

York against Citigroup and Related Parties alleging actionable misstatements and omissions in connection with Woori Bank's \$95 million investment in five CDOs. Additional information relating to this matter is publicly available in court filings under docket number 12 Civ. 3868 (S.D.N.Y.) (Swain, J.).

On May 18, 2012, the Federal Deposit Insurance Corporation filed complaints in the United States District Courts for the Southern District of New York and the Central District of California against various defendants, including Citigroup Global Markets Inc., Citicorp Mortgage Securities Inc., and CitiMortgage Inc., in connection with purchases of RMBS by two failed banks for which the FDIC is acting as receiver. Additional information relating to these actions is publicly available in court filings under docket numbers 12 Civ. 4000 (S.D.N.Y.) (Swain, J.), 12 Civ. 4001 (S.D.N.Y.) (Koeltl, J.), and 12 Civ. 4354 (C.D. Cal.) (Pfaelzer, J.).

On June 6, 2012, the court granted in part and denied in part defendants' motions to dismiss in *WESTERN & SOUTHERN LIFE INS. CO., ET AL. v. RESIDENTIAL FUNDING CO., LLC, ET AL.* Additional information relating to this action is publicly available in court filings under docket number A1105042 (Ohio Ct. Com. Pl.) (Myers, J.).

On June 26, 2012, the court overruled defendants' demurrer to plaintiff's amended complaint in *FEDERAL HOME LOAN BANK OF CHICAGO v. BANC OF AMERICA SECURITIES, LLC, ET AL.* Additional information relating to this action is publicly available in court filings under docket number LC-09-1499 (Cal. Super. Ct.) (Mohr, J.).

ASTA/MAT and Falcon-Related Litigation and Other Matters
State Attorney General Subpoenas: On June 11, 2012, the New York Attorney General served a subpoena on a Citigroup affiliate seeking documents and information concerning MAT Finance Fund LLC, ASTA Finance Fund LLC, and Falcon Strategies LLC. On August 1, 2012, the Massachusetts Attorney General served a Civil Investigative Demand on a Citigroup affiliate seeking similar documents and information. Citigroup is cooperating fully with these inquiries.

The parties in *HOSIER v. CITIGROUP GLOBAL MARKETS INC.* have reached an agreement to settle the action, pursuant to which Citigroup has voluntarily dismissed its appeal in the United States Court of Appeals for the Tenth Circuit. Additional information relating to this matter is publicly available in court filings under docket numbers 11 Civ. 971 (D. Colo.) (Arguello, J.) and 12-1018 and 12-1132 (10th Cir.).

Lehman Structured Notes Matters

On May 21, 2012, the Belgian appellate court dismissed all criminal charges and civil claims against a Citigroup subsidiary (CBB). The Prosecutor and some civil claimants have appealed this decision to the Belgian Supreme Court.

Interbank Offered Rates-Related Litigation and Other Matters

In connection with the investigations and inquiries regarding submissions made by panel banks to bodies that publish various interbank offered rates, certain Citigroup subsidiaries have received additional requests for information and documents from various U.S. and non-U.S. governmental agencies, including the offices of the New York and Connecticut Attorneys General.

A number of additional putative class actions were filed in the Southern District of New York against banks that served on certain interbank offered rates panels and certain of those banks' affiliates, including Citigroup affiliates. Additional information relating to these actions is publicly available in court filings under docket numbers 1:12-cv-3419 (S.D.N.Y.) (Daniels, J.), 12-cv-4205 (S.D.N.Y.) (Buchwald, J.), 1:12-cv-5280 (S.D.N.Y.) (Kaplan, J.), 12-cv-5723 (S.D.N.Y.) (Buchwald, J.), and 12-cv-5822 (S.D.N.Y.) (Buchwald, J.).

KIKOs

As of June 30, 2012, there were 84 civil lawsuits filed by small and medium-size export businesses (SMEs) against a Citigroup subsidiary (CKI). To date, 80 decisions have been rendered at the district court level, and CKI has prevailed in 64 of those decisions. In the other 16 decisions, plaintiffs were awarded only a portion of the damages sought. The damage awards total in the aggregate approximately \$19.5 million. CKI is appealing the 16 adverse decisions. A significant number of plaintiffs that had decisions rendered against them have also filed appeals, including plaintiffs that were awarded less than all of the damages they sought. In the two plaintiffs' appeals that have been decided, the decisions were in CKI's favor.

The July 2011 decision of prosecutors not to proceed with indictments against CKI has been affirmed on appeal.

Tribune Company Bankruptcy

On July 13, 2012, following a confirmation hearing in June on the fourth amended plan of reorganization, the court issued an order overruling objections to the plan and stating that, subject to revisions consistent with the order, the plan would be confirmed. Additional information relating to this action is publicly available in court filings under docket number 08-13141 (Bankr. D. Del.) (Carey, J.).

Interchange Litigation

On July 13, 2012, all parties to the putative class actions, including Citigroup and Related Parties, entered into a Memorandum of Understanding (MOU) setting forth the material terms of a class settlement. The settlement described in the MOU is subject to a number of conditions, including agreement on definitive documentation of the settlement, any necessary approvals by the boards of directors of the parties, defendants' entry into settlement agreements with certain merchants that have filed separate individual actions against the Visa and MasterCard networks, and preliminary and final approval by the court. The class settlement contemplated by the MOU provides for, among other things, a total payment by all defendants to the class of \$6.05 billion; a rebate to merchants participating in the class settlement of 10 basis points on interchange collected for a period of eight months by the Visa and MasterCard networks; changes to certain network rules that would permit merchants to surcharge some payment card transactions subject to certain limitations and conditions, including disclosure to consumers at the point of sale; and broad releases in favor of the defendants. The Boards of Directors of Citigroup and Citibank have approved the settlement. The court has ordered the parties to file definitive documentation of the settlement with the court for preliminary approval no later than October 19, 2012.