CITIGROUP INC
Form 10-Q
October 30, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q
QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2015
Commission file number 1-9924
Citigroup Inc.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	52-1568099 (I.R.S. Employer Identification No.)
399 Park Avenue, New York, NY (Address of principal executive offices)	10022 (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 x No o

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 x No o

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

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

Number of shares of Citigroup Inc. common stock outstanding on September 30, 2015: 2,978,990,460

Available on the web at www.citigroup.com

CITIGROUP INC THIRD QUARTER 2015—FORM 10-Q

OVERVIEW	2
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	4
Executive Summary	4
Summary of Selected Financial Data	7
SEGMENT AND BUSINESS—INCOME (LOSS) AND REVENUES	9
CITICORP	12
Global Consumer Banking (GCB)	13
North America GCB	15
Latin America GCB	17
Asia GCB	19
Institutional Clients Group	21
Corporate/Other	25
CITI HOLDINGS	26
BALANCE SHEET REVIEW	28
OFF-BALANCE SHEET ARRANGEMENTS	31
CAPITAL RESOURCES	32
Overview	
Capital Management	
Current Regulatory Capital Standards	
Basel III (Full Implementation)	
Regulatory Capital Standards Developments	
Tangible Common Equity, Tangible Book Value Per Share and Book Value Per Share	
Managing Global Risk Table of Contents—Credit, Market (including Funding and Liquidity), and Country and Risk Sections	51
MANAGING GLOBAL RISK	52
INCOME TAXES	95
DISCLOSURE CONTROLS AND PROCEDURES	96
DISCLOSURE PURSUANT TO SECTION 219 OF THE IRAN THREAT REDUCTION AND SYRIA HUMAN RIGHTS ACT	96
FORWARD-LOOKING STATEMENTS	97
FINANCIAL STATEMENTS AND NOTES TABLE OF CONTENTS	100
CONSOLIDATED FINANCIAL STATEMENTS	101
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	109
Legal Proceedings (See Note 25 to the Consolidated Financial Statements)	
UNREGISTERED SALES OF EQUITY, PURCHASES OF EQUITY SECURITIES, DIVIDENDS	229

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, including the historical audited consolidated financial statements of Citigroup reflecting the adoption of an accounting change (See Note 1 to the Consolidated Financial Statements) and certain realignments and reclassifications set forth in Citigroup's Current Report on Form 8-K filed with the SEC on May 27, 2015 (2014 Annual Report on Form 10-K), and Citigroup's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2015 and June 30, 2015 filed with the SEC on May 11, 2015 (First Quarter of 2015 Form 10-Q) and August 3, 2015 (Second Quarter of 2015 Form 10-Q).

Additional information about Citigroup is available on Citi's website at 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.

Certain other reclassifications have been made to the prior periods' presentation.

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 certain readjustments and 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.

3

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

EXECUTIVE SUMMARY

Third Quarter of 2015—Solid Results and Progress on Execution Priorities Despite Continued Challenging Environment
Citi's third quarter of 2015 reflected solid overall results and steady progress on its execution priorities, including:

- Efficient resource allocation and disciplined expense management: Citi maintained disciplined expense management during the third quarter of 2015, even as it continued to absorb increased regulatory and compliance costs in Citicorp. Citi's expense management in the current quarter was further aided by lower legal and related expenses and lower repositioning expenses in Citicorp 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 $27 billion, or 20%, from the prior-year period. In addition, as of September 30, 2015, Citi had executed agreements to sell approximately $37 billion of additional assets in Citi Holdings, including OneMain Financial (for additional information, see "Citi Holdings" below). As discussed further below, Citi Holdings also maintained profitability in the third quarter of 2015.
- Utilization of deferred tax assets (DTAs): Citi utilized approximately $2.1 billion in DTAs during the first nine months of 2015, including approximately $700 million during the third quarter of 2015 (for additional information, see "Income Taxes" below).

Citi was able to achieve these results and make ongoing progress on its execution priorities during a quarter with continued market volatility and uncertainties, including macroeconomic uncertainties, slower global growth and market volatility resulting from, among other things, expectations as to when U.S. interest rates may begin to rise. For more information on these and other ongoing 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.

Third Quarter of 2015 Summary Results

Citigroup
Citigroup reported net income of $4.3 billion or $1.35 per diluted share, compared to $2.8 billion or $0.88 per share in the prior-year period. Results in the third quarter of 2015 included $196 million ($127 million after-tax) of CVA/DVA, compared to negative $371 million (negative $228 million after-tax) in the third quarter of 2014.

Excluding the impact of CVA/DVA in both periods, Citi reported net income of $4.2 billion in the third quarter of 2015, or $1.31 per diluted share, compared to $3.1 billion, or $0.95 per share, in the prior-year period. (Citi's results of operations excluding the impact of CVA/DVA are a non-GAAP financial measure.) The 36% increase from the prior-year period was primarily driven by lower expenses, lower net credit losses and a lower effective tax rate (for additional information, see "Income Taxes" below), partially offset by lower revenues and a reduced net loan loss reserve release.
Citi's revenues, net of interest expense, were $18.7 billion in the third quarter of 2015, a decrease of 5% from the prior-year period. Excluding CVA/DVA, revenues were $18.5 billion, down 8% from the prior-year period, as Citicorp revenues decreased by 5% and Citi Holdings revenues decreased 32%. Excluding CVA/DVA and the impact of foreign exchange translation into U.S. dollars for reporting purposes (FX translation), Citigroup revenues decreased 2% from the prior-year period, as a 1% increase in Citicorp revenues was more than offset by the decrease in Citi Holdings revenues. (Citi's results of operations excluding the impact of FX translation are non-GAAP financial measures.)

Expenses

Citigroup expenses decreased 18% versus the third quarter of 2014 to $10.7 billion driven by lower legal and related expenses ($376 million compared to $1.6 billion in the prior-year period) and repositioning costs ($81 million compared to $382 million in the prior-year period), as well as the impact of FX translation (which lowered expenses by approximately $759 million in the third quarter of 2015 compared to the prior-year period). Excluding the impact of FX translation, Citigroup's expenses declined 13%, mainly driven by the lower legal and related expenses and repositioning costs.

Excluding the impact of FX translation on Citicorp, which lowered reported expenses by approximately $698 million in the third quarter of 2015 compared to the prior-year period, Citicorp expenses decreased 13% mainly driven by significantly lower legal and related expenses and repositioning costs. Citicorp expenses in the third quarter of 2015 included legal and related expenses of $259 million, compared to $1.4 billion in the prior-year period, and $41 million of repositioning charges, compared to $370 million in the prior-year period.

Citi Holdings' expenses were $1.1 billion, down 15% from the prior-year period, primarily driven by the ongoing decline in Citi Holdings assets.

Credit Costs

Citi's total provisions for credit losses and for benefits and claims of $1.8 billion increased 5% from the prior-year period, as a lower net loan loss reserve release was partially offset by lower net credit losses.

Net credit losses of $1.7 billion declined 21% versus the prior-year period. Consumer net credit losses declined 24% to $1.6 billion, reflecting continued improvements in North

America Citi-branded cards and Citi retail services in Citicorp as well as the North America mortgage portfolio within Citi Holdings. Corporate net credit losses increased to $46 million from negative $18 million in the prior-year period, with the increase related to a limited number of corporate loans.
The net release of the allowance for loan losses and unfunded lending commitments was $16 million in the third quarter of 2015, compared to a $552 million release in the prior-year period. Citicorp's net reserve build was $212 million, compared to a net loan loss reserve release of $414 million in the prior-year period. The build in the third quarter of 2015 was primarily driven by net loan loss reserve builds in the Institutional Clients Group (ICG), including approximately $140 million for energy and energy-related exposures (for additional information, see "Institutional Clients Group" and "Credit Risk" below). Citi Holdings' net reserve release increased $90 million from the prior-year period to $228 million, primarily reflecting the impact of asset sales.
For additional information on Citi's credit costs and allowance for loan losses, including delinquency trends in its credit portfolios, see "Credit Risk" below.

Capital
Citi continued to grow its regulatory capital during the third quarter of 2015, even as it returned approximately $2.1 billion of capital to its shareholders in the form of common stock repurchases and dividends. Citigroup's Tier 1 Capital and Common Equity Tier 1 Capital ratios, on a fully implemented basis, were 12.9% and 11.7% as of September 30, 2015, respectively, compared to 11.4% and 10.6% as of September 30, 2014 (all based on the Basel III Advanced Approaches for determining risk-weighted assets). Citigroup's Supplementary Leverage ratio as of September 30, 2015, on a fully implemented basis, was 6.9%, compared to 6.0% as of September 30, 2014. For additional information on Citi's capital ratios and related components, including the impact of Citi's DTAs on its capital ratios, see "Capital Resources" and "Income Taxes" below.

Citicorp
Citicorp net income increased 62% from the prior-year period to $4.3 billion. CVA/DVA, recorded in ICG, was $221 million ($143 million after-tax) in the third quarter of 2015, compared to negative $316 million (negative $194 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, Citicorp's net income was $4.1 billion, up 46% from the prior-year period, primarily driven by lower expenses and a lower effective tax rate, partially offset by lower revenues and the higher cost of credit.
Citicorp revenues, net of interest expense, decreased 2% from the prior-year period to $17.3 billion. Excluding CVA/DVA, Citicorp revenues were $17.1 billion in the third quarter of 2015, down 5% from the prior-year period, reflecting a 3% decline in ICG and an 8% decrease in Global Consumer Banking (GCB) revenues. As referenced above, excluding CVA/DVA and the impact of FX translation, Citicorp's revenues grew 1%.

GCB revenues of $8.5 billion decreased 8% versus the prior-year period. Excluding the impact of FX translation, GCB revenues decreased 1%, as decreases in North America GCB and Asia GCB were partially offset by an increase in Latin America GCB. North America GCB revenues decreased 4% to $4.8 billion, as lower revenues in Citi-branded cards and Citi retail services were partially offset by higher retail banking revenues. Citi-branded cards revenues of $1.9 billion were down 9% versus the prior-year period, reflecting the continued impact of lower average loans as well as an increase in acquisition and rewards costs related to new account acquisitions. Citi retail services revenues of $1.6 billion declined 2% versus the prior-year period, reflecting the continued impact of lower fuel prices and higher contractual partner payments. Retail banking revenues increased 3% from the prior-year period to $1.3 billion, reflecting continued loan and deposit growth and improved deposit spreads, partially offset by a lower mortgage repurchase reserve release as compared to the prior-year period. North America GCB average deposits of $172 billion increased 1% year-over-year and average retail loans of $50 billion grew 7%. Average card loans of $107 billion decreased 2%, while purchase sales of $66 billion increased 5% versus the prior-year period. For additional information on the results of operations of North America GCB for the third 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 13% versus the prior-year period to $3.6 billion. Excluding the impact of FX translation, international GCB revenues increased 2% versus the prior-year period. Latin America GCB revenues increased 11% versus the prior-year period, including a gain of approximately $180 million related to the sale of Citi's merchant acquiring business in Mexico. Excluding the gain, Latin America GCB revenues were approximately unchanged from the prior-year period, as modest increases in loan and deposit balances were offset by the continued impact of spread compression. Asia GCB revenues declined 6% versus the prior-year period, reflecting lower investment sales revenues as well as continued high payment rates and the ongoing impact of regulatory changes in cards, partially offset by growth in lending, deposit and insurance products. 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 third quarter of 2015, including the impact of FX translation, see "Global Consumer Banking" below. Year-over-year, international GCB average deposits of $126 billion increased 4%, average retail loans of $97 billion increased 3%, investment sales of $18 billion decreased 27%, average card loans of $25 billion increased 2% and card purchase sales of $25 billion increased 5%, all excluding the impact of FX translation.

ICG revenues were $8.6 billion in the third quarter of 2015, up 3% from the prior-year period. Excluding CVA/DVA, ICG revenues were $8.4 billion, down 3% from the prior-year period. Banking revenues of $4.0 billion, excluding CVA/DVA and the impact of mark-to-market gains on hedges related to accrual loans within corporate lending (see below),

decreased 7% from the prior-year period, as lower underwriting activity and advisory revenues within investment banking as well as the impact of FX translation was only partially offset by continued growth in the private bank. Investment banking revenues of $937 million decreased 25% versus the prior-year period. Advisory revenues decreased 24% from strong results in the prior-year period to $243 million. Debt underwriting revenues decreased 17% to $525 million, driven by high yield and leveraged loans, while equity underwriting decreased 43% to $169 million, reflecting lower industry-wide underwriting activity during the quarter. Private bank revenues, excluding CVA/DVA, increased 8% to $715 million from the prior-year period, driven by strong growth in managed investments revenue as well as higher loan and deposit balances.
Corporate lending revenues increased 41% to $755 million, including $352 million of mark-to-market gains on hedges related to accrual loans, compared to a $91 million gain in the prior-year period. Excluding the mark-to-market impact on hedges related to accrual loans in both periods, corporate lending revenues declined 9% versus the prior-year period to $403 million. Excluding the impact of FX translation and the mark-to-market impact of loan hedges, corporate lending revenues decreased 4% year-over-year, as growth in average loans was more than offset by the impact of lower spreads and the impact of loan sale activity. Treasury and trade solutions revenues of $1.9 billion were approximately unchanged versus the prior-year period. Excluding the impact of FX translation, treasury and trade solutions revenues increased 7%, as continued growth in deposit balances and spreads was partially offset by lower trade revenues.
Markets and securities services revenues of $4.0 billion, excluding CVA/DVA, decreased 5% from the prior-year period. Fixed income markets revenues of $2.6 billion, excluding CVA/DVA, decreased 16% from the prior-year period, reflecting lower client activity levels and a less favorable trading environment versus the prior-year period. Equity markets revenues of $996 million, excluding CVA/DVA, increased 31% versus the prior-year period. Excluding the impact of reversing $140 million of the previously-disclosed valuation adjustment recognized in the second quarter of 2015 ($175 million), equity markets revenues increased 12% from the prior-year period driven by growth in derivatives. Securities services revenues of $513 million decreased 4% versus the prior-year period, but increased 7% excluding the impact of FX translation, reflecting increased activity and higher client balances. For additional information on the results of operations of ICG for the third quarter of 2015, including the impact of CVA/DVA on the applicable businesses, see “Institutional Clients Group” below.
Corporate/Other revenues were $218 million, a $136 million increase from the prior-year period, primarily driven by gains on debt buybacks. For additional information on the results of operations of Corporate/Other for the third quarter of 2015, see “Corporate/Other” below.
Citicorp end-of-period loans were approximately unchanged from the prior-year period at $567 billion, as consumer loans decreased 5% while corporate loans increased

4%. Excluding the impact of FX translation, Citicorp loans grew 5%, with 8% growth in corporate loans and 2% growth in consumer loans.

Citi Holdings
Citi Holdings’ net income was $31 million in the third quarter of 2015, compared to $212 million in the prior-year period. CVA/DVA was negative $25 million (negative $16 million after-tax) in the third quarter of 2015, compared to negative $55 million (negative $34 million after-tax) in the prior-year period. Excluding the impact of CVA/DVA in both periods, Citi Holdings’ net income was $47 million in the current quarter, compared to $246 million in the prior-year period, primarily reflecting lower revenues, partially offset by lower expenses and lower cost of credit.
Citi Holdings’ revenues decreased 32% to $1.4 billion from the prior-year period, primarily driven by a lower level of net gains on asset sales as well as the overall wind-down of the portfolio. For additional information on the results of operations of Citi Holdings in the third quarter of 2015, see “Citi Holdings” below.
At the end of the current quarter, Citi Holdings’ assets were $110 billion, 20% below the prior-year period, and represented approximately 6% of Citi’s total GAAP assets and 13% of its risk-weighted assets under Basel III (based on the Advanced Approaches for determining risk-weighted assets).

RESULTS OF OPERATIONS
SUMMARY OF SELECTED FINANCIAL DATA—PAGE 1
Citigroup Inc. and Consolidated Subsidiaries

	Third Quarter			Nine Months		
In millions of dollars, except per-share amounts and ratios	2015	2014	% Change	2015	2014	% Change
Net interest revenue	$11,773	$12,187	(3)%	$35,167	$35,892	(2)%
Non-interest revenue	6,919	7,502	(8)	22,731	23,428	(3)%
Revenues, net of interest expense	$18,692	$19,689	(5)%	$57,898	$59,320	(2)%
Operating expenses	10,669	12,955	(18)	32,481	40,625	(20)%
Provisions for credit losses and for benefits and claims	1,836	1,750	5	5,399	5,454	(1)%
Income from continuing operations before income taxes	$6,187	$4,984	24 %	$20,018	$13,241	51 %
Income taxes	1,881	2,068	(9)	6,037	6,120	(1)%
Income from continuing operations	$4,306	$2,916	48 %	$13,981	$7,121	96 %
Income (loss) from discontinued operations, net of taxes [1]	(10)	(16)	38 %	(9)	(1)	NM
Net income before attribution of noncontrolling interests	$4,296	$2,900	48 %	$13,972	$7,120	96 %
Net income attributable to noncontrolling interests	5	59	(92)	65	154	(58)%
Citigroup’s net income	$4,291	$2,841	51	$13,907	$6,966	100 %
Less:						
Preferred dividends—Basic	$174	$128	36 %	$504	$352	43 %
Dividends and undistributed earnings allocated to employee restricted and deferred shares that contain nonforfeitable rights to dividends, applicable to basic EPS	56	44	27	182	108	69 %
Income allocated to unrestricted common shareholders for basic and diluted EPS	$4,061	$2,669	52 %	$13,221	$6,506	NM
Earnings per share						
Basic						
Income from continuing operations	$1.36	$0.89	53 %	$4.39	$2.14	NM
Net income	1.36	0.88	55	4.38	2.14	NM
Diluted						
Income from continuing operations	$1.36	$0.88	55 %	$4.38	$2.14	NM
Net income	1.35	0.88	53	4.38	2.14	NM
Dividends declared per common share	0.05	0.01	NM	0.11	0.03	NM

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

SUMMARY OF SELECTED FINANCIAL DATA—PAGE 2

	Citigroup Inc. and Consolidated Subsidiaries					
	Third Quarter			Nine Months		
In millions of dollars, except per-share amounts, ratios and direct staff	2015	2014	% Change	2015	2014	% Change
At September 30:						
Total assets	$1,808,356	$1,882,505	(4)%			
Total deposits [2]	904,243	942,655	(4)			
Long-term debt	213,533	223,842	(5)			
Citigroup common stockholders' equity	205,630	202,960	1			
Total Citigroup stockholders' equity	220,848	211,928	4			
Direct staff (in thousands)	239	243	(2)			
Performance metrics						
Return on average assets	0.94 %	0.59 %		1.01 %	0.49 %	
Return on average common stockholders' equity [3]	8.0	5.3		8.8	4.4	
Return on average total stockholders' equity[3]	7.7	5.3		8.6	4.4	
Efficiency ratio (Operating expenses/Total revenues)	57	66		56	68	
Basel III ratios—full implementation						
Common Equity Tier 1 Capital [4]	11.67 %	10.64 %				
Tier 1 Capital [4]	12.91	11.41				
Total Capital [4]	14.60	12.76				
Supplementary Leverage ratio [5]	6.85	5.98				
Citigroup common stockholders' equity to assets	11.37 %	10.78 %				
Total Citigroup stockholders' equity to assets	12.21	11.26				
Dividend payout ratio [6]	4	1				
Book value per common share	$69.03	$66.99	3 %			
Ratio of earnings to fixed charges and preferred stock dividends	2.92x	2.40x		3.04x	2.18x	

(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.

(2) Reflects reclassification of approximately $21 billion of deposits to held-for-sale (Other liabilities) 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.

(3) 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.

(4) 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.

(5) 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	Third Quarter 2015	2014	% Change	Nine Months 2015	2014	% Change
Income (loss) from continuing operations						
CITICORP						
Global Consumer Banking						
North America	$1,063	$1,183	(10)%	$3,270	$3,275	—%
Latin America	312	329	(5)	781	895	(13)
Asia [1]	307	382	(20)	986	961	3
Total	$1,682	$1,894	(11)%	$5,037	$5,131	(2)%
Institutional Clients Group						
North America	$928	$920	1%	$2,921	$3,321	(12)%
EMEA	522	477	9	2,063	1,839	12
Latin America	389	294	32	1,272	1,061	20
Asia	571	652	(12)	1,953	1,636	19
Total	$2,410	$2,343	3%	$8,209	$7,857	4%
Corporate/Other	$183	$(1,537)	NM	$394	$(2,309)	NM
Total Citicorp	$4,275	$2,700	58%	$13,640	$10,679	28%
Citi Holdings	$31	$216	(86)%	$341	$(3,558)	NM
Income from continuing operations	$4,306	$2,916	48%	$13,981	$7,121	96%
Discontinued operations	$(10)	$(16)	38%	$(9)	$(1)	NM
Net income attributable to noncontrolling interests	5	59	(92)%	65	154	(58)%
Citigroup’s net income	$4,291	$2,841	51%	$13,907	$6,966	100%

(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	Third Quarter 2015	2014	% Change	Nine Months 2015	2014	% Change
CITICORP						
Global Consumer Banking						
North America	$4,821	$4,996	(4)%	$14,638	$14,573	— %
Latin America	1,923	2,172	(11)	5,606	6,391	(12)
Asia [(1)]	1,716	2,033	(16)	5,427	6,025	(10)
Total	$8,460	$9,201	(8)%	$25,671	$26,989	(5)%
Institutional Clients Group						
North America	$3,273	$3,219	2 %	$9,861	$9,934	(1)%
EMEA	2,417	2,252	7	7,723	7,453	4
Latin America	1,069	1,014	5	3,245	3,264	(1)
Asia	1,838	1,851	(1)	5,674	5,241	8
Total	$8,597	$8,336	3 %	$26,503	$25,892	2 %
Corporate/Other	$218	$82	NM	$800	$394	NM
Total Citicorp	$17,275	$17,619	(2)%	$52,974	$53,275	(1)%
Citi Holdings	$1,417	$2,070	(32)%	$4,924	$6,045	(19)%
Total Citigroup net revenues	$18,692	$19,689	(5)%	$57,898	$59,320	(2)%

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

This page intentionally left blank.

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 September 30, 2015, Citicorp had $1.7 trillion of assets and $897 billion of deposits, representing 94% of Citi's total assets and 99% of Citi's total deposits, respectively.

	Third Quarter			Nine Months		
In millions of dollars except as otherwise noted	2015	2014	% Change	2015	2014	% Change
Net interest revenue	$10,799	$11,068	(2)%	$32,137	$32,360	(1)%
Non-interest revenue	6,476	6,551	(1)	20,837	20,915	—
Total revenues, net of interest expense	$17,275	$17,619	(2)%	$52,974	$53,275	(1)%
Provisions for credit losses and for benefits and claims						
Net credit losses	$1,445	$1,692	(15)%	$4,656	$5,305	(12)%
Credit reserve build (release)	128	(387)	NM	(113)	(1,085)	90
Provision for loan losses	$1,573	$1,305	21%	$4,543	$4,220	8%
Provision for benefits and claims	28	38	(26)	77	105	(27)
Provision for unfunded lending commitments	84	(27)	NM	5	(78)	NM
Total provisions for credit losses and for benefits and claims	$1,685	$1,316	28%	$4,625	$4,247	9%
Total operating expenses	$9,524	$11,609	(18)%	$29,075	$32,239	(10)%
Income from continuing operations before taxes	$6,066	$4,694	29%	$19,274	$16,789	15%
Income taxes	1,791	1,994	(10)	5,634	6,110	(8)
Income from continuing operations	$4,275	$2,700	58%	$13,640	$10,679	28%
Income (loss) from discontinued operations, net of taxes	(10)	(16)	38	(9)	(1)	NM
Noncontrolling interests	5	55	(91)	64	148	(57)
Net income	$4,260	$2,629	62%	$13,567	$10,530	29%
Balance sheet data (in billions of dollars)						
Total end-of-period (EOP) assets	$1,698	$1,746	(3)%			
Average assets	1,705	1,752	(3)	1,718	1,748	(2)%
Return on average assets	0.99%	0.60%		1.06%	0.81%	
Efficiency ratio	55%	66%		55%	61%	
Total EOP loans	$567	$569	—			
Total EOP deposits	$897	$898	—			

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 3,004 branches in 24 countries around the world as of September 30, 2015. At September 30, 2015, GCB had $388 billion of assets and $297 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.

	Third Quarter			Nine Months		
In millions of dollars except as otherwise noted	2015	2014	% Change	2015	2014	% Change
Net interest revenue	$6,731	$7,120	(5)%	$20,124	$20,854	(4)%
Non-interest revenue	1,729	2,081	(17)	5,547	6,135	(10)
Total revenues, net of interest expense	$8,460	$9,201	(8)%	$25,671	$26,989	(5)%
Total operating expenses	$4,483	$4,975	(10)%	$13,653	$14,966	(9)%
Net credit losses	$1,411	$1,680	(16)%	$4,541	$5,150	(12)%
Credit reserve build (release)	(64)	(379)	83	(280)	(894)	69
Provision (release) for unfunded lending commitments	1	(2)	NM	(1)	(8)	88
Provision for benefits and claims	28	38	(26)	77	105	(27)
Provisions for credit losses and for benefits and claims	$1,376	$1,337	3%	$4,337	$4,353	—%
Income from continuing operations before taxes	$2,601	$2,889	(10)%	$7,681	$7,670	—%
Income taxes	919	995	(8)	2,644	2,539	4
Income from continuing operations	$1,682	$1,894	(11)%	$5,037	$5,131	(2)%
Noncontrolling interests	8	9	(11)	8	22	(64)
Net income	$1,674	$1,885	(11)%	$5,029	$5,109	(2)%
Balance Sheet data (in billions of dollars)						
Average assets	$387	$410	(6)%	$392	$408	(4)%
Return on average assets	1.72%	1.82%		1.72%	1.68%	
Efficiency ratio	53%	54%		53%	55%	
Total EOP assets	$388	$410	(5)			
Average deposits	299	306	(3)	$301	$306	(2)
Net credit losses as a percentage of average loans	2.01%	2.28%		2.16%	2.37%	
Revenue by business						
Retail banking	$3,732	$3,936	(5)%	$11,282	$11,570	(2)%
Cards [1]	4,728	5,265	(10)	14,389	15,419	(7)
Total	$8,460	$9,201	(8)%	$25,671	$26,989	(5)%
Income from continuing operations by business						
Retail banking	$566	$536	6%	$1,695	$1,319	29%
Cards [1]	1,116	1,358	(18)	3,342	3,812	(12)
Total	$1,682	$1,894	(11)%	$5,037	$5,131	(2)%

(Table continues on next page.)

Foreign currency (FX) translation impact						
Total revenue—as reported	$8,460	$9,201	(8)%	$25,671	$26,989	(5)%
Impact of FX translation [2]	—	(633)		—	(1,489)	
Total revenues—ex-FX	$8,460	$8,568	(1)%	$25,671	$25,500	1 %
Total operating expenses—as reported	$4,483	$4,975	(10)%	$13,653	$14,966	(9)%
Impact of FX translation [2]	—	(369)		—	(884)	
Total operating expenses—ex-FX	$4,483	$4,606	(3)%	$13,653	$14,082	(3)%
Total provisions for LLR & PBC-as reported	$1,376	$1,337	3 %	$4,337	$4,353	— %
Impact of FX translation [2]	—	(134)		—	(348)	
Total provisions for LLR & PBC—ex-FX	$1,376	$1,203	14 %	$4,337	$4,005	8 %
Net income—as reported	$1,674	$1,885	(11)%	$5,029	$5,109	(2)%
Impact of FX translation [2]	—	(81)		—	(155)	
Net income—ex-FX	$1,674	$1,804	(7)%	$5,029	$4,954	2 %

(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 third 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 779 retail bank branches as of September 30, 2015 were largely concentrated in the greater metropolitan areas of New York, Chicago, Miami, Washington, D.C., Los Angeles and San Francisco. North America GCB continues to rationalize its branch footprint, including, as previously announced, the planned exit of approximately 50 branches by the end of the first quarter of 2016, which includes North America GCB's branches in the Boston metropolitan area.

At September 30, 2015, North America GCB had approximately 11.0 million retail banking customer accounts, $50.6 billion of retail banking loans and $170.9 billion of deposits. In addition, North America GCB had approximately 112.8 million Citi-branded and Citi retail services credit card accounts, with $107.9 billion in outstanding card loan balances.

	Third Quarter			Nine Months		
In millions of dollars, except as otherwise noted	2015	2014	% Change	2015	2014	% Change
Net interest revenue	$4,423	$4,363	1 %	$13,008	$12,761	2 %
Non-interest revenue	398	633	(37)	1,630	1,812	(10)
Total revenues, net of interest expense	$4,821	$4,996	(4)%	$14,638	$14,573	— %
Total operating expenses	$2,270	$2,411	(6)%	$6,829	$7,199	(5)%
Net credit losses	$878	$1,019	(14)%	$2,839	$3,193	(11)%
Credit reserve build (release)	(61)	(341)	82	(270)	(1,009)	73
Provisions for benefits and claims	11	12	(8)	30	30	—
Provision for unfunded lending commitments	—	—	—	1	3	(67)
Provisions for credit losses and for benefits and claims	$828	$690	20 %	$2,600	$2,217	17 %
Income from continuing operations before taxes	$1,723	$1,895	(9)%	$5,209	$5,157	1 %
Income taxes	660	712	(7)	1,939	1,882	3
Income from continuing operations	$1,063	$1,183	(10)%	$3,270	$3,275	— %
Noncontrolling interests	1	—	100	—	(1)	100
Net income	$1,062	$1,183	(10)%	$3,270	$3,276	— %
Balance Sheet data (in billions of dollars)						
Average assets	$208	$211	(1)%	$207	$210	(1)%
Return on average assets	2.03 %	2.22 %		2.11 %	2.09 %	
Efficiency ratio	47 %	48 %		47 %	49 %	
Average deposits	$172.3	$170.4	1	$171.6	$170.7	1
Net credit losses as a percentage of average loans	2.22 %	2.59 %		2.44 %	2.75 %	
Revenue by business						
Retail banking	$1,275	$1,232	3 %	$3,930	$3,553	11 %
Citi-branded cards	1,930	2,118	(9)	5,872	6,168	(5)
Citi retail services	1,616	1,646	(2)	4,836	4,852	—
Total	$4,821	$4,996	(4)%	$14,638	$14,573	— %
Income from continuing operations by business						
Retail banking	$144	$107	35 %	$530	$215	NM
Citi-branded cards	522	636	(18)	1,560	1,755	(11)
Citi retail services	397	440	(10)	1,180	1,305	(10)

Total	$1,063	$1,183	(10)%	$3,270	$3,275	— %

NM Not meaningful

3Q15 vs. 3Q14

Net income decreased 10% due to a lower net loan loss reserve release and lower revenues, partially offset by lower expenses and lower net credit losses.

Revenues decreased 4%, reflecting lower revenues in Citi-branded cards and Citi retail services, partially offset by higher revenues in retail banking. Net interest revenue increased 1%, primarily due to continued volume growth in retail banking and improved deposit spreads, which more than offset the continued impact of lower average loans in Citi-branded cards. Non-interest revenue decreased 37%, largely driven by an increase in acquisition and rewards costs related to new account acquisitions in Citi-branded cards as well as the impact of a lower mortgage repurchase reserve release in retail banking as compared to the prior-year period (approximately $50 million). The decrease in non-interest revenues was also due to a continued decline in Citi retail services non-interest revenues, primarily reflecting higher contractual partner payments.

Retail banking revenues increased 3% due to 7% growth in average loans, 7% growth in checking deposits and the improved deposit spreads, partially offset by lower mortgage origination revenues and the lower mortgage repurchase reserve release. This growth occurred despite the fact that, consistent with GCB’s strategy, since the third quarter of 2014, North America GCB has closed or sold 116 branches (a 13% decline from the prior-year period).

Cards revenues declined 6% due to a 2% decrease in average loans, partially offset by a 5% increase in purchase sales. In Citi-branded cards, revenues decreased 9%, primarily reflecting the increase in acquisition and rewards costs related to new account acquisitions and the continued impact of lower average loans (down 3%), partially offset by an 8% increase in purchase sales. The modest decline in average loans was driven primarily by continued high customer payment rates. North America GCB expects these trends in its Citi-branded cards businesses to continue in the near term.

Citi retail services revenues declined 2% driven by the continued impact of lower fuel prices and higher contractual partner payments, as the business continued to share the benefits of higher yields and lower net credit losses with its retail partners, partially offset by the impact of higher spreads and volumes. Purchase sales in Citi retail services increased 1% from the prior-year period, as the continued impact of lower fuel prices was offset by volume growth.

Expenses decreased 6%, primarily due to ongoing cost reduction initiatives, including as a result of the branch rationalization strategy, and lower repositioning charges, partially offset by increased investment spending in Citi-branded cards.

Provisions increased 20% due to lower net loan loss reserve releases (82%), partially offset by lower net credit losses (14%). Net credit losses declined in Citi-branded cards (down 16% to $443 million) and in Citi retail services (down 12% to $401 million). The lower net loan loss reserve release reflected continued stabilization in the cards portfolios.

2015 YTD vs. 2014 YTD

Year-to-date, North America GCB has experienced similar trends to those described above. Net income was unchanged, as lower expenses and lower net credit losses were offset by a lower net loan loss reserve release.

Revenues were unchanged, as higher revenues in retail banking were offset by lower revenues in Citi-branded cards. Retail banking revenues increased 11%, primarily due to the same factors described above. Cards revenues decreased 3%, as Citi-branded cards revenues decreased 5%, driven by the same factors described above. Citi retail services revenues were unchanged, as the continued impact of lower fuel prices and higher contractual payments were offset by the impact of higher spreads and volumes.

Expenses decreased 5%, driven by the same factors described above.

Provisions increased 17% due to the lower net loan loss reserve releases (73%), partially offset by lower net credit losses (11%) driven by improvement in cards.

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. Latin America GCB includes branch networks throughout Latin America as well as Banco Nacional de Mexico, or Banamex, Mexico's second-largest bank, with 1,495 branches as of September 30, 2015.

At September 30, 2015, Latin America GCB had 1,697 retail branches, with approximately 31.5 million retail banking customer accounts, $23.9 billion in retail banking loans and $38.8 billion in deposits. In addition, the business had approximately 7.9 million Citi-branded card accounts with $7.5 billion in outstanding loan balances.

In millions of dollars, except as otherwise noted	Third Quarter 2015	Third Quarter 2014	% Change	Nine Months 2015	Nine Months 2014	% Change
Net interest revenue	$1,187	$1,472	(19)%	$3,670	$4,268	(14)%
Non-interest revenue	736	700	5	1,936	2,123	(9)
Total revenues, net of interest expense	$1,923	$2,172	(11)%	$5,606	$6,391	(12)%
Total operating expenses	$1,080	$1,272	(15)%	$3,322	$3,729	(11)%
Net credit losses	$355	$460	(23)%	$1,164	$1,350	(14)%
Credit reserve build (release)	61	(4)	NM	90	156	(42)
Provision (release) for unfunded lending commitments	1	(1)	NM	1	(1)	NM
Provision for benefits and claims	17	26	(35)	47	75	(37)
Provisions for credit losses and for benefits and claims (LLR & PBC)	$434	$481	(10)%	$1,302	$1,580	(18)%
Income from continuing operations before taxes	$409	$419	(2)%	$982	$1,082	(9)%
Income taxes	97	90	8	201	187	7
Income from continuing operations	$312	$329	(5)%	$781	$895	(13)%
Noncontrolling interests	1	2	(50)	3	6	(50)
Net income	$311	$327	(5)%	$778	$889	(12)%
Balance Sheet data (in billions of dollars)						
Average assets	$60	$76	(21)%	$65	$76	(14)%
Return on average assets	2.06%	1.71%		1.60%	1.58%	
Efficiency ratio	56%	59%		59%	58%	
Average deposits	$39.6	$45.0	(12)	$41.2	$44.7	(8)
Net credit losses as a percentage of average loans	4.42%	4.75%		4.65%	4.76%	
Revenue by business						
Retail banking	$1,369	$1,452	(6)%	$3,889	$4,303	(10)%
Citi-branded cards	554	720	(23)	1,717	2,088	(18)
Total	$1,923	$2,172	(11)%	$5,606	$6,391	(12)%
Income from continuing operations by business						
Retail banking	$235	$189	24%	$532	$599	(11)%
Citi-branded cards	77	140	(45)	249	296	(16)
Total	$312	$329	(5)%	$781	$895	(13)%
Foreign currency (FX) translation impact						
Total revenues—as reported	$1,923	$2,172	(11)%	$5,606	$6,391	(12)%
Impact of FX translation [1]	—	(433)		—	(1,028)	
Total revenues—ex-FX	$1,923	$1,739	11%	$5,606	$5,363	5%
Total operating expenses—as reported	$1,080	$1,272	(15)%	$3,322	$3,729	(11)%
Impact of FX translation [1]	—	(234)		—	(544)	
Total operating expenses—ex-FX	$1,080	$1,038	4%	$3,322	$3,185	4%

Provisions for LLR & PBC—as reported	$434	$481	(10)%	$1,302	$1,580	(18)%
Impact of FX translation [1]	—	(107)		—	(279)	
Provisions for LLR & PBC—ex-FX	$434	$374	16 %	$1,302	$1,301	— %
Net income—as reported	$311	$327	(5)%	$778	$889	(12)%
Impact of FX translation [1]	—	(62)		—	(138)	
Net income—ex-FX	$311	$265	17 %	$778	$751	4 %

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

NM Not Meaningful

17

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.

3Q15 vs. 3Q14
Net income increased 17%, primarily due to higher revenues, partially offset by higher expenses and higher credit costs.
Revenues increased 11%, primarily due to the approximately $180 million gain on sale related to the Mexico merchant acquiring business. Excluding this gain, revenues were relatively unchanged, as the impact of modest volume growth was offset by the continued impact of spread compression, as well as continued slow economic growth in the region. Net interest revenue increased 2% due to loan and deposit growth, partially offset by the ongoing spread compression. Non-interest revenue increased 29%, primarily driven by the gain on sale related to the merchant acquiring business in Mexico.
Retail banking revenues increased 1%, excluding the gain on sale related to the merchant acquiring business, reflecting volume growth, including an increase in average loans (5%) and average deposits (4%). Cards revenues decreased 2%, primarily driven by Mexico, due to declines in average loans and slower growth in purchase sales in Mexico resulting from lower economic growth and ongoing shifts in consumer behavior, including due to the previously disclosed fiscal reforms. Latin America GCB expects cards revenues in Mexico could continue to be impacted by these trends in the near term.
Expenses increased 4%, primarily due to increased regulatory and compliance spending, mandatory salary increases in certain countries and technology infrastructure upgrades, partially offset by lower legal and related costs, lower repositioning charges and efficiency savings.
Provisions increased 16%, primarily due to a higher net loan loss reserve build, partially offset by a 1% decline in net credit losses. The net loan loss reserve build increased by $63 million in part due to a weaker macroeconomic environment in Brazil. Despite this increase and the continued weaker economic environment in Brazil, Citi does not currently expect its consumer exposure in Brazil will have a material impact on its overall GCB cost of credit going forward (for additional information on Citi's consumer exposures in Brazil, see "Managing Global Risk—Country Risk" below).

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 Risk" below.

2015 YTD vs. 2014 YTD
Year-to-date, Latin America GCB has experienced similar trends to those described above. Net income increased 4%, primarily due to higher revenues, partially offset by higher expenses.
Revenues increased 5%, primarily due to the gain on sale related to the merchant acquiring business in Mexico. Excluding this gain, revenues increased 1%, as volume growth (3% increase in average loans and 5% increase in average deposits) was partially offset by the impact of business divestitures in the prior-year period, including the sale 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 3% due to loan and deposit growth, partially offset by ongoing spread compression and the impact of the business divestitures in the prior-year period. Non-interest revenue increased 7%, primarily due to the gain on sale related to the merchant acquiring business in Mexico, partially offset by the impact of the business divestitures in the prior-year period. Retail banking revenues increased 8%, mainly driven by the net impact of the gain on sale related to the merchant acquiring business in Mexico and the partial sale of Citi's indirect investment in Banco de Chile in the prior-year period. Cards revenues declined 1%, driven by the same factors described above.

Expenses increased 4%, driven by the factors described above.
Provisions were unchanged, as a lower net loan loss reserve build, was offset by higher net credit losses. Net credit losses increased 5%, primarily driven by portfolio growth. The net loan loss reserve build declined 32% due to a lower build related to Mexico cards, partially offset by higher builds in Brazil.

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 Singapore, Korea, Hong Kong, India, Australia, Taiwan, China, Thailand, Malaysia and the Philippines as of September 30, 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 September 30, 2015, on a combined basis, the businesses had 528 retail branches, approximately 17.7 million retail banking customer accounts, $71.4 billion in retail banking loans and $87.1 billion in deposits. In addition, the businesses had approximately 17.1 million Citi-branded card accounts with $17.0 billion in outstanding loan balances.

	Third Quarter			Nine Months		
In millions of dollars, except as otherwise noted [1]	2015	2014	% Change	2015	2014	% Change
Net interest revenue	$1,121	$1,285	(13)%	$3,446	$3,825	(10)%
Non-interest revenue	595	748	(20)	1,981	2,200	(10)
Total revenues, net of interest expense	$1,716	$2,033	(16)%	$5,427	$6,025	(10)%
Total operating expenses	$1,133	$1,292	(12)%	$3,502	$4,038	(13)%
Net credit losses	$178	$201	(11)%	$538	$607	(11)%
Credit reserve build (release)	(64)	(34)	(88)	(100)	(41)	NM
Provision for unfunded lending commitments	—	(1)	100	(3)	(10)	70
Provisions for credit losses	$114	$166	(31)%	$435	$556	(22)%
Income from continuing operations before taxes	$469	$575	(18)%	$1,490	$1,431	4 %
Income taxes	162	193	(16)	504	470	7
Income from continuing operations	$307	$382	(20)%	$986	$961	3 %
Noncontrolling interests	6	7	(14)	5	17	(71)
Net income	$301	$375	(20)%	$981	$944	4 %
Balance Sheet data (in billions of dollars)						
Average assets	$119	$123	(3)%	$120	$122	(2)%
Return on average assets	1.00 %	1.21 %		1.09 %	1.03 %	
Efficiency ratio	66 %	64 %		65 %	67 %	
Average deposits	$86.6	$91.0	(5)	$88.2	$90.2	(2)
Net credit losses as a percentage of average loans	0.79 %	0.81 %		0.78 %	0.84 %	
Revenue by business						
Retail banking	$1,088	$1,252	(13)%	$3,463	$3,714	(7)%
Citi-branded cards	628	781	(20)	1,964	2,311	(15)
Total	$1,716	$2,033	(16)%	$5,427	$6,025	(10)%
Income from continuing operations by business						
Retail banking	$187	$240	(22)%	$633	$505	25 %
Citi-branded cards	120	142	(15)	353	456	(23)
Total	$307	$382	(20)%	$986	$961	3 %

Foreign currency (FX) translation impact						
Total revenues—as reported	$1,716	$2,033	(16)%	$5,427	$6,025	(10)%
Impact of FX translation [2]	—	(200)		—	(461)	
Total revenues—ex-FX	$1,716	$1,833	(6)%	$5,427	$5,564	(2)%
Total operating expenses—as reported	$1,133	$1,292	(12)%	$3,502	$4,038	(13)%
Impact of FX translation [2]	—	(135)		—	(340)	
Total operating expenses—ex-FX	$1,133	$1,157	(2)%	$3,502	$3,698	(5)%
Provisions for loan losses—as reported	$114	$166	(31)%	$435	$556	(22)%
Impact of FX translation [2]	—	(27)		—	(69)	
Provisions for loan losses—ex-FX	$114	$139	(18)%	$435	$487	(11)%
Net income—as reported	$301	$375	(20)%	$981	$944	4 %
Impact of FX translation [2]	—	(19)		—	(17)	
Net income—ex-FX	$301	$356	(15)%	$981	$927	6 %

(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 third 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.

3Q15 vs. 3Q14
Net income decreased 15%, primarily due to lower revenues, partially offset by lower expenses and lower credit costs.
Revenues decreased 6% driven by an industry-wide slowdown in activity in the region during the quarter, reflecting changes in consumer sentiment due to slowing economic growth and volatility in the capital markets. Non-interest revenue decreased 14%, primarily due to lower investment sales revenues. Net interest revenue decreased 2% driven by the ongoing impact of regulatory changes and continued spread compression in cards.
Retail banking revenues decreased 5%, primarily due to a 20% decline in investment sales driven by the market and consumer sentiment factors described above, partially offset by increased lending (2% increase in average loans) and deposit products (4% increase in average deposits) and higher insurance fee revenues.
Cards revenues decreased 8%, primarily due to continued high payment rates, spread compression and the ongoing impact of regulatory changes, particularly in Singapore, Taiwan, Australia, Malaysia and Poland. While purchase sales grew 3% and average loans grew 3%, such growth was negatively impacted by the continued high payment rates. Asia GCB expects these negative impacts to cards revenues could continue in the near term.
Expenses decreased 2%, largely due to lower repositioning charges and efficiency savings, partially offset by higher regulatory and compliance costs.
Provisions decreased 18%, primarily due to a higher net loan loss reserve release, primarily in Malaysia and Korea, partially offset by higher net credit losses driven by portfolio growth.

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 Risk" below.

2015 YTD vs. 2014 YTD

Year-to-date, Asia GCB has experienced similar trends to those described above. Net income increased 6%, primarily due to lower expenses and lower credit costs, partially offset by lower revenues.

Revenues decreased 2%. Non-interest revenue decreased 4%, primarily driven by lower fee revenues. Net interest revenue decreased 1%, driven by the same factors described above. Retail banking revenues were unchanged, as higher insurance fee revenue and volumes (average retail deposits increased 5%, average retail loans increased 3% and investment sales increased 8%) were offset by continued spread compression and regulatory changes, particularly in Poland. Cards revenues decreased 6%, driven by the same factors described above.

Expenses decreased 5%, largely due to lower repositioning charges, including the absence of approximately $270 million of repositioning charges in Korea in the second quarter of 2014, and efficiency savings, partially offset by higher regulatory and compliance costs, investment spending and volume-related growth.

Provisions decreased 11%, primarily due to a higher net loan loss reserve release and modestly lower net credit losses.

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 September 30, 2015, ICG had approximately $1.3 trillion of assets and $595 billion of deposits, while two of its businesses, securities services and issuer services, managed approximately $14.9 trillion of assets under custody compared to $15.0 trillion at the end of the prior-year period.

	Third Quarter		% Change	Nine Months		% Change
In millions of dollars, except as otherwise noted	2015	2014		2015	2014	
Commissions and fees	$954	$1,015	(6)%	$2,935	$3,021	(3)%
Administration and other fiduciary fees	590	626	(6)%	1,856	1,901	(2)
Investment banking	828	1,047	(21)%	3,082	3,261	(5)
Principal transactions	1,208	1,396	(13)%	5,203	5,576	(7)
Other	885	241	NM	1,300	484	NM
Total non-interest revenue	$4,465	$4,325	3%	$14,376	$14,243	1%
Net interest revenue (including dividends)	4,132	4,011	3%	12,127	11,649	4
Total revenues, net of interest expense	$8,597	$8,336	3%	$26,503	$25,892	2%
Total operating expenses	$4,692	$4,912	(4)%	$14,145	$14,513	(3)%
Net credit losses	$34	$12	NM	$115	$155	(26)%
Credit reserve build (release)	192	(8)	NM	167	(191)	NM
Provision (release) for unfunded lending commitments	83	(25)	NM	6	(70)	NM
Provisions for credit losses	$309	$(21)	NM	$288	$(106)	NM
Income from continuing operations before taxes	$3,596	$3,445	4%	$12,070	$11,485	5%
Income taxes	1,186	1,102	8%	3,861	3,628	6
Income from continuing operations	$2,410	$2,343	3%	$8,209	$7,857	4%
Noncontrolling interests	(6)	42	NM	45	87	(48)
Net income	$2,416	$2,301	5%	$8,164	$7,770	5%
Average assets (in billions of dollars)	$1,260	$1,279	(1)%	$1,271	$1,284	(1)%
Return on average assets	0.76%	0.71%		0.86%	0.81%	
Efficiency ratio	55%	59%		53%	56%	
CVA/DVA after-tax	$143	$(194)	NM	$289	$(218)	NM
Net income ex-CVA/DVA	$2,273	$2,495	(9)%	$7,875	$7,988	(1)%
Revenues by region						
North America	$3,273	$3,219	2%	$9,861	$9,934	(1)%
EMEA	2,417	2,252	7%	7,723	7,453	4
Latin America	1,069	1,014	5%	3,245	3,264	(1)

Asia	1,838	1,851	(1)%	5,674	5,241	8
Total	$8,597	$8,336	3 %	$26,503	$25,892	2 %

21

Income from continuing operations by region						
North America	$928	$920	1 %	$2,921	$3,321	(12)%
EMEA	522	477	9 %	2,063	1,839	12
Latin America	389	294	32 %	1,272	1,061	20
Asia	571	652	(12)%	1,953	1,636	19
Total	$2,410	$2,343	3 %	$8,209	$7,857	4 %
Average loans by region (in billions of dollars)						
North America	$128	$111	15 %	$123	$109	13 %
EMEA	59	58	2 %	59	58	2
Latin America	39	40	(3)%	39	40	(3)
Asia	62	69	(10)%	62	69	(10)
Total	$288	$278	4 %	$283	$276	3 %
EOP deposits by business (in billions of dollars)						
Treasury and trade solutions	$399	$381	5 %			
All other ICG businesses	196	182	8 %			
Total	$595	$563	6 %			

ICG Revenue Details—Excluding CVA/DVA and Gain/(Loss) on Loan Hedges[1]

In millions of dollars	Third Quarter 2015	2014	% Change	Nine Months 2015	2014	% Change
Investment banking revenue details						
Advisory	$243	$318	(24)%	$799	$686	16 %
Equity underwriting	169	298	(43)	696	994	(30)
Debt underwriting	525	633	(17)	1,923	1,961	(2)
Total investment banking	$937	$1,249	(25)%	$3,418	$3,641	(6)%
Treasury and trade solutions	1,933	1,934	—	5,777	5,835	(1)
Corporate lending—excluding gain/(loss) on loan hedges	403	444	(9)	1,293	1,316	(2)
Private bank	715	664	8	2,169	1,992	9
Total banking revenues (ex-CVA/DVA and gain/(loss) on loan hedges)	$3,988	$4,291	(7)%	$12,657	$12,784	(1)%
Corporate lending—gain/(loss) on loan hedges[2]	$352	$91	NM	$338	$30	NM
Total banking revenues (ex-CVA/DVA and including gain/(loss) on loan hedges)	$4,340	$4,382	(1)%	$12,995	$12,814	1 %
Fixed income markets	$2,577	$3,064	(16)%	$9,122	$10,073	(9)%
Equity markets	996	763	31	2,522	2,304	9
Securities services	513	534	(4)	1,613	1,540	5
Other	(50)	(91)	45	(204)	(484)	58
Total Markets and securities services (ex-CVA/DVA)	$4,036	$4,270	(5)%	$13,053	$13,433	(3)%
Total ICG (ex-CVA/DVA)	$8,376	$8,652	(3)%	$26,048	$26,247	(1)%
CVA/DVA (excluded as applicable in lines above)[3]	221	(316)	NM	455	(355)	NM
Fixed income markets	187	(306)	NM	394	(368)	NM
Equity markets	37	(4)	NM	61	17	NM
Private bank	(3)	(6)	50	—	(4)	100
Total revenues, net of interest expense	$8,597	$8,336	3 %	$26,503	$25,892	2 %

(1)

Revenue details excluding CVA/DVA and gain/(loss) on loan hedges are non-GAAP financial measures. The reconciliation to the relevant GAAP financial measures are included in the table below.

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

(3) 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.

3Q15 vs. 3Q14
Net income decreased 9%, primarily driven by lower revenues and an increase in the cost of credit, partially offset by lower expenses.

- Revenues decreased 3%, reflecting lower revenues in each of Markets and securities services (decrease of 5%) and Banking (decrease of 1%, or 7% excluding the gains/(losses) on hedges on accrual loans).

Within Banking:

- Investment banking revenues decreased 25% reflecting lower industry-wide underwriting activity across all regions. Advisory revenues decreased 24% from a strong prior-year period. Equity underwriting revenues decreased 43%, particularly in Asia and EMEA, due to the lower industry-wide activity and a modest decline in wallet share resulting from continued share fragmentation. Debt underwriting revenues decreased 17%, driven by high yield debt and leveraged loans.
- Treasury and trade solutions revenues were unchanged. Excluding the impact of FX translation, revenues increased 7%, as continued growth in deposit balances and improved spreads, particularly in EMEA and Latin America, were partially offset by continued declines in trade balances and spreads. End-of-period deposit balances increased 5% (10% excluding the impact of FX translation), while average trade loans decreased 11% (8% excluding the impact of FX translation).
- Corporate lending revenues increased 41%. Excluding the gains/(losses) on hedges on accrual loans, revenues decreased 9% versus the prior-year period. Excluding the impact of FX translation and the gains/(losses) on hedges on accrual loans, corporate lending revenues decreased 4%, as lower spreads and the impact of loan sale activity were partially offset by continued growth in average loan balances.
- Private bank revenues increased 8%, largely due to strength in North America, as growth in managed investments fee revenues as well as higher loan and deposit balances were partially offset by continued spread compression in lending and lower capital markets activity, particularly in Asia.

Within Markets and securities services:

- Fixed income markets revenues decreased 16%, driven by lower client activity levels and a less favorable trading environment, particularly in spread products and G10 foreign exchange. The decline in revenues was primarily in North America and western Europe, partially offset by a 4% increase in revenues in the emerging markets. Spread products revenues declined due to lower activity levels in securitized and high yield credit products, particularly in North America, compared to a strong

performance in the prior-year period. This decline was partially offset by increased municipals and investment-grade credit revenues. Rates and currencies revenues decreased, driven by G10 foreign exchange due to decreased client flows from a strong prior-year period.

-

Equity markets revenues increased 31% largely reflecting the impact of reversing $140 million of the previously-disclosed valuation adjustment recognized in the second quarter of 2015 ($175 million). Excluding the adjustment, revenues increased 12%, primarily reflecting growth in derivatives, particularly in North America and Asia, partially offset by lower revenues in EMEA.

- Securities services revenues decreased 4%. Excluding the impact of FX translation, revenues increased 7%, particularly in Asia and EMEA, reflecting increased client activity and higher client balances, which drove growth in net interest revenue and custody and clearing fees.

Expenses decreased 4%, as higher regulatory and compliance costs were more than offset by the impact of FX translation, lower compensation expense, lower repositioning charges and efficiency savings.

Provisions increased $330 million, primarily due to a net loan loss reserve build ($275 million), compared to a net release ($33 million) in the prior-year period. The net loan loss reserve build included approximately $140 million for energy and energy-related exposures, with the remainder attributable to other corporate loan portfolios as well as overall volume growth (for additional information on Citi's energy-related exposures, including the increase in corporate non-accrual loans during the third quarter of 2015, see "Managing Global Risk—Corporate Credit Risk Details" below). Continued low, or further deterioration in, energy and other commodity prices could lead to further energy-related loan loss reserve builds in the future. Net credit losses in the corporate credit portfolios during the third quarter of 2015 were $34 million.

Russia/Greece

For additional information on Citi's exposures and risks in Russia, see "Institutional Clients Group" and "Risk Factors" in Citi's 2014 Annual Report on Form 10-K and "Managing Global Risk—Country Risk" below. For additional information on Citi's exposures and risks in Greece, see "Risk Factors" in Citi's 2014 Annual Report on Form 10-K and "Managing Global Risk—Country Risk" below.

2015 YTD vs. 2014 YTD
Net income decreased 1%, primarily driven by lower revenues and an increase in the cost of credit, partially offset by lower expenses.

- Revenues decreased 1%, reflecting lower revenues in Markets and securities services (decrease of 3%), partially offset by higher revenues in Banking (increase of 1%, a decrease of 1% excluding the gains/(losses) on hedges on accrual loans).

Within Banking:

- Investment banking revenues decreased 6%, largely reflecting lower industry-wide underwriting activity. Advisory revenues increased 16%, reflecting strength in the overall M&A market and sustained wallet share gains. Equity underwriting revenues decreased 30% due in part to the lower industry-wide activity as well as a decline in wallet share resulting from continued share fragmentation. Debt underwriting revenues decreased 2%, driven by the lower industry-wide activity, partially offset by wallet share gains in investment grade debt, primarily in North America.
- Treasury and trade solutions revenues decreased 1%. Excluding the impact of FX translation, revenues increased 5%, driven by the same factors described above. Average trade loans decreased 13% (10% excluding the impact of FX translation).
- Corporate lending revenues increased 21%. Excluding the gains/(losses) on hedges on accrual loans, revenues decreased 2%, as the impact of FX translation and lower spreads were partially offset by continued growth in average loan balances, lower hedge premium costs and an improvement in mark-to-market adjustments.
- Private bank revenues increased 9%, primarily due to continued growth in loan and deposit balances as well as higher capital markets activity and managed investments fee revenues, partially offset by continued spread compression in lending.

Within Markets and securities services:

- Fixed income markets revenues decreased 9%, driven by a decrease in spread products revenues, partially offset by growth in rates and currencies revenues. Spread products revenues declined, particularly credit markets and securitized markets in North America, due to lower activity in the period, as well as strong performance in the prior-year period. High yield credit, structured credit, securitized markets 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 products. Rates and currencies revenues increased, particularly in EMEA, due to increased client flows in G10 rates and local markets, driven in part by central bank actions and increased foreign exchange volatility, combined with strength in Asia. This increase was partially offset by the previously-disclosed modest loss on the Swiss franc revaluation early in the first quarter of 2015.

- Equity markets revenues increased 9%, primarily due to growth in derivatives, particularly in Asia, partially offset by lower revenues in Latin America.
- Securities services revenues increased 5%. Excluding the impact of FX translation, revenues increased 16%, driven by the same factors described above.

Expenses decreased 3%, primarily due to the impact of FX translation, lower repositioning charges and ongoing efficiency savings, partially offset by increased regulatory and compliance costs and increased investments.
Provisions increased $394 million, primarily due to a net loan loss reserve build ($173 million), compared to a net release ($261 million) in the prior-year period. The net loan loss reserve build primarily reflected builds for energy and energy-related exposures, partially offset by the release of previously-established loan loss reserves in the second quarter of 2015.

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 September 30, 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	Third Quarter 2015	Third Quarter 2014	% Change	Nine Months 2015	Nine Months 2014	% Change
Net interest revenue	$(64)	$(63)	(2)%	$(114)	$(143)	20%
Non-interest revenue	282	145	94	914	537	70
Total revenues, net of interest expense	$218	$82	NM	$800	$394	NM
Total operating expenses	$349	$1,722	(80)%	$1,277	$2,760	(54)%
Provisions for loan losses and for benefits and claims	—	—	—%	—	—	—%
Loss from continuing operations before taxes	$(131)	$(1,640)	92%	$(477)	$(2,366)	80%
Income taxes (benefits)	(314)	(103)	NM	(871)	(57)	NM
Income (loss) from continuing operations	$183	$(1,537)	NM	$394	$(2,309)	NM
Income (loss) from discontinued operations, net of taxes	(10)	(16)	38%	(9)	(1)	NM
Net income (loss) before attribution of noncontrolling interests	$173	$(1,553)	NM	$385	$(2,310)	NM
Noncontrolling interests	3	4	(25)%	11	39	(72)%
Net income (loss)	$170	$(1,557)	NM	$374	$(2,349)	NM

NM Not meaningful

3Q15 vs. 3Q14

Net income was $170 million, compared to a net loss of $1.6 billion in the prior-year period, due to lower expenses and a lower effective tax rate.

Revenues increased $136 million to $218 million, primarily due to gains on debt buybacks.

Expenses decreased $1.4 billion to $349 million, primarily due to lower legal and related expenses ($167 million compared to $1.3 billion in the prior-year period) and lower repositioning charges.

2015 YTD vs. 2014 YTD

Year-to-date, Corporate/Other has experienced similar trends to those described above. Net income was $374 million, compared to a net loss of $2.3 billion in the prior-year period, primarily due to lower expenses, higher revenues and a lower tax rate due to the legal entity restructurings and the previously-disclosed resolution of certain state and local audits in the second quarter of 2015.

Revenues increased $406 million to $800 million, primarily due to the gains on debt buybacks and real estate sales in the second quarter of 2015 as well as higher revenues from sales of available-for-sale securities, partially offset by hedging activities.

Expenses decreased 54%, primarily due to lower legal and related expenses ($626 million compared to $1.7 billion in the prior-year period), the benefit of FX translation and lower repositioning charges.

25

CITI HOLDINGS

Citi Holdings contains businesses and portfolios of assets that Citigroup has determined are not central to its core Citicorp businesses. As of September 30, 2015, Citi Holdings assets were approximately $110 billion, a decrease of 20% year-over-year and 5% from June 30, 2015. The decline in assets of $6 billion from June 30, 2015 primarily consisted of divestitures and run-off. As of September 30, 2015, Citi had executed agreements to sell approximately $37 billion of additional assets, including the consumer businesses in Japan, Egypt, Costa Rica, Panama, Guatemala, Hungary and the Czech Republic, hedge fund services as well as OneMain Financial. Approximately $31 billion of these asset sales are currently expected to close prior to year-end, subject to regulatory approvals and other closing conditions.

As of September 30, 2015, consumer assets in Citi Holdings were approximately $98 billion, or approximately 89% of Citi Holdings assets. Of the consumer assets, approximately $48 billion, or 49%, consisted of North America mortgages (residential first mortgages and home equity loans). As of September 30, 2015, Citi Holdings represented approximately 6% of Citi's GAAP assets and 13% 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	Third Quarter 2015	2014	% Change	Nine Months 2015	2014	% Change
Net interest revenue	$974	$1,119	(13)%	$3,030	$3,532	(14)%
Non-interest revenue	443	951	(53)	1,894	2,513	(25)
Total revenues, net of interest expense	$1,417	$2,070	(32)%	$4,924	$6,045	(19)%
Provisions for credit losses and for benefits and claims						
Net credit losses	$218	$405	(46)%	$884	$1,420	(38)%
Credit reserve release	(209)	(135)	(55)	(575)	(693)	17
Provision for loan losses	$9	$270	(97)%	$309	$727	(57)%
Provision for benefits and claims	161	167	(4)	490	490	—
Release for unfunded lending commitments	(19)	(3)	NM	(25)	(10)	NM
Total provisions for credit losses and for benefits and claims	$151	$434	(65)%	$774	$1,207	(36)%
Total operating expenses	$1,145	$1,346	(15)%	$3,406	$8,386	(59)%
Income (loss) from continuing operations before taxes	$121	$290	(58)%	$744	$(3,548)	NM
Income taxes (benefits)	90	74	22	403	10	NM
Income (loss) from continuing operations	$31	$216	(86)%	$341	$(3,558)	NM
Noncontrolling interests	—	4	(100)%	$1	$6	(83)%
Net Income (loss)	$31	$212	(85)%	$340	$(3,564)	NM
Total revenues, net of interest expense (excluding CVA/DVA)						
Total revenues-as reported	$1,417	$2,070	(32)%	$4,924	$6,045	(19)%
CVA/DVA[1]	(25)	(55)	55	(20)	(42)	52%
Total revenues-excluding CVA/DVA	$1,442	$2,125	(32)%	$4,944	$6,087	(19)%
Balance sheet data (in billions of dollars)						
Average assets	$113	$143	(21)%	$119	$148	(20)%
Return on average assets	0.11%	0.59%		0.38%	(3.22)%	
Efficiency ratio	81%	65%		69%	139%	
Total EOP assets	$110	$137	(20)%			
Total EOP loans	55	85	(35)			
Total EOP deposits	7	45	(84)			

(1) 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 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.

3Q15 vs. 3Q14

Net income decreased 81% to $47 million, primarily driven by lower revenues, partially offset by lower expenses and lower credit costs.

Revenues decreased 32%, primarily driven by a lower level of net gains on asset sales and the overall continued wind-down of the portfolio.

Expenses decreased 15%, primarily reflecting the ongoing decline in assets.

Provisions decreased 65%, driven by lower net credit losses and a higher net loss reserve release. Net credit losses declined 46%, primarily due to continued improvement in North America mortgages as well as divestiture activity. The net reserve release increased 65% to $228 million, primarily reflecting the impact of asset sales.

2015 YTD vs. 2014 YTD

Year-to-date, Citi Holdings has experienced similar trends to those described above. Net income was $353 million, an improvement from a net loss of $3.5 billion in the prior-year period, largely due to the impact of a $3.8 billion charge in the second quarter of 2014, which consisted of $3.7 billion of legal expenses and a $55 million loan loss reserve build ($3.7 billion after-tax), to settle legacy RMBS and CDO-related claims. Excluding the mortgage settlement, net income was $353 million, compared to net income of $188 million in the prior-year period, primarily reflecting lower expenses and lower credit costs, partially offset by lower revenues.

Revenues decreased 19%, primarily driven by the overall continued wind-down of the portfolio, lower gains on asset sales and the impact of recording of OneMain Financial net credit losses as a reduction in revenue beginning in the second quarter of 2015.

Expenses decreased 59%. Excluding the impact of the mortgage settlement, expenses decreased 27%, primarily reflecting lower legal and related expenses ($260 million compared to $925 million in the prior-year period) and the ongoing decline in assets.

Provisions decreased 36%. Excluding the impact of the mortgage settlement, provisions decreased 33%, driven by lower net credit losses, partially offset by a lower net loss reserve release. Net credit losses declined 38%, primarily due to the impact of the recording of OneMain Financial net credit losses as a reduction in revenue, continued improvements in North America mortgages and overall lower asset levels. Excluding the impact of the mortgage settlement, the net reserve release decreased 21% to $600 million, primarily due to lower releases related to the North America mortgage portfolio, partially offset by higher reserve releases related to asset sales.

Payment Protection Insurance (PPI)

As previously disclosed, the selling of PPI by financial institutions in the U.K. has been the subject of intense review and focus by U.K. regulators and, more recently, the U.K. Supreme Court (for additional information, see “Citi Holdings” in each of Citi’s Second Quarter of 2015 Form 10-Q and Annual Report on Form 10-K for the year ended December 31, 2013 filed with the SEC on March 3, 2014).

On October 2, 2015, the U.K. Financial Conduct Authority (FCA) announced that it would issue a consultation paper by the end of 2015 likely covering various topics relating to PPI, including determination of a “fair” sales commission and a framework for introducing a deadline for PPI complaints. It is currently uncertain when any final FCA rules on these matters will be effective (which the FCA anticipates would not be before spring 2016), or what impact, if any, the final rules or any renewed market attention on PPI will have on PPI customer complaints or Citi’s potential liability

with respect thereto.

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	Sept. 30, 2015	June 30, 2015	Dec. 31, 2014	Sept. 30, 2014	EOP 3Q15 vs. 2Q15 Increase (decrease)	% Change	EOP 3Q15 vs. 4Q14 Increase (decrease)	% Change	EOP 3Q15 vs. 3Q14 Increase (decrease)	% Change
Assets										
Cash and deposits with banks	$160	$154	$160	$179	$6	4%	$—	—%	$(19)	(11)%
Federal funds sold and securities borrowed or purchased under agreements to resell	232	237	243	245	(5)	(2)	(11)	(5)	(13)	(5)
Trading account assets	267	279	297	291	(12)	(4)	(30)	(10)	(24)	(8)
Investments	342	332	333	333	10	3	9	3	9	3
Loans, net of unearned income	622	632	645	654	(10)	(2)	(23)	(4)	(32)	(5)
Allowance for loan losses	(14)	(14)	(16)	(17)	—	—	2	(13)	3	(18)
Loans, net	609	618	629	637	(9)	(1)	(20)	(3)	(28)	(4)
Other assets	198	209	180	198	(11)	(5)	18	10	—	—
Total assets	$1,808	$1,829	$1,842	$1,883	$(21)	(1)%	$(34)	(2)%	$(75)	(4)%
Liabilities										
Deposits	$904	$908	$899	$943	$(4)	—%	$5	1%	$(39)	(4)%
Federal funds purchased and securities loaned or sold under agreements to repurchase	169	177	173	176	(8)	(5)	(4)	(2)	(7)	(4)
Trading account liabilities	126	136	139	137	(10)	(7)	(13)	(9)	(11)	(8)
Short-term borrowings	23	26	58	65	(3)	(12)	(35)	(60)	(42)	(65)
Long-term debt	214	212	223	224	2	1	(9)	(4)	(10)	(4)
Other liabilities	150	149	138	124	1	1	12	9	26	21
Total liabilities	$1,586	$1,608	$1,630	$1,669	$(22)	(1)%	$(44)	(3)%	$(83)	(5)%
Total equity	222	221	212	214	1	—	10	5	8	4
	$1,808	$1,829	$1,842	$1,883	$(21)	(1)%	$(34)	(2)%	$(75)	(4)%

Total liabilities
and equity

ASSETS

Cash and Deposits with Banks

Cash and deposits with banks decreased from the prior-year period as Citi continued to reduce its short-term and long-term borrowings and deploy its excess cash into its investment portfolio (see discussion below). Sequentially, cash and deposits with banks increased modestly due to increased deposits (excluding the impact of FX translation). Average cash balances were $161 billion in the third quarter of 2015 compared to $156 billion in the second quarter of 2015 and $193 billion in the third quarter of 2014.

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

Reverse repos and securities borrowing transactions declined from the prior-year period 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 decreased versus the prior-year period primarily due to lower inventory in Markets and securities services. Average trading account assets were

$277 billion in the third quarter of 2015 compared to $293 billion in the third quarter of 2014.

Investments
The sequential and year-over-year increases in investments reflected Citi's continued deployment of its excess cash (as referenced above) by investing in available-for-sale securities. The sequential growth was predominantly due to increases in foreign government debt securities and mortgage-backed securities. The year-over-year growth was predominantly due to increases in U.S. Treasuries. For further information on Citi's investments, see Note 13 to the Consolidated Financial Statements.

Loans
The impact of FX translation on Citi's reported loans was negative $28 billion versus the prior-year period. Excluding the impact of FX translation, Citigroup end of period loans declined 1% year-over-year to $622 billion as 5% growth in Citicorp was more than offset by the continued wind-down of Citi Holdings.
Citicorp consumer loans grew 2% year-over-year, with modest growth in each region. Corporate loans grew 8% year-over-year. The corporate lending portfolio increased 9% due to new loans as well as funding of prior commitments, each in support of Citi's target clients. Treasury and trade services loans declined 2%, as Citi continued to distribute a significant portion of its trade loan originations, which allowed it to continue to support clients while maintaining balance sheet discipline in a continued low spread environment.
Citi Holdings loans decreased 34% year-over-year driven by an approximately $15 billion reduction in North America mortgages, as well as the previously-announced impact of the agreements to sell OneMain Financial and Citi's Japan credit card business.
During the third quarter of 2015, average loans of $623 billion yielded an average rate of 6.4%, compared to $659 billion and 6.7% in the third quarter of 2014.
For further information on Citi's loan portfolios, see “Managing Global Risk—Credit Risk” and “Country Risk” below.

Other Assets
Other assets remained flat year-over-year as the increase from the previously-announced reclassification to held-for-sale of OneMain Financial and Citi's Japan credit card businesses was offset by the impact of FX translation. Other assets were down sequentially primarily driven by the impact of FX translation.

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 from the prior-year period, primarily driven by the impact of FX translation. For further information on Citi's secured financing transactions, see “Managing Global Risk—Market Risk—Funding and Liquidity” below.

Trading Account Liabilities
Trading account liabilities decreased from the prior-year period primarily due to lower inventory in Markets and securities services. Average trading account liabilities were $144 billion during the third quarter of 2015, compared to $129 billion in the third 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 from the prior-year period was primarily driven by the previously-announced reclassification to held-for-sale of Citi's Japan retail banking business.

Segment Balance Sheet[1]

In millions of dollars	Global Consumer Banking	Institutional Clients Group	Corporate/Other and Consolidating Eliminations[2]	Subtotal Citicorp	Citi Holdings	Citigroup Parent Company-Issued Long-Term Debt and Stockholders' Equity[3]	Total Citigroup Consolidated
Assets							
Cash and deposits with banks	$10,006	$72,115	$ 76,777	$158,898	$763	$—	$159,661
Federal funds sold and securities borrowed or purchased under agreements to resell	419	230,081	—	230,500	1,195	—	231,695
Trading account assets	5,754	255,988	1,547	263,289	3,657	—	266,946
Investments	18,618	101,512	214,292	334,422	8,017	—	342,439
Loans, net of unearned income and allowance for loan losses [4]	270,265	286,373	—	556,638	52,180	—	608,818
Other assets	43,266	87,836	45,185	176,287	22,510	—	198,797
Liquidity assets[5]	39,933	224,325	(285,919)	(21,661)	21,661	—	—
Total assets	$388,261	$1,258,230	$ 51,882	$1,698,373	$109,983	$—	$1,808,356
Liabilities and equity							
Total deposits [6]	$296,822	$594,887	$ 5,233	$896,942	$7,301	$—	$904,243
Federal funds purchased and securities loaned or sold under agreements to repurchase	5,302	163,244	—	168,546	58	—	168,604
Trading account liabilities	(3)	125,335	(203)	125,129	852	—	125,981
Short-term borrowings	133	22,111	252	22,496	83	—	22,579
Long-term debt	1,938	34,413	20,581	56,932	4,002	152,599	213,533
Other liabilities	15,704	81,696	18,479	115,879	35,400	—	151,279
Net inter-segment funding (lending)[3]	68,365	236,544	6,251	311,160	62,287	(373,447)	—
Total liabilities	$388,261	$1,258,230	$ 50,593	$1,697,084	$109,983	$(220,848)	$1,586,219
Total equity	—	—	1,289	1,289	—	220,848	222,137
Total liabilities and equity	$388,261	$1,258,230	$ 51,882	$1,698,373	$109,983	$—	$1,808,356

(1) The supplemental information presented in the table above reflects Citigroup's consolidated GAAP balance sheet by reporting segment as of September 30, 2015. The respective segment information depicts the assets and liabilities 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) Reflects reclassification of approximately $8 billion of consumer loans to held-for-sale (Other assets) as a result of the agreement in March 2015 to sell Citi's OneMain Financial business.

(5) 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.

(6) Reflects reclassification of approximately $21 billion of deposits to held-for-sale (Other liabilities) 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 third quarter of 2015, Citi continued to raise capital through a noncumulative perpetual preferred stock issuance amounting to approximately $1.3 billion, resulting in a total of approximately $15.2 billion outstanding as of September 30, 2015. In addition, during the third quarter of 2015, Citi returned a total of $2.1 billion of capital to common shareholders in the form of share repurchases (approximately 36 million common shares) and dividends.

Further, Citi's capital levels may also be affected by changes in accounting and regulatory 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 an integrated 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.

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 risk-based capital ratios.

GSIB Surcharge

In July 2015, the Federal Reserve Board released a final rule which imposes a risk-based capital surcharge upon U.S. bank holding companies that are identified as global systemically important bank holding companies (GSIBs), including Citi. The GSIB surcharge is an extension of the Capital Conservation Buffer and, if invoked, any Countercyclical Capital Buffer, and would result in restrictions on earnings distributions (e.g., dividends, equity repurchases, and discretionary executive bonuses) should the surcharge be drawn upon to absorb losses during periods of financial or economic stress, with the degree of such restrictions based upon the extent to which the surcharge is drawn.

Under the Federal Reserve Board's final rule, identification of a GSIB would be based primarily on quantitative measurement indicators underlying five equally weighted broad categories of systemic importance: (i) size, (ii) interconnectedness, (iii) cross-jurisdictional activity, (iv) substitutability, and (v) complexity. With the exception of size, each of the other categories are comprised of multiple indicators also of equal weight, and amounting to 12 indicators in total.

A U.S. bank holding company that is designated a GSIB under the established methodology will be required to calculate a surcharge using two methods and will be subject to the higher of the resulting two surcharges. The first method ("method 1") is based on the same five broad categories of systemic importance used to identify a GSIB. Under the second method ("method 2"), the substitutability indicator is replaced with a measure intended to assess the extent of a GSIB's reliance on short-term wholesale funding.

GSIB surcharges under the final rule, which are required to be comprised entirely of Common Equity Tier 1 Capital, initially range from 1.0% to 4.5% of total risk-weighted assets. Citi currently estimates its GSIB surcharge under the Federal Reserve Board's final rule as being 3.5%.

Transition Provisions

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, and non-qualifying Tier 1 and Tier 2 Capital instruments (such as non-grandfathered trust preferred securities and certain subordinated debt issuances). Moreover, the GSIB surcharge will be introduced in parallel with the Capital Conservation Buffer and, if applicable, any Countercyclical Capital Buffer, commencing phase-in on January 1, 2016 and becoming fully effective on January 1, 2019. 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 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 GSIB surcharge.

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 an estimated 3.5% 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

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[1]	20 %	40 %	60 %	80 %	100 %
Common Equity Tier 1 Capital[2]	20 %	40 %	60 %	80 %	100 %
Additional Tier 1 Capital[2][3]	80 %	60 %	40 %	20 %	0 %
	100 %	100 %	100 %	100 %	100 %
Phase-out of Significant AOCI Regulatory Capital Adjustments					
Common Equity Tier 1 Capital[4]	80 %	60 %	40 %	20 %	0 %

(1) 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 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%.

(2) 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 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.

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

(4) Includes the phase-out from Common Equity Tier 1 Capital of adjustments related to unrealized gains (losses) on 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 commenced 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 September 30, 2015 and December 31, 2014.

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

In millions of dollars, except ratios	September 30, 2015		December 31, 2014[1]	
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach[2]
Common Equity Tier 1 Capital	$173,345	$173,345	$166,663	$166,663
Tier 1 Capital	174,276	174,276	166,663	166,663
Total Capital (Tier 1 Capital + Tier 2 Capital)[3]	195,629	208,859	184,959	197,707
Risk-Weighted Assets	1,229,667	1,168,293	1,274,672	1,211,358
Common Equity Tier 1 Capital ratio[4]	14.10 %	14.84 %	13.07 %	13.76 %
Tier 1 Capital ratio[4]	14.17	14.92	13.07	13.76
Total Capital ratio[4]	15.91	17.88	14.51	16.32

In millions of dollars, except ratios	September 30, 2015	December 31, 2014[1]
Quarterly Adjusted Average Total Assets[5]	$1,766,906	$1,849,325
Total Leverage Exposure[6]	2,372,340	2,518,115
Tier 1 Leverage ratio	9.86 %	9.01 %
Supplementary Leverage ratio	7.35	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 September 30, 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 September 30, 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 September 30, 2015.

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

In millions of dollars	September 30, 2015	December 31, 2014[1]
Common Equity Tier 1 Capital		
Citigroup common stockholders' equity[2]	$205,772	$199,841
Add: Qualifying noncontrolling interests	373	539
Regulatory Capital Adjustments and Deductions:		
Less: Net unrealized gains on securities AFS, net of tax[3][4]	134	46
Less: Defined benefit plans liability adjustment, net of tax[4]	(3,019)	(4,127)
Less: Accumulated net unrealized losses on cash flow hedges, net of tax[5]	(542)	(909)
Less: Cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax[4][6]	287	56
Less: Intangible assets:		
Goodwill, net of related deferred tax liabilities (DTLs)[7]	21,732	22,805
Identifiable intangible assets other than mortgage servicing rights (MSRs), net of related DTLs[4]	1,564	875
Less: Defined benefit pension plan net assets[4]	362	187
Less: Deferred tax assets (DTAs) arising from net operating loss, foreign tax credit and general business credit carry-forwards[4][8]	9,318	4,725
Less: Excess over 10%/15% limitations for other DTAs, certain common stock investments, and MSRs[4][8][9]	2,964	1,977
Less: Deductions applied to Common Equity Tier 1 Capital due to insufficient amount of Additional Tier 1 Capital to cover deductions[4]	—	8,082
Total Common Equity Tier 1 Capital	$173,345	$166,663
Additional Tier 1 Capital		
Qualifying perpetual preferred stock[2]	$15,076	$10,344
Qualifying trust preferred securities[10]	1,716	1,719
Qualifying noncontrolling interests	13	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[4][6]	430	223
Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries[11]	247	279
Less: Defined benefit pension plan net assets[4]	542	749
Less: DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards[4][8]	13,977	18,901
Less: Permitted ownership interests in covered funds[12]	678	—
Less: Deductions applied to Common Equity Tier 1 Capital due to insufficient amount of Additional Tier 1 Capital to cover deductions[4]	—	(8,082)
Total Additional Tier 1 Capital	$931	$—
Total Tier 1 Capital (Common Equity Tier 1 Capital + Additional Tier 1 Capital)	$174,276	$166,663

Tier 2 Capital		
Qualifying subordinated debt[13]	$21,021	$17,386
Qualifying noncontrolling interests	17	12
Excess of eligible credit reserves over expected credit losses[14]	557	1,177
Regulatory Capital Adjustment and Deduction:		
Add: Unrealized gains on available-for-sale equity exposures includable in Tier 2 capital	5	—
Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries[11]	247	279
Total Tier 2 Capital	$21,353	$18,296
Total Capital (Tier 1 Capital + Tier 2 Capital)	$195,629	$184,959

36

Citigroup Risk-Weighted Assets Under Current Regulatory Standards
(Basel III Advanced Approaches with Transition Arrangements)

In millions of dollars	September 30, 2015	December 31, 2014[1]
Credit Risk[15]	$819,830	$861,691
Market Risk	84,837	100,481
Operational Risk	325,000	312,500
Total Risk-Weighted Assets	$1,229,667	$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 $142 million and $124 million related to preferred stock outstanding at September 30, 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 chart 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 $47.2 billion of net DTAs at September 30, 2015, approximately $23.0 billion of such assets were includable in regulatory capital pursuant to the U.S. Basel III rules, while approximately $24.2 billion of such assets were excluded in arriving at regulatory capital. Comprising the excluded net DTAs was an aggregate of approximately $26.3 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 $12.3 billion were deducted from Common Equity Tier 1 Capital and $14.0 billion were deducted from Additional Tier 1 Capital. In addition, approximately $2.1 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 September 30, 2015 and December 31, 2014, the deduction related only to DTAs arising from temporary differences that exceeded the 10% limitation.

(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 September 30, 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) Effective July 2015, banking entities are required to be in compliance with the so-called "Volcker Rule" of the Dodd-Frank Act that prohibits banking entities from conducting certain proprietary investment activities and limits their ownership of, and relationship with, hedge funds and private equity funds, also called covered funds. Commencing with September 30, 2015, Citi is required by the "Volcker Rule" to deduct from Tier 1 Capital all permitted ownership interests in covered funds that were acquired after December 31, 2013.

(13) 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.

(14) 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.

(15) 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 Ended September 30, 2015	Nine Months Ended September 30, 2015[1]
Common Equity Tier 1 Capital		
Balance, beginning of period	$172,747	$166,663
Net income	4,291	13,907
Dividends declared	(324)	(838)
Net increase in treasury stock acquired	(1,952)	(3,802)
Net increase in additional paid-in capital[2]	300	705
Net increase in foreign currency translation adjustment net of hedges, net of tax	(2,493)	(4,703)
Net increase in unrealized gains on securities AFS, net of tax[3]	205	79
Net increase in defined benefit plans liability adjustment, net of tax[3]	(144)	(980)
Net increase in cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax	(97)	(231)
Net decrease in goodwill, net of related deferred tax liabilities (DTLs)	580	1,073
Net change in identifiable intangible assets other than mortgage servicing rights (MSRs), net of related DTLs	97	(689)
Net increase in defined benefit pension plan net assets	(36)	(175)
Net change in deferred tax assets (DTAs) arising from net operating loss, foreign tax credit and general business credit carry-forwards	186	(4,593)
Net change in excess over 10%/15% limitations for other DTAs, certain common stock investments and MSRs	21	(987)
Net decrease in regulatory capital deduction applied to Common Equity Tier 1 Capital due to insufficient Additional Tier 1 Capital to cover deductions	—	8,082
Other	(36)	(166)
Net increase in Common Equity Tier 1 Capital	$598	$6,682
Common Equity Tier 1 Capital Balance, end of period	$173,345	$173,345
Additional Tier 1 Capital		
Balance, beginning of period	$259	$—
Net increase in qualifying perpetual preferred stock[4]	1,246	4,732
Net decrease in qualifying trust preferred securities	(1)	(3)
Net increase in cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax	(146)	(207)
Net change in defined benefit pension plan net assets	(53)	207
Net decrease in DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards	279	4,924
Net increase in permitted ownership interests in covered funds	(678)	(678)
	—	(8,082)

Net decrease in regulatory capital deduction applied to Common Equity Tier 1 Capital due to insufficient Additional Tier 1 Capital to cover deductions		
Other	25	38
Net increase in Additional Tier 1 Capital	$672	$931
Tier 1 Capital Balance, end of period	$174,276	$174,276
Tier 2 Capital		
Balance, beginning of period	$20,706	$18,296
Net increase in qualifying subordinated debt	1,300	3,635
Net decrease in excess of eligible credit reserves over expected credit losses	(682)	(620)
Other	29	42
Net increase in Tier 2 Capital	$647	$3,057
Tier 2 Capital Balance, end of period	$21,353	$21,353
Total Capital (Tier 1 Capital + Tier 2 Capital)	$195,629	$195,629

(1) The beginning balance of Common Equity Tier 1 Capital for the nine months ended September 30, 2015 has been 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 gains (losses) on securities AFS and defined benefit plans liability adjustment under the U.S. Basel III rules.
(4) Citi issued approximately $1.3 billion and approximately $4.8 billion of qualifying perpetual preferred stock during the three and nine months ended September 30, 2015, respectively, which were partially offset by the netting of issuance costs of $4 million and $18 million during those respective periods.

Citigroup Risk-Weighted Assets Rollforward Under Current Regulatory Standards
(Basel III Advanced Approaches with Transition Arrangements)

In millions of dollars	Three Months Ended September 30, 2015	Nine Months Ended September 30, 2015 [1]
Total Risk-Weighted Assets, beginning of period	$1,253,875	$1,274,672
Changes in Credit Risk-Weighted Assets		
Net decrease in retail exposures[2]	(7,925)	(12,543)
Net increase in wholesale exposures[3]	6,703	14
Net decrease in repo-style transactions	(1,578)	(1,080)
Net decrease in securitization exposures	(3,354)	(720)
Net increase in equity exposures	930	474
Net decrease in over-the-counter (OTC) derivatives	(1,002)	(3,883)
Net decrease in derivatives CVA[4]	(79)	(3,628)
Net decrease in other exposures[5]	(6,567)	(18,331)
Net decrease in supervisory 6% multiplier[6]	(768)	(2,164)
Net decrease in Credit Risk-Weighted Assets	$(13,640)	$(41,861)
Changes in Market Risk-Weighted Assets		
Net decrease in risk levels[7]	$(7,666)	$(13,379)
Net decrease due to model and methodology updates[8]	(2,902)	(2,265)
Net decrease in Market Risk-Weighted Assets	$(10,568)	$(15,644)
Increase in Operational Risk-Weighted Assets[9]	$—	$12,500
Total Risk-Weighted Assets, end of period	$1,229,667	$1,229,667

(1) The beginning balance of Total Risk-Weighted Assets for the nine months ended September 30, 2015 has been 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 September 30, 2015 primarily due to reductions in loans and commitments and the impact of FX translation. Retail exposures decreased during the nine months ended September 30, 2015 primarily due to reductions in loans and commitments and the impact of FX translation, partially offset by the reclassification from other exposures of certain non-material portfolios.
(3) Wholesale exposures increased during the three months ended September 30, 2015 primarily due to an increase in investment securities and commitments, and the reclassification from other exposures of certain non-material portfolios, partially offset by the impact of FX translation. Wholesale exposures increased slightly during the nine months ended September 30, 2015 primarily due to an increase in investment securities, and the reclassification from other exposures of certain non-material portfolios, largely offset by a reduction in commitments and the impact of FX translation.
(4) Derivatives CVA decreased during both the three and nine months ended September 30, 2015, driven by exposure reduction and credit spread changes.

(5) Other exposures include cleared transactions, unsettled transactions, assets other than those reportable in specific exposure categories and non-material portfolios. Other exposures decreased during both the three and nine months ended September 30, 2015 as a result of the reclassification to retail exposures and wholesale exposures of certain non-material portfolios, in addition to decreases in other assets.

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

(7) Risk levels decreased during the three months and nine months ended September 30, 2015 primarily as a result of a reduction in exposures subject to comprehensive risk, the ongoing assessment regarding the applicability of the market risk capital rules to certain securitization positions, and decreases in assets subject to standard specific risk charges. In addition, contributing to the decline of risk levels during the nine months ended September 30, 2015 were reductions in exposure levels subject to Value at Risk and Stressed Value at Risk.

(8) Risk-weighted assets declined during the three months and nine months ended September 30, 2015 due to the implementation of the "Volcker Rule."

(9) Operational risk-weighted assets increased by $12.5 billion during the first quarter of 2015, 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 September 30, 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	September 30, 2015		December 31, 2014[1]	
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach[2]
Common Equity Tier 1 Capital	$128,452	$128,452	$128,262	$128,262
Tier 1 Capital	128,452	128,452	128,262	128,262
Total Capital (Tier 1 Capital + Tier 2 Capital)[3]	139,117	150,962	139,246	151,124
Risk-Weighted Assets	904,523	1,014,164	945,407	1,044,768
Common Equity Tier 1 Capital ratio[4]	14.20 %	12.67 %	13.57 %	12.28 %
Tier 1 Capital ratio[4]	14.20	12.67	13.57	12.28
Total Capital ratio[4]	15.38	14.89	14.73	14.46

In millions of dollars, except ratios	September 30, 2015	December 31, 2014[1]
Quarterly Adjusted Average Total Assets[5]	$1,315,318	$1,366,910
Total Leverage Exposure[6]	1,864,459	1,954,833
Tier 1 Leverage ratio	9.77 %	9.38 %
Supplementary Leverage ratio	6.89	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.
(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 September 30, 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.
(5) Tier 1 Leverage ratio denominator.
(6) Supplementary Leverage ratio denominator.

As indicated in the table above, Citibank N.A.'s capital ratios at September 30, 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 September 30, 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

September 30, 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	
In basis points	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
Citigroup						
Advanced Approaches	0.8	1.1	0.8	1.2	0.8	1.3
Standardized Approach	0.9	1.3	0.9	1.3	0.9	1.5
Citibank, N.A.						
Advanced Approaches	1.1	1.6	1.1	1.6	1.1	1.7
Standardized Approach	1.0	1.3	1.0	1.3	1.0	1.5

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

	Tier 1 Leverage ratio		Supplementary Leverage ratio	
In basis points	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	0.6	0.4	0.3
Citibank, N.A.	0.8	0.7	0.5	0.4

Citigroup Broker-Dealer Subsidiaries
At September 30, 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 $6.1 billion, which exceeded the minimum requirement by $4.7 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 September 30, 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 a 3.5% GSIB surcharge, may be 10.5%, 12% and 14%, respectively.
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 September 30, 2015 and December 31, 2014.

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

In millions of dollars, except ratios	September 30, 2015		December 31, 2014[1]	
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach
Common Equity Tier 1 Capital	$146,451	$146,451	$136,597	$136,597
Tier 1 Capital	161,999	161,999	148,066	148,066
Total Capital (Tier 1 Capital + Tier 2 Capital)[2]	183,096	196,513	165,454	178,413
Risk-Weighted Assets	1,254,473	1,191,882	1,292,605	1,228,488
Common Equity Tier 1 Capital ratio[3][4]	11.67 %	12.29 %	10.57 %	11.12 %
Tier 1 Capital ratio[3][4]	12.91	13.59	11.45	12.05
Total Capital ratio[3][4]	14.60	16.49	12.80	14.52

In millions of dollars, except ratios	September 30, 2015	December 31, 2014[1]
Quarterly Adjusted Average Total Assets[5]	$1,758,073	$1,835,637
Total Leverage Exposure[6]	2,363,506	2,492,636
Tier 1 Leverage ratio[4]	9.21 %	8.07 %
Supplementary Leverage ratio[4]	6.85	5.94

(1) Restated to reflect the retrospective adoption of ASU 2014-01 for LIHTC investments, consistent with current period presentation.
(2) 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 September 30, 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 11.7% at September 30, 2015, compared to 11.4% at June 30, 2015 and 10.6% at December 31, 2014 (all 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 $4.3 billion and the favorable effects attributable to DTA utilization of approximately $0.7 billion, partially offset by a $2.1 billion return of capital to common shareholders in the form of share repurchases and dividends. Similarly, the increase in Citi's Common Equity Tier 1 Capital ratio from year-end 2014 reflected continued growth in Common Equity Tier 1 Capital resulting from net income of $13.9 billion and the favorable effects attributable to DTA utilization of approximately $2.1 billion, offset in part by the return of $4.1 billion of capital to common shareholders.

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

In millions of dollars	September 30, 2015	December 31, 2014[1]
Common Equity Tier 1 Capital		
Citigroup common stockholders' equity[2]	$205,772	$199,841
Add: Qualifying noncontrolling interests	147	165
Regulatory Capital Adjustments and Deductions:		
Less: Accumulated net unrealized gains on cash flow hedges, net of tax[3]	(542)	(909)
Less: Cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax[4]	717	279
Less: Intangible assets:		
Goodwill, net of related deferred tax liabilities (DTLs)[5]	21,732	22,805
Identifiable intangible assets other than mortgage servicing rights (MSRs), net of related DTLs	3,911	4,373
Less: Defined benefit pension plan net assets	904	936
Less: Deferred tax assets (DTAs) arising from net operating loss, foreign tax credit and general business credit carry-forwards[6]	23,295	23,626
Less: Excess over 10%/15% limitations for other DTAs, certain common stock investments, and MSRs[6][7]	9,451	12,299
Total Common Equity Tier 1 Capital	$146,451	$136,597
Additional Tier 1 Capital		
Qualifying perpetual preferred stock[2]	$15,076	$10,344
Qualifying trust preferred securities[8]	1,365	1,369
Qualifying noncontrolling interests	32	35
Regulatory Capital Deduction:		
Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries[9]	247	279
Less: Permitted ownership interests in covered funds[10]	678	—
Total Additional Tier 1 Capital	$15,548	$11,469
Total Tier 1 Capital (Common Equity Tier 1 Capital + Additional Tier 1 Capital)	$161,999	$148,066
Tier 2 Capital		
Qualifying subordinated debt[11]	$20,395	$16,094
Qualifying trust preferred securities[12]	351	350
Qualifying noncontrolling interests	41	46
Excess of eligible credit reserves over expected credit losses[13]	557	1,177
Regulatory Capital Deduction:		
Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries[9]	247	279
Total Tier 2 Capital	$21,097	$17,388
Total Capital (Tier 1 Capital + Tier 2 Capital)[14]	$183,096	$165,454

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

(2) Issuance costs of $142 million and $124 million related to preferred stock outstanding at September 30, 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) 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.

(4) 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.

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

(6) Of Citi's approximately $47.2 billion of net DTAs at September 30, 2015, approximately $16.5 billion of such assets were includable in regulatory capital pursuant to the U.S. Basel III rules, while approximately $30.7 billion of such assets were excluded in arriving at Common Equity Tier 1 Capital. Comprising the excluded net DTAs was an aggregate of approximately $32.8 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 $2.1 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.

(7) Assets subject to 10%/15% limitations include MSRs, DTAs arising from temporary differences and significant common stock investments in unconsolidated financial institutions. At September 30, 2015, the deduction related only to DTAs arising from temporary differences that exceeded the 10% limitation, while at December 31, 2014, the deduction related to all three assets which exceeded both the 10% and 15% limitations.

(8) Represents Citigroup Capital XIII trust preferred securities, which are permanently grandfathered as Tier 1 Capital under the U.S. Basel III rules.

(9) 50% of the minimum regulatory capital requirements of insurance underwriting subsidiaries must be deducted from each of Tier 1 Capital and Tier 2 Capital.

(10) Effective July 2015, banking entities are required to be in compliance with the so-called "Volcker Rule" of the Dodd-Frank Act that prohibits banking entities from conducting certain proprietary investment activities and limits their ownership of, and relationship with, hedge funds and private equity funds, also called covered funds. Commencing with September 30, 2015, Citi is required by the "Volcker Rule" to deduct from Tier 1 Capital all permitted ownership interests in covered funds that were acquired after December 31, 2013.

(11) 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.

(12) 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.

(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) 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.

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

In millions of dollars	Three Months Ended September 30, 2015	Nine Months Ended September 30, 2015[1]
Common Equity Tier 1 Capital		
Balance, beginning of period	$145,435	$136,597
Net income	4,291	13,907
Dividends declared	(324)	(838)
Net increase in treasury stock acquired	(1,952)	(3,802)
Net increase in additional paid-in capital[2]	300	705
Net increase in foreign currency translation adjustment net of hedges, net of tax	(2,493)	(4,703)
Net increase in unrealized gains on securities AFS, net of tax	511	167
Net change in defined benefit plans liability adjustment, net of tax	(360)	128
Net increase in cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax	(243)	(438)
Net decrease in goodwill, net of related deferred tax liabilities (DTLs)	580	1,073
Net decrease in identifiable intangible assets other than mortgage servicing rights (MSRs), net of related DTLs	242	462
Net change in defined benefit pension plan net assets	(89)	32
Net decrease in deferred tax assets (DTAs) arising from net operating loss, foreign tax credit and general business credit carry-forwards	465	331
Net decrease in excess over 10%/15% limitations for other DTAs, certain common stock investments and MSRs	87	2,848
Other	1	(18)
Net increase in Common Equity Tier 1 Capital	$1,016	$9,854
Common Equity Tier 1 Capital Balance, end of period	$146,451	$146,451
Additional Tier 1 Capital		
Balance, beginning of period	$14,956	$11,469
Net increase in qualifying perpetual preferred stock[3]	1,246	4,732
Net decrease in qualifying trust preferred securities	(1)	(4)
Net increase in permitted ownership interests in covered funds	(678)	(678)
Other	25	29
Net increase in Additional Tier 1 Capital	$592	$4,079
Tier 1 Capital Balance, end of period	$161,999	$161,999
Tier 2 Capital		
Balance, beginning of period	$20,455	$17,388
Net increase in qualifying subordinated debt	1,300	4,301
Net decrease in excess of eligible credit reserves over expected credit losses	(682)	(620)
Other	24	28
Net increase in Tier 2 Capital	$642	$3,709
Tier 2 Capital Balance, end of period	$21,097	$21,097
Total Capital (Tier 1 Capital + Tier 2 Capital)	$183,096	$183,096

(1)

The beginning balance of Common Equity Tier 1 Capital for the nine months ended September 30, 2015 has been 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 $1.3 billion and approximately $4.8 billion of qualifying perpetual preferred stock during the three and nine months ended September 30, 2015, respectively, which were partially offset by the netting of issuance costs of $4 million and $18 million during those respective periods.

Citigroup Risk-Weighted Assets Under Basel III (Full Implementation) at September 30, 2015

	Advanced Approaches			Standardized Approach		
In millions of dollars	Citicorp	Citi Holdings	Total	Citicorp	Citi Holdings	Total
Credit Risk	$740,867	$103,769	$844,636	$1,019,349	$87,303	$1,106,652
Market Risk	80,669	4,168	84,837	81,014	4,216	85,230
Operational Risk	275,921	49,079	325,000	—	—	—
Total Risk-Weighted Assets	$1,097,457	$157,016	$1,254,473	$1,100,363	$91,519	$1,191,882

Citigroup Risk-Weighted Assets Under Basel III (Full Implementation) at December 31, 2014[1]

	Advanced Approaches			Standardized Approach		
In millions of dollars	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 both the Basel III Advanced Approaches and the Standardized Approach declined from year-end 2014, primarily due to a decrease in credit risk-weighted assets resulting from the impact of FX translation and the ongoing decline in Citi Holdings assets, as well as a decline in market risk-weighted assets. In addition, partially offsetting the decrease in total risk-weighted assets under the Advanced Approaches was 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.

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

In millions of dollars	Three Months Ended September 30, 2015	Nine Months Ended September 30, 2015[1]
Total Risk-Weighted Assets, beginning of period	$1,278,593	$1,292,605
Changes in Credit Risk-Weighted Assets		
Net decrease in retail exposures[2]	(7,925)	(12,543)
Net increase in wholesale exposures[3]	6,703	14
Net decrease in repo-style transactions	(1,578)	(1,080)
Net decrease in securitization exposures	(3,354)	(720)
Net increase in equity exposures	899	599
Net decrease in over-the-counter (OTC) derivatives	(1,002)	(3,883)
Net decrease in derivatives CVA[4]	(79)	(3,628)
Net decrease in other exposures[5]	(6,453)	(11,972)
Net decrease in supervisory 6% multiplier[6]	(763)	(1,775)
Net decrease in Credit Risk-Weighted Assets	$(13,552)	$(34,988)
Changes in Market Risk-Weighted Assets		
Net decrease in risk levels[7]	$(7,666)	$(13,379)
Net decrease due to model and methodology updates[8]	(2,902)	(2,265)
Net decrease in Market Risk-Weighted Assets	$(10,568)	$(15,644)
Increase in Operational Risk-Weighted Assets[9]	$—	$12,500
Total Risk-Weighted Assets, end of period	$1,254,473	$1,254,473

(1) The beginning balance of Total Risk-Weighted Assets for the nine months ended September 30, 2015 has been 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 September 30, 2015 primarily due to reductions in loans and commitments and the impact of FX translation. Retail exposures decreased during the nine months ended September 30, 2015 primarily due to reductions in loans and commitments and the impact of FX translation, partially offset by the reclassification from other exposures of certain non-material portfolios.

(3) Wholesale exposures increased during the three months ended September 30, 2015 primarily due to an increase in investment securities and commitments, and the reclassification from other exposures of certain non-material portfolios, partially offset by the impact of FX translation. Wholesale exposures increased slightly during the nine months ended September 30, 2015 primarily due to an increase in investment securities, and the reclassification from other exposures of certain non-material portfolios, largely offset by a reduction in commitments and the impact of FX translation.

(4) Derivatives CVA decreased during both the three and nine months ended September 30, 2015, driven by exposure reduction and credit spread changes.

(5) Other exposures include cleared transactions, unsettled transactions, assets other than those reportable in specific exposure categories and non-material portfolios. Other exposures decreased during both the three and nine months ended September 30, 2015 as a result of the reclassification to retail exposures and wholesale exposures of certain non-material portfolios, in addition to decreases in other assets.

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

(7) Risk levels decreased during the three months and nine months ended September 30, 2015 primarily as a result of a reduction in exposures subject to comprehensive risk, the ongoing assessment regarding the applicability of the market risk capital rules to certain securitization positions, and decreases in assets subject to standard specific risk charges. In addition, contributing to the decline of risk levels during the nine months ended September 30, 2015, were reductions in exposure levels subject to Value at Risk and Stressed Value at Risk.

(8)

Risk-weighted assets declined during the three months and nine months ended September 30, 2015 due to the implementation of the “Volcker Rule.”

(9) Operational risk-weighted assets increased by $12.5 billion during the first quarter of 2015, 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 6.9% for the third quarter of 2015, compared to 6.7% for the second quarter of 2015 and 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 $4.3 billion and an approximately $1.3 billion noncumulative perpetual preferred stock issuance, partially offset by a $2.1 billion return of capital to common shareholders in the form of share repurchases and dividends. The growth in the ratio from the fourth quarter of 2014 was also principally driven by an increase in Tier 1

Capital attributable largely to year-to-date net income and approximately $4.8 billion of noncumulative perpetual preferred stock issuances, offset in part by the return of capital to common shareholders. Further, a decrease in Total Leverage Exposure also contributed to the growth in the ratio from the fourth quarter of 2014.

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 September 30, 2015 and December 31, 2014.

Citigroup Basel III Supplementary Leverage Ratios and Related Components (Full Implementation)(1)

In millions of dollars, except ratios	September 30, 2015	December 31, 2014(2)
Tier 1 Capital	$161,999	$148,066
Total Leverage Exposure (TLE)		
On-balance sheet assets(3)	$1,818,290	$1,899,955
Certain off-balance sheet exposures:(4)		
Potential future exposure (PFE) on derivative contracts	221,364	240,712
Effective notional of sold credit derivatives, net(5)	79,884	96,869
Counterparty credit risk for repo-style transactions(6)	25,454	28,073
Unconditionally cancellable commitments	59,375	61,673
Other off-balance sheet exposures	219,357	229,672
Total of certain off-balance sheet exposures	$605,434	$656,999
Less: Tier 1 Capital deductions	60,218	64,318
Total Leverage Exposure	$2,363,506	$2,492,636
Supplementary Leverage ratio	6.85%	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 6.7% for the third quarter of 2015, compared to 6.7% for the second quarter of 2015 and an estimated 6.2% for the fourth quarter of 2014. The ratio remained unchanged from the second quarter of 2015 as the growth in Tier 1 Capital resulting from quarterly net income was offset by cash dividends paid by Citibank, N.A. to its parent, Citicorp, and

which were subsequently remitted to Citigroup. The increase in the ratio from fourth quarter 2014 was principally driven by Tier 1 Capital benefits resulting from year-to-date 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.

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 MSRs). 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	September 30, 2015	December 31, 2014[1]
Total Citigroup stockholders' equity	$220,848	$210,185
Less: Preferred stock	15,218	10,468
Common equity	$205,630	$199,717
Less:		
Goodwill	22,444	23,592
Intangible assets (other than MSRs)	3,880	4,566
Goodwill and intangible assets (other than MSRs) related to assets held-for-sale	345	71
Tangible common equity (TCE)	$178,961	$171,488
Common shares outstanding (CSO)	2,979.0	3,023.9
Tangible book value per share (TCE/CSO)	$60.07	$56.71
Book value per share (common equity/CSO)	$69.03	$66.05

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

Managing Global Risk Table of Contents

	Page
MANAGING GLOBAL RISK	52
CREDIT RISK [1]	53
Loans Outstanding	53
Details of Credit Loss Experience	54
Allowance for Loan Losses	56
Non-Accrual Loans and Assets and Renegotiated Loans	57
North America Consumer Mortgage Lending	61
Consumer Loan Details	66
Corporate Credit Details	68
MARKET RISK[1]	71
Funding and Liquidity Risk	71
High-Quality Liquid Assets	71
Deposits	72
Long-Term Debt	72
Secured Financing Transactions and Short-Term Borrowings	74
Liquidity Coverage Ratio (LCR)	75
Credit Ratings	76
Price Risk	78
Price Risk—Non-Trading Portfolios (including Interest Rate Exposure)	78
Price Risk—Trading Portfolios (including VAR)	89
COUNTRY RISK	91

(1) For additional information regarding certain credit risk, market risk and other quantitative and qualitative 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	3rd Qtr. 2015	2nd Qtr. 2015	1st Qtr. 2015	4th Qtr. 2014	3rd Qtr. 2014
Consumer loans					
In U.S. offices					
Mortgage and real estate[1]	$89,155	$90,715	$92,005	$96,533	$101,583
Installment, revolving credit, and other	4,999	4,956	4,861	14,450	13,350
Cards	107,244	107,096	105,378	112,982	108,314
Commercial and industrial	6,437	6,493	6,532	5,895	6,870
Lease financing	—	—	—	—	—
	$207,835	$209,260	$208,776	$229,860	$230,117
In offices outside the U.S.					
Mortgage and real estate[1]	$47,295	$50,704	$50,970	$54,462	$56,099
Installment, revolving credit, and other	29,702	30,958	31,396	31,128	34,270
Cards	26,865	28,662	28,681	32,032	32,410
Commercial and industrial	21,929	22,953	21,992	22,561	23,393
Lease financing	438	493	546	609	678
	$126,229	$133,770	$133,585	$140,792	$146,850
Total Consumer loans	$334,064	$343,030	$342,361	$370,652	$376,967
Unearned income	(691)	(681)	(655)	(682)	(649)
Consumer loans, net of unearned income	$333,373	$342,349	$341,706	$369,970	$376,318
Corporate loans					
In U.S. offices					
Commercial and industrial	$40,435	$40,697	$37,537	$35,055	$36,516
Loans to financial institutions	38,034	37,360	36,054	36,272	31,916
Mortgage and real estate[1]	37,019	34,680	33,145	32,537	32,285
Installment, revolving credit, and other	32,129	31,882	29,267	29,207	30,378
Lease financing	1,718	1,707	1,755	1,758	1,737
	$149,335	$146,326	$137,758	$134,829	$132,832
In offices outside the U.S.					
Commercial and industrial	$81,540	$83,184	$81,426	$79,239	$80,304
Loans to financial institutions	28,090	29,675	32,210	33,269	35,854
Mortgage and real estate[1]	6,602	5,948	6,311	6,031	6,243
Installment, revolving credit, and other	19,352	20,214	19,687	19,259	20,151
Lease financing	259	309	322	356	396
Governments and official institutions	4,503	4,714	2,174	2,236	2,264
	$140,346	$144,044	$142,130	$140,390	$145,212
Total Corporate loans	$289,681	$290,370	$279,888	$275,219	$278,044
Unearned income	(610)	(601)	(540)	(554)	(536)
Corporate loans, net of unearned income	$289,071	$289,769	$279,348	$274,665	$277,508
Total loans—net of unearned income	$622,444	$632,118	$621,054	$644,635	$653,826
Allowance for loan losses—on drawn exposures	(13,626)	(14,075)	(14,598)	(15,994)	(16,915)
Total loans—net of unearned income and allowance for credit losses	$608,818	$618,043	$606,456	$628,641	$636,911

Allowance for loan losses as a percentage of total loans—net of unearned income[2]	2.21	%2.25	%2.38	%2.50	%2.60	%
Allowance for Consumer loan losses as a percentage of total Consumer loans—net of unearned income[2]	3.33	%3.43	%3.55	%3.68	%3.87	%
Allowance for Corporate loan losses as a percentage of total Corporate loans—net of unearned income[2]	0.89	%0.82	%0.91	%0.89	%0.86	%

(1) Loans secured primarily by real estate.
(2) All periods exclude loans that are carried at fair value.

53

Details of Credit Loss Experience

In millions of dollars	3rd Qtr. 2015	2nd Qtr. 2015	1st Qtr. 2015	4th Qtr. 2014	3rd Qtr. 2014
Allowance for loan losses at beginning of period	$14,075	$14,598	$15,994	$16,915	$17,890
Provision for loan losses					
Consumer	$1,343	$1,569	$1,661	$1,660	$1,605
Corporate	239	(54)	94	221	(30)
	$1,582	$1,515	$1,755	$1,881	$1,575
Gross credit losses					
Consumer					
In U.S. offices	$1,244	$1,393	$1,596	$1,588	$1,595
In offices outside the U.S.	751	819	839	976	948
Corporate					
In U.S. offices	30	5	10	44	10
In offices outside the U.S.	43	118	13	119	33
	$2,068	$2,335	$2,458	$2,727	$2,586
Credit recoveries[1]					
Consumer					
In U.S. offices	$222	$228	$296	$242	$232
In offices outside the U.S.	156	170	173	223	196
Corporate					
In U.S offices	11	4	12	6	18
In offices outside the U.S.	16	13	20	8	43
	$405	$415	$501	$479	$489
Net credit losses					
In U.S. offices	$1,041	$1,166	$1,298	$1,384	$1,355
In offices outside the U.S.	622	754	659	864	742
Total	$1,663	$1,920	$1,957	$2,248	$2,097
Other - net[2][3][4][5][6][7]	$(368)	$(118)	$(1,194)	(554)	$(453)
Allowance for loan losses at end of period	$13,626	$14,075	$14,598	$15,994	$16,915
Allowance for loan losses as a % of total loans[8]	2.21%	2.25%	2.38%	2.50%	2.60%
Allowance for unfunded lending commitments[9]	$1,036	$973	$1,023	$1,063	$1,140
Total allowance for loan losses and unfunded lending commitments	$14,662	$15,048	$15,621	$17,057	$18,055
Net Consumer credit losses	$1,617	$1,814	$1,966	$2,098	$2,115
As a percentage of average Consumer loans	1.91%	2.13%	2.22%	2.23%	2.21%
Net Corporate credit losses (recoveries)	$46	$106	$(9)	$150	$(18)
As a percentage of average Corporate loans	0.06%	0.15%	(0.01)%	0.21%	(0.03)%
Allowance for loan losses at end of period[10]					
Citicorp	$10,505	$10,672	$10,976	$11,142	$11,582
Citi Holdings	3,121	3,403	3,622	4,852	5,333
Total Citigroup	$13,626	$14,075	$14,598	$15,994	$16,915
Allowance by type					
Consumer	$11,110	$11,749	$12,122	$13,605	$14,575
Corporate	2,516	2,326	2,476	2,389	2,340
Total Citigroup	$13,626	$14,075	$14,598	$15,994	$16,915

(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 third quarter of 2015 includes a reduction of approximately $110 million related to the sale or transfers to HFS of various loan portfolios, including a reduction of $14 million related to a transfer of a real estate loan portfolio to HFS. Additionally, the third quarter includes a reduction of approximately $255 million related to FX translation.

(4) The second quarter of 2015 includes a reduction of approximately $88 million related to the sale or transfers to held-for-sale (HFS) of various loan portfolios, including a reduction of $34 million related to a transfer of a real estate loan portfolio to HFS. Additionally, the second quarter of 2015 includes a reduction of approximately $39 million related to FX translation.

(5) The first quarter of 2015 includes a reduction of approximately $1.0 billion related to the sale or transfers to 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.

(6) 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.

(7) 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.

(8) September 30, 2015, June 30, 2015, March 31, 2015, December 31, 2014 and September 30, 2014 exclude $5.5 billion, $6.5 billion, $6.6 billion, $5.9 billion, and $4.4 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 September 30, 2015 and December 31, 2014:

In billions of dollars	September 30, 2015			
	Allowance for loan losses	Loans, net of unearned income	Allowance as a percentage of loans[1]	
North America cards[2]	$4.6	$107.9	4.3	%
North America mortgages[3][4]	2.7	85.5	3.2	
North America other	0.5	15.9	3.1	
International cards	1.5	25.0	6.0	
International other[5]	1.8	99.1	1.8	
Total Consumer	$11.1	$333.4	3.3	%
Total Corporate	2.5	289.0	0.9	
Total Citigroup	$13.6	$622.4	2.2	%

(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 $4.6 billion of loan loss reserves represented approximately 16 months of coincident net credit loss coverage.

(3) Of the $2.7 billion, approximately $2.6 billion was allocated to North America mortgages in Citi Holdings. The $2.7 billion of loan loss reserves represented approximately 56 months of coincident net credit loss coverage (for both total North America mortgages and Citi Holdings North America mortgages).

(4) Of the $2.7 billion in loan loss reserves, approximately $0.9 billion and $1.8 billion are determined in accordance with ASC 450-20 and ASC 310-10-35 (troubled debt restructurings), respectively. Of the $85.5 billion in loans, approximately $74.7 billion and $10.5 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[1]	
North America cards[2]	$4.9	$114.0	4.3	%
North America mortgages[3][4]	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[5]	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.

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

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.
- A corporate loan may be classified as non-accrual and still be performing under the terms of the loan structure. Payments received on corporate non-accrual loans are generally applied to loan principal and not reflected as interest income. Approximately 40% of Citi's corporate non-accrual loans were performing at September 30, 2015.
- 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

In millions of dollars	Sept. 30, 2015	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2014	Sept. 30, 2014
Citicorp	$3,030	$2,760	$2,789	$3,011	$3,358
Citi Holdings	3,377	3,677	3,965	4,096	4,264
Total non-accrual loans	$6,407	$6,437	$6,754	$7,107	$7,622
Corporate non-accrual loans[1][2]					
North America	$830	$467	$347	$321	$365
EMEA	372	322	287	267	322
Latin America	227	224	376	416	481
Asia	129	145	151	179	182
Total Corporate non-accrual loans	$1,558	$1,158	$1,161	$1,183	$1,350
Citicorp	$1,505	$1,103	$1,108	$1,126	$1,290
Citi Holdings	53	55	53	57	67
Total Corporate non-accrual loans	$1,558	$1,158	$1,161	$1,183	$1,357
Consumer non-accrual loans[1]					
North America	$3,630	$3,934	$4,192	$4,412	$4,546
Latin America	938	1,034	1,086	1,188	1,364
Asia [3]	281	311	315	324	362
Total Consumer non-accrual loans	$4,849	$5,279	$5,593	$5,924	$6,272
Citicorp	$1,525	$1,657	$1,681	$1,885	$2,068
Citi Holdings	3,324	3,622	3,912	4,039	4,204
Total Consumer non-accrual loans	$4,849	$5,279	$5,593	$5,924	$6,272

(1) Excludes purchased distressed loans, as they are generally accreting interest. The carrying value of these loans was $320 million at September 30, 2015, $343 million at June 30, 2015, $398 million at March 31, 2015, $421 million at December 31, 2014, and $493 million at September 30, 2014.

(2) Included within the increase in corporate non-accrual loans from June 30, 2015 to September 30, 2015 is an approximate $340 million increase primarily related to Citi's North America energy and energy-related corporate credit exposure. For additional information, see "Corporate Credit Details" below.

(3) 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 September 30, 2015 were as follows:

In millions of dollars	Three months ended September 30, 2015 Corporate	Consumer	Total
Non-accrual loans at beginning of period	$1,158	$5,279	$6,437
Additions	626	1,094	1,720
Sales and transfers to held-for-sale	(39)	(275)	(314)
Returned to performing	(39)	(258)	(297)
Paydowns/settlements	(95)	(323)	(418)
Charge-offs	(34)	(573)	(607)
Other	(19)	(95)	(114)
Ending balance	$1,558	$4,849	$6,407

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	Sept. 30, 2015	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2014	Sept. 30, 2014
OREO[1]					
Citicorp	$84	$87	$103	$92	$86
Citi Holdings	143	159	172	168	296
Total OREO	$227	$246	$275	$260	$382
North America	$177	$190	$221	$195	$303
EMEA	1	1	1	8	18
Latin America	44	50	48	47	49
Asia	5	5	5	10	12
Total OREO	$227	$246	$275	$260	$382
Non-accrual assets—Total Citigroup					
Corporate non-accrual loans	$1,558	$1,158	$1,161	$1,183	$1,350
Consumer non-accrual loans	4,849	5,279	5,593	5,924	6,272
Non-accrual loans (NAL)	$6,407	$6,437	$6,754	$7,107	$7,622
OREO	$227	$246	$275	$260	$382
Non-accrual assets (NAA)	$6,634	$6,683	$7,029	$7,367	$8,004
NAL as a percentage of total loans	1.03%	1.02%	1.09%	1.10%	1.17%
NAA as a percentage of total assets	0.37	0.37	0.38	0.40	0.43
Allowance for loan losses as a percentage of NAL[2]	213	219	216	225	222

Non-accrual assets—Total Citicorp	Sept. 30, 2015	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2014	Sept. 30, 2014
Non-accrual loans (NAL)	$3,030	$2,760	$2,789	$3,011	$3,358
OREO	84	87	103	92	86
Non-accrual assets (NAA)	$3,114	$2,847	$2,892	$3,103	$3,444
NAA as a percentage of total assets	0.18%	0.17%	0.17%	0.18%	0.20%
Allowance for loan losses as a percentage of NAL[2]	347	387	394	370	345
Non-accrual assets—Total Citi Holdings					
Non-accrual loans (NAL)	$3,377	$3,677	$3,965	$4,096	$4,264
OREO	143	159	172	168	296
Non-accrual assets (NAA)	$3,520	$3,836	$4,137	$4,264	$4,560
NAA as a percentage of total assets	3.20%	3.31%	3.39%	3.31%	3.33%
Allowance for loan losses as a percentage of NAL[2]	92	93	91	118	125

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

(2) The allowance for loan losses includes the allowance for Citi's credit card portfolios and purchased distressed loans, 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.

59

Renegotiated Loans

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

In millions of dollars	Sept. 30, 2015	Dec. 31, 2014
Corporate renegotiated loans[1]		
In U.S. offices		
Commercial and industrial[2]	$36	$12
Mortgage and real estate[3]	110	106
Loans to financial institutions	1	—
Other	280	316
	$427	$434
In offices outside the U.S.		
Commercial and industrial[2]	$90	$105
Mortgage and real estate[3]	34	1
Other	36	39
	$160	$145
Total Corporate renegotiated loans	$587	$579
Consumer renegotiated loans[4][5][6][7]		
In U.S. offices		
Mortgage and real estate [8]	$10,788	$15,514
Cards	1,444	1,751
Installment and other	73	580
	$12,305	$17,845
In offices outside the U.S.		
Mortgage and real estate	$633	$695
Cards	554	656
Installment and other	452	586
	$1,639	$1,937
Total Consumer renegotiated loans	$13,944	$19,782

(1) Includes $246 million and $135 million of non-accrual loans included in the non-accrual assets table above at September 30, 2015 and December 31, 2014, respectively. The remaining loans are accruing interest.

(2) In addition to modifications reflected as TDRs at September 30, 2015, Citi also modified $107 million and $25 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 September 30, 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 $2,782 million and $3,132 million of non-accrual loans included in the non-accrual assets table above at September 30, 2015 and December 31, 2014, respectively. The remaining loans are accruing interest.

(5) Includes $140 million and $124 million of commercial real estate loans at September 30, 2015 and December 31, 2014, respectively.

(6) Includes $75 million and $184 million of other commercial loans at September 30, 2015 and December 31, 2014, respectively.

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

(8) Reduction in the nine months ended September 30, 2015 includes $3,924 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 September 30, 2015, Citi’s North America consumer mortgage portfolio was $88.6 billion (compared to $90.1 billion at June 30, 2015), of which the residential first mortgage portfolio was $63.5 billion (compared to $64.0 billion at June 30, 2015), and the home equity loan portfolio was $25.0 billion (compared to $26.1 billion at June 30, 2015). At September 30, 2015, $26.4 billion of first mortgages was recorded in Citi Holdings, with the remaining $37.1 billion recorded in Citicorp. At September 30, 2015, $21.5 billion of home equity loans was recorded in Citi Holdings, with the remaining $3.5 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 $3.6 billion of loans with FHA insurance or Department of Veterans Affairs (VA) guarantees at September 30, 2015, unchanged from June 30, 2015.
As of September 30, 2015, Citi’s North America residential first mortgage portfolio contained approximately $2.8 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 $3.1 billion at June 30, 2015.

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) The higher CitiFinancial residential first mortgage net credit loss rate beginning 4Q'14 was largely driven by ongoing loss mitigation activities.
(2) Year-over-year change in the S&P/Case-Shiller U.S. National Home Price Index.
(3) Year-over-year change as of July 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.

Residential first mortgage portfolio net credit losses of $85 million declined 18% from the second quarter of 2015, with total Citi Holdings net credit losses (CitiMortgage and CitiFinancial) declining 17% sequentially. The decrease was driven primarily by continued improvements in the home price index (HPI).

Residential first mortgages originated by CitiFinancial have a higher net credit loss rate (4.6%, compared to 0.2% for CitiMortgage as of the third 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 third quarter of 2015, continued management actions, primarily delinquent loans sold or transferred to held-for-sale, were the primary driver 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 third quarter of 2015 (unchanged from the second quarter of 2015). Loans 30-179 days delinquent increased slightly during the third quarter of 2015 due to fewer loans sold or transferred to held-for-sale within these delinquency categories. Credit performance from quarter to quarter could continue to be impacted by the amount of delinquent loan sales or transfers to held-for-sale, as well as overall trends in HPI and 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 September 30, 2015 and June 30, 2015.

In billions of dollars	September 30, 2015					June 30, 2015				
State [1]	ENR [2]	ENR Distribution	90+DPD %	% LTV > 100% [3]	Refreshed FICO	ENR [2]	ENR Distribution	90+DPD %	% LTV > 100% [3]	Refreshed FICO
CA	$19.4	34 %	0.3 %	1 %	750	$19.1	33 %	0.4 %	1 %	749
NY/NJ/CT[4]	12.9	22	1.2	1	747	12.5	22	1.3	2	744
VA/MD	2.7	5	2.3	5	702	2.7	5	2.4	6	701
FL[4]	2.5	4	2.2	6	710	2.6	4	2.2	9	706
TX	2.4	4	2.3	—	688	2.4	4	2.4	—	686
IL[4]	2.4	4	1.7	5	725	2.4	4	2.0	8	721
Other	15.3	27	2.7	4	686	16.2	28	2.9	6	682
Total	$57.6	100 %	1.5 %	2 %	725	$58.0	100 %	1.6 %	3 %	721

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, loans guaranteed by U.S. government agencies, 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.

Foreclosures
A substantial majority of Citi's foreclosure inventory consists of residential first mortgages. At September 30, 2015, Citi's foreclosure inventory included approximately $0.4 billion, or 0.7%, of the total residential first mortgage portfolio, unchanged from June 30, 2015 (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).
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 September 30, 2015, approximately 22% of Citi's total foreclosure inventory was active foreclosure units in process for over two years, compared to 21% as of June 30, 2015.

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.

63

Revolving HELOCs
At September 30, 2015, Citi's home equity loan portfolio of $25.0 billion included approximately $13.5 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 $14.8 billion at June 30, 2015. 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 September 30, 2015
Note: Totals may not sum due to rounding.

Approximately 21% of Citi's total Revolving HELOCs portfolio had commenced amortization as of September 30, 2015 (compared to 16% as of June 30, 2015). Of the remaining Revolving HELOCs portfolio, approximately 69% 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 ultimate 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 165%. 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 $0.8 billion, or 8%, of the loans have a CLTV greater than 100% as of September 30, 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.
Approximately 6.1% of the Revolving HELOCs that have begun amortization as of September 30, 2015 were 30+ days past due, compared to 3.0% of the total outstanding home equity loan portfolio (amortizing and non-amortizing). This compared to 5.9% and 2.6%, respectively, as of June 30, 2015.

As newly amortizing loans continue to season, the delinquency rate of the amortizing Revolving HELOC portfolio and total home equity loan portfolio could continue to increase. In addition, the 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 above, home equity loan net credit losses continued to improve during the third quarter of 2015, largely driven by the continued improvement in HPI. During the third quarter of 2015, loans 30-89 days delinquent increased primarily due to the increase in Revolving HELOCs commencing amortization.
Given the currently 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 14 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 September 30, 2015 and June 30, 2015.

In billions of dollars	September 30, 2015					June 30, 2015				
State [1]	ENR [2]	ENR Distribution	90+DPD %	% CLTV > 100% [3]	Refreshed FICO	ENR [2]	ENR Distribution	90+DPD %	% CLTV > 100% [3]	Refreshed FICO
CA	$6.5	28 %	1.6 %	7 %	729	$6.8	28 %	1.5 %	8 %	729
NY/NJ/CT[4]	6.3	26	2.4	9	723	6.4	26	2.4	11	722
FL[4]	1.6	7	1.9	26	710	1.7	7	1.9	29	709
VA/MD	1.5	6	1.9	22	707	1.5	6	1.7	27	707
IL[4]	1.0	4	1.3	29	718	1.0	4	1.4	37	718
IN/OH/MI[4]	0.7	3	1.8	20	689	0.8	3	1.6	33	690
Other	6.1	26	1.7	12	703	6.4	26	1.7	18	703
Total	$23.7	100 %	1.9 %	12 %	716	$24.7	100 %	1.8 %	16 %	716

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

	Total loans(1)	90+ days past due(2)			30-89 days past due(2)		
In millions of dollars, except EOP loan amounts in billions	September 30, 2015	September 30, 2015	June 30, 2015	September 30, 2014	September 30, 2015	June 30, 2015	September 30, 2014
Citicorp(3)(4)							
Total	$278.3	$2,085	$2,134	$2,654	$2,507	$2,387	$2,806
Ratio		0.75%	0.75%	0.91%	0.90%	0.84%	0.96%
Retail banking							
Total	$145.9	$595	$636	$964	$806	$797	$912
Ratio		0.41%	0.43%	0.63%	0.56%	0.53%	0.60%
North America	50.6	138	150	229	198	176	213
Ratio		0.28%	0.31%	0.49%	0.40%	0.37%	0.46%
Latin America	23.9	274	296	515	280	266	302
Ratio		1.15%	1.15%	1.83%	1.17%	1.04%	1.07%
Asia(5)	71.4	183	190	220	328	355	397
Ratio		0.26%	0.25%	0.28%	0.46%	0.47%	0.51%
Cards							
Total	$132.4	$1,490	$1,498	$1,690	$1,701	$1,590	$1,894
Ratio		1.13%	1.12%	1.22%	1.28%	1.19%	1.37%
North America—Citi-branded	64.8	491	495	559	504	462	566
Ratio		0.76%	0.77%	0.84%	0.78%	0.72%	0.85%
North America—Citi retail services	43.1	621	567	630	758	652	729
Ratio		1.44%	1.31%	1.47%	1.76%	1.51%	1.70%
Latin America	7.5	207	245	294	219	229	322
Ratio		2.76%	2.95%	3.00%	2.92%	2.76%	3.29%
Asia(5)	17.0	171	191	207	220	247	277
Ratio		1.01%	1.06%	1.10%	1.29%	1.36%	1.47%
Citi Holdings(6)(7)							
Total	$54.8	$1,431	$1,540	$2,204	$1,348	$1,272	$2,156
Ratio		2.74%	2.76%	2.79%	2.58%	2.28%	2.73%
International	4.1	77	78	111	118	119	178
Ratio		1.88%	1.86%	1.22%	2.88%	2.83%	1.96%
North America	50.7	1,354	1,462	2,093	1,230	1,153	1,978
Ratio		2.81%	2.84%	2.99%	2.56%	2.24%	2.83%
Other (8)	0.3						
Total Citigroup	$333.4	$3,516	$3,674	$4,858	$3,855	$3,659	$4,962
Ratio		1.07%	1.08%	1.31%	1.17%	1.08%	1.34%

(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.

(3) 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.

(4) 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 $498 million ($0.9 billion), $423 million ($0.8 billion) and $604 million ($1.1 billion) at September 30, 2015, June 30, 2015 and September 30, 2014, respectively. The amounts excluded for loans 30–89 days past due (EOP loans have the same adjustment as above) were $79 million, $75 million and $126 million at September 30, 2015, June 30, 2015 and September 30, 2014, respectively.

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

(6) 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 within the U.S. government-sponsored entities. The amounts excluded for loans 90+ days past due (and EOP loans) for each period were $1.7 billion ($2.6 billion), $1.7 billion ($2.7 billion) and $2.6 billion ($5.0 billion) at September 30, 2015, June 30, 2015

and September 30, 2014, respectively. The amounts excluded for loans 30–89 days past due (EOP loans have the same adjustment as above) for each period were $0.3 billion, $0.3 billion and $0.7 billion at September 30, 2015, June 30, 2015 and September 30, 2014, respectively.

(7) The September 30, 2015, June 30, 2015 and September 30, 2014 loans 90+ days past due and 30–89 days past due and related ratios for North America exclude $12 million, $12 million and $17 million, 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

	Average loans[1]	Net credit losses[2][3]		
In millions of dollars, except average loan amounts in billions	3Q15	3Q15	2Q15	3Q14
Citicorp				
Total	$278.5	$1,411	$1,579	$1,680
Ratio		2.01%	2.24%	2.28%
Retail banking				
Total	$146.7	$279	$315	$325
Ratio		0.75%	0.84%	0.84%
North America	50.0	34	40	36
Ratio		0.27%	0.33%	0.30%
Latin America	24.2	168	196	210
Ratio		2.75%	3.06%	2.92%
Asia[4]	72.5	77	79	79
Ratio		0.42%	0.42%	0.40%
Cards				
Total	$131.8	$1,132	$1,264	$1,355
Ratio		3.41%	3.83%	3.90%
North America—Citi-branded	63.9	443	503	526
Ratio		2.75%	3.19%	3.16%
North America—Retail services	43.1	401	457	457
Ratio		3.69%	4.30%	4.23%
Latin America	7.7	187	196	250
Ratio		9.64%	9.25%	10.02%
Asia[4]	17.1	101	108	122
Ratio		2.34%	2.39%	2.53%
Citi Holdings[3]				
Total	$56.8	$204	$234	$433
Ratio		1.42%	1.57%	1.88%
International	4.1	38	41	64
Ratio		3.68%	3.65%	2.00%
North America	52.7	166	193	369
Ratio		1.25%	1.40%	1.90%
Other [5]	—	2	1	2
Total Citigroup	$335.3	$1,617	$1,814	$2,115
Ratio		1.91%	2.13%	2.20%

(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) As a result of the entry into an agreement in March 2015 to sell OneMain Financial (OneMain), OneMain was classified as held-for-sale (HFS) at the end of the first quarter 2015. As a result of HFS accounting treatment, approximately $160 million and $116 million of net credit losses (NCLs) were recorded as a reduction in revenue (Other revenue) during the second and third quarters of 2015, respectively. Accordingly, these NCLs are not included in this table.

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

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

67

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 for the periods indicated. The vast majority of Citi's corporate credit portfolio resides in ICG.

	At September 30, 2015				At June 30, 2015				At December 31, 2014			
In billions of dollars	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	Due within 1 year	Greater than 1 year but within 5 years	Greater than 5 years	Total exposure
Direct outstandings (on-balance sheet) (1)	$95	$99	$30	$224	$97	$98	$29	$224	$95	$85	$33	$213
Unfunded lending commitments (off-balance sheet)(2)	91	222	36	349	93	202	36	331	92	207	33	332
Total exposure	$186	$321	$66	$573	$190	$300	$65	$555	$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:

	September 30, 2015	June 30, 2015	December 31, 2014
North America	56 %	55 %	55 %
EMEA	25	25	25
Asia	12	13	13
Latin America	7	7	7
Total	100 %	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 September 30, 2015, June 30, 2015 and December 31, 2014, as a percentage of the total corporate credit portfolio:

	Total Exposure					
	September 30, 2015		June 30, 2015		December 31, 2014	
AAA/AA/A	49	%	51	%	49	%
BBB	35		33		33	
BB/B	15		15		16	
CCC or below	1		1		1	
Unrated	—		—		1	
Total	100	%	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		
	September 30, 2015	June 30, 2015	December 31, 2014
Transportation and industrial	21 %	21 %	21 %
Consumer retail and health	16	15	17
Technology, media and telecom	10	11	9
Power, chemicals, commodities and metals and mining	10	10	10
Energy [1]	9	10	10
Banks/broker-dealers	7	8	8
Hedge funds	6	6	5
Real estate	6	5	6
Insurance and special purpose entities	6	5	5
Public sector	5	5	5
Other industries	4	4	4
Total	100 %	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 September 30, 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 September 30, 2015, Citi’s total corporate credit exposure to the energy and energy-related sector (see footnote 1 to the table above) was approximately $61 billion, with approximately $21 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 June 30, 2015. In addition, as of September 30, 2015, approximately 73% 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 approximately 72% at June 30, 2015). Also, as of September 30, 2015, approximately 79% of Citi’s total energy and energy-related exposures were rated investment grade (compared to approximately 83% as of June 30, 2015), reflecting downgrades in the North America energy and energy-related portfolio during the quarter as well as the impact of new commitments.
During the third quarter of 2015, Citi built additional energy and energy-related loan loss reserves of

approximately $140 million, and incurred approximately $17 million of net credit losses in these portfolios. In addition, approximately $340 million of the increase in corporate non-accrual loans during the third quarter of 2015 reflected the downgrades primarily in the North America energy and energy-related portfolio during the quarter. Of the total increase in corporate non-accrual loans in the third quarter of 2015, approximately two-thirds remained performing as of September 30, 2015.

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 primarily in Other revenue on the Consolidated Statement of Income.

At September 30, 2015, June 30, 2015 and December 31, 2014, $33.0 billion, $25.2 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 September 30, 2015, June 30, 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

	September 30, 2015	June 30, 2015	December 31, 2014
AAA/AA/A	24 %	23 %	24 %
BBB	44	38	42
BB/B	28	34	28
CCC or below	4	5	6
Total	100 %	100 %	100 %

At September 30, 2015, June 30, 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

	September 30, 2015	June 30, 2015	December 31, 2014
Transportation and industrial	28 %	30 %	30 %
Technology, media and telecom	15	14	15
Consumer retail and health	15	12	11
Power, Chemicals, Commodities and Metals and Mining	13	13	15
Energy	13	13	10
Insurance and special purpose entities	6	4	4
Banks/broker-dealers	4	6	7
Public Sector	4	6	6
Other industries	2	2	2
Total	100 %	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[1]			Significant Citibank Entities[2]			Other Citibank and Banamex Entities			Total		
In billions of dollars	Sept. 30, 2015	Jun. 30, 2015	Sept. 30, 2014	Sept. 30, 2015	Jun. 30, 2015	Sept. 30, 2014	Sept. 30, 2015	Jun. 30, 2015	Sept. 30, 2014	Sept. 30, 2015	Jun. 30, 2015	Sept. 30, 2014
Available cash	$21.5	$17.8	$27.3	$59.6	$63.7	$77.8	$9.3	$8.2	$8.5	$90.4	$89.7	$113.6
Unencumbered liquid securities	35.0	29.0	31.8	217.0	210.7	197.5	56.5	56.4	73.6	$308.5	$296.1	$302.9
Total	$56.5	$46.8	$59.1	$276.6	$274.4	$275.3	$65.8	$64.6	$82.1	$398.9	$385.8	$416.4

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 September 30, 2015 were $398.9 billion, compared to $385.8 billion as of June 30, 2015 and $416.4 billion as of September 30, 2014. Year-over-year, Citi was able to reduce its required levels of HQLA as it continued to improve the liquidity value of its deposits. The decrease in Citi's HQLA from the prior-year period was driven primarily by reductions in short-term borrowings and corporate deposits. The increase in HQLA quarter-over-quarter was largely driven by a reduction in loans and illiquid trading assets, as well as an increase in long-term debt, partially offset by a reduction in deposits.
The following table shows further detail of the composition of Citi's HQLA by type of asset for the periods indicated. 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	Sept. 30, 2015	Jun. 30, 2015	Sept. 30, 2014
Available cash	$90.4	$89.7	$113.6
U.S. Treasuries	142.0	138.2	117.1
U.S. Agencies/Agency MBS	61.1	59.7	60.7
Foreign government[(1)]	103.0	94.1	121.6
Other investment grade	2.3	4.0	3.4
Total	$398.9	$385.8	$416.4

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

(1) 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, China, Hong Kong, India, Korea 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 $36 billion as of September 30, 2015 (compared to $37 billion as of June 30, 2015 and $22 billion as of September 30, 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 September 30, 2015, the amount available for lending to these entities under Section 23A was approximately $17 billion (unchanged from June 30, 2015 and September 30, 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	Sept. 30, 2015	Jun. 30, 2015	Sept. 30, 2014
Global Consumer Banking			
North America	$170.9	$173.5	$171.7
Latin America	38.8	42.1	44.0
Asia(1)	87.1	89.6	90.5
Total	$296.8	$305.2	$306.2
ICG			
Treasury and trade solutions (TTS)	$398.7	$397.5	$380.5
Banking ex-TTS	117.4	108.2	95.3
Markets and securities services	78.8	82.4	87.1
Total	$594.9	$588.1	$562.9
Corporate/Other	5.4	7.0	29.0
Total Citicorp	$897.1	$900.3	$898.1
Total Citi Holdings(2)	7.1	7.7	44.6
Total Citigroup deposits (EOP)	$904.2	$908.0	$942.7
Total Citigroup deposits (AVG)	$903.1	$906.4	$954.2

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

(2) September 30, 2015 and June 30, 2015 deposit balances reflect the reclassification to held-for-sale of approximately $21 billion 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 4% year-over-year and remained relatively unchanged quarter-over-quarter. Excluding the impact of FX translation, Citigroup's end-of-period deposits were relatively unchanged year-over-year but increased slightly sequentially.

Excluding the impact of FX translation, Citicorp deposits grew 4% year-over-year, offset by a continued decline in Citi Holdings deposits. Within Citicorp, GCB deposits increased 2% year-over-year, driven by 5% growth in international deposits. ICG deposits increased 10% year-over-year, especially in North America and Asia, with continued deposit growth in treasury and trade solutions and private bank. The decline in Citi Holdings deposits from the prior-year period was primarily driven by the reclassification to held-for-sale of deposits relating to Citi's Japan retail banking business (see note 2 to the table above), as well as the now complete transfer of MSSB deposits to Morgan Stanley. Average deposits declined 1% year-over-year, as the growth in Citicorp was more than offset by the reduction in Citi Holdings deposits.

Sequentially, excluding the impact of FX translation, deposits increased 1%, as growth in treasury and trade

solutions and private bank was only partially offset by a slight decline in GCB deposits. Average deposits grew 1% quarter-over-quarter, primarily due to 2% growth in ICG, partially 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. Citi defines the liquidity value of deposits as the percentage of deposits assumed to remain following a 30-day period of liquidity stress. 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 September 30, 2015, Citi's total deposits had a liquidity value of approximately 74% under the U.S. LCR rules, unchanged from June 30, 2015, with a liquidity value of approximately 86% for Citi's GCB deposits and 68% for ICG deposits, including Corporate/Other.

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 contractual 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 6.8 years as of September 30, 2015, a slight increase from the prior quarter, due in part to the issuance of longer-dated debt securities during the third quarter of 2015.

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	Sept. 30, 2015	Jun. 30, 2015	Sept. 30, 2014
Parent[1]	$156.8	$155.1	$155.9
Benchmark debt:			
Senior debt	99.5	98.4	97.5
Subordinated debt	26.8	25.6	24.2
Trust preferred	1.7	1.7	1.7
Customer-Related debt:			
Structured debt	23.1	23.7	22.3
Non-structured debt	3.6	4.5	6.4
Local Country and Other[1][2]	2.1	1.2	3.8
Bank	$56.7	$56.7	$67.9
FHLB Borrowings	17.3	16.8	23.3
Securitizations[3]	32.0	32.0	38.2
Local Country and Other[2]	7.4	7.9	6.4
Total long-term debt[1]	$213.5	$211.8	$223.8

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.

(1) September 30, 2015 and June 30, 2015 long-term debt balances exclude approximately $6.2 billion and $5.9 billion, respectively, of long-term debt (consisting largely of personal loan securitizations) relating to OneMain Financial, classified as held-for-sale as a result of Citigroup's entry into an agreement in March 2015 to sell its OneMain Financial business.

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

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

Citi's total long-term debt outstanding decreased year-over-year but increased slightly quarter-over-quarter.

Year-over-year, Citi's total long-term debt outstanding decreased primarily due to continued reductions in securitizations and FHLB borrowings at the bank entities, as well as the reclassification to held-for-sale of long-term debt relating to OneMain Financial (see note 1 to the table above). Sequentially, Citi's total long-term debt increased due to issuance of senior and subordinated debt at the parent level.

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 third quarter of 2015, Citi repurchased an aggregate of approximately $1.2 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:

	3Q15		2Q15		3Q14	
In billions of dollars	Maturities	Issuances	Maturities	Issuances	Maturities	Issuances

Parent[1]	$5.9	$7.6	$7.0	$12.5	$11.5	$9.8
Benchmark debt:						
Senior debt	2.8	3.4	3.2	5.4	4.2	5.0
Subordinated debt	0.7	2.0	2.0	3.0	4.0	0.7
Trust preferred	—	—	—	—	—	—
Customer-related debt:						
Structured debt	1.5	1.6	1.4	3.9	2.1	2.7
Non-structured debt	0.8	0.1	0.3	0.1	0.9	0.1
Local Country and Other[1]	0.1	0.5	0.1	0.1	0.3	1.3
Bank	$1.8	$2.0	$3.6	$1.7	$4.5	$9.0
FHLB borrowings	0.5	1.0	—	0.5	1.0	5.3
Securitizations	0.7	0.8	3.2	—	2.9	3.0
Local Country and Other	0.6	0.2	0.4	1.2	0.6	0.7
Total[1]	$7.7	$9.6	$10.6	$14.2	$16.0	$18.8

(1) As a result of OneMain Financial's reclassification to held-for-sale in March 2015, 3Q15 and 2Q15 exclude issuances of $0.3 billion and $1.3 billion, respectively, relating to OneMain Financial.

The table below shows Citi's aggregate long-term debt maturities (including repurchases and redemptions) year-to-date in 2015, as well as its aggregate expected annual long-term debt maturities as of September 30, 2015:

In billions of dollars	Maturities YTD'15	2015	2016	2017	2018	2019	2020	Thereafter	Total
Parent[1]	$21.5	$4.0	$18.7	$25.3	$22.1	$18.3	$6.5	$61.9	$156.8
Benchmark debt:									
Senior debt	11.1	2.5	11.8	19.2	18.1	15.1	4.1	28.7	99.5
Subordinated debt	3.1	—	1.5	2.9	1.1	1.3	—	20.0	26.8
Trust preferred	—	—	—	—	—	—	—	1.7	1.7
Customer-related debt:									
Structured debt	5.4	1.0	4.8	2.6	2.3	1.6	2.1	8.7	23.1
Non-structured debt	1.5	0.5	0.5	0.5	0.4	0.2	0.2	1.3	3.6
Local Country and Other[1]	0.4	—	0.1	0.1	0.2	0.1	0.1	1.5	2.1
Bank	$12.3	$2.1	$23.0	$15.8	$9.2	$2.3	$0.4	$3.9	56.7
FHLB borrowings	4.0	—	9.6	7.1	0.5	—	—	0.1	17.3
Securitizations	6.7	1.2	10.3	6.5	8.4	2.0	0.1	3.5	32.0
Local Country and Other	1.5	0.9	3.1	2.2	0.3	0.3	0.3	0.3	7.4
Total long-term debt[1]	$33.8	$6.1	$41.7	$41.1	$31.3	$20.6	$6.9	$65.8	$213.5

(1) Maturities exclude OneMain Financial long-term debt of approximately $6.2 billion (consisting largely of personal loan securitizations) reclassified 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 $169 billion as of September 30, 2015 declined 4% from the prior-year period and 5% sequentially. Excluding the impact of FX translation, secured funding increased 3% from the prior-year period and decreased 4% sequentially, both driven by normal business activity. Average balances for secured funding were approximately $174 billion for the quarter ended September 30, 2015, compared to $183 billion for the quarter ended June 30, 2015 and $182 billion for the quarter ended September 30, 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 September 30, 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.

In billions of dollars	Sept. 30, 2015	Jun. 30, 2015	Sept. 30, 2014
Commercial paper			
Parent	$—	$—	$0.2
Significant Citibank entities	9.4	10.0	17.6
Total	$9.4	$10.0	$17.8

Other Short-Term Borrowings

At September 30, 2015, Citi's other short-term borrowings, which included borrowings from the FHLB and other market participants, were approximately $13 billion, compared to $16 billion at June 30, 2015, and $47 billion at September 30, 2014. Citi has purposefully reduced its other short-term borrowings, including FHLB borrowings, as it continued to grow its 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 the periods indicated.

in billions of dollars	Sept. 30, 2015	Jun. 30, 2015	Sept. 30, 2014
HQLA	$398.9	$385.8	$416.4
Net outflows	$355.6	$347.3	$374.5
LCR	112%	111%	111%
HQLA in excess of net outflows	$43.3	$38.6	$42.0

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 increased slightly both year-over-year and quarter-over-quarter. Year-over-year, Citi's LCR increased as the reduction in Citi's HQLA was offset by a reduction in net outflows, reflecting the improvement in the LCR liquidity value of Citi's deposits. Quarter-over-quarter, Citi's LCR increased slightly due to the increase in Citi's HQLA, partially offset by an increase in outflows, driven by fluctuations in deposits as well as the impact of new credit extensions.

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 September 30, 2015. While not included in the table below, the long-term and short-term ratings of Citigroup Global Markets Inc. (CGMI) were A/A-1 at Standard & Poor's and A+/F1 at Fitch as of September 30, 2015.

Debt Ratings as of September 30, 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)	Baa1	P-2	Stable	A1	P-1	Stable
Standard & Poor's (S&P)	A-	A-2	Negative	A	A-1	Positive

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 September 30, 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 $0.7 billion, compared to $0.8 billion as of June 30, 2015. 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 September 30, 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 June 30, 2015, 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 $2.2 billion, compared to $2.1 billion as of June 30, 2015 (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 $57 billion, and the liquidity resources of Citi's significant Citibank entities and other Citibank and Banamex entities were approximately $342 billion, for a total of approximately $399 billion as of September 30, 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 September 30, 2015, Citibank, N.A. had liquidity commitments of approximately $9.4 billion to consolidated asset-backed commercial paper conduits, compared to $10.0 billion as of June 30, 2015 (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 201 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)	Sept. 30, 2015	Jun. 30, 2015	Sept. 30, 2014
Estimated annualized impact to net interest revenue			
U.S. dollar[(1)]	$1,533	$1,360	$1,159
All other currencies	616	645	713
Total	$2,149	$2,005	$1,872
As a % of average interest-earning assets	0.13 %	0.12 %	0.11 %
Estimated initial impact to AOCI (after-tax)[(2)]	$(4,450)	$(4,213)	$(3,621)
Estimated initial impact on Common Equity Tier 1 Capital ratio (bps)[(3)]	(50)	(47)	(41)

(1) 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 $(233) million for a 100 basis point instantaneous increase in interest rates as of September 30, 2015.

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

(3) 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 certain of Citi's deposit balances. The sequential increase in the estimated impact to AOCI and the Common Equity Tier 1 Capital ratio primarily reflected changes in the composition of Citi Treasury's investment and interest rate derivatives portfolio.

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 September 30, 2015, Citi expects that the negative $4.4 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 changes 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
Overnight rate change (bps)	100	100	—	—
10-year rate change (bps)	100	—	100	(100)
Estimated annualized impact to net interest revenue				
U.S. dollar	$1,533	$1,458	$125	$(218)
All other Currencies	616	574	35	(35)
Total	$2,149	$2,032	$160	$(253)
Estimated initial impact to AOCI (after-tax)(1)	$(4,450)	$(2,811)	$(1,798)	$1,509
Estimated initial impact to Common Equity Tier 1 Capital ratio (bps)(2)	(50)	(32)	(20)	16

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 September 30, 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 $1.6 billion, or 0.9% 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 Australian dollar.

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 Sept. 30, 2015	Jun. 30, 2015	Sept. 30, 2014
Change in FX spot rate[1]	(6.0)%	0.2%	(4.4)%
Change in TCE due to foreign currency translation, net of hedges	$(2,010)	$(44)	$(1,182)
As a % of Tangible Common Equity	(1.1)%	—%	(0.7)%
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)	(5)	(3)	3

(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	3rd Qtr. 2015		2nd Qtr. 2015		3rd Qtr. 2014		Change 3Q15 vs. 3Q14		
Interest revenue[1]	$14,832		$14,995		$15,636		(5	)%	
Interest expense	$2,941		3,051		3,325		(12	)	
Net interest revenue[1][2]	$11,891		$11,944		$12,311		(3	)%	
Interest revenue—average rate	3.67	%	3.71	%	3.70	%	(3	)	bps
Interest expense—average rate	0.93		0.97		0.98		(5	)	bps
Net interest margin	2.94	%	2.95						