CITIGROUP INC
Form 10-Q
August 03, 2015

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

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

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

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

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

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

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

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

Number of shares of Citigroup Inc. common stock outstanding on June 30, 2015: 3,009,845,273

Available on the web at www.citigroup.com

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OVERVIEW

This Quarterly Report on Form 10-Q should be read in conjunction with Citigroup's Annual Report on Form 10-K for the year ended December 31, 2014 filed with the U.S. Securities and Exchange Commission (SEC) on February 25, 2015, including the historical audited consolidated financial statements of Citigroup reflecting the adoption of an accounting change (See Note 1 to the Consolidated Financial Statements) and certain realignments and reclassifications set forth in Citigroup's Current Report on Form 8-K filed with the SEC on May 27, 2015 (2014 Annual Report on Form 10-K), and Citigroup's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015 filed with the SEC on May 11, 2015 (First Quarter of 2015 Form 10-Q).

Additional information about Citigroup is available on Citi's website at www.citigroup.com. Citigroup's recent annual reports on Form 10-K, quarterly reports on Form 10-Q, proxy statements, as well as other filings with the SEC, are available free of charge through Citi's website by clicking on the "Investors" page and selecting "All SEC Filings." The SEC's website also contains current reports, information statements, and other information regarding Citi at www.sec.gov.

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

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

Citigroup is managed pursuant to the following segments:
(1) For reporting purposes, Asia GCB includes the results of operations of EMEA GCB for all periods presented.
Note: Reflects recent business reclassifications. See “Overview” above for additional information.

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

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

EXECUTIVE SUMMARY

Second Quarter of 2015—Continued Progress on Execution Priorities
Citi's second quarter of 2015 reflected solid overall results and steady progress on its execution priorities, including:

- Efficient resource allocation and disciplined expense management: Citi maintained disciplined expense management during the second quarter of 2015, even as it absorbed increased regulatory and compliance costs in Citicorp. Citi's expense management in the current quarter was further aided by lower legal and related expenses and lower repositioning expenses in Citicorp as compared to the prior-year period, as discussed further below.
- Continued wind down of Citi Holdings, while maintaining profitability: Citi continued to wind down Citi Holdings, including reducing its assets by $32 billion, or 22%, from the prior-year period. In addition, as previously announced, Citi currently has executed agreements to sell approximately $32 billion of the remaining assets in Citi Holdings, including OneMain Financial, the largest business remaining in Citi Holdings, subject to regulatory approvals and other closing conditions. As discussed further below, Citi Holdings also maintained profitability in the second quarter of 2015.
- Utilization of deferred tax assets (DTAs): Citi utilized approximately $1.5 billion in DTAs during the first half of 2015, including approximately $300 million during the second quarter of 2015 (for additional information, see "Income Taxes" below).

While continuing to make progress on these initiatives in the first half of 2015, Citi expects the operating environment during the remainder of 2015 to remain challenging. Overall, economic growth remains uneven across the developed and emerging markets and uncertainty continues as to when interest rates may begin to rise. For more information on these and other trends and risks that could impact Citi's businesses, results of operations and financial condition, see the discussion of each businesses' results of operations, "Forward-Looking Statements" and Note 25 to the Consolidated Financial Statements below, as well as the "Risk Factors" section of Citi's 2014 Annual Report on Form 10-K.

Second Quarter of 2015 Summary Results

Citigroup
Citigroup reported net income of $4.8 billion or $1.51 per diluted share, compared to $181 million or $0.03 per share in the prior-year period. Results in the second quarter of 2015 included $312 million ($196 million after-tax) of CVA/DVA, compared to negative $33 million (negative $20 million after-tax) in the second quarter of 2014. Second quarter of 2014 results also included the impact of a $3.8 billion charge, which

consisted of $3.7 billion of legal expenses and a $55 million loan loss reserve build ($3.7 billion after-tax), to settle legacy RMBS and CDO-related claims, recorded in Citi Holdings.
Excluding these items, Citi reported net income of $4.7 billion in the second quarter of 2015, or $1.45 per diluted share, compared to $3.9 billion, or $1.24 per share, in the prior-year period. The 18% increase from the prior-year period was primarily driven by lower expenses, lower net credit losses and a lower effective tax rate (for additional information, see "Income Taxes" below), partially offset by lower revenues and a reduced net loan loss reserve release. (Citi's results of operations excluding the impacts of CVA/DVA and the mortgage settlement are non-GAAP financial measures.)
Citi's revenues, net of interest expense, were $19.5 billion in the second quarter of 2015, approximately unchanged versus the prior-year period. Excluding CVA/DVA, revenues were $19.2 billion, down 2% from the prior-year period, as Citicorp revenues were approximately unchanged and Citi Holdings revenues decreased 16%. Excluding CVA/DVA and the impact of foreign exchange translation into U.S. dollars for reporting purposes (FX translation),

Citigroup revenues increased 3% from the prior-year period, as 5% growth in Citicorp revenues was partially offset by the decrease in Citi Holdings revenues. (Citi's results of operations excluding the impact of FX translation are non-GAAP financial measures.)

Expenses

Citigroup expenses decreased 30% versus the second quarter of 2014 to $10.9 billion. Excluding the impact of the mortgage settlement in the prior-year period, expenses fell 7%, mainly driven by lower legal and related expenses ($360 million compared to $402 million in the prior-year period) and repositioning costs ($61 million compared to $397 million in the prior-year period), as well as the impact of FX translation (which lowered expenses by approximately $681 million in the second quarter of 2015 compared to the prior-year period). Excluding the impact of FX translation, Citigroup's expenses declined 1%, mainly driven by the lower legal and related expenses and repositioning costs.

Excluding the impact of FX translation, which lowered reported expenses by approximately $609 million in the second quarter of 2015 compared to the prior-year period, Citicorp expenses decreased 1%, as ongoing efficiency savings and lower legal and related expenses and repositioning costs were largely offset by higher regulatory and compliance costs. Citicorp expenses in the second quarter of 2015 included legal and related expenses of $297 million, compared to $387 million in the prior-year period, and $34 million of repositioning charges, compared to $354 million in the prior-year period.

Citi Holdings' expenses were $1.1 billion, down 78% from the prior-year period. Excluding the impact of the mortgage settlement, Citi Holdings' expenses decreased 13% from the prior-year period, primarily driven by the ongoing decline in Citi Holdings assets.

Credit Costs and Allowance for Loan Losses

Citi’s total provisions for credit losses and for benefits and claims of $1.6 billion declined 5% from the prior-year period.

Excluding the impact of the mortgage settlement, Citi’s total provisions for credit losses and for benefits and claims declined 2% as a lower net loan loss reserve release was more than offset by lower net credit losses, which declined 12% versus the prior-year period. The decline in net credit losses year-over-year included the impact of classifying OneMain Financial as held-for-sale at the end of the first quarter of 2015. As a result of the held-for-sale accounting treatment, approximately $160 million of OneMain Financial net credit losses were recorded as a reduction in revenue in Citi Holdings during the second quarter of 2015. Excluding the impact of the held-for-sale accounting treatment relating to OneMain Financial, net credit losses of $2.1 billion declined 5% versus the prior-year period.

Consumer net credit losses declined 17% to $1.8 billion, reflecting continued improvements in both North America Citi-branded cards and Citi retail services in Citicorp and the North America mortgage portfolio within Citi Holdings, as well as the impact of the OneMain Financial classification referenced above. Corporate net credit losses increased to $106 million from $11 million in the prior-year period. The increase related to a limited number of corporate loans, with the vast majority of these net credit losses offset by the release of related, previously-established loan loss reserves.

The net release of allowance for loan losses and unfunded lending commitments was $453 million in the second quarter of 2015, compared to a $641 million release in the prior-year period. Excluding the impact of the mortgage settlement, the net release of allowance for loan losses and unfunded lending commitments was $453 million compared to $696 million in the prior-year period. Citicorp’s net reserve release declined to $282 million from $426 million in prior-year period due to a lower reserve release in North America Global Consumer Banking (GCB), as credit continued to stabilize, partially offset by a larger net reserve release in Institutional Clients Group (ICG), driven by previously-mentioned loan loss reserve releases as well as improvement in the overall corporate portfolio. Citi Holdings’ net reserve release decreased 20% to $171 million. Excluding the impact of the mortgage settlement, Citi Holdings’ net reserve release decreased 37% to $171 million, primarily due to lower releases related to the North America mortgage portfolio, which also had lower net credit losses.

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

Capital

Citi continued to grow its regulatory capital during the second quarter of 2015, even as it returned approximately $1.7 billion of capital to its shareholders in the form of common stock repurchases and increased dividends. Citigroup’s Tier 1 Capital and Common Equity Tier 1 Capital ratios, on a fully

implemented basis, were 12.5% and 11.4% as of June 30, 2015, respectively, compared to 11.3% and 10.6% as of June 30, 2014 (all based on the Basel III Advanced Approaches for determining risk-weighted assets). Citigroup’s Supplementary Leverage ratio as of June 30, 2015, on a fully implemented basis, was 6.7%, compared to 5.8% as of June 30, 2014. For additional information on Citi’s capital ratios and related components, including the impact of Citi’s DTAs on its capital ratios, see “Capital Resources” and “Income Taxes” below.

Citicorp

Citicorp net income increased 27% from the prior-year period to $4.7 billion. CVA/DVA, recorded in ICG, was $303 million ($190 million after-tax) in the second quarter of 2015, compared to negative $32 million (negative $20 million after-tax) in the prior-year period (for a summary of CVA/DVA by business within ICG, see “Institutional Clients Group” below).

Excluding CVA/DVA, Citicorp’s net income was $4.5 billion, up 22% from the prior-year period, primarily driven by lower expenses, lower net credit losses and a lower effective tax rate, partially offset by a lower net loan loss reserve release.

Citicorp revenues, net of interest expense, increased 2% from the prior-year period to $17.8 billion. Excluding CVA/DVA, Citicorp revenues were $17.5 billion in the second quarter of 2015, approximately unchanged from the prior-year period. As referenced above, excluding CVA/DVA and the impact of FX translation, Citicorp's revenues grew 5%, mostly driven by growth in ICG.

GCB revenues of $8.5 billion decreased 4% versus the prior-year period. Excluding the impact of FX translation, GCB revenues increased 1%, driven by growth in North America GCB and Latin America GCB. North America GCB revenues increased 1% to $4.8 billion as higher retail banking revenues were largely offset by lower revenues in Citi-branded cards. Retail banking revenues increased 11% to $1.3 billion versus the prior-year period, reflecting continued volume growth, higher mortgage origination activity and improved deposit spreads. Citi-branded cards revenues of $1.9 billion were down 5% versus the prior-year period, as the continued impact of lower average loans was partially offset by the impact of 5% growth in purchase sales and an improvement in spreads. Citi retail services revenues were unchanged at $1.6 billion, as spread improvements were offset by the continued impact of lower fuel prices and higher contractual partner payments. North America GCB average deposits of $171 billion were unchanged year-over-year and average retail loans of $49 billion grew 7%. Average card loans of $106 billion decreased 3%, while purchase sales of $66 billion increased 3% versus the prior-year period. For additional information on the results of operations of North America GCB for the second quarter of 2015, see "Global Consumer Banking-North America GCB" below.

International GCB revenues (consisting of EMEA GCB, Latin America GCB and Asia GCB) decreased 10% versus the prior-year period to $3.7 billion. Excluding the impact of FX translation, international GCB revenues increased 1% versus the prior-year period, reflecting a 3% increase in revenues in Latin America GCB and relatively unchanged revenues in Asia GCB (for the impact of FX translation on the second quarter of

2015 results of operations for each of Latin America GCB and Asia GCB, see the table accompanying the discussion of each respective business' results of operations below). International GCB revenues, excluding the impact of FX translation, mainly reflected modest volume-related growth in Mexico and growth in retail banking (including wealth management) in Asia GCB, partially offset by lower cards revenues and the ongoing impact of regulatory changes in Asia GCB, as well as the impact of the sale of Citi's consumer business in Honduras in Latin America GCB in the prior-year period. For additional information on the results of operations of Latin America GCB and Asia GCB (which includes the results of operations of EMEA GCB for reporting purposes) for the second quarter of 2015, see "Global Consumer Banking" below. Year-over-year, international GCB average deposits of $131 billion increased 4%, average retail loans of $101 billion increased 3%, investment sales of $23 billion increased 13%, average card loans of $27 billion increased 2% and card purchase sales of $26 billion increased 5%, all excluding the impact of FX translation.

ICG revenues were $8.9 billion in the second quarter of 2015, up 6% from the prior-year period. Excluding CVA/DVA, ICG revenues were $8.6 billion, up 2% from the prior-year period. Banking revenues of $4.4 billion, excluding CVA/DVA and the impact of mark-to-market losses on hedges related to accrual loans within corporate lending (see below), were largely unchanged from the prior-year period, as growth in the private bank was offset by lower underwriting activity within investment banking as well as the impact of FX translation. Investment banking revenues decreased 4% versus the prior-year period, as a 34% increase in advisory revenues to $258 million was more than offset by a 3% decrease in debt underwriting revenues to $729 million, and a 25% decrease in equity underwriting revenues to $296 million. Private bank revenues, excluding CVA/DVA, increased 13% to $746 million from the prior-year period, driven by increased loan and deposit balances and growth in investments and capital markets products.

Corporate lending revenues declined 8% to $379 million, including $66 million of mark-to-market losses on hedges related to accrual loans, compared to a $44 million loss in the prior-year period. Excluding the mark-to-market impact on hedges related to accrual loans in both periods, corporate lending revenues declined 2% versus the prior-year period to $445 million. Excluding the impact of FX translation, corporate lending revenues increased 4% year-over-year, as higher volumes were partially offset by lower spreads. Treasury and trade solutions revenues decreased 1% versus the prior-year period to $2.0 billion. Excluding the impact of FX translation, treasury and trade solutions revenues increased 5%, as continued growth in deposit balances and spreads was partially offset by lower trade revenues.

Markets and securities services revenues of $4.2 billion, excluding CVA/DVA, increased 4% from the prior-year period. Fixed income markets revenues of $3.1 billion, excluding CVA/DVA, decreased 1% from the prior-year period, as continued strength in rates and currencies revenues was more than offset by lower revenues in spread products. Equity markets revenues of $653 million, excluding CVA/

DVA, decreased 1% versus the prior year period. The second quarter of 2015 included a charge of $175 million for valuation adjustments related to certain financing transactions. Excluding these adjustments, equity markets revenues would have increased by 26%, mostly reflecting improvement in derivatives. Securities services revenues of $557 million increased 7% versus the prior-year period reflecting increased activity and higher client balances, partially offset by the impact of FX translation. For additional information on the results of operations of ICG for the second quarter of 2015, including the impact of CVA/DVA on the applicable businesses, see "Institutional Clients Group" below.

Corporate/Other revenues were $370 million, a $281 million increase from the prior-year period primarily driven by gains on debt buybacks and real estate sales in the current quarter, partially offset by hedging activities. For additional information on the results of operations of Corporate/Other for the second quarter of 2015, see "Corporate/Other" below.

Citicorp end-of-period loans decreased 1% from the prior-year period to $573 billion, as consumer loans decreased 4% while corporate loans increased 2%. Excluding the impact of FX translation, Citicorp loans grew 4%, with 6% growth in corporate loans and 1% growth in consumer loans.

Citi Holdings

Citi Holdings' net income was $163 million in the second quarter of 2015, compared to a net loss of $3.5 billion in the prior-year period. CVA/DVA was $9 million ($6 million after-tax) in the second quarter of 2015, compared to negative $1 million in the prior-year period. Excluding the impact of CVA/DVA in both periods and the impact of the mortgage settlement in the prior-year period, Citi Holdings' net income was $157 million in the current quarter, compared to $234 million in the prior-year period, primarily reflecting lower revenues, partially offset by the lower expenses and lower credit costs.

Citi Holdings' revenues decreased 16% to $1.7 billion from the prior-year period, primarily driven by the overall wind down of the portfolio as well as the impact of the previously-referenced recording of OneMain Financial net credit losses as a reduction in revenue. For additional information on the results of operations of Citi Holdings in the second quarter of 2015, see "Citi Holdings" below.

At the end of the current quarter, Citi Holdings' assets were $116 billion, 22% below the prior-year period, and represented approximately 6% of Citi's total GAAP assets and 13% of its risk-weighted assets under Basel III (based on the Advanced Approaches for determining risk-weighted assets).

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

	Second Quarter			Six Months		
In millions of dollars, except per-share amounts and ratios	2015	2014	% Change	2015	2014	% Change
Net interest revenue	$11,822	$11,946	(1)%	$23,394	$23,705	(1)%
Non-interest revenue	7,648	7,479	2	15,812	15,926	(1)%
Revenues, net of interest expense	$19,470	$19,425	— %	$39,206	$39,631	(1)%
Operating expenses	10,928	15,521	(30)	21,812	27,670	(21)%
Provisions for credit losses and for benefits and claims	1,648	1,730	(5)	3,563	3,704	(4)%
Income from continuing operations before income taxes	$6,894	$2,174	NM	$13,831	$8,257	68 %
Income taxes	2,036	1,921	6	4,156	4,052	3 %
Income from continuing operations	$4,858	$253	NM	$9,675	$4,205	NM
Income (loss) from discontinued operations, net of taxes (1)	6	(22)	NM	1	15	(93)%
Net income before attribution of noncontrolling interests	$4,864	$231	NM	$9,676	$4,220	NM
Net income attributable to noncontrolling interests	18	50	(64)	60	95	(37)%
Citigroup's net income	$4,846	$181	NM	$9,616	$4,125	NM
Less:						
Preferred dividends-Basic	$202	$100	NM	$330	$224	47 %
Dividends and undistributed earnings allocated to employee restricted and deferred shares that contain nonforfeitable rights to dividends, applicable to basic EPS	64	1	NM	126	64	97 %
Income allocated to unrestricted common shareholders for basic and diluted EPS	$4,580	$80	NM	$9,160	$3,837	NM
Earnings per share						
Basic						
Income from continuing operations	$1.51	$0.03	NM	$3.03	$1.26	NM
Net income	1.52	0.03	NM	3.03	1.26	NM
Diluted						
Income from continuing operations	$1.51	$0.03	NM	$3.02	$1.26	NM
Net income	1.51	0.03	NM	3.02	1.26	NM
Dividends declared per common share	0.05	0.01	NM	0.06	0.02	NM

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

SUMMARY OF SELECTED FINANCIAL DATA—PAGE 2

	Citigroup Inc. and Consolidated Subsidiaries					
	Second Quarter			Six Months		
In millions of dollars, except per-share amounts, ratios and direct staff	2015	2014	% Change	2015	2014	% Change
At June 30:						
Total assets	$1,829,370	$1,909,369	(4)%			
Total deposits [2]	908,037	965,725	(6)			
Long-term debt	211,845	226,984	(7)			
Citigroup common stockholders' equity	205,472	202,048	2			
Total Citigroup stockholders' equity	219,440	211,016	4			
Direct staff (in thousands)	237	244	(3)			
Performance metrics						
Return on average assets	1.06%	0.04%		1.05%	0.44%	
Return on average common stockholders' equity [3]	9.1	0.2		9.2	7.0	
Return on average total stockholders' equity[3]	8.9	0.3		9.0	6.9	
Efficiency ratio (Operating expenses/Total revenues)	56	80		56	70	
Basel III ratios - full implementation						
Common Equity Tier 1 Capital [4]	11.37%	10.57%				
Tier 1 Capital [4]	12.54	11.35				
Total Capital [4]	14.14	12.70				
Supplementary Leverage ratio [5]	6.72	5.82				
Citigroup common stockholders' equity to assets	11.23%	10.58%				
Total Citigroup stockholders' equity to assets	12.00	11.05				
Dividend payout ratio [6]	3	33				
Book value per common share	$68.27	$66.64	2%			
Ratio of earnings to fixed charges and preferred stock dividends	3.05x	1.57x		3.09x	2.08x	

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

(2) Reflects reclassification of approximately $20 billion of deposits to held-for-sale (Other liabilities) at June 30, 2015 as a result of the agreement in December 2014 to sell Citi's retail banking business in Japan. See Note 2 to the Consolidated Financial Statements.

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

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

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

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

NM Not meaningful

SEGMENT AND BUSINESS—INCOME (LOSS) AND REVENUES

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

CITIGROUP INCOME

	Second Quarter		% Change	Six Months		% Change
In millions of dollars	2015	2014		2015	2014	
Income (loss) from continuing operations						
CITICORP						
Global Consumer Banking						
North America	$1,067	$1,074	(1)%	$2,207	$2,092	5%
Latin America	225	275	(18)	469	566	(17)
Asia [1]	338	214	58	679	579	17
Total	$1,630	$1,563	4%	$3,355	$3,237	4%
Institutional Clients Group						
North America	$978	$1,096	(11)%	$1,993	$2,401	(17)%
EMEA	684	570	20	$1,541	$1,362	13%
Latin America	470	427	10	883	767	15
Asia	703	473	49	1,382	984	40
Total	$2,835	$2,566	10%	$5,799	$5,514	5%
Corporate/Other	$230	$(384)	NM	$211	$(772)	NM
Total Citicorp	$4,695	$3,745	25%	$9,365	$7,979	17%
Citi Holdings	$163	$(3,492)	NM	$310	$(3,774)	NM
Income from continuing operations	$4,858	$253	NM	$9,675	$4,205	NM
Discontinued operations	$6	$(22)	NM	$1	$15	(93)%
Net income attributable to noncontrolling interests	18	50	(64)%	60	95	(37)%
Citigroup's net income	$4,846	$181	NM	$9,616	$4,125	NM

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

NM Not meaningful

CITIGROUP REVENUES

In millions of dollars	Second Quarter 2015	2014	% Change	Six Months 2015	2014	% Change
CITICORP						
Global Consumer Banking						
North America	$4,823	$4,787	1 %	$9,817	$9,577	3 %
Latin America	1,848	2,136	(13)	3,683	4,219	(13)
Asia [1]	1,878	2,021	(7)	3,711	3,992	(7)
Total	$8,549	$8,944	(4)%	$17,211	$17,788	(3)%
Institutional Clients Group						
North America	$3,285	$3,154	4 %	$6,588	$6,715	(2)%
EMEA	2,543	2,430	5	5,306	5,201	2
Latin America	1,111	1,149	(3)	2,176	2,250	(3)
Asia	1,939	1,669	16	3,836	3,390	13
Total	$8,878	$8,402	6 %	$17,906	$17,556	2 %
Corporate/Other	$370	$89	NM	$582	$312	87 %
Total Citicorp	$17,797	$17,435	2 %	$35,699	$35,656	— %
Citi Holdings	$1,673	$1,990	(16)%	$3,507	$3,975	(12)%
Total Citigroup net revenues	$19,470	$19,425	— %	$39,206	$39,631	(1)%

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

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CITICORP

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

Citicorp consists of the following operating businesses: Global Consumer Banking (which consists of consumer banking in North America, Latin America, EMEA and Asia) and Institutional Clients Group (which includes Banking and Markets and securities services). Citicorp also includes Corporate/Other. At June 30, 2015, Citicorp had $1.7 trillion of assets and $900 billion of deposits, representing 94% of Citi's total assets and 99% of Citi's total deposits, respectively.

	Second Quarter			Six Months		
In millions of dollars except as otherwise noted	2015	2014	% Change	2015	2014	% Change
Net interest revenue	$10,821	$10,709	1 %	$21,338	$21,292	— %
Non-interest revenue	6,976	6,726	4	14,361	14,364	—
Total revenues, net of interest expense	$17,797	$17,435	2 %	$35,699	$35,656	— %
Provisions for credit losses and for benefits and claims						
Net credit losses	$1,662	$1,747	(5)%	$3,211	$3,613	(11)%
Credit reserve build (release)	(235)	(398)	41	(241)	(698)	65
Provision for loan losses	$1,427	$1,349	6 %	$2,970	$2,915	2 %
Provision for benefits and claims	21	26	(19)	49	67	(27)
Provision for unfunded lending commitments	(47)	(28)	(68)	(79)	(51)	(55)
Total provisions for credit losses and for benefits and claims	$1,401	$1,347	4 %	$2,940	$2,931	— %
Total operating expenses	$9,824	$10,499	(6)%	$19,551	$20,630	(5)%
Income from continuing operations before taxes	$6,572	$5,589	18 %	$13,208	$12,095	9 %
Income taxes	1,877	1,844	2	3,843	4,116	(7)
Income from continuing operations	$4,695	$3,745	25 %	$9,365	$7,979	17 %
Income (loss) from discontinued operations, net of taxes	6	(22)	NM	1	15	(93)
Noncontrolling interests	18	50	(64)	59	93	(37)
Net income	$4,683	$3,673	27 %	$9,307	$7,901	18 %
Balance sheet data (in billions of dollars)						
Total end-of-period (EOP) assets	$1,713	$1,761	(3)%			
Average assets	1,722	1,755	(2)	1,725	1,746	(1)
Return on average assets	1.09 %	0.84 %		1.09 %	0.91 %	
Efficiency ratio	55 %	60 %		55	58	
Total EOP loans	$573	$578	(1)			
Total EOP deposits	$900	$913	(1)			

NM Not meaningful

GLOBAL CONSUMER BANKING

Global Consumer Banking (GCB) consists of Citigroup's four geographical consumer banking businesses that provide traditional banking services to retail customers through retail banking, commercial banking, Citi-branded cards and Citi retail services (for additional information on these businesses, see "Citigroup Segments" above). GCB is a globally diversified business with 3,015 branches in 24 countries around the world as of June 30, 2015. At June 30, 2015, GCB had $395 billion of assets and $305 billion of deposits.

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

	Second Quarter			Six Months		
In millions of dollars except as otherwise noted	2015	2014	% Change	2015	2014	% Change
Net interest revenue	$6,692	$6,933	(3)%	$13,393	$13,734	(2)%
Non-interest revenue	1,857	2,011	(8)	3,818	4,054	(6)
Total revenues, net of interest expense	$8,549	$8,944	(4)%	$17,211	$17,788	(3)%
Total operating expenses	$4,618	$5,120	(10)%	$9,170	$9,991	(8)%
Net credit losses	$1,579	$1,738	(9)%	$3,130	$3,470	(10)%
Credit reserve build (release)	(103)	(302)	66	(216)	(515)	58
Provision (release) for unfunded lending commitments	(1)	(3)	67	(2)	(6)	67
Provision for benefits and claims	21	26	(19)	49	67	(27)
Provisions for credit losses and for benefits and claims	$1,496	$1,459	3%	$2,961	$3,016	(2)%
Income from continuing operations before taxes	$2,435	$2,365	3%	$5,080	$4,781	6%
Income taxes	805	802	—	1,725	1,544	12
Income from continuing operations	$1,630	$1,563	4%	$3,355	$3,237	4%
Noncontrolling interests	5	6	(17)	—	13	(100)
Net income	$1,625	$1,557	4%	$3,355	$3,224	4%
Balance Sheet data (in billions of dollars)						
Average assets	$394	$409	(4)%	$394	$408	(3)%
Return on average assets	1.65%	1.53%		1.72%	1.60%	
Efficiency ratio	54%	57%		53%	56%	
Total EOP assets	$395	$414	(5)			
Average deposits	302	308	(2)	$302	$305	(1)
Net credit losses as a percentage of average loans	2.24%	2.39%		2.23%	2.42%	
Revenue by business						
Retail banking	$3,776	$3,845	(2)%	$7,550	$7,634	(1)%
Cards [(1)]	4,773	5,099	(6)	9,661	10,154	(5)
Total	$8,549	$8,944	(4)%	$17,211	$17,788	(3)%
Income from continuing operations by business						
Retail banking	$555	$357	55%	$1,129	$783	44%
Cards [(1)]	1,075	1,206	(11)	2,226	2,454	(9)
Total	$1,630	$1,563	4%	$3,355	$3,237	4%

(Table continues on next page.)

Foreign currency (FX) translation impact							
Total revenue-as reported	$8,549	$8,944	(4)%	$17,211	$17,788	(3)%
Impact of FX translation [2]	—	(485)		—	(857)	
Total revenues-ex-FX	$8,549	$8,459	1 %	$17,211	$16,931	2 %
Total operating expenses-as reported	$4,618	$5,120	(10)%	$9,170	$9,991	(8)%
Impact of FX translation [2]	—	(296)		—	(509)	
Total operating expenses-ex-FX	$4,618	$4,824	(4)%	$9,170	$9,482	(3)%
Total provisions for LLR & PBC-as reported	$1,496	$1,459	3 %	$2,961	$3,016	(2)%
Impact of FX translation [2]	—	(124)		—	(210)	
Total provisions for LLR & PBC-ex-FX	$1,496	$1,335	12 %	$2,961	$2,806	6 %
Net income-as reported	$1,625	$1,557	4 %	$3,355	$3,224	4 %
Impact of FX translation [2]	—	(36)		—	(65)	
Net income-ex-FX	$1,625	$1,521	7 %	$3,355	$3,159	6 %

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

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

NM Not meaningful

NORTH AMERICA GCB

North America GCB provides traditional banking and Citi-branded cards and Citi retail services to retail customers and small to mid-size businesses in the U.S. North America GCB's 779 retail bank branches as of June 30, 2015 were largely concentrated in the greater metropolitan areas of New York, Chicago, Miami, Washington, D.C., Boston, Los Angeles and San Francisco.

At June 30, 2015, North America GCB had approximately 11.2 million retail banking customer accounts, $48.8 billion of retail banking loans and $173.5 billion of deposits. In addition, North America GCB had approximately 111.3 million Citi-branded and Citi retail services credit card accounts, with $107.7 billion in outstanding card loan balances.

	Second Quarter			Six Months		
In millions of dollars, except as otherwise noted	2015	2014	% Change	2015	2014	% Change
Net interest revenue	$4,280	$4,211	2 %	$8,585	$8,398	2 %
Non-interest revenue	543	576	(6)	1,232	1,179	4
Total revenues, net of interest expense	$4,823	$4,787	1 %	$9,817	$9,577	3 %
Total operating expenses	$2,267	$2,349	(3)%	$4,559	$4,788	(5)%
Net credit losses	$1,000	$1,072	(7)%	$1,961	$2,174	(10)%
Credit reserve build (release)	(109)	(397)	73	(209)	(668)	69
Provisions for benefits and claims	9	11	(18)	19	18	6
Provision for unfunded lending commitments	—	1	(100)	1	3	(67)
Provisions for credit losses and for benefits and claims	$900	$687	31 %	$1,772	$1,527	16 %
Income from continuing operations before taxes	$1,656	$1,751	(5)%	$3,486	$3,262	7 %
Income taxes	589	677	(13)	1,279	1,170	9
Income from continuing operations	$1,067	$1,074	(1)%	$2,207	$2,092	5 %
Noncontrolling interests	(1)	(1)	—	(1)	(1)	—
Net income	$1,068	$1,075	(1)%	$2,208	$2,093	5 %
Balance Sheet data (in billions of dollars)						
Average assets	$206	$209	(1)%	$207	$210	(1)%
Return on average assets	2.08 %	2.06 %		2.15 %	2.01 %	
Efficiency ratio	47 %	49 %		46 %	50 %	
Average deposits	$170.9	$171.0	—	$171.3	$170.9	—
Net credit losses as a percentage of average loans	2.59 %	2.78 %		2.55 %	2.82 %	
Revenue by business						
Retail banking	$1,307	$1,177	11 %	$2,655	$2,321	14 %
Citi-branded cards	1,933	2,029	(5)	3,942	4,050	(3)
Citi retail services	1,583	1,581	—	3,220	3,206	—
Total	$4,823	$4,787	1 %	$9,817	$9,577	3 %
Income from continuing operations by business						
Retail banking	$189	$90	NM	$386	$108	NM
Citi-branded cards	499	555	(10)	1,038	1,119	(7)
Citi retail services	379	429	(12)	783	865	(9)
Total	$1,067	$1,074	(1)%	$2,207	$2,092	5 %

NM Not meaningful

2Q15 vs. 2Q14
Net income decreased 1% due to a lower net loan loss reserve release, partially offset by higher revenues, lower expenses and lower net credit losses.
Revenues increased 1%, primarily reflecting higher revenues in retail banking, largely offset by lower revenues in Citi-branded cards. Net interest revenue increased 2%, primarily due to continued volume growth in retail banking and improved deposit spreads, which more than offset continued lower average loans in Citi-branded cards.
Non-interest revenue decreased 6%, largely driven by higher customer rewards costs in Citi-branded cards, partially offset by higher mortgage origination revenues due to higher U.S. mortgage refinancing activity. The decrease in non-interest revenues was also due to a continued decline in Citi retail services non-interest revenues, primarily reflecting higher contractual partner payments.
Retail banking revenues increased 11% due to 7% growth in average loans, 7% growth in checking deposits, improved deposit spreads and the higher mortgage origination revenues. This growth occurred despite the fact that, consistent with GCB’s strategy, since the second quarter of 2014, North America GCB closed or sold 133 branches (a 15% decline from the prior-year period). Increasing interest rates could negatively impact mortgage revenues going forward.
Cards revenues declined 3% due to a 3% decrease in average loans, partially offset by a 3% increase in purchase sales. In Citi-branded cards, revenues decreased 5% as the continued impact of lower average loans (down 5%) and the higher customer rewards costs were partially offset by a 5% increase in purchase sales and an improvement in spreads. The decline in average loans was driven primarily by the continued reduction in promotional balances and, to a lesser extent, increased customer payment rates.
Citi retail services revenues were unchanged, as the impact of higher spreads was offset by the continued impact of lower fuel prices on purchase sales and the higher contractual partner payments. Purchase sales in Citi retail services decreased 1% from the prior-year period, largely due to the impact of lower fuel prices.
Expenses decreased 3% as ongoing cost reduction initiatives, including as a result of North America GCB’s branch rationalization strategy, were partially offset by increased investment spending. North America GCB expects increased investment spending to continue during the remainder of 2015, primarily in U.S. branded cards.
Provisions increased 31% due to lower net loan loss reserve releases (73%), partially offset by lower net credit losses (7%). Net credit losses declined in Citi-branded cards (down 12% to $503 million) and in Citi retail services (down 2% to $457 million). The lower net loan loss reserve release reflected continued stabilization in the cards portfolios.

2015 YTD vs. 2014 YTD
Year-to-date, North America GCB has experienced similar trends to those described above. Net income increased 5% due to higher revenues, lower expenses and lower net credit losses, partially offset by a lower net loan loss reserve release.
Revenues increased 3%, primarily reflecting higher revenues in retail banking, partially offset by lower revenues in Citi-branded cards. Retail banking revenues increased 14% due to 7% growth in average loans, a gain on sale of approximately $110 million related to the sale of branches in Texas compared to a gain of approximately $70 million related to a sale-leaseback transaction in the prior-year period, the higher mortgage origination revenues and improved deposit spreads. Cards revenues decreased 1%, as Citi-branded cards, revenues decreased 3% and Citi retail services revenues were unchanged, driven by the same factors described above.
Expenses decreased 5%, driven by the same factors described above.
Provisions increased 16% due to the lower net loan loss reserve releases (69%), partially offset by lower net credit losses (10%) driven by cards.

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LATIN AMERICA GCB

Latin America GCB provides traditional banking and Citi-branded card services to retail customers and small to mid-size businesses, with the largest presence in Mexico and Brazil. Latin America GCB includes branch networks throughout Latin America as well as Banco Nacional de Mexico, or Banamex, Mexico's second-largest bank, with 1,497 branches as of June 30, 2015.

At June 30, 2015, Latin America GCB had 1,699 retail branches, with approximately 30.7 million retail banking customer accounts, $25.7 billion in retail banking loans and $42.1 billion in deposits. In addition, the business had approximately 8.0 million Citi-branded card accounts with $8.3 billion in outstanding loan balances.

	Second Quarter		% Change	Six Months		% Change
In millions of dollars, except as otherwise noted	2015	2014		2015	2014	
Net interest revenue	$1,241	$1,432	(13)%	$2,483	$2,796	(11)%
Non-interest revenue	607	704	(14)	1,200	1,423	(16)
Total revenues, net of interest expense	$1,848	$2,136	(13)%	$3,683	$4,219	(13)%
Total operating expenses	$1,162	$1,254	(7)%	$2,242	$2,457	(9)%
Net credit losses	$392	$454	(14)%	$809	$890	(9)%
Credit reserve build (release)	7	109	(94)	29	160	(82)
Provision (release) for unfunded lending commitments	3	1	NM	—	—	(100)
Provision for benefits and claims	12	15	(20)	30	49	(39)
Provisions for credit losses and for benefits and claims (LLR & PBC)	$414	$579	(28)%	$868	$1,099	(21)%
Income from continuing operations before taxes	$272	$303	(10)%	$573	$663	(14)%
Income taxes	47	28	68	104	97	7
Income from continuing operations	$225	$275	(18)%	$469	$566	(17)%
Noncontrolling interests	2	2	—	2	4	(50)
Net income	$223	$273	(18)%	$467	$562	(17)%
Balance Sheet data (in billions of dollars)						
Average assets	$66	$77	(14)%	$67	$77	(13)%
Return on average assets	1.36%	1.42%		1.41%	1.49%	
Efficiency ratio	63%	59%		61%	58%	
Average deposits	$41.7	$45.2	(8)	$42.0	$44.5	(6)
Net credit losses as a percentage of average loans	4.60%	4.63%		4.74%	4.71%	
Revenue by business						
Retail banking	$1,269	$1,431	(11)%	$2,520	$2,851	(12)%
Citi-branded cards	579	705	(18)	1,163	1,368	(15)
Total	$1,848	$2,136	(13)%	$3,683	$4,219	(13)%
Income from continuing operations by business						
Retail banking	$143	$206	(31)%	$297	$410	(28)%
Citi-branded cards	82	69	19	172	156	10
Total	$225	$275	(18)%	$469	$566	(17)%
Foreign currency (FX) translation impact						
Total revenues-as reported	$1,848	$2,136	(13)%	$3,683	$4,219	(13)%
Impact of FX translation [1]	—	(341)		—	(596)	
Total revenues-ex-FX	$1,848	$1,795	3%	$3,683	$3,623	2%
Total operating expenses-as reported	$1,162	$1,254	(7)%	$2,242	$2,457	(9)%
Impact of FX translation [1]	—	(180)		—	(312)	
Total operating expenses-ex-FX	$1,162	$1,074	8%	$2,242	$2,145	5%

Provisions for LLR & PBC-as reported	$414	$579	(28)%	$868	$1,099	(21)%
Impact of FX translation [1]	—	(100)		—	(169)	
Provisions for LLR & PBC-ex-FX	$414	$479	(14)%	$868	$930	(7)%
Net income-as reported	$223	$273	(18)%	$467	$562	(17)%
Impact of FX translation [1]	—	(38)		—	(62)	
Net income-ex-FX	$223	$235	(5)%	$467	$500	(7)%

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

NM Not Meaningful

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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.

2Q15 vs. 2Q14
Net income decreased 5%, primarily due to higher expenses, partially offset by higher revenues and lower credit costs.
Revenues increased 3%, primarily due to modest volume growth in Mexico (2% increase in average loans and 5% increase in average deposits), partially offset by the impact of the sale of the Honduras consumer business in the prior-year period. Net interest revenue increased 4% due to loan and deposit growth and stable spreads in Mexico, partially offset by ongoing spread compression in other Latin America markets and the impact of the sale of the Honduras consumer business in the prior-year period. Non-interest revenue increased 1%, primarily driven by investment sales in Mexico, partially offset by the impact of the sale of the Honduras consumer business in the prior-year period.
Retail banking revenues increased 5%, primarily due to the volume growth in Mexico, as increases in average loans, and average deposits were partially offset by the impact of the sale of the Honduras consumer business in the prior-year period. Cards revenues decreased 1%, primarily due to lower growth in Mexico due to declines in average loans resulting from the previously disclosed fiscal reforms, which is expected to continue in the near term.
Slow economic growth in the region, including continued weaker economic growth in Mexico, could continue to negatively impact revenue growth in Latin America GCB during the remainder of 2015.
Expenses increased 8%, primarily due to higher legal and related expenses, mandatory salary increases in certain countries, increased regulatory and compliance spending and technology infrastructure upgrades, partially offset by efficiency savings.
Provisions decreased 14%, primarily due to a lower net loan loss reserve build, partially offset by higher net credit losses. Net credit losses increased 4%, primarily driven by portfolio growth. The net loan loss reserve build declined 92% due to a lower build related to Mexico cards.

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

2015 YTD vs. 2014 YTD
Year-to-date, Latin America GCB has experienced similar trends to those described above. Net income decreased 7%, primarily due to higher expenses, partially offset by higher revenues and lower credit costs.
Revenues increased 2%, primarily due to higher volume growth in Mexico (1% increase in average loans and 7% increase in average deposits), partially offset by the impact of business divestitures in the prior-year period, including the sale of the Honduras consumer business in the second quarter of 2014 and the partial sale of Citi's indirect investment in Banco de Chile in the first quarter of 2014. Net interest revenue increased 4% due to loan and deposit growth and stable spreads in Mexico, partially offset by ongoing spread compression in other Latin America markets and the impact of the business divestitures in the prior-year period. Non-interest revenue decreased 3%, primarily due to the impact of the business divestitures in the prior-year period. Retail banking revenues increased 2%, driven by the same factors described above as well as the partial sale of Citi's indirect investment in Banco de Chile in the prior-year period. Cards revenues were unchanged, as modest growth in Mexico was largely offset by declines in other Latin America markets.
Expenses increased 5%, driven by the factors described above.
Provisions decreased 7%, primarily due to a lower net loan loss reserve build, partially offset by higher net credit losses. Net credit losses increased 7%, primarily driven by portfolio growth and continued seasoning in the Mexico cards portfolio. The net loan loss reserve build declined 79% due to a lower build related to Mexico cards, partially

offset by a build in Brazil commercial banking.

ASIA GCB

Asia GCB provides traditional banking and Citi-branded card services to retail customers and small to mid-size businesses, with the largest Citi presence in Korea, Singapore, Hong Kong, Australia, Taiwan, India, Thailand, Indonesia, Malaysia and the Philippines as of June 30, 2015. In addition, for reporting purposes, Asia GCB includes the results of operations of EMEA GCB, which provides traditional banking and Citi-branded card services to retail customers and small to mid-size businesses, primarily in Poland, Russia and the United Arab Emirates.

At June 30, 2015, on a combined basis, the businesses had 537 retail branches, approximately 17.5 million retail banking customer accounts, $75.3 billion in retail banking loans and $89.6 billion in deposits. In addition, the businesses had approximately 17.3 million Citi-branded card accounts with $18.1 billion in outstanding loan balances.

	Second Quarter			Six Months		
In millions of dollars, except as otherwise noted [1]	2015	2014	% Change	2015	2014	% Change
Net interest revenue	$1,171	$1,290	(9)%	$2,325	$2,540	(8)%
Non-interest revenue	707	731	(3)	1,386	1,452	(5)
Total revenues, net of interest expense	$1,878	$2,021	(7)%	$3,711	$3,992	(7)%
Total operating expenses	$1,189	$1,517	(22)%	$2,369	$2,746	(14)%
Net credit losses	$187	$212	(12)%	$360	$406	(11)%
Credit reserve build (release)	(1)	(14)	93	(36)	(7)	NM
Provision for unfunded lending commitments	(4)	(5)	20	(3)	(9)	67
Provisions for credit losses	$182	$193	(6)%	$321	$390	(18)%
Income from continuing operations before taxes	$507	$311	63%	$1,021	$856	19%
Income taxes	169	97	74	342	277	23
Income from continuing operations	$338	$214	58%	$679	$579	17%
Noncontrolling interests	4	5	(20)	(1)	10	NM
Net income	$334	$209	60%	$680	$569	20%
Balance Sheet data (in billions of dollars)						
Average assets	$122	$123	(1)%	$120	$122	(2)%
Return on average assets	1.10%	0.68%		1.14%	0.94%	
Efficiency ratio	63%	75%		64%	69%	
Average deposits	$89.5	$91.3	(2)	$89.0	$89.9	(1)
Net credit losses as a percentage of average loans	0.80%	0.87%		0.78%	0.85%	
Revenue by business						
Retail banking	$1,200	$1,237	(3)%	$2,375	$2,462	(4)%
Citi-branded cards	678	784	(14)	1,336	1,530	(13)
Total	$1,878	$2,021	(7)%	$3,711	$3,992	(7)%
Income from continuing operations by business						
Retail banking	$223	$61	NM	$446	$265	68%
Citi-branded cards	115	153	(25)	233	314	(26)
Total	$338	$214	58%	$679	$579	17%

Foreign currency (FX) translation impact						
Total revenues-as reported	$1,878	$2,021	(7)%	$3,711	$3,992	(7)%
Impact of FX translation (2)	—	(144)		—	(261)	
Total revenues-ex-FX	$1,878	$1,877	— %	$3,711	$3,731	(1)%
Total operating expenses-as reported	$1,189	$1,517	(22)%	$2,369	$2,746	(14)%
Impact of FX translation (2)	—	(116)		—	(197)	
Total operating expenses-ex-FX	$1,189	$1,401	(15)%	$2,369	$2,549	(7)%
Provisions for loan losses-as reported	$182	$193	(6)%	$321	$390	(18)%
Impact of FX translation (2)	—	(24)		—	(41)	
Provisions for loan losses-ex-FX	$182	$169	8 %	$321	$349	(8)%
Net income-as reported	$334	$209	60 %	$680	$569	20 %
Impact of FX translation (2)	—	2		—	(3)	
Net income-ex-FX	$334	$211	58 %	$680	$566	20 %

(1) For reporting purposes, Asia GCB includes the results of operations of EMEA GCB for all periods presented.
(2) Reflects the impact of foreign exchange (FX) translation into U.S. dollars at the second quarter of 2015 average exchange rates for all periods presented.
NM Not meaningful

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

2Q15 vs. 2Q14
Net income increased 58%, primarily due to lower expenses, partially offset by higher credit costs.
Revenues were unchanged. Non-interest revenue increased 2%, primarily driven by higher fee revenues. Net interest revenue declined 1%, driven by the ongoing impact of regulatory changes and continued spread compression.
Retail banking revenues increased 3%, primarily due to higher insurance fee revenues and volumes, as investment sales increased 41% reflecting market trends, average retail deposits increased 5% and average retail loans increased 2%, partially offset by continued spread compression and regulatory changes.
Cards revenues decreased 5% driven by the ongoing impact of spread compression, continued higher payment rates and the impact of regulatory changes, particularly in Singapore, Taiwan, Australia and Poland, partially offset by volume growth (4% increase in average loans and a 5% increase in purchase sales). While Citi could continue to experience a negative impact on Asia cards revenues from spread compression and regulatory changes in several markets, it continues to believe these impacts could abate somewhat in the second half of 2015.
Expenses decreased 15%, largely due to the absence of approximately $270 million of repositioning charges in Korea in the prior year period and efficiency savings, partially offset by higher investment spending, regulatory and compliance costs and volume-related growth.
Provisions increased 8%, primarily due to a lower net loan loss reserve release, partially offset by lower net credit losses.

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

2015 YTD vs. 2014 YTD
Year-to-date, Asia GCB has experienced similar trends to those described above. Net income increased 20%, primarily due to lower expenses and lower credit costs, partially offset by lower revenues.

Revenues decreased 1%. Non-interest revenue increased 1%, primarily driven by higher fee revenues. Net interest revenue declined 1%, driven by the ongoing impact of regulatory changes and continued spread compression. Retail banking revenues increased 2%, driven by the same factors described above. Cards revenues decreased 5%, driven by the same factors described above.

Expenses decreased 7%, driven by the same factors described above.

Provisions decreased 8%, primarily due to a higher net loan loss reserve release and lower net credit losses.

INSTITUTIONAL CLIENTS GROUP

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

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

ICG's international presence is supported by trading floors in approximately 80 countries and a proprietary network in over 95 countries and jurisdictions. At June 30, 2015, ICG had approximately $1.3 trillion of assets and $588 billion of deposits, while two of its businesses, securities services and issuer services, managed approximately $15.5 trillion of assets under custody compared to $15.4 trillion at the end of the prior-year period.

In millions of dollars, except as otherwise noted	Second Quarter 2015	Second Quarter 2014	% Change	Six Months 2015	Six Months 2014	% Change
Commissions and fees	$986	$992	(1)%	$1,981	$2,006	(1)%
Administration and other fiduciary fees	658	651	1%	1,266	1,275	(1)
Investment banking	1,120	1,257	(11)%	2,254	2,214	2
Principal transactions	1,797	1,577	14%	3,995	4,180	(4)
Other	166	104	60%	415	243	71
Total non-interest revenue	$4,727	$4,581	3%	$9,911	$9,918	—%
Net interest revenue (including dividends)	4,151	3,821	9%	7,995	7,638	5
Total revenues, net of interest expense	$8,878	$8,402	6%	$17,906	$17,556	2%
Total operating expenses	$4,821	$4,743	2%	$9,453	$9,601	(2)%
Net credit losses	$83	$9	NM	$81	$143	(43)%
Credit reserve release	(132)	(96)	(38)%	(25)	(183)	86
Provision (release) for unfunded lending commitments	(46)	(25)	(84)%	(77)	(45)	(71)
Provisions for credit losses	$(95)	$(112)	15%	$(21)	$(85)	75%
Income from continuing operations before taxes	$4,152	$3,771	10%	$8,474	$8,040	5%
Income taxes	1,317	1,205	9%	2,675	2,526	6
Income from continuing operations	$2,835	$2,566	10%	$5,799	$5,514	5%
Noncontrolling interests	15	19	(21)%	51	45	13
Net income	$2,820	$2,547	11%	$5,748	$5,469	5%
Average assets (in billions of dollars)	$1,279	$1,290	(1)%	$1,277	$1,286	(1)%
Return on average assets	0.88%	0.79%		0.91%	0.86%	
Efficiency ratio	54%	56%		53%	55%	
CVA/DVA after-tax	$190	$(20)	NM	$146	$(24)	NM
Net income ex-CVA/DVA	$2,630	$2,567	2%	$5,602	$5,493	2%
Revenues by region						
North America	$3,285	$3,154	4%	$6,588	$6,715	(2)%
EMEA	2,543	2,430	5%	5,306	5,201	2
Latin America	1,111	1,149	(3)%	2,176	2,250	(3)

Asia	1,939	1,669	16	% 3,836	3,390	13	
Total	$8,878	$8,402	6	% $17,906	$17,556	2	%

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Income from continuing operations by region						
North America	$978	$1,096	(11)%	$1,993	$2,401	(17)%
EMEA	684	570	20%	1,541	1,362	13
Latin America	470	427	10%	883	767	15
Asia	703	473	49%	1,382	984	40
Total	$2,835	$2,566	10%	$5,799	$5,514	5%
Average loans by region (in billions of dollars)						
North America	$122	$109	12%	$119	$108	10%
EMEA	60	59	2%	59	58	2
Latin America	39	41	(5)%	39	41	(5)
Asia	63	70	(10)%	63	69	(9)
Total	$284	$279	2%	$280	$276	1%
EOP deposits by business (in billions of dollars)						
Treasury and trade solutions	$398	$384	4%			
All other ICG businesses	190	188	1%			
Total	$588	$572	3%			

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

In millions of dollars	Second Quarter 2015	2014	% Change	Six Months 2015	2014	% Change
Investment banking revenue details						
Advisory	$258	$193	34%	$556	$368	51%
Equity underwriting	296	397	(25)	527	696	(24)
Debt underwriting	729	749	(3)	1,398	1,328	5
Total investment banking	$1,283	$1,339	(4)%	$2,481	$2,392	4%
Treasury and trade solutions	1,955	1,980	(1)	3,844	3,901	(1)
Corporate lending - excluding gain/(loss) on loan hedges	445	456	(2)	890	872	2
Private bank	746	658	13	1,454	1,328	9
Total banking revenues (ex-CVA/DVA and gain/(loss) on loan hedges)	$4,429	$4,433	—%	$8,669	$8,493	2%
Corporate lending - gain/(loss) on loan hedges [1]	$(66)	$(44)	(50)%	$(14)	$(61)	77%
Total banking revenues (ex-CVA/DVA and including gain/(loss) on loan hedges)	$4,363	$4,389	(1)%	$8,655	$8,432	3%
Fixed income markets	$3,062	$3,080	(1)%	$6,545	$7,009	(7)%
Equity markets	653	659	(1)	1,526	1,541	(1)
Securities services	557	521	7	1,100	1,006	9
Other	(60)	(215)	72	(154)	(393)	61
Total Markets and securities services (ex-CVA/DVA)	$4,212	$4,045	4%	$9,017	$9,163	(2)%
Total ICG (ex-CVA/DVA)	$8,575	$8,434	2%	$17,672	$17,595	—%
CVA/DVA (excluded as applicable in lines above) [2]	303	(32)	NM	234	(39)	NM
Fixed income markets	283	(36)	NM	207	(62)	NM
Equity markets	21	4	NM	24	20	20
Private bank	(1)	—	—	3	3	—
Total revenues, net of interest expense	$8,878	$8,402	6%	$17,906	$17,556	2%

(1)

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

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

NM Not meaningful

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

2Q15 vs. 2Q14
Net income increased 2%, primarily driven by higher revenues, partially offset by higher expenses and an increase in the cost of credit.

- Revenues increased 2%, reflecting higher revenues in Markets and securities services (increase of 4%) as Banking revenues were largely unchanged (excluding the gains/(losses) on hedges on accrual loans).

Within Banking:

- Investment banking revenues decreased 4% reflecting lower underwriting activity as compared to very strong performance in the prior-year period, consistent with overall market trends. Advisory revenues increased 34%, reflecting increased wallet share and strength in the overall M&A market. Equity underwriting revenues decreased 25% due to the particularly strong market performance in the prior-year period and a decline in wallet share resulting from continued share fragmentation. Debt underwriting revenues decreased 3%, as a decline in overall wallet share and lower market activity in EMEA was partially offset by increased revenues in North America.
- Treasury and trade solutions revenues decreased 1%. Excluding the impact of FX translation, revenues increased 5%, as continued growth in deposit balances and improved spreads, particularly in North America, were partially offset by lower activity and the continued impact of spread compression in trade, particularly in Asia. End-of-period deposit balances increased 4%. Excluding the impact of FX translation, end-of-period deposits increased 9%, particularly in North America. Average trade loans decreased 12%. Excluding the impact of FX translation, average trade loans decreased 9%, as the spread compression in trade, particularly in Asia, led to a reduction of on-balance sheet loans while Citi continued to support new originations for its clients.
- Corporate lending revenues decreased 8%. Excluding the impact of gains/(losses) on hedges on accrual loans, revenues decreased 2% versus the prior-year period. Excluding the impact of FX translation, corporate lending revenues increased 4%, as continued growth in average loan balances and lower hedge premium costs were partially offset by lower spreads.
- Private bank revenues increased 13%, primarily due to growth in client business volumes in both banking and lending, particularly in North America, as well as increased capital markets activity and higher managed investments revenues, partially offset by continued spread compression in lending.

Within Markets and securities services:

- Fixed income markets revenues decreased 1%, driven by a decrease in spread products revenues, partially offset by continued growth in rates and currencies revenues. Spread products revenues declined due to lower activity levels, particularly in credit products in North America and as a result of overall weakness in EMEA. Each of distressed credit, structured credit and municipals products experienced lower activity levels in a challenging credit environment due to lower risk appetite across the credit markets. Rates and currencies revenues increased, particularly in G10 rates in North America, due to increased client flows and improved trading performance due to higher market volatility, combined with strong performance in local markets in Asia, partially offset by a slight decline in G10 foreign exchange and weakness in EMEA.
- Equity markets revenues decreased 1%, primarily reflecting a charge of $175 million for valuation adjustments related to certain financing transactions. Currently, Citi has remaining exposure with respect to these transactions of less than $100 million. Excluding the adjustments, revenues would have increased by 26%, primarily reflecting growth in derivatives, improved trading performance in EMEA and strong client momentum in Asia.

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

Expenses increased 2%, primarily due to higher regulatory and compliance costs and volume-related costs and investments, partially offset by ongoing efficiency savings and the impact of FX translation.
Provisions increased 15% to a negative $95 million primarily reflecting higher net credit losses, partially offset by a higher net loan loss reserve release. Net credit losses increased $74 million. The increase related to a limited number of corporate loans, with the vast majority of these net credit losses offset by the release of related, previously-established loan loss reserves. The higher net loan loss reserve release was driven by this release of previously-established loan loss reserves as well as improvement in the overall corporate portfolio, partially offset by an approximately $43 million loan loss reserve build for certain energy and energy-related exposures (for additional information, see “Managing Global Risk-Corporate Credit Risk Details” below).

Russia/Greece

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

2015 YTD vs. 2014 YTD

Net income increased 5%, primarily driven by lower expenses, partially offset by an increase in the cost of credit.

- Revenues were unchanged, reflecting lower revenues in Markets and securities services (decrease of 2%), offset by higher revenues in Banking (increase of 3%, 2% excluding the gains/(losses) on hedges on accrual loans).

Within Banking:

- Investment banking revenues increased 4%, reflecting strength in North America and improved overall wallet share, despite a decline in the overall market environment due to lower underwriting activity. Advisory revenues increased 51%, reflecting increased wallet share and strength in the overall M&A market. Equity underwriting revenues decreased 24% due in part to a decline in wallet share resulting from continued share fragmentation. Debt underwriting revenues increased 5%, as strength in investment grade debt more than offset declines in the loan underwriting market.
- Treasury and trade solutions revenues decreased 1%. Excluding the impact of FX translation, revenues increased 4%, as continued growth in deposit balances and improved spreads were partially offset by lower activity and the continued impact of spread compression in trade. End-of-period deposit balances increased 4%. Excluding the impact of FX translation, end-of-period deposits increased 9%, as discussed above. Average trade loans decreased 14%. Excluding the impact of FX translation, average trade loans decreased 9%, as discussed above.
- Corporate lending revenues increased 8%. Excluding the impact of gains/(losses) on hedges on accrual loans, revenues increased 2%, as continued growth in average loan balances, lower hedge premium costs and an improvement in mark-to-market adjustments were partially offset by the impact of FX translation and lower spreads.
- Private bank revenues increased 9%, primarily due to continued growth in client business volumes in both banking and lending, as well as higher capital markets activity, partially offset by continued spread compression in lending and weakness in Latin America.

Within Markets and securities services:

- Fixed income markets revenues decreased 7%, driven by a decrease in spread products revenues, partially offset by growth in rates and currencies revenues. Spread products revenues declined, particularly credit markets in North America, due to lower activity in the period, as well as

strong performance in the prior-year period. Distressed credit, structured credit, securitized markets and municipals products all experienced lower activity levels due to lower risk appetite across the credit markets, partially offset by increased client activity in investment grade credit. Rates and currencies revenues increased, particularly in EMEA, due to increased client flows in G10 and local markets, driven in part by central bank actions and increased foreign exchange volatility, combined with strength in Asia due to improved performance, partially offset by the previously disclosed modest loss on the Swiss franc revaluation early in the first quarter of 2015.

- Equity markets revenues decreased 1%, primarily reflecting the charge for valuation adjustments referenced above. Excluding the adjustments, revenues would have increased by 10%, primarily due to growth in derivatives, particularly in Asia and EMEA, partially offset by North America.
- Securities services revenues increased 9%, reflecting increased client activity and higher client balances, which drove growth in net interest revenue and custody and clearing fees, partially offset by the impact of FX translation.

Expenses decreased 2%, primarily due to the impact of FX translation, lower legal and related expenses, lower repositioning charges and ongoing efficiency savings, partially offset by increased regulatory and compliance costs and higher volume-related costs.

Provisions increased 75% to a negative $21 million, primarily reflecting a lower net loan loss reserve release largely due to the impact of an approximately $140 million loan loss reserve build for certain energy and energy-related exposures, partially offset by lower net credit losses largely due to the absence of $165 million of credit costs related to the Pemex supplier program in the prior-year period (for additional information, see Citi's Current Report on Form 8-K filed with the SEC on February 28, 2014).

CORPORATE/OTHER

Corporate/Other includes certain unallocated costs of global staff functions (including finance, risk, human resources, legal and compliance), other corporate expenses and unallocated global operations and technology expenses, Corporate Treasury and discontinued operations. At June 30, 2015, Corporate/Other had $52 billion of assets, or 3% of Citigroup's total assets. For additional information, see "Balance Sheet Review" and "Managing Global Risk-Market Risk-Funding and Liquidity" below.

	Second Quarter		%	Six Months		% Change
In millions of dollars	2015	2014	Change	2015	2014	
Net interest revenue	$(22)	$(45)	51 %	$(50)	$(80)	38 %
Non-interest revenue	392	134	NM	632	392	61
Total revenues, net of interest expense	$370	$89	NM	$582	$312	87 %
Total operating expenses	$385	$636	(39)%	$928	$1,038	(11)%
Provisions for loan losses and for benefits and claims	—	—	— %	—	—	— %
Loss from continuing operations before taxes	$(15)	$(547)	97 %	$(346)	$(726)	52 %
Income taxes (benefits)	(245)	(163)	(50)%	(557)	46	NM
Income (loss) from continuing operations	$230	$(384)	NM	$211	$(772)	NM
Income (loss) from discontinued operations, net of taxes	6	(22)	NM	1	15	(93)%
Net income (loss) before attribution of noncontrolling interests	$236	$(406)	NM	$212	$(757)	NM
Noncontrolling interests	(2)	25	NM	8	35	(77)%
Net income (loss)	$238	$(431)	NM	$204	$(792)	NM

NM Not meaningful

2Q15 vs. 2Q14

Net income was $238 million, compared to a net loss of $431 million in the prior-year period, primarily due to higher revenue, lower expenses and the favorable tax impact reflecting the resolution of certain state and local audits (see "Income Taxes" below).

Revenues increased $281 million to $370 million, primarily due to gains on debt buybacks as well as real estate sales in the current quarter, partially offset by hedging activities.

Expenses decreased 39%, primarily due to lower legal and related expenses ($144 million compared to $296 million in the prior-year period) as well as the benefit of FX translation.

2015 YTD vs. 2014 YTD

Year-to-date, Corporate/Other has experienced similar trends to those described above. Net income was $204 million, compared to a net loss of $792 million, primarily due to higher revenues, the favorable tax impact resulting from the resolution of certain state and local audits referenced above and lower expenses.

Revenues increased 87%, primarily due to the gains on debt buybacks and real estate sales and higher revenues from sales of available-for-sale securities, partially offset by hedging activities.

Expenses decreased 11%, as the benefit of FX translation and lower repositioning charges were partially offset by higher legal and related expenses ($459 million compared to $383 million in the prior-year period).

CITI HOLDINGS

Citi Holdings contains businesses and portfolios of assets that Citigroup has determined are not central to its core Citicorp businesses.

As of June 30, 2015, Citi Holdings assets were approximately $116 billion, a decrease of 22% year-over-year and 5% from March 31, 2015. The decline in assets of $6 billion from March 31, 2015 primarily consisted of divestitures and run-off. During the second quarter of 2015, Citi completed the sales of its consumer businesses in Peru and Nicaragua. In addition, as previously announced, Citi currently has executed agreements to sell an additional $32 billion of assets, including the consumer businesses in Japan, Egypt, Costa Rica and Panama as well as OneMain Financial, subject to regulatory approvals and other closing conditions.

As of June 30, 2015, consumer assets in Citi Holdings were approximately $103 billion, or approximately 89% of Citi Holdings assets. Of the consumer assets, approximately $51 billion, or 50%, consisted of North America mortgages (residential first mortgages and home equity loans), including consumer mortgages originated by Citi’s legacy CitiFinancial North America business (approximately $9 billion, or 18%, of the $51 billion as of June 30, 2015). As of June 30, 2015, Citi Holdings represented approximately 6% of Citi’s GAAP assets and 13% of its risk-weighted assets under Basel III (based on the Advanced Approaches for determining risk-weighted assets).

	Second Quarter			Six Months		
In millions of dollars, except as otherwise noted	2015	2014	% Change	2015	2014	% Change
Net interest revenue	$1,001	$1,237	(19)%	$2,056	$2,413	(15)%
Non-interest revenue	672	753	(11)	1,451	1,562	(7)
Total revenues, net of interest expense	$1,673	$1,990	(16)%	$3,507	$3,975	(12)%
Provisions for credit losses and for benefits and claims						
Net credit losses	$258	$442	(42)%	$666	$1,015	(34)%
Credit reserve release	(170)	(212)	20	(366)	(558)	34
Provision for loan losses	$88	$230	(62)%	$300	$457	(34)%
Provision for benefits and claims	160	156	3	329	323	2
Release for unfunded lending commitments	(1)	(3)	67	(6)	(7)	14
Total provisions for credit losses and for benefits and claims	$247	$383	(36)%	$623	$773	(19)%
Total operating expenses	$1,104	$5,022	(78)%	$2,261	$7,040	(68)%
Income (loss) from continuing operations before taxes	$322	$(3,415)	NM	$623	$(3,838)	NM
Income taxes (benefits)	159	77	NM	313	(64)	NM
Income (loss) from continuing operations	$163	$(3,492)	NM	$310	$(3,774)	NM
Noncontrolling interests	—	—	—%	$1	$2	(50)%
Net Income (loss)	$163	$(3,492)	NM	$309	$(3,776)	NM
Total revenues, net of interest expense (excluding CVA/DVA)						
Total revenues-as reported	$1,673	$1,990	(16)%	$3,507	$3,975	(12)%
CVA/DVA[1]	9	(1)	NM	5	13	(62)%
Total revenues-excluding CVA/DVA	$1,664	$1,991	(16)%	$3,502	$3,962	(12)%
Balance sheet data (in billions of dollars)						
Average assets	$118	$148	(20)%	$122	$150	(19)%
Return on average assets	0.55%	(9.46)%		0.51%	(5.08)%	
Efficiency ratio	66%	252%		64%	177%	
Total EOP assets	$116	$148	(22)%			
Total EOP loans	59	90	(34)			
Total EOP deposits	8	52	(85)			

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

NM Not meaningful

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

2Q15 vs. 2Q14
Net income was $157 million, an improvement from a net loss of $3.5 billion in the prior-year period, largely due to the impact of the mortgage settlement in the prior-year period (see “Executive Summary” above). Excluding the mortgage settlement, net income declined 33%, primarily driven by lower revenues, partially offset by lower expenses and lower credit costs.
Revenues decreased 16%, primarily driven by the overall continued wind-down of the portfolio and the impact of the recording of OneMain Financial net credit losses as a reduction in revenue (see “Executive Summary” above).
Expenses decreased 78%. Excluding the impact of the mortgage settlement, expenses decreased 13%, primarily reflecting the ongoing decline in assets.
Provisions decreased 36%. Excluding the impact of the mortgage settlement, provision decreased 25%, driven by lower net credit losses, partially offset by a lower net loss reserve release. Net credit losses declined 42%, primarily due to the impact of the recording of OneMain Financial net credit losses as a reduction in revenue referenced above. Excluding the impact of the mortgage settlement, the net reserve release decreased 37% to $171 million, primarily due to lower releases related to the North America mortgage portfolio.

2015 YTD vs. 2014 YTD
Year-to-date, Citi Holdings has experienced similar trends to those described above. Net income was $306 million, an improvement from a net loss of $3.8 billion in the prior-year period, largely due to the impact of the mortgage settlement. Excluding the mortgage settlement, net income was $306 million, compared to a net loss of $58 million in the prior-year period, primarily reflecting lower expenses and lower credit costs, partially offset by lower revenues.
Revenues decreased 12%, primarily driven by the overall continued wind-down of the portfolio and the impact of the recording of OneMain Financial net credit losses as a reduction in revenue, partially offset by higher gains on asset sales.
Expenses decreased 68%. Excluding the impact of the mortgage settlement, expenses decreased 31%, primarily reflecting lower legal and related expenses ($143 million compared to $799 million in the prior-year period) and the ongoing decline in assets.
Provisions decreased 19%. Excluding the impact of the mortgage settlement, provision decreased 13%, driven by lower net credit losses, partially offset by a lower net loss reserve release. Net credit losses declined 34%, primarily due to the impact of the recording of OneMain Financial net credit losses as a reduction in revenue, continued improvements in North America mortgages and overall lower asset levels. Excluding the impact of the mortgage settlement, the net reserve release decreased 40% to $372 million, primarily due to lower releases related to the North America mortgage portfolio, partially offset by higher reserve releases related to asset sales.

Payment Protection Insurance (PPI)
As previously disclosed, the alleged mis-selling of PPI by financial institutions in the U.K. has been the subject of intense review and focus by U.K. regulators (for additional information, see Citi’s Annual Report on Form 10-K for the year ended December 31, 2013 filed with the SEC on March 3, 2014).
During the fourth quarter of 2014, the U.K. Supreme Court issued a ruling in a case involving PPI pursuant to which the court ruled, independent of the sale of the PPI contract, the PPI contract at issue in the case was “unfair” due to the high sales commissions earned and the lack of disclosure to the customer thereof. As a result of the ruling, on May 27, 2015, the U.K. Financial Conduct Authority (FCA) announced that it was considering the court’s ruling, including whether additional rules and/or guidance were necessary with respect to the impact of the decision on PPI customer complaints. It is currently uncertain what impact, if any, this recent court decision, the FCA’s review or the renewed

market attention on PPI will have on PPI customer complaints or Citi’s potential liability with respect thereto.

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BALANCE SHEET REVIEW

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

In billions of dollars	June 30, 2015	March 31, 2015	Dec. 31, 2014	June 30, 2014	EOP 2Q15 vs. 1Q15 Increase (decrease)	% Change	EOP 2Q15 vs. 4Q14 Increase (decrease)	% Change	EOP 2Q15 vs. 2Q14 Increase (decrease)	% Change
Assets										
Cash and deposits with banks	$154	$156	$160	$189	$(2)	(1)%	$(6)	(4)%	$(35)	(19)%
Federal funds sold and securities borrowed or purchased under agreements to resell	237	239	243	250	(2)	(1)	(6)	(2)	(13)	(5)
Trading account assets	279	303	297	291	(24)	(8)	(18)	(6)	(12)	(4)
Investments	332	327	333	326	5	2	(1)	—	6	2
Loans, net of unearned income	632	621	645	668	11	2	(13)	(2)	(36)	(5)
Allowance for loan losses	(14)	(15)	(16)	(18)	1	(7)	2	(13)	4	(22)
Loans, net	618	606	629	650	12	2	(11)	(2)	(32)	(5)
Other assets	209	201	180	203	8	4	29	16	6	3
Total assets	$1,829	$1,832	$1,842	$1,909	$(3)	—%	$(13)	(1)%	$(80)	(4)%
Liabilities										
Deposits	$908	$900	$899	$966	$8	1%	$9	1%	$(58)	(6)%
Federal funds purchased and securities loaned or sold under agreements to repurchase	177	175	173	184	2	1	4	2	(7)	(4)
Trading account liabilities	136	142	139	123	(6)	(4)	(3)	(2)	13	11
Short-term borrowings	26	39	58	60	(13)	(33)	(32)	(55)	(34)	(57)
Long-term debt	212	211	223	227	1	—	(11)	(5)	(15)	(7)
Other liabilities	149	149	138	136	—	—	11	8	13	10
Total liabilities	$1,608	$1,616	$1,630	$1,696	$(8)	—%	$(22)	(1)%	$(88)	(5)%
Total equity	221	216	212	213	5	2	9	4	8	4
Total liabilities and equity	$1,829	$1,832	$1,842	$1,909	$(3)	—%	$(13)	(1)%	$(80)	(4)%

ASSETS

Cash and Deposits with Banks
Cash and deposits with banks decreased from the prior-year period as Citi continued to deploy its excess cash by increasing its investment portfolio to manage its interest rate position as well as reduce its short-term and long-term borrowings. Average cash balances were $156 billion in the second quarter of 2015 compared to $192 billion in the second quarter of 2014.

Federal Funds Sold and Securities Borrowed or Purchased Under Agreements to Resell (Reverse Repos)
Reverse repos and securities borrowing transactions declined 5% from the prior-year period primarily due to the impact of FX translation (for additional information, see “Managing Global Risk-Market Risk-Funding and Liquidity Risk” below).

Trading Account Assets
The decrease in trading account assets from the prior-year period was primarily due to the impact of FX translation, partially offset by an increase in the carrying value of Citi's

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derivatives positions. Average trading account assets were $296 billion in the second quarter of 2015 compared to $287 billion in the second quarter of 2014.

Investments
The sequential and year-over-year increase in investments reflected Citi's continued deployment of its excess cash (as discussed above) by investing in available-for-sale securities, particularly in U.S. treasuries. For further information on Citi's investments during the current quarter, see Note 13 to the Consolidated Financial Statements.

Loans
The impact of FX translation on Citi's reported loans was negative $27 billion versus the prior-year period and negligible sequentially. Excluding the impact of FX translation, Citigroup end of period loans declined 1% year-over-year to $632 billion as 4% growth in Citicorp was more than offset by the continued wind-down of Citi Holdings.
Citicorp consumer loans grew 1% year-over-year, with broad-based growth driving a 3% increase in international consumer loans. Corporate loans grew 6% year-over-year, as 13% combined growth in corporate lending, markets and private bank volumes, particularly in North America and EMEA, was partially offset by an 11% decline in treasury and trade solutions loans. Spread compression in trade, particularly in Asia, led to a reduction of on-balance sheet loans while Citi continued to support new originations for its clients.
Citi Holdings loans decreased 33% year-over-year driven by an approximately $16 billion reduction in North America mortgages, as well as the previously announced impact of the agreements to sell OneMain Financial and Citi's Japan credit card business.
Sequentially, growth in Citicorp, driven by corporate lending and North America GCB more than offset the continued wind-down of Citi Holdings.
During the second quarter of 2015, average loans of $627 billion yielded an average rate of 6.4%, compared to $635 billion and 6.8% in the first quarter of 2015 and $665 billion and 6.9% in the second quarter of 2014.
For further information on Citi's loan portfolios, see "Managing Global Risk-Credit Risk" and "Country Risk" below.

Other Assets
The year-over-year increase in other assets was largely due to the previously announced reclassification to held-for-sale of OneMain Financial and Citi's Japan credit card businesses. Sequentially, the increase in other assets was primarily due to changes in brokerage receivables driven by normal business fluctuations.

LIABILITIES

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

Federal Funds Purchased and Securities Loaned or Sold Under Agreements to Repurchase (Repos)
Repos decreased 4% from the prior-year period, primarily driven by the impact of FX translation. For further information on Citi's secured financing transactions, see "Managing Global Risk-Market Risk-Funding and Liquidity" below.

Trading Account Liabilities
Trading account liabilities increased from the prior-year period due to an increase in the carrying value of Citi's derivatives positions, partially offset by the impact of FX translation. Average trading account liabilities were $138 billion during the second quarter of 2015, compared to $130 billion in the second quarter of 2014.

Debt

For information on Citi’s long-term and short-term debt borrowings, see “Managing Global Risk-Market Risk-Funding and Liquidity Risk” below.

Other Liabilities

The increase in other liabilities from the prior-year period was primarily driven by the previously announced reclassification to held-for-sale of Citi’s Japan retail banking business, as well as changes in the levels of brokerage payables driven by normal business fluctuations.

Segment Balance Sheet[(1)]

In millions of dollars	Global Consumer Banking	Institutional Clients Group	Corporate/Other and Consolidating Eliminations[(2)]	Subtotal Citicorp	Citi Holdings	Citigroup Parent Company-Issued Long-Term Debt and Stockholders' Equity[(3)]	Total Citigroup Consolidated
Assets							
Cash and deposits with banks	$11,127	$76,670	$ 65,668	$153,465	$633	$—	$154,098
Federal funds sold and securities borrowed or purchased under agreements to resell	432	235,395	—	235,827	1,227	—	237,054
Trading account assets	5,084	270,179	538	275,801	3,396	—	279,197
Investments	20,248	93,305	210,189	323,742	8,379	—	332,121
Loans, net of unearned income and allowance for loan losses	275,447	287,231	—	562,678	55,365	—	618,043
Other assets	45,700	94,249	44,901	184,850	24,007	—	208,857
Liquidity assets[(4)]	37,013	209,155	(269,033)	(22,865)	22,865	—	—
Total assets	$395,051	$1,266,184	$ 52,263	$1,713,498	$115,872	$—	$1,829,370
Liabilities and equity							
Total deposits [(5)]	$305,091	$588,104	$ 7,120	$900,315	$7,722	$—	$908,037
Federal funds purchased and securities loaned or sold under agreements to repurchase	5,078	171,818	—	176,896	116	—	177,012
Trading account liabilities	12	135,401	32	135,445	850	—	136,295
Short-term borrowings	187	24,719	1,011	25,917	(10)	—	25,907
Long-term debt	1,342	36,044	19,600	56,986	3,754	151,105	211,845
Other liabilities	17,431	79,899	16,683	114,013	35,436	—	149,449
Net inter-segment funding (lending)[(3)]	65,910	230,199	6,432	302,541	68,004	(370,545)	—
Total liabilities	$395,051	$1,266,184	$ 50,878	$1,712,113	$115,872	$(219,440)	$1,608,545
Total equity	—	—	1,385	1,385	—	219,440	220,825
Total liabilities and equity	$395,051	$1,266,184	$ 52,263	$1,713,498	$115,872	$—	$1,829,370

(1) The supplemental information presented in the table above reflects Citigroup's consolidated GAAP balance sheet by reporting segment as of June 30, 2015. The respective segment information depicts the assets and liabilities managed by each segment as of such date. While this presentation is not defined by GAAP, Citi believes that these non-GAAP financial measures enhance investors' understanding of the balance sheet components managed by the underlying business segments, as well as the beneficial inter-relationships of the asset and liability dynamics of the balance sheet components among Citi's business segments.

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

(3)

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

(4) Represents the attribution of Citigroup's liquidity assets (primarily consisting of cash and available-for-sale securities) to the various businesses based on Liquidity Coverage Ratio (LCR) assumptions.

(5) Reflects reclassification of approximately $20 billion of deposits to held-for-sale (Other liabilities) as a result of the agreement in December 2014 to sell Citi's retail banking business in Japan.

OFF-BALANCE SHEET ARRANGEMENTS

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

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

CAPITAL RESOURCES

Overview

Capital is used principally to support assets in Citi's businesses and to absorb credit, market and operational losses. Citi primarily generates capital through earnings from its operating businesses. Citi may augment its capital through issuances of common stock, noncumulative perpetual preferred stock and equity issued through awards under employee benefit plans, among other issuances. During the second quarter of 2015, Citi continued to raise capital through a noncumulative perpetual preferred stock issuance amounting to approximately $2 billion, resulting in a total of approximately $14 billion outstanding as of June 30, 2015. In addition, during the 2015 second quarter, Citi also returned a total of $1.7 billion of capital to common shareholders in the form of share repurchases (approximately 28 million common shares) and dividends.

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

Capital Management

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

Current Regulatory Capital Standards

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

Risk-Based Capital Ratios

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

The U.S. Basel III rules establish stated minimum Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital ratios for substantially all U.S. banking organizations, including Citi and Citibank, N.A. Moreover, these rules provide for both a fixed Capital Conservation Buffer and a discretionary Countercyclical Capital Buffer, which would be available to absorb losses in advance of any potential impairment of regulatory capital below the stated minimum risk-based capital ratio requirements. Separately, in July 2015 the Federal Reserve Board released a final rule which imposes a risk-based capital surcharge upon U.S. bank holding companies that are identified as global systemically important bank holding companies (GSIBs), including Citi, and which will be an extension of, and introduced in parallel with, the Capital Conservation Buffer. For additional information regarding the Federal Reserve Board's final GSIB surcharge rule, see "Regulatory Capital Standards Developments" below.

The U.S. Basel III rules contain several differing, largely multi-year transition provisions (i.e., "phase-ins" and "phase-outs") with respect to the stated minimum Common Equity Tier 1 Capital and Tier 1 Capital ratio requirements, substantially all regulatory capital adjustments and deductions, non-qualifying Tier 1 and Tier 2 Capital instruments (such as non-grandfathered trust preferred securities and certain subordinated debt issuances), capital buffers and GSIB surcharge. With the exception of the non-grandfathered trust preferred securities which do not fully phase-out until January 1, 2022 and the capital buffers and GSIB surcharge which do not fully phase-in until January 1, 2019, all

other transition provisions will be entirely reflected in Citi’s regulatory capital ratios by January 1, 2018. Citi considers all of these transition provisions as being fully implemented on January 1, 2019 (full implementation), with the inclusion of the capital buffers and GSIB surcharge.

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

The following chart sets forth the transitional progression to full implementation by January 1, 2019 of the regulatory capital components (i.e., inclusive of the mandatory 2.5% Capital Conservation Buffer and an estimated 3.5% GSIB surcharge, but exclusive of the potential imposition of an additional Countercyclical Capital Buffer) comprising the effective minimum risk-based capital ratios.

Basel III Transition Arrangements: Minimum Risk-Based Capital Ratios

(1) Estimated GSIB surcharge based on Citi's current understanding and interpretation of the Federal Reserve Board's final GSIB surcharge rule, released July 2015. For additional information regarding the Federal Reserve Board's final GSIB surcharge rule, see "Regulatory Capital Standards Developments" below.

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

Basel III Transition Arrangements: Significant Regulatory Capital Adjustments and Deductions

	January 1				
	2014	2015	2016	2017	2018
Phase-in of Significant Regulatory Capital Adjustments and Deductions					
Common Equity Tier 1 Capital[1]	20 %	40 %	60 %	80 %	100 %
Common Equity Tier 1 Capital[2]	20 %	40 %	60 %	80 %	100 %
Additional Tier 1 Capital[2][3]	80 %	60 %	40 %	20 %	0 %
	100 %	100 %	100 %	100 %	100 %
Phase-out of Significant AOCI Regulatory Capital Adjustments					
Common Equity Tier 1 Capital[4]	80 %	60 %	40 %	20 %	0 %

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

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

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

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

Tier 1 Leverage Ratio

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

Supplementary Leverage Ratio

Advanced Approaches banking organizations are additionally required to calculate a Supplementary Leverage ratio, which significantly differs from the Tier 1 Leverage ratio by also including certain off-balance sheet exposures within the denominator of the ratio (Total Leverage Exposure). The Supplementary Leverage ratio represents end of period Tier 1 Capital to Total Leverage Exposure, with the latter defined as the sum of the daily average of on-balance sheet assets for the quarter and the average of certain off-balance sheet exposures calculated as of the last day of each month in the quarter, less applicable Tier 1 Capital deductions. Advanced Approaches banking organizations will be required to maintain a stated minimum Supplementary Leverage ratio of 3% commencing on January 1, 2018, but commenced publicly disclosing this ratio on January 1, 2015.

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

be compliant with these higher effective minimum ratio requirements on January 1, 2018.

Prompt Corrective Action Framework

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

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

Citigroup's Capital Resources Under Current Regulatory Standards

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

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

The following tables set forth the capital tiers, risk-weighted assets, risk-based capital ratios, quarterly adjusted average total assets, Total Leverage Exposure and leverage ratios under current regulatory standards (reflecting Basel III Transition Arrangements) for Citi as of June 30, 2015 and December 31, 2014.

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

In millions of dollars, except ratios	June 30, 2015		December 31, 2014[1]	
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach[2]
Common Equity Tier 1 Capital	$172,747	$172,747	$166,663	$166,663
Tier 1 Capital	173,006	173,006	166,663	166,663
Total Capital (Tier 1 Capital + Tier 2 Capital)[3]	193,712	206,374	184,959	197,707
Risk-Weighted Assets	1,253,875	1,188,191	1,274,672	1,211,358
Common Equity Tier 1 Capital ratio[4]	13.78 %	14.54 %	13.07 %	13.76 %
Tier 1 Capital ratio[4]	13.80	14.56	13.07	13.76
Total Capital ratio[4]	15.45	17.37	14.51	16.32

In millions of dollars, except ratios	June 30, 2015	December 31, 2014[1]
Quarterly Adjusted Average Total Assets[5]	$1,787,880	$1,849,325
Total Leverage Exposure[6]	2,395,234	2,518,115
Tier 1 Leverage ratio	9.68 %	9.01 %
Supplementary Leverage ratio	7.22	6.62

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

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

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

(4) As of June 30, 2015 and December 31, 2014, Citi's reportable Common Equity Tier 1 Capital, Tier 1 Capital, and Total Capital ratios were the lower derived under the Basel III Advanced Approaches framework.

(5) Tier 1 Leverage ratio denominator.

(6) Supplementary Leverage ratio denominator.

As indicated in the table above, Citigroup's capital ratios at June 30, 2015 were in excess of the stated minimum requirements under the U.S. Basel III rules. In addition, Citi was also "well capitalized" under current

federal bank regulatory agency definitions as of June 30, 2015.

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

In millions of dollars	June 30, 2015	December 31, 2014[1]
Common Equity Tier 1 Capital		
Citigroup common stockholders' equity[2]	$205,610	$199,841
Add: Qualifying noncontrolling interests	409	539
Regulatory Capital Adjustments and Deductions:		
Less: Net unrealized gains (losses) on securities AFS, net of tax[3][4]	(172)	46
Less: Defined benefit plans liability adjustment, net of tax[4]	(2,803)	(4,127)
Less: Accumulated net unrealized losses on cash flow hedges, net of tax[5]	(731)	(909)
Less: Cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax[4][6]	190	56
Less: Intangible assets:		
Goodwill, net of related deferred tax liabilities (DTLs)[7]	22,312	22,805
Identifiable intangible assets other than mortgage servicing rights (MSRs), net of related DTLs[4]	1,661	875
Less: Defined benefit pension plan net assets[4]	326	187
Less: Deferred tax assets (DTAs) arising from net operating loss, foreign tax credit and general business credit carry-forwards[4][8]	9,504	4,725
Less: Excess over 10%/15% limitations for other DTAs, certain common stock investments, and MSRs[4][8][9]	2,985	1,977
Less: Deductions applied to Common Equity Tier 1 Capital due to insufficient amount of Additional Tier 1 Capital to cover deductions[4]	—	8,082
Total Common Equity Tier 1 Capital	$172,747	$166,663
Additional Tier 1 Capital		
Qualifying perpetual preferred stock[2]	$13,830	$10,344
Qualifying trust preferred securities[10]	1,717	1,719
Qualifying noncontrolling interests	12	7
Regulatory Capital Adjustment and Deductions:		
Less: Cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax[4][6]	284	223
Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries[11]	271	279
Less: Defined benefit pension plan net assets[4]	489	749
Less: DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards[4][8]	14,256	18,901
Less: Deductions applied to Common Equity Tier 1 Capital due to insufficient amount of Additional Tier 1 Capital to cover deductions[4]	—	(8,082)
Total Additional Tier 1 Capital	$259	$—
Total Tier 1 Capital (Common Equity Tier 1 Capital + Additional Tier 1 Capital)	$173,006	$166,663
Tier 2 Capital		

Qualifying subordinated debt[12]	$19,721	$17,386
Qualifying noncontrolling interests	17	12
Excess of eligible credit reserves over expected credit losses[13]	1,239	1,177
Regulatory Capital Deduction:		
Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries[11]	271	279
Total Tier 2 Capital	$20,706	$18,296
Total Capital (Tier 1 Capital + Tier 2 Capital)	$193,712	$184,959

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

In millions of dollars	June 30, 2015	December 31, 2014[1]
Credit Risk[14]	$833,470	$861,691
Market Risk	95,405	100,481
Operational Risk	325,000	312,500
Total Risk-Weighted Assets	$1,253,875	$1,274,672

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

(2) Issuance costs of $138 million and $124 million related to preferred stock outstanding at June 30, 2015 and December 31, 2014, respectively, are excluded from common stockholders' equity and netted against preferred stock in accordance with Federal Reserve Board regulatory reporting requirements, which differ from those under U.S. GAAP.

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

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

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

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

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

(8) Of Citi's approximately $47.9 billion of net DTAs at June 30, 2015, approximately $22.9 billion of such assets were includable in regulatory capital pursuant to the U.S. Basel III rules, while approximately $25.0 billion of such assets were excluded in arriving at regulatory capital. Comprising the excluded net DTAs was an aggregate of approximately $26.7 billion of net DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards as well as temporary differences, of which $12.5 billion were deducted from Common Equity Tier 1 Capital and $14.2 billion were deducted from Additional Tier 1 Capital. In addition, approximately $1.7 billion of net DTLs, primarily consisting of DTLs associated with goodwill and certain other intangible assets, partially offset by DTAs related to cash flow hedges, are permitted to be excluded prior to deriving the amount of net DTAs subject to deduction under these rules. Separately, under the U.S. Basel III rules, goodwill and these other intangible assets are deducted net of associated DTLs in arriving at Common Equity Tier 1 Capital, while Citi's current cash flow hedges and the related deferred tax effects are not required to be reflected in regulatory capital.

(9) Assets subject to 10%/15% limitations include MSRs, DTAs arising from temporary differences and significant common stock investments in unconsolidated financial institutions. At June 30, 2015 and December 31, 2014, the deduction related only to DTAs arising from temporary differences that exceeded the 10% limitation.

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

accordance with the transition arrangements for non-qualifying capital instruments under the U.S. Basel III rules. As of June 30, 2015 and December 31, 2014, however, the entire amount of non-grandfathered trust preferred securities was included within Tier 1 Capital, as the amounts outstanding did not exceed the respective threshold for exclusion from Tier 1 Capital.

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

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

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

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

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

In millions of dollars	Three Months Ended June 30, 2015	Six Months Ended June 30, 2015
Common Equity Tier 1 Capital		
Balance, beginning of period[1]	$168,021	$166,663
Net income	4,846	9,616
Dividends declared	(355)	(514)
Net increase in treasury stock	(1,553)	(1,850)
Net increase in additional paid-in capital[2]	303	405
Net increase in foreign currency translation adjustment net of hedges, net of tax	(148)	(2,210)
Net increase in unrealized gains on securities AFS, net of tax[3]	(374)	(126)
Net change in defined benefit plans liability adjustment, net of tax[3]	232	(836)
Net increase in cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax	(57)	(134)
Net decrease in goodwill, net of related deferred tax liabilities (DTLs)	136	493
Net change in identifiable intangible assets other than mortgage servicing rights (MSRs), net of related DTLs	13	(786)
Net change in defined benefit pension plan net assets	33	(139)
Net increase in deferred tax assets (DTAs) arising from net operating loss, foreign tax credit and general business credit carry-forwards	(228)	(4,779)
Net change in excess over 10%/15% limitations for other DTAs, certain common stock investments and MSRs	510	(1,008)
Net decrease in regulatory capital deduction applied to Common Equity Tier 1 Capital due to insufficient Additional Tier 1 Capital to cover deductions	1,368	8,082
Other	—	(130)
Net increase in Common Equity Tier 1 Capital	$4,726	$6,084
Common Equity Tier 1 Capital Balance, end of period	$172,747	$172,747
Additional Tier 1 Capital		
Balance, beginning of period	$—	$—
Net increase in qualifying perpetual preferred stock[4]	1,992	3,486
Net change in qualifying trust preferred securities	7	(2)
Net increase in cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax	(85)	(61)
Net decrease in defined benefit pension plan net assets	49	260
Net change in DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards	(342)	4,645
Net decrease in regulatory capital deduction applied to Common Equity Tier 1 Capital due to insufficient Additional Tier 1 Capital to cover deductions	(1,368)	(8,082)

Other	6	13
Net increase in Additional Tier 1 Capital	$259	$259
Tier 1 Capital Balance, end of period	$173,006	$173,006
Tier 2 Capital		
Balance, beginning of period	$17,193	$18,296
Net increase in qualifying subordinated debt	3,221	2,335
Net increase in excess of eligible credit reserves over expected credit losses	286	62
Other	6	13
Net increase in Tier 2 Capital	$3,513	$2,410
Tier 2 Capital Balance, end of period	$20,706	$20,706
Total Capital (Tier 1 Capital + Tier 2 Capital)	$193,712	$193,712

(1) The beginning balance of Common Equity Tier 1 Capital for the six months ended June 30, 2015 has been restated to reflect the retrospective adoption of ASU 2014-01 for LIHTC investments, consistent with current period presentation.

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

(3) Presented net of impact of transition arrangements related to unrealized losses on securities AFS and defined benefit plans liability adjustment under the U.S. Basel III rules.

(4) Citi issued approximately $2.0 billion and approximately $3.5 billion of qualifying perpetual preferred stock during the three months and six months ended June 30, 2015, respectively, which were partially offset by the netting of issuance costs of $8 million and $14 million during those respective periods.

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

In millions of dollars	Three Months Ended June 30, 2015	Six Months Ended June 30, 2015
Total Risk-Weighted Assets, beginning of period[1]	$1,260,403	$1,274,672
Changes in Credit Risk-Weighted Assets		
Net change in retail exposures[2]	7,213	(4,617)
Net change in wholesale exposures[3]	6,135	(6,689)
Net increase in repo-style transactions	67	498
Net increase in securitization exposures	347	2,634
Net change in equity exposures	452	(456)
Net decrease in over-the-counter (OTC) derivatives	(3,438)	(2,881)
Net decrease in derivatives CVA[4]	(4,038)	(3,549)
Net decrease in other exposures[5]	(10,451)	(11,764)
Net change in supervisory 6% multiplier[6]	20	(1,397)
Net decrease in Credit Risk-Weighted Assets	$(3,693)	$(28,221)
Changes in Market Risk-Weighted Assets		
Net decrease in risk levels	$(808)	$(5,712)
Net change due to model and methodology updates	(2,027)	636
Net decrease in Market Risk-Weighted Assets	$(2,835)	$(5,076)
Increase in Operational Risk-Weighted Assets[7]	$—	$12,500
Total Risk-Weighted Assets, end of period	$1,253,875	$1,253,875

(1) The beginning balance of Total Risk-Weighted Assets for the six months ended June 30, 2015 has been restated to reflect the retrospective adoption of ASU 2014-01 for LIHTC investments, consistent with current period presentation.

(2) Retail exposures increased during the three months ended June 30, 2015 primarily due to the reclassification from other exposures of certain non-material portfolios, partially offset by reductions in loans and commitments. Conversely, retail exposures decreased during the six months ended June 30, 2015 due to reductions in loans and commitments and the impact of FX translation, partially offset by the reclassification from other exposures of certain non-material portfolios.

(3) Wholesale exposures increased during the three months ended June 30, 2015 primarily due to an increase in commitments and the reclassification from other exposures of certain non-material portfolios. Conversely, wholesale exposures decreased during the six months ended June 30, 2015 due to reductions in commitments and the impact of FX translation, partially offset by the reclassification from other exposures of certain non-material portfolios.

(4) Derivatives CVA decreased during both the three and six months ended June 30, 2015, driven by exposure reduction and credit spread changes related to certain sovereign obligors.

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

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

(7) Operational risk-weighted assets increased by $12.5 billion during the first quarter of 2015, reflecting an evaluation of ongoing events in the banking industry as well as continued enhancements to Citi's operational risk model.

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

The following tables set forth the capital tiers, risk-weighted assets, risk-based capital ratios, quarterly adjusted average total assets, Total Leverage Exposure and leverage ratios under current regulatory standards (reflecting Basel III Transition Arrangements) for Citibank, N.A., Citi's primary subsidiary U.S. depository institution, as of June 30, 2015 and December 31, 2014.

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

In millions of dollars, except ratios	June 30, 2015		December 31, 2014[1]	
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach[2]
Common Equity Tier 1 Capital	$129,033	$129,033	$128,262	$128,262
Tier 1 Capital	129,033	129,033	128,262	128,262
Total Capital (Tier 1 Capital + Tier 2 Capital)[3]	140,316	151,595	139,246	151,124
Risk-Weighted Assets	913,651	1,015,880	945,407	1,044,768
Common Equity Tier 1 Capital ratio[4]	14.12%	12.70%	13.57%	12.28%
Tier 1 Capital ratio[4]	14.12	12.70	13.57	12.28
Total Capital ratio[4]	15.36	14.92	14.73	14.46

In millions of dollars, except ratios	June 30, 2015	December 31, 2014[1]
Quarterly Adjusted Average Total Assets[5]	$1,315,273	$1,366,910
Total Leverage Exposure[6]	1,864,298	1,954,833
Tier 1 Leverage ratio	9.81%	9.38%
Supplementary Leverage ratio	6.92	6.56

(1) Restated to reflect the retrospective adoption of ASU 2014-01 for LIHTC investments, consistent with current period presentation.
(2) Pro forma presentation to reflect the application of the Basel III 2015 Standardized Approach, consistent with current period presentation.
(3) Under the Advanced Approaches framework eligible credit reserves that exceed expected credit losses are eligible for inclusion in Tier 2 Capital to the extent the excess reserves do not exceed 0.6% of credit risk-weighted assets, which differs from the Standardized Approach in which the allowance for credit losses is includable in Tier 2 Capital up to 1.25% of credit risk-weighted assets, with any excess allowance for credit losses being deducted in arriving at credit risk-weighted assets.
(4) As of June 30, 2015 and December 31, 2014, Citibank, N.A.'s reportable Common Equity Tier 1 Capital, Tier 1 Capital, and Total Capital ratios were the lower derived under the Basel III Standardized Approach.
(5) Tier 1 Leverage ratio denominator.
(6) Supplementary Leverage ratio denominator.

As indicated in the table above, Citibank N.A.'s capital ratios at June 30, 2015 were in excess of the stated minimum requirements under the U.S. Basel III rules. In addition, Citibank, N.A. was also "well capitalized" as of June 30, 2015 under the revised PCA regulations which became effective January 1, 2015.

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

June 30, 2015. This information is provided for the purpose of analyzing the impact that a change in Citigroup's or Citibank, N.A.'s financial position or results of operations could have on these ratios. These sensitivities only consider a single change to either a component of capital, risk-weighted assets, quarterly adjusted average total assets, or Total Leverage Exposure. Accordingly, an event that affects more than one factor may have a larger basis point impact than is reflected in these tables.

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

	Common Equity Tier 1 Capital ratio		Tier 1 Capital ratio		Total Capital ratio	
	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 bps	1.1 bps	0.8 bps	1.1 bps	0.8 bps	1.2 bps
Standardized Approach	0.8 bps	1.2 bps	0.8 bps	1.2 bps	0.8 bps	1.5 bps
Citibank, N.A.						
Advanced Approaches	1.1 bps	1.5 bps	1.1 bps	1.5 bps	1.1 bps	1.7 bps
Standardized Approach	1.0 bps	1.3 bps	1.0 bps	1.3 bps	1.0 bps	1.5 bps

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

	Tier 1 Leverage ratio		Supplementary Leverage ratio	
	Impact of $100 million change in Tier 1 Capital	Impact of $1 billion change in quarterly adjusted average total assets	Impact of $100 million change in Tier 1 Capital	Impact of $1 billion change in Total Leverage Exposure
Citigroup	0.6 bps	0.5 bps	0.4 bps	0.3 bps
Citibank, N.A.	0.8 bps	0.7 bps	0.5 bps	0.4 bps

Citigroup Broker-Dealer Subsidiaries
At June 30, 2015, Citigroup Global Markets Inc., a U.S. broker-dealer registered with the SEC that is an indirect wholly owned subsidiary of Citigroup, had net capital, computed in accordance with the SEC's net capital rule, of $6.9 billion, which exceeded the minimum requirement by $5.6 billion.

In addition, certain of Citi's other broker-dealer subsidiaries are subject to regulation in the countries in which they do business, including requirements to maintain specified levels of net capital or its equivalent. Citigroup's other broker-dealer subsidiaries were in compliance with
their capital requirements at June 30, 2015.

Basel III (Full Implementation)

Citigroup's Capital Resources Under Basel III
(Full Implementation)
Citi currently estimates that its effective minimum Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital ratio requirements under the U.S. Basel III rules, on a fully implemented basis and assuming a 3.5% GSIB surcharge, may be 10.5%, 12% and 14%, respectively.
Further, under the U.S. Basel III rules, Citi must also comply with a 4% minimum Tier 1 Leverage ratio requirement and an effective 5% minimum Supplementary Leverage ratio requirement.
The following tables set forth the capital tiers, risk-weighted assets, risk-based capital ratios, quarterly adjusted average total assets, Total Leverage Exposure and leverage ratios, assuming full implementation under the U.S. Basel III rules, for Citi as of June 30, 2015 and December 31, 2014.

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

In millions of dollars, except ratios	June 30, 2015		December 31, 2014[1]	
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach
Common Equity Tier 1 Capital	$145,435	$145,435	$136,597	$136,597
Tier 1 Capital	160,391	160,391	148,066	148,066
Total Capital (Tier 1 Capital + Tier 2 Capital)[2]	180,846	193,693	165,454	178,413
Risk-Weighted Assets	1,278,593	1,211,694	1,292,605	1,228,488
Common Equity Tier 1 Capital ratio[3][4]	11.37 %	12.00 %	10.57 %	11.12 %
Tier 1 Capital ratio[3][4]	12.54	13.24	11.45	12.05
Total Capital ratio[3][4]	14.14	15.99	12.80	14.52

In millions of dollars, except ratios	June 30, 2015	December 31, 2014[1]
Quarterly Adjusted Average Total Assets[5]	$1,778,835	$1,835,637
Total Leverage Exposure[6]	2,386,189	2,492,636
Tier 1 Leverage ratio[4]	9.02 %	8.07 %
Supplementary Leverage ratio[4]	6.72	5.94

(1) Restated to reflect the retrospective adoption of ASU 2014-01 for LIHTC investments, consistent with current period presentation.
(2) Under the Advanced Approaches framework eligible credit reserves that exceed expected credit losses are eligible for inclusion in Tier 2 Capital to the extent the excess reserves do not exceed 0.6% of credit risk-weighted assets, which differs from the Standardized Approach in which the allowance for credit losses is includable in Tier 2 Capital up to 1.25% of credit risk-weighted assets, with any excess allowance for credit losses being deducted in arriving at credit risk-weighted assets.
(3) As of June 30, 2015 and December 31, 2014, Citi's Common Equity Tier 1 Capital, Tier 1 Capital, and Total Capital ratios were the lower derived under the Basel III Advanced Approaches framework.
(4) Citi's Basel III capital ratios, on a fully implemented basis, are non-GAAP financial measures.
(5) Tier 1 Leverage ratio denominator.
(6) Supplementary Leverage ratio denominator.

Common Equity Tier 1 Capital Ratio

Citi's Common Equity Tier 1 Capital ratio was 11.4% at June 30, 2015, compared to 11.1% at March 31, 2015 and 10.6% at December 31, 2014 (all based on application of the Advanced Approaches for determining total risk-weighted assets). The quarter-over-quarter increase in the ratio was largely attributable to Common Equity Tier 1 Capital benefits resulting from quarterly net income of $4.8 billion and the favorable effects attributable to DTA utilization of approximately $0.3 billion, offset in part by a $1.7 billion return of capital to common shareholders in the form of share repurchases and dividends. Similarly, the increase in Citi's Common Equity Tier 1 Capital ratio from year-end 2014 reflected continued growth in Common Equity Tier 1 Capital resulting from net income of $9.6 billion as well as the favorable effects attributable to DTA utilization of approximately $1.5 billion, offset in part by the return of capital to common shareholders and a net decline in AOCI.

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

In millions of dollars	June 30, 2015	December 31, 2014[1]
Common Equity Tier 1 Capital		
Citigroup common stockholders' equity[2]	$205,610	$199,841
Add: Qualifying noncontrolling interests	146	165
Regulatory Capital Adjustments and Deductions:		
Less: Accumulated net unrealized losses on cash flow hedges, net of tax[3]	(731)	(909)
Less: Cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax[4]	474	279
Less: Intangible assets:		
Goodwill, net of related deferred tax liabilities (DTLs)[5]	22,312	22,805
Identifiable intangible assets other than mortgage servicing rights (MSRs), net of related DTLs	4,153	4,373
Less: Defined benefit pension plan net assets	815	936
Less: Deferred tax assets (DTAs) arising from net operating loss, foreign tax credit and general business credit carry-forwards[6]	23,760	23,626
Less: Excess over 10%/15% limitations for other DTAs, certain common stock investments, and MSRs[6][7]	9,538	12,299
Total Common Equity Tier 1 Capital	$145,435	$136,597
Additional Tier 1 Capital		
Qualifying perpetual preferred stock[2]	$13,830	$10,344
Qualifying trust preferred securities[8]	1,366	1,369
Qualifying noncontrolling interests	31	35
Regulatory Capital Deduction:		
Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries[9]	271	279
Total Additional Tier 1 Capital	$14,956	$11,469
Total Tier 1 Capital (Common Equity Tier 1 Capital + Additional Tier 1 Capital)	$160,391	$148,066
Tier 2 Capital		
Qualifying subordinated debt[10]	$19,095	$16,094
Qualifying trust preferred securities[11]	351	350
Qualifying noncontrolling interests	41	46
Excess of eligible credit reserves over expected credit losses[12]	1,239	1,177
Regulatory Capital Deduction:		
Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries[9]	271	279
Total Tier 2 Capital	$20,455	$17,388
Total Capital (Tier 1 Capital + Tier 2 Capital)[13]	$180,846	$165,454

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

(2) Issuance costs of $138 million and $124 million related to preferred stock outstanding at June 30, 2015 and December 31, 2014, respectively, are excluded from common stockholders' equity and netted against preferred stock in accordance with Federal Reserve Board regulatory reporting requirements, which differ from those under U.S. GAAP.

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

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

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

(6) Of Citi's approximately $47.9 billion of net DTAs at June 30, 2015, approximately $16.3 billion of such assets were includable in regulatory capital pursuant to the U.S. Basel III rules, while approximately $31.6 billion of such assets were excluded in arriving at Common Equity Tier 1 Capital. Comprising the excluded net DTAs was an aggregate of approximately $33.3 billion of net DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards as well as temporary differences that were deducted from Common Equity Tier 1 Capital. In addition, approximately $1.7 billion of net DTLs, primarily consisting of DTLs associated with goodwill and certain other intangible assets, partially offset by DTAs related to cash flow hedges, are permitted to be excluded prior to deriving the amount of net DTAs subject to deduction under these rules. Separately, under the U.S. Basel III rules, goodwill and these other intangible assets are deducted net of associated DTLs in arriving at Common Equity Tier 1 Capital, while Citi's current cash flow hedges and the related deferred tax effects are not required to be reflected in regulatory capital.

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

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

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

(10) Non-qualifying subordinated debt issuances which consist of those with a fixed-to-floating rate step-up feature where the call/step-up date has not passed are excluded from Tier 2 Capital.

(11) 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.

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

(13) Total Capital as calculated under Advanced Approaches, which differs from the Standardized Approach in the treatment of the amount of eligible credit reserves includable in Tier 2 Capital.

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

In millions of dollars	Three Months Ended June 30, 2015	Six Months Ended June 30, 2015
Common Equity Tier 1 Capital		
Balance, beginning of period[1]	$141,945	$136,597
Net income	4,846	9,616
Dividends declared	(355)	(514)
Net increase in treasury stock	(1,553)	(1,850)
Net increase in additional paid-in capital[2]	303	405
Net increase in foreign currency translation adjustment net of hedges, net of tax	(148)	(2,210)
Net increase in unrealized gains on securities AFS, net of tax	(935)	(344)
Net decrease in defined benefit plans liability adjustment, net of tax	578	488
Net increase in cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax	(142)	(195)
Net decrease in goodwill, net of related deferred tax liabilities (DTLs)	136	493
Net decrease in identifiable intangible assets other than mortgage servicing rights (MSRs), net of related DTLs	31	220
Net decrease in defined benefit pension plan net assets	82	121
Net increase in deferred tax assets (DTAs) arising from net operating loss, foreign tax credit and general business credit carry-forwards	(570)	(134)
Net decrease in excess over 10%/15% limitations for other DTAs, certain common stock investments and MSRs	1,217	2,761
Other	—	(19)
Net increase in Common Equity Tier 1 Capital	$3,490	$8,838
Common Equity Tier 1 Capital Balance, end of period	$145,435	$145,435
Additional Tier 1 Capital		
Balance, beginning of period	$12,960	$11,469
Net increase in qualifying perpetual preferred stock[3]	1,992	3,486
Net decrease in qualifying trust preferred securities	(2)	(3)
Other	6	4
Net increase in Additional Tier 1 Capital	$1,996	$3,487
Tier 1 Capital Balance, end of period	$160,391	$160,391

Tier 2 Capital		
Balance, beginning of period	$16,912	$17,388
Net increase in qualifying subordinated debt	3,241	3,001
Net increase in excess of eligible credit reserves over expected credit losses	286	62
Other	16	4
Net increase in Tier 2 Capital	$3,543	$3,067
Tier 2 Capital Balance, end of period	$20,455	$20,455
Total Capital (Tier 1 Capital + Tier 2 Capital)	$180,846	$180,846

(1) The beginning balance of Common Equity Tier 1 Capital for the six months ended June 30, 2015 has been restated to reflect the retrospective adoption of ASU 2014-01 for LIHTC investments, consistent with current period presentation.

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

(3) Citi issued approximately $2.0 billion and approximately $3.5 billion of qualifying perpetual preferred stock during the three months and six months ended June 30, 2015, respectively, which were partially offset by the netting of issuance costs of $8 million and $14 million during those respective periods.

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

	Advanced Approaches			Standardized Approach		
In millions of dollars	Citicorp	Citi Holdings	Total	Citicorp	Citi Holdings	Total
Credit Risk	$744,958	$113,230	$858,188	$1,021,440	$94,459	$1,115,899
Market Risk	87,925	7,480	95,405	88,315	7,480	95,795
Operational Risk	275,921	49,079	325,000	—	—	—
Total Risk-Weighted Assets	$1,108,804	$169,789	$1,278,593	$1,109,755	$101,939	$1,211,694

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

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

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

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

Total risk-weighted assets under the Basel III Standardized Approach decreased during the first six months of 2015 primarily due to a decline in credit risk weighted assets resulting from changes in foreign exchange rates.

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

In millions of dollars	Three Months Ended June 30, 2015	Six Months Ended June 30, 2015
Total Risk-Weighted Assets, beginning of period[1]	$1,283,758	$1,292,605
Changes in Credit Risk-Weighted Assets		
Net change in retail exposures[2]	7,213	(4,617)
Net change in wholesale exposures[3]	6,135	(6,689)
Net increase in repo-style transactions	67	498
Net increase in securitization exposures	347	2,634
Net change in equity exposures	314	(300)
Net decrease in over-the-counter (OTC) derivatives	(3,438)	(2,881)
Net decrease in derivatives CVA[4]	(4,038)	(3,549)
Net decrease in other exposures[5]	(9,027)	(5,519)
Net change in supervisory 6% multiplier[6]	97	(1,013)
Net decrease in Credit Risk-Weighted Assets	$(2,330)	$(21,436)
Changes in Market Risk-Weighted Assets		
Net decrease in risk levels	$(808)	$(5,712)
Net change due to model and methodology updates	(2,027)	636
Net decrease in Market Risk-Weighted Assets	$(2,835)	$(5,076)
Increase in Operational Risk-Weighted Assets[7]	$—	$12,500
Total Risk-Weighted Assets, end of period	$1,278,593	$1,278,593

(1) The beginning balance of Total Risk-Weighted Assets for the six months ended June 30, 2015 has been restated to reflect the retrospective adoption of ASU 2014-01 for LIHTC investments, consistent with current period presentation.

(2) Retail exposures increased during the three months ended June 30, 2015 primarily due to the reclassification from other exposures of certain non-material portfolios, partially offset by reductions in loans and commitments. Conversely, retail exposures decreased during the six months ended June 30, 2015 due to reductions in loans and commitments and the impact of FX translation, partially offset by the reclassification from other exposures of certain non-material portfolios.

(3) Wholesale exposures increased during the three months ended June 30, 2015 primarily due to an increase in commitments and the reclassification from other exposures of certain non-material portfolios. Conversely, wholesale exposures decreased during the six months ended June 30, 2015 due to reductions in commitments and the impact of FX translation, partially offset by the reclassification from other exposures of certain non-material portfolios.

(4) Derivatives CVA decreased during both the three and six months ended June 30, 2015, driven by exposure reduction and credit spread changes related to certain sovereign obligors.

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

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

(7) Operational risk-weighted assets increased by $12.5 billion during the first quarter of 2015, reflecting an evaluation of ongoing events in the banking industry as well as continued enhancements to Citi's operational risk model.

Supplementary Leverage Ratio

Citigroup's Supplementary Leverage ratio under the U.S. Basel III rules was 6.7% for the second quarter of 2015, compared to 6.4% for the first quarter of 2015 and an estimated 5.9% for the fourth quarter of 2014. The growth in the ratio quarter-over-quarter was principally driven by an increase in Tier 1 Capital attributable largely to net income of $4.8 billion, an approximately $2.0 billion noncumulative perpetual preferred stock issuance and the beneficial effects associated with approximately $0.3 billion of DTA utilization, partially offset by a $1.7 billion return of capital to common shareholders in the form of share repurchases and dividends. The growth in the ratio

from the fourth quarter of 2014 was also principally driven by an increase in Tier 1 Capital attributable largely to year-to-date net income, a decrease in Total Leverage Exposure, and approximately $3.5 billion of perpetual preferred stock issuances, offset in part by the return of capital to common shareholders.

The following table sets forth Citi's Supplementary Leverage ratio and related components, assuming full implementation under the U.S. Basel III rules, for the three months ended June 30, 2015 and December 31, 2014.

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

In millions of dollars, except ratios	June 30, 2015	December 31, 2014(2)
Tier 1 Capital	$160,391	$148,066
Total Leverage Exposure (TLE)		
On-balance sheet assets(3)	$1,839,683	$1,899,955
Certain off-balance sheet exposures:(4)		
Potential future exposure (PFE) on derivative contracts	214,777	240,712
Effective notional of sold credit derivatives, net(5)	90,273	96,869
Counterparty credit risk for repo-style transactions(6)	26,439	28,073
Unconditionally cancellable commitments	60,853	61,673
Other off-balance sheet exposures	215,013	229,672
Total of certain off-balance sheet exposures	$607,355	$656,999
Less: Tier 1 Capital deductions	60,849	64,318
Total Leverage Exposure	$2,386,189	$2,492,636
Supplementary Leverage ratio	6.72%	5.94%

(1) Citi's Supplementary Leverage ratio, on a fully implemented basis, is a non-GAAP financial measure.
(2) Restated to reflect the retrospective adoption of ASU 2014-01 for LIHTC investments, consistent with current period presentation.
(3) Represents the daily average of on-balance sheet assets for the quarter.
(4) Represents the average of certain off-balance sheet exposures calculated as of the last day of each month in the quarter.
(5) Under the U.S. Basel III rules, banking organizations are required to include in TLE the effective notional amount of sold credit derivatives, with netting of exposures permitted if certain conditions are met.
(6) Repo-style transactions include repurchase or reverse repurchase transactions and securities borrowing or securities lending transactions.

Citibank, N.A.'s Supplementary Leverage ratio, assuming full implementation under the U.S. Basel III rules, was 6.7% for the second quarter of 2015, compared to 6.6% for the first quarter of 2015 and an estimated 6.2% for the fourth quarter of 2014. The growth in the ratio from the first quarter of 2015 and the fourth quarter of 2014 was principally driven by Tier 1 Capital benefits resulting from quarterly net income and DTA utilization, as well as an overall reduction in Total Leverage Exposure, partially offset by cash dividends paid by Citibank, N.A. to its parent, Citicorp,

and which were subsequently remitted to Citigroup.

Regulatory Capital Standards Developments

GSIB Surcharge

In July 2015, the Federal Reserve Board released a final rule which imposes a risk-based capital surcharge upon U.S. bank holding companies that are identified as GSIBs, including Citi. The final rule modifies the proposed rule issued in December 2014, in part, by adjusting the methodology used to calculate the GSIB surcharge in certain respects.

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

A U.S. banking organization that is designated a GSIB under the established methodology will be required to calculate a surcharge using two methods and will be subject to the higher of the resulting two surcharges. The first method ("method 1"), which was unchanged from the December 2014 proposed rule, is based on the same five broad categories of systemic importance used to identify a GSIB. Under the second method ("method 2"), the substitutability indicator is replaced with a measure intended to assess the extent of a GSIB's reliance on short-term wholesale funding. The final rule, however, reduces the weight assigned to certain unsecured short-term wholesale funding sources as compared to the proposed rule. Further, under the final rule, method 2 was revised to incorporate fixed measures of systemic importance and application of an average foreign exchange rate over a three-year period, whereas the method 2 calculation under the proposed rule was determined using relative measures of systemic importance across certain global banking organizations and a single-day foreign exchange rate. The changes to the method 2 calculation in the final rule generally enhance the predictability and management of a GSIB's surcharge as compared to the proposed rule.

GSIB surcharges under the final rule, which are required to be comprised entirely of Common Equity Tier 1 Capital, initially range from 1.0% to 4.5% of total risk-weighted assets. Moreover, the GSIB surcharge is an extension of the Capital Conservation Buffer and, if invoked, any Countercyclical Capital Buffer, and would result in restrictions on earnings distributions (e.g., dividends, equity repurchases, and discretionary executive bonuses) should the surcharge be drawn upon to absorb losses during periods of financial or economic stress, with the degree of such restrictions based upon the extent to which the surcharge is drawn.

Under the final rule, like that of the Basel Committee's rule, the GSIB surcharge will be introduced in parallel with the Capital Conservation Buffer and, if applicable, any Countercyclical Capital Buffer, commencing phase-in on January 1, 2016 and becoming fully effective on January 1, 2019.

Citi currently estimates its GSIB surcharge under the Federal Reserve Board's final rule as being 3.5%.

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

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

In millions of dollars or shares, except per share amounts	June 30, 2015	December 31, 2014[1]
Total Citigroup stockholders’ equity	$219,440	$210,185
Less: Preferred stock	13,968	10,468
Common equity	$205,472	$199,717
Less:		
Goodwill	23,012	23,592
Intangible assets (other than MSRs)	4,071	4,566
Goodwill and intangible assets (other than MSRs) related to assets held-for-sale	274	71
Tangible common equity (TCE)	$178,115	$171,488
Common shares outstanding (CSO)	3,009.8	3,023.9
Tangible book value per share (TCE/CSO)	$59.18	$56.71
Book value per share (common equity/CSO)	$68.27	$66.05

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

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

MANAGING GLOBAL RISK

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

Citigroup's risk management framework is designed to balance business ownership and accountability for risks with well defined independent risk management oversight and responsibility. Further, Citi's risk management organization is structured to facilitate the management of risk across three dimensions: businesses, regions and critical products.

For more information on Citi's risk management programs and risk management organization, see "Managing Global Risk" and "Risk Factors" in Citi's 2014 Annual Report on Form 10-K.

CREDIT RISK

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

Loans Outstanding

In millions of dollars	2nd Qtr. 2015	1st Qtr. 2015	4th Qtr. 2014	3rd Qtr. 2014	2nd Qtr. 2014
Consumer loans					
In U.S. offices					
Mortgage and real estate[1]	$90,715	$92,005	$96,533	$101,583	$103,905
Installment, revolving credit, and other	4,956	4,861	14,450	13,350	13,192
Cards	107,096	105,378	112,982	108,314	109,138
Commercial and industrial	6,493	6,532	5,895	6,870	6,972
Lease financing	—	—	—	—	—
	$209,260	$208,776	$229,860	$230,117	$233,207
In offices outside the U.S.					
Mortgage and real estate[1]	$50,704	$50,970	$54,462	$56,099	$57,291
Installment, revolving credit, and other	30,958	31,396	31,128	34,270	34,560
Cards	28,662	28,681	32,032	32,410	34,252
Commercial and industrial	22,953	21,992	22,561	23,393	24,916
Lease financing	493	546	609	678	735
	$133,770	$133,585	$140,792	$146,850	$151,754
Total Consumer loans	$343,030	$342,361	$370,652	$376,967	$384,961
Unearned income	(681)	(655)	(682)	(649)	(616)
Consumer loans, net of unearned income	$342,349	$341,706	$369,970	$376,318	$384,345
Corporate loans					
In U.S. offices					
Commercial and industrial	$40,697	$37,537	$35,055	$36,516	$36,293
Loans to financial institutions	37,360	36,054	36,272	31,916	29,195
Mortgage and real estate[1]	34,680	33,145	32,537	32,285	31,417
Installment, revolving credit, and other	31,882	29,267	29,207	30,378	32,646
Lease financing	1,707	1,755	1,758	1,737	1,668
	$146,326	$137,758	$134,829	$132,832	$131,219
In offices outside the U.S.					
Commercial and industrial	$83,184	$81,426	$79,239	$80,304	$82,945
Loans to financial institutions	29,675	32,210	33,269	35,854	40,541
Mortgage and real estate[1]	5,948	6,311	6,031	6,243	6,309
Installment, revolving credit, and other	20,214	19,687	19,259	20,151	20,095
Lease financing	309	322	356	396	430
Governments and official institutions	4,714	2,174	2,236	2,264	2,176
	$144,044	$142,130	$140,390	$145,212	$152,496
Total Corporate loans	$290,370	$279,888	$275,219	$278,044	$283,715
Unearned income	(601)	(540)	(554)	(536)	(556)
Corporate loans, net of unearned income	$289,769	$279,348	$274,665	$277,508	$283,159
Total loans—net of unearned income	$632,118	$621,054	$644,635	$653,826	$667,504
Allowance for loan losses—on drawn exposures	(14,075)	(14,598)	(15,994)	(16,915)	(17,890)
Total loans—net of unearned income and allowance for credit losses	$618,043	$606,456	$628,641	$636,911	$649,614

Allowance for loan losses as a percentage of total loans—net of unearned income(2)	2.25	%2.38	%2.50	%2.60	%2.70	%
Allowance for Consumer loan losses as a percentage of total Consumer loans—net of unearned income(2)	3.43	%3.55	%3.68	%3.87	%4.04	%
Allowance for Corporate loan losses as a percentage of total Corporate loans—net of unearned income(2)	0.82	%0.91	%0.89	%0.86	%0.85	%

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

Details of Credit Loss Experience

In millions of dollars	2nd Qtr. 2015	1st Qtr. 2015	4th Qtr. 2014	3rd Qtr. 2014	2nd Qtr. 2014
Allowance for loan losses at beginning of period	$14,598	$15,994	$16,915	$17,890	$18,923
Provision for loan losses					
Consumer	$1,569	$1,661	$1,660	$1,605	$1,669
Corporate	(54)	94	221	(30)	(90)
	$1,515	$1,755	$1,881	$1,575	$1,579
Gross credit losses					
Consumer					
In U.S. offices	$1,393	$1,596	$1,588	$1,595	$1,756
In offices outside the U.S.	819	839	976	948	1,009
Corporate					
In U.S. offices	41	10	45	9	14
In offices outside the U.S.	82	13	118	34	33
	$2,335	$2,458	$2,727	$2,586	$2,812
Credit recoveries(1)					
Consumer					
In U.S. offices	$228	$296	$242	$232	$356
In offices outside the U.S.	170	173	223	196	231
Corporate					
In U.S offices	4	12	7	18	22
In offices outside the U.S.	13	20	7	43	14
	$415	$501	$479	$489	$623
Net credit losses					
In U.S. offices	$1,202	$1,298	$1,384	$1,354	$1,392
In offices outside the U.S.	718	659	864	743	797
Total	$1,920	$1,957	$2,248	$2,097	$2,189
Other - net(2)(3)(4)(5)(6)(7)	$(118)	$(1,194)	$(554)	(453)	$(423)
Allowance for loan losses at end of period	$14,075	$14,598	$15,994	$16,915	$17,890
Allowance for loan losses as a % of total loans(8)	2.25%	2.38%	2.50%	2.60%	2.70%
Allowance for unfunded lending commitments(9)	$973	$1,023	$1,063	$1,140	$1,176
Total allowance for loan losses and unfunded lending commitments	$15,048	$15,621	$17,057	$18,055	$19,066
Net Consumer credit losses	$1,814	$1,966	$2,098	$2,115	$2,178
As a percentage of average Consumer loans	2.13%	2.22%	2.23%	2.21%	2.27%
Net Corporate credit losses (recoveries)	$106	$(9)	$150	$(18)	$11
As a percentage of average Corporate loans	0.15%	(0.01)%	0.21%	(0.03)%	0.02%
Allowance for loan losses at end of period(10)					
Citicorp	$10,672	$10,976	$11,142	$11,582	$12,139
Citi Holdings	3,403	3,622	4,852	5,333	5,751
Total Citigroup	$14,075	$14,598	$15,994	$16,915	$17,890
Allowance by type					
Consumer	$11,749	$12,122	$13,605	$14,575	$15,520
Corporate	2,326	2,476	2,389	2,340	2,370
Total Citigroup	$14,075	$14,598	$15,994	$16,915	$17,890

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

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

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

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

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

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

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

(8) June 30, 2015, March 31, 2015, December 31, 2014, September 30, 2014 and June 30, 2014 exclude $6.5 billion, $6.6 billion, $5.9 billion, $4.4 billion and $4.8 billion, respectively, of loans which are carried at fair value.

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

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

Allowance for Loan Losses

The following tables detail information on Citi's allowance for loan losses, loans and coverage ratios as of June 30, 2015 and December 31, 2014:

In billions of dollars	June 30, 2015 Allowance for loan losses	Loans, net of unearned income	Allowance as a percentage of loans[1]	
North America cards[2]	$4.7	$107.7	4.4	%
North America mortgages[3][4]	3.0	90.1	3.4	
North America other	0.5	12.9	3.9	
International cards	1.6	26.8	6.0	
International other[5]	2.0	104.8	1.9	
Total Consumer	$11.8	$342.3	3.4	%
Total Corporate	2.3	289.8	0.8	
Total Citigroup	$14.1	$632.1	2.2	%

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

(2) Includes both Citi-branded cards and Citi retail services. The $4.7 billion of loan loss reserves represented approximately 15 months of coincident net credit loss coverage.

(3) Of the $3.0 billion, approximately $2.9 billion was allocated to North America mortgages in Citi Holdings. The $3.0 billion of loan loss reserves represented approximately 52 months of coincident net credit loss coverage (for both total North America mortgages and Citi Holdings North America mortgages).

(4) Of the $3.0 billion in loan loss reserves, approximately $1.0 billion and $2.0 billion are determined in accordance with ASC 450-20 and ASC 310-10-35 (troubled debt restructurings), respectively. Of the $90.1 billion in loans, approximately $78.1 billion and $11.7 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 15 to the Consolidated Financial Statements.

(5) Includes mortgages and other retail loans.

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

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

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

(3) Of the $3.7 billion, approximately $3.5 billion was allocated to North America mortgages in Citi Holdings. The $3.7 billion of loan loss reserves represented approximately 53 months of coincident net credit loss coverage (for both total North America mortgages and Citi Holdings North America mortgages).

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

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

(5) Includes mortgages and other retail loans.

Non-Accrual Loans and Assets and Renegotiated Loans

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

Non-Accrual Loans and Assets:

- Corporate and consumer (commercial market) non-accrual status is based on the determination that payment of interest or principal is doubtful.
- Consumer non-accrual status is generally based on aging, i.e., the borrower has fallen behind in payments. Mortgage loans in regulated bank entities discharged through Chapter 7 bankruptcy, other than Federal Housing Administration (FHA) insured loans, are classified as non-accrual. Non-bank mortgage loans discharged through Chapter 7 bankruptcy are classified as non-accrual at 90 days or more past due. In addition, home equity loans in regulated bank entities are classified as non-accrual if the related residential first mortgage loan is 90 days or more past due.
- North America Citi-branded cards and Citi retail services are not included because under industry standards, credit card loans accrue interest until such loans are charged off, which typically occurs at 180 days contractual delinquency.

Renegotiated Loans:

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

Non-Accrual Loans and Assets

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

Non-Accrual Loans

In millions of dollars	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2014	Sept. 30, 2014	Jun. 30, 2014
Citicorp	$2,760	$2,789	$3,011	$3,358	$3,226
Citi Holdings	3,677	3,965	4,096	4,264	4,707
Total non-accrual loans	$6,437	$6,754	$7,107	$7,622	$7,933
Corporate non-accrual loans[1]					
North America	$467	$347	$321	$365	$367
EMEA	322	287	267	322	363
Latin America	224	376	416	481	288
Asia	145	151	179	182	200
Total Corporate non-accrual loans	$1,158	$1,161	$1,183	$1,350	$1,218
Citicorp	$1,103	$1,108	$1,126	$1,290	$1,150
Citi Holdings	55	53	57	60	67
Total Corporate non-accrual loans	$1,158	$1,161	$1,183	$1,350	$1,217
Consumer non-accrual loans[1]					
North America	$3,934	$4,192	$4,412	$4,546	$4,915
Latin America	1,034	1,086	1,188	1,364	1,386
Asia [2]	311	315	324	362	415
Total Consumer non-accrual loans	$5,279	$5,593	$5,924	$6,272	$6,716
Citicorp	$1,657	$1,681	$1,885	$2,068	$2,076
Citi Holdings	3,622	3,912	4,039	4,204	4,640
Total Consumer non-accrual loans	$5,279	$5,593	$5,924	$6,272	$6,716

(1) Excludes purchased distressed loans, as they are generally accreting interest. The carrying value of these loans was $343 million at June 30, 2015, $398 million at March 31, 2015, $421 million at December 31, 2014, $493 million at September 30, 2014, and $575 million at June 30, 2014.

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

The changes in Citigroup's non-accrual loans for the three months ended June 30, 2015 were as follows:

	Three months ended June 30, 2015		
In millions of dollars	Corporate	Consumer	Total
Non-accrual loans at beginning of period	$1,161	$5,593	$6,754
Additions	292	1,077	1,369
Sales and transfers to held-for-sale	(141)	(141)	(282)
Returned to performing	(10)	(281)	(291)
Paydowns/settlements	(103)	(309)	(412)
Charge-offs	(40)	(615)	(655)
Other	(1)	(45)	(46)
Ending balance	$1,158	$5,279	$6,437

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

In millions of dollars	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2014	Sept. 30, 2014	Jun. 30, 2014
OREO[1]					
Citicorp	$87	$103	$92	$86	$95
Citi Holdings	159	172	168	296	306
Total OREO	$246	$275	$260	$382	$401
North America	$190	$221	$195	$303	$293
EMEA	1	1	8	18	44
Latin America	50	48	47	49	49
Asia	5	5	10	12	15
Total OREO	$246	$275	$260	$382	$401
Non-accrual assets—Total Citigroup					
Corporate non-accrual loans	$1,158	$1,161	$1,183	$1,350	$1,218
Consumer non-accrual loans	5,279	5,593	5,924	6,272	6,716
Non-accrual loans (NAL)	$6,437	$6,754	$7,107	$7,622	$7,934
OREO	$246	$275	$260	$382	$401
Non-accrual assets (NAA)	$6,683	$7,029	$7,367	$8,004	$8,335
NAL as a percentage of total loans	1.02%	1.09%	1.10%	1.17%	1.19%
NAA as a percentage of total assets	0.37	0.38	0.40	0.43	0.44
Allowance for loan losses as a percentage of NAL[2]	219	216	225	222	225

Non-accrual assets—Total Citicorp	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2014	Sept. 30, 2014	Jun. 30, 2014
Non-accrual loans (NAL)	$2,760	$2,789	$3,011	$3,358	$3,226
OREO	87	103	92	86	95
Non-accrual assets (NAA)	$2,847	$2,892	$3,103	$3,444	$3,321
NAA as a percentage of total assets	0.17%	0.17%	0.18%	0.20%	0.19%
Allowance for loan losses as a percentage of NAL[2]	387	394	370	345	376
Non-accrual assets—Total Citi Holdings					
Non-accrual loans (NAL)	$3,677	$3,965	$4,096	$4,264	$4,707
OREO	159	172	168	296	306
Non-accrual assets (NAA)	$3,836	$4,137	$4,264	$4,560	$5,013
NAA as a percentage of total assets	3.31%	3.39%	3.31%	3.33%	3.39%
Allowance for loan losses as a percentage of NAL[2]	93	91	118	125	122

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

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

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Renegotiated Loans

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

In millions of dollars	Jun. 30, 2015	Dec. 31, 2014
Corporate renegotiated loans[1]		
In U.S. offices		
Commercial and industrial[2]	$37	$12
Mortgage and real estate[3]	112	106
Loans to financial institutions	1	—
Other	290	316
	$440	$434
In offices outside the U.S.		
Commercial and industrial[2]	$81	$105
Mortgage and real estate[3]	1	1
Other	36	39
	$118	$145
Total Corporate renegotiated loans	$558	$579
Consumer renegotiated loans[4][5][6][7]		
In U.S. offices		
Mortgage and real estate [8]	$11,919	$15,514
Cards	1,520	1,751
Installment and other	83	580
	$13,522	$17,845
In offices outside the U.S.		
Mortgage and real estate	$664	$695
Cards	598	656
Installment and other	563	586
	$1,825	$1,937
Total Consumer renegotiated loans	$15,347	$19,782

(1) Includes $201 million and $135 million of non-accrual loans included in the non-accrual assets table above at June 30, 2015 and December 31, 2014, respectively. The remaining loans are accruing interest.

(2) In addition to modifications reflected as TDRs at June 30, 2015, Citi also modified $125 million and $18 million of commercial loans risk rated "Substandard Non-Performing" or worse (asset category defined by banking regulators) in offices inside and outside the U.S., respectively. These modifications were not considered TDRs because the modifications did not involve a concession (a required element of a TDR for accounting purposes).

(3) In addition to modifications reflected as TDRs at June 30, 2015, Citi also modified $22 million of commercial real estate loans risk rated "Substandard Non-Performing" or worse (asset category defined by banking regulators) in offices inside the U.S. These modifications were not considered TDRs because the modifications did not involve a concession (a required element of a TDR for accounting purposes).

(4) Includes $3,012 million and $3,132 million of non-accrual loans included in the non-accrual assets table above at June 30, 2015 and December 31, 2014, respectively. The remaining loans are accruing interest.

(5) Includes $151 million and $124 million of commercial real estate loans at June 30, 2015 and December 31, 2014, respectively.

(6) Includes $168 million and $184 million of other commercial loans at June 30, 2015 and December 31, 2014, respectively.

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

(8) Reduction in the six months ended June 30, 2015 includes $3,017 million related to TDRs sold or transferred to held-for-sale.

North America Consumer Mortgage Lending

Overview

Citi's North America consumer mortgage portfolio consists of both residential first mortgages and home equity loans. At June 30, 2015, Citi's North America consumer mortgage portfolio was $90.1 billion (compared to $91.4 billion at March 31, 2015), of which the residential first mortgage portfolio was $64.0 billion (compared to $64.3 billion at March 31, 2015), and the home equity loan portfolio was $26.1 billion (compared to $27.1 billion at March 31, 2015). At June 30, 2015, $28.6 billion of first mortgages was recorded in Citi Holdings, with the remaining $35.4 billion recorded in Citicorp. At June 30, 2015, $22.7 billion of home equity loans was recorded in Citi Holdings, with the remaining $3.4 billion recorded in Citicorp. For additional information on Citi's North America consumer mortgage portfolio, including Citi's representations and warranties repurchase reserve, see "Managing Global Risk—Credit Risk—North America Consumer Mortgage Lending" in Citi's 2014 Annual Report on Form 10-K.

Citi's residential first mortgage portfolio included $3.6 billion of loans with FHA insurance or Department of Veterans Affairs (VA) guarantees at June 30, 2015, compared to $3.7 billion at March 31, 2015.

As of June 30, 2015, Citi's North America residential first mortgage portfolio contained approximately $3.1 billion of adjustable rate mortgages that are currently required to make a payment consisting of only accrued interest for the payment period, or an interest-only payment, compared to $3.4 billion at March 31, 2015.

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

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

North America Residential First Mortgage - EOP Loans
In billions of dollars

North America Residential First Mortgage - Net Credit Losses
In millions of dollars

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

(1) 2Q'14 excludes a recovery of approximately $58 million in CitiMortgage.
(2) Increase in 4Q'14, 1Q'15 and 2Q'15 CitiFinancial residential first mortgage net credit loss rate largely driven by ongoing loss mitigation activities.
(3) Year-over-year change in the S&P/Case-Shiller U.S. National Home Price Index.
(4) Year-over-year change as of April 2015.

North America Residential First Mortgage Delinquencies-Citi Holdings
In billions of dollars

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

Residential first mortgage portfolio net credit losses of $104 million declined 4% from the first quarter of 2015, with total Citi Holdings net credit losses (CitiMortgage and CitiFinancial) declining 2% sequentially.

Residential first mortgages originated by CitiFinancial have a higher net credit loss rate (4.7%, compared to 0.4% for CitiMortgage as of the second quarter of 2015), as CitiFinancial borrowers tend to have higher loan-to-value ratios (LTVs) and lower FICO (Fair Isaac Corporation) scores than CitiMortgage borrowers. CitiFinancial's residential first mortgages also have a significantly different geographic distribution, with different mortgage market conditions that tend to lag the overall improvements in home price index (HPI).

During the second quarter of 2015, continued management actions, primarily delinquent loans transferred to held-for-sale, were the primary driver of the overall improvement in delinquencies within Citi Holdings' residential first mortgage portfolio. Citi transferred to held-for-sale approximately $0.2 billion of delinquent residential first mortgages in the second quarter of 2015 (unchanged from the first quarter of 2015). Credit performance from quarter to quarter could continue to be impacted by the amount of delinquent loan sales or transfers to held-for-sale, as well as overall trends in HPI and interest rates.

North America Residential First Mortgages—State Delinquency Trends
The following tables set forth, for total Citigroup, the six states and/or regions with the highest concentration of Citi's residential first mortgages as of June 30, 2015 and March 31, 2015.

In billions of dollars	June 30, 2015					March 31, 2015				
State [1]	ENR [2]	ENR Distribution	90+DPD %	% LTV > 100% [3]	Refreshed FICO	ENR [2]	ENR Distribution	90+DPD %	% LTV > 100% [3]	Refreshed FICO
CA	$19.1	33 %	0.4 %	1 %	749	$18.7	32 %	0.4 %	1 %	748
NY/NJ/CT[4]	12.5	22	1.3	2	744	12.4	21	1.5	2	743
VA/MD	2.7	5	2.4	6	701	2.8	5	2.6	8	699
FL[4]	2.6	4	2.2	9	706	2.6	5	2.7	12	702
TX	2.4	4	2.4	—	686	2.5	4	2.6	—	683
IL[4]	2.4	4	2.0	8	721	2.4	4	2.3	11	718
Other	16.2	28	2.9	6	682	16.8	29	3.2	7	679
Total	$58.0	100 %	1.6 %	3 %	721	$58.2	100 %	1.8 %	4 %	718

Note: Totals may not sum due to rounding.
(1) Certain of the states are included as part of a region based on Citi's view of similar HPI within the region.
(2) Ending net receivables. Excludes loans in Canada and Puerto Rico, loans guaranteed by U.S. government agencies, loans recorded at fair value and loans subject to LTSCs. Excludes balances for which FICO or LTV data are unavailable.
(3) LTV ratios (loan balance divided by appraised value) are calculated at origination and updated by applying market price data.
(4) New York, New Jersey, Connecticut, Florida and Illinois are judicial states.

Foreclosures
A substantial majority of Citi's foreclosure inventory consists of residential first mortgages. At June 30, 2015, Citi's foreclosure inventory included approximately $0.4 billion, or 0.7%, of the total residential first mortgage portfolio, compared to $0.5 billion, or 0.8%, at March 31, 2015 (based on the dollar amount of ending net receivables of loans in foreclosure inventory, excluding loans that are guaranteed by U.S. government agencies and loans subject to LTSCs). This decline in the second quarter of 2015 was largely attributable to an increase in completed foreclosures.
Citi's foreclosure inventory continues to be impacted by the ongoing extensive state and regulatory requirements related to the foreclosure process, which continue to result in longer foreclosure timelines. Citi's average timeframes to move a loan out of foreclosure are two to three times longer than historical norms, and continue to be even more pronounced in judicial states, where Citi has a higher concentration of residential first mortgages in foreclosure. As of June 30, 2015, approximately 21% of Citi's total foreclosure inventory was active foreclosure units in process for over two years, compared to 20% as of March 31, 2015.

North America Consumer Mortgage Quarterly Credit Trends—Net Credit Losses and Delinquencies—Home Equity Loans
Citi's home equity loan portfolio consists of both fixed-rate home equity loans and loans extended under home equity lines of credit. Fixed-rate home equity loans are fully amortizing. Home equity lines of credit allow for amounts to be drawn for a period of time with the payment of interest only and then, at the end of the draw period, the then-outstanding amount is converted to an amortizing loan (the interest-only payment feature during the revolving period is standard for this product across the industry). After conversion, the home equity loans typically have a 20-year amortization period.

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Revolving HELOCs

At June 30, 2015, Citi's home equity loan portfolio of $26.1 billion included approximately $14.8 billion of home equity lines of credit (Revolving HELOCs) that are still within their revolving period and have not commenced amortization, or "reset," compared to $16.0 billion at March 31, 2015. The following chart indicates the FICO and combined loan-to-value (CLTV) characteristics of Citi's Revolving HELOCs portfolio and the year in which they reset:

North America Home Equity Lines of Credit
Amortization – Citigroup
Total ENR by Reset Year
In billions of dollars as of June 30, 2015
Note: Totals may not sum due to rounding.

Approximately 16% of Citi's total Revolving HELOCs portfolio had commenced amortization as of June 30, 2015 (compared to 12% as of March 31, 2015). Of the remaining Revolving HELOCs portfolio, approximately 73% will commence amortization during the remainder of 2015–2017. Before commencing amortization, Revolving HELOC borrowers are required to pay only interest on their loans. Upon amortization, these borrowers will be required to pay both interest, usually at a variable rate, and principal that amortizes typically over 20 years, rather than the typical 30-year amortization. As a result, Citi's customers with Revolving HELOCs that reset could experience "payment shock" due to the higher required payments on the loans.

While it is not certain what, if any, impact this payment shock could have on Citi's delinquency rates and net credit losses, Citi currently estimates that the monthly loan payment for its Revolving HELOCs that reset during the remainder of 2015–2017 could increase on average by approximately $360, or 165%. Increases in interest rates could further increase these payments given the variable nature of the interest rates on these loans post-reset. Of the Revolving HELOCs that will commence amortization during the remainder of 2015–2017, approximately $1.2 billion, or 11%, of the loans have a CLTV greater than 100% as of June 30, 2015. Borrowers' high loan-to-value positions, as well as the cost and availability of refinancing options, could limit borrowers' ability to refinance their Revolving HELOCs as these loans begin to reset.

Based on the limited number of Revolving HELOCs that have begun amortization as of June 30, 2015, approximately 5.9% of the amortizing home equity loans were 30+ days past due, compared to 2.6% of the total outstanding home equity loan portfolio (amortizing and non-amortizing). This

compared to 6.2% and 2.7%, respectively, as of March 31, 2015. As newly amortizing loans continue to season, the delinquency rate of the amortizing Revolving HELOC portfolio could increase. In addition, the resets have generally occurred during a period of historically low interest rates, which Citi believes has likely reduced the overall "payment shock" to the borrower.

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

Net Credit Losses and Delinquencies

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

North America Home Equity - EOP Loans
In billions of dollars
North America Home Equity - Net Credit Losses
In millions of dollars
Note: Totals may not sum due to rounding.

North America Home Equity Loan Delinquencies - Citi Holdings
In billions of dollars
Note: Totals may not sum due to rounding.

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

North America Home Equity Loans—State Delinquency Trends
The following tables set forth, for total Citigroup, the six states and/or regions with the highest concentration of Citi's home equity loans as of June 30, 2015 and March 31, 2015.

In billions of dollars	June 30, 2015					March 31, 2015				
State [1]	ENR [2]	ENR Distribution	90+DPD %	% CLTV > 100% [3]	Refreshed FICO	ENR [2]	ENR Distribution	90+DPD %	% CLTV > 100% [3]	Refreshed FICO
CA	$6.8	28 %	1.5 %	8 %	729	$7.1	28 %	1.5 %	10 %	729
NY/NJ/CT[4]	6.4	26	2.4	11	722	6.6	26	2.5	11	721
FL[4]	1.7	7	1.9	29	709	1.8	7	2.2	35	707
VA/MD	1.5	6	1.7	27	707	1.6	6	1.6	29	706
IL[4]	1.0	4	1.4	37	718	1.1	4	1.4	41	717
IN/OH/MI[4]	0.8	3	1.6	33	690	0.8	3	1.9	37	688
Other	6.4	26	1.7	18	703	6.7	26	1.7	20	702
Total	$24.7	100 %	1.8 %	16 %	716	$25.7	100 %	1.9 %	18 %	715

Note: Totals may not sum due to rounding.
(1) Certain of the states are included as part of a region based on Citi's view of similar HPI within the region.
(2) Ending net receivables. Excludes loans in Canada and Puerto Rico and loans subject to LTSCs. Excludes balances for which FICO or LTV data are unavailable.
(3) Represents combined loan-to-value (CLTV) for both residential first mortgages and home equity loans. CLTV ratios (loan balance divided by appraised value) are calculated at origination and updated by applying market price data.
(4) New York, New Jersey, Connecticut, Indiana, Ohio, Florida and Illinois are judicial states.

CONSUMER LOAN DETAILS

Consumer Loan Delinquency Amounts and Ratios

	Total loans[1]	90+ days past due[2]			30-89 days past due[2]		
In millions of dollars, except EOP loan amounts in billions	June 30, 2015	June 30, 2015	March 31, 2015	June 30, 2014	June 30, 2015	March 31, 2015	June 30, 2014
Citicorp[3][4]							
Total	$283.9	$2,134	$2,245	$2,704	$2,387	$2,511	$2,815
Ratio		0.75%	0.80%	0.92%	0.84%	0.90%	0.96%
Retail banking							
Total	$149.8	$636	$617	$989	$797	$845	$965
Ratio		0.43%	0.42%	0.64%	0.53%	0.58%	0.63%
North America	48.8	150	123	227	176	203	203
Ratio		0.31%	0.26%	0.50%	0.37%	0.43%	0.45%
Latin America	25.7	296	306	540	266	282	344
Ratio		1.15%	1.20%	1.85%	1.04%	1.10%	1.18%
Asia[5]	75.3	190	188	222	355	360	418
Ratio		0.25%	0.25%	0.28%	0.47%	0.48%	0.53%
Cards							
Total	$134.1	$1,498	$1,628	$1,715	$1,590	$1,666	$1,850
Ratio		1.12%	1.23%	1.22%	1.19%	1.26%	1.32%
North America—Citi-branded	64.5	495	569	583	462	497	540
Ratio		0.77%	0.90%	0.87%	0.72%	0.78%	0.80%
North America—Citi retail services	43.2	567	629	606	652	673	683
Ratio		1.31%	1.48%	1.41%	1.51%	1.59%	1.58%
Latin America	8.3	245	240	303	229	247	326
Ratio		2.95%	2.82%	3.00%	2.76%	2.91%	3.23%
Asia[5]	18.1	191	190	223	247	249	301
Ratio		1.06%	1.07%	1.14%	1.36%	1.40%	1.54%
Citi Holdings[6][7]							
Total	$58.4	$1,540	$1,698	$2,708	$1,272	$1,339	$2,504
Ratio		2.76%	2.88%	3.23%	2.28%	2.27%	2.99%
International	4.2	78	91	238	119	142	330
Ratio		1.86%	1.86%	2.27%	2.83%	2.90%	3.14%
North America	54.2	1,462	1,607	2,470	1,153	1,197	2,174
Ratio		2.84%	2.97%	3.37%	2.24%	2.21%	2.97%
Total Citigroup	$342.3	$3,674	$3,943	$5,412	$3,659	$3,850	$5,319
Ratio		1.08%	1.17%	1.43%	1.08%	1.14%	1.41%

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

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

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

(4)

The 90+ days and 30–89 days past due and related ratios for Citicorp North America exclude U.S. mortgage loans that are guaranteed by U.S. government-sponsored entities since the potential loss predominantly resides within the U.S. government-sponsored entities. The amounts excluded for loans 90+ days past due and (EOP loans) were $423 million ($0.8 billion), $534 million ($1.1 billion) and $668 million ($1.2 billion) at June 30, 2015, March 31, 2015 and June 30, 2014, respectively. The amounts excluded for loans 30–89 days past due (EOP loans have the same adjustment as above) were $75 million, $111 million and $125 million at June 30, 2015, March 31, 2015 and June 30, 2014, respectively.

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

(6) The 90+ days and 30–89 days past due and related ratios for Citi Holdings North America exclude U.S. mortgage loans that are guaranteed by U.S. government-sponsored entities since the potential loss predominantly resides within the U.S. government-sponsored entities. The amounts excluded for loans 90+ days past due (and EOP loans) for each period were $1.7 billion ($2.7 billion), $1.8 billion ($2.5 billion) and $2.8 billion ($5.2 billion) at June 30, 2015, March 31, 2015 and June 30, 2014, respectively. The amounts excluded for loans 30–89 days past due (EOP loans have the same adjustment as above) for each period were $0.3 billion, $0.2 billion and $0.7 billion at June 30, 2015, March 31, 2015 and June 30, 2014, respectively.

(7) The June 30, 2015, March 31, 2015 and June 30, 2014 loans 90+ days past due and 30–89 days past due and related ratios for North America exclude $12 million, $12 million and $17 million, respectively, of loans that are carried at fair value.

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	2Q15	2Q15	1Q15	2Q14
Citicorp				
Total	$282.2	$1,579	$1,551	$1,738
Ratio		2.24 %	2.22 %	2.39 %
Retail banking				
Total	$149.8	$315	$294	$331
Ratio		0.84 %	0.80 %	0.87 %
North America	49.0	40	36	37
Ratio		0.33 %	0.31 %	0.33 %
Latin America	25.7	196	188	211
Ratio		3.06 %	2.97 %	2.92 %
Asia(4)	75.1	79	70	83
Ratio		0.42 %	0.38 %	0.42 %
Cards				
Total	$132.4	$1,264	$1,257	$1,407
Ratio		3.83 %	3.78 %	4.08 %
North America—Citi-branded	63.2	503	492	570
Ratio		3.19 %	3.11 %	3.44 %
North America—Retail services	42.6	457	433	465
Ratio		4.30 %	4.00 %	4.40 %
Latin America	8.5	196	229	243
Ratio		9.25 %	10.55 %	9.46 %
Asia(4)	18.1	108	103	129
Ratio		2.39 %	2.32 %	2.69 %
Citi Holdings(3)				
Total	$59.9	$234	$414	$439
Ratio		1.57 %	2.20 %	1.88 %
International	4.5	41	51	83
Ratio		3.65 %	2.80 %	2.60 %
North America	55.4	193	363	356
Ratio		1.40 %	2.14 %	1.77 %
Other (5)	—	1	1	1
Total Citigroup	$342.1	$1,814	$1,966	$2,178
Ratio		2.13 %	2.22 %	2.27 %

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

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

(3) As a result of the entry into an agreement in March 2015 to sell OneMain Financial (OneMain), OneMain was classified as held-for-sale (HFS) at the end of the first quarter 2015. As a result of HFS accounting treatment, approximately $160 million of net credit losses were recorded as a reduction in revenue (Other revenue) during the second quarter of 2015.

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

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

CORPORATE CREDIT DETAILS

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

Corporate Credit Portfolio

The following table sets forth Citi's corporate credit portfolio (excluding private bank in ICG), before consideration of collateral or hedges, by remaining tenor at June 30, 2015, March 31, 2015 and December 31, 2014. The vast majority of Citi's corporate credit portfolio resides in ICG; as of June 30, 2015, less than 1% of Citi's corporate credit exposure resided in Citi Holdings.

	At June 30, 2015				At March 31, 2015				At December 31, 2014			
In billions of dollars	Due within 1 year	Greater than 1 year but within 5 years	Greater than 5 years	Total Exposure	Due within 1 year	Greater than 1 year but within 5 years	Greater than 5 years	Total exposure	Due within 1 year	Greater than 1 year but within 5 years	Greater than 5 years	Total exposure
Direct outstandings (on-balance sheet) (1)	$97	$98	$29	$224	$93	$91	$32	$216	$95	$85	$33	$213
Unfunded lending commitments (off-balance sheet)(2)	93	202	36	331	86	206	27	319	92	207	33	332
Total exposure	$190	$300	$65	$555	$179	$297	$59	$535	$187	$292	$66	$545

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

Portfolio Mix—Geography, Counterparty and Industry

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

	June 30, 2015	March 31, 2015	December 31, 2014
North America	55 %	54 %	55 %
EMEA	25	25	25
Asia	13	14	13
Latin America	7	7	7
Total	100 %	100 %	100 %

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

regulatory environment and commodity prices. Facility risk ratings are assigned that reflect the probability of default of

the obligor and factors that affect the loss-given-default of the facility, such as support or collateral. Internal obligor ratings that generally correspond to BBB and above are
considered investment grade, while those below are considered non-investment grade.
Citigroup also has incorporated climate risk assessment and reporting criteria for certain obligors, as necessary. Factors evaluated include consideration of climate risk to an
obligor's business and physical assets and, when relevant, consideration of cost-effective options to reduce greenhouse gas emissions.

The following table presents the corporate credit portfolio by facility risk rating at June 30, 2015, March 31, 2015 and December 31, 2014, as a percentage of the total corporate credit portfolio:

	Total Exposure June 30, 2015	March 31, 2015	December 31, 2014
AAA/AA/A	51 %	50 %	49 %
BBB	33	33	33
BB/B	15	15	16
CCC or below	1	2	1
Unrated	—	—	1
Total	100 %	100 %	100 %

Note: Total exposure includes direct outstandings and unfunded lending commitments.
Citi’s corporate credit portfolio is also diversified by industry. The following table shows the allocation of Citi’s total corporate credit portfolio by industry:

	Total Exposure June 30, 2015	March 31, 2015	December 31, 2014
Transportation and industrial	21 %	21 %	21 %
Consumer retail and health	15	16	17
Technology, media and telecom	11	10	9
Energy (1)	10	10	10
Power, chemicals, commodities and metals and mining	10	10	10
Banks/broker-dealers	8	8	8
Hedge funds	6	5	5
Real estate	5	5	6
Public sector	5	6	5
Insurance and special purpose entities	5	5	5
Other industries	4	4	4
Total	100 %	100 %	100 %

Note: Total exposure includes direct outstandings and unfunded lending commitments.
(1) In addition to this exposure, Citi also has energy-related exposure within the “Public sector” (e.g., energy-related state-owned entities) and “Transportation and industrial” sector (e.g., off-shore drilling entities) included in the table above. As of June 30, 2015, Citi’s total exposure to these energy-related entities remained largely consistent with the prior quarter, at approximately $7 billion, of which approximately $4 billion consisted of direct outstanding funded loans.

As of June 30, 2015, Citi’s total corporate credit exposure to the energy and energy-related sector (see footnote 1 to the table above) was approximately $60 billion, with approximately $22 billion, or 3%, of Citi’s total outstanding loans consisting of direct outstanding funded loans. This compared to approximately $58 billion of total

corporate credit exposure and $22 billion of direct outstanding funded loans as of March 31, 2015. In addition, as of June 30, 2015, approximately 72% of Citi’s total corporate credit energy and energy-related exposure (based on the methodology described above) was in the United States, United Kingdom and Canada (compared to approximately 69% at March 31, 2015). Also, as of June 30, 2015, approximately 83% of Citi’s total energy and energy-related exposures were rated investment grade (compared to approximately 82% as of March 31, 2015). While market developments led to an approximate $43 million loan loss reserve build in ICG during the current quarter, Citi did not

experience any material net credit losses against its corporate energy exposures in the current quarter.

Credit Risk Mitigation
As part of its overall risk management activities, Citigroup uses credit derivatives and other risk mitigants to hedge portions of the credit risk in its corporate credit portfolio, in addition to outright asset sales. The results of the mark-to-market and any realized gains or losses on credit derivatives are reflected in Principal transactions on the Consolidated Statement of Income.
At June 30, 2015, March 31, 2015 and December 31, 2014, $25.2 billion, $27.2 billion and $27.6 billion, respectively, of the corporate credit portfolio was economically hedged. Citigroup's expected loss model used in the calculation of its loan loss reserve does not include the favorable impact of credit derivatives and other mitigants that are marked-to-market. In addition, the reported amounts of direct outstandings and unfunded lending commitments in the tables above do not reflect the impact of these hedging transactions. At June 30, 2015, March 31, 2015 and December 31, 2014, the credit protection was economically hedging underlying corporate credit portfolio exposures with the following risk rating distribution:

Rating of Hedged Exposure

	June 30, 2015		March 31, 2015		December 31, 2014	
AAA/AA/A	23	%	23	%	24	%
BBB	38		38		42	
BB/B	34		33		28	
CCC or below	5		6		6	
Total	100	%	100	%	100	%

At June 30, 2015, March 31, 2015 and December 31, 2014, the credit protection was economically hedging underlying corporate credit portfolio exposures with the following industry distribution:

Industry of Hedged Exposure

	June 30, 2015	March 31, 2015	December 31, 2014
Transportation and industrial	30 %	30 %	30 %
Technology, media and telecom	14	14	15
Power, chemicals, commodities and metals and mining	13	15	15
Energy	13	12	10
Consumer retail and health	12	12	11
Banks/broker-dealers	6	7	7
Public Sector	6	4	6
Insurance and special purpose entities	4	4	4
Other industries	2	2	2
Total	100 %	100 %	100 %

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

MARKET RISK

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

Funding and Liquidity Risk

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

High-Quality Liquid Assets

	Parent[1]		Significant Citibank Entities[2]		Other Citibank and Banamex Entities		Total	
In billions of dollars	Jun. 30, 2015	Mar. 31, 2015	Jun. 30, 2015	Mar. 31, 2015	Jun. 30, 2015	Mar. 31, 2015	Jun. 30, 2015	Mar. 31, 2015
Available cash	$17.8	$18.3	$63.7	$71.3	$8.2	$4.9	$89.7	$94.5
Unencumbered liquid securities	29.0	30.3	210.7	207.1	56.4	68.6	$296.1	$306.0
Total	$46.8	$48.6	$274.4	$278.4	$64.6	$73.5	$385.8	$400.5

Note: Amounts set forth in the table above are based on the U.S. Liquidity Coverage Ratio (LCR) rules. All amounts are as of period end and may increase or decrease intra-period in the ordinary course of business.
(1) “Parent” consists of Citigroup, the parent holding company and Citi’s broker-dealer subsidiaries that are consolidated into Citigroup.
(2) “Significant Citibank Entities” consist of Citibank, N.A. units domiciled in the U.S., Western Europe, Hong Kong, Japan and Singapore.

As set forth in the table above, Citi’s high-quality liquid assets (HQLA) as of June 30, 2015 were $385.8 billion, compared to $400.5 billion as of March 31, 2015. The decrease in HQLA quarter-over-quarter was largely driven by Citi’s purposeful reduction of short-term borrowings. In addition, as Citi continues to improve the liquidity value of its deposits (see “Deposits” and “Liquidity Coverage Ratio (LCR)” below), Citi is able to reduce its required levels of HQLA.
Prior to September 30, 2014, Citi reported its HQLA based on the Basel Committee’s LCR rules. On this basis, Citi’s HQLA was $434.9 billion as of June 30, 2014. Year-over-year, the decrease in Citi’s HQLA was primarily due to the impact of the U.S. LCR rules, which excluded municipal securities, covered bonds and residential mortgage-backed securities from the definition of HQLA.
The following table shows further detail of the composition of Citi's HQLA by type of asset as of June 30, 2015 and March 31, 2015. For securities, the amounts represent the liquidity value that potentially could be realized, and thus exclude any securities that are encumbered, as well as the haircuts that would be required for secured financing

transactions.

In billions of dollars	Jun. 30, 2015	Mar. 31, 2015
Available cash	$89.7	$94.5
U.S. Treasuries	138.2	135.4
U.S. Agencies/Agency MBS	59.7	57.3
Foreign government[1]	94.1	110.3
Other investment grade	4.0	3.1
Total	$385.8	$400.5

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

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

Citi's HQLA as set forth above does not include additional potential liquidity in the form of Citigroup's borrowing capacity from the various Federal Home Loan Banks (FHLB), which was approximately $37 billion as of June 30, 2015 (compared to $38 billion as of March 31, 2015 and $27 billion as of June 30, 2014) and is maintained by pledged collateral to all such banks. The HQLA shown above also does not include Citi's borrowing capacity at the U.S. Federal Reserve Bank discount window or international central banks, which would be in addition to the resources noted above.

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

dealer entities in accordance with Section 23A of the Federal Reserve Act. As of June 30, 2015, the amount available for lending to these entities under Section 23A was approximately $17 billion (unchanged from March 31, 2015 and June 30, 2014), subject to collateral requirements.

Deposits

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

In billions of dollars	Jun. 30, 2015	Mar. 31, 2015	Jun. 30, 2014
Global Consumer Banking			
North America	$173.5	$172.6	$170.6
Latin America	42.1	42.0	46.3
Asia[1]	89.6	89.7	93.1
Total	$305.2	$304.3	$310.0
ICG			
Treasury and trade solutions (TTS)	$397.5	$386.5	$383.5
Banking ex-TTS	108.2	104.4	93.6
Markets and securities services	82.4	80.2	94.7
Total	$588.1	$571.1	$571.9
Corporate/Other	7.0	12.3	31.4
Total Citicorp	$900.3	$887.7	$913.3
Total Citi Holdings[2]	7.7	11.9	52.4
Total Citigroup deposits (EOP)	$908.0	$899.6	$965.7
Total Citigroup deposits (AVG)	$906.4	$899.5	$959.5

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

(2) June 30, 2015 and March 31, 2015 deposit balances reflect the reclassification to held-for-sale of approximately $20 billion of deposits as a result of Citigroup's entry into an agreement in December 2014 to sell its Japan retail banking business.

End-of-period deposits decreased 6% year-over-year and increased 1% quarter-over-quarter. Excluding the impact of FX translation, Citigroup's end-of-period deposits declined 1% year-over-year. On this basis, Citicorp deposits grew 3%, offset by a decline in Citi Holdings deposits. Within Citicorp, GCB deposits increased 3% year-over-year, driven by 4% growth in international deposits. ICG deposits increased 8% year-over-year, with continued high-quality deposit growth (as discussed below), particularly in treasury and trade solutions in North America. The decline in Citi Holdings deposits was primarily driven by the reclassification to held-for-sale of deposits relating to Citi's Japan retail banking business (see note 2 to the table above), as well as the continued transfer of MSSB deposits to Morgan Stanley, which was completed as of June 30, 2015. Average deposits declined 1% year-over-year, as the growth in Citicorp was more than offset by the reduction in Citi Holdings deposits. Average deposits grew 1% quarter-over-quarter, primarily due to 4% growth in ICG, partially offset by the ongoing reduction in Citi Holdings deposits.

Citi monitors its deposit base across multiple dimensions, including what Citi refers to as "LCR value" or the liquidity value of the deposit base under the U.S. LCR rules. Under U.S. LCR rules, deposits are assigned liquidity values based on expected behavior under stress, determined by the type of deposit and the type of client. Generally, the U.S. LCR rules prioritize operating accounts of consumers (including retail and commercial banking deposits) and corporations, while assigning lower liquidity values to non-operating balances of financial institutions. As of June 30, 2015, Citi's total deposits had a liquidity value of approximately 74% under the U.S. LCR rules, a slight increase from 73% as of March 31, 2015, with a liquidity value of approximately 87% for Citi's GCB deposits and 68% for ICG deposits, including Corporate/Other.

Long-Term Debt

Long-term debt (generally defined as debt with original maturities of one year or more) represents the most significant component of Citi's funding for the parent entities and is a supplementary source of funding for the bank entities. Long-term debt is an important funding source due in part to its multi-year maturity structure. The weighted-average maturities of unsecured long-term debt issued by Citigroup and its affiliates (including Citibank, N.A.) with a remaining life greater than one year (excluding remaining trust preferred securities outstanding) was approximately 6.7 years as of June 30, 2015, a slight decline from the prior quarter and year, due in part to the repurchase of certain longer-dated debt securities during the second quarter of 2015.

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

Long-Term Debt Outstanding

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

In billions of dollars	Jun. 30, 2015	Mar. 31, 2015	Jun. 30, 2014
Parent[(1)]	$155.1	$151.8	$163.0
Benchmark debt:			
Senior debt	97.3	95.5	97.8
Subordinated debt	25.6	25.5	28.1
Trust preferred	1.7	1.7	1.8
Customer-Related debt:			
Structured debt	23.7	21.9	22.5
Non-structured debt	4.5	5.0	8.0
Local Country and Other[(1)(3)]	2.3	2.2	4.8
Bank	$56.7	$58.7	$64.0
FHLB Borrowings	16.8	16.3	19.1
Securitizations[(3)]	32.0	35.2	38.1
Local Country and Other[(2)]	7.9	7.2	6.8
Total long-term debt[(1)]	$211.8	$210.5	$227.0

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

(1) June 30, 2015 and March 31, 2015 long-term debt balances exclude approximately $5.9 billion and $4.7 billion, respectively, of long-term debt (consisting largely of personal loan securitizations) relating to OneMain Financial, classified as held-for-sale, as a result of Citigroup's entry into an agreement in March 2015 to sell its OneMain Financial business.

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

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

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

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

As part of its liability management, Citi has considered, and may continue to consider, opportunities to repurchase its long-term debt pursuant to open market purchases, tender offers or other means. Such repurchases help reduce Citi's overall funding costs. During the second quarter of 2015, Citi repurchased an aggregate of approximately $2.8 billion of its outstanding long-term debt.

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

Long-Term Debt Issuances and Maturities

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

	2Q15		1Q15		2Q14	
In billions of dollars	Maturities	Issuances	Maturities	Issuances	Maturities	Issuances

Parent[1]	$7.0	$12.5	$8.6	$11.1	$11.1	$10.0
Benchmark debt:						
Senior debt	3.2	5.4	5.1	6.1	4.7	5.6
Subordinated debt	2.0	3.0	0.4	1.0	1.0	1.0
Trust preferred	—	—	—	—	2.1	—
Customer-related debt:						
Structured debt	1.4	3.9	2.5	2.8	2.2	2.2
Non-structured debt	0.3	0.1	0.4	—	0.3	0.4
Local Country and Other[1]	0.1	0.1	0.2	1.2	0.8	0.8
Bank	$3.6	$1.7	$6.9	$0.6	$4.2	$8.7
FHLB borrowings	—	0.5	3.5	—	1.0	6.1
Securitizations	3.2	—	2.8	—	1.4	2.4
Local Country and Other	0.4	1.2	0.5	0.6	1.8	0.2
Total[1]	$10.6	$14.2	$15.5	$11.7	$15.3	$18.7

(1) As a result of OneMain Financial's reclassification to held-for-sale in March 2015, 2Q15 excludes issuances of $1.2 billion relating to OneMain Financial and classified to held-for-sale, while 1Q15 includes issuances of $1.2 billion subsequently reclassified to held-for-sale.

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

	Maturities								
In billions of dollars	1H15	2015	2016	2017	2018	2019	2020	Thereafter	Total
Parent[(1)]	$15.6	$8.0	$19.4	$25.8	$19.3	$18.8	$5.8	$58.0	$155.1
Benchmark debt:									
Senior debt	8.3	5.3	11.9	19.4	15.4	14.6	4.0	26.7	97.3
Subordinated debt	2.4	0.1	1.5	2.9	1.2	1.3	—	18.6	25.6
Trust preferred	—	—	—	—	—	—	—	1.7	1.7
Customer-related debt:									
Structured debt	3.9	1.7	5.1	3.0	2.3	1.7	1.7	8.2	23.7
Non-structured debt	0.7	0.9	0.9	0.5	0.4	0.2	0.1	1.5	4.5
Local Country and Other[(1)]	0.3	—	—	—	—	1.0	—	1.3	2.3
Bank	$10.5	$3.5	$23.2	$14.8	$9.0	$2.2	$0.3	$3.7	56.7
FHLB borrowings	3.5	0.5	9.6	6.3	0.4	—	—	—	16.8
Securitizations	6.0	1.8	10.2	6.4	8.3	1.9	—	3.4	32.0
Local Country and Other	0.9	1.2	3.4	2.1	0.3	0.3	0.3	0.3	7.9
Total long-term debt[(1)]	$26.1	$11.5	$42.6	$40.6	$28.3	$21.0	$6.1	$61.7	$211.8

(1) Maturities exclude OneMain Financial long-term debt of approximately $5.9 billion (consisting largely of personal loan securitizations) reclassified to held-for-sale as a result of Citigroup's entry into an agreement in March 2015 to sell its OneMain Financial business.

Secured Funding Transactions and Short-Term Borrowings

Secured Funding

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

Secured funding of $177 billion as of June 30, 2015 declined 4% from the prior-year period, primarily driven by the impact of FX translation, and was largely unchanged sequentially. Excluding the impact of FX translation, secured funding increased 6% from the prior-year period driven by normal business activity. Average balances for secured funding were approximately $183 billion for the quarter ended June 30, 2015, compared to $177 billion for the quarter ended March 31, 2015 and $193 billion for the quarter ended June 30, 2014.

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

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

maintain reliable funding under a wide range of market conditions, including under periods of stress, Citi manages these activities by taking into consideration the quality of the underlying collateral, and stipulating financing tenor. The weighted average maturity of Citi's secured funding of less liquid trading inventory was greater than 110 days as of June 30, 2015.

Citi manages the risks in its secured funding by conducting daily stress tests to account for changes in capacity, tenors, haircut, collateral profile and client actions. Additionally, Citi maintains counterparty diversification by establishing concentration triggers and assessing counterparty reliability and stability under stress. Citi generally sources secured funding from more than 150 counterparties.

Commercial Paper

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

In billions of dollars	Jun. 30, 2015	Mar. 31, 2015	Jun. 30, 2014
Commercial paper			
Parent	$—	$0.1	$0.2
Significant Citibank entities	10.0	10.9	14.7
Total	$10.0	$11.0	$14.9

Other Short-Term Borrowings

At June 30, 2015, Citi's other short-term borrowings, which included borrowings from the FHLB and other market participants, were approximately $16 billion, compared to $28 billion at March 31, 2015, and $45 billion at June 30, 2014. As described under "Commercial Paper" above, Citi purposefully reduced its other short-term borrowings, including FHLB borrowings, as it continued to grow its high-quality deposits.

Liquidity Coverage Ratio (LCR)

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

The table below sets forth the components of Citi's LCR calculation and HQLA in excess of net outflows as of June 30, 2015 and March 31, 2015.

in billions of dollars	Jun. 30, 2015	Mar. 31, 2015
HQLA	$385.8	$400.5
Net outflows	$347.3	$361.0
LCR	111%	111%
HQLA in excess of net outflows	$38.6	$39.5

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

As set forth in the table above, Citi's LCR remained unchanged quarter-over-quarter as the reduction in Citi's HQLA was offset by reduced deposit and debt maturity outflows reflecting the improvement in the LCR liquidity value of Citi's deposits as well as the continued reduction in short-term borrowings (each as described above).

As noted above, prior to September 30, 2014, Citi reported its LCR based on the Basel Committee's LCR rules. On this basis, Citi's LCR was 123% as of June 30, 2014. The decrease in Citi's LCR year-over-year was primarily due to the impact of the U.S. LCR rules. Specifically, as discussed under "High-Quality Liquid Assets" above, the U.S. LCR rules excluded certain assets from the calculation of HQLA. In addition, net outflows are higher under the U.S. LCR rules, primarily due to the "peak day" outflow requirement (i.e., net outflows are required to be based on the highest individual day's mismatch between contractual and certain non-defined maturity inflows and outflows within the 30-day LCR period) as well as higher deposit outflow assumptions resulting from the more stringent deposit classifications (e.g., the nature of the deposit balance or counterparty designation) under the U.S. LCR rules.

Credit Ratings

Citigroup's funding and liquidity, its funding capacity, ability to access capital markets and other sources of funds, the cost of these funds, and its ability to maintain certain deposits are partially dependent on its credit ratings. The table below sets forth the ratings for Citigroup and Citibank, N.A. as of June 30, 2015. While not included in the table below, the long-term and short-term ratings of Citigroup Global Markets Inc. (CGMI) were A/A-1 at Standard & Poor's and A+/F1 at Fitch as of June 30, 2015.

Debt Ratings as of June 30, 2015

	Citigroup Inc.			Citibank, N.A.		
	Senior debt	Commercial paper	Outlook	Long-term	Short-term	Outlook
Fitch Ratings (Fitch)	A	F1	Stable	A+	F1	Stable
Moody's Investors Service (Moody's)	Baa1	P-2	Stable	A1	P-1	Stable
Standard & Poor's (S&P)[1]	A-	A-2	Negative	A	A-1	Stable

(1) See "Recent Credit Rating Developments" below.

Recent Credit Rating Developments

On May 19, 2015, Fitch revised its methodology relating to U.S. GSIBs by revising its U.S. Support Rating Floor (SRF), which sets the lower bound on the long-term ratings of U.S. GSIBs, to 'No Floor' from 'A'. This had no direct impact on Citigroup, as it did not benefit from the SRF. Additionally, Fitch introduced a rating differential between the long-term ratings of a bank's holding and operating companies, reflecting the expected implementation of total loss-absorbing capital (TLAC) requirements for U.S. GSIBs and the likelihood of a substantial debt buffer in the holding company. As a result of these methodology changes, Fitch upgraded the long-term ratings and deposit ratings of Citi's material U.S. operating companies by one notch. Specifically, the long-term ratings of Citibank, N.A. and CGMI (as noted above) were upgraded to 'A+' from 'A' and the deposit ratings for Citibank, N.A were upgraded to 'AA-' from 'A+'.

On May 28, 2015, Moody's concluded its reviews on 13 global investment banks. As a result of its reviews, Moody's affirmed Citigroup's Baseline Credit Assessment (BCA), or unsupported rating, of 'baa2' and upgraded Citibank, N.A.'s long-term senior unsecured debt and long-term deposit ratings 1-notch to 'A1' from 'A2'. Moody's also upgraded Citigroup's senior unsecured debt rating by 1-notch, to 'Baa1' from 'Baa2' and its preferred stock rating to 'Ba2' from 'Ba3'.

As a result of the completion of its annual review of the U.S. banking industry, including the U.S. GSIBs, on July 23, 2015 S&P upgraded Citigroup's stand-alone credit profile (SACP), or unsupported rating, by 1-notch to 'a-' from 'bbb+', which also resulted in a 1-notch upgrade to Citigroup's hybrid capital instruments to 'BB+' from 'BB'. S&P affirmed the 'A/A-1' issuer credit ratings on Citigroup's core and highly strategic operating subsidiaries, including Citibank, N.A. and Citigroup Global Markets Inc., with government support reduced from 2-notches to 1-notch, in line with its methodology for a U.S. highly systemically important institution with an 'a-' SACP. These rating actions were driven by S&P's view that the risk to the U.S. banking industry has

reduced due to wide-ranging regulatory changes, and that Citigroup's management has effectively strengthened, de-risked, and simplified Citi's business model. Additionally, S&P revised the outlook on the ratings of Citi's operating subsidiaries, including Citibank, N.A. and Citigroup Global Markets Inc., to positive from stable as the long-term rating could be upgraded if the 1-notch of government support is removed and Citigroup's "Additional Loss Absorbing Capital" (ALAC) is sufficient to contribute 2-notches of uplift. The rating outlook on Citigroup and other U.S. GSIBs remains negative, reflecting S&P's ongoing evaluation of government support.

Potential Impacts of Ratings Downgrades

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

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

Factors—Liquidity Risks" in Citigroup's 2014 Annual Report on Form 10-K.

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

As of June 30, 2015, Citi estimates that a hypothetical one-notch downgrade of the senior debt/long-term rating of Citigroup Inc. across all three major rating agencies could impact Citigroup's funding and liquidity due to derivative triggers by approximately $0.8 billion, compared to $0.9 billion as of March 31, 2015. Other funding sources, such as secured financing transactions and other margin requirements, for which there are no explicit triggers, could also be adversely affected.

As of June 30, 2015, Citi estimates that a hypothetical one-notch downgrade of the senior debt/long-term rating of Citibank, N.A. across all three major rating agencies could impact Citibank, N.A.'s funding and liquidity by approximately $1.3 billion, compared to $1.5 billion as of March 31, 2015, due to derivative triggers.

In total, Citi estimates that a one-notch downgrade of Citigroup and Citibank, N.A., across all three major rating agencies, could result in aggregate cash obligations and collateral requirements of approximately $2.1 billion, compared to $2.4 billion as of March 31, 2015 (see also Note 21 to the Consolidated Financial Statements). As set forth under "High-Quality Liquid Assets" above, the liquidity resources of Citi's parent entities were approximately $47 billion, and the liquidity resources of Citi's significant Citibank entities and other Citibank and Banamex entities were approximately $339 billion, for a total of approximately $386 billion as of June 30, 2015. These liquidity resources are available in part as a contingency for the potential events described above.

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

Citibank, N.A.—Additional Potential Impacts

In addition to the above derivative triggers, Citi believes that a potential one-notch downgrade of Citibank, N.A.'s senior debt/long-term rating by S&P and Fitch could also have an adverse impact on the commercial paper/short-term rating of Citibank, N.A. As of June 30, 2015, Citibank, N.A. had liquidity commitments of approximately $10.0 billion to consolidated asset-backed commercial paper conduits, compared to $10.9 billion as of March 31, 2015 (as referenced in Note 20 to the Consolidated Financial Statements).

In addition to the above-referenced liquidity resources of Citi's significant Citibank entities and other Citibank and Banamex entities, Citibank, N.A. could reduce the funding and liquidity risk, if any, of the potential downgrades described above through mitigating actions, including repricing or reducing certain commitments to commercial paper conduits. In the event of the potential downgrades described above, Citi believes that certain corporate customers could re-evaluate their deposit relationships with Citibank, N.A. This re-evaluation could result in clients adjusting their discretionary deposit levels or changing their depository institution, which could potentially reduce certain deposit levels at Citibank, N.A. However, Citi could choose to adjust pricing, offer alternative deposit products to its existing customers or seek to attract deposits from new customers, in addition to the mitigating actions referenced above.

Price Risk

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

Price Risk—Non-Trading Portfolios

For additional information on Citi's net interest revenue (for interest rate exposure purposes), interest rate risk and interest rate risk measurement, see "Managing Global Risk—Market Risk—Price Risk—Non-Trading Portfolios" in Citi's 201 Annual Report on Form 10-K.

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

In millions of dollars (unless otherwise noted)	Jun. 30, 2015		Mar. 31, 2015		Jun. 30, 2014	
Estimated annualized impact to net interest revenue						
U.S. dollar[1]	$1,360		$1,263		$1,255	
All other currencies	645		611		681	
Total	$2,005		$1,874		$1,936	
As a % of average interest-earning assets	0.12	%	0.12	%	0.11	%
Estimated initial impact to AOCI (after-tax)[2]	$(4,213	)	$(3,931	)	$(3,395	)
Estimated initial impact on Common Equity Tier 1 Capital ratio (bps)[3]	(47	)	(45	)	(38	)

(1) Certain trading-oriented businesses within Citi have accrual-accounted positions that are excluded from the estimated impact to net interest revenue in the table since these exposures are managed economically in combination with mark-to-market positions. The U.S. dollar interest rate exposure associated with these businesses was $(236) million for a 100 basis point instantaneous increase in interest rates as of June 30, 2015.

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

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

The sequential increase in the estimated impact to net interest revenue primarily reflected changes in balance sheet composition, including the increase in certain of Citi's deposit balances, partly offset by Citi Treasury actions. The sequential increase in the estimated impact to AOCI and the Common Equity Tier 1 Capital ratio primarily reflected changes in the composition of Citi Treasury's investment and interest rate derivatives portfolio.

In the event of an unanticipated parallel instantaneous 100 basis point increase in interest rates, Citi expects the negative impact to AOCI would be offset in shareholders' equity through the combination of expected incremental net interest revenue and the expected recovery of the impact on AOCI

through accretion of Citi's investment portfolio over a period of time. As of June 30, 2015, Citi expects that the negative $4.2 billion impact to AOCI in such a scenario could potentially be offset over approximately 21 months.

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

In millions of dollars (unless otherwise noted)	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Overnight rate change (bps)	100	100	—	—
10-year rate change (bps)	100	—	100	(100)
Estimated annualized impact to net interest revenue				
U.S. dollar	$1,360	$1,323	$90	$(148)
All other currencies	645	601	37	(37)
Total	$2,005	$1,924	$127	$(185)
Estimated initial impact to AOCI (after-tax)[1]	$(4,213)	$(2,677)	$(1,708)	$1,464
Estimated initial impact to Common Equity Tier 1 Capital ratio (bps)[2]	(47)	(30)	(19)	16

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

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

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

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

Changes in Foreign Exchange Rates—Impacts on AOCI and Capital

As of June 30, 2015, Citi estimates that a simultaneous 5% appreciation of the U.S. dollar against all of Citi's other currencies could reduce Citi's tangible common equity (TCE) by approximately $1.6 billion, or 0.9% of TCE, as a result of changes to Citi's foreign currency translation adjustment in AOCI, net of hedges. This impact would be primarily due to changes in the value of the Mexican peso, the British pound sterling, the euro, the Chinese yuan and the Australian dollar.

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

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

In millions of dollars (unless otherwise noted)	For the quarter ended Jun. 30, 2015	Mar. 31, 2015	Jun. 30, 2014
Change in FX spot rate[1]	0.2 %	(4.5)%	1.2 %
Change in TCE due to foreign currency translation, net of hedges	$(44)	$(1,763)	$(170)
As a % of Tangible Common Equity	— %	(1.0)%	(0.1)%
Estimated impact to Common Equity Tier 1 Capital ratio (on a fully implemented basis) due to changes in foreign currency translation, net of hedges (bps)	(3)	—	(3)

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

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Interest Revenue/Expense and Yields

In millions of dollars, except as otherwise noted	2nd Qtr. 2015	1st Qtr. 2015	2nd Qtr. 2014	Change 2Q15 vs. 2Q14
Interest revenue[1]	$14,995	$14,724	$15,682	(4)%
Interest expense	3,051	3,028	3,615	(16)
Net interest revenue[1][2]	$11,944	$11,696	$12,067	(1)%
Interest revenue—average rate	3.71%	3.67%	3.73%	(2) bps
Interest expense—average rate	0.97	0.96	1.07	(10) bps
Net interest margin	2.95%	2.92%	2.87%	8 bps
Interest-rate benchmarks				
Two-year U.S. Treasury note—average rate	0.61%	0.60%	0.42%	19 bps
10-year U.S. Treasury note—average rate	2.16	1.97	2.62	(46) bps
10-year vs. two-year spread	155 bps	137 bps	220 bps	

(1) Net interest revenue includes the taxable equivalent adjustments (based on the U.S. federal statutory tax rate of 35%) of $121 million, $124 million and $121 million for the three months ended June 30, 2015, March 31, 2015 and June 30, 2014, respectively.

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

Citi’s net interest margin (NIM) is calculated by dividing gross interest revenue less gross interest expense by average interest earning assets. Citi’s NIM increased sequentially to 295 basis points, driven by a higher-than-expected contribution from trading NIM, which can fluctuate quarter-to-quarter. Excluding this impact, Citi’s NIM would have been closer to 291 basis points in the second quarter of 2015. Citi’s NIM will be impacted during the remainder of 2015 by divestitures from Citi Holdings, including OneMain Financial and the Japan retail banking business, although the ultimate impact to NIM will be dependent on the timing and overall impact of these divestitures to Citi’s results of operations.

Average Balances and Interest Rates—Assets[1][2][3][4]
Taxable Equivalent Basis

	Average volume			Interest revenue			% Average rate		
	2nd Qtr.	1st Qtr.	2nd Qtr.	2nd Qtr.	1st Qtr.	2nd Qtr.	2nd Qtr.	1st Qtr.	2nd Qtr.
In millions of dollars, except rates	2015	2015	2014	2015	2015	2014	2015	2015	2014
Assets									
Deposits with banks[5]	$134,641	$139,173	$160,555	$168	$183				