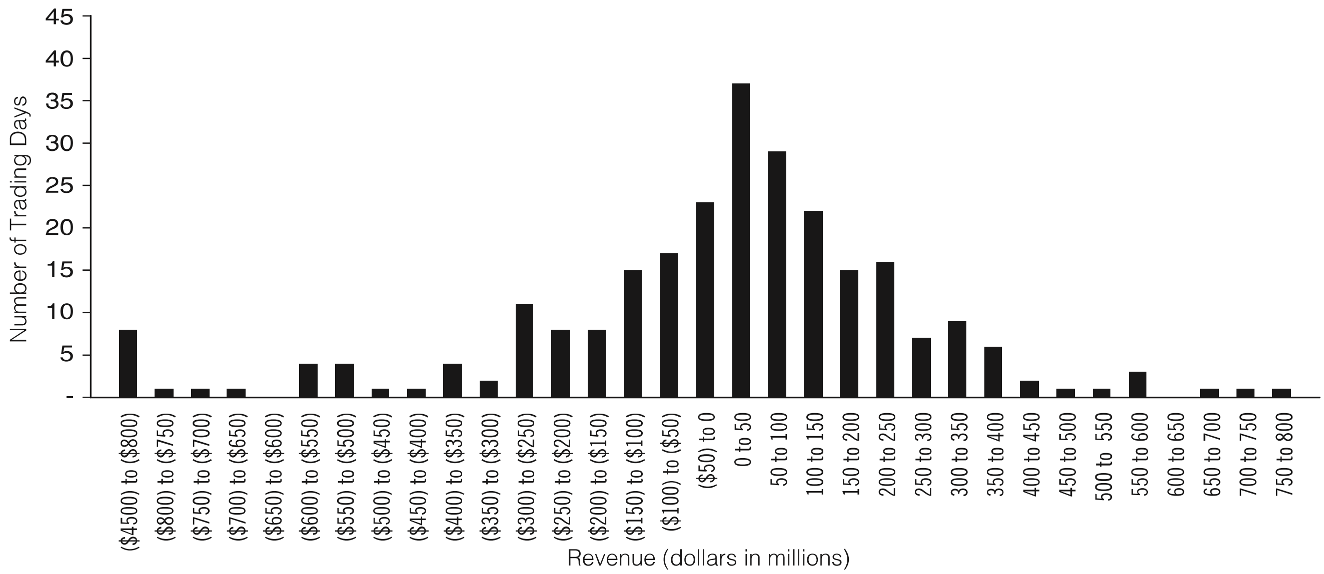
Total revenues of the trading business consist of:

- customer revenue, which includes spreads from customer flow and positions taken to facilitate customer orders;
- proprietary trading activities in both cash and derivative transactions; and
- net interest revenue.

All trading positions are marked to market, with the result reflected in earnings. In 2008, negative trading-related revenue (net losses) was recorded for 109 of 260 trading days. Of the 109 days on which negative revenue (net losses) was recorded, 21 were greater than $400 million. The following histogram of total daily revenue or loss captures trading volatility and shows the number of days in which the Company's trading-related revenues fell within particular ranges.

Histogram of Daily Trading-Related Revenue* — Twelve Months Ended December 31, 2008



*Includes subprime-related losses on credit positions which were marked intermittently during each month. Most of the loss events in the $800-$4,500 million category are due to cumulative write-downs on these positions.

Citigroup periodically performs extensive back-testing of many hypothetical test portfolios as one check of the accuracy of its VAR. Back-testing is the process in which the daily VAR of a portfolio is compared to the actual daily change in the market value of its transactions. Back-testing is conducted to confirm that the daily market value losses in excess of a 99% confidence level occur, on average, only 1% of the time. The VAR calculation for the hypothetical test portfolios, with different degrees of risk concentration, meets this statistical criteria.

The level of price risk exposure at any given point in time depends on the market environment and expectations of future price and market movements, and will vary from period to period.

For Citigroup's major trading centers, the aggregate pretax VAR in the trading portfolios was $319 million at December 31, 2008 and $191 million at December 31, 2007. Daily exposures averaged $292 million in 2008 and ranged from $220 million to $393 million.

The Subprime Group (SPG) exposures became fully integrated into VAR during the first quarter of 2008. As a result, December 31, 2008 VAR and 2008 average VAR increased by approximately $29 million and $111 million, respectively.