CITIGROUP INC
Form 10-Q
May 01, 2018

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, 2018
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, smaller reporting, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and “emerging growth 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 Emerging growth company o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. Yes 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, 2018: 2,549,933,493

Available on the web at www.citigroup.com

CITIGROUP'S FIRST QUARTER 2018—FORM 10-Q

OVERVIEW	1
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	3
Executive Summary	3
Summary of Selected Financial Data	6
SEGMENT AND BUSINESS—INCOME (LOSS) AND REVENUES	8
SEGMENT BALANCE SHEET	10
Global Consumer Banking (GCB)	12
North America GCB	14
Latin America GCB	16
Asia GCB	18
Institutional Clients Group	20
Corporate/Other	24
OFF-BALANCE SHEET ARRANGEMENTS	25
CAPITAL RESOURCES	26
MANAGING GLOBAL RISK TABLE OF CONTENTS	40
MANAGING GLOBAL RISK	41
INCOME TAXES	75
FUTURE APPLICATION OF ACCOUNTING STANDARDS	76
DISCLOSURE CONTROLS AND PROCEDURES	77
DISCLOSURE PURSUANT TO SECTION 219 OF THE IRAN THREAT REDUCTION AND SYRIA HUMAN RIGHTS ACT	77
FORWARD-LOOKING STATEMENTS	78
FINANCIAL STATEMENTS AND NOTES TABLE OF CONTENTS	81
CONSOLIDATED FINANCIAL STATEMENTS	82
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)	89
UNREGISTERED SALES OF EQUITY SECURITIES, PURCHASES OF EQUITY SECURITIES AND DIVIDENDS	192

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, 2017 (2017 Annual Report on Form 10-K).
Additional information about Citigroup is available on Citi's website at www.citigroup.com. Citigroup's annual reports on Form 10-K, quarterly reports on Form 10-Q and proxy statements, as well as other filings with the U.S. Securities and Exchange Commission (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 on Form 8-K, 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 and disclosures 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 below and Notes 1 and 3 to the Consolidated Financial Statements in Citi's 2017 Annual Report on Form 10-K.
Throughout this report, "Citigroup," "Citi" and "the Company" refer to Citigroup Inc. and its consolidated subsidiaries.

Citigroup is managed pursuant to two business segments: Global Consumer Banking and Institutional Clients Group, with the remaining operations in Corporate/Other.
The following are the four regions in which Citigroup operates. The regional results are fully reflected in the segment results above.

(1) Latin America GCB consists of Citi's consumer banking business in Mexico.
(2) Asia GCB includes the results of operations of GCB activities in certain EMEA countries for all periods presented.
(3) North America includes the U.S., Canada and Puerto Rico, Latin America includes Mexico and Asia includes Japan.

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

EXECUTIVE SUMMARY

First Quarter of 2018—Balanced Operating Results and Continued Momentum

As described further throughout this Executive Summary, Citi reported balanced operating results in the first quarter of 2018, reflecting continued momentum across businesses and geographies, including many of those areas where Citi has been making investments. During the quarter, Citi had revenue and loan growth in the Institutional Clients Group (ICG) and across products and all three regions in Global Consumer Banking (GCB). Citi also continued to demonstrate expense and credit discipline, resulting in positive operating leverage and an improvement in pre-tax earnings.

In the first quarter of 2018, Citi continued to return capital to shareholders. During the quarter, Citi returned approximately $3.1 billion in the form of common stock repurchases and dividends and repurchased approximately 30 million common shares as outstanding common shares declined 7% from the prior-year period. Despite the continued progress in improving the capital return for shareholders, each of Citi's key regulatory capital metrics remained strong (see "Capital" below).

While global economic growth has continued and the macroeconomic environment remains positive, there continue to be various economic, political and other risks and uncertainties that could impact Citi's businesses and future results. For a discussion of the risks and uncertainties that could impact Citi's businesses, results of operations and financial condition during 2018, see each respective business's results of operations and "Forward-Looking Statements" below, as well as each respective business's results of operations and the "Managing Global Risk" and "Risk Factors" sections in Citi's 2017 Annual Report on Form 10-K.

First Quarter of 2018 Summary Results

Citigroup

Citigroup reported net income of $4.6 billion, or $1.68 per share, compared to net income of $4.1 billion, or $1.35 per share, in the prior-year period. The 13% increase in net income was driven by higher revenues and a significantly lower effective tax rate due to the impact of the Tax Cuts and Jobs Act (Tax Reform), partially offset by higher expenses and cost of credit. Earnings per share increased 24% due to the growth in net income and a 7% reduction in average shares outstanding driven by the capital return to common shareholders.

Citigroup revenues of $18.9 billion in the first quarter of 2018 increased 3%, driven by 7% aggregate growth in GCB and ICG, partially offset by a 51% decrease in Corporate/Other, primarily due to the continued wind-down of legacy assets.

Citigroup's end-of-period loans increased 7% to $673 billion versus the prior-year period. Excluding the impact of foreign currency translation in U.S. dollars for reporting

purposes (FX translation), Citigroup's end-of-period loans grew 6%, as 7% aggregate growth in GCB and ICG was partially offset by the continued wind-down of legacy assets in Corporate/Other (Citi's results of operations excluding the impact of FX translation are non-GAAP financial measures). Citigroup's end-of-period deposits increased 5% to $1.0 trillion versus the prior-year period. Excluding the impact of FX translation, Citigroup's deposits were up 3%, driven by a 5% increase in ICG deposits, while GCB deposits were largely unchanged.

Expenses

Citigroup operating expenses increased 2% to $10.9 billion versus the prior-year period, as the impact of higher volume-related expenses and ongoing investments were offset by efficiency savings and the wind-down of legacy assets. Year-over-year, ICG operating expenses were up 7% and GCB operating expenses increased 5%, while Corporate/Other operating expenses declined 35%, all versus the prior-year period.

Cost of Credit

Citi's total provisions for credit losses and for benefits and claims of $1.9 billion increased 12% from the prior-year period. The increase was mostly driven by a $158 million increase in net credit losses, primarily in North America GCB, and a net loan loss reserve release of $36 million, compared to a net loan loss reserve release of $77 million in the prior-year period. The increase reflected volume growth and seasoning in the North America cards portfolios, as well as a lower net reserve release in ICG.

Net credit losses of $1.9 billion increased 9% versus the prior-year period. Consumer net credit losses increased 6% to $1.8 billion, mostly reflecting volume growth and seasoning in the North America cards portfolios. The increase in consumer net credit losses was partially offset by the continued wind-down of legacy assets in Corporate/Other. Corporate net credit losses increased $59 million to $96 million.

For additional information on Citi's consumer and corporate credit costs and allowance for loan losses, see each respective business's results of operations and "Credit Risk" below.

Capital

Citigroup's Common Equity Tier 1 Capital and Tier 1 Capital ratios, on a fully implemented basis, were 12.1% and 13.7% as of March 31, 2018 (based on the Basel III Standardized Approach for determining risk-weighted assets), respectively, compared to 12.8% and 14.5% as of March 31, 2017 (based on the Basel III Advanced Approaches for determining risk-weighted assets). The decline in regulatory capital ratios reflected the return of capital to common shareholders and the previously disclosed approximate $6 billion reduction in Common Equity Tier 1 (CET1) Capital in the fourth quarter of 2017 due to the impact of Tax Reform, partially offset by net income. Citigroup's Supplementary Leverage ratio as of

March 31, 2018, on a fully implemented basis, was 6.7%, compared to 7.3% as of March 31, 2017. For additional information on Citi's capital ratios and related components, including the impact of Tax Reform on its capital ratios, see "Capital Resources" below.

Global Consumer Banking

GCB net income of $1.4 billion increased 40%, as higher revenues and a lower effective tax rate were partially offset by higher expenses and higher cost of credit. Operating expenses were $4.7 billion, up 5%, as higher volume-related expenses and continued investments were partially offset by efficiency savings across all three regions.

GCB revenues of $8.4 billion increased 7% versus the prior-year period, driven by growth across all regions and the impact of the Hilton portfolio sale in North America Citi-branded cards. The sale resulted in a pre-tax gain of $150 million, partially offset by the loss of operating revenues, for a net year-over-year benefit of approximately $120 million. North America GCB revenues increased 4% to $5.2 billion, driven by higher revenues across all businesses. Citi-branded cards revenues of $2.2 billion were up 6% versus the prior-year period, driven by the sale of the Hilton portfolio. Excluding Hilton, revenues were roughly flat, as growth in interest-earning balances was mostly offset by higher cost of funds and the impact of additional partnership terms. Citi retail services revenues of $1.6 billion increased 2% versus the prior-year period, primarily reflecting continued loan growth. Retail banking revenues increased 4% from the prior-year period to $1.3 billion. Excluding mortgage revenues, retail banking revenues of $1.2 billion were up 8% from the prior-year period, driven by continued growth in deposit margins, growth in investments and loans and increased commercial banking activity.

North America GCB average deposits of $181 billion decreased 2% year-over-year, primarily driven by lower mortgage escrow balances as well as a reduction in money market balances, reflecting transfers to investments. North America GCB average retail loans of $56 billion grew 1% and assets under management of $61 billion grew 10%. Average Citi-branded card loans of $87 billion increased 5%, while Citi-branded card purchase sales of $79 billion increased 8% versus the prior-year period. Average Citi retail services loans of $47 billion increased 4% versus the prior-year period, while Citi retail services purchase sales of $17 billion were up 3%. For additional information on the results of operations of North America GCB for the first quarter of 2018, see "Global Consumer Banking—North America GCB" below.

International GCB revenues (consisting of Latin America GCB and Asia GCB (which includes the results of operations in certain EMEA countries)) increased 13% versus the prior-year period to $3.3 billion. Excluding the impact of FX translation, international GCB revenues increased 8% versus the prior-year period. Latin America GCB revenues increased 8% versus the prior-year period, reflecting growth in cards revenues as well as volume growth across retail loans and deposits and improved deposit spreads. Asia GCB revenues increased 7% (6% excluding a modest one-time gain in the first quarter of 2018) versus the prior-year period, primarily

reflecting an increase in wealth management and cards revenues. For additional information on the results of operations of Latin America GCB and Asia GCB for the first quarter of 2018, including the impact of FX translation, see "Global Consumer Banking—Latin America GCB" and "Global Consumer Banking—Asia GCB" below.

Year-over-year, international GCB average deposits of $128 billion increased 3%, average retail loans of $91 billion increased 4%, assets under management of $103 billion increased 10%, average card loans of $25 billion increased 4% and card purchase sales of $26 billion increased 7%, all excluding the impact of FX translation.

Institutional Clients Group

ICG net income of $3.3 billion increased 11%, driven by higher revenues and a lower effective tax rate, partially offset by higher operating expenses and cost of credit. ICG operating expenses increased 7% to $5.5 billion, driven by the impact of FX translation and a higher level of investment spending.

ICG revenues were $9.8 billion in the first quarter of 2018, up 6% from the prior-year period, primarily driven by a 9% increase in Banking revenues and a 3% increase in Markets and securities services. The increase in Banking revenues included the impact of $23 million of gains on loan hedges within corporate lending, compared to losses of $115 million in the prior-year period.

Banking revenues of $4.8 billion (excluding the impact of gains (losses) on loan hedges within corporate lending) increased 6%, driven by solid growth in treasury and trade solutions, private bank and corporate lending, partially offset by lower revenues in investment banking. Investment banking revenues of $1.1 billion decreased 10% versus the prior-year period, reflecting declines in the overall market wallet and the timing of episodic deal activity. Advisory revenues decreased 14% to $215 million, equity underwriting revenues decreased 14% to $216 million and debt underwriting revenues decreased 8% to $699 million, all versus the prior-year period.

Private bank revenues increased 21% to $904 million, versus the prior-year period, driven by growth in clients, loans, investments and deposits, as well as improved deposit spreads. Corporate lending revenues increased 68% to $544 million. Excluding the impact of gains (losses) on loan hedges, corporate lending revenues increased 19% versus the prior-year period, primarily driven by loan growth and lower hedging costs. Treasury and trade solutions revenues of $2.3 billion increased 8% versus the prior-year period, reflecting volume growth and improved deposit spreads, with growth in both net interest and fee income.

Markets and securities services revenues of $5.0 billion increased 3% from the prior-year period, as strong revenue growth in equity markets and securities services was partially offset by a decline in fixed income markets revenues. Fixed income markets revenues of $3.4 billion decreased 7% from the prior-year period, driven by a less favorable environment and lower investor client activity in G10 rates and spread products, partially offset by strong corporate client activity in G10 foreign exchange and local markets rates and currencies. Equity markets revenues of $1.1 billion increased 38% from the prior-year period, with growth across all products, as

volatility increased and momentum with investor clients continued. Securities services revenues of $641 million increased 16%, driven by continued growth in client volumes and higher interest revenue. For additional information on the results of operations of ICG for the first quarter of 2018, see “Institutional Clients Group” below.

Corporate/Other

Corporate/Other net loss was $86 million in the first quarter of 2018, compared to net income of $97 million in the prior-year period, reflecting lower revenues, partially offset by lower operating expenses. Operating expenses of $741 million declined 35% from the prior-year period, largely reflecting the wind-down of legacy assets.
Corporate/Other revenues were $591 million, down 51% from the prior-year period, primarily reflecting the continued wind-down of legacy assets.
For additional information on the results of operations of Corporate/Other for the first quarter of 2018, see “Corporate/Other” below.

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	2018	2017	% Change
Net interest revenue	$11,172	$10,955	2 %
Non-interest revenue	7,700	7,411	4
Revenues, net of interest expense	$18,872	$18,366	3 %
Operating expenses	10,925	10,723	2
Provisions for credit losses and for benefits and claims	1,857	1,662	12
Income from continuing operations before income taxes	$6,090	$5,981	2 %
Income taxes[1]	1,441	1,863	(23)
Income from continuing operations	$4,649	$4,118	13 %
Income (loss) from discontinued operations, net of taxes[2]	(7)	(18)	61
Net income before attribution of noncontrolling interests	$4,642	$4,100	13 %
Net income attributable to noncontrolling interests	22	10	NM
Citigroup's net income	$4,620	$4,090	13 %
Less:			
Preferred dividends—Basic	$272	$301	(10)%
Dividends and undistributed earnings allocated to employee restricted and deferred shares that contain nonforfeitable rights to dividends, applicable to basic EPS	51	55	(7)
Income allocated to unrestricted common shareholders for basic and diluted EPS	$4,297	$3,734	15 %
Earnings per share			
Basic			
Income from continuing operations	1.68	1.36	24
Net income	1.68	1.35	24
Diluted			
Income from continuing operations	$1.68	$1.36	24 %
Net income	1.68	1.35	24
Dividends declared per common share	0.32	0.16	100

Table continues on the next page, including footnotes.

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

In millions of dollars, except per-share amounts, ratios and direct staff	First Quarter 2018	2017	% Change
At March 31:			
Total assets	$1,922,104	$1,821,479	6 %
Total deposits	1,001,219	949,990	5
Long-term debt	237,938	208,530	14
Citigroup common stockholders' equity[1]	182,759	208,723	(12)
Total Citigroup stockholders' equity[1]	201,915	227,976	(11)
Direct staff (in thousands)	209	215	(3)
Performance metrics			
Return on average assets	0.98 %	0.91 %	
Return on average common stockholders' equity[1][3]	9.7	7.4	
Return on average total stockholders' equity[1][3]	9.3	7.3	
Efficiency ratio (total operating expenses/total revenues)	58	58	
Basel III ratios—full implementation[1]			
Common Equity Tier 1 Capital[4][5]	12.05 %	12.81 %	
Tier 1 Capital[4][5]	13.67	14.48	
Total Capital[4][5]	16.01	16.52	
Supplementary Leverage ratio[5]	6.71	7.27	
Citigroup common stockholders' equity to assets[1]	9.51 %	11.46 %	
Total Citigroup stockholders' equity to assets[1]	10.50	12.52	
Dividend payout ratio[6]	19.0	11.9	
Total payout ratio[7]	71	59	
Book value per common share[1]	$71.67	$75.81	(5)%
Tangible book value (TBV) per share[8][1]	61.02	65.88	(7)
Ratio of earnings to fixed charges and preferred stock dividends	2.10x	2.51x	

(1) The first quarter of 2018 reflects the impact of Tax Reform. For additional information on Tax Reform, including the impact on Citi's fourth quarter and full-year 2017 results, see Citi's 2017 Annual Report on Form 10-K.

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

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

(4) Citi's reportable Common Equity Tier 1 (CET1) Capital and Tier 1 Capital ratios were the lower derived under the U.S. Basel III Standardized Approach at March 31, 2018, and U.S. Basel III Advanced Approaches at March 31, 2017. Citi's reportable Total Capital ratios were derived under the U.S. Basel III Advanced Approaches for both periods presented. This reflects the U.S. Basel III requirement to report the lower of risk-based capital ratios under both the Standardized Approach and Advanced Approaches in accordance with the Collins Amendment of the Dodd-Frank Act.

(5) Citi's risk-based capital and leverage ratios as of March 31, 2017 are non-GAAP financial measures, which reflect full implementation of regulatory capital adjustments and deductions prior to the effective date of January 1, 2018.

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

(7) Total common dividends declared plus common stock repurchases as a percentage of net income available to common shareholders. See "Consolidated Statement of Changes in Stockholders' Equity," Note 9 to the Consolidated Financial Statements and "Equity Security Repurchases" below for the component details.

(8)

For information on TBV, see “Capital Resources—Tangible Common Equity, Book Value Per Share, Tangible Book Value Per Share and Returns on Equity” below.

NM Not meaningful

7

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

In millions of dollars	First Quarter 2018	2017	% Change
Income from continuing operations			
Global Consumer Banking			
North America	$838	$614	36 %
Latin America	183	135	36
Asia[1]	373	249	50
Total	$1,394	$998	40 %
Institutional Clients Group			
North America	$857	$1,077	(20)%
EMEA	1,113	862	29
Latin America	491	482	2
Asia	868	590	47
Total	$3,329	$3,011	11 %
Corporate/Other	(74)	109	NM
Income from continuing operations	$4,649	$4,118	13 %
Discontinued operations	$(7)	$(18)	61 %
Net income attributable to noncontrolling interests	22	10	NM
Citigroup's net income	$4,620	$4,090	13 %

(1) Asia GCB includes the results of operations of GCB activities in certain EMEA countries for all periods presented.
NM Not meaningful

CITIGROUP REVENUES

In millions of dollars	First Quarter 2018	2017	% Change
Global Consumer Banking			
North America	$5,157	$4,945	4 %
Latin America	1,347	1,167	15
Asia[1]	1,929	1,734	11
Total	$8,433	$7,846	7 %
Institutional Clients Group			
North America	$3,265	$3,522	(7)%
EMEA	3,167	2,854	11
Latin America	1,210	1,169	4
Asia	2,206	1,774	24
Total	$9,848	$9,319	6 %
Corporate/Other	591	1,201	(51)
Total Citigroup net revenues	$18,872	$18,366	3 %

(1) Asia GCB includes the results of operations of GCB activities in certain EMEA countries for all periods presented.

SEGMENT BALANCE SHEET[1]

In millions of dollars	Global Consumer Banking	Institutional Clients Group	Corporate/Other and consolidating eliminations[2]	Citigroup parent company-issued long-term debt and stockholders' equity[3]	Total Citigroup consolidated
Assets					
Cash and deposits with banks	$7,493	$65,194	$ 130,017	$—	$202,704
Federal funds sold and securities borrowed or purchased under agreements to resell	291	257,288	308	—	257,887
Trading account assets	662	260,226	7,920	—	268,808
Investments	1,475	111,464	239,032	—	351,971
Loans, net of unearned income and allowance for loan losses	294,808	345,478	20,298	—	660,584
Other assets	37,341	107,949	34,860	—	180,150
Net inter-segment liquid assets[4]	80,816	259,120	(339,936)	—	—
Total assets	$422,886	$1,406,719	$ 92,499	$—	$1,922,104
Liabilities and equity					
Total deposits	$314,355	$665,987	$ 20,877	$—	$1,001,219
Federal funds purchased and securities loaned or sold under agreements to repurchase	4,359	167,391	9	—	171,759
Trading account liabilities	142	143,018	801	—	143,961
Short-term borrowings	588	20,256	15,250	—	36,094
Long-term debt[3]	1,977	36,913	45,974	153,074	237,938
Other liabilities	18,379	95,702	14,186	—	128,267
Net inter-segment funding (lending)[3]	83,086	277,452	(5,549)	(354,989)	—
Total liabilities	$422,886	$1,406,719	$ 91,548	$(201,915)	$1,719,238
Total stockholders' equity[5]	—	—	951	201,915	202,866
Total liabilities and equity	$422,886	$1,406,719	$ 92,499	$—	$1,922,104

(1) The supplemental information presented in the table above reflects Citigroup's consolidated GAAP balance sheet by reporting segment as of March 31, 2018. The respective segment information depicts the assets and liabilities managed by each segment as of such date.

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

(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 liquid assets (primarily consisting of cash, marketable equity securities, and available-for-sale debt securities) to the various businesses based on Liquidity Coverage Ratio (LCR) assumptions.

(5) Corporate/Other equity represents noncontrolling interests.

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GLOBAL CONSUMER BANKING

Global Consumer Banking (GCB) consists of consumer banking businesses in North America, Latin America (consisting of Citi's consumer banking business in Mexico) and Asia. GCB provides 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 focused on its priority markets in the U.S., Mexico and Asia with 2,433 branches in 19 countries and jurisdictions as of March 31, 2018. At March 31, 2018, GCB had approximately $423 billion in assets and $314 billion in deposits.

GCB's overall strategy is to leverage Citi's global footprint and be the pre-eminent 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	2018	2017	% Change
Net interest revenue	$6,980	$6,579	6 %
Non-interest revenue	1,453	1,267	15
Total revenues, net of interest expense	$8,433	$7,846	7 %
Total operating expenses	$4,681	$4,451	5 %
Net credit losses	$1,736	$1,603	8 %
Credit reserve build (release)	144	177	(19)
Provision (release) for unfunded lending commitments	(1)	6	NM
Provision for benefits and claims	26	29	(10)
Provisions for credit losses and for benefits and claims (LLR & PBC)	$1,905	$1,815	5 %
Income from continuing operations before taxes	$1,847	$1,580	17 %
Income taxes	453	582	(22)
Income from continuing operations	$1,394	$998	40 %
Noncontrolling interests	2	1	100
Net income	$1,392	$997	40 %
Balance Sheet data (in billions of dollars)			
Total EOP assets	$423	$411	3 %
Average assets	423	410	3
Return on average assets	1.33 %	0.99 %	
Efficiency ratio	56	57	
Average deposits	$309	$303	2
Net credit losses as a percentage of average loans	2.30 %	2.24 %	
Revenue by business			
Retail banking	$3,471	$3,175	9 %
Cards[(1)]	4,962	4,671	6
Total	$8,433	$7,846	7 %
Income from continuing operations by business			
Retail banking	$524	$333	57 %
Cards[(1)]	870	665	31
Total	$1,394	$998	40 %

Table continues on the next page, including footnotes.

Foreign currency (FX) translation impact			
Total revenue—as reported	$8,433	$7,846	7 %
Impact of FX translation[2]	—	139	
Total revenues—ex-FX[3]	$8,433	$7,985	6 %
Total operating expenses—as reported	$4,681	$4,451	5 %
Impact of FX translation[2]	—	87	
Total operating expenses—ex-FX[3]	$4,681	$4,538	3 %
Total provisions for LLR & PBC—as reported	$1,905	$1,815	5 %
Impact of FX translation[2]	—	27	
Total provisions for LLR & PBC—ex-FX[3]	$1,905	$1,842	3 %
Net income—as reported	$1,392	$997	40 %
Impact of FX translation[2]	—	18	
Net income—ex-FX[3]	$1,392	$1,015	37 %

(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 2018 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 Costco) within Citi-branded cards as well as its co-brand and private label relationships (including, among others, Sears, The Home Depot, Best Buy and Macy's) within Citi retail services.

As of March 31, 2018, North America GCB's 694 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, 2018, North America GCB had approximately 9.1 million retail banking customer accounts, $55.4 billion in retail banking loans and $184.3 billion in deposits. In addition, North America GCB had approximately 119.3 million Citi-branded and Citi retail services credit card accounts with $131.7 billion in outstanding card loan balances.

	First Quarter		
In millions of dollars, except as otherwise noted	2018	2017	% Change
Net interest revenue	$4,750	$4,617	3 %
Non-interest revenue	407	328	24
Total revenues, net of interest expense	$5,157	$4,945	4 %
Total operating expenses	$2,645	$2,597	2 %
Net credit losses	$1,296	$1,190	9 %
Credit reserve build (release)	123	152	(19)
Provision for unfunded lending commitments	(4)	7	NM
Provision for benefits and claims	6	6	—
Provisions for credit losses and for benefits and claims	$1,421	$1,355	5 %
Income from continuing operations before taxes	$1,091	$993	10 %
Income taxes	253	379	(33)
Income from continuing operations	$838	$614	36 %
Noncontrolling interests	—	—	NM
Net income	$838	$614	36 %
Balance Sheet data (in billions of dollars)			
Average assets	$248	$245	1 %
Return on average assets	1.37 %	1.02 %	
Efficiency ratio	51	53	
Average deposits	$180.9	$184.6	(2)
Net credit losses as a percentage of average loans	2.77 %	2.63 %	
Revenue by business			
Retail banking	$1,307	$1,257	4 %
Citi-branded cards	2,232	2,096	6
Citi retail services	1,618	1,592	2
Total	$5,157	$4,945	4 %
Income from continuing operations by business			
Retail banking	$140	$72	94 %
Citi-branded cards	425	246	73
Citi retail services	273	296	(8)
Total	$838	$614	36 %

NM Not meaningful

14

1Q18 vs. 1Q17

Net income increased 36% due to higher revenues and a lower effective tax rate due to the impact of Tax Reform, partially offset by higher expenses and higher cost of credit.

Revenues increased 4%, reflecting higher revenues across retail banking, Citi retail services and Citi-branded cards, which included the impact of the Hilton portfolio sale (see below).

Retail banking revenues increased 4%. Excluding mortgage revenues (decline of 18%), retail banking revenues were up 8%, driven by continued growth in deposit margins, growth in both assets under management (up 10%) and average loans (up 1%), as well as increased commercial banking activity. The decline in mortgage revenues was driven by lower origination activity and higher cost of funds reflecting the higher interest rate environment.

Cards revenues increased 4%. In Citi-branded cards, revenues increased 6%, driven by the impact of the Hilton portfolio sale, which resulted in a gain of approximately $150 million in the first quarter of 2018, partially offset by the loss of operating revenues, for a net year-over-year benefit of approximately $120 million. Excluding Hilton, revenues were largely unchanged, as growth in interest-earning balances was offset by higher cost of funds and the impact of additional partnership terms. Average loans increased 5% and purchase sales increased 8%.

Citi retail services revenues increased 2%, reflecting continued loan growth. Average loans increased 4% and purchase sales increased 3%.

Expenses increased 2%, as higher volume-related expenses and continued investments were partially offset by efficiency savings.

Provisions increased 5% from the prior-year period, driven by higher net credit losses, partially offset by a lower net loan loss reserve build.

Net credit losses increased 9% to $1.3 billion, largely driven by higher net credit losses in Citi-branded cards (up 3% to $651 million) and Citi retail services (up 16% to $602 million). The increase in net credit losses primarily reflected volume growth and seasoning in both cards portfolios as well as an increase in net flow rates in later delinquency buckets versus the prior-year period, primarily in Citi retail services.

The net loan loss reserve build in the first quarter of 2018 was $119 million (compared to a build of $159 million in the prior-year period), as volume growth and seasoning in both cards portfolios were partially offset by a loan loss reserve release in the commercial portfolio.

For additional information on North America GCB's retail banking, including commercial banking, and its Citi-branded cards and Citi retail services portfolios, see "Credit Risk—Consumer Credit" below.

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 Citibanamex, one of Mexico's largest banks.

At March 31, 2018, Latin America GCB had 1,462 retail branches in Mexico, with approximately 28.2 million retail banking customer accounts, $21.2 billion in retail banking loans and $29.6 billion in deposits. In addition, the business had approximately 5.7 million Citi-branded card accounts with $5.7 billion in outstanding loan balances.

	First Quarter		
In millions of dollars, except as otherwise noted	2018	2017	% Change
Net interest revenue	$997	$848	18 %
Non-interest revenue	350	319	10
Total revenues, net of interest expense	$1,347	$1,167	15 %
Total operating expenses	$759	$667	14 %
Net credit losses	$278	$253	10 %
Credit reserve build (release)	42	12	NM
Provision (release) for unfunded lending commitments	1	—	NM
Provision for benefits and claims	20	23	(13)
Provisions for credit losses and for benefits and claims (LLR & PBC)	$341	$288	18 %
Income from continuing operations before taxes	$247	$212	17 %
Income taxes	64	77	(17)
Income from continuing operations	$183	$135	36 %
Noncontrolling interests	—	1	(100)
Net income	$183	$134	37 %
Balance Sheet data (in billions of dollars)			
Average assets	$44	$42	5 %
Return on average assets	1.69	1.29	
Efficiency ratio	56 %	57 %	
Average deposits	$28.9	$25.3	14
Net credit losses as a percentage of average loans	4.29 %	4.44 %	
Revenue by business			
Retail banking	$966	$850	14 %
Citi-branded cards	381	317	20
Total	$1,347	$1,167	15 %
Income from continuing operations by business			
Retail banking	$138	$90	53 %
Citi-branded cards	45	45	—
Total	$183	$135	36 %

FX translation impact			
Total revenues—as reported	$1,347	$1,167	15 %
Impact of FX translation[1]	—	75	
Total revenues—ex-FX[2]	$1,347	$1,242	8 %
Total operating expenses—as reported	$759	$667	14 %
Impact of FX translation[1]	—	37	
Total operating expenses—ex-FX[2]	$759	$704	8 %
Provisions for LLR & PBC—as reported	$341	$288	18 %
Impact of FX translation[1]	—	20	
Provisions for LLR & PBC—ex-FX[2]	$341	$308	11 %
Net income—as reported	$183	$134	37 %
Impact of FX translation[1]	—	13	
Net income—ex-FX[2]	$183	$147	24 %

(1) Reflects the impact of FX translation into U.S. dollars at the first quarter of 2018 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.

1Q18 vs. 1Q17

Net income increased 24%, reflecting higher revenues and a lower effective tax rate as a result of Tax Reform, partially offset by higher expenses and cost of credit.

Revenues increased 8%, driven by higher revenues in both retail banking and cards.

Retail banking revenues increased 7%, reflecting continued growth in volumes (average loans up 5% and average deposits up 6%), largely driven by the commercial banking business and mortgages, as well as improved deposit spreads, driven by higher interest rates. Cards revenues increased 13%, reflecting continued growth in purchase sales (up 10%) and full-rate revolving loans, as well as favorable comparisons to the first quarter of 2017. Average card loans grew 8%.

Expenses increased 8%, as ongoing investment spending and business growth were partially offset by efficiency savings.

Provisions increased 11%, primarily driven by a higher net loan loss reserve build ($43 million), largely reflecting volume growth and seasoning.

For additional information on Latin America GCB's retail banking, including commercial banking, and its Citi-branded cards portfolios, see "Credit Risk—Consumer Credit" below.

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. During the first quarter of 2018, Citi's most significant revenues in the region were from Singapore, Hong Kong, Korea, India, Australia, Taiwan, Philippines, Thailand, Indonesia and Malaysia. Included within Asia GCB, traditional retail banking and Citi-branded card products are also provided to retail customers in certain EMEA countries, primarily Poland, Russia and the United Arab Emirates.

At March 31, 2018, on a combined basis, the businesses had 277 retail branches, approximately 15.9 million retail banking customer accounts, $70.8 billion in retail banking loans and $100.5 billion in deposits. In addition, the businesses had approximately 16.2 million Citi-branded card accounts with $19.2 billion in outstanding loan balances.

	First Quarter		
In millions of dollars, except as otherwise noted [1]	2018	2017	% Change
Net interest revenue	$1,233	$1,114	11 %
Non-interest revenue	696	620	12
Total revenues, net of interest expense	$1,929	$1,734	11 %
Total operating expenses	$1,277	$1,187	8 %
Net credit losses	$162	$160	1 %
Credit reserve build (release)	(21)	13	NM
Provision (release) for unfunded lending commitments	2	(1)	NM
Provisions for credit losses	$143	$172	(17)%
Income from continuing operations before taxes	$509	$375	36 %
Income taxes	136	126	8
Income from continuing operations	$373	$249	50 %
Noncontrolling interests	2	—	NM
Net income	$371	$249	49 %
Balance Sheet data (in billions of dollars)			
Average assets	$131	$123	7 %
Return on average assets	1.15 %	0.82 %	
Efficiency ratio	66	68	
Average deposits	$99.1	$92.7	7
Net credit losses as a percentage of average loans	0.73 %	0.78 %	
Revenue by business			
Retail banking	$1,198	$1,068	12 %
Citi-branded cards	731	666	10
Total	$1,929	$1,734	11 %
Income from continuing operations by business			
Retail banking	$246	$171	44 %
Citi-branded cards	127	78	63
Total	$373	$249	50 %

FX translation impact			
Total revenues—as reported	$1,929	$1,734	11 %
Impact of FX translation[2]	—	64	
Total revenues—ex-FX[3]	$1,929	$1,798	7 %
Total operating expenses—as reported	$1,277	$1,187	8 %
Impact of FX translation[2]	—	50	
Total operating expenses—ex-FX[3]	$1,277	$1,237	3 %
Provisions for loan losses—as reported	$143	$172	(17)%
Impact of FX translation[2]	—	7	
Provisions for loan losses—ex-FX[3]	$143	$179	(20)%
Net income—as reported	$371	$249	49 %
Impact of FX translation[2]	—	5	
Net income—ex-FX[3]	$371	$254	46 %

(1) Asia GCB includes the results of operations of GCB activities in certain EMEA countries for all periods presented.
(2) Reflects the impact of FX translation into U.S. dollars at the first quarter of 2018 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.

1Q18 vs. 1Q17

Net income increased 46%, reflecting higher revenues, a lower effective tax rate as a result of Tax Reform and lower cost of credit, partially offset by higher expenses.

Revenues increased 7%, driven by solid growth in both retail banking and cards.

Retail banking revenues increased 8%, reflecting strong growth in wealth management and a modest one-time gain. Excluding the gain, retail banking revenues grew 6%. Wealth management revenues increased due to continued improvement in investor sentiment, stronger equity markets and increases in assets under management (14%) and investment sales (32%). Average deposits increased 2%. Retail lending revenues modestly improved (up 1%), as an increase in volumes (average loans up 3%) was largely offset by spread compression.

Cards revenues increased 5%, reflecting 3% growth in average loans and 7% growth in purchase sales, both of which benefited from the previously disclosed portfolio acquisition in Australia in the first quarter of 2017.

Expenses increased 3%, resulting from volume growth and ongoing investment spending, partially offset by efficiency savings.

Provisions decreased 20%, primarily driven by a net loan loss reserve release compared to a net loan loss reserve build in the prior-year period. Overall credit quality continued to remain stable in the region.

For additional information on Asia GCB’s retail banking, including commercial banking, and its Citi-branded cards portfolios, see “Credit Risk—Consumer Credit” below.

INSTITUTIONAL CLIENTS GROUP

Institutional Clients Group (ICG) includes Banking and Markets and securities services (for additional information on these businesses, see "Citigroup Segments" above). 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 with transactional services and clearing, providing brokerage and investment banking services and other such activities. Such fees are recognized at the point in time when Citigroup's performance under the terms of a contractual arrangement is completed, which is typically at the trade/execution date or closing of a transaction. Revenue generated from these activities is recorded in Commissions and fees and Investment banking. Revenue is also generated from assets under custody and administration which is recognized as/when the associated promised service is satisfied, which normally occurs at the point in time the service is requested by the customer and provided by Citi. Revenue generated from these activities is primarily recorded in Administration and other fiduciary fees. For additional information on these various types of revenues, see Note 5 to the Consolidated Financial Statements.

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 (for additional information on Principal transactions revenue, see Note 6 to the Consolidated Financial Statements). Other primarily includes mark-to-market gains and losses on certain credit derivatives, gains and losses on available-for-sale (AFS) debt securities, gains and losses on equity securities not held in trading accounts, and other non-recurring gains and losses. Interest income earned on assets held, less interest paid to customers on deposits and long- and short-term debt, is recorded as Net interest revenue.

The amount and types of Markets revenues are impacted by a variety of interrelated factors, including market liquidity; changes in market variables such as interest rates, foreign exchange rates, equity prices, commodity prices and credit spreads, as well as their implied volatilities; investor confidence; and other macroeconomic conditions. Assuming all other market conditions do not change, increases in client activity levels or bid/offer spreads generally result in increases in revenues. However, changes in market conditions can significantly impact client activity levels, bid/offer spreads and the fair value of product inventory. For example, a decrease in market liquidity may increase bid/offer spreads, decrease client activity levels and widen credit spreads on product inventory positions.

ICG's management of the Markets businesses involves daily monitoring and evaluating of the above factors at the trading desk as well as the country level. ICG does not separately track the impact on total Markets revenues of the volume of transactions, bid/offer spreads, fair value changes of product inventory positions and economic hedges because, as noted above, these components are interrelated and are not deemed useful or necessary individually to manage the Markets businesses at an aggregate level.

In the Markets businesses, client revenues are those revenues directly attributable to client transactions at the time of inception, including commissions, interest or fees earned. Client revenues do not include the results of client facilitation activities (for example, holding product inventory in anticipation of client demand) or the results of certain economic hedging activities.

ICG's international presence is supported by trading floors in approximately 80 countries and a proprietary network in 98 countries and jurisdictions. At March 31, 2018, ICG had approximately $1.4 trillion of assets and $666 billion of deposits, while two of its businesses—securities services and issuer services—managed approximately $17.7 trillion of assets under custody compared to $15.9 trillion at the end of the prior-year period.

In millions of dollars, except as otherwise noted	First Quarter 2018	2017	% Change
Commissions and fees	$1,213	$1,024	18 %
Administration and other fiduciary fees	694	635	9
Investment banking	985	1,110	(11)
Principal transactions	2,884	2,731	6
Other	418	1	NM
Total non-interest revenue	$6,194	$5,501	13 %
Net interest revenue (including dividends)	3,654	3,818	(4)
Total revenues, net of interest expense	$9,848	$9,319	6 %
Total operating expenses	$5,503	$5,138	7 %
Net credit losses	$105	$25	NM
Credit reserve build (release)	(175)	(176)	1
Provision (release) for unfunded lending commitments	29	(54)	NM
Provisions for credit losses	$(41)	$(205)	80 %
Income from continuing operations before taxes	$4,386	$4,386	— %
Income taxes	1,057	1,375	(23)
Income from continuing operations	$3,329	$3,011	11 %
Noncontrolling interests	15	15	—
Net income	$3,314	$2,996	11 %
EOP assets (in billions of dollars)	$1,407	$1,314	7 %
Average assets (in billions of dollars)	1,388	1,318	5
Return on average assets	0.97 %	0.92 %	
Efficiency ratio	56	55	
Revenues by region			
North America	$3,265	$3,522	(7)%
EMEA	3,167	2,854	11
Latin America	1,210	1,169	4
Asia	2,206	1,774	24
Total	$9,848	$9,319	6 %
Income from continuing operations by region			
North America	$857	$1,077	(20)%
EMEA	1,113	862	29
Latin America	491	482	2
Asia	868	590	47
Total	$3,329	$3,011	11 %
Average loans by region (in billions of dollars)			
North America	$160	$146	10 %
EMEA	78	65	20
Latin America	34	34	—
Asia	67	57	18
Total	$339	$302	12 %
EOP deposits by business (in billions of dollars)			
Treasury and trade solutions	$449	$417	8 %
All other ICG businesses	217	203	7
Total	$666	$620	8 %

NM Not meaningful

21

ICG Revenue Details—Excluding Gains (Losses) on Loan Hedges

In millions of dollars	First Quarter 2018	2017	% Change
Investment banking revenue details			
Advisory	$215	$249	(14)%
Equity underwriting	216	250	(14)
Debt underwriting	699	763	(8)
Total investment banking	$1,130	$1,262	(10)%
Treasury and trade solutions	2,268	2,108	8
Corporate lending—excluding gains (losses) on loan hedges[1]	521	438	19
Private bank	904	749	21
Total banking revenues (ex-gains (losses) on loan hedges)	$4,823	$4,557	6 %
Corporate lending—gains (losses) on loan hedges[1]	$23	$(115)	NM
Total banking revenues (including gains (losses) on loan hedges)	$4,846	$4,442	9 %
Fixed income markets	$3,418	$3,678	(7)%
Equity markets	1,103	802	38
Securities services	641	552	16
Other	(160)	(155)	(3)
Total markets and securities services revenues	$5,002	$4,877	3 %
Total revenues, net of interest expense	$9,848	$9,319	6 %
Commissions and fees	$176	$142	24 %
Principal transactions[2]	2,184	2,360	(7)
Other	276	151	83
Total non-interest revenue	$2,636	$2,653	(1)%
Net interest revenue	782	1,025	(24)
Total fixed income markets	$3,418	$3,678	(7)%
Rates and currencies	$2,470	$2,530	(2)%
Spread products/other fixed income	948	1,148	(17)
Total fixed income markets	$3,418	$3,678	(7)%
Commissions and fees	$361	$326	11 %
Principal transactions[2]	537	189	NM
Other	80	9	NM
Total non-interest revenue	$978	$524	87 %
Net interest revenue	125	278	(55)
Total equity markets	$1,103	$802	38 %

(1) Credit derivatives are used to economically hedge a portion of the corporate loan portfolio that includes both accrual loans and loans at fair value. Gains (losses) on loan hedges include the mark-to-market on the credit derivatives and the mark-to-market on the loans in the portfolio that are at fair value. The fixed premium costs of these hedges are netted against the corporate lending revenues to reflect the cost of credit protection. Citigroup's results of operations excluding the impact of gains (losses) on loan hedges are non-GAAP financial measures.

(2) Excludes principal transactions revenues of ICG businesses other than Markets, primarily treasury and trade solutions and the private bank.

NM Not meaningful

1Q18 vs. 1Q17

Net income increased 11%, driven by higher revenues and a lower effective tax rate due to the impact of Tax Reform, partially offset by higher expenses and cost of credit.

- Revenues increased 6%, driven by higher revenues in Banking (increase of 9%; increase of 6% excluding gains (losses) on loan hedges) and higher revenues in Markets

and securities services (increase of 3%). The increase in Banking revenues was driven by continued strong momentum and performance in treasury and trade solutions, private bank and corporate lending, partially offset by investment banking. Markets and securities services revenues reflected solid growth in equity markets and securities services, partially offset by a decline in fixed income markets. Citi expects Markets and securities services revenues will likely continue to reflect the overall

market environment during the remainder of 2018, including a normal seasonal decline sequentially in the second quarter of 2018.

Within Banking:

- Investment banking revenues declined 10%, driven by a decline in overall market wallet from the prior-year period, particularly in North America. Advisory and equity underwriting revenues both declined 14% versus the prior-year period, reflecting the decline in market wallet as well as timing of episodic deal activity. Debt underwriting revenues decreased 8% due to a decline in market wallet and wallet share.
- Treasury and trade solutions revenues increased 8%, reflecting strong growth across both net interest and fee income. Excluding the impact of FX translation, revenues increased 6%, primarily reflecting strength in EMEA and Asia. Revenue growth in the cash business was primarily driven by higher transaction volumes from both new and existing clients, continued growth in deposit balances and improved deposit spreads across most regions. Growth in the trade business was driven by episodic fees and continued focus on high-quality loan growth, but was partially offset by industry-wide tightening of loan spreads. Average deposit balances increased 6% (3% excluding the impact of FX translation). Average loans increased 10% (7% excluding the impact of FX translation), driven by strong loan growth in Asia and EMEA.
- Corporate lending revenues increased from $323 million to $544 million. Excluding the impact of gains/losses on loan hedges, revenues increased 19% versus the prior-year period. The increase in revenues was driven by lower hedging costs and higher loan volumes. Average loans increased 11% versus the prior-year period.
- Private bank revenues increased 21%, driven by strong momentum in client activity across all products and regions. Revenue growth reflected higher loan and deposit volumes, higher deposit spreads, higher managed investments revenues and increased capital markets activity.

Within Markets and securities services:

- Fixed income markets revenues decreased 7%, primarily due to lower revenues in North America. The decline in revenues was largely driven by lower net interest revenue (decrease of 24%) in both rates and currencies and spread products, mainly due to a change in the mix of trading positions in support of client activity as well as higher funding costs, given the higher interest rate environment. The decline in revenues was also due to lower principal transactions revenues (decrease of 7%), reflecting lower investor client activity in a less favorable and more volatile market environment than the prior-year period, particularly in G10 rates and spread products in March.

Rates and currencies revenues decreased 2%, driven by lower G10 rates revenues due to the lower investor client activity and a less favorable trading environment in

North America, and the comparison to a strong prior-year period in EMEA. The decline in G10 rates was largely offset by an increase in G10 foreign exchange revenues that benefited from the return of volatility in the currency markets as well as strong corporate client activity in both G10 foreign exchange and local markets rates and currencies.

Spread products and other fixed income revenues decreased 17%, primarily driven by lower revenues in credit markets in North America and EMEA due to lower investor client activity and the comparison to a strong prior-year period. The year-over-year revenue decline was also driven by lower municipal products revenues in North America, largely due to the comparison to a strong prior-year period, where municipals markets recovered post U.S. elections.

- Equity markets revenues increased 38%, with growth across all products, reflecting strength in Asia, North America and EMEA, given the favorable operating environment with higher volatility and increased client activity, particularly with investor clients. Equity derivatives revenues increased across all regions, benefiting from both improved overall market conditions and continued client momentum, in line with the business' investment strategy. The increase in equity markets revenues was also driven by growth in cash equities and higher balances in prime finance. Principal transactions revenues increased, reflecting client facilitation gains in the favorable trading environment.
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Securities services revenues increased 16%, reflecting particular strength in EMEA and Asia. The increase in revenues was driven by growth in fee revenues from higher assets under custody and increased client activity, as well as higher net interest revenue driven by higher deposit volume and higher interest rates.

Expenses increased 7%, largely driven by the impact of FX translation and a higher level of investment spending. Provisions increased $164 million to a benefit of $41 million, primarily due to lower releases in the current period and higher net credit losses ($105 million in 2018, compared to $25 million in 2017). Net credit losses in 2018 were largely offset by previously established loan loss reserves, due to the continued stability in commodities prices and net ratings upgrades.

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, certain North America and international legacy consumer loan portfolios, other legacy assets and discontinued operations (for additional information on Corporate/Other, see “Citigroup Segments” above). At March 31, 2018, Corporate/Other had $92 billion in assets, a decrease of 4% year-over-year.

	First Quarter		
In millions of dollars	2018	2017	% Change
Net interest revenue	$538	$558	(4)%
Non-interest revenue	53	643	(92)
Total revenues, net of interest expense	$591	$1,201	(51)%
Total operating expenses	$741	$1,134	(35)%
Net credit losses	$26	$81	(68)%
Credit reserve build (release)	(33)	(35)	6
Provision (release) for unfunded lending commitments	—	1	(100)
Provision for benefits and claims	—	5	(100)
Provisions for credit losses and for benefits and claims	$(7)	$52	NM
Income (loss) from continuing operations before taxes	$(143)	$15	NM
Income taxes (benefits)	(69)	(94)	27
Income (loss) from continuing operations	$(74)	$109	NM
Income (loss) from discontinued operations, net of taxes	(7)	(18)	61
Net income (loss) before attribution of noncontrolling interests	$(81)	$91	NM
Noncontrolling interests	5	(6)	NM
Net income (loss)	$(86)	$97	NM

1Q18 vs. 1Q17

The net loss was $86 million, compared to net income of $97 million in the prior-year period, due to lower revenues, partially offset by lower expenses.

Revenues decreased 51%, driven by the continued wind-down of legacy assets.

Expenses decreased 35%, primarily driven by the wind-down of legacy assets and lower legal and related expenses. Citi expects that revenues and expenses in Corporate/Other should continue to decline with the ongoing wind-down of legacy assets during the remainder of 2018.

Provisions decreased $59 million to a net benefit of $7 million, primarily due to lower net credit losses. Net credit losses declined 68% to $26 million, primarily reflecting the impact of ongoing divestiture activity.

OFF-BALANCE SHEET ARRANGEMENTS

The table below shows where a discussion of Citi's various off-balance sheet arrangements in this Form 10-Q may be found. For additional information, see "Off-Balance Sheet Arrangements" and Notes 1, 21 and 26 to the Consolidated Financial Statements in Citigroup's 2017 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 18 to the Consolidated Financial Statements.
Letters of credit, and lending and other commitments	See Note 22 to the Consolidated Financial Statements.
Guarantees	See Note 22 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.

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

During the first quarter of 2018, Citi returned a total of $3.1 billion of capital to common shareholders in the form of share repurchases (approximately 30 million common shares) and dividends.

Capital Management

Citi'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. Based on Citigroup's current regulatory capital requirements, as well as consideration of potential future changes to the U.S. Basel III rules, management currently believes that a targeted Common Equity Tier 1 Capital ratio of approximately 11.5% represents the amount necessary to prudently operate and invest in Citi's franchise, including when considering future growth plans, capital return projections and other factors that may impact Citi's businesses. However, management may revise Citigroup's targeted Common Equity Tier 1 Capital ratio in response to changing regulatory capital requirements as well as other relevant factors. For additional information regarding Citi's capital management, see "Capital Resources—Capital Management" in Citigroup's 2017 Annual Report on Form 10-K.

Stress Testing Component of Capital Planning

Citi is subject to an annual assessment by the Federal Reserve Board as to whether Citigroup 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 the stress testing component of capital planning, including a recent proposed rulemaking and other potential changes in Citi's regulatory capital requirements and future CCAR processes, see "Regulatory Capital Standards Developments" and

"Forward-Looking Statements" below and "Capital Resources—Current Regulatory Capital Standards—Stress Testing Component of Capital Planning" and "Risk Factors—Strategic Risks" in Citigroup's 2017 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 2017 Annual Report on Form 10-K. For additional information regarding a recent proposed rulemaking that would modify the enhanced Supplementary Leverage ratio standards applicable to U.S. bank holding companies that are identified as global systemically important bank holding companies (GSIBs) and certain of their insured depository institution subsidiaries, see "Regulatory Capital Standards Developments" below.

GSIB Surcharge

The Federal Reserve Board also adopted a rule that imposes a risk-based capital surcharge upon U.S. GSIBs, including Citi. Citi's GSIB surcharge effective for 2018 remains unchanged from 2017 at 3.0%. 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 2017 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"). Moreover, the GSIB surcharge, Capital Conservation Buffer, and any Countercyclical Capital Buffer (currently 0%), commenced phase-in on January 1, 2016, becoming fully effective on January 1, 2019. With the exception of the non-grandfathered trust preferred securities, which do not fully phase-out until January 1, 2022, and the capital buffers and GSIB surcharge, which do not fully phase-in until January 1, 2019, all other transition provisions are entirely reflected in Citi's regulatory capital ratios beginning January 1, 2018. Accordingly, commencing with the first quarter of 2018, Citi is presenting a single set of regulatory capital components and ratios, reflecting current regulatory capital standards in effect throughout 2018. Citi previously disclosed its Basel III risk-based capital and leverage ratios and related components reflecting Basel III Transition Arrangements with respect to regulatory capital adjustments and deductions, as well as Full Implementation, in Citi's 2017

Annual Report on Form 10-K and Quarterly Reports on Form 10-Q; however, beginning January 1, 2018, that distinction is no longer relevant.
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 2017 Annual Report on Form 10-K. For information regarding Citigroup's capital resources reflecting Basel III Transition Arrangements as of December 31, 2017, see "Capital Resources—Current Regulatory Capital Standards—Citigroup's Capital Resources Under Current Regulatory Standards" in Citigroup's 2017 Annual Report on Form 10-K.

Citigroup's Capital Resources
Citi is required to maintain stated minimum Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital ratios of 4.5%, 6.0% and 8.0%, respectively.
Citi's effective minimum Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital ratios during 2018, inclusive of the 75% phase-in of both the 2.5% Capital Conservation Buffer and the 3.0% GSIB surcharge (all of which is to be composed of Common Equity Tier 1 Capital), are 8.625%, 10.125% and 12.125%, respectively. Citi's effective minimum Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital ratios during 2017,

inclusive of the 50% phase-in of both the 2.5% Capital Conservation Buffer and the 3.0% GSIB surcharge (all of which is to be composed of Common Equity Tier 1 Capital), were 7.25%, 8.75% and 10.75%, respectively.
Citi currently estimates that its effective minimum Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital ratio requirements during 2019, inclusive of the 2.5% Capital Conservation Buffer and the Countercyclical Capital Buffer at its current level of 0%, as well as a 3.0% GSIB surcharge, may be 10.0%, 11.5% and 13.5%, 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 6.0%, a Total Capital ratio of at least 10.0%, and not be subject to a Federal Reserve Board directive to maintain higher capital levels.
Under the U.S. Basel III rules, Citi must comply with a 4.0% minimum Tier 1 Leverage ratio requirement. Effective January 1, 2018, Citi must also comply with an effective 5.0% minimum Supplementary Leverage ratio requirement.
The following tables set forth the capital tiers, total risk-weighted assets and underlying risk components, risk-based capital ratios, quarterly adjusted average total assets, Total Leverage Exposure and leverage ratios for Citi as of March 31, 2018 and December 31, 2017.

Citigroup Capital Components and Ratios

In millions of dollars, except ratios	March 31, 2018		December 31, 2017	
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach
Common Equity Tier 1 Capital	$144,128	$144,128	$142,822	$142,822
Tier 1 Capital	163,490	163,490	162,377	162,377
Total Capital (Tier 1 Capital + Tier 2 Capital)	188,668	200,892	187,877	199,989
Total Risk-Weighted Assets	1,178,127	1,195,981	1,152,644	1,155,099
Credit Risk	$790,466	$1,125,602	$767,102	$1,089,372
Market Risk	69,577	70,379	65,003	65,727
Operational Risk	318,084	—	320,539	—
Common Equity Tier 1 Capital ratio(1)(2)	12.23 %	12.05 %	12.39 %	12.36 %
Tier 1 Capital ratio(1)(2)	13.88	13.67	14.09	14.06
Total Capital ratio(1)(2)	16.01	16.80	16.30	17.31

In millions of dollars, except ratios	March 31, 2018	December 31, 2017
Quarterly Adjusted Average Total Assets(3)	$1,862,802	$1,868,326
Total Leverage Exposure(4)	2,436,817	2,432,491

Tier 1 Leverage ratio[2]	8.78	%	8.69	%
Supplementary Leverage ratio[2]	6.71		6.68	

(1) As of March 31, 2018 and December 31, 2017, Citi's reportable Common Equity Tier 1 Capital and Tier 1 Capital ratios were the lower derived under the Basel III Standardized Approach, whereas the reportable Total Capital ratio was the lower derived under the Basel III Advanced Approaches framework.
(2) Citi's risk-based capital and leverage ratios and related components as of December 31, 2017 are non-GAAP financial measures, which reflect full implementation of regulatory capital adjustments and deductions prior to the effective date of January 1, 2018.
(3) Tier 1 Leverage ratio denominator.
(4) Supplementary Leverage ratio denominator.

As indicated in the table above, Citigroup's risk-based capital ratios at March 31, 2018 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, 2018.

Common Equity Tier 1 Capital Ratio

Citi's Common Equity Tier 1 Capital ratio was 12.1% at March 31, 2018, compared to 12.4% at December 31, 2017. The quarter-over-quarter decline in the ratio was primarily due to an increase in credit risk-weighted assets driven by loan growth and client activity, as well as the return of $3.1 billion of capital to common shareholders, partially offset by quarterly net income of $4.6 billion.

Components of Citigroup Capital

In millions of dollars	March 31, 2018	December 31, 2017
Common Equity Tier 1 Capital		
Citigroup common stockholders' equity[1]	$182,943	$181,671
Add: Qualifying noncontrolling interests	140	153
Regulatory Capital Adjustments and Deductions:		
Less: Accumulated net unrealized losses on cash flow hedges, net of tax[2]	(920)	(698)
Less: Cumulative unrealized net loss related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax[3]	(498)	(721)
Less: Intangible assets:		
Goodwill, net of related DTLs[4]	22,482	22,052
Identifiable intangible assets other than MSRs, net of related DTLs	4,209	4,401
Less: Defined benefit pension plan net assets	871	896
Less: DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards[5]	12,811	13,072
Total Common Equity Tier 1 Capital (Standardized Approach and Advanced Approaches)	$144,128	$142,822
Additional Tier 1 Capital		
Qualifying noncumulative perpetual preferred stock[1]	$18,972	$19,069
Qualifying trust preferred securities[6]	1,379	1,377
Qualifying noncontrolling interests	59	61
Regulatory Capital Deductions:		
Less: Permitted ownership interests in covered funds[7]	997	900
Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries[8]	51	52
Total Additional Tier 1 Capital (Standardized Approach and Advanced Approaches)	$19,362	$19,555
Total Tier 1 Capital (Common Equity Tier 1 Capital + Additional Tier 1 Capital) (Standardized Approach and Advanced Approaches)	$163,490	$162,377
Tier 2 Capital		
Qualifying subordinated debt	$23,430	$23,673
Qualifying trust preferred securities[9]	334	329
Qualifying noncontrolling interests	51	50
Eligible allowance for credit losses[10]	13,638	13,612
Regulatory Capital Deduction:		
Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries[8]	51	52
Total Tier 2 Capital (Standardized Approach)	$37,402	$37,612
Total Capital (Tier 1 Capital + Tier 2 Capital) (Standardized Approach)	$200,892	$199,989
Adjustment for excess of eligible credit reserves over expected credit losses[10]	$(12,224)	$(12,112)
Total Tier 2 Capital (Advanced Approaches)	$25,178	$25,500
Total Capital (Tier 1 Capital + Tier 2 Capital) (Advanced Approaches)	$188,668	$187,877

(1) Issuance costs of $184 million related to noncumulative perpetual preferred stock outstanding at March 31, 2018 and December 31, 2017 are excluded from common stockholders' equity and netted against such preferred stock in accordance with Federal Reserve Board regulatory reporting requirements, which differ from those under U.S. GAAP.

(2) 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.

(3) The cumulative impact of changes in Citigroup's own creditworthiness in valuing liabilities for which the fair value option has been elected, and own-credit valuation adjustments on derivatives, are excluded from Common Equity

Tier 1 Capital, in accordance with the U.S. Basel III rules.

(4) Includes goodwill “embedded” in the valuation of significant common stock investments in unconsolidated financial institutions.

Footnotes continue on the following page.

29

(5) Of Citi's $23.0 billion of net DTAs at March 31, 2018, $11.0 billion were includable in Common Equity Tier 1 Capital pursuant to the U.S. Basel III rules, while $12.0 billion were excluded. Excluded from Citi's Common Equity Tier 1 Capital as of March 31, 2018 was $12.8 billion of net DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards, which was reduced by $0.8 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. DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards are required to be entirely deducted from Common Equity Tier 1 Capital under the U.S. Basel III rules. Commencing with December 31, 2017, Citi's DTAs arising from temporary differences were less than the 10% limitation under the U.S. Basel III rules and therefore not subject to deduction from Common Equity Tier 1 Capital, but are subject to risk-weighting at 250%.

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

(7) Banking entities are required to be in compliance with the Volcker Rule of the Dodd-Frank Act, which 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.

(8) 50% of the minimum regulatory capital requirements of insurance underwriting subsidiaries must be deducted from each of Tier 1 Capital and Tier 2 Capital.

(9) Represents the amount of non-grandfathered trust preferred securities eligible for inclusion in Tier 2 Capital under the U.S. Basel III rules, which will be fully phased-out of Tier 2 Capital by January 1, 2022.

(10) Under the Standardized Approach, 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, which differs from the Advanced Approaches framework, in which 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. The total amount of eligible credit reserves in excess of expected credit losses that were eligible for inclusion in Tier 2 Capital, subject to limitation, under the Advanced Approaches framework was $1.4 billion and $1.5 billion at March 31, 2018 and December 31, 2017, respectively.

Citigroup Capital Rollforward

In millions of dollars	Three Months Ended March 31, 2018
Common Equity Tier 1 Capital, beginning of period	$142,822
Net income	4,620
Common and preferred stock dividends declared	(1,098)
Net increase in treasury stock	(1,806)
Net decrease in common stock and additional paid-in capital	(409)
Net decrease in foreign currency translation adjustment net of hedges, net of tax	1,120
Net increase in unrealized losses on debt securities AFS, net of tax	(1,061)
Net decrease in defined benefit plans liability adjustment, net of tax	88
Net change in adjustment related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax	(95)
Net increase in ASC 815—excluded Component of Fair Value Hedges	(4)
Net increase in goodwill, net of related DTLs	(430)
Net decrease in identifiable intangible assets other than MSRs, net of related DTLs	192
Net decrease in defined benefit pension plan net assets	25
Net decrease in DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards	261
Other	(97)
Net increase in Common Equity Tier 1 Capital	$1,306
Common Equity Tier 1 Capital, end of period (Standardized Approach and Advanced Approaches)	$144,128
Additional Tier 1 Capital, beginning of period	$19,555
Net decrease in qualifying perpetual preferred stock	(97)
Net increase in qualifying trust preferred securities	2
Net increase in permitted ownership interests in covered funds	(97)
Other	(1)
Net decrease in Additional Tier 1 Capital	$(193)
Tier 1 Capital, end of period (Standardized Approach and Advanced Approaches)	$163,490
Tier 2 Capital, beginning of period (Standardized Approach)	$37,612
Net decrease in qualifying subordinated debt	(243)
Net increase in eligible allowance for credit losses	26
Other	7
Net decrease in Tier 2 Capital (Standardized Approach)	$(210)
Tier 2 Capital, end of period (Standardized Approach)	$37,402
Total Capital, end of period (Standardized Approach)	$200,892
Tier 2 Capital, beginning of period (Advanced Approaches)	$25,500
Net decrease in qualifying subordinated debt	(243)
Net decrease in excess of eligible credit reserves over expected credit losses	(86)
Other	7
Net decrease in Tier 2 Capital (Advanced Approaches)	$(322)
Tier 2 Capital, end of period (Advanced Approaches)	$25,178
Total Capital, end of period (Advanced Approaches)	$188,668

Citigroup Risk-Weighted Assets Rollforward (Basel III Standardized Approach)

In millions of dollars	Three Months Ended March 31, 2018
Total Risk-Weighted Assets, beginning of period	$1,155,099
Changes in Credit Risk-Weighted Assets	
Net decrease in general credit risk exposures[1]	(1,252)
Net increase in repo-style transactions[2]	8,253
Net increase in securitization exposures	1,827
Net increase in equity exposures	878
Net increase in over-the-counter (OTC) derivatives[3]	10,433
Net increase in other exposures[4]	7,952
Net increase in off-balance sheet exposures[5]	8,139
Net increase in Credit Risk-Weighted Assets	$36,230
Changes in Market Risk-Weighted Assets	
Net increase in risk levels[6]	$7,232
Net decrease due to model and methodology updates[7]	(2,580)
Net increase in Market Risk-Weighted Assets	$4,652
Total Risk-Weighted Assets, end of period	$1,195,981

(1) General credit risk exposures include cash and balances due from depository institutions, securities, and loans and leases. General credit risk exposures increased during the three months ended March 31, 2018 primarily due to corporate loan growth.

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

(3) OTC derivatives increased during the three months ended March 31, 2018 primarily due to increased notional amounts for bilateral trades resulting from increased seasonal business activity.

(4) Other exposures include cleared transactions, unsettled transactions, and other assets. Other exposures increased during the three months ended March 31, 2018 primarily due to additional DTAs arising from temporary differences, which are subject to risk-weighting at 250%.

(5) Off-balance sheet exposures increased during the three months ended March 31, 2018 primarily due to an increase in commitments to extend credit that will drive future corporate loan growth.

(6) Risk levels increased during the three months ended March 31, 2018 primarily due to increases in exposure levels subject to Stressed Value at Risk and Value at Risk.

(7) Risk-weighted assets declined during the three months ended March 31, 2018 primarily due to methodology changes for standard specific risk charges.

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

In millions of dollars	Three Months Ended March 31, 2018
Total Risk-Weighted Assets, beginning of period	$1,152,644
Changes in Credit Risk-Weighted Assets	
Net decrease in retail exposures[1]	(9,405)
Net increase in wholesale exposures[2]	9,288
Net increase in repo-style transactions[3]	4,189
Net increase in securitization exposures	1,980
Net increase in equity exposures	1,029
Net increase in over-the-counter (OTC) derivatives[4]	3,047
Net increase in derivatives CVA[5]	7,120
Net increase in other exposures[6]	5,196
Net increase in supervisory 6% multiplier[7]	920
Net increase in Credit Risk-Weighted Assets	$23,364
Changes in Market Risk-Weighted Assets	
Net increase in risk levels[8]	$7,154
Net decrease due to model and methodology updates[9]	(2,580)
Net increase in Market Risk-Weighted Assets	$4,574
Net decrease in Operational Risk-Weighted Assets[10]	$(2,455)
Total Risk-Weighted Assets, end of period	$1,178,127

(1) Retail exposures decreased during the three months ended March 31, 2018 primarily due to reductions in qualifying revolving (cards) exposures attributable to seasonal holding spending repayments.

(2) Wholesale exposures increased during the three months ended March 31, 2018 primarily due to increases in commercial loans and loan commitments.

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

(4) OTC derivatives increased during the three months ended March 31, 2018 primarily due to increases in notional amounts, potential future exposure and fair value for bilateral trades.

(5) Derivatives CVA increased during the three months ended March 31, 2018 primarily due to increased volatility and exposures.

(6) Other exposures include cleared transactions, unsettled transactions, assets other than those reportable in specific exposure categories and non-material portfolios. Other exposures increased during the three months ended March 31, 2018 primarily due to additional temporary difference deferred tax assets subject to risk weighting.

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

(8) Risk levels increased during the three months ended March 31, 2018 primarily due to increases in exposure levels subject to Stressed Value at Risk and Value at Risk.

(9) Risk-weighted assets declined during the three months ended March 31, 2018 primarily due to methodology changes for standard specific risk charges.

(10) Operational risk-weighted assets decreased during the three months ended March 31, 2018 primarily due to changes in operational loss severity and frequency.

As set forth in the table above, total risk-weighted assets under the Basel III Standardized Approach increased from year-end 2017, substantially due to higher credit risk-weighted assets, primarily resulting from increased OTC derivative trade activity, additional temporary difference deferred tax assets subject to risk weighting and an increase

in corporate loan commitments.
Total risk-weighted assets under the Basel III Advanced Approaches increased from year-end 2017, driven by substantially higher credit risk-weighted assets as well as an increase in market risk-weighted assets, partially offset by a decrease in operational risk-weighted assets. The increase in credit risk-weighted assets was primarily due to changes in OTC derivative trade activity and portfolio credit quality as well as increase in commercial loans and loan commitments, partially offset by a decline in retail exposures due to reductions in qualifying revolving (cards) exposures attributable to seasonal holiday spending repayments. The increase in market risk-weighted assets

was primarily due to increases in exposure levels subject to Stressed Value at Risk and Value at Risk, partially offset by methodology changes for standard specific risk charges. Operational risk-weighted assets decreased from year-end 2017 primarily due to changes in operational loss severity and frequency.

Supplementary Leverage Ratio

As set forth in the table below, Citigroup's Supplementary Leverage ratio was 6.7% for the first quarter of 2018, unchanged from the fourth quarter of 2017, as net income of $4.6 billion was offset by the return of capital to common shareholders and a slight increase in Total Leverage Exposure.

The following table sets forth Citi's Supplementary Leverage ratio and related components for the three months ended March 31, 2018 and December 31, 2017.

Citigroup Basel III Supplementary Leverage Ratio and Related Components

In millions of dollars, except ratios	March 31, 2018	December 31, 2017
Tier 1 Capital	$163,490	$162,377
Total Leverage Exposure (TLE)		
On-balance sheet assets[1]	$1,904,223	$1,909,699
Certain off-balance sheet exposures:[2]		
Potential future exposure on derivative contracts	190,824	191,555
Effective notional of sold credit derivatives, net[3]	51,006	59,207
Counterparty credit risk for repo-style transactions[4]	26,673	27,005
Unconditionally cancellable commitments	68,240	67,644
Other off-balance sheet exposures	237,272	218,754
Total of certain off-balance sheet exposures	$574,015	$564,165
Less: Tier 1 Capital deductions	41,421	41,373
Total Leverage Exposure	$2,436,817	$2,432,491
Supplementary Leverage ratio	6.71 %	6.68 %

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

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

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

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

Capital Resources of Citigroup's Subsidiary U.S. Depository Institutions
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 2018, Citi's primary subsidiary U.S. depository institution, Citibank, N.A. (Citibank), is subject to effective minimum Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital ratios, inclusive of the 75% phase-in of the 2.5% Capital Conservation Buffer, of 6.375%, 7.875% and 9.875%, respectively. Citibank's effective minimum Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital ratios during 2017, inclusive of the 50% phase-in of

the 2.5% Capital Conservation Buffer, were 5.75%, 7.25% and 9.25%, respectively. Citibank is required to maintain stated minimum Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital ratios of 4.5%, 6% and 8%, respectively.
The following tables set forth the capital tiers, total risk-weighted assets and underlying risk components, risk-based capital ratios, quarterly adjusted average total assets, Total Leverage Exposure and leverage ratios for Citibank, Citi's primary subsidiary U.S. depository institution, as of March 31, 2018 and December 31, 2017.

Citibank Capital Components and Ratios

In millions of dollars, except ratios	March 31, 2018		December 31, 2017	
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach
Common Equity Tier 1 Capital	$126,413	$126,413	$122,848	$122,848
Tier 1 Capital	128,546	128,546	124,952	124,952
Total Capital (Tier 1 Capital + Tier 2 Capital)[1]	141,702	152,431	138,008	148,946
Total Risk-Weighted Assets	962,395	1,039,774	965,435	1,024,502
Credit Risk	$677,461	$999,860	$674,659	$980,324
Market Risk	39,328	39,914	43,300	44,178
Operational Risk	245,606	—	247,476	—
Common Equity Tier 1 Capital ratio[2][3][4]	13.14 %	12.16 %	12.72 %	11.99 %
Tier 1 Capital ratio[2][3][4]	13.36	12.36	12.94	12.20
Total Capital ratio[2][3][4]	14.72	14.66	14.29	14.54

In millions of dollars, except ratios	March 31, 2018	December 31, 2017
Quarterly Adjusted Average Total Assets[5]	$1,386,249	$1,401,187
Total Leverage Exposure[6]	1,897,742	1,900,641
Tier 1 Leverage ratio[2][4]	9.27 %	8.92 %
Supplementary Leverage ratio[2][4]	6.77	6.57

(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) Citibank's risk-based capital and leverage ratios and related components as of December 31, 2017 are non-GAAP financial measures, which reflect full implementation of regulatory capital adjustments and deductions prior to the effective date of January 1, 2018.

(3) As of March 31, 2018, 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. As of December 31, 2017, Citibank's reportable Common Equity Tier 1 Capital and Tier 1 Capital ratios were the lower derived under the Basel III Standardized Approach, whereas the reportable Total Capital ratio was the lower derived under the Basel III Advanced Approaches framework.

(4) Citibank must maintain minimum Common Equity Tier 1 Capital, Tier 1 Capital, Total Capital and Tier 1 Leverage ratios of 6.5%, 8.0%, 10.0% and 5.0%, 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. Effective January 1, 2018, Citibank must also maintain a minimum Supplementary Leverage ratio of 6.0% to be considered “well capitalized.” For additional information, see “Capital Resources—Current Regulatory Capital Standards—Prompt Corrective Action Framework” in Citigroup’s 2017 Annual Report on Form 10-K.

(5) Tier 1 Leverage ratio denominator.

(6) Supplementary Leverage ratio denominator.

As indicated in the table above, Citibank’s capital ratios at March 31, 2018 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, 2018 under the revised PCA regulations.

Impact of Changes on Citigroup and Citibank Capital Ratios

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 and quarterly adjusted average total assets, as well as Total Leverage Exposure (denominator), as of March 31, 2018. 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

	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	1.0	0.8	1.2	0.8	1.4
Standardized Approach	0.8	1.0	0.8	1.1	0.8	1.4
Citibank						
Advanced Approaches	1.0	1.4	1.0	1.4	1.0	1.5
Standardized Approach	1.0	1.2	1.0	1.2	1.0	1.4

Impact of Changes on Citigroup and Citibank Leverage Ratios

	Tier 1 Leverage ratio		Supplementary Leverage ratio	
In basis points	Impact of $100 million change in Tier 1 Capital	Impact of $1 billion change in quarterly adjusted average total assets	Impact of $100 million change in Tier 1 Capital	Impact of $1 billion change in Total Leverage Exposure
Citigroup	0.5	0.5	0.4	0.3
Citibank	0.7	0.7	0.5	0.4

Citigroup Broker-Dealer Subsidiaries

At March 31, 2018, Citigroup Global Markets Inc., a U.S. broker-dealer registered with the SEC that is an indirect wholly owned subsidiary of Citigroup, had net capital, computed in accordance with the SEC’s net capital rule, of $10.4 billion, which exceeded the minimum requirement by $8.1 billion.

Moreover, Citigroup Global Markets Limited, a broker-dealer registered with the United Kingdom’s Prudential Regulation Authority (PRA) that is also an indirect wholly owned subsidiary of Citigroup, had total capital of $19.1 billion at March 31, 2018, which exceeded the PRA's minimum regulatory capital requirements.

In addition, certain of Citi’s other broker-dealer subsidiaries are subject to regulation in the countries in which they do business, including requirements to maintain specified levels of net capital or its equivalent. Citigroup’s other broker-dealer subsidiaries were in compliance with their regulatory capital requirements at March 31, 2018.

Regulatory Capital Standards Developments

Stress Buffer Requirements

In April 2018, the Federal Reserve Board released a notice of proposed rulemaking that would create a single, integrated capital requirement by combining the quantitative assessment of the Comprehensive Capital Analysis and Review (CCAR) program with the buffer requirements in the U.S. Basel III rules. The proposed rule would revise CCAR such that the Federal Reserve Board would no longer object to a bank holding company's capital plan based on a quantitative assessment of its capital adequacy, and would instead use the results of the supervisory severely adverse scenario in the annual stress test to size specific buffer requirements above certain minimum capital requirements. As with the current U.S. Basel III rules, any breach of the buffers to absorb losses during periods of financial or economic stress would result in restrictions on earnings distributions (e.g., dividends, equity repurchases and discretionary executive bonuses), based upon the extent to which the buffer(s) are breached.

With respect to each of the risk-based capital ratios (i.e., Common Equity Tier 1 Capital ratio, Tier 1 Capital ratio and Total Capital ratio) calculated under the Standardized Approach, the proposed rule would replace the Capital Conservation Buffer, which is fixed at 2.5% under the U.S. Basel III rules, with a variable buffer known as the Stress Capital Buffer. The Stress Capital Buffer would be equal to the maximum decline in a bank holding company's Common Equity Tier 1 Capital ratio under the severely adverse scenario of the supervisory stress test, plus planned common stock dividends for each of the fourth through seventh quarters of the planning horizon (expressed as a percentage of risk-weighted assets), and would be subject to a floor of 2.5%. The Capital Conservation Buffer would remain unchanged at 2.5% for each of the risk-based capital ratios calculated using the Advanced Approaches. Under either approach, the GSIB surcharge and, if invoked, any Countercyclical Capital Buffer, would continue to augment the Stress Capital Buffer or Capital Conservation Buffer, as applicable.

In addition to the Stress Capital Buffer, the proposed rule would establish a new Stress Leverage Buffer requirement above the stated minimum Tier 1 Leverage ratio requirement. The Stress Leverage Buffer would be equal to the maximum decline in a bank holding company's Tier 1 Leverage ratio under the severely adverse scenario of the supervisory stress test, plus planned common stock dividends for each of the fourth through seventh quarters of the planning horizon (expressed as a percentage of risk-weighted assets).

Finally, the proposed rule would also modify certain assumptions in the supervisory stress test to determine a bank holding company's stress buffer requirements. The modified assumptions include a narrower set of planned capital actions assumed to occur in the supervisory stress test, as well as an assumption that the bank holding company would take actions to maintain a constant level of assets in a stress scenario.

Under the timeline for stress testing and CCAR cycles included within the proposed rule, the Federal Reserve Board would generally release its calculation of each bank holding company's Stress Capital Buffer and Stress Leverage Buffer by June 30 of each year. The effective date of the proposed rule would be December 31, 2018, with the initial stress buffer requirements becoming effective October 1, 2019. If adopted as proposed, Citi would likely be subject to higher effective minimum regulatory capital requirements.

Enhanced Supplementary Leverage Ratio and Total Loss-Absorbing Capacity (TLAC) Requirements

In April 2018, the Federal Reserve Board (Board) and the Office of the Comptroller of the Currency (OCC) jointly issued a notice of proposed rulemaking that would modify the enhanced Supplementary Leverage ratio standards applicable to U.S. GSIBs and their Board- or OCC-regulated insured depository institution subsidiaries. The proposed rule would replace the currently fixed 2.0% leverage buffer requirement that applies uniformly to all U.S. GSIBs, such as Citi, with a variable leverage buffer requirement equal to 50% of the U.S. GSIB's currently applicable GSIB surcharge. Similarly, for Board- or OCC-regulated insured depository institution subsidiaries of U.S. GSIBs, such as Citibank, the proposed rule would replace the currently fixed 6.0% threshold at which these subsidiaries are considered to be "well capitalized" under the Prompt Corrective Action framework with a threshold set at the stated minimum requirement of 3.0% plus 50% of the GSIB surcharge applicable to the U.S. GSIB of which it is a subsidiary.

The proposed rule would also make corresponding modifications to certain of the Board's TLAC buffer requirements applicable to U.S. GSIBs. Accordingly, under the proposed rule, each U.S. GSIB's fixed 2.0% leverage-based TLAC buffer would be replaced with a buffer equal to 50% of the GSIB surcharge, and the leverage component of each U.S. GSIB's Long-Term Debt (LTD) requirement would be revised to equal Total Leverage Exposure multiplied by 2.5% plus 50% of the U.S. GSIB's applicable GSIB surcharge.

If adopted as proposed, and assuming that Citi maintains a GSIB surcharge of 3.0%, Citigroup's and Citibank's effective minimum Supplementary Leverage ratio requirements would be reduced to 4.5%, down from the current effective minimum requirements of 5.0% and 6.0%, respectively. Additionally, Citi's leverage-based TLAC buffer would decrease from 2.0% to 1.5%, and the leverage component of Citi's LTD requirement would decrease from 4.5% to 4.0%.

Regulatory Capital Treatment—Implementation and Transition of the Current Expected Credit Losses (CECL) Methodology

In April 2018, the U.S. banking agencies released a notice of proposed rulemaking that would afford banking organizations an optional phase-in over a three-year period of the “Day One” adverse regulatory capital effects resulting from adoption of the CECL methodology. The proposed rule is in recognition of the issuance by the Financial Accounting Standards Board of ASU No. 2016-13, “Financial Instruments—Credit Losses,” which will replace the current incurred loss methodology for recognizing credit losses with the CECL methodology. The ASU will be effective for Citi as of January 1, 2020, and will generally result in earlier recognition of credit losses compared to current practice. For additional information regarding the CECL methodology, see “Future Application of Accounting Standards” below.

Under the proposed rule, the election to phase in the “Day One” adverse regulatory capital effects arising from adoption of the CECL methodology must be made as of the date of adopting CECL. Bank holding companies, such as Citi, and insured depository institution subsidiaries, such as Citibank, may choose to elect transitional regulatory capital relief independent of one another.

The proposed rule does not change the timing or the U.S. GAAP result of implementing the CECL methodology. However, if adopted as proposed, the proposed rule would provide both Citigroup and Citibank with additional flexibility to phase in the Day One adverse regulatory capital effects resulting from adoption of the CECL methodology.

Revisions to the Minimum Capital Requirements for Market Risk

In March 2018, the Basel Committee on Banking Supervision (Basel Committee) issued a consultative document which proposes revisions to the market risk capital framework previously finalized in 2016. The consultative document proposes revisions to the assessment process to determine whether a bank’s internal risk management models appropriately reflect the risks of individual trading desks, as well as clarifications to the requirements for identification of risk factors that are eligible for internal modeling. In addition, the consultative document proposes a recalibration of the risk weights for general interest rate risk, equity risk and foreign exchange risk under the Standardized Approach.

The U.S. banking agencies may revise the minimum capital requirements for market risk in the future, based upon any revisions adopted by the Basel Committee.

Pillar 3 Disclosure Requirements—Updated Framework

In February 2018, the Basel Committee issued a consultative document which proposes to revise the “Pillar 3” disclosure requirements last finalized in March 2017, by largely reflecting finalization of the Basel III post-crisis regulatory reforms in December 2017. The consultative document includes several new or revised disclosure requirements related to credit risk, credit valuation adjustments, operational risk and the leverage ratio. Further, the proposal introduces disclosure requirements for benchmarking risk-weighted assets calculated under banks’ internal models with those calculated according to the standardized approaches. Additionally, the consultative document proposes new disclosure requirements related to the prudential treatment of problem assets, asset encumbrance and capital distribution constraints, as well as seeks feedback on the advantages and disadvantages of expanding the scope of application for disclosures related to the composition of regulatory capital to resolution groups.

The Advanced Approaches disclosure requirements under the U.S. Basel III rules may be revised by the U.S. banking agencies in the future, as a result of the Basel Committee’s proposed new and revised Pillar 3 disclosure requirements.

Tangible Common Equity, Book Value Per Share, Tangible Book Value Per Share and Returns on Equity

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

In millions of dollars or shares, except per share amounts	March 31, 2018	December 31, 2017
Total Citigroup stockholders' equity	$201,915	$ 200,740
Less: Preferred stock	19,156	19,253
Common stockholders' equity	$182,759	$ 181,487
Less:		
Goodwill	22,659	22,256
Identifiable intangible assets (other than MSRs)	4,450	4,588
Goodwill and identifiable intangible assets (other than MSRs) related to assets held-for-sale (HFS)	48	32
Tangible common equity (TCE)	$155,602	$ 154,611
Common shares outstanding (CSO)	2,549.9	2,569.9
Book value per share (common equity/CSO)	$71.67	$ 70.62
Tangible book value per share (TCE/CSO)	61.02	60.16

In millions of dollars	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Net income available to common shareholders	$4,348	$3,789
Average common stockholders' equity[1]	$181,628	$206,903
Average TCE	$155,107	$180,210
Return on average common stockholders' equity	9.7 %	7.4 %
Return on average TCE (ROTCE)[2]	11.4	8.5

(1) Average common stockholders' equity for the three months ended March 31, 2018 includes the $22.6 billion impact from Tax Reform recorded at the end of the fourth quarter of 2017.

(2) ROTCE represents annualized net income available to common shareholders as a percentage of average TCE.

Managing Global Risk Table of Contents

MANAGING GLOBAL RISK	41
CREDIT RISK[1]	41
Consumer Credit	41
Corporate Credit	48
Additional Consumer and Corporate Credit Details	50
Loans Outstanding	50
Details of Credit Loss Experience	51
Allowance for Loan Losses	52
Non-Accrual Loans and Assets and Renegotiated Loans	53
LIQUIDITY RISK	57
High-Quality Liquid Assets (HQLA)	57
Loans	58
Deposits	58
Long-Term Debt	59
Secured Funding Transactions and Short-Term Borrowings	61
Liquidity Coverage Ratio (LCR)	61
Credit Ratings	62
MARKET RISK[1]	64
Market Risk of Non-Trading Portfolios	64
Market Risk of Trading Portfolios	71
COUNTRY RISK	73

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

MANAGING GLOBAL RISK

For Citi, effective risk management is of primary importance to its overall operations. Accordingly, Citi’s risk management process has been designed to identify, monitor, evaluate and manage the principal risks it assumes in conducting its activities. Specifically, the activities that Citi engages in, and the risks those activities generate, must be consistent with Citi’s mission and value proposition, the key principles that guide it and Citi's risk appetite.

For more information on Citi’s management of global risk, including its three lines of defense, see “Managing Global Risk” in Citi’s 2017 Annual Report on Form 10-K.

CREDIT RISK

For additional information on credit risk, including Citi’s credit risk management, measurement and stress testing, see “Credit Risk” and “Risk Factors” in Citi’s 2017 Annual Report on Form 10-K.

CONSUMER CREDIT

Citi provides traditional retail banking, including commercial banking, and credit card products in 19 countries and jurisdictions through North America GCB, Latin America GCB and Asia GCB. The retail banking products include consumer mortgages, home equity, personal and commercial loans and lines of credit and similar related products with a focus on lending to prime customers. Citi uses its risk appetite

framework to define its lending parameters. In addition, Citi uses proprietary scoring models for new customer approvals. As stated in “Global Consumer Banking” above, GCB’s overall strategy is to leverage Citi’s global footprint and be the pre-eminent bank for the affluent and emerging 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. GCB’s commercial banking business focuses on small to mid-sized businesses.

Consumer Credit Portfolio

The following table shows Citi’s quarterly end-of-period consumer loans:[1]

In billions of dollars	1Q’17	2Q’17	3Q’17	4Q’17	1Q’18
Retail banking:					
Mortgages	$81.2	$81.4	$81.4	$81.7	$82.1
Commercial banking	33.9	34.8	35.5	36.3	36.8
Personal and other	26.3	27.2	27.3	27.9	28.5
Total retail banking	$141.4	$143.4	$144.2	$145.9	$147.4
Cards:					
Citi-branded cards	$105.7	$109.9	$110.7	$115.7	$110.6
Citi retail services	44.2	45.2	45.9	49.2	46.0
Total cards	$149.9	$155.1	$156.6	$164.9	$156.6
Total GCB	$291.3	$298.5	$300.8	$310.8	$304.0
GCB regional distribution:					
North America	62%	62%	62%	63%	61%
Latin America	9	9	9	8	9
Asia[2]	29	29	29	29	30
Total GCB	100%	100%	100%	100%	100%
Corporate/Other[3]	$29.3	$26.8	$24.8	$22.9	$21.1
Total consumer loans	$320.6	$325.3	$325.6	$333.7	$325.1

(1) End-of-period loans include interest and fees on credit cards.
(2) Asia includes loans and leases in certain EMEA countries for all periods presented.
(3) Primarily consists of legacy assets, principally North America consumer mortgages.

For information on changes to Citi's end-of-period consumer loans, see "Liquidity Risk—Loans" below.

Overall Consumer Credit Trends

The following charts show the quarterly trends in delinquencies and net credit losses across both retail banking, including commercial banking, and cards for total GCB and by region.

Global Consumer Banking

North America GCB

North America GCB provides mortgages, home equity loans, personal loans and commercial banking products through Citi's retail banking network and card products through Citi-branded cards and Citi retail services businesses. The retail bank is concentrated in six major metropolitan cities in the United States (for additional information on the U.S. retail bank, see "North America GCB" above).

As of March 31, 2018, approximately 70% of North America GCB consumer loans consisted of Citi-branded and Citi retail services cards, which generally drives the overall credit performance of North America GCB, including the credit performance year-over-year as of the first quarter of 2018 (for additional information on North America GCB's cards portfolios, including delinquency and net credit loss rates, see "Credit Card Trends" below). Quarter-over-quarter, 90+ days past due delinquencies remained relatively unchanged, while the net credit loss rate increased quarter-over-quarter, primarily due to seasonality in both cards portfolios. Year-over-year increases in loss and delinquency rates were driven by Citi retail services, due to seasoning and an increase in net flow rates in later delinquency buckets.

Latin America GCB

Latin America GCB operates in Mexico through Citibanamex, one of Mexico's largest banks, and provides credit cards, consumer mortgages, personal loans and commercial banking products. Latin America GCB serves a more mass market segment in Mexico and focuses on developing multi-product relationships with customers.

As set forth in the chart above, 90+ days past due
delinquencies and net credit loss rates improved quarter-over-quarter and year-over-year as of the first quarter of 2018. The decrease was driven by the commercial portfolio, partially offset by an increase in cards due to seasoning of the portfolio.

Asia[1] GCB

(1) Asia includes GCB activities in certain EMEA countries for all periods presented.

Asia GCB operates in 17 countries in Asia and EMEA and provides credit cards, consumer mortgages, personal loans and commercial banking products.

As shown in the chart above, 90+ days past due delinquency and net credit loss rates were largely stable in Asia GCB year-over-year and quarter-over-quarter as of the first quarter of 2018. This stability reflects the strong credit profiles in Asia GCB's target customer segments. In addition, regulatory changes in many markets in Asia over the past few years have resulted in stable or improved portfolio credit quality.

For additional information on cost of credit, loan delinquency and other information for Citi's consumer loan portfolios, see each respective business's results of operations above and Note 13 to the Consolidated Financial Statements.

Credit Card Trends

The following charts show the quarterly trends in delinquencies and net credit losses for total GCB cards, Citi's North America Citi-branded cards and Citi retail services portfolios as well as for Citi's Latin America and Asia Citi-branded cards portfolios.

Global Cards

North America Citi-Branded Cards

North America GCB's Citi-branded cards portfolio issues proprietary and co-branded cards. As shown in the chart above, the 90+ days past due delinquency rate in Citi-branded cards was stable year-over-year and quarter-over-quarter. The net credit loss rate declined modestly year-over-year, and increased quarter-over-quarter primarily due to seasonality.

North America Citi Retail Services

Citi retail services partners directly with more than 20 retailers and dealers to offer private-label and co-branded consumer and commercial cards. Citi retail services' target market is focused on select industry segments such as home improvement, specialty retail, consumer electronics and fuel. Citi retail services continually evaluates opportunities to add partners within target industries that have strong loyalty, lending or payment programs and growth potential.
Citi retail services' delinquency and net credit loss rates increased year-over-year, primarily due to seasoning and an increase in net flow rates in later delinquency buckets. The quarter-over-quarter increase in loss rates was primarily driven by seasonality.

Latin America Citi-Branded Cards

Latin America GCB issues proprietary and co-branded cards. As set forth in the chart above, the net credit loss and delinquency rates increased year-over-year primarily due to seasoning. The quarter-over-quarter net credit loss rate increase was primarily due to seasonality.

Asia Citi-Branded Cards[1]

(1) Asia includes loans and leases in certain EMEA countries for all periods presented.

Asia GCB issues proprietary and co-branded cards. As set forth in the chart above, 90+ days past due delinquency and net credit loss rates have remained broadly stable, driven by the mature and well-diversified cards portfolios.
For additional information on cost of credit, delinquency and other information for Citi's cards portfolios, see each respective business's results of operations above and Note 13 to the Consolidated Financial Statements.

North America Cards FICO Distribution
The following tables show the current FICO score distributions for Citi's North America Citi-branded cards and Citi retail services portfolios based on end-of-period receivables. FICO scores are updated monthly for substantially all of the portfolio and on a quarterly basis for the remaining portfolio.

Citi-Branded

FICO distribution	March 31, 2018	December 31, 2017	March 31, 2017
> 760	41 %	42 %	40 %
680 - 760	42	41	44
< 680	17	17	16
Total	100 %	100 %	100 %

Citi Retail Services

FICO distribution	March 31, 2018	December 31, 2017	March 31, 2017
> 760	22 %	24 %	22 %
680 - 760	43	43	43
< 680	35	33	35
Total	100 %	100 %	100 %

The percentage of loans outstanding with borrowers with FICO scores greater than 760 declined sequentially due to seasonality in Citi retail services. Otherwise, the portfolios continued to demonstrate strong underlying credit quality.
For additional information on FICO scores, see Note 13 to the Consolidated Financial Statements.

North America Consumer Mortgage Lending

Citi's North America consumer mortgage portfolio consists of both residential first mortgages and home equity loans. The following table shows the outstanding quarterly end-of-period loans for Citi's North America residential first mortgage and home equity loan portfolios:

In billions of dollars	1Q'17	2Q'17	3Q'17	4Q'17	1Q'18
GCB:					
Residential firsts	$40.3	$40.2	$40.1	$40.1	$40.1
Home equity	4.0	4.1	4.1	4.2	4.1
Total GCB	$44.3	$44.3	$44.2	$44.3	$44.2
Corporate/Other:					
Residential firsts	$12.3	$11.0	$10.1	$9.3	$8.1
Home equity	13.4	12.4	11.5	10.6	9.9
Total Corporate/ Other	$25.7	$23.4	$21.6	$19.9	$18.0
Total Citigroup— North America	$70.0	$67.7	$65.8	$64.2	$62.2

For additional information on delinquency and net credit loss trends in Citi's consumer mortgage portfolio, see "Additional Consumer Credit Details" below.

Home Equity Loans—Revolving HELOCs

As set forth in the table above, Citi had $14.0 billion of home equity loans as of March 31, 2018, of which $3.3 billion were fixed-rate home equity loans and $10.7 billion were extended under home equity lines of credit (Revolving HELOCs). Fixed-rate home equity loans are fully amortizing. Revolving HELOCs allow for amounts to be drawn for a period of time with the payment of interest only until the end of the draw period, when the outstanding amount is converted to an amortizing loan, or "reset" (the interest-only payment feature during the revolving period is standard for this product across the industry). Upon reset, these borrowers will be required to pay both interest, usually at a variable rate, and principal that amortizes typically over 20 years, rather than the standard 30-year amortization.

Of the Revolving HELOCs at March 31, 2018, $6.6 billion had reset (compared to $6.8 billion at December 31, 2017) and $4.1 billion were still within their revolving period and had not reset (compared to $4.6 billion at December 31, 2017). The following chart indicates the FICO and combined loan-to-value (CLTV) characteristics of Citi's Revolving HELOCs portfolio and the year in which they reset:

North America Home Equity Lines of Credit Amortization – Citigroup

Total ENR by Reset Year

In billions of dollars as of March 31, 2018

Note: Totals may not sum due to rounding.

Approximately 62% of Citi's total Revolving HELOCs portfolio had reset as of March 31, 2018 (compared to 60% as of December 31, 2017). Of the remaining Revolving HELOCs portfolio, approximately 19% will commence amortization during the remainder of 2018. Citi's customers with Revolving HELOCs that reset could experience "payment shock" due to the higher required payments on the loans. Citi currently estimates that the monthly loan payment for its Revolving HELOCs that reset during the remainder of 2018 could increase on average by approximately $284, or 120%. Increases in interest rates could further increase these payments given the variable nature of the interest rates on these loans post-reset. Borrowers' high loan-to-value positions, as well as the cost and availability of refinancing options, could limit borrowers' ability to refinance their Revolving HELOCs as these loans begin to reset.

Approximately 5.4% of the Revolving HELOCs that have reset as of March 31, 2018 were 30+ days past due, compared to 3.6% of the total outstanding home equity loan portfolio (amortizing and non-amortizing). This

compared to 5.9% and 3.9%, respectively, as of December 31, 2017. As newly amortizing loans continue to season, the delinquency rate of Citi's total home equity loan portfolio could increase. In addition, resets to date have generally occurred during a period of historically low interest rates, which Citi believes has likely reduced the overall "payment shock" to the borrower.

Citi monitors this reset risk closely and will continue to consider any potential impact in determining its allowance for loan loss reserves. In addition, management continues to review and take additional actions to offset potential reset risk, such as a borrower outreach program to provide reset risk education and proactively working with high-risk borrowers through a specialized single point of contact unit.

Additional Consumer Credit Details

Consumer Loan Delinquency Amounts and Ratios

	EOP loans[1]	90+ days past due[2]			30–89 days past due[2]		
In millions of dollars, except EOP loan amounts in billions	March 31, 2018	March 31, 2018	December 31, 2017	March 31, 2017	March 31, 2018	December 31, 2017	March 31, 2017
Global Consumer Banking[3][4]							
Total	$ 304.0	$2,379	$2,478	$2,241	$2,710	$2,762	$2,516
Ratio		0.78 %	0.80 %	0.77 %	0.89 %	0.89 %	0.87 %
Retail banking							
Total	$ 147.4	$493	$515	$488	$830	$822	$777
Ratio		0.34 %	0.35 %	0.35 %	0.57 %	0.57 %	0.55 %
North America	55.4	184	199	182	227	306	189
Ratio		0.34 %	0.36 %	0.33 %	0.41 %	0.55 %	0.35 %
Latin America	21.2	128	130	141	248	195	246
Ratio		0.60 %	0.65 %	0.72 %	1.17 %	0.98 %	1.25 %
Asia[5]	70.8	181	186	165	355	321	342
Ratio		0.26 %	0.27 %	0.25 %	0.50 %	0.46 %	0.52 %
Cards							
Total	$ 156.6	$1,886	$1,963	$1,753	$1,880	$1,940	$1,739
Ratio		1.20 %	1.19 %	1.17 %	1.20 %	1.18 %	1.16 %
North America—Citi-branded	85.7	731	768	698	669	698	632
Ratio		0.85 %	0.85 %	0.85 %	0.78 %	0.77 %	0.77 %
North America—Citi retail services	46.0	797	845	735	791	830	730
Ratio		1.73 %	1.72 %	1.66 %	1.72 %	1.69 %	1.65 %
Latin America	5.7	160	151	137	160	153	145
Ratio		2.81 %	2.80 %	2.63 %	2.81 %	2.83 %	2.79 %
Asia[5]	19.2	198	199	183	260	259	232
Ratio		1.03 %	1.01 %	1.00 %	1.35 %	1.31 %	1.27 %
Corporate/Other—Consumer[6][7]							
Total	$ 21.1	$478	$557	$684	$393	$542	$615
Ratio		2.38 %	2.57 %	2.45 %	1.96 %	2.50 %	2.20 %
International	1.7	32	43	77	44	40	60
Ratio		1.88 %	2.69 %	3.67 %	2.59 %	2.50 %	2.86 %
North America	19.4	446	514	607	349	502	555
Ratio		2.42 %	2.56 %	2.35 %	1.90 %	2.50 %	2.15 %
Total Citigroup	$ 325.1	$2,857	$3,035	$2,925	$3,103	$3,304	$3,131
Ratio		0.88 %	0.91 %	0.92 %	0.96 %	1.00 %	0.98 %

(1) End-of-period (EOP) loans include interest and fees on credit cards.

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

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

(4) The 90+ days past due and 30–89 days past due and related ratios for GCB North America exclude U.S. mortgage loans that are guaranteed by U.S. government-sponsored entities since the potential loss predominantly resides within the U.S. government-sponsored entities. The amounts excluded for loans 90+ days past due and (EOP loans)

were $272 million ($0.9 billion), $298 million ($0.7 billion) and $313 million ($0.8 billion) at March 31, 2018, December 31, 2017 and March 31, 2017, respectively. The amounts excluded for loans 30–89 days past due (EOP loans have the same adjustment as above) were $92 million, $88 million and $84 million at March 31, 2018, December 31, 2017 and March 31, 2017, respectively.

(5) Asia includes delinquencies and loans in certain EMEA countries for all periods presented.

(6) The 90+ days past due and 30–89 days past due and related ratios for Corporate/Other—North America consumer exclude U.S. mortgage loans that are guaranteed by U.S. government-sponsored entities since the potential loss predominantly resides within the U.S. government-sponsored entities. The amounts excluded for loans 90+ days past due (and EOP loans) were $0.5 billion ($0.9 billion), $0.6 billion ($1.1 billion) and $0.8 billion ($1.4 billion) at March 31, 2018, December 31, 2017 and March 31, 2017, respectively. The amounts excluded for loans 30–89 days past due (EOP loans have the same adjustment as above) for each period were $0.1 billion, $0.1 billion and $0.1 billion at March 31, 2018, December 31, 2017 and March 31, 2017, respectively.

(7) The March 31, 2018, December 31, 2017 and March 31, 2017 loans 90+ days past due and 30–89 days past due and related ratios for North America exclude $4 million, $4 million and $7 million, respectively, of loans that are carried at fair value.

Consumer Loan Net Credit Losses and Ratios

	Average loans[1]	Net credit losses[2][3]		
In millions of dollars, except average loan amounts in billions	1Q18	1Q18	4Q17	1Q17
Global Consumer Banking				
Total	$ 306.3	$ 1,736	$ 1,640	$ 1,603
Ratio		2.30 %	2.15 %	2.24 %
Retail banking				
Total	$ 147.1	$ 232	$ 243	$ 236
Ratio		0.64 %	0.66 %	0.69 %
North America	55.7	43	30	37
Ratio		0.31 %	0.21 %	0.27 %
Latin America	20.7	132	153	137
Ratio		2.59 %	2.99 %	3.04 %
Asia[4]	70.7	57	60	62
Ratio		0.33 %	0.35 %	0.39 %
Cards				
Total	$ 159.2	$ 1,504	$ 1,397	$ 1,367
Ratio		3.83 %	3.50 %	3.68 %
North America—Citi-branded	86.9	651	592	633
Ratio		3.04 %	2.71 %	3.11 %
North America—Citi retail services	47.1	602	564	520
Ratio		5.18 %	4.77 %	4.66 %
Latin America	5.6	146	139	116
Ratio		10.57 %	10.21 %	9.80 %
Asia[4]	19.6	105	102	98
Ratio		2.17 %	2.12 %	2.20 %
Corporate/Other—Consumer[3]				
Total	$ 21.0	$ 35	$ 17	$ 69
Ratio		0.64 %	0.29 %	0.88 %
International	1.7	23	7	26
Ratio		5.49 %	1.63 %	5.02 %
North America	19.3	12	10	43
Ratio		0.24 %	0.18 %	0.59 %
Other		—	1	—
Total Citigroup	$ 327.3	$ 1,771	$ 1,658	$ 1,672
Ratio		2.19 %	2.01 %	2.11 %

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

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

(3) In October 2016, Citi entered into agreements to sell Citi's Brazil and Argentina consumer banking businesses and classified these businesses as HFS. The sale of the Argentina consumer banking business was completed at the end of the first quarter 2017. As a result of HFS accounting treatment, approximately $40 million and $13 million of net credit losses (NCLs) were recorded as a reduction in revenue (Other revenue) during the first quarter of 2017 and fourth quarter of 2017, respectively. Accordingly, these NCLs are not included in this table. Loans classified as HFS are excluded from this table as they are recorded in

Other assets.

(4) Asia includes NCLs and average loans in certain EMEA countries for all periods presented.

CORPORATE CREDIT

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

Corporate Credit Portfolio

The following table sets forth Citi's corporate credit portfolio within ICG (excluding private bank), before consideration of collateral or hedges, by remaining tenor for the periods indicated:

In billions of dollars	At March 31, 2018				At December 31, 2017			
	Due within 1 year	Greater than 1 year but within 5 years	Greater than 5 years	Total exposure	Due within 1 year	Greater than 1 year but within 5 years	Greater than 5 years	Total exposure
Direct outstandings (on-balance sheet)(1)	$135	$ 101	$ 21	$ 257	$127	$ 96	$ 22	$ 245
Unfunded lending commitments (off-balance sheet)(2)	121	238	23	382	111	222	20	353
Total exposure	$256	$ 339	$ 44	$ 639	$238	$ 318	$ 42	$ 598

(1) Includes drawn loans, overdrafts, bankers' acceptances and leases.
(2) Includes unused commitments to lend, letters of credit and financial guarantees.

Portfolio Mix—Geography, Counterparty and Industry

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

	March 31, 2018		December 31, 2017	
North America	53	%	54	%
EMEA	28		27	
Asia	12		12	
Latin America	7		7	
Total	100	%	100	%

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

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

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

Citigroup also has incorporated environmental factors like climate risk assessment and reporting criteria for certain obligors, as necessary. Factors evaluated include consideration of climate risk to an obligor's business and physical assets and, when relevant, consideration of cost-effective options to reduce greenhouse gas emissions.

The following table presents the corporate credit portfolio by facility risk rating as a percentage of the total corporate credit portfolio:

	Total exposure	
	March 31, 2018	December 31, 2017
AAA/AA/A	48 %	49 %
BBB	34	34
BB/B	17	16
CCC or below	1	1
Total	100 %	100 %

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

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

	Total exposure	
	March 31, 2018	December 31, 2017
Transportation and industrial	22 %	22 %
Consumer retail and health	17	16
Technology, media and telecom	13	12
Power, chemicals, metals and mining	10	10
Energy and commodities	8	8
Banks/broker-dealers/finance companies	8	8
Real estate	7	8
Insurance and special purpose entities	5	5
Public sector	5	5
Hedge funds	4	4
Other industries	1	2
Total	100 %	100 %

Credit Risk Mitigation

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

At March 31, 2018 and December 31, 2017, $17.0 billion and $16.3 billion, respectively, of the corporate credit portfolio was economically hedged. Citigroup's expected loss model used in the calculation of its loan loss reserve does not include the favorable impact of credit derivatives and other mitigants that are marked to market. In addition, the reported amounts of direct outstandings and unfunded lending commitments in the tables above do not reflect the impact of these hedging transactions. The credit protection was economically hedging underlying corporate credit portfolio exposures with the following risk rating distribution:

Rating of Hedged Exposure

	March 31, 2018	December 31, 2017
AAA/AA/A	26 %	23 %
BBB	43	43
BB/B	28	31
CCC or below	3	3
Total	100 %	100 %

The credit protection was economically hedging underlying corporate credit portfolio exposures with the following industry distribution:

Industry of Hedged Exposure

	March 31, 2018	December 31, 2017
Transportation and industrial	28 %	27 %
Energy and commodities	12	15

Consumer retail and health	9	10
Technology, media and telecom	14	12
Power, chemicals, metals and mining	13	14
Public sector	11	12
Banks/broker-dealers	6	6
Insurance and special purpose entities	4	2
Other industries	3	2
Total	100 %	100 %

ADDITIONAL CONSUMER AND CORPORATE CREDIT DETAILS

Loans Outstanding

In millions of dollars	1st Qtr. 2018	4th Qtr. 2017	3rd Qtr. 2017	2nd Qtr. 2017	1st Qtr. 2017
Consumer loans					
In U.S. offices					
Mortgage and real estate[1]	$63,412	$65,467	$67,131	$69,022	$71,170
Installment, revolving credit and other	3,306	3,398	3,191	3,190	3,252
Cards	131,081	139,006	131,476	130,181	125,799
Commercial and industrial	7,493	7,840	7,619	7,404	7,434
Total	$205,292	$215,711	$209,417	$209,797	$207,655
In offices outside the U.S.					
Mortgage and real estate[1]	$44,833	$44,081	$43,723	$43,821	$43,822
Installment, revolving credit and other	27,651	26,556	26,153	26,480	26,014
Cards	25,993	26,257	25,443	25,376	24,497
Commercial and industrial	20,526	20,238	20,015	18,956	17,728
Lease financing	62	76	77	81	83
Total	$119,065	$117,208	$115,411	$114,714	$112,144
Total consumer loans	$324,357	$332,919	$324,828	$324,511	$319,799
Unearned income[2]	727	737	748	750	757
Consumer loans, net of unearned income	$325,084	$333,656	$325,576	$325,261	$320,556
Corporate loans					
In U.S. offices					
Commercial and industrial	$54,005	$51,319	$51,679	$50,341	$49,845
Loans to financial institutions	40,472	39,128	37,203	36,953	35,734
Mortgage and real estate[1]	45,581	44,683	43,274	42,041	40,052
Installment, revolving credit and other	32,866	33,181	32,464	31,611	32,212
Lease financing	1,463	1,470	1,493	1,467	1,511
Total	$174,387	$169,781	$166,113	$162,413	$159,354
In offices outside the U.S.					
Commercial and industrial	$101,368	$93,750	$93,107	$91,131	$87,258
Loans to financial institutions	35,659	35,273	33,050	34,844	33,763
Mortgage and real estate[1]	7,543	7,309	6,383	6,783	5,527
Installment, revolving credit and other	23,338	22,638	23,830	19,200	16,576
Lease financing	167	190	216	234	253
Governments and official institutions	6,170	5,200	5,628	5,518	5,970
Total	$174,245	$164,360	$162,214	$157,710	$149,347
Total corporate loans	$348,632	$334,141	$328,327	$320,123	$308,701
Unearned income[3]	(778)	(763)	(720)	(689)	(662)
Corporate loans, net of unearned income	$347,854	$333,378	$327,607	$319,434	$308,039
Total loans—net of unearned income	$672,938	$667,034	$653,183	$644,695	$628,595
Allowance for loan losses—on drawn exposures	(12,354)	(12,355)	(12,366)	(12,025)	(12,030)
Total loans—net of unearned income and allowance for credit losses	$660,584	$654,679	$640,817	$632,670	$616,565
Allowance for loan losses as a percentage of total loans—net of unearned income[4]	1.85%	1.87%	1.91%	1.88%	1.93%
Allowance for consumer loan losses as a percentage of total consumer loans—net of unearned income[4]	3.09%	2.96%	3.04%	2.93%	2.96%

Allowance for corporate loan losses as a percentage of total corporate loans—net of unearned income[4]	0.67 %	0.76 %	0.77 %	0.80 %	0.83 %

(1) Loans secured primarily by real estate.

(2) Unearned income on consumer loans primarily represents unamortized origination fees and costs, premiums and discounts.

(3) Unearned income on corporate loans primarily represents interest received in advance, but not yet earned, on loans originated on a discounted basis.

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

Details of Credit Loss Experience

In millions of dollars	1st Qtr. 2018	4th Qtr. 2017	3rd Qtr. 2017	2nd Qtr. 2017	1st Qtr. 2017
Allowance for loan losses at beginning of period	$12,355	$12,366	$12,025	$12,030	$12,060
Provision for loan losses					
Consumer	$1,881	$1,785	$2,142	$1,620	$1,816
Corporate	(78)	231	4	46	(141)
Total	$1,803	$2,016	$2,146	$1,666	$1,675
Gross credit losses					
Consumer					
In U.S. offices	$1,542	$1,426	$1,429	$1,437	$1,444
In offices outside the U.S.	615	611	642	597	597
Corporate					
In U.S. offices	65	21	15	72	48
In offices outside the U.S.	74	221	34	24	55
Total	$2,296	$2,279	$2,120	$2,130	$2,144
Credit recoveries[1]					
Consumer					
In U.S. offices	$238	$228	$167	$266	$242
In offices outside the U.S.	148	151	170	135	127
Corporate					
In U.S. offices	13	4	2	15	2
In offices outside the U.S.	30	16	4	4	64
Total	$429	$399	$343	$420	$435
Net credit losses					
In U.S. offices	$1,356	$1,215	$1,275	$1,228	$1,248
In offices outside the U.S.	511	665	502	482	461
Total	$1,867	$1,880	$1,777	$1,710	$1,709
Other—net[2][3][4][5][6][7]	$63	$(147)	$(28)	$39	$4
Allowance for loan losses at end of period	$12,354	$12,355	$12,366	$12,025	$12,030
Allowance for loan losses as a percentage of total loans[8]	1.85%	1.87%	1.91%	1.88%	1.93%
Allowance for unfunded lending commitments[9]	$1,290	$1,258	$1,232	$1,406	$1,377
Total allowance for loan losses and unfunded lending commitments	$13,644	$13,613	$13,598	$13,431	$13,407
Net consumer credit losses	$1,771	$1,658	$1,734	$1,633	$1,672
As a percentage of average consumer loans	2.19%	2.02%	2.11%	2.04%	2.11%
Net corporate credit losses	$96	$222	$43	$77	$37
As a percentage of average corporate loans	0.11%	0.27%	0.05%	0.10%	0.05%
Allowance by type at end of period[10]					
Consumer	$10,039	$9,869	$9,892	$9,515	$9,495
Corporate	2,315	2,486	2,474	2,510	2,535
Total	$12,354	$12,355	$12,366	$12,025	$12,030

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

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

(3) The first quarter of 2018 includes a reduction of approximately $55 million related to the sale or transfer to held-for-sale (HFS) of various loan portfolios, including a reduction of $53 million related to the transfer of a real estate loan portfolio to HFS. Additionally, the first quarter includes an increase of approximately $118 million related to FX translation.

(4) The fourth quarter of 2017 includes a reduction of approximately $47 million related to the sale or transfer to HFS of various loan portfolios, including a reduction of $22 million related to the transfer of a real estate loan portfolio to HFS. Additionally, the fourth quarter includes a decrease of approximately $106 million related to FX translation.

(5) The third quarter of 2017 includes a reduction of approximately $34 million related to the sale or transfer to HFS of various loan portfolios, including a reduction of $28 million related to the transfer of a real estate loan portfolio to HFS. Additionally, the third quarter includes an increase of approximately $7 million related to FX translation.

(6) The second quarter of 2017 includes a reduction of approximately $19 million related to the sale or transfer to HFS of various loan portfolios, including a reduction of $19 million related to the transfer of a real estate loan portfolio to HFS. Additionally, the second quarter includes an increase of approximately $50 million related to FX translation.

(7) The first quarter of 2017 includes a reduction of approximately $161 million related to the sale or transfer to HFS of various loan portfolios, including a reduction of $37 million related to the transfer of a real estate loan portfolio to HFS. Additionally, the first quarter includes an increase of approximately $164 million related to FX translation.

(8) March 31, 2018, December 31, 2017, September 30, 2017, June 30, 2017, and March 31, 2017 exclude $4.5 billion, $4.9 billion, $4.3 billion, $4.2 billion and $4.0 billion, respectively, of loans which are carried at fair value.

(9) Represents additional credit reserves recorded as Other liabilities on the Consolidated Balance Sheet.

(10) Allowance for loan losses represents management's best estimate of probable losses inherent in the portfolio, as well as probable losses related to large individually evaluated impaired loans and troubled debt restructurings. See "Significant Accounting Policies and Significant Estimates" and Note 1 to the Consolidated Financial Statements in Citi's 2017 Annual Report on Form 10-K. Attribution of the allowance is made for analytical purposes only and the entire allowance is available to absorb probable credit losses inherent in the overall portfolio.

Allowance for Loan Losses

The following tables detail information on Citi's allowance for loan losses, loans and coverage ratios:

In billions of dollars	March 31, 2018		
	Allowance for loan losses	Loans, net of unearned income	Allowance as a percentage of loans[1]
North America cards[2]	$6.2	$ 131.8	4.7 %
North America mortgages[3]	0.7	62.2	1.1
North America other	0.3	12.4	2.4
International cards	1.4	25.5	5.5
International other[4]	1.5	93.2	1.6
Total consumer	$10.1	$ 325.1	3.1 %
Total corporate	2.3	347.8	0.7
Total Citigroup	$12.4	$ 672.9	1.8 %

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

(2) Includes both Citi-branded cards and Citi retail services. The $6.2 billion of loan loss reserves represented approximately 15 months of coincident net credit loss coverage.

(3) Of the $0.7 billion, approximately $0.6 billion was allocated to North America mortgages in Corporate/Other. Of the $0.7 billion, approximately $0.2 billion and $0.5 billion are determined in accordance with ASC 450-20 and ASC 310-10-35 (troubled debt restructurings), respectively. Of the $62.2 billion in loans, approximately $58.7 billion and $3.4 billion of the loans are evaluated in accordance with ASC 450-20 and ASC 310-10-35 (troubled debt restructurings), respectively. For additional information, see Note 14 to the Consolidated Financial Statements.

(4) Includes mortgages and other retail loans.

In billions of dollars	December 31, 2017		
	Allowance for loan losses	Loans, net of unearned income	Allowance as a percentage of loans[1]
North America cards[2]	$6.1	$ 139.7	4.4 %

North America mortgages[3]	0.7	64.2	1.1	
North America other	0.3	13.0	2.3	
International cards	1.3	25.7	5.1	
International other[4]	1.5	91.1	1.6	
Total consumer	$9.9	$ 333.7	3.0	%
Total corporate	2.5	333.3	0.8	
Total Citigroup	$12.4	$ 667.0	1.9	%

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

(2) Includes both Citi-branded cards and Citi retail services. The $6.1 billion billion of loan loss reserves represented approximately 16 months of coincident net credit loss coverage.

(3) Of the $0.7 billion, approximately $0.6 billion was allocated to North America mortgages in Corporate/Other. Of the $0.7 billion, approximately $0.2 billion and $0.5 billion are determined in accordance with ASC 450-20 and ASC 310-10-35 (troubled debt restructurings), respectively. Of the $64.2 billion in loans, approximately $60.4 billion and $3.7 billion of the loans are evaluated in accordance with ASC 450-20 and ASC 310-10-35 (troubled debt restructurings), respectively. For additional information, see Note 14 to the Consolidated Financial Statements.

(4) Includes mortgages and other retail loans.

Non-Accrual Loans and Assets and Renegotiated Loans

There is a certain amount of overlap among non-accrual loans and assets and renegotiated loans. The following summary provides a general description of each category:

Non-Accrual Loans and Assets:

- Corporate and consumer (including commercial banking) non-accrual status is based on the determination that payment of interest or principal is doubtful.
- A corporate loan may be classified as non-accrual and still be performing under the terms of the loan structure. Payments received on corporate non-accrual loans are generally applied to loan principal and not reflected as interest income. Approximately 65%, 74% and 65% of Citi's corporate non-accrual loans were performing at March 31, 2018, December 31, 2017 and March 31, 2017, respectively.
- Consumer non-accrual status is generally based on aging, i.e., the borrower has fallen behind on payments.
- Consumer mortgage loans, other than Federal Housing Administration (FHA) insured loans, are classified as non-accrual within 60 days of notification that the borrower has filed for bankruptcy. In addition, home equity loans are classified as non-accrual if the related residential first mortgage loan is 90 days or more past due.
- North America Citi-branded cards and Citi retail services are not included because, under industry standards, credit card loans accrue interest until such loans are charged off, which typically occurs at 180 days of contractual delinquency.

Renegotiated Loans:

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

Non-Accrual Loans

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

In millions of dollars	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017	Jun. 30, 2017	Mar. 31, 2017
Corporate non-accrual loans[1]					
North America	$817	$784	$915	$944	$993
EMEA	561	849	681	727	828
Latin America	263	280	312	281	342
Asia	27	29	146	146	176
Total corporate non-accrual loans	$1,668	$1,942	$2,054	$2,098	$2,339
Consumer non-accrual loans[1]					
North America	$1,500	$1,650	$1,721	$1,754	$1,926
Latin America	791	756	791	793	737
Asia[2]	284	284	271	301	292
Total consumer non-accrual loans	$2,575	$2,690	$2,783	$2,848	$