CITIGROUP INC
Form 10-Q
May 02, 2016

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 March 31, 2016
Commission file number 1-9924
Citigroup Inc.
(Exact name of registrant as specified in its charter)

Delaware	52-1568099
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
388 Greenwich Street, New York, NY	10013
(Address of principal executive offices)	(Zip code)

(212) 559-1000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes 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 March 31, 2016: 2,934,929,136

Available on the web at www.citigroup.com

CITIGROUP'S FIRST QUARTER 2016—FORM 10-Q

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, 2015 filed with the U.S. Securities and Exchange Commission (SEC) on February 26, 2016 (2015 Annual Report on Form 10-K). 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 reclassifications, including a realignment of certain businesses, have been made to the prior periods' financial statements to conform to the current period's presentation. For additional information on certain recent reclassifications, see Notes 1 and 3 to the Consolidated Financial Statements and Citi's Current Report on Form 8-K furnished to the SEC on April 11, 2016.

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

Citigroup is managed pursuant to the following segments:

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

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

(2) North America includes the U.S., Canada and Puerto Rico, Latin America includes Mexico and Asia includes Japan.

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

EXECUTIVE SUMMARY

Citi’s first quarter of 2016 results of operations reflected a challenging macro environment characterized by market volatility and continued uncertainties. While these issues somewhat abated during the latter part of the quarter, the overall environment during the quarter drove year-over-year revenue declines in Citi’s market sensitive businesses, primarily its markets and investment banking businesses in the Institutional Clients Group (ICG) as well as its wealth management business in Asia Global Consumer Banking (GCB). Due in part to this environment, Citi announced additional repositioning actions during the quarter, incurring a charge of roughly $400 million in Citicorp to further streamline operations and reduce capacity in certain areas while maintaining its client-facing capabilities.

As described further in this Executive Summary, despite the challenging environment during the quarter, Citi showed continued progress in several areas. In North America GCB, Citi’s ongoing investments in Citi-branded cards drove growth in average loans and purchase sales, and the accrual and transaction businesses in ICG - treasury and trade solutions, corporate lending, private bank and securities services - exhibited continued growth in the aggregate. In Citicorp, loans increased 5% and deposits increased 6% while Citi’s overall balance sheet decreased by 1% (each excluding the impact of foreign currency translation into U.S. dollars for reporting purposes (FX translation)). Citi utilized approximately $1.6 billion in deferred tax assets (DTAs) (for additional information, see “Income Taxes” below), which contributed to a net increase of $6 billion of regulatory capital during the quarter and Citi’s Common Equity Tier 1 Capital ratio, on a fully implemented basis, of 12.3% as of March 31, 2016. In addition, despite the higher repositioning charge during the quarter, Citigroup’s expenses declined by 3% overall.

As noted above, while the macro and market environment somewhat stabilized during the latter part of the first quarter of 2016, Citi expects the operating environment to continue to be challenging, as many risks and uncertainties remain. For a more detailed discussion of these risks and uncertainties, see each respective business’ results of operations, “Managing Global Risk” and “Forward-Looking Statements” below as well as the “Risk Factors” section in Citi’s 2015 Annual Report on Form 10-K.

First Quarter 2016 Summary Results

Citigroup

Citigroup reported net income of $3.5 billion, or $1.10 per share, compared to $4.8 billion, or $1.51 per share, in the prior-year period. Results in the first quarter of 2015 included negative $73 million (negative $47 million after-tax) of CVA/DVA.

Excluding the impact of CVA/DVA in the prior-year period (for information on Citi’s adoption in the first quarter of 2016 of a new accounting standard relating to the reporting of CVA/DVA, see Notes 1 and 22 to the Consolidated Financial Statements), Citigroup also reported net income of $3.5 billion in the first quarter of 2016, or $1.10 per share, compared to $4.8 billion, or $1.52 per share, in the prior-year period. (Citi’s results of operations excluding the impact of CVA/DVA are non-GAAP financial measures.) The 27% decrease from the prior-year period was primarily driven by lower revenues and a higher cost of credit, partially offset by lower expenses.

Citi’s revenues were $17.6 billion in the first quarter of 2016, a decrease of 11% from the prior-year period. Excluding CVA/DVA in the first quarter of 2015, revenues were also down 11% from the prior-year period, as Citicorp revenues decreased 9% and Citi Holdings revenues decreased 31%. Excluding CVA/DVA in the first quarter of 2015 and the impact of FX translation (which lowered revenues by approximately $600 million in the first quarter of 2016 compared to the prior- year period), Citigroup revenues decreased 9% from the prior-year period, driven by a 6% decrease in Citicorp revenues and a 29% 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 3% versus the prior-year period as lower expenses in Citi Holdings, lower legal and related expenses and the impact of FX translation were partially offset by the higher repositioning costs and ongoing investments in Citicorp. Citigroup expenses in the first quarter of 2016 included legal and related expenses of $166 million, compared to $388 million in the prior-year period and $491 million of repositioning costs, compared to $16 million in the prior-year period. FX translation lowered expenses by approximately $377 million in the first quarter of 2016 compared to the prior-year period.

Citicorp expenses increased 2% driven by the higher repositioning costs, which Citi expects will yield expense savings in future periods, and ongoing investments in the franchise, partially offset by efficiency savings and the impact of FX translation. Citicorp expenses in the first quarter of 2016 included legal and related expenses of $226 million, compared to $317 million in the prior-year period, and $394 million of repositioning costs, compared to $4 million in the prior-year period.

Citi Holdings' expenses were $828 million, down 40% from the prior-year period, primarily driven by the ongoing decline in Citi Holdings assets as well as lower legal and related expenses, partially offset by higher repositioning costs.

Credit Costs

Citi's total provisions for credit losses and for benefits and claims of $2.0 billion increased 7% from the prior-year period, as a net loan loss reserve build was partially offset by lower net credit losses.

Net credit losses of $1.7 billion declined 12% versus the prior-year period. Consumer net credit losses declined 23% to

$1.5 billion, mostly reflecting continued improvements in North America Citi-branded cards in Citicorp as well as the improvement in the North America mortgage portfolio and ongoing divestiture activity within Citi Holdings.
Corporate net credit losses increased $218 million to $211 million, primarily related to the continued deterioration in the energy and energy-related portfolio (for additional information, see “Institutional Clients Group” and “Credit Risk—Corporate Credit” below).
The net build of allowance for loan losses and unfunded lending commitments was $233 million in the first quarter of 2016, compared to a $239 million release in the prior-year period. Citicorp’s net reserve build was $266 million, compared to a net loan loss reserve release of $62 million in the prior-year period. The build in the first quarter of 2016 was primarily driven by net loan loss reserve builds in ICG, including approximately $260 million for energy and energy-related exposures. Outside of the energy-related sectors, Citi’s credit quality largely remained stable during the quarter. The allowance for loan losses attributable to energy and energy-related loans in ICG represented 4.2% of funded exposures as of the first quarter of 2016.
Citi Holdings’ net reserve release decreased $144 million from the prior-year period to $33 million, primarily reflecting the impact of asset sales.
For additional information on Citi’s consumer and corporate credit costs and allowance for loan losses, see “Credit Risk” below.

Capital
As noted above, Citi continued to grow its regulatory capital during the first quarter of 2016, even as it returned approximately $1.5 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 13.8% and 12.3% as of March 31, 2016, respectively, compared to 12.1% and 11.1% as of March 31, 2015 (all based on the Basel III Advanced Approaches for determining risk-weighted assets). Citigroup’s Supplementary Leverage ratio as of March 31, 2016, on a fully implemented basis, was 7.4%, compared to 6.4% as of March 31, 2015. 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” below.

Citicorp
Citicorp net income decreased 32% from the prior-year period to $3.2 billion. CVA/DVA, recorded in ICG, was negative $69 million (negative $44 million after-tax) in first quarter of 2015 (for a summary of CVA/DVA by business within ICG, see “Institutional Clients Group” below). Excluding CVA/DVA in the first quarter of 2015, Citicorp’s net income also decreased 32% from the prior-year period, primarily driven by the lower revenues, higher expenses and higher cost of credit.
Citicorp revenues decreased 9% from the prior-year period to $16.1 billion. Excluding CVA/DVA in the first quarter of 2015, Citicorp revenues also decreased 9% from the prior-year period, reflecting a 12% decrease in ICG revenues and a 6% decrease in GCB revenues. As referenced above,

excluding CVA/DVA in the prior-year period and the impact of FX translation, Citicorp’s revenues decreased 6%, mostly driven by the decline in revenues in Citi’s market sensitive businesses and the impact of continued investments in Citi-branded cards, each as referred to above.
GCB revenues of $7.8 billion decreased 6% versus the prior-year period. Excluding the impact of FX translation, GCB revenues decreased 3%, 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 $4.9 billion, as lower revenues in Citi-branded cards and retail banking were partially offset by higher revenues in Citi retail services. Citi-branded cards revenues of $1.9 billion were down 6% versus the prior-year period, reflecting continued increased acquisition and rewards costs as investments in business growth continued, partially offset by the impact of growth in average loans and purchase sales. Citi retail services revenues of $1.7 billion increased 3% versus the prior-year period, primarily driven by gains on the sale of two small cards portfolios. Retail banking revenues decreased 8% from the prior-year period to $1.3 billion. Excluding the previously-disclosed $110 million gain on the sale of branches in Texas in the prior-year period,

retail banking revenues were largely unchanged as continued growth in loans and checking deposits as well as improved deposit spreads were offset by lower mortgage gain on sale revenues.

North America GCB average deposits of $181 billion were largely unchanged year-over-year and average retail banking loans of $53 billion grew 11%. Average branded card loans of $65 billion increased 1%, while branded card purchase sales of $46 billion increased 12% versus the prior-year period. Average retail services loans of $44 billion were largely unchanged, while retail services purchase sales of $17 billion increased 2% versus the prior-year period. For additional information on the results of operations of North America GCB for the first quarter of 2016, see "Global Consumer Banking- North America GCB" below.

International GCB revenues (consisting of Latin America GCB and Asia GCB (which includes EMEA GCB for reporting purposes)) decreased 11% versus the prior-year period to $2.9 billion. Excluding the impact of FX translation, international GCB revenues decreased 2% versus the prior-year period. Latin America GCB revenues increased 2% versus the prior-year period, as the impact of growth in retail banking loans, deposits and card purchase sales was partially offset by continued declines in card balances. Asia GCB revenues declined 4% versus the prior-year period, driven by lower investment sales revenues reflecting the weak market sentiment as well as continued regulatory pressure in cards, partially offset by volume growth. For additional information on the results of operations of Latin America GCB and Asia GCB for the first quarter of 2016, including the impact of FX translation, see "Global Consumer Banking" below. Year-over-year, international GCB average deposits of $115 billion increased 5%, average retail loans of $87 billion increased 1%, investment sales of $12 billion decreased 38%, average card loans of $23 billion increased 2% and card purchase sales of $22 billion increased 4%, all excluding the impact of FX translation.

ICG revenues were $8.0 billion in the first quarter of 2016, down 11% from the prior-year period. Excluding CVA/DVA in the first quarter of 2015, ICG revenues decreased 12% driven by a 15% decrease in Markets and securities services revenues and a 9% decrease in Banking revenues.
Banking revenues of $4.0 billion (excluding CVA/DVA in the first quarter of 2015 and the impact of mark-to-market gains on hedges related to accrual loans within corporate lending (see below)) decreased 6%, compared to the prior-year period, driven by lower industry-wide investment banking activity partially offset by growth in treasury and trade solutions and the private bank. Investment banking revenues of $875 million decreased 27% versus the prior-year period. Advisory revenues decreased 23% to $227 million versus strong performance in the prior-year period. Debt underwriting revenues decreased 22% to $530 million and equity underwriting revenues decreased 49% to $118 million, largely driven by the industry-wide slowdown in activity levels during the quarter.
Private bank revenues (excluding CVA/DVA in the first quarter of 2015) increased 5% to $746 million from the prior-year period, primarily driven by higher loan and deposit balances. Corporate lending revenues decreased 26% to $389 million, including $66 million of mark-to-market losses on hedges related to accrual loans, compared to a $52 million gain in the prior-year period. Excluding the impact of FX translation and the mark-to-market impact of loan hedges, corporate lending revenues decreased 2% versus the prior-year period, primarily driven by the absence of positive mark-to-market adjustments, partially offset by continued growth in average loans. Treasury and trade solutions revenues of $2.0 billion increased 3% from the prior-year period. Excluding the impact of FX translation, treasury and trade solutions revenues increased 8%, as continued growth in transaction volumes and increased spreads were partially offset by lower trade revenues.
Markets and securities services revenues of $4.1 billion (excluding CVA/DVA in the first quarter of 2015) decreased 15% from the prior-year period. Fixed income markets revenues of $3.1 billion (excluding CVA/DVA in the first quarter of 2015) decreased 11% from the prior-year period, reflecting lower activity levels and a less favorable environment in securitized products and commodities, partially offset by growth in rates and currencies. Equity markets revenues of $706 million (excluding CVA/DVA in the first quarter of 2015) decreased 19% versus the prior-year period, reflecting the impact of lower volumes in cash equities as well as weaker performance in derivatives. Securities services revenues of $562 million increased 3% versus the prior-year period, largely reflecting a gain on sale, partially offset by the impact of FX translation. For additional information on the results of operations of ICG for the first quarter of 2016, see "Institutional Clients Group" below.
Corporate/Other revenues were $274 million, up 29% from the prior-year period, mostly reflecting higher investment income. For additional information on the results of operations of Corporate/Other for the first quarter of 2016, see "Corporate/Other" below.

Citicorp end-of-period loans increased 4% to $573 billion from the prior-year period, driven by a 6% increase in corporate loans and a 1% increase in consumer loans. Excluding the impact of FX translation, Citicorp loans grew 5%, with 7% growth in corporate loans and 2% growth in consumer loans.

Citi Holdings
Citi Holdings' net income was $346 million in the first quarter of 2016, compared to net income of $149 million in the prior-year period. CVA/DVA was negative $4 million (negative $3 million after-tax) in the first quarter of 2015. Excluding the impact of CVA/DVA in the prior-year period, Citi Holdings' net income was $346 million, compared to $152 million in the prior-year period, primarily reflecting lower expenses and lower credit costs, partially offset by lower revenues.
Citi Holdings' revenues were $1.5 billion down 31% from the prior-year period. Excluding CVA/DVA in the first quarter of 2015, Citi Holdings' revenues also decreased 31% from the prior-year period, primarily driven by the overall wind-down of the portfolio, partially offset by a net gain on asset sales. For additional information on the results of operations of Citi Holdings for the first quarter of 2016, see "Citi Holdings" below.
At the end of the current quarter, Citi Holdings' assets were $73 billion, 44% below the prior-year period, and represented approximately 4% of Citi's total GAAP assets. Citi Holdings' risk-weighted assets were $130 billion as of March 31, 2016, a decrease of 29% from the prior-year period, and represented 11% of Citi's 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

	First Quarter		
In millions of dollars, except per-share amounts and ratios	2016	2015	% Change
Net interest revenue	$11,227	$11,572	(3)%
Non-interest revenue	6,328	8,164	(22)
Revenues, net of interest expense	$17,555	$19,736	(11)%
Operating expenses	10,523	10,884	(3)
Provisions for credit losses and for benefits and claims	2,045	1,915	7
Income from continuing operations before income taxes	$4,987	$6,937	(28)%
Income taxes	1,479	2,120	(30)
Income from continuing operations	$3,508	$4,817	(27)%
Income (loss) from discontinued operations, net of taxes(1)	(2)	(5)	60 %
Net income before attribution of noncontrolling interests	$3,506	$4,812	(27)%
Net income attributable to noncontrolling interests	5	42	(88)
Citigroup’s net income	$3,501	$4,770	(27)
Less:			
Preferred dividends—Basic	$210	$128	64 %
Dividends and undistributed earnings allocated to employee restricted and deferred shares that contain nonforfeitable rights to dividends, applicable to basic EPS	40	62	(35)
Income allocated to unrestricted common shareholders for basic and diluted EPS	$3,251	$4,580	(29)%
Earnings per share			
Basic			
Income from continuing operations	$1.11	$1.51	(26)%
Net income	1.10	1.51	(27)
Diluted			
Income from continuing operations	$1.11	$1.51	(26)%
Net income	1.10	1.51	(27)
Dividends declared per common share	0.05	0.01	NM

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

SUMMARY OF SELECTED FINANCIAL DATA—PAGE 2
Citigroup Inc. and Consolidated Subsidiaries

	First Quarter		
In millions of dollars, except per-share amounts, ratios and direct staff	2016	2015	% Change
At March 31:			
Total assets	$1,800,967	$1,831,801	(2)%
Total deposits	934,591	899,647	4
Long-term debt	207,835	210,522	(1)
Citigroup common stockholders' equity	209,769	202,652	4
Total Citigroup stockholders' equity	227,522	214,620	6
Direct staff (in thousands)	225	239	(6)
Performance metrics			
Return on average assets	0.79 %	1.04 %	
Return on average common stockholders' equity[(2)]	6.4	9.4	
Return on average total stockholders' equity[(2)]	6.3	9.1	
Efficiency ratio (Total operating expenses/Total revenues)	60	55	
Basel III ratios—full implementation			
Common Equity Tier 1 Capital[(3)]	12.34 %	11.06 %	
Tier 1 Capital[(3)]	13.81	12.07	
Total Capital[(3)]	15.71	13.38	
Supplementary Leverage ratio[(4)]	7.44	6.44	
Citigroup common stockholders' equity to assets	11.65 %	11.06 %	
Total Citigroup stockholders' equity to assets	12.63	11.72	
Dividend payout ratio[(5)]	4.5	0.7	
Book value per common share	$71.47	$66.79	7 %
Ratio of earnings to fixed charges and preferred stock dividends	2.54x	3.13x	

(1) See Note 2 to the Consolidated Financial Statements for additional information on Citi's discontinued operations.

(2) 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.

(3) Citi's regulatory capital ratios reflect full implementation of the U.S. Basel III rules. Risk-weighted assets are based on the Basel III Advanced Approaches for determining total risk-weighted assets.

(4) Citi's Supplementary Leverage ratio reflects full implementation of the U.S. Basel III rules.

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

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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

	First Quarter		
In millions of dollars	2016	2015	% Change
Income (loss) from continuing operations			
CITICORP			
Global Consumer Banking			
North America	$860	$1,153	(25)%
Latin America	156	220	(29)
Asia[1]	215	339	(37)
Total	$1,231	$1,712	(28)%
Institutional Clients Group			
North America	$584	$1,027	(43)%
EMEA	399	935	(57)
Latin America	337	375	(10)
Asia	639	637	—
Total	$1,959	$2,974	(34)%
Corporate/Other	$(29)	$(19)	(53)%
Total Citicorp	$3,161	$4,667	(32)%
Citi Holdings	$347	$150	NM
Income from continuing operations	$3,508	$4,817	(27)%
Discontinued operations	$(2)	$(5)	60 %
Net income attributable to noncontrolling interests	5	42	(88)%
Citigroup’s net income	$3,501	$4,770	(27)%

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

NM Not meaningful

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CITIGROUP REVENUES

	First Quarter		
In millions of dollars	2016	2015	% Change
CITICORP			
Global Consumer Banking			
North America	$4,874	$5,060	(4)%
Latin America	1,241	1,432	(13)
Asia[1]	1,655	1,810	(9)
Total	$7,770	$8,302	(6)%
Institutional Clients Group			
North America	$3,046	$3,391	(10)%
EMEA	2,207	2,900	(24)
Latin America	975	991	(2)
Asia	1,808	1,795	1
Total	$8,036	$9,077	(11)%
Corporate/Other	$274	$212	29 %
Total Citicorp	$16,080	$17,591	(9)%
Citi Holdings	$1,475	$2,145	(31)%
Total Citigroup Net Revenues	$17,555	$19,736	(11)%

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

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	$10,788	$63,444	$ 82,736	$156,968	$1,321	$—	$158,289
Federal funds sold and securities borrowed or purchased under agreements to resell	125	224,134	—	224,259	834	—	225,093
Trading account assets	5,962	264,092	403	270,457	3,290	—	273,747
Investments	8,413	115,561	223,881	347,855	5,397	—	353,252
Loans, net of unearned income and allowance for loan losses	265,100	297,874	—	562,974	43,138	—	606,112
Other assets	41,744	83,365	45,422	170,531	13,943	—	184,474
Liquidity assets[4]	52,897	243,928	(301,779)	(4,954)	4,954	—	—
Total assets	$385,029	$1,292,398	$ 50,663	$1,728,090	$72,877	$—	$1,800,967
Liabilities and equity							
Total deposits	$302,672	$607,111	$ 15,569	$925,352	$9,239	$—	$934,591
Federal funds purchased and securities loaned or sold under agreements to repurchase	3,631	153,552	—	157,183	25	—	157,208
Trading account liabilities	9	134,688	695	135,392	754	—	136,146
Short-term borrowings	225	20,626	32	20,883	10	—	20,893
Long-term debt	1,591	33,458	19,582	54,631	4,065	149,139	207,835
Other liabilities	15,261	79,430	15,684	110,375	5,158	—	115,533
Net inter-segment funding (lending)[3]	61,640	263,533	(2,138)	323,035	53,626	(376,661)	—
Total liabilities	$385,029	$1,292,398	$ 49,424	$1,726,851	$72,877	$(227,522)	$1,572,206
Total equity	—	—	1,239	1,239	—	227,522	228,761
Total liabilities and equity	$385,029	$1,292,398	$ 50,663	$1,728,090	$72,877	$—	$1,800,967

(1) The supplemental information presented in the table above reflects Citigroup's consolidated GAAP balance sheet by reporting segment as of March 31, 2016. 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)

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.

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 businesses in North America, EMEA, Latin America and Asia) and Institutional Clients Group (which includes Banking and Markets and securities services). Citicorp also includes Corporate/Other. At March 31, 2016, Citicorp had approximately $1.7 trillion of assets and $925 billion of deposits, representing approximately 96% of Citi's total assets and 99% of Citi's total deposits.

As previously announced, Citi's consumer businesses in Argentina, Brazil and Colombia, which previously were reported as part of Latin America GCB, are reported as part of Citi Holdings for all periods as of the first quarter of 2016. In addition, Citi's consumer businesses in Venezuela and remaining indirect investment in Banco de Chile, also previously reported as part of Latin America GCB, are reported as part of ICG for all periods as of the first quarter of 2016. For additional information, see "Citicorp" in Citi's 2015 Annual Report on Form 10-K.

	First Quarter		
In millions of dollars except as otherwise noted	2016	2015	% Change
Net interest revenue	$10,630	$10,313	3 %
Non-interest revenue	5,450	7,278	(25)
Total revenues, net of interest expense	$16,080	$17,591	(9)%
Provisions for credit losses and for benefits and claims			
Net credit losses	$1,581	$1,488	6 %
Credit reserve build (release)	193	(30)	NM
Provision for loan losses	$1,774	$1,458	22 %
Provision for benefits and claims	28	28	—
Provision for unfunded lending commitments	73	(32)	NM
Total provisions for credit losses and for benefits and claims	$1,875	$1,454	29 %
Total operating expenses	$9,695	$9,499	2 %
Income from continuing operations before taxes	$4,510	$6,638	(32)%
Income taxes	1,349	1,971	(32)
Income from continuing operations	$3,161	$4,667	(32)%
Income (loss) from discontinued operations, net of taxes	(2)	(5)	60
Noncontrolling interests	4	41	(90)
Net income	$3,155	$4,621	(32)%
Balance sheet data (in billions of dollars)			
Total end-of-period (EOP) assets	$1,728	$1,702	2 %
Average assets	1,700	1,719	(1)
Return on average assets	0.75 %	1.09 %	
Efficiency ratio	60 %	54 %	
Total EOP loans	$573	$554	4
Total EOP deposits	$925	$884	5

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, including commercial banking, and Citi-branded cards and Citi retail services (for additional information on these businesses, see "Citigroup Segments" above). GCB is a focused on its priority markets of the U.S., Mexico and Asia with 2,703 branches in 19 countries as of March 31, 2016. At March 31, 2016, GCB had approximately $385 billion of assets and $303 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.

	First Quarter		
In millions of dollars except as otherwise noted	2016	2015	% Change
Net interest revenue	$6,406	$6,461	(1)%
Non-interest revenue	1,364	1,841	(26)
Total revenues, net of interest expense	$7,770	$8,302	(6)%
Total operating expenses	$4,408	$4,305	2 %
Net credit losses	$1,370	$1,489	(8)%
Credit reserve build (release)	85	(149)	NM
Provision (release) for unfunded lending commitments	2	—	NM
Provision for benefits and claims	28	28	—
Provisions for credit losses and for benefits and claims	$1,485	$1,368	9 %
Income from continuing operations before taxes	$1,877	$2,629	(29)%
Income taxes	646	917	(30)
Income from continuing operations	$1,231	$1,712	(28)%
Noncontrolling interests	2	(4)	NM
Net income	$1,229	$1,716	(28)%
Balance Sheet data (in billions of dollars)			
Average assets	$378	$380	(1)%
Return on average assets	1.31 %	1.83 %	
Efficiency ratio	57 %	52 %	
Total EOP assets	$385	$374	3
Average deposits	296	298	(1)
Net credit losses as a percentage of average loans	2.03 %	2.21 %	
Revenue by business			
Retail banking	$3,216	$3,538	(9)%
Cards[(1)]	4,554	4,764	(4)
Total	$7,770	$8,302	(6)%
Income from continuing operations by business			
Retail banking	$317	$579	(45)%
Cards[(1)]	914	1,133	(19)
Total	$1,231	$1,712	(28)%

Table continues on next page.

Foreign currency (FX) translation impact			
Total revenue—as reported	$7,770	$8,302	(6)%
Impact of FX translation(2)	—	(295)	
Total revenues—ex-FX(3)	$7,770	$8,007	(3)%
Total operating expenses—as reported	$4,408	$4,305	2 %
Impact of FX translation(2)	—	(142)	
Total operating expenses—ex-FX(3)	$4,408	$4,163	6 %
Total provisions for LLR & PBC—as reported	$1,485	$1,368	9 %
Impact of FX translation(2)	—	(64)	
Total provisions for LLR & PBC—ex-FX(3)	$1,485	$1,304	14 %
Net income—as reported	$1,229	$1,716	(28)%
Impact of FX translation(2)	—	(61)	
Net income—ex-FX(3)	$1,229	$1,655	(26)%

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

(2) Reflects the impact of FX translation into U.S. dollars at the first quarter of 2016 average exchange rates for all periods presented.

(3) Presentation of this metric excluding FX translation is a non-GAAP financial measure.

NM Not meaningful

NORTH AMERICA GCB

North America GCB provides traditional retail banking, including commercial banking, and its Citi-branded cards and Citi retail services card products to retail customers and small to mid-size businesses, as applicable, in the U.S. North America GCB’s U.S. cards product portfolio includes its proprietary portfolio (including the Citi Double Cash, Thank You and Value cards) and co-branded cards (including, among others, American Airlines and Hilton Worldwide) within Citi-branded cards as well as its co-brand and private label relationships within Citi retail services.

As of March 31, 2016, North America GCB’s 729 retail bank branches are concentrated in the six key metropolitan areas of New York, Chicago, Miami, Washington, D.C., Los Angeles and San Francisco. Also as of March 31, 2016, North America GCB had approximately 10.8 million retail banking customer accounts, $53.5 billion of retail banking loans and $183.7 billion of deposits. In addition, North America GCB had approximately 111.9 million Citi-branded and Citi retail services credit card accounts, with $107.4 billion in outstanding card loan balances.

	First Quarter		%
In millions of dollars, except as otherwise noted	2016	2015	Change
Net interest revenue	$4,442	$4,336	2 %
Non-interest revenue	432	724	(40)
Total revenues, net of interest expense	$4,874	$5,060	(4)%
Total operating expenses	$2,506	$2,341	7 %
Net credit losses	$932	$960	(3)%
Credit reserve build (release)	79	(99)	NM
Provision for unfunded lending commitments	1	1	—
Provisions for benefits and claims	9	10	(10)
Provisions for credit losses and for benefits and claims	$1,021	$872	17 %
Income from continuing operations before taxes	$1,347	$1,847	(27)%
Income taxes	487	694	(30)
Income from continuing operations	$860	$1,153	(25)%
Noncontrolling interests	—	1	(100)
Net income	$860	$1,152	(25)%
Balance Sheet data (in billions of dollars)			
Average assets	$212	$208	2 %
Return on average assets	1.63 %	2.25 %	
Efficiency ratio	51 %	46 %	
Average deposits	$180.6	$180.4	—
Net credit losses as a percentage of average loans	2.32 %	2.50 %	
Revenue by business			
Retail banking	$1,307	$1,414	(8)%
Citi-branded cards	1,880	2,009	(6)
Citi retail services	1,687	1,637	3
Total	$4,874	$5,060	(4)%
Income from continuing operations by business			
Retail banking	$98	$210	(53)%
Citi-branded cards	366	539	(32)
Citi retail services	396	404	(2)
Total	$860	$1,153	(25)%

NM Not meaningful

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1Q16 vs. 1Q15
Net income decreased by 25% due to lower revenues, higher expenses and a net loan loss reserve build, partially offset by lower net credit losses.
Revenues decreased 4%, reflecting lower revenues in retail banking and Citi-branded cards, partially offset by higher revenues in Citi retail services.
Retail banking revenues decreased 8%. Excluding the previously-disclosed $110 million gain on sale of branches in Texas in the prior-year period, revenues were largely unchanged as continued growth in average loans (11%), average checking deposits (6%) and deposit spreads were offset by lower mortgage gain on sale revenues largely reflecting lower mortgage refinance activity and lower margins. Consistent with GCB's strategy, North America GCB closed or sold 51 branches during the current quarter (a 7% decline from year-end 2015).
Cards revenues decreased 2%. In Citi-branded cards, revenues decreased 6%, primarily reflecting the continued increased acquisition and rewards costs as well as the continued impact of high customer payment rates. The continued investment spending in Citi-branded cards has resulted, in part, in growth in average active accounts (4%), average loans (1%) and purchase sales (12%).
Citi retail services revenues increased 3% due to gains on sales of two small cards portfolios, partially offset by higher contractual partner payments. Purchase sales increased 2% while average loans were largely unchanged, despite the impact of the card portfolio sales.
Expenses increased 7%, primarily due to higher repositioning charges and the continued investment spending (including marketing, among other areas), higher volume-related expenses and higher regulatory and compliance costs, partially offset by ongoing cost reduction initiatives, including as a result of the branch rationalization strategy.
Provisions increased 17%, largely due to a net loan loss reserve build (approximately $80 million), compared to a loan loss reserve release in the prior-year period, partially offset by lower net credit losses (3%). The decline in net credit losses was primarily due to Citi-branded cards (down 8% to $455 million). The net loan loss reserve build was driven by energy and energy-related exposures in the commercial banking portfolio within retail banking. (For additional information on Citi's energy and energy-related exposures within commercial banking within GCB, see "Credit Risk—Commercial Credit"

below.)
North America GCB continues to expect to make additional investments in its U.S. cards businesses during the remainder of 2016, including investments in connection with Citi's planned acquisition of the Costco portfolio, the closing of which is currently expected to occur in June 2016, as well as the impact of renewing certain important partnership programs in a competitive environment (see also "Risk Factors—Operational Risks" in Citi's 2015 Annual Report on Form 10-K). While North America GCB believes these investments are necessary for the growth of its U.S. cards businesses, they will continue to reduce the pretax earnings of the businesses during the remainder of 2016.

LATIN AMERICA GCB

Latin America GCB provides traditional retail banking, including commercial banking, and its Citi-branded card products to retail customers and small to mid-size businesses in Mexico through Banco Nacional de Mexico, or Banamex, Mexico's second-largest bank.

At March 31, 2016, Latin America GCB had 1,493 retail branches, with approximately 27.9 million retail banking customer accounts, $20.1 billion in retail banking loans and $28.3 billion in deposits. In addition, the business had approximately 5.6 million Citi-branded card accounts with $5.3 billion in outstanding loan balances. As discussed above, Citi's consumer businesses in Argentina, Brazil and Colombia are reported as part of Citi Holdings for all periods as of the first quarter of 2016.

	First Quarter		%
In millions of dollars, except as otherwise noted	2016	2015	Change
Net interest revenue	$863	$990	(13)%
Non-interest revenue	378	442	(14)
Total revenues, net of interest expense	$1,241	$1,432	(13)%
Total operating expenses	$720	$797	(10)%
Net credit losses	$278	$356	(22)%
Credit reserve build (release)	17	(8)	NM
Provision (release) for unfunded lending commitments	1	(3)	NM
Provision for benefits and claims	19	18	6
Provisions for credit losses and for benefits and claims (LLR & PBC)	$315	$363	(13)%
Income from continuing operations before taxes	$206	$272	(24)%
Income taxes	50	52	(4)
Income from continuing operations	$156	$220	(29)%
Noncontrolling interests	1	—	100
Net income	$155	$220	(30)%
Balance Sheet data (in billions of dollars)			
Average assets	$50	$57	(12)%
Return on average assets	1.25 %	1.57 %	
Efficiency ratio	58 %	56 %	
Average deposits	$27.8	$29.3	(5)
Net credit losses as a percentage of average loans	4.53 %	5.25 %	
Revenue by business			
Retail banking	$868	$972	(11)%
Citi-branded cards	373	460	(19)
Total	$1,241	$1,432	(13)%
Income from continuing operations by business			
Retail banking	$99	$148	(33)%
Citi-branded cards	57	72	(21)
Total	$156	$220	(29)%
FX translation impact			
Total revenues—as reported	$1,241	$1,432	(13)%
Impact of FX translation[1]	—	(217)	
Total revenues—ex-FX[2]	$1,241	$1,215	2 %
Total operating expenses—as reported	$720	$797	(10)%
Impact of FX translation[1]	—	(87)	
Total operating expenses—ex-FX[2]	$720	$710	1 %
Provisions for LLR & PBC—as reported	$315	$363	(13)%
Impact of FX translation[1]	—	(56)	

Provisions for LLR & PBC—ex-FX[2]	$315	$307	3 %
Net income—as reported	$155	$220	(30)%
Impact of FX translation[1]	—	(57)	
Net income—ex-FX[2]	$155	$163	(5)%

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(1) Reflects the impact of FX translation into U.S. dollars at the first quarter of 2016 average exchange rates for all periods presented.

(2) Presentation of this metric excluding FX translation is a non-GAAP financial measure.

NM Not Meaningful

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

1Q16 vs. 1Q15

Net income decreased 5% as higher expenses and a net loan loss reserve build were partially offset by higher revenues and lower net credit losses.

Revenues increased 2%, primarily due to volume growth in retail banking and cards purchase sales, partially offset by lower revenues from business divestitures as well as continued declines in card balances. Revenues were also impacted by continued slow economic growth in Mexico.

Retail banking revenues increased 5%, primarily due to the volume growth, including an increase in average loans (9%), average deposits (11%) and deposit spreads, partially offset by a decline in loan spreads. Cards revenues decreased 4%, driven by continued higher payment rates resulting from the business' focus on higher credit quality customers which also drove a decline in average loans (3%). These declines were partially offset by growth in purchase sales (7%). Latin America GCB expects the cards payment rates and revenues to continue to remain under pressure during the remainder of 2016.

Expenses increased 1%, primarily due to higher technology investments, volume-related costs, higher repositioning charges and higher compensation expense, partially offset by lower legal and related costs, the impact of business divestitures and ongoing efficiency savings.

Provisions increased 3% as a net loan loss reserve build was partially offset by lower net credit losses. Net credit losses decreased 8%, largely reflecting lower net credit losses incurred in the cards portfolio due the focus on higher credit quality customers. The net loan loss reserve build increased $27 million, primarily due to lower releases related to the commercial banking portfolio and cards.

ASIA GCB

Asia GCB provides traditional retail banking, including commercial banking, and its Citi-branded card products to retail customers and small to mid-size businesses, as applicable. As of March 31, 2016, Citi's most significant revenues in the region were from Singapore, Hong Kong, Korea, India, Australia, Taiwan, Indonesia, Malaysia, Thailand and the Philippines. In addition, for reporting purposes, Asia GCB includes the results of operations of EMEA GCB, which provides traditional retail banking and Citi-branded card products to retail customers, primarily in Poland, Russia and the United Arab Emirates.

At March 31, 2016, on a combined basis, the businesses had 481 retail branches, approximately 17.2 million retail banking customer accounts, $68.7 billion in retail banking loans and $90.7 billion in deposits. In addition, the businesses had approximately 16.6 million Citi-branded card accounts with $17.6 billion in outstanding loan balances.

	First Quarter		%
In millions of dollars, except as otherwise noted[1]	2016	2015	Change
Net interest revenue	$1,101	$1,135	(3)%
Non-interest revenue	554	675	(18)
Total revenues, net of interest expense	$1,655	$1,810	(9)%
Total operating expenses	$1,182	$1,167	1 %
Net credit losses	$160	$173	(8)%
Credit reserve build (release)	(11)	(42)	74
Provision (release) for unfunded lending commitments	—	2	(100)
Provisions for credit losses	$149	$133	12 %
Income from continuing operations before taxes	$324	$510	(36)%
Income taxes	109	171	(36)
Income from continuing operations	$215	$339	(37)%
Noncontrolling interests	1	(5)	NM
Net income	$214	$344	(38)%
Balance Sheet data (in billions of dollars)			
Average assets	$116	$115	1 %
Return on average assets	0.74 %	1.21 %	
Efficiency ratio	71 %	64 %	
Average deposits	$87.2	$88.2	(1)
Net credit losses as a percentage of average loans	0.76 %	0.78 %	
Revenue by business			
Retail banking	$1,041	$1,152	(10)%
Citi-branded cards	614	658	(7)
Total	$1,655	$1,810	(9)%
Income from continuing operations by business			
Retail banking	$120	$221	(46)%
Citi-branded cards	95	118	(19)
Total	$215	$339	(37)%

FX translation impact			
Total revenues—as reported	$1,655	$1,810	(9)%
Impact of FX translation(2)	—	(78)	
Total revenues—ex-FX(3)	$1,655	$1,732	(4)%
Total operating expenses—as reported	$1,182	$1,167	1 %
Impact of FX translation(2)	—	(55)	
Total operating expenses—ex-FX(3)	$1,182	$1,112	6 %
Provisions for loan losses—as reported	$149	$133	12 %
Impact of FX translation(2)	—	(8)	
Provisions for loan losses—ex-FX(3)	$149	$125	19 %
Net income—as reported	$214	$344	(38)%
Impact of FX translation(2)	—	(4)	
Net income—ex-FX(3)	$214	$340	(37)%

(1) For reporting purposes, Asia GCB includes the results of operations of EMEA GCB for all periods presented.
(2) Reflects the impact of FX translation into U.S. dollars at the first quarter of 2016 average exchange rates for all periods presented.
(3) Presentation of this metric excluding FX translation is a non-GAAP financial measure.
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.

1Q16 vs. 1Q15
Net income decreased 37% due to lower revenues, higher expenses and higher cost of credit.
Revenues decreased 4%, primarily due to a slowdown in investment sales within the wealth management business reflecting lower customer transaction activity as well as the continued, albeit abating, impact of regulatory changes in cards, partially offset by volume growth.
Retail banking revenues decreased 6%, mainly due to the decline in investment sales revenue, particularly in Singapore, Hong Kong, China, India and Taiwan, reflecting the weaker customer sentiment due to slower economic growth and market volatility during the current quarter. This decline in revenues was partially offset by growth in deposit products (3% increase in average deposits).
Cards revenues decreased 2%, primarily due to spread compression reflecting the ongoing impact of regulatory changes, particularly in Singapore, Taiwan, Malaysia, Indonesia, Hong Kong and Australia. Although cards purchase sales growth slowed during the current quarter (3%) due to the market environment, stabilizing payment rates contributed to continued growth in average loans (4%).
Expenses increased 6%, primarily due to repositioning charges in the current quarter, higher investment spending and compensation expense, partially offset by efficiency savings.
Provisions increased 19%, primarily due to a higher net loan loss reserve release in the prior-year period. Overall credit quality remained stable across the region.

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. Other primarily includes mark-to-market gains and losses on credit derivatives, gains and losses on available-for-sale (AFS) securities and other non-recurring gains and losses. Interest income earned on inventory and loans held less interest paid to customers on deposits is recorded as Net interest revenue. Revenue is also generated from transaction processing and assets under custody and administration.

ICG's international presence is supported by trading floors in approximately 80 countries and a proprietary network in over 95 countries and jurisdictions. At March 31, 2016, ICG had approximately $1.3 trillion of assets and $607 billion of deposits, while two of its businesses, securities services and issuer services, managed approximately $14.8 trillion of assets under custody compared to $15.5 trillion at the end of the prior-year period. The decline in assets under custody from the prior-year period was primarily due to the impact of FX translation and a decline in market volumes.

	First Quarter		%
In millions of dollars, except as otherwise noted	2016	2015	Change
Commissions and fees	$1,003	$997	1 %
Administration and other fiduciary fees	597	613	(3)%
Investment banking	740	1,134	(35)%
Principal transactions	1,574	2,197	(28)%
Other[(1)]	(8)	257	NM
Total non-interest revenue	$3,906	$5,198	(25)%
Net interest revenue (including dividends)	4,130	3,879	6 %
Total revenues, net of interest expense	$8,036	$9,077	(11)%
Total operating expenses	$4,869	$4,652	5 %
Net credit losses	$211	$(1)	NM
Credit reserve build	108	119	(9)%
Provision (release) for unfunded lending commitments	71	(32)	NM
Provisions for credit losses	$390	$86	NM
Income from continuing operations before taxes	$2,777	$4,339	(36)%
Income taxes	818	1,365	(40)%
Income from continuing operations	$1,959	$2,974	(34)%
Noncontrolling interests	10	35	(71)%
Net income	$1,949	$2,939	(34)%
Average assets (in billions of dollars)	$1,271	$1,279	(1)%
Return on average assets	0.62 %	0.93 %	
Efficiency ratio	61 %	51 %	
Revenues by region			
North America	$3,046	$3,391	(10)%
EMEA	2,207	2,900	(24)%
Latin America	975	991	(2)%

Asia	1,808	1,795	1 %
Total	8,036	9,077	(11)%

Income from continuing operations by region			
North America	$584	$1,027	(43)%
EMEA	399	935	(57)%
Latin America	337	375	(10)%
Asia	639	637	— %
Total	1,959	2,974	(34)%
Average loans by region (in billions of dollars)			
North America	$129	$117	10 %
EMEA	63	60	5 %
Latin America	43	40	8 %
Asia	60	62	(3)%
Total	$295	$279	6 %
EOP deposits by business (in billions of dollars)			
Treasury and trade solutions	$415	$386	8 %
All other ICG businesses	192	185	4 %
Total	$607	$571	6 %

(1) First quarter of 2016 includes a charge of approximately $180 million reflecting the write down of virtually all of Citi's net investment in Venezuela as a result of changes in the exchange rate during the quarter (see "Country Risk" below).

NM Not Meaningful

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

In millions of dollars	First Quarter 2016	First Quarter 2015	% Change
Investment banking revenue details			
Advisory	$227	$295	(23)%
Equity underwriting	118	231	(49)
Debt underwriting	530	676	(22)
Total investment banking	$875	$1,202	(27)%
Treasury and trade solutions	1,951	1,890	3
Corporate lending—excluding gain (loss) on loan hedges[2]	455	476	(4)
Private bank	746	709	5
Total banking revenues (ex-CVA/DVA and gain (loss) on loan hedges)[1]	$4,027	$4,277	(6)%
Corporate lending—gain/(loss) on loan hedges[2]	$(66)	$52	NM
Total banking revenues (ex-CVA/DVA and including gain (loss) on loan hedges)[1]	$3,961	$4,329	(9)%
Fixed income markets	$3,085	$3,484	(11)%
Equity markets	706	867	(19)
Securities services	562	543	3
Other[3]	(278)	(77)	NM
Total Markets and securities services (ex-CVA/DVA)[1]	$4,075	$4,817	(15)%
Total ICG (ex-CVA/DVA)	$8,036	$9,146	(12)%
CVA/DVA (excluded as applicable in lines above)	—	(69)	100 %
Fixed income markets	—	(75)	100 %
Equity markets	—	3	(100)
Private bank	—	3	(100)
Total revenues, net of interest expense	$8,036	$9,077	(11)%

(1) Excludes CVA/DVA in the first quarter of 2015, consistent with previous presentations. For additional information, see Notes 1 and 22 to the Consolidated Financial Statements.

(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) First quarter of 2016 includes a charge of approximately $180 million reflecting the write down of virtually all of Citi's net investment in Venezuela as a result of changes in the exchange rate during the quarter (see "Country Risk" below).

NM Not meaningful

The discussion of the results of operations for ICG below excludes the impact of CVA/DVA for the first quarter of 2015. 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.

1Q16 vs. 1Q15

Net income decreased 35%, primarily driven by lower revenues, higher expenses and higher credit costs.

- Revenues decreased 12%, reflecting lower revenues in Markets and securities services (decrease of 15%) and lower revenues in Banking (decrease of 9%, decrease of 6% excluding the gains/(losses) on hedges on accrual loans), particularly the market-sensitive businesses of fixed income and equity markets and investment banking. Citi expects revenues in ICG, particularly in its Markets and securities services businesses, will likely continue to reflect the overall market environment.

Within Banking:

- Investment banking revenues decreased 27%, largely reflecting an industry-wide slowdown in activity levels, particularly in North America. Advisory revenues decreased 23%, reflecting strong performance in the prior-year period and lower market activity. Equity underwriting revenues decreased 49% driven by the lower market activity and a decline in wallet share resulting from continued share fragmentation. Debt underwriting revenues decreased 22%, primarily due to a 21% decline in market activity.
- Treasury and trade solutions revenues increased 3%. Excluding the impact of FX translation, revenues increased 8% as continued growth in deposit balances in EMEA, Asia and Latin America and improved spreads, particularly in North America, were partially offset by continued declines in trade balances and spreads, particularly Asia and EMEA. End-of-period deposit balances increased 8% (also 8% excluding the impact of FX translation), while average trade loans decreased 2% (unchanged excluding the impact of FX translation), as the business maintained origination volumes while reducing lower spread assets and increasing asset sales to optimize returns.
- Corporate lending revenues decreased 26%. Excluding the impact of gains/(losses) on hedges on accrual loans, revenues decreased 4%. Excluding the impact of FX translation and gains/(losses) on hedges on accrual loans, revenues decreased 2% as the absence of positive mark-to-market adjustments compared to the prior-year period was partially offset by continued growth in average loan balances.
- Private bank revenues increased 5%, reflecting strength in North America and EMEA, primarily due to growth in loan volumes and deposit balances, partially offset by lower capital markets activity, particularly in Asia.

Within Markets and securities services:

- Fixed income markets revenues decreased 11%, driven by EMEA, primarily due to lower activity levels and a less favorable environment due to macroeconomic uncertainty. The decrease in revenues resulted from a decline in spread products revenues (credit markets and securitized markets, partially offset by municipals), as well as lower commodities revenues. This decline was partially offset by continued strength in rates and currencies revenues (increase of 5%), particularly during the latter part of the current quarter, due to higher revenues in overall G10 products, partially offset by local markets.
- Equity markets revenues decreased 19%, driven by North America, EMEA and Asia, primarily reflecting the impact of lower volumes in cash equities as well as weaker trading performance in derivatives, partially offset by strength in prime finance.
- Securities services revenues increased 3%, primarily reflecting a modest gain on sale of a private equity fund services business, partially offset by the impact of FX translation.

Expenses increased 5% as higher legal and related costs and repositioning charges, investment spending and regulatory and compliance costs were partially offset by lower compensation expense and the impact of FX translation.

Provisions increased $304 million to $390 million, primarily reflecting net credit losses of $211 million (negative $1 million in the prior-year period) and a net loan loss reserve build of $179 million ($87 million in the period-year period). This higher cost of credit included approximately $115 million of net credit losses and an approximately $260

million net loan loss reserve build related to energy and energy-related exposures, largely due to continued low oil prices in the current quarter as well as the impact of regulatory guidance. (For additional information on Citi's corporate energy and energy-related exposures, see "Credit Risk—Corporate Credit" below.)
Cost of credit in ICG during the remainder of 2016 will largely depend on the price of oil and other commodity prices, any additional potential impact of regulatory guidance as well as macroeconomic conditions. To the extent oil prices remain low, or deteriorate further, ICG expects to incur additional loan loss reserve builds and net credit losses in its corporate energy and energy-related portfolios, which would likely be significant, and Citi's corporate non-accrual loans would be negatively impacted. Such events as well as macroeconomic conditions would also negatively impact Citi's other corporate credit portfolios.

CORPORATE/OTHER

Corporate/Other includes certain unallocated costs of global staff functions (including finance, risk, human resources, legal and compliance), other corporate expenses and unallocated global operations and technology expenses, Corporate Treasury and discontinued operations. At March 31, 2016, Corporate/Other had $51 billion of assets, or 3% of Citigroup's total assets.

	First Quarter		%
In millions of dollars	2016	2015	Change
Net interest revenue	$94	$(27)	NM
Non-interest revenue	180	239	(25)
Total revenues, net of interest expense	$274	$212	29 %
Total operating expenses	$418	$542	(23)%
Provisions for loan losses and for benefits and claims	—	—	— %
Loss from continuing operations before taxes	$(144)	$(330)	56 %
Income taxes (benefits)	(115)	(311)	63 %
Income (loss) from continuing operations	$(29)	$(19)	(53)%
Income (loss) from discontinued operations, net of taxes	(2)	(5)	60 %
Net income (loss) before attribution of noncontrolling interests	$(31)	$(24)	(29)%
Noncontrolling interests	(8)	10	NM
Net income (loss)	$(23)	$(34)	32 %

NM Not meaningful

1Q16 vs. 1Q15

The net loss was $23 million, compared to a net loss of $34 million in the prior-year period, largely reflecting lower expenses and higher revenues.

Revenues increased 29%, primarily due to higher investment income.

Expenses decreased 23%, largely driven by lower legal and related expenses and the impact of FX translation, partially offset by higher repositioning charges and higher regulatory and compliance costs.

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CITI HOLDINGS

Citi Holdings contains the remaining businesses and portfolios of assets that Citigroup has determined are not central to its core Citicorp businesses. Consistent with this determination, as of the first quarter of 2016, Citi's consumer businesses in Argentina, Brazil and Colombia are reported as part of Citi Holdings for all periods.

As of March 31, 2016, Citi Holdings assets were approximately $73 billion, a decrease of 44% year-over-year and 10% from December 31, 2015. The decline in assets of $8 billion from December 31, 2015 primarily consisted of divestitures and run-off. As of March 31, 2016, Citi had signed agreements to reduce Citi Holdings GAAP assets by an additional $10 billion, the significant majority of which are expected to be completed during the remainder of 2016, subject to regulatory approvals and other closing conditions.

Also as of March 31, 2016, consumer assets in Citi Holdings were approximately $62 billion, or approximately 85% of Citi Holdings assets. Of the consumer assets, approximately $36 billion, or 58%, consisted of North America mortgages (residential first mortgages and home equity loans). As of March 31, 2016, Citi Holdings represented approximately 4% of Citi's GAAP assets and 11% of its risk-weighted assets under Basel III (based on the Advanced Approaches for determining risk-weighted assets).

	First Quarter		%
In millions of dollars, except as otherwise noted	2016	2015	Change
Net interest revenue	$597	$1,259	(53)%
Non-interest revenue	878	886	(1)
Total revenues, net of interest expense	$1,475	$2,145	(31)%
Provisions for credit losses and for benefits and claims			
Net credit losses	$143	$469	(70)%
Credit reserve release	(31)	(172)	82
Provision for loan losses	$112	$297	(62)%
Provision for benefits and claims	60	169	(64)
Release for unfunded lending commitments	(2)	(5)	60
Total provisions for credit losses and for benefits and claims	$170	$461	(63)%
Total operating expenses	$828	$1,385	(40)%
Income from continuing operations before taxes	$477	$299	60 %
Income taxes	130	149	(13)
Income from continuing operations	$347	$150	NM
Noncontrolling interests	1	1	— %
Net income	$346	$149	NM
Total revenues, net of interest expense (excluding CVA/DVA)(1)			
Total revenues—as reported	$1,475	$2,145	(31)%
CVA/DVA	—	(4)	100
Total revenues-excluding CVA/DVA(1)	$1,475	$2,149	(31)%
Balance sheet data (in billions of dollars)			
Average assets	$78	$134	(42)%
Return on average assets	1.78 %	0.45 %	
Efficiency ratio	56 %	65 %	
Total EOP assets	$73	$130	(44)%
Total EOP loans	45	67	(32)
Total EOP deposits	9	16	(42)

(1) Excludes CVA/DVA in the first quarter of 2015, consistent with previous presentations. For additional information, see Notes 1 and 22 to the Consolidated Financial Statements.

NM Not meaningful

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The discussion of the results of operations for Citi Holdings below excludes the impact of CVA/DVA for the first quarter of 2015. 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.

1Q16 vs. 1Q15

Net income was $346 million, compared to $152 million in the prior-year period, primarily due to lower expenses and lower net credit losses, partially offset by lower revenues and a lower net loan loss reserve release. Given the significant asset sales and declines in overall Citi Holdings' assets to date, as well as the higher level of net gains from asset sales in the current quarter (see below), Citi Holdings does not expect to generate the same level of net income as in the current quarter and expects to largely "break even" during the remainder of 2016.

Revenues decreased 31%, primarily driven by the overall wind-down of the portfolio, partially offset by higher net gains on asset sales in the current quarter.

Expenses declined 40%, primarily due to the ongoing decline in assets and lower legal and related costs, partially offset by higher repositioning costs.

Provisions decreased 63%, driven by lower net credit losses, partially offset by a lower net loss reserve release. Net credit losses declined 70%, primarily due to overall lower asset levels as well as continued improvements in North America mortgages. The net reserve release decreased 81% to $33 million, primarily due to the impact of asset sales.

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" and Notes 1, 22 and 27 to the Consolidated Financial Statements in Citigroup's 2015 Annual Report on Form 10-K.

Types of Off-Balance Sheet Arrangements	Disclosures in this Form 10-Q
Variable interests and other obligations, including contingent obligations, arising from variable interests in nonconsolidated VIEs	See Note 20 to the Consolidated Financial Statements.
Letters of credit, and lending and other commitments	See Note 24 to the Consolidated Financial Statements.
Guarantees	See Note 24 to the Consolidated Financial Statements.

CAPITAL RESOURCES

Overview

Capital is used principally to support assets in Citi's businesses and to absorb credit, market, and operational losses. Citi primarily generates capital through earnings from its operating businesses. Citi may augment its capital through issuances of common stock, noncumulative perpetual preferred stock and equity issued through awards under employee benefit plans, among other issuances. During the first quarter of 2016, Citi continued to raise capital through a noncumulative perpetual preferred stock issuance amounting to approximately $1.0 billion, resulting in a total of approximately $17.8 billion outstanding as of March 31, 2016. In addition, during the first quarter of 2016, Citi returned a total of approximately $1.5 billion of capital to common shareholders in the form of share repurchases (approximately 31 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, management targets, and all applicable regulatory standards and guidelines. For additional information regarding Citi's capital management, see "Capital Resources—Capital Management" in Citigroup's 2015 Annual Report on Form 10-K.

Capital Planning and Stress Testing

Citi is subject to an annual assessment by the Federal Reserve Board as to whether Citi has effective capital planning processes as well as sufficient regulatory capital to absorb losses during stressful economic and financial conditions, while also meeting obligations to creditors and counterparties and continuing to serve as a credit intermediary. This annual assessment includes two related programs: The Comprehensive Capital Analysis and Review (CCAR) and Dodd-Frank Act Stress Testing (DFAST). For additional information regarding Citi's capital planning and stress testing, see "Capital Resources—Current Regulatory Capital Standards— Capital Planning and Stress Testing" and "Risk Factors—Regulatory Risks" in Citigroup's 2015 Annual Report on Form 10-K.

Current Regulatory Capital Standards

Citi is subject to regulatory capital standards issued by the Federal Reserve Board which constitute the U.S. Basel III rules. These rules establish an integrated capital adequacy framework, encompassing both risk-based capital ratios and leverage ratios. For additional information regarding the risk-based capital ratios, Tier 1 Leverage ratio, and Supplementary Leverage ratio, see "Capital Resources—Current Regulatory Capital Standards" in Citigroup's 2015 Annual Report on Form 10-K.

GSIB Surcharge

The Federal Reserve Board also adopted a 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. GSIB surcharges under the rule initially range from 1.0% to 4.5% of total risk-weighted assets. Citi's initial GSIB surcharge effective January 1, 2016 is 3.5%. However, Citi's efforts in addressing quantitative measures of its systemic importance have resulted in a reduction of Citi's estimated GSIB surcharge to 3%, effective January 1, 2017. For additional information regarding the identification of a GSIB and the methodology for annually determining the GSIB surcharge, see "Capital Resources—Current Regulatory Capital Standards—GSIB Surcharge" in Citigroup's 2015 Annual Report on Form 10-K.

Transition Provisions

The U.S. Basel III rules contain several differing, largely multi-year transition provisions (i.e., "phase-ins" and "phase-outs"). Citi considers all of these transition provisions as being fully implemented on January 1, 2019 (full implementation). For additional information regarding the transition provisions under the U.S. Basel III rules, including with respect to the GSIB surcharge, see “Capital Resources—Current Regulatory Capital Standards—Transition Provisions” in Citigroup’s 2015 Annual Report on Form 10-K.

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. Citi's effective minimum Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital ratios during 2016, inclusive of the 25% phase-in of both the 2.5% Capital Conservation Buffer and 3.5% GSIB surcharge (all of which is to be composed of Common Equity Tier 1 Capital), are 6%, 7.5%, and 9.5%, respectively. Citi's effective and stated minimum Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital ratios during 2015 were equivalent at 4.5%, 6%, and 8%, respectively.

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 table sets forth the capital tiers, total risk-weighted assets, risk-based capital ratios, quarterly adjusted average total assets, Total Leverage Exposure and leverage ratios under current regulatory standards (reflecting Basel III Transition Arrangements) for Citi as of March 31, 2016 and December 31, 2015.

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

In millions of dollars, except ratios	March 31, 2016 Advanced Approaches	March 31, 2016 Standardized Approach	December 31, 2015 Advanced Approaches	December 31, 2015 Standardized Approach
Common Equity Tier 1 Capital	$169,924	$169,924	$173,862	$173,862
Tier 1 Capital	178,091	178,091	176,420	176,420
Total Capital (Tier 1 Capital + Tier 2 Capital)(1)	201,658	214,472	198,746	211,115
Total Risk-Weighted Assets	1,210,107	1,148,945	1,190,853	1,138,711
Common Equity Tier 1 Capital ratio(2)	14.04%	14.79%	14.60%	15.27%
Tier 1 Capital ratio(2)	14.72	15.50	14.81	15.49
Total Capital ratio(2)	16.66	18.67	16.69	18.54

In millions of dollars, except ratios	March 31, 2016	December 31, 2015
Quarterly Adjusted Average Total Assets(3)	$1,724,940	$1,732,933
Total Leverage Exposure(4)	2,305,454	2,326,072
Tier 1 Leverage ratio	10.32%	10.18%
Supplementary Leverage ratio	7.72	7.58

(1) 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 eligible for inclusion 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.
(2) As of March 31, 2016 and December 31, 2015, 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.
(3) Tier 1 Leverage ratio denominator.
(4) Supplementary Leverage ratio denominator.

As indicated in the table above, Citigroup's capital ratios at March 31, 2016 were in excess of the stated and effective minimum requirements under the U.S. Basel III rules. In addition, Citi was also "well capitalized" under current federal bank regulatory agency definitions as of March 31, 2016.

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

In millions of dollars	March 31, 2016	December 31, 2015
Common Equity Tier 1 Capital		
Citigroup common stockholders' equity[1]	$209,947	$205,286
Add: Qualifying noncontrolling interests	297	369
Regulatory Capital Adjustments and Deductions:		
Less: Net unrealized gains (losses) on securities AFS, net of tax[2][3]	451	(544)
Less: Defined benefit plans liability adjustment, net of tax[3]	(2,232)	(3,070)
Less: Accumulated net unrealized losses on cash flow hedges, net of tax[4]	(300)	(617)
Less: Cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax[3][5]	337	176
Less: Intangible assets:		
Goodwill, net of related deferred tax liabilities (DTLs)[6]	21,935	21,980
Identifiable intangible assets other than mortgage servicing rights (MSRs), net of related DTLs[3]	1,999	1,434
Less: Defined benefit pension plan net assets[3]	522	318
Less: Deferred tax assets (DTAs) arising from net operating loss, foreign tax credit and general business credit carry-forwards[3][7]	14,048	9,464
Less: Excess over 10%/15% limitations for other DTAs, certain common stock investments, and MSRs[3][7][8]	3,560	2,652
Total Common Equity Tier 1 Capital	$169,924	$173,862
Additional Tier 1 Capital		
Qualifying perpetual preferred stock[1]	$17,575	$16,571
Qualifying trust preferred securities[9]	1,366	1,707
Qualifying noncontrolling interests	18	12
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[3][5]	225	265
Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries[10]	228	229
Less: Defined benefit pension plan net assets[3]	348	476
Less: DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards[3][7]	9,366	14,195
Less: Permitted ownership interests in covered funds[11]	625	567
Total Additional Tier 1 Capital	$8,167	$2,558
Total Tier 1 Capital (Common Equity Tier 1 Capital + Additional Tier 1 Capital)	$178,091	$176,420
Tier 2 Capital		
Qualifying subordinated debt[12]	$22,664	$21,370
Qualifying trust preferred securities[9]	337	—
Qualifying noncontrolling interests	25	17
Excess of eligible credit reserves over expected credit losses[13]	766	1,163
Regulatory Capital Adjustment and Deduction:		
Add: Unrealized gains on AFS equity exposures includable in Tier 2 Capital	3	5
Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries[10]	228	229
Total Tier 2 Capital	$23,567	$22,326
Total Capital (Tier 1 Capital + Tier 2 Capital)	$201,658	$198,746

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

In millions of dollars	March 31, 2016	December 31, 2015
Credit Risk(14)	$807,758	$791,036
Market Risk	77,349	74,817
Operational Risk	325,000	325,000
Total Risk-Weighted Assets	$1,210,107	$1,190,853

(1) Issuance costs of $178 million and $147 million related to preferred stock outstanding at March 31, 2016 and December 31, 2015, 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.

(2) In addition, includes the net amount of unamortized loss on 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.

(3) 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 in the chart entitled "Basel III Transition Arrangements: Significant Regulatory Capital Adjustments and Deductions", as presented in Citigroup's 2015 Annual Report on Form 10-K.

(4) 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.

(5) 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.

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

(7) Of Citi's approximately $46.3 billion of net DTAs at March 31, 2016, approximately $21.0 billion of such assets were includable in regulatory capital pursuant to the U.S. Basel III rules, while approximately $25.3 billion of such assets were excluded in arriving at regulatory capital. Comprising the excluded net DTAs was an aggregate of approximately $27.0 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 $17.6 billion were deducted from Common Equity Tier 1 Capital and $9.4 billion were deducted from Additional Tier 1 Capital. Serving to reduce the approximately $27.0 billion of aggregate excluded net DTAs was approximately $1.7 billion of net DTLs primarily associated with goodwill and certain other intangible assets. 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.

(8) Assets subject to 10%/15% limitations include MSRs, DTAs arising from temporary differences and significant common stock investments in unconsolidated financial institutions. At March 31, 2016 and December 31, 2015, the deduction related only to DTAs arising from temporary differences that exceeded the 10% limitation.

(9) 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 Tier 1 Capital during 2015 in an amount up to 25% of the aggregate outstanding principal amounts of such issuances as of January 1, 2014. The remaining 75% of non-grandfathered trust preferred securities are eligible for inclusion in Tier 2 Capital during 2015 in accordance with the transition arrangements for non-qualifying capital instruments under the U.S. Basel III rules. As of December 31, 2015, 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. Effective January 1, 2016, non-grandfathered trust preferred securities are not eligible for inclusion in Tier 1 Capital, but are eligible for inclusion in Tier 2 Capital subject to full phase-out by January 1, 2022. During 2016, non-grandfathered trust

preferred securities are eligible for inclusion in Tier 2 Capital in an amount up to 60% of the aggregate outstanding principal amounts of such issuances as of January 1, 2014.

(10) 50% of the minimum regulatory capital requirements of insurance underwriting subsidiaries must be deducted from each of Tier 1 Capital and Tier 2 Capital.

(11) Effective July 2015, banking entities are required to be in compliance with the so-called “Volcker Rule” of the Dodd-Frank Act that prohibits conducting certain proprietary investment activities and limits their ownership of, and relationships with, covered funds. Accordingly, 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.

(12) Under the transition arrangements of the U.S. Basel III rules, non-qualifying subordinated debt issuances which consist of those with a fixed-to-floating rate step-up feature where the call/step-up date has not passed are eligible for inclusion in Tier 2 Capital during 2015 up to 25% of the aggregate outstanding principal amounts of such issuances as of January 1, 2014. Effective January 1, 2016, non-qualifying subordinated debt issuances are not eligible for inclusion in Tier 2 Capital.

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

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

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

In millions of dollars	Three Months Ended March 31, 2016
Common Equity Tier 1 Capital	
Balance, beginning of period	$173,862
Net income	3,501
Common and preferred dividends declared	(359)
Net increase in treasury stock	(547)
Net decrease in common stock and additional paid-in capital(1)	(667)
Net increase in foreign currency translation adjustment net of hedges, net of tax	654
Net increase in unrealized gains on securities AFS, net of tax(2)	1,039
Net increase in defined benefit plans liability adjustment, net of tax(2)	(1,303)
Net change in adjustment related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax	32
Net decrease in goodwill, net of related deferred tax liabilities (DTLs)	45
Net increase in identifiable intangible assets other than mortgage servicing rights (MSRs), net of related DTLs	(565)
Net increase in defined benefit pension plan net assets	(204)
Net increase in deferred tax assets (DTAs) arising from net operating loss, foreign tax credit and general business credit carry-forwards	(4,584)
Net increase in excess over 10%/15% limitations for other DTAs, certain common stock investments and MSRs	(908)
Other	(72)
Net decrease in Common Equity Tier 1 Capital	$(3,938)
Common Equity Tier 1 Capital Balance, end of period	$169,924
Additional Tier 1 Capital	
Balance, beginning of period	$2,558
Net increase in qualifying perpetual preferred stock(3)	1,004
Net decrease in qualifying trust preferred securities	(341)
Net change in adjustment related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax	40
Net decrease in defined benefit pension plan net assets	128
Net decrease in DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards	4,829
Net increase in permitted ownership interests in covered funds	(58)
Other	7
Net increase in Additional Tier 1 Capital	$5,609
Tier 1 Capital Balance, end of period	$178,091
Tier 2 Capital	
Balance, beginning of period	$22,326
Net increase in qualifying subordinated debt	1,294
Net increase in qualifying trust preferred securities	337
Net decrease in excess of eligible credit reserves over expected credit losses	(397)
Other	7
Net increase in Tier 2 Capital	$1,241

Tier 2 Capital Balance, end of period	$23,567
Total Capital (Tier 1 Capital + Tier 2 Capital)	$201,658

(1) Issuance costs of $31 million related to preferred stock issued during the three months ended March 31, 2016 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.

(2) Presented net of the 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.

(3) Citi issued approximately $1.0 billion of qualifying perpetual preferred stock during the three months ended March 31, 2016, which was partially offset by the netting of issuance costs of $31 million.

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

In millions of dollars	Three Months Ended March 31, 2016
Total Risk-Weighted Assets, beginning of period	$1,190,853
Changes in Credit Risk-Weighted Assets	
Net decrease in retail exposures[1]	(7,914)
Net increase in wholesale exposures[2]	2,389
Net increase in repo-style transactions[3]	3,853
Net increase in securitization exposures	1,686
Net increase in equity exposures	591
Net increase in over-the-counter (OTC) derivatives[4]	7,538
Net increase in derivatives CVA[5]	10,920
Net decrease in other exposures[6]	(2,669)
Net increase in supervisory 6% multiplier[7]	328
Net increase in Credit Risk-Weighted Assets	$16,722
Changes in Market Risk-Weighted Assets	
Net increase in risk levels[8]	$5,304
Net decrease due to model and methodology updates[9]	(2,772)
Net increase in Market Risk-Weighted Assets	$2,532
Net change in Operational Risk-Weighted Assets	$—
Total Risk-Weighted Assets, end of period	$1,210,107

(1) Retail exposures decreased during the three months ended March 31, 2016 primarily due to reductions in cards exposures attributable to seasonal holiday spending repayments, residential mortgage sales and runoffs, and divestitures within the Citi Holdings portfolio, partially offset by an increase in other retail exposures.

(2) Wholesale exposures increased during the three months ended March 31, 2016 primarily due to an increase in loans held for sale and the impact of FX translation, partially offset by a decrease in commitments.

(3) Repo-style transactions increased during the three month ended March 31, 2016 primarily driven by market related movements and model enhancements.

(4) OTC derivatives increased during the three months ended March 31, 2016 primarily driven by an increase in exposures and volatility, as well as model enhancements.

(5) Derivatives CVA increased during the three months ended March 31, 2016 primarily driven by increased volatility and model enhancements.

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

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

(8) Risk levels increased during the three months ended March 31, 2016 primarily due to an increase in exposure levels subject to Value at Risk and Stressed Value at Risk as well as an increase in assets subject to standard specific risk charges, partially offset by a reduction in positions subject to securitization charges and the ongoing assessment regarding the applicability of the market risk capital rules to certain securitization positions.

(9) Risk-weighted assets declined during the three months ended March 31, 2016 due to updated model volatility inputs.

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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. During 2016, Citi's primary subsidiary U.S. depository institution, Citibank, is subject to effective minimum Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital ratios, inclusive of the 25% phase-in of the 2.5% Capital Conservation Buffer, of 5.125%, 6.625% and

8.625%, respectively. Citibank's effective and stated minimum Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital ratios during 2015 were equivalent at 4.5%, 6%, and 8%, respectively.

The following table sets forth the capital tiers, total 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, Citi's primary subsidiary U.S. depository institution, as of March 31, 2016 and December 31, 2015.

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

In millions of dollars, except ratios	March 31, 2016 Advanced Approaches	March 31, 2016 Standardized Approach	December 31, 2015 Advanced Approaches	December 31, 2015 Standardized Approach
Common Equity Tier 1 Capital	$128,899	$128,899	$127,323	$127,323
Tier 1 Capital	128,899	128,899	127,323	127,323
Total Capital (Tier 1 Capital + Tier 2 Capital)(1)	140,163	151,413	138,762	149,749
Total Risk-Weighted Assets	920,220	1,007,790	898,769	999,014
Common Equity Tier 1 Capital ratio(2)(3)	14.01 %	12.79 %	14.17 %	12.74 %
Tier 1 Capital ratio(2)(3)	14.01	12.79	14.17	12.74
Total Capital ratio(2)(3)	15.23	15.02	15.44	14.99

In millions of dollars, except ratios	March 31, 2016	December 31, 2015
Quarterly Adjusted Average Total Assets(4)	$1,305,264	$1,298,560
Total Leverage Exposure(5)	1,841,046	1,838,941
Tier 1 Leverage ratio(3)	9.88 %	9.80 %
Supplementary Leverage ratio	7.00	6.92

(1) 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 eligible for inclusion 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.

(2) As of March 31, 2016 and December 31, 2015, Citibank's reportable Common Equity Tier 1 Capital, Tier 1 Capital, and Total Capital ratios were the lower derived under the Basel III Standardized Approach framework.

(3) Beginning January 1, 2015, Citibank must maintain 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" under the revised Prompt Corrective Action (PCA) regulations applicable to insured depository institutions as established by the U.S. Basel III rules. For additional information, see "Capital Resources—Current Regulatory Capital Standards—Prompt Corrective Action Framework" in Citigroup's 2015 Annual Report on Form 10-K.

(4) Tier 1 Leverage ratio denominator.

(5) Supplementary Leverage ratio denominator.

As indicated in the table above, Citibank's capital ratios at March 31, 2016 were in excess of the stated and effective minimum requirements under the U.S. Basel III rules. In addition, Citibank was also "well capitalized" as of

March 31, 2016 under the revised PCA regulations which became effective January 1, 2015.

Impact of Changes on Citigroup and Citibank Capital Ratios Under Current Regulatory Capital Standards

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

Transition Arrangements), as of March 31, 2016. This information is provided for the purpose of analyzing the impact that a change in Citigroup's or Citibank'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 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	1.2				