

CITIGROUP INC  
Form 10-Q  
May 11, 2015

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 10-Q  
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended March 31, 2015  
Commission file number 1-9924

Citigroup Inc.

(Exact name of registrant as specified in its charter)

Delaware

52-1568099

(State or other jurisdiction of incorporation or  
organization)

(I.R.S. Employer Identification No.)

399 Park Avenue, New York, NY

10022

(Address of principal executive offices)

(Zip code)

(212) 559-1000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer   
(Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Number of shares of Citigroup Inc. common stock outstanding on March 31, 2015: 3,034,139,677

Available on the web at [www.citigroup.com](http://www.citigroup.com)

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## OVERVIEW

This Quarterly Report on Form 10-Q should be read in conjunction with Citigroup's Annual Report on Form 10-K for the year ended December 31, 2014 filed with the U.S. Securities and Exchange Commission (SEC) on February 25, 2015 (2014 Annual Report on Form 10-K). Additional information about Citigroup is available on Citi's website at [www.citigroup.com](http://www.citigroup.com). Citigroup's recent annual reports on Form 10-K, quarterly reports on Form 10-Q, proxy statements, as well as other filings with the SEC, are available free of charge through Citi's website by clicking on the "Investors" page and selecting "All SEC Filings." The SEC's website also contains current reports, information statements, and other information regarding Citi at [www.sec.gov](http://www.sec.gov).

Certain reclassifications, including a realignment of certain businesses, have been made to the prior periods' financial statements to conform to the current period's presentation. For additional information on certain recent reclassifications, see Note 1 to the Consolidated Financial Statements and Citi's Current Report on Form 8-K furnished to the SEC on April 8, 2015.

Throughout this report, "Citigroup," "Citi" and "the Company" refer to Citigroup Inc. and its consolidated subsidiaries.

Citigroup is managed pursuant to the following segments:

(1) For reporting purposes, Asia GCB includes the results of operations of EMEA GCB for all periods presented.

Note: Reflects recent business reclassifications. See "Overview" above for additional information.

The following are the four regions in which Citigroup operates. The regional results are fully reflected in the segment results above.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### EXECUTIVE SUMMARY

#### First Quarter of 2015—Continued Progress on Execution Priorities

Citi's first quarter of 2015 reflected solid overall results and steady progress on its execution priorities, including:

**Efficient resource allocation and disciplined expense management:** Citi continued to take actions to simplify and streamline the organization as well as improve productivity. Citi's expense management in the current quarter was further aided by significantly lower legal and related expenses in Citi Holdings as compared to the prior-year period, as discussed further below.

**Continued wind down of Citi Holdings, while maintaining profitability:** Citi continued to wind down Citi Holdings, including reducing its assets by \$29 billion, or 19%, from the prior-year period. In addition, as of March 31, 2015, Citi had executed agreements to sell over \$30 billion of the remaining assets in Citi Holdings, including OneMain Financial, the largest business remaining in Citi Holdings. As described further below, Citi Holdings also maintained profitability in the first quarter of 2015.

**Utilization of deferred tax assets (DTAs):** Citi utilized approximately \$1.2 billion in DTAs during the first quarter of 2015 (for additional information, see "Income Taxes" below).

While making steady progress on these initiatives in the first quarter of 2015, Citi expects the operating environment in 2015 to remain challenging. Overall, economic growth remains uneven, macroeconomic uncertainties and volatility continue and interest rates remain low. The legal environment also remains challenging, as the severity of the remedies sought, and obtained, in legal and regulatory proceedings against financial institutions has increased substantially over the past several years, and could lead to uncertain and potentially significant collateral consequences. For more information on these and other trends and risks that could impact Citi's businesses, results of operations and financial condition, see the discussion of each businesses' results of operations, "Forward-Looking Statements" and Note 25 to the Consolidated Financial Statements below, as well as the "Risk Factors" section of Citi's 2014 Annual Report on Form 10-K.

#### First Quarter of 2015 Summary Results

##### Citigroup

Citigroup reported net income of \$4.8 billion or \$1.51 per diluted share, compared to \$3.9 billion or \$1.23 per share in the prior-year period. Results in the first quarter of 2015 included negative \$73 million (negative \$47 million after-tax) of CVA/DVA, compared to \$7 million (\$4 million after-tax) in the first quarter of 2014. First quarter of 2014 results also included approximately a \$210 million tax charge related to

corporate tax reforms enacted in two states, recorded in Corporate/Other.

Excluding these items, Citi reported net income of \$4.8 billion in the first quarter of 2015, or \$1.52 per diluted share, compared to \$4.2 billion, or \$1.30 per share, in the prior-year period. The 16% increase from the prior-year period was primarily driven by lower operating expenses, including the significantly lower legal and related expenses in Citi Holdings, and lower net credit losses, partially offset by lower revenues and a reduced net loan loss reserve release. (Citi's results of operations excluding the impacts of CVA/DVA and the tax charge are non-GAAP financial measures.)

Citi's revenues, net of interest expense, were \$19.7 billion in the first quarter of 2015, down 2% versus the prior-year period. Excluding CVA/DVA, revenues were \$19.8 billion, also down 2% from the prior-year period, driven by a 1% decline in Citicorp and a 7% decline in Citi Holdings. Excluding CVA/DVA and the impact of foreign exchange translation into U.S. dollars for reporting purposes (FX translation), Citigroup revenues increased 1% from the

prior-year period, as 2% growth in Citicorp revenues was partially offset by the decrease in Citi Holdings. (Citi's results of operations excluding the impact of FX translation are non-GAAP financial measures.)

#### Expenses

Citigroup expenses decreased 10% versus the first quarter of 2014 to \$10.9 billion, mostly driven by lower legal and related expenses (\$387 million compared to \$945 million in the prior-year period) and repositioning costs (\$16 million compared to \$211 million in the prior-year period), as well as the impact of FX translation (which lowered expenses by approximately \$573 million in the first quarter of 2015 compared to the prior-year period).

Excluding the impact of FX translation, Citigroup's expenses declined 6% driven by the significant decline in legal and related expenses in Citi Holdings, partially offset by a slight increase in Citicorp's expenses.

Excluding the impact of FX translation, which lowered reported expenses by approximately \$516 million in the first quarter of 2015, compared to the prior-year period, Citicorp expenses increased 1%, as growth-related expenses and higher regulatory and compliance cost were partially offset by ongoing efficiency savings. Citicorp expenses in the first quarter of 2015 included legal and related expenses of \$307 million (largely in Corporate/Other), compared to \$162 million in the prior-year period, and \$1 million of repositioning charges, compared to \$191 million in the prior-year period.

Citi Holdings' expenses were \$1.2 billion, down 43% from the prior-year period, reflecting the lower legal and related expenses (\$80 million in the first quarter 2015 compared to \$784 million in the prior-year period) as well as the ongoing decline in Citi Holdings' assets.

#### Credit Costs and Allowance for Loan Losses

Citi's total provisions for credit losses and for benefits and claims of \$1.9 billion declined 3% from the prior-year period. Net credit losses of \$2.0 billion were down 20% versus the prior-year period. Consumer net credit losses declined 14% to \$2.0 billion, reflecting continued improvements in the North America mortgage portfolio within Citi Holdings, as well as improvements in both North America Citi-branded cards and Citi retail services in Citicorp. Corporate net credit losses decreased to negative \$9 million from \$145 million in the prior-year period. As previously disclosed, corporate net credit losses in the first quarter of 2014 included approximately \$165 million of net credit losses related to the Pemex supplier program in Mexico (for additional information, see "Institutional Clients Group" below).

The net release of allowance for loan losses and unfunded lending commitments was \$239 million in the first quarter of 2015, compared to a \$673 million release in the prior-year period. Citicorp's net reserve release declined to \$38 million from \$323 million in prior-year period due to a lower reserve release in North America Global Consumer Banking (GCB), as credit continued to stabilize, and a reserve build in Institutional Clients Group (ICG) (for additional information, see "Institutional Clients Group" below). Citi Holdings' net reserve release decreased 43% to \$201 million, primarily due to lower releases related to the North America mortgage portfolio, which also had lower net credit losses.

For additional information on Citi's credit costs and allowance for loan losses, including delinquency trends in its credit portfolios, see "Credit Risk" below. Overall, Citi expects its credit costs could increase during the remainder 2015, driven by loan growth as well as lower loan loss reserve releases.

#### Capital

Citi continued to grow its regulatory capital during the first quarter of 2015, primarily through retained earnings and continued utilization of its DTAs, as referenced above. Citigroup's Tier 1 Capital and Common Equity Tier 1 Capital ratios, on a fully implemented basis, were 12.1% and 11.1% as of March 31, 2015, respectively, compared to 11.1% and 10.5% as of March 31, 2014 (all based on the Basel III Advanced Approaches for determining risk-weighted assets). Citigroup's Supplementary Leverage ratio as of March 31, 2015, on a fully implemented basis, was 6.4%, compared to 5.7% as of March 31, 2014. For additional information on Citi's capital ratios and related components, see "Capital Resources" below.

#### Citicorp

Citicorp net income increased 9% from the prior-year period to \$4.6 billion. CVA/DVA, recorded in ICG, was negative \$69 million (negative \$44 million after-tax) in the first quarter of 2015, compared to negative \$7 million (negative \$4 million after-tax) in the prior-year period (for a summary of CVA/DVA by business within ICG, see "Institutional Clients Group" below).

Excluding CVA/DVA as well as the tax item in the prior-year period noted above, Citicorp's net income was \$4.7 billion, up 5% from the prior-year period, primarily driven by lower operating expenses and lower net credit losses, partially offset by lower revenues and a lower net loan loss reserve release.

Citicorp revenues, net of interest expense, decreased 2% from the prior-year period to \$17.9 billion. Excluding CVA/DVA, Citicorp revenues were \$18.0 billion in the first quarter of 2015, down 1% from the prior-year period. As referenced above, excluding CVA/DVA and the impact of FX translation, Citicorp's revenues grew 2%, driven by retail banking in North America GCB and Banking within ICG, partially offset by lower Markets revenues.

GCB revenues of \$8.7 billion decreased 2% versus the prior-year period. Excluding the impact of FX translation, GCB revenues increased 2%, driven by growth in North America. North America GCB revenues increased 4% to \$5.0 billion driven by higher retail banking revenues and higher Citi retail services revenues, partially offset by lower revenues in Citi-branded cards. Retail banking revenues increased 18% to \$1.3 billion versus the prior-year period, reflecting continued volume growth, higher mortgage origination activity, improved deposit spreads and the impact of asset sales. Citi-branded cards revenues of \$2.0 billion were down 1% versus the prior-year period, as the impact of lower average loans was partially offset by growth in purchase sales and an improvement in spreads. Citi retail



services revenues increased 1% to \$1.6 billion, primarily reflecting the impact of higher spreads and growth in average loans, partially offset by higher contractual partner payments. North America GCB average deposits of \$172 billion grew 1% year-over-year and average retail loans of \$48 billion grew 6%. Average card loans of \$108 billion decreased 3%, and purchase sales of \$57 billion increased 2% versus the prior-year period. For additional information on the results of operations of North America GCB for the first quarter of 2015, see “Global Consumer Banking-North America GCB” below.

International GCB revenues (consisting of EMEA GCB, Latin America GCB and Asia GCB) decreased 10% versus the prior-year period to \$3.7 billion. Excluding the impact of FX translation, international GCB revenues were largely unchanged versus the prior-year period, reflecting relatively unchanged revenues in Latin America GCB and a 1% decline in Asia GCB (for the impact of FX translation on the first quarter of 2015 results of operations for each of Latin America GCB and Asia GCB, see the table accompanying the discussion of each respective business’ results of operations below). International GCB revenues, excluding the impact of FX translation, mainly reflected modest volume growth offset by spread compression, the ongoing impact of regulatory

changes as well as the impact of business divestitures in Latin America GCB in the prior-year period. For additional information on the results of operations of Latin America GCB and Asia GCB (which includes the results of operations of EMEA GCB for reporting purposes) for the first quarter of 2015, see “Global Consumer Banking” below. Year-over-year, international GCB average deposits of \$131 billion increased 5%, average retail loans of \$101 billion increased 4%, investment sales of \$22 billion increased 4%, average card loans of \$27 billion increased 2% and card purchase sales of \$25 billion increased 7%, all excluding the impact of FX translation.

ICG revenues were \$9.0 billion in the first quarter of 2015, down 1% from the prior-year period. Excluding CVA/DVA, ICG revenues were \$9.1 billion, also down 1% from the prior-year period. Banking revenues of \$4.2 billion, excluding CVA/DVA and the impact of mark-to-market gains (losses) on hedges related to accrual loans within corporate lending (see below), increased 4% from the prior-year period, primarily reflecting growth in investment banking, corporate lending and private bank revenues. Investment banking revenues increased 14% versus the prior-year period, driven by a 70% increase in advisory revenues to \$298 million and a 16% increase in debt underwriting to \$669 million, partially offset by a 23% decline in equity underwriting revenues to \$231 million. Private bank revenues, excluding CVA/DVA, increased 6% to \$708 million from the prior-year period, driven by increased client volumes and growth in capital markets products. Corporate lending revenues rose 25% to \$497 million, including \$52 million of mark-to-market gains on hedges related to accrual loans, compared to a \$17 million loss in the prior-year period. Excluding the mark-to-market impact on hedges related to accrual loans in both periods, corporate lending revenues rose 7% versus the prior-year period to \$445 million, reflecting growth in average loans and improvement in mark-to-market adjustments. Treasury and trade solutions revenues decreased 2% versus the prior-year period to \$1.9 billion. Excluding the impact of FX translation, treasury and trade solutions revenues increased 4%, as growth in deposit balances and spreads was partially offset by lower trade revenues.

Markets and securities services revenues of \$4.8 billion, excluding CVA/DVA, decreased 6% from the prior-year period. Fixed income markets revenues of \$3.5 billion, excluding CVA/DVA, decreased 11% from the prior-year period, primarily driven by lower spread product revenues, partially offset by growth in rates and currencies revenues. Equity markets revenues of \$873 million, excluding CVA/DVA, declined 1% versus the prior-year period, driven by lower revenues in cash equities partially offset by growth in prime finance. Securities services revenues of \$543 million increased 12% versus the prior-year period reflecting increased activity and higher client balances. For additional information on the results of operations of ICG for the first quarter of 2015, see “Institutional Clients Group” below.

Corporate/Other revenues decreased slightly to \$212 million from \$223 million in the prior-year period. For additional information on the results of operations of

Corporate/Other for the first quarter of 2015, see “Corporate/Other” below.

Citicorp end-of-period loans decreased 1% from the prior-year period to \$559 billion. Corporate loans were unchanged at \$279 billion, and consumer loans decreased 3% to \$280 billion. Excluding the impact of FX translation, Citicorp loans grew 2%, with 4% growth in corporate loans and 1% growth in consumer loans.

#### Citi Holdings

Citi Holdings’ net income was \$146 million in the first quarter of 2015, compared to a net loss of \$284 million in the prior-year period. CVA/DVA was negative \$4 million (negative \$3 million after-tax) in the first quarter of 2015, compared to \$14 million (\$8 million after-tax) in the prior-year period. Excluding the impact of CVA/DVA, Citi Holdings’ net income was \$149 million in the current quarter, compared to a net loss of \$292 million in the prior-year period, primarily reflecting the lower legal and related expenses.

Citi Holdings’ revenues decreased 8% to \$1.8 billion from the prior-year period. Excluding CVA/DVA, Citi Holdings’ revenues decreased 7% to \$1.8 billion from the prior-year period, primarily driven by the overall wind down of the portfolio. For additional information on the results of operations of Citi Holdings in the first quarter of 2015, see “Citi Holdings” below.

At the end of the current quarter, Citi Holdings’ assets were \$122 billion, 19% below the prior-year period, and represented approximately 7% of Citi’s total GAAP assets and 14% of its risk-weighted assets under Basel III (based

on the Advanced Approaches for determining risk-weighted assets).

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## RESULTS OF OPERATIONS

## SUMMARY OF SELECTED FINANCIAL DATA—PAGE 1

Citigroup Inc. and Consolidated Subsidiaries

| In millions of dollars, except per-share amounts and ratios   | First Quarter |          | % Change |
|---|---------------|----------|----------|
|   | 2015          | 2014     |          |
| Net interest revenue  | \$11,572      | \$11,759 | (2)%     |
| Non-interest revenue  | 8,164         | 8,447    | (3)      |
| Revenues, net of interest expense   | \$19,736      | \$20,206 | (2)%     |
| Operating expenses  | 10,884        | 12,149   | (10)     |
| Provisions for credit losses and for benefits and claims  | 1,915         | 1,974    | (3)      |
| Income from continuing operations before income taxes   | \$6,937       | \$6,083  | 14%      |
| Income taxes  | 2,120         | 2,131    | (1)      |
| Income from continuing operations   | \$4,817       | \$3,952  | 22%      |
| Income (loss) from discontinued operations, net of taxes <sup>(1)</sup>   | (5)           | )37      | NM       |
| Net income before attribution of noncontrolling interests   | \$4,812       | \$3,989  | 21%      |
| Net income attributable to noncontrolling interests   | 42            | 45       | (7)      |
| Citigroup's net income  | \$4,770       | \$3,944  | 21%      |
| Less:   |               |          |          |
| Preferred dividends-Basic   | \$128         | \$124    | 3%       |
| Dividends and undistributed earnings allocated to employee restricted and deferred shares that contain nonforfeitable rights to dividends, applicable to basic EPS  | 62            | 62       | —        |
| Income allocated to unrestricted common shareholders for basic EPS  | \$4,580       | \$3,758  | 22%      |
| Add: Interest expense, net of tax, dividends on convertible securities and adjustment of undistributed earnings allocated to employee restricted and deferred shares with nonforfeitable rights to dividends, applicable to diluted EPS | —             | —        | —        |
| Income allocated to unrestricted common shareholders for diluted EPS  | \$4,580       | \$3,758  | 22%      |
| Earnings per share  |               |          |          |
| Basic   |               |          |          |
| Income from continuing operations   | \$1.51        | \$1.23   | 23%      |
| Net income  | 1.51          | 1.24     | 22       |
| Diluted   |               |          |          |
| Income from continuing operations   | \$1.51        | \$1.22   | 24%      |
| Net income  | 1.51          | 1.23     | 23       |
| Dividends declared per common share   | 0.01          | 0.01     | —        |

Statement continues on the next page, including notes to the table.

## SUMMARY OF SELECTED FINANCIAL DATA—PAGE 2

Citigroup Inc. and Consolidated Subsidiaries  
First Quarter

| In millions of dollars, except per-share amounts, ratios and direct staff | 2015        | 2014        | % Change |    |
|---|-------------|-------------|----------|----|
| At March 31:  |             |             |          |    |
| Total assets  | \$1,831,801 | \$1,894,390 | (3       | )% |
| Total deposits <sup>(2)</sup>   | 899,647     | 966,263     | (7       | )  |
| Long-term debt  | 210,522     | 222,747     | (5       | )  |
| Citigroup common stockholders' equity                                     | 202,652     | 200,898     | 1        |    |
| Total Citigroup stockholders' equity                                      | 214,620     | 208,116     | 3        |    |
| Direct staff (in thousands)   | 239         | 248         | (4       | )  |
| Performance metrics   |             |             |          |    |
| Return on average assets  | 1.04        | %0.85       | %        |    |
| Return on average common stockholders' equity <sup>(3)</sup>              | 9.4         | 7.8         |          |    |
| Return on average total stockholders' equity <sup>(3)</sup>               | 9.1         | 7.8         |          |    |
| Efficiency ratio (Operating expenses/Total revenues)                      | 55          | 60          |          |    |
| Basel III ratios - full implementation                                    |             |             |          |    |
| Common Equity Tier 1 Capital <sup>(4)</sup>                               | 11.06       | %10.45      | %        |    |
| Tier 1 Capital <sup>(4)</sup>   | 12.07       | 11.11       |          |    |
| Total Capital <sup>(4)</sup>  | 13.38       | 12.52       |          |    |
| Supplementary Leverage ratio <sup>(5)</sup>                               | 6.44        | 5.70        |          |    |
| Citigroup common stockholders' equity to assets                           | 11.06       | %10.60      | %        |    |
| Total Citigroup stockholders' equity to assets                            | 11.72       | 10.99       |          |    |
| Dividend payout ratio <sup>(6)</sup>                                      | 0.7         | 0.8         |          |    |
| Book value per common share   | \$66.79     | \$66.13     | 1        | %  |
| Ratio of earnings to fixed charges and preferred stock dividends          | 3.13x       | 2.59x       |          |    |

(1) Discontinued operations include Credicard, Citi Capital Advisors and Egg Banking credit card business. See Note 2 to the Consolidated Financial Statements for additional information on Citi's discontinued operations.

Reflects reclassification of approximately \$20 billion of deposits to held-for-sale (Other liabilities) at March 31, 2015 as a result of the agreement in December 2014 to sell Citi's retail banking business in Japan. See Note 2 to the Consolidated Financial Statements.

The return on average common stockholders' equity is calculated using net income less preferred stock dividends divided by average common stockholders' equity. The return on average total Citigroup stockholders' equity is calculated using net income divided by average Citigroup stockholders' equity.

Capital ratios based on the U.S. Basel III rules, with full implementation assumed for capital components; risk-weighted assets based on the Advanced Approaches for determining total risk-weighted assets. See "Capital Resources" below.

Citi's Supplementary Leverage ratio (SLR) is based on the U.S. Basel III rules, on a fully-implemented basis. Citi's SLR represents the ratio of Tier 1 Capital to Total Leverage Exposure (TLE). TLE is the sum of the daily average of on-balance sheet assets for the quarter and the average of certain off-balance sheet exposures calculated as of the last day of each month in the quarter, less applicable Tier 1 Capital deductions. See "Capital Resources" below.

(6) Dividends declared per common share as a percentage of net income per diluted share.

NM Not meaningful

## SEGMENT AND BUSINESS—INCOME (LOSS) AND REVENUES

The following tables show the income (loss) and revenues for Citigroup on a segment and business view:  
CITIGROUP INCOME

| In millions of dollars                              | First Quarter<br>2015 | 2014    | % Change |    |
|---|-----------------------|---------|----------|----|
| Income (loss) from continuing operations            |                       |         |          |    |
| <b>CITICORP</b>                                     |                       |         |          |    |
| Global Consumer Banking                             |                       |         |          |    |
| North America                                       | \$1,140               | \$1,018 | 12       | %  |
| Latin America                                       | 244                   | 291     | (16)     | )  |
| Asia <sup>(1)</sup>                                 | 341                   | 365     | (7)      | )  |
| Total   | \$1,725               | \$1,674 | 3        | %  |
| Institutional Clients Group                         |                       |         |          |    |
| North America                                       | \$1,015               | \$1,305 | (22)     | )% |
| EMEA  | 857                   | 792     | 8        |    |
| Latin America                                       | 413                   | 340     | 21       |    |
| Asia  | 679                   | 511     | 33       |    |
| Total   | \$2,964               | \$2,948 | 1        | %  |
| Corporate/Other                                     | \$(19)                | \$(388) | )95      | %  |
| Total Citicorp                                      | \$4,670               | \$4,234 | 10       | %  |
| Citi Holdings                                       | \$147                 | \$(282) | )NM      |    |
| Income from continuing operations                   | \$4,817               | \$3,952 | 22       | %  |
| Discontinued operations                             | \$(5)                 | )\$37   | NM       |    |
| Net income attributable to noncontrolling interests | 42                    | 45      | (7)      | )% |
| Citigroup's net income                              | \$4,770               | \$3,944 | 21       | %  |

(1)For reporting purposes, Asia GCB includes the results of operations of EMEA GCB for all periods presented.  
NM Not meaningful

## CITIGROUP REVENUES

| In millions of dollars       | First Quarter<br>2015 | 2014     | % Change |    |
|------------------------------|-----------------------|----------|----------|----|
| <b>CITICORP</b>              |                       |          |          |    |
| Global Consumer Banking      |                       |          |          |    |
| North America                | \$4,994               | \$4,790  | 4        | %  |
| Latin America                | 1,835                 | 2,083    | (12)     | )  |
| Asia <sup>(1)</sup>          | 1,833                 | 1,971    | (7)      | )  |
| Total                        | \$8,662               | \$8,844  | (2)      | )% |
| Institutional Clients Group  |                       |          |          |    |
| North America                | \$3,303               | \$3,561  | (7)      | )% |
| EMEA                         | 2,763                 | 2,771    | —        |    |
| Latin America                | 1,065                 | 1,101    | (3)      | )  |
| Asia                         | 1,897                 | 1,721    | 10       |    |
| Total                        | \$9,028               | \$9,154  | (1)      | )% |
| Corporate/Other              | \$212                 | \$223    | (5)      | )% |
| Total Citicorp               | \$17,902              | \$18,221 | (2)      | )% |
| Citi Holdings                | \$1,834               | \$1,985  | (8)      | )% |
| Total Citigroup net revenues | \$19,736              | \$20,206 | (2)      | )% |

(1)For reporting purposes, Asia GCB includes the results of operations of EMEA GCB for all periods presented.

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## CITICORP

Citicorp is Citigroup's global bank for consumers and businesses and represents Citi's core franchises. Citicorp is focused on providing best-in-class products and services to customers and leveraging Citigroup's unparalleled global network, including many of the world's emerging economies. Citicorp is physically present in approximately 100 countries, many for over 100 years, and offers services in over 160 countries and jurisdictions. Citi believes this global network provides a strong foundation for servicing the broad financial services needs of its large multinational clients and for meeting the needs of retail, private banking, commercial, public sector and institutional clients around the world.

Citicorp consists of the following operating businesses: Global Consumer Banking (which consists of consumer banking in North America, Latin America, EMEA and Asia) and Institutional Clients Group (which includes Banking and Markets and securities services). Citicorp also includes Corporate/Other. At March 31, 2015, Citicorp had \$1.7 trillion of assets and \$888 billion of deposits, representing 93% of Citi's total assets and 99% of Citi's total deposits, respectively.

| In millions of dollars except as otherwise noted               | First Quarter |          |          |
|--|---------------|----------|----------|
|  | 2015          | 2014     | % Change |
| Net interest revenue   | \$10,517      | \$10,583 | (1 )%    |
| Non-interest revenue   | 7,385         | 7,638    | (3 )     |
| Total revenues, net of interest expense                        | \$17,902      | \$18,221 | (2 )%    |
| Provisions for credit losses and for benefits and claims       |               |          |          |
| Net credit losses  | \$1,549       | \$1,866  | (17 )%   |
| Credit reserve build (release)                                 | (6 )          | (300 )   | 98       |
| Provision for loan losses                                      | \$1,543       | \$1,566  | (1 )%    |
| Provision for benefits and claims                              | 28            | 41       | (32 )    |
| Provision for unfunded lending commitments                     | (32 )         | (23 )    | (39 )    |
| Total provisions for credit losses and for benefits and claims | \$1,539       | \$1,584  | (3 )%    |
| Total operating expenses                                       | \$9,727       | \$10,131 | (4 )%    |
| Income from continuing operations before taxes                 | \$6,636       | \$6,506  | 2 %      |
| Income taxes   | 1,966         | 2,272    | (13 )    |
| Income from continuing operations                              | \$4,670       | \$4,234  | 10 %     |
| Income (loss) from discontinued operations, net of taxes       | (5 )          | 37       | NM       |
| Noncontrolling interests                                       | 41            | 43       | (5 )     |
| Net income   | \$4,624       | \$4,228  | 9 %      |
| Balance sheet data (in billions of dollars)                    |               |          |          |
| Total end-of-period (EOP) assets                               | \$1,710       | \$1,743  | (2 )%    |
| Average assets   | 1,727         | 1,736    | (1 )     |
| Return on average assets                                       | 1.09          | %0.99    | %        |
| Efficiency ratio (Operating expenses/Total revenues)           | 54            | %56      | %        |
| Total EOP loans  | \$559         | \$567    | (1 )     |
| Total EOP deposits   | \$888         | \$904    | (2 )     |
| NM Not meaningful  |               |          |          |

## GLOBAL CONSUMER BANKING

Global Consumer Banking (GCB) consists of Citigroup's four geographical consumer banking businesses that provide traditional banking services to retail customers through retail banking, commercial banking, Citi-branded cards and Citi retail services (for additional information on these businesses, see "Citigroup Segments" above). GCB is a globally diversified business with 3,027 branches in 24 countries around the world as of March 31, 2015. At March 31, 2015, GCB had \$387 billion of assets and \$304 billion of deposits.

GCB's overall strategy is to leverage Citi's global footprint and seek to be the preeminent bank for the emerging affluent and affluent consumers in large urban centers. In credit cards and in certain retail markets, Citi serves customers in a somewhat broader set of segments and geographies.

| In millions of dollars except as otherwise noted         | First Quarter |         | % Change |
|--|---------------|---------|----------|
|  | 2015          | 2014    |          |
| Net interest revenue                                     | \$6,701       | \$6,801 | (1 )%    |
| Non-interest revenue                                     | 1,961         | 2,043   | (4 )     |
| Total revenues, net of interest expense                  | \$8,662       | \$8,844 | (2 )%    |
| Total operating expenses                                 | \$4,552       | \$4,871 | (7 )%    |
| Net credit losses  | \$1,551       | \$1,732 | (10 )%   |
| Credit reserve build (release)                           | (113 )        | (213 )  | 47       |
| Provision (release) for unfunded lending commitments     | (1 )          | (3 )    | 67       |
| Provision for benefits and claims                        | 28            | 41      | (32 )    |
| Provisions for credit losses and for benefits and claims | \$1,465       | \$1,557 | (6 )%    |
| Income from continuing operations before taxes           | \$2,645       | \$2,416 | 9 %      |
| Income taxes   | 920           | 742     | 24       |
| Income from continuing operations                        | \$1,725       | \$1,674 | 3 %      |
| Noncontrolling interests                                 | (5 )          | 7       | NM       |
| Net income   | \$1,730       | \$1,667 | 4 %      |
| Balance Sheet data (in billions of dollars)              |               |         |          |
| Average assets   | \$394         | \$406   | (3 )%    |
| Return on average assets                                 | 1.78          | % 1.67  | %        |
| Efficiency ratio   | 53            | % 55    | %        |
| Total EOP assets   | \$387         | \$407   | (5 )     |
| Average deposits   | 302           | 303     | —        |
| Net credit losses as a percentage of average loans       | 2.22          | % 2.43  | %        |
| Revenue by business                                      |               |         |          |
| Retail banking   | \$3,774       | \$3,789 | — %      |
| Cards <sup>(1)</sup>                                     | 4,888         | 5,055   | (3 )     |
| Total  | \$8,662       | \$8,844 | (2 )%    |
| Income from continuing operations by business            |               |         |          |
| Retail banking   | \$574         | \$426   | 35 %     |
| Cards <sup>(1)</sup>                                     | 1,151         | 1,248   | (8 )     |
| Total  | \$1,725       | \$1,674 | 3 %      |

(Table continues on next page.)

|  |         |         |    |    |
|--|---------|---------|----|----|
| Foreign currency (FX) translation impact   |         |         |    |    |
| Total revenue-as reported                  | \$8,662 | \$8,844 | (2 | )% |
| Impact of FX translation <sup>(2)</sup>    | —       | (371    | )  |    |
| Total revenues-ex-FX                       | \$8,662 | \$8,473 | 2  | %  |
| Total operating expenses-as reported       | \$4,552 | \$4,871 | (7 | )% |
| Impact of FX translation <sup>(2)</sup>    | —       | (220    | )  |    |
| Total operating expenses-ex-FX             | \$4,552 | \$4,651 | (2 | )% |
| Total provisions for LLR & PBC-as reported | \$1,465 | \$1,557 | (6 | )% |
| Impact of FX translation <sup>(2)</sup>    | —       | (84     | )  |    |
| Total provisions for LLR & PBC-ex-FX       | \$1,465 | \$1,473 | (1 | )% |
| Net income-as reported                     | \$1,730 | \$1,667 | 4  | %  |
| Impact of FX translation <sup>(2)</sup>    | —       | (28     | )  |    |
| Net income-ex-FX                           | \$1,730 | \$1,639 | 6  | %  |

(1) Includes both Citi-branded cards and Citi retail services.

(2) Reflects the impact of foreign exchange (FX) translation into U.S. dollars at the first quarter of 2015 average exchange rates for all periods presented.

NM Not meaningful

## NORTH AMERICA GCB

North America GCB provides traditional banking and Citi-branded cards and Citi retail services to retail customers and small to mid-size businesses in the U.S. North America GCB's 788 retail bank branches as of March 31, 2015 were largely concentrated in the greater metropolitan areas of New York, Chicago, Miami, Washington, D.C., Boston, Los Angeles and San Francisco.

At March 31, 2015, North America GCB had approximately 11.3 million retail banking customer accounts, \$47.8 billion of retail banking loans and \$172.6 billion of deposits. In addition, North America GCB had approximately 111.0 million Citi-branded and Citi retail services credit card accounts, with \$105.9 billion in outstanding card loan balances.

| In millions of dollars, except as otherwise noted        | First Quarter |         | % Change |    |
|--|---------------|---------|----------|----|
|  | 2015          | 2014    |          |    |
| Net interest revenue                                     | \$4,305       | \$4,187 | 3        | %  |
| Non-interest revenue                                     | 689           | 603     | 14       |    |
| Total revenues, net of interest expense                  | \$4,994       | \$4,790 | 4        | %  |
| Total operating expenses                                 | \$2,292       | \$2,439 | (6)      | )% |
| Net credit losses  | \$961         | \$1,102 | (13)     | )% |
| Credit reserve build (release)                           | (100)         | (271)   | 63       |    |
| Provisions for benefits and claims                       | 10            | 7       | 43       |    |
| Provision for unfunded lending commitments               | 1             | 2       | (50)     | )  |
| Provisions for credit losses and for benefits and claims | \$872         | \$840   | 4        | %  |
| Income from continuing operations before taxes           | \$1,830       | \$1,511 | 21       | %  |
| Income taxes   | 690           | 493     | 40       |    |
| Income from continuing operations                        | \$1,140       | \$1,018 | 12       | %  |
| Noncontrolling interests                                 | —             | —       | —        |    |
| Net income   | \$1,140       | \$1,018 | 12       | %  |
| Balance Sheet data (in billions of dollars)              |               |         |          |    |
| Average assets   | \$208         | \$210   | (1)      | )% |
| Return on average assets                                 | 2.22          | % 1.97  | %        |    |
| Efficiency ratio   | 46            | % 51    | %        |    |
| Average deposits   | \$171.6       | \$170.7 | 1        |    |
| Net credit losses as a percentage of average loans       | 2.51          | % 2.87  | %        |    |
| Revenue by business                                      |               |         |          |    |
| Retail banking   | \$1,348       | \$1,144 | 18       | %  |
| Citi-branded cards                                       | 2,009         | 2,021   | (1)      | )  |
| Citi retail services                                     | 1,637         | 1,625   | 1        |    |
| Total  | \$4,994       | \$4,790 | 4        | %  |
| Income from continuing operations by business            |               |         |          |    |
| Retail banking   | \$197         | \$18    | NM       |    |
| Citi-branded cards                                       | 539           | 564     | (4)      | )  |
| Citi retail services                                     | 404           | 436     | (7)      | )  |
| Total  | \$1,140       | \$1,018 | 12       | %  |

NM Not meaningful

1Q15 vs. 1Q14

Net income increased 12% due to higher revenues, lower expenses and lower net credit losses, partially offset by a lower net loan loss reserve release.

Revenues increased 4%, primarily reflecting higher revenues in retail banking. Net interest revenue increased 3% primarily due to continued volume growth in retail banking and improved deposit spreads, which more than offset lower average loans in Citi-branded cards. Non-interest revenue increased 14%, driven by higher mortgage origination revenues due to higher U.S. mortgage refinancing activity and a gain on sale of approximately \$110 million related to the sale of branches in Texas compared to a gain of approximately \$70 million related to a sale-leaseback transaction in the prior-year period. The increase in non-interest revenues was partially offset by a continued decline in Citi retail services non-interest revenues, primarily reflecting higher contractual partner payments.

Retail banking revenues of \$1.3 billion increased 18% due to 6% growth in average loans, 1% growth in average deposits, the gain on branch sales, the higher mortgage origination revenues and improved deposit spreads. Consistent with GCB's strategy, since the first quarter of 2014, North America GCB closed or sold 174 branches (an 18% decline from the prior-year period).

Cards revenues were unchanged as a 3% decrease in average loans was partially offset by a 2% increase in purchase sales to \$57.4 billion, despite the continuing negative impact of lower gas prices, particularly in Citi retail services. In Citi-branded cards, revenues decreased 1% as the continued impact of lower average loans (5% decline from the prior-year period) was partially offset by the impact of a 3% increase in purchase sales and higher net interest spreads, driven by the continued reduction of promotional balances in the portfolio and lower cost of funds. The decline in average loans was driven primarily by the reduction in promotional balances, and to a lesser extent, increased customer payment rates.

Citi retail services revenues increased 1% primarily due to the impact of higher spreads and 1% growth in average loans, partially offset by the higher contractual partner payments. Purchase sales in Citi retail services decreased 1% from the prior-year period, as the impact from lower gas prices was partially offset by portfolio growth.

Expenses decreased 6% as ongoing cost reduction initiatives and lower repositioning charges and legal and related expenses were partially offset by increased investment spending.

Provisions increased 4% due to lower loan loss reserve releases (63%), partially offset by lower net credit losses (13%). Net credit losses declined in Citi-branded cards (down 16% to \$492 million) and in Citi retail services (down 10% to \$433 million). The lower loan loss reserve release reflected continued stabilization in the cards portfolios.

## LATIN AMERICA GCB

Latin America GCB provides traditional banking and Citi-branded card services to retail customers and small to mid-size businesses, with the largest presence in Mexico and Brazil. Latin America GCB includes branch networks throughout Latin America as well as Banco Nacional de Mexico, or Banamex, Mexico's second-largest bank, with 1,498 branches as of March 31, 2015.

At March 31, 2015, Latin America GCB had 1,700 retail branches, with approximately 30.5 million retail banking customer accounts, \$25.6 billion in retail banking loans and \$42.0 billion in deposits. In addition, the business had approximately 8.1 million Citi-branded card accounts with \$8.5 billion in outstanding loan balances.

| In millions of dollars, except as otherwise noted                  | First Quarter |         | % Change |
|--|---------------|---------|----------|
|  | 2015          | 2014    |          |
| Net interest revenue   | \$1,242       | \$1,364 | (9 )%    |
| Non-interest revenue   | 593           | 719     | (18 )    |
| Total revenues, net of interest expense                            | \$1,835       | \$2,083 | (12 )%   |
| Total operating expenses   | \$1,080       | \$1,203 | (10 )%   |
| Net credit losses  | \$417         | \$436   | (4 )%    |
| Credit reserve build (release)                                     | 22            | 51      | (57 )    |
| Provision (release) for unfunded lending commitments               | (3 )          | (1 )    | NM       |
| Provision for benefits and claims                                  | 18            | 34      | (47 )    |
| Provisions for loan losses and for benefits and claims (LLR & PBC) | \$454         | \$520   | (13 )%   |
| Income from continuing operations before taxes                     | \$301         | \$360   | (16 )%   |
| Income taxes   | 57            | 69      | (17 )    |
| Income from continuing operations                                  | \$244         | \$291   | (16 )%   |
| Noncontrolling interests   | —             | 2       | (100 )   |
| Net income   | \$244         | \$289   | (16 )%   |
| Balance Sheet data (in billions of dollars)                        |               |         |          |
| Average assets   | \$68          | \$76    | (11 )%   |
| Return on average assets   | 1.46          | % 1.54  | %        |
| Efficiency ratio   | 59            | % 58    | %        |
| Average deposits   | \$42.2        | \$43.8  | (4 )     |
| Net credit losses as a percentage of average loans                 | 4.90          | % 4.60  | %        |
| Revenue by business  |               |         |          |
| Retail banking   | \$1,251       | \$1,420 | (12 )%   |
| Citi-branded cards   | 584           | 663     | (12 )    |
| Total  | \$1,835       | \$2,083 | (12 )%   |
| Income from continuing operations by business                      |               |         |          |
| Retail banking   | \$154         | \$204   | (25 )%   |
| Citi-branded cards   | 90            | 87      | 3        |
| Total  | \$244         | \$291   | (16 )%   |

|  |          |          |     |    |
|--|----------|----------|-----|----|
| Foreign currency (FX) translation impact |          |          |     |    |
| Total revenues-as reported               | \$ 1,835 | \$ 2,083 | (12 | )% |
| Impact of FX translation <sup>(1)</sup>  | —        | (255     | )   |    |
| Total revenues-ex-FX                     | \$ 1,835 | \$ 1,828 | —   | %  |
| Total operating expenses-as reported     | \$ 1,080 | \$ 1,203 | (10 | )% |
| Impact of FX translation <sup>(1)</sup>  | —        | (132     | )   |    |
| Total operating expenses-ex-FX           | \$ 1,080 | \$ 1,071 | 1   | %  |
| Provisions for LLR & PBC-as reported     | \$ 454   | \$ 520   | (13 | )% |
| Impact of FX translation <sup>(1)</sup>  | —        | (69      | )   |    |
| Provisions for LLR & PBC-ex-FX           | \$ 454   | \$ 451   | 1   | %  |
| Net income-as reported                   | \$ 244   | \$ 289   | (16 | )% |
| Impact of FX translation <sup>(1)</sup>  | —        | (25      | )   |    |
| Net income-ex-FX                         | \$ 244   | \$ 264   | (8  | )% |

<sup>(1)</sup> Reflects the impact of foreign exchange (FX) translation into U.S. dollars at the first quarter of 2015 average exchange rates for all periods presented.

NM Not Meaningful

The discussion of the results of operations for Latin America GCB below excludes the impact of FX translation for all periods presented. Presentations of the results of operations, excluding the impact of FX translation, are non-GAAP financial measures. For a reconciliation of certain of these metrics to the reported results, see the table above.

#### 1Q15 vs. 1Q14

Net income decreased 8% primarily due to higher expenses and credit costs.

Revenues were unchanged as higher volume growth in Mexico (1% increase in average loans and 8% increase in average deposits) was offset by the impact of business divestitures in the prior year, including the sales of the Honduras consumer business in the second quarter of 2014 and the partial sale of Citi's indirect investment in Banco de Chile in the first quarter of 2014. Net interest revenue increased 4% due to 2% average loan growth and stable spreads in Mexico, partially offset by ongoing spread compression in other Latin America markets and the impact of the business divestitures in the prior-year period. Non-interest revenue decreased 7%, primarily due to the impact of the business divestitures in the prior-year period.

Retail banking revenues were unchanged, as increases in average loans (2%), investment sales (3%) and average deposits (6%) were offset by the impact of the business divestitures in the prior-year period. Cards revenues increased 1%, as growth in Mexico was largely offset by declines in other Latin America markets. Slow economic growth in the region continued to impact cards revenue growth.

Expenses increased 1%, primarily due to higher legal and related expenses and higher technology costs, partially offset by lower repositioning charges and efficiency savings.

Provisions increased 1%, primarily due to higher net credit losses, partially offset by a lower loan loss reserve build. Net credit losses increased 10%, primarily driven by portfolio growth and continued seasoning in the Mexico cards portfolio. The loan loss reserve build declined 57% due to a lower build related to Mexico cards, partially offset by a build in Brazil commercial banking.

#### Argentina/Venezuela

For additional information on Citi's exposures and risks in Argentina and Venezuela, see "Risk Factors" in Citi's 2014 Annual Report on Form 10-K and "Managing Global Risk-Country and Cross-Border Risk" below.





## ASIA GCB

Asia GCB provides traditional banking and Citi-branded card services to retail customers and small to mid-size businesses, with the largest Citi presence in Korea, Singapore, Hong Kong, Australia, India, Taiwan, Malaysia, Thailand, Indonesia and the Philippines as of March 31, 2015. In addition, for reporting purposes, Asia GCB includes the results of operations of EMEA GCB, which provides traditional banking and Citi-branded card services to retail customers and small to mid-size businesses, primarily in Poland, Russia and the United Arab Emirates.

At March 31, 2015, on a combined basis, the businesses had 539 retail branches, approximately 17.4 million retail banking customer accounts, \$74.5 billion in retail banking loans and \$89.7 billion in deposits. In addition, the businesses had approximately 17.2 million Citi-branded card accounts with \$17.8 billion in outstanding loan balances.

| In millions of dollars, except as otherwise noted <sup>(1)</sup> | First Quarter |         | % Change |
|--|---------------|---------|----------|
|  | 2015          | 2014    |          |
| Net interest revenue   | \$1,154       | \$1,250 | (8 )%    |
| Non-interest revenue   | 679           | 721     | (6 )     |
| Total revenues, net of interest expense                          | \$1,833       | \$1,971 | (7 )%    |
| Total operating expenses   | \$1,180       | \$1,229 | (4 )%    |
| Net credit losses  | \$173         | \$194   | (11 )%   |
| Credit reserve build (release)                                   | (35 )         | 7       | NM       |
| Provision for unfunded lending commitments                       | 1             | (4 )    | NM       |
| Provisions for loan losses                                       | \$139         | \$197   | (29 )%   |
| Income from continuing operations before taxes                   | \$514         | \$545   | (6 )%    |
| Income taxes   | 173           | 180     | (4 )     |
| Income from continuing operations                                | \$341         | \$365   | (7 )%    |
| Noncontrolling interests   | (5 )          | 5       | NM       |
| Net income   | \$346         | \$360   | (4 )%    |
| Balance Sheet data (in billions of dollars)                      |               |         |          |
| Average assets   | \$118         | \$120   | (2 )%    |
| Return on average assets   | 1.19          | %1.22   | %        |
| Efficiency ratio   | 64            | %62     | %        |
| Average deposits   | \$88.4        | \$88.4  | —        |
| Net credit losses as a percentage of average loans               | 0.75          | %0.83   | %        |
| Revenue by business  |               |         |          |
| Retail banking   | \$1,175       | \$1,225 | (4 )%    |
| Citi-branded cards   | 658           | 746     | (12 )    |
| Total  | \$1,833       | \$1,971 | (7 )%    |
| Income from continuing operations by business                    |               |         |          |
| Retail banking   | \$223         | \$204   | 9 %      |
| Citi-branded cards   | 118           | 161     | (27 )    |
| Total  | \$341         | \$365   | (7 )%    |
| Foreign currency (FX) translation impact                         |               |         |          |
| Total revenues-as reported                                       | \$1,833       | \$1,971 | (7 )%    |
| Impact of FX translation <sup>(2)</sup>                          | —             | (116 )  |          |
| Total revenues-ex-FX   | \$1,833       | \$1,855 | (1 )%    |
| Total operating expenses-as reported                             | \$1,180       | \$1,229 | (4 )%    |
| Impact of FX translation <sup>(2)</sup>                          | —             | (88 )   |          |
| Total operating expenses-ex-FX                                   | \$1,180       | \$1,141 | 3 %      |
| Provisions for loan losses-as reported                           | \$139         | \$197   | (29 )%   |
| Impact of FX translation <sup>(2)</sup>                          | —             | (15 )   |          |
| Provisions for loan losses-ex-FX                                 | \$139         | \$182   | (24 )%   |
| Net income-as reported   | \$346         | \$360   | (4 )%    |

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|   |       |       |    |    |
|---|-------|-------|----|----|
| Impact of FX translation <sup>(2)</sup> | —     | (3    | )  |    |
| Net income-ex-FX                        | \$346 | \$357 | (3 | )% |

(1) For reporting purposes, Asia GCB includes the results of operations of EMEA GCB for all periods presented.

(2) Reflects the impact of foreign exchange (FX) translation into U.S. dollars at the first quarter of 2015 average exchange rates for all periods presented.

NM Not meaningful

The discussion of the results of operations for Asia GCB below excludes the impact of FX translation for all periods presented. Presentations of the results of operations, excluding the impact of FX translation, are non-GAAP financial measures. For a reconciliation of certain of these metrics to the reported results, see the table above.

#### 1Q15 vs. 1Q14

Net income decreased 3%, primarily due to higher expenses and lower revenues, partially offset by lower credit costs. Revenues decreased 1%. Non-interest revenue decreased 1%, primarily driven by lower fee revenues. Net interest revenue declined 1%, driven by the ongoing impact of regulatory changes, continued spread compression and the repositioning of the franchise in Korea during 2014.

Retail banking revenues increased 1%, primarily due to higher volumes, as investment sales increased 5%, average retail deposits increased 5% and average retail loans increased 5%, largely offset by continued spread compression and the repositioning of the franchise in Korea.

Cards revenues decreased 5% due to the ongoing impact of spread compression and regulatory changes, particularly in Australia, Hong Kong, Taiwan, Korea and Poland, partially offset by a 3% increase in average loans and a 6% increase in purchase sales.

While the repositioning in Korea during 2014 continued to have a negative impact on year-over-year revenue comparisons in Asia GCB, revenues in Korea remained largely stable on a sequential basis. Further, while Citi could continue to experience a negative impact on revenues from spread compression and regulatory changes in several markets, it expects the impact of regulatory change and spread compression could begin to abate.

Expenses increased 3%, largely due to higher regulatory and compliance costs, volume-related growth and investment spending, partially offset by ongoing efficiency savings.

Provisions decreased 24%, primarily due to higher loan loss reserve releases and lower net credit losses.

#### Russia

For additional information on Citi's exposures and risks in Russia, see "EMEA GCB" and "Risk Factors" in Citi's 2014 Annual Report on Form 10-K and "Managing Global Risk-Country and Cross-Border Risk" below.

## INSTITUTIONAL CLIENTS GROUP

Institutional Clients Group (ICG) provides corporate, institutional, public sector and high-net-worth clients around the world with a full range of wholesale banking products and services, including fixed income and equity sales and trading, foreign exchange, prime brokerage, derivative services, equity and fixed income research, corporate lending, investment banking and advisory services, private banking, cash management, trade finance and securities services. ICG transacts with clients in both cash instruments and derivatives, including fixed income, foreign currency, equity and commodity products.

ICG revenue is generated primarily from fees and spreads associated with these activities. ICG earns fee income for assisting clients in clearing transactions, providing brokerage and investment banking services and other such activities. Revenue generated from these activities is recorded in Commissions and fees and Investment banking. In addition, as a market maker, ICG facilitates transactions, including holding product inventory to meet client demand, and earns the differential between the price at which it buys and sells the products. These price differentials and the unrealized gains and losses on the inventory are recorded in Principal transactions. Interest income earned on inventory and loans held less interest paid to customers on deposits is recorded as Net interest revenue. Revenue is also generated from transaction processing and assets under custody and administration.

ICG's international presence is supported by trading floors in approximately 80 countries and a proprietary network in over 95 countries and jurisdictions. At March 31, 2015, ICG had approximately \$1.3 trillion of assets and \$571 billion of deposits, while two of its businesses, securities services and issuer services, managed approximately \$16.0 trillion of assets under custody compared to \$14.7 trillion at the end of the prior-year period.

| In millions of dollars, except as otherwise noted    | First Quarter |         | % Change |
|--|---------------|---------|----------|
|  | 2015          | 2014    |          |
| Commissions and fees                                 | \$995         | \$1,014 | (2)%     |
| Administration and other fiduciary fees              | 608           | 624     | (3)%     |
| Investment banking                                   | 1,134         | 957     | 18%      |
| Principal transactions                               | 2,198         | 2,603   | (16)%    |
| Other  | 249           | 139     | 79%      |
| Total non-interest revenue                           | \$5,184       | \$5,337 | (3)%     |
| Net interest revenue (including dividends)           | 3,844         | 3,817   | 1%       |
| Total revenues, net of interest expense              | \$9,028       | \$9,154 | (1)%     |
| Total operating expenses                             | \$4,632       | \$4,858 | (5)%     |
| Net credit losses                                    | \$(2)         | \$134   | NM       |
| Provision (release) for unfunded lending commitments | 107           | (87)    | NM       |
| Credit reserve release                               | (31)          | (20)    | (55)%    |
| Provisions for credit losses                         | \$74          | \$27    | NM       |
| Income from continuing operations before taxes       | \$4,322       | \$4,269 | 1%       |
| Income taxes   | 1,358         | 1,321   | 3%       |
| Income from continuing operations                    | \$2,964       | \$2,948 | 1%       |
| Noncontrolling interests                             | 36            | 26      | 38%      |
| Net income   | \$2,928       | \$2,922 | —%       |
| Average assets (in billions of dollars)              | \$1,274       | \$1,282 | (1)%     |
| Return on average assets                             | 0.93          | %0.92   | %        |
| Efficiency ratio                                     | 51            | %53     | %        |
| Revenues by region                                   |               |         |          |
| North America  | \$3,303       | \$3,561 | (7)%     |
| EMEA   | 2,763         | 2,771   | —%       |
| Latin America  | 1,065         | 1,101   | (3)%     |
| Asia   | 1,897         | 1,721   | 10%      |
| Total  | \$9,028       | \$9,154 | (1)%     |

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Income from continuing operations by region

|               |         |         |     |    |
|---------------|---------|---------|-----|----|
| North America | \$1,015 | \$1,305 | (22 | )% |
| EMEA          | 857     | 792     | 8   | %  |
| Latin America | 413     | 340     | 21  | %  |
| Asia          | 679     | 511     | 33  | %  |
| Total         | \$2,964 | \$2,948 | 1   | %  |

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|   |       |       |     |    |
|---|-------|-------|-----|----|
| Average loans by region (in billions of dollars)  |       |       |     |    |
| North America                                     | \$119 | \$107 | 11  | %  |
| EMEA  | 57    | 57    | —   | %  |
| Latin America                                     | 38    | 40    | (5) | )% |
| Asia  | 62    | 68    | (9) | )% |
| Total   | \$276 | \$272 | 1   | %  |
| EOP deposits by business (in billions of dollars) |       |       |     |    |
| Treasury and trade solutions                      | \$387 | \$381 | 2   | %  |
| All other ICG businesses                          | 184   | 188   | (2) | )% |
| Total   | \$571 | \$569 | —   | %  |

ICG Revenue Details—Excluding CVA/DVA and Gain/(Loss) on Loan Hedges

| In millions of dollars   | First Quarter |         | % Change |     |
|--|---------------|---------|----------|-----|
|  | 2015          | 2014    |          |     |
| Investment banking revenue details   |               |         |          |     |
| Advisory   | \$298         | \$175   | 70       | %   |
| Equity underwriting  | 231           | 299     | (23)     | )   |
| Debt underwriting  | 669           | 579     | 16       |     |
| Total investment banking   | \$1,198       | \$1,053 | 14       | %   |
| Treasury and trade solutions   | 1,889         | 1,921   | (2)      | )   |
| Corporate lending - excluding gain/(loss) on loan hedges                     | 445           | 416     | 7        |     |
| Private bank   | 708           | 670     | 6        |     |
| Total banking revenues (ex-CVA/DVA and gain/(loss) on loan hedges)           | \$4,240       | \$4,060 | 4        | %   |
| Corporate lending - gain/(loss) on loan hedges <sup>(1)</sup>                | \$52          | \$(17)  |          | )NM |
| Total banking revenues (ex-CVA/DVA and including gain/(loss) on loan hedges) | \$4,292       | \$4,043 | 6        | %   |
| Fixed income markets   | \$3,483       | \$3,929 | (11)     | )%  |
| Equity markets   | 873           | 882     | (1)      | )   |
| Securities services  | 543           | 485     | 12       |     |
| Other  | (94)          | (178)   |          | )47 |
| Total Markets and securities services (ex-CVA/DVA)                           | \$4,805       | \$5,118 | (6)      | )%  |
| Total ICG (ex-CVA/DVA)   | \$9,097       | \$9,161 | (1)      | )%  |
| CVA/DVA (excluded as applicable in lines above) <sup>(2)</sup>               | (69)          | (7)     |          | )NM |
| Fixed income markets   | (75)          | (26)    |          | )NM |
| Equity markets   | 3             | 16      | (81)     | )   |
| Private bank   | 3             | 3       | —        |     |
| Total revenues, net of interest expense                                      | \$9,028       | \$9,154 | (1)      | )%  |

Hedges on accrual loans reflect the mark-to-market on credit derivatives used to economically hedge the corporate (1) loan accrual portfolio. The fixed premium costs of these hedges are netted against the corporate lending revenues to reflect the cost of credit protection.

(2) Funding valuation adjustments (FVA) is included within CVA for presentation purposes. For additional information, see Note 22 to the Consolidated Financial Statements.

NM Not meaningful



The discussion of the results of operations for ICG below excludes the impact of CVA/DVA for all periods presented. Presentations of the results of operations, excluding the impact of CVA/DVA and the impact of gains/(losses) on hedges on accrual loans, are non-GAAP financial measures. For a reconciliation of these metrics to the reported results, see the table above.

1Q15 vs. 1Q14

Net income increased 2%, primarily driven by lower expenses, partially offset by lower revenues and an increase in the cost of credit.

Revenues decreased 1%, reflecting lower revenues in Markets and securities services (decrease of 6%), partially offset by higher revenues in Banking (increase of 6%, 4% excluding the gains/(losses) on hedges on accrual loans).

Within Banking:

Investment banking revenues increased 14%, reflecting improved overall wallet share, partially offset by a decline in the overall market environment due to lower loan underwriting activity. The increase in Citi's overall wallet share was primarily driven by advisory and debt underwriting, partially offset by a decrease in equity underwriting. Advisory revenues increased 70%, reflecting increased wallet share and strength in the overall M&A market. Equity underwriting revenues decreased 23% due in part to further share fragmentation. Debt underwriting revenues increased 16% due to the increased wallet share, particularly in investment grade debt in North America.

Treasury and trade solutions revenues decreased 2%. Excluding the impact of FX translation, revenues increased 4%, as continued growth in deposit balances and improved spreads were partially offset by lower activity and the impact of spread compression in trade, particularly in Asia. End-of-period deposit balances increased 2% (7% excluding the impact of FX translation), largely driven by North America and Asia. Average trade loans decreased 15% (12% excluding the impact of FX translation), as the business maintained origination volumes while reducing lower spread assets and increasing asset sales to optimize returns (see "Balance Sheet Review" below).

Corporate lending revenues increased 25%. Excluding the impact of gains/(losses) on hedges on accrual loans, revenues increased 7%, primarily due to continued growth in average loan balances and improvement in mark-to-market adjustments.

Private bank revenues increased 6%, primarily due to growth in client business volumes in both lending and banking, as well as higher capital markets activity, partially offset by continued spread compression in lending and lower managed investment revenues driven by strong performance in the prior-year period.

Within Markets and securities services:

Fixed income markets revenues decreased 11%, driven by a decrease in spread products revenues, partially offset by growth in rates and currencies revenues. Spread products revenues declined, particularly in North America, due to lower activity in the quarter, as well as strong performance in the prior-year period. Distressed credit, non-investment grade collateralized lending obligations and municipals products all experienced lower activity levels due to lower risk appetite across the credit markets, partially offset by increased client activity in investment grade credit. Rates and currencies revenues increased, particularly in EMEA and Asia, due to increased client flows in G10 and local markets, driven in part by central bank actions and increased foreign exchange volatility, partially offset by the previously-disclosed modest loss on the Swiss franc revaluation early in the current quarter.

Equity markets revenues decreased 1%, primarily reflecting lower cash equity revenues due to reduced client flows, particularly in North America and EMEA, partially offset by growth in prime finance largely due to improved spreads.



Securities services revenues increased 12%, reflecting increased client activity and higher client balances, which drove growth in net interest revenue and custody and clearing fees.

Expenses decreased 5%, primarily due to the impact of FX translation, lower legal and related expenses, lower repositioning charges and ongoing efficiency savings, partially offset by increased regulatory and compliance costs and higher volume-related costs.

Provisions increased \$47 million to \$74 million, primarily reflecting a higher loan loss reserve build related to corporate energy exposure (for additional information, see “Managing Global Risk-Credit Risk-Corporate Credit Details” below), partially offset by lower net credit losses largely due to the absence of \$165 million of credit costs related to the Pemex supplier program in the prior-year period (for additional information, see Citi’s Form 8-K filed with the SEC on February 28, 2014).

#### Russia

For additional information on Citi’s exposures and risks in Russia, see “Institutional Clients Group-Russia” and “Risk Factors” in Citi’s 2014 Annual Report on Form 10-K and “Managing Global Risk-Country and Cross-Border Risk” below.

## CORPORATE/OTHER

Corporate/Other includes certain unallocated costs of global staff functions (including finance, risk, human resources, legal and compliance), other corporate expenses and unallocated global operations and technology expenses, Corporate Treasury and discontinued operations. At March 31, 2015, Corporate/Other had \$52 billion of assets, or 3% of Citigroup's total assets. For additional information, see "Balance Sheet Review" and "Managing Global Risk-Market Risk-Funding and Liquidity" below.

| In millions of dollars                                   | First Quarter |          | % Change |    |
|--|---------------|----------|----------|----|
|  | 2015          | 2014     |          |    |
| Net interest revenue                                     | \$(28 )       | \$(35 )  | 20       | %  |
| Non-interest revenue                                     | 240           | 258      | (7       | )  |
| Total revenues, net of interest expense                  | \$212         | \$223    | (5       | )% |
| Total operating expenses                                 | \$543         | \$402    | 35       | %  |
| Provisions for loan losses and for benefits and claims   | —             | —        | —        | %  |
| Loss from continuing operations before taxes             | \$(331 )      | \$(179 ) | (85      | )% |
| Benefits for income taxes                                | (312          | )209     | NM       |    |
| Loss from continuing operations                          | \$(19 )       | \$(388 ) | 95       | %  |
| Income (loss) from discontinued operations, net of taxes | (5            | )37      | NM       |    |
| Net loss before attribution of noncontrolling interests  | \$(24 )       | \$(351 ) | 93       | %  |
| Noncontrolling interests                                 | 10            | 10       | —        | %  |
| Net loss   | \$(34 )       | \$(361 ) | 91       | %  |

NM Not meaningful

## 1Q15 vs. 1Q14

The net loss decreased \$327 million to \$34 million, primarily due to the absence of the tax charge in the prior-year period (see "Executive Summary" above) and a slightly lower effective tax rate in the current quarter, partially offset by higher legal and related expenses.

Revenues decreased 5%, primarily due to hedging activities, partially offset by higher revenues from sales of available-for-sale securities.

Expenses increased 35%, as the higher legal and related expenses (\$316 million compared to \$88 million in the prior-year period) were partially offset by lower repositioning charges and the benefits of FX translation.

## CITI HOLDINGS

Citi Holdings contains businesses and portfolios of assets that Citigroup has determined are not central to its core Citicorp businesses. Effective in the first quarter of 2015, this includes the previously-announced \$31 billion of assets that were previously reported as part of Citicorp (for additional information, see Citi's Form 8-K furnished with the SEC on April 8, 2015).

In addition, during the first quarter of 2015, Citi announced the sales of OneMain Financial, the Japan cards business and the consumer business in Nicaragua. These sales are expected to close in the second half of 2015. As a result of these and other sale agreements, at the end of the first quarter of 2015, Citi Holdings had approximately \$35 billion of assets held-for-sale (HFS). For additional information on these HFS assets, see Note 2 to the Consolidated Financial Statements.

As of March 31, 2015, Citi Holdings assets were approximately \$122 billion, a decrease of 19% year-over-year and 5% from December 31, 2014. The decline in assets of \$7 billion from December 31, 2014 primarily consisted of divestitures and run-off. As of March 31, 2015, consumer assets in Citi Holdings were approximately \$108 billion, or approximately 89% of Citi Holdings assets. Of the consumer assets, approximately \$54 billion, or 50%, consisted of North America mortgages (residential first mortgages and home equity loans), including consumer mortgages originated by Citi's legacy CitiFinancial North America business (approximately \$9 billion, or 17%, of the \$54 billion as of March 31, 2015). As of March 31, 2015, Citi Holdings represented approximately 7% of Citi's GAAP assets and 14% of its risk-weighted assets under Basel III (based on the Advanced Approaches for determining risk-weighted assets).

| In millions of dollars, except as otherwise noted              | First Quarter |          | % Change |
|--|---------------|----------|----------|
|  | 2015          | 2014     |          |
| Net interest revenue   | \$1,055       | \$1,176  | (10 )%   |
| Non-interest revenue   | 779           | 809      | (4 )     |
| Total revenues, net of interest expense                        | \$1,834       | \$1,985  | (8 )%    |
| Provisions for credit losses and for benefits and claims       |               |          |          |
| Net credit losses  | \$408         | \$573    | (29 )%   |
| Credit reserve release   | (196 )        | (346 )   | 43       |
| Provision for loan losses                                      | \$212         | \$227    | (7 )%    |
| Provision for benefits and claims                              | 169           | 167      | 1        |
| Release for unfunded lending commitments                       | (5 )          | (4 )     | (25 )    |
| Total provisions for credit losses and for benefits and claims | \$376         | \$390    | (4 )%    |
| Total operating expenses                                       | \$1,157       | \$2,018  | (43 )%   |
| Income (loss) from continuing operations before taxes          | \$301         | \$(423 ) | NM       |
| Income taxes (benefits)  | 154           | (141 )   | NM       |
| Income (loss) from continuing operations                       | \$147         | \$(282 ) | NM       |
| Noncontrolling interests                                       | 1             | 2        | (50 )%   |
| Net Income (loss)  | \$146         | \$(284 ) | NM       |
| Total revenues, net of interest expense (excluding CVA/DVA)    |               |          |          |
| Total revenues-as reported                                     | \$1,834       | \$1,985  | (8 )%    |
| CVA/DVA <sup>(1)</sup>   | (4 )          | 14       | NM       |
| Total revenues-excluding CVA/DVA                               | \$1,838       | \$1,971  | (7 )%    |
| Balance sheet data (in billions of dollars)                    |               |          |          |
| Average assets   | \$125         | \$152    | (18 )%   |
| Return on average assets                                       | 0.47          | %(0.76 ) | %        |
| Efficiency ratio   | 63            | %102     | %        |
| Total EOP assets   | \$122         | \$151    | (19 )%   |
| Total EOP loans  | 62            | 97       | (36 )    |
| Total EOP deposits   | 12            | 62       | (81 )    |

(1) FVA is included within CVA for presentation purposes. For additional information, see Note 22 to the Consolidated Financial Statements.

NM Not meaningful

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The discussion of the results of operations for Citi Holdings below excludes the impact of CVA/DVA for all periods presented. Presentations of the results of operations, excluding the impact of CVA/DVA, are non-GAAP financial measures. For a reconciliation of these metrics to the reported results, see the table above.

#### 1Q15 vs. 1Q14

Net income was \$149 million, an improvement from a net loss of \$292 million in the prior-year period, primarily reflecting lower legal and related expenses, partially offset by lower revenues.

Revenues decreased 7%, primarily driven by the overall continued wind-down of the portfolio, partially offset by higher gains on asset sales and lower funding costs.

Expenses decreased 43%, principally reflecting the lower legal and related expenses (\$80 million compared to \$784 million in the prior-year period) as well as the ongoing decline in assets.

Provisions decreased 4%, driven by lower net credit losses, partially offset by a lower net loss reserve release. Net credit losses declined 29%, primarily due to continued improvements in North America mortgages and overall lower asset levels. The net reserve release decreased 43% to \$201 million, primarily due to lower releases related to the North America mortgage portfolio, partially offset by higher reserve releases related to asset sales.

## BALANCE SHEET REVIEW

The following sets forth a general discussion of the changes in certain of the more significant line items of Citi's Consolidated Balance Sheet. For a description of and additional information on each of these balance sheet categories, see Notes 10, 12, 13, 14 and 17 to the Consolidated Financial Statements. For additional information on Citigroup's liquidity resources, including its deposits, short-term and long-term debt and secured financing transactions, see "Managing Global Risk—Market Risk—Funding and Liquidity Risk" below.

| In billions of dollars   | Mar. 31,<br>2015 | December 31,<br>2014 | Mar. 31,<br>2014 | EOP<br>1Q15 vs.<br>4Q14<br>Increase<br>(decrease) | %<br>Change | EOP<br>1Q15 vs.<br>1Q14<br>Increase<br>(decrease) | %<br>Change |
|--|------------------|----------------------|------------------|---|-------------|---|-------------|
| <b>Assets</b>  |                  |                      |                  |   |             |   |             |
| Cash and deposits with banks   | \$ 156           | \$ 160               | \$ 204           | \$(4)   | (3)%        | \$(48)  | (24)%       |
| Federal funds sold and securities borrowed or purchased under agreements to resell   | 239              | 243                  | 263              | (4)   | (2)         | (24)  | (9)         |
| Trading account assets   | 303              | 297                  | 278              | 6   | 2           | 25  | 9           |
| Investments  | 327              | 333                  | 313              | (6)   | (2)         | 14  | 4           |
| Loans, net of unearned income  | 621              | 645                  | 664              | (24)  | (4)         | (43)  | (6)         |
| Allowance for loan losses  | (15)             | (16)                 | (19)             | 1   | (6)         | 4   | (21)        |
| Loans, net   | 606              | 629                  | 645              | (23)  | (4)         | (39)  | (6)         |
| Other assets   | 201              | 180                  | 191              | 21  | 12          | 10  | 5           |
| Total assets   | \$1,832          | \$ 1,842             | \$ 1,894         | \$(10)  | (1)%        | \$(62)  | (3)%        |
| <b>Liabilities</b>   |                  |                      |                  |   |             |   |             |
| Deposits   | \$900            | \$ 899               | \$966            | \$1   | —           | \$(66)  | (7)%        |
| Federal funds purchased and securities loaned or sold under agreements to repurchase | 175              | 173                  | 191              | 2   | 1           | (16)  | (8)         |
| Trading account liabilities  | 142              | 139                  | 124              | 3   | 2           | 18  | 15          |
| Short-term borrowings  | 39               | 58                   | 59               | (19)  | (33)        | (20)  | (34)        |
| Long-term debt   | 211              | 223                  | 223              | (12)  | (5)         | (12)  | (5)         |
| Other liabilities  | 149              | 138                  | 121              | 11  | 8           | 28  | 23          |
| Total liabilities  | \$1,616          | \$ 1,630             | \$ 1,684         | \$(14)  | (1)%        | \$(68)  | (4)%        |
| Total equity   | 216              | 212                  | 210              | 4   | 2           | 6   | 3           |
| Total liabilities and equity   | \$1,832          | \$ 1,842             | \$ 1,894         | \$(10)  | (1)%        | \$(62)  | (3)%        |
| <b>ASSETS</b>  |                  |                      |                  |   |             |   |             |

## Cash and Deposits with Banks

Cash and deposits with banks decreased from the prior-year period as Citi continued to deploy its excess cash by increasing its investment portfolio to manage its interest rate position as well as reduce its short-term and long-term borrowings. Average cash balances were \$167 billion in the first quarter of 2015 compared to \$205 billion in the first quarter of 2014.

## Federal Funds Sold and Securities Borrowed or Purchased Under Agreements to Resell (Reverse Repos)

The decline in reverse repos and securities borrowing transactions from the prior-year period was primarily due to the impact of FX translation (for additional information, see "Managing Global Risk—Market Risk—Funding and Liquidity Risk" below).

#### Trading Account Assets

Trading account assets increased from the prior-year period, as increased market volatility, particularly in currencies within Markets and securities services within ICG, increased the carrying value of Citi's derivatives positions. Average trading account assets were \$300 billion in the first quarter of 2015 compared to \$286 billion in the first quarter of 2014.

#### Investments

The increase in investments year-over-year reflected Citi's continued deployment of its excess cash (as discussed above) by investing in available-for-sale securities, particularly in U.S. treasuries. Sequentially, investments decreased slightly reflecting overall position management as well as actions related to the dispositions of Citi's Japan consumer business and its remaining stake in Akbank T.A.S. during the current quarter.

## Loans

The impact of FX translation on Citi's reported loans was negative \$24 billion versus the prior-year period and negative \$7 billion sequentially. Excluding the impact of FX translation, Citigroup end of period loans declined 3% year-over-year to \$621 billion as 2% growth in Citicorp was more than offset by the continued wind-down of Citi Holdings.

Citicorp consumer loans grew 1% year-over-year, with broad-based growth driving a 3% increase in international consumer loans. Corporate loans grew 4% year-over-year. Traditional corporate loans and private bank volumes increased, as Citi supported transaction activity among its core clients. Treasury and trade services loans decreased 10%. Spread compression in trade, particularly in Asia, led to a reduction of on-balance sheet loans while Citi continued to support new originations for its clients.

Citi Holdings loans decreased 35% year-over-year driven by an approximately \$17 billion reduction in North America mortgages, as well as the reclassification of \$10 billion of loans to held-for-sale related to the agreements to sell OneMain Financial and Citi's Japan credit card business announced during the current quarter.

Sequentially, the decline in loans, excluding the impact of FX translation, was primarily due to the decline in Citi Holdings referenced above as well as a seasonal reduction in credit card loans in North America GCB.

During the first quarter of 2015, average loans of \$635 billion yielded an average rate of 6.8%, compared to \$651 billion and 6.7% in the fourth quarter of 2014 and \$659 billion and 6.9% in the first quarter of 2014.

For further information on Citi's loan portfolios, see "Managing Global Risk—Credit Risk" and "Country Risk" below.

## Other Assets

The increase in other assets during the periods presented was largely due to the reclassification to HFS of OneMain Financial and Citi's Japan credit card business during the current quarter, as discussed under "Loans" above.

## LIABILITIES

### Deposits

For a discussion of Citi's deposits, see "Managing Global Risk—Market Risk—Funding and Liquidity Risk" below.

### Federal Funds Purchased and Securities Loaned or Sold Under Agreements to Repurchase (Repos)

Repos decreased 8% from the prior-year period, primarily driven by FX translation. For further information on Citi's secured financing transactions, see "Managing Global Risk-Market Risk-Funding and Liquidity" below.

### Trading Account Liabilities

The increase in trading account liabilities from the prior-year period was consistent with and driven by the increase in trading account assets, as discussed above. Average trading account liabilities were \$158 billion during the first quarter of 2015, compared to \$120 billion in the first quarter of 2014.

### Debt

For information on Citi's long-term and short-term debt borrowings, see "Managing Global Risk—Market Risk—Funding and Liquidity Risk" below.

### Other Liabilities

The increase in other liabilities during the periods presented was primarily driven by the reclassification to held-for-sale of approximately \$21 billion of deposits as a result of Citi's previously-announced agreement in the fourth quarter of 2014 to sell its Japan retail banking business, as well as changes in the levels of brokerage payables driven by normal business fluctuations.





Segment Balance Sheet<sup>(1)</sup>

| In millions of dollars   | Global<br>Consumer<br>Banking | Institutional<br>Clients<br>Group | Corporate/Other<br>and<br>Consolidating<br>Eliminations <sup>(2)</sup> | Subtotal<br>Citicorp | Citi<br>Holdings  | Citigroup<br>Parent<br>Company-<br>Issued<br>Long-Term<br>Debt and<br>Stockholders'<br>Equity <sup>(3)</sup> | Total<br>Citigroup<br>Consolidated |
|--|-------------------------------|-----------------------------------|--|----------------------|-------------------|--|------------------------------------|
| <b>Assets</b>  |                               |                                   |  |                      |                   |  |                                    |
| Cash and deposits with banks   | \$ 11,022                     | \$ 64,602                         | \$ 79,643  | \$ 155,267           | \$ 509            | \$—  | \$ 155,776                         |
| Federal funds sold and securities borrowed or purchased under agreements to resell   | 782                           | 236,854                           | —  | 237,636              | 1,379             | —  | 239,015                            |
| Trading account assets   | 4,830                         | 293,343                           | 861  | 299,034              | 3,949             | —  | 302,983                            |
| Investments  | 22,260                        | 91,068                            | 204,704  | 318,032              | 8,783             | —  | 326,815                            |
| Loans, net of unearned income and allowance for loan losses                          | 271,472                       | 276,636                           | —  | 548,108              | 58,348            | —  | 606,456                            |
| Other assets   | 50,133                        | 63,347                            | 44,750   | 158,230              | 42,526            | —  | 200,756                            |
| Liquidity assets <sup>(4)</sup>  | 27,000                        | 245,175                           | (278,441)  | (6,266)              | 6,266             | —  | —                                  |
| <b>Total assets</b>  | <b>\$ 387,499</b>             | <b>\$ 1,271,025</b>               | <b>\$ 51,517</b>   | <b>\$ 1,710,041</b>  | <b>\$ 121,760</b> | <b>\$—</b>   | <b>\$ 1,831,801</b>                |
| <b>Liabilities and equity</b>  |                               |                                   |  |                      |                   |  |                                    |
| Total deposits <sup>(5)</sup>  | \$ 304,282                    | \$ 571,108                        | \$ 12,356  | \$ 887,746           | \$ 11,901         | \$—  | \$ 899,647                         |
| Federal funds purchased and securities loaned or sold under agreements to repurchase | 5,141                         | 170,114                           | —  | 175,255              | 116               | —  | 175,371                            |
| Trading account liabilities  | 16                            | 141,540                           | 30   | 141,586              | 852               | —  | 142,438                            |
| Short-term borrowings  | 297                           | 37,045                            | 1,991  | 39,333               | 72                | —  | 39,405                             |
| Long-term debt   | 1,324                         | 33,808                            | 23,966   | 59,098               | 3,797             | 147,627  | 210,522                            |
| Other liabilities  | 17,245                        | 81,823                            | 14,888   | 113,956              | 34,439            | —  | 148,395                            |
| Net inter-segment funding (lending)  | 59,194                        | 235,587                           | (3,117)  | 291,664              | 70,583            | (362,247)  | —                                  |
| <b>Total liabilities</b>   | <b>\$ 387,499</b>             | <b>\$ 1,271,025</b>               | <b>\$ 50,114</b>   | <b>\$ 1,708,638</b>  | <b>\$ 121,760</b> | <b>\$(214,620)</b>   | <b>\$ 1,615,778</b>                |
| Total equity   | —                             | —                                 | 1,403  | 1,403                | —                 | 214,620  | 216,023                            |
| <b>Total liabilities and equity</b>  | <b>\$ 387,499</b>             | <b>\$ 1,271,025</b>               | <b>\$ 51,517</b>   | <b>\$ 1,710,041</b>  | <b>\$ 121,760</b> | <b>\$—</b>   | <b>\$ 1,831,801</b>                |

The supplemental information presented in the table above reflects Citigroup's consolidated GAAP balance sheet by reporting segment as of March 31, 2015. The respective segment information depicts the assets and liabilities

(1) managed by each segment as of such date. While this presentation is not defined by GAAP, Citi believes that these non-GAAP financial measures enhance investors' understanding of the balance sheet components managed by the underlying business segments, as well as the beneficial inter-relationships of the asset and liability dynamics of the balance sheet components among Citi's business segments.

(2) Consolidating eliminations for total Citigroup and Citigroup parent company assets and liabilities are recorded within the Corporate/Other segment.

(3)

The total stockholders' equity and the majority of long-term debt of Citigroup reside in the Citigroup parent company Consolidated Balance Sheet. Citigroup allocates stockholders' equity and long-term debt to its businesses through inter-segment allocations as shown above.

- (4) Represents the attribution of Citigroup's liquidity assets (primarily consisting of cash and available-for-sale securities) to the various businesses based on Liquidity Coverage Ratio (LCR) assumptions.
- (5) Reflects reclassification of approximately \$20 billion of deposits to held-for-sale (Other liabilities) at March 31, 2015 as a result of the agreement in December 2014 to sell Citi's retail banking business in Japan.

## OFF-BALANCE SHEET ARRANGEMENTS

The table below shows where a discussion of Citi's various off balance sheet arrangements may be found in this Form 10-Q. For additional information on Citi's off-balance sheet arrangements, see "Off-Balance Sheet Arrangements," "Significant Accounting Policies and Significant Estimates—Securitizations" and Notes 1, 22 and 27 to the Consolidated Financial Statements in Citigroup's 2014 Annual Report on Form 10-K.

### Types of Off-Balance Sheet Arrangements Disclosures in this Form 10-Q

Variable interests and other obligations, including

contingent obligations, arising from variable interests in nonconsolidated VIEs See Note 20 to the Consolidated Financial Statements.

Letters of credit, and lending and other commitments See Note 24 to the Consolidated Financial Statements.

Guarantees See Note 24 to the Consolidated Financial Statements.

## CAPITAL RESOURCES

### Overview

Capital is used principally to support assets in Citi's businesses and to absorb credit, market and operational losses. Citi primarily generates capital through earnings from its operating businesses. Citi may augment its capital through issuances of common stock, noncumulative perpetual preferred stock and equity issued through awards under employee benefit plans, among other issuances. During the first quarter of 2015, Citi continued to raise capital through a noncumulative perpetual preferred stock issuance amounting to approximately \$1.5 billion, resulting in a total of approximately \$12 billion outstanding as of March 31, 2015.

Further, Citi's capital levels may also be affected by changes in regulatory and accounting standards as well as the impact of future events on Citi's business results, such as corporate and asset dispositions.

### Capital Management

Citigroup's capital management framework is designed to ensure that Citigroup and its principal subsidiaries maintain sufficient capital consistent with each entity's respective risk profile and all applicable regulatory standards and guidelines. For additional information regarding Citigroup's capital management, see "Capital Resources—Capital Management" in Citigroup's 2014 Annual Report on Form 10-K.

### Current Regulatory Capital Standards

Citi is subject to regulatory capital standards issued by the Federal Reserve Board which, commencing with 2014, constitute the U.S. Basel III rules. These rules establish a comprehensive capital adequacy framework encompassing both risk-based capital ratios and leverage ratios.

### Risk-Based Capital Ratios

The U.S. Basel III rules set forth the composition of regulatory capital (including the application of regulatory capital adjustments and deductions), as well as two comprehensive methodologies (a Standardized Approach and Advanced Approaches) for measuring total risk-weighted assets. Total risk-weighted assets under the Advanced Approaches, which are primarily models-based, include credit, market, and operational risk-weighted assets. Conversely, the Standardized Approach excludes operational risk-weighted assets and generally applies prescribed supervisory risk weights to broad categories of credit risk exposures. As a result, credit risk-weighted assets calculated under the Advanced Approaches are more risk-sensitive than those calculated under the Standardized Approach. Market risk-weighted assets are derived on a generally consistent basis under both approaches.

The U.S. Basel III rules establish stated minimum Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital ratios for substantially all U.S. banking organizations, including Citi and Citibank, N.A. Moreover, these rules provide for both a fixed Capital Conservation Buffer and a discretionary Countercyclical Capital Buffer, which would be available to absorb losses in advance of any potential impairment of regulatory capital below the stated minimum risk-based capital ratio requirements. Separately, the Federal Reserve Board has also issued a notice of proposed rulemaking that would impose a risk-based capital surcharge upon U.S. bank holding companies that are identified as global systemically important bank holding companies (GSIBs), including Citi, which would be an extension of, and introduced in parallel with, the Capital Conservation Buffer.

The U.S. Basel III rules contain several differing, largely multi-year transition provisions (i.e., "phase-ins" and "phase-outs") with respect to the stated minimum Common Equity Tier 1 Capital and Tier 1 Capital ratio requirements, substantially all regulatory capital adjustments and deductions, non-qualifying Tier 1 and Tier 2 Capital instruments (such as non-grandfathered trust preferred securities and certain subordinated debt issuances), and the capital buffers and potential GSIB surcharge. With the exception of the non-grandfathered trust preferred securities which do not fully phase-out until January 1, 2022 and the capital buffers and potential GSIB surcharge which do not fully phase-in until January 1, 2019, all other transition provisions will be entirely reflected in Citi's regulatory capital ratios by January 1, 2018. Citi considers all of these transition provisions as being fully implemented on January 1, 2019 (full implementation), with the inclusion of the capital buffers and potential GSIB surcharge.

Further, the U.S. Basel III rules implement the “capital floor provision” of the so-called “Collins Amendment” of the Dodd-Frank Act, which requires Advanced Approaches banking organizations, such as Citi and Citibank, N.A., to calculate each of the three risk-based capital ratios (Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital) under both the Standardized Approach starting on January 1, 2015 (or, for 2014, prior to the effective date of the Standardized Approach, the Basel I credit risk and Basel II.5 market risk capital rules) and the Advanced Approaches and publicly report (as well as measure compliance against) the lower of each of the resulting capital ratios.

The following chart sets forth the transitional progression to full implementation by January 1, 2019 of the regulatory capital components (i.e., inclusive of the mandatory 2.5% Capital Conservation Buffer and at least a 2% GSIB surcharge, but exclusive of the potential imposition of an additional Countercyclical Capital Buffer) comprising the effective minimum risk-based capital ratios.

#### Basel III Transition Arrangements: Minimum Risk-Based Capital Ratios

(1) The U.S. Basel III rules do not address GSIBs. The transitional progression reflected in the chart above is consistent with the phase-in arrangement under the Basel Committee on Banking Supervision's (Basel Committee) GSIB rules, which would subject Citi to at least a 2% GSIB surcharge. In December 2014, however, the Federal Reserve Board issued a notice of proposed rulemaking which would impose risk-based capital surcharges upon U.S. bank holding companies that are identified as GSIBs, including Citi. Citi currently estimates its GSIB surcharge under the Federal Reserve Board's proposal would be 4%, compared to at least 2% under the Basel Committee requirements. For additional information regarding the Federal Reserve Board's proposed rule, see "Capital Resources—Regulatory Capital Standards Developments" in Citi's 2014 Annual Report on Form 10-K.

The following chart presents the transition arrangements (phase-in and phase-out) under the U.S. Basel III rules for significant regulatory capital adjustments and deductions relative to Citi.

Basel III Transition Arrangements: Significant Regulatory Capital Adjustments and Deductions

|   | January 1 |       |       |       |       |   |
|---|-----------|-------|-------|-------|-------|---|
|   | 2014      | 2015  | 2016  | 2017  | 2018  |   |
| Phase-in of Significant Regulatory Capital Adjustments and Deductions |           |       |       |       |       |   |
| Common Equity Tier 1 Capital <sup>(1)</sup>                           | 20        | % 40  | % 60  | % 80  | % 100 | % |
| Common Equity Tier 1 Capital <sup>(2)</sup>                           | 20        | % 40  | % 60  | % 80  | % 100 | % |
| Additional Tier 1 Capital <sup>(2)(3)</sup>                           | 80        | % 60  | % 40  | % 20  | % 0   | % |
|   | 100       | % 100 | % 100 | % 100 | % 100 | % |

Phase-out of Significant AOCI Regulatory Capital Adjustments

|   |    |      |      |      |     |   |
|---|----|------|------|------|-----|---|
| Common Equity Tier 1 Capital <sup>(4)</sup> | 80 | % 60 | % 40 | % 20 | % 0 | % |
|---|----|------|------|------|-----|---|

Includes the phase-in of Common Equity Tier 1 Capital deductions for all intangible assets other than goodwill and mortgage servicing rights (MSRs); and excess over 10%/15% limitations for deferred tax assets (DTAs) arising from temporary differences, significant common stock investments in unconsolidated financial institutions and MSRs. Goodwill (including goodwill “embedded” in the valuation of significant common stock investments in unconsolidated financial institutions) is fully deducted in arriving at Common Equity Tier 1 Capital commencing (1) January 1, 2014. The amount of other intangible assets, aside from MSRs, not deducted in arriving at Common Equity Tier 1 Capital are risk-weighted at 100%, as are the excess over the 10%/15% limitations for DTAs arising from temporary differences, significant common stock investments in unconsolidated financial institutions and MSRs prior to full implementation of the U.S. Basel III rules. Upon full implementation, the amount of temporary difference DTAs, significant common stock investments in unconsolidated financial institutions and MSRs not deducted in arriving at Common Equity Tier 1 Capital are risk-weighted at 250%.

Includes the phase-in of Common Equity Tier 1 Capital deductions related to DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards and defined benefit pension plan net assets; and the (2) phase-in of the Common Equity Tier 1 Capital adjustment for cumulative unrealized net gains (losses) related to changes in fair value of financial liabilities attributable to Citi’s own creditworthiness.

To the extent Additional Tier 1 Capital is not sufficient to absorb regulatory capital adjustments and deductions, (3) such excess is to be applied against Common Equity Tier 1 Capital.

Includes the phase-out from Common Equity Tier 1 Capital of adjustments related to unrealized gains (losses) on (4) available-for-sale (AFS) debt securities; unrealized gains on AFS equity securities; unrealized gains (losses) on held-to-maturity (HTM) securities included in Accumulated other comprehensive income (loss) (AOCI); and defined benefit plans liability adjustment.

Tier 1 Leverage Ratio

Under the U.S. Basel III rules, Citi, as with principally all U.S. banking organizations, is also required to maintain a minimum Tier 1 Leverage ratio of 4%. The Tier 1 Leverage ratio, a non-risk-based measure of capital adequacy, is defined as Tier 1 Capital as a percentage of quarterly adjusted average total assets less amounts deducted from Tier 1 Capital.

Supplementary Leverage Ratio

Advanced Approaches banking organizations are additionally required to calculate a Supplementary Leverage ratio, which significantly differs from the Tier 1 Leverage ratio by also including certain off-balance sheet exposures within the denominator of the ratio (Total Leverage Exposure). The Supplementary Leverage ratio represents end of period



Tier 1 Capital to Total Leverage Exposure, with the latter defined as the sum of the daily average of on-balance sheet assets for the quarter and the average of certain off-balance sheet exposures calculated as of the last day of each month in the quarter, less applicable Tier 1 Capital deductions. Advanced Approaches banking organizations will be required to maintain a stated minimum Supplementary Leverage ratio of 3%

commencing on January 1, 2018, but must commence publicly disclosing this ratio on January 1, 2015. Further, U.S. GSIBs, and their subsidiary insured depository institutions, including Citi and Citibank, N.A., are subject to enhanced Supplementary Leverage ratio standards. The enhanced Supplementary Leverage ratio standards establish a 2% leverage buffer for U.S. GSIBs in addition to the stated 3% minimum Supplementary Leverage ratio requirement in the U.S. Basel III rules. If a U.S. GSIB fails to exceed the 2% leverage buffer, it will be subject to increasingly onerous restrictions (depending upon the extent of the shortfall) regarding capital distributions and discretionary executive bonus payments. Accordingly, U.S. GSIBs are effectively subject to a 5% minimum Supplementary Leverage ratio requirement. Additionally, insured depository institution subsidiaries of U.S. GSIBs, including Citibank, N.A., are required to maintain a Supplementary Leverage ratio of 6% to be considered “well capitalized” under the revised Prompt Corrective Action (PCA) framework established by the U.S. Basel III rules. Citi and Citibank, N.A. are required to be compliant with these higher effective minimum ratio requirements on January 1, 2018.

### Prompt Corrective Action Framework

The U.S. Basel III rules revised the PCA regulations applicable to insured depository institutions in certain respects. In general, the PCA regulations direct the U.S. banking agencies to enforce increasingly strict limitations on the activities of insured depository institutions that fail to meet certain regulatory capital thresholds. The PCA framework contains five categories of capital adequacy as measured by risk-based capital and leverage ratios: (i) “well capitalized;” (ii) “adequately capitalized;” (iii) “undercapitalized;” (iv) “significantly undercapitalized;” and (v) “critically undercapitalized.”

Accordingly, beginning January 1, 2015, an insured depository institution, such as Citibank, N.A., would need minimum Common Equity Tier 1 Capital, Tier 1 Capital, Total Capital, and Tier 1 Leverage ratios of 6.5%, 8%, 10% and 5%, respectively, to be considered “well capitalized.” Additionally, Advanced Approaches insured depository institutions, such as Citibank, N.A., would need a minimum Supplementary Leverage ratio of 6%, effective January 1, 2018, to be considered “well capitalized.”

### Citigroup’s Capital Resources Under Current Regulatory Standards

During 2015 and thereafter, Citi is required to maintain stated minimum Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital ratios of 4.5%, 6% and 8%, respectively. The stated minimum Common Equity Tier 1 Capital and Tier 1 Capital ratio requirements in 2014 were 4% and 5.5%, respectively, while the stated minimum Total Capital ratio requirement of 8% remained unchanged.

Furthermore, to be “well capitalized” under current federal bank regulatory agency definitions, a bank holding company must have a Tier 1 Capital ratio of at least 6%, a Total Capital ratio of at least 10%, and not be subject to a Federal Reserve Board directive to maintain higher capital levels.

The following tables set forth the capital tiers, risk-weighted assets, risk-based capital ratios, quarterly adjusted average total assets, Total Leverage Exposure and leverage ratios under current regulatory standards (reflecting Basel III Transition Arrangements) for Citi as of March 31, 2015 and December 31, 2014.

### Citigroup Capital Components and Ratios Under Current Regulatory Standards (Basel III Transition Arrangements)

| In millions of dollars, except ratios                          | March 31, 2015      |                       | December 31, 2014 <sup>(1)</sup> |                                      |
|--|---------------------|-----------------------|----------------------------------|--------------------------------------|
|  | Advanced Approaches | Standardized Approach | Advanced Approaches              | Standardized Approach <sup>(2)</sup> |
| Common Equity Tier 1 Capital                                   | \$167,967           | \$167,967             | \$166,663                        | \$166,663                            |
| Tier 1 Capital   | 167,967             | 167,967               | 166,663                          | 166,663                              |
| Total Capital (Tier 1 Capital + Tier 2 Capital) <sup>(3)</sup> | 185,160             | 197,764               | 184,959                          | 197,707                              |
| Risk-Weighted Assets   | 1,260,345           | 1,180,586             | 1,274,672                        | 1,211,358                            |
| Common Equity Tier 1 Capital ratio <sup>(4)</sup>              | 13.33               | % 14.23               | % 13.07                          | % 13.76                              |
| Tier 1 Capital ratio <sup>(4)</sup>                            | 13.33               | 14.23                 | 13.07                            | 13.76                                |
| Total Capital ratio <sup>(4)</sup>                             | 14.69               | 16.75                 | 14.51                            | 16.32                                |

| In millions of dollars, except ratios                  | March 31, 2015 |   | December 31, 2014 <sup>(1)</sup> |   |
|--|----------------|---|----------------------------------|---|
| Quarterly Adjusted Average Total Assets <sup>(5)</sup> | \$1,800,909    |   | \$1,849,325                      |   |
| Total Leverage Exposure <sup>(6)</sup>                 | 2,416,002      |   | 2,518,115                        |   |
| Tier 1 Leverage ratio                                  | 9.33           | % | 9.01                             | % |
| Supplementary Leverage ratio                           | 6.95           |   | 6.62                             |   |

(1) Restated to reflect the retrospective adoption of ASU 2014-01 for Low Income Housing Tax Credit (LIHTC) investments, consistent with current period presentation.

(2) Pro forma presentation to reflect the application of the Basel III 2015 Standardized Approach, consistent with current period presentation.

(3)

Under the Advanced Approaches framework eligible credit reserves that exceed expected credit losses are eligible for inclusion in Tier 2 Capital to the extent the excess reserves do not exceed 0.6% of credit risk-weighted assets, which differs from the Standardized Approach in which the allowance for credit losses is includable in Tier 2 Capital up to 1.25% of credit risk-weighted assets, with any excess allowance for credit losses being deducted in arriving at credit risk-weighted assets.

- (4) As of March 31, 2015 and December 31, 2014, Citi's reportable Common Equity Tier 1 Capital, Tier 1 Capital, and Total Capital ratios were the lower derived under the Basel III Advanced Approaches framework.
- (5) Tier 1 Leverage ratio denominator.
- (6) Supplementary Leverage ratio denominator.

As indicated in the table above, Citigroup's capital ratios at March 31, 2015 were in excess of the stated minimum requirements under the U.S. Basel III rules. In

addition, Citi was also "well capitalized" under current federal bank regulatory agency definitions as of March 31, 2015.

Components of Citigroup Capital Under Current Regulatory Standards  
(Basel III Advanced Approaches with Transition Arrangements)

| In millions of dollars  | March 31,<br>2015 | December 31,<br>2014 <sup>(1)</sup> |
|---|-------------------|-------------------------------------|
| Common Equity Tier 1 Capital  |                   |                                     |
| Citigroup common stockholders' equity <sup>(2)</sup>  | \$202,782         | \$199,841                           |
| Add: Qualifying noncontrolling interests  | 409               | 539                                 |
| Regulatory Capital Adjustments and Deductions:  |                   |                                     |
| Less: Net unrealized gains on securities AFS, net of tax <sup>(3)(4)</sup>  | 389               | 46                                  |
| Less: Defined benefit plans liability adjustment, net of tax <sup>(4)</sup>   | (3,149            | )(4,127 )                           |
| Less: Accumulated net unrealized losses on cash flow hedges, net of tax <sup>(5)</sup>  | (823              | )(909 )                             |
| Less: Cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax <sup>(4)(6)</sup> | 133               | 56                                  |
| Less: Intangible assets:  |                   |                                     |
| Goodwill, net of related deferred tax liabilities (DTLs) <sup>(7)</sup>   | 22,448            | 22,805                              |
| Identifiable intangible assets other than mortgage servicing rights (MSRs), net of related DTLs <sup>(4)</sup>  | 1,674             | 875                                 |
| Less: Defined benefit pension plan net assets <sup>(4)</sup>  | 359               | 187                                 |
| Less: Deferred tax assets (DTAs) arising from net operating loss, foreign tax credit and general business credit carry-forwards <sup>(4)(8)</sup>                 | 9,276             | 4,725                               |
| Less: Excess over 10%/15% limitations for other DTAs, certain common stock investments, and MSRs <sup>(4)(8)(9)</sup>   | 3,549             | 1,977                               |
| Less: Deductions applied to Common Equity Tier 1 Capital due to insufficient amount of Additional Tier 1 Capital to cover deductions <sup>(4)</sup>               | 1,368             | 8,082                               |
| Total Common Equity Tier 1 Capital  | \$167,967         | \$166,663                           |
| Additional Tier 1 Capital   |                   |                                     |
| Qualifying perpetual preferred stock <sup>(2)</sup>   | \$11,838          | \$10,344                            |
| Qualifying trust preferred securities <sup>(10)</sup>   | 1,710             | 1,719                               |
| Qualifying noncontrolling interests   | 12                | 7                                   |
| Regulatory Capital Adjustment and Deductions:   |                   |                                     |
| Less: Cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax <sup>(4)(6)</sup> | 199               | 223                                 |
| Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries <sup>(11)</sup>  | 277               | 279                                 |
| Less: Defined benefit pension plan net assets <sup>(4)</sup>  | 538               | 749                                 |
| Less: DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards <sup>(4)(8)</sup>                                       | 13,914            | 18,901                              |
| Less: Deductions applied to Common Equity Tier 1 Capital due to insufficient amount of Additional Tier 1 Capital to cover deductions <sup>(4)</sup>               | (1,368            | )(8,082 )                           |
| Total Additional Tier 1 Capital   | \$—               | \$—                                 |
| Total Tier 1 Capital (Common Equity Tier 1 Capital + Additional Tier 1 Capital)   | \$167,967         | \$166,663                           |
| Tier 2 Capital  |                   |                                     |

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|  |           |           |
|--|-----------|-----------|
| Qualifying subordinated debt <sup>(12)</sup>   | \$16,500  | \$17,386  |
| Qualifying noncontrolling interests  | 17        | 12        |
| Excess of eligible credit reserves over expected credit losses <sup>(13)</sup>                       | 953       | 1,177     |
| Regulatory Capital Deduction:  |           |           |
| Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries <sup>(11)</sup> | 277       | 279       |
| Total Tier 2 Capital   | \$17,193  | \$18,296  |
| Total Capital (Tier 1 Capital + Tier 2 Capital)  | \$185,160 | \$184,959 |

Citigroup Risk-Weighted Assets (Basel III Advanced Approaches with Transition Arrangements)

| In millions of dollars      | March 31,<br>2015 | December 31,<br>2014 <sup>(1)</sup> |
|-----------------------------|-------------------|-------------------------------------|
| Credit Risk <sup>(14)</sup> | \$837,105         | \$861,691                           |
| Market Risk                 | 98,240            | 100,481                             |
| Operational Risk            | 325,000           | 312,500                             |
| Total Risk-Weighted Assets  | \$1,260,345       | \$1,274,672                         |

(1) Restated to reflect the retrospective adoption of ASU 2014-01 for LIHTC investments, consistent with current period presentation.

(2) Issuance costs of \$130 million and \$124 million related to preferred stock outstanding at March 31, 2015 and December 31, 2014, respectively, are excluded from common stockholders' equity and netted against preferred stock in accordance with Federal Reserve Board regulatory reporting requirements, which differ from those under U.S. GAAP.

(3) In addition, includes the net amount of unamortized loss on held-to-maturity (HTM) securities. This amount relates to securities that were previously transferred from AFS to HTM, and non-credit related factors such as changes in interest rates and liquidity spreads for HTM securities with other-than-temporary impairment.

(4) The transition arrangements for significant regulatory capital adjustments and deductions impacting Common Equity Tier 1 Capital and/or Additional Tier 1 Capital are set forth above in the table entitled "Basel III Transition Arrangements: Significant Regulatory Capital Adjustments and Deductions."

(5) Common Equity Tier 1 Capital is adjusted for accumulated net unrealized gains (losses) on cash flow hedges included in AOCI that relate to the hedging of items not recognized at fair value on the balance sheet.

(6) The cumulative impact of changes in Citigroup's own creditworthiness in valuing liabilities for which the fair value option has been elected and own-credit valuation adjustments on derivatives are excluded from Common Equity Tier 1 Capital, in accordance with the U.S. Basel III rules.

(7) Includes goodwill "embedded" in the valuation of significant common stock investments in unconsolidated financial institutions.

(8) Of Citi's approximately \$48.1 billion of net DTAs at March 31, 2015, approximately \$23.1 billion of such assets were includable in regulatory capital pursuant to the U.S. Basel III rules, while approximately \$25.0 billion of such assets were excluded in arriving at regulatory capital. Comprising the excluded net DTAs was an aggregate of approximately \$26.7 billion of net DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards as well as temporary differences, of which \$14.1 billion were deducted from Common Equity Tier 1 Capital and \$12.6 billion were deducted from Additional Tier 1 Capital. In addition, approximately \$1.7 billion of net DTLs, primarily consisting of DTLs associated with goodwill and certain other intangible assets, partially offset by DTAs related to cash flow hedges, are permitted to be excluded prior to deriving the amount of net DTAs subject to deduction under these rules. Separately, under the U.S. Basel III rules, goodwill and these other intangible assets are deducted net of associated DTLs in arriving at Common Equity Tier 1 Capital, while Citi's current cash flow hedges and the related deferred tax effects are not required to be reflected in regulatory capital.

(9) Assets subject to 10%/15% limitations include MSRs, DTAs arising from temporary differences and significant common stock investments in unconsolidated financial institutions. At March 31, 2015 and December 31, 2014, the deduction related only to DTAs arising from temporary differences.

(10) Represents Citigroup Capital XIII trust preferred securities, which are permanently grandfathered as Tier 1 Capital under the U.S. Basel III rules, as well as non-grandfathered trust preferred securities which are eligible for inclusion in an amount up to 25% and 50%, respectively, during 2015 and 2014, of the aggregate outstanding principal amounts of such issuances as of January 1, 2014. The remaining 75% and 50% of non-grandfathered trust preferred securities are eligible for inclusion in Tier 2 Capital during 2015 and 2014, respectively, in accordance with the transition arrangements for non-qualifying capital instruments under the U.S. Basel III rules.

As of March 31, 2015 and December 31, 2014, however, the entire amount of non-grandfathered trust preferred securities was included within Tier 1 Capital, as the amounts outstanding did not exceed the respective threshold for exclusion from Tier 1 Capital.

- (11) 50% of the minimum regulatory capital requirements of insurance underwriting subsidiaries must be deducted from each of Tier 1 Capital and Tier 2 Capital.

- (12) Under the transition arrangements of the U.S. Basel III rules, non-qualifying subordinated debt issuances which consist of those with a fixed-to-floating rate step-up feature where the call/step-up date has not passed are eligible for inclusion in Tier 2 Capital during 2015 and 2014 up to 25% and 50%, respectively, of the aggregate outstanding principal amounts of such issuances as of January 1, 2014.

- (13) Advanced Approaches banking organizations are permitted to include in Tier 2 Capital eligible credit reserves that exceed expected credit losses to the extent that the excess reserves do not exceed 0.6% of credit risk-weighted assets.

- (14) Under the U.S. Basel III rules, credit risk-weighted assets during the transition period reflect the effects of transitional arrangements related to regulatory capital adjustments and deductions and, as a result, will differ from credit risk-weighted assets derived under full implementation of the rules.

Citigroup Capital Rollforward Under Current Regulatory Standards  
(Basel III Advanced Approaches with Transition Arrangements)

| In millions of dollars  | Three Months<br>Ended<br>March 31, 2015 |
|---|---|
| Common Equity Tier 1 Capital  |   |
| Balance, beginning of period <sup>(1)</sup>   | \$ 166,663                              |
| Net income  | 4,770                                   |
| Dividends declared  | (159 )                                  |
| Net increase in treasury stock  | (297 )                                  |
| Net increase in additional paid-in capital <sup>(2)</sup>   | 102                                     |
| Net increase in foreign currency translation adjustment net of hedges, net of tax   | (2,062 )                                |
| Net increase in unrealized gains on securities AFS, net of tax <sup>(3)</sup>   | 248                                     |
| Net increase in defined benefit plans liability adjustment, net of tax <sup>(3)</sup>   | (1,068 )                                |
| Net increase in cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax | (77 )                                   |
| Net decrease in goodwill, net of related deferred tax liabilities (DTLs)  | 357                                     |
| Net increase in other intangible assets other than mortgage servicing rights (MSRs), net of related DTLs  | (799 )                                  |
| Net increase in defined benefit pension plan net assets   | (172 )                                  |
| Net increase in deferred tax assets (DTAs) arising from net operating loss, foreign tax credit and general business credit carry-forwards                 | (4,551 )                                |
| Net increase in excess over 10%/15% limitations for other DTAs, certain common stock investments and MSRs   | (1,572 )                                |
| Net decrease in regulatory capital deduction applied to Common Equity Tier 1 Capital due to insufficient Additional Tier 1 Capital to cover deductions    | 6,714                                   |
| Other   | (130 )                                  |
| Net increase in Common Equity Tier 1 Capital  | \$ 1,304                                |
| Common Equity Tier 1 Capital Balance, end of period   | \$ 167,967                              |
| Additional Tier 1 Capital   |   |
| Balance, beginning of period  | \$—                                     |
| Net increase in qualifying perpetual preferred stock <sup>(4)</sup>   | 1,494                                   |
| Net decrease in qualifying trust preferred securities   | (9 )                                    |
| Net decrease in cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax | 24                                      |
| Net decrease in defined benefit pension plan net assets   | 211                                     |
| Net decrease in DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards                                       | 4,987                                   |
| Net decrease in regulatory capital deduction applied to Common Equity Tier 1 Capital due to insufficient Additional Tier 1 Capital to cover deductions    | (6,714 )                                |
| Other   | 7                                       |
| Net change in Additional Tier 1 Capital   | \$—                                     |
| Tier 1 Capital Balance, end of period   | \$ 167,967                              |
| Tier 2 Capital  |   |
| Balance, beginning of period  | \$ 18,296                               |
| Net decrease in qualifying subordinated debt  | (886 )                                  |
| Net decrease in excess of eligible credit reserves over expected credit losses  | (224 )                                  |
| Other   | 7                                       |
| Net decrease in Tier 2 Capital  | \$(1,103 )                              |



|   |           |
|---|-----------|
| Tier 2 Capital Balance, end of period           | \$17,193  |
| Total Capital (Tier 1 Capital + Tier 2 Capital) | \$185,160 |

(1) Restated to reflect the retrospective adoption of ASU 2014-01 for LIHTC investments, consistent with current period presentation.

(2) Primarily represents an increase in additional paid-in capital related to employee benefit plans.

- (3) Presented net of impact of transition arrangements related to unrealized losses on securities AFS and defined benefit plans liability adjustment under the U.S. Basel III rules.
- (4) Citi issued approximately \$1.5 billion of qualifying perpetual preferred stock during the three months ended March 31, 2015, which was partially offset by the netting of issuance costs of \$6 million.

Citigroup Risk-Weighted Assets Rollforward (Basel III Advanced Approaches with Transition Arrangements)

| In millions of dollars   | Three Months Ended<br>March 31, 2015 |   |
|--|--------------------------------------|---|
| Total Risk-Weighted Assets, beginning of period <sup>(1)</sup> | \$1,274,672                          |   |
| Changes in Credit Risk-Weighted Assets                         |                                      |   |
| Net decrease in retail exposures <sup>(2)</sup>                | (11,575)                             | ) |
| Net decrease in wholesale exposures <sup>(3)</sup>             | (12,825)                             | ) |
| Net increase in repo-style transactions                        | 431                                  |   |
| Net increase in securitization exposures                       | 2,287                                |   |
| Net decrease in equity exposures                               | (908)                                | ) |
| Net increase in over-the-counter (OTC) derivatives             | 557                                  |   |
| Net increase in derivatives CVA                                | 489                                  |   |
| Net decrease in other <sup>(4)</sup>                           | (1,622)                              | ) |
| Net decrease in supervisory 6% multiplier <sup>(5)</sup>       | (1,420)                              | ) |
| Net decrease in Credit Risk-Weighted Assets                    | \$(24,586)                           | ) |
| Changes in Market Risk-Weighted Assets                         |                                      |   |
| Net decrease in risk levels                                    | \$(4,904)                            | ) |
| Net increase due to model and methodology updates              | 2,663                                |   |
| Net decrease in Market Risk-Weighted Assets                    | \$(2,241)                            | ) |
| Increase in Operational Risk-Weighted Assets <sup>(6)</sup>    | \$12,500                             |   |
| Total Risk-Weighted Assets, end of period                      | \$1,260,345                          |   |

- (1) Restated to reflect the retrospective adoption of ASU 2014-01 for LIHTC investments, consistent with current period presentation.
- (2) Retail exposures decreased during the three months ended March 31, 2015, driven by a reduction in loans and commitments, and the impact of FX translation.
- (3) Wholesale exposures decreased during the three months ended March 31, 2015, primarily due to a reduction in commitments as well as the impact of FX translation.
- (4) Other includes cleared transactions, unsettled transactions, assets other than those reportable in specific exposure categories and non-material portfolios of exposures.
- (5) Supervisory 6% multiplier does not apply to derivatives CVA.
- Operational risk-weighted assets increased by \$12.5 billion during the three months ended March 31, 2015,
- (6) reflecting an evaluation of ongoing events in the banking industry as well as continued enhancements to Citi's operational risk model.

Capital Resources of Citigroup's Subsidiary U.S. Depository Institutions Under Current Regulatory Standards  
Citigroup's subsidiary U.S. depository institutions are also subject to regulatory capital standards issued by their respective primary federal bank regulatory agencies, which are similar to the standards of the Federal Reserve Board.

The following tables set forth the capital tiers, risk-weighted assets, risk-based capital ratios, quarterly adjusted average total assets, Total Leverage Exposure and leverage ratios under current regulatory standards (reflecting Basel III Transition Arrangements) for Citibank, N.A., Citi's primary subsidiary U.S. depository institution, as of March 31, 2015 and December 31, 2014.

Citibank, N.A. Capital Components and Ratios Under Current Regulatory Standards (Basel III Transition Arrangements)

| In millions of dollars, except ratios                          | March 31, 2015      |                       | December 31, 2014 <sup>(1)</sup> |                                      |   |
|--|---------------------|-----------------------|----------------------------------|--------------------------------------|---|
|  | Advanced Approaches | Standardized Approach | Advanced Approaches              | Standardized Approach <sup>(2)</sup> |   |
| Common Equity Tier 1 Capital                                   | \$128,282           | \$128,282             | \$128,262                        | \$128,262                            |   |
| Tier 1 Capital   | 128,282             | 128,282               | 128,262                          | 128,262                              |   |
| Total Capital (Tier 1 Capital + Tier 2 Capital) <sup>(3)</sup> | 139,304             | 150,729               | 139,246                          | 151,124                              |   |
| Risk-Weighted Assets   | 923,947             | 1,012,418             | 945,407                          | 1,044,768                            |   |
| Common Equity Tier 1 Capital ratio <sup>(4)</sup>              | 13.88               | % 12.67               | % 13.57                          | % 12.28                              | % |
| Tier 1 Capital ratio <sup>(4)</sup>                            | 13.88               | 12.67                 | 13.57                            | 12.28                                |   |
| Total Capital ratio <sup>(4)</sup>                             | 15.08               | 14.89                 | 14.73                            | 14.46                                |   |
| In millions of dollars, except ratios                          | March 31, 2015      |                       | December 31, 2014 <sup>(1)</sup> |                                      |   |
| Quarterly Adjusted Average Total Assets <sup>(5)</sup>         | \$1,336,128         |                       | \$1,366,910                      |                                      |   |
| Total Leverage Exposure <sup>(6)</sup>                         | 1,880,830           |                       | 1,954,833                        |                                      |   |
| Tier 1 Leverage ratio  | 9.60                |                       | % 9.38                           |                                      | % |
| Supplementary Leverage ratio                                   | 6.82                |                       | 6.56                             |                                      |   |

(1) Restated to reflect the retrospective adoption of ASU 2014-01 for LIHTC investments, consistent with current period presentation.

(2) Pro forma presentation to reflect the application of the Basel III 2015 Standardized Approach, consistent with current period presentation.

Under the Advanced Approaches framework eligible credit reserves that exceed expected credit losses are eligible for inclusion in Tier 2 Capital to the extent the excess reserves do not exceed 0.6% of credit risk-weighted assets, which differs from the Standardized Approach in which the allowance for credit losses is includable in Tier 2 Capital up to 1.25% of credit risk-weighted assets, with any excess allowance for credit losses being deducted in arriving at credit risk-weighted assets.

(3) As of March 31, 2015 and December 31, 2014, Citibank, N.A.'s reportable Common Equity Tier 1 Capital, Tier 1 Capital, and Total Capital ratios were the lower derived under the Basel III Standardized Approach.

(4) Tier 1 Leverage ratio denominator.

(6) Supplementary Leverage ratio denominator.

As indicated in the table above, Citibank N.A.'s capital ratios at March 31, 2015 were in excess of the stated minimum requirements under the U.S. Basel III rules. In addition, Citibank, N.A. was also "well capitalized" as of March 31, 2015 under the revised PCA regulations which became effective January 1, 2015.



## Impact of Changes on Citigroup and Citibank, N.A. Capital Ratios Under Current Regulatory Capital Standards

The following tables present the estimated sensitivity of Citigroup's and Citibank, N.A.'s capital ratios to changes of \$100 million in Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital (numerator), and changes of \$1 billion in Advanced Approaches and Standardized Approach risk-weighted assets, quarterly adjusted average total assets, as well as Total Leverage Exposure (denominator), under current regulatory capital standards (reflecting Basel III Transition Arrangements), as of

March 31, 2015. This information is provided for the purpose of analyzing the impact that a change in Citigroup's or Citibank, N.A.'s financial position or results of operations could have on these ratios. These sensitivities only consider a single change to either a component of capital, risk-weighted assets, quarterly adjusted average total assets, or Total Leverage Exposure. Accordingly, an event that affects more than one factor may have a larger basis point impact than is reflected in these tables.

## Impact of Changes on Citigroup and Citibank, N.A. Risk-Based Capital Ratios (Basel III Transition Arrangements)

|                       | Common Equity Tier 1 Capital ratio                             |  | Tier 1 Capital ratio                             |  | Total Capital ratio                             |  |
|-----------------------|--|--|--|--|---|--|
|                       | Impact of \$100 million change in Common Equity Tier 1 Capital | Impact of \$1 billion change in risk-weighted assets | Impact of \$100 million change in Tier 1 Capital | Impact of \$1 billion change in risk-weighted assets | Impact of \$100 million change in Total Capital | Impact of \$1 billion change in risk-weighted assets |
| <b>Citigroup</b>      |  |  |  |  |   |  |
| Advanced Approaches   | 0.8 bps  | 1.1 bps  | 0.8 bps  | 1.1 bps  | 0.8 bps   | 1.2 bps  |
| Standardized Approach | 0.8 bps  | 1.2 bps  | 0.8 bps  | 1.2 bps  | 0.8 bps   | 1.4 bps  |
| <b>Citibank, N.A.</b> |  |  |  |  |   |  |
| Advanced Approaches   | 1.1 bps  | 1.5 bps  | 1.1 bps  | 1.5 bps  | 1.1 bps   | 1.6 bps  |
| Standardized Approach | 1.0 bps  | 1.3 bps  | 1.0 bps  | 1.3 bps  | 1.0 bps   | 1.5 bps  |

## Impact of Changes on Citigroup and Citibank, N.A. Leverage Ratios (Basel III Transition Arrangements)

|                | Tier 1 Leverage ratio                            |   | Supplementary Leverage ratio                     |   |
|----------------|--|---|--|---|
|                | Impact of \$100 million change in Tier 1 Capital | Impact of \$1 billion change in quarterly adjusted average total assets | Impact of \$100 million change in Tier 1 Capital | Impact of \$1 billion change in Total Leverage Exposure |
| Citigroup      | 0.6 bps  | 0.5 bps   | 0.4 bps  | 0.3 bps   |
| Citibank, N.A. | 0.7 bps  | 0.7 bps   | 0.5 bps  | 0.4 bps   |

## Citigroup Broker-Dealer Subsidiaries

At March 31, 2015, Citigroup Global Markets Inc., a U.S. broker-dealer registered with the SEC that is an indirect wholly owned subsidiary of Citigroup, had net capital, computed in accordance with the SEC's net capital rule, of \$6.2 billion, which exceeded the minimum requirement by \$4.8 billion.

In addition, certain of Citi's other broker-dealer subsidiaries are subject to regulation in the countries in which they do business, including requirements to maintain specified levels of net capital or its equivalent. Citigroup's other broker-dealer subsidiaries were in compliance with their capital requirements at March 31, 2015.

## Basel III (Full Implementation)

## Citigroup's Capital Resources Under Basel III (Full Implementation)

Citi currently estimates that its effective minimum Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital ratio requirements under the U.S. Basel III rules, on a fully implemented basis and assuming, among other factors, that the Federal Reserve Board's GSIB surcharge rule were to be adopted as proposed, may be 11%, 12.5% and 14.5%, respectively. For additional information regarding the Federal Reserve Board's GSIB surcharge proposal, see "Capital Resources—Regulatory Capital Standards Developments" in Citi's 2014 Annual Report on Form 10-K.

Further, under the U.S. Basel III rules, Citi must also comply with a 4% minimum Tier 1 Leverage ratio requirement and an effective 5% minimum Supplementary Leverage ratio requirement.

The following tables set forth the capital tiers, risk-weighted assets, risk-based capital ratios, quarterly adjusted average total assets, Total Leverage Exposure and leverage ratios, assuming full implementation under the U.S. Basel III rules, for Citi as of March 31, 2015 and December 31, 2014.

## Citigroup Capital Components and Ratios Under Basel III (Full Implementation)

| In millions of dollars, except ratios                          | March 31, 2015      |                       | December 31, 2014 <sup>(1)</sup> |                       |   |
|--|---------------------|-----------------------|----------------------------------|-----------------------|---|
|  | Advanced Approaches | Standardized Approach | Advanced Approaches              | Standardized Approach |   |
| Common Equity Tier 1 Capital                                   | \$141,945           | \$141,945             | \$136,597                        | \$136,597             |   |
| Tier 1 Capital   | 154,905             | 154,905               | 148,066                          | 148,066               |   |
| Total Capital (Tier 1 Capital + Tier 2 Capital) <sup>(2)</sup> | 171,817             | 184,697               | 165,454                          | 178,413               |   |
| Risk-Weighted Assets   | 1,283,758           | 1,202,949             | 1,292,605                        | 1,228,488             |   |
| Common Equity Tier 1 Capital ratio <sup>(3)(4)</sup>           | 11.06               | % 11.80               | % 10.57                          | % 11.12               | % |
| Tier 1 Capital ratio <sup>(3)(4)</sup>                         | 12.07               | 12.88                 | 11.45                            | 12.05                 |   |
| Total Capital ratio <sup>(3)(4)</sup>                          | 13.38               | 15.35                 | 12.80                            | 14.52                 |   |

| In millions of dollars, except ratios                  | March 31, 2015 |   | December 31, 2014 <sup>(1)</sup> |   |
|--|----------------|---|----------------------------------|---|
| Quarterly Adjusted Average Total Assets <sup>(5)</sup> | \$1,791,373    |   | \$1,835,637                      |   |
| Total Leverage Exposure <sup>(6)</sup>                 | 2,406,286      |   | 2,492,636                        |   |
| Tier 1 Leverage ratio <sup>(4)</sup>                   | 8.65           | % | 8.07                             | % |
| Supplementary Leverage ratio <sup>(4)</sup>            | 6.44           |   | 5.94                             |   |

(1) Restated to reflect the retrospective adoption of ASU 2014-01 for LIHTC investments, consistent with current period presentation.

Under the Advanced Approaches framework eligible credit reserves that exceed expected credit losses are eligible for inclusion in Tier 2 Capital to the extent the excess reserves do not exceed 0.6% of credit risk-weighted assets,

(2) which differs from the Standardized Approach in which the allowance for credit losses is includable in Tier 2 Capital up to 1.25% of credit risk-weighted assets, with any excess allowance for credit losses being deducted in arriving at credit risk-weighted assets.

- (3) As of March 31, 2015 and December 31, 2014, Citi's Common Equity Tier 1 Capital, Tier 1 Capital, and Total Capital ratios were the lower derived under the Basel III Advanced Approaches framework.
- (4) Citi's Basel III capital ratios, on a fully implemented basis, are non-GAAP financial measures.
- (5) Tier 1 Leverage ratio denominator.
- (6) Supplementary Leverage ratio denominator.

## Common Equity Tier 1 Capital Ratio

Citi's Common Equity Tier 1 Capital ratio was 11.1% at March 31, 2015, compared to 10.6% at December 31, 2014 (both based on application of the Advanced Approaches for determining total risk-weighted assets). The quarter-over-quarter increase in the ratio was largely attributable to Common Equity Tier 1 Capital benefits resulting from quarterly net income of \$4.8 billion and the favorable effects attributable to DTA utilization of approximately \$1.2 billion, offset in part by a net decline in AOCI.

## Components of Citigroup Capital Under Basel III (Advanced Approaches with Full Implementation)

| In millions of dollars   | March 31,<br>2015 | December 31,<br>2014 <sup>(1)</sup> |
|--|-------------------|-------------------------------------|
| Common Equity Tier 1 Capital   |                   |                                     |
| Citigroup common stockholders' equity <sup>(2)</sup>   | \$202,782         | \$199,841                           |
| Add: Qualifying noncontrolling interests   | 146               | 165                                 |
| Regulatory Capital Adjustments and Deductions:   |                   |                                     |
| Less: Accumulated net unrealized losses on cash flow hedges, net of tax <sup>(3)</sup>   | (823)             | (909)                               |
| Less: Cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax <sup>(4)</sup> | 332               | 279                                 |
| Less: Intangible assets:   |                   |                                     |
| Goodwill, net of related deferred tax liabilities (DTLs) <sup>(5)</sup>  | 22,448            | 22,805                              |
| Identifiable intangible assets other than mortgage servicing rights (MSRs), net of related DTLs  | 4,184             | 4,373                               |
| Less: Defined benefit pension plan net assets  | 897               | 936                                 |
| Less: Deferred tax assets (DTAs) arising from net operating loss, foreign tax credit and general business credit carry-forwards <sup>(6)</sup>                 | 23,190            | 23,626                              |
| Less: Excess over 10%/15% limitations for other DTAs, certain common stock investments, and MSRs <sup>(6)(7)</sup>   | 10,755            | 12,299                              |
| Total Common Equity Tier 1 Capital   | \$141,945         | \$136,597                           |
| Additional Tier 1 Capital  |                   |                                     |
| Qualifying perpetual preferred stock <sup>(2)</sup>  | \$11,838          | \$10,344                            |
| Qualifying trust preferred securities <sup>(8)</sup>   | 1,368             | 1,369                               |
| Qualifying noncontrolling interests  | 31                | 35                                  |
| Regulatory Capital Deduction:  |                   |                                     |
| Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries <sup>(9)</sup>  | 277               | 279                                 |
| Total Additional Tier 1 Capital  | \$12,960          | \$11,469                            |
| Total Tier 1 Capital (Common Equity Tier 1 Capital + Additional Tier 1 Capital)  | \$154,905         | \$148,066                           |
| Tier 2 Capital   |                   |                                     |
| Qualifying subordinated debt <sup>(10)</sup>   | \$15,854          | \$16,094                            |
| Qualifying trust preferred securities <sup>(11)</sup>  | 342               | 350                                 |
| Qualifying noncontrolling interests  | 40                | 46                                  |
| Excess of eligible credit reserves over expected credit losses <sup>(12)</sup>   | 953               | 1,177                               |
| Regulatory Capital Deduction:  |                   |                                     |
| Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries <sup>(9)</sup>  | 277               | 279                                 |
| Total Tier 2 Capital   | \$16,912          | \$17,388                            |
| Total Capital (Tier 1 Capital + Tier 2 Capital) <sup>(13)</sup>  | \$171,817         | \$165,454                           |



- (1) Restated to reflect the retrospective adoption of ASU 2014-01 for LIHTC investments, consistent with current period presentation.  
Issuance costs of \$130 million and \$124 million related to preferred stock outstanding at March 31, 2015 and
- (2) December 31, 2014, respectively, are excluded from common stockholders' equity and netted against preferred stock in accordance with Federal Reserve Board regulatory reporting requirements, which differ from those under U.S. GAAP.
- (3) Common Equity Tier 1 Capital is adjusted for accumulated net unrealized gains (losses) on cash flow hedges included in AOCI that relate to the hedging of items not recognized at fair value on the balance sheet.

- The cumulative impact of changes in Citigroup's own creditworthiness in valuing liabilities for which the fair value option has been elected and own-credit valuation adjustments on derivatives are excluded from Common Equity Tier 1 Capital, in accordance with the U.S. Basel III rules.
- (4) Includes goodwill "embedded" in the valuation of significant common stock investments in unconsolidated financial institutions.
- (5) Of Citi's approximately \$48.1 billion of net DTAs at March 31, 2015, approximately \$15.9 billion of such assets were includable in regulatory capital pursuant to the U.S. Basel III rules, while approximately \$32.2 billion of such assets were excluded in arriving at Common Equity Tier 1 Capital. Comprising the excluded net DTAs was an aggregate of approximately \$33.9 billion of net DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards as well as temporary differences that were deducted from Common Equity Tier 1 Capital. In addition, approximately \$1.7 billion of net DTLs, primarily consisting of DTLs associated with goodwill and certain other intangible assets, partially offset by DTAs related to cash flow hedges, are permitted to be excluded prior to deriving the amount of net DTAs subject to deduction under these rules. Separately, under the U.S. Basel III rules, goodwill and these other intangible assets are deducted net of associated DTLs in arriving at Common Equity Tier 1 Capital, while Citi's current cash flow hedges and the related deferred tax effects are not required to be reflected in regulatory capital.
- (6) Assets subject to 10%/15% limitations include MSRs, DTAs arising from temporary differences and significant common stock investments in unconsolidated financial institutions. At March 31, 2015, the deduction related only to DTAs arising from temporary differences, while at December 31, 2014, the deduction related to all three assets.
- (7) Represents Citigroup Capital XIII trust preferred securities, which are permanently grandfathered as Tier 1 Capital under the U.S. Basel III rules.
- (8) 50% of the minimum regulatory capital requirements of insurance underwriting subsidiaries must be deducted from each of Tier 1 Capital and Tier 2 Capital.
- (9) Non-qualifying subordinated debt issuances which consist of those with a fixed-to-floating rate step-up feature where the call/step-up date has not passed are excluded from Tier 2 Capital.
- (10) Represents the amount of non-grandfathered trust preferred securities eligible for inclusion in Tier 2 Capital under the U.S. Basel III rules, which will be fully phased-out of Tier 2 Capital by January 1, 2022.
- (11) Advanced Approaches banking organizations are permitted to include in Tier 2 Capital eligible credit reserves that exceed expected credit losses to the extent that the excess reserves do not exceed 0.6% of credit risk-weighted assets.
- (12) Total Capital as calculated under Advanced Approaches, which differs from the Standardized Approach in the treatment of the amount of eligible credit reserves includable in Tier 2 Capital.
- (13)

## Citigroup Capital Rollforward Under Basel III (Advanced Approaches with Full Implementation)

| In millions of dollars  | Three Months<br>Ended<br>March 31, 2015 |
|---|---|
| Common Equity Tier 1 Capital  |   |
| Balance, beginning of period <sup>(1)</sup>   | \$136,597                               |
| Net income  | 4,770                                   |
| Dividends declared  | (159) )                                 |
| Net increase in treasury stock  | (297) )                                 |
| Net increase in additional paid-in capital <sup>(2)</sup>   | 102                                     |
| Net increase in foreign currency translation adjustment net of hedges, net of tax   | (2,062) )                               |
| Net increase in unrealized gains on securities AFS, net of tax  | 591                                     |
| Net increase in defined benefit plans liability adjustment, net of tax  | (90) )                                  |
| Net increase in cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax | (53) )                                  |
| Net decrease in goodwill, net of related deferred tax liabilities (DTLs)  | 357                                     |
| Net decrease in other intangible assets other than mortgage servicing rights (MSRs), net of related DTLs  | 189                                     |
| Net decrease in defined benefit pension plan net assets   | 39                                      |
| Net decrease in deferred tax assets (DTAs) arising from net operating loss, foreign tax credit and general business credit carry-forwards                 | 436                                     |
| Net decrease in excess over 10%/15% limitations for other DTAs, certain common stock investments and MSRs   | 1,544                                   |
| Other   | (19) )                                  |
| Net increase in Common Equity Tier 1 Capital  | \$5,348                                 |
| Common Equity Tier 1 Capital Balance, end of period   | \$141,945                               |
| Additional Tier 1 Capital   |   |
| Balance, beginning of period  | \$11,469                                |
| Net increase in qualifying perpetual preferred stock <sup>(3)</sup>   | 1,494                                   |
| Net decrease in qualifying trust preferred securities   | (1) )                                   |
| Other   | (2) )                                   |
| Net increase in Additional Tier 1 Capital   | \$1,491                                 |
| Tier 1 Capital Balance, end of period   | \$154,905                               |
| Tier 2 Capital  |   |
| Balance, beginning of period  | \$17,388                                |
| Net decrease in qualifying subordinated debt  | (240) )                                 |
| Net decrease in excess of eligible credit reserves over expected credit losses  | (224) )                                 |
| Other   | (12) )                                  |
| Net decrease in Tier 2 Capital  | \$(476) )                               |
| Tier 2 Capital Balance, end of period   | \$16,912                                |
| Total Capital (Tier 1 Capital + Tier 2 Capital)   | \$171,817                               |

(1) Restated to reflect the retrospective adoption of ASU 2014-01 for LIHTC investments, consistent with current period presentation.

(2) Primarily represents an increase in additional paid-in capital related to employee benefit plans.

(3) Citi issued approximately \$1.5 billion of qualifying perpetual preferred stock during the three months ended March 31, 2015, which was partially offset by the netting of issuance costs of \$6 million.



## Citigroup Risk-Weighted Assets Under Basel III (Full Implementation) at March 31, 2015

| In millions of dollars     | Advanced Approaches |               |             | Standardized Approach |               |             |
|----------------------------|---------------------|---------------|-------------|-----------------------|---------------|-------------|
|                            | Citicorp            | Citi Holdings | Total       | Citicorp              | Citi Holdings | Total       |
| Credit Risk                | \$742,042           | \$118,476     | \$860,518   | \$1,002,169           | \$102,736     | \$1,104,905 |
| Market Risk                | 91,852              | 6,388         | 98,240      | 91,656                | 6,388         | 98,044      |
| Operational Risk           | 275,921             | 49,079        | 325,000     | —                     | —             | —           |
| Total Risk-Weighted Assets | \$1,109,815         | \$173,943     | \$1,283,758 | \$1,093,825           | \$109,124     | \$1,202,949 |

Citigroup Risk-Weighted Assets Under Basel III (Full Implementation) at December 31, 2014<sup>(1)</sup>

| In millions of dollars     | Advanced Approaches |               |             | Standardized Approach |               |             |
|----------------------------|---------------------|---------------|-------------|-----------------------|---------------|-------------|
|                            | Citicorp            | Citi Holdings | Total       | Citicorp              | Citi Holdings | Total       |
| Credit Risk                | \$752,247           | \$127,377     | \$879,624   | \$1,023,961           | \$104,046     | \$1,128,007 |
| Market Risk                | 95,824              | 4,657         | 100,481     | 95,824                | 4,657         | 100,481     |
| Operational Risk           | 255,155             | 57,345        | 312,500     | —                     | —             | —           |
| Total Risk-Weighted Assets | \$1,103,226         | \$189,379     | \$1,292,605 | \$1,119,785           | \$108,703     | \$1,228,488 |

(1) Restated to reflect the retrospective adoption of ASU 2014-01 for LIHTC investments, consistent with current period presentation.

Total risk-weighted assets under the Basel III Advanced Approaches declined marginally from year-end 2014, as the decrease in credit risk-weighted assets attributable primarily to the impact of FX translation was substantially offset by an increase in operational risk-weighted assets reflecting an evaluation of ongoing events in the banking industry as well as continued enhancements to Citi's operational risk model.

Total risk-weighted assets under the Basel III Standardized Approach decreased during the first quarter of 2015 primarily due to changes in foreign exchange rates, as well as marginal decreases in credit and market risk-weighted assets resulting from changes in product mixes.

## Citigroup Risk-Weighted Assets Rollforward (Basel III Advanced Approaches with Full Implementation)

| In millions of dollars   | Three Months Ended<br>March 31, 2015 |   |
|--|--------------------------------------|---|
| Total Risk-Weighted Assets, beginning of period <sup>(1)</sup> | \$1,292,605                          |   |
| Changes in Credit Risk-Weighted Assets                         |                                      |   |
| Net decrease in retail exposures <sup>(2)</sup>                | (11,575                              | ) |
| Net decrease in wholesale exposures <sup>(3)</sup>             | (12,825                              | ) |
| Net increase in repo-style transactions                        | 431                                  |   |
| Net increase in securitization exposures                       | 2,287                                |   |
| Net decrease in equity exposures                               | (613                                 | ) |
| Net increase in over-the-counter (OTC) derivatives             | 557                                  |   |
| Net increase in derivatives CVA                                | 489                                  |   |
| Net increase in other <sup>(4)</sup>                           | 3,249                                |   |
| Net decrease in supervisory 6% multiplier <sup>(5)</sup>       | (1,106                               | ) |
| Net decrease in Credit Risk-Weighted Assets                    | \$(19,106                            | ) |
| Changes in Market Risk-Weighted Assets                         |                                      |   |
| Net decrease in risk levels                                    | \$(4,904                             | ) |
| Net increase due to model and methodology updates              | 2,663                                |   |
| Net decrease in Market Risk-Weighted Assets                    | \$(2,241                             | ) |
| Increase in Operational Risk-Weighted Assets <sup>(6)</sup>    | \$12,500                             |   |
| Total Risk-Weighted Assets, end of period                      | \$1,283,758                          |   |

(1) Restated to reflect the retrospective adoption of ASU 2014-01 for LIHTC investments, consistent with current period presentation.

(2) Retail exposures decreased during the three months ended March 31, 2015, driven by a reduction in loans and commitments, and the impact of FX translation.

(3) Wholesale exposures decreased during the three months ended March 31, 2015, primarily due to a reduction in commitments as well as the impact of FX translation.

(4) Other includes cleared transactions, unsettled transactions, assets other than those reportable in specific exposure categories and non-material portfolios of exposures.

(5) Supervisory 6% multiplier does not apply to derivatives CVA.

Operational risk-weighted assets increased by \$12.5 billion during the three months ended March 31, 2015,

(6) reflecting an evaluation of ongoing events in the banking industry as well as continued enhancements to Citi's operational risk model.

## Supplementary Leverage Ratio

Citigroup's Supplementary Leverage ratio under the U.S. Basel III rules was 6.4% for the first quarter of 2015, compared to an estimated 5.9% for the fourth quarter of 2014. The growth in the ratio quarter-over-quarter was principally driven by an increase in Tier 1 Capital attributable largely to net income of \$4.8 billion and the beneficial effects associated with approximately \$1.2 billion of DTA utilization, as well as an overall reduction in

Total Leverage Exposure resulting from reduced on-balance sheet assets, derivatives exposures, and off-balance sheet commitments.

The following table sets forth Citi's Supplementary Leverage ratio and related components, assuming full implementation under the U.S. Basel III rules, for the three months ended March 31, 2015 and December 31, 2014.

Citigroup Basel III Supplementary Leverage Ratios and Related Components (Full Implementation)<sup>(1)</sup>

| In millions of dollars, except ratios                               | March 31, 2015 | December 31, 2014 <sup>(2)</sup> |   |
|---|----------------|----------------------------------|---|
| Tier 1 Capital  | \$154,905      | \$148,066                        |   |
| Total Leverage Exposure (TLE)                                       |                |                                  |   |
| On-balance sheet assets <sup>(3)</sup>                              | \$1,853,124    | \$1,899,955                      |   |
| Certain off-balance sheet exposures: <sup>(4)</sup>                 |                |                                  |   |
| Potential future exposure (PFE) on derivative contracts             | 218,031        | 240,712                          |   |
| Effective notional of sold credit derivatives, net <sup>(5)</sup>   | 95,925         | 96,869                           |   |
| Counterparty credit risk for repo-style transactions <sup>(6)</sup> | 27,225         | 28,073                           |   |
| Unconditionally cancellable commitments                             | 61,190         | 61,673                           |   |
| Other off-balance sheet exposures                                   | 212,542        | 229,672                          |   |
| Total of certain off-balance sheet exposures                        | \$614,913      | \$656,999                        |   |
| Less: Tier 1 Capital deductions                                     | 61,751         | 64,318                           |   |
| Total Leverage Exposure   | \$2,406,286    | \$2,492,636                      |   |
| Supplementary Leverage ratio  | 6.44           | %5.94                            | % |

(1) Citi's Supplementary Leverage ratio, on a fully implemented basis, is a non-GAAP financial measure.

(2) Restated to reflect the retrospective adoption of ASU 2014-01 for LIHTC investments, consistent with current period presentation.

(3) Represents the daily average of on-balance sheet assets for the quarter.

(4) Represents the average of certain off-balance sheet exposures calculated as of the last day of each month in the quarter.

(5) Under the U.S. Basel III rules, banking organizations are required to include in TLE the effective notional amount of sold credit derivatives, with netting of exposures permitted if certain conditions are met.

(6) Repo-style transactions include repurchase or reverse repurchase transactions and securities borrowing or securities lending transactions.

Citibank, N.A.'s Supplementary Leverage ratio, assuming full implementation under the U.S. Basel III rules, was 6.6% for the first quarter of 2015, compared to an estimated 6.2% for the fourth quarter of 2014. The growth in the ratio quarter-over-quarter was principally driven by Tier 1 Capital benefits resulting from quarterly net income and DTA utilization, as well as an overall reduction in Total Leverage Exposure, partially offset by cash dividends paid by Citibank, N.A. to its parent, Citicorp, and which were subsequently remitted to Citigroup.





## Regulatory Capital Standards Developments

### Revised Pillar 3 Disclosure Requirements

In January 2015, the Basel Committee issued revised 'Pillar 3' disclosure requirements under the Basel framework, superseding earlier Pillar 3 standards. These Pillar 3 revisions are principally intended to improve consistency and comparability of banking organizations' disclosures. The presentation hierarchy for the required disclosures consists of prescriptive, fixed format templates for certain quantitative information as well as flexible templates and tables for certain quantitative and qualitative information, respectively. Further, the frequency of the required disclosures varies between quarterly, semiannually, and annually, depending upon the nature of the disclosure requirement. Banking organizations must comply with the revised Pillar 3 requirements for disclosures to be published concurrently with their fiscal year-end 2016 financial statements. Citi is currently subject to Advanced Approaches disclosure requirements under the U.S. Basel III rules, which may be revised by the U.S. banking agencies in the future as a result of the Basel Committee's revised Pillar 3 disclosure requirements.

### Revisions to the Standardized Approach for Credit Risk

In December 2014, the Basel Committee issued a consultative document which proposes various revisions to the Standardized Approach in deriving credit risk-weighted assets. As proposed, the revised Standardized Approach seeks to enhance the granularity and risk sensitivity associated with credit risk-weighted asset methodologies, as well as provide more comparability between the Standardized Approach and the Internal Ratings-Based Approach with respect to the definition and treatment of similar exposures. The revised Standardized Approach would also reduce reliance on external credit ratings, with alternative risk drivers potentially serving to meaningfully differentiate risk. The U.S. banking agencies may revise the Standardized Approach under the U.S. Basel III rules in the future, based upon the revisions adopted by the Basel Committee.

## Tangible Common Equity, Tangible Book Value Per Share and Book Value Per Share

Tangible common equity (TCE), as currently defined by Citi, represents common equity less goodwill and other intangible assets (other than MSR's). Other companies may calculate TCE in a different manner. TCE and tangible book value per share are non-GAAP financial measures.

| In millions of dollars or shares, except per share amounts                              | March 31,<br>2015 | December 31,<br>2014 <sup>(1)</sup> |
|---|-------------------|-------------------------------------|
| Total Citigroup stockholders' equity  | \$214,620         | \$210,185                           |
| Less: Preferred stock   | 11,968            | 10,468                              |
| Common equity   | \$202,652         | \$199,717                           |
| Less: Intangible assets:  |                   |                                     |
| Goodwill  | 23,150            | 23,592                              |
| Other intangible assets (other than MSR's)  | 4,244             | 4,566                               |
| Goodwill and other intangible assets (other than MSR's) related to assets held-for-sale | 297               | 71                                  |
| Tangible common equity (TCE)  | \$174,961         | \$171,488                           |
| Common shares outstanding (CSO)   | 3,034.1           | 3,023.9                             |
| Tangible book value per share (TCE/CSO)   | \$57.66           | \$56.71                             |
| Book value per share (common equity/CSO)  | \$66.79           | \$66.05                             |

(1) Restated to reflect the retrospective adoption of ASU 2014-01 for LIHTC investments, consistent with current period presentation.

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For additional information regarding certain credit risk, market risk and other quantitative and qualitative (1) information, refer to Citi's Pillar 3 Basel III Advanced Approaches Disclosures, as required by the rules of the Federal Reserve Board, on Citi's Investor Relations website.

## MANAGING GLOBAL RISK

Citigroup believes that effective risk management is of primary importance to its overall operations. Accordingly, Citi's risk management process has been designed to monitor, evaluate and manage the principal risks it assumes in conducting its activities. These risks are generally categorized as credit risk, market risk, operational risk and country and cross-border risk. Compliance risk can be found in all of these risk types.

Citigroup's risk management framework is designed to balance business ownership and accountability for risks with well defined independent risk management oversight and responsibility. Further, Citi's risk management organization is structured to facilitate the management of risk across three dimensions: businesses, regions and critical products. For more information on Citi's risk management programs and risk management organization, see "Managing Global Risk" and "Risk Factors" in Citi's 2014 Annual Report on Form 10-K.

## CREDIT RISK

For additional information on Credit Risk, including Citi's credit risk management, measurement and stress testing, see "Managing Global Risk—Credit Risk" in Citi's 2014 Annual Report on Form 10-K.

## Loans Outstanding

| In millions of dollars   | 1st Qtr.<br>2015 | 4th Qtr.<br>2014 | 3rd Qtr.<br>2014 | 2nd Qtr.<br>2014 | 1st Qtr.<br>2014 |
|--|------------------|------------------|------------------|------------------|------------------|
| Consumer loans   |                  |                  |                  |                  |                  |
| In U.S. offices  |                  |                  |                  |                  |                  |
| Mortgage and real estate <sup>(1)</sup>                            | \$92,005         | \$96,533         | \$101,583        | \$103,905        | \$106,904        |
| Installment, revolving credit, and other                           | 4,861            | 14,450           | 13,350           | 13,192           | 12,951           |
| Cards  | 105,378          | 112,982          | 108,314          | 109,138          | 107,947          |
| Commercial and industrial  | 6,532            | 5,895            | 6,870            | 6,972            | 6,884            |
| Lease financing  | —                | —                | —                | —                | —                |
|  | \$208,776        | \$229,860        | \$230,117        | \$233,207        | \$234,686        |
| In offices outside the U.S.  |                  |                  |                  |                  |                  |
| Mortgage and real estate <sup>(1)</sup>                            | \$50,970         | \$54,462         | \$56,099         | \$57,291         | \$56,118         |
| Installment, revolving credit, and other                           | 31,396           | 31,128           | 34,270           | 34,560           | 33,409           |
| Cards  | 28,681           | 32,032           | 32,410           | 34,252           | 35,683           |
| Commercial and industrial  | 21,992           | 22,561           | 23,393           | 24,916           | 24,575           |
| Lease financing  | 546              | 609              | 678              | 735              | 736              |
|  | \$133,585        | \$140,792        | \$146,850        | \$151,754        | \$150,521        |
| Total Consumer loans   | \$342,361        | \$370,652        | \$376,967        | \$384,961        | \$385,207        |
| Unearned income  | (655 )           | (682 )           | (649 )           | (616 )           | (546 )           |
| Consumer loans, net of unearned income                             | \$341,706        | \$369,970        | \$376,318        | \$384,345        | \$384,661        |
| Corporate loans  |                  |                  |                  |                  |                  |
| In U.S. offices  |                  |                  |                  |                  |                  |
| Commercial and industrial  | \$37,537         | \$35,055         | \$36,516         | \$36,293         | \$36,120         |
| Loans to financial institutions                                    | 36,054           | 36,272           | 31,916           | 29,195           | 27,888           |
| Mortgage and real estate <sup>(1)</sup>                            | 33,145           | 32,537           | 32,285           | 31,417           | 29,888           |
| Installment, revolving credit, and other                           | 29,267           | 29,207           | 30,378           | 32,646           | 34,219           |
| Lease financing  | 1,755            | 1,758            | 1,737            | 1,668            | 1,662            |
|  | \$137,758        | \$134,829        | \$132,832        | \$131,219        | \$129,777        |
| In offices outside the U.S.  |                  |                  |                  |                  |                  |
| Commercial and industrial  | \$81,426         | \$79,239         | \$80,304         | \$82,945         | \$83,134         |
| Loans to financial institutions                                    | 32,210           | 33,269           | 35,854           | 40,541           | 39,543           |
| Mortgage and real estate <sup>(1)</sup>                            | 6,311            | 6,031            | 6,243            | 6,309            | 6,301            |
| Installment, revolving credit, and other                           | 19,687           | 19,259           | 20,151           | 20,095           | 18,655           |
| Lease financing  | 322              | 356              | 396              | 430              | 454              |
| Governments and official institutions                              | 2,174            | 2,236            | 2,264            | 2,176            | 2,256            |
|  | \$142,130        | \$140,390        | \$145,212        | \$152,496        | \$150,343        |
| Total Corporate loans  | \$279,888        | \$275,219        | \$278,044        | \$283,715        | \$280,120        |
| Unearned income  | (540 )           | (554 )           | (536 )           | (556 )           | (560 )           |
| Corporate loans, net of unearned income                            | \$279,348        | \$274,665        | \$277,508        | \$283,159        | \$279,560        |
| Total loans—net of unearned income                                 | \$621,054        | \$644,635        | \$653,826        | \$667,504        | \$664,221        |
| Allowance for loan losses—on drawn exposures                       | (14,598 )        | (15,994 )        | (16,915 )        | (17,890 )        | (18,923 )        |
| Total loans—net of unearned income and allowance for credit losses | \$606,456        | \$628,641        | \$636,911        | \$649,614        | \$645,298        |

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|  |      |       |       |       |       |   |
|--|------|-------|-------|-------|-------|---|
| Allowance for loan losses as a percentage of total loans—net of unearned income <sup>(2)</sup>                     | 2.38 | %2.50 | %2.60 | %2.70 | %2.87 | % |
| Allowance for Consumer loan losses as a percentage of total Consumer loans—net of unearned income <sup>(2)</sup>   | 3.55 | %3.68 | %3.87 | %4.04 | %4.29 | % |
| Allowance for Corporate loan losses as a percentage of total Corporate loans—net of unearned income <sup>(2)</sup> | 0.91 | %0.89 | %0.86 | %0.85 | %0.90 | % |

(1)Loans secured primarily by real estate.

(2)All periods exclude loans that are carried at fair value.

## Details of Credit Loss Experience

|  | 1st Qtr.<br>2015 | 4th Qtr.<br>2014 | 3rd Qtr.<br>2014 | 2nd Qtr.<br>2014 | 1st Qtr.<br>2014 |
|--|------------------|------------------|------------------|------------------|------------------|
| In millions of dollars   |                  |                  |                  |                  |                  |
| Allowance for loan losses at beginning of period                 | \$15,994         | \$16,915         | \$17,890         | \$18,923         | \$19,648         |
| Provision for loan losses  |                  |                  |                  |                  |                  |
| Consumer   | \$1,661          | \$1,660          | \$1,605          | \$1,669          | \$1,759          |
| Corporate  | 94               | 221              | (30 )            | (90 )            | 34               |
|  | \$1,755          | \$1,881          | \$1,575          | \$1,579          | \$1,793          |
| Gross credit losses  |                  |                  |                  |                  |                  |
| Consumer   |                  |                  |                  |                  |                  |
| In U.S. offices  | \$1,596          | \$1,588          | \$1,595          | \$1,756          | \$1,841          |
| In offices outside the U.S.                                      | 839              | 976              | 948              | 1,009            | 968              |
| Corporate  |                  |                  |                  |                  |                  |
| In U.S. offices  | 10               | 45               | 9                | 14               | 8                |
| In offices outside the U.S.                                      | 13               | 118              | 34               | 33               | 166              |
|  | \$2,458          | \$2,727          | \$2,586          | \$2,812          | \$2,983          |
| Credit recoveries <sup>(1)</sup>                                 |                  |                  |                  |                  |                  |
| Consumer   |                  |                  |                  |                  |                  |
| In U.S. offices  | \$296            | \$242            | \$232            | \$356            | \$292            |
| In offices outside the U.S.                                      | 173              | 223              | 196              | 231              | 223              |
| Corporate  |                  |                  |                  |                  |                  |
| In U.S. offices  | 12               | 7                | 18               | 22               | 18               |
| In offices outside the U.S.                                      | 20               | 7                | 43               | 14               | 11               |
|  | \$501            | \$479            | \$489            | \$623            | \$544            |
| Net credit losses  |                  |                  |                  |                  |                  |
| In U.S. offices  | \$1,298          | \$1,384          | \$1,354          | \$1,392          | \$1,539          |
| In offices outside the U.S.                                      | 659              | 864              | 743              | 797              | 900              |
| Total  | \$1,957          | \$2,248          | \$2,097          | \$2,189          | \$2,439          |
| Other - net <sup>(2)(3)(4)(5)(6)(7)</sup>                        | \$(1,194 )       | \$(554 )         | \$(453 )         | (423 )           | \$(79 )          |
| Allowance for loan losses at end of period                       | \$14,598         | \$15,994         | \$16,915         | \$17,890         | \$18,923         |
| Allowance for loan losses as a % of total loans <sup>(8)</sup>   | 2.38             | % 2.50           | % 2.60           | % 2.70           | % 2.87           |
| Allowance for unfunded lending commitments <sup>(9)</sup>        | \$1,023          | \$1,063          | \$1,140          | \$1,176          | \$1,202          |
| Total allowance for loan losses and unfunded lending commitments | \$15,621         | \$17,057         | \$18,055         | \$19,066         | \$20,125         |
| Net Consumer credit losses                                       | \$1,966          | \$2,098          | \$2,115          | \$2,178          | \$2,294          |
| As a percentage of average Consumer loans                        | 2.22             | % 2.23           | % 2.21           | % 2.27           | % 2.41           |
| Net Corporate credit losses (recoveries)                         | \$(9 )           | \$150            | \$(18 )          | \$11             | \$145            |
| As a percentage of average Corporate loans                       | (0.01 )          | % 0.21           | % (0.03 )        | % 0.02           | % 0.22           |
| Allowance for loan losses at end of period <sup>(10)</sup>       |                  |                  |                  |                  |                  |
| Citicorp   | \$10,976         | \$11,142         | \$11,582         | \$12,139         | \$12,524         |
| Citi Holdings  | 3,622            | 4,852            | 5,333            | 5,751            | 6,399            |
| Total Citigroup  | \$14,598         | \$15,994         | \$16,915         | \$17,890         | \$18,923         |
| Allowance by type  |                  |                  |                  |                  |                  |
| Consumer   | \$12,122         | \$13,605         | \$14,575         | \$15,520         | \$16,451         |
| Corporate  | 2,476            | 2,389            | 2,340            | 2,370            | 2,472            |
| Total Citigroup  | \$14,598         | \$15,994         | \$16,915         | \$17,890         | \$18,923         |

(1) Recoveries have been reduced by certain collection costs that are incurred only if collection efforts are successful.

(2) Includes all adjustments to the allowance for credit losses, such as changes in the allowance from acquisitions, dispositions, securitizations, foreign currency translation, purchase accounting adjustments, etc.

(3) The first quarter of 2015 includes a reduction of approximately \$1.0 billion related to the sale or transfers to held-for-sale (HFS) of various loan portfolios, including a reduction of \$281 million related to a transfer of a real estate loan portfolio to HFS. Additionally, the first quarter of 2015 includes a reduction of approximately \$145 million related to FX translation.



(4) The fourth quarter of 2014 includes a reduction of approximately \$250 million related to the sale or transfers to HFS of various loan portfolios, including a reduction of \$194 million related to a transfer of a real estate loan portfolio to HFS. Additionally, the fourth quarter of 2014 includes a reduction of approximately \$282 million related to FX translation.

(5) The third quarter of 2014 includes a reduction of approximately \$259 million related to the sale or transfers to HFS of various loan portfolios, including a reduction of \$151 million related to a transfer of a real estate loan portfolio to HFS and a reduction of approximately \$108 million related to the transfer of various EMEA loan portfolios to HFS. Additionally, the third quarter of 2014 includes a reduction of approximately \$181 million related to FX translation.

(6) The second quarter of 2014 includes a reduction of approximately \$480 million related to the sale or transfers to HFS of various loan portfolios, including a reduction of approximately \$204 million, \$177 million and \$29 million related to the transfers to HFS of businesses in Greece, Spain and Honduras, and \$66 million related to a transfer of a real estate loan portfolio to HFS. These amounts are partially offset by FX translation on the entire allowance balance.

(7) The first quarter of 2014 includes a reduction of approximately \$79 million related to the sale or transfers to HFS of various loan portfolios.

(8) March 31, 2015, December 31, 2014, September 30, 2014, June 30, 2014 and March 31, 2014 exclude \$6.6 billion, \$5.9 billion, \$4.4 billion, \$4.8 billion and \$5.7 billion, respectively, of loans which are carried at fair value.

(9) Represents additional credit loss reserves for unfunded lending commitments and letters of credit recorded in Other liabilities on the Consolidated Balance Sheet.

(10) Allowance for loan losses represents management's best estimate of probable losses inherent in the portfolio, as well as probable losses related to large individually evaluated impaired loans and troubled debt restructurings. See "Significant Accounting Policies and Significant Estimates" and Note 1 to the Consolidated Financial Statements in Citi's 2014 Annual Report on Form 10-K. Attribution of the allowance is made for analytical purposes only and the entire allowance is available to absorb probable credit losses inherent in the overall portfolio.

## Allowance for Loan Losses

The following tables detail information on Citi's allowance for loan losses, loans and coverage ratios as of March 31, 2015 and December 31, 2014:

| In billions of dollars                    | March 31, 2015            |                               |   |
|---|---------------------------|-------------------------------|---|
|   | Allowance for loan losses | Loans, net of unearned income | Allowance as a percentage of loans <sup>(1)</sup> |
| North America cards <sup>(2)</sup>        | \$4.8                     | \$106.0                       | 4.5 %   |
| North America mortgages <sup>(3)(4)</sup> | 3.2                       | 91.4                          | 3.5   |
| North America other                       | 0.5                       | 12.9                          | 4.0   |
| International cards                       | 1.6                       | 25.3                          | 6.3   |
| International other <sup>(5)</sup>        | 2.0                       | 106.1                         | 1.9   |
| Total Consumer                            | \$12.1                    | \$341.7                       | 3.5 %   |
| Total Corporate                           | 2.5                       | 279.4                         | 0.9   |
| Total Citigroup                           | \$14.6                    | \$621.1                       | 2.4 %   |

(1) Allowance as a percentage of loans excludes loans that are carried at fair value.

(2) Includes both Citi-branded cards and Citi retail services. The \$4.8 billion of loan loss reserves represented approximately 16 months of coincident net credit loss coverage.

Of the \$3.2 billion, approximately \$3.1 billion was allocated to North America mortgages in Citi Holdings.

(3) The \$3.2 billion of loan loss reserves represented approximately 50 months of coincident net credit loss coverage (for both total North America mortgages and Citi Holdings North America mortgages).

Of the \$3.2 billion in loan loss reserves, approximately \$1.1 billion and \$2.1 billion are determined in accordance with ASC 450-20 and ASC 310-10-35 (troubled debt restructurings), respectively. Of the \$91.4 billion in loans,

(4) approximately \$78.8 billion and \$12.3 billion of the loans are evaluated in accordance with ASC 450-20 and ASC 310-10-35 (troubled debt restructurings), respectively. For additional information, see Note 15 to the Consolidated Financial Statements.

(5) Includes mortgages and other retail loans.

| In billions of dollars                    | December 31, 2014         |                               |   |
|---|---------------------------|-------------------------------|---|
|   | Allowance for loan losses | Loans, net of unearned income | Allowance as a percentage of loans <sup>(1)</sup> |
| North America cards <sup>(2)</sup>        | \$4.9                     | \$114.0                       | 4.3 %   |
| North America mortgages <sup>(3)(4)</sup> | 3.7                       | 95.9                          | 3.9   |
| North America other                       | 1.2                       | 21.6                          | 5.6   |
| International cards                       | 1.9                       | 31.5                          | 6.0   |
| International other <sup>(5)</sup>        | 1.9                       | 106.9                         | 1.8   |
| Total Consumer                            | \$13.6                    | \$369.9                       | 3.7 %   |
| Total Corporate                           | 2.4                       | 274.7                         | 0.9   |
| Total Citigroup                           | \$16.0                    | \$644.6                       | 2.5 %   |

(1) Allowance as a percentage of loans excludes loans that are carried at fair value.

(2) Includes both Citi-branded cards and Citi retail services. The \$4.9 billion of loan loss reserves represented approximately 15 months of coincident net credit loss coverage.

Of the \$3.7 billion, approximately \$3.5 billion was allocated to North America mortgages in Citi Holdings. The

(3) \$3.7 billion of loan loss reserves represented approximately 53 months of coincident net credit loss coverage (for both total North America mortgages and Citi Holdings North America mortgages).

(4) Of the \$3.7 billion in loan loss reserves, approximately \$1.2 billion and \$2.5 billion are determined in accordance with ASC 450-20 and ASC 310-10-35 (troubled debt restructurings), respectively. Of the \$95.9 billion in loans, approximately \$80.4 billion and \$15.2 billion of the loans are evaluated in accordance with ASC 450-20 and ASC

310-10-35 (troubled debt restructurings), respectively. For additional information, see Note 15 to the Consolidated Financial Statements.

(5) Includes mortgages and other retail loans.

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#### Non-Accrual Loans and Assets and Renegotiated Loans

The following pages include information on Citi's "Non-Accrual Loans and Assets" and "Renegotiated Loans." There is a certain amount of overlap among these categories. The following summary provides a general description of each category:

#### Non-Accrual Loans and Assets:

• Corporate and consumer (commercial market) non-accrual status is based on the determination that payment of interest or principal is doubtful.

• Consumer non-accrual status is generally based on aging, i.e., the borrower has fallen behind in payments.

• Mortgage loans in regulated bank entities discharged through Chapter 7 bankruptcy, other than Federal Housing Administration (FHA) insured loans, are classified as non-accrual. Non-bank mortgage loans discharged through Chapter 7 bankruptcy are classified as non-accrual at 90 days or more past due. In addition, home equity loans in regulated bank entities are classified as non-accrual if the related residential first mortgage loan is 90 days or more past due.

• North America Citi-branded cards and Citi retail services are not included because under industry standards, credit card loans accrue interest until such loans are charged off, which typically occurs at 180 days contractual delinquency.

#### Renegotiated Loans:

• Includes both corporate and consumer loans whose terms have been modified in a troubled debt restructuring (TDR).

• Includes both accrual and non-accrual TDRs.

#### Non-Accrual Loans and Assets

The table below summarizes Citigroup's non-accrual loans as of the periods indicated. Non-accrual loans may still be current on interest payments. In situations where Citi reasonably expects that only a portion of the principal owed will ultimately be collected, all payments received are reflected as a reduction of principal and not as interest income. For all other non-accrual loans, cash interest receipts are generally recorded as revenue.

## Non-Accrual Loans

|  | Mar. 31,<br>2015 | Dec. 31,<br>2014 | Sept. 30,<br>2014 | Jun. 30,<br>2014 | Mar. 31,<br>2014 |
|--|------------------|------------------|-------------------|------------------|------------------|
| In millions of dollars                     |                  |                  |                   |                  |                  |
| Citicorp                                   | \$2,789          | \$3,011          | \$3,358           | \$3,226          | \$3,751          |
| Citi Holdings                              | 3,965            | 4,096            | 4,264             | 4,707            | 4,897            |
| Total non-accrual loans                    | \$6,754          | \$7,107          | \$7,622           | \$7,933          | \$8,648          |
| Corporate non-accrual loans <sup>(1)</sup> |                  |                  |                   |                  |                  |
| North America                              | \$347            | \$321            | \$365             | \$367            | \$689            |
| EMEA                                       | 287              | 267              | 322               | 363              | 461              |
| Latin America                              | 376              | 416              | 481               | 288              | 186              |
| Asia                                       | 151              | 179              | 182               | 200              | 284              |
| Total Corporate non-accrual loans          | \$1,161          | \$1,183          | \$1,350           | \$1,218          | \$1,620          |
| Citicorp                                   | \$1,108          | \$1,126          | \$1,290           | \$1,150          | \$1,528          |
| Citi Holdings                              | 53               | 57               | 60                | 67               | 92               |
| Total Corporate non-accrual loans          | \$1,161          | \$1,183          | \$1,350           | \$1,217          | \$1,620          |
| Consumer non-accrual loans <sup>(1)</sup>  |                  |                  |                   |                  |                  |
| North America                              | \$4,192          | \$4,412          | \$4,546           | \$4,915          | \$5,139          |
| Latin America                              | 1,086            | 1,188            | 1,364             | 1,386            | 1,466            |
| Asia <sup>(2)</sup>                        | 315              | 324              | 362               | 415              | 423              |
| Total Consumer non-accrual loans           | \$5,593          | \$5,924          | \$6,272           | \$6,716          | \$7,028          |
| Citicorp                                   | \$1,681          | \$1,885          | \$2,068           | \$2,076          | \$2,223          |
| Citi Holdings                              | 3,912            | 4,039            | 4,204             | 4,640            | 4,805            |
| Total Consumer non-accrual loans           | \$5,593          | \$5,924          | \$6,272           | \$6,716          | \$7,028          |

Excludes purchased distressed loans, as they are generally accreting interest. The carrying value of these loans was (1) \$398 million at March 31, 2015, \$421 million at December 31, 2014, \$493 million at September 30, 2014, \$575 million at June 30, 2014, and \$632 million at March 31, 2014.

(2) For reporting purposes, includes the results of operations of EMEA GCB for all periods presented.

The changes in Citigroup's non-accrual loans for the three months ended March 31, 2015 were as follows:

| In millions of dollars                   | Three months ended |          |         |
|--|--------------------|----------|---------|
|  | March 31, 2015     |          |         |
|  | Corporate          | Consumer | Total   |
| Non-accrual loans at beginning of period | \$1,183            | \$5,924  | \$7,107 |
| Additions                                | 196                | 1,856    | 2,052   |
| Sales and transfers to held-for-sale     | (36)               | (614)    | (650)   |
| Returned to performing                   | (11)               | (326)    | (337)   |
| Paydowns/settlements                     | (139)              | (307)    | (446)   |
| Charge-offs                              | (18)               | (871)    | (889)   |
| Other                                    | (14)               | (69)     | (83)    |
| Ending balance                           | \$1,161            | \$5,593  | \$6,754 |

The table below summarizes Citigroup's other real estate owned (OREO) assets as of the periods indicated. This represents the carrying value of all real estate property acquired by foreclosure or other legal proceedings when Citi has taken possession of the collateral.

| In millions of dollars  | Mar. 31,<br>2015 | Dec. 31,<br>2014 | Sept. 30,<br>2014 | Jun. 30,<br>2014 | Mar. 31,<br>2014 |   |
|---|------------------|------------------|-------------------|------------------|------------------|---|
| OREO <sup>(1)</sup>   |                  |                  |                   |                  |                  |   |
| Citicorp  | \$103            | \$92             | \$86              | \$95             | \$96             |   |
| Citi Holdings   | 172              | 168              | 296               | 306              | 314              |   |
| Total OREO  | \$275            | \$260            | \$382             | \$401            | \$410            |   |
| North America   | \$221            | \$195            | \$303             | \$293            | \$305            |   |
| EMEA  | 1                | 8                | 18                | 44               | 50               |   |
| Latin America   | 48               | 47               | 49                | 49               | 50               |   |
| Asia  | 5                | 10               | 12                | 15               | 5                |   |
| Total OREO  | \$275            | \$260            | \$382             | \$401            | \$410            |   |
| Non-accrual assets—Total Citigroup                              |                  |                  |                   |                  |                  |   |
| Corporate non-accrual loans                                     | \$1,161          | \$1,183          | \$1,350           | \$1,218          | \$1,620          |   |
| Consumer non-accrual loans                                      | 5,593            | 5,924            | 6,272             | 6,716            | 7,028            |   |
| Non-accrual loans (NAL)   | \$6,754          | \$7,107          | \$7,622           | \$7,934          | \$8,648          |   |
| OREO  | \$275            | \$260            | \$382             | \$401            | \$410            |   |
| Non-accrual assets (NAA)  | \$7,029          | \$7,367          | \$8,004           | \$8,335          | \$9,058          |   |
| NAL as a percentage of total loans                              | 1.09             | % 1.10           | % 1.17            | % 1.19           | % 1.30           | % |
| NAA as a percentage of total assets                             | 0.38             | 0.40             | 0.43              | 0.44             | 0.48             |   |
| Allowance for loan losses as a percentage of NAL <sup>(2)</sup> | 216              | 225              | 222               | 225              | 219              |   |
|   | Mar. 31,<br>2015 | Dec. 31,<br>2014 | Sept. 30,<br>2014 | Jun. 30,<br>2014 | Mar. 31,<br>2014 |   |
| Non-accrual assets—Total Citicorp                               |                  |                  |                   |                  |                  |   |
| Non-accrual loans (NAL)   | \$2,789          | \$3,011          | \$3,358           | \$3,226          | \$3,751          |   |
| OREO  | 103              | 92               | 86                | 95               | 96               |   |
| Non-accrual assets (NAA)  | \$2,892          | \$3,103          | \$3,444           | \$3,321          | \$3,847          |   |
| NAA as a percentage of total assets                             | 0.17             | % 0.18           | % 0.20            | % 0.19           | % 0.22           | % |
| Allowance for loan losses as a percentage of NAL <sup>(2)</sup> | 394              | 370              | 345               | 376              | 334              |   |
| Non-accrual assets—Total Citi Holdings                          |                  |                  |                   |                  |                  |   |
| Non-accrual loans (NAL)   | \$3,965          | \$4,096          | \$4,264           | \$4,707          | \$4,897          |   |
| OREO  | 172              | 168              | 296               | 306              | 314              |   |
| Non-accrual assets (NAA)  | \$4,137          | \$4,264          | \$4,560           | \$5,013          | \$5,211          |   |
| NAA as a percentage of total assets                             | 3.39             | % 3.31           | % 3.33            | % 3.39           | % 3.45           | % |
| Allowance for loan losses as a percentage of NAL <sup>(2)</sup> | 91               | 118              | 125               | 122              | 131              |   |

Reflects a decrease of \$130 million related to the adoption of ASU 2014-14 in the fourth quarter of 2014, which (1) requires certain government guaranteed mortgage loans to be recognized as separate other receivables upon foreclosure. Prior periods have not been restated. For additional information, see Note 1 of the Consolidated Financial Statements.

The allowance for loan losses includes the allowance for Citi's credit card portfolios and purchased distressed loans, (2) while the non-accrual loans exclude credit card balances (with the exception of certain international portfolios) and purchased distressed loans as these continue to accrue interest until charge-off.



## Renegotiated Loans

The following table presents Citi's loans modified in TDRs.

| In millions of dollars                              | Mar. 31, 2015 | Dec. 31, 2014 |
|---|---------------|---------------|
| Corporate renegotiated loans <sup>(1)</sup>         |               |               |
| In U.S. offices                                     |               |               |
| Commercial and industrial <sup>(2)</sup>            | \$10          | \$12          |
| Mortgage and real estate <sup>(3)</sup>             | 104           | 106           |
| Other   | 301           | 316           |
|   | \$415         | \$434         |
| In offices outside the U.S.                         |               |               |
| Commercial and industrial <sup>(2)</sup>            | \$78          | \$105         |
| Mortgage and real estate <sup>(3)</sup>             | 1             | 1             |
| Other   | 35            | 39            |
|   | \$114         | \$145         |
| Total Corporate renegotiated loans                  | \$529         | \$579         |
| Consumer renegotiated loans <sup>(4)(5)(6)(7)</sup> |               |               |
| In U.S. offices                                     |               |               |
| Mortgage and real estate <sup>(8)</sup>             | \$12,550      | \$15,514      |
| Cards   | 1,629         | 1,751         |
| Installment and other                               | 83            | 580           |
|   | \$14,262      | \$17,845      |
| In offices outside the U.S.                         |               |               |
| Mortgage and real estate                            | \$687         | \$695         |
| Cards   | 620           | 656           |
| Installment and other                               | 554           | 586           |
|   | \$1,861       | \$1,937       |
| Total Consumer renegotiated loans                   | \$16,123      | \$19,782      |

(1) Includes \$166 million and \$135 million of non-accrual loans included in the non-accrual assets table above at March 31, 2015 and December 31, 2014, respectively. The remaining loans are accruing interest.

(2) In addition to modifications reflected as TDRs at March 31, 2015, Citi also modified \$15 million and \$19 million of commercial loans risk rated "Substandard Non-Performing" or worse (asset category defined by banking regulators) in offices inside and outside the U.S., respectively. These modifications were not considered TDRs because the modifications did not involve a concession (a required element of a TDR for accounting purposes).

(3) In addition to modifications reflected as TDRs at March 31, 2015, Citi also modified \$22 million of commercial real estate loans risk rated "Substandard Non-Performing" or worse (asset category defined by banking regulators) in offices inside the U.S. These modifications were not considered TDRs because the modifications did not involve a concession (a required element of a TDR for accounting purposes).

(4) Includes \$3,204 million and \$3,132 million of non-accrual loans included in the non-accrual assets table above at March 31, 2015 and December 31, 2014, respectively. The remaining loans are accruing interest.

(5) Includes \$161 million and \$124 million of commercial real estate loans at March 31, 2015 and December 31, 2014, respectively.

(6) Includes \$174 million and \$184 million of other commercial loans at March 31, 2015 and December 31, 2014, respectively.

(7) Smaller-balance homogeneous loans were derived from Citi's risk management systems.

(8) Reduction in the first quarter of 2015 includes \$2,683 million related to TDRs sold or transferred to held-for-sale.



## North America Consumer Mortgage Lending

### Overview

Citi's North America consumer mortgage portfolio consists of both residential first mortgages and home equity loans. At March 31, 2015, Citi's North America consumer mortgage portfolio was \$91.4 billion (compared to \$95.9 billion at December 31, 2014), of which the residential first mortgage portfolio was \$64.3 billion (compared to \$67.8 billion at December 31, 2014), and the home equity loan portfolio was \$27.1 billion (compared to \$28.1 billion at December 31, 2014). At March 31, 2015, \$29.8 billion of first mortgages was recorded in Citi Holdings, with the remaining \$34.5 billion recorded in Citicorp. At March 31, 2015, \$23.8 billion of home equity loans was recorded in Citi Holdings, with the remaining \$3.3 billion recorded in Citicorp. For additional information on Citi's North America consumer mortgage portfolio, including Citi's representations and warranties repurchase reserve, see "Managing Global Risk—Credit Risk—North America Consumer Mortgage Lending" in Citi's 2014 Annual Report on Form 10-K. Citi's residential first mortgage portfolio included \$3.7 billion of loans with FHA insurance or Department of Veterans Affairs (VA) guarantees at March 31, 2015, compared to \$5.2 billion at December 31, 2014. The sequential decline was primarily attributable to approximately \$1.4 billion of mortgage loans with FHA insurance sold or transferred to held-for-sale.

As of March 31, 2015, Citi's North America residential first mortgage portfolio contained approximately \$3.4 billion of adjustable rate mortgages that are currently required to make a payment consisting of only accrued interest for the payment period, or an interest-only payment, compared to \$3.8 billion at December 31, 2014.

North America Consumer Mortgage Quarterly Credit Trends—Net Credit Losses and Delinquencies—Residential First Mortgages

The following charts detail the quarterly credit trends for Citigroup's residential first mortgage portfolio in North America.

North America Residential First Mortgage - EOP Loans

In billions of dollars

North America Residential First Mortgage - Net Credit

Losses

In millions of dollars

Note: CMI refers to loans originated by CitiMortgage. CFNA refers to loans originated by CitiFinancial. Totals may not sum due to rounding.

(1) 2Q'14 excludes a recovery of approximately \$58 million in CitiMortgage.

(2) Increase in 4Q'14 CitiFinancial residential first mortgage loss driven by portfolio seasoning and loss mitigation activities.

(3) Year-over-year change in the S&P/Case-Shiller U.S. National Home Price Index.

(4) Year-over-year change as of January 2015.

North America Residential First Mortgage

Delinquencies-Citi Holdings

In billions of dollars

Note: Days past due excludes (i) U.S. mortgage loans that are guaranteed by U.S. government-sponsored agencies because the potential loss predominantly resides with the U.S. agencies, and (ii) loans recorded at fair value. Totals may not sum due to rounding.

Credit performance (net credit losses and delinquencies) of the residential first mortgage portfolio continued to improve during the first quarter of 2015. The decline in net credit losses during the first quarter of 2015 was driven by overall continued improvement in credit, the home price index (HPI), the economic environment and continued management actions (as discussed below).

Residential first mortgages originated by CitiFinancial have a higher net credit loss rate (4.5%, compared to 0.3% for CitiMortgage as of the first quarter of 2015), as CitiFinancial borrowers tend to have higher loan-to-value ratios (LTVs) and lower FICO (Fair Isaac Corporation) scores than CitiMortgage borrowers. CitiFinancial's residential first mortgages also have a significantly different geographic distribution, with different mortgage market conditions that tend to lag the overall improvements in HPI.

During the first quarter of 2015, continued management actions, primarily assets sales and loans transferred to held-for-sale and, to a lesser extent, loan modifications, were the primary drivers of the overall improvement in delinquencies within Citi Holdings' residential first mortgage portfolio. Citi sold or transferred to held-for-sale approximately \$0.2 billion of delinquent residential first mortgages in the first quarter of 2015 (compared to \$0.6 billion during the fourth quarter of 2014). Credit performance from quarter to quarter could continue to be impacted by the volume of delinquent loan sales (or lack of significant sales) and HPI, as well as increases in interest rates.

## North America Residential First Mortgages—State Delinquency Trends

The following tables set forth, for total Citigroup, the six states and/or regions with the highest concentration of Citi's residential first mortgages as of March 31, 2015 and December 31, 2014.

| In billions of dollars     | March 31, 2015 |                  |          |                  |                | December 31, 2014 |                  |          |                  |                |
|----------------------------|----------------|------------------|----------|------------------|----------------|-------------------|------------------|----------|------------------|----------------|
|                            | ENR (2)        | ENR Distribution | 90+DPD % | % LTV > 100% (3) | Refreshed FICO | ENR (2)           | ENR Distribution | 90+DPD % | % LTV > 100% (3) | Refreshed FICO |
| CA                         | \$18.7         | 32               | %0.4     | %1               | %748           | \$18.9            | 31               | %0.6     | %2               | %745           |
| NY/NJ/CT <sup>(4)(5)</sup> | 12.4           | 21               | 1.5      | 2                | 743            | 12.2              | 20               | 1.9      | 2                | 740            |
| VA/MD                      | 2.8            | 5                | 2.6      | 8                | 699            | 3.0               | 5                | 2.9      | 8                | 697            |
| FL <sup>(4)</sup>          | 2.6            | 5                | 2.7      | 12               | 702            | 2.8               | 5                | 3.0      | 14               | 700            |
| TX                         | 2.5            | 4                | 2.6      | —                | 683            | 2.5               | 4                | 2.7      | —                | 680            |
| IL <sup>(4)</sup>          | 2.4            | 4                | 2.3      | 11               | 718            | 2.5               | 4                | 2.5      | 9                | 713            |
| Other                      | 16.8           | 29               | 3.2      | 7                | 679            | 18.2              | 31               | 3.4      | 7                | 676            |
| Total                      | \$58.2         | 100              | %1.8     | %4               | %718           | \$60.1            | 100              | %2.1     | %4               | %715           |

Note: Totals may not sum due to rounding.

(1) Certain of the states are included as part of a region based on Citi's view of similar HPI within the region.

Ending net receivables. Excludes loans in Canada and Puerto Rico, loans guaranteed by U.S. government agencies, (2) loans recorded at fair value and loans subject to LTSCs. Excludes balances for which FICO or LTV data are unavailable.

(3) LTV ratios (loan balance divided by appraised value) are calculated at origination and updated by applying market price data.

(4) New York, New Jersey, Connecticut, Florida and Illinois are judicial states.

(5) Increase in ENR year-over-year was due to originations in Citicorp.

## Foreclosures

A substantial majority of Citi's foreclosure inventory consists of residential first mortgages. At March 31, 2015, Citi's foreclosure inventory included approximately \$0.5 billion, or 0.8%, of the total residential first mortgage portfolio, compared to \$0.6 billion, or 0.9%, at December 31, 2014 (based on the dollar amount of ending net receivables of loans in foreclosure inventory, excluding loans that are guaranteed by U.S. government agencies and loans subject to LTSCs). This decline in the first quarter of 2015 was largely attributed to CitiMortgage loans sold or transferred to held-for-sale.

Citi's foreclosure inventory continues to be impacted by the ongoing extensive state and regulatory requirements related to the foreclosure process, which continue to result in longer foreclosure timelines. Citi's average timeframes to move a loan out of foreclosure are two to three times longer than historical norms, and continue to be even more pronounced in judicial states, where Citi has a higher concentration of residential first mortgages in foreclosure. As of March 31, 2015, approximately 20% of Citi's total foreclosure inventory was active foreclosure units in process for over two years, compared to 21% as of December 31, 2014, with the decline primarily attributed to the CitiMortgage loans sold or transferred to held-for-sale.

## North America Consumer Mortgage Quarterly Credit Trends—Net Credit Losses and Delinquencies—Home Equity Loans

Citi's home equity loan portfolio consists of both fixed-rate home equity loans and loans extended under home equity lines of credit. Fixed-rate home equity loans are fully amortizing. Home equity lines of credit allow for amounts to be drawn for a period of time with the payment of interest only and then, at the end of the draw period, the then-outstanding amount is converted to an amortizing loan (the interest-only payment feature during the revolving

period is standard for this product across the industry). After conversion, the home equity loans typically have a 20-year amortization period.

## Revolving HELOCs

At March 31, 2015, Citi's home equity loan portfolio of \$27.1 billion included approximately \$16.0 billion of home equity lines of credit (Revolving HELOCs) that are still within their revolving period and have not commenced amortization, or "reset," compared to \$16.7 billion at December 31, 2014. The following chart indicates the FICO and combined loan-to-value (CLTV) characteristics of Citi's Revolving HELOCs portfolio and the year in which they reset:

### North America Home Equity Lines of Credit

Amortization – Citigroup

Total ENR by Reset Year

In billions of dollars as of March 31, 2015

Note: Totals may not sum due to rounding.

Approximately 12% of Citi's total Revolving HELOCs portfolio had commenced amortization as of March 31, 2015 (compared to 10% as of December 31, 2014). Of the remaining Revolving HELOCs portfolio, approximately 76% will commence amortization during the remainder of 2015–2017. Before commencing amortization, Revolving HELOC borrowers are required to pay only interest on their loans. Upon amortization, these borrowers will be required to pay both interest, usually at a variable rate, and principal that amortizes typically over 20 years, rather than the typical 30-year amortization. As a result, Citi's customers with Revolving HELOCs that reset could experience "payment shock" due to the higher required payments on the loans.

While it is not certain what, if any, impact this payment shock could have on Citi's delinquency rates and net credit losses, Citi currently estimates that the monthly loan payment for its Revolving HELOCs that reset during the remainder of 2015–2017 could increase on average by approximately \$360, or 180%. Increases in interest rates could further increase these payments given the variable nature of the interest rates on these loans post-reset. Of the Revolving HELOCs that will commence amortization during the remainder of 2015–2017, approximately \$1.6 billion, or 13%, of the loans have a CLTV greater than 100% as of March 31, 2015. Borrowers' high loan-to-value positions, as well as the cost and availability of refinancing options, could limit borrowers' ability to refinance their Revolving HELOCs as these loans begin to reset.

Based on the limited number of Revolving HELOCs that have begun amortization as of March 31, 2015, approximately 6.2% of the amortizing home equity loans were 30+ days past due, compared to 2.7% of the total outstanding home equity loan portfolio (amortizing and non-amortizing). This

compared to 6.4% and 2.7%, respectively, as of December 31, 2014. However, these resets have generally occurred during a period of historically low interest rates, which Citi believes has likely reduced the overall "payment shock" to the borrower.

Citi continues to monitor this reset risk closely and will continue to consider any potential impact in determining its allowance for loan loss reserves. In addition, management continues to review and take additional actions to offset potential reset risk, such as establishment of a borrower outreach program to provide reset risk education, establishment of a reset risk mitigation unit and proactively contacting high-risk borrowers. For further information on reset risk, see "Risk Factors—Credit and Market Risks" in Citi's 2014 Annual Report on Form 10-K.

### Net Credit Losses and Delinquencies

The following charts detail the quarterly credit trends for Citi's home equity loan portfolio in North America.

North America Home Equity - EOP Loans

In billions of dollars

North America Home Equity - Net Credit Losses

In millions of dollars

Note: Totals may not sum due to rounding.



North America Home Equity Loan Delinquencies - Citi Holdings

In billions of dollars

Note: Totals may not sum due to rounding.

As evidenced by the tables to the left, home equity loan net credit losses and delinquencies improved during the first quarter of 2015, primarily due to liquidations and continued modifications. Given the limited market in which to sell delinquent home equity loans, as well as the relatively smaller number of home equity loan modifications and modification programs (see Note 15 to the Consolidated Financial Statements), Citi's ability to reduce delinquencies or net credit losses in its home equity loan portfolio in Citi Holdings, whether pursuant to deterioration of the underlying credit performance of these loans, the reset of the Revolving HELOCs (as discussed above) or otherwise, is more limited as compared to residential first mortgages.

North America Home Equity Loans—State Delinquency Trends

The following tables set forth, for total Citigroup, the six states and/or regions with the highest concentration of Citi's home equity loans as of March 31, 2015 and December 31, 2014.

In billions of dollars

| State <sup>(1)</sup>    | March 31, 2015     |                  |          |                            |                | December 31, 2014  |                  |          |                            |                |
|-------------------------|--------------------|------------------|----------|----------------------------|----------------|--------------------|------------------|----------|----------------------------|----------------|
|                         | ENR <sup>(2)</sup> | ENR Distribution | 90+DPD % | CLTV > 100% <sup>(3)</sup> | Refreshed FICO | ENR <sup>(2)</sup> | ENR Distribution | 90+DPD % | CLTV > 100% <sup>(3)</sup> | Refreshed FICO |
| CA                      | \$7.1              | 28               | % 1.5    | % 10                       | % 729          | \$7.4              | 28               | % 1.5    | % 10                       | % 729          |
| NY/NJ/CT <sup>(4)</sup> | 6.6                | 26               | 2.5      | 11                         | 721            | 6.7                | 25               | 2.4      | 11                         | 721            |
| FL <sup>(4)</sup>       | 1.8                | 7                | 2.2      | 35                         | 707            | 1.8                | 7                | 2.2      | 36                         | 707            |
| VA/MD                   | 1.6                | 6                | 1.6      | 29                         | 706            | 1.6                | 6                | 1.6      | 28                         | 706            |
| IL <sup>(4)</sup>       | 1.1                | 4                | 1.4      | 41                         | 717            | 1.1                | 4                | 1.4      | 35                         | 716            |
| IN/OH/MI <sup>(4)</sup> | 0.8                | 3                | 1.9      | 37                         | 688            | 0.8                | 3                | 1.7      | 31                         | 688            |
| Other                   | 6.7                | 26               | 1.7      | 20                         | 702            | 7.2                | 27               | 1.7      | 19                         | 702            |
| Total                   | \$25.7             | 100              | % 1.9    | % 18                       | % 715          | \$26.6             | 100              | % 1.8    | % 17                       | % 715          |

Note: Totals may not sum due to rounding.

(1) Certain of the states are included as part of a region based on Citi's view of similar HPI within the region.

(2) Ending net receivables. Excludes loans in Canada and Puerto Rico and loans subject to LTSCs. Excludes balances for which FICO or LTV data are unavailable.

Represents combined loan-to-value (CLTV) for both residential first mortgages and home equity loans. CLTV

(3) ratios (loan balance divided by appraised value) are calculated at origination and updated by applying market price data.

(4) New York, New Jersey, Connecticut, Indiana, Ohio, Florida and Illinois are judicial states.

## CONSUMER LOAN DETAILS

## Consumer Loan Delinquency Amounts and Ratios

| In millions of dollars,<br>except EOP loan amounts<br>in billions | Total<br>loans <sup>(1)</sup> | 90+ days past due <sup>(2)</sup> |                      | 30-89 days past due <sup>(2)</sup> |                   |                      |                   |
|---|-------------------------------|----------------------------------|----------------------|------------------------------------|-------------------|----------------------|-------------------|
|   | March 31,<br>2015             | March 31,<br>2015                | December 31,<br>2014 | March 31,<br>2014                  | March 31,<br>2015 | December 31,<br>2014 | March 31,<br>2014 |
| Citicorp <sup>(3)(4)</sup>  |                               |                                  |                      |                                    |                   |                      |                   |
| Total   | \$280.1                       | \$2,245                          | \$2,566              | \$2,812                            | \$2,511           | \$2,688              | \$2,860           |
| Ratio   |                               | 0.80                             | %0.88                | %0.98                              | %0.90             | %0.93                | %0.99             |
| Retail banking  |                               |                                  |                      |                                    |                   |                      |                   |
| Total   | \$147.9                       | \$617                            | \$816                | \$968                              | \$845             | \$854                | \$925             |
| Ratio   |                               | 0.42                             | %0.55                | %0.65                              | %0.58             | %0.58                | %0.62             |
| North America   |                               |                                  |                      |                                    |                   |                      |                   |
| Total   | 47.8                          | 123                              | 225                  | 243                                | 203               | 212                  | 177               |
| Ratio   |                               | 0.26                             | %0.49                | %0.55                              | %0.43             | %0.46                | %0.40             |
| Latin America   |                               |                                  |                      |                                    |                   |                      |                   |
| Total   | 25.6                          | 306                              | 397                  | 516                                | 282               | 290                  | 340               |
| Ratio   |                               | 1.20                             | %1.52                | %1.80                              | %1.10             | %1.11                | %1.18             |
| Asia <sup>(5)</sup>   |                               |                                  |                      |                                    |                   |                      |                   |
| Total   | 74.5                          | 188                              | 194                  | 209                                | 360               | 352                  | 408               |
| Ratio   |                               | 0.25                             | %0.25                | %0.27                              | %0.48             | %0.46                | %0.53             |
| Cards   |                               |                                  |                      |                                    |                   |                      |                   |
| Total   | \$132.2                       | \$1,628                          | \$1,750              | \$1,844                            | \$1,666           | \$1,834              | \$1,935           |
| Ratio   |                               | 1.23                             | %1.23                | %1.34                              | %1.26             | %1.29                | %1.40             |
| North America—Citi-branded  |                               |                                  |                      |                                    |                   |                      |                   |
| Total   | 63.5                          | 569                              | 593                  | 648                                | 497               | 568                  | 599               |
| Ratio   |                               | 0.90                             | %0.88                | %0.97                              | %0.78             | %0.84                | %0.90             |
| North America—Citi retail services                                |                               |                                  |                      |                                    |                   |                      |                   |
| Total   | 42.4                          | 629                              | 678                  | 689                                | 673               | 748                  | 725               |
| Ratio   |                               | 1.48                             | %1.46                | %1.63                              | %1.59             | %1.61                | %1.71             |
| Latin America   |                               |                                  |                      |                                    |                   |                      |                   |
| Total   | 8.5                           | 240                              | 284                  | 293                                | 247               | 262                  | 321               |
| Ratio   |                               | 2.82                             | %3.05                | %2.87                              | %2.91             | %2.82                | %3.15             |
| Asia <sup>(5)</sup>   |                               |                                  |                      |                                    |                   |                      |                   |
| Total   | 17.8                          | 190                              | 195                  | 214                                | 249               | 256                  | 290               |
| Ratio   |                               | 1.07                             | %1.05                | %1.14                              | %1.40             | %1.38                | %1.54             |
| Citi Holdings <sup>(6)(7)</sup>                                   |                               |                                  |                      |                                    |                   |                      |                   |
| Total   | \$61.5                        | \$1,698                          | \$2,073              | \$2,811                            | \$1,339           | \$1,831              | \$2,452           |
| Ratio   |                               | 2.88                             | %2.77                | %3.18                              | %2.27             | %2.45                | %2.78             |
| International   |                               |                                  |                      |                                    |                   |                      |                   |
| Total   | 4.9                           | 91                               | 110                  | 266                                | 142               | 168                  | 349               |
| Ratio   |                               | 1.86                             | %1.38                | %2.05                              | %2.90             | %2.10                | %2.68             |
| North America   |                               |                                  |                      |                                    |                   |                      |                   |
| Total   | 56.6                          | 1,607                            | 1,963                | 2,545                              | 1,197             | 1,663                | 2,103             |
| Ratio   |                               | 2.97                             | %2.94                | %3.38                              | %2.21             | %2.49                | %2.79             |
| Other <sup>(8)</sup>  |                               |                                  |                      |                                    |                   |                      |                   |
| Total   | 0.1                           |                                  |                      |                                    |                   |                      |                   |
| Total Citigroup   | \$341.7                       | \$3,943                          | \$4,639              | \$5,623                            | \$3,850           | \$4,519              | \$5,312           |
| Ratio   |                               | 1.17                             | %1.27                | %1.50                              | %1.14             | %1.24                | %1.41             |

(1) Total loans include interest and fees on credit cards.

(2) The ratios of 90+ days past due and 30–89 days past due are calculated based on end-of-period (EOP) loans, net of unearned income.

The 90+ days past due balances for North America—Citi-branded and North America—Citi retail services are generally still accruing interest. Citigroup's policy is generally to accrue interest on credit card loans until 180 days past due, unless notification of bankruptcy filing has been received earlier.



- The 90+ days and 30–89 days past due and related ratios for Citicorp North America exclude U.S. mortgage loans that are guaranteed by U.S. government-sponsored entities since the potential loss predominantly resides within the U.S. government-sponsored entities. The amounts excluded for loans 90+ days past due and (EOP loans) were
- (4) \$534 million (\$1.1 billion), \$562 million (\$1.1 billion) and \$679 million (\$1.2 billion) at March 31, 2015, December 31, 2014 and March 31, 2014, respectively. The amounts excluded for loans 30–89 days past due (EOP loans have the same adjustment as above) were \$111 million, \$122 million and \$122 million at March 31, 2015, December 31, 2014 and March 31, 2014, respectively.
- (5) For reporting purposes, Asia GCB includes the results of operations of EMEA GCB for all periods presented. The 90+ days and 30–89 days past due and related ratios for Citi Holdings North America exclude U.S. mortgage loans that are guaranteed by U.S. government-sponsored entities since the potential loss predominantly resides
- (6) within the U.S. government-sponsored entities. The amounts excluded for loans 90+ days past due (and EOP loans) for each period were \$1.8 billion (\$2.5 billion), \$2.2 billion (\$4.0 billion) and \$3.0 billion (\$6.1 billion) at March 31, 2015, December 31,

2014 and March 31, 2014, respectively. The amounts excluded for loans 30–89 days past due (EOP loans have the same adjustment as above) for each period were \$0.2 billion, \$0.5 billion and \$0.9 billion at March 31, 2015, December 31, 2014 and March 31, 2014, respectively.

The March 31, 2015, December 31, 2014 and March 31, 2014 loans 90+ days past due and 30–89 days past due and (7) related ratios for North America exclude \$12 million, \$14 million and \$0.9 billion, respectively, of loans that are carried at fair value.

(8) Represents loans classified as Consumer loans on the Consolidated Balance Sheet that are not included in the Citi Holdings consumer credit metrics.

#### Consumer Loan Net Credit Losses and Ratios

| In millions of dollars, except average loan amounts in billions | Average              | Net credit losses <sup>(2)</sup> |                |                |
|---|----------------------|----------------------------------|----------------|----------------|
|   | loans <sup>(1)</sup> | 1Q15                             | 4Q14           | 1Q14           |
| <b>Citicorp</b>   |                      |                                  |                |                |
| Total   | \$283.1              | \$1,551                          | \$1,710        | \$1,732        |
| Ratio   |                      | 2.22                             | %2.34          | %2.43          |
| <b>Retail banking</b>   |                      |                                  |                |                |
| Total   | \$148.3              | \$294                            | \$388          | \$322          |
| Ratio   |                      | 0.80                             | %1.01          | %0.88          |
| North America   | 47.5                 | 36                               | 36             | 34             |
| Ratio   |                      | 0.31                             | %0.30          | %0.31          |
| Latin America   | 25.7                 | 188                              | 278            | 208            |
| Ratio   |                      | 2.97                             | %4.05          | %2.98          |
| Asia <sup>(3)</sup>   | 75.1                 | 70                               | 74             | 80             |
| Ratio   |                      | 0.38                             | %0.38          | %0.43          |
| <b>Cards</b>  |                      |                                  |                |                |
| Total   | \$134.8              | \$1,257                          | \$1,322        | \$1,410        |
| Ratio   |                      | 3.78                             | %3.81          | %4.08          |
| North America—Citi-branded                                      | 64.1                 | 492                              | 514            | 587            |
| Ratio   |                      | 3.11                             | %3.10          | %3.53          |
| North America—Retail services                                   | 43.9                 | 433                              | 463            | 481            |
| Ratio   |                      | 4.00                             | %4.18          | %4.47          |
| Latin America   | 8.8                  | 229                              | 233            | 228            |
| Ratio   |                      | 10.55                            | %9.63          | %9.16          |
| Asia <sup>(3)</sup>   | 18.0                 | 103                              | 112            | 114            |
| Ratio   |                      | 2.32                             | %2.39          | %2.45          |
| <b>Citi Holdings</b>  |                      |                                  |                |                |
| Total   | \$76.3               | \$414                            | \$387          | \$560          |
| Ratio   |                      | 2.20                             | %1.86          | %2.35          |
| International   | 7.4                  | 51                               | 28             | 86             |
| Ratio   |                      | 2.80                             | %1.26          | %2.70          |
| North America   | 68.9                 | 363                              | 359            | 474            |
| Ratio   |                      | 2.14                             | %1.93          | %2.29          |
| Other <sup>(4)</sup>  | —                    | 1                                | 1              | 2              |
| <b>Total Citigroup</b>  | <b>\$359.4</b>       | <b>\$1,966</b>                   | <b>\$2,098</b> | <b>\$2,294</b> |
| Ratio   |                      | 2.22                             | %2.23          | %2.41          |

(1) Average loans include interest and fees on credit cards.

(2) The ratios of net credit losses are calculated based on average loans, net of unearned income.

(3) For reporting purposes, Asia GCB includes the results of operations of EMEA GCB for all periods presented.

(4) Represents NCLs on loans classified as Consumer loans on the Consolidated Balance Sheet that are not included in the Citi Holdings consumer credit metrics.

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## CORPORATE CREDIT DETAILS

Consistent with its overall strategy, Citi's corporate clients are typically large, multi-national corporations which value Citi's global network. Citi aims to establish relationships with these clients that encompass multiple products, consistent with client needs, including cash management and trade services, foreign exchange, lending, capital markets and M&A advisory.

## Corporate Credit Portfolio

The following table sets forth Citi's corporate credit portfolio (excluding private bank in ICG), before consideration of collateral or hedges, by remaining tenor at March 31, 2015 and December 31, 2014. The vast majority of Citi's corporate credit portfolio resides in ICG; as of March 31, 2015 less than 1% of Citi's corporate credit exposure resided in Citi Holdings.

| In billions of dollars  | At March 31, 2015 |  |                      |                | At December 31, 2014 |  |                      |                |
|---|-------------------|--|----------------------|----------------|----------------------|--|----------------------|----------------|
|   | Due within 1 year | Greater than 1 year but within 5 years | Greater than 5 years | Total Exposure | Due within 1 year    | Greater than 1 year but within 5 years | Greater than 5 years | Total exposure |
| Direct outstandings (on-balance sheet) <sup>(1)</sup>           | \$93              | \$91                                   | \$32                 | \$216          | \$95                 | \$85                                   | \$33                 | \$213          |
| Unfunded lending commitments (off-balance sheet) <sup>(2)</sup> | 86                | 206                                    | 27                   | 319            | 92                   | 207                                    | 33                   | 332            |
| Total exposure  | \$179             | \$297                                  | \$59                 | \$535          | \$187                | \$292                                  | \$66                 | \$545          |

(1) Includes drawn loans, overdrafts, bankers' acceptances and leases.

(2) Includes unused commitments to lend, letters of credit and financial guarantees.

## Portfolio Mix—Geography, Counterparty and Industry

Citi's corporate credit portfolio is diverse across geography and counterparty. The following table shows the percentage by region based on Citi's internal management geography:

|               | March 31, 2015 | December 31, 2014 |   |
|---------------|----------------|-------------------|---|
| North America | 54             | %55               | % |
| EMEA          | 25             | 25                |   |
| Asia          | 14             | 13                |   |
| Latin America | 7              | 7                 |   |
| Total         | 100            | %100              | % |

The maintenance of accurate and consistent risk ratings across the corporate credit portfolio facilitates the comparison of credit exposure across all lines of business, geographic regions and products. Counterparty risk ratings reflect an estimated probability of default for a counterparty and are derived primarily through the use of validated statistical models, scorecard models and external agency ratings (under defined circumstances), in combination with consideration of factors specific to the obligor or market, such as management experience, competitive position, regulatory environment and commodity prices. Facility risk ratings are assigned that reflect the probability of default of

the obligor and factors that affect the loss-given-default of the facility, such as support or collateral. Internal obligor ratings that generally correspond to BBB and above are

considered investment grade, while those below are considered non-investment grade.

Citigroup also has incorporated climate risk assessment and reporting criteria for certain obligors, as necessary.

Factors evaluated include consideration of climate risk to an

obligor's business and physical assets and, when relevant, consideration of cost-effective options to reduce greenhouse gas emissions.

The following table presents the corporate credit portfolio by facility risk rating at March 31, 2015 and December 31, 2014, as a percentage of the total corporate credit portfolio:

|              | Total Exposure    |                      |   |
|--------------|-------------------|----------------------|---|
|              | March 31,<br>2015 | December 31,<br>2014 |   |
| AAA/AA/A     | 50                | % 49                 | % |
| BBB          | 33                | 33                   |   |
| BB/B         | 15                | 16                   |   |
| CCC or below | 2                 | 1                    |   |
| Unrated      | —                 | 1                    |   |
| Total        | 100               | % 100                | % |

Note: Total exposure includes direct outstandings and unfunded lending commitments.

Citi's corporate credit portfolio is also diversified by industry. The following table shows the allocation of Citi's total corporate credit portfolio by industry:

|   | Total Exposure    |                      |   |
|---|-------------------|----------------------|---|
|   | March 31,<br>2015 | December 31,<br>2014 |   |
| Transportation and industrial                       | 21                | % 21                 | % |
| Consumer retail and health                          | 16                | 17                   |   |
| Power, chemicals, commodities and metals and mining | 10                | 10                   |   |
| Energy <sup>(1)</sup>                               | 10                | 10                   |   |
| Technology, media and telecom                       | 10                | 9                    |   |
| Banks/broker-dealers                                | 8                 | 8                    |   |
| Real estate   | 5                 | 6                    |   |
| Public sector                                       | 6                 | 5                    |   |
| Insurance and special purpose entities              | 5                 | 5                    |   |
| Hedge funds   | 5                 | 5                    |   |
| Other industries                                    | 4                 | 4                    |   |
| Total   | 100               | % 100                | % |

Note: Total exposure includes direct outstandings and unfunded lending commitments.

(1) In addition to this exposure, Citi also has energy-related exposure within the "Public sector" (e.g., energy-related state-owned entities) and "Transportation and industrial" sector (e.g., off-shore drilling entities) included in the table above. As of March 31, 2015, Citi's total exposure to these energy-related entities remained largely consistent with the prior quarter, at approximately \$7 billion, of which approximately \$4 billion consisted of direct outstanding funded loans.

As of March 31, 2015, Citi's total corporate credit exposure to the energy and energy-related sector (see footnote 1 to the table above) was approximately \$58 billion, with approximately \$22 billion, or 3%, of Citi's total outstanding loans consisting of direct outstanding funded loans. This compared to approximately \$60 billion of total corporate credit exposure and \$22 billion of direct outstanding funded loans as of December 31, 2014. In addition, as of March 31, 2015, approximately 69% of Citi's total corporate credit energy and energy-related exposure (based on the methodology described above) was in the United States, United Kingdom and Canada (compared to 70% at December 31, 2014). Also as of March 31, 2015, approximately 82% of Citi's total energy and energy-related exposures were rated investment grade. This compared to approximately 85% as of year-end 2014, reflecting certain ratings downgrades during the current quarter. While these downgrades and other market developments led to an approximate \$100 million loan loss reserve build in ICG during the current quarter, Citi did not experience any material net credit losses against its corporate energy exposures in the current quarter.

#### Credit Risk Mitigation

As part of its overall risk management activities, Citigroup uses credit derivatives and other risk mitigants to hedge portions of the credit risk in its corporate credit portfolio, in addition to outright asset sales. The results of the mark-to-market and any realized gains or losses on credit derivatives are reflected in Principal transactions on the Consolidated Statement of Income.

At March 31, 2015 and December 31, 2014, \$27.2 billion and \$27.6 billion, respectively, of the corporate credit portfolio was economically hedged. Citigroup's expected loss model used in the calculation of its loan loss reserve does not include the favorable impact of credit derivatives and other mitigants that are marked-to-market. In addition, the reported amounts of direct outstandings and unfunded lending commitments in the tables above do not reflect the impact of these hedging transactions. At March 31, 2015 and December 31, 2014, the credit protection was

economically hedging underlying corporate credit portfolio exposures with the following risk rating distribution:

Rating of Hedged Exposure

|              | March 31,<br>2015 | December 31,<br>2014 |   |
|--------------|-------------------|----------------------|---|
| AAA/AA/A     | 23                | % 24                 | % |
| BBB          | 38                | 42                   |   |
| BB/B         | 33                | 28                   |   |
| CCC or below | 6                 | 6                    |   |
| Total        | 100               | % 100                | % |

At March 31, 2015 and December 31, 2014, the credit protection was economically hedging underlying corporate credit portfolio exposures with the following industry distribution:

## Industry of Hedged Exposure

|   | March 31,<br>2015 | December 31,<br>2014 |   |
|---|-------------------|----------------------|---|
| Transportation and industrial                       | 30                | % 30                 | % |
| Power, chemicals, commodities and metals and mining | 15                | 15                   |   |
| Technology, media and telecom                       | 14                | 15                   |   |
| Consumer retail and health                          | 12                | 11                   |   |
| Energy  | 12                | 10                   |   |
| Banks/broker-dealers                                | 7                 | 7                    |   |
| Public Sector                                       | 4                 | 6                    |   |
| Insurance and special purpose entities              | 4                 | 4                    |   |
| Other industries                                    | 2                 | 2                    |   |
| Total   | 100               | % 100                | % |

For additional information on Citi's corporate credit portfolio, including allowance for loan losses, coverage ratios and corporate non-accrual loans, see "Credit Risk—Loans Outstanding, Details of Credit Loss Experience, Allowance for Loan Losses and Non-Accrual Loans and Assets" above.



**MARKET RISK**

Market risk encompasses funding and liquidity risk and price risk, each of which arise in the normal course of business of a global financial intermediary such as Citi. For additional information, see “Managing Global Risk—Market Risk” in Citi’s 2014 Annual Report on Form 10-K.

**Funding and Liquidity Risk**

For additional information on funding and liquidity risk at Citigroup, including Citi’s liquidity management, stress testing and certain of its additional liquidity measures, see “Market Risk—Funding and Liquidity Risk” and “Risk Factors” in Citi’s 2014 Annual Report on Form 10-K.

**High-Quality Liquid Assets**

|                                | Parent <sup>(1)</sup> |               | Significant Citibank Entities <sup>(2)</sup> |               | Other Citibank and Banamex Entities |               | Total         |               |
|--------------------------------|-----------------------|---------------|--|---------------|-------------------------------------|---------------|---------------|---------------|
|                                | Mar. 31, 2015         | Dec. 31, 2014 | Mar. 31, 2015                                | Dec. 31, 2014 | Mar. 31, 2015                       | Dec. 31, 2014 | Mar. 31, 2015 | Dec. 31, 2014 |
| In billions of dollars         |                       |               |  |               |                                     |               |               |               |
| Available cash                 | \$18.3                | \$37.5        | \$71.3                                       | \$54.6        | \$4.9                               | \$10.6        | \$94.5        | \$102.7       |
| Unencumbered liquid securities | 30.3                  | 35.0          | 207.1  | 203.1         | 68.6                                | 71.8          | \$306.0       | \$309.9       |
| Total                          | \$48.6                | \$72.5        | \$278.4                                      | \$257.7       | \$73.5                              | \$82.4        | \$400.5       | \$412.6       |

Note: Amounts set forth in the table above are based on the U.S. Liquidity Coverage Ratio (LCR) rules. All amounts are as of period end and may increase or decrease intra-period in the ordinary course of business.

(1) “Parent” consists of Citigroup, the parent holding company and Citi’s broker-dealer subsidiaries that are consolidated into Citigroup.

(2) “Significant Citibank Entities” consist of Citibank, N.A. units domiciled in the U.S., Western Europe, Hong Kong, Japan and Singapore.

As set forth in the table above, Citi’s high-quality liquid assets (HQLA) as of March 31, 2015 were \$400.5 billion, compared to \$412.6 billion as of December 31, 2014. The decrease in HQLA quarter-over-quarter was primarily driven by the use of cash to reduce short-term borrowings and long-term debt in the significant Citibank entities, as well as reduce wholesale funding in the parent entities. This was partially offset by cash generated from a seasonal reduction in loans (largely credit card loans within North America GCB) in the significant Citibank entities and other Citibank and Banamex entities.

Prior to September 30, 2014, Citi reported its HQLA based on the Basel Committee’s LCR rules. On this basis, Citi’s HQLA was \$424.8 billion as of March 31, 2014. Year-over-year, the decrease in Citi’s HQLA was primarily due to the impact of the U.S. LCR rules, which excluded municipal securities, covered bonds and residential mortgage-backed securities from the definition of HQLA.

The following table shows further detail of the composition of Citi’s HQLA by type of asset as of March 31, 2015 and December 31, 2014. For securities, the amounts represent the liquidity value that potentially could be realized, and

thus exclude any securities that are encumbered, as well as the haircuts that would be required for secured financing transactions.

| In billions of dollars            | Mar. 31, 2015 | Dec. 31, 2014 |
|-----------------------------------|---------------|---------------|
| Available cash                    | \$94.5        | \$102.7       |
| U.S. Treasuries                   | 135.4         | 139.5         |
| U.S. Agencies/Agency MBS          | 57.3          | 57.1          |
| Foreign government <sup>(1)</sup> | 110.3         | 110.2         |
| Other investment grade            | 3.1           | 3.1           |
| Total                             | \$400.5       | \$412.6       |

Note: Amounts set forth in the table above are based on the U.S. LCR rules.

Foreign government includes securities issued or guaranteed by foreign sovereigns, agencies and multilateral development banks. Foreign government securities are held largely to support local liquidity requirements and Citi's local franchises and principally included government bonds from Brazil, Hong Kong, India, Korea, Mexico and Singapore.

Citi's HQLA as set forth above does not include additional potential liquidity in the form of Citigroup's borrowing capacity from the various Federal Home Loan Banks (FHLB), which was approximately \$38 billion as of March 31, 2015 (compared to \$26 billion as of December 31, 2014 and \$31 billion as of March 31, 2014) and is maintained by pledged collateral to all such banks. The HQLA shown above also does not include Citi's borrowing capacity at the U.S. Federal Reserve Bank discount window or international central banks, which would be in addition to the resources noted above.

In general, Citigroup can freely fund legal entities within its bank vehicles. Citigroup's bank subsidiaries, including Citibank, N.A., can lend to the Citigroup parent and broker-

dealer entities in accordance with Section 23A of the Federal Reserve Act. As of March 31, 2015, the amount available for lending to these entities under Section 23A was approximately \$17 billion (unchanged from December 31, 2014 and March 31, 2014), subject to collateral requirements.

### Deposits

Deposits are the primary and lowest cost funding source for Citi's bank subsidiaries. The table below sets forth the end-of-period deposits, by business and/or segment, and the total average deposits for each of the periods indicated.

| In billions of dollars                | Mar. 31, 2015 | Dec. 31, 2014 | Mar. 31, 2014 |
|---------------------------------------|---------------|---------------|---------------|
| Global Consumer Banking               |               |               |               |
| North America                         | \$172.6       | \$171.4       | \$172.6       |
| Latin America                         | 42.0          | 43.7          | 46.1          |
| Asia <sup>(1)</sup>                   | 89.7          | 89.2          | 90.9          |
| Total                                 | \$304.3       | \$304.3       | \$309.6       |
| ICG                                   |               |               |               |
| Treasury and trade solutions (TTS)    | \$386.5       | \$378.0       | \$380.3       |
| Banking ex-TTS                        | 104.4         | 94.5          | 92.1          |
| Markets and securities services       | 80.2          | 82.9          | 96.1          |
| Total                                 | \$571.1       | \$555.4       | \$568.6       |
| Corporate/Other                       | 12.3          | 22.8          | 26.1          |
| Total Citicorp                        | \$887.7       | \$882.5       | \$904.3       |
| Total Citi Holdings <sup>(2)(3)</sup> | 11.9          | 16.8          | 62.0          |
| Total Citigroup deposits (EOP)        | \$899.6       | \$899.3       | \$966.3       |
| Total Citigroup deposits (AVG)        | \$899.5       | \$938.7       | \$957.4       |

(1) For reporting purposes, includes EMEA GCB for all periods presented.

Included within Citi Holding's end-of-period deposit balance as of March 31, 2015 was approximately \$4 billion of (2) deposits related to Morgan Stanley Smith Barney (MSSB) customers that, as previously disclosed, will be transferred to Morgan Stanley by the end of the second quarter of 2015.

March 31, 2015 and December 31, 2014 deposit balances reflect the reclassification to held-for-sale of (3) approximately \$20 billion and \$21 billion, respectively, of deposits as a result of Citigroup's entry into an agreement in December 2014 to sell its Japan retail banking business.

End-of-period deposits decreased 7% year-over-year and were largely unchanged quarter-over-quarter. The year-over-year change was primarily due to the reclassification to held-for-sale of deposits relating to Citi's Japan retail banking business (see note 3 to the table above), as well as the impact of FX translation.

Excluding the impact of FX translation, Citigroup's end-of-period deposits declined 3% year-over-year, driven by a decline in Citi Holdings deposits reflecting the continued wind-down of that segment, primarily driven by the reclassification referenced above as well as the ongoing transfer of MSSB deposits to Morgan Stanley. This decline was partially offset by 3% growth in Citicorp. Within Citicorp, GCB deposits increased 2% year-over-year, driven by 5% growth in international deposits as North America GCB deposits were relatively unchanged. ICG deposits increased 6% year-over-year, with continued high-quality deposit

growth, particularly in North America. Average deposits declined 2% both year-over-year and quarter-over-quarter, as growth in Citicorp was more than offset by the ongoing reduction in Citi Holdings deposits.

Citi monitors its deposit base across multiple dimensions, including what Citi refers to as "LCR value" or the liquidity value of the deposit base under the U.S. LCR rules. Under U.S. LCR rules, deposits are assigned liquidity values based on expected behavior under stress, determined by the type of deposit and the type of client. Generally, the U.S. LCR rules prioritize operating accounts of consumers (including retail and commercial banking deposits) and corporations, while assigning lower liquidity values to non-operating balances of financial institutions. As of March 31, 2015, total deposits had a liquidity value of approximately 73% under the U.S. LCR rules, unchanged from

December 31, 2014.

#### Long-Term Debt

Long-term debt (generally defined as debt with original maturities of one year or more) represents the most significant component of Citi's funding for the parent entities and is a supplementary source of funding for the bank entities.

Long-term debt is an important funding source due in part to its multi-year maturity structure. The weighted-average maturities of unsecured long-term debt issued by Citigroup and its affiliates (including Citibank, N.A.) with a remaining life greater than one year (excluding remaining trust preferred securities outstanding) was approximately 6.9 years as of March 31, 2015, largely unchanged from the prior quarter and year. Citi believes this term structure enables it to meet its business needs and maintain adequate liquidity.

Citi's long-term debt outstanding at the parent includes benchmark debt and what Citi refers to as customer-related debt, consisting of structured notes, such as equity- and credit-linked notes, as well as non-structured notes. Citi's issuance of customer-related debt is generally driven by customer demand and supplements benchmark debt issuance as a source of funding for Citi's parent entities. Citi's long-term debt at the bank also includes FHLB advances and securitizations.

## Long-Term Debt Outstanding

The following table sets forth Citi's total long-term debt outstanding for the periods indicated:

| In billions of dollars                       | Mar. 31, 2015 | Dec. 31, 2014 | Mar. 31, 2014 |
|--|---------------|---------------|---------------|
| Parent <sup>(1)</sup>                        | \$151.8       | \$158.0       | \$162.7       |
| Benchmark debt:                              |               |               |               |
| Senior debt                                  | 95.5          | 96.7          | 96.4          |
| Subordinated debt                            | 25.5          | 25.5          | 28.0          |
| Trust preferred                              | 1.7           | 1.7           | 3.9           |
| Customer-Related debt:                       |               |               |               |
| Structured debt                              | 21.9          | 22.3          | 22.2          |
| Non-structured debt                          | 5.0           | 5.9           | 7.8           |
| Local Country and Other <sup>(1)(2)(3)</sup> | 2.2           | 5.9           | 4.4           |
| Bank   | \$58.7        | \$65.1        | \$60.0        |
| FHLB Borrowings                              | 16.3          | 19.8          | 14.0          |
| Securitizations <sup>(4)</sup>               | 35.2          | 38.1          | 37.1          |
| Local Country and Other <sup>(3)</sup>       | 7.2           | 7.2           | 8.9           |
| Total long-term debt <sup>(1)</sup>          | \$210.5       | \$223.1       | \$222.7       |

Note: Amounts represent the current value of long-term debt on Citi's Consolidated Balance Sheet which, for certain debt instruments, includes consideration of fair value, hedging impacts and unamortized discounts and premiums.

March 31, 2015 long-term debt balance reflects the reclassification to held-for-sale of approximately \$4.7 billion of (1) long-term debt (consisting largely of personal loan securitizations) as a result of Citigroup's entry into an agreement in March 2015 to sell its OneMain Financial business.

(2) Includes securitizations of \$0.0 billion for the first quarter of 2015, \$2.0 billion for the fourth quarter of 2014 and \$0.2 billion for the first quarter of 2014.

(3) Local country debt includes debt issued by Citi's affiliates in support of their local operations.

(4) Predominantly credit card securitizations, primarily backed by Citi-branded credit cards.

Citi's total long-term debt outstanding decreased both year-over-year and quarter-over-quarter. Year-over-year, Citi's total long-term debt outstanding decreased due to a reduction in benchmark debt, as well as local country and other debt in both the parent and at the bank. Sequentially, Citi's total long-term debt decreased due to reductions in FHLB advances and securitizations outstanding at the bank, as well as the reclassification to held-for sale of approximately \$4.7 billion of long-term debt as a result of the agreement to sell OneMain Financial announced in the current quarter (see note 1 to the table above).

As part of its liability management, Citi has considered, and may continue to consider, opportunities to repurchase its long-term debt pursuant to open market purchases, tender offers or other means. Such repurchases help reduce Citi's overall funding costs. During the first quarter of 2015, Citi repurchased an aggregate of approximately \$3.2 billion of its outstanding long-term debt.

Going forward, changes in Citi's long-term debt outstanding will continue to reflect the funding needs of its businesses as well as the market and economic environment and any regulatory changes or requirements. For additional information on regulatory changes and requirements impacting Citi's overall funding and liquidity, see "Market Risk - Funding and Liquidity Risk - Total Loss-Absorbing Capacity," "Liquidity Management, Stress Testing and Measurement" and "Risk Factors" in Citi's 2014 Annual Report on Form 10-K.

## Long-Term Debt Issuances and Maturities

The table below details Citi's long-term debt issuances and maturities (including repurchases and redemptions) during the periods presented:

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| In billions of dollars                 | 1Q15       |           | 4Q14       |           | 1Q14       |           |
|--|------------|-----------|------------|-----------|------------|-----------|
|  | Maturities | Issuances | Maturities | Issuances | Maturities | Issuances |
| Parent <sup>(1)</sup>                  | \$8.6      | \$11.1    | \$8.1      | \$11.3    | \$7.7      | \$4.9     |
| Benchmark debt:                        |            |           |            |           |            |           |
| Senior debt                            | 5.1        | 6.1       | 5.1        | 6.0       | 4.9        | 2.0       |
| Subordinated debt                      | 0.4        | 1.0       | 0.1        | 1.0       | —          | —         |
| Trust preferred                        | —          | —         | —          | —         | —          | —         |
| Customer-related debt:                 |            |           |            |           |            |           |
| Structured debt                        | 2.5        | 2.8       | 1.8        | 2.7       | 1.4        | 1.9       |
| Non-structured debt                    | 0.4        | —         | 0.4        | 0.1       | 0.8        | 0.8       |
| Local Country and Other <sup>(1)</sup> | 0.2        | 1.2       | 0.7        | 1.5       | 0.6        | 0.2       |
| Bank                                   | \$6.9      | \$0.6     | \$10.0     | \$7.7     | \$2.0      | \$5.7     |
| FHLB borrowings                        | 3.5        | —         | 5.5        | 2.0       | 0.5        | 0.5       |
| Securitizations                        | 2.8        | —         | 3.8        | 3.9       | 0.9        | 4.3       |
| Local Country and Other                | 0.5        | 0.6       | 0.7        | 1.8       | 0.6        | 0.9       |
| Total <sup>(1)</sup>                   | \$15.5     | \$11.7    | \$18.1     | \$19.0    | \$9.7      | \$10.6    |

(1) 1Q15 includes issuances of \$1.2 billion subsequently reclassified to held-for-sale as a result of Citigroup's entry into an agreement in March 2015 to sell its OneMain Financial business.

The table below shows Citi's aggregate long-term debt maturities (including repurchases and redemptions) during the first quarter of 2015, as well as its aggregate expected annual long-term debt maturities as of March 31, 2015:

| In billions of dollars                 | Maturities |        |        |        |        |        |       |            | Total   |
|--|------------|--------|--------|--------|--------|--------|-------|------------|---------|
|  | 1Q15       | 2015   | 2016   | 2017   | 2018   | 2019   | 2020  | Thereafter |         |
| Parent <sup>(1)</sup>                  | \$8.6      | \$11.0 | \$18.8 | \$25.6 | \$15.2 | \$18.3 | \$5.4 | \$57.5     | \$151.8 |
| Benchmark debt:                        |            |        |        |        |        |        |       |            |         |
| Senior debt                            | 5.1        | 6.8    | 11.8   | 19.4   | 11.9   | 14.1   | 4.1   | 27.4       | 95.5    |
| Subordinated debt                      | 0.4        | 0.7    | 1.5    | 2.8    | 1.1    | 1.3    | —     | 18.1       | 25.5    |
| Trust preferred                        | —          | —      | —      | —      | —      | —      | —     | 1.7        | 1.7     |
| Customer-related debt:                 |            |        |        |        |        |        |       |            |         |
| Structured debt                        | 2.5        | 2.4    | 4.5    | 2.9    | 1.8    | 1.8    | 1.1   | 7.4        | 21.9    |
| Non-structured debt                    | 0.4        | 1.1    | 0.9    | 0.5    | 0.4    | 0.2    | 0.2   | 1.7        | 5.0     |
| Local Country and Other <sup>(1)</sup> | 0.2        | —      | 0.1    | —      | —      | 0.9    | —     | 1.2        | 2.2     |
| Bank                                   | \$6.9      | \$6.7  | \$22.2 | \$14.5 | \$9.1  | \$2.2  | \$0.3 | \$3.7      | 58.7    |
| FHLB borrowings                        | 3.5        | 0.5    | 9.0    | 6.3    | 0.4    | —      | —     | 0.1        | 16.3    |
| Securitized                            | 2.8        | 5.0    | 10.3   | 6.4    | 8.3    | 1.9    | —     | 3.3        | 35.2    |
| Local Country and Other                | 0.5        | 1.2    | 2.9    | 1.8    | 0.4    | 0.3    | 0.3   | 0.3        | 7.2     |
| Total long-term debt <sup>(1)</sup>    | \$15.5     | \$17.7 | \$41.0 | \$40.1 | \$24.3 | \$20.5 | \$5.7 | \$61.2     | \$210.5 |

(1) Maturities exclude OneMain Financial long-term debt of approximately \$4.7 billion (consisting largely of personal loan securitizations) reflecting the reclassification of such debt to held-for-sale as a result of Citigroup's entry into an agreement in March 2015 to sell its OneMain Financial business.

#### Secured Funding Transactions and Short-Term Borrowings

##### Secured Funding

Secured funding is primarily conducted through Citi's broker-dealer subsidiaries to fund efficiently both secured lending activity and a portion of trading inventory. Citi also conducts a smaller portion of its secured funding transactions through its bank entities, which is typically collateralized by foreign government securities. Generally, daily changes in the level of Citi's secured funding are primarily due to fluctuations in secured lending activity in the matched book (as described below) and trading inventory.

Secured funding of \$175 billion as of March 31, 2015 declined 8% from the prior-year period of \$191 billion, primarily driven by FX translation. Sequentially, secured funding was largely unchanged from \$173 billion as of December 31, 2014, as market activity was offset by the impact of FX translation. Average balances for secured funding were approximately \$177 billion for the quarter ended March 31, 2015, compared to \$187 billion for the quarter ended December 31, 2014 and \$197 billion for the quarter ended March 31, 2014.

The portion of secured funding in the broker-dealer subsidiaries that funds secured lending is commonly referred to as "matched book" activity. The majority of this activity is secured by high quality, liquid securities such as U.S. Treasury securities, U.S. agency securities and foreign sovereign debt. Other secured funding is secured by less liquid securities, including equity securities, corporate bonds and asset-backed securities. The tenor of Citi's matched book liabilities is equal to or longer than the tenor of the corresponding matched book assets.

The remainder of the secured funding activity in the broker-dealer subsidiaries serves to fund trading inventory. To

maintain reliable funding under a wide range of market conditions, including under periods of stress, Citi manages these activities by taking into consideration the quality of the underlying collateral, and stipulating financing tenor. The weighted average maturity of Citi's secured funding of less liquid trading inventory was greater than 110 days as of March 31, 2015.

Citi manages the risks in its secured funding by conducting daily stress tests to account for changes in capacity, tenors, haircut, collateral profile and client actions. Additionally, Citi maintains counterparty diversification by establishing concentration triggers and assessing counterparty reliability and stability under stress. Citi generally sources secured

funding from more than 150 counterparties.

#### Commercial Paper

The following table sets forth Citi's commercial paper outstanding for each of its parent and significant Citibank entities, respectively, for each of the periods indicated. Similar to other short-term borrowings described below, as Citi continued to grow its high-quality deposits, it reduced its reliance on short-term borrowings, including commercial paper.

| In billions of dollars        | Mar. 31, 2015 | Dec. 31, 2014 | Mar. 31, 2014 |
|-------------------------------|---------------|---------------|---------------|
| Commercial paper              |               |               |               |
| Parent                        | \$0.1         | \$0.1         | \$0.2         |
| Significant Citibank entities | 10.9          | 16.1          | 14.7          |
| Total                         | \$11.0        | \$16.2        | \$14.9        |



### Other Short-Term Borrowings

At March 31, 2015, Citi's other short-term borrowings, which included borrowings from the FHLB and other market participants, were approximately \$28 billion, compared to \$42 billion at December 31, 2014, and \$44 billion at March 31, 2014. As described under "Commercial Paper" above, Citi purposefully reduced its other short-term borrowings, including FHLB borrowings, as it continued to grow high quality deposits.

### Liquidity Coverage Ratio (LCR)

In addition to internal short-term liquidity measures that Citi has developed, Citi also monitors its short-term liquidity by reference to the LCR, as calculated pursuant to the U.S. LCR rules. For additional information on the LCR, see "Market Risk - Funding and Liquidity Risk - Short-Term Liquidity Measurement; Liquidity Coverage Ratio" in Citi's 2014 Annual Report on Form 10-K.

The table below sets forth the components of Citi's LCR calculation and HQLA in excess of net outflows as of March 31, 2015 and December 31, 2014.

| in billions of dollars         | Mar. 31, 2015 | Dec. 31, 2014 |   |
|--------------------------------|---------------|---------------|---|
| HQLA                           | \$400.5       | \$412.6       |   |
| Net outflows                   | \$361.0       | \$368.6       |   |
| LCR                            | 111           | % 112         | % |
| HQLA in excess of net outflows | \$39.5        | \$44.0        |   |

Note: Amounts set forth in the table above are based on the U.S. LCR rules.

As set forth in the table above, Citi's LCR under the U.S. LCR rules was 111% as of March 31, 2015 and 112% as of December 31, 2014. The decrease quarter-over-quarter was primarily driven by a modest reduction in the HQLA as described above, partially offset by reduced deposit and debt maturity outflows.

As noted above, prior to September 30, 2014, Citi reported its LCR based on the Basel Committee's LCR rules. On this basis, Citi's LCR was 120% as of March 31, 2014. The decrease in Citi's LCR year-over-year was primarily due to the impact of the U.S. LCR rules. Specifically, as discussed under "High-Quality Liquid Assets" above, the U.S. LCR rules excluded certain assets from the calculation of HQLA. In addition, net outflows are higher under the U.S. LCR rules, primarily due to the "peak day" outflow requirement (i.e., net outflows are required to be based on the highest individual day's mismatch between contractual and certain non-defined maturity inflows and outflows within the 30-day LCR period) as well as higher deposit outflow assumptions resulting from the more stringent deposit classifications (e.g., the nature of the deposit balance or counterparty designation) under the U.S. LCR rules.

### Credit Ratings

Citigroup's funding and liquidity, its funding capacity, ability to access capital markets and other sources of funds, the cost of these funds, and its ability to maintain certain deposits are partially dependent on its credit ratings. The table below sets forth the ratings for Citigroup and Citibank, N.A. as of March 31, 2015. While not included in the table below, Citigroup Global Markets Inc. (CGMI) is rated A/A-1 by Standard & Poor's and A/F1 by Fitch as of March 31, 2015.

### Debt Ratings as of March 31, 2015

|                                     | Citigroup Inc. |                  |          | Citibank, N.A. |            |         |
|-------------------------------------|----------------|------------------|----------|----------------|------------|---------|
|                                     | Senior debt    | Commercial paper | Outlook  | Long-term      | Short-term | Outlook |
| Fitch Ratings (Fitch)               | A              | F1               | Stable   | A              | F1         | Stable  |
| Moody's Investors Service (Moody's) | Baa2           | P-2              | RuR up   | A2             | P-1        | RuR up  |
| Standard & Poor's (S&P)             | A-             | A-2              | Negative | A              | A-1        | Stable  |

### Recent Credit Rating Developments

On March 20, 2015, Fitch issued its revised Global Bank Rating Criteria. The new document consolidates a number of previous sub-sector criteria into one report and refines certain aspects of the criteria, including a new approach to assigning recovery ratings and clarification as to when Fitch might rate an operating company's long-term rating above its unsupported rating due to the protection offered to senior creditors by loss absorbing junior instruments. No rating changes arose from these revisions. Since March 2014, Fitch has been contemplating the introduction of a ratings differential between U.S. bank holding companies and operating companies due to the evolving regulatory landscape. Currently, Fitch equalizes holding company and operating company ratings, reflecting what it views as the close correlation between default probabilities.

On March 16, 2015, Moody's published its revised methodology for rating banks globally. Key changes to the methodology include: a streamlined "baseline-credit-assessment" (BCA); the introduction of a "loss given failure" (LGF) liability analysis to reflect the expected loss of each instrument class under new resolution regimes; and a new indicator, the "counterparty risk assessment" (CRA), to assess the probability of default on operating obligations. Following the publication of its new methodology, on March 17, 2015, Moody's placed a significant number of ratings under review globally. As a result, the ratings of Citigroup's senior unsecured debt, deposits, and preferred stock were placed on review for upgrade. Citigroup's BCA, or unsupported rating, was unaffected by these actions. Moody's expects to conclude these reviews "in the coming few months."

### Potential Impacts of Ratings Downgrades

Ratings downgrades by Moody's, Fitch or S&P could negatively impact Citigroup's and/or Citibank, N.A.'s funding and liquidity due to reduced funding capacity, including derivatives triggers, which could take the form of cash obligations and collateral requirements.

The following information is provided for the purpose of analyzing the potential funding and liquidity impact to Citigroup and Citibank, N.A. of a hypothetical, simultaneous ratings downgrade across all three major rating agencies. This analysis is subject to certain estimates, estimation methodologies, and judgments and uncertainties. Uncertainties include potential ratings limitations that certain entities may have with respect to permissible counterparties, as well as general subjective counterparty behavior. For example, certain corporate customers and trading counterparties could re-evaluate their business relationships with Citi and limit the trading of certain contracts or market instruments with Citi. Changes in counterparty behavior could impact Citi's funding and liquidity, as well as the results of operations of certain of its businesses. The actual impact to Citigroup or Citibank, N.A. is unpredictable and may differ materially from the potential funding and liquidity impacts described below.

For additional information on the impact of credit rating changes on Citi and its applicable subsidiaries, see “Risk Factors—Liquidity Risks” in Citigroup’s 2014 Annual Report on Form 10-K.

Citigroup Inc. and Citibank, N.A.—Potential Derivative Triggers

As of March 31, 2015, Citi estimates that a hypothetical one-notch downgrade of the senior debt/long-term rating of Citigroup Inc. across all three major rating agencies could impact Citigroup’s funding and liquidity due to derivative triggers by approximately \$0.9 billion, compared to \$0.8 billion as of December 31, 2014. Other funding sources, such as secured financing transactions and other margin requirements, for which there are no explicit triggers, could also be adversely affected.

As of March 31, 2015, Citi estimates that a hypothetical one-notch downgrade of the senior debt/long-term rating of Citibank, N.A. across all three major rating agencies could impact Citibank, N.A.'s funding and liquidity by approximately \$1.5 billion, compared to \$1.3 billion as of December 31, 2014, due to derivative triggers.

In total, Citi estimates that a one-notch downgrade of Citigroup and Citibank, N.A., across all three major rating agencies, could result in aggregate cash obligations and collateral requirements of approximately \$2.4 billion, compared to \$2.1 billion as of December 31, 2014 (see also Note 21 to the Consolidated Financial Statements). As set forth under "High-Quality Liquid Assets" above, the liquidity resources of Citi's parent entities were approximately \$49 billion, and the liquidity resources of Citi's significant Citibank entities and other Citibank and Banamex entities were approximately \$352 billion, for a total of approximately \$401 billion as of March 31, 2015. These liquidity resources are available in part as a contingency for the potential events described above.

In addition, a broad range of mitigating actions are currently included in Citigroup's and Citibank, N.A.'s contingency funding plans. For Citigroup, these mitigating factors include, but are not limited to, accessing surplus funding capacity from existing clients, tailoring levels of secured lending, and adjusting the size of select trading books and collateralized borrowings from Citi's significant bank subsidiaries. Mitigating actions available to Citibank, N.A. include, but are not limited to, selling or financing highly liquid government securities, tailoring levels of secured lending, adjusting the size of select trading books, reducing loan originations and renewals, raising additional deposits, or borrowing from the FHLB or central banks. Citi believes these mitigating actions could substantially reduce the funding and liquidity risk, if any, of the potential downgrades described above.

#### Citibank, N.A.—Additional Potential Impacts

In addition to the above derivative triggers, Citi believes that a potential one-notch downgrade of Citibank, N.A.'s senior debt/long-term rating by S&P and Fitch could also have an adverse impact on the commercial paper/short-term rating of Citibank, N.A. As of March 31, 2015, Citibank, N.A. had liquidity commitments of approximately \$10.9 billion to consolidated asset-backed commercial paper conduits, compared to \$16.1 billion as of December 31, 2014 (as referenced in Note 20 to the Consolidated Financial Statements).

In addition to the above-referenced liquidity resources of Citi's significant Citibank entities and other Citibank and Banamex entities, Citibank, N.A. could reduce the funding and liquidity risk, if any, of the potential downgrades described above through mitigating actions, including repricing or reducing certain commitments to commercial paper conduits. In the event of the potential downgrades described above, Citi believes that certain corporate customers could re-evaluate their deposit relationships with Citibank, N.A. This re-evaluation could result in clients adjusting their discretionary deposit levels or changing their depository

institution, which could potentially reduce certain deposit levels at Citibank, N.A. However, Citi could choose to adjust pricing, offer alternative deposit products to its existing customers or seek to attract deposits from new customers, in addition to the mitigating actions referenced above.

## Price Risk

Price risk losses arise from fluctuations in the market value of non-trading and trading positions resulting from changes in interest rates, credit spreads, foreign exchange rates, equity and commodity prices, and in their implied volatilities. For additional information on Citi's price risk measurement and stress testing, see "Managing Global Risk—Market Risk—Price Risk" in Citi's 2014 Annual Report on Form 10-K.

## Price Risk—Non-Trading Portfolios

For additional information on Citi's net interest revenue (for interest rate exposure purposes), interest rate risk and interest rate risk measurement, see "Managing Global Risk—Market Risk—Price Risk—Non-Trading Portfolios" in Citi's 2014 Annual Report on Form 10-K.

The following table sets forth the estimated impact to Citi's net interest revenue, Accumulated Other Comprehensive Income (AOCI) and the Common Equity Tier 1 Capital ratio (on a fully implemented basis), each assuming an unanticipated parallel instantaneous 100 basis point increase in interest rates.

| In millions of dollars (unless otherwise noted)                                     | Mar. 31, 2015 | Dec. 31, 2014 | Mar. 31, 2014 |   |
|---|---------------|---------------|---------------|---|
| Estimated annualized impact to net interest revenue                                 |               |               |               |   |
| U.S. dollar <sup>(1)</sup>  | \$1,263       | \$1,123       | \$1,187       |   |
| All other currencies  | 611           | 629           | 640           |   |
| Total   | \$1,874       | \$1,752       | \$1,827       |   |
| As a % of average interest-earning assets   | 0.12          | %0.11         | %0.11         | % |
| Estimated initial impact to AOCI (after-tax) <sup>(2)</sup>                         | \$(3,931)     | \$(3,961)     | \$(3,427)     | ) |
| Estimated initial impact on Common Equity Tier 1 Capital ratio (bps) <sup>(3)</sup> | (45)          | (44)          | (39)          | ) |

Certain trading-oriented businesses within Citi have accrual-accounted positions that are excluded from the estimated impact to net interest revenue in the table since these exposures are managed economically in combination with mark-to-market positions. The U.S. dollar interest rate exposure associated with these businesses was \$(165) million for a 100 basis point instantaneous increase in interest rates as of March 31, 2015.

(1) Includes the effect of changes in interest rates on AOCI related to investment securities, cash flow hedges and pension liability adjustments.

(2) The estimated initial impact to the Common Equity Tier 1 Capital ratio considers the effect of Citi's deferred tax asset position and is based on only the estimated initial AOCI impact above.

The sequential increase in the estimated impact to net interest revenue primarily reflected changes in balance sheet composition, including the increase in Citi's deposit balances, partly offset by Citi Treasury actions.

In the event of an unanticipated parallel instantaneous 100 basis point increase in interest rates, Citi expects the negative impact to AOCI would be offset in shareholders' equity through the combination of expected incremental net interest revenue and the expected recovery of the impact on AOCI through accretion of Citi's investment portfolio over a period of time. As of March 31, 2015, Citi expects that the negative

\$3.9 billion impact to AOCI in such a scenario could potentially be offset over approximately 23 months.

The following table sets forth the estimated impact to Citi's net interest revenue, AOCI and the Common Equity Tier 1 Capital ratio (on a fully implemented basis) under four different change in interest rate scenarios for the U.S. dollar and Citi's other currencies. While Citi also monitors the impact of a parallel decrease in interest rates, a 100 basis point decrease in short-term interest rates is not meaningful, as it would imply negative interest rates in many of Citi's markets.

| In millions of dollars (unless otherwise noted) | Scenario 1 | Scenario 2 | Scenario 3 | Scenario 4 |
|---|------------|------------|------------|------------|
|---|------------|------------|------------|------------|

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|   |            |            |            |          |
|---|------------|------------|------------|----------|
| Overnight rate change (bps)   | 100        | 100        | —          | —        |
| 10-year rate change (bps)   | 100        | —          | 100        | (100 )   |
| Estimated annualized impact to net interest revenue                                 |            |            |            |          |
| U.S. dollar   | \$1,263    | \$1,222    | \$116      | \$(177 ) |
| All other currencies  | 611        | 571        | 35         | (35 )    |
| Total   | \$1,874    | \$1,793    | \$151      | \$(212 ) |
| Estimated initial impact to AOCI (after-tax) <sup>(1)</sup>                         | \$(3,931 ) | \$(2,649 ) | \$(1,463 ) | \$1,263  |
| Estimated initial impact to Common Equity Tier 1 Capital ratio (bps) <sup>(2)</sup> | (45 )      | (30 )      | (17 )      | 14       |

Note: Each scenario in the table above assumes that the rate change will occur instantaneously. Changes in interest rates for maturities between the overnight rate and the 10-year are interpolated.

(1) Includes the effect of changes in interest rates on AOCI related to investment securities, cash flow hedges and pension liability adjustments.

(2) The estimated initial impact to the Common Equity Tier 1 Capital ratio considers the effect of Citi's deferred tax asset position and is based on only the estimated AOCI impact above.

As shown in the table above, the magnitude of the impact to Citi's net interest revenue and AOCI is greater under scenario 2 as compared to scenario 3. This is because the combination of changes to Citi's investment portfolio, partially offset by changes related to Citi's pension liabilities, results in a net position that is more sensitive to rates at shorter and intermediate term maturities.

#### Changes in Foreign Exchange Rates—Impacts on AOCI and Capital

As of March 31, 2015, Citi estimates that a simultaneous 5% appreciation of the U.S. dollar against all of Citi's other currencies could reduce Citi's tangible common equity (TCE) by approximately \$1.4 billion, or 0.8% of TCE, as a result of changes to Citi's foreign currency translation adjustment in AOCI, net of hedges. This impact would be primarily due to changes in the value of the Mexican peso, the British pound sterling, the euro, the Chinese yuan and the Korean won.

Despite this decrease in TCE, Citi believes its business model and management of foreign currency translation exposure work to minimize the effect of changes in foreign exchange rates on its Common Equity Tier 1 Capital ratio. Specifically, as currency movements change the value of Citi's net investments in foreign-currency-denominated capital, these movements also change the value of Citi's risk-weighted assets denominated in those currencies. This, coupled with Citi's foreign currency hedging strategies, such as foreign currency borrowings, foreign currency forwards and other currency hedging instruments, lessens the impact of foreign currency movements on Citi's Common Equity Tier 1 Capital ratio.

The effect of Citi's business model and management strategies on changes in foreign exchange rates are shown in the table below. For additional information in the changes in AOCI, see Note 18 to the Consolidated Financial Statements.

| In millions of dollars (unless otherwise noted)   | For the quarter ended |               |               |
|---|-----------------------|---------------|---------------|
|   | Mar. 31, 2015         | Dec. 31, 2014 | Mar. 31, 2014 |
| Change in FX spot rate <sup>(1)</sup>   | (4.5 )%               | (4.9 )%       | (0.2 )%       |
| Change in TCE due to foreign currency translation, net of hedges  | \$(1,763 )            | \$(1,932 )    | \$(551 )      |
| As a % of Tangible Common Equity  | (1.0 )%               | (1.1 )%       | (0.3 )%       |
| Estimated impact to Common Equity Tier 1 Capital ratio (on a fully implemented basis) due to changes in foreign currency translation, net — of hedges (bps) |                       | (1 )          | (4 )          |

(1) FX spot rate change is a weighted average based upon Citi's quarterly average GAAP capital exposure to foreign countries.



## Interest Revenue/Expense and Yields

| In millions of dollars, except as otherwise noted | 1st Qtr.<br>2015 | 4th Qtr.<br>2014 | 1st Qtr.<br>2014 | Change<br>1Q15 vs. 1Q14 |
|---|------------------|------------------|------------------|-------------------------|
| Interest revenue <sup>(1)</sup>                   | \$ 14,724        | \$ 15,384        | \$ 15,478        | (5 )%                   |
| Interest expense                                  | 3,028            | 3,159            | 3,591            | (16 )                   |
| Net interest revenue <sup>(1)(2)</sup>            | \$ 11,696        | \$ 12,225        | \$ 11,887        | (2 )%                   |
| Interest revenue—average rate                     | 3.67 %           | 3.68 %           | 3.77 %           | (10 ) bps               |
| Interest expense—average rate                     | 0.96             | 0.95             | 1.08             | (12 ) bps               |
| Net interest margin                               | 2.92 %           | 2.92 %           | 2.90 %           | 2 bps                   |
| Interest-rate benchmarks                          |                  |                  |                  |                         |
| Two-year U.S. Treasury note—average rate          | 0.60 %           | 0.54 %           | 0.37 %           | 23 bps                  |
| 10-year U.S. Treasury note—average rate           | 1.97             | 2.76             | 2.77             | (80 ) bps               |
| 10-year vs. two-year spread                       | 137 bps          | 222 bps          | 240 bps          |                         |

Net interest revenue includes the taxable equivalent adjustments (based on the U.S. federal statutory tax rate of 35%) of \$124 million, \$125 million and \$128 million for the three months ended March 31, 2015, December 31, 2014 and March 31, 2014, respectively.

(2) Excludes expenses associated with certain hybrid financial instruments, which are classified as Long-term debt and accounted for at fair value with changes recorded in Principal transactions.

Citi's net interest margin (NIM) is calculated by dividing gross interest revenue less gross interest expense by average interest earning assets. Citi's NIM increased slightly from the prior-year period, primarily reflecting continued lower cost of funds. Consistent with prior years, Citi expects a slight decrease in its NIM in the second quarter of 2015 due to seasonal business trends. In addition, future levels of Citi's NIM will be affected by divestitures from Citi Holdings, including OneMain Financial and the Japan retail banking business, although the ultimate impact to NIM will be dependent on the timing and overall impact of these divestitures to Citi's results of operations.

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Average Balances and Interest Rates—Assets<sup>(1)(2)(3)(4)</sup>

Taxable Equivalent Basis

|   | Average volume |              |              | Interest revenue |           |           | % Average rate |          |          |
|---|----------------|--------------|--------------|------------------|-----------|-----------|----------------|----------|----------|
|   | 1st Qtr.       | 4th Qtr.     | 1st Qtr.     | 1st Qtr.         | 4th Qtr.  | 1st Qtr.  | 1st Qtr.       | 4th Qtr. | 1st Qtr. |
| In millions of dollars, except rates  | 2015           | 2014         | 2014         | 2015             | 2014      | 2014      | 2015           | 2014     | 2014     |
| <b>Assets</b>   |                |              |              |                  |           |           |                |          |          |
| Deposits with banks <sup>(5)</sup>  | \$ 139,173     | \$ 150,534   | \$ 174,916   | \$ 183           | \$ 222    | \$ 252    | 0.53 %         | 0.59 %   | 0.58 %   |
| Federal funds sold and securities borrowed or purchased under agreements to resell <sup>(6)</sup> |                |              |              |                  |           |           |                |          |          |
| In U.S. offices   | \$ 151,077     | \$ 155,068   | \$ 152,867   | \$ 283           | \$ 272    | \$ 249    | 0.76 %         | 0.70 %   | 0.66 %   |
| In offices outside the U.S. <sup>(5)</sup>  | 90,102         | 95,702       | 102,327      | 359              | 341       | 345       | 1.62 %         | 1.41 %   | 1.37 %   |
| Total   | \$ 241,179     | \$ 250,770   | \$ 255,194   | \$ 642           | \$ 613    | \$ 594    | 1.08 %         | 0.97 %   | 0.94 %   |
| <b>Trading account assets<sup>(7)(8)</sup></b>  |                |              |              |                  |           |           |                |          |          |
| In U.S. offices   | \$ 116,950     | \$ 118,250   | \$ 113,527   | \$ 918           | \$ 911    | \$ 879    | 3.18 %         | 3.06 %   | 3.14 %   |
| In offices outside the U.S. <sup>(5)</sup>  | 111,309        | 114,117      | 120,887      | 516              | 578       | 640       | 1.88 %         | 2.01 %   | 2.15 %   |
| Total   | \$ 228,259     | \$ 232,367   | \$ 234,414   | \$ 1,434         | \$ 1,489  | \$ 1,519  | 2.55 %         | 2.54 %   | 2.63 %   |
| <b>Investments</b>  |                |              |              |                  |           |           |                |          |          |
| <b>In U.S. offices</b>  |                |              |              |                  |           |           |                |          |          |
| Taxable   | \$ 221,371     | \$ 208,786   | \$ 174,824   | \$ 940           | \$ 902    | \$ 733    | 1.72 %         | 1.71 %   | 1.70 %   |
| Exempt from U.S. income tax   | 12,800         | 12,599       | 18,478       | 83               | 97        | 198       | 2.63 %         | 3.05 %   | 4.35 %   |
| In offices outside the U.S. <sup>(5)</sup>  | 102,168        | 109,651      | 114,438      | 769              | 893       | 916       | 3.05 %         | 3.23 %   | 3.25 %   |
| Total   | \$ 336,339     | \$ 331,036   | \$ 307,740   | \$ 1,792         | \$ 1,892  | \$ 1,847  | 2.16 %         | 2.27 %   | 2.43 %   |
| <b>Loans (net of unearned income)<sup>(9)</sup></b>   |                |              |              |                  |           |           |                |          |          |
| In U.S. offices   | \$ 357,951     | \$ 361,826   | \$ 362,458   | \$ 6,368         | \$ 6,569  | \$ 6,488  | 7.21 %         | 7.20 %   | 7.26 %   |
| In offices outside the U.S. <sup>(5)</sup>  | 276,914        | 288,993      | 296,248      | 4,195            | 4,484     | 4,698     | 6.14 %         | 6.16 %   | 6.43 %   |
| Total   | \$ 634,865     | \$ 650,819   | \$ 658,706   | \$ 10,563        | \$ 11,053 | \$ 11,186 | 6.75 %         | 6.74 %   | 6.89 %   |
| Other interest-earning assets <sup>(10)</sup>   | \$ 45,501      | \$ 44,816    | \$ 33,891    | \$ 110           | \$ 115    | \$ 80     | 0.98 %         | 1.02 %   | 0.96 %   |
| Total interest-earning assets   | \$ 1,625,316   | \$ 1,660,342 | \$ 1,664,861 | \$ 14,724        | \$ 15,384 | \$ 15,478 | 3.67 %         | 3.68 %   | 3.77 %   |
| Non-interest-earning assets <sup>(7)</sup>  | \$ 227,808     | \$ 239,613   | \$ 224,380   |                  |           |           |                |          |          |
| Total assets  | \$ 1,853,124   | \$ 1,899,955 | \$ 1,889,241 |                  |           |           |                |          |          |

(1) Net interest revenue includes the taxable equivalent adjustments (based on the U.S. federal statutory tax rate of 35%) of \$124 million, \$125 million and \$128 million for the three months ended March 31, 2015, December 31, 2014 and March 31, 2014, respectively.

(2) Interest rates and amounts include the effects of risk management activities associated with the respective asset and liability categories.

(3) Monthly or quarterly averages have been used by certain subsidiaries where daily averages are unavailable.

(4) Detailed average volume, Interest revenue and Interest expense exclude Discontinued operations. See Note 2 to the Consolidated Financial Statements.

(5) Average rates reflect prevailing local interest rates, including inflationary effects and monetary corrections in certain countries.

(6) Average volumes of securities borrowed or purchased under agreements to resell are reported net pursuant to FIN 41 (ASC 210-20-45). However, Interest revenue excludes the impact of FIN 41 (ASC 210-20-45).

(7) The fair value carrying amounts of derivative contracts are reported net, pursuant to FIN 39 (ASC 815-10-45), in Non-interest-earning assets and Other non-interest-bearing liabilities.

(8) Interest expense on Trading account liabilities of ICG is reported as a reduction of Interest revenue. Interest revenue and Interest expense on cash collateral positions are reported in interest on Trading account assets and Trading account liabilities, respectively.

(9) Includes cash-basis loans.

(10) Includes brokerage receivables.

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Average Balances and Interest Rates—Liabilities and Equity, and Net Interest Revenue<sup>(1)(2)(3)(4)</sup>

Taxable Equivalent Basis

|   | Average volume   |                  | 1st Qtr.<br>2014 | Interest expense |                  | % Average rate   |                  |                  |       |   |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------|---|
|   | 1st Qtr.<br>2015 | 4th Qtr.<br>2014 |                  | 1st Qtr.<br>2015 | 4th Qtr.<br>2014 | 1st Qtr.<br>2015 | 4th Qtr.<br>2014 | 1st Qtr.<br>2014 |       |   |
| In millions of dollars, except rates  | 2015             | 2014             | 2014             | 2015             | 2014             | 2014             | 2015             | 2014             | 2014  |   |
| <b>Liabilities</b>  |                  |                  |                  |                  |                  |                  |                  |                  |       |   |
| <b>Deposits</b>   |                  |                  |                  |                  |                  |                  |                  |                  |       |   |
| In U.S. offices <sup>(5)</sup>  | \$281,518        | \$290,009        | \$281,259        | \$356            | \$345            | \$402            | 0.51             | %0.47            | %0.58 | % |
| In offices outside the U.S. <sup>(6)</sup>  | 416,878          | 448,603          | 479,664          | 970              | 1,012            | 1,047            | 0.94             | %0.90            | %0.89 | % |
| Total   | \$698,396        | \$738,612        | \$760,923        | \$1,326          | \$1,357          | \$1,449          | 0.77             | %0.73            | %0.77 | % |
| <b>Federal funds purchased and securities loaned or sold under agreements to repurchase<sup>(7)</sup></b> |                  |                  |                  |                  |                  |                  |                  |                  |       |   |
| In U.S. offices   | \$106,394        | \$107,056        | \$103,577        | \$163            | \$166            | \$156            | 0.62             | %0.62            | %0.61 | % |
| In offices outside the U.S. <sup>(6)</sup>  | 70,720           | 80,378           | 93,569           | 213              | 256              | 369              | 1.22             | %1.26            | %1.60 | % |
| Total   | \$177,114        | \$187,434        | \$197,146        | \$376            | \$422            | \$525            | 0.86             | %0.89            | %1.08 | % |
| <b>Trading account liabilities<sup>(8)(9)</sup></b>   |                  |                  |                  |                  |                  |                  |                  |                  |       |   |
| In U.S. offices   | \$28,040         | \$30,964         | \$27,663         | \$23             | \$17             | \$21             | 0.33             | %0.22            | %0.31 | % |
| In offices outside the U.S. <sup>(6)</sup>  | 45,159           | 41,091           | 45,174           | 24               | 24               | 20               | 0.22             | %0.23            | %0.18 | % |
| Total   | \$73,199         | \$72,055         | \$72,837         | \$47             | \$41             | \$41             | 0.26             | %0.23            | %0.23 | % |
| <b>Short-term borrowings<sup>(10)</sup></b>   |                  |                  |                  |                  |                  |                  |                  |                  |       |   |
| In U.S. offices   | \$72,060         | \$79,088         | \$79,370         | \$21             | \$31             | \$37             | 0.12             | %0.16            | %0.19 | % |
| In offices outside the U.S. <sup>(6)</sup>  | 57,078           | 38,945           | 35,433           | 98               | 109              | 100              | 0.70             | %1.11            | %1.14 | % |
| Total   | \$129,138        | \$118,033        | \$114,803        | \$119            | \$140            | \$137            | 0.37             | %0.47            | %0.48 | % |
| <b>Long-term debt<sup>(11)</sup></b>  |                  |                  |                  |                  |                  |                  |                  |                  |       |   |
| In U.S. offices   | \$191,555        | \$195,268        | \$189,542        | \$1,110          | \$1,151          | \$1,360          | 2.35             | %2.34            | %2.91 | % |
| In offices outside the U.S. <sup>(6)</sup>  | 7,007            | 6,410            | 8,934            | 50               | 48               | 79               | 2.89             | %2.97            | %3.59 | % |
| Total   | \$198,562        | \$201,678        | \$198,476        | \$1,160          | \$1,199          | \$1,439          | 2.37             | %2.36            | %2.94 | % |
| <b>Total interest-bearing liabilities</b>   | \$1,276,409      | \$1,317,812      | \$1,344,185      | \$3,028          | \$3,159          | \$3,591          | 0.96             | %0.95            | %1.08 | % |
| <b>Demand deposits in U.S. offices</b>  | \$24,018         | \$23,930         | \$27,930         |                  |                  |                  |                  |                  |       |   |
| <b>Other non-interest-bearing liabilities<sup>(8)</sup></b>   | 339,129          | 343,423          | 308,964          |                  |                  |                  |                  |                  |       |   |
| <b>Total liabilities</b>  | \$1,639,556      | \$1,685,165      | \$1,681,079      |                  |                  |                  |                  |                  |       |   |
| <b>Citigroup stockholders' equity<sup>(12)</sup></b>  | \$212,133        | \$213,252        | \$206,285        |                  |                  |                  |                  |                  |       |   |
| <b>Noncontrolling interest</b>  | 1,435            | 1,538            | 1,877            |                  |                  |                  |                  |                  |       |   |
| <b>Total equity<sup>(12)</sup></b>  | \$213,568        | \$214,790        | \$208,162        |                  |                  |                  |                  |                  |       |   |
|   | \$1,853,124      | \$1,899,955      | \$1,889,241      |                  |                  |                  |                  |                  |       |   |

Total liabilities and  
stockholders' equity  
Net interest revenue as a  
percentage of average  
interest-earning assets<sup>(13)</sup>

|   |             |             |             |          |          |          |      |       |       |   |
|---|-------------|-------------|-------------|----------|----------|----------|------|-------|-------|---|
| In U.S. offices                               | \$942,923   | \$962,121   | \$943,611   | \$7,004  | \$7,140  | \$6,676  | 3.01 | %2.94 | %2.87 | % |
| In offices outside the<br>U.S. <sup>(6)</sup> | 682,393     | 698,221     | 721,250     | 4,692    | 5,085    | 5,211    | 2.79 | 2.89  | 2.93  |   |
| Total   | \$1,625,316 | \$1,660,342 | \$1,664,861 | \$11,696 | \$12,225 | \$11,887 | 2.92 | %2.92 | %2.90 | % |

Net interest revenue includes the taxable equivalent adjustments (based on the U.S. federal statutory tax rate of 35%) of \$124 million, \$125 million and \$128 million for the three months ended March 31, 2015, December 31, 2014 and March 31, 2014, respectively.

(1) Interest rates and amounts include the effects of risk management activities associated with the respective asset and liability categories.

(2) Monthly or quarterly averages have been used by certain subsidiaries where daily averages are unavailable.

(3) Detailed average volume, Interest revenue and Interest expense exclude Discontinued operations. See Note 2 to the Consolidated Financial Statements.

(4) Consists of other time deposits and savings deposits. Savings deposits are made up of insured money market accounts, NOW accounts, and other savings deposits. The interest expense on savings deposits includes FDIC deposit insurance fees and charges.

(5) Average rates reflect prevailing local interest rates, including inflationary effects and monetary corrections in certain countries.

(6) Average volumes of securities sold under agreements to repurchase are reported net pursuant to FIN 41 (ASC 210-20-45). However, Interest expense excludes the impact of FIN 41 (ASC 210-20-45).

(7) The fair value carrying amounts of derivative contracts are reported net, pursuant to FIN 39 (ASC 815-10-45), in Non-interest-earning assets and Other non-interest-bearing liabilities.

Interest expense on Trading account liabilities of ICG is reported as a reduction of Interest revenue. Interest (9) revenue and Interest expense on cash collateral positions are reported in interest on Trading account assets and Trading account liabilities, respectively.

(10) Includes brokerage payables.

(11) Excludes hybrid financial instruments and beneficial interests in consolidated VIEs that are classified as

(11) Long-term debt, as these obligations are accounted for in changes in fair value recorded in Principal transactions.

(12) Includes stockholders' equity from discontinued operations.

(13) Includes allocations for capital and funding costs based on the location of the asset.

Analysis of Changes in Interest Revenue<sup>(1)(2)(3)</sup>

| In millions of dollars   | 1st Qtr. 2015 vs. 4th Qtr. 2014       |              |            | 1st Qtr. 2015 vs. 1st Qtr. 2014       |              |            |
|--|---------------------------------------|--------------|------------|---------------------------------------|--------------|------------|
|  | Increase (decrease) due to change in: |              |            | Increase (decrease) due to change in: |              |            |
|  | Average volume                        | Average rate | Net change | Average volume                        | Average rate | Net change |
| Deposits with banks <sup>(4)</sup>   | \$(16 )                               | \$(23 )      | \$(39 )    | \$(48 )                               | \$(21 )      | \$(69 )    |
| Federal funds sold and securities borrowed or purchased under agreements to resell |                                       |              |            |                                       |              |            |
| In U.S. offices  | \$(7 )                                | \$18         | \$11       | \$(3 )                                | \$37         | \$34       |
| In offices outside the U.S. <sup>(4)</sup>   | (21 )                                 | 39           | 18         | (44 )                                 | 58           | 14         |
| Total  | \$(28 )                               | \$57         | \$29       | \$(47 )                               | \$95         | \$48       |
| Trading account assets <sup>(5)</sup>  |                                       |              |            |                                       |              |            |
| In U.S. offices  | \$(10 )                               | \$17         | \$7        | \$27                                  | \$12         | \$39       |
| In offices outside the U.S. <sup>(4)</sup>   | (14 )                                 | (48 )        | (62 )      | (48 )                                 | (76 )        | (124 )     |
| Total  | \$(24 )                               | \$(31 )      | \$(55 )    | \$(21 )                               | \$(64 )      | \$(85 )    |
| Investments <sup>(1)</sup>   |                                       |              |            |                                       |              |            |
| In U.S. offices  | \$57                                  | \$(33 )      | \$24       | \$184                                 | \$(92 )      | \$92       |
| In offices outside the U.S. <sup>(4)</sup>   | (59 )                                 | (65 )        | (124 )     | (94 )                                 | (53 )        | (147 )     |
| Total  | \$(2 )                                | \$(98 )      | \$(100 )   | \$90                                  | \$(145 )     | \$(55 )    |
| Loans (net of unearned income) <sup>(6)</sup>                                      |                                       |              |            |                                       |              |            |
| In U.S. offices  | \$(70 )                               | \$(131 )     | \$(201 )   | \$(80 )                               | \$(40 )      | \$(120 )   |
| In offices outside the U.S. <sup>(4)</sup>   | (185 )                                | (104 )       | (289 )     | (298 )                                | (205 )       | (503 )     |
| Total  | \$(255 )                              | \$(235 )     | \$(490 )   | \$(378 )                              | \$(245 )     | \$(623 )   |
| Other interest-earning assets <sup>(7)</sup>                                       | \$2                                   | \$(7 )       | \$(5 )     | \$28                                  | \$2          | \$30       |
| Total interest revenue   | \$(323 )                              | \$(337 )     | \$(660 )   | \$(376 )                              | \$(378 )     | \$(754 )   |

(1) The taxable equivalent adjustment is based on the U.S. federal statutory tax rate of 35% and is included in this presentation.

(2) Rate/volume variance is allocated based on the percentage relationship of changes in volume and changes in rate to the total net change.

(3) Detailed average volume, Interest revenue and Interest expense exclude Discontinued operations. See Note 2 to the Consolidated Financial Statements.

(4) Changes in average rates reflect changes in prevailing local interest rates, including inflationary effects and monetary corrections in certain countries.

Interest expense on Trading account liabilities of ICG is reported as a reduction of Interest revenue. Interest (5) revenue and Interest expense on cash collateral positions are reported in interest on Trading account assets and Trading account liabilities, respectively.

(6) Includes cash-basis loans.

(7) Includes brokerage receivables.



Analysis of Changes in Interest Expense and Interest Revenue<sup>(1)(2)(3)</sup>

| In millions of dollars   | 1st Qtr. 2015 vs. 4th Qtr. 2014       |              |            | 1st Qtr. 2015 vs. 1st Qtr. 2014       |              |            |
|--|---------------------------------------|--------------|------------|---------------------------------------|--------------|------------|
|  | Increase (decrease) due to change in: |              |            | Increase (decrease) due to change in: |              |            |
|  | Average volume                        | Average rate | Net change | Average volume                        | Average rate | Net change |
| Deposits   |                                       |              |            |                                       |              |            |
| In U.S. offices  | \$(10 )                               | \$21         | \$11       | \$—                                   | \$(46 )      | \$(46 )    |
| In offices outside the U.S. <sup>(4)</sup>   | (73 )                                 | 31           | (42 )      | (143 )                                | 66           | (77 )      |
| Total  | \$(83 )                               | \$52         | \$(31 )    | \$(143 )                              | \$20         | \$(123 )   |
| Federal funds purchased and securities loaned or sold under agreements to repurchase |                                       |              |            |                                       |              |            |
| In U.S. offices  | \$(1 )                                | \$(2 )       | \$(3 )     | \$4                                   | \$3          | \$7        |
| In offices outside the U.S. <sup>(4)</sup>   | (30 )                                 | (13 )        | (43 )      | (79 )                                 | (77 )        | (156 )     |
| Total  | \$(31 )                               | \$(15 )      | \$(46 )    | \$(75 )                               | \$(74 )      | \$(149 )   |
| Trading account liabilities <sup>(5)</sup>   |                                       |              |            |                                       |              |            |
| In U.S. offices  | \$(2 )                                | \$8          | \$6        | \$—                                   | \$2          | \$2        |
| In offices outside the U.S. <sup>(4)</sup>   | 2                                     | (2 )         | —          | —                                     | 4            | 4          |
| Total  | \$—                                   | \$6          | \$6        | \$—                                   | \$6          | \$6        |
| Short-term borrowings <sup>(6)</sup>   |                                       |              |            |                                       |              |            |
| In U.S. offices  | \$(3 )                                | \$(7 )       | \$(10 )    | \$(3 )                                | \$(13 )      | \$(16 )    |
| In offices outside the U.S. <sup>(4)</sup>   | 40                                    | (51 )        | (11 )      | 47                                    | (49 )        | (2 )       |
| Total  | \$37                                  | \$(58 )      | \$(21 )    | \$44                                  | \$(62 )      | \$(18 )    |
| Long-term debt   |                                       |              |            |                                       |              |            |
| In U.S. offices  | \$(22 )                               | \$(19 )      | \$(41 )    | \$14                                  | \$(264 )     | \$(250 )   |
| In offices outside the U.S. <sup>(4)</sup>   | 4                                     | (2 )         | 2          | (15 )                                 | (14 )        | (29 )      |
| Total  | \$(18 )                               | \$(21 )      | \$(39 )    | \$(1 )                                | \$(278 )     | \$(279 )   |
| Total interest expense   | \$(95 )                               | \$(36 )      | \$(131 )   | \$(175 )                              | \$(388 )     | \$(563 )   |
| Net interest revenue   | \$(228 )                              | \$(301 )     | \$(529 )   | \$(201 )                              | \$10         | \$(191 )   |

(1) The taxable equivalent adjustment is based on the U.S. federal statutory tax rate of 35% and is included in this presentation.

(2) Rate/volume variance is allocated based on the percentage relationship of changes in volume and changes in rate to the total net change.

(3) Detailed average volume, Interest revenue and Interest expense exclude Discontinued operations. See Note 2 to the Consolidated Financial Statements.

(4) Changes in average rates reflect changes in prevailing local interest rates, including inflationary effects and monetary corrections in certain countries.

Interest expense on Trading account liabilities of ICG is reported as a reduction of Interest revenue. Interest revenue and Interest expense on cash collateral positions are reported in interest on Trading account assets and Trading account liabilities, respectively.

(6) Includes brokerage payables.



## Price Risk—Trading Portfolios

For additional information on the measures Citi uses to monitor price risk in its trading portfolios, as well as additional information on value at risk (VAR) and Citi's VAR model, see "Managing Global Risk—Market Risk—Price Risk—Trading Portfolios" in Citi's 2014 Annual Report on Form 10-K.

## Value at Risk

As of March 31, 2015, Citi estimates that the conservative features of its VAR calibration contribute an approximate 23% add-on (compared to 21% at December 31, 2014) to what would be a VAR estimated under the assumption of stable and perfectly normal distributed markets.

As set forth in the table below, Citi's average Trading VAR increased from the fourth quarter of 2014 to the first quarter of 2015 due to exposure changes in the G10 FX business and increased volatility related to Euro-Swiss Franc movements, as well as exposure changes in the commodities business within Markets and securities services. Average Trading and Credit Portfolio VAR increased sequentially due to increased credit spread volatility in certain hedges associated with non-trading positions. Citi's quarter-end Trading VAR declined due to standard VAR model parameter updates, specifically lower spread volatility of high yield corporate credit associated with benchmark indices.

| In millions of dollars  | First Quarter  |         | Fourth Quarter    |         | First Quarter  |         |
|---|----------------|---------|-------------------|---------|----------------|---------|
|   | March 31, 2015 | Average | December 31, 2014 | Average | March 31, 2014 | Average |
| Interest rate   | \$63           | \$60    | \$68              | \$60    | N/A            | N/A     |
| Credit spread   | 71             | 75      | 87                | 73      | N/A            | N/A     |
| Covariance adjustment <sup>(1)</sup>  | (34)           | (33)    | (36)              | (33)    | N/A            | N/A     |
| Fully diversified interest rate and credit spread   | \$100          | \$102   | \$119             | \$100   | \$127          | \$132   |
| Foreign exchange  | 29             | 31      | 27                | 28      | 33             | 32      |
| Equity  | 25             | 16      | 17                | 20      | 31             | 28      |
| Commodity   | 22             | 24      | 23                | 19      | 13             | 14      |
| Covariance adjustment <sup>(1)</sup>  | (69)           | (66)    | (56)              | (65)    | (82)           | (74)    |
| Total Trading VAR—all market risk factors, including general and specific risk (excluding credit portfolios) <sup>(2)</sup> | \$107          | \$107   | \$130             | \$102   | \$122          | \$132   |
| Specific risk-only component <sup>(3)</sup>   | \$8            | \$6     | \$10              | \$8     | \$18           | \$19    |
| Total Trading VAR—general market risk factors only (excluding credit portfolios) <sup>(2)</sup>                             | \$99           | \$101   | \$120             | \$94    | \$104          | \$113   |
| Incremental Impact of the Credit Portfolio <sup>(4)</sup>   | \$30           | \$24    | \$18              | \$18    | \$42           | \$24    |
| Total Trading and Credit Portfolio VAR  | \$137          | \$131   | \$148             | \$120   | \$164          | \$156   |

Covariance adjustment (also known as diversification benefit) equals the difference between the total VAR and the sum of the VARs tied to each individual risk type. The benefit reflects the fact that the risks within each and across

(1) risk types are not perfectly correlated and, consequently, the total VAR on a given day will be lower than the sum of the VARs relating to each individual risk type. The determination of the primary drivers of changes to the covariance adjustment is made by an examination of the impact of both model parameter and position changes.

(2) The total Trading VAR includes mark-to-market and certain fair value option trading positions from ICG and Citi Holdings, with the exception of hedges to the loan portfolio, fair value option loans, and all CVA exposures. Available-for-sale and accrual exposures are not included.

(3) The specific risk-only component represents the level of equity and fixed income issuer-specific risk embedded in VAR.

(4) The credit portfolio is composed of mark-to-market positions associated with non-trading business units including Citi Treasury, the CVA relating to derivative counterparties and all associated CVA hedges. FVA and DVA are not

included. The credit portfolio also includes hedges to the loan portfolio, fair value option loans and hedges to the leveraged finance pipeline within capital markets origination within ICG.  
N/A Not applicable

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The table below provides the range of market factor VARs associated with Citi's Total Trading VAR, inclusive of specific risk, that was experienced during the following quarters:

| In millions of dollars                            | First Quarter<br>2015 |       | Fourth Quarter<br>2014 |       | First Quarter<br>2014 |       |
|---|-----------------------|-------|------------------------|-------|-----------------------|-------|
|   | Low                   | High  | Low                    | High  | Low                   | High  |
| Interest rate                                     | \$39                  | \$84  | \$38                   | \$88  | N/A                   | N/A   |
| Credit spread                                     | 66                    | 94    | 62                     | 87    | N/A                   | N/A   |
| Fully diversified interest rate and credit spread | \$86                  | \$127 | \$84                   | \$119 | \$111                 | \$158 |
| Foreign exchange                                  | 20                    | 43    | 20                     | 38    | 24                    | 43    |
| Equity  | 9                     | 26    | 14                     | 31    | 19                    | 48    |
| Commodity   | 18                    | 37    | 12                     | 27    | 11                    | 16    |
| Total Trading                                     | \$85                  | \$140 | \$85                   | \$131 | \$111                 | \$163 |
| Total Trading and Credit Portfolio                | 108                   | 158   | 102                    | 156   | 133                   | 188   |

Note: No covariance adjustment can be inferred from the above table as the high and low for each market factor will be from different close of business dates.

N/A Not applicable

The following table provides the VAR for ICG during the first quarter of 2015, excluding the CVA relating to derivative counterparties, hedges of CVA, fair value option loans and hedges to the loan portfolio.

| In millions of dollars   | Mar. 31, 2015 |
|--|---------------|
| Total—all market risk factors, including general and specific risk | \$100         |
| Average—during quarter   | \$99          |
| High—during quarter  | 129           |
| Low—during quarter   | 79            |

#### Regulatory VAR Back-testing

In accordance with Basel III, Citi is required to perform back-testing to evaluate the effectiveness of its Regulatory VAR model (for additional information on Regulatory VAR, see “Managing Global Risk—Market Risk—Price Risk—Trading Portfolios” in Citi's 2014 Annual Report on Form 10-K). Regulatory VAR back-testing is the process in which the daily one-day VAR, at a 99% confidence interval, is compared to the buy-and-hold profit and loss (e.g., the profit and loss impact if the portfolio is held constant at the end of the day and re-priced the following day).

Buy-and-hold profit and loss represents the daily mark-to-market profit and loss attributable to price movements in covered positions from the close of the previous business day. Buy-and-hold profit and loss excludes realized trading revenue, net interest, fees and commissions, intra-day trading profit and loss, and changes in reserves. Regulatory VAR back-testing is performed against buy-and-hold profit and loss on a monthly basis for approximately 155 portfolios across the organization (trading desk level, ICG business segment and Citigroup) and the results are shared with the U.S. banking regulators.

Based on a 99% confidence level, Citi would expect two to three days in any one year where buy-and-hold losses exceeded the Regulatory VAR. Given the conservative calibration of Citi's VAR model (as a result of taking the

greater of short- and long-term volatilities and fat-tail scaling of volatilities), Citi would expect fewer exceptions under

normal and stable market conditions. Periods of unstable market conditions could increase the number of back-testing exceptions.

As of March 31, 2015, there were two back-testing exceptions observed for Citi's Regulatory VAR for the prior 12 months. As previously disclosed, trading losses on October 15, 2014 exceeded the VAR estimate at the Citigroup level due to significant market movements and volatility that impacted various fixed income as well as equities trading business. The second back-testing exception occurred on January 15, 2015 following the Swiss National Bank's

announcement removing the minimum exchange rate of Swiss franc per euro.

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## COUNTRY AND CROSS-BORDER RISK

For an overview of, and additional information on, country and cross-border risk at Citi, including its risk management processes, see “Risk Factors,” “Managing Global Risk” and “Managing Global Risk—Country and Cross-Border Risk” in Citi’s 2014 Annual Report on Form 10-K.

## COUNTRY RISK

## Emerging Markets Exposures

Citi generally defines emerging markets as countries in Latin America, Asia (other than Japan, Australia and New Zealand), central and eastern Europe, the Middle East and Africa.

The following table presents Citicorp's principal emerging markets assets as of March 31, 2015. For

purposes of the table below, loan amounts are generally based on the domicile of the borrower. For example, a loan to a Chinese subsidiary of a Switzerland-based corporation will generally be categorized as a loan in China. Trading account assets and investment securities are generally categorized below based on the domicile of the issuer of the security or the underlying reference entity.

| As of March 31, 2015      | As of<br>Dec. 31,<br>2014                   | As of<br>Mar. 31,<br>2014               | GCB NCL Rate                   |                          |                          |                          |                          |       |       |       |   |
|---------------------------|---|---|--------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-------|-------|-------|---|
|                           |   |   |                                | 1Q'15                    | 4Q'14                    | 1Q'14                    |                          |       |       |       |   |
| In billions<br>of dollars | Trading<br>Account<br>Assets <sup>(1)</sup> | Investment<br>Securities <sup>(2)</sup> | ICG<br>Loans <sup>(3)(4)</sup> | GCB Loans <sup>(4)</sup> | Aggregate <sup>(5)</sup> | Aggregate <sup>(5)</sup> | Aggregate <sup>(5)</sup> | 1Q'15 | 4Q'14 | 1Q'14 |   |
| Mexico <sup>(6)</sup>     | \$3.7                                       | \$19.2                                  | \$9.9                          | \$27.2                   | \$59.9                   | \$60.0                   | \$72.3                   | 5.3   | %5.7  | %4.6  | % |
| Korea                     | 0.8   | 11.1                                    | 3.5                            | 21.8                     | 37.3                     | 34.8                     | 38.0                     | 0.6   | 0.8   | 1.2   |   |
| Singapore                 | 0.2   | 5.7                                     | 8.1                            | 13.9                     | 27.8                     | 28.8                     | 29.9                     | 0.2   | 0.2   | 0.3   |   |
| Hong Kong                 | 1.1   | 4.0                                     | 11.1                           | 10.6                     | 26.8                     | 26.3                     | 27.3                     | 0.4   | 0.5   | 0.3   |   |
| India                     | 3.0   | 7.5                                     | 9.4                            | 6.2                      | 26.1                     | 25.5                     | 26.6                     | 0.7   | 0.9   | 1.0   |   |
| Brazil                    | 2.6   | 2.6                                     | 14.5                           | 3.4                      | 23.0                     | 26.2                     | 27.7                     | 4.8   | 6.8   | 5.7   |   |
| China                     | 2.0   | 1.9                                     | 11.0                           | 4.8                      | 19.8                     | 22.0                     | 22.2                     | 1.0   | 0.9   | (0.2) | ) |
| Taiwan                    | 1.3   | 0.7                                     | 4.2                            | 7.3                      | 13.6                     | 13.9                     | 13.9                     | 0.2   | 0.2   | 0.1   |   |
| Poland                    | 1.4   | 3.2                                     | 1.4                            | 2.7                      | 8.6                      | 10.0                     | 10.4                     | 0.3   | (1.7) | (0.4) | ) |
| Malaysia                  | 0.2   | 0.4                                     | 1.6                            | 5.3                      | 7.4                      | 8.5                      | 9.1                      | 0.7   | 0.7   | 0.7   |   |
| Indonesia                 | 0.6   | 0.7                                     | 3.9                            | 1.3                      | 6.5                      | 6.5                      | 7.1                      | 2.2   | 3.3   | 2.5   |   |
| Russia <sup>(7)</sup>     | 0.8   | 0.4                                     | 3.8                            | 1.1                      | 6.1                      | 6.5                      | 9.4                      | 3.0   | 2.8   | 2.1   |   |
| Thailand                  | 0.3   | 1.3                                     | 1.0                            | 2.1                      | 4.7                      | 4.6                      | 4.7                      | 2.8   | 2.8   | 2.1   |   |
| UAE                       | (0.2)                                       | )—                                      | 3.0                            | 1.5                      | 4.3                      | 4.4                      | 4.4                      | 1.7   | 1.9   | 2.0   |   |
| Colombia                  | —   | 0.2                                     | 2.2                            | 1.9                      | 4.3                      | 4.9                      | 5.1                      | 3.4   | 3.4   | 4.4   |   |
| Turkey                    | 0.4   | 0.2                                     | 2.7                            | 0.7                      | 4.0                      | 5.7                      | 5.1                      | (0.1) | (0.1) | (0.3) | ) |
| South<br>Africa           | 0.6   | 0.6                                     | 2.0                            | —                        | 3.2                      | 3.3                      | 2.3                      | —     | —     | —     |   |
| Argentina <sup>(7)</sup>  | 0.4   | 0.2                                     | 1.5                            | 1.1                      | 3.2                      | 3.0                      | 2.6                      | 0.8   | 1.0   | 0.7   |   |
| Philippines               | 0.4   | 0.4                                     | 1.3                            | 1.0                      | 3.0                      | 3.1                      | 2.8                      | 4.6   | 3.8   | 3.8   |   |
| Nigeria                   | 0.1   | 0.8                                     | 1.3                            | —                        | 2.3                      | 2.0                      | 1.9                      | —     | —     | —     |   |

Note: Aggregate may not cross-foot due to rounding.

(1) Trading account assets are shown on a net basis. Citi's trading account assets will vary as it maintains inventory consistent with customer needs.

(2) Investment securities include securities available-for-sale, recorded at fair market value, and securities held-to-maturity, recorded at historical cost.

(3) Reflects funded loans, net of unearned income. In addition to the funded loans disclosed in the table above, through its ICG businesses, Citi had unfunded commitments to corporate customers in the emerging markets of

- approximately \$36 billion as of March 31, 2015 (compared to \$34 billion as of each of the quarters ended December 31, 2014 and March 31, 2014); no single country accounted for more than \$4 billion of this amount. As of March 31, 2015, non-accrual loans represented 0.6% of total ICG loans in the emerging markets. For the countries in the table above, non-accrual loan ratios as of March 31, 2015 ranged from 0.0% to 0.4%, other than in Hong Kong, Brazil and Nigeria. In Hong Kong, the non-accrual loan ratio was 1.3% as of March 31, 2015 (4) (compared to 1.6% and 2.3% as of December 31, 2014 and March 31, 2014, respectively), primarily reflecting the impact of one counterparty. In Brazil, the non-accrual loan ratio was 0.6% as of March 31, 2015 (compared to 1.0% and 0.3% as of December 31, 2014 and March 31, 2014, respectively), primarily reflecting the impact of one counterparty. In Nigeria, the non-accrual loan ratio was 2.5% as of March 31, 2015 (compared to 0.0% as of each of the quarters ended December 31, 2014 and March 31, 2014), primarily reflecting the impact of one counterparty.
- (5) Aggregate of Trading account assets, Investment securities, ICG loans and GCB loans.
- (6) 4Q'14 NCL rate included a charge-off of approximately \$70 million related to homebuilder exposure that was fully offset with previously established reserves.
- (7) For additional information on certain risks relating to Russia and Argentina, see "Cross-Border Risk" below.

#### Emerging Markets Trading Account Assets and Investment Securities

In the ordinary course of business, Citi holds securities in its trading accounts and investment accounts, including those above. Trading account assets are marked to market daily, with asset levels varying as Citi maintains inventory consistent with customer needs. Investment securities are recorded at either fair value or historical cost, based on the underlying accounting treatment, and are predominantly held as part of the local entity asset and liability management program or to comply with local regulatory requirements. In the markets in the table above, 99% of Citi's investment securities were related to sovereign issuers as of March 31, 2015.

#### Emerging Markets Consumer Lending

GCB's strategy within the emerging markets is consistent with GCB's overall strategy, which is to leverage its global footprint to serve its target clients. The retail bank seeks to be the preeminent bank for the emerging affluent and affluent consumers in large urban centers. In credit cards and in certain retail markets, Citi serves customers in a somewhat broader set of segments and geographies. Commercial banking generally serves small- and middle-market enterprises operating in GCB's geographic markets, focused on clients that value Citi's global capabilities. Overall, Citi believes that its customers are more resilient than the overall market under a wide range of economic conditions. Citi's consumer business has a well established risk appetite framework across geographies and products that reflects the business strategy and activities and establishes boundaries around the key risks that arise from the strategy and activities.

As of March 31, 2015, GCB had approximately \$115 billion of consumer loans outstanding to borrowers in the emerging markets, or approximately 41% of GCB's total loans, compared to \$118 billion (41%) and \$122 billion (42%) as of December 31, 2014 and March 31, 2014, respectively. Of the approximate \$115 billion as of March 31, 2015, the five largest emerging markets—Mexico, Korea, Singapore, Hong Kong and Taiwan—comprised approximately 29% of GCB's total loans.

Within the emerging markets, 30% of Citi's GCB loans were mortgages, 26% were commercial markets loans, 24% were personal loans and 20% were credit cards loans, each as of March 31, 2015.

Overall consumer credit quality remained generally stable in the first quarter of 2015, as net credit losses in the emerging markets were 1.9% of average loans, compared to 2.2% and 2.0% in the fourth quarter of 2014 and first quarter of 2014, respectively, consistent with Citi's target market strategy and risk appetite framework.

#### Emerging Markets Corporate Lending

Consistent with ICG's overall strategy, Citi's corporate clients in the emerging markets are typically large, multinational corporations that value Citi's global network. Citi aims to establish relationships with these clients that encompass multiple products, consistent with client needs, including cash management and trade services, foreign exchange, lending, capital markets and M&A advisory. Citi believes that its target corporate segment is more resilient under a wide range of economic conditions, and that its relationship-based approach to client service enables it to effectively manage the risks inherent in such relationships. Citi has a well established risk appetite framework around its corporate lending activities, including risk-based limits and approval authorities and portfolio concentration boundaries.

As of March 31, 2015, ICG had approximately \$115 billion of loans outstanding to borrowers in the emerging markets, representing approximately 41% of ICG total loans outstanding, compared to \$118 billion (43%) and \$132 billion (47%) as of December 31, 2014 and March 31, 2014, respectively. No single emerging market country accounted for more than 6% of Citi's ICG loans as of the end of the first quarter of 2015.

As of March 31, 2015, approximately 75% of Citi's emerging markets corporate credit portfolio (excluding private bank in ICG), including loans and unfunded lending commitments, was rated investment grade, which Citi considers to be ratings of BBB or better according to its internal risk measurement system and methodology (for additional information on Citi's internal risk measurement system for corporate credit, see "Corporate Credit Details" above). The vast majority of the remainder was rated BB or B according to Citi's internal risk measurement system and



methodology.

Overall ICG net credit losses in the emerging markets were 0.0% of average loans in the first quarter of 2015, compared to 0.4% and 0.5% in the fourth quarter of 2014 and first quarter of 2014, respectively. The ratio of non-accrual ICG loans to total loans in the emerging markets remained stable at 0.6% as of March 31, 2015.

## CROSS-BORDER RISK

### Argentina

For additional background and other information relating to Citi's operations, risks and exposures in Argentina, see "Managing Global Risk—Cross-Border Risk" in Citi's 2014 Annual Report on Form 10-K.

As of March 31, 2015, Citi's net investment in its Argentine operations was approximately \$840 million, compared to \$780 million at December 31, 2014. Citi uses the Argentine peso as the functional currency in Argentina and translates its financial statements into U.S. dollars using the official exchange rate as published by the Central Bank of Argentina. According to the official exchange rate, the Argentine peso devalued to 8.82 pesos to one U.S. dollar at March 31, 2015 compared to 8.55 pesos to one U.S. dollar at December 31, 2014.

At March 31, 2015, Citi had cumulative translation losses related to its investment in Argentina, net of qualifying net investment hedges, of approximately \$1.59 billion (pretax), which were recorded in stockholders' equity. This compared to \$1.51 billion (pretax) as of December 31, 2014. The cumulative translation losses would not be reclassified into earnings unless realized upon sale, deconsolidation, or liquidation of substantially all of Citi's Argentine operations.

Citi hedges currency risk in its net investment in Argentina to the extent possible and prudent. As of March 31, 2015, Citi's total hedges against its net investment in Argentina were approximately \$970 million, compared to \$810 million as of December 31, 2014.

As of March 31, 2015, Citi had total third-party assets of approximately \$4.3 billion in Citi Argentina (unchanged from December 31, 2014), primarily composed of corporate and consumer loans and cash on deposit with and short-term paper issued by the Central Bank of Argentina. A significant portion of these assets was funded with local deposits. Included in the total assets were U.S. dollar-denominated assets of approximately \$460 million, compared to approximately \$550 million at December 31, 2014. (For additional information on Citi's exposures related to Argentina, see "Emerging Market Exposures" above, which sets forth Citi's trading account assets, investment securities, ICG loans and GCB loans in Argentina, based on the methodology described in such section. As described in such section, these assets totaled approximately \$3.2 billion as of March 31, 2015. Approximately \$210 million of such exposure is held by non-Argentine Citi subsidiaries and thus is not included in the \$4.3 billion amount set forth above, which pertains only to Citi Argentina, as disclosed.)

As previously disclosed, in January 2015, U.S. regulators informed Citi of their decision to downgrade Argentina's transfer risk rating, which resulted in Citi's recognizing mandatory transfer risk reserves of approximately \$7 million during the first quarter of 2015.

As widely reported and previously disclosed, Argentina continues to be engaged in litigation in the U.S. with certain "holdout" bond investors who did not accept restructured bonds in the restructuring of Argentine debt after Argentina

defaulted on its sovereign obligations in 2001. Also as previously disclosed, Citi Argentina has acted as a custodian in Argentina for certain of the restructured bonds that are part of the "holdout" bond litigation; specifically, U.S.-dollar-denominated restructured bonds governed by Argentina law and payable in Argentina.

During the first quarter of 2015, the U.S. court overseeing the Argentina litigation ruled that Citi Argentina's processing of interest payments on these bonds, as custodian, was prohibited by the court's order. The court's ruling conflicted with Argentine law, which required Citi Argentina to remit such payments to its clients in accordance with client instructions. As a result of the court's order, Citi announced its intention to exit its custody business in Argentina. Citi's decision to exit the custody business is not expected to have a direct material impact on Citi Argentina's results of operations. Subsequently, the U.S. court permitted Citi Argentina to process the March 31 and June 30, 2015 bond payments (subject to certain milestones) in order to give Citi time to exit the custody business. Since these events, Argentina regulatory and governmental entities have taken certain adverse actions against Citi Argentina, including filing a lawsuit against Citi Argentina and instituting a suspension of certain activities. The situation continues to evolve and may result in additional negative consequences to Citi's franchise in Argentina, some of which could be significant, including sanctions, additional business restrictions, the loss of licenses to operate in Argentina and criminal charges against bank employees. The situation could also expose Citi and Citi Argentina to further litigation and penalties.

#### Venezuela

Since 2003, the Venezuelan government has implemented and operated restrictive foreign exchange controls. These exchange controls have limited Citi's ability to obtain U.S. dollars in Venezuela; Citi has not been able to acquire U.S. dollars from the Venezuelan government since 2008.

As previously disclosed, on February 10, 2015, the Venezuelan government published changes to its foreign exchange controls, which continue to maintain a three-tiered system. The new exchange controls maintain the CENCOEX rate; however, the new exchange controls merge SICAD II into SICAD I, which will be referred to as "SICAD." In addition, the new exchange controls establish the Marginal Foreign Exchange System (SIMADI), which is intended to be a free floating exchange. The SIMADI exchange limits the volume of foreign currency that companies can purchase each month, and banks and brokers, which include Citi, are prohibited from accessing this market for their own needs. As of March 31, 2015, the three separate official foreign exchange rates were:

- the preferential foreign exchange rate offered by the National Center for Foreign Trade (CENCOEX), fixed at 6.3 bolivars to one U.S. dollar;
- the SICAD rate, which was 12 bolivars to one U.S. dollar; and

the SIMADI rate, which was 190 bolivars to one U.S. dollar.

Citi uses the U.S. dollar as the functional currency for its operations in Venezuela. As of March 31, 2015, Citi remeasures its net bolivar denominated monetary assets at the SICAD rate, as the SICAD rate is the only rate at which Citi is legally eligible to acquire U.S. dollars from CENCOEX, despite the limited availability of U.S. dollars and although the SICAD rate may not necessarily be reflective of economic reality. Losses due to remeasurement of Citi's bolivar-denominated assets and liabilities due to changes in the SICAD rate are recorded in earnings. Further devaluation in the SICAD exchange rate, a change in Citi's eligibility to utilize a different exchange mechanism resulting in a less favorable rate, or other unfavorable changes to the foreign exchange mechanisms would result in foreign exchange losses in the period in which such devaluation or change occurs.

At March 31, 2015, Citi's net investment in its Venezuelan operations was approximately \$180 million (unchanged from December 31, 2014), which included net monetary assets denominated in Venezuelan bolivars of approximately \$140 million (unchanged from December 31, 2014). Total third-party assets of Citi Venezuela were approximately \$1.1 billion at March 31, 2015 (compared to \$900 million at December 31, 2014), primarily composed of cash on deposit with the Central Bank of Venezuela, corporate and consumer loans, and government bonds. A significant portion of these assets was funded with local deposits.

#### Greece

Greece elected a new government in January 2015. As a result of the impact of austerity measures on Greece, the newly elected government has committed to renegotiating the country's debt with the European Union and the International Monetary Fund. Thus far, progress of these negotiations has been slow, and if unsuccessful, could lead to Greece's defaulting on its debt obligations and possibly even to a withdrawal of Greece from the European Monetary Union (EMU).

As of March 31, 2015, Citi had total third-party assets and liabilities of approximately \$44 million and \$481 million, respectively, in Citi's Greek branch. This compared to approximately \$36 million and \$915 million, respectively, as of December 31, 2014. Included in the total third-party assets and liabilities as of the end of the current quarter were non-euro-denominated assets and liabilities of \$1.5 million and \$52 million, respectively (compared to \$0.3 million and \$174 million, respectively, as of December 31, 2014).

If Greece were to leave the EMU, certain of its obligations could be redenominated from the euro to a new country currency (e.g., drachma). While alternative scenarios could develop, redenomination could be accompanied by an immediate devaluation of the new currency as compared to the euro and the U.S. dollar.

Citi is exposed to potential redenomination and devaluation risks arising from (i) euro-denominated assets and/or liabilities located or held within Greece that are

governed by local country law (local exposures), as well as (ii) other euro-denominated assets and liabilities, such as loans and securitized products, between entities outside of Greece and a client or clients within Greece that are governed by local country law (offshore exposures).

If Greece were to withdraw from the EMU, and assuming a symmetrical redenomination and devaluation occurred, Citi believes its risk of loss would be limited as its liabilities subject to redenomination exceeded assets held both locally and offshore as of March 31, 2015. However, the actual assets and liabilities that could be subject to redenomination and devaluation risk, as well as whether any redenomination is asymmetrical, are subject to substantial legal and other uncertainties. In addition, other events outside of Citi's control—such as the extent of any deposit flight and devaluation, imposition by U.S. regulators of mandatory loan reserve requirements or any functional currency change and the accounting impact thereof—could further negatively impact Citi in such an event.

In addition to the Greek branch assets and liabilities described above, as of March 31, 2015, other (non-Greek) Citi branches and subsidiaries had exposures of approximately \$1.3 billion to Greek obligors, such as loans (including unfunded commitments), derivatives, and securitized products, net of purchased credit protection, that could experience credit losses under potential country or cross-border risk events. This estimated exposure is based on Citi's internal risk management measures and systems where the country designation is based on the country to which the client relationship, taken as a whole, is most directly exposed to economic, financial, sociopolitical or legal risks. As a

result, Citi's estimated credit exposures to Greece described above may include exposures to subsidiaries within the client relationship that are actually domiciled outside of Greece (e.g., loans, derivatives and other exposures to a U.K. subsidiary of a Greece-based corporation). Citi believes that the risk of loss associated with its estimated credit exposure described above is likely lower because a significant amount of the exposure relates to high-quality secured corporate loans not expected to be subject to redenomination.

#### Russia

Continued unrest in the region, the fall in oil prices and international sanctions are having a significant impact on Russia's economy. The Russian ruble depreciated an additional 2.5% against the U.S. dollar from December 31, 2014 to March 31, 2015.

Citibank operates in Russia through a subsidiary, which uses the Russian ruble as its functional currency. Citibank's net investment in Russia was approximately \$1.0 billion at March 31, 2015, compared to \$1.1 billion at December 31, 2014. Substantially all of Citibank's net investment was hedged (subject to related tax adjustments) as of March 31, 2015, using forward foreign exchange contracts. Total third-party assets of the Russian Citibank subsidiary were approximately \$4.6 billion as of March 31, 2015, compared to \$6.1 billion as of December 31, 2014. These assets were primarily composed of corporate and consumer loans,

Russian government debt securities, and cash on deposit with the Central Bank of Russia. The large majority of the above assets were funded by local deposit liabilities.

For additional information on Citi's exposures related to Russia, see "Emerging Market Exposures" above, which sets forth Citi's trading account assets, investment securities, ICG loans and GCB loans in Russia, based on the methodology described in such section. As disclosed in such section, these assets totaled approximately \$6.1 billion as of March 31, 2015. Approximately \$2.3 billion of such exposure is held on non-Russian Citi subsidiaries and thus is not included in the \$4.6 billion amount set forth above, which pertains only to the Russian Citibank subsidiary, as disclosed.

## INCOME TAXES

## Deferred Tax Assets

For additional information on Citi's deferred tax assets (DTAs), see "Risk Factors—Business and Operational Risks," "Significant Accounting Policies and Significant Estimates—Income Taxes" and Note 9 to the Consolidated Financial Statements in Citi's 2014 Annual Report on Form 10-K.

At March 31, 2015, Citigroup had recorded net DTAs of approximately \$48.1 billion, a decrease of \$1.2 billion from December 31, 2014. The sequential decrease in DTAs was driven primarily by the continued generation of U.S. taxable earnings in Citicorp.

The following table summarizes Citi's net DTAs balance at March 31, 2015 and December 31, 2014:

| Jurisdiction/Component<br>In billions of dollars | DTAs balance   |                   |
|--|----------------|-------------------|
|  | March 31, 2015 | December 31, 2014 |
| Total U.S.                                       | \$45.7         | \$46.5            |
| Total foreign                                    | 2.4            | 2.8               |
| Total <sup>(1)</sup>                             | \$48.1         | \$49.3            |

(1) Approximately \$15.9 billion of the net DTAs was not deducted in calculating regulatory capital pursuant to full Basel III implementation standards as of March 31, 2015.

## Effective Tax Rate

Citi's effective tax rate for the first quarter of 2015 was 30.6% (excluding CVA/DVA), slightly lower than the effective tax rate in the first quarter of 2014 of 31.6%, (excluding CVA/DVA and the tax charge in the prior-year period (see "Executive Summary" above)).

## Tax Legislation

On April 13, 2015, the Governor of New York signed legislation bringing New York City into substantive conformity with the New York State corporate tax system. The legislation is retroactive to January 1, 2015. Citigroup is currently quantifying the effect of this legislation and will report such effect in its second quarter results.

## DISCLOSURE CONTROLS AND PROCEDURES

Citi's disclosure controls and procedures are designed to ensure that information required to be disclosed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, including without limitation that information required to be disclosed by Citi in its SEC filings is accumulated and communicated to management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) as appropriate to allow for timely decisions regarding required disclosure. Citi's Disclosure Committee assists the CEO and CFO in their responsibilities to design, establish, maintain and evaluate the effectiveness of Citi's disclosure controls and procedures. The Disclosure Committee is responsible for, among other things, the oversight, maintenance and implementation of the disclosure controls and procedures, subject to the supervision and oversight of the CEO and CFO.

Citi's management, with the participation of its CEO and CFO, has evaluated the effectiveness of Citigroup's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of March 31, 2015 and, based on that evaluation, the CEO and CFO have concluded that at that date Citigroup's disclosure controls and procedures were effective.

## DISCLOSURE PURSUANT TO SECTION 219 OF THE IRAN THREAT REDUCTION AND SYRIA HUMAN RIGHTS ACT

Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012, which added Section 13(r) to the Securities Exchange Act of 1934, as amended, Citi is required to disclose in its annual or quarterly reports, as applicable, whether it or any of its affiliates knowingly engaged in certain activities, transactions or dealings relating to Iran or with individuals or entities that are subject to sanctions under U.S. law. Disclosure is generally required even where the activities, transactions or dealings were conducted in compliance with applicable law.

In March 2015, Citibank Hong Kong Limited (Citi HK) processed through an automated clearing system an individual client's personal check written to the Consulate General of the Islamic Republic of Iran (Consulate General) in the amount of HK200,000 (approximately \$25,800). The related individual client's account was opened in March 2015 and was funded by three cash deposits totaling HK550,000 (approximately \$71,000). Citi HK subsequently identified suspicious activity and determined that deposits made into the account were related in large part to travel visa fees owed to the Consulate General, which are exempt from the Iranian Transactions and Sanctions Regulations. Citi HK also learned that a small portion of the deposits related to document legalization fees owed to the Consulate General. The account activity was inconsistent with the client's stated use of the account as represented by the client at the time of account opening. Citi HK blocked the customer's account upon completing an internal investigation. Citi has also discussed and reported

this activity with the Treasury Department's Office of Foreign Assets Control. Citi does not intend to continue business with this individual customer. The account activity resulted in approximately \$60 in gross revenues and no net profit.



## FORWARD-LOOKING STATEMENTS

Certain statements in this Form 10-Q, including but not limited to statements included within the Management's Discussion and Analysis of Financial Condition and Results of Operations, are "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. In addition, Citigroup also may make forward-looking statements in its other documents filed or furnished with the SEC, and its management may make forward-looking statements orally to analysts, investors, representatives of the media and others.

Generally, forward-looking statements are not based on historical facts but instead represent Citigroup's and its management's beliefs regarding future events. Such statements may be identified by words such as believe, expect, anticipate, intend, estimate, may increase, may fluctuate, and similar expressions or future or conditional verbs such as will, should, would and could.

Such statements are based on management's current expectations and are subject to risks, uncertainties and changes in circumstances. Actual results and capital and other financial conditions may differ materially from those included in these statements due to a variety of factors, including without limitation the precautionary statements included within each individual business' discussion and analysis of its results of operations above and in Citi's 2014 Annual Report on Form 10-K, the factors listed and described under "Risk Factors" in Citi's 2014 Annual Report on Form 10-K and the risks and uncertainties summarized below:

- the ongoing extensive regulatory changes and uncertainties faced by Citi globally, and the potential impact these changes and uncertainties could have on Citi's strategy, individual businesses' and overall results of operations, ability to make progress on its execution priorities and its compliance risks and costs;

- uncertainties relating to ongoing regulatory supervision and potential changes to the regulatory capital requirements applicable to Citi and certain of its affiliated entities, including with respect to the calculation and determination of the U.S. capital surcharge (the G-SIB surcharge) applicable to Citi, and the potential impact these uncertainties could have on Citi's total risk-weighted assets, leverage assets and ability to meet its capital requirements as it projects or as required;

- the potential impact ongoing events in the banking industry generally, including litigation and regulatory settlements, can have on Citi's operational risk-weighted assets and thus its overall risk-weighted assets;

- the potential impact to Citi if it is unable to address the shortcomings identified in 2014 by the Federal Reserve Board and FDIC as part of Citi's 2015 resolution plan submission, including the potential for more stringent capital, leverage or liquidity requirements, restrictions on its growth, activities or operations, or requirements to divest certain assets or operations, which could negatively impact Citi's operations or strategy;

- the ongoing uncertainties and potential impact to Citi's funding and liquidity management and structure and overall results of operations as a result of potential regulatory requirements in the U.S. mandating minimum levels of total loss-absorbing capacity (TLAC), including the potential interplay between Citi's capital and TLAC requirements;
- the potential impact to Citi's derivative businesses and results of operations arising from the ongoing implementation and interpretation of derivatives regulation in the U.S. and globally, including on Citi's competitive position and its compliance risks and costs;

- ongoing interpretive uncertainties and compliance risks and costs associated with the implementation of the Volcker Rule;

- the uncertainties and potential impact to Citi's businesses and results of operations of recently adopted and anticipated future regulations applicable to securitizations;

- the potential impact to Citi's businesses, results of operations and financial condition of ongoing macroeconomic uncertainties and volatilities, including changes in U.S. and non-U.S. fiscal and monetary actions or expected actions, geopolitical tensions, economic growth and ongoing concerns relating to potential sovereign defaults and the potential impact of any such defaults on the global economy;

- risks arising from Citi's international and emerging markets operations, such as in Argentina, including nationalization or loss of licenses, sanctions, criminal charges, closure of branches or subsidiaries, confiscation of assets, fraud and

foreign exchange controls, as well as changes in foreign exchange rates generally and increased compliance and regulatory risks and costs;

the potential impact to Citi's delinquency rates, net credit losses, loan loss reserves and overall results of operations as Citi's revolving home equity lines of credit (HELOCs) continue to "reset," particularly given the limitations on Citi's ability to reduce or mitigate this reset risk going forward;

the potential impact concentrations of risk could have on Citi's hedging strategies and results of operations, including Citi's credit risk to the U.S. government and its agencies and market risk arising from Citi's high volume of transactions with counterparties in the financial services industry;

the potential impact to Citi's funding and liquidity, as well as its liquidity planning and management, arising from the continued heightened regulatory focus on, and ongoing changes to, the liquidity standards and requirements applicable, or expected to be applicable, to Citi;

potential impacts on Citi's liquidity and/or costs of funding as a result of external factors, such as market disruptions, governmental fiscal and monetary policies, regulatory requirements and changes in Citi's credit spreads;

rating downgrades of Citi or its more significant subsidiaries, including as a result of changes in assumptions relating to government support, and the

potential impact on Citi's funding and liquidity as well as the results of operations for certain of its businesses;

the potential impact to Citi's businesses, business practices, reputation, financial condition or results of operations that could result from the extensive legal, governmental and regulatory proceedings, investigations and inquiries to which Citi is or may be subject at any given time, including as a result of fines, penalties, consent orders or other similar remedies or sanctions;

the significant uncertainties arising from any criminal actions against, or criminal guilty pleas, convictions or related sanctions obtained from, Citi, including the scope and severity of any collateral consequences that could result from any such actions, such as loss of customers, clients or business, business restrictions and/or regulatory responses;

uncertainties arising from the continued heightened scrutiny and expectations of the financial services industry by regulators and other enforcement authorities with respect to "conduct" risk, the overall "culture" of the financial services industry generally and the effectiveness of an individual firm's control functions in deterring or preventing employee misconduct;

the potential impact to market and investor perceptions of Citi and its capital return plans resulting from the Comprehensive Capital Analysis and Review (CCAR), including Citi's ability to meet the Federal Reserve Board's evolving annual stress testing requirements and qualitative factors;

Citi's ability to successfully achieve its execution priorities, including maintaining expense discipline, continuing to wind down Citi Holdings while maintaining it at or above "break even" on a full-year basis and continued utilization of its deferred tax assets (DTAs), and the potential impact its inability to do so could have on the achievement of its 2015 operating efficiency and return on assets targets;

Citi's ability to continue to utilize its DTAs, including the foreign tax credit component of its DTAs, by continuing to generate U.S. taxable income during the relevant carry-forward periods or otherwise;

the impact on the value of Citi's DTAs and its results of operations if corporate tax rates in the U.S. or certain local, state or foreign jurisdictions decline, or if other changes are made to the U.S. tax system;

the potential impact to Citi if Citi's interpretation or application of the extensive tax laws to which it is subject, such as with respect to withholding tax obligations and stamp and other transactional taxes, differs from that of the relevant governmental taxing authorities;

the potential impact to Citi from continually evolving and increasing cybersecurity and other technological risks and attacks, including fraud losses, additional costs, reputational damage, loss of customers, regulatory penalties, exposure to litigation and other potential financial losses to both Citi and its clients and customers;

Citi's failure to maintain its co-branding and private-label relationships with various third-party retailers and merchants within its U.S. credit card businesses in North

America GCB or adverse changes in the terms governing these relationships, whether as a result of competition among card issuers or merchant-specific factors, such as bankruptcy or operational difficulties, and the potential impact of any such event on the results of operations or financial condition of those businesses;

the potential impact to Citi's results of operations and financial condition if its risk management models, processes or strategies are not effective;

the potential impact on Citi's performance, including its competitive position and ability to execute its strategy, if Citi is unable to hire or retain qualified employees due to regulatory restrictions on compensation or otherwise; and

the impact incorrect assumptions or estimates in Citi's financial statements, as well as ongoing regulatory or other changes to financial accounting and reporting standards or interpretations, could have on Citi's financial condition and results of operations and how it records and reports its financial condition and results of operations.

Any forward-looking statements made by or on behalf of Citigroup speak only as to the date they are made, and Citi does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements were made.



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## CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF INCOME (Unaudited) Citigroup Inc. and Subsidiaries

| In millions of dollars, except per share amounts               | Three Months Ended March 31, |          |
|--|------------------------------|----------|
|  | 2015                         | 2014     |
| Revenues <sup>(1)</sup>  |                              |          |
| Interest revenue   | \$14,600                     | \$15,350 |
| Interest expense   | 3,028                        | 3,591    |
| Net interest revenue   | \$11,572                     | \$11,759 |
| Commissions and fees   | \$3,170                      | \$3,184  |
| Principal transactions   | 1,971                        | 2,888    |
| Administration and other fiduciary fees                        | 962                          | 1,009    |
| Realized gains on sales of investments, net                    | 307                          | 128      |
| Other-than-temporary impairment losses on investments          |                              |          |
| Gross impairment losses  | (72                          | )(201    |
| Less: Impairments recognized in AOCI                           | —                            | —        |
| Net impairment gains (losses) recognized in earnings           | \$(72                        | )\$(201  |
| Insurance premiums   | \$497                        | \$545    |
| Other revenue  | 1,329                        | 894      |
| Total non-interest revenues                                    | \$8,164                      | \$8,447  |
| Total revenues, net of interest expense                        | \$19,736                     | \$20,206 |
| Provisions for credit losses and for benefits and claims       |                              |          |
| Provision for loan losses                                      | \$1,755                      | \$1,793  |
| Policyholder benefits and claims                               | 197                          | 208      |
| Provision (release) for unfunded lending commitments           | (37                          | )(27     |
| Total provisions for credit losses and for benefits and claims | \$1,915                      | \$1,974  |
| Operating expenses <sup>(1)</sup>                              |                              |          |
| Compensation and benefits                                      | \$5,520                      | \$6,010  |
| Premises and equipment   | 709                          | 805      |
| Technology/communication                                       | 1,600                        | 1,530    |
| Advertising and marketing                                      | 392                          | 458      |
| Other operating  | 2,663                        | 3,346    |
| Total operating expenses                                       | \$10,884                     | \$12,149 |
| Income from continuing operations before income taxes          | \$6,937                      | \$6,083  |
| Provision for income taxes                                     | 2,120                        | 2,131    |
| Income from continuing operations                              | \$4,817                      | \$3,952  |
| Discontinued operations  |                              |          |
| Income (loss) from discontinued operations                     | \$(8                         | )\$40    |
| Gain on sale   | —                            | —        |
| Provision (benefit) for income taxes                           | (3                           | )3       |
| Income (loss) from discontinued operations, net of taxes       | \$(5                         | )\$37    |
| Net income before attribution of noncontrolling interests      | \$4,812                      | \$3,989  |
| Noncontrolling interests                                       | 42                           | 45       |
| Citigroup's net income   | \$4,770                      | \$3,944  |
| Basic earnings per share <sup>(2)</sup>                        |                              |          |
| Income from continuing operations                              | \$1.51                       | \$1.23   |
| Income (loss) from discontinued operations, net of taxes       | —                            | 0.01     |
| Net income   | \$1.51                       | \$1.24   |
| Weighted average common shares outstanding                     | 3,034.2                      | 3,037.4  |





|  |         |         |
|--|---------|---------|
| Diluted earnings per share <sup>(2)</sup>                |         |         |
| Income from continuing operations                        | \$1.51  | \$1.22  |
| Income (loss) from discontinued operations, net of taxes | —       | 0.01    |
| Net income   | \$1.51  | \$1.23  |
| Adjusted weighted average common shares outstanding      | 3,039.3 | 3,043.3 |

(1) Certain prior-period revenue and expense lines and totals were reclassified to conform to the current period's presentation. See Note 3 to the Consolidated Financial Statements.

(2) Due to rounding, earnings per share on continuing operations and discontinued operations may not sum to earnings per share on net income.

The Notes to the Consolidated Financial Statements are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
(Unaudited) Citigroup Inc. and Subsidiaries

| In millions of dollars   | Three Months Ended March |         |
|--|--------------------------|---------|
|  | 2015                     | 2014    |
| Net income before attribution of noncontrolling interests                        | \$4,812                  | \$3,989 |
| Add: Citigroup's other comprehensive income (loss)                               |                          |         |
| Net change in unrealized gains and losses on investment securities, net of taxes | \$591                    | \$428   |
| Net change in cash flow hedges, net of taxes                                     | 86                       | 118     |
| Benefit plans liability adjustment, net of taxes <sup>(1)</sup>                  | (90)                     | (33)    |
| Net change in foreign currency translation adjustment, net of taxes and hedges   | (2,062)                  | (526)   |
| Citigroup's total other comprehensive income (loss)                              | \$(1,475)                | \$(13)  |
| Total comprehensive income before attribution of noncontrolling interests        | \$3,337                  | \$3,976 |
| Less: Net income attributable to noncontrolling interests                        | 42                       | 45      |
| Citigroup's comprehensive income   | \$3,295                  | \$3,931 |

(1) Reflects adjustments based on the actuarial valuations of the Company's significant pension and postretirement plans, including changes in the mortality assumptions at March 31, 2015, and amortization of amounts previously recognized in Accumulated other comprehensive income (loss). See Note 8 to the Consolidated Financial Statements.

The Notes to the Consolidated Financial Statements are an integral part of these Consolidated Financial Statements.

## CONSOLIDATED BALANCE SHEET

## Citigroup Inc. and Subsidiaries

| In millions of dollars   | March 31,<br>2015<br>(Unaudited) | December 31,<br>2014 |
|--|----------------------------------|----------------------|
| <b>Assets</b>  |                                  |                      |
| Cash and due from banks (including segregated cash and other deposits)   | \$21,880                         | \$32,108             |
| Deposits with banks  | 133,896                          | 128,089              |
| Federal funds sold and securities borrowed or purchased under agreements to resell (including \$135,894 and \$144,191 as of March 31, 2015 and December 31, 2014, respectively, at fair value) | 239,015                          | 242,570              |
| Brokerage receivables  | 35,637                           | 28,419               |
| Trading account assets (including \$105,710 and \$106,217 pledged to creditors at March 31, 2015 and December 31, 2014, respectively)  | 302,983                          | 296,786              |
| <b>Investments:</b>  |                                  |                      |
| Available for sale (including \$12,595 and \$13,808 pledged to creditors as of March 31, 2015 and December 31, 2014, respectively)   | 295,239                          | 300,143              |
| Held to maturity (including \$2,489 and \$2,974 pledged to creditors as of March 31, 2015 and December 31, 2014, respectively)   | 23,254                           | 23,921               |
| Non-marketable equity securities (including \$2,570 and \$2,758 at fair value as of March 31, 2015 and December 31, 2014 respectively)   | 8,322                            | 9,379                |
| Total investments  | \$326,815                        | \$333,443            |
| <b>Loans:</b>  |                                  |                      |
| Consumer (including \$38 and \$43 as of March 31, 2015 and December 31, 2014, respectively, at fair value)   | 341,706                          | 369,970              |
| Corporate (including \$6,537 and \$5,858 as of March 31, 2015 and December 31, 2014, respectively, at fair value)  | 279,348                          | 274,665              |
| Loans, net of unearned income  | \$621,054                        | \$644,635            |
| Allowance for loan losses  | (14,598)                         | (15,994)             |
| Total loans, net   | \$606,456                        | \$628,641            |
| Goodwill   | 23,150                           | 23,592               |
| Intangible assets (other than MSRs)  | 4,244                            | 4,566                |
| Mortgage servicing rights (MSRs)   | 1,685                            | 1,845                |
| Other assets (including \$8,936 and \$7,762 as of March 31, 2015 and December 31, 2014, respectively, at fair value)   | 136,040                          | 122,122              |
| Total assets   | \$1,831,801                      | \$1,842,181          |

The following table presents certain assets of consolidated variable interest entities (VIEs), which are included in the Consolidated Balance Sheet above. The assets in the table below include those assets that can only be used to settle obligations of consolidated VIEs, presented on the following page, and are in excess of those obligations.

Additionally, the assets in the table below include third-party assets of consolidated VIEs only and exclude intercompany balances that eliminate in consolidation.

| In millions of dollars   | March 31,<br>2015<br>(Unaudited) | December 31,<br>2014 |
|--|----------------------------------|----------------------|
| <b>Assets of consolidated VIEs to be used to settle obligations of consolidated VIEs</b> |                                  |                      |
| Cash and due from banks  | \$111                            | \$300                |
| Trading account assets   | 626                              | 671                  |
| Investments  | 7,650                            | 8,014                |
| Loans, net of unearned income  |                                  |                      |

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|   |          |           |
|---|----------|-----------|
| Consumer (including \$0 as of March 31, 2015 and December 31, 2014, respectively, at fair value)  | 58,790   | 66,383    |
| Corporate (including \$0 as of March 31, 2015 and December 31, 2014, respectively, at fair value) | 29,142   | 29,596    |
| Loans, net of unearned income   | \$87,932 | \$95,979  |
| Allowance for loan losses   | (2,533)  | (2,793)   |
| Total loans, net  | \$85,399 | \$93,186  |
| Other assets  | 4,758    | 619       |
| Total assets of consolidated VIEs to be used to settle obligations of consolidated VIEs           | \$98,544 | \$102,790 |

Statement continues on the next page.

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CONSOLIDATED BALANCE SHEET  
(Continued)

## Citigroup Inc. and Subsidiaries

| In millions of dollars, except shares and per share amounts  | March 31,<br>2015<br>(Unaudited) | December 31,<br>2014 |
|--|----------------------------------|----------------------|
| <b>Liabilities</b>   |                                  |                      |
| Non-interest-bearing deposits in U.S. offices  | \$ 136,568                       | \$ 128,958           |
| Interest-bearing deposits in U.S. offices (including \$976 and \$994 as of March 31, 2015 and December 31, 2014, respectively, at fair value)  | 275,423                          | 284,978              |
| Non-interest-bearing deposits in offices outside the U.S.  | 71,653                           | 70,925               |
| Interest-bearing deposits in offices outside the U.S. (including \$674 and \$690 as of March 31, 2015 and December 31, 2014, respectively, at fair value)                                      | 416,003                          | 414,471              |
| Total deposits   | \$ 899,647                       | \$ 899,332           |
| Federal funds purchased and securities loaned or sold under agreements to repurchase (including \$34,225 and \$36,725 as of March 31, 2015 and December 31, 2014, respectively, at fair value) | 175,371                          | 173,438              |
| Brokerage payables   | 58,252                           | 52,180               |
| Trading account liabilities  | 142,438                          | 139,036              |
| Short-term borrowings (including \$926 and \$1,496 as of March 31, 2015 and December 31, 2014, respectively, at fair value)  | 39,405                           | 58,335               |
| Long-term debt (including \$25,409 and \$26,180 as of March 31, 2015 and December 31, 2014, respectively, at fair value)   | 210,522                          | 223,080              |
| Other liabilities (including \$2,024 and \$1,776 as of March 31, 2015 and December 31, 2014, respectively, at fair value)  | 90,143                           | 85,084               |
| Total liabilities  | \$ 1,615,778                     | \$ 1,630,485         |
| <b>Stockholders' equity</b>  |                                  |                      |
| Preferred stock (\$1.00 par value; authorized shares: 30 million), issued shares: 478,720 as of March 31, 2015 and 418,720 as of December 31, 2014, at aggregate liquidation value             | \$ 11,968                        | \$ 10,468            |
| Common stock (\$0.01 par value; authorized shares: 6 billion), issued shares: 3,099,470,853 as of March 31, 2015 and 3,082,037,568 as of December 31, 2014                                     | 31                               | 31                   |
| Additional paid-in capital   | 108,124                          | 107,979              |
| Retained earnings  | 122,463                          | 117,852              |
| Treasury stock, at cost: March 31, 2015—65,331,175 shares and December 31, 2014—58,119,993 shares  | (3,275)                          | (2,929)              |
| Accumulated other comprehensive income (loss)  | (24,691)                         | (23,216)             |
| Total Citigroup stockholders' equity   | \$ 214,620                       | \$ 210,185           |
| Noncontrolling interest  | 1,403                            | 1,511                |
| Total equity   | \$ 216,023                       | \$ 211,696           |
| Total liabilities and equity   | \$ 1,831,801                     | \$ 1,842,181         |

The following table presents certain liabilities of consolidated VIEs, which are included in the Consolidated Balance Sheet above. The liabilities in the table below include third-party liabilities of consolidated VIEs only and exclude intercompany balances that eliminate in consolidation. The liabilities also exclude amounts where creditors or beneficial interest holders have recourse to the general credit of Citigroup.

| In millions of dollars | March 31,<br>2015<br>(Unaudited) | December 31,<br>2014 |
|------------------------|----------------------------------|----------------------|
|------------------------|----------------------------------|----------------------|

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Liabilities of consolidated VIEs for which creditors or beneficial interest holders do not have recourse to the general credit of Citigroup

|   |           |           |
|---|-----------|-----------|
| Short-term borrowings   | \$ 14,840 | \$ 20,254 |
| Long-term debt (including \$0 as of March 31, 2015 and December 31, 2014, respectively, at fair value)  | 35,251    | 40,078    |
| Other liabilities   | 3,983     | 901       |
| Total liabilities of consolidated VIEs for which creditors or beneficial interest holders do not have recourse to the general credit of Citigroup | \$ 54,074 | \$ 61,233 |

The Notes to the Consolidated Financial Statements are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY  
(Unaudited) Citigroup Inc. and Subsidiaries

| In millions of dollars, except shares in thousands                                     | Three Months Ended March |           |
|--|--------------------------|-----------|
|  | 2015                     | 2014      |
| Preferred stock at aggregate liquidation value   |                          |           |
| Balance, beginning of year   | \$10,468                 | \$6,738   |
| Issuance of new preferred stock  | 1,500                    | 480       |
| Balance, end of period   | \$11,968                 | \$7,218   |
| Common stock and additional paid-in capital  |                          |           |
| Balance, beginning of year   | \$108,010                | \$107,224 |
| Employee benefit plans   | 176                      | 326       |
| Preferred stock issuance expense   | (6                       | )(13      |
| Other  | (25                      | )(1       |
| Balance, end of period   | \$108,155                | \$107,536 |
| Retained earnings  |                          |           |
| Balance, beginning of year   | \$117,852                | \$111,168 |
| Adjustment to opening balance, net of taxes <sup>(1)</sup>                             | —                        | \$(346    |
| Adjusted balance, beginning of period  | \$117,852                | \$110,822 |
| Citigroup's net income   | 4,770                    | 3,943     |
| Common dividends <sup>(2)</sup>  | (31                      | )(30      |
| Preferred dividends  | (128                     | )(124     |
| Tax benefit  | —                        | 134       |
| Balance, end of period   | \$122,463                | \$114,745 |
| Treasury stock, at cost  |                          |           |
| Balance, beginning of year   | \$(2,929                 | )(1,658   |
| Employee benefit plans <sup>(3)</sup>  | (49                      | )(215     |
| Treasury stock acquired <sup>(4)</sup>   | (297                     | )(364     |
| Balance, end of period   | \$(3,275                 | )(2,237   |
| Citigroup's accumulated other comprehensive income (loss)                              |                          |           |
| Balance, beginning of year   | \$(23,216                | )(19,133  |
| Citigroup's total other comprehensive income (loss)                                    | (1,475                   | )(13      |
| Balance, end of period   | \$(24,691                | )(19,146  |
| Total Citigroup common stockholders' equity  | \$202,652                | \$200,898 |
| Total Citigroup stockholders' equity   | \$214,620                | \$208,116 |
| Noncontrolling interests   |                          |           |
| Balance, beginning of year   | \$1,511                  | \$1,794   |
| Transactions between Citigroup and the noncontrolling-interest shareholders            | (118                     | )(10      |
| Net income attributable to noncontrolling-interest shareholders                        | 42                       | 45        |
| Dividends paid to noncontrolling-interest shareholders                                 | (3                       | )(3       |
| Other comprehensive income (loss) attributable to noncontrolling-interest shareholders | (56                      | )(9       |
| Other  | 27                       | (37       |
| Net change in noncontrolling interests   | \$(108                   | )(14      |
| Balance, end of period   | \$1,403                  | \$1,780   |
| Total equity   | \$216,023                | \$209,896 |

(1)Citi adopted ASU 2014-01 Investments-Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Affordable Housing, in the first quarter of 2015 on a retrospective basis. This adjustment to opening Retained earnings represents the impact to periods prior to January 1, 2014 and is shown as an adjustment to the

opening balance since the first quarter of 2014 is the earliest period disclosed in this Form 10-Q. See Note 1 to the Consolidated Financial Statements for additional information.

(2) Common dividends declared were \$0.01 per share in the first quarters of 2015 and 2014.

Includes treasury stock related to (i) certain activity on employee stock option program exercises where the

(3) employee delivers existing shares to cover the option exercise, or (ii) under Citi's employee restricted or deferred stock programs where shares are withheld to satisfy tax requirements.

(4) For the three months ended March 31, 2015 and 2014, primarily consists of open market purchases under Citi's Board of Directors-approved common stock repurchase program.

The Notes to the Consolidated Financial Statements are an integral part of these Consolidated Financial Statements.



## CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)

Citigroup Inc. and Subsidiaries

|   | Three Months Ended March |            |
|---|--------------------------|------------|
|   | 31,                      | 2014       |
| In millions of dollars  | 2015                     | 2014       |
| Cash flows from operating activities of continuing operations   |                          |            |
| Net income before attribution of noncontrolling interests   | \$4,812                  | \$3,989    |
| Net income attributable to noncontrolling interests   | 42                       | 45         |
| Citigroup's net income  | \$4,770                  | \$3,944    |
| Gain (loss) from discontinued operations, net of taxes  | (5                       | ) 37       |
| Income from continuing operations—excluding noncontrolling interests                                      | \$4,775                  | \$3,907    |
| Adjustments to reconcile net income to net cash provided by operating activities of continuing operations |                          |            |
| Depreciation and amortization   | 885                      | 843        |
| Provision for loan losses   | 1,755                    | 1,793      |
| Realized gains from sales of investments  | (307                     | ) (128     |
| Net impairment losses recognized in earnings  | 93                       | 201        |
| Change in trading account assets  | (6,197                   | ) 7,748    |
| Change in trading account liabilities   | 3,402                    | 15,278     |
| Change in brokerage receivables net of brokerage payables   | (1,146                   | ) (1,110   |
| Change in loans held-for-sale   | (2,881                   | ) 445      |
| Change in other assets  | (730                     | ) (858     |
| Change in other liabilities   | 386                      | 2,523      |
| Other, net  | 2,058                    | (1,044     |
| Total adjustments   | \$(2,682                 | ) \$25,691 |
| Net cash provided by (used in) operating activities of continuing operations                              | \$2,093                  | \$29,598   |
| Cash flows from investing activities of continuing operations   |                          |            |
| Change in deposits with banks   | \$(5,807                 | ) \$(2,015 |
| Change in federal funds sold and securities borrowed or purchased under agreements to resell              | 3,555                    | (6,361     |
| Change in loans   | 6,831                    | (381       |
| Proceeds from sales and securitizations of loans  | 3,259                    | 651        |
| Purchases of investments  | (76,463                  | ) (57,602  |
| Proceeds from sales of investments  | 56,928                   | 33,555     |
| Proceeds from maturities of investments   | 19,897                   | 21,523     |
| Capital expenditures on premises and equipment and capitalized software                                   | (740                     | ) (868     |
| Proceeds from sales of premises and equipment, subsidiaries and affiliates, and repossessed assets        | 135                      | 102        |
| Net cash provided by (used in) investing activities of continuing operations                              | \$7,595                  | \$(11,396  |
| Cash flows from financing activities of continuing operations   |                          |            |
| Dividends paid  | \$(159                   | ) \$(154   |
| Issuance of preferred stock   | 1,494                    | 467        |
| Treasury stock acquired   | (297                     | ) (364     |
| Stock tendered for payment of withholding taxes   | (419                     | ) (498     |
| Change in federal funds purchased and securities loaned or sold under agreements to repurchase            | 1,933                    | (12,836    |
| Issuance of long-term debt  | 11,704                   | 10,547     |
| Payments and redemptions of long-term debt  | (15,493                  | ) (9,671   |
| Change in deposits  | 315                      | (2,010     |

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|  |           |            |   |
|--|-----------|------------|---|
| Change in short-term borrowings                                | (18,930   | )(41       | ) |
| Net cash used in financing activities of continuing operations | \$(19,852 | )\$(14,560 | ) |
| Effect of exchange rate changes on cash and cash equivalents   | \$(64     | )\$(147    | ) |
| Change in cash and due from banks                              | \$(10,228 | )\$3,495   |   |

Statement continues on the next page.

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|  |           |           |
|--|-----------|-----------|
| Cash and due from banks at beginning of period   | 32,108    | 29,885    |
| Cash and due from banks at end of period   | \$21,880  | \$33,380  |
| Supplemental disclosure of cash flow information for continuing operations                           |           |           |
| Cash paid during the year for income taxes   | \$1,100   | \$1,317   |
| Cash paid during the year for interest   | 2,660     | 3,000     |
| Non-cash investing activities  |           |           |
| Decrease in net loans associated with significant disposals reclassified to HFS                      | \$(8,735) | )\$—      |
| Decrease in investments associated with significant disposals reclassified to HFS                    | (1,499)   | )—        |
| Decrease in goodwill and intangible assets associated with significant disposals reclassified to HFS | (184)     | )—        |
| Transfers to loans HFS from loans  | (12,500)  | )(1,500 ) |
| Transfers to OREO and other repossessed assets   | (88)      | )(63 )    |
| Non-cash financing activities  |           |           |
| Decrease in long-term debt associated with significant disposals reclassified to HFS                 | \$(4,673) | )\$—      |

The Notes to the Consolidated Financial Statements are an integral part of these Consolidated Financial Statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. BASIS OF PRESENTATION AND ACCOUNTING CHANGES

#### Basis of Presentation

The accompanying unaudited Consolidated Financial Statements as of March 31, 2015 and for the three-month periods ended March 31, 2015 and 2014 include the accounts of Citigroup Inc. (Citigroup) and its consolidated subsidiaries (collectively, the Company, Citi or Citigroup).

In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation have been reflected. The accompanying unaudited Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and related notes included in Citigroup's Annual Report on Form 10-K for the fiscal year ended December 31, 2014 (2014 Annual Report on Form 10-K).

Certain financial information that is normally included in annual financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP), but is not required for interim reporting purposes, has been condensed or omitted.

Management must make estimates and assumptions that affect the Consolidated Financial Statements and the related footnote disclosures. While management makes its best judgment, actual results could differ from those estimates.

Current market conditions increase the risk and complexity of the judgments in these estimates.

Certain reclassifications have been made to the prior-period's financial statements and notes to conform to the current period's presentation.

As noted above, the Notes to Consolidated Financial Statements are unaudited.

#### ACCOUNTING CHANGES

##### Accounting for Investments in Tax Credit Partnerships

In January 2014, the FASB issued Accounting Standards Update (ASU) 2014-01, Investments-Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Qualified Affordable Housing Projects. Any transition adjustment is reflected as an adjustment to retained earnings in the earliest period presented (retrospective application).

The ASU is applicable to Citi's portfolio of low income housing tax credit (LIHTC) partnership interests. The new standard widens the scope of investments eligible to elect to apply a new alternative method, the proportional amortization method, under which the cost of the investment is amortized to tax expense in proportion to the amount of tax credits and other tax benefits received. Citi qualifies to elect the proportional amortization method under the ASU for its entire LIHTC portfolio. These investments were previously accounted for under the equity method, which resulted in losses (due to amortization of the investment) being recognized in Other revenue and tax credits and benefits being recognized in the Income tax expense line. In contrast, the proportional amortization method combines the

amortization of the investment and receipt of the tax credits/benefits into one line, Income tax expense.

Citi adopted ASU 2014-01 in the first quarter of 2015.

The adoption of this ASU was applied retrospectively and cumulatively reduced Retained earnings by approximately \$349 million, Other assets by approximately \$178 million, and deferred tax assets by approximately \$171 million.

##### Accounting for Repurchase-to-Maturity Transactions

In June 2014, the FASB issued ASU No. 2014-11, Transfers and Servicing (Topic 860): Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures. The ASU changes the accounting for repurchase-to-maturity transactions and linked repurchase financings to secured borrowing accounting, which is consistent with the accounting for other repurchase agreements. The ASU also requires disclosures about transfers accounted for as sales in transactions that are economically similar to repurchase agreements (see Note 21 to the Consolidated Financial Statements) and about the types of collateral pledged in repurchase agreements and similar transactions accounted for

as secured borrowings. The ASU's provisions became effective for Citi from the first quarter of 2015, with the exception of the collateral disclosures which will be effective from the second quarter of 2015. The effect of adopting the ASU is required to be reflected as a cumulative effect adjustment to retained earnings as of the beginning of the period of adoption. Adoption of the ASU did not have a material effect on the Company's financial statements.

#### Classification of Certain Government-Guaranteed Mortgage Loans upon Foreclosure

In August 2014, the FASB issued ASU No. 2014-14, *Receivables-Troubled Debt Restructuring by Creditors* (Subtopic 310-40): *Classification of Certain Government-Guaranteed Mortgage Loans upon Foreclosure*, which requires that a mortgage loan be derecognized and a separate other receivable be recognized upon foreclosure if the following conditions are met: (i) the loan has a government guarantee that is not separable from the loan before foreclosure; (ii) at the time of foreclosure, the creditor has the intent to convey the real estate property to the guarantor and make a claim on the guarantee, and the creditor has the ability to recover under that claim; and (iii) at the time of foreclosure, any amount of the claim that is determined on the basis of the fair value of the real estate is fixed. Upon foreclosure, the separate other receivable is measured based on the amount of the loan balance (principal and interest) expected to be recovered from the guarantor.

Citi early adopted the ASU on a modified retrospective basis in the fourth quarter of 2014, which resulted in reclassifying approximately \$130 million of foreclosed assets from Other Real Estate Owned to a separate other receivable that is included in Other assets. Given the modified retrospective approach to adoption, prior periods have not been restated.

## FUTURE APPLICATION OF ACCOUNTING STANDARDS

### Revenue Recognition

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in GAAP when it becomes effective on January 1, 2017. However, the FASB is proposing to extend the effective date to January 1, 2018. Early application is not permitted. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is evaluating the effect that ASU 2014-09 will have on its consolidated financial statements and related disclosures. The Company has not yet selected a transition method nor has it determined the effect of the standard on its financial statements.

### Consolidation

In February 2015, the FASB issued ASU No. 2015-02, Consolidation (Topic 810): Amendments to the Consolidation Analysis, which is intended to improve certain areas of consolidation guidance for legal entities such as limited partnerships, limited liability companies, and securitization structures. The ASU will reduce the number of consolidation models. The ASU will be effective on January 1, 2016. Early adoption is permitted, including adoption in an interim period. The Company is evaluating the effect that ASU 2015-02 will have on its Consolidated Financial Statements.

### Debt Issuance Costs

In April 2015, the FASB issued ASU 2015-03, Interest— Imputation of Interest (Subtopic 835-30), Simplifying the Presentation of Debt Issuance Costs, to conform the presentation of debt issuance costs to that of debt discounts and premiums. Thus, the ASU requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability. The ASU will be effective for Citi on January 1, 2016 for both interim and annual periods and will be applied retrospectively to all periods presented. Early adoption is permitted for financial statements that have not been previously issued. The ASU is not expected to have a material effect on the Company.

### Accounting for Financial Instruments-Credit Losses

In December 2012, the FASB issued a proposed ASU, Financial Instruments-Credit Losses. This proposed ASU, or exposure draft, was issued for public comment in order to allow stakeholders the opportunity to review the proposal and provide comments to the FASB and does not constitute accounting guidance until a final ASU is issued. The exposure draft contains proposed guidance developed by the FASB with the goal of improving financial reporting about expected credit losses on loans, securities and other financial assets held by financial institutions and

other organizations. The exposure draft proposes a new accounting model intended to require earlier recognition of credit losses, while also providing additional transparency about credit risk.

The FASB's proposed model would utilize an "expected credit loss" measurement objective for the recognition of credit losses for loans, held-to-maturity securities and other receivables at the time the financial asset is originated or acquired and adjusted each period for changes in expected credit losses. For available-for-sale securities where fair value is less than cost, credit-related impairment would be recognized in the allowance for credit losses and adjusted each period for changes in credit. This would replace the multiple existing impairment models in GAAP, which generally require that a loss be "incurred" before it is recognized.

The FASB's proposed model represents a significant departure from existing GAAP, and may result in material changes to the Company's accounting for financial instruments. The impact of the FASB's final ASU on the Company's financial statements will be assessed when it is issued. The exposure draft does not contain a proposed effective date; this would be included in the final ASU, when issued.



## 2. DISCONTINUED OPERATIONS AND SIGNIFICANT DISPOSALS

### Discontinued Operations

The following Discontinued operations are recorded within the Corporate/Other segment.

#### Sale of Brazil Credicard Business

Citi sold its non-Citibank-branded cards and consumer finance business in Brazil (Credicard) in 2013 and reported them as Discontinued operations. During the first quarter of 2015 and 2014, residual costs and resolution of certain contingencies resulted in loss from Discontinued operations, net of taxes, of \$2 million and income from Discontinued operations, net of taxes, of \$53 million, respectively.

#### Sale of Certain Citi Capital Advisors Business

Citi sold its liquid strategies business within Citi Capital Advisors (CCA) pursuant to two separate transactions in 2013 and reported them as Discontinued operations. Citigroup retained a 24.9% passive equity interest in the management company (which is held in Citi's Institutional Clients Group segment). Residual costs from the disposals resulted in income from Discontinued operations, net of taxes, of \$1 million during the first quarter of 2015 and loss from Discontinued operations, net of taxes, of \$2 million during the first quarter of 2014.

#### Sale of Egg Banking plc Credit Card Business

Citi completed the sale of the Egg Banking plc (Egg) credit card business in 2011 and reported it as Discontinued operations. Residual costs from the disposal resulted in losses from Discontinued operations, net of taxes, of \$4 million and \$14 million during the first quarter of 2015 and 2014, respectively.

#### Audit of Citi German Consumer Tax Group

Citi sold its German retail banking operations in 2007 and reported them as Discontinued operations. During 2014, residual costs associated with German retail banking operations resulted in a tax expense of \$20 million.

### Combined Results for Discontinued Operations

The following is summarized financial information for Credicard, CCA, Egg and previous Discontinued operations for which Citi continues to have minimal residual costs associated with the sales:

| In millions of dollars                                   | Three Months Ended March 31, |       |
|--|------------------------------|-------|
|  | 2015                         | 2014  |
| Total revenues, net of interest expense                  | \$—                          | \$69  |
| Income (loss) from discontinued operations               | \$(8                         | )\$40 |
| Provision (benefit) for income taxes                     | (3                           | )3    |
| Income (loss) from discontinued operations, net of taxes | \$(5                         | )\$37 |

Cash flows for the Discontinued operations were not material for all periods presented.

### Significant Disposals

The following sales were identified as significant disposals, including the assets and liabilities that were reclassified to HFS within Other assets and Other liabilities on the Consolidated Balance Sheet and the Income (loss) before taxes (benefits) related to each business.

#### Agreement to Sell OneMain Financial Business

On March 3, 2015, Citi entered into an agreement to sell its OneMain Financial business that is part of Citi Holdings. The sale, which is subject to regulatory approvals and other customary closing conditions, is expected to occur in the third quarter of 2015. Income before taxes is as follows:



|                        | Three Months Ended |        |
|------------------------|--------------------|--------|
|                        | March 31,          |        |
| In millions of dollars | 2015               | 2014   |
| Income before taxes    | \$ 177             | \$ 242 |

The following assets and liabilities for the OneMain Financial business were identified and reclassified to HFS within Other assets and Other liabilities on the Consolidated Balance Sheet at March 31, 2015:

| In millions of dollars                    | March 31, 2015 |
|---|----------------|
| Assets                                    |                |
| Cash and deposits with banks              | \$492          |
| Investments                               | 1,499          |
| Loans (net of allowance of \$688 million) | 7,427          |
| Intangible assets                         | 123            |
| Other assets                              | 355            |
| Total assets                              | \$9,896        |
| Liabilities                               |                |
| Long-term debt                            | \$4,673        |
| Other liabilities, due to/from subs       | 1,902          |
| Other liabilities                         | 1,454          |
| Total liabilities                         | \$8,029        |

#### Agreement to Sell Japan Cards Business

On March 31, 2015, Citi entered into an agreement to sell its Japan cards business that is part of Citi Holdings effective January 1, 2015. The sale, which is subject to regulatory approvals and other customary closing conditions, is expected to occur by the fourth quarter of 2015. Income before taxes is as follows:

| In millions of dollars | Three Months Ended |      |
|------------------------|--------------------|------|
|                        | March 31,          |      |
|                        | 2015               | 2014 |
| Income before taxes    | \$(1               | )\$— |

The following assets and liabilities for the Japan cards business were identified and reclassified to HFS within Other assets and Other liabilities on the Consolidated Balance Sheet at March 31, 2015:

| In millions of dollars                   | March 31, 2015 |
|--|----------------|
| Assets                                   |                |
| Cash and deposits with banks             | \$16           |
| Loans (net of allowance of \$24 million) | 1,308          |
| Goodwill                                 | 61             |
| Other assets                             | 66             |
| Total assets                             | \$1,451        |
| Liabilities                              |                |
| Other liabilities                        | \$460          |
| Total liabilities                        | \$460          |

#### Agreement to Sell Japan Retail Banking Business

On December 25, 2014, Citi entered into an agreement to sell its Japan retail banking business that is part of Citi Holdings effective January 1, 2015. The sale, which is subject to regulatory approvals and other customary closing conditions,

is expected to occur by the fourth quarter of 2015. Income before taxes is as follows:

| In millions of dollars | Three Months Ended |      |
|------------------------|--------------------|------|
|                        | March 31,          |      |
|                        | 2015               | 2014 |
| Income before taxes    | \$—                | \$2  |



The following assets and liabilities for the Japan retail banking business were identified and reclassified to HFS within Other assets and Other liabilities on the Consolidated Balance Sheet at March 31, 2015 and December 31, 2014:

| In millions of dollars  | March 31,<br>2015 | Dec. 31,<br>2014 |
|---|-------------------|------------------|
| Assets  |                   |                  |
| Cash and deposits with banks  | \$118             | \$151            |
| Loans (net of allowance of \$1 million and \$2 million at March 31, 2015 and December 31, 2014) | 548               | 544              |
| Goodwill  | 51                | 51               |
| Other assets, advances to/from subs   | 19,480            | 19,854           |
| Other assets  | 52                | 66               |
| Total assets  | \$20,249          | \$20,666         |
| Liabilities   |                   |                  |
| Deposits  | \$20,193          | \$20,605         |
| Other liabilities   | 56                | 61               |
| Total liabilities   | \$20,249          | \$20,666         |

#### Combined Significant Disposals—HFS Balance Sheet Reclassifications

The following assets and liabilities for the Japan retail banking, Japan cards business and OneMain Financial business were identified and reclassified to HFS within Other assets and Other liabilities on the Consolidated Balance Sheet at March 31, 2015 (OneMain, Japan cards and Japan retail) and December 31, 2014 (Japan retail):

| In millions of dollars  | March 31,<br>2015 | Dec. 31,<br>2014 |
|---|-------------------|------------------|
| Assets  |                   |                  |
| Cash and deposits with banks  | \$626             | \$151            |
| Investments   | 1,499             | —                |
| Loans (net of allowance of \$713 million and \$2 million at March 31, 2015 and December 31, 2014) | 9,283             | 544              |
| Goodwill  | 112               | 51               |
| Intangible assets   | 123               | —                |
| Other assets, advances to/from subs   | 19,480            | 19,854           |
| Other assets  | 473               | 66               |
| Total assets  | \$31,596          | \$20,666         |
| Liabilities   |                   |                  |
| Deposits  | \$20,193          | \$20,605         |
| Long-term debt  | 4,673             | —                |
| Other liabilities, due to/from subs   | 1,902             | —                |
| Other liabilities   | 1,970             | 61               |
| Total liabilities   | \$28,738          | \$20,666         |

#### Sale of Spain Consumer Operations

On September 22, 2014, Citi sold its consumer operations in Spain, which was part of Citi Holdings, including \$1.7 billion of consumer loans (net of allowance), \$3.4 billion of assets under management, \$2.2 billion of customer deposits, 45 branches, 48 ATMs and 938 employees, with the buyer assuming the related current pension commitments at closing. The transaction generated a pretax gain on sale of \$243 million (\$131 million after-tax).

Income before taxes is as follows:

| In millions of dollars | Three Months Ended March 31, |      |
|------------------------|------------------------------|------|
|                        | 2015                         | 2014 |

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|                                    |     |      |
|------------------------------------|-----|------|
| Income before taxes                | \$— | \$21 |
| Sale of Greece Consumer Operations |     |      |

On September 30, 2014, Citi sold its consumer operations in Greece, which were part of Citi Holdings, including \$353 million of consumer loans (net of allowance), \$1.1 billion of assets under management, \$1.2 billion of customer deposits, 20 branches, 85 ATMs and 719 employees, with the buyer assuming certain limited pension obligations related to Diners' Club's employees at closing. The transaction generated a pretax gain on sale of \$209 million (\$91 million after-tax).

Income before taxes is as follows:

| In millions of dollars | Three Months Ended March 31, |         |
|------------------------|------------------------------|---------|
|                        | 2015                         | 2014    |
| Income before taxes    | \$—                          | \$(15 ) |

### 3. BUSINESS SEGMENTS

Citigroup's activities are conducted through the Global Consumer Banking (GCB), Institutional Clients Group (ICG), Corporate/Other and Citi Holdings business segments.

GCB includes a global, full-service consumer franchise delivering a wide array of banking, credit card lending and investment services through a network of local branches, offices and electronic delivery systems and is composed of four GCB businesses: North America, EMEA, Latin America and Asia.

ICG is composed of Banking and Markets and securities services and provides corporate, institutional, public sector and high-net-worth clients in approximately 100 countries with a broad range of banking and financial products and services.

Corporate/Other includes certain unallocated costs of global functions, other corporate expenses and net treasury results, unallocated corporate expenses, offsets to certain line-item reclassifications and eliminations, the results of discontinued operations and unallocated taxes.

Citi Holdings is composed of businesses and portfolios of assets that Citigroup has determined are not central to its core Citicorp businesses.

The accounting policies of these reportable segments are the same as those disclosed in Note 1 to the Consolidated Financial Statements in Citi's 2014 Annual Report on Form 10-K.

The prior-period balances reflect reclassifications to conform the presentation for all periods to the current period's presentation. Effective January 1, 2015, financial data was reclassified from Citicorp to Citi Holdings for the consumer businesses in 11 markets and the consumer finance business in Korea in Global Consumer Banking (GCB) and certain businesses in Institutional Clients Group that Citi intends to exit, changes in Citi's charge out of certain assets and non-interest revenues from the Corporate/Other segment to Citi's businesses, changes in charge outs of certain administrative, operations and technology costs among Citi's businesses and certain other immaterial reclassifications. Citi's consolidated results remain unchanged for all periods presented as a result of the changes discussed above.

In addition, as discussed in Note 1 to the Consolidated Financial Statements, Citi adopted ASU 2014-01 in the first quarter of 2015. The ASU is applicable to Citi's portfolio of low income housing tax credit partnership interests. Citi's disclosures reflect the retrospective application of the ASU and impacts Citi's consolidated assets, revenues, provision for income taxes and net income for all periods presented.

The following table presents certain information regarding the Company's continuing operations by segment:

| In millions of dollars,<br>except identifiable<br>assets in billions | Revenues,<br>net of interest expense |          | Provision (benefits)<br>for income taxes |         | Income (loss) from<br>continuing operations |          | Identifiable assets |                      |
|--|--------------------------------------|----------|--|---------|---|----------|---------------------|----------------------|
|  | 2015                                 | 2014     | 2015                                     | 2014    | 2015  | 2014     | March 31,<br>2015   | December 31,<br>2014 |
| Global Consumer Banking  | \$8,662                              | \$8,844  | \$920                                    | \$742   | \$ 1,725                                    | \$ 1,674 | \$387               | \$406                |
| Institutional Clients Group  | 9,028                                | 9,154    | 1,358                                    | 1,321   | 2,964                                       | 2,948    | 1,271               | 1,257                |
| Corporate/Other  | 212                                  | 223      | (312)                                    | )209    | (19)  | ) (388)  | ) 52                | 50                   |
| Total Citicorp   | \$17,902                             | \$18,221 | \$1,966                                  | \$2,272 | \$4,670                                     | \$4,234  | \$1,710             | \$1,713              |
| Citi Holdings  | 1,834                                | 1,985    | 154                                      | (141)   | )147  | (282)    | ) 122               | 129                  |
| Total  | \$19,736                             | \$20,206 | \$2,120                                  | \$2,131 | \$4,817                                     | \$3,952  | \$1,832             | \$1,842              |

(1) Includes Citicorp (excluding Corporate/Other) total revenues, net of interest expense, in North America of \$8.3 billion and \$8.3 billion; in EMEA of \$3.0 billion and \$3.1 billion; in Latin America of \$2.9 billion and \$3.2 billion; and in Asia of \$3.5 billion and \$3.4 billion for the three months ended March 31, 2015 and 2014, respectively.

Regional numbers exclude Citi Holdings and Corporate/Other, which largely operate within the U.S.

Includes pretax provisions (credits) for credit losses and for benefits and claims in the GCB results of \$1.5 billion (2) and \$1.6 billion; in the ICG results of \$74 million and \$27 million; and in Citi Holdings results of \$0.4 billion and \$0.4 billion for the three months ended March 31, 2015 and 2014, respectively.

## 4. INTEREST REVENUE AND EXPENSE

For the three months ended March 31, 2015 and 2014, Interest revenue and Interest expense consisted of the following:

| In millions of dollars   | Three Months Ended |          |
|--|--------------------|----------|
|  | March 31,          |          |
|  | 2015               | 2014     |
| Interest revenue   |                    |          |
| Loan interest, including fees  | \$10,555           | \$11,181 |
| Deposits with banks  | 183                | 252      |
| Federal funds sold and securities borrowed or purchased under agreements to resell   | 642                | 594      |
| Investments, including dividends   | 1,711              | 1,757    |
| Trading account assets <sup>(1)</sup>  | 1,399              | 1,486    |
| Other interest   | 110                | 80       |
| Total interest revenue   | \$14,600           | \$15,350 |
| Interest expense   |                    |          |
| Deposits <sup>(2)</sup>  | \$1,326            | \$1,449  |
| Federal funds purchased and securities loaned or sold under agreements to repurchase | 376                | 525      |
| Trading account liabilities <sup>(1)</sup>   | 47                 | 41       |
| Short-term borrowings  | 119                | 137      |
| Long-term debt   | 1,160              | 1,439    |
| Total interest expense   | \$3,028            | \$3,591  |
| Net interest revenue   | \$11,572           | \$11,759 |
| Provision for loan losses  | 1,755              | 1,793    |
| Net interest revenue after provision for loan losses                                 | \$9,817            | \$9,966  |

(1) Interest expense on Trading account liabilities of ICG is reported as a reduction of interest revenue from Trading account assets.

(2) Includes deposit insurance fees and charges of \$296 million and \$281 million for the three months ended March 31, 2015 and 2014.



## 5. COMMISSIONS AND FEES

The primary components of Commissions and fees revenue are investment banking fees, trading-related fees, credit card and bank card fees and fees related to trade and securities services in ICG.

Investment banking fees are substantially composed of underwriting and advisory revenues and are recognized when Citigroup's performance under the terms of a contractual arrangement is completed, which is typically at the closing of the transaction. Underwriting revenue is recorded in Commissions and fees, net of both reimbursable and non-reimbursable expenses, consistent with the AICPA Audit and Accounting Guide for Brokers and Dealers in Securities (codified in ASC 940-605-05-1). Expenses associated with advisory transactions are recorded in Other operating expenses, net of client reimbursements. Out-of-pocket expenses are deferred and recognized at the time the related revenue is recognized. In general, expenses incurred related to investment banking transactions that fail to close (are not consummated) are recorded gross in Other operating expenses.

Trading-related fees primarily include commissions and fees from the following: executing transactions for clients on exchanges and over-the-counter markets; sale of mutual funds, insurance and other annuity products; and assisting clients in clearing transactions, providing brokerage services and other such activities. Trading-related fees are recognized when earned in Commissions and fees. Gains or losses, if any, on these transactions are included in Principal transactions (see Note 6 to the Consolidated Financial Statements).

Credit card and bank card fees are primarily composed of interchange revenue and certain card fees, including annual fees, reduced by reward program costs and certain partner payments. Interchange revenue and fees are recognized when earned; annual card fees are deferred and amortized on a straight-line basis over a 12-month period. Reward costs are recognized when points are earned by the customers. The following table presents Commissions and fees revenue for the three months ended March 31:

| In millions of dollars           | Three Months Ended March 31, |         |
|----------------------------------|------------------------------|---------|
|                                  | 2015                         | 2014    |
| Investment banking               | \$938                        | \$834   |
| Trading-related                  | 634                          | 701     |
| Credit cards and bank cards      | 501                          | 563     |
| Trade and securities services    | 435                          | 453     |
| Other consumer <sup>(1)</sup>    | 180                          | 213     |
| Corporate finance <sup>(2)</sup> | 145                          | 123     |
| Checking-related                 | 116                          | 136     |
| Loan servicing                   | 95                           | 88      |
| Other                            | 126                          | 73      |
| Total commissions and fees       | \$3,170                      | \$3,184 |

(1) Primarily consists of fees for investment fund administration and management, third-party collections, commercial demand deposit accounts and certain credit card services.

(2) Consists primarily of fees earned from structuring and underwriting loan syndications.

## 6. PRINCIPAL TRANSACTIONS

Principal transactions revenue consists of realized and unrealized gains and losses from trading activities. Trading activities include revenues from fixed income, equities, credit and commodities products and foreign exchange transactions. Not included in the table below is the impact of net interest revenue related to trading activities, which is an integral part of trading activities' profitability. See Note 4 to the Consolidated Financial Statements for information about net

interest revenue related to trading activities. Principal transactions include CVA (credit valuation adjustments on derivatives), FVA (funding valuation adjustments) on over-the-counter derivatives and DVA (debt valuation adjustments on issued liabilities for which the fair value option has been elected).

The following table presents principal transactions revenue for the three months ended March 31:

| In millions of dollars                         | Three Months Ended March 31, |         |
|--|------------------------------|---------|
|  | 2015                         | 2014    |
| Global Consumer Banking                        | \$173                        | \$172   |
| Institutional Clients Group                    | 2,199                        | 2,604   |
| Corporate/Other                                | (422                         | ) 20    |
| Subtotal Citicorp                              | \$1,950                      | \$2,796 |
| Citi Holdings                                  | 21                           | 92      |
| Total Citigroup                                | \$1,971                      | \$2,888 |
| Interest rate contracts <sup>(1)</sup>         | \$1,197                      | \$1,390 |
| Foreign exchange contracts <sup>(2)</sup>      | 86                           | 548     |
| Equity contracts <sup>(3)</sup>                | 114                          | 138     |
| Commodity and other contracts <sup>(4)</sup>   | 317                          | 224     |
| Credit products and derivatives <sup>(5)</sup> | 257                          | 588     |
| Total  | \$1,971                      | \$2,888 |

Includes revenues from government securities and corporate debt, municipal securities, mortgage securities and other debt instruments. Also includes spot and forward trading of currencies and exchange-traded and over-the-counter (OTC) currency options, options on fixed income securities, interest rate swaps, currency swaps, swap options, caps and floors, financial futures, OTC options and forward contracts on fixed income securities.

(2) Includes revenues from foreign exchange spot, forward, option and swap contracts, as well as FX translation gains and losses.

(3) Includes revenues from common, preferred and convertible preferred stock, convertible corporate debt, equity-linked notes and exchange-traded and OTC equity options and warrants.

(4) Primarily includes revenues from crude oil, refined oil products, natural gas and other commodities trades.

(5) Includes revenues from structured credit products.

## 7. INCENTIVE PLANS

All equity awards granted since April 19, 2005 have been made pursuant to stockholder-approved stock incentive plans that are administered by the Personnel and Compensation Committee of the Citigroup Board of Directors, which is composed entirely of independent non-employee directors. For additional information on Citi's incentive plans, see Note 7 to the Consolidated Financial Statements in Citi's 2014 Annual Report on Form 10-K.

## 8. RETIREMENT BENEFITS

For additional information on Citi's retirement benefits, see Note 8 to the Consolidated Financial Statements in the Company's 2014 Annual Report on Form 10-K.

## Pension and Postretirement Plans

The Company has several non-contributory defined benefit pension plans covering certain U.S. employees and has various defined benefit pension and termination indemnity plans covering employees outside the United States. The U.S. qualified defined benefit plan was frozen effective January 1, 2008 for most employees. Accordingly, no additional compensation-based contributions were credited to the cash balance portion of the plan for existing plan participants after 2007. However, certain employees covered under the prior final pay plan formula continue to accrue benefits. The Company also offers postretirement health care and life insurance benefits to certain eligible U.S. retired employees, as well as to certain eligible employees outside the United States.

The Company also sponsors a number of non-contributory, nonqualified pension plans. These plans, which

are unfunded, provide supplemental defined pension benefits to certain U.S. employees. With the exception of certain employees covered under the prior final pay plan formula, the benefits under these plans were frozen in prior years. The plan obligations, plan assets and periodic plan expense for the Company's most significant pension and postretirement benefit plans (Significant Plans) are remeasured and disclosed quarterly, instead of annually. The Significant Plans captured approximately 90% of the Company's global pension and postretirement plan obligations as of March 31, 2015. All other plans (All Other Plans) are remeasured annually with a December 31 measurement date.

## Net (Benefit) Expense

The following table summarizes the components of net (benefit) expense recognized in the Consolidated Statement of Income for the Company's U.S. qualified and nonqualified pension plans and postretirement plans and plans outside the United States, for Significant Plans and All Other Plans, for the periods indicated.

| In millions of dollars                | Three Months Ended March 31, |        |                |      |                              |      |                |      |
|---------------------------------------|------------------------------|--------|----------------|------|------------------------------|------|----------------|------|
|                                       | Pension plans                |        |                |      | Postretirement benefit plans |      |                |      |
|                                       | U.S. plans                   |        | Non-U.S. plans |      | U.S. plans                   |      | Non-U.S. plans |      |
|                                       | 2015                         | 2014   | 2015           | 2014 | 2015                         | 2014 | 2015           | 2014 |
| Qualified plans                       |                              |        |                |      |                              |      |                |      |
| Benefits earned during the period     | \$2                          | \$2    | \$44           | \$46 | \$—                          | \$—  | \$4            | \$4  |
| Interest cost on benefit obligation   | 137                          | 140    | 80             | 96   | 8                            | 8    | 27             | 29   |
| Expected return on plan assets        | (222)                        | (217)  | (84)           | (95) | —                            | (1)  | (29)           | (30) |
| Amortization of unrecognized          |                              |        |                |      |                              |      |                |      |
| Prior service (benefit) cost          | (1)                          | (1)    | —              | 1    | —                            | —    | (3)            | (3)  |
| Net actuarial loss                    | 37                           | 23     | 21             | 20   | —                            | (1)  | 11             | 9    |
| Net qualified plans (benefit) expense | \$(47)                       | \$(53) | \$61           | \$68 | \$8                          | \$6  | \$10           | \$9  |
| Nonqualified plans expense            | 12                           | 12     | —              | —    | —                            | —    | —              | —    |
| Total net (benefit) expense           | \$(35)                       | \$(41) | \$61           | \$68 | \$8                          | \$6  | \$10           | \$9  |

**Funded Status and Accumulated Other Comprehensive Income**

The following table summarizes the funded status and amounts recognized in the Consolidated Balance Sheet for the Company's Significant Plans.

**Net Amount Recognized**

| In millions of dollars  | Three months ended March 31, 2015 |                |                              |                |
|---|-----------------------------------|----------------|------------------------------|----------------|
|   | Pension plans                     |                | Postretirement benefit plans |                |
|   | U.S. plans                        | Non-U.S. plans | U.S. plans                   | Non-U.S. plans |
|   | 2015                              | 2015           | 2015                         | 2015           |
| Change in projected benefit obligation                                |                                   |                |                              |                |
| Projected benefit obligation at beginning of year                     | \$ 14,839                         | \$ 7,252       | \$ 917                       | \$ 1,527       |
| Plans measured annually   | —                                 | (2,070 )       | —                            | (348 )         |
| Projected benefit obligation at beginning of year - Significant Plans | \$ 14,839                         | \$ 5,182       | \$ 917                       | \$ 1,179       |
| Benefits earned during the year                                       | 3                                 | 25             | —                            | 3              |
| Interest cost on benefit obligation                                   | 144                               | 66             | 8                            | 23             |
| Plan amendments   | —                                 | 6              | —                            | —              |
| Actuarial (gain) loss   | 252                               | 144            | 19                           | —              |
| Benefits paid, net of participants' contributions                     | (198 )                            | (56 )          | (24 )                        | (10 )          |
| Foreign exchange impact and other                                     | —                                 | (232 )         | —                            | (41 )          |
| Projected benefit obligation at period end - Significant Plans        | \$ 15,040                         | \$ 5,135       | \$ 920                       | \$ 1,154       |
|   |                                   |                |                              |                |
|   | Three Months Ended March 31, 2015 |                |                              |                |
|   | Pension plans                     |                | Postretirement benefit plans |                |
|   | U.S. plans                        | Non-U.S. plans | U.S. plans                   | Non-U.S. plans |
|   | 2015                              | 2015           | 2015                         | 2015           |
| Change in plan assets   |                                   |                |                              |                |
| Plan assets at fair value at beginning of year                        | \$ 13,071                         | \$ 7,057       | \$ 10                        | \$ 1,384       |
| Plans measured annually   | —                                 | (1,406 )       | —                            | (9 )           |
| Plan assets at fair value at beginning of year - Significant Plans    | \$ 13,071                         | \$ 5,651       | \$ 10                        | \$ 1,375       |
| Actual return on plan assets  | 314                               | 169            | —                            | 3              |
| Company contributions   | 13                                | 13             | 20                           | —              |
| Plan participants' contributions                                      | —                                 | 1              | —                            | —              |
| Benefits paid   | (198 )                            | (56 )          | (24 )                        | (10 )          |
| Foreign exchange impact and other                                     | —                                 | (281 )         | —                            | (47 )          |
| Plan assets at fair value at period end - Significant Plans           | \$ 13,200                         | \$ 5,497       | \$ 6                         | \$ 1,321       |
|   |                                   |                |                              |                |
| Funded status of the plans  |                                   |                |                              |                |
| Qualified plans   | \$ (1,051 )                       | \$ 362         | \$ (914 )                    | \$ 167         |
| Nonqualified plans  | (789 )                            | —              | —                            | —              |
| Funded status of the plans at period end - Significant Plans          | \$ (1,840 )                       | \$ 362         | \$ (914 )                    | \$ 167         |

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|   |           |             |         |           |
|---|-----------|-------------|---------|-----------|
| Net amount recognized   |           |             |         |           |
| Benefit asset   | \$—       | \$ 362      | \$—     | \$ 167    |
| Benefit liability   | (1,840    | ) —         | (914    | ) —       |
| Net amount recognized on the balance sheet - Significant Plans      | \$(1,840  | ) \$ 362    | \$(914  | ) \$ 167  |
| Amounts recognized in Accumulated other comprehensive income (loss) |           |             |         |           |
| Prior service benefit (cost)  | \$(1      | ) \$ 15     | \$—     | \$ 134    |
| Net actuarial gain (loss)   | (6,060    | ) (1,145    | ) (75   | ) (541    |
| Net amount recognized in equity (pretax) - Significant Plans        | \$(6,061  | ) \$ (1,130 | ) \$(75 | ) \$ (407 |
| Accumulated benefit obligation at period end - Significant Plans    | \$ 15,021 | \$ 4,811    | N/A     | N/A       |

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The following table shows the change in Accumulated other comprehensive income (loss) related to Citi's pension and postretirement benefit plans (for Significant Plans and All Other Plans) for the periods indicated.

| In millions of dollars  | Three Months               | Year Ended           |
|---|----------------------------|----------------------|
|   | Ended<br>March 31,<br>2015 | December 31,<br>2014 |
| Beginning of period balance, net of tax <sup>(1) (2)</sup>                  | \$(5,159                   | )\$(3,989 )          |
| Actuarial assumptions changes and plan experience                           | (416                       | )(3,404 )            |
| Net asset gain (loss) due to difference between actual and expected returns | 165                        | 833                  |
| Net amortizations   | 64                         | 202                  |
| Prior service credit  | (6                         | )13                  |
| Curtailement/ settlement loss <sup>(3)</sup>                                | —                          | 67                   |
| Foreign exchange impact and other   | 72                         | 459                  |
| Change in deferred taxes, net   | 31                         | 660                  |
| Change, net of tax  | \$(90                      | )\$(1,170 )          |
| End of period balance, net of tax <sup>(1) (2)</sup>                        | \$(5,249                   | )\$(5,159 )          |

(1) See Note 18 to the Consolidated Financial Statements for further discussion of net Accumulated other comprehensive income (loss) balance.

(2) Includes net-of-tax amounts for certain profit sharing plans outside the U.S.

(3) Curtailement and settlement losses relate to repositioning actions.

#### Plan Assumptions

The Company utilizes a number of assumptions to determine plan obligations and expenses. Changes in one or a combination of these assumptions will have an impact on the Company's pension and postretirement projected benefit obligations, funded status and (benefit) expense. Changes in the plans' funded status resulting from changes in the projected benefit obligation and fair value of plan assets will have a corresponding impact on Accumulated other comprehensive income (loss).

The discount rates used during the period in determining the pension and postretirement net (benefit) expense for the Significant Plans are shown in the following table:

|   | Three months ended | Three months ended |
|---|--------------------|--------------------|
|   | Mar. 31, 2015      | Dec. 31, 2014      |
| Net benefit (expense) assumed discount rates during the period <sup>(1)</sup> |                    |                    |
| U.S. plans  |                    |                    |
| Qualified pension   | 4.00%              | 4.25%              |
| Nonqualified pension  | 3.90               | 4.75               |
| Postretirement  | 3.80               | 4.00               |
| Non-U.S. plans  |                    |                    |
| Pension   | 1.00 - 12.00       | 2.20 - 11.90       |
| Weighted average  | 5.44               | 6.02               |
| Postretirement  | 8.00               | 8.70               |

(1) The Company uses a quarterly remeasurement approach for its Significant Plans. The rates for the three months ended December 31, 2014 shown above were utilized to calculate the fourth quarter expense in 2014. The rates for the three months ended March 31, 2015 shown above were utilized to calculate the first quarter expense.

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The discount rates used at period end in determining the pension and postretirement benefit obligations for the Significant Plans are shown in the following table:

| Plan obligations assumed discount rates at period ended <sup>(1)</sup> | Mar. 31, 2015 | Dec. 31, 2014 |
|--|---------------|---------------|
| U.S. plans   |               |               |
| Qualified pension  | 3.85%         | 4.00%         |
| Nonqualified pension   | 3.70          | 3.90          |
| Postretirement   | 3.65          | 3.80          |
| Non-U.S. plans   |               |               |
| Pension  | 0.70 - 12.25  | 1.00 - 12.00  |
| Weighted average   | 5.14          | 5.44          |
| Postretirement   | 8.00          | 8.00          |

(1) For the Significant Plans, the rates at March 31, 2015 shown above are utilized to calculate the March 31, 2015 benefit obligation and will be utilized to calculate the 2015 second quarter expense.



## Sensitivities of Certain Key Assumptions

The following table summarizes the estimated effect on the Company's Significant Plans quarterly pension expense of a one-percentage-point change in the discount rate:

| In millions of dollars | Three Months Ended March 31, 2015 |                               |
|------------------------|-----------------------------------|-------------------------------|
|                        | One-percentage-point increase     | One-percentage-point decrease |
| Pension                |                                   |                               |
| U.S. plans             | \$7                               | \$(11)                        |
| Non-U.S. plans         | (7)                               | 9                             |
| Postretirement         |                                   |                               |
| U.S. plans             | \$1                               | \$(1)                         |
| Non-U.S. plans         | (3)                               | 3                             |

Since the U.S. plans were frozen, the majority of the prospective service cost has been eliminated and the gain/loss amortization period was changed to the life expectancy for inactive participants. As a result, expense for the U.S. plans is driven more by interest costs than service costs and an

increase in the discount rate would increase expense, while a decrease in the discount rate would decrease expense.

## Contributions

The Company's funding practice for U.S. and non-U.S. pension plans is generally to fund to minimum funding requirements in accordance with applicable local laws and regulations. The Company may increase its contributions above the minimum required contribution, if appropriate. In addition, management has the ability to change its funding practices. For the U.S. pension plans, there were no required minimum cash contributions during the first quarter of 2015.

The following table summarizes the actual Company contributions for the three months ended March 31, 2015 and 2014, as well as estimated expected Company contributions for the remainder of 2015 and the contributions made in the second, third and fourth quarters of 2014. Expected contributions are subject to change since contribution decisions are affected by various factors, such as market performance and regulatory requirements.

## Summary of Company Contributions

| In millions of dollars   | Pension plans             |      |                |       | Postretirement plans |      |                |      |
|--|---------------------------|------|----------------|-------|----------------------|------|----------------|------|
|  | U.S. plans <sup>(1)</sup> |      | Non-U.S. plans |       | U.S. plans           |      | Non-U.S. plans |      |
|  | 2015                      | 2014 | 2015           | 2014  | 2015                 | 2014 | 2015           | 2014 |
| Company contributions <sup>(2)</sup> for the three months ended March 31       | \$11                      | \$11 | \$26           | \$43  | \$20                 | \$10 | \$7            | \$3  |
| Company contributions made or expected to be made in the remainder of the year | \$35                      | \$32 | \$129          | \$127 | \$47                 | \$47 | \$2            | \$7  |

(1) The U.S. pension plans include benefits paid directly by the Company for the nonqualified pension plans.

(2) Company contributions are composed of cash contributions made to the plans and benefits paid directly to participants by the Company.

## Defined Contribution Plans

The Company sponsors defined contribution plans in the U.S. and in certain non-U.S. locations, all of which are administered in accordance with local laws. The most significant defined contribution plan is the Citigroup 401(k) Plan sponsored by the Company in the U.S.

Under the Citigroup 401(k) Plan, eligible U.S. employees receive matching contributions of up to 6% of their eligible compensation for 2015 and 2014, subject to statutory limits. Additionally, for eligible employees whose eligible

compensation is \$100,000 or less, a fixed contribution of up to 2% of eligible compensation is provided. All Company contributions are invested according to participants' individual elections. The expense associated with this plan amounted to approximately \$101 million and \$103 million for the three months ended March 31, 2015 and 2014, respectively.

#### Postemployment Plans

The Company sponsors U.S. postemployment plans that provide income continuation and health and welfare benefits to certain eligible U.S. employees on long-term disability.

The following table summarizes the components of net expense recognized in the Consolidated Statement of Income for the Company's U.S. postemployment plans.

| In millions of dollars                  | Three Months Ended March 31, |        |   |
|---|------------------------------|--------|---|
|   | 2015                         | 2014   |   |
| Service-related expense                 |                              |        |   |
| Benefits earned during the period       | \$—                          | \$—    |   |
| Interest cost on benefit obligation     | 1                            | 1      |   |
| Amortization of unrecognized            |                              |        |   |
| Prior service cost (benefit)            | (7                           | ) (7   | ) |
| Net actuarial loss                      | 3                            | 3      |   |
| Total service-related expense (benefit) | \$(3                         | ) \$(3 | ) |
| Non-service-related expense             | \$9                          | \$8    |   |
| Total net expense                       | \$6                          | \$5    |   |

## 9. EARNINGS PER SHARE

The following is a reconciliation of the income and share data used in the basic and diluted earnings per share (EPS) computations for the three months ended March 31:

| In millions, except per-share amounts   | Three Months Ended<br>March 31, |         |
|---|---------------------------------|---------|
|   | 2015                            | 2014    |
| Income from continuing operations before attribution of noncontrolling interests  | \$4,817                         | \$3,952 |
| Less: Noncontrolling interests from continuing operations   | 42                              | 45      |
| Net income from continuing operations (for EPS purposes)  | \$4,775                         | \$3,907 |
| Income (loss) from discontinued operations, net of taxes  | (5)                             | 37      |
| Citigroup's net income  | \$4,770                         | \$3,944 |
| Less: Preferred dividends <sup>(1)</sup>  | 128                             | 124     |
| Net income available to common shareholders   | \$4,642                         | \$3,820 |
| Less: Dividends and undistributed earnings allocated to employee restricted and deferred shares with nonforfeitable rights to dividends, applicable to basic EPS  | 62                              | 62      |
| Net income allocated to common shareholders for basic EPS   | \$4,580                         | \$3,758 |
| Add: Interest expense, net of tax, and dividends on convertible securities and adjustment of undistributed earnings allocated to employee restricted and deferred shares with nonforfeitable rights to dividends, applicable to diluted EPS | —                               | —       |
| Net income allocated to common shareholders for diluted EPS   | \$4,580                         | \$3,758 |
| Weighted-average common shares outstanding applicable to basic EPS  | 3,034.2                         | 3,037.4 |
| Effect of dilutive securities   |                                 |         |
| Options <sup>(2)</sup>  | 4.9                             | 5.6     |
| Other employee plans  | 0.2                             | 0.3     |
| Convertible securities <sup>(3)</sup>   | —                               | —       |
| Adjusted weighted-average common shares outstanding applicable to diluted EPS   | 3,039.3                         | 3,043.3 |
| Basic earnings per share  |                                 |         |
| Income from continuing operations   | \$1.51                          | \$1.23  |
| Discontinued operations   | —                               | 0.01    |
| Net income  | \$1.51                          | \$1.24  |
| Diluted earnings per share  |                                 |         |
| Income from continuing operations   | \$1.51                          | \$1.22  |
| Discontinued operations   | —                               | 0.01    |
| Net income  | \$1.51                          | \$1.23  |

(1) See Note 19 to the Consolidated Financial Statements for the potential future impact of preferred stock dividends.

During the first quarters of 2015 and 2014, weighted-average options to purchase 0.9 million and 0.9 million shares (2) of common stock, respectively, were outstanding but not included in the computation of earnings per share because the weighted-average exercise prices of \$195.47 and \$194.37 per share, respectively, were anti-dilutive.

Warrants issued to the U.S. Treasury as part of the Troubled Asset Relief Program (TARP) and the loss-sharing agreement (all of which were subsequently sold to the public in January 2011), with exercise prices of \$178.50 and (3) \$106.10 per share for approximately 21.0 million and 25.5 million shares of Citigroup common stock, respectively. Both warrants were not included in the computation of earnings per share in the first quarters of 2015 and 2014 because they were anti-dilutive.

## 10. FEDERAL FUNDS, SECURITIES BORROWED, LOANED AND SUBJECT TO REPURCHASE AGREEMENTS

Federal funds sold and securities borrowed or purchased under agreements to resell, at their respective carrying values, consisted of the following at March 31, 2015 and December 31, 2014:

| In millions of dollars                          | March 31, 2015 | December 31, 2014 |
|---|----------------|-------------------|
| Federal funds sold                              | \$ 135         | \$—               |
| Securities purchased under agreements to resell | 127,977        | 123,979           |
| Deposits paid for securities borrowed           | 110,903        | 118,591           |
| Total   | \$ 239,015     | \$ 242,570        |

Federal funds purchased and securities loaned or sold under agreements to repurchase, at their respective carrying values, consisted of the following at March 31, 2015 and December 31, 2014:

| In millions of dollars                         | March 31, 2015 | December 31, 2014 |
|--|----------------|-------------------|
| Federal funds purchased                        | \$ 247         | \$ 334            |
| Securities sold under agreements to repurchase | 154,312        | 147,204           |
| Deposits received for securities loaned        | 20,812         | 25,900            |
| Total  | \$ 175,371     | \$ 173,438        |

The resale and repurchase agreements represent collateralized financing transactions. The Company executes these transactions primarily through its broker-dealer subsidiaries to facilitate customer matched-book activity and to efficiently fund a portion of the Company's trading inventory. Transactions executed by the Company's bank subsidiaries primarily facilitate customer financing activity.

It is the Company's policy to take possession of the underlying collateral, monitor its market value relative to the amounts due under the agreements and, when necessary, require prompt transfer of additional collateral in order to maintain contractual margin protection. Collateral typically consists of government and government-agency securities, corporate and municipal bonds, equities, and mortgage-backed and other asset-backed securities.

The resale and repurchase agreements are generally documented under industry standard agreements that allow the prompt close-out of all transactions (including the liquidation of securities held) and the offsetting of obligations to return cash or securities by the non-defaulting party, following a payment default or other type of default under the relevant master agreement. Events of default generally include (i) failure to deliver cash or securities as required under the transaction, (ii) failure to provide or return cash or securities as used for margining purposes, (iii) breach of representation, (iv) cross-default to another transaction entered into among the parties, or, in some cases, their affiliates, and (v) a

repudiation of obligations under the agreement. The counterparty that receives the securities in these transactions is generally unrestricted in its use of the securities, with the exception of transactions executed on a tri-party basis, where the collateral is maintained by a custodian and operational limitations may restrict its use of the securities. A substantial portion of the resale and repurchase agreements is recorded at fair value, as described in Notes 22 and 23 to the Consolidated Financial Statements. The remaining portion is carried at the amount of cash initially advanced or received, plus accrued interest, as specified in the respective agreements.

The securities borrowing and lending agreements also represent collateralized financing transactions similar to the resale and repurchase agreements. Collateral typically consists of government and government-agency securities and corporate debt and equity securities.

Similar to the resale and repurchase agreements, securities borrowing and lending agreements are generally documented under industry standard agreements that allow the prompt close-out of all transactions (including the liquidation of securities held) and the offsetting of obligations to return cash or securities by the non-defaulting party, following a payment default or other default by the other party under the relevant master agreement. Events of default and rights to use securities under the securities borrowing and lending agreements are similar to the resale and repurchase agreements referenced above.

A substantial portion of securities borrowing and lending agreements is recorded at the amount of cash advanced or received. The remaining portion is recorded at fair value as the Company elected the fair value option for certain

securities borrowed and loaned portfolios, as described in Note 23 to the Consolidated Financial Statements. With respect to securities loaned, the Company receives cash collateral in an amount generally in excess of the market value of the securities loaned. The Company monitors the market value of securities borrowed and securities loaned on a daily basis and obtains or posts additional collateral in order to maintain contractual margin protection.

The enforceability of offsetting rights incorporated in the master netting agreements for resale and repurchase agreements and securities borrowing and lending agreements is evidenced to the extent that a supportive legal opinion has been obtained from counsel of recognized standing that provides the requisite level of certainty regarding the enforceability of these agreements, and that the exercise of rights by the non-defaulting party to terminate and close-out transactions on a net basis under these agreements will not be stayed or avoided under applicable law upon an event of default including bankruptcy, insolvency or similar proceeding.

A legal opinion may not have been sought or obtained for certain jurisdictions where local law is silent or sufficiently ambiguous to determine the enforceability of offsetting rights or where adverse case law or conflicting regulation may cast doubt on the enforceability of such rights. In some jurisdictions and for some counterparty types, the insolvency law for a particular counterparty type may be nonexistent or

unclear as overlapping regimes may exist. For example, this may be the case for certain sovereigns, municipalities, central banks and U.S. pension plans.

The following tables present the gross and net resale and repurchase agreements and securities borrowing and lending agreements and the related offsetting amount permitted under ASC 210-20-45, as of March 31, 2015 and December 31, 2014. The tables also include amounts related to financial

instruments that are not permitted to be offset under ASC 210-20-45 but would be eligible for offsetting to the extent that an event of default occurred and a legal opinion supporting enforceability of the offsetting rights has been obtained. Remaining exposures continue to be secured by financial collateral, but the Company may not have sought or been able to obtain a legal opinion evidencing enforceability of the offsetting right.

| In millions of dollars                          | As of March 31, 2015               |   |   |   | Net amounts of assets included on the Consolidated Balance Sheet <sup>(2)</sup> | Amounts not offset on the Consolidated Balance Sheet but eligible for offsetting upon counterparty default <sup>(3)</sup> | Net amounts <sup>(4)</sup> |
|---|------------------------------------|---|---|---|---|---|----------------------------|
|   | Gross amounts of recognized assets | Gross amounts offset on the Consolidated Balance Sheet <sup>(1)</sup> | Net amounts of assets included on the Consolidated Balance Sheet <sup>(2)</sup> | Amounts not offset on the Consolidated Balance Sheet but eligible for offsetting upon counterparty default <sup>(3)</sup> |   |   |                            |
| Securities purchased under agreements to resell | \$181,342                          | \$53,365  | \$127,977   | \$90,945  |   | \$37,032  |                            |
| Deposits paid for securities borrowed           | 110,903                            | —   | 110,903   | 16,574  |   | 94,329  |                            |
| Total   | \$292,245                          | \$53,365  | \$238,880   | \$107,519   |   | \$131,361   |                            |

| In millions of dollars                         | As of March 31, 2015                    |   |  |   | Net amounts of liabilities included on the Consolidated Balance Sheet <sup>(2)</sup> | Amounts not offset on the Consolidated Balance Sheet but eligible for offsetting upon counterparty default <sup>(3)</sup> | Net amounts <sup>(4)</sup> |
|--|---|---|--|---|--|---|----------------------------|
|  | Gross amounts of recognized liabilities | Gross amounts offset on the Consolidated Balance Sheet <sup>(1)</sup> | Net amounts of liabilities included on the Consolidated Balance Sheet <sup>(2)</sup> | Amounts not offset on the Consolidated Balance Sheet but eligible for offsetting upon counterparty default <sup>(3)</sup> |  |   |                            |
| Securities sold under agreements to repurchase | \$207,677                               | \$53,365  | \$154,312  | \$73,184  |  | \$81,128  |                            |
| Deposits received for securities loaned        | 20,812                                  | —   | 20,812   | 3,971   |  | 16,841  |                            |
| Total  | \$228,489                               | \$53,365  | \$175,124  | \$77,155  |  | \$97,969  |                            |

| In millions of dollars                          | As of December 31, 2014            |   |   |   | Net amounts of assets included on the Consolidated Balance Sheet <sup>(2)</sup> | Amounts not offset on the Consolidated Balance Sheet but eligible for offsetting upon counterparty default <sup>(3)</sup> | Net amounts <sup>(4)</sup> |
|---|------------------------------------|---|---|---|---|---|----------------------------|
|   | Gross amounts of recognized assets | Gross amounts offset on the Consolidated Balance Sheet <sup>(1)</sup> | Net amounts of assets included on the Consolidated Balance Sheet <sup>(2)</sup> | Amounts not offset on the Consolidated Balance Sheet but eligible for offsetting upon counterparty default <sup>(3)</sup> |   |   |                            |
| Securities purchased under agreements to resell | \$180,318                          | \$56,339  | \$123,979   | \$94,353  |   | \$29,626  |                            |
| Deposits paid for securities borrowed           | 118,591                            | —   | 118,591   | 15,139  |   | 103,452   |                            |
| Total   | \$298,909                          | \$56,339  | \$242,570   | \$109,492   |   | \$133,078   |                            |

In millions of dollars

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|  | Gross amounts of recognized liabilities | Gross amounts offset on the Consolidated Balance Sheet <sup>(1)</sup> | Net amounts of liabilities included on the Consolidated Balance Sheet <sup>(2)</sup> | Amounts not offset on the Consolidated Balance Sheet but eligible for offsetting upon counterparty default <sup>(3)</sup> | Net amounts <sup>(4)</sup> |
|--|---|---|--|---|----------------------------|
| Securities sold under agreements to repurchase | \$203,543                               | \$56,339  | \$147,204  | \$72,928  | \$74,276                   |
| Deposits received for securities loaned        | 25,900                                  | —   | 25,900   | 5,190   | 20,710                     |
| Total  | \$229,443                               | \$56,339  | \$173,104  | \$78,118  | \$94,986                   |

(1) Includes financial instruments subject to enforceable master netting agreements that are permitted to be offset under ASC 210-20-45.

(2) The total of this column for each period excludes Federal funds sold/purchased. See tables above.

(3) Includes financial instruments subject to enforceable master netting agreements that are not permitted to be offset under ASC 210-20-45 but would be eligible for offsetting to the extent that an event of default has occurred and a legal opinion supporting enforceability of the offsetting right has been obtained.

(4) Remaining exposures continue to be secured by financial collateral, but the Company may not have sought or been able to obtain a legal opinion evidencing enforceability of the offsetting right.

## 11. BROKERAGE RECEIVABLES AND BROKERAGE PAYABLES

The Company has receivables and payables for financial instruments sold to and purchased from brokers, dealers and customers, which arise in the ordinary course of business. The Company is exposed to risk of loss from the inability of brokers, dealers or customers to pay for purchases or to deliver the financial instruments sold, in which case the Company would have to sell or purchase the financial instruments at prevailing market prices. Credit risk is reduced to the extent that an exchange or clearing organization acts as a counterparty to the transaction and replaces the broker, dealer or customer in question.

The Company seeks to protect itself from the risks associated with customer activities by requiring customers to maintain margin collateral in compliance with regulatory and internal guidelines. Margin levels are monitored daily, and customers deposit additional collateral as required. Where customers cannot meet collateral requirements, the Company will liquidate sufficient underlying financial instruments to bring the customer into compliance with the required margin level.

Exposure to credit risk is impacted by market volatility, which may impair the ability of clients to satisfy their obligations to the Company. Credit limits are established and closely monitored for customers and for brokers and dealers engaged in forwards, futures and other transactions deemed to be credit sensitive.

Brokerage receivables and Brokerage payables consisted of the following at March 31, 2015 and December 31, 2014:

| In millions of dollars  | March 31, 2015 | December 31, 2014 |
|---|----------------|-------------------|
| Receivables from customers                                    | \$11,790       | \$10,380          |
| Receivables from brokers, dealers, and clearing organizations | 23,847         | 18,039            |
| Total brokerage receivables <sup>(1)</sup>                    | \$35,637       | \$28,419          |
| Payables to customers   | \$39,238       | \$33,984          |
| Payables to brokers, dealers, and clearing organizations      | 19,014         | 18,196            |
| Total brokerage payables <sup>(1)</sup>                       | \$58,252       | \$52,180          |

(1) Brokerage receivables and payables are accounted for in accordance with ASC 940-320.

## 12. TRADING ACCOUNT ASSETS AND LIABILITIES

Trading account assets and Trading account liabilities are carried at fair value, other than physical commodities accounted for at the lower of cost or fair value, and consist of the following at March 31, 2015 and December 31, 2014:

| In millions of dollars                            | March 31, 2015 | December 31, 2014 |
|---|----------------|-------------------|
| Trading account assets                            |                |                   |
| Mortgage-backed securities <sup>(1)</sup>         |                |                   |
| U.S. government-sponsored agency guaranteed       | \$26,048       | \$27,053          |
| Prime   | 1,168          | 1,271             |
| Alt-A   | 781            | 709               |
| Subprime  | 1,163          | 1,382             |
| Non-U.S. residential                              | 1,192          | 1,476             |
| Commercial  | 3,832          | 4,343             |
| Total mortgage-backed securities                  | \$34,184       | \$36,234          |
| U.S. Treasury and federal agency securities       |                |                   |
| U.S. Treasury                                     | \$21,521       | \$18,906          |
| Agency obligations                                | 2,087          | 1,568             |
| Total U.S. Treasury and federal agency securities | \$23,608       | \$20,474          |
| State and municipal securities                    | \$3,796        | \$3,402           |
| Foreign government securities                     | 69,417         | 64,937            |
| Corporate   | 25,163         | 27,797            |



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|  |           |           |
|--|-----------|-----------|
| Derivatives <sup>(2)</sup>             | 71,581    | 67,957    |
| Equity securities                      | 57,536    | 57,846    |
| Asset-backed securities <sup>(1)</sup> | 4,783     | 4,546     |
| Other trading assets <sup>(3)</sup>    | 12,915    | 13,593    |
| Total trading account assets           | \$302,983 | \$296,786 |
| Trading account liabilities            |           |           |
| Securities sold, not yet purchased     | \$65,243  | \$70,944  |
| Derivatives <sup>(2)</sup>             | 77,195    | 68,092    |
| Total trading account liabilities      | \$142,438 | \$139,036 |

The Company invests in mortgage-backed and asset-backed securities. These securitizations are generally considered VIEs. The Company's maximum exposure to loss from these VIEs is equal to the carrying amount of the securities, which is reflected in the table above. For mortgage-backed and asset-backed securitizations in which the Company has other involvement, see Note 20 to the Consolidated Financial Statements.

(1) Presented net, pursuant to enforceable master netting agreements. See Note 21 to the Consolidated Financial Statements for a discussion regarding the accounting and reporting for derivatives.

(2) Includes investments in unallocated precious metals, as discussed in Note 23 to the Consolidated Financial Statements. Also includes physical commodities accounted for at the lower of cost or fair value.

## 13. INVESTMENTS

## Overview

| In millions of dollars  | March 31,<br>2015 | December 31,<br>2014 |
|---|-------------------|----------------------|
| Securities available-for-sale (AFS)                                   | \$295,239         | \$300,143            |
| Debt securities held-to-maturity (HTM) <sup>(1)</sup>                 | 23,254            | 23,921               |
| Non-marketable equity securities carried at fair value <sup>(2)</sup> | 2,570             | 2,758                |
| Non-marketable equity securities carried at cost <sup>(3)</sup>       | 5,752             | 6,621                |
| Total investments   | \$326,815         | \$333,443            |

(1) Carried at amortized cost basis, including any impairment for securities that have credit-related impairment.

(2) Unrealized gains and losses for non-marketable equity securities carried at fair value are recognized in earnings.

(3) Primarily consists of shares issued by the Federal Reserve Bank, Federal Home Loan Banks, foreign central banks and various clearing houses of which Citigroup is a member.

The following table presents interest and dividend income on investments for the three months ended March 31, 2015 and 2014:

| In millions of dollars                       | Three Months Ended<br>March 31, |         |
|--|---------------------------------|---------|
|  | 2015                            | 2014    |
| Taxable interest                             | \$1,593                         | \$1,467 |
| Interest exempt from U.S. federal income tax | 23                              | 164     |
| Dividend income                              | 95                              | 126     |
| Total interest and dividend income           | \$1,711                         | \$1,757 |

The following table presents realized gains and losses on the sale of investments for the three months ended March 31, 2015 and 2014. The gross realized investment losses exclude losses from other-than-temporary impairment (OTTI):

| In millions of dollars                    | Three Months Ended March<br>31, |       |
|---|---------------------------------|-------|
|   | 2015                            | 2014  |
| Gross realized investment gains           | \$356                           | \$292 |
| Gross realized investment losses          | (49)                            | (164) |
| Net realized gains on sale of investments | \$307                           | \$128 |

The Company has sold certain debt securities that were classified as HTM. These sales were in response to significant deterioration in the creditworthiness of the issuers or securities. In addition, other securities were reclassified to AFS investments in response to significant credit deterioration or because a substantial portion of the securities' principal outstanding at acquisition has been collected. Because the Company generally intends to sell the securities, Citi recorded OTTI on the securities. The following table sets forth, for the periods indicated, gain (loss) on HTM securities sold, securities reclassified to AFS and OTTI recorded on AFS securities reclassified.

| In millions of dollars                             | Three Months Ended<br>March 31, |      |
|--|---------------------------------|------|
|  | 2015                            | 2014 |
| Carrying value of HTM securities sold              | \$27                            | \$—  |
| Net realized gain (loss) on sale of HTM securities | 2                               | —    |
| Carrying value of securities reclassified to AFS   | 94                              | 52   |
| OTTI losses on securities reclassified to AFS      | (5)                             | (8)  |

## Securities Available-for-Sale

The amortized cost and fair value of AFS securities at March 31, 2015 and December 31, 2014 were as follows:

| In millions of dollars                            | March 31, 2015 |  |   |            | December 31, 2014 |                                       |  |            |
|---|----------------|--|---|------------|-------------------|---------------------------------------|--|------------|
|   | Amortized cost | Gross unrealized gains <sup>(1)</sup> <sup>(2)</sup> | Gross unrealized losses <sup>(1)</sup> <sup>(2)</sup> | Fair value | Amortized cost    | Gross unrealized gains <sup>(1)</sup> | Gross unrealized losses <sup>(1)</sup> | Fair value |
| Debt securities AFS                               |                |  |   |            |                   |                                       |  |            |
| Mortgage-backed securities <sup>(3)</sup>         |                |  |   |            |                   |                                       |  |            |
| U.S. government-sponsored agency guaranteed       | \$38,433       | \$744  | \$93  | \$39,084   | \$35,647          | \$603                                 | \$159                                  | \$36,091   |
| Prime   | 7              | 2  | —   | 9          | 12                | —                                     | —                                      | 12         |
| Alt-A   | 2              | —  | —   | 2          | 43                | 1                                     | —                                      | 44         |
| Non-U.S. residential                              | 7,209          | 61   | 5   | 7,265      | 8,247             | 67                                    | 7                                      | 8,307      |
| Commercial  | 500            | 8  | 1   | 507        | 551               | 6                                     | 3                                      | 554        |
| Total mortgage-backed securities                  | \$46,151       | \$815  | \$99  | \$46,867   | \$44,500          | \$677                                 | \$169                                  | \$45,008   |
| U.S. Treasury and federal agency securities       |                |  |   |            |                   |                                       |  |            |
| U.S. Treasury                                     | \$110,963      | \$1,074  | \$69  | \$111,968  | \$110,492         | \$353                                 | \$127                                  | \$110,718  |
| Agency obligations                                | 9,291          | 102  | 2   | 9,391      | 12,925            | 60                                    | 13                                     | 12,972     |
| Total U.S. Treasury and federal agency securities | \$120,254      | \$1,176  | \$71  | \$121,359  | \$123,417         | \$413                                 | \$140                                  | \$123,690  |
| State and municipal <sup>(4)</sup>                | \$13,025       | \$137  | \$917   | \$12,245   | \$13,526          | \$150                                 | \$977                                  | \$12,699   |
| Foreign government                                | 86,654         | 688  | 283   | 87,059     | 90,249            | 734                                   | 286                                    | 90,697     |
| Corporate   | 14,363         | 245  | 54  | 14,554     | 12,033            | 215                                   | 91                                     | 12,157     |
| Asset-backed securities <sup>(3)</sup>            | 11,514         | 39   | 49  | 11,504     | 12,534            | 30                                    | 58                                     | 12,506     |
| Other debt securities                             | 661            | —  | —   | 661        | 661               | —                                     | —                                      | 661        |
| Total debt securities AFS                         | \$292,622      | \$3,100  | \$1,473   | \$294,249  | \$296,920         | \$2,219                               | \$1,721                                | \$297,418  |
| Marketable equity securities AFS                  | \$992          | \$41   | \$43  | \$990      | \$2,461           | \$308                                 | \$44                                   | \$2,725    |
| Total securities AFS                              | \$293,614      | \$3,141  | \$1,516   | \$295,239  | \$299,381         | \$2,527                               | \$1,765                                | \$300,143  |

Gross unrealized gains and losses, as presented, do not include the impact of minority investments and the related (1) allocations and pick-up of unrealized gains and losses of AFS securities. These amounts totaled unrealized gains of \$22 million and \$27 million as of March 31, 2015 and December 31, 2014, respectively.

Gross unrealized gains and losses, as presented, as of March 31, 2015 do not include the impact of unrealized gains and losses of AFS securities of OneMain Financial (North American consumer finance business), which were (2) reclassified as HFS as of March 31, 2015. These amounts totaled unrealized gains of \$86 million and unrealized losses of \$5 million as of March 31, 2015.

The Company invests in mortgage-backed and asset-backed securities. These securitizations are generally (3) considered VIEs. The Company's maximum exposure to loss from these VIEs is equal to the carrying amount of the securities, which is reflected in the table above. For mortgage-backed and asset-backed securitizations in which the Company has other involvement, see Note 20 to the Consolidated Financial Statements.

(4) The gross unrealized losses on state and municipal debt securities are primarily attributable to the effects of fair value hedge accounting. Specifically, Citi hedges the LIBOR-benchmark interest rate component of certain fixed-rate tax-exempt state and municipal debt securities utilizing LIBOR-based interest rate swaps. During the hedge period, losses incurred on the LIBOR-hedging swaps recorded in earnings were substantially offset by gains on the state and municipal debt securities attributable to changes in the LIBOR swap rate being hedged. However, because the LIBOR swap rate decreased significantly during the hedge period while the overall fair value of the municipal debt securities was relatively unchanged, the effect of reclassifying fair value gains on these securities from Accumulated other comprehensive income (loss) (AOCI) to earnings, attributable solely to changes in the

LIBOR swap rate, resulted in net unrealized losses remaining in AOCI that relate to the unhedged components of these securities.

As discussed in more detail below, the Company conducts periodic reviews of all securities with unrealized losses to evaluate whether the impairment is other-than-temporary. Any credit-related impairment related to debt securities is recorded in earnings as OTTI. Non-credit-related impairment is recognized in AOCI if the Company does not plan to sell and is not likely to be required to sell. For other debt securities with OTTI, the entire impairment is recognized in the Consolidated Statement of Income.

The table below shows the fair value of AFS securities that have been in an unrealized loss position for less than 12 months or for 12 months or longer as of March 31, 2015 and December 31, 2014:

| In millions of dollars                            | Less than<br>12 months |                               | 12 months or longer |                               | Total         |                               |
|---|------------------------|-------------------------------|---------------------|-------------------------------|---------------|-------------------------------|
|   | Fair<br>value          | Gross<br>unrealized<br>losses | Fair<br>value       | Gross<br>unrealized<br>losses | Fair<br>value | Gross<br>unrealized<br>losses |
| March 31, 2015                                    |                        |                               |                     |                               |               |                               |
| Securities AFS                                    |                        |                               |                     |                               |               |                               |
| Mortgage-backed securities                        |                        |                               |                     |                               |               |                               |
| U.S. government-sponsored agency guaranteed       | \$3,521                | \$14                          | \$3,176             | \$79                          | \$6,697       | \$93                          |
| Prime   | 1                      | —                             | 2                   | —                             | 3             | —                             |
| Non-U.S. residential                              | 1,333                  | 3                             | 219                 | 2                             | 1,552         | 5                             |
| Commercial  | 54                     | —                             | 60                  | 1                             | 114           | 1                             |
| Total mortgage-backed securities                  | \$4,909                | \$17                          | \$3,457             | \$82                          | \$8,366       | \$99                          |
| U.S. Treasury and federal agency securities       |                        |                               |                     |                               |               |                               |
| U.S. Treasury                                     | \$15,077               | \$67                          | \$915               | \$2                           | \$15,992      | \$69                          |
| Agency obligations                                | 644                    | 2                             | —                   | —                             | 644           | 2                             |
| Total U.S. Treasury and federal agency securities | \$15,721               | \$69                          | \$915               | \$2                           | \$16,636      | \$71                          |
| State and municipal                               | \$303                  | \$11                          | \$5,162             | \$906                         | \$5,465       | \$917                         |
| Foreign government                                | 18,853                 | 160                           | 5,261               | 123                           | 24,114        | 283                           |
| Corporate   | 3,710                  | 38                            | 900                 | 16                            | 4,610         | 54                            |
| Asset-backed securities                           | 1,911                  | 14                            | 3,463               | 35                            | 5,374         | 49                            |
| Marketable equity securities AFS                  | 24                     | 2                             | 214                 | 41                            | 238           | 43                            |
| Total securities AFS                              | \$45,431               | \$311                         | \$19,372            | \$1,205                       | \$64,803      | \$1,516                       |
| December 31, 2014                                 |                        |                               |                     |                               |               |                               |
| Securities AFS                                    |                        |                               |                     |                               |               |                               |
| Mortgage-backed securities                        |                        |                               |                     |                               |               |                               |
| U.S. government-sponsored agency guaranteed       | \$4,198                | \$30                          | \$5,547             | \$129                         | \$9,745       | \$159                         |
| Prime   | 5                      | —                             | 2                   | —                             | 7             | —                             |
| Non-U.S. residential                              | 1,276                  | 3                             | 199                 | 4                             | 1,475         | 7                             |
| Commercial  | 124                    | 1                             | 136                 | 2                             | 260           | 3                             |
| Total mortgage-backed securities                  | \$5,603                | \$34                          | \$5,884             | \$135                         | \$11,487      | \$169                         |
| U.S. Treasury and federal agency securities       |                        |                               |                     |                               |               |                               |
| U.S. Treasury                                     | \$36,581               | \$119                         | \$1,013             | \$8                           | \$37,594      | \$127                         |
| Agency obligations                                | 5,698                  | 9                             | 754                 | 4                             | 6,452         | 13                            |
| Total U.S. Treasury and federal agency securities | \$42,279               | \$128                         | \$1,767             | \$12                          | \$44,046      | \$140                         |
| State and municipal                               | \$386                  | \$15                          | \$5,802             | \$962                         | \$6,188       | \$977                         |
| Foreign government                                | 18,495                 | 147                           | 5,984               | 139                           | 24,479        | 286                           |
| Corporate   | 3,511                  | 63                            | 1,350               | 28                            | 4,861         | 91                            |
| Asset-backed securities                           | 3,701                  | 13                            | 3,816               | 45                            | 7,517         | 58                            |
| Marketable equity securities AFS                  | 51                     | 4                             | 218                 | 40                            | 269           | 44                            |
| Total securities AFS                              | \$74,026               | \$404                         | \$24,821            | \$1,361                       | \$98,847      | \$1,765                       |

The following table presents the amortized cost and fair value of AFS debt securities by contractual maturity dates as of March 31, 2015 and December 31, 2014:

| In millions of dollars                      | March 31, 2015 |            | December 31, 2014 |            |
|---|----------------|------------|-------------------|------------|
|   | Amortized cost | Fair value | Amortized cost    | Fair value |
| Mortgage-backed securities <sup>(1)</sup>   |                |            |                   |            |
| Due within 1 year                           | \$31           | \$31       | \$44              | \$44       |
| After 1 but within 5 years                  | 904            | 914        | 931               | 935        |
| After 5 but within 10 years                 | 1,292          | 1,311      | 1,362             | 1,387      |
| After 10 years <sup>(2)</sup>               | 43,924         | 44,611     | 42,163            | 42,642     |
| Total                                       | \$46,151       | \$46,867   | \$44,500          | \$45,008   |
| U.S. Treasury and federal agency securities |                |            |                   |            |
| Due within 1 year                           | \$7,218        | \$7,243    | \$13,070          | \$13,084   |
| After 1 but within 5 years                  | 104,763        | 105,781    | 104,982           | 105,131    |
| After 5 but within 10 years                 | 4,812          | 4,855      | 2,286             | 2,325      |
| After 10 years <sup>(2)</sup>               | 3,461          | 3,480      | 3,079             | 3,150      |
| Total                                       | \$120,254      | \$121,359  | \$123,417         | \$123,690  |
| State and municipal                         |                |            |                   |            |
| Due within 1 year                           | \$1,389        | \$1,327    | \$652             | \$651      |
| After 1 but within 5 years                  | 3,896          | 3,840      | 4,387             | 4,381      |
| After 5 but within 10 years                 | 549            | 567        | 524               | 537        |
| After 10 years <sup>(2)</sup>               | 7,191          | 6,511      | 7,963             | 7,130      |
| Total                                       | \$13,025       | \$12,245   | \$13,526          | \$12,699   |
| Foreign government                          |                |            |                   |            |
| Due within 1 year                           | \$32,155       | \$32,056   | \$31,355          | \$31,382   |
| After 1 but within 5 years                  | 38,055         | 38,184     | 41,913            | 42,467     |
| After 5 but within 10 years                 | 15,493         | 15,808     | 16,008            | 15,779     |
| After 10 years <sup>(2)</sup>               | 951            | 1,011      | 973               | 1,069      |
| Total                                       | \$86,654       | \$87,059   | \$90,249          | \$90,697   |
| All other <sup>(3)</sup>                    |                |            |                   |            |
| Due within 1 year                           | \$1,662        | \$1,665    | \$1,248           | \$1,251    |
| After 1 but within 5 years                  | 12,024         | 12,137     | 10,442            | 10,535     |
| After 5 but within 10 years                 | 7,957          | 8,026      | 7,282             | 7,318      |
| After 10 years <sup>(2)</sup>               | 4,895          | 4,891      | 6,256             | 6,220      |
| Total                                       | \$26,538       | \$26,719   | \$25,228          | \$25,324   |
| Total debt securities AFS                   | \$292,622      | \$294,249  | \$296,920         | \$297,418  |

(1) Includes mortgage-backed securities of U.S. government-sponsored agencies.

(2) Investments with no stated maturities are included as contractual maturities of greater than 10 years. Actual maturities may differ due to call or prepayment rights.

(3) Includes corporate, asset-backed and other debt securities.

## Debt Securities Held-to-Maturity

The carrying value and fair value of debt securities HTM at March 31, 2015 and December 31, 2014 were as follows:

| In millions of dollars                        | Amortized<br>cost basis <sup>(1)</sup> | Net<br>unrealized<br>gains<br>(losses)<br>recognized<br>in<br>AOCI | Carrying<br>value <sup>(2)</sup> | Gross<br>unrealized<br>gains | Gross<br>unrealized<br>(losses) | Fair<br>value |
|---|--|--|----------------------------------|------------------------------|---------------------------------|---------------|
| March 31, 2015                                |  |  |                                  |                              |                                 |               |
| Debt securities held-to-maturity              |  |  |                                  |                              |                                 |               |
| Mortgage-backed securities <sup>(3)</sup>     |  |  |                                  |                              |                                 |               |
| U.S. government agency guaranteed             | \$8,879                                | \$93   | \$8,972                          | \$209                        | \$(2)                           | \$9,179       |
| Prime   | 59                                     | (12)   | )47                              | 5                            | (1)                             | )51           |
| Alt-A   | 1,094                                  | (203)  | )891                             | 548                          | (293)                           | )1,146        |
| Subprime                                      | 5                                      | —  | 5                                | 15                           | —                               | 20            |
| Non-U.S. residential                          | 607                                    | (86)   | )521                             | 59                           | —                               | 580           |
| Commercial                                    | 7                                      | —  | 7                                | 1                            | —                               | 8             |
| Total mortgage-backed securities              | \$10,651                               | \$(208)  | )\$10,443                        | \$837                        | \$(296)                         | )\$10,984     |
| State and municipal <sup>(4)</sup>            | \$8,374                                | \$(446)  | )\$7,928                         | \$211                        | \$(70)                          | )\$8,069      |
| Foreign government                            | 4,550                                  | —  | 4,550                            | 51                           | —                               | 4,601         |
| Asset-backed securities <sup>(3)</sup>        | 350                                    | (17)   | )333                             | 55                           | (1)                             | )387          |
| Total debt securities held-to-maturity<br>(5) | \$23,925                               | \$(671)  | )\$23,254                        | \$1,154                      | \$(367)                         | )\$24,041     |
| December 31, 2014                             |  |  |                                  |                              |                                 |               |
| Debt securities held-to-maturity              |  |  |                                  |                              |                                 |               |
| Mortgage-backed securities <sup>(3)</sup>     |  |  |                                  |                              |                                 |               |
| U.S. government agency guaranteed             | \$8,795                                | \$95   | \$8,890                          | \$106                        | \$(6)                           | )\$8,990      |
| Prime   | 60                                     | (12)   | )48                              | 6                            | (1)                             | )53           |
| Alt-A   | 1,125                                  | (213)  | )912                             | 537                          | (287)                           | )1,162        |
| Subprime                                      | 6                                      | (1)  | )5                               | 15                           | —                               | 20            |
| Non-U.S. residential                          | 983                                    | (137)  | )846                             | 92                           | —                               | 938           |
| Commercial                                    | 8                                      | —  | 8                                | 1                            | —                               | 9             |
| Total mortgage-backed securities              | \$10,977                               | \$(268)  | )\$10,709                        | \$757                        | \$(294)                         | )\$11,172     |
| State and municipal                           | \$8,443                                | \$(494)  | )\$7,949                         | \$227                        | \$(57)                          | )\$8,119      |
| Foreign government                            | 4,725                                  | —  | 4,725                            | 77                           | —                               | 4,802         |
| Asset-backed securities <sup>(3)</sup>        | 556                                    | (18)   | )538                             | 50                           | (10)                            | )578          |
| Total debt securities held-to-maturity        | \$24,701                               | \$(780)  | )\$23,921                        | \$1,111                      | \$(361)                         | )\$24,671     |

For securities transferred to HTM from Trading account assets, amortized cost basis is defined as the fair value of the securities at the date of transfer plus any accretion income and less any impairments recognized in earnings subsequent to transfer. For securities transferred to HTM from AFS, amortized cost is defined as the original purchase cost, adjusted for the cumulative accretion or amortization of any purchase discount or premium, plus or minus any cumulative fair value hedge adjustments, net of accretion or amortization, and less any other-than-temporary impairment recognized in earnings.

(2) HTM securities are carried on the Consolidated Balance Sheet at amortized cost basis, plus or minus any unamortized unrealized gains and losses and fair value hedge adjustments recognized in AOCI prior to reclassifying the securities from AFS to HTM. Changes in the values of these securities are not reported in the financial statements, except for the amortization of any difference between the carrying value at the transfer date and par value of the securities, and the recognition of any non-credit fair value adjustments in AOCI in connection

with the recognition of any credit impairment in earnings related to securities the Company continues to intend to hold until maturity.

(3) The Company invests in mortgage-backed and asset-backed securities. These securitizations are generally considered VIEs. The Company's maximum exposure to loss from these VIEs is equal to the carrying amount of the securities, which is reflected in the table above. For mortgage-backed and asset-backed securitizations in which the Company has other involvement, see Note 20 to the Consolidated Financial Statements.

(4) The net unrealized losses recognized in AOCI on state and municipal debt securities are primarily attributable to the effects of fair value hedge accounting applied when these debt securities were classified as AFS. Specifically, Citi hedged the LIBOR-benchmark interest rate component of certain fixed-rate tax-exempt state and municipal debt securities utilizing LIBOR-based interest rate swaps. During the hedge period, losses incurred on the LIBOR-hedging swaps recorded in earnings were substantially offset by gains on the state and municipal debt securities attributable to changes in the LIBOR swap rate being hedged. However, because the LIBOR swap rate decreased significantly during the hedge period while the overall fair value of the municipal debt securities was relatively unchanged, the effect of reclassifying fair value gains on these securities from AOCI to earnings attributable solely to changes in the LIBOR swap rate resulted in net unrealized losses remaining in AOCI that relate to the unhedged components of these securities. Upon transfer of these debt securities to HTM, all hedges have been de-designated and hedge accounting has ceased.



The Company has the positive intent and ability to hold these securities to maturity or, where applicable, the exercise of any issuer call options, absent any unforeseen significant changes in circumstances, including deterioration in credit or changes in regulatory capital requirements.

The net unrealized losses classified in AOCI primarily relate to debt securities previously classified as AFS that have been transferred to HTM, and include any cumulative fair value hedge adjustments. The net unrealized loss amount also includes any non-credit-related changes in fair value of HTM securities that have suffered credit impairment recorded in earnings. The AOCI balance related to HTM securities is amortized over the remaining contractual life of the related securities as an adjustment of yield in a manner consistent with the accretion of any difference between the carrying value at the transfer date and par value of the same debt securities.

The table below shows the fair value of debt securities in HTM that have been in an unrecognized loss position as of March 31, 2015 and December 31, 2014 for less than 12 months and for 12 months or longer:

| In millions of dollars                 | Less than 12 months |                           | 12 months or longer |                           | Total      | Gross unrecognized losses |
|--|---------------------|---------------------------|---------------------|---------------------------|------------|---------------------------|
|  | Fair value          | Gross unrecognized losses | Fair value          | Gross unrecognized losses | Fair value |                           |
| March 31, 2015                         |                     |                           |                     |                           |            |                           |
| Debt securities held-to-maturity       |                     |                           |                     |                           |            |                           |
| Mortgage-backed securities             | \$—                 | \$—                       | \$271               | \$296                     | \$271      | \$296                     |
| State and municipal                    | 2,756               | 48                        | 210                 | 22                        | 2,966      | 70                        |
| Asset-backed securities                | —                   | —                         | 10                  | 1                         | 10         | 1                         |
| Total debt securities held-to-maturity | \$2,756             | \$48                      | \$491               | \$319                     | \$3,247    | \$367                     |
| December 31, 2014                      |                     |                           |                     |                           |            |                           |
| Debt securities held-to-maturity       |                     |                           |                     |                           |            |                           |
| Mortgage-backed securities             | \$4                 | \$—                       | \$1,134             | \$294                     | \$1,138    | \$294                     |
| State and municipal                    | 2,528               | 34                        | 314                 | 23                        | 2,842      | 57                        |
| Asset-backed securities                | 9                   | 1                         | 174                 | 9                         | 183        | 10                        |
| Total debt securities held-to-maturity | \$2,541             | \$35                      | \$1,622             | \$326                     | \$4,163    | \$361                     |

Excluded from the gross unrecognized losses presented in the above table are \$(671) million and \$(780) million of net unrealized losses recorded in AOCI as of March 31, 2015 and December 31, 2014, respectively, primarily related to the difference between the amortized cost and carrying value of HTM securities that were reclassified from AFS.

Substantially all of these net unrecognized losses relate to securities that have been in a loss position for 12 months or longer at March 31, 2015 and December 31, 2014.

The following table presents the carrying value and fair value of HTM debt securities by contractual maturity dates as of March 31, 2015 and December 31, 2014:

| In millions of dollars                 | March 31, 2015 |            | December 31, 2014 |            |
|--|----------------|------------|-------------------|------------|
|  | Carrying value | Fair value | Carrying value    | Fair value |
| Mortgage-backed securities             |                |            |                   |            |
| Due within 1 year                      | \$—            | \$—        | \$—               | \$—        |
| After 1 but within 5 years             | 7              | 8          | —                 | —          |
| After 5 but within 10 years            | 833            | 851        | 863               | 869        |
| After 10 years <sup>(1)</sup>          | 9,603          | 10,125     | 9,846             | 10,303     |
| Total                                  | \$10,443       | \$10,984   | \$10,709          | \$11,172   |
| State and municipal                    |                |            |                   |            |
| Due within 1 year                      | \$288          | \$281      | \$205             | \$205      |
| After 1 but within 5 years             | 422            | 436        | 243               | 243        |
| After 5 but within 10 years            | 141            | 148        | 140               | 144        |
| After 10 years <sup>(1)</sup>          | 7,077          | 7,204      | 7,361             | 7,527      |
| Total                                  | \$7,928        | \$8,069    | \$7,949           | \$8,119    |
| Foreign government                     |                |            |                   |            |
| Due within 1 year                      | \$—            | \$—        | \$—               | \$—        |
| After 1 but within 5 years             | 4,550          | 4,601      | 4,725             | 4,802      |
| After 5 but within 10 years            | —              | —          | —                 | —          |
| After 10 years <sup>(1)</sup>          | —              | —          | —                 | —          |
| Total                                  | \$4,550        | \$4,601    | \$4,725           | \$4,802    |
| All other <sup>(2)</sup>               |                |            |                   |            |
| Due within 1 year                      | \$—            | \$—        | \$—               | \$—        |
| After 1 but within 5 years             | —              | —          | —                 | —          |
| After 5 but within 10 years            | —              | —          | —                 | —          |
| After 10 years <sup>(1)</sup>          | 333            | 387        | 538               | 578        |
| Total                                  | \$333          | \$387      | \$538             | \$578      |
| Total debt securities held-to-maturity | \$23,254       | \$24,041   | \$23,921          | \$24,671   |

(1) Investments with no stated maturities are included as contractual maturities of greater than 10 years. Actual maturities may differ due to call or prepayment rights.

(2) Includes corporate and asset-backed securities.

## Evaluating Investments for Other-Than-Temporary Impairment

### Overview

The Company conducts periodic reviews of all securities with unrealized losses to evaluate whether the impairment is other-than-temporary.

An unrealized loss exists when the current fair value of an individual security is less than its amortized cost basis. Unrealized losses that are determined to be temporary in nature are recorded, net of tax, in AOCI for AFS securities. Losses related to HTM securities generally are not recorded, as these investments are carried at amortized cost basis. However, for HTM securities with credit-related losses, the credit loss is recognized in earnings as OTTI and any difference between the cost basis adjusted for the OTTI and fair value is recognized in AOCI and amortized as an adjustment of yield over the remaining contractual life of the security. For securities transferred to HTM from Trading account assets, amortized cost is defined as the fair value of the securities at the date of transfer, plus any accretion income and less any impairment recognized in earnings subsequent to transfer. For securities transferred to HTM from AFS, amortized cost is defined as the original purchase cost, adjusted for the cumulative accretion or amortization of any purchase discount or premium, plus or minus any cumulative fair value hedge adjustments, net of accretion or amortization, and less any impairment recognized in earnings.

Regardless of the classification of the securities as AFS or HTM, the Company assesses each position with an unrealized loss for OTTI. Factors considered in determining whether a loss is temporary include:

- the length of time and the extent to which fair value has been below cost;
- the severity of the impairment;
- the cause of the impairment and the financial condition and near-term prospects of the issuer;
- activity in the market of the issuer that may indicate adverse credit conditions; and
- the Company's ability and intent to hold the investment for a period of time sufficient to allow for any anticipated recovery.

The Company's review for impairment generally entails:

- identification and evaluation of impaired investments;
- analysis of individual investments that have fair values less than amortized cost, including consideration of the length of time the investment has been in an unrealized loss position and the expected recovery period;
- consideration of evidential matter, including an evaluation of factors or triggers that could cause individual investments to qualify as having other-than-temporary impairment and those that would not support other-than-temporary impairment; and
- documentation of the results of these analyses, as required under business policies.

### Debt

The entire difference between amortized cost basis and fair value is recognized in earnings as OTTI for impaired debt securities that the Company has an intent to sell or for which the Company believes it will more-likely-than-not be required to sell prior to recovery of the amortized cost basis. However, for those securities that the Company does not intend to sell and is not likely to be required to sell, only the credit-related impairment is recognized in earnings and any non-credit-related impairment is recorded in AOCI.

For debt securities, credit impairment exists where management does not expect to receive contractual principal and interest cash flows sufficient to recover the entire amortized cost basis of a security.

### Equity

For equity securities, management considers the various factors described above, including its intent and ability to hold the equity security for a period of time sufficient for recovery to cost or whether it is more-likely-than-not that

the Company will be required to sell the security prior to recovery of its cost basis. Where management lacks that intent or ability, the security's decline in fair value is deemed to be other-than-temporary and is recorded in earnings. AFS equity securities deemed to be other-than-temporarily impaired are written down to fair value, with the full difference between fair value and cost recognized in earnings.

Management assesses equity method investments that have fair values that are less than their respective carrying values for OTTI. Fair value is measured as price multiplied by quantity if the investee has publicly listed securities. If the investee is not publicly listed, other methods are used (see Note 22 to the Consolidated Financial Statements). For impaired equity method investments that Citi plans to sell prior to recovery of value or would likely be required to sell, with no expectation that the fair value will recover prior to the expected sale date, the full impairment is recognized in earnings as OTTI regardless of severity and duration. The measurement of the OTTI does not include partial projected recoveries subsequent to the balance sheet date.

For impaired equity method investments that management does not plan to sell and is not likely to be required to sell prior to recovery of value, the evaluation of whether an impairment is other-than-temporary is based on (i) whether and when an equity method investment will recover in value and (ii) whether the investor has the intent and ability to hold that investment for a period of time sufficient to recover the value. The determination of whether the impairment is considered other-than-temporary considers the following indicators, regardless of the time and extent of impairment:

- the cause of the impairment and the financial condition and near-term prospects of the issuer, including any specific events that may influence the operations of the issuer;
- the intent and ability to hold the investment for a period of time sufficient to allow for any anticipated recovery in market value; and
- the length of time and extent to which fair value has been less than the carrying value.

The sections below describe the Company's process for identifying credit-related impairments for security types that have the most significant unrealized losses as of March 31, 2015.

#### Akbank

As of December 31, 2014, Citi's remaining 9.9% stake in Akbank T.A.S., an equity investment in Turkey (Akbank), is recorded within marketable equity securities available-for-sale. The revaluation of the Turkish lira was hedged, so the change in the value of the currency related to the Akbank investment did not have a significant impact on earnings during the year. During the first quarter of 2015, Citi sold its remaining investment in Akbank.

#### Mortgage-backed securities

For U.S. mortgage-backed securities (and in particular for Alt-A and other mortgage-backed securities that have significant unrealized losses as a percentage of amortized cost), credit impairment is assessed using a cash flow model that estimates the principal and interest cash flows on the underlying mortgages using the security-specific collateral and transaction structure. The model distributes the estimated cash flows to the various tranches of securities, considering the transaction structure and any subordination and credit enhancements that exist in that structure. The cash flow model incorporates actual cash flows on the mortgage-backed securities through the current period and then estimates the remaining cash flows using a number of assumptions, including default rates, prepayment rates, recovery rates (on foreclosed properties) and loss severity rates (on non-agency mortgage-backed securities).

Management develops specific assumptions using market data, internal estimates and estimates published by rating agencies and other third-party sources. Default rates are projected by considering current underlying mortgage loan performance, generally assuming the default of (i) 10% of

current loans, (ii) 25% of 30-59 day delinquent loans, (iii) 70% of 60-90 day delinquent loans and (iv) 100% of 91+ day delinquent loans. These estimates are extrapolated along a default timing curve to estimate the total lifetime pool default rate. Other assumptions contemplate the actual collateral attributes, including geographic concentrations, rating actions and current market prices.

Cash flow projections are developed using different stress test scenarios. Management evaluates the results of those stress tests (including the severity of any cash shortfall indicated and the likelihood of the stress scenarios actually occurring based on the underlying pool's characteristics and performance) to assess whether management expects to recover the amortized cost basis of the security. If cash flow projections indicate that the Company does not expect to recover its amortized cost basis, the Company recognizes the estimated credit loss in earnings.

#### State and municipal securities

The process for identifying credit impairments in Citigroup's AFS and HTM state and municipal bonds is primarily based on a credit analysis that incorporates third-party credit ratings. Citigroup monitors the bond issuers and any insurers providing default protection in the form of financial guarantee insurance. The average external credit rating, ignoring any insurance, is Aa3/AA-. In the event of an external rating downgrade or other indicator of credit impairment (i.e., based on instrument-specific estimates of cash flows or probability of issuer default), the subject bond is specifically reviewed for adverse changes in the amount or timing of expected contractual principal and interest payments.

For state and municipal bonds with unrealized losses that Citigroup plans to sell (for AFS only), would likely be required to sell (for AFS only) or will be subject to an issuer call deemed probable of exercise prior to the expected recovery of its amortized cost basis (for AFS and HTM), the full impairment is recognized in earnings.

#### Recognition and Measurement of OTTI

The following table presents the total OTTI recognized in earnings for the three months ended March 31, 2015:

| OTTI on Investments and Other Assets | Three Months Ended<br>March 31, 2015 |
|--------------------------------------|--------------------------------------|
|--------------------------------------|--------------------------------------|

| In millions of dollars  | AFS <sup>(1)</sup> | HTM | Other<br>Assets | Total |
|---|--------------------|-----|-----------------|-------|
| Impairment losses related to securities that the Company does not intend to sell nor will likely be required to sell:                                     |                    |     |                 |       |
| Total OTTI losses recognized during the period  | \$—                | \$— | \$—             | \$—   |
| Less: portion of impairment loss recognized in AOCI (before taxes)  | —                  | —   | —               | —     |
| Net impairment losses recognized in earnings for securities that the Company does not intend to sell nor will likely be required to sell                  | \$—                | \$— | \$—             | \$—   |
| Impairment losses recognized in earnings for securities that the Company intends to sell or more-likely-than-not will be required to sell before recovery | 69                 | 3   | —               | 72    |
| Total impairment losses recognized in earnings  | \$69               | \$3 | \$—             | \$72  |

(1) Includes OTTI on non-marketable equity securities.

The following table presents the total OTTI recognized in earnings for the three months ended March 31, 2014:

| OTTI on Investments and Other Assets  | Three Months Ended<br>March 31, 2014 |     |                 | Total |
|---|--------------------------------------|-----|-----------------|-------|
|   | AFS <sup>(1)</sup>                   | HTM | Other<br>Assets |       |
| In millions of dollars  |                                      |     |                 |       |
| Impairment losses related to securities that the Company does not intend to sell nor will likely be required to sell:                                     |                                      |     |                 |       |
| Total OTTI losses recognized during the period  | \$—                                  | \$— | \$—             | \$—   |
| Less: portion of impairment loss recognized in AOCI (before taxes)  | —                                    | —   | —               | —     |
| Net impairment losses recognized in earnings for securities that the Company does not intend to sell nor will likely be required to sell                  | \$—                                  | \$— | \$—             | \$—   |
| Impairment losses recognized in earnings for securities that the Company intends to sell or more-likely-than-not will be required to sell before recovery | 201                                  | —   | —               | 201   |
| Total impairment losses recognized in earnings  | \$201                                | \$— | \$—             | \$201 |

(1) Includes OTTI on non-marketable equity securities.



The following is a three-month roll-forward of the credit-related impairments recognized in earnings for AFS and HTM debt securities held as of March 31, 2015 that the Company does not intend to sell nor likely will be required to sell:

| In millions of dollars                                      | Cumulative OTTI credit losses recognized in earnings on securities still held |   |  |   |                       |
|---|---|---|--|---|-----------------------|
|   | Dec. 31, 2014 balance   | Credit impairments recognized in earnings on securities not previously impaired | Credit impairments recognized in earnings on securities that have been previously impaired | Reductions due to credit-impaired securities sold, transferred or matured | Mar. 31, 2015 balance |
| AFS debt securities   |   |   |  |   |                       |
| Mortgage-backed securities                                  | \$295   | \$—   | \$—  | \$—   | \$295                 |
| Foreign government securities                               | 171   | —   | —  | (1  | ) 170                 |
| Corporate   | 118   | —   | —  | (6  | ) 112                 |
| All other debt securities                                   | 149   | —   | —  | —   | 149                   |
| Total OTTI credit losses recognized for AFS debt securities | \$733   | \$—   | \$—  | \$(7  | ) \$726               |
| HTM debt securities   |   |   |  |   |                       |
| Mortgage-backed securities <sup>(1)</sup>                   | \$670   | \$—   | \$—  | \$(2  | ) \$668               |
| Corporate   | —   | —   | —  | —   | —                     |
| All other debt securities                                   | 133   | —   | —  | —   | 133                   |
| Total OTTI credit losses recognized for HTM debt securities | \$803   | \$—   | \$—  | \$(2  | ) \$801               |

(1) Primarily consists of Alt-A securities.

The following is a three-month roll-forward of the credit-related impairments recognized in earnings for AFS and HTM debt securities held as of March 31, 2014 that the Company does not intend to sell nor likely will be required to sell:

| In millions of dollars                                      | Cumulative OTTI credit losses recognized in earnings on securities still held |   |  |   |                       |
|---|---|---|--|---|-----------------------|
|   | Dec. 31, 2013 balance   | Credit impairments recognized in earnings on securities not previously impaired | Credit impairments recognized in earnings on securities that have been previously impaired | Reductions due to credit-impaired securities sold, transferred or matured | Mar. 31, 2014 balance |
| AFS debt securities   |   |   |  |   |                       |
| Mortgage-backed securities                                  | \$295   | \$—   | \$—  | \$—   | \$295                 |
| Foreign government securities                               | 171   | —   | —  | —   | 171                   |
| Corporate   | 113   | —   | —  | —   | 113                   |
| All other debt securities                                   | 144   | —   | —  | —   | 144                   |
| Total OTTI credit losses recognized for AFS debt securities | \$723   | \$—   | \$—  | \$—   | \$723                 |

|   |       |     |     |       |        |
|---|-------|-----|-----|-------|--------|
| Total OTTI credit losses recognized for   |       |     |     |       |        |
| AFS debt securities                       |       |     |     |       |        |
| HTM debt securities                       |       |     |     |       |        |
| Mortgage-backed securities <sup>(1)</sup> | \$678 | \$— | \$— | \$(13 | )\$665 |
| Corporate                                 | 56    | —   | —   | —     | 56     |
| All other debt securities                 | 133   | —   | —   | —     | 133    |
| Total OTTI credit losses recognized for   | \$867 | \$— | \$— | \$(13 | )\$854 |
| HTM debt securities                       |       |     |     |       |        |

(1) Primarily consists of Alt-A securities.

## Investments in Alternative Investment Funds That Calculate Net Asset Value per Share

The Company holds investments in certain alternative investment funds that calculate net asset value (NAV) per share, including hedge funds, private equity funds, funds of funds and real estate funds. The Company's investments include co-investments in funds that are managed by the Company and investments in funds that are managed by third parties. Investments in funds are generally classified as non-marketable equity securities carried at fair value. The fair values of these investments are estimated using the NAV per share of the Company's ownership interest in the funds, where it is not probable that the Company will sell an investment at a price other than the NAV.

|  | Fair value        |                      | Unfunded commitments |                      | Redemption frequency<br>(if currently eligible)<br>monthly, quarterly,<br>annually | Redemption notice<br>period |
|--|-------------------|----------------------|----------------------|----------------------|--|-----------------------------|
|  | March 31,<br>2015 | December 31,<br>2014 | March 31,<br>2015    | December 31,<br>2014 |  |                             |
| In millions of dollars                 |                   |                      |                      |                      |  |                             |
| Hedge funds                            | \$4               | \$8                  | \$—                  | \$—                  | Generally quarterly  | 10-95 days                  |
| Private equity funds <sup>(1)(2)</sup> | 777               | 796                  | 205                  | 205                  | —  | —                           |
| Real estate funds <sup>(2)(3)</sup>    | 125               | 166                  | 20                   | 24                   | —  | —                           |
| Total <sup>(4)</sup>                   | \$906             | \$970                | \$225                | \$229                | —  | —                           |

(1) Private equity funds include funds that invest in infrastructure, leveraged buyout transactions, emerging markets and venture capital.

(2) With respect to the Company's investments in private equity funds and real estate funds, distributions from each fund will be received as the underlying assets held by these funds are liquidated. It is estimated that the underlying assets of these funds will be liquidated over a period of several years as market conditions allow. Private equity and real estate funds do not allow redemption of investments by their investors. Investors are permitted to sell or transfer their investments, subject to the approval of the general partner or investment manager of these funds, which generally may not be unreasonably withheld.

(3) Includes several real estate funds that invest primarily in commercial real estate in the U.S., Europe and Asia.

(4) Included in the total fair value of investments above are \$0.9 billion and \$0.8 billion of fund assets that are valued using NAVs provided by third-party asset managers as of March 31, 2015 and December 31, 2014, respectively.

## 14. LOANS

Citigroup loans are reported in two categories—consumer and corporate. These categories are classified primarily according to the segment and subsegment that manage the loans.

## Consumer Loans

Consumer loans represent loans and leases managed primarily by the Global Consumer Banking businesses in Citicorp and in Citi Holdings. The following table provides information by loan type for the periods indicated:

| In millions of dollars                   | March 31, 2015 | December 31, 2014 |
|--|----------------|-------------------|
| Consumer loans                           |                |                   |
| In U.S. offices                          |                |                   |
| Mortgage and real estate <sup>(1)</sup>  | \$92,005       | \$96,533          |
| Installment, revolving credit, and other | 4,861          | 14,450            |
| Cards                                    | 105,378        | 112,982           |
| Commercial and industrial                | 6,532          | 5,895             |
|  | \$208,776      | \$229,860         |
| In offices outside the U.S.              |                |                   |
| Mortgage and real estate <sup>(1)</sup>  | \$50,970       | \$54,462          |
| Installment, revolving credit, and other | 31,396         | 31,128            |
| Cards                                    | 28,681         | 32,032            |
| Commercial and industrial                | 21,992         | 22,561            |
| Lease financing                          | 546            | 609               |
|  | \$133,585      | \$140,792         |
| Total Consumer loans                     | \$342,361      | \$370,652         |
| Net unearned income                      | (655           | )(682             |
| Consumer loans, net of unearned income   | \$341,706      | \$369,970         |

(1) Loans secured primarily by real estate.

Citigroup has established a risk management process to monitor, evaluate and manage the principal risks associated with its consumer loan portfolio. Credit quality indicators that are actively monitored include delinquency status, consumer credit scores (FICO), and loan to value (LTV) ratios, each as discussed in more detail below.

Included in the loan table above are lending products whose terms may give rise to greater credit issues. Credit cards with below-market introductory interest rates and interest-only loans are examples of such products. These products are closely managed using credit techniques that are intended to mitigate their higher inherent risk.

During the three months ended March 31, 2015 and 2014, the Company sold and/or reclassified to held-for-sale \$11.9 billion and \$0.4 billion, respectively, of consumer loans. The Company did not have significant purchases of consumer loans during the three months ended March 31, 2015 and 2014.

## Delinquency Status

Delinquency status is monitored and considered a key indicator of credit quality of consumer loans. Principally the U.S. residential first mortgage loans use the Mortgage Banking Association (MBA) method of reporting delinquencies, which considers a loan delinquent if a monthly payment has not been received by the end of the day immediately preceding the loan's next due date. All other loans use a method of reporting delinquencies, which considers a loan delinquent if a monthly payment has not been received by the close of business on the loan's next due date.

As a general policy, residential first mortgages, home equity loans and installment loans are classified as non-accrual when loan payments are 90 days contractually past due. Credit cards and unsecured revolving loans generally accrue interest until payments are 180 days past due. Home equity loans in regulated bank entities are classified as non-accrual if the related residential first mortgage is 90 days or more past due. Mortgage loans in regulated bank entities discharged through Chapter 7 bankruptcy, other than Federal Housing Administration (FHA)-insured loans, are classified as non-accrual. Commercial market loans are placed on a cash (non-accrual) basis when it is determined, based on actual experience and a forward-looking assessment of the collectability of the loan in full, that the payment

of interest or principal is doubtful or when interest or principal is 90 days past due.

The policy for re-aging modified U.S. consumer loans to current status varies by product. Generally, one of the conditions to qualify for these modifications is that a minimum number of payments (typically ranging from one to three) be made. Upon modification, the loan is re-aged to current status. However, re-aging practices for certain open-ended consumer loans, such as credit cards, are governed by Federal Financial Institutions Examination Council (FFIEC) guidelines. For open-ended consumer loans subject to FFIEC guidelines, one of the conditions for the loan to be re-aged to current status is that at least three consecutive minimum monthly payments, or the equivalent amount, must be received. In addition, under FFIEC guidelines, the number of times that such a loan can be re-aged is subject to limitations (generally once in 12 months and twice in five years). Furthermore, FHA and Department of Veterans Affairs (VA) loans are modified under those respective agencies' guidelines and payments are not always required in order to re-age a modified loan to current.

The following tables provide details on Citigroup's consumer loan delinquency and non-accrual loans as of March 31, 2015 and December 31, 2014:

Consumer Loan Delinquency and Non-Accrual Details at March 31, 2015

| In millions of dollars           | Total<br>current <sup>(1)(2)</sup> | 30-89 days<br>past due <sup>(3)</sup> | ≥ 90 days<br>past due <sup>(3)</sup> | Past due<br>government<br>guaranteed <sup>(4)</sup> | Total<br>loans <sup>(2)</sup> | Total<br>non-accrual | 90 days past due<br>and accruing |
|----------------------------------|------------------------------------|---------------------------------------|--------------------------------------|---|-------------------------------|----------------------|----------------------------------|
| In North America offices         |                                    |                                       |                                      |   |                               |                      |                                  |
| Residential first mortgages      | \$59,466                           | \$1,005                               | \$1,172                              | \$2,652   | \$64,295                      | \$2,768              | \$2,285                          |
| Home equity loans <sup>(5)</sup> | 26,339                             | 281                                   | 505                                  | —   | 27,125                        | 1,273                | —                                |
| Credit cards                     | 103,587                            | 1,170                                 | 1,198                                | —   | 105,955                       | —                    | 1,198                            |
| Installment and other            | 4,158                              | 60                                    |                                      |   |                               |                      |                                  |