CITIGROUP INC
Form 10-Q
October 31, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q
QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2016
Commission file number 1-9924
Citigroup Inc.
(Exact name of registrant as specified in its charter)

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x
Number of shares of Citigroup Inc. common stock outstanding on September 30, 2016: 2,849,730,248

Available on the web at www.citigroup.com

CITIGROUP'S THIRD QUARTER 2016—FORM 10-Q

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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, 2015, including the historical audited consolidated financial statements of Citigroup reflecting certain realignments and reclassifications set forth in Citigroup's Current Report on Form 8-K filed with the SEC on June 17, 2016 (2015 Annual Report on Form 10-K), and Citigroup's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016 (First Quarter of 2016 Form 10-Q) and June 30, 2016 (Second Quarter of 2016 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 reclassifications have been made to the prior periods' financial statements and disclosures to conform to the current period's presentation. For additional information on certain recent reclassifications, see Note 3 to the Consolidated Financial Statements in Citi's 2015 Annual Report on Form 10-K.

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

Citigroup is managed pursuant to the following segments:

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

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

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

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

EXECUTIVE SUMMARY

Third Quarter of 2016—Solid Performance Across the Franchise
As described further throughout this Executive Summary, Citi reported solid operating results in the third quarter of 2016, reflecting underlying momentum across the franchise, notably in several businesses where Citi has been making investments.
In North America Global Consumer Banking (GCB), Citi's ongoing investments in Citi-branded cards generated revenue growth, primarily reflecting the first full quarter of revenues from the acquisition of the Costco portfolio but also modest growth in average loans and purchase sales in the remainder of the portfolio. International GCB generated positive operating leverage driven by year-over-year growth in Mexico and Asia (excluding the impact of foreign currency translation into U.S. dollars for reporting purposes (FX translation) and the impact of a previously disclosed $160 million gain (excluding FX translation, $180 million as reported) related to the sale of Citi's merchant acquiring business in Mexico in the third quarter of 2015). In Institutional Clients Group (ICG), Citi continued to support its clients around the world, generating year-over-year revenue growth in treasury and trade solutions, despite the continued low-interest rate environment, investment banking and fixed income markets, particularly in rates and currencies and spread products.
In Citicorp, loans increased 6% and deposits increased 5%. Excluding FX translation, Citicorp loans increased 7% and deposits increased 5%. (Citi's results of operations excluding the impact of FX translation are non-GAAP financial measures.) Citi Holdings' impact on Citi's results of operations and financial condition decreased further with Citi Holdings constituting less than 2% of Citigroup's net income in the current quarter and 3% of Citigroup's GAAP assets as of the end of the third quarter of 2016. While Citi's deferred tax assets (DTAs) were unchanged during the current quarter (for additional information, see "Income Taxes" below), year-to-date, Citi has utilized approximately $2.4 billion of its DTAs which contributed to a net increase of $3.2 billion of regulatory capital as fewer DTAs were deducted from regulatory capital.
In the third quarter of 2016, Citi began implementing its $10.4 billion capital plan (see "Executive Summary" in Citi's Second Quarter of 2016 Form 10-Q) and returned $3.0 billion of capital to common shareholders in the form of dividends and the repurchase of 56 million common shares. Outstanding common shares declined 2% from the prior-quarter and 4% from the prior-year period. Despite the increased return of capital to its shareholders, each of Citigroup's key regulatory capital metrics remained strong as of the end of the third quarter of 2016 (see "Capital" below).
During the remainder of 2016, Citi expects that many of the uncertainties that have impacted the operating environment and macroeconomic conditions year-to-date will continue, including significant uncertainties arising from the vote in

favor of the United Kingdom's withdrawal from the European Union as well as the outlook for future rate increases in the U.S. For a more detailed discussion of these risks and uncertainties, see each respective business' results of operations and "Forward-Looking Statements" below as well as the "Risk Factors" section in Citi's 2015 Annual Report on Form 10-K.

Third Quarter of 2016 Summary Results

Citigroup
Citigroup reported net income of $3.8 billion, or $1.24 per share, compared to $4.3 billion, or $1.35 per share, in the prior-year period. Results in the third quarter of 2015 included $196 million ($127 million after-tax) of CVA/DVA. Excluding the impact of CVA/DVA in the prior-year period, Citigroup reported net income of $3.8 billion in the third quarter of 2016, or $1.24 per share, compared to $4.2 billion, or $1.31 per share, in the prior-year period. (Citi's results

of operations excluding the impact of CVA/DVA are non-GAAP financial measures.) The 8% decrease from the prior-year period was primarily driven by lower revenues, partially offset by lower cost of credit and lower expenses. Citi's revenues were $17.8 billion in the third quarter of 2016, a decrease of 5% from the prior-year period driven by a 1% decline in Citicorp and a 48% decline in Citi Holdings. Excluding CVA/DVA in the third quarter of 2015, revenues were down 4% from the prior-year period, as a 49% decrease in Citi Holdings revenues was partially offset by a 1% increase in Citicorp revenues. Excluding CVA/DVA in the third quarter of 2015 and the impact of FX translation (which increased the reported decline in revenues versus the prior-year period by approximately $223 million), Citigroup revenues decreased 3% from the prior-year period, driven by a 49% decrease in Citi Holdings, partially offset by a 2% increase in Citicorp revenues versus the prior-year period.

Expenses

Citigroup expenses decreased 2% versus the prior-year period as lower expenses in Citi Holdings and a benefit from the impact of FX translation were partially offset by volume growth and ongoing investments in Citicorp (including those referenced above). FX translation increased the reported decline in expenses versus the prior-year period by approximately $194 million.

Citicorp expenses increased 3% reflecting volume growth as well as the ongoing investments in the franchise, partially offset by efficiency savings and the benefit from the impact of FX translation.

Citi Holdings' expenses were $826 million, down 40% from the prior-year period, primarily driven by the ongoing decline in Citi Holdings assets.

Credit Costs

Citi's total provisions for credit losses and for benefits and claims of $1.7 billion decreased 5% from the prior-year

period. The decrease was driven by a lower provision for benefits and claims due to lower insurance-related assets within Citi Holdings and a decrease in net credit losses, partially offset by a net loan loss reserve build, largely driven by North America cards within Citicorp, compared to a net loan loss reserve release in the prior-year period.
Net credit losses of $1.5 billion declined 8% versus the prior-year period. Consumer net credit losses declined 8% to $1.5 billion, mostly reflecting continued improvement in the North America mortgage portfolio and ongoing divestiture activity within Citi Holdings, partially offset by higher net credit losses in North America cards in Citicorp due to volume growth. Corporate net credit losses decreased 20% to $40 million and were largely offset by the release of previously established loan loss reserves (for additional information, see “Institutional Clients Group” and “Credit Risk—Corporate Credit” below).
The net build of allowance for loan losses and unfunded lending commitments was $176 million in the third quarter of 2016, compared to a $16 million release in the prior-year period. Citicorp’s net reserve build was $298 million, compared to a net reserve build of $174 million in the prior-year period. The larger net reserve build in the third quarter of 2016 was primarily related to the North America cards franchise, driven by the impact of the Costco portfolio acquisition, volume growth and the estimated impact of newly proposed regulatory guidelines on third party debt collections (see “Global Consumer Banking—North America GCB” below), partially offset by a net reserve release in ICG. The net reserve release in ICG largely reflected ratings upgrades, reductions in certain exposures and improved valuations. Citi’s credit quality largely remained favorable across the franchise during the current quarter.
Citi Holdings’ net reserve release decreased $68 million from the prior-year period to $122 million, primarily reflecting the impact of asset sales.
For additional information on Citi’s consumer (including commercial) and corporate credit costs and allowance for loan losses, see “Credit Risk” below.

Capital
Citigroup’s Tier 1 Capital and Common Equity Tier 1 Capital ratios, on a fully implemented basis, were 14.2% and 12.6% as of September 30, 2016, respectively, compared to 12.9% and 11.7% as of September 30, 2015 (all based on the Basel III Advanced Approaches for determining risk-weighted assets). Citigroup’s Supplementary Leverage ratio as of September 30, 2016, on a fully implemented basis, was 7.4%, compared to 6.9% as of September 30, 2015. For additional information on Citi’s capital ratios and related components, including the impact of Citi’s DTAs on its capital ratios, see “Capital Resources” below.

Citicorp
Citicorp net income decreased 12% from the prior-year period to $3.8 billion. CVA/DVA, recorded in ICG, was $221 million ($143 million after-tax) in third quarter of 2015 (for a summary of CVA/DVA by business within ICG, see “Institutional Clients Group” below). Excluding CVA/DVA in

the third quarter of 2015, Citicorp’s net income decreased 9% from the prior-year period, primarily driven by the higher expenses and higher cost of credit, partially offset by higher revenues.
Citicorp revenues decreased 1% from the prior-year period to $16.9 billion, driven by lower revenues in Corporate/Other, partially offset by a 1% increase in GCB revenues. Excluding CVA/DVA in the third quarter of 2015, Citicorp revenues increased 1% from the prior-year period, driven by a 1% increase in GCB revenues and a 2% increase in ICG revenues. As referenced above, excluding CVA/DVA in the prior-year period and the impact of FX translation, Citicorp’s revenues increased 2% versus the prior-year period, as growth in the GCB and ICG franchises was partially offset by lower revenues in Corporate/Other.
GCB revenues of $8.2 billion increased 1% versus the prior-year period. Excluding the impact of FX translation, GCB revenues increased 3%, driven by an increase in North America GCB, partially offset by a decrease in international GCB revenues. North America GCB revenues increased 7% to $5.2 billion, with higher revenues in each of Citi-branded cards, Citi retail services and retail banking. Citi-branded cards revenues of $2.2 billion increased 15% versus the prior-year period, reflecting the addition of the Costco portfolio as well as modest revenue growth in the remainder of the portfolio driven by higher volumes. Citi retail services revenues of $1.6 billion increased 1% versus

the prior-year period, as higher average loan growth in the portfolio was largely offset by the impact of previously disclosed renewals and extension of several partnerships as well as the absence of revenues from portfolio exits. Retail banking revenues increased 2% from the prior-year period to $1.4 billion, on higher average loans and checking deposits.

North America GCB average deposits of $184 billion grew 1% year-over-year and average retail banking loans of $55 billion grew 9%. Average Citi retail services loans of $44 billion increased 1% versus the prior-year period while retail services purchase sales of $20 billion declined 1% versus the prior-year period. Average Citi-branded card loans of $79 billion increased 24%, while Citi-branded card purchase sales of $73 billion increased 57% versus the prior-year period, each including the impact of the Costco portfolio acquisition. For additional information on the results of operations of North America GCB for the third quarter of 2016, including the impact of the Costco acquisition to North America GCB's loans and purchase sales, see "Global Consumer Banking—North America GCB" below.

International GCB revenues (consisting of Latin America GCB and Asia GCB (which includes GCB activities in certain EMEA countries)) decreased 7% versus the prior-year period to $3.0 billion driven by a decline in Latin America GCB (19%) partially offset by an increase in Asia GCB (4%). Excluding the impact of FX translation, international GCB revenues decreased 2% versus the prior-year period. Latin America GCB revenues decreased 7% versus the prior-year period, reflecting the absence of a previously disclosed $160 million gain (excluding the impact of FX translation, $180 million as reported) related to the sale of Citi's merchant acquiring business in Mexico in the third quarter of 2015.

Excluding this gain, revenues would have increased 5% in Latin America GCB, driven by growth in retail banking loans and deposits, partially offset by a decline in cards revenues driven by the continued impact of higher payment rates.
Asia GCB revenues increased 3% versus the prior-year period, driven by growth in wealth management and cards revenues, partially offset by product repositioning away from lower-return mortgage loans in the retail lending portfolio. For additional information on the results of operations of Latin America GCB and Asia GCB for the third quarter of 2016, including the impact of FX translation, see "Global Consumer Banking" below. Excluding the impact of FX translation, international GCB average deposits of $119 billion increased 7%, average retail loans of $87 billion decreased 2%, investment sales of $14 billion increased 2%, average card loans of $23 billion increased 2% and card purchase sales of $23 billion increased 2%.
ICG revenues were $8.6 billion in the third quarter of 2016, unchanged from the prior-year period as a 6% increase in Markets and securities services was offset by a 6% decrease in Banking revenues (including the impact of a $218 million mark-to-market loss on hedges related to accrual loans within corporate lending, compared to a gain of $352 million in the prior year period). Excluding CVA/DVA in the third quarter of 2015 and the impact of mark-to-market gains/(losses) on loan hedges, ICG revenues increased 9% driven by an 11% increase in Markets and securities services revenues and a 7% increase in Banking revenues.
Banking revenues of $4.3 billion (excluding CVA/DVA in the third quarter of 2015 and the impact of mark-to-market gains/(losses) on loan hedges) increased 7% compared to the prior-year period, primarily driven by growth in treasury and trade solutions and debt underwriting revenues within investment banking. Investment banking revenues of $1.1 billion increased 15% versus the prior-year period. Advisory revenues were largely unchanged at $239 million. Equity underwriting revenues decreased 16% to $146 million, reflecting a decline in wallet share resulting from continued share fragmentation. Debt underwriting revenues increased 32% to $701 million, largely reflecting strong industry-wide underwriting activity.
Private bank revenues increased 5% (4% excluding CVA/DVA in the third quarter of 2015) to $746 million from the prior-year period, primarily driven by loan growth, improved spreads and higher managed investment revenues. Corporate lending revenues decreased 70% to $232 million. Excluding the impact of mark-to-market gains/(losses) on loan hedges, corporate lending revenues increased 4% versus the prior-year period, mostly reflecting higher average loans. Treasury and trade solutions revenues of $2.0 billion increased 5% from the prior-year period. Excluding the impact of FX translation, treasury and trade solutions revenues increased 8% reflecting continued growth in transaction volumes.
Markets and securities services revenues of $4.5 billion (excluding CVA/DVA in the third quarter of 2015) increased 11% from the prior-year period. Fixed income markets

revenues of $3.5 billion increased 26% (35% excluding CVA/DVA in the third quarter of 2015) from the prior-year period, driven by improvement in both rates and currencies and spread products. Equity markets revenues of $663 million decreased 37% (34% excluding CVA/DVA in the third quarter of 2015) versus the prior-year period. The third quarter of 2015 included a previously disclosed positive valuation adjustment of approximately $140 million related to certain financing transactions. Excluding this adjustment, equity markets revenues decreased 23% driven by lower market activity as well as the comparison to strong performance in Asia in the prior-year period. Securities services revenues of $536 million increased 4% versus the prior-year period. Excluding the impact of FX translation, securities services revenues increased 6% as increased client activity, higher deposit volumes and improved spreads more than offset the absence of revenues from divested businesses. For additional information on the results of operations of ICG for the third quarter of 2016, see "Institutional Clients Group" below.
Corporate/Other revenues were $28 million, down 87% from the prior-year period, mainly reflecting the absence of the equity contribution related to Citi's stake in China Guangfa Bank, which was divested in the third quarter of 2016. For additional information on the results of operations of Corporate/Other for the third quarter of 2016, see "Corporate/Other" below.
Citicorp end-of-period loans increased 6% to $599 billion from the prior-year period, driven by a 7% increase in consumer loans and a 5% increase in corporate loans. Excluding the impact of FX translation, Citicorp loans grew 7%,

with 7% growth in consumer loans and 6% growth in corporate loans.

Citi Holdings

Citi Holdings' net income was $74 million in the third quarter of 2016, compared to a net loss of $1 million in the prior-year period. CVA/DVA was negative $25 million (negative $16 million after-tax) in the third quarter of 2015. Excluding the impact of CVA/DVA in the prior-year period, Citi Holdings' net income was $74 million, compared to $15 million in the prior-year period, primarily reflecting lower expenses and lower credit costs, partially offset by lower revenues.

Citi Holdings' revenues were $877 million, down 48% from the prior-year period. Excluding CVA/DVA in the third quarter of 2015, Citi Holdings' revenues decreased 49% from the prior-year period, mainly reflecting continued reductions in Citi Holdings assets. For additional information on the results of operations of Citi Holdings for the third quarter of 2016, see "Citi Holdings" below.

At the end of the current quarter, Citi Holdings' assets were $61 billion, 48% below the prior-year period. Citi Holdings' risk-weighted assets were $114 billion as of September 30, 2016, a decrease of 30% from the prior-year period, and represented 9% of Citi's risk-weighted assets under Basel III (based on the Advanced Approaches for determining risk-weighted assets).

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

	Third Quarter			Nine Months		
In millions of dollars, except per-share amounts and ratios	2016	2015	% Change	2016	2015	% Change
Net interest revenue	$11,479	$11,773	(2)%	$33,942	$35,167	(3)%
Non-interest revenue	6,281	6,919	(9)	18,921	22,731	(17)
Revenues, net of interest expense	$17,760	$18,692	(5)%	$52,863	$57,898	(9)%
Operating expenses	10,404	10,669	(2)	31,296	32,481	(4)
Provisions for credit losses and for benefits and claims	1,736	1,836	(5)	5,190	5,399	(4)
Income from continuing operations before income taxes	$5,620	$6,187	(9)%	$16,377	$20,018	(18)%
Income taxes	1,733	1,881	(8)	4,935	6,037	(18)
Income from continuing operations	$3,887	$4,306	(10)%	$11,442	$13,981	(18)%
Income (loss) from discontinued operations, net of taxes[1]	(30)	(10)	NM	(55)	(9)	NM
Net income before attribution of noncontrolling interests	$3,857	$4,296	(10)%	$11,387	$13,972	(19)%
Net income attributable to noncontrolling interests	17	5	NM	48	65	(26)
Citigroup's net income	$3,840	$4,291	(11)%	$11,339	$13,907	(18)%
Less:						
Preferred dividends—Basic	$225	$174	29 %	$757	$504	50 %
Dividends and undistributed earnings allocated to employee restricted and deferred shares that contain nonforfeitable rights to dividends, applicable to basic EPS	53	56	(5)	145	182	(20)
Income allocated to unrestricted common shareholders for basic and diluted EPS	$3,562	$4,061	(12)%	$10,437	$13,221	(21)%
Earnings per share						
Basic						
Income from continuing operations	$1.25	$1.36	(8)	$3.60	$4.39	(18)
Net income	1.24	1.36	(9)	3.58	4.38	(18)
Diluted						
Income from continuing operations	$1.25	$1.36	(8)%	$3.60	$4.38	(18)%
Net income	1.24	1.35	(8)	3.58	4.38	(18)
Dividends declared per common share	0.16	0.05	NM	0.26	0.11	NM

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

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SUMMARY OF SELECTED FINANCIAL DATA—PAGE 2

	Citigroup Inc. and Consolidated Subsidiaries					
	Third Quarter			Nine Months		
In millions of dollars, except per-share amounts, ratios and direct staff	2016	2015	% Change	2016	2015	% Change
At September 30:						
Total assets	$1,818,117	$1,808,356	1 %			
Total deposits	940,252	904,243	4			
Long-term debt	209,051	213,533	(2)			
Citigroup common stockholders’ equity	212,322	205,630	3			
Total Citigroup stockholders’ equity	231,575	220,848	5			
Direct staff (in thousands)	220	239	(8)			
Performance metrics						
Return on average assets	0.83 %	0.94 %		0.84 %	1.01 %	
Return on average common stockholders’ equity(2)	6.8	8.0		6.7	8.8	
Return on average total stockholders’ equity(2)	6.6	7.7		6.6	8.6	
Efficiency ratio (Total operating expenses/Total revenues)	59	57		59	56	
Basel III ratios—full implementation						
Common Equity Tier 1 Capital(3)	12.63 %	11.67 %				
Tier 1 Capital(3)	14.23	12.91				
Total Capital(3)	16.34	14.60				
Supplementary Leverage ratio(4)	7.40	6.85				
Citigroup common stockholders’ equity to assets	11.68 %	11.37 %				
Total Citigroup stockholders’ equity to assets	12.74	12.21				
Dividend payout ratio(5)	12.9	3.7		7.3 %	2.5 %	
Book value per common share	$74.51	$69.03	8 %			
Tangible book value (TBV) per share(6)	$64.71	$60.07	8 %			
Ratio of earnings to fixed charges and preferred stock dividends	2.61x	2.92x		2.60x	3.04x	

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

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

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

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

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

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

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

In millions of dollars	Third Quarter 2016	2015	% Change	Nine Months 2016	2015	% Change
Income (loss) from continuing operations						
CITICORP						
Global Consumer Banking						
North America	$811	$1,080	(25)%	$2,513	$3,318	(24)%
Latin America	167	306	(45)	507	716	(29)
Asia[1]	310	305	2	822	980	(16)
Total	$1,288	$1,691	(24)%	$3,842	$5,014	(23)%
Institutional Clients Group						
North America	$1,119	$991	13 %	$2,762	$3,097	(11)%
EMEA	680	499	36	1,799	2,129	(16)
Latin America	396	389	2	1,129	1,194	(5)
Asia	577	554	4	1,756	1,847	(5)
Total	$2,772	$2,433	14 %	$7,446	$8,267	(10)%
Corporate/Other	(247)	183	NM	(365)	395	NM
Total Citicorp	$3,813	$4,307	(11)%	$10,923	$13,676	(20)%
Citi Holdings	$74	$(1)	NM	$519	$305	70 %
Income from continuing operations	$3,887	$4,306	(10)%	$11,442	$13,981	(18)%
Discontinued operations	$(30)	$(10)	NM	$(55)	$(9)	NM
Net income attributable to noncontrolling interests	17	5	NM	48	65	(26)%
Citigroup's net income	$3,840	$4,291	(11)%	$11,339	$13,907	(18)%

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

CITIGROUP REVENUES

	Third Quarter			Nine Months		
In millions of dollars	2016	2015	% Change	2016	2015	% Change
CITICORP						
Global Consumer Banking						
North America	$5,212	$4,893	7 %	$14,842	$14,848	— %
Latin America	1,257	1,545	(19)	3,746	4,409	(15)
Asia[1]	1,758	1,696	4	5,142	5,363	(4)
Total	$8,227	$8,134	1 %	$23,730	$24,620	(4)%
Institutional Clients Group						
North America	$3,276	$3,440	(5)%	$9,800	$10,354	(5)%
EMEA	2,554	2,393	7	7,376	7,858	(6)
Latin America	1,009	1,049	(4)	3,017	3,067	(2)
Asia	1,789	1,777	1	5,317	5,403	(2)
Total	$8,628	$8,659	— %	$25,510	$26,682	(4)%
Corporate/Other	28	218	(87)	428	801	(47)
Total Citicorp	$16,883	$17,011	(1)%	$49,668	$52,103	(5)%
Citi Holdings	$877	$1,681	(48)%	$3,195	$5,795	(45)%
Total Citigroup Net Revenues	$17,760	$18,692	(5)%	$52,863	$57,898	(9)%

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

SEGMENT BALANCE SHEET[1]

In millions of dollars	Global Consumer Banking	Institutional Clients Group	Corporate/Other and consolidating eliminations[2]	Subtotal Citicorp	Citi Holdings	Citigroup Parent company-issued long-term debt and stockholders' equity[3]	Total Citigroup consolidated
Assets							
Cash and deposits with banks	$10,063	$69,676	$ 75,301	$155,040	$950	$—	$155,990
Federal funds sold and securities borrowed or purchased under agreements to resell	282	235,138	—	235,420	625	—	236,045
Trading account assets	6,466	253,487	329	260,282	3,070	—	263,352
Investments	9,444	114,457	225,947	349,848	5,092	—	354,940
Loans, net of unearned income and allowance for loan losses	281,789	306,872	—	588,661	37,335	—	625,996
Other assets	42,267	86,073	41,867	170,207	11,587	—	181,794
Liquidity assets[4]	61,200	236,419	(300,234)	(2,615)	2,615	—	—
Total assets	$411,511	$1,302,122	$ 43,210	$1,756,843	$61,274	$—	$1,818,117
Liabilities and equity							
Total deposits	$306,541	$617,209	$ 10,566	$934,316	$5,936	$—	$940,252
Federal funds purchased and securities loaned or sold under agreements to repurchase	3,481	149,627	—	153,108	16	—	153,124
Trading account liabilities	11	130,891	354	131,256	393	—	131,649
Short-term borrowings	45	19,434	10,047	29,526	1	—	29,527
Long-term debt[3]	1,296	33,980	20,602	55,878	4,131	149,042	209,051
Other liabilities	19,234	82,910	14,951	117,095	4,729	—	121,824
Net inter-segment funding (lending)[3]	80,903	268,071	(14,425)	334,549	46,068	(380,617)	—
Total liabilities	$411,511	$1,302,122	$ 42,095	$1,755,728	$61,274	$(231,575)	$1,585,427
Total equity[5]	—	—	1,115	1,115	—	231,575	232,690
Total liabilities and equity	$411,511	$1,302,122	$ 43,210	$1,756,843	$61,274	$—	$1,818,117

(1) The supplemental information presented in the table above reflects Citigroup's consolidated GAAP balance sheet by reporting segment as of September 30, 2016. The respective segment information depicts the assets and liabilities managed by each segment as of such date.

(2) Consolidating eliminations for total Citigroup and Citigroup parent company assets and liabilities are recorded within 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) Citicorp equity represents noncontrolling interests.

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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 97 countries and jurisdictions, many for over 100 years, and offers services in over 160 countries and jurisdictions. Citi believes this global network provides a strong foundation for servicing the broad financial services needs of its large multinational clients and for meeting the needs of retail, private banking, commercial, public sector and institutional clients around the world.

Citicorp consists of the following operating businesses: Global Consumer Banking (which consists of consumer banking businesses in North America, Latin America (consisting of Citi's consumer banking businesses in Mexico) and Asia) and Institutional Clients Group (which includes Banking and Markets and securities services). Citicorp also includes Corporate/Other. At September 30, 2016, Citicorp had approximately $1.8 trillion of assets and $934 billion of deposits, representing approximately 97% of Citi's total assets and 99% of Citi's total deposits.

	Third Quarter			Nine Months		
In millions of dollars except as otherwise noted	2016	2015	% Change	2016	2015	% Change
Net interest revenue	$10,997	$10,622	4 %	$32,314	$31,557	2 %
Non-interest revenue	5,886	6,389	(8)	17,354	20,546	(16)
Total revenues, net of interest expense	$16,883	$17,011	(1)%	$49,668	$52,103	(5)%
Provisions for credit losses and for benefits and claims						
Net credit losses	$1,396	$1,391	— %	$4,491	$4,465	1 %
Credit reserve build (release)	343	90	NM	534	(160)	NM
Provision for loan losses	$1,739	$1,481	17 %	$5,025	$4,305	17 %
Provision for benefits and claims	25	28	(11)	73	77	(5)
Provision for unfunded lending commitments	(45)	84	NM	3	2	50
Total provisions for credit losses and for benefits and claims	$1,719	$1,593	8 %	$5,101	$4,384	16 %
Total operating expenses	$9,578	$9,295	3 %	$28,784	$28,360	1 %
Income from continuing operations before taxes	$5,586	$6,123	(9)%	$15,783	$19,359	(18)%
Income taxes	1,773	1,816	(2)	4,860	5,683	(14)
Income from continuing operations	$3,813	$4,307	(11)%	$10,923	$13,676	(20)%
Income (loss) from discontinued operations, net of taxes	(30)	(10)	NM	(55)	(9)	NM
Noncontrolling interests	17	5	NM	42	64	(34)
Net income	$3,766	$4,292	(12)%	$10,826	$13,603	(20)%
Balance sheet data (in billions of dollars)						
Total end-of-period (EOP) assets	$1,757	$1,691	4 %			
Average assets	$1,766	$1,698	4	$1,734	$1,710	1
Return on average assets	0.85 %	1.00 %		0.83 %	1.06 %	
Efficiency ratio	57 %	55 %		58 %	54 %	
Total EOP loans	$599	$563	6			
Total EOP deposits	$934	$894	5			

NM Not meaningful

GLOBAL CONSUMER BANKING

Global Consumer Banking (GCB) provides traditional banking services to retail customers through retail banking, including commercial banking, and Citi-branded cards and Citi retail services (for additional information on these businesses, see “Citigroup Segments” above). GCB is focused on its priority markets in the U.S., Mexico and Asia with 2,679 branches in 19 countries as of September 30, 2016. At September 30, 2016, GCB had approximately $412 billion of assets and $307 billion of deposits.

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

	Third Quarter			Nine Months		
In millions of dollars except as otherwise noted	2016	2015	% Change	2016	2015	% Change
Net interest revenue	$6,770	$6,519	4 %	$19,540	$19,437	1 %
Non-interest revenue	1,457	1,615	(10)	4,190	5,183	(19)
Total revenues, net of interest expense	$8,227	$8,134	1 %	$23,730	$24,620	(4)%
Total operating expenses	$4,440	$4,231	5 %	$13,152	$12,874	2 %
Net credit losses	$1,351	$1,354	— %	$4,094	$4,347	(6)%
Credit reserve build (release)	436	(103)	NM	545	(349)	NM
Provision (release) for unfunded lending commitments	(3)	1	NM	7	(3)	NM
Provision for benefits and claims	25	28	(11)	73	77	(5)
Provisions for credit losses and for benefits and claims	$1,809	$1,280	41 %	$4,719	$4,072	16 %
Income from continuing operations before taxes	$1,978	$2,623	(25)%	$5,859	$7,674	(24)%
Income taxes	690	932	(26)	2,017	2,660	(24)
Income from continuing operations	$1,288	$1,691	(24)%	$3,842	$5,014	(23)%
Noncontrolling interests	3	8	(63)	6	9	(33)
Net income	$1,285	$1,683	(24)%	$3,836	$5,005	(23)%
Balance Sheet data (in billions of dollars)						
Average assets	$410	$375	9 %	$392	$379	3 %
Return on average assets	1.25 %	1.78 %		1.31 %	1.77 %	
Efficiency ratio	54 %	52 %		55 %	52 %	
Total EOP assets	$412	$377	9			
Average deposits	$303	$295	3	$299	$297	1
Net credit losses as a percentage of average loans	1.87 %	1.99 %		1.97 %	2.14 %	
Revenue by business						
Retail banking	$3,361	$3,514	(4)%	$9,849	$10,585	(7)%
Cards[1]	4,866	4,620	5	13,881	14,035	(1)
Total	$8,227	$8,134	1 %	$23,730	$24,620	(4)%
Income from continuing operations by business						
Retail banking	$478	$574	(17)%	$1,284	$1,702	(25)%
Cards[1]	810	1,117	(27)	2,558	3,312	(23)
Total	$1,288	$1,691	(24)%	$3,842	$5,014	(23)%

Table continues on next page.

Foreign currency (FX) translation impact						
Total revenue—as reported	$8,227	$8,134	1 %	$23,730	$24,620	(4)%
Impact of FX translation(2)	—	(174)		—	(769)	
Total revenues—ex-FX(3)	$8,227	$7,960	3 %	$23,730	$23,851	(1)%
Total operating expenses—as reported	$4,440	$4,231	5 %	$13,152	$12,874	2 %
Impact of FX translation(2)	—	(70)		—	(356)	
Total operating expenses—ex-FX(3)	$4,440	$4,161	7 %	$13,152	$12,518	5 %
Total provisions for LLR & PBC—as reported	$1,809	$1,280	41 %	$4,719	$4,072	16 %
Impact of FX translation(2)	—	(41)		—	(159)	
Total provisions for LLR & PBC—ex-FX(3)	$1,809	$1,239	46 %	$4,719	$3,913	21 %
Net income—as reported	$1,285	$1,683	(24)%	$3,836	$5,005	(23)%
Impact of FX translation(2)	—	(49)		—	(182)	
Net income—ex-FX(3)	$1,285	$1,634	(21)%	$3,836	$4,823	(20)%

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

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

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

NM Not meaningful

NORTH AMERICA GCB

North America GCB provides traditional retail banking, including commercial banking, and its Citi-branded cards and Citi retail services card products to retail customers and small to mid-size businesses, as applicable, in the U.S. North America GCB's U.S. cards product portfolio includes its proprietary portfolio (including the Citi Double Cash, Thank You and Value cards) and co-branded cards (including, among others, American Airlines, Costco and Hilton Worldwide) within Citi-branded cards as well as its co-brand and private label relationships within Citi retail services. As of September 30, 2016, North America GCB's 727 retail bank branches are concentrated in the six key metropolitan areas of New York, Chicago, Miami, Washington, D.C., Los Angeles and San Francisco. Also as of September 30, 2016, North America GCB had approximately 10.6 million retail banking customer accounts, $54.8 billion of retail banking loans and $185.6 billion of deposits. In addition, North America GCB had approximately 120.8 million Citi-branded and Citi retail services credit card accounts with $125.2 billion in outstanding card loan balances.

	Third Quarter		%	Nine Months		%
In millions of dollars, except as otherwise noted	2016	2015	Change	2016	2015	Change
Net interest revenue	$4,748	$4,455	7 %	$13,567	$13,103	4 %
Non-interest revenue	464	438	6	1,275	1,745	(27)
Total revenues, net of interest expense	$5,212	$4,893	7 %	$14,842	$14,848	— %
Total operating expenses	$2,600	$2,319	12 %	$7,538	$6,976	8 %
Net credit losses	$929	$878	6 %	$2,814	$2,837	(1)%
Credit reserve build (release)	408	(61)	NM	537	(268)	NM
Provision for unfunded lending commitments	—	—	NM	8	1	NM
Provisions for benefits and claims	7	11	(36)	24	30	(20)
Provisions for credit losses and for benefits and claims	$1,344	$828	62 %	$3,383	$2,600	30 %
Income from continuing operations before taxes	$1,268	$1,746	(27)%	$3,921	$5,272	(26)%
Income taxes	457	666	(31)	1,408	1,954	(28)
Income from continuing operations	$811	$1,080	(25)%	$2,513	$3,318	(24)%
Noncontrolling interests	—	1	(100)	(1)	2	NM
Net income	$811	$1,079	(25)%	$2,514	$3,316	(24)%
Balance Sheet data (in billions of dollars)						
Average assets	$239	$209	14 %	$223	$208	7 %
Return on average assets	1.35 %	2.05 %		1.51 %	2.13 %	
Efficiency ratio	50 %	47 %		51 %	47 %	
Average deposits	$183.9	$181.4	1	$182.2	$180.6	1
Net credit losses as a percentage of average loans	2.08 %	2.21 %		2.24 %	2.43 %	
Revenue by business						
Retail banking	$1,374	$1,347	2 %	$4,011	$4,140	(3)%
Citi-branded cards	2,213	1,930	15	6,000	5,872	2
Citi retail services	1,625	1,616	1	4,831	4,836	—
Total	$5,212	$4,893	7 %	$14,842	$14,848	— %
Income from continuing operations by business						
Retail banking	$196	$161	22 %	$472	$578	(18)%
Citi-branded cards	336	522	(36)	1,036	1,560	(34)
Citi retail services	279	397	(30)	1,005	1,180	(15)
Total	$811	$1,080	(25)%	$2,513	$3,318	(24)%

NM Not meaningful

3Q16 vs. 3Q15
Net income decreased by 25% due to significantly higher cost of credit and higher expenses, partially offset by higher revenues.
Revenues increased 7%, reflecting higher revenues in each of retail banking, Citi-branded cards and Citi retail services.
Retail banking revenues increased 2%. The increase was primarily driven by continued volume growth in consumer and commercial banking, including growth in average loans (9%) and average checking deposits (10%), as well as an increase in mortgage gain on sale revenues due to higher margins, although North America GCB expects a seasonal decline in mortgage activity during the fourth quarter of 2016. The increase in revenues was partially offset by lower spreads and lower mortgage servicing revenues.
Cards revenues increased 8%. In Citi-branded cards, revenues increased 15%, primarily reflecting the first full quarter of revenues from the acquisition of the Costco portfolio (completed June 17, 2016). Excluding Costco, revenues increased modestly (1%) as the impact of investment-related acquisition costs abated and a portion of new loan balances matured to full rate. Average loans grew 24% (3% excluding Costco) and purchase sales grew 57% (7% excluding Costco).
Citi retail services revenues increased 1% as higher average loan growth was largely offset by the impact of the previously disclosed renewal and extension of several partnerships within the portfolio as well as the absence of revenues associated with two portfolios sold in the first quarter of 2016. Average loans increased 1%, while purchase sales decreased 1%.
Expenses increased 12%, primarily due to the Costco portfolio acquisition, volume growth and continued marketing investments, partially offset by ongoing efficiency savings. North America GCB expects to continue to incur elevated expenses in the fourth quarter of 2016 reflecting seasonally higher marketing expenses as well as ongoing investment spending, including within retail banking as the business invests in its digital and mobile banking capabilities, among other initiatives.
Provisions increased 62%, driven by a net loan loss reserve build ($408 million), compared to a loan loss reserve release in the prior-year period ($61 million), and higher net credit losses (6%).
The net loan loss reserve build mostly reflected a reserve build in the cards portfolios and was driven, largely in equal amounts, by the impact of the acquisition of the Costco portfolio, volume growth and seasoning of the portfolios, as well as the estimated impact of newly proposed regulatory guidelines on third party debt collections. This build was partially offset by a release related to the commercial banking portfolio (for information on Citi's energy and energy-related exposures within commercial banking within North America GCB, see "Credit Risk—Commercial Credit" below).
The increase in net credit losses was primarily driven by an increase in Citi retail services of 6% to $427 million, primarily due to portfolio growth and seasoning. In retail banking, net credit losses grew 59% to $54 million, primarily

due to an increase related to the commercial portfolio which was fully offset by the reserve release described above. In Citi-branded cards, net credit losses increased 1% to $448 million, despite a 24% increase in average loans, as the Costco portfolio did not incur losses in the third quarter of 2016. North America GCB expects net credit losses in both cards portfolios to increase in the near term due to portfolio growth and seasoning, the normalization of losses in the Costco portfolio and the newly proposed regulatory guidelines described above.

2016 YTD vs. 2015 YTD
Year-to-date, North America GCB has experienced similar trends to those described above. Net income decreased 24% due to higher expenses and a net loan loss reserve build, while revenues were largely unchanged.
Revenues were unchanged, reflecting lower revenues in retail banking, offset by higher revenues in Citi-branded cards. Retail banking revenues decreased 3%. Excluding the previously disclosed $110 million gain on sale of branches in Texas in the first quarter of 2015, revenues were largely unchanged as volume growth in consumer and commercial banking was offset by lower mortgage gain on sale revenues due to lower mortgage originations. Cards

revenues increased 1%. In Citi-branded cards, revenues increased 2%, driven by the acquisition of the Costco portfolio, partially offset by higher acquisition and rewards costs related to the investment spending. Citi retail services revenues were largely unchanged, primarily due to portfolio growth and gains on sales of two cards portfolios in the first quarter of 2016, offset by the impact of the partnership renewals and extensions.
Expenses increased 8%, primarily due to the continued investment spending as well as higher repositioning charges, volume-related expenses and regulatory and compliance costs, partially offset by ongoing cost reduction initiatives, including as a result of the retail business' branch rationalization strategy.
Provisions increased 30%, largely due to a net loan loss reserve build ($537 million), compared to a net loan loss reserve release in the prior-year period ($268 million), partially offset by modestly lower net credit losses (1%). The net loan loss reserve build was driven by the impact of the Costco portfolio, volume growth and the estimated impact of the newly proposed regulatory guidelines described above, partially offset by a release related to energy and energy-related exposures in the commercial banking portfolio within retail banking. The decline in net credit losses was driven by a 5% decrease in Citi-branded cards, mostly offset by increases in retail banking (13%) and Citi retail services (2%).

LATIN AMERICA GCB

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

At September 30, 2016, Latin America GCB had 1,494 retail branches in Mexico, with approximately 28.8 million retail banking customer accounts, $19.0 billion in retail banking loans and $27.4 billion in deposits. In addition, the business had approximately 5.8 million Citi-branded card accounts with $4.9 billion in outstanding loan balances.

In millions of dollars, except as otherwise noted	Third Quarter 2016	2015	% Change	Nine Months 2016	2015	% Change
Net interest revenue	$886	$959	(8)%	$2,620	$2,940	(11)%
Non-interest revenue	371	586	(37)	1,126	1,469	(23)
Total revenues, net of interest expense	$1,257	$1,545	(19)%	$3,746	$4,409	(15)%
Total operating expenses	$713	$795	(10)%	$2,159	$2,438	(11)%
Net credit losses	$254	$301	(16)%	$792	$973	(19)%
Credit reserve build (release)	32	19	68	47	30	57
Provision (release) for unfunded lending commitments	—	1	(100)	2	(2)	NM
Provision for benefits and claims	18	17	6	49	47	4
Provisions for credit losses and for benefits and claims (LLR & PBC)	$304	$338	(10)%	$890	$1,048	(15)%
Income from continuing operations before taxes	$240	$412	(42)%	$697	$923	(24)%
Income taxes	73	106	(31)	190	207	(8)
Income from continuing operations	$167	$306	(45)%	$507	$716	(29)%
Noncontrolling interests	2	1	100	4	3	33
Net income	$165	$305	(46)%	$503	$713	(29)%
Balance Sheet data (in billions of dollars)						
Average assets	$50	$50	— %	$50	$54	(7)%
Return on average assets	1.31 %	2.42 %		1.34 %	1.77 %	
Efficiency ratio	57 %	51 %		58 %	55 %	
Average deposits	$27.2	$27.1	—	$27.5	$28.4	(3)
Net credit losses as a percentage of average loans	4.12 %	4.65 %		4.30 %	4.85 %	
Revenue by business						
Retail banking	$893	$1,100	(19)%	$2,626	$3,047	(14)%
Citi-branded cards	364	445	(18)	1,120	1,362	(18)
Total	$1,257	$1,545	(19)%	$3,746	$4,409	(15)%
Income from continuing operations by business						
Retail banking	$91	$228	(60)%	$297	$497	(40)%
Citi-branded cards	76	78	(3)	210	219	(4)
Total	$167	$306	(45)%	$507	$716	(29)%
FX translation impact						
Total revenues—as reported	$1,257	$1,545	(19)%	$3,746	$4,409	(15)%
Impact of FX translation[1]	—	(193)		—	(646)	
Total revenues—ex-FX[2]	$1,257	$1,352	(7)%	$3,746	$3,763	— %
Total operating expenses—as reported	$713	$795	(10)%	$2,159	$2,438	(11)%
Impact of FX translation[1]	—	(79)		—	(260)	
Total operating expenses—ex-FX[2]	$713	$716	— %	$2,159	$2,178	(1)%
Provisions for LLR & PBC—as reported	$304	$338	(10)%	$890	$1,048	(15)%
Impact of FX translation[1]	—	(43)		—	(148)	
Provisions for LLR & PBC—ex-FX[2]	$304	$295	3 %	$890	$900	(1)%

Net income—as reported	$165	$305	(46)%	$503	$713	(29)%
Impact of FX translation[1]	—	(54)		—	(182)	
Net income—ex-FX[2]	$165	$251	(34)%	$503	$531	(5)%

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

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

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NM Not Meaningful

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

3Q16 vs. 3Q15

Net income decreased 34%, driven by lower revenues and higher cost of credit.

Revenues decreased 7%, driven by the absence of a previously disclosed $160 million gain on sale (excluding the impact of FX translation, $180 million as reported) related to the sale of the merchant acquiring business in Mexico in the prior-year period. Excluding this gain, revenues would have increased 5%, primarily due to higher revenues in retail banking, partially offset by lower revenues in cards.

Retail banking revenues decreased 8%. Excluding the gain on sale related to the merchant acquiring business, revenues would have increased 11%, driven by volume growth, including an increase in average loans (8%), driven by higher personal loans, and higher average deposits (12%), partially offset by a decline in loan spreads. Cards revenues decreased 6%, driven by the continued impact of higher payment rates and the absence of certain episodic fee revenues in the prior-year period, partially offset by higher volumes (average loans up 3%) and increased purchase sales (9%). Excluding the fee revenues in the prior-year period, cards revenues would have declined 3%, largely reflecting the continued impact of the higher payment rates resulting from the business' focus on higher credit quality customers.

Expenses were unchanged as ongoing efficiency savings and lower marketing expenses were offset by technology investments. As previously announced, Citi intends to invest more than $1 billion in Citibanamex over the next several years, including initiatives within Latin America GCB to enhance the branch network, digital capabilities and service offerings.

Provisions increased 3%, driven by a higher net loan loss reserve build, partially offset by lower net credit losses. The net loan loss reserve build increased $14 million, primarily due to volume growth within the personal loan and commercial banking portfolios, partially offset by a release related to cards. Net credit losses decreased 3%, largely reflecting continued lower net credit losses in the cards portfolio due to a focus on higher credit quality customers. Despite this decrease, Latin America GCB expects net credit losses within its loan portfolios could increase in the near term consistent with continued portfolio growth and seasoning.

2016 YTD vs. 2015 YTD

Net income decreased 5%, driven by a higher tax rate due to the absence of certain tax benefits, partially offset by modestly lower expenses and cost of credit.

Revenues were largely unchanged. Excluding the gain on sale related to the merchant acquiring business, revenues would have increased 4%, primarily due to higher revenues in retail banking, partially offset by lower revenues in cards. Retail banking revenues increased 1%. Excluding the gain on sale related to the merchant acquiring business, revenues would have increased 8%, driven by the same factors described above as well as the impact of lower revenues due to business divestitures. Cards revenues decreased 4%, driven by the continued higher payment rates.

Expenses decreased 1%, primarily due to lower legal and related expenses, the impact of business divestitures and ongoing efficiency savings, partially offset by repositioning charges, higher marketing costs and ongoing investment spending.

Provisions decreased 1% as lower net credit losses were partially offset by a higher net loan loss reserve build. Net credit losses decreased 6%, largely reflecting lower net credit losses in the cards and personal loan portfolios due to the focus on higher credit quality customers. The net loan loss reserve build increased $24 million, primarily due to a

net loan loss reserve build for the personal loan and the commercial banking portfolios, partially offset by a release related to cards portfolio.

ASIA GCB

Asia GCB provides traditional retail banking, including commercial banking, and its Citi-branded card products to retail customers and small to mid-size businesses, as applicable. As of September 30, 2016, Citi's most significant revenues in the region were from Singapore, Hong Kong, Korea, India, Australia, Taiwan, Indonesia, Thailand, Malaysia and the Philippines. Included within Asia GCB, traditional retail banking and Citi-branded card products are also provided to retail customers in certain EMEA countries, primarily in Poland, Russia and the United Arab Emirates.

At September 30, 2016, on a combined basis, the businesses had 458 retail branches, approximately 16.9 million retail banking customer accounts, $68.1 billion in retail banking loans and $93.6 billion in deposits. In addition, the businesses had approximately 16.4 million Citi-branded card accounts with $17.7 billion in outstanding loan balances.

	Third Quarter		%	Nine Months		%
In millions of dollars, except as otherwise noted [(1)]	2016	2015	Change	2016	2015	Change
Net interest revenue	$1,136	$1,105	3 %	$3,353	$3,394	(1)%
Non-interest revenue	622	591	5	1,789	1,969	(9)
Total revenues, net of interest expense	$1,758	$1,696	4 %	$5,142	$5,363	(4)%
Total operating expenses	$1,127	$1,117	1 %	$3,455	$3,460	— %
Net credit losses	$168	$175	(4)%	$488	$537	(9)%
Credit reserve build (release)	(4)	(61)	93	(39)	(111)	65
Provision (release) for unfunded lending commitments	(3)	—	NM	(3)	(2)	(50)
Provisions for credit losses	$161	$114	41 %	$446	$424	5 %
Income from continuing operations before taxes	$470	$465	1 %	$1,241	$1,479	(16)%
Income taxes	160	160	—	419	499	(16)
Income from continuing operations	$310	$305	2 %	$822	$980	(16)%
Noncontrolling interests	1	6	(83)	3	4	(25)
Net income	$309	$299	3 %	$819	$976	(16)%
Balance Sheet data (in billions of dollars)						
Average assets	$121	$116	4 %	$119	$117	2 %
Return on average assets	1.02 %	1.02 %		0.92 %	1.12 %	
Efficiency ratio	64 %	66 %		67 %	65 %	
Average deposits	$91.6	$86.4	6	$89.4	$88.0	2
Net credit losses as a percentage of average loans	0.78 %	0.80 %		0.77 %	0.80 %	
Revenue by business						
Retail banking	$1,094	$1,067	3 %	$3,212	$3,398	(5)%
Citi-branded cards	664	629	6	1,930	1,965	(2)
Total	$1,758	$1,696	4 %	$5,142	$5,363	(4)%
Income from continuing operations by business						
Retail banking	$191	$185	3 %	$515	$627	(18)%
Citi-branded cards	119	120	(1)	307	353	(13)
Total	$310	$305	2 %	$822	$980	(16)%

FX translation impact						
Total revenues—as reported	$1,758	$1,696	4 %	$5,142	$5,363	(4)%
Impact of FX translation(2)	—	19		—	(123)	
Total revenues—ex-FX(3)	$1,758	$1,715	3 %	$5,142	$5,240	(2)%
Total operating expenses—as reported	$1,127	$1,117	1 %	$3,455	$3,460	— %
Impact of FX translation(2)	—	9		—	(96)	
Total operating expenses—ex-FX(3)	$1,127	$1,126	— %	$3,455	$3,364	3 %
Provisions for loan losses—as reported	$161	$114	41 %	$446	$424	5 %
Impact of FX translation(2)	—	2		—	(11)	
Provisions for loan losses—ex-FX(3)	$161	$116	39 %	$446	$413	8 %
Net income—as reported	$309	$299	3 %	$819	$976	(16)%
Impact of FX translation(2)	—	5		—	—	
Net income—ex-FX(3)	$309	$304	2 %	$819	$976	(16)%

(1) Asia GCB includes the results of operations of GCB activities in certain EMEA countries for all periods presented.
(2) Reflects the impact of FX translation into U.S. dollars at the third quarter of 2016 average exchange rates for all periods presented.
(3) Presentation of this metric excluding FX translation is a non-GAAP financial measure.
NM Not meaningful

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

3Q16 vs. 3Q15
Net income increased 2%, reflecting higher revenues, largely offset by higher cost of credit.
Revenues increased 3%, reflecting both higher retail banking and cards revenues. Retail banking revenues increased 2%, mainly due to an 11% increase in wealth management revenues due to improving investment sentiment, particularly in Taiwan, Hong Kong and Indonesia, as well as an increase in assets under management. Retail banking revenues excluding wealth management decreased 1%, primarily due to lower average loans (decrease of 4%), largely offset by growth in deposit volumes (5% increase in average deposits) and higher insurance revenues. The lower average loans was due to the product repositioning of the portfolio away from lower return mortgage loans as well as de-risking in the commercial portfolio.
Cards revenues increased 4%, driven by modest volume growth, continued improvement in yields and abating regulatory headwinds. The volume growth was driven by a 2% increase in average loans, stabilizing payment rates and a 1% increase in purchase sales.
Expenses were largely unchanged as investment spending and higher regulatory and compliance costs were offset by efficiency savings.
Provisions increased 39%, primarily due to higher net loan loss reserve releases in the prior-year period, partially offset by lower net credit losses.

2016 YTD vs. 2015 YTD
Net income decreased 16% due to lower revenues, higher expenses and higher cost of credit.
Revenues decreased 2%, primarily due to the slowdown in wealth management revenues in the first half of the year and lower retail lending revenues, partially offset by higher cards revenues. Retail banking revenues decreased 3%, driven by the lower wealth management revenues and lower average loans, partially offset by growth in deposit

volumes and higher insurance revenues. Cards revenues increased 1%, primarily due to the same factors described above.

Expenses increased 3%, driven by higher repositioning costs and higher regulatory and compliance costs, partially offset by efficiency savings.

Provisions increased 8%, primarily due to a lower net loan loss reserve release, partially offset by 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. Other primarily includes mark-to-market gains and losses on certain credit derivatives, gains and losses on available-for-sale (AFS) securities and other non-recurring gains and losses. Interest income earned on inventory and loans held less interest paid to customers on deposits and long-term and short-term debt 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 100 countries and jurisdictions. At September 30, 2016, ICG had approximately $1.3 trillion of assets and $617 billion of deposits, while two of its businesses, securities services and issuer services, managed approximately $15.4 trillion of assets under custody compared to $14.9 trillion at the end of the prior-year period.

In millions of dollars, except as otherwise noted	Third Quarter 2016	Third Quarter 2015	% Change	Nine Months 2016	Nine Months 2015	% Change
Commissions and fees	$928	$958	(3)%	$2,886	$2,945	(2)%
Administration and other fiduciary fees	610	594	3	1,845	1,870	(1)
Investment banking	917	828	11	2,686	3,082	(13)
Principal transactions	2,063	1,209	71	5,548	5,199	7
Other[1]	(126)	903	NM	(88)	1,353	NM
Total non-interest revenue	$4,392	$4,492	(2)%	$12,877	$14,449	(11)%
Net interest revenue (including dividends)	4,236	4,167	2	12,633	12,233	3
Total revenues, net of interest expense	$8,628	$8,659	—%	$25,510	$26,682	(4)%
Total operating expenses	$4,680	$4,715	(1)%	$14,309	$14,209	1%
Net credit losses	$45	$37	22%	$397	$118	NM
Credit reserve build (release)	(93)	193	NM	(11)	189	NM
Provision (release) for unfunded lending commitments	(42)	83	NM	(4)	5	NM
Provisions for credit losses	$(90)	$313	NM	$382	$312	22%
Income from continuing operations before taxes	$4,038	$3,631	11%	$10,819	$12,161	(11)%
Income taxes	1,266	1,198	6	3,373	3,894	(13)
Income from continuing operations	$2,772	$2,433	14%	$7,446	$8,267	(10)%
Noncontrolling interests	19	(6)	NM	46	44	5
Net income	$2,753	$2,439	13%	$7,400	$8,223	(10)%
Average assets (in billions of dollars)	$1,309	$1,264	4%	$1,293	$1,276	1%
Return on average assets	0.84%	0.77%		0.76%	0.86%	
Efficiency ratio	54%	54%		56%	53%	
CVA/DVA-after-tax	$—	$143	(100)%	$—	$289	(100)%
Net income ex-CVA/DVA [2]	$2,753	$2,296	20%	$7,400	$7,934	(7)%
Revenues by region						
North America	$3,276	$3,440	(5)%	$9,800	$10,354	(5)%
EMEA	2,554	2,393	7	7,376	7,858	(6)

Latin America	1,009	1,049	(4)	3,017	3,067	(2)
Asia	1,789	1,777	1	5,317	5,403	(2)
Total	$8,628	$8,659	— %	$25,510	$26,682	(4)%

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Income from continuing operations by region						
North America	$1,119	$991	13 %	$2,762	$3,097	(11)%
EMEA	680	499	36	1,799	2,129	(16)
Latin America	396	389	2	1,129	1,194	(5)
Asia	577	554	4	1,756	1,847	(5)
Total	$2,772	$2,433	14 %	$7,446	$8,267	(10)%
Average loans by region (in billions of dollars)						
North America	$135	$126	7 %	$132	$122	8 %
EMEA	68	63	8	66	62	6
Latin America	43	40	8	43	40	8
Asia	60	62	(3)	60	62	(3)
Total	$306	$291	5 %	$301	$286	5 %
EOP deposits by business (in billions of dollars)						
Treasury and trade solutions	$415	$399	4 %			
All other ICG businesses	202	196	3			
Total	$617	$595	4 %			

(1) First quarter of 2016 includes a previously disclosed charge of approximately $180 million primarily reflecting the write down of Citi's net investment in Venezuela as a result of changes in the exchange rate during the quarter.

(2) Excludes CVA/DVA in the third quarter and nine months of 2015, consistent with current period presentation. For additional information, see Notes 1 and 20 to the Consolidated Financial Statements.

NM Not Meaningful

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

	Third Quarter		%	Nine Months		%
In millions of dollars	2016	2015	Change	2016	2015	Change
Investment banking revenue details						
Advisory	$239	$239	— %	$704	$791	(11)%
Equity underwriting	146	173	(16)	438	700	(37)
Debt underwriting	701	532	32	2,036	1,945	5
Total investment banking	$1,086	$944	15 %	$3,178	$3,436	(8)%
Treasury and trade solutions	2,039	1,933	5	6,038	5,778	4
Corporate lending—excluding gain (loss) on loan hedges[2]	450	433	4	1,294	1,385	(7)
Private bank	746	715	4	2,230	2,171	3
Total banking revenues (ex-CVA/DVA and gain (loss) on loan hedges)[1]	$4,321	$4,025	7 %	$12,740	$12,770	— %
Corporate lending—gain/(loss) on loan hedges[2]	$(218)	$352	NM	$(487)	$338	NM
Total banking revenues (ex-CVA/DVA and including gain (loss) on loan hedges)[1]	$4,103	$4,377	(6)%	$12,253	$13,108	(7)%
Fixed income markets	$3,466	$2,566	35 %	$10,019	$9,097	10 %
Equity markets	663	1,002	(34)	2,157	2,518	(14)
Securities services	536	513	4	1,629	1,626	—
Other[3]	(140)	(20)	NM	(548)	(122)	NM
Total Markets and securities services (ex-CVA/DVA)[1]	$4,525	$4,061	11 %	$13,257	$13,119	1 %
Total ICG (ex-CVA/DVA)	$8,628	$8,438	2 %	$25,510	$26,227	(3)%
CVA/DVA (excluded as applicable in lines above)	—	221	NM	—	455	NM
Fixed income markets	—	180	NM	—	392	NM
Equity markets	—	44	NM	—	63	NM
Private bank	—	(3)	NM	—	—	NM
Total revenues, net of interest expense	$8,628	$8,659	— %	$25,510	$26,682	(4)%

(1) Excludes CVA/DVA in the third quarter and nine months of 2015, consistent with current period presentation. For additional information, see Notes 1 and 20 to the Consolidated Financial Statements.

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

(3) First quarter of 2016 includes the previously disclosed charge of approximately $180 million, primarily reflecting the write down of Citi's net investment in Venezuela as a result of changes in the exchange rate during the quarter.

NM Not meaningful

The discussion of the results of operations for ICG below excludes the impact of CVA/DVA for the third quarter and year-to-date 2015. Presentations of the results of operations, excluding the impact of CVA/DVA and the impact of gains/(losses) on hedges on accrual loans, are non-GAAP financial measures. For a reconciliation of these metrics to the reported results, see the table above.

3Q16 vs. 3Q15

Net income increased 20%, primarily driven by higher revenues, lower expenses and lower cost of credit.

- Revenues increased 2%, reflecting higher revenues in Markets and securities services (increase of 11%), driven by fixed income markets, offset by lower revenues in Banking (decrease of 6% including the gains/(losses) on hedges on accrual loans). Excluding the impact of the gains/(losses) on loan hedges, Banking revenues increased 7%, driven by debt underwriting in investment banking and treasury and trade solutions. Citi expects revenues in ICG will likely continue to reflect the overall market environment during the remainder of 2016, including a normal seasonal decline in Markets and securities services revenues.

Within Banking:

- Investment banking revenues increased 15%, largely reflecting increased industry-wide debt underwriting activity during the current quarter. Advisory revenues were largely unchanged, despite a lower overall M&A market. Equity underwriting revenues decreased 16%, driven by North America, primarily reflecting a decrease in wallet share resulting from continued share fragmentation. Debt underwriting revenues increased 32%, driven by North America and EMEA, primarily due to the higher market activity.
- Treasury and trade solutions revenues increased 5%. Excluding the impact of FX translation, revenues increased 8% due to continued growth in transaction volumes with new and existing clients, continued growth in deposit balances, particularly in North America and EMEA, improved spreads, and overall growth in the trade business, driven by Latin America. End-of-period deposit balances increased 4%, while average trade loans decreased 1% (unchanged excluding the impact of FX translation).
- Corporate lending revenues decreased 70%. Excluding the impact of gains/(losses) on hedges on accrual loans, revenues increased 4%, mostly reflecting higher average loans, partially offset by higher hedging costs.
- Private bank revenues increased 4%, driven by North America, reflecting loan growth, improved banking spreads and higher managed investment revenues.

Within Markets and securities services:

- Fixed income markets revenues increased 35%, with higher revenues in all regions. The increase in fixed income markets revenues was driven by higher rates and currencies revenues and higher spread products revenues. Rates and currencies revenues increased 34%, driven by overall strength in North America and

EMEA, primarily due to increased client activity and strong trading results in G10 rates, as well as strength in local markets revenues, particularly in EMEA and Latin America. The increase in spread products revenues was driven by higher credit markets and securitized markets revenues, particularly in North America, as the businesses continued to recover from the lower levels experienced in late 2015, as well as higher municipals revenues in North America.

- Equity markets revenues decreased 34%. The prior-year period included a positive valuation adjustment ($140 million) related to certain financing transactions (see “Executive Summary” above). Excluding the adjustment, revenues decreased 23%, driven by lower client activity, a less favorable environment, particularly in derivatives, as well as a comparison to strong performance in Asia in the prior-year period.
- Securities services revenues increased 4%. Excluding the impact of FX translation, revenues increased 6%, driven by EMEA and Asia, primarily reflecting increased client activity, higher deposit volumes and improved spreads, partially offset by the absence of revenues from divestitures.

Expenses decreased 1% as a benefit from FX translation, efficiency savings and lower legal and related costs were partially offset by higher compensation expense and higher repositioning charges.

Provisions decreased $403 million to a benefit of $90 million in the current quarter reflecting a net loan loss reserve release of $135 million (compared to a net build of $276 million in the prior-year period) and net credit losses of $45 million ($37 million in the prior-year period), which were largely offset by previously established loan loss reserves. While, in total, the corporate credit portfolio experienced a net reserve release from ratings upgrades, reductions in exposures and improved valuations during the current quarter, the business remains cautious as to the energy sector and potential price volatility. For additional information on Citi’s corporate energy and energy-related exposures, see “Credit Risk—Corporate Credit” below.

2016 YTD vs. 2015 YTD

Net income decreased 7%, primarily driven by lower revenues, higher cost of credit and higher expenses.

- Revenues decreased 3%, reflecting lower revenues in Banking (decrease of 7% including the gains/(losses) on hedges on accrual loans), partially offset by higher revenues in Markets and securities services (increase of 1%). Excluding the impact of the gains/(losses) on hedges on accrual loans, Banking revenues were largely unchanged.

Within Banking:

- Investment banking revenues decreased 8%, largely reflecting the overall industry-wide slowdown in activity levels during the first half of 2016. Advisory revenues decreased 11%, particularly in North America, reflecting strong performance in the prior-year period as well as the lower market activity. Equity underwriting revenues decreased 37%, primarily due to the decline in market activity. Debt underwriting revenues increased 5%, primarily due to increased market activity and a higher wallet share.
- Treasury and trade solutions revenues increased 4%. Excluding the impact of FX translation, revenues increased 8%, reflecting growth across all regions. The increase was primarily due to continued growth in transaction volumes, continued growth in deposit balances, improved spreads, particularly in Latin America and North America, and overall growth in trade revenues.
- Corporate lending revenues decreased 53%. Excluding the impact of gains/(losses) on hedges on accrual loans, revenues decreased 7%, driven by a lease financing adjustment in the second quarter of 2016 and higher hedging costs, partially offset by continued growth in average loan balances.
- Private bank revenues increased 3%, reflecting growth in loan volumes and deposit balances, partially offset by lower capital markets activity and managed investments.

Within Markets and securities services:

- Fixed income markets revenues increased 10%, due to strength in North America, Latin America and Asia. The increase in fixed income markets revenues was driven by growth in rates and currencies, partially offset by a decrease in spread products and commodities revenues. Rates and currencies revenues increased 20%, primarily driven by overall G10 products, due to strength in North America, EMEA and Asia. Spread products revenues declined modestly due to a decline in securitized markets revenues, particularly in North America and EMEA, largely offset by an increase in municipals revenues and credit markets revenues. The decline in spread products revenues was primarily due to lower activity levels and a less favorable environment in the early part of 2016.

- Equity markets revenues decreased 14%, reflecting the impact of lower client volumes in cash equities and derivatives and the strong trading performance in Asia in the prior-year period, partially offset by increased prime finance revenues.
- Securities services revenues were largely unchanged as increased client activity and a modest gain on sale of a private equity fund services business in the first quarter of 2016 were offset by the absence of revenues from divestitures and lower assets under custody due to lower market valuations.

Expenses increased 1% as higher repositioning charges and higher compensation expense were largely offset by a benefit from FX translation, efficiency savings and lower legal and related costs.

Provisions increased 22%, primarily reflecting net credit losses of $397 million ($118 million in the prior-year period) and a net loan loss reserve release of $15 million (build of $194 million in the prior-year period). This higher cost of credit included approximately $215 million of net credit losses and an approximately $118 million net loan loss reserve build related to energy and energy-related exposures in the year-to-date period, largely due to low oil prices as well as the impact of regulatory guidance in the first quarter of 2016.

CORPORATE/OTHER

Corporate/Other includes certain unallocated costs of global staff functions (including finance, risk, human resources, legal and compliance), other corporate expenses and unallocated global operations and technology expenses, Corporate Treasury and discontinued operations. At September 30, 2016, Corporate/Other had $43 billion of assets, or 2% of Citigroup’s total assets.

	Third Quarter		%	Nine Months		%
In millions of dollars	2016	2015	Change	2016	2015	Change
Net interest revenue	$(9)	$(64)	86 %	$141	$(113)	NM
Non-interest revenue	37	282	(87)%	287	914	(69)%
Total revenues, net of interest expense	$28	$218	(87)%	$428	$801	(47)%
Total operating expenses	$458	$349	31 %	$1,323	$1,277	4 %
Provisions for loan losses and for benefits and claims	—	—	—	—	—	—
Loss from continuing operations before taxes	$(430)	$(131)	NM	$(895)	$(476)	(88)%
Income taxes (benefits)	(183)	(314)	42 %	(530)	(871)	39 %
Income (loss) from continuing operations	$(247)	$183	NM	$(365)	$395	NM
Income (loss) from discontinued operations, net of taxes	(30)	(10)	NM	(55)	(9)	NM
Net income (loss) before attribution of noncontrolling interests	$(277)	$173	NM	$(420)	$386	NM
Noncontrolling interests	(5)	3	NM	(10)	11	NM
Net income (loss)	$(272)	$170	NM	$(410)	$375	NM

NM Not meaningful

3Q16 vs. 3Q15

The net loss was $272 million, compared to net income of $170 million in the prior-year period, due to lower revenues and higher expenses and a higher effective tax rate due to the absence of certain tax benefits in the current quarter.

Revenues decreased 87%, primarily due to the absence of the equity contribution related to China Guangfa Bank (see “Executive Summary” above).

Expenses increased 31%, largely driven by higher expenses related to Citi’s sponsorship of the U.S. Olympic team and higher consulting costs related to the timing of Citi’s resolution plan submission towards the end of the current quarter.

2016 YTD vs. 2015 YTD

Year-to-date, Corporate/Other has experienced similar trends to those described above. The net loss was $410 million, compared to net income of $375 million in the prior-year period, reflecting lower revenues, the higher effective tax rate and the absence of the favorable tax impact reflecting the resolution of state and local audits in the second quarter of 2015 and higher expenses.

Revenues decreased 47%, primarily due to the absence of gains on real estate sales, lower gains on debt buybacks and the absence of the equity contribution related to China Guangfa Bank, partially offset by higher investment income.

Expenses increased 4%, largely driven by the higher expenses related to the Olympic sponsorship, the higher consulting costs described above and higher repositioning charges, partially offset by lower legal and related expenses.

CITI HOLDINGS

Citi Holdings contains the remaining businesses and portfolios of assets that Citigroup has determined are not central to its core Citicorp businesses. As of September 30, 2016, Citi Holdings assets were approximately $61 billion, a decrease of 48% year-over-year and 8% from June 30, 2016. The decline in assets of $5 billion from June 30, 2016 primarily consisted of divestitures and run-off. As of October 31, 2016, Citi had signed agreements to reduce Citi Holdings GAAP assets by an additional $10 billion, including Citi's consumer banking businesses in Argentina and Brazil, subject to regulatory approvals and other closing conditions.

Also as of September 30, 2016, consumer assets in Citi Holdings were approximately $54 billion, or approximately 89% of Citi Holdings assets. Of the consumer assets, approximately $31 billion, or 57%, consisted of North America mortgages (residential first mortgages and home equity loans). As of September 30, 2016, Citi Holdings represented approximately 3% of Citi's GAAP assets and 9% of its risk-weighted assets under Basel III (based on the Advanced Approaches for determining risk-weighted assets).

	Third Quarter		%	Nine Months		%
In millions of dollars, except as otherwise noted	2016	2015	Change	2016	2015	Change
Net interest revenue	$482	$1,151	(58)%	$1,628	$3,610	(55)%
Non-interest revenue	395	530	(25)	1,567	2,185	(28)
Total revenues, net of interest expense	$877	$1,681	(48)%	$3,195	$5,795	(45)%
Provisions for credit losses and for benefits and claims						
Net credit losses	$129	$272	(53)%	$374	$1,075	(65)%
Credit reserve release	(122)	(171)	29	(377)	(528)	29
Provision for loan losses	$7	$101	(93)%	$(3)	$547	NM
Provision for benefits and claims	10	161	(94)	99	490	(80)
Release for unfunded lending commitments	—	(19)	100	(7)	(22)	68
Total provisions for credit losses and for benefits and claims	$17	$243	(93)%	$89	$1,015	(91)%
Total operating expenses	$826	$1,374	(40)%	$2,512	$4,121	(39)%
Income from continuing operations before taxes	$34	$64	(47)%	$594	$659	(10)%
Income taxes (benefits)	(40)	65	NM	75	354	(79)%
Income from continuing operations	$74	$(1)	NM	$519	$305	70 %
Noncontrolling interests	—	—	—	$6	$1	NM
Net income (loss)	$74	$(1)	NM	$513	$304	69 %
Total revenues, net of interest expense (excluding CVA/DVA)[1]						
Total revenues—as reported	$877	$1,681	(48)%	$3,195	$5,795	(45)%
CVA/DVA	—	(25)	NM	—	(20)	NM
Total revenues-excluding CVA/DVA[1]	$877	$1,706	(49)%	$3,195	$5,815	(45)%
Balance sheet data (in billions of dollars)						
Average assets	$64	$120	(47)%	$71	$127	(44)%
Return on average assets	0.46 %	— %		0.97 %	0.32 %	
Efficiency ratio	94 %	82 %		79 %	71 %	
Total EOP assets	$61	$117	(48)			
Total EOP loans	39	60	(35)			
Total EOP deposits	6	11	(44)			

(1) Excludes CVA/DVA in the third quarter and nine months of 2015, consistent with current period presentation. For additional information, see Notes 1 and 20 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 the third quarter and year-to-date 2015. Presentations of the results of operations, excluding the impact of CVA/DVA, are non-GAAP financial measures. For a reconciliation of these metrics to the reported results, see the table above.

3Q16 vs. 3Q15
Net income was $74 million, compared to net income of $15 million in the prior-year period, primarily due to lower expenses and lower cost of credit, partially offset by lower revenues.
Revenues decreased 49%, primarily driven by the overall wind-down of the portfolio.
Expenses declined 40%, primarily due to the ongoing decline in assets and modestly lower legal and related and repositioning costs.
Provisions decreased 93% to $17 million, driven by lower net credit losses and a lower provision for benefits and claims reflecting lower insurance-related assets, partially offset by a lower net loan loss reserve release. Net credit losses declined 53%, primarily due to divestiture activity and continued improvements in North America mortgages. The net reserve release decreased 36% to $122 million, primarily due to the impact of asset sales.

2016 YTD vs. 2015 YTD
Year-to-date, Citi Holdings has experienced similar trends to
those described above. Net income increased 62% to $513 million, primarily due to lower expenses and lower cost of credit, partially offset by lower revenues.
Revenues decreased 45%, primarily driven by the overall wind-down of the portfolio, partially offset by higher net gains on asset sales.
Expenses declined 39%, primarily due to the ongoing decline in assets and lower legal and related costs, partially offset by higher repositioning costs.
Provisions decreased 91%, driven by the same factors described above. Net credit losses declined 65%, primarily due to overall lower asset levels as well as continued improvements in North America mortgages. The net reserve release decreased 30% to $384 million, primarily due to the impact of asset sales.

Payment Protection Insurance (PPI)
For background information on PPI, see “Citi Holdings” in Citi’s 2015 Annual Report on Form 10-K.
In August 2016, the U.K. Financial Conduct Authority (FCA) issued a new consultation paper that included, among other things, a deadline for PPI complaints of June 2019 (a 2018 deadline was proposed previously). Final rules are expected by year-end 2016, with an effective date in March 2017.
During the current quarter, Citi increased its PPI reserves by approximately $70 million ($34 million of which was recorded in Citi Holdings and $36 million of which was recorded in discontinued operations), largely driven by the new proposed deadline for PPI complaints as well as the ongoing level of claims. Citi’s PPI reserve as of the end of the current quarter was $256 million, compared to $262 million as of the end of 2015. Additional reserving actions, if any, during the remainder of 2016 will largely depend on the timing and requirements of the FCA’s final rules.

OFF-BALANCE SHEET ARRANGEMENTS

The table below shows where a discussion of Citi's various off-balance sheet arrangements may be found in this Form 10-Q. For additional information on Citi's off-balance sheet arrangements, see "Off-Balance Sheet Arrangements" and Notes 1, 22 and 27 to the Consolidated Financial Statements in Citigroup's 2015 Annual Report on Form 10-K.

Types of Off-Balance Sheet Arrangements	Disclosures in this Form 10-Q
Variable interests and other obligations, including contingent obligations, arising from variable interests in nonconsolidated VIEs	See Note 18 to the Consolidated Financial Statements.
Letters of credit, and lending and other commitments	See Note 22 to the Consolidated Financial Statements.
Guarantees	See Note 22 to the Consolidated Financial Statements.

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CAPITAL RESOURCES

Overview

Capital is used principally to support assets in Citi’s businesses and to absorb credit, market, and operational losses. Citi primarily generates capital through earnings from its operating businesses. Citi may augment its capital through issuances of common stock, noncumulative perpetual preferred stock and equity issued through awards under employee benefit plans, among other issuances.

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

During the third quarter of 2016, Citi returned a total of approximately $3.0 billion of capital to common shareholders in the form of share repurchases (approximately 56 million common shares) and dividends.

Capital Management

Citi’s capital management framework is designed to ensure that Citigroup and its principal subsidiaries maintain sufficient capital consistent with each entity’s respective risk profile, management targets, and all applicable regulatory standards and guidelines. For additional information regarding Citi’s capital management, see “Capital Resources—Capital Management” in Citigroup’s 2015 Annual Report on Form 10-K.

Capital Planning and Stress Testing

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

In September 2016, the Federal Reserve Board proposed certain revisions to its capital planning and stress testing rules which, if adopted, would become effective with the 2017 CCAR cycle. Among the proposed revisions would be a reduction in the amount of capital a banking organization subject to the quantitative requirements of CCAR may request to distribute in excess of the amount otherwise previously approved under its capital plan. The so-called “de minimis exception” threshold would be lowered from the current 1.0% to 0.25% of Tier 1 Capital, and would be available to these banking organizations,

subject to compliance with certain conditions, including 15 days prior notification as to planned execution of the exception and no objection by the Federal Reserve Board within that timeframe.

Current Regulatory Capital Standards

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

GSIB Surcharge

The Federal Reserve Board also adopted a rule which imposes a risk-based capital surcharge upon U.S. bank holding companies that are identified as global systemically important bank holding companies (GSIBs), including Citi. GSIB surcharges under the rule initially range from 1.0% to 4.5% of total risk-weighted assets. Citi’s initial GSIB surcharge effective January 1, 2016 is 3.5%. However, Citi expects that its efforts in addressing quantitative measures of its systemic importance have resulted in a reduction of Citi’s GSIB surcharge to 3%, effective January 1, 2017. For

additional information regarding the identification of a GSIB and the methodology for annually determining the GSIB surcharge, see “Capital Resources—Current Regulatory Capital Standards—GSIB Surcharge” in Citigroup’s 2015 Annual Report on Form 10-K.

Transition Provisions

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

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

Furthermore, to be "well capitalized" under current federal bank regulatory agency definitions, a bank holding company must have a Tier 1 Capital ratio of at least 6%, a Total Capital ratio of at least 10%, and not be subject to a Federal Reserve Board directive to maintain higher capital levels.
The following table sets forth the capital tiers, total risk-weighted assets, risk-based capital ratios, quarterly adjusted average total assets, Total Leverage Exposure and leverage ratios under current regulatory standards (reflecting Basel III Transition Arrangements) for Citi as of September 30, 2016 and December 31, 2015.

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

In millions of dollars, except ratios	September 30, 2016		December 31, 2015	
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach
Common Equity Tier 1 Capital	$172,046	$172,046	$173,862	$173,862
Tier 1 Capital	182,171	182,171	176,420	176,420
Total Capital (Tier 1 Capital + Tier 2 Capital)[1]	208,053	221,024	198,746	211,115
Total Risk-Weighted Assets	1,204,384	1,143,625	1,190,853	1,138,711
Common Equity Tier 1 Capital ratio[2]	14.28 %	15.04 %	14.60 %	15.27 %
Tier 1 Capital ratio[2]	15.13	15.93	14.81	15.49
Total Capital ratio[2]	17.27	19.33	16.69	18.54

In millions of dollars, except ratios	September 30, 2016	December 31, 2015
Quarterly Adjusted Average Total Assets[3]	$1,777,662	$1,732,933
Total Leverage Exposure[4]	2,366,219	2,326,072
Tier 1 Leverage ratio	10.25 %	10.18 %
Supplementary Leverage ratio	7.70	7.58

(1) Under the Advanced Approaches framework eligible credit reserves that exceed expected credit losses are eligible for inclusion in Tier 2 Capital to the extent the excess reserves do not exceed 0.6% of credit risk-weighted assets, which differs from the Standardized Approach in which the allowance for credit losses is eligible for inclusion in Tier 2 Capital up to 1.25% of credit risk-weighted assets, with any excess allowance for credit losses being deducted in arriving at credit risk-weighted assets.
(2) As of September 30, 2016 and December 31, 2015, Citi's reportable Common Equity Tier 1 Capital, Tier 1 Capital, and Total Capital ratios were the lower derived under the Basel III Advanced Approaches framework.
(3) Tier 1 Leverage ratio denominator.
(4) Supplementary Leverage ratio denominator.

As indicated in the table above, Citigroup's capital ratios at September 30, 2016 were in excess of the stated and effective minimum requirements under the U.S. Basel III rules. In addition, Citi was also "well capitalized" under current federal bank regulatory agency definitions as of September 30, 2016.

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

In millions of dollars	September 30, 2016	December 31, 2015
Common Equity Tier 1 Capital		
Citigroup common stockholders' equity[1]	$ 212,506	$ 205,286
Add: Qualifying noncontrolling interests	275	369
Regulatory Capital Adjustments and Deductions:		
Less: Net unrealized gains (losses) on securities available-for-sale (AFS), net of tax[2][3]	649	(544)
Less: Defined benefit plans liability adjustment, net of tax[3]	(2,238)	(3,070)
Less: Accumulated net unrealized losses on cash flow hedges, net of tax[4]	(232)	(617)
Less: Cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax[3][5]	201	176
Less: Intangible assets:		
Goodwill, net of related deferred tax liabilities (DTLs)[6]	21,763	21,980
Identifiable intangible assets other than mortgage servicing rights (MSRs), net of related DTLs[3][7]	3,106	1,434
Less: Defined benefit pension plan net assets[3]	535	318
Less: Deferred tax assets (DTAs) arising from net operating loss, foreign tax credit and general business credit carry-forwards[3][8]	13,502	9,464
Less: Excess over 10%/15% limitations for other DTAs, certain common stock investments, and MSRs[3][8][9]	3,449	2,652
Total Common Equity Tier 1 Capital	$ 172,046	$ 173,862
Additional Tier 1 Capital		
Qualifying perpetual preferred stock[1]	$ 19,069	$ 16,571
Qualifying trust preferred securities[10]	1,369	1,707
Qualifying noncontrolling interests	18	12
Regulatory Capital Adjustment and Deductions:		
Less: Cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax[3][5]	134	265
Less: Defined benefit pension plan net assets[3]	356	476
Less: DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards[3][8]	9,001	14,195
Less: Permitted ownership interests in covered funds[11]	759	567
Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries[12]	81	229
Total Additional Tier 1 Capital	$ 10,125	$ 2,558
Total Tier 1 Capital (Common Equity Tier 1 Capital + Additional Tier 1 Capital)	$ 182,171	$ 176,420
Tier 2 Capital		
Qualifying subordinated debt[13][14]	$ 25,007	$ 21,370
Qualifying trust preferred securities[10]	324	—
Qualifying noncontrolling interests	24	17
Excess of eligible credit reserves over expected credit losses[15]	605	1,163
Regulatory Capital Adjustment and Deduction:		
Add: Unrealized gains on AFS equity exposures includable in Tier 2 Capital	3	5
Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries[12]	81	229
Total Tier 2 Capital	$ 25,882	$ 22,326
Total Capital (Tier 1 Capital + Tier 2 Capital)	$ 208,053	$ 198,746

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

In millions of dollars	September 30, 2016	December 31, 2015
Credit Risk[16]	$ 796,200	$791,036
Market Risk	71,070	74,817
Operational Risk	337,114	325,000
Total Risk-Weighted Assets	$ 1,204,384	$1,190,853

(1) Issuance costs of $184 million and $147 million related to preferred stock outstanding at September 30, 2016 and December 31, 2015, respectively, are excluded from common stockholders' equity and netted against preferred stock in accordance with Federal Reserve Board regulatory reporting requirements, which differ from those under U.S. GAAP.

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

(3) The transition arrangements for significant regulatory capital adjustments and deductions impacting Common Equity Tier 1 Capital and/or Additional Tier 1 Capital are set forth in the chart entitled "Basel III Transition Arrangements: Significant Regulatory Capital Adjustments and Deductions", as presented in Citigroup's 2015 Annual Report on Form 10-K.

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

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

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

(7) Identifiable intangible assets other than MSRs increased by approximately $2.2 billion as a result of the acquisition of the Costco cards portfolio, as well as the renewal and extension of the co-branded credit card program agreement with American Airlines. For additional information, see Note 15 to the Consolidated Financial Statements.

(8) Of Citi's approximately $45.4 billion of net DTAs at September 30, 2016, approximately $21.2 billion of such assets were includable in regulatory capital pursuant to the U.S. Basel III rules, while approximately $24.2 billion of such assets were excluded in arriving at regulatory capital. Comprising the excluded net DTAs was an aggregate of approximately $26.0 billion of net DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards as well as temporary differences, of which $17.0 billion were deducted from Common Equity Tier 1 Capital and $9.0 billion were deducted from Additional Tier 1 Capital. Serving to reduce the approximately $26.0 billion of aggregate excluded net DTAs was approximately $1.8 billion of net DTLs primarily associated with goodwill and certain other intangible assets. Separately, under the U.S. Basel III rules, goodwill and these other intangible assets are deducted net of associated DTLs in arriving at Common Equity Tier 1 Capital.

(9) Assets subject to 10%/15% limitations include MSRs, DTAs arising from temporary differences and significant common stock investments in unconsolidated financial institutions. At September 30, 2016 and December 31, 2015, 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 Tier 1 Capital during 2015 in an amount up to 25% of the aggregate outstanding principal amounts of such issuances as of January 1, 2014. The remaining 75% of non-grandfathered trust preferred securities are eligible for inclusion in Tier 2 Capital during 2015 in accordance with the transition arrangements for non-qualifying capital instruments under the U.S. Basel III rules. As of December 31, 2015, however, the entire

amount of non-grandfathered trust preferred securities was included within Tier 1 Capital, as the amounts outstanding did not exceed the respective threshold for exclusion from Tier 1 Capital. Effective January 1, 2016, non-grandfathered trust preferred securities are not eligible for inclusion in Tier 1 Capital, but are eligible for inclusion in Tier 2 Capital subject to full phase-out by January 1, 2022. During 2016, non-grandfathered trust preferred securities are eligible for inclusion in Tier 2 Capital in an amount up to 60% of the aggregate outstanding principal amounts of such issuances as of January 1, 2014.

(11) Effective July 2015, banking entities are required to be in compliance with the Volcker Rule of the Dodd-Frank Act that prohibits conducting certain proprietary investment activities and limits their ownership of, and relationships with, covered funds. Accordingly, Citi is required by the Volcker Rule to deduct from Tier 1 Capital all permitted ownership interests in covered funds that were acquired after December 31, 2013.

(12) 50% of the minimum regulatory capital requirements of insurance underwriting subsidiaries must be deducted from each of Tier 1 Capital and Tier 2 Capital.

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

(14) At the beginning of each of the last five years of the life of each qualifying subordinated debt instrument, the carrying amount that is eligible to be included in Tier 2 Capital is reduced by 20% of the original amount of the instrument (net of redemptions), in accordance with the U.S. Basel III rules.

(15) 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.

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

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

In millions of dollars	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2016
Common Equity Tier 1 Capital		
Balance, beginning of period	$171,594	$173,862
Net income	3,840	11,339
Common and preferred stock dividends declared	(689)	(1,517)
Net increase in treasury stock	(2,530)	(4,392)
Net change in common stock and additional paid-in capital[1]	144	(376)
Net decrease in foreign currency translation adjustment net of hedges, net of tax	(375)	(273)
Net change in unrealized gains/losses on securities AFS, net of tax	(259)	1,336
Net change in defined benefit plans liability adjustment, net of tax	7	(1,312)
Net change in adjustment related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax	(57)	(20)
Net decrease in goodwill, net of related deferred tax liabilities (DTLs)	91	217
Net change in identifiable intangible assets other than mortgage servicing rights (MSRs), net of related DTLs	109	(1,672)
Net change in defined benefit pension plan net assets	43	(217)
Net change in deferred tax assets (DTAs) arising from net operating loss, foreign tax credit and general business credit carry-forwards	263	(4,038)
Net increase in excess over 10%/15% limitations for other DTAs, certain common stock investments and MSRs	(133)	(797)
Other	(2)	(94)
Net change in Common Equity Tier 1 Capital	$452	$(1,816)
Common Equity Tier 1 Capital Balance, end of period	$172,046	$172,046
Additional Tier 1 Capital		
Balance, beginning of period	$9,688	$2,558
Net increase in qualifying perpetual preferred stock[1]	—	2,498
Net change in qualifying trust preferred securities	1	(338)
Net change in adjustment related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax	96	131
Net decrease in defined benefit pension plan net assets	30	120
Net decrease in DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards	176	5,194
Net change in permitted ownership interests in covered funds	30	(192)
Other	104	154
Net increase in Additional Tier 1 Capital	$437	$7,567
Tier 1 Capital Balance, end of period	$182,171	$182,171
Tier 2 Capital		
Balance, beginning of period	$24,862	$22,326
Net increase in qualifying subordinated debt	1,325	3,637
Net change in qualifying trust preferred securities	(4)	324
Net decrease in excess of eligible credit reserves over expected credit losses	(406)	(558)
Other	105	153

Net increase in Tier 2 Capital	$ 1,020	$ 3,556
Tier 2 Capital Balance, end of period	$ 25,882	$ 25,882
Total Capital (Tier 1 Capital + Tier 2 Capital)	$ 208,053	$ 208,053

(1) During the nine months ended September 30, 2016, Citi issued approximately $2.5 billion of qualifying perpetual preferred stock with issuance costs of $37 million. In accordance with Federal Reserve Board regulatory reporting requirements, which differ from those under U.S. GAAP, such issuance costs are excluded from common stockholders' equity and netted against preferred stock.

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

In millions of dollars	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2016
Total Risk-Weighted Assets, beginning of period	$1,204,408	$1,190,853
Changes in Credit Risk-Weighted Assets		
Net decrease in retail exposures[1]	(5,468)	(14,660)
Net decrease in wholesale exposures[2]	(4,246)	(522)
Net decrease in repo-style transactions[3]	(3,995)	(3,360)
Net increase in securitization exposures	694	405
Net decrease in equity exposures[4]	(2,089)	(1,687)
Net change in over-the-counter (OTC) derivatives[5]	(2,145)	7,541
Net increase in derivatives CVA[6]	4,278	17,052
Net increase in other exposures[7]	449	1,068
Net decrease in supervisory 6% multiplier[8]	(1,008)	(673)
Net change in Credit Risk-Weighted Assets	$(13,530)	$5,164
Changes in Market Risk-Weighted Assets		
Net increase in risk levels[9]	$2,850	$413
Net decrease due to model and methodology updates[10]	(1,458)	(4,160)
Net change in Market Risk-Weighted Assets	$1,392	$(3,747)
Net increase in Operational Risk-Weighted Assets[11]	$12,114	$12,114
Total Risk-Weighted Assets, end of period	$1,204,384	$1,204,384

(1) Retail exposures decreased during the three and nine months ended September 30, 2016, in part, due to residential mortgage loan sales and repayments, and divestitures of certain Citi Holdings portfolios. The decrease in retail exposures during the nine months ended September 30, 2016 was partially offset by the acquisition of the Costco cards portfolio.

(2) Wholesale exposures decreased during the three months ended September 30, 2016 primarily due to decreases in commercial loans and loan commitments. Wholesale exposures decreased during the nine months ended September 30, 2016 primarily due to decreases in loan commitments, partially offset by increases in securities AFS and commercial loans.

(3) Repo-style transactions decreased during the three months and nine months ended September 30, 2016 primarily due to exposure decreases and model enhancements.

(4) Equity exposures decreased during the three months and nine months ended September 30, 2016 primarily due to the sale of Citi's investment in China Guangfa Bank.

(5) OTC derivatives decreased during the three months ended September 30, 2016 primarily due to changes in fair value. OTC derivatives increased during the nine months ended September 30, 2016 primarily driven by increased trade volume and model enhancements.

(6) Derivatives CVA increased during the three months ended September 30, 2016 primarily driven by volatility and rating changes. Derivatives CVA increased during the nine months ended September 30, 2016 primarily driven by increased volatility, trade volume and model enhancements.

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

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

(9) Risk levels increased during the three months ended September 30, 2016 primarily due to an increase in positions subject to standard specific risk charges as well as securitization charges, partially offset by a reduction in positions

subject to de minimis charges.

(10) Risk-weighted assets declined during the three and nine months ended September 30, 2016 due to changes in model inputs regarding volatility and the correlation between market risk factors.

(11) During the third quarter of 2016, operational risk-weighted assets increased by $12.1 billion due to the implementation of certain enhancements to Citi’s Advanced Measurement Approaches 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. During 2016, Citi's primary subsidiary U.S. depository institution, Citibank, N.A. (Citibank), is subject to effective minimum Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital ratios, inclusive of the 25% phase-in of the 2.5% Capital Conservation Buffer, of 5.125%, 6.625%

and 8.625%, respectively. Citibank's effective and stated minimum Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital ratios during 2015 were equivalent at 4.5%, 6%, and 8%, respectively.
The following table sets forth the capital tiers, total risk-weighted assets, risk-based capital ratios, quarterly adjusted average total assets, Total Leverage Exposure and leverage ratios under current regulatory standards (reflecting Basel III Transition Arrangements) for Citibank, Citi's primary subsidiary U.S. depository institution, as of September 30, 2016 and December 31, 2015.

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

	September 30, 2016		December 31, 2015	
In millions of dollars, except ratios	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach
Common Equity Tier 1 Capital	$129,444	$129,444	$127,323	$127,323
Tier 1 Capital	129,493	129,493	127,323	127,323
Total Capital (Tier 1 Capital + Tier 2 Capital)(1)	140,425	152,005	138,762	149,749
Total Risk-Weighted Assets	991,276	999,542	898,769	999,014
Common Equity Tier 1 Capital ratio(2)(3)	13.06 %	12.95 %	14.17 %	12.74 %
Tier 1 Capital ratio(2)(3)	13.06	12.96	14.17	12.74
Total Capital ratio(2)(3)	14.17	15.21	15.44	14.99

In millions of dollars, except ratios	September 30, 2016	December 31, 2015
Quarterly Adjusted Average Total Assets(4)	$1,345,604	$1,298,560
Total Leverage Exposure(5)	1,885,412	1,838,941
Tier 1 Leverage ratio(3)	9.62 %	9.80 %
Supplementary Leverage ratio	6.87	6.92

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

(2) As of September 30, 2016 and December 31, 2015, Citibank's reportable Common Equity Tier 1 Capital and Tier 1 Capital ratios were the lower derived under the Basel III Standardized Approach framework. As of September 30, 2016 and December 31, 2015, Citibank's reportable Total Capital ratio was the lower derived under the Basel III Advanced Approaches framework and the Basel III Standardized Approach framework, respectively.

(3) Beginning January 1, 2015, Citibank must maintain minimum Common Equity Tier 1 Capital, Tier 1 Capital, Total Capital, and Tier 1 Leverage ratios of 6.5%, 8%, 10% and 5%, respectively, to be considered "well capitalized" under the revised Prompt Corrective Action (PCA) regulations applicable to insured depository institutions as established by the U.S. Basel III rules. For additional information, see "Capital Resources—Current Regulatory Capital Standards—Prompt Corrective Action Framework" in Citigroup's 2015 Annual Report on Form 10-K.

(4) Tier 1 Leverage ratio denominator.

(5) Supplementary Leverage ratio denominator.

As indicated in the table above, Citibank's capital ratios at September 30, 2016 were in excess of the stated and effective minimum requirements under the U.S. Basel III rules. In addition, Citibank was also "well capitalized" as of September 30, 2016 under the revised PCA regulations which became effective January 1, 2015.

Impact of Changes on Citigroup and Citibank Capital Ratios Under Current Regulatory Capital Standards
The following tables present the estimated sensitivity of Citigroup's and Citibank's capital ratios to changes of $100 million in Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital (numerator), and changes of $1 billion in Advanced Approaches and Standardized Approach risk-weighted assets, quarterly adjusted average total assets, as well as Total Leverage Exposure (denominator), under current regulatory capital standards (reflecting Basel III Transition Arrangements), as of September 30, 2016.

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

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

	Common Equity Tier 1 Capital ratio		Tier 1 Capital ratio		Total Capital ratio	
In basis points	Impact of $100 million change in Common Equity Tier 1 Capital	Impact of $1 billion change in risk-weighted assets	Impact of $100 million change in Tier 1 Capital	Impact of $1 billion change in risk-weighted assets	Impact of $100 million change in Total Capital	Impact of $1 billion change in risk-weighted assets
Citigroup						
Advanced Approaches	0.8	1.2	0.8	1.3	0.8	1.4
Standardized Approach	0.9	1.3	0.9	1.4	0.9	1.7
Citibank						
Advanced Approaches	1.0	1.3	1.0	1.3	1.0	1.4
Standardized Approach	1.0	1.3	1.0	1.3	1.0	1.5

Impact of Changes on Citigroup and Citibank Leverage Ratios (Basel III Transition Arrangements)

	Tier 1 Leverage ratio		Supplementary Leverage ratio	
In basis points	Impact of $100 million change in Tier 1 Capital	Impact of $1 billion change in quarterly adjusted average total assets	Impact of $100 million change in Tier 1 Capital	Impact of $1 billion change in Total Leverage Exposure
Citigroup	0.6	0.6	0.4	0.3
Citibank	0.7	0.7	0.5	0.4

Citigroup Broker-Dealer Subsidiaries
At September 30, 2016, 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 approximately $8.5 billion, which exceeded the minimum requirement by approximately $6.8 billion.
Moreover, Citigroup Global Markets Limited, a broker-dealer registered with the United Kingdom's Prudential Regulation Authority (PRA) that is also an indirect wholly owned subsidiary of Citigroup, had total capital of $17.0 billion at September 30, 2016, which exceeded the PRA's minimum regulatory capital requirements.

In addition, certain of Citi's other broker-dealer
subsidiaries are subject to regulation in the countries in which they do business, including requirements to maintain specified levels of net capital or its equivalent. Citigroup's other broker-dealer subsidiaries were in compliance with their capital requirements at September 30, 2016.

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, inclusive of the 2.5% Capital Conservation Buffer and the Countercyclical Capital Buffer at its current level of 0%, as well as assuming a 3% GSIB surcharge, may be 10%, 11.5% and 13.5%, 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 table sets forth the capital tiers, total risk-weighted assets, risk-based capital ratios, quarterly adjusted average total assets, Total Leverage Exposure and leverage ratios, assuming full implementation under the U.S. Basel III rules, for Citi as of September 30, 2016 and December 31, 2015.

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

In millions of dollars, except ratios	September 30, 2016		December 31, 2015	
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach
Common Equity Tier 1 Capital	$155,132	$155,132	$146,865	$146,865
Tier 1 Capital	174,760	174,760	164,036	164,036
Total Capital (Tier 1 Capital + Tier 2 Capital)(1)	200,654	213,833	186,097	198,655
Total Risk-Weighted Assets	1,228,283	1,166,379	1,216,277	1,162,884
Common Equity Tier 1 Capital ratio(2)(3)	12.63 %	13.30 %	12.07 %	12.63 %
Tier 1 Capital ratio(2)(3)	14.23	14.98	13.49	14.11
Total Capital ratio(2)(3)	16.34	18.33	15.30	17.08

In millions of dollars, except ratios	September 30, 2016	December 31, 2015
Quarterly Adjusted Average Total Assets(4)	$1,771,963	$1,724,710
Total Leverage Exposure(5)	2,360,520	2,317,849
Tier 1 Leverage ratio(3)	9.86 %	9.51 %
Supplementary Leverage ratio(3)	7.40	7.08

(1) Under the Advanced Approaches framework eligible credit reserves that exceed expected credit losses are eligible for inclusion in Tier 2 Capital to the extent the excess reserves do not exceed 0.6% of credit risk-weighted assets, which differs from the Standardized Approach in which the allowance for credit losses is eligible for inclusion in Tier 2 Capital up to 1.25% of credit risk-weighted assets, with any excess allowance for credit losses being deducted in arriving at credit risk-weighted assets.
(2) As of September 30, 2016 and December 31, 2015, 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.
(3) Citi's Basel III capital ratios and related components, on a fully implemented basis, are non-GAAP financial measures.
(4) Tier 1 Leverage ratio denominator.
(5) Supplementary Leverage ratio denominator.

Common Equity Tier 1 Capital Ratio

Citi's Common Equity Tier 1 Capital ratio was 12.6% at September 30, 2016, compared to 12.5% at June 30, 2016 and 12.1% at December 31, 2015 (all based on application of the Advanced Approaches for determining total risk-weighted assets). The quarter-over-quarter increase in the ratio was primarily due to quarterly net income of $3.8 billion and a decrease in credit risk-weighted assets, offset in part by the return of approximately $3.0 billion of capital to common shareholders and an increase in operational risk-weighted assets resulting from the implementation of certain enhancements to Citi's Advanced Measurement Approaches model. The increase in Citi's Common Equity Tier 1 Capital ratio from year-end 2015 reflected continued growth in Common Equity Tier 1 Capital resulting from net income of $11.3 billion and the favorable effects of $3.2 billion attributable to DTA utilization, offset in part by the return of approximately $5.9 billion of capital to common shareholders and the noted increase in operational risk-weighted assets.

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

In millions of dollars	September 30, 2016	December 31, 2015
Common Equity Tier 1 Capital		
Citigroup common stockholders' equity[1]	$ 212,506	$ 205,286
Add: Qualifying noncontrolling interests	140	145
Regulatory Capital Adjustments and Deductions:		
Less: Accumulated net unrealized losses on cash flow hedges, net of tax[2]	(232)	(617)
Less: Cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax[3]	335	441
Less: Intangible assets:		
Goodwill, net of related deferred tax liabilities (DTLs)[4]	21,763	21,980
Identifiable intangible assets other than mortgage servicing rights (MSRs), net of related DTLs[5]	5,177	3,586
Less: Defined benefit pension plan net assets	891	794
Less: Deferred tax assets (DTAs) arising from net operating loss, foreign tax credit and general business credit carry-forwards[6]	22,503	23,659
Less: Excess over 10%/15% limitations for other DTAs, certain common stock investments, and MSRs[6][7]	7,077	8,723
Total Common Equity Tier 1 Capital	$ 155,132	$ 146,865
Additional Tier 1 Capital		
Qualifying perpetual preferred stock[1]	$ 19,069	$ 16,571
Qualifying trust preferred securities[8]	1,369	1,365
Qualifying noncontrolling interests	30	31
Regulatory Capital Deductions:		
Less: Permitted ownership interests in covered funds[9]	759	567
Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries[10]	81	229
Total Additional Tier 1 Capital	$ 19,628	$ 17,171
Total Tier 1 Capital (Common Equity Tier 1 Capital + Additional Tier 1 Capital)	$ 174,760	$ 164,036
Tier 2 Capital		
Qualifying subordinated debt[11]	$ 25,007	$ 20,744
Qualifying trust preferred securities[12]	324	342
Qualifying noncontrolling interests	39	41
Excess of eligible credit reserves over expected credit losses[13]	605	1,163
Regulatory Capital Deduction:		
Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries[10]	81	229
Total Tier 2 Capital	$ 25,894	$ 22,061
Total Capital (Tier 1 Capital + Tier 2 Capital)[14]	$ 200,654	$ 186,097

(1) Issuance costs of $184 million and $147 million related to preferred stock outstanding at September 30, 2016 and December 31, 2015, respectively, are excluded from common stockholders' equity and netted against preferred stock in accordance with Federal Reserve Board regulatory reporting requirements, which differ from those under U.S. GAAP.

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

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

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

(5) Identifiable intangible assets other than MSRs increased by approximately $2.2 billion as a result of the acquisition of the Costco cards portfolio, as well as the renewal and extension of the co-branded credit card program agreement with American Airlines. For additional information, see Note 15 to the Consolidated Financial Statements.

(6) Of Citi's approximately $45.4 billion of net DTAs at September 30, 2016, approximately $17.6 billion of such assets were includable in regulatory capital pursuant to the U.S. Basel III rules, while approximately $27.8 billion of such assets were excluded in arriving at Common Equity Tier 1 Capital. Comprising the excluded net DTAs was an aggregate of approximately $29.6 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. Serving to reduce the approximately $29.6 billion of aggregate excluded net DTAs was approximately $1.8 billion of net DTLs primarily associated with goodwill and certain other intangible assets. Separately, under the U.S. Basel III rules, goodwill and these other intangible assets are deducted net of associated DTLs in arriving at Common Equity Tier 1 Capital.

(7) Assets subject to 10%/15% limitations include MSRs, DTAs arising from temporary differences and significant common stock investments in unconsolidated financial institutions. At September 30, 2016 and December 31, 2015, the deduction related only to DTAs arising from temporary differences that exceeded the 10% limitation.

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

(9) Effective July 2015, banking entities are required to be in compliance with the Volcker Rule of the Dodd-Frank Act that prohibits conducting certain proprietary investment activities and limits their ownership of, and relationships with, covered funds. Accordingly, Citi is required by the Volcker Rule to deduct from Tier 1 Capital all permitted ownership interests in covered funds that were acquired after December 31, 2013.

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

(11) At the beginning of each of the last five years of the life of each qualifying subordinated debt instrument, the carrying amount that is eligible to be included in Tier 2 Capital is reduced by 20% of the original amount of the instrument (net of redemptions), in accordance with the U.S. Basel III rules.

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

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

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

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

In millions of dollars	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2016
Common Equity Tier 1 Capital		
Balance, beginning of period	$ 154,534	$ 146,865
Net income	3,840	11,339
Common and preferred stock dividends declared	(689)	(1,517)
Net increase in treasury stock	(2,530)	(4,392)
Net change in common stock and additional paid-in capital[(1)]	144	(376)
Net decrease in foreign currency translation adjustment net of hedges, net of tax	(375)	(273)
Net change in unrealized gains/losses on securities AFS, net of tax	(432)	2,529
Net change in defined benefit plans liability adjustment, net of tax	12	(480)
Net change in adjustment related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax	39	111
Net decrease in goodwill, net of related deferred tax liabilities (DTLs)	91	217
Net change in identifiable intangible assets other than mortgage servicing rights (MSRs), net of related DTLs	181	(1,591)
Net change in defined benefit pension plan net assets	73	(97)
Net decrease in deferred tax assets (DTAs) arising from net operating loss, foreign tax credit and general business credit carry-forwards	439	1,156
Net change in excess over 10%/15% limitations for other DTAs, certain common stock investments and MSRs	(201)	1,646
Other	6	(5)
Net increase in Common Equity Tier 1 Capital	$ 598	$ 8,267
Common Equity Tier 1 Capital Balance, end of period	$ 155,132	$ 155,132
Additional Tier 1 Capital		
Balance, beginning of period	$ 19,493	$ 17,171
Net increase in qualifying perpetual preferred stock[(1)]	—	2,498
Net increase in qualifying trust preferred securities	1	4
Net change in permitted ownership interests in covered funds	30	(192)
Other	104	147
Net increase in Additional Tier 1 Capital	$ 135	$ 2,457
Tier 1 Capital Balance, end of period	$ 174,760	$ 174,760
Tier 2 Capital		
Balance, beginning of period	$ 24,893	$ 22,061
Net increase in qualifying subordinated debt	1,306	4,263
Net decrease in excess of eligible credit reserves over expected credit losses	(406)	(558)
Other	101	128
Net increase in Tier 2 Capital	$ 1,001	$ 3,833
Tier 2 Capital Balance, end of period	$ 25,894	$ 25,894
Total Capital (Tier 1 Capital + Tier 2 Capital)	$ 200,654	$ 200,654

(1) During the nine months ended September 30, 2016, Citi issued approximately $2.5 billion of qualifying perpetual preferred stock with issuance costs of $37 million. In accordance with Federal Reserve Board regulatory reporting requirements, which differ from those under U.S. GAAP, such issuance costs are excluded from common

stockholders' equity and netted against preferred stock.

Citigroup Risk-Weighted Assets Under Basel III (Full Implementation) at September 30, 2016

	Advanced Approaches			Standardized Approach		
In millions of dollars	Citicorp	Citi Holdings	Total	Citicorp	Citi Holdings	Total
Credit Risk	$756,110	$63,989	$820,099	$1,032,872	$61,845	$1,094,717
Market Risk	69,838	1,232	71,070	70,294	1,368	71,662
Operational Risk	288,035	49,079	337,114	—	—	—
Total Risk-Weighted Assets	$1,113,983	$114,300	$1,228,283	$1,103,166	$63,213	$1,166,379

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

	Advanced Approaches			Standardized Approach		
In millions of dollars	Citicorp	Citi Holdings	Total	Citicorp	Citi Holdings	Total
Credit Risk	$731,515	$84,945	$816,460	$1,008,951	$78,748	$1,087,699
Market Risk	70,701	4,116	74,817	71,015	4,170	75,185
Operational Risk	275,921	49,079	325,000	—	—	—
Total Risk-Weighted Assets	$1,078,137	$138,140	$1,216,277	$1,079,966	$82,918	$1,162,884

Total risk-weighted assets under the Basel III Advanced Approaches increased from year-end 2015 substantially due to $12.1 billion in additional operational risk-weighted assets resulting from the implementation of certain enhancements to Citi’s Advanced Measurement Approaches model during the third quarter of 2016.
Moreover, while credit risk-weighted assets under both the Basel III Advanced Approaches and Standardized Approach grew during the first nine months of 2016, although to a varying extent, these increases were partially offset by a relatively comparable decline in market risk-weighted assets. Credit risk-weighted assets increased on a net basis under both approaches over this period due to several factors, including higher derivative exposures and the acquisition of the Costco cards portfolio, partially offset by divestitures of certain consumer businesses in Citi Holdings and dispositions of other non-strategic assets. Further contributing significantly to the increase in Basel III Advanced Approaches risk-weighted assets during the first nine months of 2016 was an increase in derivatives CVA.

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

In millions of dollars	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2016
Total Risk-Weighted Assets, beginning of period	$1,232,856	$1,216,277
Changes in Credit Risk-Weighted Assets		
Net decrease in retail exposures[1]	(5,468)	(14,660)
Net decrease in wholesale exposures[2]	(4,246)	(522)
Net decrease in repo-style transactions[3]	(3,995)	(3,360)
Net increase in securitization exposures	694	405
Net decrease in equity exposures[4]	(6,424)	(5,875)
Net change in over-the-counter (OTC) derivatives[5]	(2,145)	7,541
Net increase in derivatives CVA[6]	4,278	17,052
Net increase in other exposures[7]	493	3,817
Net decrease in supervisory 6% multiplier[8]	(1,266)	(759)
Net change in Credit Risk-Weighted Assets	$(18,079)	$3,639
Changes in Market Risk-Weighted Assets		
Net increase in risk levels[9]	$2,850	$413
Net decrease due to model and methodology updates[10]	(1,458)	(4,160)
Net change in Market Risk-Weighted Assets	$1,392	$(3,747)
Net increase in Operational Risk-Weighted Assets[11]	$12,114	$12,114
Total Risk-Weighted Assets, end of period	$1,228,283	$1,228,283

(1) Retail exposures decreased during the three and nine months ended September 30, 2016, in part, due to residential mortgage loan sales and repayments, and divestitures of certain Citi Holdings portfolios. The decrease in retail exposures during the nine months ended September 30, 2016 was partially offset by the acquisition of the Costco cards portfolio.

(2) Wholesale exposures decreased during the three months ended September 30, 2016 primarily due to decreases in commercial loans and loan commitments. Wholesale exposures decreased during the nine months ended September 30, 2016 primarily due to decreases in loan commitments, partially offset by increases in securities AFS and commercial loans.

(3) Repo-style transactions decreased during the three months and nine months ended September 30, 2016 primarily due to exposure decreases and model enhancements.

(4) Equity exposures decreased during the three months and nine months ended September 30, 2016 primarily due to the sale of Citi's investment in China Guangfa Bank.

(5) OTC derivatives decreased during the three months ended September 30, 2016 primarily due to changes in fair value. OTC derivatives increased during the nine months ended September 30, 2016 primarily driven by increased trade volume and model enhancements.

(6) Derivatives CVA increased during the three months ended September 30, 2016 primarily driven by volatility and rating changes. Derivatives CVA increased during the nine months ended September 30, 2016 primarily driven by increased volatility, trade volume and model enhancements.

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

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

(9) Risk levels increased during the three months ended September 30, 2016 primarily due to an increase in positions subject to standard specific risk charges as well as securitization charges, partially offset by a reduction in positions subject to de minimis charges.

(10) Risk-weighted assets declined during the three and nine months ended September 30, 2016 due to changes in model inputs regarding volatility and the correlation between market risk factors.

(11) During the third quarter of 2016, operational risk-weighted assets increased by $12.1 billion due to the implementation of certain enhancements to Citi's Advanced Measurement Approaches model.

Supplementary Leverage Ratio

Citigroup's Supplementary Leverage ratio was 7.4% for the third quarter of 2016, compared to 7.5% for the second quarter of 2016 and 7.1% for the fourth quarter of 2015. While Tier 1 Capital increased on a net basis quarter-over-quarter, nonetheless the decrease in the ratio was principally driven by an overall increase in Total Leverage Exposure, which was largely attributable to the growth in average on-balance sheet assets as well as increases in the potential future exposure on derivative contracts and unconditionally cancellable commitments. The increase in the ratio from the fourth quarter of 2015 was principally

driven by an increase in Tier 1 Capital attributable largely to net income of $11.3 billion and $2.5 billion of noncumulative perpetual preferred stock issuances, offset in part by the return of capital to common shareholders and an overall increase in Total Leverage Exposure.

The following table sets forth Citi's Supplementary Leverage ratio and related components, assuming full implementation under the U.S. Basel III rules, for the three months ended September 30, 2016 and December 31, 2015.

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

In millions of dollars, except ratios	September 30, 2016	December 31, 2015
Tier 1 Capital	$174,760	$164,036
Total Leverage Exposure (TLE)		
On-balance sheet assets[1]	$1,830,215	$1,784,248
Certain off-balance sheet exposures:[2]		
Potential future exposure (PFE) on derivative contracts	213,263	206,128
Effective notional of sold credit derivatives, net[3]	68,440	76,923
Counterparty credit risk for repo-style transactions[4]	21,372	25,939
Unconditionally cancellable commitments	67,161	58,699
Other off-balance sheet exposures	218,320	225,450
Total of certain off-balance sheet exposures	$588,556	$593,139
Less: Tier 1 Capital deductions	58,251	59,538
Total Leverage Exposure	$2,360,520	$2,317,849
Supplementary Leverage ratio	7.40 %	7.08 %

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

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

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

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

Citibank's Supplementary Leverage ratio, assuming full implementation under the U.S. Basel III rules, was 6.7% for the third quarter of 2016, compared to 6.8% for the second quarter of 2016 and 6.7% for the fourth quarter of 2015. The ratio decreased quarter-over-quarter, as quarterly net income of $3.1 billion was more than offset by an overall increase in Total Leverage Exposure, as well as cash dividends paid by Citibank to its parent, Citicorp, and which were subsequently remitted to Citigroup. The ratio remained unchanged from the fourth quarter of 2015, as the Tier 1 Capital benefits associated with net income and beneficial net movements in AOCI were offset by an increase in Total

Leverage Exposure and cash dividends paid by Citibank to its parent, Citicorp, and which were subsequently remitted to Citigroup.

Regulatory Capital Standards Developments
For additional information regarding other recent regulatory capital standards developments, see "Capital Resources—Regulatory Capital Standards Developments" in Citigroup's 2015 Annual Report on Form 10-K, First Quarter of 2016 Form 10-Q and Second Quarter of 2016 Form 10-Q.

Policy Statement on U.S. Countercyclical Capital Buffer
In September 2016, the Federal Reserve Board released a final policy statement which sets forth the framework to be followed in setting the amount of the U.S. Countercyclical
Capital Buffer applicable to Advanced Approaches banking organizations. Although substantially unchanged from the proposed policy statement released in December 2015, the final policy statement clarifies that the Countercyclical Capital Buffer would be increased above 0% when the Federal Reserve Board assesses that financial system vulnerabilities are above normal and are either already at, or expected to build to, levels sufficient to generate material unexpected losses in the event of an unfavorable development in financial markets or the economy. Moreover, the Federal Reserve Board expects to remove or reduce the Countercyclical Capital Buffer when the conditions that led to its activation abate or lessen, and when the release of capital would promote financial stability.
The Federal Reserve Board also stated that it would generally expect to provide notice to the public and seek comment on the proposed level of the Countercyclical Capital Buffer as part of making any final determination to change the Countercyclical Capital Buffer.
Separately, in October 2016, the Federal Reserve Board voted to affirm the Countercyclical Capital Buffer amount at the current level of 0%. In arriving at this determination, the Federal Reserve Board followed the framework detailed in the aforementioned policy statement.

Regulatory Treatment of Accounting for Expected Credit Losses
In October 2016, the Basel Committee on Banking Supervision (Basel Committee) issued a consultative document and a discussion paper related to the regulatory treatment of accounting for expected credit losses under the Basel III regulatory capital framework. Both the International Accounting Standards Board and more recently the U.S. Financial Accounting Standards Board issued new accounting pronouncements related to impairment of financial assets that require the use of expected credit loss models rather than incurred loss models. Measuring impairment using expected credit loss models may result in higher accounting provisions for credit losses and consequently increased volatility in regulatory capital.
In the consultative document, the Basel Committee proposes to retain, for an interim period, the current regulatory treatment of accounting provisions for credit losses. The discussion paper considers various policy options for the long-term regulatory treatment of accounting provisions for credit losses.

The U.S. banking agencies may revise the regulatory treatment of accounting provisions for credit losses under the U.S. Basel III rules in the future, based on any revisions adopted by the Basel Committee.
Total Loss-Absorbing Capacity (TLAC) Holdings
In October 2016, the Basel Committee issued a final rule which amends the Basel III definition of regulatory capital to include a Tier 2 Capital deduction for investments by an internationally active bank (both GSIBs and non-GSIBs) in TLAC and certain other debt instruments issued by GSIBs that do not otherwise qualify as regulatory capital (i.e., TLAC holdings). Under the final rule, a Tier 2 Capital deduction is required under certain circumstances for investments in TLAC holdings which exceed certain thresholds, based on Common Equity Tier 1 Capital, as adjusted. Moreover, the final rule clarifies that any Common Equity Tier 1 Capital that is being used to meet the TLAC requirement cannot also be used to meet the regulatory capital buffers, including the GSIB surcharge.
The final rule becomes effective at the same time as the minimum TLAC requirements for each GSIB, that is January 1, 2019 for investments in most GSIBs, but may be later for certain others.
The Federal Reserve Board previously issued a proposed TLAC rule in November 2015 that includes an amendment to the U.S. Basel III definition of regulatory capital which would require a Tier 2 Capital deduction for investments in certain unsecured debt of GSIBs. In this regard, the Federal Reserve Board's proposed TLAC rule is largely similar to

the Basel Committee’s final rule on TLAC holdings.

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

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

In millions of dollars or shares, except per share amounts	September 30, 2016	December 31, 2015
Total Citigroup stockholders' equity	$ 231,575	$ 221,857
Less: Preferred stock	19,253	16,718
Common equity	$ 212,322	$ 205,139
Less:		
Goodwill	22,539	22,349
Intangible assets (other than MSRs)[1]	5,358	3,721
Goodwill and intangible assets (other than MSRs) related to assets held-for-sale	30	68
Tangible common equity (TCE)	$ 184,395	$ 179,001
Common shares outstanding (CSO)	2,849.7	2,953.3
Tangible book value per share (TCE/CSO)	$ 64.71	$ 60.61
Book value per share (Common equity/CSO)	$ 74.51	$ 69.46

(1) Identifiable intangible assets (other than MSRs) increased by approximately $2.2 billion as a result of the acquisition of the Costco cards portfolio, as well as the renewal and extension of the co-branded credit card program agreement with American Airlines. For additional information, see Note 15 to the Consolidated Financial Statements.

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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

For Citi, 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. Specifically, the activities that Citi engages in, and the risks those activities generate, must be consistent with Citi's mission and value proposition, the key principles that guide it, and Citi's risk appetite.

For more information on Citi's management of global risk, including its three lines of defense, see "Managing Global Risk" in Citi's 2015 Annual Report on Form 10-K.

CREDIT RISK

For additional information on credit risk, including Citi's credit risk management, measurement and stress testing, see "Credit Risk" and "Risk Factors" in Citi's 2015 Annual Report on Form 10-K.

CONSUMER CREDIT

North America Consumer Mortgage Lending

Overview
Citi's North America consumer mortgage portfolio consists of both residential first mortgages and home equity loans. At September 30, 2016, Citi's North America consumer mortgage portfolio was $74.7 billion (compared to $76.9 billion at June 30, 2016), of which the residential first mortgage portfolio was $54.7 billion (compared to $55.8 billion at June 30, 2016), and the home equity loan portfolio was $20.0 billion (compared to $21.1 billion at June 30, 2016). For additional information on Citi's North America consumer mortgage portfolio, see Note 14 to the Consolidated Financial Statements and "Credit Risk—North America Consumer Mortgage Lending" in Citi's 2015 Annual Report on Form 10-K.

North America Consumer Mortgage—Residential First Mortgages
The following charts detail the quarterly outstanding loans and credit trends for Citi'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) Decrease in 4Q'15 EOP loans primarily reflected the transfer of CFNA residential first mortgages to held-for-sale and classification as Other assets at year-end 2015. This transfer did not impact net credit losses in 4Q'15.
(2) Decrease in 1Q'16 net credit losses primarily reflected the transfer of CFNA residential first mortgage to held-for-sale and classification as Other assets at year-end 2015.
(3) 2Q'16 excludes a $23 million recovery of prior net credit losses related to the sale of CMI residential first mortgages during the quarter.
(4) Year-over-year change in the S&P/Case-Shiller U.S. National Home Price Index.
(5) Year-over-year change as of July 2016.

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.
(1) Decrease in 4Q'15 delinquencies primarily reflected the transfer of CFNA residential first mortgages to held-for-sale and classification as Other assets at year-end 2015.

Overall changes in net credit losses and delinquencies in Citi's North America residential first mortgage portfolio during the current quarter were driven by, and will continue to be driven by, continued asset 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 the six U.S. states and/or regions with the highest concentration of Citi's residential first mortgages.

In billions of dollars	September 30, 2016					June 30, 2016				
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	$19.5	39 %	— %	— %	758	$19.6	38 %	0.2 %	— %	756
NY/NJ/CT[4]	13.2	26	0.6	1	753	13.2	26	0.7	1	753
IL[4]	2.3	4	0.9	1	738	2.3	4	0.9	3	737
FL[4]	2.2	4	0.7	1	728	2.2	4	0.7	2	727
VA/MD	2.1	4	1.1	1	722	2.2	4	1.0	3	722
TX	1.7	3	0.8	—	716	1.8	3	0.9	—	716
Other	9.5	19	1.2	1	715	10.0	20	1.2	2	714
Total	$50.6	100 %	0.6 %	1 %	743	$51.3	100 %	0.6 %	1 %	742

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 long term standby commitments (LTSCs). Excludes balances for which FICO or LTV data are unavailable.

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

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

Foreclosures

A substantial majority of Citi's foreclosure inventory consists of residential first mortgages. At September 30, 2016, Citi's foreclosure inventory was approximately $0.1 billion, or 0.2%, of the total residential first mortgage portfolio, unchanged from June 30, 2016, 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.

North America Consumer Mortgage—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. As of September 30, 2016, Citi's home equity loan portfolio of $20.0 billion consisted of $5.5 billion of fixed-rate home equity loans and $14.5 billion of loans extended under home equity lines of credit (Revolving HELOCs).

Revolving HELOCs

Citi's $14.5 billion of Revolving HELOCs as of September 30, 2016 consisted of $5.6 billion of loans that had commenced amortization (compared to $5.2 billion at June 30, 2016) and $8.9 billion of loans still within their

revolving period that had not commenced amortization, or “reset” (compared to $10.0 billion at June 30, 2016). The following chart indicates the FICO and combined loan-to-value (CLTV) characteristics of Citi’s Revolving HELOCs portfolio and the year in which they reset:
North America Home Equity Lines of Credit Amortization – Citigroup
Total ENR by Reset Year
In billions of dollars as of September 30, 2016
Note: Totals may not sum due to rounding.

Approximately 39% of Citi’s total Revolving HELOCs portfolio had commenced amortization as of September 30, 2016 (compared to 34% as of June 30, 2016). Of the remaining Revolving HELOCs portfolio, approximately 50% will commence amortization during the remainder of 2016–2017. Before commencing amortization, Revolving HELOC borrowers are required to pay only interest on their loans. Upon amortization, these borrowers will be required to pay both interest, usually at a variable rate, and principal that

amortizes typically over 20 years, rather than the typical 30-year amortization. As a result, Citi's customers with Revolving HELOCs that reset could experience "payment shock" due to the higher required payments on the loans. While it is not certain what ultimate impact this payment shock could have on Citi's delinquency rates and net credit losses, Citi currently estimates that the monthly loan payment for its Revolving HELOCs that reset during the remainder of 2016–2017 could increase on average by approximately $370, or 155%. 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 2016–2017, approximately $0.3 billion, or 5%, of the loans have a CLTV greater than 100% as of September 30, 2016. Borrowers' high loan-to-value positions, as well as the cost and availability of refinancing options, could limit borrowers' ability to refinance their Revolving HELOCs as these loans begin to reset.
Approximately 6.5% of the Revolving HELOCs that have begun amortization as of September 30, 2016 were 30+ days past due, compared to 3.7% of the total outstanding home equity loan portfolio (amortizing and non-amortizing). This compared to 6.5% and 3.5%, respectively, as of June 30, 2016. As newly amortizing loans continue to season, the delinquency rate of the amortizing Revolving HELOC portfolio and total home equity loan portfolio is expected to increase. Delinquencies on newly amortizing loans have tended to peak between four and six months after reset. Resets to date have generally occurred during a period of historically low interest rates, improving HPI and a favorable economic environment, 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 a borrower outreach program to provide reset risk education and proactively working with high-risk borrowers through a specialized single point of contact unit. For further information on reset risk, see "Risk Factors—Credit and Market Risks" in Citi's 2015 Annual Report on Form 10-K.

Net Credit Losses and Delinquencies
The following charts detail the quarterly outstanding loans and 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.
(1) 2Q'16 excludes a non-recurring benefit to net credit losses of approximately $13 million associated with certain previously charged-off loans.

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

Given the limited market in which to sell delinquent home equity loans to date, as well as the relatively smaller number of home equity loan modifications and modification programs (see Note 13 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 the six U.S. states and/or regions with the highest concentration of Citi's home equity loans:

In billions of dollars	September 30, 2016					June 30, 2016				
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	$5.4	29 %	2.1 %	4 %	732	$5.7	29 %	1.9 %	4 %	731
NY/NJ/CT[4]	5.4	29	2.8	6	727	5.6	28	2.7	9	726
FL[4]	1.2	7	2.5	14	716	1.4	7	2.1	16	715
VA/MD	1.1	6	2.1	17	715	1.2	6	2.1	24	714
IL[4]	0.9	4	1.7	19	724	0.9	4	1.7	30	722
IN/OH/MI[4]	0.5	2	1.6	13	704	0.5	3	1.7	25	704
Other	4.2	23	2.0	7	713	4.5	23	1.9	10	712
Total	$18.8	100 %	2.3 %	8 %	723	$19.8	100 %	2.1 %	11 %	722

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.

GCB Commercial Banking Exposure to the Energy and Energy-Related Sector

In addition to the total corporate credit exposure to the energy and energy-related sector described under "Corporate Credit" below, Citi's commercial banking business, reported within GCB retail banking, had total credit exposure to the energy and energy-related sector of approximately $2.0 billion as of September 30, 2016, with approximately $1.4 billion of direct outstanding funded loans, or 4%, of the total outstanding commercial banking loans. This was unchanged from June 30, 2016. In addition, as of September 30, 2016, approximately 89% of commercial banking's total credit exposure to the energy and energy-related sector was in the U.S., relatively unchanged from June 30, 2016. Approximately 39% of commercial banking's total energy and energy-related exposure was rated investment grade at September 30, 2016, compared to approximately 29% as of June 30, 2016. During the third quarter of 2016, Citi released additional energy and energy-related loan loss reserves by approximately $32 million, and incurred net credit losses of approximately $19 million on this commercial banking portfolio. As of September 30, 2016, Citi held loan loss reserves against its funded energy and energy-related commercial banking loans equal to approximately 8.7% of these loans (compared to approximately 9.8% as of June 30, 2016).

Additional Consumer Credit Details

Consumer Loan Delinquency Amounts and Ratios

	EOP loans[1]	90+ days past due[2]			30–89 days past due[2]		
In millions of dollars, except EOP loan amounts in billions	September 30, 2016	September 30, 2016	June 30, 2016	September 30, 2015	September 30, 2016	June 30, 2016	September 30, 2015
Citicorp[3][4]							
Total	$ 289.7	$2,169	$1,965	$ 1,981	$2,552	$2,318	$ 2,427
Ratio		0.75 %	0.69 %	0.74 %	0.88 %	0.82 %	0.90 %
Retail banking							
Total	$ 141.9	$579	$515	$ 529	$722	$735	$ 764
Ratio		0.41 %	0.37 %	0.38 %	0.51 %	0.52 %	0.55 %
North America	54.8	256	180	138	198	192	198
Ratio		0.47 %	0.33 %	0.28 %	0.37 %	0.36 %	0.40 %
Latin America	19.0	160	157	212	196	197	239
Ratio		0.84 %	0.81 %	1.07 %	1.03 %	1.01 %	1.21 %
Asia[5]	68.1	163	178	179	328	346	327
Ratio		0.24 %	0.26 %	0.26 %	0.48 %	0.51 %	0.48 %
Cards							
Total	$ 147.8	$1,590	$1,450	$ 1,452	$1,830	$1,583	$ 1,663
Ratio		1.08 %	1.01 %	1.11 %	1.24 %	1.10 %	1.28 %
North America—Citi-branded	81.3	607	510	491	710	550	504
Ratio		0.75 %	0.66 %	0.76 %	0.87 %	0.71 %	0.78 %
North America—Citi retail services	43.9	664	619	621	750	669	758
Ratio		1.51 %	1.43 %	1.44 %	1.71 %	1.55 %	1.76 %
Latin America	4.9	131	145	169	131	137	181
Ratio		2.67 %	2.90 %	3.13 %	2.67 %	2.74 %	3.35 %
Asia[5]	17.7	188	176	171	239	227	220
Ratio		1.06 %	1.00 %	1.01 %	1.35 %	1.29 %	1.29 %
Citi Holdings[6][7]							
Total	$ 38.9	$857	$878	$ 1,528	$849	$858	$ 1,423
Ratio		2.29 %	2.23 %	2.69 %	2.27 %	2.18 %	2.51 %
International	5.5	164	170	174	135	138	193
Ratio		2.98 %	3.09 %	2.00 %	2.45 %	2.51 %	2.22 %
North America	33.4	693	708	1,354	714	720	1,230
Ratio		2.17 %	2.09 %	2.81 %	2.24 %	2.12 %	2.56 %
Other [8]	0.1						
Total Citigroup	$ 328.7	$3,026	$2,843	$ 3,509	$3,401	$3,176	$ 3,850
Ratio		0.93 %	0.88 %	1.08 %	1.04 %	0.98 %	1.18 %

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

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

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

(4) The 90+ days 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

$305 million ($0.7 billion), $408 million ($0.9 billion) and $498 million ($0.9 billion) at September 30, 2016, June 30, 2016, and September 30, 2015, respectively. The amounts excluded for loans 30–89 days past due (EOP loans have the same adjustment as above) were $58 million, $91 million and $79 million at September 30, 2016, June 30, 2016, and September 30, 2015, respectively.

(5) Asia includes delinquencies and loans in certain EMEA countries 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

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due (and EOP loans) were $1.0 billion ($1.5 billion), $1.2 billion ($1.8 billion) and $1.7 billion ($2.6 billion) at September 30, 2016, June 30, 2016, and September 30, 2015, respectively. The amounts excluded for loans 30–89 days past due (EOP loans have the same adjustment as above) for each period were $0.1 billion, $0.2 billion and $0.3 billion at September 30, 2016, June 30, 2016, and September 30, 2015, respectively.

(7) The September 30, 2016, June 30, 2016, and September 30, 2015 loans 90+ days past due and 30–89 days past due and related ratios for North America exclude $9 million, $9 million and $12 million, respectively, of loans that are carried at fair value.

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

Consumer Loan Net Credit Losses and Ratios

	Average loans[1]	Net credit losses[2][3]		
In millions of dollars, except average loan amounts in billions	3Q16	3Q16	2Q16	3Q15
Citicorp				
Total	$ 287.8	$ 1,351	$ 1,373	$ 1,354
Ratio		1.87 %	2.02 %	1.99 %
Retail banking				
Total	$ 142.3	$ 259	$ 242	$ 247
Ratio		0.72 %	0.69 %	0.70 %
North America	55.0	54	44	34
Ratio		0.39 %	0.33 %	0.27 %
Latin America	19.4	132	137	138
Ratio		2.71 %	2.83 %	2.72 %
Asia[4]	67.9	73	61	75
Ratio		0.43 %	0.36 %	0.43 %
Cards				
Total	$ 145.5	$ 1,092	$ 1,131	$ 1,107
Ratio		2.99 %	3.45 %	3.39 %
North America—Citi-branded	79.2	448	467	443
Ratio		2.25 %	2.82 %	2.75 %
North America—Retail services	43.6	427	442	401
Ratio		3.90 %	4.16 %	3.69 %
Latin America	5.1	122	123	163
Ratio		9.52 %	9.70 %	11.55 %
Asia[4]	17.6	95	99	100
Ratio		2.15 %	2.29 %	2.32 %
Citi Holdings[3]				
Total	$ 40.8	$ 134	$ 101	$ 259
Ratio		1.31 %	0.94 %	1.67 %
International	5.4	82	77	93
Ratio		6.04 %	5.08 %	4.19 %
North America	35.4	52	24	166
Ratio		0.58 %	0.26 %	1.25 %
Total Citigroup	$ 328.6	$ 1,485	$ 1,474	$ 1,613
Ratio		1.80 %	1.87 %	1.93 %

(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 to sell OneMain Financial (OneMain), OneMain was classified as held-for-sale (HFS) beginning March 31, 2015. As a result of HFS accounting treatment, approximately $116 million of net credit losses (NCLs) were recorded as a reduction in revenue (Other revenue) during the third quarter of 2015. Accordingly, these NCLs are not included in this table. Loans HFS are excluded from this table as they are recorded in Other assets.

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

CORPORATE CREDIT
Consistent with its overall strategy, Citi's corporate clients are typically large, 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 within ICG (excluding private bank), before consideration of collateral or hedges, by remaining tenor for the periods indicated:

In billions of dollars	At September 30, 2016 Due within 1 year	Greater than 1 year but within 5 years	Greater than 5 years	Total exposure	At June 30, 2016 Due within 1 year	Greater than 1 year but within 5 years	Greater than 5 years	Total exposure	At December 31, 2015 Due within 1 year	Greater than 1 year but within 5 years	Greater than 5 years	Total exposure
Direct outstandings (on-balance sheet)(1)	$109	$ 102	$ 24	$ 235	$111	$ 99	$ 24	$ 234	$98	$ 97	$ 25	$ 220
Unfunded lending commitments (off-balance sheet)(2)	102	209	27	338	101	209	32	342	99	231	26	356
Total exposure	$211	$ 311	$ 51	$ 573	$212	$ 308	$ 56	$ 576	$197	$ 328	$ 51	$ 576

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

Portfolio Mix—Geography, Counterparty and Industry
Citi's corporate credit portfolio is diverse across geography and counterparty. The following table shows the percentage by region based on Citi's internal management geography:

	September 30, 2016	June 30, 2016	December 31, 2015
North America	54 %	54 %	56 %
EMEA	26	26	25
Asia	12	12	12
Latin America	8	8	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 as a percentage of the total corporate credit portfolio:

	Total Exposure		
	September 30, 2016	June 30, 2016	December 31, 2015
AAA/AA/A	49 %	49 %	48 %
BBB	34	34	35
BB/B	15	15	15
CCC or below	2	2	2
Unrated	—	—	—
Total	100 %	100 %	100 %

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

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

	Total Exposure		
	September 30, 2016	June 30, 2016	December 31, 2015
Transportation and industrial	21 %	21 %	20 %
Consumer retail and health	16	17	16
Power, chemicals, commodities and metals and mining	11	11	11
Technology, media and telecom	11	11	12
Energy [(1)]	8	9	9
Real estate	7	6	6
Banks/broker-dealers	6	7	7
Public sector	5	5	5
Insurance and special purpose entities	5	5	5
Hedge funds	5	5	5
Other industries	5	3	4
Total	100 %	100 %	100 %

Note: Total exposure includes direct outstandings and unfunded lending commitments.
(1) In addition to this exposure, Citi has energy-related exposure within the "Public sector" (e.g., energy-related state-owned entities) and "Transportation and industrial" sector (e.g., off-shore drilling entities) included in the table above. As of September 30, 2016, 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.

Exposure to the Energy and Energy-Related Sector

As of September 30, 2016, Citi's total corporate credit exposure to the energy and energy-related sector (see footnote 1 to the table above) was $55.0 billion, with $20.6 billion consisting of direct outstanding funded loans, or 3%, of Citi's total outstanding loans. This compared to $56.9 billion of total exposure and $22.1 billion of funded loans as of June 30, 2016. In addition, as of September 30, 2016, approximately 72% of ICG's total corporate credit energy and energy-related exposure was in the United States, United Kingdom and Canada (unchanged from June 30, 2016). Also as of September 30, 2016, approximately 74% of Citi's total energy and energy-related exposures were rated investment grade (compared to approximately 73% at June 30, 2016).

During the third quarter of 2016, Citi released approximately $35 million of energy and energy-related loan loss reserves and recognized a $1 million recovery in the energy and energy-related loan portfolio. As of September 30, 2016, Citi held loan loss reserves against its funded energy and energy-related loans equal to approximately 4.0% of these loans (up slightly from 3.9% at June 30, 2016), with a funded reserve ratio of approximately

10.6% on the non-investment grade portion of the portfolio (up slightly from 10.2% as of June 30, 2016).

For information on Citi's energy and energy-related exposures within GCB's commercial banking business within retail banking, see "Commercial Credit—GCB Commercial Banking Exposure to the Energy and Energy-Related Sector" above.

Exposure to Banks, Broker-Dealers and Finance Companies

As of September 30, 2016, Citi's total corporate credit exposure to banks, broker-dealers and finance companies was approximately $36 billion, of which $25 billion represented direct outstanding funded loans, or 4% of Citi's total outstanding loans. Also as of September 30, 2016, approximately 80% of Citi's bank, broker-dealers and finance companies total corporate credit exposure was rated investment grade. Included in the amounts noted above, as of September 30, 2016, Citi's total corporate credit exposure to banks was approximately $22 billion, with approximately

$17 billion consisting of direct outstanding funded loans, or 3% of Citi's total outstanding loans. Of the approximately $22 billion as of September 30, 2016, approximately 31% related to Asia, 31% related to EMEA, 16% related to North America and 22% related to Latin America. Approximately two-thirds of Citi's total corporate credit exposure to banks had a tenor of less than 12 months as of September 30, 2016.

In addition to the corporate lending exposures described above, Citi has additional exposure to banks, broker-dealers and finance companies in the form of derivatives and securities financing transactions, which are typically executed as repurchase and reverse repurchase agreements or securities loaned or borrowed arrangements. As of September 30, 2016, Citi had net derivative credit exposure to banks, broker-dealers and finance companies of approximately $9 billion after the application of netting arrangements, legally enforceable margin agreements and other collateral arrangements. The collateral considered as part of the net derivative credit exposure was represented primarily by high quality, liquid assets. As of September 30, 2016, Citi had net credit exposure to banks, broker-dealers and finance companies in the form of securities financing transactions of $5 billion after the application of netting and collateral arrangements. The collateral considered in the net exposure for the securities financing transactions exposure was primarily cash and highly liquid investment grade securities.

Credit Risk Mitigation

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

At September 30, 2016, June 30, 2016 and December 31, 2015, $37.8 billion, $37.6 billion and $34.5 billion, respectively, of the corporate credit portfolio was economically hedged. Citigroup's expected loss model used in the calculation of its loan loss reserve does not include the favorable impact of credit derivatives and other mitigants that are marked to market. In addition, the reported amounts of direct outstandings and unfunded lending commitments in the tables above do not reflect the impact of these hedging transactions. The credit protection was economically hedging underlying corporate credit portfolio exposures with the following risk rating distribution:

Rating of Hedged Exposure

	September 30, 2016	June 30, 2016	December 31, 2015
AAA/AA/A	20 %	20 %	21 %
BBB	53	51	48
BB/B	24	25	27
CCC or below	3	4	4
Total	100 %	100 %	100 %

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

Industry of Hedged Exposure

	September 30, 2016	June 30, 2016	December 31, 2015
Transportation and industrial	28 %	26 %	28 %
Consumer retail and health	16	16	17
Energy	16	15	13
Technology, media and telecom	14	15	16
Power, chemicals, commodities and metals and mining	12	12	12
Public Sector	4	5	4
Insurance and special purpose entities	3	5	5
Banks/broker-dealers	3	5	4
Other industries	4	1	1
Total	100 %	100 %	100 %

ADDITIONAL CONSUMER AND CORPORATE CREDIT DETAILS

Loans Outstanding

In millions of dollars	3rd Qtr. 2016	2nd Qtr. 2016	1st Qtr. 2016	4th Qtr. 2015	3rd Qtr. 2015
Consumer loans					
In U.S. offices					
Mortgage and real estate[1]	$75,057	$77,242	$79,128	$80,281	$89,155
Installment, revolving credit, and other	3,465	3,486	3,504	3,480	4,999
Cards	124,637	120,113	106,892	112,800	107,244
Commercial and industrial	6,989	7,041	6,793	6,407	6,437
	$210,148	$207,882	$196,317	$202,968	$207,835
In offices outside the U.S.					
Mortgage and real estate[1]	$45,751	$46,049	$47,831	$47,062	$47,295
Installment, revolving credit, and other	28,217	27,830	28,778	29,480	29,702
Cards	25,833	25,844	26,312	27,342	26,865
Commercial and industrial	17,828	17,857	17,697	17,741	17,841
Lease financing	113	140	139	362	368
	$117,742	$117,720	$120,757	$121,987	$122,071
Total consumer loans	$327,890	$325,602	$317,074	$324,955	$329,906
Unearned income[2]	812	817	826	830	(687)
Consumer loans, net of unearned income	$328,702	$326,419	$317,900	$325,785	$329,219
Corporate loans					
In U.S. offices					
Commercial and industrial	$50,156	$50,286	$44,104	$41,147	$40,435
Loans to financial institutions	35,801	32,001	36,865	36,396	38,034
Mortgage and real estate[1]	41,078	40,175	38,697	37,565	37,019
Installment, revolving credit, and other	32,571	32,491	33,273	33,374	32,129
Lease financing	1,532	1,546	1,597	1,780	1,718
	$161,138	$156,499	$154,536	$150,262	$149,335
In offices outside the U.S.					
Commercial and industrial	$84,162	$87,125	$85,491	$82,358	$85,628
Loans to financial institutions	27,305	27,856	28,652	28,704	28,090
Mortgage and real estate[1]	5,595	5,455	5,769	5,106	6,602
Installment, revolving credit, and other	25,462	24,825	21,583	20,853	19,352
Lease financing	243	255	280	303	329
Governments and official institutions	6,506	5,757	5,303	4,911	4,503
	$149,273	$151,273	$147,078	$142,235	$144,504
Total corporate loans	$310,411	$307,772	$301,614	$292,497	$293,839
Unearned income[3]	(678)	(676)	(690)	(665)	(614)
Corporate loans, net of unearned income	$309,733	$307,096	$300,924	$291,832	$293,225
Total loans—net of unearned income	$638,435	$633,515	$618,824	$617,617	$622,444
Allowance for loan losses—on drawn exposures	(12,439)	(12,304)	(12,712)	(12,626)	(13,626)
Total loans—net of unearned income and allowance for credit losses	$625,996	$621,211	$606,112	$604,991	$608,818
Allowance for loan losses as a percentage of total loans—net of unearned income[4]	1.97%	1.96%	2.07%	2.06%	2.21%
Allowance for consumer loan losses as a percentage of total consumer loans—net of unearned income[4]	2.94%	2.89%	3.09%	3.02%	3.35%

Allowance for corporate loan losses as a percentage of total corporate loans—net of unearned income[4]	0.91%	0.95%	0.98%	0.97%	0.90%

(1) Loans secured primarily by real estate.

(2) Unearned income on consumer loans primarily represents unamortized origination fees, costs, premiums and discounts. Prior to December 31, 2015, these items were more than offset by prepaid interest on loans outstanding issued by OneMain Financial. The sale of OneMain Financial was completed on November 16, 2015.

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

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

Details of Credit Loss Experience

In millions of dollars	3rd Qtr. 2016	2nd Qtr. 2016	1st Qtr. 2015	4th Qtr. 2015	3rd Qtr. 2015
Allowance for loan losses at beginning of period	$12,304	$12,712	$12,626	$13,626	$14,075
Provision for loan losses					
Consumer	$1,817	$1,275	$1,570	$1,684	$1,338
Corporate	(71)	115	316	572	244
	$1,746	$1,390	$1,886	$2,256	$1,582
Gross credit losses					
Consumer					
In U.S. offices	$1,183	$1,212	$1,230	$1,267	$1,244
In offices outside the U.S.	702	678	689	794	746
Corporate					
In U.S. offices	27	63	190	75	30
In offices outside the U.S.	36	95	34	44	48
	$1,948	$2,048	$2,143	$2,180	$2,068
Credit recoveries[1]					
Consumer					
In U.S. offices	$227	$262	$256	$229	$222
In offices outside the U.S.	173	154	150	164	155
Corporate					
In U.S. offices	16	3	4	9	11
In offices outside the U.S.	7	13	9	16	17
	$423	$432	$419	$418	$405
Net credit losses					
In U.S. offices	$967	$1,010	$1,160	$1,104	$1,041
In offices outside the U.S.	558	606	564	658	622
Total	$1,525	$1,616	$1,724	$1,762	$1,663
Other—net[2][3][4][5][6][7][8]	$(86)	$(182)	$(76)	$(1,494)	$(368)
Allowance for loan losses at end of period	$12,439	$12,304	$12,712	$12,626	$13,626
Allowance for loan losses as a percentage of total loans[9]	1.97%	1.96%	2.07%	2.06%	2.21%
Allowance for unfunded lending commitments[7][10]	$1,388	$1,432	$1,473	$1,402	$1,036
Total allowance for loan losses and unfunded lending commitments	$13,827	$13,736	$14,185	$14,028	$14,662
Net consumer credit losses	$1,485	$1,474	$1,513	$1,668	$1,613
As a percentage of average consumer loans	1.80%	1.87%	1.90%	2.00%	1.93%
Net corporate credit losses	$40	$142	$211	$94	$50
As a percentage of average corporate loans	0.05%	0.19%	0.29%	0.13%	0.07%
Allowance for loan losses at end of period[11]					
Citicorp	$10,735	$10,433	$10,544	$10,331	$10,213
Citi Holdings	1,704	1,871	2,168	2,295	3,413
Total Citigroup	$12,439	$12,304	$12,712	$12,626	$13,626
Allowance by type					
Consumer	$9,673	$9,432	$9,807	$9,835	$11,030
Corporate	2,766	2,872	2,905	2,791	2,596
Total Citigroup	$12,439	$12,304	$12,712	$12,626	$13,626

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

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

(3) The third quarter of 2016 includes a reduction of approximately $58 million related to the sale or transfers to held-for-sale (HFS) of various loan portfolios, including a reduction of $50 million related to the transfers of a real estate loan portfolio to HFS. Additionally, the third quarter includes a reduction of approximately $46 million related to FX translation.

(4) The second quarter of 2016 includes a reduction of approximately $101 million related to the sale or transfers to HFS of various loan portfolios, including a reduction of $24 million related to the transfers of a real estate loan portfolio to HFS. Additionally, the second quarter includes a reduction of approximately $75 million related to FX translation.

(5) The first quarter of 2016 includes a reduction of approximately $148 million related to the sale or transfers to HFS of various loan portfolios, including a reduction of $29 million related to the transfers of a real estate loan portfolio to HFS. Additionally, the first quarter includes an increase of approximately $63 million related to FX translation.

(6) The fourth quarter of 2015 includes a reduction of approximately $1.1 billion related to the sale or transfers to HFS of various loan portfolios, including a reduction of $1.1 billion related to the transfers of a real estate loan portfolio to HFS. Additionally, the fourth quarter includes a reduction of approximately $35 million related to FX translation.

(7) The fourth quarter of 2015 includes a reclassification of $271 million of Allowance for loan losses to allowance for unfunded lending commitments, included in the Other line item. This reclassification reflects the re-attribution of $271 million in allowance for credit losses between the funded and unfunded portions of the corporate credit portfolios and does not reflect a change in the underlying credit performance of these portfolios.

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

(9) September 30, 2016, June 30, 2016, March 31, 2016, December 31, 2015, and September 30, 2015 exclude $4.0 billion, $4.1 billion, $4.8 billion, $5.0 billion and $5.5 billion, respectively, of loans which are carried at fair value.

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

(11) 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 2015 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

In billions of dollars	September 30, 2016			
	Allowance for loan losses	Loans, net of unearned income	Allowance as a percentage of loans[1]	
North America cards[2]	$5.0	$ 125.3	4.0	%
North America mortgages[3]	1.2	74.7	1.6	
North America other	0.5	13.5	3.7	
International cards	1.4	25.1	5.6	
International other[4]	1.6	90.1	1.8	
Total consumer	$9.7	$ 328.7	3.0	%
Total corporate	2.7	309.7	0.9	
Total Citigroup	$12.4	$ 638.4	2.0	%

(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 $5.0 billion of loan loss reserves represented approximately 17 months of coincident net credit loss coverage.

(3) Of the $1.2 billion, approximately $1.1 billion was allocated to North America mortgages in Citi Holdings. Of the $1.2 billion, approximately $0.5 billion and $0.7 billion are determined in accordance with ASC 450-20 and ASC 310-10-35 (troubled debt restructurings), respectively. Of the $74.7 billion in loans, approximately $69.2 billion and $5.3 billion of the loans are evaluated in accordance with ASC 450-20 and ASC 310-10-35 (troubled debt restructurings), respectively. For additional information, see Note 14 to the Consolidated Financial Statements.

(4) Includes mortgages and other retail loans.

In billions of dollars	December 31, 2015			
	Allowance for loan losses	Loans, net of unearned income	Allowance as a percentage of loans[1]	
North America cards[2]	$4.5	$ 113.4	4.0	%
North America mortgages[3]	1.7	79.6	2.1	
North America other	0.5	13.0	3.8	
International cards	1.6	26.7	6.0	
International other[4]	1.5	93.1	1.6	
Total consumer	$9.8	$ 325.8	3.0	%
Total corporate	2.8	291.8	1.0	
Total Citigroup	$12.6	$ 617.6	2.1	%

(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 $4.5 billion of loan loss reserves represented approximately 15 months of coincident net credit loss coverage.

(3) Of the $1.7 billion, approximately $1.6 billion was allocated to North America mortgages in Citi Holdings. Of the $1.7 billion, approximately $0.6 billion and $1.1 billion are determined in accordance with ASC 450-20 and ASC 310-10-35 (troubled debt restructurings), respectively. Of the $79.6 billion in loans, approximately $72.3 billion and $7.1 billion of the loans are evaluated in accordance with ASC 450-20 and ASC 310-10-35 (troubled debt restructurings), respectively. For additional information, see Note 14 to the Consolidated Financial Statements.

(4) Includes mortgages and other retail loans.

Non-Accrual Loans and Assets and Renegotiated Loans

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

Non-Accrual Loans and Assets:

- Corporate and consumer (commercial market) non-accrual status is based on the determination that payment of interest or principal is doubtful.
- A corporate loan may be classified as non-accrual and still be performing under the terms of the loan structure. Payments received on corporate non-accrual loans are generally applied to loan principal and not reflected as interest income. Approximately 67% of Citi's corporate non-accrual loans were performing at September 30, 2016, compared to 66% at June 30, 2016.
- Consumer non-accrual status is generally based on aging, i.e., the borrower has fallen behind on payments.
- Mortgage loans in regulated bank entities discharged through Chapter 7 bankruptcy, other than 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.

As set forth in the tables below, Citi's corporate non-accrual loans within Citicorp decreased during the third quarter of 2016 by 2% or approximately $45 million, driven primarily by energy and energy-related exposures in North America last quarter (for additional information on these exposures, see "Corporate Credit" above).

In millions of dollars	Sept. 30, 2016	Jun. 30, 2016	Mar. 31, 2016	Dec. 31, 2015	Sept. 30, 2015
Citicorp	$3,977	$4,101	$3,718	$2,991	$2,921
Citi Holdings	1,990	2,064	2,210	2,263	3,486
Total non-accrual loans	$5,967	$6,165	$5,928	$5,254	$6,407
Corporate non-accrual loans[1][2]					
North America	$1,057	$1,280	$1,331	$818	$833
EMEA	857	762	469	347	386
Latin America	380	267	410	303	230
Asia	121	151	117	128	129
Total corporate non-accrual loans	$2,415	$2,460	$2,327	$1,596	$1,578
Citicorp	$2,365	$2,410	$2,275	$1,543	$1,525
Citi Holdings	50	50	52	53	53
Total corporate non-accrual loans	$2,415	$2,460	$2,327	$1,596	$1,578
Consumer non-accrual loans[1][3]					
North America	$2,429	$2,520	$2,519	$2,515	$3,622
Latin America	841	884	817	874	935
Asia[4]	282	301	265	269	272
Total consumer non-accrual loans	$3,552	$3,705	$3,601	$3,658	$4,829
Citicorp	$1,612	$1,691	$1,443	$1,448	$1,396
Citi Holdings	1,940	2,014	2,158	2,210	3,433
Total consumer non-accrual loans	$3,552	$3,705	$3,601	$3,658	$4,829

(1) Excludes purchased distressed loans, as they are generally accreting interest. The carrying value of these loans was $194 million at September 30, 2016, $212 million at June 30, 2016, $236 million at March 31, 2016, $250 million at December 31, 2015 and $320 million at September 30, 2015.

(2) The increases in corporate non-accrual loans in the first quarter of 2016 primarily related to Citi's North America and EMEA energy and energy-related corporate credit exposure.

(3) The December 31, 2015 decline includes the impact related to the transfer of approximately $8 billion of mortgage loans to Loans, held-for-sale (HFS) (included within Other assets).

(4) Asia GCB includes balances in certain EMEA countries for all periods presented.

The changes in Citigroup's non-accrual loans were as follows:

	Three months ended September 30, 2016			Three months ended September 30, 2015		
In millions of dollars	Corporate	Consumer	Total	Corporate	Consumer	Total
Non-accrual loans at beginning of period	$2,460	$ 3,705	$6,165	$1,223	$ 5,261	$6,484
Additions	469	1,131	1,600	626	1,094	1,720
Sales and transfers to held-for-sale	(4)	(102)	(106)	(39)	(275)	(314)
Returned to performing	(58)	(149)	(207)	(39)	(258)	(297)
Paydowns/settlements	(433)	(562)	(995)	(95)	(323)	(418)
Charge-offs	(24)	(455)	(479)	(34)	(573)	(607)
Other	5	(16)	(11)	(64)	(97)	(161)
Ending balance	$2,415	$ 3,552	$5,967	$1,578	$ 4,829	$6,407

	Nine months ended September 30, 2016			Nine months ended September 30, 2015		
In millions of dollars	Corporate	Consumer	Total	Corporate	Consumer	Total
Non-accrual loans at beginning of period	$1,596	$ 3,658	$5,254	$1,202	$ 5,905	$7,107
Additions	2,346	3,371	5,717	1,114	4,027	5,141
Sales and transfers to held-for-sale	(13)	(473)	(486)	(215)	(1,030)	(1,245)
Returned to performing	(141)	(434)	(575)	(60)	(865)	(925)
Paydowns/settlements	(1,022)	(1,203)	(2,225)	(337)	(939)	(1,276)
Charge-offs	(277)	(1,353)	(1,630)	(92)	(2,059)	(2,151)
Other	(74)	(14)	(88)	(34)	(210)	(244)
Ending balance	$2,415	$ 3,552	$5,967	$1,578	$ 4,829	$6,407

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

In millions of dollars	Sept. 30, 2016	Jun. 30, 2016	Mar. 31, 2015	Dec. 31, 2015	Sept. 30, 2015
OREO					
Citicorp	$57	$54	$74	$70	$83
Citi Holdings	104	121	131	139	144
Total OREO	$161	$175	$205	$209	$227
North America	$132	$151	$159	$166	$177
EMEA	1	—	1	1	1
Latin America	18	19	35	38	44
Asia	10	5	10	4	5
Total OREO	$161	$175	$205	$209	$227
Non-accrual assets—Total Citigroup					
Corporate non-accrual loans	$2,415	$2,460	$2,327	$1,596	$1,578
Consumer non-accrual loans	3,552	3,705	3,601	3,658	4,829
Non-accrual loans (NAL)	$5,967	$6,165	$5,928	$5,254	$6,407
OREO	$161	$175	$205	$209	$227
Non-accrual assets (NAA)	$6,128	$6,340	$6,133	$5,463	$6,634
NAL as a percentage of total loans	0.94 %	0.97 %	0.96 %	0.85 %	1.03 %
NAA as a percentage of total assets	0.34	0.35	0.34	0.32	0.37
Allowance for loan losses as a percentage of NAL[(1)]	208	200	214	240	213

Non-accrual assets—Total Citicorp	Sept. 30, 2016	Jun. 30, 2016	Mar. 31, 2015	Dec. 31, 2015	Sept. 30, 2015
Non-accrual loans (NAL)	$3,977	$4,101	$3,718	$2,991	$2,921
OREO	57	54	74	70	83
Non-accrual assets (NAA)	$4,034	$4,155	$3,792	$3,061	$3,004
NAA as a percentage of total assets	0.23 %	0.24 %	0.22 %	0.19 %	0.18 %
Allowance for loan losses as a percentage of NAL[(1)]	270	254	284	345	350
Non-accrual assets—Total Citi Holdings					
Non-accrual loans (NAL)[(2)]	$1,990	$2,064	$2,210	$2,263	$3,486
OREO	104	121	131	139	144
Non-accrual assets (NAA)	$2,094	$2,185	$2,341	$2,402	$3,630
NAA as a percentage of total assets	3.43 %	3.31 %	3.21 %	2.97 %	3.10 %
Allowance for loan losses as a percentage of NAL[(1)]	86	91	98	101	98

(1) 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.

(2) The December 31, 2015 decline includes the impact related to the transfer of approximately $8 billion of mortgage loans to Loans, held-for-sale (HFS) (included within Other assets).

Renegotiated Loans

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

In millions of dollars	Sep. 30, 2016	Dec. 31, 2015
Corporate renegotiated loans[1]		
In U.S. offices		
Commercial and industrial[2]	$81	$25
Mortgage and real estate[3]	78	104
Loans to financial institutions	10	5
Other	255	273
	$424	$407
In offices outside the U.S.		
Commercial and industrial[2]	$313	$111
Mortgage and real estate[3]	2	33
Other	36	45
	$351	$189
Total corporate renegotiated loans	$775	$596
Consumer renegotiated loans[4][5][6]		
In U.S. offices		
Mortgage and real estate[7]	$5,206	$7,058
Cards	1,292	1,396
Installment and other	88	79
	$6,586	$8,533
In offices outside the U.S.		
Mortgage and real estate	$496	$517
Cards	539	555
Installment and other	470	471
	$1,505	$1,543
Total consumer renegotiated loans	$8,091	$10,076

(1) Includes $476 million and $258 million of non-accrual loans included in the non-accrual assets table above at September 30, 2016 and December 31, 2015, respectively. The remaining loans are accruing interest.

(2) In addition to modifications reflected as TDRs at September 30, 2016, Citi also modified $252 million commercial loans risk rated "Substandard Non-Performing" or worse (asset category defined by banking regulators) all within offices in 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).

(3) In addition to modifications reflected as TDRs at September 30, 2016, Citi also modified $13 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 $1,691 million and $1,852 million of non-accrual loans included in the non-accrual assets table above at September 30, 2016 and December 31, 2015, respectively. The remaining loans are accruing interest.

(5) Includes $78 million and $96 million of commercial real estate loans at September 30, 2016 and December 31, 2015, respectively.

(6) Includes $78 million and $85 million of other commercial loans at September 30, 2016 and December 31, 2015, respectively.

(7) Reduction in the nine months ended September 30, 2016 includes $1,366 million related to TDRs sold or transferred to held-for-sale.

LIQUIDITY RISK

For additional information on funding and liquidity at Citigroup, including its objectives, management and measurement, see "Liquidity Risk" and "Risk Factors" in Citi's 2015 Annual Report on Form 10-K.

High-Quality Liquid Assets (HQLA)

	Citibank			Non-Bank and Other[1]			Total		
In billions of dollars	Sept. 30, 2016	Jun. 30, 2016	Sept. 30, 2015	Sept. 30, 2016	Jun. 30, 2016	Sept. 30, 2015	Sept. 30, 2016	Jun. 30, 2016	Sept. 30, 2015
Available cash	$71.1	$61.3	$68.9	$19.2	$23.2	$21.5	$90.2	$84.5	$90.4
U.S. sovereign	122.3	115.0	119.6	21.8	19.6	22.4	144.1	134.6	142.0
U.S. agency/agency MBS	62.6	69.2	60.1	0.2	0.3	1.0	62.8	69.5	61.1
Foreign government debt[2]	89.2	86.7	87.6	15.5	16.8	15.5	104.7	103.5	103.1
Other investment grade	1.0	1.2	0.8	1.5	1.5	1.5	2.5	2.7	2.3
Total HQLA (EOP)	$346.2	$333.4	$337.0	$58.2	$61.4	$61.9	$404.3	$394.8	$398.9
Total HQLA (AVG)	$344.0	$342.5	$—	$59.8	$68.5	$—	$403.8	$411.0	$—

Note: Except as indicated, amounts set forth in the table above are as of period end and may increase or decrease intra-period in the ordinary course of business. 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 securities financing transactions. As previously disclosed (see "Liquidity Risk" in the First Quarter of 2016 Form 10-Q), the Federal Reserve Board has proposed requiring disclosure of HQLA, the Liquidity Coverage Ratio and related components on an average basis each quarter, as compared to end-of-period. Citi has presented the average information on these metrics currently available, which includes average total HQLA, average LCR and average net outflows under the LCR for the periods 3Q'16 and 2Q'16; 3Q'15 and other component information is not currently available.

(1) "Non-Bank and Other" includes the parent holding company (Citigroup), Citi's broker-dealer subsidiaries and other non-bank subsidiaries that are consolidated into Citigroup as well as Citibanamex and Citibank (Switzerland) AG. Citibanamex and Citibank (Switzerland) AG account for approximately $7 billion of the "Non-Bank and Other" HQLA balance as of September 30, 2016.

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

As set forth in the table above, sequentially, Citi's total HQLA increased on an end-of-period basis but declined on an average basis. The end-of-period increase was primarily driven by an increase in available cash at Citibank due to an increase in Federal Home Loan Bank (FHLB) borrowings (see "Secured Funding Transactions and Short-Term Borrowings" below), while the reduction in the average was mainly attributable to higher average loan and non-HQLA trading asset growth.

Citi's HQLA as set forth above does not include Citi's additional available borrowing capacity from the FHLBs of which Citi is a member, which was approximately $24 billion as of September 30, 2016 (compared to $37 billion as of June 30, 2016 and $36 billion as of September 30, 2015) and maintained by eligible collateral pledged to such banks. The HQLA also does not include Citi's borrowing capacity at the U.S. Federal Reserve Bank discount window or other central banks, which would be in addition to the resources noted above.

In general, Citi's liquidity is fungible across legal entities within its bank group. Citi's bank subsidiaries, including Citibank, can lend to the Citi parent and broker-dealer entities in accordance with Section 23A of the Federal Reserve Act. As of September 30, 2016, the capacity available for lending to these entities under Section 23A was approximately $15 billion, unchanged from June 30, 2016 and compared to $17

billion as of September 30, 2015, subject to certain eligible non-cash collateral requirements.

Loans

The table below sets forth the end-of-period loans, by business and/or segment, and the total average loans for each of the periods indicated:

In billions of dollars	Sept. 30, 2016	Jun. 30, 2016	Sept. 30, 2015
Global Consumer Banking			
North America	$180.0	$175.6	$158.9
Latin America	23.9	24.5	25.2
Asia[1]	85.8	85.1	85.6
Total	$289.7	$285.2	$269.7
Institutional Clients Group			
Corporate lending	120.8	123.9	120.4
Treasury and trade solutions (TTS)	72.3	73.6	73.5
Private bank, markets and securities services and other	116.5	109.4	99.1
Total	$309.6	$306.9	$293.0
Total Citicorp	599.3	592.1	562.7
Total Citi Holdings	39.1	41.4	59.7
Total Citigroup loans (EOP)	$638.4	$633.5	$622.4
Total Citigroup loans (AVG)	$634.9	$620.6	$623.2

(1) Includes loans in certain EMEA countries for all periods presented.

As set forth on the table above, end-of-period loans increased 3% year-over-year and 1% quarter-over-quarter, both on a reported basis and excluding the impact of FX translation, as growth in Citicorp offset continued reductions in Citi Holdings.

Excluding the impact of FX translation, Citicorp loans increased 7% year-over-year. GCB loans grew 7% year-over-year, driven by 13% growth in North America. Within North America, Citi-branded cards increased 25% year-over-year, primarily due to the acquisition of the Costco portfolio towards the end of the second quarter of 2016. International GCB loans declined 1%, as continued growth in Mexico was more than offset by a 4% decline in Asia reflecting the product repositioning of the retail portfolio in this region away from lower return mortgage loans. ICG loans increased 6% year-over-year. Within ICG, corporate loans increased 1% primarily driven by the funding of transaction-related commitments to target market clients, partially offset by loan sale activity. On an average basis, the corporate lending portfolio increased 4%. Treasury and trade solutions loans declined 2% as the business continued to support its clients while distributing trade loan originations to optimize the balance sheet in a continued low rate environment. Private bank and markets and securities services loans grew 19% year-over-year. Private bank growth was primarily driven by real estate and investment-related lending to target clients as Citi sought to deepen client relationships at attractive return levels. Markets growth included lending to target clients in advance of capital markets issuance.

Citi Holdings loans decreased 35% year-over-year driven by $17 billion of reductions in North America mortgages, including transfers to held-for-sale (see Note 13 to the Consolidated Financial Statements).

Deposits

The table below sets forth the end-of-period deposits, by business and/or segment, and the total average deposits for each of the periods indicated:

In billions of dollars	Sept. 30, 2016	Jun. 30, 2016	Sept. 30, 2015

Global Consumer Banking			
North America	$185.6	$183.3	$180.0
Latin America	27.4	28.2	26.2
Asia[1]	93.6	90.5	87.0
Total	$306.6	$302.0	$293.2
Institutional Clients Group			
Treasury and trade solutions (TTS)	415.0	405.0	398.5
Banking ex-TTS	118.9	116.4	117.5
Markets and securities services	83.3	85.4	79.1
Total	$617.2	$606.8	$595.1
Corporate/Other	10.6	22.7	5.3
Total Citicorp	$934.4	$931.5	$893.6
Total Citi Holdings	5.9	6.4	10.6
Total Citigroup deposits (EOP)	$940.3	$937.9	$904.2
Total Citigroup deposits (AVG)	$944.2	$935.6	$903.1

(1) Includes deposits in certain EMEA countries for all periods presented.

End-of-period deposits increased 4% year-over-year and remained relatively unchanged quarter-over-quarter, both on a reported basis and excluding the impact of FX translation.
Excluding the impact of FX translation, Citicorp deposits grew 5% year-over-year. Within Citicorp, GCB deposits increased 5% year-over-year, driven by broad-based growth across all regions. ICG deposits increased 4% year-over-year, driven primarily by treasury and trade solutions, as the business continued to support client activity.

Long-Term Debt

The weighted-average maturities of unsecured long-term debt issued by Citigroup and its affiliates (including Citibank) with a remaining life greater than one year (excluding remaining trust preferred securities outstanding) was approximately 7.0 years as of September 30, 2016, unchanged sequentially and an increase from 6.8 years in the prior-year period. The increase year-over-year was due primarily to the issuance of longer-dated debt securities during the third quarter of 2016, including in response to proposed total loss-absorbing capacity, or TLAC, requirements (for additional information on TLAC, see "Liquidity Risk—Long-Term Debt—Total Loss Absorbing Capacity (TLAC)" and "Risk Factors—Liquidity Risks" in Citi's 2015 Annual Report on Form 10-K).

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

Long-Term Debt Outstanding

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

In billions of dollars	Sept. 30, 2016	Jun. 30, 2016	Sept. 30, 2015
Parent and other[1]			
Benchmark debt:			
Senior debt	$97.1	$96.1	$99.5
Subordinated debt	28.8	28.8	26.8
Trust preferred	1.7	1.7	1.7
Customer-related debt:			
Structured debt	23.6	22.5	23.1
Non-structured debt	3.5	3.3	3.6
Local country and other[2]	2.7	2.3	2.1
Total parent and other	$157.4	$154.8	$156.8
Bank			
FHLB borrowings	$21.6	$19.6	$17.3
Securitizations[3]	24.4	27.3	32.0
Local country and other[2]	5.8	5.8	7.4
Total bank	$51.7	$52.6	$56.7
Total long-term debt	$209.1	$207.4	$213.5

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) "Parent and other" includes long-term debt issued to third parties by the parent holding company (Citigroup) and Citi's non-bank subsidiaries (including broker-dealer subsidiaries) that are consolidated into Citigroup. As of September 30, 2016 "parent and other" included $8.3 billion of long-term debt issued by Citi's broker-dealer subsidiaries.

(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 card receivables.

Year-over-year, Citi's total long-term debt outstanding decreased primarily due to continued reductions in securitizations at the bank entities.

As part of its liability management and to assist it in meeting regulatory changes and requirements, Citi has considered, and may continue to consider, opportunities to repurchase its long-term debt pursuant to open market

purchases, tender offers or other means. Such repurchases help reduce Citi's overall funding costs. During the third quarter of 2016, Citi repurchased an aggregate of approximately $1.6 billion of its outstanding long-term debt.

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:

	3Q16		2Q16		3Q15	
In billions of dollars	Maturities	Issuances	Maturities	Issuances	Maturities	Issuances
Parent and other						
Benchmark debt:						
Senior debt	$3.3	$ 4.5	$5.1	$ 6.6	$2.8	$ 3.4
Subordinated debt	1.3	1.5	1.7	1.0	0.7	2.0
Trust preferred	—	—	—	—	—	—
Customer-related debt:						
Structured debt	2.2	3.0	3.4	2.0	1.5	1.6
Non-structured debt	0.1	0.2	0.1	0.1	0.8	0.1
Local country and other	0.1	0.4	1.9	—	0.1	0.5
Total parent and other	$6.9	$ 9.6	$12.2	$ 9.7	$5.9	$ 7.6
Bank						
FHLB borrowings	$2.8	$ 5.8	$1.0	$ 2.5	$0.5	$ 1.0
Securitizations	3.0	—	1.3	—	0.7	0.8
Local country and other	0.9	0.9	1.1	1.0	0.6	0.2
Total bank	$6.7	$ 6.7	$3.4	$ 3.5	$1.8	$ 2.0
Total	$13.6	$ 16.3	$15.6	$ 13.2	$7.7	$ 9.6

The table below shows Citi's aggregate long-term debt maturities (including repurchases and redemptions) year-to-date in 2016, as well as its aggregate expected annual long-term debt maturities as of September 30, 2016:

	Maturities								
In billions of dollars	2016 YTD	2016	2017	2018	2019	2020	2021	Thereafter	Total
Parent and other									
Benchmark debt:									
Senior debt	$ 12.7	$1.8	$14.3	$18.4	$14.6	$6.6	$11.2	$ 30.3	$97.1
Subordinated debt	3.0	—	1.2	1.0	1.3	—	—	25.3	28.8
Trust preferred	—	—	—	—	—	—	—	1.7	1.7
Customer-related debt:									
Structured debt	7.7	1.2	3.5	2.7	2.1	2.3	1.9	9.9	23.6
Non-structured debt	0.4	0.2	0.5	0.6	0.2	0.2	0.1	1.6	3.5
Local country and other	2.0	—	0.3	0.2	0.1	0.1	—	1.9	2.7
Total parent and other	$ 25.8	$3.2	$19.9	$22.9	$18.3	$9.2	$13.2	$ 70.7	$157.4
Bank									
FHLB borrowings	$ 5.5	$4.1	$8.8	$8.8	$—	$—	$—	$ —	$21.6
Securitizations	6.6	5.1	5.3	8.4	1.9	0.1	2.5	1.0	24.4
Local country and other	2.7	1.1	1.9	1.0	0.4	1.0	0.2	0.2	5.8
Total bank	$ 14.7	$10.3	$16.0	$18.2	$2.4	$1.2	$2.6	$ 1.2	$51.7
Total long-term debt	$ 40.6	$13.5	$35.8	$41.1	$20.7	$10.3	$15.8	$ 71.8	$209.1

Resolution Plan

Under Title I of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), Citigroup has developed a “single point of entry” resolution strategy and plan under the U.S. Bankruptcy Code (Resolution Plan). Under Citi’s Resolution Plan, only Citigroup, the parent holding company, would enter into bankruptcy, while Citigroup’s key operating subsidiaries, including Citibank, N.A., among others, would remain operational and outside of any resolution or insolvency proceedings. Citigroup believes its Resolution Plan has been designed to minimize the risk of systemic impact to the U.S. and global financial systems, while maximizing the value of the bankruptcy estate for the benefit of Citigroup’s creditors, including its unsecured long-term debt holders. In addition, in line with the Federal Reserve Board’s TLAC proposal, Citigroup believes it has developed the Resolution Plan so that Citigroup’s shareholders and unsecured creditors - including its unsecured long-term debt holders - bear any losses resulting from Citigroup’s bankruptcy. For additional information on the Federal Reserve Board’s TLAC proposal, see “Risk Factors - Liquidity Risks” and “Liquidity Risk-Long-Term Debt-Total Loss Absorbing Capacity (TLAC)” in Citigroup’s 2015 Annual Report on Form 10-K.

In response to feedback received from the Federal Reserve Board and FDIC (the Agencies) on Citi’s 2015 Resolution Plan, Citi currently expects to take the following actions in connection with its 2017 Resolution Plan submission (to be submitted by July 1, 2017):

(i) Citicorp, an existing wholly owned subsidiary of Citigroup and current parent company of Citibank, N.A., would be established as an intermediate holding company (an IHC) for some or all of Citigroup’s key operating subsidiaries;

(ii) subject to final approval of the Board of Directors of Citigroup, Citigroup would execute an inter-affiliate agreement with Citicorp, Citigroup’s key operating subsidiaries and certain other affiliated entities pursuant to which Citicorp would be required to provide liquidity and capital support to Citigroup’s key operating subsidiaries in the event Citigroup were to enter bankruptcy proceedings (Citi Support Agreement);

(iii) pursuant to the Citi Support Agreement:

- upon execution, Citigroup would make an initial contribution of assets, including certain HQLA and inter-affiliate loans (Contributable Assets), to Citicorp, and Citicorp would then become the business as usual funding vehicle for certain of Citigroup’s key operating subsidiaries;
- Citigroup would be obligated to continue to transfer Contributable Assets to Citicorp over time, subject to certain amounts retained by Citigroup to, among other things, meet Citigroup’s near-term cash needs;
- in the event of a Citigroup bankruptcy, Citigroup would be required to contribute most of its remaining assets to Citicorp; and

(iv) the obligations of both Citigroup and Citicorp under the Citi Support Agreement, as well as the Contributable Assets, would be secured pursuant to a security agreement.

Citigroup also expects that the Citi Support Agreement will provide two mechanisms, besides Citicorp’s issuing of dividends to Citigroup, pursuant to which Citicorp would be required to transfer cash to Citigroup during business as usual so that Citigroup can fund its debt service as well as other operating needs: (i) one or more funding notes issued by Citicorp to Citigroup; and (ii) a committed line of credit under which Citicorp may make loans to Citigroup.

Secured Funding Transactions and Short-Term Borrowings

Citi supplements its primary sources of funding with short-term borrowings. Short-term borrowings generally include (i) secured funding transactions (securities loaned or sold under agreements to repurchase, or repos) and (ii) to a lesser extent, short-term borrowings consisting of commercial paper and borrowings from the FHLB and other market participants. See Note 16 to the Consolidated Financial Statements for further information on Citigroup’s and its affiliates’ outstanding short-term borrowings.

Outside of secured funding transactions, Citi’s short-term borrowings increased both year-over-year (a 25% increase) and sequentially (a 60% increase) driven by an increase in FHLB borrowing, as Citi purposefully replaced corporate CDs to optimize liquidity across its legal vehicles.

Secured Funding

Secured funding is primarily accessed through Citi's broker-dealer subsidiaries to fund efficiently both secured lending activity and a portion of securities inventory held in the context of market making and customer activities. Citi also executes a smaller portion of its secured funding transactions through its bank entities, which is typically collateralized by foreign government debt 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 securities inventory.

Secured funding of $153 billion as of September 30, 2016 declined 9% from the prior-year period and 3% sequentially. Excluding the impact of FX translation, secured funding decreased 7% from the prior-year period and 3% sequentially, both driven by normal business activity. Average balances for secured funding were approximately $158 billion for the quarter ended September 30, 2016.

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 government debt securities. 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 generally 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 securities inventory held in the context of market making and customer activities. 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 securities inventory was greater than 110 days as of September 30, 2016.
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.

Liquidity Coverage Ratio (LCR)
In addition to internal measures that Citi has developed for a 30-day stress scenario, Citi also monitors its liquidity by reference to the LCR, as calculated pursuant to the U.S. LCR rules (for additional information, see "Liquidity Risk" in each of Citi's 2015 Annual Report on Form 10-K and First Quarter 2016 Form 10-Q). The table below sets forth the components of Citi's LCR calculation and HQLA in excess of net outflows as of the periods indicated:

In billions of dollars	Sept. 30, 2016	Jun. 30, 2016	Sept. 30, 2015
HQLA	$403.8	$411.0	$398.9
Net outflows	335.3	339.8	355.6
LCR	120 %	121 %	112 %
HQLA in excess of net outflows	$68.5	$71.2	$43.3

Note: Amounts for 3Q'16 and 2Q'16 set forth in the table above are presented on an average basis; amounts for 3Q'15 are presented end-of-period. Accordingly, data in 3Q'16 and 2Q'16 is not directly comparable to data in 3Q'15.
As set forth in the table above, sequentially, Citi's LCR decreased slightly, reflecting both the decrease in average HQLA (as described above) and a slight decline in average net outflows due primarily to a reduction in average unsecured long-term debt maturing within 30 days.

Credit Ratings
The table below sets forth the ratings for Citigroup and Citibank as of September 30, 2016. While not included in the table below, the long-term and short-term ratings of Citigroup Global Markets Inc. (CGMI) were A/A-1 at Standard & Poor's and A+/F1 at Fitch as of September 30, 2016. The long-term and short-term ratings of Citigroup Global Markets Holdings Inc. (CGMHI) were BBB+/A-2 at Standard & Poor's and A/F1 at Fitch as of September 30, 2016.

	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)	BBB+	A-2	Stable	A	A-1	Watch Positive

Potential Impacts of Ratings Downgrades
Ratings downgrades by Moody's, Fitch or S&P could negatively impact Citigroup's and/or Citibank's funding and liquidity due to reduced funding capacity, including derivative 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 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 markets counterparties could re-evaluate their business relationships with Citi and limit transactions in 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 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 Citi's 2015 Annual Report on Form 10-K.

Citigroup Inc. and Citibank—Potential Derivative Triggers
As of September 30, 2016, 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 $0.5 billion, compared to $1.2 billion as of June 30, 2016. The decline sequentially was primarily due to reduced market volatility in the current quarter as compared to the elevated levels in the second quarter of 2016 resulting from the U.K.'s vote to leave the European Union in June 2016. Other funding sources, such as securities financing transactions and other margin requirements, for which there are no explicit triggers, could also be adversely affected.
As of September 30, 2016, Citi estimates that a hypothetical one-notch downgrade of the senior debt/long-term rating of Citibank across all three major rating agencies could impact Citibank's funding and liquidity by approximately $1.3 billion, compared to $2.1 billion as of June 30, 2016, due to derivative triggers. The sequential decline was also due to the reduced market volatility in the current quarter, as referenced above.
In total, Citi estimates that a one-notch downgrade of Citigroup and Citibank, across all three major rating agencies, could result in aggregate cash obligations and collateral requirements of approximately $1.8 billion, compared to $3.3 billion as of June 30, 2016 (see also Note 19 to the Consolidated Financial Statements). As set forth under

"High-Quality Liquid Assets" above, the liquidity resources of Citibank were approximately $344 billion and the liquidity resources of Citi's non-bank and other entities were approximately $60 billion, for a total of approximately $404 billion as of September 30, 2016. 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'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 certain Citibank subsidiaries. Mitigating actions available to Citibank include, but are not limited to, selling or financing highly liquid government securities, tailoring levels of secured lending, adjusting the size of select trading assets, 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—Additional Potential Impacts

In addition to the above derivative triggers, Citi believes that a potential one-notch downgrade of Citibank's senior debt/long-term rating by S&P could also have an adverse impact on the commercial paper/short-term rating of Citibank. As of September 30, 2016, Citibank had liquidity commitments of approximately $10.1 billion to consolidated asset-backed commercial paper conduits, compared to $10.0 billion as of June 30, 2016 (as referenced in Note 18 to the Consolidated Financial Statements).

In addition to the above-referenced liquidity resources of certain Citibank and Citibanamex entities, Citibank 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. 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. 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.

MARKET RISK

Market risk emanates from both Citi’s trading and non-trading portfolios. Trading portfolios comprise all assets and liabilities marked-to-market, with results reflected in earnings. Non-trading portfolios include all other assets and liabilities.
For additional information, see “Market Risk” and “Risk Factors” in Citi’s 2015 Annual Report on Form 10-K.

Market Risk of 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 “Market Risk of Non-Trading Portfolios” in Citi’s 2015 Annual Report on Form 10-K.

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), each assuming an unanticipated parallel instantaneous 100 basis point increase in interest rates.

In millions of dollars (unless otherwise noted)	Sept. 30, 2016	Jun. 30, 2016	Sept. 30, 2015
Estimated annualized impact to net interest revenue			
U.S. dollar[(1)]	$1,405	$1,394	$1,533
All other currencies	574	590	616
Total	$1,979	$1,984	$2,149
As a percentage of average interest-earning assets	0.12 %	0.12 %	0.13 %
Estimated initial impact to AOCI (after-tax)[(2)]	$(4,868)	$(4,628)	$(4,450)
Estimated initial impact on Common Equity Tier 1 Capital ratio (bps)[(3)]	(53)	(52)	(50)

(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 $(238) million for a 100 basis point instantaneous increase in interest rates as of September 30, 2016.

(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 DTA position and is based on only the estimated initial AOCI impact above.

The slight sequential decrease in the estimated impact to net interest revenue primarily reflected changes in balance sheet composition, including changes in Citi Treasury’s interest rate derivative positioning, which was largely offset by the increase and seasoning of Citi’s deposit balances, primarily in treasury and trade solutions. The sequential increase in the estimated impact to AOCI primarily reflected the changes to the positioning of Citi Treasury’s interest rate derivatives portfolio, as referenced above.
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 stockholders’ equity through the combination of expected incremental net interest revenue and the expected recovery of the impact on AOCI through accretion of Citi’s investment portfolio over a period

of time. As of September 30, 2016, Citi expects that the negative $4.9 billion impact to AOCI in such a scenario could potentially be offset over approximately 30 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	$1,405	$1,325	$124	$(167)
All other currencies	574	561	34	(34)
Total	$1,979	$1,886	$158	$(201)
Estimated initial impact to AOCI (after-tax)[1]	$(4,868)	$(3,035)	$(1,930)	$1,495
Estimated initial impact to Common Equity Tier 1 Capital ratio (bps)[2]	(53)	(33)	(22)	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 rate 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.

Over the past year, a number of central banks, including the European Central Bank, the Bank of Japan and the Swiss National Bank, have implemented negative interest rates, and additional governmental entities could do so in the future. While negative interest rates can adversely impact net interest revenue (as well as net interest margin), Citi has, to date, been able to partially offset the impact of negative rates in these jurisdictions through a combination of business and Citi Treasury interest rate risk mitigation activities, including applying negative rates to client accounts (for additional information on Citi Treasury's ongoing interest rate mitigation activities, see "Market Risk—Market Risk of Non-Trading Portfolios" in Citi's 2015 Annual Reporting on Form 10-K).

Changes in Foreign Exchange Rates—Impacts on AOCI and Capital

As of September 30, 2016, Citi estimates that an unanticipated parallel instantaneous 5% appreciation of the U.S. dollar against all of the other currencies in which Citi has invested capital 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 Euro and the Japanese Yen.

This impact is also before any mitigating actions Citi may take, including ongoing management of its foreign currency translation exposure. 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. Changes in these hedging strategies, as well as hedging costs, divestitures and tax impacts, can further impact the actual impact of changes in foreign exchange rates on Citi's capital as compared to an unanticipated parallel shock, as described above.

The effect of Citi's ongoing management strategies with respect to changes in foreign exchange rates and the impact of these changes on Citi's TCE and Common Equity Tier 1 Capital ratio are shown in the table below. For additional information on the changes in AOCI, see Note 17 to the Consolidated Financial Statements.

In millions of dollars (unless otherwise noted)	For the quarter ended Sept. 30, 2016	Jun. 30, 2016	Sept. 30, 2015
Change in FX spot rate[1]	(0.2)%	(0.9)%	(6.0)%

Change in TCE due to FX translation, net of hedges	$(412)	$(441)	$(2,010)
As a percentage of TCE	(0.2)%	(0.2)%	(1.1)%
Estimated impact to Common Equity Tier 1 Capital ratio (on a fully implemented basis) due to changes in FX translation, net of hedges (bps)	(2)	2	(5)

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

Interest Revenue/Expense and Net Interest Margin

In millions of dollars, except as otherwise noted	3rd Qtr. 2016	2nd Qtr. 2016	3rd Qtr. 2015	Change 3Q16 vs. 3Q15
Interest revenue[1]	$14,767	$14,473	$14,832	— %
Interest expense	3,174	3,120	2,941	8
Net interest revenue[1][2]	$11,593	$11,353	$11,891	(3)%
Interest revenue—average rate	3.65 %	3.65 %	3.67 %	(2) bps
Interest expense—average rate	1.03	1.04	0.93	10 bps
Net interest margin	2.86	2.86	2.94	(8) bps
Interest-rate benchmarks				
Two-year U.S. Treasury note—average rate	0.73 %	0.77 %	0.69 %	4 bps
10-year U.S. Treasury note—average rate	1.56	1.75	2.22	(66) bps
10-year vs. two-year spread	83 bps	98 bps	153 bps	

Note: All interest expense amounts include FDIC deposit insurance assessments including, beginning in the third quarter of 2016, the previously disclosed surcharge of 4.5 basis points per annum. For additional information, see "Interest Revenue/Expense and Net Interest Margin" in Citi's First Quarter of 2016 Form 10-Q.

(1) Net interest revenue includes the taxable equivalent adjustments related to the tax-exempt bond portfolio (based on the U.S. federal statutory tax rate of 35%) of $114 million, $117 million, and $118 million for the three months ended September 30, 2016, June 30, 2016 and September 30, 2015, respectively.

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

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 was 2.86% in the third quarter of 2016, as the benefit from the impact of the Costco portfolio acquisition and other loan growth was offset by lower trading NIM, higher than anticipated cash balances during the quarter and the impact of higher FDIC deposit insurance assessments (see the Note to the table above).

Additional Interest Rate Details
Average Balances and Interest Rates—Assets(1)(2)(3)(4)
Taxable Equivalent Basis

	Average volume			Interest revenue			% Average rate		
In millions of dollars, except rates	3rd Qtr. 2016	2nd Qtr. 2016	3rd Qtr. 2015	3rd Qtr. 2016	2nd Qtr. 2016	3rd Qtr. 2015	3rd Qtr. 2016	2nd Qtr. 2016	3rd Qtr. 2015
Assets									
Deposits with banks(5)	$131,571	$135,245	$139,349	$247	$237	$187	0.75%	0.70%	0.53%
Federal funds sold and securities borrowed or purchased under agreements to resell(6)									
In U.S. offices	$146,581	$148,511	$150,455	$387	$362	$313	1.05%	0.98%	0.83%
In offices outside the U.S.(5)	88,415	84,018	83,376	249	302	343	1.12%	1.45%	1.63%
Total	$234,996	$232,529	$233,831	$636	$664	$656	1.08%	1.15%	1.11%
Trading account assets(7)(8)									
In U.S. offices	$109,039	$108,602	$114,360	$912	$970	$1,024	3.33%	3.59%	3.55%
In offices outside the U.S.(5)	100,825	101,075	95,827	559	603	507	2.21%	2.40%	2.10%
Total	$209,864	$209,677	$210,187	$1,471	$1,573	$1,531	2.79%	3.02%	2.89%
Investments									
In U.S. offices									
Taxable	$228,337	$225,279	$211,722	$990	$991	$941	1.72%	1.77%	1.76%
Exempt from U.S. income tax	19,102	19,010	19,745	162	170	101	3.37%	3.60%	2.03%
In offices outside the U.S.(5)	107,350	107,235	103,656	794	837	760	2.94%	3.14%	2.91%
Total	$354,789	$351,524	$335,123	$1,946	$1,998	$1,802	2.18%	2.29%	2.13%
Loans (net of unearned income)(9)									
In U.S. offices	$368,372	$353,422	$354,572	$6,272	$5,793	$6,472	6.77%	6.59%	7.24%
In offices outside the U.S.(5)	267,399	267,226	268,633	3,974	3,972	3,523	5.91%	5.98%	5.20%
Total	$635,771	$620,648	$623,205	$10,246	$9,765	$9,995	6.41%	6.33%	6.36%
Other interest-earning assets(10)	$44,010	$45,639	$60,459	$221	$236	$661	2.00%	2.08%	4.34%
Total interest-earning assets	$1,611,001	$1,595,262	$1,602,154	$14,767	$14,473	$14,832	3.65%	3.65%	3.67%
Non-interest-earning assets(7)	$219,213	$212,050	$216,136						
Total assets	$1,830,214	$1,807,312	$1,818,290						

(1) Net interest revenue includes the taxable equivalent adjustments related to the tax-exempt bond portfolio (based on the U.S. federal statutory tax rate of 35%) of $114 million, $117 million, and $118 million for the three months ended September 30, 2016, June 30, 2016 and September 30, 2015, respectively.

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

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

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

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

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

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

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

Trading account liabilities, respectively.
(9) Includes cash-basis loans.
(10) Includes brokerage receivables.

Average Balances and Interest Rates—Liabilities and Equity, and Net Interest Revenue[1][2][3][4]
Taxable Equivalent Basis

	Average volume			Interest expense			% Average rate		
	3rd Qtr.	2nd Qtr.	3rd Qtr.	3rd Qtr.	2nd Qtr.	3rd Qtr.	3rd Qtr.	2nd Qtr.	3rd Qtr.
In millions of dollars, except rates	2016	2016	2015	2016	2016	2015	2016	2016	2015
Liabilities									
Deposits									
In U.S. offices[5]	$296,999	$286,653	$271,141	$470	$371	$311	0.63%	0.52%	0.46%
In offices outside the U.S.[6]	434,232	435,242	425,741	973	935	904	0.89%	0.86%	0.84%
Total	$731,231	$721,895	$696,882	$1,443	$1,306	$1,215	0.79%	0.73%	0.69%
Federal funds purchased and securities loaned or sold under agreements to repurchase[7]									
In U.S. offices	$99,924	$103,517	$111,629	$267	$260	$177	1.06%	1.01%	0.63%
In offices outside the U.S.[6]	58,060	57,685	62,616	192	267	202	1.32%	1.86%	1.28%
Total	$157,984	$161,202	$174,245	$459	$527	$379	1.16%	1.31%	0.86%
Trading account liabilities[8][9]									
In U.S. offices	$33,600	$27,420	$24,673	$65	$64	$29	0.77%	0.94%	0.47%
In offices outside the U.S.[6]	42,637	45,960	45,797	37	32	28	0.35%	0.28%	0.24%
Total	$76,237	$73,380	$70,470	$102	$96	$57	0.53%	0.53%	0.32%
Short-term borrowings[10]									
In U.S. offices	$61,019	$54,825	$65,368	$51	$43	$100	0.33%	0.32%	0.61%
In offices outside the U.S.[6]	20,285	10,253	66,653	39	66	59	0.76%	2.59%	0.35%
Total	$81,304	$65,078	$132,021	$90	$109	$159	0.44%	0.67%	0.48%
Long-term debt[11]									
In U.S. offices	$175,427	$175,506	$179,575	$1,028	$1,009	$1,080	2.33%	2.31%	2.39%
In offices outside the U.S.[6]	6,506	6,714	8,061	52	73	51	3.18%	4.37%	2.51%
Total	$181,933	$182,220	$187,636	$1,080	$1,082	$1,131	2.36%	2.39%	2.39%
Total interest-bearing liabilities	$1,228,689	$1,203,775	$1,261,254	$3,174	$3,120	$2,941	1.03%	1.04%	0.93%
Demand deposits in U.S. offices	$40,466	$38,979	$27,781						
Other non-interest-bearing liabilities[8]	328,405	335,243	308,167						
Total liabilities	$1,597,560	$1,577,997	$1,597,202						
Citigroup stockholders' equity[12]	$231,574	$228,149	$219,839						
Noncontrolling interest	1,080	1,166	1,249						
Total equity[12]	$232,654	$229,315	$221,088						
Total liabilities and stockholders' equity	$1,830,214	$1,807,312	$1,818,290						
Net interest revenue as a percentage of average interest-earning assets[13]									
In U.S. offices	$871,431	$854,825	$940,283	$7,092	$6,816	$7,252	3.24%	3.21%	3.06%
In offices outside the U.S.[6]	739,570	740,437	661,871	4,501	4,537	4,639	2.42	2.46	2.78
Total	$1,611,001	$1,595,262	$1,602,154	$11,593	$11,353	$11,891	2.86%	2.86%	2.94%

(1) Net interest revenue includes the taxable equivalent adjustments related to the tax-exempt bond portfolio (based on the U.S. federal statutory tax rate of 35%) of $114 million, $117 million, and $118 million for the three months ended September 30, 2016, June 30, 2016 and September 30, 2015, respectively.

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

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

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

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

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

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

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

(9) Interest expense on Trading account liabilities of ICG is reported as a reduction of Interest revenue. Interest revenue and Interest expense on cash collateral positions are reported in interest on Trading account assets and Trading account liabilities, respectively.
(10) Includes brokerage payables.
(11) Excludes hybrid financial instruments and beneficial interests in consolidated VIEs that are classified as Long-term debt, as these obligations are accounted for in changes in fair value recorded in Principal transactions.
(12) Includes stockholders' equity from discontinued operations.
(13) Includes allocations for capital and funding costs based on the location of the asset.

Average Balances and Interest Rates—Assets(1)(2)(3)(4)
Taxable Equivalent Basis

	Average volume		Interest revenue		% Average rate	
In millions of dollars, except rates	Nine Months 2016	Nine Months 2015	Nine Months 2016	Nine Months 2015	Nine Months 2016	Nine Months 2015
Assets						
Deposits with banks(5)	$128,194	$137,721	$703	$538	0.73 %	0.52 %
Federal funds sold and securities borrowed or purchased under agreements to resell(6)						
In U.S. offices	$148,379	$150,370	$1,123	$903	1.01 %	0.80 %
In offices outside the U.S.(5)	83,668	86,645	824	1,059	1.32 %	1.63 %
Total	$232,047	$237,015	$1,947	$1,962	1.12 %	1.11 %
Trading account assets(7)(8)						
In U.S. offices	$107,541	$116,735	$2,835	$2,927	3.52 %	3.35 %
In offices outside the U.S.(5)	100,339	105,942	1,680	1,694	2.24 %	2.14 %
Total	$207,880	$222,677	$4,515	$4,621	2.90 %	2.77 %
Investments						
In U.S. offices						
Taxable	$227,532	$213,107	$2,981	$2,854	1.75 %	1.79 %
Exempt from U.S. income tax	19,171	20,101	501	283	3.49 %	1.88 %
In offices outside the U.S.(5)	106,116	101,623	2,385	2,289	3.00 %	3.01 %
Total	$352,819	$334,831	$5,867	$5,426	2.22 %	2.17 %
Loans (net of unearned income)(9)						
In U.S. offices	$357,300	$353,434	$17,938	$19,132	6.71 %	7.24 %
In offices outside the U.S.(5)	265,586	274,931	11,847	11,439	5.96 %	5.56 %
Total	$622,886	$628,365	$29,785	$30,571	6.39 %	6.50 %
Other interest-earning assets(10)	$45,805	$56,205	$709	$1,432	2.07 %	3.41 %
Total interest-earning assets	$1,589,631	$1,616,814	$43,526	$44,550	3.66 %	3.68 %
Non-interest-earning assets(7)	$215,402	$220,217				
Total assets	$1,805,033	$1,837,031				

(1) Net interest revenue includes the taxable equivalent adjustments (based on the U.S. federal statutory tax rate of 35%) of $350 million and $363 million for the nine months ended September 30, 2016 and 2015, respectively.
(2) Interest rates and amounts include the effects of risk management activities associated with the respective asset and liability categories.
(3) Monthly or quarterly averages have been used by certain subsidiaries where daily averages are unavailable.
(4) Detailed average volume, Interest revenue and Interest expense exclude Discontinued operations. See Note 2 to the Consolidated Financial Statements.
(5)

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

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

(7) The fair value carrying amounts of derivative contracts are reported in Non-interest-earning assets and Other non-interest-bearing liabilities.

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

(9) Includes cash-basis loans.

(10) Includes brokerage receivables.

Average Balances and Interest Rates—Liabilities and Equity, and Net Interest Revenue[1][2][3][4]
Taxable Equivalent Basis

	Average volume		Interest expense		% Average rate	
In millions of dollars, except rates	Nine Months 2016	Nine Months 2015	Nine Months 2016	Nine Months 2015	Nine Months 2016	Nine Months 2015
Liabilities						
Deposits						
In U.S. offices[5]	$287,100	$274,111	$1,157	$997	0.54%	0.49%
In offices outside the U.S.[6]	431,176	424,641	2,796	2,831	0.87%	0.89%
Total	$718,276	$698,752	$3,953	$3,828	0.74%	0.73%
Federal funds purchased and securities loaned or sold under agreements to repurchase[7]						
In U.S. offices	$102,321	$110,238	$787	$523	1.03%	0.63%
In offices outside the U.S.[6]	58,379	67,979	701	675	1.60%	1.33%
Total	$160,700	$178,217	$1,488	$1,198	1.24%	0.90%
Trading account liabilities[8][9]						
In U.S. offices	$28,219	$26,240	$181	$79	0.86%	0.40%
In offices outside the U.S.[6]	43,424	45,976	105	79	0.32%	0.23%
Total	$71,643	$72,216				