

CITIGROUP INC
Form 10-Q
October 31, 2017

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, 2017
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 No
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 No

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

Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input type="checkbox"/> Emerging growth company <input type="checkbox"/>
----------------------------------------------------------------	-----------------------------------------------	----------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------

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

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

Number of shares of Citigroup Inc. common stock outstanding on September 30, 2017: 2,644,001,999

Available on the web at www.citigroup.com

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OVERVIEW

This Quarterly Report on Form 10-Q should be read in conjunction with Citigroup's Annual Report on Form 10-K for the year ended December 31, 2016, including the historical audited consolidated financial statements of Citigroup reflecting certain reclassifications set forth in Citigroup's Current Report on Form 8-K filed with the SEC on June 16, 2017 (2016 Annual Report on Form 10-K), and Citigroup's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2017 (First Quarter of 2017 Form 10-Q) and June 30, 2017 (Second Quarter of 2017 Form 10-Q).

Additional information about Citigroup is available on Citi's website at www.citigroup.com. Citigroup's annual reports on Form 10-K, quarterly reports on Form 10-Q and proxy statements, as well as other filings with the U.S. Securities and Exchange Commission (SEC), are available free of charge through Citi's website by clicking on the "Investors" page and selecting "All SEC Filings." The SEC's website also contains current reports on Form 8-K, and other information regarding Citi at www.sec.gov.

Certain reclassifications, including a realignment of certain businesses, have been made to the prior periods' financial statements and disclosures to conform to the current period's presentation. For additional information on certain recent reclassifications, see Notes 1 and 3 to the Consolidated Financial Statements in Citi's 2016 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 2017—Balanced Growth Across Citi's Franchise

As described further throughout this Executive Summary, Citi reported balanced operating results in the third quarter of 2017, reflecting continued momentum across businesses and geographies, notably many of those where Citi has been making investments. During the quarter, Citi had revenue and loan growth in both Global Consumer Banking (GCB) and the Institutional Clients Group (ICG) compared to the prior-year quarter, while continuing to wind-down legacy assets in Corporate/Other. Results during the quarter also included a \$580 million pretax (\$355 million after-tax) gain on the sale of a fixed income analytics business, which was included in ICG's results.

North America GCB generated positive operating leverage driven by revenue growth in retail banking and Citi retail services as well as strong expense discipline. North America GCB's results also included higher cost of credit, largely reflecting volume growth, seasoning and additional cards-related loan loss reserve builds. International GCB generated positive operating leverage driven by year-over-year revenue growth in both Latin America and Asia GCB, excluding the impact of foreign currency translation into U.S. dollars for reporting purposes (FX translation). ICG had a strong quarter with revenue growth across all Banking businesses, as well as in equity markets and securities services, partially offset by a decline in fixed income markets revenues. These increases in revenues were partially offset by lower revenues in Corporate/Other, mostly reflecting the continued wind-down of legacy non-core assets. Citi's regulatory capital declined slightly during the quarter, as earnings growth was more than offset by the return of approximately \$6.4 billion to its common shareholders in the form of common stock repurchases and dividends. Citi repurchased approximately 81 million common shares in the third quarter of 2017, as outstanding common shares declined 3% from the prior quarter and 7% from the prior-year period. Despite this capital return, each of Citigroup's key regulatory capital metrics remained strong as of the end of the third quarter of 2017 (see "Capital" below). Citi utilized approximately \$300 million of deferred tax assets (DTAs) during the quarter and \$1.2 billion of its DTAs during the first nine months of 2017.

While the macroeconomic environment remains largely positive, there continues to be various economic, political and other risks and uncertainties that could impact Citi's businesses and future results. For a more detailed discussion of these risks and uncertainties, see each respective business's results of operations and "Forward-Looking Statements" below, as well as each respective business's results of operations and the "Managing Global Risk" and "Risk Factors" sections in Citi's 2016 Annual Report on Form 10-K.

Third Quarter of 2017 Summary Results

Citigroup

Citigroup reported net income of \$4.1 billion, or \$1.42 per share, compared to \$3.8 billion, or \$1.24 per share, in the prior-year period. The 8% increase in net income included the gain on sale, which contributed \$0.13 to earnings per share. Excluding the gain, net income declined 2%, reflecting higher cost of credit, while earnings per share increased 4%, largely due to a 7% reduction in average shares outstanding. (Citi's results of operations excluding the gain on sale are non-GAAP financial measures.)

Citigroup revenues of \$18.2 billion in the third quarter of 2017 increased 2%, driven by the gain on sale as well as 3% aggregate growth in ICG and GCB, partially offset by a 55% decrease in Corporate/Other due primarily to the continued wind-down of legacy non-core assets.

Citigroup's end-of-period loans increased 2% to \$653 billion versus the prior-year period. Excluding the impact of FX translation, Citigroup's end-of-period loans also grew 2%, as 5% growth in ICG and 3% growth in GCB was partially

offset by the continued wind-down of legacy assets in Corporate/Other. (Citi's results of operations excluding the impact of FX translation are non-GAAP financial measures.) Citigroup's end-of-period deposits increased 3% to \$964 billion versus the prior-year period. Excluding the impact of FX translation, Citigroup's deposits were up 2%, driven by a 3% increase in ICG deposits and a 1% increase in GCB deposits, slightly offset by a decline in Corporate/Other deposits.

Expenses

Citigroup's operating expenses decreased 2% to \$10.2 billion versus the prior-year period, as the impact of higher volume-related expenses and ongoing investments were more than offset by efficiency savings and the wind-down of legacy assets. Year-over-year, ICG operating expenses were up 5%, while GCB operating expenses were largely unchanged and Corporate/Other operating expenses declined 36%.

Cost of Credit

Citi's total provisions for credit losses and for benefits and claims of \$2.0 billion increased 15% from the prior-year period. The increase was driven by an increase in net credit losses of \$252 million, primarily in North America GCB, and a net loan loss reserve build of \$194 million, compared to a net build of \$176 million in the prior-year period. The net loan loss reserve build in the current quarter included roughly \$100 million of loan loss reserves related to the potential impact of hurricane and earthquake events, recorded in North America GCB and Latin America GCB, as well as the legacy portfolio in Corporate/Other.

Net credit losses of \$1.8 billion increased 17% versus the prior-year period. Consumer net credit losses of \$1.7 billion

increased 17%, primarily driven by the Costco portfolio acquisition, episodic charge-offs in the North America GCB commercial portfolio, which were offset by related loan loss reserve releases, and overall volume growth and seasoning in cards. The increase in consumer net credit losses was partially offset by the continued wind-down of legacy assets in Corporate/Other. Corporate net credit losses increased 2% from the prior-year period to \$43 million. For additional information on Citi's consumer and corporate credit costs and allowance for loan losses, see "Credit Risk" below.

Capital

Citigroup's Common Equity Tier 1 Capital and Tier 1 Capital ratios, on a fully implemented basis, were 13.0% and 14.6% as of September 30, 2017 (based on Basel III Standardized Approach for determining risk-weighted assets), respectively, compared to 12.6% and 14.2% as of September 30, 2016 (based on the Basel III Advanced Approaches for determining risk-weighted assets). Citigroup's Supplementary Leverage ratio as of September 30, 2017, on a fully implemented basis, was 7.1%, compared to 7.4% as of September 30, 2016. 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.

Global Consumer Banking

GCB net income decreased 6% to \$1.2 billion, as higher revenues were more than offset by higher cost of credit, while operating expenses were unchanged. Operating expenses were \$4.4 billion, down 1% excluding the impact of FX translation, as higher volume-related expenses and continued investments were more than offset by ongoing efficiency savings.

GCB revenues of \$8.4 billion increased 3% versus the prior-year period. Excluding the impact of FX translation, GCB revenues increased 2%, driven by growth across all regions. North America GCB revenues increased 1% to \$5.2 billion, as higher revenues in Citi retail services and retail banking were partially offset by lower revenues in Citi-branded cards. Citi-branded cards revenues of \$2.2 billion decreased 1% versus the prior-year period, as the benefit of growth in full rate revolving balances in the core portfolios was outpaced by the continued run-off of non-core portfolios as well as the higher cost to fund growth in transactor and promotional balances, given higher interest rates. Citi retail services revenues of \$1.7 billion increased 2% versus the prior-year period, reflecting continued loan growth. Retail banking revenues of \$1.4 billion increased 1% from the prior-year period. Excluding mortgage revenues, retail banking revenues were up 12% from the prior-year period, driven by continued growth in loans and assets under management, as well as a benefit from higher interest rates.

North America GCB average deposits of \$184 billion were unchanged versus the prior-year period, average retail loans of \$56 billion grew 1% and assets under management of \$59 billion grew 10%. Average branded card loans of \$85 billion increased 8%, while branded card purchase sales of \$80 billion increased 10% versus the prior-year period. Average retail services loans of \$46 billion were up 5%, while

retail services purchase sales of \$20 billion were up 2%. For additional information on the results of operations of North America GCB for the third quarter of 2017, see "Global Consumer Banking—North America GCB" below. International GCB revenues (consisting of Latin America GCB and Asia GCB (which includes the results of operations in certain EMEA countries)) increased 8% to \$3.2 billion versus the prior-year period. Excluding the impact of FX translation, international GCB revenues increased 5% versus the prior-year period. Latin America GCB revenues increased 4% versus the prior-year period, driven by growth in loans and deposit volumes. Asia GCB revenues increased 5% versus the prior-year period, driven by improvement in wealth management and cards revenues, partially offset by lower retail lending revenues. For additional information on the results of operations of Latin America GCB and Asia GCB for the third quarter of 2017, including the impact of FX translation, see "Global Consumer Banking—Latin America GCB" and "Global Consumer Banking—Asia GCB" below.

Year-over-year, international GCB average deposits of \$124 billion increased 4%, average retail loans of \$89 billion were roughly flat, assets under management of \$100 billion increased 10%, average card loans of \$24 billion increased 6% and card purchase sales of \$25 billion increased 7%, all excluding the impact of FX translation.

Institutional Clients Group

ICG net income of \$3.0 billion increased 15%, driven by higher revenues, including the \$580 million (\$355 million after-tax) gain on the sale of a fixed income analytics business, and a higher benefit from cost of credit, partially offset by higher operating expenses. ICG operating expenses increased 5% to \$4.9 billion, as investments and volume-related expenses were partially offset by efficiency savings.

ICG revenues were \$9.2 billion in the third quarter of 2017, up 9% from the prior-year period, driven by a 16% increase in Banking revenues and a 3% increase in Markets and securities services revenues, including the gain on sale. The increase in Banking revenues included the impact of \$48 million of losses on loan hedges within corporate lending, compared to losses of \$218 million in the prior-year period.

Banking revenues of \$4.7 billion (excluding the impact of losses on loan hedges within corporate lending) increased 11% compared to the prior-year period, driven by significant growth in investment banking and the private bank as well as continued solid performance in treasury and trade solutions and corporate lending. Investment banking revenues of \$1.2 billion increased 14% versus the prior-year period, reflecting continued wallet share gains across all products. Equity underwriting revenues increased 99% to \$290 million, debt underwriting revenues increased 1% to \$704 million while advisory revenues decreased 1% to \$237 million, all versus the prior-year period.

Private bank revenues increased 15% versus the prior-year period to \$785 million, driven by growth in clients, loans, investment activity and deposits, as well as improved spreads. Corporate lending revenues increased \$233 million to \$454 million. Excluding the impact of losses on loan hedges, corporate lending revenues increased 14% to \$502 million

versus the prior-year period, reflecting lower hedging costs and improved loan sale activity. Treasury and trade solutions revenues increased 8% to \$2.1 billion versus the prior-year period, reflecting continued volume growth and improved deposit spreads.

Markets and securities services revenues increased 3% to \$4.6 billion versus the prior-year period, as a decline in fixed income markets revenues was more than offset by higher revenues in equity markets, securities services as well as the gain on sale. Fixed income markets revenues decreased 16% to \$2.9 billion versus the prior-year period, primarily reflecting lower G10 rates and currencies revenues, given low volatility in the current quarter and the comparison to higher Brexit-related activity a year ago, as well as lower activity in spread products. Equity markets revenues increased 16% to \$757 million versus the prior-year period, reflecting client-led growth across cash equities, derivatives and prime finance. Securities services revenues increased 12% to \$599 million versus the prior-year period, driven by growth in client volumes across the custody business, along with higher interest revenue. For additional information on the results of operations of ICG for the third quarter of 2017, see “Institutional Clients Group” below.

Corporate/Other

Corporate/Other net loss was \$87 million in the third quarter of 2017, compared to a net loss of \$48 million in the prior-year period, reflecting lower revenues, partially offset by lower operating expenses and lower cost of credit. Operating expenses of \$822 million declined 36% from the prior-year period, reflecting the wind-down of legacy assets and lower legal expenses.

Corporate/Other revenues were \$509 million, down 55% from the prior-year period, reflecting the wind-down of legacy assets, divestitures and the impact of hedging activities.

Corporate/Other end-of-period assets decreased 4% to \$100 billion from the prior-year period, as Citi continued to wind-down legacy assets. For additional information on the results of operations of Corporate/Other for the third quarter of 2017, see “Corporate/Other” below.

RESULTS OF OPERATIONS

SUMMARY OF SELECTED FINANCIAL DATA—PAGE 1

Citigroup Inc. and Consolidated Subsidiaries

In millions of dollars, except per-share amounts and ratios	Third Quarter			Nine Months		
	2017	2016	% Change	2017	2016	% Change
Net interest revenue	\$11,442	\$11,479	—	% \$33,464	\$33,942	(1)%
Non-interest revenue	6,731	6,281	7	20,730	18,921	10
Revenues, net of interest expense	\$18,173	\$17,760	2	% \$54,194	\$52,863	3 %
Operating expenses	10,171	10,404	(2)	31,154	31,296	—
Provisions for credit losses and for benefits and claims	1,999	1,736	15	5,378	5,190	4
Income from continuing operations before income taxes	\$6,003	\$5,620	7	% \$17,662	\$16,377	8 %
Income taxes	1,866	1,733	8	5,524	4,935	12
Income from continuing operations	\$4,137	\$3,887	6	% \$12,138	\$11,442	6 %
Income (loss) from discontinued operations, net of taxes ⁽¹⁾	(5)	(30)	83	(2)	(55)	96
Net income before attribution of noncontrolling interests	\$4,132	\$3,857	7	% \$12,136	\$11,387	7 %
Net income attributable to noncontrolling interests	(1)	17	NM	41	48	(15)
Citigroup's net income	\$4,133	\$3,840	8	% \$12,095	\$11,339	7 %
Less:						
Preferred dividends—Basic	\$272	\$225	21	% \$893	\$757	18 %
Dividends and undistributed earnings allocated to employee restricted and deferred shares that contain nonforfeitable rights to dividends, applicable to basic EPS	53	53	—	156	145	8
Income allocated to unrestricted common shareholders for basic and diluted EPS	\$3,808	\$3,562	7	% \$11,046	\$10,437	6 %
Earnings per share						
Basic						
Income from continuing operations	1.42	1.25	14	4.05	3.60	13
Net income	1.42	1.24	15	4.05	3.58	13
Diluted						
Income from continuing operations	\$1.42	\$1.25	14	% \$4.05	\$3.60	13 %
Net income	1.42	1.24	15	4.05	3.58	13
Dividends declared per common share	0.32	0.16	100	0.64	0.26	NM

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

SUMMARY OF SELECTED FINANCIAL DATA—PAGE 2

Citigroup Inc. and Consolidated Subsidiaries

In millions of dollars, except per-share amounts, ratios and	Third Quarter			Nine Months		
	2017	2016	% Change	2017	2016	% Change
direct staff						
At September 30:						
Total assets	\$1,889,133	\$1,818,117	4 %			
Total deposits	964,038	940,252	3			
Long-term debt	232,673	209,051	11			
Citigroup common stockholders' equity	208,381	212,322	(2)			
Total Citigroup stockholders' equity	227,634	231,575	(2)			
Direct staff (in thousands)	213	220	(3)			
Performance metrics						
Return on average assets	0.87	%0.83	%	0.87	%0.84	%
Return on average common stockholders' equity ⁽²⁾	7.3	6.8		7.2	6.7	
Return on average total stockholders' equity ⁽²⁾	7.2	6.6		7.1	6.6	
Efficiency ratio (Total operating expenses/Total revenues)	56	59		57	59	
Basel III ratios—full implementation						
Common Equity Tier 1 Capital ⁽³⁾	12.98	%12.63	%			
Tier 1 Capital ⁽³⁾	14.61	14.23				
Total Capital ⁽³⁾	16.95	16.34				
Supplementary Leverage ratio ⁽⁴⁾	7.11	7.40				
Citigroup common stockholders' equity to assets	11.03	%11.68	%			
Total Citigroup stockholders' equity to assets	12.05	12.74				
Dividend payout ratio ⁽⁵⁾	22.5	12.9		15.8	%7.3	%
Total payout ratio ⁽⁶⁾	165	83		96	56	
Book value per common share	\$78.81	\$74.51	6 %			
Tangible book value (TBV) per share ⁽⁷⁾	68.55	64.71	6			
Ratio of earnings to fixed charges and preferred stock dividends	2.27x	2.61x		2.34x	2.60x	

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

The return on average common stockholders' equity is calculated using net income less preferred stock dividends

(2) 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 reportable Common Equity Tier 1 (CET1) Capital and Tier 1 Capital ratios were the lower derived under the U.S. Basel III Standardized Approach at September 30, 2017, and U.S. Basel III Advanced Approaches at September 30, 2016. Citi's reportable Total Capital ratios were derived under the U.S. Basel III Advanced Approaches for both periods presented. This reflects the U.S. Basel III requirement to report the lower of risk-based capital ratios under both the Standardized Approach and Advanced Approaches in accordance with the Collins Amendment of the Dodd-Frank Act.

(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.

Total common dividends declared plus common stock repurchases as a percentage of net income available to

(6) common shareholders. See "Consolidated Statement of Changes in Stockholders' Equity," Note 9 to the Consolidated Financial Statements and "Equity Security Repurchases" below for the component details.

(7) For information on TBV, see "Capital Resources—Tangible Common Equity, Book Value Per Share, Tangible Book Value Per Share and Returns on Equity" below.

NM Not meaningful

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

In millions of dollars	Third Quarter			Nine Months		
	2017	2016	% Change	2017	2016	% Change
Income from continuing operations						
Global Consumer Banking						
North America	\$655	\$780	(16)%	\$1,952	\$2,428	(20)%
Latin America	164	160	3	430	479	(10)
Asia ⁽¹⁾	355	310	15	924	822	12
Total	\$1,174	\$1,250	(6)%	\$3,306	\$3,729	(11)%
Institutional Clients Group						
North America	\$1,322	\$1,067	24	\$3,534	\$2,618	35
EMEA	746	649	15	2,380	1,718	39
Latin America	380	389	(2)	1,188	1,111	7
Asia	614	555	11	1,751	1,697	3
Total	\$3,062	\$2,660	15	\$8,853	\$7,144	24
Corporate/Other	(99)	(23)	NM	(21)	(569)	NM
Income from continuing operations	\$4,137	\$3,887	6	\$12,138	\$11,442	6
Discontinued operations	\$(5)	\$(30)	83	\$(2)	\$(55)	96
Net income attributable to noncontrolling interests	(1)	17	NM	41	48	(15)
Citigroup's net income	\$4,133	\$3,840	8	\$12,095	\$11,339	7

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

CITIGROUP REVENUES

In millions of dollars	Third Quarter			Nine Months		
	2017	2016	% Change	2017	2016	% Change
Global Consumer Banking						
North America	\$5,194	\$5,161	1 %	\$15,082	\$14,700	3 %
Latin America	1,370	1,245	10	3,811	3,710	3
Asia ⁽¹⁾	1,869	1,758	6	5,392	5,142	5
Total	\$8,433	\$8,164	3 %	\$24,285	\$23,552	3 %
Institutional Clients Group						
North America	\$3,638	\$3,191	14 %	\$10,661	\$9,564	11 %
EMEA	2,655	2,506	6	8,299	7,250	14
Latin America	1,059	999	6	3,228	2,983	8
Asia	1,879	1,763	7	5,382	5,246	3
Total	\$9,231	\$8,459	9 %	\$27,570	\$25,043	10 %
Corporate/Other	509	1,137	(55)	2,339	4,268	(45)
Total Citigroup net revenues	\$18,173	\$17,760	2 %	\$54,194	\$52,863	3 %

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

SEGMENT BALANCE SHEET⁽¹⁾

In millions of dollars	Global Consumer Banking	Institutional Clients Group	Corporate/Other and consolidating eliminations ⁽²⁾	Citigroup Parent company- issued long-term debt and stockholders' equity ⁽³⁾	Total Citigroup consolidated
Assets					
Cash and deposits with banks	\$ 9,963	\$ 64,994	\$ 111,152	\$ —	\$ 186,109
Federal funds sold and securities borrowed or purchased under agreements to resell	327	251,787	494	—	252,608
Trading account assets	6,366	250,104	2,437	—	258,907
Investments	10,143	110,627	233,904	—	354,674
Loans, net of unearned income and allowance for loan losses	291,785	325,055	23,977	—	640,817
Other assets	38,306	101,387	56,325	—	196,018
Liquidity assets ⁽⁴⁾	62,265	266,523	(328,788) —	—
Total assets	\$ 419,155	\$ 1,370,477	\$ 99,501	\$ —	\$ 1,889,133
Liabilities and equity					
Total deposits	\$ 310,048	\$ 639,554	\$ 14,436	\$ —	\$ 964,038
Federal funds purchased and securities loaned or sold under agreements to repurchase	4,199	157,076	7	—	161,282
Trading account liabilities	9	138,253	558	—	138,820
Short-term borrowings	798	20,806	16,545	—	38,149
Long-term debt ⁽³⁾	1,109	35,498	44,152	151,914	232,673
Other liabilities	19,377	86,477	19,695	—	125,549
Net inter-segment funding (lending) ⁽³⁾	83,615	292,813	3,120	(379,548) —
Total liabilities	\$ 419,155	\$ 1,370,477	\$ 98,513	\$ (227,634	) \$ 1,660,511
Total equity ⁽⁵⁾	—	—	988	227,634	228,622
Total liabilities and equity	\$ 419,155	\$ 1,370,477	\$ 99,501	\$ —	\$ 1,889,133

The supplemental information presented in the table above reflects Citigroup's consolidated GAAP balance sheet (1) by reporting segment as of September 30, 2017. The respective segment information depicts the assets and liabilities managed by each segment as of such date.

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

The total stockholders' equity and the majority of long-term debt of Citigroup reside in the Citigroup parent (3) company 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) Corporate/Other equity represents noncontrolling interests.

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GLOBAL CONSUMER BANKING

Global Consumer Banking (GCB) consists of consumer banking businesses in North America, Latin America (consisting of Citi's consumer banking business in Mexico) and Asia. GCB provides traditional banking services to retail customers through retail banking, including commercial banking, and Citi-branded cards and Citi retail services (for additional information on these businesses, see "Citigroup Segments" above). GCB is focused on its priority markets in the U.S., Mexico and Asia with 2,474 branches in 19 countries and jurisdictions as of September 30, 2017. At September 30, 2017, GCB had approximately \$419 billion in assets and \$310 billion in deposits.

GCB's overall strategy is to leverage Citi's global footprint and 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.

In millions of dollars except as otherwise noted	Third Quarter			Nine Months		
	2017	2016	% Change	2017	2016	% Change
Net interest revenue	\$7,010	\$6,709	4 %	\$20,231	\$19,369	4 %
Non-interest revenue	1,423	1,455	(2) %	4,054	4,183	(3) %
Total revenues, net of interest expense	\$8,433	\$8,164	3 %	\$24,285	\$23,552	3 %
Total operating expenses	\$4,410	\$4,429	— %	\$13,322	\$13,127	1 %
Net credit losses	\$1,704	\$1,349	26 %	\$4,922	\$4,094	20 %
Credit reserve build (release)	486	436	11 %	788	544	45 %
Provision (release) for unfunded lending commitments	(5)	(3)	(67) %	—	6	(100) %
Provision for benefits and claims	28	26	8 %	80	74	8 %
Provisions for credit losses and for benefits and claims (LLR & PBC)	\$2,213	\$1,808	22 %	\$5,790	\$4,718	23 %
Income from continuing operations before taxes	\$1,810	\$1,927	(6) %	\$5,173	\$5,707	(9) %
Income taxes	636	677	(6) %	1,867	1,978	(6) %
Income from continuing operations	\$1,174	\$1,250	(6) %	\$3,306	\$3,729	(11) %
Noncontrolling interests	2	3	(33) %	7	6	17 %
Net income	\$1,172	\$1,247	(6) %	\$3,299	\$3,723	(11) %
Balance Sheet data (in billions of dollars)						
Total EOP assets	\$419	\$411	2 %			
Average assets	421	409	3 %	\$415	\$391	6 %
Return on average assets	1.10	%1.21	%	1.06	%1.27	%
Efficiency ratio	52	%54	%	55	%56	%
Average deposits	\$308	\$301	2 %	\$306	\$298	3 %
Net credit losses as a percentage of average loans	2.26	%1.87	%	2.24	%1.97	%
Revenue by business						
Retail banking	\$3,493	\$3,330	5 %	\$9,947	\$9,759	2 %
Cards ⁽¹⁾	4,940	4,834	2 %	14,338	13,793	4 %
Total	\$8,433	\$8,164	3 %	\$24,285	\$23,552	3 %
Income from continuing operations by business						
Retail banking	\$550	\$461	19 %	\$1,309	\$1,231	6 %
Cards ⁽¹⁾	624	789	(21) %	1,997	2,498	(20) %
Total	\$1,174	\$1,250	(6) %	\$3,306	\$3,729	(11) %

Table continues on the next page.

Foreign currency (FX) translation impact						
Total revenue—as reported	\$8,433	\$8,164	3	%	\$24,285	\$23,552
Impact of FX translation ⁽²⁾	—	89	—	(39)		
Total revenues—ex-FX	\$8,433	\$8,253	2	%	\$24,285	\$23,513
Total operating expenses—as reported	\$4,410	\$4,429	—	%	\$13,322	\$13,127
Impact of FX translation ⁽²⁾	—	43	—	(10)		
Total operating expenses—ex-FX	\$4,410	\$4,472	(1)	%	\$13,322	\$13,117
Total provisions for LLR & PBC—as reported	\$2,213	\$1,808	22	%	\$5,790	\$4,718
Impact of FX translation ⁽²⁾	—	20	—	(20)		
Total provisions for LLR & PBC—ex-FX	\$2,213	\$1,828	21	%	\$5,790	\$4,698
Net income—as reported	\$1,172	\$1,247	(6)	%	\$3,299	\$3,723
Impact of FX translation ⁽²⁾	—	17	—	(10)		
Net income—ex-FX	\$1,172	\$1,264	(7)	%	\$3,299	\$3,713

(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 2017 and year-to-date 2017 average exchange rates for all periods presented.

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

NORTH AMERICA GCB

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

As previously announced, the Hilton Honors co-brand credit card partnership with Citi was scheduled to terminate as of year-end 2017. On October 23, 2017, Citi signed an agreement to sell the Hilton credit card portfolio (\$1.2 billion in outstanding loan balances in Citi-branded cards) to American Express. In connection with the sale agreement, the existing partnership was extended through the closing date. The sale is expected to close in the first quarter of 2018 with a pretax gain of approximately \$150 million, which approximates one year of revenues from the portfolio.

As of September 30, 2017, North America GCB's 695 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, 2017, North America GCB had approximately 9.4 million retail banking customer accounts, \$55.7 billion in retail banking loans and \$185.1 billion in deposits. In addition, North America GCB had approximately 120 million Citi-branded and Citi retail services credit card accounts with \$132.2 billion in outstanding card loan balances.

In millions of dollars, except as otherwise noted	Third Quarter			Nine Months		
	2017	2016	% Change	2017	2016	% Change
Net interest revenue	\$4,825	\$4,696	3 %	\$14,075	\$13,425	5 %
Non-interest revenue	369	465	(21)	1,007	1,275	(21)
Total revenues, net of interest expense	\$5,194	\$5,161	1 %	\$15,082	\$14,700	3 %
Total operating expenses	\$2,460	\$2,595	(5)%	\$7,613	\$7,521	1 %
Net credit losses	\$1,239	\$927	34 %	\$3,610	\$2,814	28 %
Credit reserve build (release)	463	408	13 %	716	536	34
Provision for unfunded lending commitments	(3)	—	NM	6	7	(14)
Provisions for benefits and claims	9	8	13 %	23	25	(8)
Provisions for credit losses and for benefits and claims	\$1,708	\$1,343	27 %	\$4,355	\$3,382	29 %
Income from continuing operations before taxes	\$1,026	\$1,223	(16)%	\$3,114	\$3,797	(18)%
Income taxes	371	443	(16)	1,162	1,369	(15)
Income from continuing operations	\$655	\$780	(16)%	\$1,952	\$2,428	(20)%
Noncontrolling interests	—	—	NM	—	(1)	100 %
Net income	\$655	\$780	(16)%	\$1,952	\$2,429	(20)%
Balance Sheet data (in billions of dollars)						
Average assets	\$249	\$239	4 %	\$246	\$223	10 %
Return on average assets	1.04	%1.30	%	1.06	%1.45	%
Efficiency ratio	47	%50	%	50	%51	%
Average deposits	\$184.1	\$183.9	—	\$184.9	\$182.2	1 %
Net credit losses as a percentage of average loans	2.63	%2.07	%	2.62	%2.24	%
Revenue by business						
Retail banking	\$1,363	\$1,356	1 %	\$3,910	\$3,959	(1)%
Citi-branded cards	2,178	2,191	(1)	6,353	5,937	7
Citi retail services	1,653	1,614	2	4,819	4,804	—
Total	\$5,194	\$5,161	1 %	\$15,082	\$14,700	3 %
Income from continuing operations by business						
Retail banking	\$179	\$187	(4)%	\$402	\$448	(10)%

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Citi-branded cards	345	322	7	898	995	(10)
Citi retail services	131	271	(52)	652	985	(34)
Total	\$655	\$780	(16)%	\$1,952	\$2,428	(20)%

NM Not meaningful

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3Q17 vs. 3Q16

Net income decreased 16% due to higher cost of credit, partially offset by lower expenses and higher revenues.

Revenues increased 1%, reflecting higher revenues in Citi retail services and retail banking, partially offset by lower revenues in Citi-branded cards.

Retail banking revenues increased 1%. Excluding mortgage revenues (decline of 39%), retail banking revenues were up 12%, driven by continued growth in average loans (1%), and asset under management (10%), as well as a benefit from higher interest rates. The decline in mortgage revenues was driven by lower origination activity and higher cost of funds, reflecting the higher interest rate environment, as well as the impact of the previously announced sale of a portion of Citi's mortgage servicing rights.

In Citi-branded cards, revenues decreased 1%, as the benefit of growth in full-rate revolving balances in the core portfolios was outpaced by the continued run-off of non-core portfolios as well as the higher cost to fund growth in transactor and promotional balances, given the higher interest rates. Average loans grew 8% and purchase sales grew 10%.

Citi retail services revenues increased 2%, reflecting continued loan growth, partially offset by the continued impact of the previously disclosed renewal and extension of certain partnerships within the portfolio. Average loans grew 5% and purchase sales grew 2%.

Expenses decreased 5%, as higher volume-related expenses and continued investments were more than offset by efficiency savings.

Provisions increased 27% from the prior-year period, driven by higher net credit losses and a higher net loan loss reserve build.

Net credit losses increased 34%, largely driven by higher losses in Citi-branded cards, including the impact of acquiring the Costco portfolio, and Citi retail services. In Citi-branded cards, net credit losses increased 36% to \$611 million, primarily due to the Costco portfolio acquisition, organic volume growth and seasoning. In Citi retail services, net credit losses increased 26% to \$540 million, primarily due to volume growth and seasoning. The higher net credit losses also reflected episodic charge-offs in the commercial portfolio in retail banking, which were offset by related reserve releases.

The net loan loss reserve build in the third quarter of 2017 was \$460 million (compared to a build of \$408 million in the prior-year period), driven by a build of approximately \$500 million related to the cards businesses, partially offset by a reserve release in the commercial portfolio. The loan loss reserve build included approximately \$300 million related to the increase in net flow rates in the later delinquency buckets leading to higher inherent credit loss expectations primarily in Citi retail services, as well as a slight increase in delinquencies for the Citi-branded card portfolio. It also includes approximately \$150 million driven by volume growth and seasoning, as well as approximately \$50 million for the estimated hurricane-related impacts.

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

2017 YTD vs. 2016 YTD

Year-to-date, North America GCB has experienced similar trends to those described above. Net income decreased 20% due to higher cost of credit and higher expenses, partially offset by higher revenues.

Revenues increased 3%, reflecting higher revenues in cards, partially offset by lower revenues in retail banking. Retail banking revenues decreased 1%, driven by lower mortgage revenues, partially offset by the other factors described above. Cards revenues increased 4%. In Citi-branded cards, revenues increased 7%, driven by the impact of the Costco portfolio acquisition, partially offset by the other factors described above. Citi retail services revenues were largely unchanged, as the continued impact of the renewal and extension of certain partnerships, as well as the absence of gains on sales of two cards portfolios in the first quarter of 2016, were offset by the continued loan growth (average loans up 4%).

Expenses increased 1%, primarily driven by the addition of the Costco portfolio, volume-related expenses and continued investments, partially offset by efficiency savings.

Provisions increased 29%, driven by the same factors described above. Net credit losses increased 28% and the net loan loss reserve build of \$722 million increased \$179 million.

LATIN AMERICA GCB

Latin America GCB provides traditional retail banking, including commercial banking, and its Citi-branded card products to retail customers and small- to mid-size businesses in Mexico through Citibanamex, one of Mexico's largest banks.

At September 30, 2017, Latin America GCB had 1,497 retail branches in Mexico, with approximately 27.6 million retail banking customer accounts, \$21.0 billion in retail banking loans and \$28.3 billion in deposits. In addition, the business had approximately 5.7 million Citi-branded card accounts with \$5.6 billion in outstanding loan balances.

In millions of dollars, except as otherwise noted	Third Quarter			Nine Months			% Change
	2017	2016	% Change	2017	2016	% Change	
Net interest revenue	\$985	\$877	12 %	\$2,702	\$2,591	4 %	
Non-interest revenue	385	368	5 %	1,109	1,119	(1)%	
Total revenues, net of interest expense	\$1,370	\$1,245	10 %	\$3,811	\$3,710	3 %	
Total operating expenses	\$768	\$707	9 %	\$2,162	\$2,150	1 %	
Net credit losses	\$295	\$254	16 %	\$825	\$792	4 %	
Credit reserve build (release)	44	32	38 %	106	47	NM	
Provision (release) for unfunded lending commitments	(1)	—	NM	(2)	2	NM	
Provision for benefits and claims	19	18	6 %	57	49	16 %	
Provisions for credit losses and for benefits and claims (LLR & PBC)	\$357	\$304	17 %	\$986	\$890	11 %	
Income from continuing operations before taxes	\$245	\$234	5 %	\$663	\$670	(1)%	
Income taxes	81	74	9 %	233	191	22 %	
Income from continuing operations	\$164	\$160	3 %	\$430	\$479	(10)%	
Noncontrolling interests	1	2	(50)	4	4	—	
Net income	\$163	\$158	3 %	\$426	\$475	(10)%	
Balance Sheet data (in billions of dollars)							
Average assets	\$47	\$49	(4)%	\$45	\$50	(10)%	
Return on average assets	1.38	%1.28	%	1.27	%1.27	%	
Efficiency ratio	56	%57	%	57	%58	%	
Average deposits	\$28.8	\$25.7	12 %	\$27.3	\$25.9	5 %	
Net credit losses as a percentage of average loans	4.37	%4.18	%	4.39	%4.35	%	
Revenue by business							
Retail banking	\$976	\$881	11 %	\$2,735	\$2,590	6 %	
Citi-branded cards	394	364	8 %	1,076	1,120	(4)	
Total	\$1,370	\$1,245	10 %	\$3,811	\$3,710	3 %	
Income from continuing operations by business							
Retail banking	\$125	\$84	49 %	\$298	\$270	10 %	
Citi-branded cards	39	76	(49)	132	209	(37)	
Total	\$164	\$160	3 %	\$430	\$479	(10)%	

FX translation impact

Total revenues—as reported	\$1,370	\$1,245	10 %	\$3,811	\$3,710	3 %
Impact of FX translation ⁽¹⁾	—	71		—	(92)	
Total revenues—ex-FX	\$1,370	\$1,316	4 %	\$3,811	\$3,618	5 %
Total operating expenses—as reported	\$768	\$707	9 %	\$2,162	\$2,150	1 %
Impact of FX translation ⁽¹⁾	—	33		—	(43)	
Total operating expenses—ex-FX	\$768	\$740	4 %	\$2,162	\$2,107	3 %
Provisions for LLR & PBC—as reported	\$357	\$304	17 %	\$986	\$890	11 %
Impact of FX translation ⁽¹⁾	—	18		—	(23)	
Provisions for LLR & PBC—ex-FX	\$357	\$322	11 %	\$986	\$867	14 %
Net income—as reported	\$163	\$158	3 %	\$426	\$475	(10)%
Impact of FX translation ⁽¹⁾	—	13		—	(20)	
Net income—ex-FX	\$163	\$171	(5)%	\$426	\$455	(6)%

(1) Reflects the impact of FX translation into U.S. dollars at the third quarter of 2017 and year-to-date 2017 average exchange rates for all periods presented.

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

NM Not meaningful

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

3Q17 vs. 3Q16

Net income decreased 5%, primarily driven by higher credit costs and expenses, partially offset by higher revenues. Revenues increased 4%, driven by higher revenues in retail banking and cards.

Retail banking revenues increased 5%, reflecting continued growth in volumes, including an increase in average loans (6%), largely driven by the commercial and small business portfolios as well as mortgages, an increase in average deposits (7%) and improved deposit spreads, driven by higher interest rates. While deposits continued to increase during the quarter, Latin America GCB was impacted by lower industry-wide deposit growth due to a slowing of growth in the monetary supply. Cards revenues increased 2%, reflecting continued improvement in full rate revolving loan trends, partially offset by continued higher cost to fund non-revolving loans. Purchase sales grew 5% and average card loans also grew 5%.

Expenses increased 4%, as ongoing investment spending and business growth were partially offset by efficiency savings.

Provisions increased 11%, primarily driven by higher net credit losses (9%) and a higher net loan loss reserve build (\$10 million), largely reflecting volume growth, seasonality and a Mexico earthquake-related loan loss reserve build (approximately \$25 million).

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

2017 YTD vs. 2016 YTD

Year-to-date, Latin America GCB has experienced similar trends to those described above. Net income decreased 6%, driven by the same factors described above.

Revenues increased 5%, primarily due to higher revenues in retail banking, partially offset by lower revenues in cards. Retail banking revenues increased 8%, driven by the same factors described above as well as the impact of business

divestitures. Cards revenues decreased 1%, driven by the continued higher cost to fund non-revolving loans, partially offset by the continued improvement in full rate revolving loans.
Expenses increased 3%, as ongoing investment spending was partially offset by efficiency savings.
Provisions increased 14%, largely driven by the same factors described above.

ASIA GCB

Asia GCB provides traditional retail banking, including commercial banking, and its Citi-branded card products to retail customers and small- to mid-size businesses, as applicable. During the third quarter of 2017, Citi's most significant revenues in the region were from Singapore, Hong Kong, Korea, Australia, India, Taiwan, Indonesia, Thailand, Philippines and Malaysia. Included within Asia GCB, traditional retail banking and Citi-branded card products are also provided to retail customers in certain EMEA countries, primarily in Poland, Russia and the United Arab Emirates.

At September 30, 2017, on a combined basis, the businesses had 282 retail branches, approximately 16.2 million retail banking customer accounts, \$67.5 billion in retail banking loans and \$96.6 billion in deposits. In addition, the businesses had approximately 16.6 million Citi-branded card accounts with \$18.8 billion in outstanding loan balances.

In millions of dollars, except as otherwise noted ⁽¹⁾	Third Quarter			Nine Months			% Change
	2017	2016	% Change	2017	2016	% Change	
Net interest revenue	\$1,200	\$1,136	6 %	\$3,454	\$3,353	3 %	
Non-interest revenue	669	622	8	1,938	1,789	8	
Total revenues, net of interest expense	\$1,869	\$1,758	6 %	\$5,392	\$5,142	5 %	
Total operating expenses	\$1,182	\$1,127	5 %	\$3,547	\$3,456	3 %	
Net credit losses	\$170	\$168	1 %	\$487	\$488	— %	
Credit reserve build (release)	(21)	(4)	NM	(34)	(39)	13	
Provision (release) for unfunded lending commitments	(1)	(3)	67	(4)	(3)	(33)	
Provisions for credit losses	\$148	\$161	(8)%	\$449	\$446	1 %	
Income from continuing operations before taxes	\$539	\$470	15 %	\$1,396	\$1,240	13 %	
Income taxes	184	160	15	472	418	13	
Income from continuing operations	\$355	\$310	15 %	\$924	\$822	12 %	
Noncontrolling interests	1	1	—	3	3	—	
Net income	\$354	\$309	15 %	\$921	\$819	12 %	
Balance Sheet data (in billions of dollars)							
Average assets	\$125	\$121	3 %	\$124	\$119	4 %	
Return on average assets	1.12	%1.02	%	0.99	%0.92	%	
Efficiency ratio	63	%64	%	66	%67	%	
Average deposits	\$95.2	\$91.6	4	\$94.1	\$89.4	5	
Net credit losses as a percentage of average loans	0.78	%0.78	%	0.77	%0.77	%	
Revenue by business							
Retail banking	\$1,154	\$1,093	6 %	\$3,302	\$3,210	3 %	
Citi-branded cards	715	665	8	2,090	1,932	8	
Total	\$1,869	\$1,758	6 %	\$5,392	\$5,142	5 %	
Income from continuing operations by business							
Retail banking	\$246	\$190	29 %	\$609	\$513	19 %	
Citi-branded cards	109	120	(9)	315	309	2	
Total	\$355	\$310	15 %	\$924	\$822	12 %	

FX translation impact

Total revenues—as reported	\$1,869	\$1,758	6 %	\$5,392	\$5,142	5 %
Impact of FX translation ⁽²⁾	—	18		—	53	
Total revenues—ex-FX	\$1,869	\$1,776	5 %	\$5,392	\$5,195	4 %
Total operating expenses—as reported	\$1,182	\$1,127	5 %	\$3,547	\$3,456	3 %
Impact of FX translation ⁽²⁾	—	10		—	33	
Total operating expenses—ex-FX	\$1,182	\$1,137	4 %	\$3,547	\$3,489	2 %
Provisions for loan losses—as reported	\$148	\$161	(8) %	\$449	\$446	1 %
Impact of FX translation ⁽²⁾	—	2		—	3	
Provisions for loan losses—ex-FX	\$148	\$163	(9) %	\$449	\$449	— %
Net income—as reported	\$354	\$309	15 %	\$921	\$819	12 %
Impact of FX translation ⁽²⁾	—	4		—	10	
Net income—ex-FX	\$354	\$313	13 %	\$921	\$829	11 %

(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 2017 and year-to-date 2017 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.

3Q17 vs. 3Q16

Net income increased 13%, reflecting higher revenues and lower cost of credit, partially offset by higher expenses. Revenues increased 5%, driven by improvement in wealth management and cards revenues, partially offset by continued lower retail lending revenues.

Retail banking revenues increased 4%, primarily due to the continued improvement in wealth management revenues, partially offset by the repositioning of the retail loan portfolio. Wealth management revenues increased due to improvement in investor sentiment, stronger equity markets and increases in assets under management (14%) and investment sales (36%). Average deposits increased 3%. These increases were partially offset by the lower retail lending revenues (down 4%), reflecting continued lower average loans (1%) due to the continued optimization of this portfolio away from lower-yielding mortgage loans to focus on growing higher-return personal loans.

Cards revenues increased 6%, reflecting 6% growth in average loans and 7% growth in purchase sales, both of which benefited from the previously disclosed portfolio acquisition in Australia in the first quarter of 2017.

Expenses increased 4%, resulting from volume growth and ongoing investment spending, partially offset by efficiency savings.

Provisions decreased 9%, primarily driven by an increase in net loan loss reserve releases. Overall credit quality continued to remain stable in the region.

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

2017 YTD vs. 2016 YTD

Year-to-date, Asia GCB has experienced similar trends to

those described above. Net income increased 11% due to higher revenues, partially offset by higher expenses. Revenues increased 4%, primarily due to an increase in cards revenues and wealth management revenues, partially offset by lower retail lending revenues. Retail banking revenues increased 2%, driven by the same factors described above. Cards revenues increased 7%, driven by the same factors described above as well as a previously disclosed modest gain in the second quarter of 2017 related to the sale of merchant acquiring businesses in certain countries. Expenses increased 2%, driven by the same factors described above. Provisions were largely unchanged, as lower net credit losses were offset by lower net credit reserve releases, primarily due to a net loan loss reserve build in the first quarter of 2017 related to the card portfolio acquisition in Australia.

INSTITUTIONAL CLIENTS GROUP

Institutional Clients Group (ICG) includes Banking and Markets and securities services (for additional information on these businesses, see “Citigroup Segments” above). ICG provides corporate, institutional, public sector and high-net-worth clients around the world with a full range of wholesale banking products and services, including fixed income and equity sales and trading, foreign exchange, prime brokerage, derivative services, equity and fixed income research, corporate lending, investment banking and advisory services, private banking, cash management, trade finance and securities services. ICG transacts with clients in both cash instruments and derivatives, including fixed income, foreign currency, equity and commodity products.

ICG revenue is generated primarily from fees and spreads associated with these activities. ICG earns fee income for assisting clients 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. Revenue is also generated from transaction processing and assets under custody and administration. Revenue generated from these activities is primarily recorded in Administration and other fiduciary fees. In addition, as a market maker, ICG facilitates transactions, including holding product inventory to meet client demand, and earns the differential between the price at which it buys and sells the products. These price differentials and the unrealized gains and losses on the inventory are recorded in Principal transactions (for additional information on Principal transactions revenue, see Note 6 to the Consolidated Financial Statements). Other primarily includes mark-to-market gains and losses on certain credit derivatives, gains and losses on available-for-sale (AFS) securities and other non-recurring gains and losses. Interest income earned on assets held less interest paid to customers on deposits and long- and short-term debt is recorded as Net interest revenue.

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

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

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

ICG’s international presence is supported by trading floors in approximately 80 countries and a proprietary network in 98 countries and jurisdictions. At September 30, 2017, ICG had approximately \$1.4 trillion of assets and \$640 billion of deposits, while two of its businesses—securities services and issuer services—managed approximately \$17.1 trillion of assets under custody compared to \$15.4 trillion at the end of the prior-year period.

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In millions of dollars, except as otherwise noted	Third Quarter			Nine Months			% Change
	2017	2016	% Change	2017	2016	% Change	
Commissions and fees	\$1,036	\$929	12 %	\$3,041	\$2,889	5 %	
Administration and other fiduciary fees	710	610	16	2,073	1,845	12	
Investment banking	1,099	917	20	3,323	2,686	24	
Principal transactions	1,757	2,064	(15)	6,504	5,552	17	
Other ⁽¹⁾	704	(125)	NM	939	(86)	NM	
Total non-interest revenue	\$5,306	\$4,395	21 %	\$15,880	\$12,886	23 %	
Net interest revenue (including dividends)	3,925	4,064	(3)	11,690	12,157	(4)	
Total revenues, net of interest expense	\$9,231	\$8,459	9 %	\$27,570	\$25,043	10 %	
Total operating expenses	\$4,939	\$4,687	5 %	\$14,903	\$14,322	4 %	
Net credit losses	\$44	\$45	(2)%	\$140	\$397	(65)%	
Credit reserve build (release)	(38)	(93)	59	(229)	(11)	NM	
Provision (release) for unfunded lending commitments	(170)	(42)	NM	(193)	(4)	NM	
Provisions for credit losses	\$(164)	\$(90)	(82)%	\$(282)	\$382	NM	
Income from continuing operations before taxes	\$4,456	\$3,862	15 %	\$12,949	\$10,339	25 %	
Income taxes	1,394	1,202	16	4,096	3,195	28	
Income from continuing operations	\$3,062	\$2,660	15 %	\$8,853	\$7,144	24 %	
Noncontrolling interests	14	19	(26)	47	46	2	
Net income	\$3,048	\$2,641	15 %	\$8,806	\$7,098	24 %	
EOP assets (in billions of dollars)	\$1,370	\$1,303	5 %				
Average assets (in billions of dollars)	1,369	1,310	5	\$1,349	\$1,294	4 %	
Return on average assets	0.88	%0.80	%	0.87	%0.73	%	
Efficiency ratio	54	55		54	57		
Revenues by region							
North America	\$3,638	\$3,191	14 %	\$10,661	\$9,564	11 %	
EMEA	2,655	2,506	6	8,299	7,250	14	
Latin America	1,059	999	6	3,228	2,983	8	
Asia	1,879	1,763	7	5,382	5,246	3	
Total	\$9,231	\$8,459	9 %	\$27,570	\$25,043	10 %	
Income from continuing operations by region							
North America	\$1,322	\$1,067	24 %	\$3,534	\$2,618	35 %	
EMEA	746	649	15	2,380	1,718	39	
Latin America	380	389	(2)	1,188	1,111	7	
Asia	614	555	11	1,751	1,697	3	
Total	\$3,062	\$2,660	15 %	\$8,853	\$7,144	24 %	
Average loans by region (in billions of dollars)							
North America	\$152	\$145	5 %	\$149	\$142	5 %	
EMEA	71	68	4	68	66	3	
Latin America	34	36	(6)	34	36	(6)	
Asia	64	58	10	61	58	5	
Total	\$321	\$307	5 %	\$312	\$302	3 %	
EOP deposits by business (in billions of dollars)							
Treasury and trade solutions	\$428	\$417	3 %				
All other ICG businesses	212	202	5				
Total	\$640	\$619	3 %				

(1) Third quarter of 2017 includes the \$580 million gain on the sale of a fixed income analytics business. First quarter of 2016 includes a 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

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

In millions of dollars	Third Quarter			Nine Months		
	2017	2016	% Change	2017	2016	% Change
Investment banking revenue details						
Advisory	\$237	\$239	(1)%	\$797	\$704	13 %
Equity underwriting	290	146	99	820	438	87
Debt underwriting	704	698	1	2,314	2,029	14
Total investment banking	\$1,231	\$1,083	14 %	\$3,931	\$3,171	24 %
Treasury and trade solutions	2,144	1,986	8	6,284	5,888	7
Corporate lending—excluding gains/(losses) on loan hedges ⁽¹⁾	502	439	14	1,413	1,270	11
Private bank	785	680	15	2,317	2,038	14
Total banking revenues (ex-gains/(losses) on loan hedges)	\$4,662	\$4,188	11 %	\$13,945	\$12,367	13 %
Corporate lending—gains/(losses) on loan hedges ⁽¹⁾	\$(48)	\$(218)	78 %	\$(154)	\$(487)	68 %
Total banking revenues (including gains/(losses) on loan hedges)	\$4,614	\$3,970	16 %	\$13,791	\$11,880	16 %
Fixed income markets						
Equity markets	\$2,877	\$3,413	(16)%	\$9,714	\$9,896	(2)%
Securities services	599	533	12	1,726	1,623	6
Other ⁽²⁾	384	(111)	NM	122	(483)	NM
Total markets and securities services revenues	\$4,617	\$4,489	3 %	\$13,779	\$13,163	5 %
Total revenues, net of interest expense						
Commissions and fees	\$167	\$115	45 %	\$461	\$352	31 %
Principal transactions ⁽³⁾	1,546	1,825	(15)	5,754	4,934	17
Other	129	171	(25)	459	600	(24)
Total non-interest revenue	\$1,842	\$2,111	(13)%	\$6,674	\$5,886	13 %
Net interest revenue	1,035	1,302	(21)	3,040	4,010	(24)
Total fixed income markets	\$2,877	\$3,413	(16)%	\$9,714	\$9,896	(2)%
Rates and currencies	\$2,161	\$2,362	(9)%	\$6,891	\$7,059	(2)%
Spread products / other fixed income	716	1,051	(32)	2,823	2,837	—
Total fixed income markets	\$2,877	\$3,413	(16)%	\$9,714	\$9,896	(2)%
Commissions and fees	\$301	\$302	— %	\$930	\$978	(5)%
Principal transactions ⁽³⁾	190	45	NM	331	48	NM
Other	(5)	4	NM	(4)	133	NM
Total non-interest revenue	\$486	\$351	38 %	\$1,257	\$1,159	8 %
Net interest revenue	271	303	(11)	960	968	(1)
Total equity markets	\$757	\$654	16 %	\$2,217	\$2,127	4 %

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

Third quarter of 2017 includes the \$580 million gain on the sale of a fixed income analytics business. First quarter (2) of 2016 includes the 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.

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

NM Not meaningful

3Q17 vs. 3Q16

Net income increased 15%, driven by higher revenues, including the \$580 million gain on the sale of a fixed income analytics business, and a higher benefit from cost of credit, partially offset by higher operating expenses.

Revenues increased 9%, reflecting higher revenues in Banking (increase of 16%; increase of 11% excluding losses on loan hedges) and higher revenues in Markets and securities services (increase of 3%), including the gain on sale (decrease of 10% excluding the gain on sale). Banking revenues were driven by continued strong momentum and performance across all businesses. Citi expects revenues in ICG will likely continue to reflect the overall market environment, including a normal seasonal decline in the markets businesses in the fourth quarter of 2017.

Within Banking:

Investment banking revenues increased 14%, driven by continued wallet share gains across products, partially offset by a decline in overall market wallet from the prior-year period. Advisory revenues declined 1%, largely reflecting the decline in overall market wallet. Equity underwriting revenues increased 99%, reflecting significant wallet share gains and particular strength in North America and EMEA. Debt underwriting revenues increased 1%, reflecting the wallet share gains, partially offset by the decline in overall market wallet.

Treasury and trade solutions revenues increased 8%. Excluding the impact of FX translation, revenues increased 7%, primarily reflecting strength in EMEA and Asia. The increase in revenues reflects continued growth in loans and deposits along with improvements in deposit spreads, as well as fee growth driven by higher payment, clearing and commercial card volumes and episodic fees in trade. End-of-period deposit balances increased 3% (2% excluding the impact of FX translation). Average trade loans increased 4%, driven by strong loan growth in Asia and EMEA.

Corporate lending revenues increased \$233 million to \$454 million. Excluding the impact of losses on loan hedges, revenues increased 14%. The increase in revenues was driven by lower hedging costs and improved loan sale activity. Average loans declined 1%.

Private bank revenues increased 15%, reflecting strength across all products, largely driven by North America and Asia. The increase in revenues was due to growth in clients, higher loan and deposit volumes, higher deposit spreads, higher managed investments revenues and increased capital markets activity.

Within Markets and securities services:

Fixed income markets revenues decreased 16%, driven by North America and EMEA, primarily due to lower client activity in the current quarter and the strong trading environment in the prior-year period. The decline in revenues was driven by lower net interest revenue (down 21%), largely due to a change in the mix of trading positions in support of client activity and lower principal transactions revenues (down 15%) reflecting the lower client activity and the prior-year strength in the trading environment. Rates and currencies revenues decreased 9%, driven by lower G10 rates and currencies revenues due to the low volatility in the current quarter and the comparison to higher revenues in the prior-year period following the vote in the U.K. in favor of its withdrawal from the European Union. Local markets rates and currencies revenues increased modestly, reflecting continued corporate client engagement across the global network. Spread products and other fixed income revenues decreased 32%, primarily driven by the prior-year strength in the trading environment in securitized markets in North America, as well as lower credit products and municipals revenues.

Equity markets revenues increased 16%, driven mainly by client-led growth, reflecting strength across regions. The increase in revenues was primarily due to higher equity derivatives revenues due to higher client activity and a more favorable trading environment compared to the prior-year period. The increase was also driven by continued momentum in cash equities and higher balances in prime finance. Principal transactions revenues increased, reflecting the client-led growth.

Securities services revenues increased 12%, reflecting particular strength in Asia and EMEA. The increase in revenues was driven by growth in fee revenues due to continued growth in assets under custody and increased client

volumes, as well as growth in net interest revenue driven by higher interest rates.

Expenses increased 5% as investments, volume-related expenses and higher legal and related expenses were partially offset by efficiency savings.

Provisions decreased 82%, driven by a net loan loss reserve release of \$208 million (compared to a \$135 million release in the prior-year period, largely related to energy and energy-related exposures). The primary driver of the current quarter's release was an improvement in the provision for unfunded lending commitments in the corporate loan portfolio.

2017 YTD vs. 2016 YTD

Net income increased 24%, primarily driven by higher revenues and lower credit costs, partially offset by higher expenses.

Revenues increased 10%, reflecting higher revenues in Banking (increase of 16%; increase of 13% excluding the impact of losses on loan hedges) and higher revenues in Markets and securities services (increase of 5%), including the gain on sale (unchanged excluding the gain on sale).

Within Banking:

Investment banking revenues increased 24%, largely reflecting gains in wallet share across products as well as an improvement from the industry-wide slowdown in activity levels during the first half of 2016, particularly in equity underwriting. Advisory revenues increased 13%, reflecting the wallet share gains. Equity underwriting revenues increased 87%, driven by significant wallet share gains as well as the increase in overall market activity. Debt underwriting revenues increased 14%, primarily driven by the wallet share gains.

Treasury and trade solutions revenues increased 7%, primarily driven by continued growth in deposit and loan volumes, higher spreads and strong fee growth across most cash products, as well as a modest improvement in trade revenues.

Corporate lending revenues increased 61%. Excluding the impact of losses on loan hedges, revenues increased 11%, driven by lower hedging costs in the current period, improved loan sale activity and the prior-period adjustment to the residual value of a lease financing.

Private bank revenues increased 14%, reflecting strength across all regions, primarily driven by increased loan and deposit growth, higher deposit spreads and higher

managed investments revenues.

Within Markets and securities services:

Fixed income markets revenues decreased 2%, due to lower revenues in North America, Latin America, and Asia, partially offset by growth in EMEA. Rates and currencies revenues decreased 2% due to lower G10 rates and currencies revenues reflecting low volatility this year and the comparison to Brexit-led activity in the prior-year period. Spread products and other fixed income revenues remained unchanged. Net interest revenue was lower (down 24%), largely due to a change in the mix of trading positions in support of client activity, partially offset by higher principal transactions revenues (up 17%).

Equity markets revenues increased 4%, as continued growth in client balances and higher client activity, particularly in EMEA and Asia, were partially offset by the absence of episodic activity in North America in the prior-year period. Equity derivatives revenues increased, driven by stronger trading performance compared to the prior-year period as well as higher investor client activity, partially offset by a modest decline in prime finance revenues due to spread mix. Cash equities revenues were modestly higher, driven by higher client activity in Asia, partially offset by lower activity in North America.

Securities services revenues increased 6%. Excluding the impact of prior year divestitures, revenues increased 11%, largely due to higher revenues in North America, Latin America and EMEA, driven by the same factors described above.

Expenses increased 4% from the prior-year period, driven by the same factors described above, partially offset by lower repositioning costs.

Provisions decreased \$664 million, primarily reflecting a decline in net credit losses from \$397 million in the prior-year period to \$140 million and a net loan loss reserve release of \$422 million (\$15 million release in the period-year period). This lower cost of credit was driven largely by improvement in the energy sector, as well as the release related to the improvement in the provision for unfunded lending commitments.

CORPORATE/OTHER

Corporate/Other includes certain unallocated costs of global staff functions (including finance, risk, human resources, legal and compliance), other corporate expenses and unallocated global operations and technology expenses, Corporate Treasury, certain North America and international legacy consumer loan portfolios, other legacy assets and discontinued operations (for additional information on Corporate/Other, see “Citigroup Segments” above). At September 30, 2017, Corporate/Other had \$100 billion in assets, a decrease of 4% year-over-year and 3% from December 31, 2016.

In millions of dollars	Third Quarter			Nine Months		
	2017	2016	% Change	2017	2016	% Change
Net interest revenue	\$507	\$706	(28)%	\$1,543	\$2,416	(36)%
Non-interest revenue	2	431	(100)	796	1,852	(57)
Total revenues, net of interest expense	\$509	\$1,137	(55)%	\$2,339	\$4,268	(45)%
Total operating expenses	\$822	\$1,288	(36)%	\$2,929	\$3,847	(24)%
Net credit losses	\$29	\$131	(78)%	\$134	\$374	(64)%
Credit reserve build (release)	(79)	(122)	35	(268)	(376)	29
Provision (release) for unfunded lending commitments	—	—	—	3	(6)	NM
Provision for benefits and claims	—	9	(100)	1	98	(99)
Provisions for credit losses and for benefits and claims	\$(50)	\$18	NM	\$(130)	\$90	NM
Income (loss) from continuing operations before taxes	\$(263)	\$(169)	(56)%	\$(460)	\$331	NM
Income taxes (benefits)	(164)	(146)	(12)%	(439)	(238)	(84)%
Income (loss) from continuing operations	\$(99)	\$(23)	NM	\$(21)	\$569	NM
Income (loss) from discontinued operations, net of taxes	(5)	(30)	83 %	(2)	(55)	96 %
Net income (loss) before attribution of noncontrolling interests	\$(104)	\$(53)	(96)%	\$(23)	\$514	NM
Noncontrolling interests	(17)	(5)	NM	(13)	(4)	NM
Net income (loss)	\$(87)	\$(48)	(81)%	\$(10)	\$518	NM

3Q17 vs. 3Q16

The net loss was \$87 million, compared to a net loss of \$48 million in the prior-year period, due to lower revenues, partially offset by lower expenses and lower cost of credit.

Revenues decreased 55%, driven by continued legacy asset run-off, divestitures and lower revenue from treasury hedging activities.

Expenses decreased 36%, primarily driven by the wind-down of legacy assets and lower legal expenses.

Provisions decreased \$68 million to a net benefit of \$50 million, primarily due to lower net credit losses, partially offset by a lower net loan loss reserve release. Net credit losses declined 78% to \$29 million, primarily reflecting the impact of ongoing divestiture activity. The net reserve release declined 35%, mostly reflecting the continued wind-down of the North America mortgage portfolio, partially offset by a hurricane-related loan loss reserve build (of approximately \$20 million).

2017 YTD vs. 2016 YTD

Year-to-date, Corporate/Other has experienced similar trends to those described above. The net loss was \$10 million, compared to net income of \$518 million in the prior-year period, reflecting lower revenues, partially offset by lower

expenses and lower cost of credit.

Revenues decreased 45%, primarily driven by the same factors described above as well as the absence of gains related to debt buybacks in 2016. Revenues included approximately \$750 million in gains on asset sales in the first quarter of 2017, which more than offset a roughly \$300 million charge related to the exit of Citi's U.S. mortgage servicing operations in the quarter.

Expenses decreased 24%, driven by the same factors described above, partially offset by approximately \$100 million in episodic expenses primarily related to the exit of the U.S. mortgage servicing operations.

Provisions decreased \$220 million, driven by the same factors described above. Net credit losses declined 64% to \$134 million, reflecting the impact of ongoing divestiture activity as well as continued wind-down in the legacy North America mortgage portfolio. The provision for benefits and claims declined \$97 million, reflecting continued legacy divestitures. The net reserve release declined 31%, driven by the same factors described above.

OFF-BALANCE SHEET ARRANGEMENTS

The table below shows the location of a discussion of Citi's various off-balance sheet arrangements in this Form 10-Q. For additional information on Citi's off-balance sheet arrangements, see "Off-Balance Sheet Arrangements" and Notes 1, 21 and 26 to the Consolidated Financial Statements in Citigroup's 2016 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.
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Letters of credit, and lending and other commitments	See Note 22 to the Consolidated Financial Statements.
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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 U.S. corporate tax laws and the impact of future events on Citi's business results, such as changes in interest and foreign exchange rates, as well as business and asset dispositions.

During the third quarter of 2017, Citi returned a total of approximately \$6.4 billion of capital to common shareholders in the form of share repurchases (approximately 81 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 2016 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 Citigroup has effective capital planning processes as well as sufficient regulatory capital to absorb losses during stressful economic and financial conditions, while also meeting obligations to creditors and counterparties and continuing to serve as a credit intermediary. This annual assessment includes two related programs: the Comprehensive Capital Analysis and Review (CCAR) and Dodd-Frank Act Stress Testing (DFAST). For additional information regarding 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—Strategic Risks" in Citigroup's 2016 Annual Report on Form 10-K.

Current Regulatory Capital Standards

Citi is subject to regulatory capital standards issued by the Federal Reserve Board which constitute the U.S. Basel III rules. These rules establish an integrated capital adequacy framework, encompassing both risk-based capital ratios and leverage ratios. For additional information regarding the risk-based capital ratios, Tier 1 Leverage ratio and Supplementary Leverage ratio, see "Capital Resources—Current Regulatory Capital Standards" in Citigroup's 2016 Annual Report on Form 10-K.

GSIB Surcharge

The Federal Reserve Board also adopted a rule that 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% to 4.5% of total risk-weighted assets. Citi's initial GSIB surcharge effective January 1, 2016 was 3.5%. However, ongoing efforts in addressing quantitative measures of 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 2016 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 2016 Annual Report on Form 10-K.

Citigroup's Capital Resources Under Current Regulatory Standards

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 2017, inclusive of the 50% phase-in of both the 2.5% Capital Conservation Buffer and the 3% GSIB surcharge (all of which is to be composed of Common Equity Tier 1 Capital), are 7.25%, 8.75% and 10.75%, 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 the 3.5% GSIB surcharge (all of which is to be composed of Common Equity Tier 1 Capital), were 6%, 7.5% and 9.5%, respectively.

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

The following tables set forth the capital tiers, total risk-weighted assets and underlying risk components, 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, 2017 and December 31, 2016.

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

In millions of dollars, except ratios	September 30, 2017		December 31, 2016		
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach	
Common Equity Tier 1 Capital	\$162,008	\$162,008	\$167,378	\$167,378	
Tier 1 Capital	177,304	177,304	178,387	178,387	
Total Capital (Tier 1 Capital + Tier 2 Capital)	202,643	214,787	202,146	214,938	
Total Risk-Weighted Assets	1,143,448	1,158,679	1,166,764	1,126,314	
Credit Risk ⁽¹⁾	\$756,529	\$1,093,468	\$773,483	\$1,061,786	
Market Risk	64,368	65,211	64,006	64,528	
Operational Risk	322,551	—	329,275	—	
Common Equity Tier 1 Capital ratio ⁽²⁾	14.17	% 13.98	% 14.35	% 14.86	%
Tier 1 Capital ratio ⁽²⁾	15.51	15.30	15.29	15.84	
Total Capital ratio ⁽²⁾	17.72	18.54	17.33	19.08	
In millions of dollars, except ratios	September 30, 2017		December 31, 2016		
Quarterly Adjusted Average Total Assets ⁽³⁾	\$1,838,307	\$1,768,415			
Total Leverage Exposure ⁽⁴⁾	2,433,814	2,351,883			
Tier 1 Leverage ratio	9.64	% 10.09	%		
Supplementary Leverage ratio	7.29	7.58			

Under the U.S. Basel III rules, credit risk-weighted assets during the transition period reflect the effects of (1) transition 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.

As of September 30, 2017, Citi's reportable Common Equity Tier 1 Capital and Tier 1 Capital ratios were the lower derived under the Basel III Standardized Approach, whereas the reportable Total Capital ratio was the lower (2) derived under the Basel III Advanced Approaches framework. As of December 31, 2016, 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 risk-based capital ratios at September 30, 2017 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, 2017.

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

In millions of dollars	September 30, 2017	December 31, 2016
Common Equity Tier 1 Capital		
Citigroup common stockholders' equity ⁽¹⁾	\$ 208,565	\$206,051
Add: Qualifying noncontrolling interests	209	259
Regulatory Capital Adjustments and Deductions:		
Less: Net unrealized losses on securities available-for-sale (AFS), net of tax ⁽²⁾⁽³⁾	(34	) (320)
Less: Defined benefit plans liability adjustment, net of tax ⁽³⁾	(1,068	) (2,066)
Less: Accumulated net unrealized losses on cash flow hedges, net of tax ⁽⁴⁾	(437	) (560)
Less: Cumulative unrealized net loss related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax ⁽³⁾⁽⁵⁾	(333	) (37)
Less: Intangible assets:		
Goodwill, net of related deferred tax liabilities (DTLs) ⁽⁶⁾	21,532	20,858
Identifiable intangible assets other than mortgage servicing rights (MSRs), net of related DTLs ⁽³⁾	3,528	2,926
Less: Defined benefit pension plan net assets ⁽³⁾	576	514
Less: Deferred tax assets (DTAs) arising from net operating loss, foreign tax credit and general business credit carry-forwards ⁽³⁾⁽⁷⁾	16,054	12,802
Less: Excess over 10%/15% limitations for other DTAs, certain common stock investments, and MSRs ⁽³⁾⁽⁷⁾⁽⁸⁾	6,948	4,815
Total Common Equity Tier 1 Capital (Standardized Approach and Advanced Approaches)	\$ 162,008	\$167,378
Additional Tier 1 Capital		
Qualifying noncumulative perpetual preferred stock ⁽¹⁾	\$ 19,069	\$19,069
Qualifying trust preferred securities ⁽⁹⁾	1,374	1,371
Qualifying noncontrolling interests	118	17
Regulatory Capital Adjustment and Deductions:		
Less: Cumulative unrealized net loss related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax ⁽³⁾⁽⁵⁾	(83	) (24)
Less: Defined benefit pension plan net assets ⁽³⁾	144	343
Less: DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards ⁽³⁾⁽⁷⁾	4,014	8,535
Less: Permitted ownership interests in covered funds ⁽¹⁰⁾	1,128	533
Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries ⁽¹¹⁾	62	61
Total Additional Tier 1 Capital (Standardized Approach and Advanced Approaches)	\$ 15,296	\$11,009
Total Tier 1 Capital (Common Equity Tier 1 Capital + Additional Tier 1 Capital) (Standardized Approach and Advanced Approaches)	\$ 177,304	\$178,387
Tier 2 Capital		
Qualifying subordinated debt	\$ 23,578	\$22,818
Qualifying trust preferred securities ⁽¹²⁾	329	317
Qualifying noncontrolling interests	39	22
Eligible allowance for credit losses ⁽¹³⁾	13,598	13,452
Regulatory Capital Adjustment and Deduction:		
Add: Unrealized gains on AFS equity exposures includable in Tier 2 Capital	1	3
Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries ⁽¹¹⁾	62	61
Total Tier 2 Capital (Standardized Approach)	\$ 37,483	\$36,551
Total Capital (Tier 1 Capital + Tier 2 Capital) (Standardized Approach)	\$ 214,787	\$214,938
Adjustment for excess of eligible credit reserves over expected credit losses ⁽¹³⁾	\$ (12,144	) \$(12,792)
Total Tier 2 Capital (Advanced Approaches)	\$ 25,339	\$23,759

Total Capital (Tier 1 Capital + Tier 2 Capital) (Advanced Approaches)	\$ 202,643	\$202,146
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Footnotes are presented on the following page.

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(1) Issuance costs of \$184 million related to noncumulative perpetual preferred stock outstanding at September 30, 2017 and December 31, 2016 are excluded from common stockholders' equity and netted against such preferred stock in accordance with Federal Reserve Board regulatory reporting requirements, which differ from those under U.S. generally accepted accounting principles (GAAP).

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

(3) The transition arrangements for significant regulatory capital adjustments and deductions impacting Common Equity Tier 1 Capital and 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 2016 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 Accumulated other comprehensive income (loss) (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 and Additional Tier 1 Capital, in accordance with the U.S. Basel III rules.

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

(7) Of Citi's approximately \$45.5 billion of net DTAs at September 30, 2017, approximately \$19.9 billion were includable in regulatory capital pursuant to the U.S. Basel III rules, while approximately \$25.6 billion were excluded. Excluded from Citi's regulatory capital at September 30, 2017 was in total approximately \$27.0 billion of net DTAs arising from both net operating loss, foreign tax credit and general business credit carry-forwards as well as temporary differences, of which approximately \$23.0 billion were deducted from Common Equity Tier 1 Capital and approximately \$4.0 billion were deducted from Additional Tier 1 Capital, which was reduced by approximately \$1.4 billion of net DTLs primarily associated with goodwill and certain other intangible assets.

Separately, under the U.S. Basel III rules, goodwill and these other intangible assets are deducted net of associated DTLs in arriving at Common Equity Tier 1 Capital. DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards are required to be deducted from both Common Equity Tier 1 Capital and Additional Tier 1 Capital under the transition arrangements of the U.S. Basel III rules; whereas DTAs arising from temporary differences are deducted solely from Common Equity Tier 1 Capital under these rules, if in excess of 10%/15% limitations.

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, 2017 and December 31, 2016, this deduction related only to DTAs arising from temporary differences that exceeded the 10% limitation.

(8) Accordingly, approximately \$6.9 billion of DTAs arising from temporary differences were excluded from Citi's Common Equity Tier 1 Capital at September 30, 2017. Changes to the U.S. corporate tax regime that impact the value of Citi's DTAs arising from temporary differences, which exceed the then current amount deducted from Citi's Common Equity Tier 1 Capital, would further reduce Citi's regulatory capital to the extent of such excess after tax. For additional information regarding potential U.S. corporate tax reform, see "Risk Factors—Strategic Risks" in Citigroup's 2016 Annual Report on Form 10-K.

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

(10) 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.

(11)

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

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.

- (12) Non-grandfathered trust preferred securities are eligible for inclusion in Tier 2 Capital in an amount up to 50% and 60% during 2017 and 2016, respectively, of the aggregate outstanding principal amounts of such issuances as of January 1, 2014, in accordance with the transition arrangements for non-qualifying capital instruments under the U.S. Basel III rules.

- (13) Under the Standardized Approach, the allowance for credit losses is eligible for inclusion in Tier 2 Capital up to 1.25% of credit risk-weighted assets, with any excess allowance for credit losses being deducted in arriving at credit risk-weighted assets, which differs from the Advanced Approaches framework, in which eligible credit reserves that exceed expected credit losses are eligible for inclusion in Tier 2 Capital to the extent the excess reserves do not exceed 0.6% of credit risk-weighted assets. The total amount of eligible credit reserves in excess of expected credit losses that were eligible for inclusion in Tier 2 Capital, subject to limitation, under the Advanced Approaches framework was \$1.5 billion and \$0.7 billion at September 30, 2017 and December 31, 2016, respectively.

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

In millions of dollars	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2017
Common Equity Tier 1 Capital, beginning of period	\$ 163,786	\$ 167,378
Net income	4,133	12,095
Common and preferred stock dividends declared	(1,137)	(2,648)
Net increase in treasury stock	(5,487)	(9,186)
Net change in common stock and additional paid-in capital	98	(147)
Net decrease in foreign currency translation adjustment net of hedges, net of tax	218	2,179
Net change in unrealized losses on securities AFS, net of tax	(52)	)345
Net increase in defined benefit plans liability adjustment, net of tax	(23)	(1,174)
Net change in adjustment related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax	(23)	)29
Net change in goodwill, net of related DTLs	57	(674)
Net change in identifiable intangible assets other than MSRs, net of related DTLs	142	(602)
Net change in defined benefit pension plan net assets	61	(62)
Net change in DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards	612	(3,252)
Net increase in excess over 10%/15% limitations for other DTAs, certain common stock investments and MSRs	(374)	(2,133)
Other	(3)	(140)
Net decrease in Common Equity Tier 1 Capital	\$(1,778)	\$(5,370)
Common Equity Tier 1 Capital, end of period (Standardized Approach and Advanced Approaches)	\$ 162,008	\$ 162,008
Additional Tier 1 Capital, beginning of period	\$ 15,758	\$ 11,009
Net increase in qualifying trust preferred securities	—	3
Net change in adjustment related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax	25	59
Net decrease in defined benefit pension plan net assets	15	199
Net decrease in DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards	152	4,521
Net increase in permitted ownership interests in covered funds	(633)	(595)
Other	(21)	)100
Net change in Additional Tier 1 Capital	\$(462)	)4,287
Tier 1 Capital, end of period (Standardized Approach and Advanced Approaches)	\$ 177,304	\$ 177,304
Tier 2 Capital, beginning of period (Standardized Approach)	\$ 37,383	\$ 36,551
Net change in qualifying subordinated debt	(64)	)760
Net increase in qualifying trust preferred securities	5	12
Net increase in eligible allowance for credit losses	165	146
Other	(6)	)14
Net increase in Tier 2 Capital (Standardized Approach)	\$ 100	\$ 932
Tier 2 Capital, end of period (Standardized Approach)	\$ 37,483	\$ 37,483
Total Capital, end of period (Standardized Approach)	\$ 214,787	\$ 214,787

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Tier 2 Capital, beginning of period (Advanced Approaches)	\$25,246	\$23,759
Net change in qualifying subordinated debt	(64)760
Net increase in qualifying trust preferred securities	5	12
Net increase in excess of eligible credit reserves over expected credit losses	158	794
Other	(6	)14
Net increase in Tier 2 Capital (Advanced Approaches)	\$93	\$1,580
Tier 2 Capital, end of period (Advanced Approaches)	\$25,339	\$25,339
Total Capital, end of period (Advanced Approaches)	\$202,643	\$202,643

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

In millions of dollars	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2017
Total Risk-Weighted Assets, beginning of period	\$1,163,894	\$1,126,314
Changes in Credit Risk-Weighted Assets		
Net increase in general credit risk exposures ⁽¹⁾	1,511	15,154
Net increase in repo-style transactions ⁽²⁾	8,430	15,417
Net decrease in securitization exposures ⁽³⁾	(4,129)	(6,183)
Net increase in equity exposures	809	1,556
Net increase in over-the-counter (OTC) derivatives ⁽⁴⁾	2,827	1,746
Net change in other exposures ⁽⁵⁾	(1,508)	1,401
Net change in off-balance sheet exposures ⁽⁶⁾	(731)	2,591
Net increase in Credit Risk-Weighted Assets	\$7,209	\$31,682
Changes in Market Risk-Weighted Assets		
Net change in risk levels ⁽⁷⁾	\$(1,727)	\$14,163
Net decrease due to model and methodology updates ⁽⁸⁾	(10,697)	(13,480)
Net change in Market Risk-Weighted Assets	\$(12,424)	\$683
Total Risk-Weighted Assets, end of period	\$1,158,679	\$1,158,679

General credit risk exposures include cash and balances due from depository institutions, securities, and loans and (1) leases. General credit risk exposures increased during the three and nine months ended September 30, 2017 primarily due to corporate loan growth.

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

Securitization exposures decreased during the three and nine months ended September 30, 2017 principally as a (3) result of certain securitization exposures becoming subject to deduction from Tier 1 Capital under the Volcker Rule of the Dodd-Frank Act.

(4) OTC derivatives increased during the three and nine months ended September 30, 2017 primarily due to increased trade volume.

Other exposures include cleared transactions, unsettled transactions, and other assets. Other exposures decreased during the three months ended September 30, 2017, as growth in cleared transactions was more than offset by the (5) impact of supervisory guidance on the regulatory capital treatment of certain centrally cleared derivatives. Other exposures increased during the nine months ended September 30, 2017 primarily due to growth in cleared transactions.

Off-balance sheet exposures increased during the nine months ended September 30, 2017, as the growth in (6) corporate exposures and reduced hedging benefits during the first quarter of 2017 more than offset the decline in off-balance sheet exposures during the second and third quarter of 2017.

Risk levels decreased during the three months ended September 30, 2017 primarily due to a decrease in exposure (7) levels subject to Stressed Value at Risk and Value at Risk. Risk levels increased during the nine months ended September 30, 2017 primarily due to an increase in exposure levels subject to comprehensive risk, as well as an increase in positions subject to securitization charges and standard specific risk charges.

(8) Risk-weighted assets declined during the three and nine months ended September 30, 2017, as Citi received supervisory approval to remove the Comprehensive Risk Measure model surcharge for correlation trading portfolios, commencing with the third quarter of 2017. Further contributing to the decline in risk-weighted assets during the three and nine months ended September 30, 2017, were changes in model inputs regarding volatility and

the correlation between market risk factors.

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, 2017	Nine Months Ended September 30, 2017
Total Risk-Weighted Assets, beginning of period	\$1,157,670	\$1,166,764
Changes in Credit Risk-Weighted Assets		
Net change in retail exposures ⁽¹⁾	1,898	(6,757)
Net decrease in wholesale exposures ⁽²⁾	(6,362	)(5,946)
Net increase in repo-style transactions ⁽³⁾	4,658	4,660
Net decrease in securitization exposures ⁽⁴⁾	(4,362	)(6,477)
Net increase in equity exposures	737	1,336
Net change in over-the-counter (OTC) derivatives ⁽⁵⁾	1,088	(5,009)
Net change in derivatives CVA	1,017	(83)
Net increase in other exposures ⁽⁶⁾	2,326	2,277
Net decrease in supervisory 6% multiplier ⁽⁷⁾	(1	)(955)
Net change in Credit Risk-Weighted Assets	\$999	\$(16,954)
Changes in Market Risk-Weighted Assets		
Net change in risk levels ⁽⁸⁾	\$(2,075	)\$13,842
Net decrease due to model and methodology updates ⁽⁹⁾	(10,697	)(13,480)
Net change in Market Risk-Weighted Assets	\$(12,772	)\$362
Net decrease in Operational Risk-Weighted Assets ⁽¹⁰⁾	\$(2,449	)(6,724)
Total Risk-Weighted Assets, end of period	\$1,143,448	\$1,143,448

Retail exposures increased during the three months ended September 30, 2017 primarily due to model (1) enhancements. Retail exposures decreased during the nine months ended September 30, 2017 principally resulting from residential mortgage loan sales and repayments, and divestitures of certain legacy assets.

Wholesale exposures decreased during the three months ended September 30, 2017 as the impact of certain loan (2) syndications more than offset corporate loan growth. Wholesale exposures decreased during the nine months ended September 30, 2017 primarily due to annual updates to model parameters.

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

Securitization exposures decreased during the three and nine months ended September 30, 2017 principally as a (4) result of certain securitization exposures becoming subject to deduction from Tier 1 Capital under the Volcker Rule of the Dodd-Frank Act.

OTC derivatives increased during the three months ended September 30, 2017 primarily due to changes in fair (5) value. OTC derivatives decreased during the nine months ended September 30, 2017 primarily due to changes in fair value and improved portfolio credit quality.

Other exposures include cleared transactions, unsettled transactions, assets other than those reportable in specific (6) exposure categories, and non-material portfolios. Other exposures increased during the three and nine months ended September 30, 2017 primarily due to increases in cleared transactions.

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

Risk levels decreased during the three months ended September 30, 2017 primarily due to a decrease in exposure (8) levels subject to Stressed Value at Risk and Value at Risk. Risk levels increased during the nine months ended September 30, 2017 primarily due to an increase in exposure levels subject to comprehensive risk, as well as an increase in positions subject to securitization charges and standard specific risk charges.

(9)

Risk-weighted assets declined during the three and nine months ended September 30, 2017, as Citi received supervisory approval to remove the Comprehensive Risk Measure model surcharge for correlation trading portfolios, commencing with the third quarter of 2017. Further contributing to the decline in risk-weighted assets during the three and nine months ended September 30, 2017, were changes in model inputs regarding volatility and the correlation between market risk factors.

(10) Operational risk-weighted assets decreased during the three and nine months ended September 30, 2017 primarily due to assessed improvements in the business environment and risk controls. Further contributing to the decline in operational risk-weighted assets during the nine months ended September 30, 2017 were changes in operational loss severity and frequency.

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 2017, 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 50% phase-in of the 2.5% Capital Conservation Buffer, of 5.75%, 7.25% and 9.25%, respectively. Citibank's effective minimum Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital ratios during 2016, inclusive of the 25% phase-in of

the 2.5% Capital Conservation Buffer, were 5.125%, 6.625% and 8.625%, respectively. Citibank is required to maintain stated minimum Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital ratios of 4.5%, 6% and 8%, respectively.

The following tables set forth the capital tiers, total risk-weighted assets and underlying risk components, risk-based capital ratios, quarterly adjusted average total assets, Total Leverage Exposure and leverage ratios under current regulatory standards (reflecting Basel III Transition Arrangements) for Citibank, Citi's primary subsidiary U.S. depository institution, as of September 30, 2017 and December 31, 2016.

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

In millions of dollars, except ratios	September 30, 2017		December 31, 2016		
	Advanced	Standardized	Advanced	Standardized	
	Approaches	Approach	Approaches	Approach	
Common Equity Tier 1 Capital	\$ 129,170	\$ 129,170	\$ 126,220	\$ 126,220	
Tier 1 Capital	130,564	130,564	126,465	126,465	
Total Capital (Tier 1 Capital + Tier 2 Capital) ⁽¹⁾	143,608	154,424	138,821	150,291	
Total Risk-Weighted Assets	962,968	1,044,808	973,933	1,001,016	
Credit Risk	\$ 666,691	\$ 995,230	\$ 669,920	\$ 955,767	
Market Risk	48,496	49,578	44,579	45,249	
Operational Risk	247,781	—	259,434	—	
Common Equity Tier 1 Capital ratio ⁽²⁾⁽³⁾	13.41	% 12.36	% 12.96	% 12.61	%
Tier 1 Capital ratio ⁽²⁾⁽³⁾	13.56	12.50	12.99	12.63	
Total Capital ratio ⁽²⁾⁽³⁾	14.91	14.78	14.25	15.01	
In millions of dollars, except ratios	September 30, 2017		December 31, 2016		
Quarterly Adjusted Average Total Assets ⁽⁴⁾	\$ 1,396,879	\$ 1,333,161			
Total Leverage Exposure ⁽⁵⁾	1,929,785	1,859,394			
Tier 1 Leverage ratio ⁽³⁾	9.35	% 9.49	%		
Supplementary Leverage ratio	6.77	6.80			

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, (1) 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.

As of September 30, 2017, Citibank's reportable Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital ratios were the lower derived under the Basel III Standardized Approach. As of December 31, 2016, Citibank's (2) reportable Common Equity Tier 1 Capital and Tier 1 Capital ratios were the lower derived under the Basel III Standardized Approach, whereas the reportable Total Capital ratio was the lower derived under the Basel III Advanced Approaches framework.

(3) 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 2016 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 risk-based capital ratios at September 30, 2017 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, 2017 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 and 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, 2017.

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)

In basis points	Common Equity Tier 1 Capital ratio		Tier 1 Capital ratio		Total Capital ratio	
	Impact of \$100 million change in Common Equity Tier 1 Capital	Impact of \$1 billion change in risk-weighted assets	Impact of \$100 million change in Tier 1 Capital	Impact of \$1 billion change in risk-weighted assets	Impact of \$100 million change in Total Capital	Impact of \$1 billion change in risk-weighted assets
Citigroup						
Advanced Approaches	0.9	1.2	0.9	1.4	0.9	1.6
Standardized Approach	0.9	1.2	0.9	1.3	0.9	1.6
Citibank						
Advanced Approaches	1.0	1.4	1.0	1.4	1.0	1.6
Standardized Approach	1.0	1.2	1.0	1.2	1.0	1.4

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

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

Citigroup Broker-Dealer Subsidiaries

At September 30, 2017, 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 \$10.5 billion, which exceeded the minimum requirement by approximately \$8.5 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 approximately \$17.2 billion at September 30, 2017, which exceeded the PRA's minimum regulatory capital requirements.

In addition, certain of Citi's other broker-dealer subsidiaries are subject to regulation in the countries in which they do business, including requirements to maintain specified levels of net capital or its equivalent. Citigroup's other broker-dealer subsidiaries were in compliance with their regulatory capital requirements at September 30, 2017.

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 an expected 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 tables set forth the capital tiers, total risk-weighted assets and underlying risk components, risk-based capital ratios, quarterly adjusted average total assets, Total Leverage Exposure and leverage ratios, assuming full implementation under the U.S. Basel III rules, for Citi as of September 30, 2017 and December 31, 2016.

At September 30, 2017, Citi's constraining Common Equity Tier 1 Capital and Tier 1 Capital ratios were those derived under the Basel III Standardized Approach, whereas Citi's binding Total Capital ratio was that resulting from application of the Basel III Advanced Approaches framework. Further, each of Citi's risk-based capital ratios was constrained by the Basel III Advanced Approaches framework for all periods prior to June 30, 2017.

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

In millions of dollars, except ratios	September 30, 2017		December 31, 2016		
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach	
Common Equity Tier 1 Capital	\$153,534	\$153,534	\$149,516	\$149,516	
Tier 1 Capital	172,849	172,849	169,390	169,390	
Total Capital (Tier 1 Capital + Tier 2 Capital)	198,195	210,339	193,160	205,975	
Total Risk-Weighted Assets	1,169,142	1,182,918	1,189,680	1,147,956	
Credit Risk	\$782,223	\$1,117,707	\$796,399	\$1,083,428	
Market Risk	64,368	65,211	64,006	64,528	
Operational Risk	322,551	—	329,275	—	
Common Equity Tier 1 Capital ratio ⁽¹⁾⁽²⁾	13.13	% 12.98	% 12.57	% 13.02	%
Tier 1 Capital ratio ⁽¹⁾⁽²⁾	14.78	14.61	14.24	14.76	
Total Capital ratio ⁽¹⁾⁽²⁾	16.95	17.78	16.24	17.94	

In millions of dollars, except ratios	September 30, December 31,	
	2017	2016
Quarterly Adjusted Average Total Assets ⁽³⁾	\$1,835,074	\$1,761,923
Total Leverage Exposure ⁽⁴⁾	2,430,582	2,345,391
Tier 1 Leverage ratio ⁽²⁾	9.42	% 9.61 %
Supplementary Leverage ratio ⁽²⁾	7.11	7.22

As of September 30, 2017, Citi's reportable Common Equity Tier 1 Capital and Tier 1 Capital ratios were the lower derived under the Basel III Standardized Approach, whereas the reportable Total Capital ratio was the lower derived under the Basel III Advanced Approaches framework. As of December 31, 2016, 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.

(2) Citi's Basel III risk-based capital and leverage ratios and related components, on a fully implemented basis, are non-GAAP financial measures.

(3) Tier 1 Leverage ratio denominator.

(4) Supplementary Leverage ratio denominator.

Common Equity Tier 1 Capital Ratio

Citi's Common Equity Tier 1 Capital ratio was 13.0% at September 30, 2017, compared to 13.1% at June 30, 2017 and 12.6% at December 31, 2016. The ratio declined quarter-over-quarter as the favorable effects associated with quarterly net income of \$4.1 billion and a slight decline in total risk-weighted assets were more than offset by the return of \$6.4 billion of capital to common shareholders during the period. The growth in Citi's Common Equity Tier 1 Capital ratio from year-end 2016 reflected continued enhancement of Common Equity Tier 1 Capital resulting from year-to-date net income of \$12.1 billion and beneficial net movements in AOCI, offset in part by the return of approximately \$10.8 billion of capital to common shareholders during the first nine months of 2017.

Components of Citigroup Capital Under Basel III (Full Implementation)

In millions of dollars	September 30, 2017	December 31, 2016
Common Equity Tier 1 Capital		
Citigroup common stockholders' equity ⁽¹⁾	\$ 208,565	\$206,051
Add: Qualifying noncontrolling interests	144	129
Regulatory Capital Adjustments and Deductions:		
Less: Accumulated net unrealized losses on cash flow hedges, net of tax ⁽²⁾	(437	) (560)
Less: Cumulative unrealized net loss related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax ⁽³⁾	(416	) (61)
Less: Intangible assets:		
Goodwill, net of related DTLs ⁽⁴⁾	21,532	20,858
Identifiable intangible assets other than MSRs, net of related DTLs	4,410	4,876
Less: Defined benefit pension plan net assets	720	857
Less: DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards ⁽⁵⁾	20,068	21,337
Less: Excess over 10%/15% limitations for other DTAs, certain common stock investments, and MSRs ⁽⁵⁾⁽⁶⁾	9,298	9,357
Total Common Equity Tier 1 Capital (Standardized Approach and Advanced Approaches)	\$ 153,534	\$ 149,516
Additional Tier 1 Capital		
Qualifying noncumulative perpetual preferred stock ⁽¹⁾	\$ 19,069	\$19,069
Qualifying trust preferred securities ⁽⁷⁾	1,374	1,371
Qualifying noncontrolling interests	62	28
Regulatory Capital Deductions:		
Less: Permitted ownership interests in covered funds ⁽⁸⁾	1,128	533
Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries ⁽⁹⁾	62	61
Total Additional Tier 1 Capital (Standardized Approach and Advanced Approaches)	\$ 19,315	\$19,874
Total Tier 1 Capital (Common Equity Tier 1 Capital + Additional Tier 1 Capital) (Standardized Approach and Advanced Approaches)	\$ 172,849	\$ 169,390
Tier 2 Capital		
Qualifying subordinated debt	\$ 23,578	\$22,818
Qualifying trust preferred securities ⁽¹⁰⁾	329	317
Qualifying noncontrolling interests	47	36
Eligible allowance for credit losses ⁽¹¹⁾	13,598	13,475
Regulatory Capital Deduction:		
Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries ⁽⁹⁾	62	61
Total Tier 2 Capital (Standardized Approach)	\$ 37,490	\$36,585
Total Capital (Tier 1 Capital + Tier 2 Capital) (Standardized Approach)	\$ 210,339	\$205,975
Adjustment for excess of eligible credit reserves over expected credit losses ⁽¹¹⁾	\$ (12,144	) \$(12,815)
Total Tier 2 Capital (Advanced Approaches)	\$ 25,346	\$23,770
Total Capital (Tier 1 Capital + Tier 2 Capital) (Advanced Approaches)	\$ 198,195	\$ 193,160

Issuance costs of \$184 million related to noncumulative perpetual preferred stock outstanding at September 30, 2017 and December 31, 2016 are excluded from common stockholders' equity and netted against such preferred stock in accordance with Federal Reserve Board regulatory reporting requirements, which differ from those under U.S. GAAP.

(1) 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.

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

Footnotes continue on the following page.

- Of Citi's approximately \$45.5 billion of net DTAs at September 30, 2017, approximately \$17.6 billion were includable in Common Equity Tier 1 Capital pursuant to the U.S. Basel III rules, while approximately \$27.9 billion were excluded. Excluded from Citi's Common Equity Tier 1 Capital at September 30, 2017 was in total approximately \$29.3 billion of net DTAs arising from both net operating loss, foreign tax credit and general business credit carry-forwards as well as temporary differences, which was reduced by approximately \$1.4 billion
- (5) of net DTLs primarily associated with goodwill and certain other intangible assets. Separately, under the U.S. Basel III rules, goodwill and these other intangible assets are deducted net of associated DTLs in arriving at Common Equity Tier 1 Capital. DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards are required to be entirely deducted from Common Equity Tier 1 Capital under full implementation of the U.S. Basel III rules; whereas DTAs arising from temporary differences are deducted from Common Equity Tier 1 Capital under these rules, if in excess of 10%/15% limitations. 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, 2017 and December 31, 2016, this deduction related only to DTAs arising from temporary differences that exceeded the 10% limitation. Accordingly, approximately \$9.3 billion of DTAs arising from temporary differences were excluded from Citi's
- (6) Common Equity Tier 1 Capital at September 30, 2017. Changes to the U.S. corporate tax regime that impact the value of Citi's DTAs arising from temporary differences, which exceed the then current amount deducted from Citi's Common Equity Tier 1 Capital, would further reduce Citi's regulatory capital to the extent of such excess after tax. For additional information regarding potential U.S. corporate tax reform, see "Risk Factors—Strategic Risks" in Citigroup's 2016 Annual Report on Form 10-K.
- (7) Represents Citigroup Capital XIII trust preferred securities, which are permanently grandfathered as Tier 1 Capital under the U.S. Basel III rules. 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
- (8) 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.
- (9) 50% of the minimum regulatory capital requirements of insurance underwriting subsidiaries must be deducted from each of Tier 1 Capital and Tier 2 Capital.
- (10) 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. Under the Standardized Approach, the allowance for credit losses is eligible for inclusion in Tier 2 Capital up to 1.25% of credit risk-weighted assets, with any excess allowance for credit losses being deducted in arriving at credit risk-weighted assets, which differs from the Advanced Approaches framework, in which eligible credit reserves that exceed expected credit losses are eligible for inclusion in Tier 2 Capital to the extent the excess
- (11) reserves do not exceed 0.6% of credit risk-weighted assets. The total amount of eligible credit reserves in excess of expected credit losses that were eligible for inclusion in Tier 2 Capital, subject to limitation, under the Advanced Approaches framework was \$1.5 billion and \$0.7 billion at September 30, 2017 and December 31, 2016, respectively.

Citigroup Capital Rollforward Under Basel III (Full Implementation)

In millions of dollars	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2017
Common Equity Tier 1 Capital, beginning of period	\$ 155,174	\$ 149,516
Net income	4,133	12,095
Common and preferred stock dividends declared	(1,137)	(2,648)
Net increase in treasury stock	(5,487)	(9,186)
Net change in common stock and additional paid-in capital	98	(147)
Net decrease in foreign currency translation adjustment net of hedges, net of tax	218	2,179
Net change in unrealized losses on securities AFS, net of tax	(66)	)631
Net increase in defined benefit plans liability adjustment, net of tax	(29)	(176)
Net change in adjustment related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax	2	88
Net change in goodwill, net of related DTLs	57	(674)
Net decrease in identifiable intangible assets other than MSRs, net of related DTLs	177	466
Net decrease in defined benefit pension plan net assets	76	137
Net decrease in DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards	764	1,269
Net change in excess over 10%/15% limitations for other DTAs, certain common stock investments and MSRs	(447)	)59
Other	1	(75)
Net change in Common Equity Tier 1 Capital	\$(1,640)	)\$4,018
Common Equity Tier 1 Capital, end of period (Standardized Approach and Advanced Approaches)	\$ 153,534	\$ 153,534
Additional Tier 1 Capital, beginning of period	\$ 19,955	\$ 19,874
Net increase in qualifying trust preferred securities	—	3
Net increase in permitted ownership interests in covered funds	(633)	(595)
Other	(7)	)33
Net decrease in Additional Tier 1 Capital	\$(640)	(559)
Tier 1 Capital, end of period (Standardized Approach and Advanced Approaches)	\$ 172,849	\$ 172,849
Tier 2 Capital, beginning of period (Standardized Approach)	\$ 37,390	\$ 36,585
Net change in qualifying subordinated debt	(64)	)760
Net increase in eligible allowance for credit losses	165	123
Other	(1)	)22
Net increase in Tier 2 Capital (Standardized Approach)	\$ 100	\$ 905
Tier 2 Capital, end of period (Standardized Approach)	\$ 37,490	\$ 37,490
Total Capital, end of period (Standardized Approach)	\$ 210,339	\$ 210,339
Tier 2 Capital, beginning of period (Advanced Approaches)	\$ 25,253	\$ 23,770
Net change in qualifying subordinated debt	(64)	)760
Net increase in excess of eligible credit reserves over expected credit losses	158	794
Other	(1)	)22
Net increase in Tier 2 Capital (Advanced Approaches)	\$ 93	\$ 1,576
Tier 2 Capital, end of period (Advanced Approaches)	\$ 25,346	\$ 25,346

Total Capital, end of period (Advanced Approaches)	\$ 198,195	\$ 198,195
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Citigroup Risk-Weighted Assets Rollforward (Basel III Standardized Approach with Full Implementation)

In millions of dollars	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2017
Total Risk-Weighted Assets, beginning of period	\$1,188,167	\$1,147,956
Changes in Credit Risk-Weighted Assets		
Net increase in general credit risk exposures ⁽¹⁾	1,511	15,154
Net increase in repo-style transactions	8,430	15,417
Net decrease in securitization exposures	(4,129)	(6,183)
Net increase in equity exposures	1,003	1,839
Net increase in over-the-counter (OTC) derivatives	2,827	1,746
Net change in other exposures ⁽²⁾	(1,736)	(3,715)
Net change in off-balance sheet exposures	(731)	(2,591)
Net increase in Credit Risk-Weighted Assets	\$7,175	\$34,279
Changes in Market Risk-Weighted Assets		
Net change in risk levels	\$(1,727)	\$14,163
Net decrease due to model and methodology updates	(10,697)	(13,480)
Net change in Market Risk-Weighted Assets	\$(12,424)	\$683
Total Risk-Weighted Assets, end of period	\$1,182,918	\$1,182,918

(1) General credit risk exposures include cash and balances due from depository institutions, securities, and loans and leases.

(2) Other exposures include cleared transactions, unsettled transactions, and other assets.

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

In millions of dollars	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2017
Total Risk-Weighted Assets, beginning of period	\$1,183,399	\$1,189,680
Changes in Credit Risk-Weighted Assets		
Net change in retail exposures	1,898	(6,757)
Net decrease in wholesale exposures	(6,362)	(5,946)
Net increase in repo-style transactions	4,658	4,660
Net decrease in securitization exposures	(4,362)	(6,477)
Net increase in equity exposures	931	1,619
Net change in over-the-counter (OTC) derivatives	1,088	(5,009)
Net change in derivatives CVA	1,017	(83)
Net increase in other exposures ⁽¹⁾	2,099	4,615
Net decrease in supervisory 6% multiplier ⁽²⁾	(3)	(798)
Net change in Credit Risk-Weighted Assets	\$964	\$(14,176)
Changes in Market Risk-Weighted Assets		
Net change in risk levels	\$(2,075)	\$13,842
Net decrease due to model and methodology updates	(10,697)	(13,480)
Net change in Market Risk-Weighted Assets	\$(12,772)	\$362
Net decrease in Operational Risk-Weighted Assets	\$(2,449)	\$(6,724)

Total Risk-Weighted Assets, end of period \$1,169,142 \$1,169,142

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

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

Total risk-weighted assets under the Basel III Standardized Approach increased from year-end 2016 substantially due to higher credit risk-weighted assets, primarily resulting from corporate loan growth and increased repo-style transaction activity.

Total risk-weighted assets under the Basel III Advanced Approaches decreased from year-end 2016, driven by substantially lower credit and operational risk-weighted assets. The decrease in credit risk-weighted assets was primarily due to annual updates to model parameters for wholesale exposures, a decline in retail exposures resulting from residential mortgage loan sales and repayments as well as divestitures of certain legacy assets, and, separately, certain securitization exposures becoming subject to deduction from Tier 1 Capital under the Volcker Rule of the Dodd-Frank Act, which was partially offset by an increase in repo-style transaction activity. Operational risk-weighted assets decreased from year-end 2016 primarily due to assessed improvements in the business environment and risk controls, as well as changes in operational loss severity and frequency.

Supplementary Leverage Ratio

Citigroup's Supplementary Leverage ratio was 7.1% for the third quarter of 2017, compared to 7.2% for both the second quarter of 2017 and fourth quarter of 2016. The decline in the ratio quarter-over-quarter was principally driven by the return of \$6.4 billion of capital to common shareholders and an increase in Total Leverage Exposure primarily due to growth in average on-balance sheet assets, partially offset by quarterly net income of \$4.1 billion. The ratio decreased from the fourth quarter of 2016, as year-to-date net income of \$12.1 billion and beneficial net movements

in AOCI were more than offset by the return of \$10.8 billion of capital to common shareholders and an increase in Total Leverage Exposure primarily due to growth in average on-balance sheet assets.

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, 2017 and December 31, 2016.

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

In millions of dollars, except ratios	September 30, December		
	2017	31, 2016	
Tier 1 Capital	\$ 172,849	\$ 169,390	
Total Leverage Exposure (TLE)			
On-balance sheet assets ⁽¹⁾	\$ 1,892,292	\$ 1,819,802	
Certain off-balance sheet exposures: ⁽²⁾			
Potential future exposure on derivative contracts	216,819	211,009	
Effective notional of sold credit derivatives, net ⁽³⁾	68,569	64,366	
Counterparty credit risk for repo-style transactions ⁽⁴⁾	25,513	22,002	
Unconditionally cancellable commitments	67,945	66,663	
Other off-balance sheet exposures	216,662	219,428	
Total of certain off-balance sheet exposures	\$ 595,508	\$ 583,468	
Less: Tier 1 Capital deductions	57,218	57,879	
Total Leverage Exposure	\$ 2,430,582	\$ 2,345,391	
Supplementary Leverage ratio	7.11	% 7.22	%

(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 2017, compared to 6.6% for both the second quarter of 2017 and fourth quarter of 2016. The growth in the ratio quarter-over-quarter and from year-end 2016 was principally driven by an increase in Tier 1 Capital attributable largely to net income, partially offset by cash dividends paid by Citibank to its parent, Citicorp, and which were subsequently remitted to Citigroup.

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

In millions of dollars or shares, except per share amounts	September 30, December 31,	
	2017	2016
Total Citigroup stockholders' equity	\$ 227,634	\$ 225,120
Less: Preferred stock	19,253	19,253
Common stockholders' equity	\$ 208,381	\$ 205,867
Less:		
Goodwill	22,345	21,659
Identifiable intangible assets (other than MSRs)	4,732	5,114
Goodwill and identifiable intangible assets (other than MSRs) related to assets held-for-sale	48	72
Tangible common equity (TCE)	\$ 181,256	\$ 179,022
Common shares outstanding (CSO)	2,644.0	2,772.4
Book value per share (common equity/CSO)	\$ 78.81	\$ 74.26
Tangible book value per share (TCE/CSO)	68.55	64.57

In millions of dollars	Three	Three	Nine	Nine
	Months	Months	Months	Months
	Ended	Ended	Ended	Ended
	September	September	September	September
	30, 2017	30, 2016	30, 2017	30, 2016
Net income available to common shareholders	\$3,861	\$3,615	\$11,202	\$10,582
Average common stockholders' equity	\$209,764	\$212,321	\$208,787	\$209,850
Average TCE	\$182,333	\$184,492	\$181,271	\$182,914
Less: Average net DTAs excluded from Common Equity Tier 1 Capital ⁽¹⁾	28,085	27,921	28,522	28,954
Average TCE, excluding average net DTAs excluded from Common Equity Tier 1 Capital	\$154,248	\$156,571	\$152,749	\$153,960
Return on average common stockholders' equity	7.3	%6.8	%7.2	%6.7
Return on average TCE (ROTCE) ⁽²⁾	8.4	7.8	8.3	7.7
Return on average TCE, excluding average net DTAs excluded from Common Equity Tier 1 Capital	9.9	9.2	9.8	9.2

(1) Represents average net DTAs excluded in arriving at Common Equity Tier 1 Capital under full implementation of the U.S. Basel III rules.

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

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For additional information regarding certain credit risk, market risk and other quantitative and qualitative (1) 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 2016 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 2016 Annual Report on Form 10-K.

CONSUMER CREDIT

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

uses proprietary scoring models for new customer approvals. As stated in "Global Consumer Banking" above, GCB's overall strategy is to leverage Citi's global footprint and be the preeminent bank for the affluent and emerging affluent consumers in large urban centers. In credit cards and in certain retail markets, Citi serves customers in a somewhat broader set of segments and geographies. GCB's commercial banking business focuses on small to mid-sized businesses.

Consumer Credit Portfolio

The following tables show Citi's quarterly end-of-period consumer loans⁽¹⁾

In billions of dollars	3Q'17	2Q'17	1Q'17	4Q'16	3Q'16	
Retail banking:						
Mortgages	\$81.4	\$81.4	\$81.2	\$79.4	\$81.4	
Commercial banking	35.5	34.8	33.9	32.0	33.2	
Personal and other	27.3	27.2	26.3	24.9	27.0	
Total retail banking	\$144.2	\$143.4	\$141.4	\$136.3	\$141.6	
Cards:						
Citi-branded cards	\$110.7	\$109.9	\$105.7	\$108.3	\$103.9	
Citi retail services	45.9	45.2	44.2	47.3	43.9	
Total cards	\$156.6	\$155.1	\$149.9	\$155.6	\$147.8	
Total GCB	\$300.8	\$298.5	\$291.3	\$291.9	\$289.4	
GCB regional distribution:						
North America	62	%62	%62	%64	%62	%
Latin America	9	9	9	8	8	
Asia ⁽²⁾	29	29	29	28	30	
Total GCB	100	%100	%100	%100	%100	%
Corporate/Other ⁽³⁾	\$24.8	\$26.8	\$29.3	\$33.2	\$39.0	
Total consumer loans	\$325.6	\$325.3	\$320.6	\$325.1	\$328.4	

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

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

(3)Primarily consists of legacy assets, principally North America consumer mortgages.

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

Overall Consumer Credit Trends

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

Global Consumer Banking

North America

Latin America

Asia⁽¹⁾

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

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

As of September 30, 2017, approximately 70% of North America GCB consumer loans consisted of Citi-branded and Citi retail services cards, which generally drives the overall credit performance of North America GCB, including the credit performance year-over-year as of the third quarter of 2017 (for additional information on North America GCB's cards portfolios, including delinquency and net credit loss rates, see "Credit Card Trends" below). Quarter-over-quarter, 90+ days past due delinquencies increased slightly, primarily due to seasonality in the cards portfolios. The net credit loss rate increased quarter-over-quarter, primarily due to episodic charge-offs in the commercial portfolio, which were offset by related loan loss reserve releases.

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

As set forth in the chart above, 90+ days past due delinquencies modestly improved and the net credit loss rate increased in Latin America GCB year-over-year as of the third quarter of 2017. The increase in the net credit loss rate primarily reflected seasoning. The delinquency and net credit loss rates remained stable quarter-over-quarter.

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

As shown in the chart above, 90+ days past due delinquency and net credit loss rates were largely stable in Asia GCB year-over-year and quarter-over-quarter as of the third quarter of 2017. This stability reflects the strong credit profiles in Asia GCB's target customer segments. In addition, regulatory changes in many markets in Asia over the past few years have resulted in stable or improved portfolio credit quality, despite weaker macroeconomic conditions in several countries.

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

Credit Card Trends

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

Total Cards

North America Citi-Branded Cards

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

North America Citi Retail Services

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

Latin America Citi-Branded Cards

Latin America GCB issues proprietary and co-branded cards. As set forth in the chart above, the net credit loss rate increased year-over-year and quarter-over-quarter primarily due to seasoning. The 90+ days past due delinquency rate increased year-over-year also driven by seasoning, while the decrease quarter-over-quarter was due to seasonality.

Asia Citi-Branded Cards⁽¹⁾

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

Asia GCB issues proprietary and co-branded cards. As set forth in the chart above, 90+ days past due delinquency and net credit loss rates have remained broadly stable, driven by the mature and well-diversified cards portfolios.

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

North America Cards FICO Distribution

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

Citi-Branded

FICO distribution	September 30, 2017	December 31, 2016	
> 720	62	64	%
660 - 720	27	26	
620 - 660	7	6	
< 620	4	4	
Total	100	100	%

Citi Retail Services

FICO distribution	September 30, 2017	December 31, 2016	
> 720	41	42	%
660 - 720	35	35	
620 - 660	13	13	
< 620	11	10	
Total	100	100	%

As indicated by the tables above, the FICO distributions for Citi-branded cards and Citi retail services cards portfolios were largely unchanged versus year-end 2016. For additional information on FICO scores, see Note 13 to the Consolidated Financial Statements.

North America Consumer Mortgage Lending

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

In billions of dollars 3Q'17 2Q'17 1Q'17 4Q'16 3Q'16

GCB:

Residential firsts	\$40.1	\$40.2	\$40.3	\$40.2	\$40.1
Home equity	4.1	4.1	4.0	4.0	3.9
Total GCB	\$44.2	\$44.3	\$44.3	\$44.2	\$44.0

Corporate/Other:

Residential firsts	\$10.1	\$11.0	\$12.3	\$13.4	\$14.8
Home equity	11.5	12.4	13.4	15.0	16.1
Total Corporate/ Other	\$21.6	\$23.4	\$25.7	\$28.4	\$30.9

Total Citigroup— North America	\$65.8	\$67.7	\$70.0	\$72.6	\$74.9
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For additional information on delinquency and net credit loss trends in Citi's consumer mortgage portfolio, see "Additional Consumer Credit Details" below.

Home Equity Loans—Revolving HELOCs

As set forth in the table above, Citi had \$15.6 billion of home equity loans as of September 30, 2017, of which \$3.6 billion were fixed-rate home equity loans and \$12.0 billion were extended under home equity lines of credit (Revolving HELOCs). Fixed-rate home equity loans are fully amortizing. Revolving HELOCs allow for amounts to be drawn for a period of time with the payment of interest only until the end of the draw period, when the outstanding amount is converted to an amortizing loan, or "reset" (the interest-only payment feature during the revolving period is standard for this product across the industry). Upon reset, these borrowers will be required to pay both interest, usually at a variable rate, and principal that amortizes typically over 20 years, rather than the standard 30-year amortization. Of the Revolving HELOCs at September 30, 2017, \$6.8 billion had reset (compared to \$6.6 billion at June 30, 2017) and \$5.2 billion were still within their revolving period that had not reset (compared to \$6.0 billion at June 30, 2017). The following chart indicates the FICO and combined loan-to-value (CLTV) characteristics of Citi's Revolving HELOCs portfolio and the year in which they reset:

North America Home Equity Lines of Credit Amortization – Citigroup

Total ENR by Reset Year

In billions of dollars as of September 30, 2017

Note: Totals may not sum due to rounding.

Approximately 57% of Citi's total Revolving HELOCs portfolio had reset as of September 30, 2017 (compared to 53% as of June 30, 2017). Of the remaining Revolving HELOCs portfolio, approximately 11% will commence amortization during the remainder of 2017. Citi's customers with Revolving HELOCs that reset could experience "payment shock" due to the higher required payments on the loans. Citi currently estimates that the monthly loan payment for its Revolving HELOCs that reset during the remainder of 2017 could increase on average by approximately \$355, or 101%. Increases in interest rates could further increase these payments given the variable nature of the interest rates on these loans post-reset. Borrowers' high loan-to-value positions, as well as the cost and availability of refinancing options, could limit borrowers' ability to refinance their Revolving HELOCs as these loans begin to reset.

Approximately 5.9% of the Revolving HELOCs that have reset as of September 30, 2017 were 30+ days past due, compared to 3.9% of the total outstanding home equity loan portfolio (amortizing and non-amortizing). This

compared to 5.9% and 3.7%, respectively, as of June 30, 2017. As newly amortizing loans continue to season, the delinquency rate of Citi's total home equity loan portfolio could increase. In addition, resets to date have generally occurred during a period of historically low interest rates, which Citi believes has likely reduced the overall "payment shock" to the borrower.

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

Additional Consumer Credit Details

Consumer Loan Delinquency Amounts and Ratios

In millions of dollars, except EOP loan amounts in billions	EOP loans ⁽¹⁾	90+ days past due ⁽²⁾			30–89 days past due ⁽²⁾			
	September 30, 2017	September 30, 2017	July 30, 2017	September 30, 2016	September 30, 2017	July 30, 2017	September 30, 2016	
Global Consumer Banking ⁽³⁾⁽⁴⁾								
Total	\$ 300.8	\$2,279	\$2,183	\$ 2,166	\$2,763	\$2,498	\$ 2,553	
Ratio		0.76	%0.73	%0.75	% 0.92	%0.84	%0.88	%
Retail banking								
Total	\$ 144.2	\$489	\$477	\$ 579	\$805	\$747	\$ 722	
Ratio		0.34	%0.33	%0.41	% 0.56	%0.52	%0.51	%
North America	55.7	167	155	256	270	191	198	
Ratio		0.30	%0.28	%0.47	% 0.49	%0.35	%0.37	%
Latin America	21.0	151	150	160	244	216	196	
Ratio		0.72	%0.71	%0.86	% 1.16	%1.03	%1.05	%
Asia ⁽⁵⁾	67.5	171	172	163	291	340	328	
Ratio		0.25	%0.26	%0.24	% 0.43	%0.51	%0.48	%
Cards								
Total	\$ 156.6	\$1,790	\$1,706	\$ 1,587	\$1,958	\$1,751	\$ 1,831	
Ratio		1.14	%1.10	%1.07	% 1.25	%1.13	%1.24	%
North America—Citi-branded	86.3	668	659	607	705	619	710	
Ratio		0.77	%0.77	%0.75	% 0.82	%0.72	%0.87	%
North America—Citi retail services	45.9	772	693	664	836	730	750	
Ratio		1.68	%1.53	%1.51	% 1.82	%1.62	%1.71	%
Latin America	5.6	159	161	131	163	151	131	
Ratio		2.84	%2.93	%2.67	% 2.91	%2.75	%2.67	%
Asia ⁽⁵⁾	18.8	191	193	185	254	251	240	
Ratio		1.02	%1.03	%1.05	% 1.35	%1.34	%1.36	%
Corporate/Other—Consumer ⁽⁶⁾⁽⁷⁾								
Total	\$ 24.8	\$605	\$601	\$ 857	\$643	\$554	\$ 849	
Ratio		2.57	%2.37	%2.29	% 2.74	%2.18	%2.27	%
International	1.7	57	63	164	47	44	135	
Ratio		3.35	%3.50	%2.98	% 2.76	%2.44	%2.45	%
North America	23.1	548	538	693	596	510	714	
Ratio		2.51	%2.28	%2.17	% 2.73	%2.16	%2.24	%
Total Citigroup	\$ 325.6	\$2,884	\$2,784	\$ 3,023	\$3,406	\$3,052	\$ 3,402	
Ratio		0.89	%0.86	%0.93	% 1.05	%0.94	%1.04	%

(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.

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

(4) The 90+ days past due and 30–89 days past due and related ratios for GCB North America exclude U.S. mortgage loans that are guaranteed by U.S. government-sponsored entities since the potential loss predominantly resides within the U.S. government-sponsored entities. The amounts excluded for loans 90+ days past due and (EOP loans) were \$289 million (\$0.7 billion), \$295 million (\$0.8 billion) and \$305 million (\$0.7 billion) at September 30, 2017,

June 30, 2017, and September 30, 2016, respectively. The amounts excluded for loans 30–89 days past due (EOP loans have the same adjustment as above) were \$79 million, \$84 million and \$58 million at September 30, 2017, June 30, 2017 and September 30, 2016, respectively.

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

The 90+ days past due and 30–89 days past due and related ratios for Corporate/Other—North America consumer exclude U.S. mortgage loans that are guaranteed by U.S. government-sponsored entities since the potential loss predominantly resides within the U.S. government-sponsored entities. The amounts excluded for loans 90+ days

(6) past due (and EOP loans) were \$0.7 billion (\$1.2 billion), \$0.7 billion (\$1.3 billion) and \$1.0 billion (\$1.5 billion) at September 30, 2017, June 30, 2017 and September 30, 2016, 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 \$0.1 billion at September 30, 2017, June 30, 2017 and September 30, 2016, respectively.

The September 30, 2017, June 30, 2017 and September 30, 2016 loans 90+ days past due and 30–89 days past due (7) and related ratios for North America exclude \$6 million, \$6 million and \$9 million, respectively, of loans that are carried at fair value.

Consumer Loan Net Credit Losses and Ratios

In millions of dollars, except average loan amounts in billions	Average Net credit losses ⁽²⁾⁽³⁾			
	Average loans ⁽¹⁾	3Q17	2Q17	3Q16
Global Consumer Banking				
Total	\$ 299.7	\$1,704	\$1,615	\$1,349
Ratio		2.26	%2.20	% 1.87 %
Retail banking				
Total	\$ 144.3	\$300	\$244	\$257
Ratio		0.82	%0.69	% 0.72 %
North America	55.7	88	39	52
Ratio		0.63	%0.28	% 0.38 %
Latin America	21.2	143	151	132
Ratio		2.68	%3.00	% 2.75 %
Asia ⁽⁴⁾	67.4	69	54	73
Ratio		0.41	%0.33	% 0.43 %
Cards				
Total	\$ 155.4	\$1,404	\$1,371	\$1,092
Ratio		3.58	%3.63	% 2.99 %
North America—Citi-branded	85.4	611	611	448
Ratio		2.84	%2.94	% 2.25 %
North America—Retail services	45.6	540	531	427
Ratio		4.70	%4.79	% 3.90 %
Latin America	5.6	152	126	122
Ratio		10.77	%9.54	% 9.52 %
Asia ⁽⁴⁾	18.8	101	103	95
Ratio		2.13	%2.25	% 2.15 %
Corporate/Other—Consumer				
Total	\$ 25.8	\$52	\$18	\$134
Ratio		0.80	%0.26	% 1.31 %
International	1.9	25	24	82
Ratio		5.22	%5.07	% 6.04 %
North America	23.9	27	(6)	52
Ratio		0.45	%(0.09)	%0.58 %
Other ⁽⁵⁾	0.1	(22)	—	—
Total Citigroup	\$ 325.6	\$1,734	\$1,633	\$1,483
Ratio		2.11	%2.04	% 1.80 %

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

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

(3) In October 2016, Citi entered into agreements to sell Citi's Brazil and Argentina consumer banking businesses and classified these businesses as held-for-sale (HFS). The sale of the Argentina consumer banking business was completed at the end of the first quarter 2017. As a result of HFS accounting treatment, approximately \$38 million and \$37 million of net credit losses (NCLs) were recorded as a reduction in revenue (Other revenue) during the second quarter of 2017 and the third quarter of 2017, respectively. Accordingly, these NCLs are not included in this table. Loans classified as HFS are excluded from this table as they are recorded in Other assets.

- (4) Asia includes NCLs and average loans in certain EMEA countries for all periods presented.
- (5) The third quarter of 2017 NCLs represent a recovery related to legacy assets.

CORPORATE CREDIT

Consistent with its overall strategy, Citi's corporate clients are typically large, multi-national corporations that 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, 2017				At June 30, 2017				At December 31, 2016			
	Greater				Greater				Greater			
	Due	than	Greater	Total	Due	than	Greater	Total	Due	than	Greater	Total
	within	1 year	than	exposure	within	1 year	than	exposure	within	1 year	than	exposure
	1 year	but	5 years		1 year	but	5 years		1 year	but	5 years	
	within	within			within	within			within	within		
	5 years				5 years				5 years			
Direct outstandings (on-balance sheet) ⁽¹⁾	\$ 124	\$ 96	\$ 23	\$ 243	\$ 122	\$ 94	\$ 23	\$ 239	\$ 109	\$ 94	\$ 22	\$ 225
Unfunded lending commitments (off-balance sheet) ⁽²⁾	104	219	20	\$ 343	103	222	22	347	103	218	23	344
Total exposure	\$ 228	\$ 315	\$ 43	\$ 586	\$ 225	\$ 316	\$ 45	\$ 586	\$ 212	\$ 312	\$ 45	\$ 569

(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, 2017		June 30, 2017	December 31, 2016	
North America	55	%	55	%	55
EMEA	26		26		26
Asia	12		12		12
Latin America	7		7		7
Total	100	%	100	%	100

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

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

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

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

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

	Total exposure			
	June September 30, 2017	June 30, 2017	December 31, 2016	
AAA/AA/A	49	%49	%48	%
BBB	34	34	34	
BB/B	16	16	16	
CCC or below	1	1	2	
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, 2017	June 30, 2017	December 31, 2016	
Transportation and industrial	22	21	22	%
Consumer retail and health	16	17	16	
Technology, media and telecom	11	11	12	
Power, chemicals, metals and mining	10	10	11	
Energy and commodities ⁽¹⁾	8	9	9	
Banks/broker-dealers/finance companies	8	7	6	
Real estate	7	8	7	
Insurance and special purpose entities	5	5	5	
Public sector	5	5	5	
Hedge funds	4	5	5	
Other industries	4	2	2	
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, 2017, Citi's total exposure to these energy-related entities remained largely consistent with the prior quarter, at approximately \$6 billion, of which approximately \$3 billion consisted of direct outstanding funded loans.

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, 2017, June 30, 2017 and December 31, 2016, \$22.2 billion, \$23.7 billion and \$29.5 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, 2017		June 30, 2017		December 31, 2016
AAA/AA/A	16	%	16	%	16
BBB	48		47		49
BB/B	33		34		31

CCC or below 3	3	4
Total	100 %	100 %

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

Industry of Hedged Exposure

	September 30, 2017		June 30, 2017		December 31, 2016	
Transportation and industrial	27	%	27	%	29	%
Energy and commodities	17		20		20	
Consumer retail and health	12		11		10	
Technology, media and telecom	14		13		13	
Power, chemicals, metals and mining	12		13		12	
Public sector	8		6		5	
Banks/broker-dealers	5		5		4	
Insurance and special purpose entities	2		2		3	
Other industries	3		3		4	
Total	100	%	100	%	100	%

ADDITIONAL CONSUMER AND CORPORATE CREDIT DETAILS

Loans Outstanding

	3rd Qtr. 2017	2nd Qtr. 2017	1st Qtr. 2017	4th Qtr. 2016	3rd Qtr. 2016	
In millions of dollars						
Consumer loans						
In U.S. offices						
Mortgage and real estate ⁽¹⁾	\$67,131	\$69,022	\$71,170	\$72,957	\$75,057	
Installment, revolving credit and other	3,191	3,190	3,252	3,395	3,465	
Cards	131,476	130,181	125,799	132,654	124,637	
Commercial and industrial	7,619	7,404	7,434	7,159	6,989	
Total	\$209,417	\$209,797	\$207,655	\$216,165	\$210,148	
In offices outside the U.S.						
Mortgage and real estate ⁽¹⁾	\$43,723	\$43,821	\$43,822	\$42,803	\$45,751	
Installment, revolving credit and other	26,153	26,480	26,014	24,887	28,217	
Cards	25,443	25,376	24,497	23,783	25,833	
Commercial and industrial	20,015	18,956	17,728	16,568	17,498	
Lease financing	77	81	83	81	113	
Total	\$115,411	\$114,714	\$112,144	\$108,122	\$117,412	
Total consumer loans	\$324,828	\$324,511	\$319,799	\$324,287	\$327,560	
Unearned income ⁽²⁾	748	750	757	776	812	
Consumer loans, net of unearned income	\$325,576	\$325,261	\$320,556	\$325,063	\$328,372	
Corporate loans						
In U.S. offices						
Commercial and industrial	\$51,679	\$50,341	\$49,845	\$49,586	\$50,156	
Loans to financial institutions	37,203	36,953	35,734	35,517	35,801	
Mortgage and real estate ⁽¹⁾	43,274	42,041	40,052	38,691	41,078	
Installment, revolving credit and other	32,464	31,611	32,212	34,501	32,571	
Lease financing	1,493	1,467	1,511	1,518	1,532	
Total	\$166,113	\$162,413	\$159,354	\$159,813	\$161,138	
In offices outside the U.S.						
Commercial and industrial	\$93,107	\$91,131	\$87,258	\$81,882	\$84,492	
Loans to financial institutions	33,050	34,844	33,763	26,886	27,305	
Mortgage and real estate ⁽¹⁾	6,383	6,783	5,527	5,363	5,595	
Installment, revolving credit and other	23,830	19,200	16,576	19,965	25,462	
Lease financing	216	234	253	251	243	
Governments and official institutions	5,628	5,518	5,970	5,850	6,506	
Total	\$162,214	\$157,710	\$149,347	\$140,197	\$149,603	
Total corporate loans	\$328,327	\$320,123	\$308,701	\$300,010	\$310,741	
Unearned income ⁽³⁾	(720)	(689)	(662)	(704)	(678)	
Corporate loans, net of unearned income	\$327,607	\$319,434	\$308,039	\$299,306	\$310,063	
Total loans—net of unearned income	\$653,183	\$644,695	\$628,595	\$624,369	\$638,435	
Allowance for loan losses—on drawn exposures	(12,366)	(12,025)	(12,030)	(12,060)	(12,439)	
Total loans—net of unearned income and allowance for credit losses	\$640,817	\$632,670	\$616,565	\$612,309	\$625,996	
Allowance for loan losses as a percentage of total loans—net of unearned income ⁽⁴⁾	1.91	% 1.88	% 1.93	% 1.94	% 1.97	%
Allowance for consumer loan losses as a percentage of total consumer loans—net of unearned income ⁽⁴⁾	3.04	% 2.93	% 2.96	% 2.88	% 2.95	%

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Allowance for corporate loan losses as a percentage of total corporate loans—net of unearned income	0.77	%0.80	%0.83	%0.91	%0.90	%
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- (1) Loans secured primarily by real estate.
- (2) Unearned income on consumer loans primarily represents unamortized origination fees, costs, premiums and discounts.
- (3) Unearned income on corporate loans primarily represents interest received in advance but not yet earned on loans originated on a discounted basis.
- (4) All periods exclude loans that are carried at fair value.

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Details of Credit Loss Experience

	3rd Qtr. 2017	2nd Qtr. 2017	1st Qtr. 2016	4th Qtr. 2016	3rd Qtr. 2016
In millions of dollars					
Allowance for loan losses at beginning of period	\$12,025	\$12,030	\$12,060	\$12,439	\$12,304
Provision for loan losses					
Consumer	\$2,142	\$1,620	\$1,816	\$1,659	\$1,815
Corporate	4	46	(141)	68	(69)
Total	\$2,146	\$1,666	\$1,675	\$1,727	\$1,746
Gross credit losses					
Consumer					
In U.S. offices	\$1,429	\$1,437	\$1,444	\$1,343	\$1,181
In offices outside the U.S.	642	597	597	605	702
Corporate					
In U.S. offices	15	72	48	32	29
In offices outside the U.S.	34	24	55	103	36
Total	\$2,120	\$2,130	\$2,144	\$2,083	\$1,948
Credit recoveries ⁽¹⁾					
Consumer					
In U.S. offices	\$167	\$266	\$242	\$235	\$227
In offices outside the U.S.	170	135	127	137	173
Corporate					
In U.S. offices	2	15	2	2	16
In offices outside the U.S.	4	4	64	13	7
Total	\$343	\$420	\$435	\$387	\$423
Net credit losses					
In U.S. offices	\$1,275	\$1,228	\$1,248	\$1,138	\$967
In offices outside the U.S.	502	482	461	558	558
Total	\$1,777	\$1,710	\$1,709	\$1,696	\$1,525
Other—net ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾	\$(28)	\$39	\$4	\$(410)	\$(86)
Allowance for loan losses at end of period	\$12,366	\$12,025	\$12,030	\$12,060	\$12,439
Allowance for loan losses as a percentage of total loans ⁽⁸⁾	1.91	%1.88	%1.93	%1.94	%1.97
Allowance for unfunded lending commitments ⁽⁹⁾	\$1,232	\$1,406	\$1,377	\$1,418	\$1,388
Total allowance for loan losses and unfunded lending commitments	\$13,598	\$13,431	\$13,407	\$13,478	\$13,827
Net consumer credit losses	\$1,734	\$1,633	\$1,672	\$1,576	\$1,483
As a percentage of average consumer loans	2.11	%2.04	%2.11	%1.95	%1.80
Net corporate credit losses	\$43	\$77	\$37	\$120	\$42
As a percentage of average corporate loans	0.05	%0.10	%0.05	%0.16	%0.05
Allowance by type at end of period ⁽¹⁰⁾					
Consumer	\$9,892	\$9,515	\$9,495	\$9,358	\$9,673
Corporate	2,474	2,510	2,535	2,702	2,766
Total	\$12,366	\$12,025	\$12,030	\$12,060	\$12,439

(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.

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

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

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

(6) The fourth quarter of 2016 includes a reduction of approximately \$267 million related to the sale or transfer to HFS of various loan portfolios, including a reduction of \$3 million related to the transfer of a real estate loan portfolio to HFS. Additionally, the fourth quarter includes a reduction of approximately \$141 million related to FX translation.

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

(8) September 30, 2017, June 30, 2017, March 31, 2017, December 31, 2016 and September 30, 2016 exclude \$4.3 billion, \$4.2 billion, \$4.0 billion, \$3.5 billion and \$4.0 billion, respectively, of loans which are carried at fair value.

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

(10) Allowance for loan losses represents management’s best estimate of probable losses inherent in the portfolio, as well as probable losses related to large individually evaluated impaired loans and troubled debt restructurings. See “Significant Accounting Policies and Significant Estimates” and Note 1 to the Consolidated Financial Statements in Citi’s 2016 Annual Report on Form 10-K. Attribution of the allowance is made for analytical purposes only and the entire allowance is available to absorb probable credit losses inherent in the overall portfolio.

Allowance for Loan Losses

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

In billions of dollars	September 30, 2017			
	Allowance for loan losses	Loans net of unearned income	Allowance as a percentage of loans ⁽¹⁾	
North America cards ⁽²⁾	\$6.0	\$ 132.2	4.5	%
North America mortgages ⁽³⁾	0.8	65.8	1.2	
North America other	0.2	13.0	1.5	
International cards	1.4	24.9	5.6	
International other ⁽⁴⁾	1.5	89.7	1.7	
Total consumer	\$9.9	\$ 325.6	3.0	%
Total corporate	2.5	327.6	0.8	
Total Citigroup	\$12.4	\$ 653.2	1.9	%

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

(2) Includes both Citi-branded cards and Citi retail services. The \$6.0 billion of loan loss reserves represented approximately 16 months of coincident net credit loss coverage.

(3) Of the \$0.8 billion, approximately \$0.7 billion was allocated to North America mortgages in Corporate/Other. Of the \$0.8 billion, approximately \$0.3 billion and \$0.5 billion are determined in accordance with ASC 450-20 and ASC 310-10-35 (troubled debt restructurings), respectively. Of the \$65.8 billion in loans, approximately \$61.9 billion and \$3.8 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, 2016			
	Allowance for loan losses	Loans net of unearned income	Allowance as a percentage of loans ⁽¹⁾	
North America cards ⁽²⁾	\$5.2	\$ 133.3	3.9	%

North America mortgages ⁽³⁾	1.1	72.6	1.5	
North America other	0.5	13.6	3.7	
International cards	1.2	23.1	5.2	
International other ⁽⁴⁾	1.4	82.8	1.7	
Total consumer	\$9.4	\$ 325.4	2.9	%
Total corporate	2.7	299.0	0.9	
Total Citigroup	\$12.1	\$ 624.4	1.9	%

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

(2) Includes both Citi-branded cards and Citi retail services. The \$5.2 billion of loan loss reserves represented approximately 15 months of coincident net credit loss coverage.

Of the \$1.1 billion, approximately \$1.0 billion was allocated to North America mortgages in Corporate/Other. Of the \$1.1 billion, approximately \$0.4 billion and \$0.7 billion are determined in accordance with ASC 450-20 and ASC 310-10-35 (troubled debt restructurings), respectively. Of the \$72.6 billion in loans, approximately \$67.7 billion and \$4.8 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 banking) non-accrual status is based on the determination that payment of interest or principal is doubtful.

A corporate loan may be classified as non-accrual and still be performing under the terms of the loan structure.

• Payments received on corporate non-accrual loans are generally applied to loan principal and not reflected as interest income. Approximately 69% and 67% of Citi's corporate non-accrual loans were performing at September 30, 2017 and June 30, 2017, respectively.

• Consumer non-accrual status is generally based on aging, i.e., the borrower has fallen behind on payments.

Consumer mortgage loans, other than Federal Housing Administration (FHA) insured loans, are classified as non-accrual within 60 days of notification that the borrower has filed for bankruptcy. In addition, home equity loans are classified as non-accrual if the related residential first mortgage loan is 90 days or more past due.

• North America Citi-branded cards and Citi retail services are not included because, under industry standards, credit card loans accrue interest until such loans are charged off, which typically occurs at 180 days 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.

In millions of dollars	Sept. 30, 2017	Jun. 30, 2017	Mar. 31, 2016	Dec. 31, 2016	Sept. 30, 2016
Corporate non-accrual loans ⁽¹⁾					
North America	\$915	\$944	\$993	\$984	\$1,057
EMEA	681	727	828	904	857
Latin America	312	281	342	379	380
Asia	146	146	176	154	121
Total corporate non-accrual loans	\$2,054	\$2,098	\$2,339	\$2,421	\$2,415
Consumer non-accrual loans ⁽¹⁾					
North America	\$1,721	\$1,754	\$1,926	\$2,160	\$2,429
Latin America	791	793	737	711	841
Asia ⁽²⁾	271	301	292	287	282
Total consumer non-accrual loans	\$2,783	\$2,848	\$2,955	\$3,158	\$3,552
Total non-accrual loans	\$4,837	\$4,946	\$5,294	\$5,579	\$5,967

Excludes purchased distressed loans, as they are generally accreting interest. The carrying value of these loans was (1) \$177 million at September 30, 2017, \$183 million at June 30, 2017, \$194 million at March 31, 2017, \$187 million at December 31, 2016 and \$194 million at September 30, 2016.

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

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

In millions of dollars	Three Months Ended September 30, 2017			Three Months Ended September 30, 2016		
	Corporate	Consumer	Total	Corporate	Consumer	Total
Non-accrual loans at beginning of period	\$2,098	\$ 2,848	\$4,946	\$2,460	\$ 3,705	\$6,165
Additions	190	1,042	1,232	469	1,131	1,600
Sales and transfers to held-for-sale	(1	)(69	)(70	)(4	)(102	)(106
Returned to performing	(2	)(133	)(135	)(58	)(149	)(207
Paydowns/settlements	(196	)(291	)(487	)(433	)(562	)(995
Charge-offs	(33	)(611	)(644	)(24	)(455	)(479
Other	(2	)(3	)(5	)5	(16	)(11
Ending balance	\$2,054	\$ 2,783	\$4,837	\$2,415	\$ 3,552	\$5,967

In millions of dollars	Nine Months Ended September 30, 2017			Nine Months Ended September 30, 2016		
	Corporate	Consumer	Total	Corporate	Consumer	Total
Non-accrual loans at beginning of period	\$2,421	\$ 3,158	\$5,579	\$1,596	\$ 3,658	\$5,254
Additions	754	2,563	3,317	2,346	3,371	5,717
Sales and transfers to held-for-sale	(83)	(286)	(369)	(13)	(473)	(486)
Returned to performing	(42)	(462)	(504)	(141)	(434)	(575)
Paydowns/settlements	(843)	(856)	(1,699)	(1,022)	(1,203)	(2,225)
Charge-offs	(102)	(1,452)	(1,554)	(277)	(1,353)	(1,630)
Other	(51)	118	67	(74)	(14)	(88)
Ending balance	\$2,054	\$ 2,783	\$4,837	\$2,415	\$ 3,552	\$5,967

The tables below summarize 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, 2017	Jun. 30, 2017	Mar. 31, 2016	Dec. 31, 2016	Sept. 30, 2016
OREO					
North America	\$97	\$128	\$136	\$161	\$132
EMEA	1	1	1	—	1
Latin America	30	31	31	18	18
Asia	15	8	5	7	10
Total OREO	\$143	\$168	\$173	\$186	\$161
Non-accrual assets					
Corporate non-accrual loans	\$2,054	\$2,098	\$2,339	\$2,421	\$2,415
Consumer non-accrual loans	2,783	2,848	2,955	3,158	3,552
Non-accrual loans (NAL)	\$4,837	\$4,946	\$5,294	\$5,579	\$5,967
OREO	\$143	\$168	\$173	\$186	\$161
Non-accrual assets (NAA)	\$4,980	\$5,114	\$5,467	\$5,765	\$6,128
NAL as a percentage of total loans	0.74	%0.77	%0.84	%0.89	%0.93
NAA as a percentage of total assets	0.26	0.27	0.30	0.32	0.34
Allowance for loan losses as a percentage of NAL ⁽¹⁾	256	243	227	216	208

The allowance for loan losses includes the allowance for Citi's credit card portfolios and purchased distressed loans, (1) 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.

Renegotiated Loans

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

In millions of dollars	Sept. 30, 2017	Dec. 31, 2016
Corporate renegotiated loans ⁽¹⁾		
In U.S. offices		
Commercial and industrial ⁽²⁾	\$285	\$89
Mortgage and real estate	78	84
Loans to financial institutions	8	9
Other	155	228
	\$526	\$410
In offices outside the U.S.		
Commercial and industrial ⁽²⁾	\$401	\$319
Mortgage and real estate	7	3
Loans to financial institutions	15	—
	\$423	\$322
Total corporate renegotiated loans	\$949	\$732
Consumer renegotiated loans ⁽³⁾⁽⁴⁾⁽⁵⁾		
In U.S. offices		
Mortgage and real estate ⁽⁶⁾	\$3,812	\$4,695
Cards	1,295	1,313
Installment and other	176	117
	\$5,283	\$6,125
In offices outside the U.S.		
Mortgage and real estate	\$337	\$447
Cards	525	435
Installment and other	414	443
	\$1,276	\$1,325
Total consumer renegotiated loans	\$6,559	\$7,450

(1) Includes \$769 million and \$445 million of non-accrual loans included in the non-accrual loans table above at September 30, 2017 and December 31, 2016, respectively. The remaining loans are accruing interest.

(2) In addition to modifications reflected as TDRs at September 30, 2017, Citi also modified \$86 million of 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.

(3) Includes \$1,368 million and \$1,502 million of non-accrual loans included in the non-accrual loans table above at September 30, 2017 and December 31, 2016, respectively. The remaining loans are accruing interest.

(4) Includes \$42 million and \$58 million of commercial real estate loans at September 30, 2017 and December 31, 2016, respectively.

(5) Includes \$162 million and \$105 million of other commercial loans at September 30, 2017 and December 31, 2016, respectively.

(6) Reduction in the nine months ended September 30, 2017 includes \$778 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 2016 Annual Report on Form 10-K.

High-Quality Liquid Assets (HQLA)

	Citibank			Non-Bank and Other ⁽¹⁾			Total		
	Sept. 30, 2017	Jun. 30, 2017	Sept. 30, 2016	Sept. 30, 2017	Jun. 30, 2017	Sept. 30, 2016	Sept. 30, 2017	Jun. 30, 2017	Sept. 30, 2016
In billions of dollars									
Available cash	\$89.8	\$78.5	\$71.1	\$25.7	\$35.0	\$19.2	\$115.5	\$113.5	\$90.2
U.S. sovereign	114.5	110.6	122.3	28.6	23.2	21.8	143.1	133.8	144.1
U.S. agency/agency MBS	80.4	63.2	62.6	0.3	1.1	0.2	80.7	64.3	62.8
Foreign government debt ⁽²⁾	82.2	102.4	89.2	17.3	17.7	15.5	99.6	120.1	104.7
Other investment grade	0.7	0.4	1.0	1.2	1.2	1.5	1.9	1.6	2.5
Total HQLA (EOP)	\$367.6	\$355.1	\$346.2	\$73.1	\$78.1	\$58.2	\$440.8	\$433.2	\$404.3
Total HQLA (AVG)	\$371.0	\$354.0	\$344.0	\$77.6	\$70.4	\$59.8	\$448.6	\$424.4	\$403.8

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 therefore exclude any securities that are encumbered, and incorporate any haircuts that would be required for secured funding transactions.

(1) Citibanamex and Citibank (Switzerland) AG account for approximately \$6 billion of the “Non-Bank and Other” HQLA balance as of September 30, 2017.

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, Taiwan, Singapore, India, Brazil and Mexico.

As set forth in the table above, sequentially, Citi’s total HQLA increased on both an average and end-of-period basis, predominantly driven by changes in eligibility assumptions relating to certain assets. On an average basis, the sequential increase in Citi’s total HQLA was also impacted by an increase in average cash.

Citi’s HQLA as set forth above does not include Citi’s available borrowing capacity from the Federal Home Loan Banks (FHLBs) of which Citi is a member, which was approximately \$16 billion as of September 30, 2017 (compared to \$18 billion as of June 30, 2017 and \$24 billion as of September 30, 2016) 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, 2017, the capacity available for lending to these entities under Section 23A was approximately \$15 billion, unchanged from both June 30, 2017 and September 30, 2016, subject to certain eligible non-cash collateral requirements.

Loans

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

In billions of dollars	Sept. 30, 2017	Jun. 30, 2017	Sept. 30, 2016
Global Consumer Banking			
North America	\$186.7	\$183.4	\$177.8
Latin America	26.8	25.5	24.2
Asia ⁽¹⁾	86.2	84.9	85.5
Total	\$299.7	\$293.8	\$287.5
Institutional Clients Group			
Corporate lending	123.3	121.5	124.0
Treasury and trade solutions (TTS)	74.9	73.7	71.1
Private Bank	82.6	79.0	74.2
Markets and securities services and other	40.1	38.2	37.2
Total	\$320.9	\$312.4	\$306.6
Total Corporate/Other	25.8	28.2	40.9
Total Citigroup loans (AVG)	\$646.3	\$634.3	\$634.9
Total Citigroup loans (EOP)	\$653.2	\$644.7	\$638.4

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

As set forth in the table above, end-of-period loans increased 2% year-over-year and 1% quarter-over-quarter. On an average basis, loans increased 2% both year-over-year and quarter-over-quarter.

Excluding the impact of FX translation, average loans increased 1% both year-over-year and quarter-over-quarter. On this basis, average GCB loans grew 4% year-over-year, driven by 5% growth in North America. International GCB loans increased 1%, driven by 6% growth in Mexico, while Asia loans were unchanged, reflecting Citi's optimization of its portfolio in this region.

Average ICG loans increased 4% year-over-year, driven mostly by client-led growth in the private bank. Corporate lending decreased 1%, primarily driven by a lower level of episodic funding compared to the prior-year period.

Treasury and trade solutions loans increased 5%, driven by growth in EMEA and Asia.

Average Corporate/Other loans decreased 37% year-over-year, driven by the continued wind down of legacy assets.

Deposits

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

In billions of dollars	Sept. 30, 2017	Jun. 30, 2017	Sept. 30, 2016
Global Consumer Banking			
North America	\$184.1	\$185.1	\$183.9
Latin America	28.8	27.8	25.7
Asia ⁽¹⁾	95.2	94.3	91.6
Total	\$308.1	\$307.2	\$301.2
Institutional Clients Group			
Treasury and trade solutions (TTS)	427.8	423.9	414.6
Banking ex-TTS	122.4	122.1	119.6

Markets and securities services	84.7	84.3	84.1
Total	\$634.9	\$630.3	\$618.4
Corporate/Other	22.9	22.5	24.7
Total Citigroup deposits (AVG)	\$965.9	\$960.0	\$944.2
Total Citigroup deposits (EOP)	\$964.0	\$958.7	\$940.3

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

End-of-period deposits increased 3% year-over-year and 1% quarter-over-quarter. On an average basis, deposits increased 2% year-over-year and 1% sequentially.

Excluding the impact of FX translation, average deposits grew 2% from the prior-year period, driven primarily by 3% growth in treasury and trade solutions, as well as 4% aggregate growth in Asia and Latin America GCB. North America GCB deposits were largely unchanged as a net inflow of deposits was offset by transfers from deposit to investment accounts.

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 6.8 years as of September 30, 2017, a modest decline from both the prior-year period and the prior quarter.

Citi's long-term debt outstanding at the parent includes senior and subordinated debt and a portion of 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 and non-bank 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 end-of-period total long-term debt outstanding for each of the periods indicated:

In billions of dollars	Sept. 30, 2017	Jun. 30, 2017	Sept. 30, 2016
Parent and other ⁽¹⁾			
Benchmark debt:			
Senior debt	\$109.8	\$105.9	\$97.1
Subordinated debt	27.0	26.8	28.8
Trust preferred	1.7	1.7	1.7
Customer-related debt:			
Structured debt	27.0	25.3	23.6
Non-structured debt	3.3	3.1	3.5
Local country and other ⁽²⁾	1.8	2.1	2.7
Total parent and other	\$170.6	\$164.9	\$157.4
Bank			
FHLB borrowings	\$19.8	\$20.3	\$21.6
Securitizations ⁽³⁾	28.6	28.2	24.4
CBNA benchmark senior debt	9.5	7.2	—
Local country and other ⁽²⁾	4.2	4.5	5.7
Total bank	\$62.1	\$60.2	\$51.7
Total long-term debt	\$232.7	\$225.2	\$209.1

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.

"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 (1) September 30, 2017, "parent and other" included \$18.7 billion of long-term debt issued by Citi's broker-dealer and other non-bank 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.

Citi's total long-term debt outstanding increased both year-over-year and sequentially, primarily driven by the issuance of senior debt at the parent, as well as the issuance of benchmark senior debt at the bank.

As part of its liability management, Citi has considered, and may continue to consider, opportunities to repurchase its long-term debt pursuant to open market purchases, tender offers/redemptions or other means. Such repurchases help reduce Citi's overall funding costs (and assist it in meeting regulatory requirements). During the third quarter of 2017, Citi repurchased an aggregate of approximately \$0.3 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:

In billions of dollars	3Q17		2Q17		3Q16	
	Maturities	Issuances	Maturities	Issuances	Maturities	Issuances
Parent and other						
Benchmark debt:						
Senior debt	\$2.5	\$ 5.7	\$2.0	\$ 6.3	\$3.3	\$ 4.5
Subordinated debt	—	—	—	0.2	1.3	1.5
Trust preferred	—	—	—	—	—	—
Customer-related debt:						
Structured debt	1.7	2.9	2.0	3.6	2.2	3.0
Non-structured debt	0.1	0.1	0.3	—	0.1	0.2
Local country and other	0.4	—	0.1	—	0.1	0.4
Total parent and other	\$4.7	\$ 8.7	\$4.3	\$ 10.2	\$6.9	\$ 9.6
Bank						
FHLB borrowings	\$1.5	\$ 1.0	\$1.5	\$ 1.5	\$2.8	\$ 5.8
Securitized debt	1.8	2.2	0.9	5.1	3.0	—
CBNA benchmark senior debt	—	2.2	—	4.7	—	—
Local country and other	0.5	0.5	0.7	0.3	0.9	0.9
Total bank	\$3.8	\$ 5.9	\$3.0	\$ 11.6	\$6.7	\$ 6.7
Total	\$8.5	\$ 14.6	\$7.4	\$ 21.8	\$13.6	\$ 16.3

The table below shows Citi's aggregate long-term debt maturities (including repurchases and redemptions) year-to-date in 2017, as well as its aggregate expected annual long-term debt maturities as of September 30, 2017:

In billions of dollars	Maturities								Total
	2017 YTD	2017	2018	2019	2020	2021	2022	Thereafter	
Parent and other									
Benchmark debt:									
Senior debt	\$ 9.8	\$4.3	\$18.4	\$14.7	\$8.9	\$14.4	\$6.0	\$ 43.1	\$109.8
Subordinated debt	1.2	0.4	1.0	1.4	—	—	0.8	23.4	27.0
Trust preferred	—	—	—	—	—	—	—	1.7	1.7
Customer-related debt:									
Structured debt	5.5	0.3	3.6	2.3	3.2	2.3	1.4	13.9	27.0
Non-structured debt	0.5	—	0.6	0.2	0.3	0.1	0.2	1.9	3.3
Local country and other	1.0	—	0.7	0.1	0.1	0.1	—	0.8	1.8
Total parent and other	\$ 18.0	\$5.0	\$24.3	\$18.7	\$12.5	\$16.9	\$8.4	\$ 84.8	\$170.6
Bank									
FHLB borrowings	\$ 4.8	\$3.0	\$15.3	\$1.6	\$—	\$—	\$—	\$—	\$19.8
Securitized debt	4.7	0.6	9.4	6.5	4.4	3.8	1.2	2.7	28.6
CBNA benchmark debt	—	—	2.2	4.7	2.5	—	—	—	9.5
Local country and other	2.4	0.7	1.8	0.7	0.5	0.2	0.1	0.3	4.2
Total bank	\$ 11.8	\$4.2	\$28.7	\$13.5	\$7.4	\$4.0	\$1.3	\$ 3.1	\$62.1
Total long-term debt	\$ 29.8	\$9.3	\$53.0	\$32.2	\$19.8	\$20.9	\$9.7	\$ 87.9	\$232.7

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 29% year-over-year and 4% sequentially. The increase both year-over-year and sequentially was driven primarily by an increase in FHLB borrowings, as Citi continued to optimize liquidity across its legal entities.

Secured Funding

Secured funding is primarily accessed through Citi's broker-dealer subsidiaries to fund efficiently both secured lending activity and a portion of the 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 \$161 billion as of September 30, 2017 increased 5% from the prior-year period and 4% sequentially. Excluding the impact of FX translation, secured funding increased 3% from both the prior-year period and sequentially, both driven by normal business activity. Average balances for secured funding were approximately \$158 billion for the quarter ended September 30, 2017.

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, 2017.

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 Citi's 2016 Annual Report on Form 10-K). The table below sets forth the components of Citi's LCR calculation and HQLA in excess of net outflows as of the periods indicated:

In billions of dollars	Sept. 30, 2017	Jun. 30, 2017	Sept. 30, 2016
HQLA	\$448.6	\$424.4	\$403.8
Net outflows	365.1	338.2	335.3
LCR	123	% 125	% 120
HQLA in excess of net outflows	\$83.5	\$86.2	\$68.5

Note: The amounts set forth in the table above are presented on an average basis.

As set forth in the table above, Citi's average LCR increased year-over-year, as an increase in average HQLA more than offset an increase in modeled net outflows. Sequentially, Citi's average LCR decreased modestly, as an increase in modeled net outflows was largely offset by an increase in average HQLA. Both the increase in modeled net outflows and the increase in average HQLA were predominantly driven by changes in assumptions, including changes in methodology to better align Citi's outflow assumptions with those embedded in its resolution planning.

Credit Ratings

The table below sets forth the ratings for Citigroup and Citibank as of September 30, 2017. While not included in the table below, 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, 2017.

	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	Stable

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, 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 2016 Annual Report on Form 10-K.

Citigroup Inc. and Citibank—Potential Derivative Triggers

As of September 30, 2017, 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 \$1.0 billion, compared to \$0.7 billion as of June 30, 2017. Other funding sources, such as secured funding and other margin requirements, for which there are no explicit triggers, could also be adversely affected.

As of September 30, 2017, 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 \$0.5 billion, compared to \$0.3 billion as of June 30, 2017, due to derivative triggers.

In total, Citi estimates that a one-notch downgrade of Citigroup and Citibank, across all three major rating agencies, could result in increased aggregate cash obligations and collateral requirements of approximately \$1.5 billion, compared to \$1.0 billion as of June 30, 2017 (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 \$371 billion and the liquidity resources of Citi's non-bank and other entities were approximately \$78 billion, for a total of approximately \$449 billion as of September 30, 2017. 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. Citibank had liquidity commitments of approximately \$10.0 billion to consolidated asset-backed commercial paper conduits, as of September 30, 2017 and June 30, 2017 (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 on market risk and market risk management at Citi, see "Market Risk" and "Risk Factors" in Citi's 2016 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 2016 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, 2017	Jun. 30, 2017	Sept. 30, 2016
Estimated annualized impact to net interest revenue			
U.S. dollar ⁽¹⁾	\$1,449	\$1,435	\$1,405
All other currencies	610	589	574
Total	\$2,059	\$2,024	\$1,979
As a percentage of average interest-earning assets	0.12	%0.12	%0.12
Estimated initial impact to AOCI (after-tax) ⁽²⁾	\$(4,206)	\$(4,258)	\$(4,868)
Estimated initial impact on Common Equity Tier 1 Capital ratio (bps) ⁽³⁾	(48)	(49)	(53)

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 \$(204) million for a 100 basis point instantaneous increase in interest rates as of September 30, 2017.

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

The estimated impact to net interest revenue increased slightly on a sequential basis, reflecting changes in balance sheet composition. The sequential decrease in the estimated impact to AOCI primarily reflected changes to the positioning of Citi Treasury's investment securities and related interest rate derivatives portfolio.

In the event of an unanticipated parallel instantaneous 100 basis point increase in interest rates, Citi expects the negative impact to AOCI would be offset in 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, 2017, Citi expects that the negative \$4.2 billion impact to AOCI in such a scenario could potentially be offset over approximately 23 months.

The following table sets forth the estimated impact to Citi's net interest revenue, AOCI and the Common Equity Tier 1 Capital ratio (on a fully implemented basis) under four different changes in interest rate scenarios for the U.S. dollar and Citi's other currencies. While Citi also monitors the impact of a parallel decrease in interest rates, a 100 basis point decrease in short-term 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	\$1,449	\$1,369	\$89	\$(130)
All other currencies	610	554	34	(34)
Total	\$2,059	\$1,923	\$123	\$(164)
Estimated initial impact to AOCI (after-tax) ⁽¹⁾	\$(4,206)	\$(2,542)	\$(1,632)	\$1,077
Estimated initial impact to Common Equity Tier 1 Capital ratio (bps) ⁽²⁾	(48)	(29)	(19)	12

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.

In recent years, 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 2016 Annual Reporting on Form 10-K).

Changes in Foreign Exchange Rates—Impacts on AOCI and Capital

As of September 30, 2017, 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%, 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 Australian dollar.

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.	Jun.	Sept. 30,
	30,	30,	2016
	2017	2017	

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Change in FX spot rate ⁽¹⁾	1.1	%1.9	%(0.2))%	
Change in TCE due to FX translation, net of hedges	\$222	\$478	\$(412)		
As a percentage of TCE	0.1	%0.3	%(0.2))%	
Estimated impact to Common Equity Tier 1 Capital ratio (on a fully implemented basis) due to changes in FX translation, net of hedges (bps)	(3)	(3) (2)

(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

	3rd Qtr. 2017	2nd Qtr. 2017	3rd Qtr. 2016	Change 3Q17 vs. 3Q16
In millions of dollars, except as otherwise noted				
Interest revenue ⁽¹⁾	\$15,944	\$15,323	\$14,767	8 %
Interest expense ⁽²⁾	4,379	4,036	3,174	38
Net interest revenue	\$11,565	\$11,287	\$11,593	— %
Interest revenue—average rate	3.75 %	3.70 %	3.65 %	10 bps
Interest expense—average rate	1.33	1.26	1.03	30 bps
Net interest margin ⁽³⁾	2.72	2.72	2.86	(14) bps
Interest-rate benchmarks				
Two-year U.S. Treasury note—average rate	1.36 %	1.30 %	0.73 %	63 bps
10-year U.S. Treasury note—average rate	2.24	2.26	1.56	68 bps
10-year vs. two-year spread	88	96	83	bps

Note: All interest expense amounts include FDIC deposit insurance assessments.

Net interest revenue includes the taxable equivalent adjustments related to the tax-exempt bond portfolio

(1) (based on the U.S. federal statutory tax rate of 35%) of \$123 million, \$122 million, and \$114 million for the three months ended September 30, 2017, June 30, 2017 and September 30, 2016, respectively.

(2) Interest expense associated with certain hybrid financial instruments, which are classified as Long-term debt and accounted for at fair value, is reported together with any changes in fair value as part of Principal transactions in the Consolidated Statements of Income and is therefore not reflected in Interest expense in the table above.

(3) Citi's net interest margin (NIM) is calculated by dividing gross interest revenue less gross interest expense by average interest-earning assets.

Citi's net interest revenue remained largely unchanged at \$11.4 billion (\$11.6 billion on a taxable equivalent basis) versus the prior-year period. Excluding the impact of FX translation, Citi's net interest revenue was down slightly versus the prior-year period (down \$110 million), as higher core accrual net interest revenue (\$10.4 billion, up 5% or \$0.5 billion) was offset by lower trading-related net interest revenue (\$0.7 billion, down 34% or \$0.4 billion), and lower net interest revenue associated with legacy assets in Corporate/Other (\$0.3 billion, down approximately 38% or \$0.2 billion). The increase in core accrual net interest revenue was driven by the impact of the December 2016, March 2017 and June 2017 interest rate increases and volume growth,

partially offset by higher long-term debt.

Citi's NIM was 2.72% on a taxable equivalent basis in the third quarter of 2017, a decrease of 14 bps from the prior-year period. Citi's core accrual NIM was 3.45%, a decline of 7 bps, as the higher core accrual net interest revenue was more than offset by balance sheet growth, particularly in cash balances. (Citi's core accrual net interest revenue and core accrual NIM are non-GAAP financial measures. Citi believes these measures provide a more meaningful depiction for investors of the underlying fundamentals of its business results.)

Additional Interest Rate Details

Average Balances and Interest Rates—Assets⁽¹⁾⁽²⁾⁽³⁾

Taxable Equivalent Basis

	Average volume			Interest revenue			% 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	2017	2017	2016	2017	2017	2016	2017	2017	2016
Assets									
Deposits with banks ⁽⁴⁾	\$176,942	\$166,023	\$131,571	\$486	\$375	\$247	1.09%	0.91%	0.75%
Federal funds sold and securities borrowed or purchased under agreements to resell ⁽⁵⁾									
In U.S. offices	\$136,681	\$144,483	\$146,581	\$524	\$472	\$387	1.52%	1.31%	1.05%
In offices outside the U.S. ⁽⁴⁾	108,770	104,780	88,415	334	356	249	1.22	1.36	1.12
Total	\$245,451	\$249,263	\$234,996	\$858	\$828	\$636	1.39%	1.33%	1.08%
Trading account assets ⁽⁶⁾⁽⁷⁾									
In U.S. offices	\$98,725	\$100,080	\$100,381	\$918	\$877	\$912	3.69%	3.51%	3.61%
In offices outside the U.S. ⁽⁴⁾	105,882	103,581	100,825	555	646	559	2.08	2.50	2.21
Total	\$204,607	\$203,661	\$201,206	\$1,473	\$1,523	\$1,471	2.86%	3.00%	2.91%
Investments									
In U.S. offices									
Taxable	\$227,680	\$224,021	\$228,337	\$1,138	\$1,086	\$990	1.98%	1.94%	1.72%
Exempt from U.S. income tax	17,890	18,466	19,102	181	197	162	4.01	4.28	3.37
In offices outside the U.S. ⁽⁴⁾	106,456	106,758	107,350	835	830	794	3.11	3.12	2.94
Total	\$352,026	\$349,245	\$354,789	\$2,154	\$2,113	\$1,946	2.43%	2.43%	2.18%
Loans (net of unearned income) ⁽⁸⁾									
In U.S. offices	\$372,067	\$369,342	\$368,372	\$6,650	\$6,392	\$6,272	7.09%	6.94%	6.77%
In offices outside the U.S. ⁽⁴⁾	274,254	264,986	267,399	4,031	3,832	3,974	5.83	5.80	5.91
Total	\$646,321	\$634,328	\$635,771	\$10,681	\$10,224	\$10,246	6.56%	6.46%	6.41%
Other interest-earning assets ⁽⁹⁾	\$61,677	\$60,107	\$52,668	\$292	\$260	\$221	1.88%	1.74%	1.67%
Total interest-earning assets	\$1,687,024	\$1,662,627	\$1,611,001	\$15,944	\$15,323	\$14,767	3.75%	3.70%	3.65%
Non-interest-earning assets ⁽⁶⁾	\$205,268	\$206,581	\$219,213						
Total assets	\$1,892,292	\$1,869,208	\$1,830,214						

(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 \$123 million, \$122 million, and \$114 million for the three months ended September 30, 2017, June 30, 2017 and September 30, 2016, 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) Average rates reflect prevailing local interest rates, including inflationary effects and monetary corrections in certain countries.

(5) 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.

(6) 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.

(7) 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.

(8) Includes cash-basis loans.

(9) Includes brokerage receivables.

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Average Balances and Interest Rates—Liabilities and Equity, and Net Interest Revenue⁽¹⁾⁽²⁾⁽³⁾

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	2017	2017	2016	2017	2017	2016	2017	2017	2016
Liabilities									
Deposits									
In U.S. offices ⁽⁴⁾	\$318,881	\$311,758	\$296,999	\$695	\$593	\$470	0.86%	0.76%	0.63%
In offices outside the U.S. ⁽⁵⁾	438,561	439,807	434,232	1,080	1,010	973	0.98	0.92	0.89
Total	\$757,442	\$751,565	\$731,231	\$1,775	\$1,603	\$1,443	0.93%	0.86%	0.79%
Federal funds purchased and securities loaned or sold under agreements to repurchase⁽⁶⁾									
In U.S. offices	\$93,167	\$101,623	\$99,924	\$423	\$396	\$267	1.80%	1.56%	1.06%
In offices outside the U.S. ⁽⁵⁾	64,897	59,354	58,060	289	280	192	1.77	1.89	1.32
Total	\$158,064	\$160,977	\$157,984	\$712	\$676	\$459	1.79%	1.68%	1.16
Trading account liabilities⁽⁷⁾⁽⁸⁾									
In U.S. offices	\$32,622	\$34,287	\$33,600	\$104	\$81	\$65	1.26%	0.95%	0.77%
In offices outside the U.S. ⁽⁵⁾	57,187	56,731	42,637	65	65	37	0.45	0.46	0.35
Total	\$89,809	\$91,018	\$76,237	\$169	\$146	\$102	0.75%	0.64%	0.53%
Short-term borrowings⁽⁹⁾									
In U.S. offices	\$77,211	\$68,486	\$61,019	\$234	\$103	\$51	1.20%	0.60%	0.33%
In offices outside the U.S. ⁽⁵⁾	20,928	23,070	20,285	84	99	39	1.59	1.72	0.76
Total	\$98,139	\$91,556	\$81,304	\$318	\$202	\$90	1.29%	0.88%	0.44%
Long-term debt⁽¹⁰⁾									
In U.S. offices	\$198,766	\$187,610	\$175,427	\$1,377	\$1,361	\$1,028	2.75%	2.91%	2.33%
In offices outside the U.S. ⁽⁵⁾	4,298	4,534	6,506	28	48	52	2.58%	4.25	3.18
Total	\$203,064	\$192,144	\$181,933	\$1,405	\$1,409	\$1,080	2.75%	2.94%	2.36%
Total interest-bearing liabilities	\$1,306,518	\$1,287,260	\$1,228,689	\$4,379	\$4,036	\$3,174	1.33%	1.26%	1.03%
Demand deposits in U.S. offices	\$37,673	\$38,772	\$40,466						
Other non-interest-bearing liabilities⁽⁷⁾	318,060	313,227	328,405						
Total liabilities	\$1,662,251	\$1,639,259	\$1,597,560						
Citigroup stockholders' equity ⁽¹¹⁾	\$229,017	\$228,946	\$231,574						
Noncontrolling interest	1,024	1,003	1,080						
Total equity⁽¹¹⁾	\$230,041	\$229,949	\$232,654						
Total liabilities and stockholders' equity	\$1,892,292	\$1,869,208	\$1,830,214						
Net interest revenue as a percentage of average interest-earning assets⁽¹²⁾									
In U.S. offices	\$975,283	\$956,968	\$953,877	\$7,046	\$6,777	\$7,092	2.87%	2.84%	2.96%
In offices outside the U.S. ⁽⁶⁾	711,741	705,659	657,124	4,519	4,510	4,501	2.52	2.56	2.72%
Total	\$1,687,024	\$1,662,627	\$1,611,001	\$11,565	\$11,287	\$11,593	2.72%	2.72%	2.86%

(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 \$123 million, \$122 million, and \$114 million for the three months ended September 30, 2017, June 30, 2017 and September 30, 2016, 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.
Consists of other time deposits and savings deposits. Savings deposits are made up of insured money market
- (4) accounts, NOW accounts and other savings deposits. The interest expense on savings deposits includes FDIC deposit insurance assessments.
- (5) Average rates reflect prevailing local interest rates, including inflationary effects and monetary corrections in certain countries.
- (6) 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.
- (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.

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

(9) Includes brokerage payables.

(10) 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.

(11) Includes stockholders' equity from discontinued operations.

(12) 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	
	Nine Months 2017	Nine Months 2016	Nine Months 2017	Nine Months 2016	Nine Months 2017	Nine Months 2016
In millions of dollars, except rates						
Assets						
Deposits with banks ⁽⁵⁾	\$ 165,910	\$ 128,194	\$ 1,156	\$ 703	0.93 %	0.73 %
Federal funds sold and securities borrowed or purchased under agreements to resell ⁽⁶⁾						
In U.S. offices	\$ 141,723	\$ 148,379	\$ 1,364	\$ 1,123	1.29 %	1.01 %
In offices outside the U.S. ⁽⁵⁾	105,527	83,668	983	824	1.25 %	1.32 %
Total	\$ 247,250	\$ 232,047	\$ 2,347	\$ 1,947	1.27 %	1.12 %
Trading account assets ⁽⁷⁾⁽⁸⁾						
In U.S. offices	\$ 100,214	\$ 104,655	\$ 2,679	\$ 2,835	3.57 %	3.62 %
In offices outside the U.S. ⁽⁵⁾	101,159	94,701	1,624	1,680	2.15 %	2.37 %
Total	\$ 201,373	\$ 199,356	\$ 4,303	\$ 4,515	2.86 %	3.03 %
Investments						
In U.S. offices						
Taxable	\$ 224,384	\$ 227,532	\$ 3,258	\$ 2,981	1.94 %	1.75 %
Exempt from U.S. income tax	18,345	19,171	574	501	4.18 %	3.49 %
In offices outside the U.S. ⁽⁵⁾	106,813	106,116	2,454	2,385	3.07 %	3.00 %
Total	\$ 349,542	\$ 352,819	\$ 6,286	\$ 5,867	2.40 %	2.22 %
Loans (net of unearned income) ⁽⁹⁾						
In U.S. offices						
In offices outside the U.S. ⁽⁵⁾	\$ 369,602	\$ 357,300	\$ 19,315	\$ 17,938	6.99 %	6.71 %
Total	265,060	265,586	11,560	11,847	5.83 %	5.96 %
Total	\$ 634,662	\$ 622,886	\$ 30,875	\$ 29,785	6.50 %	6.39 %
Other interest-earning assets ⁽¹⁰⁾						
Total interest-earning assets	\$ 59,506	\$ 54,329	\$ 846	\$ 709	1.90 %	1.74 %
Total interest-earning assets	\$ 1,658,243	\$ 1,589,631	\$ 45,813	\$ 43,526	3.69 %	3.66 %
Non-interest-earning assets ⁽⁷⁾						
Total assets	\$ 205,775	\$ 215,402				
Total assets	\$ 1,864,018	\$ 1,805,033				

(1) Net interest revenue includes the taxable equivalent adjustments (based on the U.S. federal statutory tax rate of 35%) of \$368 million and \$350 million for the nine months ended September 30, 2017 and 2016, 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	
	Nine Months 2017	Nine Months 2016	Nine Months 2017	Nine Months 2016	Nine Months 2017	Nine Months 2016
In millions of dollars, except rates						
Liabilities						
Deposits						
In U.S. offices ⁽⁵⁾	\$310,977	\$287,100	\$1,795	\$1,157	0.77%	0.54%
In offices outside the U.S. ⁽⁶⁾	435,704	431,176	2,998	2,796	0.92%	0.87%
Total	\$746,681	\$718,276	\$4,793	\$3,953	0.86%	0.74%
Federal funds purchased and securities loaned or sold under agreements to repurchase⁽⁷⁾						
In U.S. offices	\$96,417	\$102,321	\$1,101	\$787	1.53%	1.03%
In offices outside the U.S. ⁽⁶⁾	59,559	58,379	780	701	1.75%	1.60%
Total	\$155,976	\$160,700	\$1,881	\$1,488	1.61%	1.24%
Trading account liabilities⁽⁸⁾⁽⁹⁾						
In U.S. offices	\$33,041	\$28,219	\$269	\$181	1.09%	0.86%
In offices outside the U.S. ⁽⁶⁾	57,862	43,424	193	105	0.45%	0.32%
Total	\$90,903	\$71,643	\$462	\$286	0.68%	0.53%
Short-term borrowings⁽¹⁰⁾						
In U.S. offices	\$72,435	\$57,559	\$422	\$123	0.78%	0.29%
In offices outside the U.S. ⁽⁶⁾	22,668	17,727	297	177	1.75%	1.33%
Total	\$95,103	\$75,286	\$719	\$300	1.01%	0.53%
Long-term debt⁽¹¹⁾						
In U.S. offices	\$188,344	\$174,454	\$3,993	\$3,031	2.83%	2.32%
In offices outside the U.S. ⁽⁶⁾	4,715	6,691	133	176	3.77%	3.51%
Total	\$193,059	\$181,145	\$4,126	\$3,207	2.86%	2.36%
Total interest-bearing liabilities	\$1,281,722	\$1,207,050	\$11,981	\$9,234	1.25%	1.02%
Demand deposits in U.S. offices	\$38,064	\$36,927				
Other non-interest-bearing liabilities ⁽⁸⁾	313,939	331,906				
Total liabilities	\$1,633,725	\$1,575,883				
Citigroup stockholders' equity ⁽¹²⁾	\$229,284	\$228,014				
Noncontrolling interest	1,009	1,136				
Total equity ⁽¹²⁾	\$230,293	\$229,150				
Total liabilities and stockholders' equity	\$1,864,018	\$1,805,033				
Net interest revenue as a percentage of average interest-earning assets						
In U.S. offices	\$960,206	\$941,990	\$20,586	\$20,894	2.87%	2.96%
In offices outside the U.S. ⁽⁶⁾	698,037	647,641	13,246	13,398	2.54%	2.76%
Total	\$1,658,243	\$1,589,631	\$33,832	\$34,292	2.73%	2.88%

(1) Net interest revenue includes the taxable equivalent adjustments (based on the U.S. federal statutory tax rate of 35%) of \$368 million and \$350 million for the nine months ended September 30, 2017 and 2016, 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.

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

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

(7) Average volumes of securities loaned or sold under agreements to repurchase are reported net pursuant to FIN 41 (ASC 210-20-45). However, Interest expense excludes the impact of FIN 41 (ASC 210-20-45).

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

Interest expense on Trading account liabilities of ICG is reported as a reduction of Interest revenue. Interest (9) revenue and Interest expense on cash collateral positions are reported in interest on Trading account assets and Trading account liabilities, respectively.

(10) 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.

(11) Includes stockholders' equity from discontinued operations.

(12) Includes allocations for capital and funding costs based on the location of the asset.

Analysis of Changes in Interest Revenue⁽¹⁾⁽²⁾⁽³⁾

In millions of dollars	3rd Qtr. 2017 vs. 2nd Qtr. 2017			3rd Qtr. 2017 vs. 3rd Qtr. 2016		
	Increase (decrease) due to change in:			Increase (decrease) due to change in:		
	Average	Average	Net	Average	Average	Net
	volume	rate	change	volume	rate	change
Deposits with banks ⁽⁴⁾	\$26	\$ 85	\$ 111	\$102	\$ 137	\$239
Federal funds sold and securities borrowed or purchased under agreements to resell						
In U.S. offices	\$(27)	\$ 79	\$ 52	\$(28)	\$ 165	\$137
In offices outside the U.S. ⁽⁴⁾	13	(35)	(22)	61	24	85
Total	\$(14)	\$ 44	\$ 30	\$33	\$ 189	\$222
Trading account assets ⁽⁵⁾						
In U.S. offices	\$(12)	\$ 53	\$ 41	\$(15)	\$ 21	\$ 6
In offices outside the U.S. ⁽⁴⁾	14	(105)	(91)	27	(31)	(4)
Total	\$2	\$(52)	\$(50)	\$12	\$(10)	\$2
Investments ⁽¹⁾						
In U.S. offices	\$16	\$ 20	\$ 36	\$(9)	\$ 176	\$167
In offices outside the U.S. ⁽⁴⁾	(2)	7	5	(7)	48	41
Total	\$14	\$ 27	\$ 41	\$(16)	\$ 224	\$208
Loans (net of unearned income) ⁽⁶⁾						
In U.S. offices	\$47	\$ 211	\$258	\$63	\$ 315	\$378
In offices outside the U.S. ⁽⁴⁾	136	63	199	101	(44)	57
Total	\$183	\$ 274	\$ 457	\$164	\$ 271	\$435
Other interest-earning assets ⁽⁷⁾	\$7	\$ 25	\$ 32	\$ 41	\$ 30	\$71
Total interest revenue	\$218	\$ 403	\$ 621	\$336	\$ 841	\$1,177

(1) The taxable equivalent adjustment is related to the tax-exempt bond portfolio based on the U.S. federal statutory tax rate of 35% and is included in this presentation.

(2) Rate/volume variance is allocated based on the percentage relationship of changes in volume and changes in rate to the total net change.

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

(4) Changes in average rates reflect changes in prevailing local interest rates, including inflationary effects and monetary corrections in certain countries.

(5) 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.

(6) Includes cash-basis loans.

(7) Includes brokerage receivables.

Analysis of Changes in Interest Expense and Net Interest Revenue⁽¹⁾⁽²⁾⁽³⁾

In millions of dollars	3rd Qtr. 2017 vs. 2nd Qtr. 2017			3rd Qtr. 2017 vs. 3rd Qtr. 2016		
	Increase (decrease) due to change in:			Increase (decrease) due to change in:		
	Average volume	Average rate	Net change	Average volume	Average rate	Net change
Deposits						
In U.S. offices	\$14	\$ 88	\$ 102	\$37	\$ 188	\$225
In offices outside the U.S. ⁽⁴⁾	(3)	73	70	10	97	107
Total	\$11	\$ 161	\$ 172	\$47	\$ 285	\$332
Federal funds purchased and securities loaned or sold under agreements to repurchase						
In U.S. offices	\$(35)	\$ 62	\$ 27	\$(19)	\$ 175	\$ 156
In offices outside the U.S. ⁽⁴⁾	25	(16)	9	25	72	97
Total	\$(10)	\$ 46	\$ 36	\$ 6	\$ 247	\$253
Trading account liabilities ⁽⁵⁾						
In U.S. offices	\$(4)	\$ 27	\$ 23	\$(2)	\$ 41	\$ 39
In offices outside the U.S. ⁽⁴⁾	1	(1)	—	15	13	28
Total	\$(3)	\$ 26	\$ 23	\$ 13	\$ 54	\$ 67
Short-term borrowings ⁽⁶⁾						
In U.S. offices	\$15	\$ 116	\$ 131	\$17	\$ 166	\$183
In offices outside the U.S. ⁽⁴⁾	(9)	(6)	(15)	1	44	45
Total	\$6	\$ 110	\$ 116	\$ 18	\$ 210	\$228
Long-term debt						
In U.S. offices	\$79	\$(63)	\$ 16	\$147	\$ 202	\$349
In offices outside the U.S. ⁽⁴⁾	(2)	(18)	(20)	(16)	(8)	(24)
Total	\$77	\$(81)	\$(4)	\$131	\$ 194	\$325
Total interest expense	\$81	\$ 262	\$ 343	\$215	\$ 990	\$1,205
Net interest revenue	\$137	\$ 141	\$ 278	\$121	\$(149)	\$(28)

(1) The taxable equivalent adjustment is related to the tax-exempt bond portfolio based on the U.S. federal statutory tax rate of 35% and is included in this presentation.

(2) Rate/volume variance is allocated based on the percentage relationship of changes in volume and changes in rate to the total net change.

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

(4) Changes in average rates reflect changes in prevailing local interest rates, including inflationary effects and monetary corrections in certain countries.

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.

(6) Includes brokerage payables.

Analysis of Changes in Interest Revenue, Interest Expense and Net Interest Revenue⁽¹⁾⁽²⁾⁽³⁾

In millions of dollars	Nine Months 2017 vs. Nine Months 2016 Increase (decrease) due to change in:		
	Average volume	Average rate	Net change ⁽²⁾
Deposits with banks ⁽⁴⁾	\$236	\$217	\$453
Federal funds sold and securities borrowed or purchased under agreements to resell			
In U.S. offices	\$(52)	\$293	\$241
In offices outside the U.S. ⁽⁴⁾	206	(47)	159
Total	\$154	\$246	\$400
Trading account assets ⁽⁵⁾			
In U.S. offices	\$(119)	\$(37)	\$(156)
In offices outside the U.S. ⁽⁴⁾	110	(166)	(56)
Total	\$(9)	\$(203)	\$(212)
Investments ⁽¹⁾			
In U.S. offices	\$(57)	\$407	\$350
In offices outside the U.S. ⁽⁴⁾	16	53	69
Total	\$(41)	\$460	\$419
Loans (net of unearned income) ⁽⁶⁾			
In U.S. offices	\$629	\$748	\$1,377
In offices outside the U.S. ⁽⁴⁾	(23)	(264)	(287)
Total	\$606	\$484	\$1,090
Other interest-earning assets	\$71	\$66	\$137
Total interest revenue	\$1,017	\$1,270	\$2,287
Deposits ⁽⁷⁾			
In U.S. offices	\$103	\$535	\$638
In offices outside the U.S. ⁽⁴⁾	30	172	202
Total	\$133	\$707	\$840
Federal funds purchased and securities loaned or sold under agreements to repurchase			
In U.S. offices	\$(48)	\$362	\$314
In offices outside the U.S. ⁽⁴⁾	14	65	79
Total	\$(34)	\$427	\$393
Trading account liabilities ⁽⁵⁾			
In U.S. offices	\$34	\$54	\$88
In offices outside the U.S. ⁽⁴⁾	41	47	88
Total	\$75	\$101	\$176
Short-term borrowings			
In U.S. offices	\$39	\$260	\$299
In offices outside the U.S. ⁽⁴⁾	57	63	120
Total	\$96	\$323	\$419
Long-term debt			
In U.S. offices	\$255	\$707	\$962
In offices outside the U.S. ⁽⁴⁾	(55)	12	(43)
Total	\$200	\$719	\$919
Total interest expense	\$470	\$2,277	\$2,747
Net interest revenue	\$547	\$(1,007)	\$(460)

(1)

The taxable equivalent adjustment is based on the U.S. Federal statutory tax rate of 35% and is included in this presentation.

- (2) Rate/volume variance is allocated based on the percentage relationship of changes in volume and changes in rate to the total net change.
- (3) Detailed average volume, Interest revenue and Interest expense exclude Discontinued operations.
- (4) Changes in average rates reflect changes in prevailing local interest rates, including inflationary effects and monetary corrections in certain countries.

Interest expense on Trading account liabilities of ICG is reported as a reduction of Interest revenue. Interest (5) revenue and Interest expense on cash collateral positions are reported in Trading account assets and Trading account liabilities, respectively.

(6) Includes cash-basis loans.

(7) The interest expense on deposits includes the FDIC assessment and deposit insurance fees and charges of \$936 million and \$838 million for the nine months ended September 30, 2017 and 2016, respectively.

Market Risk of Trading Portfolios

For additional information on Citi's market risk of trading portfolios, see "Market Risk—Market Risk of Trading Portfolios" in Citi's 2016 Annual Report on Form 10-K.

Value at Risk

As of September 30, 2017, Citi estimates that the conservative features of its VAR calibration contribute an approximate 22% add-on (unchanged from June 30, 2017) to what would be a VAR estimated under the assumption of stable and perfectly normal distributed markets.

As set forth in the table below, Citi's average trading VAR as of September 30, 2017 decreased compared to June 30, 2017. The change was mainly due to lower credit spread exposures and volatilities in the markets businesses within ICG, partially offset by higher interest rate risk from increased mark-to-market hedging activity against non-trading positions.

Quarter-end and Average Trading VAR and Trading and Credit Portfolio VAR

In millions of dollars	Third Quarter		Second Quarter		Third Quarter	
	September 30, 2017	June 30, 2017 Average	September 2017 Average	June 30, 2017 Average	September 2016 Average	June 30, 2016 Average
Interest rate	\$ 63	\$ 63	\$ 48	\$ 52	\$ 30	\$ 34
Credit spread	43	44	52	49	73	\$ 62
Covariance adjustment ⁽¹⁾	(28)	(23)	(15)	(15)	(28)	(31)
Fully diversified interest rate and credit spread ⁽²⁾	\$ 78	\$ 84	\$ 85	\$ 86	\$ 75	\$ 65
Foreign exchange	26	26	23	23	16	26
Equity	15	13	15	15	9	12
Commodity	20	23	20	21	22	23
Covariance adjustment ⁽¹⁾	(64)	(65)	(53)	(59)	(53)	(62)
Total trading VAR—all market risk factors, including general and specific risk (excluding credit portfolios) ⁽²⁾	\$ 75	\$ 81	\$ 90	\$ 86	\$ 69	\$ 64
Specific risk-only component ⁽³⁾	\$ 3	\$ 2	\$ 1	\$ 1	\$ 7	\$ 6
Total trading VAR—general market risk factors only (excluding credit portfolios)	\$ 72	\$ 79	\$ 89	\$ 85	\$ 62	\$ 58
Incremental impact of the credit portfolio ⁽⁴⁾⁽⁵⁾	\$ 8	\$ 8	\$ 5	\$ 10	\$ 21	\$ 21
Total trading and credit portfolio VAR	\$ 83	\$ 89	\$ 95	\$ 96	\$ 90	\$ 85

Covariance adjustment (also known as diversification benefit) equals the difference between the total VAR and the sum of the VARs tied to each individual risk type. The benefit reflects the fact that the risks within each and across

(1) risk types are not perfectly correlated and, consequently, the total VAR on a given day will be lower than the sum of the VARs relating to each individual risk type. The determination of the primary drivers of changes to the covariance adjustment is made by an examination of the impact of both model parameter and position changes.

The total trading VAR includes mark-to-market and certain fair value option trading positions in ICG, with the exception of hedges to the loan portfolio, fair value option loans and all CVA exposures. Available-for-sale and accrual exposures are not included.

(2) The specific risk-only component represents the level of equity and fixed income issuer-specific risk embedded in VAR.

(3) The credit portfolio is composed of mark-to-market positions associated with non-trading business units including Citi Treasury, the CVA relating to derivative counterparties and all associated CVA hedges. FVA and DVA are not

included. The credit portfolio also includes hedges to the loan portfolio, fair value option loans and hedges to the leveraged finance pipeline within capital markets origination in ICG.

The decrease in the third quarter of 2017 end-of-period and average VAR attributable to the incremental impact of (5) the credit portfolio year-over-year was primarily related to a reduction in the use of credit default swaps used to hedge the corporate loan portfolio.

The table below provides the range of market factor VARs associated with Citi's total trading VAR, inclusive of specific risk:

	Third Quarter 2017		Second Quarter 2017		Third Quarter 2016	
	Low	High	Low	High	Low	High
In millions of dollars						
Interest rate	\$33	\$97	\$33	\$72	\$27	\$47
Credit spread	38	52	47	53	55	73
Fully diversified interest rate and credit spread	\$59	\$108	\$67	\$107	\$59	\$75
Foreign exchange	19	38	17	28	15	46
Equity	8	18	10	24	6	22
Commodity	14	31	14	30	19	31
Total trading	\$58	\$106	\$67	\$116	\$53	\$72
Total trading and credit portfolio	67	112	78	123	72	97

Note: No covariance adjustment can be inferred from the above table as the high and low for each market factor will be from different close-of-business dates.

The following table provides the VAR for ICG, excluding the CVA relating to derivative counterparties, hedges of CVA, fair value option loans and hedges to the loan portfolio:

In millions of dollars	Sept. 30, 2017
Total—all market risk factors, including general and specific risk	\$ 73
Average—during quarter	\$ 80
High—during quarter	107
Low—during quarter	57

Regulatory VAR Back-testing

In accordance with Basel III, Citi is required to perform back-testing to evaluate the effectiveness of its Regulatory VAR model. Regulatory VAR back-testing is the process in which the daily one-day VAR, at a 99% confidence interval, is compared to the buy-and-hold profit and loss (i.e., the profit and loss impact if the portfolio is held constant at the end of the day and re-priced the following day). Buy-and-hold profit and loss represents the daily mark-to-market profit and loss attributable to price movements in covered positions from the close of the previous business day. Buy-and-hold profit and loss excludes realized trading revenue, net interest, fees and commissions, intra-day trading profit and loss and changes in reserves.

Based on a 99% confidence level, Citi would expect two to three days in any one year where buy-and-hold losses exceeded the Regulatory VAR. Given the conservative calibration of Citi's VAR model (as a result of taking the greater of short- and long-term volatilities and fat-tail scaling of volatilities), Citi would expect fewer exceptions under normal and stable market conditions. Periods of unstable market conditions could increase the number of back-testing exceptions.

As of September 30, 2017, there was one back-testing exception observed for Citi's Regulatory VAR for the prior 12 months. As previously disclosed, trading losses on November 14, 2016 exceeded the VAR estimate at the Citigroup level, driven by the widening of municipal bond yields following the election results in the United States.

COUNTRY RISK

For additional information on country risk at Citi, see “Country Risk” in Citi’s 2016 Annual Report on Form 10-K.

Top 25 Country Exposures

The following table presents Citi’s top 25 exposures by country (excluding the U.S.) as of September 30, 2017. For purposes of the table, loan amounts are reflected in the country where the loan is booked, which is generally based on the domicile of the borrower. For example, a loan to a Chinese subsidiary of a Switzerland-based corporation will generally be categorized as a loan in China. In addition, Citi has developed regional booking centers in certain countries, most significantly in the United Kingdom (U.K.) and Ireland, in order to more efficiently serve its corporate customers. As an

example, with respect to the U.K., only 24% of corporate loans presented in the table below are to U.K. domiciled entities (24% for unfunded commitments), with the balance of the loans predominately to European domiciled counterparties. Approximately 80% of the total U.K. funded loans and 90% of the total U.K. unfunded commitments were investment grade as of September 30, 2017. Trading account assets and investment securities are generally categorized based on the domicile of the issuer of the security of the underlying reference entity. For additional information on the assets included in the table, see the footnotes to the table below.

For a discussion of uncertainties arising as a result of the vote in the U.K. to withdraw from the EU, see “Risk Factors—Strategic Risks” in Citigroup’s 2016 Annual Report on Form 10-K.

In billions of dollars	ICG loans ⁽¹⁾	GCB loans ⁽²⁾	Other funded ⁽³⁾	Unfunded ⁽⁴⁾	Net MTM on derivatives/repos ⁽⁵⁾	Total hedges (on loans and CVA)	Investment securities ⁽⁶⁾	Trading account assets ⁽⁷⁾	Total as of 3Q17	Total as of 2Q17	Total as of 4Q16
United Kingdom	\$ 35.0	\$ —	\$ 3.5	\$ 55.2	\$ 10.6	\$(2.5)	\$ 7.3	\$ 1.1	\$ 110.2	\$ 111.8	\$ 107.5
Mexico	8.9	26.6	0.4	6.8	0.7	(0.7)	13.7	6.4	62.8	61.3	52.4
Singapore	14.9	12.0	0.2	5.9	0.9	(0.3)	9.7	0.5	43.8	41.2	36.4
Hong Kong	15.4	10.8	1.2	6.1	1.1	(0.5)	5.4	1.3	40.8	39.7	35.9
Korea	2.3	18.8	0.3	3.2	2.3	(0.9)	6.7	1.5	34.2	35.1	34.0
Ireland	11.5	—	0.7	15.3	0.5	—	—	0.8	28.8	28.9	24.8
India	7.0	6.6	0.6	4.7	1.5	(1.1)	8.3	1.1	28.7	33.4	30.9
Brazil ⁽²⁾	12.6	1.8	—	3.7	5.4	(2.0)	3.3	3.2	28.0	27.3	28.5
Australia	4.6	10.9	—	5.7	2.2	(0.8)	4.0	0.4	27.0	23.7	22.4
China	7.7	4.6	0.3	1.7	2.6	(1.0)	4.0	0.9	20.8	19.4	17.2
Japan	2.4	0.1	0.1	2.7	5.4	(1.2)	4.6	4.7	18.8	18.6	18.3
Germany	0.1	—	—	4.2	4.7	(2.1)	9.5	2.2	18.6	19.5	16.0
Taiwan	5.0	8.8	0.1	1.1	0.9	(0.2)	1.4	1.4	18.5	18.4	16.6
Canada	2.0	0.7	0.6	6.8	1.9	(0.7)	4.7	—	16.0	16.3	17.0

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Poland	3.3	1.9	—	3.1	0.1	(0.3)	5.2	0.3	13.6	13.1	11.8
Malaysia	1.4	4.6	0.3	1.6	0.1	(0.1)	0.9	0.3	9.1	9.0	9.3
Thailand	0.9	2.1	0.1	2.1	0.1	—	1.1	0.6	7.0	7.0	5.8
United Arab Emirates	3.1	1.5	0.1	2.2	0.3	(0.3)	—	(0.2)	6.7	6.2	6.0
Indonesia	1.9	1.1	0.2	1.3	0.2	(0.2)	1.3	0.4	6.2	5.7	5.2
Luxembourg	0.1	—	—	—	0.6	(0.3)	5.2	0.5	6.1	5.8	5.4
Russia	2.1	1.0	—	1.0	0.2	(0.2)	0.8	0.1	5.0	4.7	5.3
Colombia ⁽²⁾	1.9	1.6	—	1.0	0.3	(0.1)	0.3	(0.1)	4.9	5.3	5.6
Jersey	2.9	—	—	1.6	—	—	—	—	4.5	4.1	3.7
Argentina	1.9	—	—	0.1	1.2	(0.4)	0.4	1.1	4.3	3.0	2.2
South Africa	1.5	—	—	1.0	0.7	(0.3)	1.4	—	4.3	3.9	3.9

ICG loans reflect funded corporate loans and private bank loans, net of unearned income. As of September 30, (1)2017, private bank loans in the table above totaled \$23.3 billion, concentrated in Singapore (\$7.2 billion), Hong Kong (\$6.5 billion) and the U.K. (\$5.4 billion).

GCB loans include funded loans in Brazil and Colombia related to businesses that were transferred to (2)Corporate/Other as of January 1, 2016 (Brazil GCB loans are recorded as HFS in Other assets on the Consolidated Balance Sheet).

(3) Other funded includes other direct exposure such as accounts receivable, loans held-for-sale, other loans in Corporate/Other and investments accounted for under the equity method.

- (4) Unfunded exposure includes unfunded corporate lending commitments, letters of credit and other contingencies.
- (5) Net mark-to-market (MTM) counterparty risk on OTC derivatives and securities lending / borrowing transactions (repos). Exposures are shown net of collateral and inclusive of CVA. Includes margin loans.
- (6) Investment securities include securities available-for-sale, recorded at fair market value, and securities held-to-maturity, recorded at historical cost.
- (7) Trading account assets are shown on a net basis and include issuer risk on cash products and derivative exposure where the underlying reference entity/issuer is located in that country.

INCOME TAXES

Deferred Tax Assets

For additional information on Citi's deferred tax assets (DTAs), see "Risk Factors—Strategic Risks," "Significant Accounting Policies and Significant Estimates—Income Taxes" and Note 9 to the Consolidated Financial Statements in Citi's 2016 Annual Report on Form 10-K.

At September 30, 2017, Citigroup had recorded net DTAs of approximately \$45.5 billion, a decrease of \$0.3 billion from June 30, 2017 and \$1.2 billion from December 31, 2016. The DTA reductions for the three and nine months ended September 30, 2017 were primarily driven by earnings.

The following table summarizes Citi's net DTAs balance. Of Citi's net DTAs as of September 30, 2017, those arising from net operating losses, foreign tax credit and general business credit carry-forwards are 100% deducted in calculating Citi's regulatory capital, while DTAs arising from temporary differences are deducted from regulatory capital if in excess of the 10%/15% limitations (see "Capital Resources" above). Approximately \$17.6 billion of the net DTA was not deducted in calculating regulatory capital pursuant to full Basel III implementation standards as of September 30, 2017.

Jurisdiction/Component	DTAs	
	balance	
	Sept.	Dec.
In billions of dollars	30,	31,
	2017	2016
Total U.S.	\$43.2	\$44.6
Total foreign	2.3	2.1
Total	\$45.5	\$46.7

Effective Tax Rate

Citi's effective tax rate for the third quarter of 2017 was 31.1%, as compared with 30.8% in the third quarter of 2016.

DISCLOSURE CONTROLS AND PROCEDURES

Citi's disclosure controls and procedures are designed to ensure that information required to be disclosed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, including without limitation that information required to be disclosed by Citi in its SEC filings is accumulated and communicated to management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), as appropriate, to allow for timely decisions regarding required disclosure. Citi's Disclosure Committee assists the CEO and CFO in their responsibilities to design, establish, maintain and evaluate the effectiveness of Citi's disclosure controls and procedures. The Disclosure Committee is responsible for, among other things, the oversight, maintenance and implementation of the disclosure controls and procedures, subject to the supervision and oversight of the CEO and CFO.

Citi's management, with the participation of its CEO and CFO, has evaluated the effectiveness of Citigroup's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of September 30, 2017 and, based on that evaluation, the CEO and CFO have concluded that at that date, Citigroup's disclosure controls and procedures were effective.

DISCLOSURE PURSUANT TO SECTION 219 OF THE IRAN THREAT REDUCTION AND SYRIA HUMAN RIGHTS ACT

Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012, which added Section 13(r) to the Securities Exchange Act of 1934, as amended, Citi is required to disclose in its annual or quarterly reports, as applicable, whether it or any of its affiliates knowingly engaged in certain activities, transactions or dealings relating to Iran or with individuals or entities that are subject to sanctions under U.S. law. Disclosure is generally required even where the activities, transactions or dealings were conducted in compliance with applicable law. Citi disclosed reportable activities pursuant to Section 219 in the first and second quarters of 2017 in the First Quarter of 2017 Form 10-Q and Second Quarter Form 10-Q, respectively.

During the third quarter of 2017, Bank Handlowy w Warszawie S.A., a Citibank subsidiary located in Poland, processed three funds transfers involving the Iranian Embassy in Poland. The value of the funds transfers was EUR 50, EUR 50, and EU 100 (approximately \$60.00, \$60.00 and \$117.00), respectively. In addition, a branch of Citibank N.A., located in India, processed a funds transfer involving the Iran Consulate General in India. The total value of this payment was INR 1,368 (approximately \$21.00). These payments were for visa-related fees and Iran-related travel respectively, both of which are permissible under the travel exemption in the Iranian Transactions and Sanctions Regulations.

FORWARD-LOOKING STATEMENTS

Certain statements in this Form 10-Q, including but not limited to statements included within the Management's Discussion and Analysis of Financial Condition and Results of Operations, are "forward-looking statements" within the meaning of the rules and regulations of the SEC. In addition, Citigroup also may make forward-looking statements in its other documents filed or furnished with the SEC, and its management may make forward-looking statements orally to analysts, investors, representatives of the media and others.

Generally, forward-looking statements are not based on historical facts but instead represent Citigroup's and its management's beliefs regarding future events. Such statements may be identified by words such as believe, expect, anticipate, intend, estimate, may increase, may fluctuate, target, illustrative, and similar expressions or future or conditional verbs such as will, should, would and could.

Such statements are based on management's current expectations and are subject to risks, uncertainties and changes in circumstances. Actual results and capital and other financial conditions may differ materially from those included in these statements due to a variety of factors, including without limitation (i) the precautionary statements included within each individual business's discussion and analysis of its results of operations above and in Citi's 2016 Annual Report on Form 10-K, First Quarter of 2017 Form 10-Q and Second Quarter of 2017 Form 10-Q; (ii) the factors listed and described under "Risk Factors" in Citi's 2016 Annual Report on Form 10-K; and (iii) the risks and uncertainties summarized below:

Citi's ability to address (i) the shortcomings identified by the Federal Reserve Board and FDIC as a result of their review of Citi's 2015 annual resolution plan submission as well as (ii) the 2017 resolution plan guidance in Citi's 2017 resolution plan submission;

the potential impact on Citi's ability to return capital to shareholders due to any changes to the stress testing and CCAR requirements or process, such as the introduction of a firm-specific "stress capital buffer" or incorporation of Citi's then-effective GSIB surcharge into its post-stress test minimum capital requirements or the introduction of additional macroprudential considerations such as funding and liquidity shocks in the stress testing process;

the ongoing regulatory uncertainties and changes faced by financial institutions, including Citi, in the U.S. and globally, including, among others, uncertainties and potential changes arising from the U.S. presidential administration and Congress, potential changes to various aspects of the regulatory capital framework and the terms of and other uncertainties resulting from the U.K.'s process to withdraw from the European Union, and the potential impact these uncertainties and changes could have on Citi's businesses, results of operations, financial condition, strategy or organizational structure and compliance risks and costs;

the numerous uncertainties arising as a result of the process in the U.K. to withdraw from the European Union, including the terms of the withdrawal, and the potential impact to macroeconomic conditions as well as

Citi's legal entity structure and overall results of operations or financial condition;

the potential impact to financial institutions, including Citi, as a result of the uncertainties associated with the level and pace of any changes in interest rates or any balance sheet normalization program implemented by the Federal Reserve Board or other central banks;

the impact on the value of Citi's DTAs and on Citi's net income or regulatory capital if corporate tax rates in the U.S. or certain state, local or foreign jurisdictions are reduced, or if other changes are made to the U.S. corporate tax system (whether as a result of current efforts by the U.S. presidential administration and Congress or otherwise), including a potential change to a territorial system or a one-time mandatory deemed repatriation of all untaxed non-U.S. earnings at a significantly lower rate;

Citi's ability to continue to utilize its DTAs (including the foreign tax credit component of its DTAs) and thus reduce the negative impact of the DTAs on Citi's regulatory capital, including as a result of movements in Citi's AOCI, which can be impacted by changes in interest rates and foreign exchange rates;

the potential impact to Citi if its interpretation or application of the extensive tax laws to which it is subject, such as withholding tax obligations and stamp and other transactional taxes, differs from those of the relevant governmental authorities;

Citi's ability to achieve the expected returns on its ongoing investments in its businesses or meet its operational or financial objectives or targets, including as a result of factors that Citi cannot control;

the potential negative impact to Citi's co-branding and private label credit card relationships as well as Citi's results of operations or financial condition, including as a result of loss of revenues, impairment of purchased credit card relationships and contract related intangibles or other losses, due to, among other things, operational difficulties of a particular retailer or merchant or early termination of a particular relationship, or external factors, including bankruptcies, liquidations, consolidations and other similar events;

the potential impact to Citi's businesses, credit costs, deposits and overall results of operations and financial condition as a result of macroeconomic and geopolitical challenges and uncertainties, including those relating to geopolitical tensions in Asia and Latin America, economic growth rates in the U.S. and non-U.S. jurisdictions, potential fiscal or other monetary actions or the pursuit of protectionist trade and other policies by the U.S.;

the various risks faced by Citi as a result of its presence in the emerging markets, including, among others, sanctions or asset freezes, fraud, foreign exchange controls, sociopolitical instability (including from hyper-inflation), nationalization or loss of licenses, business restrictions, potential criminal charges, closure of branches or subsidiaries and confiscation of assets as well as the increased compliance, regulatory and legal risks and costs;

the uncertainties regarding the consequences of noncompliance and the potential impact on Citi's estimates of its eligible debt arising from the Federal Reserve Board's final total loss-absorbing capacity (TLAC) rules;

the potential impact of concentrations of risk, such as market risk arising from Citi's volume of transactions with counterparties in the financial services industry, on Citi's hedging strategies and results of operations;

the potential impacts on Citi's liquidity and/or costs of funding as a result of external factors, including, among others, market disruptions and governmental fiscal and monetary policies as well as regulatory changes or negative investor perceptions of Citi's creditworthiness;

the impact of ratings downgrades of Citi or one or more of its more significant subsidiaries or issuing entities on Citi's funding and liquidity as well as the results of operations of certain of its businesses;

the potential impact to Citi from a disruption of its operational systems, including as a result of, among other things, human error, fraud or malice, accidental technological failure, electrical or telecommunication outages or failure of computer servers;

the increasing risk of continually evolving cybersecurity risks faced by financial institutions, including Citi, and others (such as theft of funds or theft, loss, misuse or disclosure of confidential client, customer, corporate or network information or assets and other attempts by unauthorized parties to disrupt computer and network systems), and the potential impact from such risks, including, among others, reputational damage with clients, customers and others, lost revenues, additional costs (including credit costs), regulatory penalties, legal exposure and other financial losses;

the potential impact of incorrect assumptions or estimates in Citi's financial statements or the impact of ongoing changes to financial accounting and reporting standards or interpretations, such as the FASB's new accounting standard on credit losses, on how Citi records and reports its financial condition and results of operations;

the potential impact to Citi of ongoing implementation and interpretation of regulatory changes and requirements in the U.S. and globally, such as on Citi's compliance risks and costs, including reputational and legal risks as well as remediation and other financial costs, such as penalties and fines;

the potential outcomes of the extensive legal and regulatory proceedings, investigations and other inquiries to which Citi is or may be subject at any given time, particularly given the increased focus on conduct risk and the severity of the remedies sought and potential collateral consequences to Citi arising from such outcomes;

the potential impact to Citi's results of operations and/or regulatory capital and capital ratios if Citi's risk models, including its Basel III risk-weighted asset models, are ineffective, require refinement, modification or enhancement or approval is withdrawn by Citi's U.S. banking regulators;

the potential impact on Citi's performance, including its competitive position and ability to effectively manage its businesses and continue to execute its strategy, if Citi is unable to hire and retain highly qualified employees for any reason; and

the potential impact to Citi's businesses, credit costs and overall results of operations and financial condition as a result of natural disasters.

Any forward-looking statements made by or on behalf of Citigroup speak only as to the date they are made, and Citi does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements were made.

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CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF INCOME (UNAUDITED) Citigroup Inc. and Subsidiaries

In millions of dollars, except per share amounts	Three Months		Nine Months	
	Ended September 30, 2017	2016	Ended September 30, 2017	2016
Revenues				
Interest revenue	\$15,821	\$14,653	\$45,445	\$43,176
Interest expense	4,379	3,174	11,981	9,234
Net interest revenue	\$11,442	\$11,479	\$33,464	\$33,942
Commissions and fees	\$2,931	\$2,644	\$8,627	\$7,832
Principal transactions	2,170	2,238	7,754	5,894
Administration and other fiduciary fees	1,010	862	2,906	2,551
Realized gains on sales of investments, net	213	287	626	673
Other-than-temporary impairment losses on investments				
Gross impairment losses	(15)	(32)	(47)	(615)
Less: Impairments recognized in AOCI	—	—	—	—
Net impairment losses recognized in earnings	\$(15)	\$(32)	\$(47)	\$(615)
Insurance premiums	\$166	\$184	\$491	\$665
Other revenue	256	98	373	1,921
Total non-interest revenues	\$6,731	\$6,281	\$20,730	\$18,921
Total revenues, net of interest expense	\$18,173	\$17,760	\$54,194	\$52,863
Provisions for credit losses and for benefits and claims				
Provision for loan losses	\$2,146	\$1,746	\$5,487	\$5,022
Policyholder benefits and claims	28	35	81	172
Release for unfunded lending commitments	(175)	(45)	(190)	(4)
Total provisions for credit losses and for benefits and claims	\$1,999	\$1,736	\$5,378	\$5,190
Operating expenses				
Compensation and benefits	\$5,304	\$5,203	\$16,301	\$15,988
Premises and equipment	608	624	1,832	1,917
Technology/communication	1,759	1,694	5,108	5,000
Advertising and marketing	417	403	1,222	1,226
Other operating	2,083	2,480	6,691	7,165
Total operating expenses	\$10,171	\$10,404	\$31,154	\$31,296
Income from continuing operations before income taxes	\$6,003	\$5,620	\$17,662	\$16,377
Provision for income taxes	1,866	1,733	5,524	4,935
Income from continuing operations	\$4,137	\$3,887	\$12,138	\$11,442
Discontinued operations				
Loss from discontinued operations	\$(9)	\$(37)	\$(4)	\$(76)
Benefit for income taxes	(4)	(7)	(2)	(21)
Loss from discontinued operations, net of taxes	\$(5)	\$(30)	\$(2)	\$(55)
Net income before attribution of noncontrolling interests	\$4,132	\$3,857	\$12,136	\$11,387
Noncontrolling interests	(1)	17	41	48
Citigroup's net income	\$4,133	\$3,840	\$12,095	\$11,339
Basic earnings per share ⁽¹⁾				
Income from continuing operations	\$1.42	\$1.25	\$4.05	\$3.60
Income (loss) from discontinued operations, net of taxes	—	(0.01)	—	(0.02)
Net income	\$1.42	\$1.24	\$4.05	\$3.58
Weighted average common shares outstanding	2,683.6	2,879.9	2,729.3	2,912.9

Diluted earnings per share⁽¹⁾

Income from continuing operations	\$ 1.42	\$ 1.25	\$ 4.05	\$ 3.60
Income (loss) from discontinued operations, net of taxes	—	(0.01)	—	(0.02)
Net income	\$ 1.42	\$ 1.24	\$ 4.05	\$ 3.58
Adjusted weighted average common shares outstanding	2,683.72	2,880.1	2,729.52	2,913.0

(1) Due to rounding, earnings per share on continuing operations and discontinued operations may not sum to earnings per share on net income.

The Notes to the Consolidated Financial Statements are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME Citigroup Inc. and Subsidiaries
(UNAUDITED)

In millions of dollars	Three Months Ended		Nine Months Ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Citigroup's net income	\$4,133	\$3,840	\$12,095	\$11,339
Add: Citigroup's other comprehensive income				
Net change in unrealized gains and losses on investment securities, net of taxes ⁽¹⁾	\$(66)	\$(432)	\$127	\$2,529
Net change in debt valuation adjustment (DVA), net of taxes ⁽¹⁾	(123)	(200)	(267)	5
Net change in cash flow hedges, net of taxes	8	(83)	123	385
Benefit plans liability adjustment, net of taxes	(29)	12	(176)	(480)
Net change in foreign currency translation adjustment, net of taxes and hedges	218	(375)	2,179	(273)
Citigroup's total other comprehensive income	\$8	\$(1,078)	\$1,986	\$2,166
Citigroup's total comprehensive income	\$4,141	\$2,762	\$14,081	\$13,505
Add: Other comprehensive income attributable to noncontrolling interests	\$12	\$10	\$82	\$(13)
Add: Net income attributable to noncontrolling interests	(1)	17	41	48
Total comprehensive income	\$4,152	\$2,789	\$14,204	\$13,540

(1) See Note 1 to the Consolidated Financial Statements.

The Notes to the Consolidated Financial Statements are an integral part of these Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEET Citigroup Inc. and Subsidiaries

In millions of dollars	September 30, 2017 (Unaudited)	December 31, 2016
Assets		
Cash and due from banks (including segregated cash and other deposits)	\$22,604	\$23,043
Deposits with banks	163,505	137,451
Federal funds sold and securities borrowed or purchased under agreements to resell (including \$156,332 and \$133,204 as of September 30, 2017 and December 31, 2016, respectively, at fair value)	252,608	236,813
Brokerage receivables	38,076	28,887
Trading account assets (including \$99,225 and \$80,986 pledged to creditors at September 30, 2017 and December 31, 2016, respectively)	258,907	243,925
Investments:		
Available for sale (including \$9,599 and \$8,239 pledged to creditors as of September 30, 2017 and December 31, 2016, respectively)	295,315	299,424
Held to maturity (including \$301 and \$843 pledged to creditors as of September 30, 2017 and December 31, 2016, respectively)	51,527	45,667
Non-marketable equity securities (including \$1,300 and \$1,774 at fair value as of September 30, 2017 and December 31, 2016, respectively)	7,832	8,213
Total investments	\$354,674	\$353,304
Loans:		
Consumer (including \$27 and \$29 as of September 30, 2017 and December 31, 2016, respectively, at fair value)	325,576	325,063
Corporate (including \$4,281 and \$3,457 as of September 30, 2017 and December 31, 2016, respectively, at fair value)	327,607	299,306
Loans, net of unearned income	\$653,183	\$624,369
Allowance for loan losses	(12,366)	(12,060)
Total loans, net	\$640,817	\$612,309
Goodwill	22,345	21,659
Intangible assets (other than MSR's)	4,732	5,114
Mortgage servicing rights (MSR's)	553	1,564
Other assets (including \$20,424 and \$15,729 as of September 30, 2017 and December 31, 2016, respectively, at fair value)	130,312	128,008
Total assets	\$1,889,133	\$1,792,077

The following table presents certain assets of consolidated variable interest entities (VIEs), which are included in the Consolidated Balance Sheet above. The assets in the table below include those assets that can only be used to settle obligations of consolidated VIEs, presented on the following page, and are in excess of those obligations. Additionally, the assets in the table below include third-party assets of consolidated VIEs only and exclude intercompany balances that eliminate in consolidation.

In millions of dollars	September 30, 2017 (Unaudited)	December 31, 2016
Assets of consolidated VIEs to be used to settle obligations of consolidated VIEs		

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Cash and due from banks	\$ 107	\$ 142
Trading account assets	1,437	602
Investments	2,584	3,636
Loans, net of unearned income		
Consumer	52,521	53,401
Corporate	19,908	20,121
Loans, net of unearned income	\$ 72,429	\$ 73,522
Allowance for loan losses	(1,943)	(1,769)
Total loans, net	\$ 70,486	\$ 71,753
Other assets	142	158
Total assets of consolidated VIEs to be used to settle obligations of consolidated VIEs	\$ 74,756	\$ 76,291

Statement continues on the next page.

CONSOLIDATED BALANCE SHEET
(Continued)

Citigroup Inc. and Subsidiaries

	September 30, 2017	December 31, 2016
	(Unaudited)	
In millions of dollars, except shares and per share amounts		
Liabilities		
Non-interest-bearing deposits in U.S. offices	\$ 127,220	\$ 136,698
Interest-bearing deposits in U.S. offices (including \$314 and \$434 as of September 30, 2017 and December 31, 2016, respectively, at fair value)	315,556	300,972
Non-interest-bearing deposits in offices outside the U.S.	84,178	77,616
Interest-bearing deposits in offices outside the U.S. (including \$1,183 and \$778 as of September 30, 2017 and December 31, 2016, respectively, at fair value)	437,084	414,120
Total deposits	\$ 964,038	\$ 929,406
Federal funds purchased and securities loaned or sold under agreements to repurchase (including \$45,325 and \$33,663 as of September 30, 2017 and December 31, 2016, respectively, at fair value)	161,282	141,821
Brokerage payables	63,205	57,152
Trading account liabilities	138,820	139,045
Short-term borrowings (including \$4,827 and \$2,700 as of September 30, 2017 and December 31, 2016, respectively, at fair value)	38,149	30,701
Long-term debt (including \$30,826 and \$26,254 as of September 30, 2017 and December 31, 2016, respectively, at fair value)	232,673	206,178
Other liabilities (including \$15,144 and \$10,796 as of September 30, 2017 and December 31, 2016, respectively, at fair value)	62,344	61,631
Total liabilities	\$ 1,660,511	\$ 1,565,934
Stockholders' equity		
Preferred stock (\$1.00 par value; authorized shares: 30 million), issued shares: 770,120 as of September 30, 2017 and as of December 31, 2016, at aggregate liquidation value	\$ 19,253	\$ 19,253
Common stock (\$0.01 par value; authorized shares: 6 billion), issued shares: 3,099,523,273 and 3,099,482,042 as of September 30, 2017 and December 31, 2016	31	31
Additional paid-in capital	107,896	108,042
Retained earnings	155,174	146,477
Treasury stock, at cost: September 30, 2017—455,521,274 shares and December 31, 2016—327,090,192 shares	(24,829)	(16,302)
Accumulated other comprehensive income (loss) (AOCI)	(29,891)	(32,381)
Total Citigroup stockholders' equity	\$ 227,634	\$ 225,120
Noncontrolling interest	988	1,023
Total equity	\$ 228,622	\$ 226,143
Total liabilities and equity	\$ 1,889,133	\$ 1,792,077

The following table presents certain liabilities of consolidated VIEs, which are included in the Consolidated Balance Sheet above. The liabilities in the table below include third-party liabilities of consolidated VIEs only and exclude intercompany balances that eliminate in consolidation. The liabilities also exclude amounts where creditors or beneficial interest holders have recourse to the general credit of Citigroup.

September
30,
2017

In millions of dollars	December 31, (Unaudited)2016	
Liabilities of consolidated VIEs for which creditors or beneficial interest holders do not have recourse to the general credit of Citigroup		
Short-term borrowings	\$ 10,166	\$ 10,697
Long-term debt	28,666	23,919
Other liabilities	396	1,275
Total liabilities of consolidated VIEs for which creditors or beneficial interest holders do not have recourse to the general credit of Citigroup	\$ 39,228	\$ 35,891

The Notes to the Consolidated Financial Statements are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY Citigroup Inc. and Subsidiaries
(UNAUDITED)

In millions of dollars, except shares in thousands	Nine Months Ended September 30,	
	2017	2016
Preferred stock at aggregate liquidation value		
Balance, beginning of period	\$19,253	\$16,718
Issuance of new preferred stock	—	2,535
Balance, end of period	\$19,253	\$19,253
Common stock and additional paid-in capital		
Balance, beginning of period	\$108,073	\$108,319
Employee benefit plans	(137)	(371)
Preferred stock issuance expense	—	(37)
Other	(9)	(5)
Balance, end of period	\$107,927	\$107,906
Retained earnings		
Balance, beginning of period	\$146,477	\$133,841
Adjustment to opening balance, net of taxes ⁽¹⁾	(660)	)15
Adjusted balance, beginning of period	\$145,817	\$133,856
Citigroup's net income	12,095	11,339
Common dividends ⁽²⁾	(1,755)	(760)
Preferred dividends	(893)	(757)
Other ⁽³⁾	(90))—
Balance, end of period	\$155,174	\$143,678
Treasury stock, at cost		
Balance, beginning of period	\$(16,302)	\$(7,677)
Employee benefit plans ⁽⁴⁾	526	775
Treasury stock acquired ⁽⁵⁾	(9,053)	(5,167)
Balance, end of period	\$(24,829)	\$(12,069)
Citigroup's accumulated other comprehensive income (loss)		
Balance, beginning of period	\$(32,381)	\$(29,344)
Adjustment to opening balance, net of taxes ⁽¹⁾	504	(15)
Adjusted balance, beginning of period	\$(31,877)	\$(29,359)
Citigroup's total other comprehensive income (loss)	1,986	2,166
Balance, end of period	\$(29,891)	\$(27,193)
Total Citigroup common stockholders' equity	\$208,381	\$212,322
Total Citigroup stockholders' equity	\$227,634	\$231,575
Noncontrolling interests		
Balance, beginning of period	\$1,023	\$1,235
Transactions between noncontrolling-interest shareholders and the related consolidated subsidiary	(3)	(11)
Transactions between Citigroup and the noncontrolling-interest shareholders	(50)	(69)
Net income attributable to noncontrolling-interest shareholders	41	48
Dividends paid to noncontrolling-interest shareholders	(44)	(42)
Other comprehensive income (loss) attributable to noncontrolling-interest shareholders	82	(13)
Other	(61)	(33)
Net change in noncontrolling interests	\$(35)	\$(120)
Balance, end of period	\$988	\$1,115
Total equity	\$228,622	\$232,690

(1) See Note 1 to the Consolidated Financial Statements for additional details.

Common dividends declared were \$0.16 per share in the first and second quarters and \$0.32 per share in the third quarter of 2017. Common dividends declared were \$0.05 per share in the first and second quarters and \$0.16 per share in the third quarter of 2016.

(2) Includes the impact of ASU 2016-09, Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting. See Note 1 to the Consolidated Financial Statements.

(3) Includes treasury stock related to (i) certain activity on employee stock option program exercises where the employee delivers existing shares to cover the option exercise, or (ii) under Citi's employee restricted or deferred stock programs where shares are withheld to satisfy tax requirements.

(5) For the nine months ended September 30, 2017 and 2016, primarily consists of open market purchases under Citi's Board of Directors-approved common stock repurchase program.

The Notes to the Consolidated Financial Statements are an integral part of these Consolidated Financial Statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS Citigroup Inc. and Subsidiaries
(UNAUDITED)

In millions of dollars	Nine Months Ended September 30,	
	2017	2016
Cash flows from operating activities of continuing operations		
Net income before attribution of noncontrolling interests	\$12,136	\$11,387
Net income attributable to noncontrolling interests	41	48
Citigroup's net income	\$12,095	\$11,339
Loss from discontinued operations, net of taxes	(2)	(55)
Income from continuing operations—excluding noncontrolling interests	\$12,097	\$11,394
Adjustments to reconcile net income to net cash provided by operating activities of continuing operations		
Net gains on significant disposals ⁽¹⁾	(602)	(422)
Depreciation and amortization	2,717	2,714
Provision for loan losses	5,487	5,022
Realized gains from sales of investments	(626)	(673)
Net impairment losses on investments, goodwill and intangible assets	75	616
Change in trading account assets	(15,077)	(13,396)
Change in trading account liabilities	(225)	14,137
Change in brokerage receivables net of brokerage payables	(3,136)	(230)
Change in loans held-for-sale (HFS)	1,969	3,958
Change in other assets	(4,501)	(2,009)
Change in other liabilities	779	1,398
Other, net	(2,262)	5,825
Total adjustments	\$(15,402)	\$16,940
Net cash provided by (used in) operating activities of continuing operations	\$(3,305)	\$28,334
Cash flows from investing activities of continuing operations		
Change in deposits with banks	\$(26,054)	\$(20,374)
Change in federal funds sold and securities borrowed or purchased under agreements to resell	(15,795)	(16,370)
Change in loans	(41,569)	(42,163)
Proceeds from sales and securitizations of loans	7,019	12,676
Purchases of investments	(151,362)	(155,804)
Proceeds from sales of investments	89,724	99,172
Proceeds from maturities of investments	67,166	52,607
Proceeds from significant disposals ⁽¹⁾	3,411	265
Capital expenditures on premises and equipment and capitalized software	(2,502)	(2,092)
Proceeds from sales of premises and equipment, subsidiaries and affiliates, and repossessed assets	292	467
Net cash used in investing activities of continuing operations	\$(69,670)	\$(71,616)
Cash flows from financing activities of continuing operations		
Dividends paid	\$(2,639)	\$(1,517)
Issuance of preferred stock	—	2,498
Treasury stock acquired	(9,071)	(5,167)
Stock tendered for payment of withholding taxes	(402)	(313)
Change in federal funds purchased and securities loaned or sold under agreements to repurchase	19,461	6,628
Issuance of long-term debt	52,293	43,464
Payments and redemptions of long-term debt	(29,785)	(40,461)

Change in deposits	34,632	32,365
Change in short-term borrowings	7,448	8,448

CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED) (Continued)

In millions of dollars

	Citigroup Inc. and Subsidiaries Nine Months Ended September 30,	
	2017	2016
Net cash provided by financing activities of continuing operations	\$71,937	\$45,945
Effect of exchange rate changes on cash and cash equivalents	\$599	\$(144)
Change in cash and due from banks	\$(439)	\$2,519
Cash and due from banks at beginning of period	23,043	20,900
Cash and due from banks at end of period	\$22,604	\$23,419
Supplemental disclosure of cash flow information for continuing operations		
Cash paid during the period for income taxes	\$2,714	\$2,855
Cash paid during the period for interest	11,604	9,760
Non-cash investing activities		
Transfers to loans HFS from loans	\$3,800	\$8,600
Transfers to OREO and other repossessed assets	85	138

(1) See Note 2 to the Consolidated Financial Statements for further information on significant disposals. The Notes to the Consolidated Financial Statements are an integral part of these Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. BASIS OF PRESENTATION AND ACCOUNTING CHANGES

Basis of Presentation

The accompanying unaudited Consolidated Financial Statements as of September 30, 2017 and for the three- and nine-month periods ended September 30, 2017 and 2016 include the accounts of Citigroup Inc. and its consolidated subsidiaries.

In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation have been reflected. The accompanying unaudited Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and related notes included in Citigroup's Annual Report on Form 10-K for the fiscal year ended December 31, 2016, including the historical audited consolidated financial statements of Citigroup reflecting the certain realignments and reclassifications set forth in Citigroup's Current Report on Form 8-K filed with the SEC on June 16, 2017 (2016 Annual Report on Form 10-K), and Citigroup's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2017 (First Quarter of 2017 Form 10-Q) and June 30, 2017 (Second Quarter of 2017 Form 10-Q).

Certain financial information that is normally included in annual financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP), but is not required for interim reporting purposes, has been condensed or omitted.

Management must make estimates and assumptions that affect the Consolidated Financial Statements and the related footnote disclosures. While management uses its best judgment, actual results could differ from those estimates.

As noted above, the Notes to Consolidated Financial Statements are unaudited.

Throughout these Notes, "Citigroup," "Citi" and the "Company" refer to Citigroup Inc. and its consolidated subsidiaries. Certain reclassifications have been made to the prior periods' financial statements and notes to conform to the current period's presentation.

ACCOUNTING CHANGES

Premium Amortization on Purchased Callable Debt Securities

In March 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2017-08, Receivables—Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities, which amends the amortization period for certain purchased callable debt securities held at a premium. The ASU requires entities to amortize premiums on debt securities by the first call date when the securities have fixed and determinable call dates and prices. The scope of the ASU includes all accounting premiums, such as purchase premiums and cumulative fair value hedge

adjustments. The ASU does not change the accounting for discounts, which continue to be recognized over the contractual life of a security.

For calendar-year-end entities, the ASU is effective as of January 1, 2019, but it may be early adopted in any interim or year-end period after issuance. Adoption of the ASU is on a modified retrospective basis through a cumulative effect adjustment to retained earnings as of the beginning of the year of adoption. Citi has early adopted the ASU in the second quarter of 2017, with an effective date of January 1, 2017. Adoption of the ASU primarily affected Citi's available-for-sale (AFS) and held-to-maturity (HTM) portfolios of callable state and municipal securities. The ASU adoption resulted in a net reduction to total stockholders' equity of \$156 million (after tax), effective as of January 1, 2017. This amount is composed of a reduction of approximately \$660 million to retained earnings for the incremental amortization of purchase premiums and cumulative hedge adjustments generated under fair value hedges of these callable debt securities. This amount was partially offset by an increase to Accumulated other comprehensive income (loss) (AOCI) of \$504 million related to the cumulative fair value hedge adjustments reclassified to retained earnings for AFS securities.

Financial statements for periods prior to 2017 were not subject to restatement under the provisions of this ASU. The amortization recorded in the third quarter and for the first nine months of 2017 under the provisions of the ASU is not materially different than the amounts that would have been recorded if the ASU had not been early adopted.

Recognition and Measurement of Financial Assets and Financial Liabilities

In January 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-01, Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities, which addresses certain aspects of recognition, measurement, presentation and disclosure of financial instruments.

This ASU requires entities to present separately in AOCI the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability at fair value in accordance with the fair value option for financial instruments. It also requires equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income, thus eliminating eligibility for the current available-for-sale category. However, Federal Reserve Bank and Federal Home Loan Bank stock as well as certain exchange seats will continue to be presented at cost.

Citi early adopted only the provisions of this ASU related to presentation of the change in fair value of liabilities for which the fair value option was elected, related to changes in Citigroup's own credit spreads in AOCI

effective January 1, 2016. Accordingly, as of the first quarter of 2016, these amounts are reflected as a component of AOCI, whereas these amounts were previously recognized in Citigroup's revenues and net income. The impact of adopting this amendment resulted in a cumulative catch-up reclassification from retained earnings to AOCI of an accumulated after-tax loss of approximately \$15 million at January 1, 2016. Financial statements for periods prior to 2016 were not subject to restatement under the provisions of this ASU. For additional information, see Note 17, Note 20 and Note 21 to the Consolidated Financial Statements. The Company is evaluating the effects that the other provisions of ASU 2016-01, which are effective January 1, 2018, will have on its Consolidated Financial Statements and related disclosures.

FUTURE APPLICATION OF ACCOUNTING STANDARDS

Accounting for Financial Instruments—Credit Losses

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments—Credit Losses (Topic 326). The ASU introduces a new credit loss model, the Current Expected Credit Losses model (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk.

The CECL model utilizes a lifetime “expected credit loss” measurement objective for the recognition of credit losses for loans, held-to-maturity securities and other receivables at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. For available-for-sale securities where fair value is less than cost, credit-related impairment, if any, will be recognized in an allowance for credit losses and adjusted each period for changes in expected credit risk. This model replaces the multiple existing impairment models in current GAAP, which generally require that a loss be incurred before it is recognized.

The CECL model represents a significant change from existing GAAP and may result in material changes to the Company's accounting for financial instruments. The Company is evaluating the effect that ASU 2016-13 will have on its Consolidated Financial Statements and related disclosures. The impact of the ASU will depend upon the state of the economy and the nature of Citi's portfolios at the date of adoption. Based on a preliminary analysis performed earlier in 2017 and the environment at that time, the overall impact is estimated to be an approximate 10-20% increase in credit reserves. Moreover, there are still some implementation questions that will need to be resolved that could affect the estimated impact. The ASU will be effective for Citi as of January 1, 2020. Early application is permitted for annual periods beginning January 1, 2019.

Revenue Recognition

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers, which requires an entity to recognize the amount of revenue to which it expects to be

entitled for the transfer of promised goods or services to customers. The Company will adopt the guidance as of January 1, 2018 using a modified retrospective method with a cumulative-effect adjustment to opening retained earnings. While the guidance will replace most existing revenue recognition guidance in GAAP, the ASU is not applicable to financial instruments and, therefore, will not impact a majority of the Company's revenues, including net interest income. Based on the Company's current interpretations of the new guidance, the Company does not expect a material change in the timing or measurement of revenues and the overall impact to net income is expected to be immaterial.

The new standard clarified the guidance related to reporting revenue gross as a principal versus net as an agent. The Company has identified transactions, including underwriting activity where Citi is deemed the principal, rather than the agent, which require a gross up of annual revenues and expenses of approximately \$0.8 billion. This change in presentation will not have an impact on Income from continuing operations; however, this standard would have impacted Citi's efficiency ratio by approximately 50 basis points for the nine months ended September 30, 2017. The Company continues to evaluate the effect that the guidance will have on other revenue streams within its scope, including the presentation of certain contract costs, as well as changes in disclosures required by the new guidance.

Lease Accounting

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which is intended to increase transparency and comparability of accounting for lease transactions. The ASU will require lessees to recognize leases on the balance sheet as lease assets and lease liabilities and will require both quantitative and qualitative disclosures regarding key information about leasing arrangements. Lessor accounting is largely unchanged. The guidance is effective beginning January 1, 2019 with an option to early adopt. The Company does not plan to early adopt the ASU. The Company estimates that upon adoption, its Consolidated Balance Sheet will have an approximate \$5 billion increase in assets and liabilities. Additionally, the Company estimates an approximate \$200 million increase in retained earnings due to the cumulative effect of recognizing previously deferred gains on sale/leaseback transactions.

Income Tax Impact of Intra-Entity Transfers of Assets

In October 2016, the FASB issued ASU No. 2016-16, Income Taxes—Intra-Entity Transfers of Assets Other Than Inventory, which will require an entity to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. The ASU is effective January 1, 2018. The Company continues to evaluate the impact of this standard, which is expected to increase DTAs, with an associated decrease in prepaid taxes of approximately \$500 million.

Subsequent Measurement of Goodwill

In January 2017, the FASB issued ASU No. 2017-04, Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment. The ASU simplifies the subsequent measurement of goodwill impairment by eliminating the requirement to calculate the implied fair value of goodwill (i.e., the current Step 2 of the goodwill impairment test) to measure a goodwill impairment charge. Under the ASU, the impairment test is simply the comparison of the fair value of a reporting unit with its carrying amount (the current Step 1), with the impairment charge being the deficit in fair value but not exceeding the total amount of goodwill allocated to that reporting unit. The simplified one-step impairment test applies to all reporting units (including those with zero or negative carrying amounts).

The ASU is effective for Citi as of January 1, 2020. Early adoption is permitted for interim and annual goodwill impairment testing dates after January 1, 2017. The impact of the ASU will depend upon the performance of the reporting units and the market conditions impacting the fair value of each reporting unit going forward.

Clarifying the Definition of a Business

In January 2017, the FASB issued ASU No. 2017-01, Business Combinations (Topic 805): Clarifying the Definition of a Business. The definition of a business directly and indirectly affects many areas of accounting (e.g., acquisitions, disposals, goodwill and consolidation). The ASU narrows the definition of a business by introducing a quantitative screen as the first step, such that if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets, the set of transferred assets and activities is not a business. If the set is not scoped out from the quantitative screen, the entity then evaluates whether the set meets the requirement that a business include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The ASU is effective for Citi as of January 1, 2018. The ASU will be applied prospectively, with early adoption permitted. The impact of the ASU will depend upon the acquisition and disposal activities of Citi. If fewer transactions qualify as a business, there could be less initial recognition of goodwill, but also less goodwill allocated to disposals.

Changes in Accounting for Pension and Postretirement (Benefit) Expense

In March 2017, the FASB issued ASU 2017-07, Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost, which changes the income statement presentation of net benefit expense and requires restating the Company's financial statements for each of the earlier periods presented in Citi's annual and interim financial statements. The change in presentation is effective for annual and interim periods starting January 1, 2018. The ASU requires that only the service cost component of net benefit expense be included in the Compensation and benefits line on the income statement. The other components of net benefit expense will be required to be presented outside of the Compensation and benefits line and will be presented in Other operating expense. Since both of these income statement line items are part of Operating expenses, total Operating expenses will not change, nor will there be any change in Net income. This change in presentation is not expected to have a material effect on the Compensation and benefits and on Other operating lines in the income statement. The components of the net benefit expense are currently disclosed in Note 7 to the Consolidated Financial Statements.

The new standard also changes the components of net benefit expense that are eligible for capitalization when employee costs are capitalized in connection with various activities, such as internally developed software, construction-in-progress, and loan origination costs. Prospectively from January 1, 2018, only the service cost component of net benefit expense may be capitalized. Existing capitalized balances are not affected. The Company is currently evaluating the portion of net benefits cost that continues to be eligible for capitalization and the portion that is not eligible.

Hedging

In August 2017, the FASB issued ASU No. 2017-12, Targeted Improvements to Accounting for Hedging Activities, which will better align an entity's risk management activities and financial reporting for hedging relationships through changes to the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results. The mandatory effective date for calendar year-end public companies is January 1, 2019 but the amendments may be early adopted in any interim or annual period after issuance. The targeted improvements in the ASU will allow Citi increased flexibility to structure hedges of fixed rate instruments and floating rate instruments. Application of the ASU is expected to reduce the amount of ineffectiveness as the revised accounting guidance will better reflect the economics of our risk management activities and will also reduce the volatility associated with foreign currency hedging. The ASU requires the hedging instrument to be presented in the same line item as the hedged item and also requires expanded disclosures. Citi is in the process of evaluating whether to early adopt the standard before the mandatory effective date.

2. DISCONTINUED OPERATIONS AND SIGNIFICANT DISPOSALS

Discontinued Operations

The following sales are reported as Discontinued operations within Corporate/Other.

Sale of Egg Banking plc Credit Card Business

Citi sold the Egg Banking plc credit card business in 2011. Residual items from the disposal resulted in losses from Discontinued operations, net of taxes, of \$5 million and \$24 million for the three months ended September 30, 2017 and 2016, respectively, and \$2 million and \$46 million for the nine months ended September 30, 2017 and 2016, respectively.

Combined Results for Discontinued Operations

The following summarizes financial information for all Discontinued operations for which Citi continues to have minimal residual impact associated with the sold operations:

	Three Months Ended September 30, 2017		Nine Months Ended September 30, 2016	
In millions of dollars	2017	2016	2017	2016
Total revenues, net of interest expense	\$—	\$—	\$—	\$—
Loss from discontinued operations	\$(9)	\$(37)	\$(4)	\$(76)
Benefit for income taxes	(4)	(7)	(2)	(21)
Loss from discontinued operations, net of taxes	\$(5)	\$(30)	\$(2)	\$(55)

Cash flows for Discontinued operations were not material for the periods presented.

Significant Disposals

The transactions during 2017 and 2016 described below were identified as significant disposals. The major classes of assets and liabilities that are derecognized from the Consolidated Balance Sheet at closing and the income related to each business until the disposal date are presented below.

Novation of the 80% Primerica Coinsurance Agreement

Effective January 1, 2016, Citi completed a novation (an arrangement that extinguishes Citi's rights and obligations under a contract) of the Primerica 80% coinsurance agreement, which was part of Corporate/Other, to a third-party re-insurer. The novation resulted in revenues of \$404 million recorded in Other revenue (\$263 million after-tax) during the first quarter of 2016. Furthermore, the novation resulted in derecognition of \$1.5 billion of available-for-sale securities and cash, \$0.95 billion of deferred acquisition costs and \$2.7 billion of insurance liabilities.

Exit of U.S. Mortgage Service Operations

As previously disclosed, Citigroup signed agreements during the first quarter of 2017 to effectively exit its direct U.S. mortgage servicing operations by the end of 2018 to intensify focus on originations. The exit of the mortgage servicing operations included the sale of mortgage servicing rights and execution of a subservicing agreement for the remaining Citi-owned loans and certain other mortgage servicing rights. As part of this transaction, Citi is also transferring certain employees.

This transaction, which was part of Corporate/Other, resulted in a pretax loss of \$331 million (\$207 million after-tax) recorded in Other revenue during the first quarter of 2017. The loss on sale did not include certain other costs and charges related to the disposed operation recorded primarily in Operating expenses in the first quarter of 2017, resulting in a total pretax loss of \$382 million. As part of the completed sale, during the first quarter of 2017, Citi derecognized a total of \$1,162 million of servicing-related assets, including \$1,046 million of mortgage servicing rights, related to approximately 750,000 Fannie Mae and Freddie Mac held loans with outstanding balances of approximately \$93 billion. Excluding the loss on sale and the additional charges, income before taxes for the disposed operation was immaterial for the three and nine months ended September 30, 2017 and 2016.

Sale of CitiFinancial Canada Consumer Finance Business

On March 31, 2017, Citi completed the sale of CitiFinancial Canada (CitiFinancial), which was part of Corporate/Other and included 220 retail branches and approximately 1,400 employees. As part of the sale, Citi derecognized total assets of approximately \$1.9 billion, including \$1.7 billion in consumer loans (net of allowance), and total liabilities of approximately \$1.5 billion related to intercompany borrowings, which were settled at closing of the transaction. Separately, during the first quarter of 2017, CitiFinancial settled \$0.4 billion of debt issued through loan securitizations. The sale of CitiFinancial generated a pretax gain on sale of \$350 million recorded in Other revenue (\$178 million after-tax) during the first quarter of 2017.

Income before taxes, excluding the pretax gain on sale, was as follows:

	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2016
In millions of dollars	\$ - 43	\$ 41 \$ 121

Sale of a Fixed Income Analytics Business and an Index Business

On August 31, 2017, Citi completed the sale of a fixed income analytics (Yield Book) and a fixed income index business that were part of Markets and Securities Services within Institutional Clients Group (ICG). As part of the sale, Citi derecognized total assets of approximately \$112 million, including goodwill of \$72 million, while the derecognized liabilities were approximately \$18 million. The transaction generated a pretax gain on sale of \$580 million (\$355 million after-tax) recorded in Other revenue during the third quarter of 2017.

Income before taxes for the divested businesses is as follows:

	Three Months Ended September 30,	Nine Months Ended September 30,	2017	2016
In millions of dollars	2017	2016	2017	2016
Income before taxes	\$ 13	\$ 12	\$ 31	\$ 43

3. BUSINESS SEGMENTS

Citigroup's activities are conducted through the Global Consumer Banking (GCB) and ICG business segments. In addition, Corporate/Other includes activities not assigned to a specific business segment, as well as certain North America and international loan portfolios, discontinued operations and other legacy assets.

The prior-period balances reflect reclassifications to conform the presentation for all periods to the current period's presentation. Effective January 1, 2017, financial data was reclassified to reflect:

- the reporting of the remaining businesses and portfolios of assets of Citi Holdings as part of Corporate/Other which, prior to the first quarter of 2017, was a separately reported business segment;
- the re-attribution of certain treasury-related costs between Corporate/Other, GCB and ICG;
- the re-attribution of regional revenues within ICG; and
- certain other immaterial reclassifications.

Citi's consolidated results remain unchanged for all periods presented as a result of the changes and reclassifications discussed above.

For additional information regarding Citigroup's business segments, see Note 3 to the Consolidated Financial Statements in Citi's 2016 Annual Report on Form 10-K.

The following table presents certain information regarding the Company's continuing operations by segment:

	Three Months Ended September 30,						Identifiable assets	
	Revenues, net of interest expense		Provision (benefits) income taxes ⁽¹⁾		Income (loss) from continuing operations		September 30, 2017	December 31, 2016
In millions of dollars, except identifiable assets in billions	2017	2016	2017	2016	2017	2016	2017	2016
Global Consumer Banking	\$8,433	\$8,164	\$ 636	\$ 677	\$ 1,174	\$ 1,250	\$ 419	\$ 412
Institutional Clients Group	9,231	8,459	1,394	1,202	3,062	2,660	1,370	1,277
Corporate/Other	509	1,137	(164)	(146)	(99)	(23)	100	103
Total	\$18,173	\$17,760	\$ 1,866	\$ 1,733	\$ 4,137	\$ 3,887	\$ 1,889	\$ 1,792

Includes total revenues, net of interest expense (excluding Corporate/Other), in North America of \$8.9 billion and \$8.4 billion; in EMEA of \$2.7 billion and \$2.5 billion; in Latin America of \$2.4 billion and \$2.2 billion; and in (1) Asia of \$3.7 billion and \$3.5 billion for the three months ended September 30, 2017 and 2016, respectively. These regional numbers exclude Corporate/Other, which largely operates within the U.S.

(2)Includes pretax provisions for credit losses and for benefits and claims in the GCB results of \$2.2 billion and \$1.8 billion; in the ICG results of \$(164) million and \$(90) million; and in the Corporate/Other results of \$(50) million

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and \$18 million for the three months ended September 30, 2017 and 2016, respectively.

Nine Months Ended September 30, 2017

In millions of dollars	Revenues, net of interest expense ⁽¹⁾		Provision (benefits) income taxes		Income (loss) from continuing operations ⁽²⁾	
	2017	2016	2017	2016	2017	2016
Global Consumer Banking	\$24,285	\$23,552	\$ 1,867	\$ 1,978	\$ 3,306	\$ 3,729
Institutional Clients Group	27,570	25,043	4,096	3,195	8,853	7,144
Corporate/Other	2,339	4,268	(439)	(238)	(21)	569
Total	\$54,194	\$52,863	\$ 5,524	\$ 4,935	\$ 12,138	\$ 11,442

(1) Includes total revenues, net of interest expense, in North America of \$25.8 billion and \$24.2 billion; in EMEA of \$8.3 billion and \$7.3 billion; in Latin America of \$7.0 billion and \$6.7 billion; and in Asia of \$10.8 billion and \$10.4 billion for the nine months ended September 30, 2017 and 2016, respectively. Regional numbers exclude Corporate/Other, which largely operates within the U.S.

(2) Includes pretax provisions for credit losses and for benefits and claims in the GCB results of \$5.8 billion and \$4.7 billion; in the ICG results of \$(282) million and \$382 million; and in Corporate/Other results of \$(130) million and \$90 million for the nine months ended September 30, 2017 and 2016, respectively.

4. INTEREST REVENUE AND EXPENSE

Interest revenue and Interest expense consisted of the following:

In millions of dollars	Three Months Ended		Nine Months Ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Interest revenue				
Loan interest, including fees	\$ 10,652	\$ 10,229	\$ 30,798	\$ 29,739
Deposits with banks	486	247	1,156	703
Federal funds sold and securities borrowed or purchased under agreements to resell	858	636	2,347	1,947
Investments, including dividends	2,104	1,887	6,122	5,679
Trading account assets ⁽¹⁾	1,429	1,433	4,176	4,399
Other interest	292	221	846	709
Total interest revenue	\$ 15,821	\$ 14,653	\$ 45,445	\$ 43,176
Interest expense				
Deposits ⁽²⁾	\$ 1,775	\$ 1,443	\$ 4,793	\$ 3,953
Federal funds purchased and securities loaned or sold under agreements to repurchase	712	459	1,881	1,488
Trading account liabilities ⁽¹⁾	169	102	462	286
Short-term borrowings	318	90	719	300
Long-term debt	1,405	1,080	4,126	3,207
Total interest expense	\$ 4,379	\$ 3,174	\$ 11,981	\$ 9,234
Net interest revenue	\$ 11,442	\$ 11,479	\$ 33,464	\$ 33,942
Provision for loan losses	2,146	1,746	5,487	5,022
Net interest revenue after provision for loan losses	\$ 9,296	\$ 9,733	\$ 27,977	\$ 28,920

(1) Interest expense on Trading account liabilities of ICG is reported as a reduction of interest revenue from Trading account assets.

Includes deposit insurance fees and charges of \$301 million and \$336 million for the three months ended

(2) September 30, 2017 and 2016, respectively, and \$936 million and \$838 million for the nine months ended September 30, 2017 and 2016, respectively.

5. COMMISSIONS AND FEES

The primary components of Citi's Commissions and fees revenue are investment banking fees, trading-related fees, fees related to trade and securities services in ICG and credit card and bank card fees. For additional information regarding

certain components of Commissions and fees revenue, see Note 5 to the Consolidated Financial Statements in Citi's 2016 Annual Report on Form 10-K.

The following table presents Commissions and fees revenue:

In millions of dollars	Three Months		Nine Months	
	Ended		Ended	
	September 30,	September 30,	September 30,	September 30,
	2017	2016	2017	2016
Investment banking	\$911	\$726	\$2,689	\$2,053
Trading-related	556	519	1,670	1,664
Trade and securities services	412	384	1,224	1,176
Credit cards and bank cards	406	372	1,081	987
Corporate finance ⁽¹⁾	171	164	578	528
Other consumer ⁽²⁾	188	173	521	497
Checking-related	121	140	363	360
Loan servicing	80	71	254	235
Other	86	95	247	332
Total commissions and fees	\$2,931	\$2,644	\$8,627	\$7,832

(1) Consists primarily of fees earned from structuring and underwriting loan syndications.

(2) Primarily consists of fees for investment fund administration and management, third-party collections, commercial demand deposit accounts and certain credit card services.

6. PRINCIPAL TRANSACTIONS

Citi's Principal transactions revenue consists of realized and unrealized gains and losses from trading activities. For additional information regarding Principal transactions revenue, see Note 6 to the Consolidated Financial Statements in Citi's 2016 Annual Report on Form 10-K.

The following table presents Principal transactions revenue:

In millions of dollars	Three Months		Nine Months	
	Ended		Ended	
	September 30,	September 30,	September 30,	September 30,
	2017	2016	2017	2016
Global Consumer Banking ⁽¹⁾	\$149	\$162	\$440	\$469
Institutional Clients Group	1,757	2,064	6,504	5,552
Corporate/Other ⁽¹⁾	264	12	810	(127)
Total Citigroup	\$2,170	\$2,238	\$7,754	\$5,894
Interest rate risks ⁽²⁾	\$1,120	\$1,282	\$4,297	\$3,229
Foreign exchange risks ⁽³⁾	610	466	2,000	1,481

Equity risks ⁽⁴⁾	158	81	404	76
Commodity and other risks ⁽⁵⁾	92	171	330	436
Credit products and risks ⁽⁶⁾	190	238	723	672
Total	\$2,170	\$2,238	\$7,754	\$5,894

(1) Primarily relates to foreign exchange risks.

(2) Includes revenues from government securities and corporate debt, municipal securities, mortgage securities and other debt instruments. Also includes spot and forward trading of currencies and exchange-traded and over-the-counter (OTC) currency options, options on fixed income securities, interest rate swaps, currency swaps, swap options, caps and floors, financial futures, OTC options and forward contracts on fixed income securities.

(3) Includes revenues from foreign exchange spot, forward, option and swap contracts, as well as foreign currency translation (FX translation) gains and losses.

(4) Includes revenues from common, preferred and convertible preferred stock, convertible corporate debt, equity-linked notes and exchange-traded and OTC equity options and warrants.

(5) Primarily includes revenues from crude oil, refined oil products, natural gas and other commodities trades.

(6) Includes revenues from structured credit products.

7. INCENTIVE PLANS

For additional information on Citi's incentive plans, see Note 7 to the Consolidated Financial Statements in Citi's 2016 Annual Report on Form 10-K.

8. RETIREMENT BENEFITS

For additional information on Citi's retirement benefits, see Note 8 to the Consolidated Financial Statements in Citi's 2016 Annual Report on Form 10-K.

Net (Benefit) Expense

The following table summarizes the components of net (benefit) expense recognized in the Consolidated Statement of Income for the Company's pension and postretirement plans for Significant Plans and All Other Plans:

In millions of dollars	Three Months Ended September 30,							
	Pension plans				Postretirement benefit plans			
	U.S. plans		Non-U.S. plans		U.S. plans		Non-U.S. plans	
	2017	2016	2017	2016	2017	2016	2017	2016
Qualified plans								
Benefits earned during the period	\$—	\$1	\$38	\$39	\$—	\$—	\$3	\$1
Interest cost on benefit obligation	124	126	76	70	9	6	27	24
Expected return on plan assets	(217)	(224)	(77)	(71)	(2)	(2)	(24)	(22)
Amortization of unrecognized								
Prior service benefit	—	—	(1)	—	—	—	(2)	(1)
Net actuarial loss	43	43	15	19	—	—	8	8
Curtailement loss ⁽¹⁾	1	10	—	—	—	—	—	—
Settlement loss (gain) ⁽¹⁾	—	—	4	(2)	—	—	—	—
Net qualified plans (benefit) expense	\$(49)	\$(44)	\$55	\$55	\$7	\$4	\$12	\$10
Nonqualified plans expense	\$10	\$12	\$—	\$—	\$—	\$—	\$—	\$—
Total net (benefit) expense	\$(39)	\$(32)	\$55	\$55	\$7	\$4	\$12	\$10
(1) Losses (gains) due to curtailment and settlement relate to repositioning and divestiture activities.								
In millions of dollars	Nine Months Ended September 30,							
	Pension plans				Postretirement benefit plans			
	U.S. plans		Non-U.S. plans		U.S. plans		Non-U.S. plans	
	2017	2016	2017	2016	2017	2016	2017	2016
Qualified plans								
Benefits earned during the period	\$1	\$2	\$112	\$116	\$—	\$—	\$7	\$7
Interest cost on benefit obligation	384	399	221	216	20	19	76	72
Expected return on plan assets	(650)	(660)	(223)	(217)	(5)	(7)	(67)	(65)
Amortization of unrecognized								
Prior service benefit	—	—	(3)	(1)	—	—	(7)	(7)
Net actuarial loss (gain)	122	118	46	58	—	(1)	25	24
Curtailement loss (gain) ⁽¹⁾	4	10	—	(3)	—	—	—	—
Settlement loss ⁽¹⁾	—	—	8	2	—	—	—	—
Net qualified plans (benefit) expense	\$(139)	\$(131)	\$161	\$171	\$15	\$11	\$34	\$31
Nonqualified plans expense	\$31	\$31	\$—	\$—	\$—	\$—	\$—	\$—
Total net (benefit) expense	\$(108)	\$(100)	\$161	\$171	\$15	\$11	\$34	\$31
(1) Losses (gains) due to curtailment and settlement relate to repositioning and divestiture activities.								

Funded Status and Accumulated Other Comprehensive Income (AOCI)

The following tables summarize the funded status and amounts recognized in the Consolidated Balance Sheet for the Company's

Significant Plans.

In millions of dollars	Nine Months Ended September 30, 2017			
	Pension plans		Postretirement benefit plans	
	U.S. plans	Non-U.S. plans	U.S. plans	Non-U.S. plans
Change in projected benefit obligation				
Projected benefit obligation at beginning of year	\$ 14,000	\$ 6,522	\$ 686	\$ 1,141
Plans measured annually	(28	)(1,784	) —	(303
Projected benefit obligation at beginning of year—Significant Plans	\$ 13,972	\$ 4,738	\$ 686	\$ 838
First quarter activity	25	802	(7	)134
Second quarter activity	161	9	63	72
Projected benefit obligation at June 30, 2017—Significant Plans	\$ 14,158	\$ 5,549	\$ 742	\$ 1,044
Benefits earned during the period	1	22	—	2
Interest cost on benefit obligation	131	64	6	23
Actuarial loss	95	104	2	12
Benefits paid, net of participants' contributions	(191	)(108	) (14	)(15
Curtailment loss (gain) ⁽¹⁾	1	(2) —	—
Foreign exchange impact and other	(269	)36	—	(6
Projected benefit obligation at September 30, 2017—Significant Plans	\$ 13,926	\$ 5,665	\$ 736	\$ 1,060

(1) Loss (gain) due to curtailment relates to repositioning activities.

In millions of dollars	Nine Months Ended September 30, 2017			
	Pension plans		Postretirement benefit plans	
	U.S. plans	Non-U.S. plans	U.S. plans	Non-U.S. plans
Change in plan assets				
Plan assets at fair value at beginning of year	\$ 12,363	\$ 6,149	\$ 129	\$ 1,015
Plans measured annually	—	(1,167)	) —	(11)
Plan assets at fair value at beginning of year—Significant Plans	\$ 12,363	\$ 4,982	\$ 129	\$ 1,004
First quarter activity	159	903	\$—	124
Second quarter activity	186	(39)	) \$(3)	55
Plan assets at fair value at June 30, 2017—Significant Plans	\$ 12,708	\$ 5,846	\$ 126	\$ 1,183
Actual return on plan assets	310	95	3	24
Company contributions, net of reimbursements	63	11	10	—
Plan participants' contributions	—	1	—	—
Benefits paid, net of government subsidy	(191)	(109)	) (14)	(15)
Foreign exchange impact and other	(269)	)45	—	(6)
Plan assets at fair value at September 30, 2017—Significant Plans	\$ 12,621	\$ 5,889	\$ 125	\$ 1,186
Funded status of the Significant Plans				
Qualified plans ⁽¹⁾	\$ (575)	\$ 224	\$ (611)	\$ 126
Nonqualified plans	(730)	—	—	—
Funded status of the plans at September 30, 2017—Significant Plans	\$ (1,305)	\$ 224	\$ (611)	\$ 126
Net amount recognized				
Benefit asset	\$—	\$ 683	\$—	\$ 126
Benefit liability	(1,305)	(459)	) (611)	—
Net amount recognized on the balance sheet—Significant Plans	\$ (1,305)	\$ 224	\$ (611)	\$ 126
Amounts recognized in AOCI				
Prior service benefit	\$—	\$ 30	\$—	\$ 91
Net actuarial (loss) gain	(6,779)	(1,051)	) 39	(406)
Net amount recognized in equity (pretax)—Significant Plans	\$ (6,779)	\$ (1,021)	) \$39	\$ (315)
Accumulated benefit obligation				
Qualified plans	\$ 13,193	\$ 5,047	\$ 736	\$ 1,060
Nonqualified plans	727	—	—	—
Accumulated benefit obligation at September 30, 2017—Significant Plans	\$ 13,920	\$ 5,047	\$ 736	\$ 1,060

The U.S. qualified pension plan is fully funded under specified Employee Retirement Income Security Act of (1) 1974, as amended (ERISA), funding rules as of January 1, 2017 and no minimum required funding is expected for 2017.

The following table shows the change in AOCI related to the Company's pension, postretirement and post employment plans:

In millions of dollars	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2017
Beginning of period balance, net of tax ⁽¹⁾⁽²⁾	\$ (5,311)	\$ (5,164)
Actuarial assumptions changes and plan experience	(213)	(721)
Net asset gain due to difference between actual and expected returns	123	419
Net amortization	59	171
Prior service cost	—	(5)
Curtailment/settlement gain ⁽³⁾	5	12
Foreign exchange impact and other	(19)	(141)
Change in deferred taxes, net	16	89
Change, net of tax	\$ (29)	\$ (176)
End of period balance, net of tax ⁽¹⁾⁽²⁾	\$ (5,340)	\$ (5,340)

(1) See Note 17 to the Consolidated Financial Statements for further discussion of net AOCI balance.

(2) Includes net-of-tax amounts for certain profit sharing plans outside the U.S.

(3) Gains due to curtailment and settlement relate to repositioning and divestiture activities.

Plan Assumptions

The discount rates utilized during the period in determining the pension and postretirement net (benefit) expense for the Significant Plans are as follows:

Net benefit (expense) assumed discount rates during the period	Three Months Ended	
	Sept. 30, 2017	Jun. 30, 2017
U.S. plans		
Qualified pension	3.80%	4.05%
Nonqualified pension	3.75	3.95
Postretirement	3.60	3.85
Non-U.S. plans		
Pension	0.65-10.90	0.55-10.45
Weighted average	4.87	4.83
Postretirement	9.05	9.25

The discount rates utilized at period-end in determining the pension and postretirement benefit obligations for the Significant Plans are as follows:

Plan obligations assumed discount rates at period ended	Sept. 30, 2017	June 30, 2017	Mar. 31, 2017
U.S. plans			
Qualified pension	3.75%	3.80%	4.05%
Nonqualified pension	3.65	3.75	3.95
Postretirement	3.55	3.60	3.85
Non-U.S. plans			
Pension	0.65-10.35	0.65-10.90	0.55-10.45
Weighted average	4.86	4.87	4.83
Postretirement	8.95	9.05	9.25

Sensitivities of Certain Key Assumptions

The following table summarizes the estimated effect on the Company's Significant Plans quarterly expense of a one-percentage-point change in the discount rate:

In millions of dollars	Three Months Ended		
	September 30, 2017		
	One-percentage-point increase	One-percentage-point decrease	
Pension			
U.S. plans	\$ 7	\$ (10))
Non-U.S. plans	(5)	) 7	
Postretirement			
U.S. plans	1	(1))
Non-U.S. plans	(3)	) 3	

Contributions

For the U.S. pension plans, there were no required minimum cash contributions during the first nine months of 2017.

The following table summarizes the Company's actual contributions for the nine months ended September 30, 2017 and 2016, as well as estimated expected Company contributions for the remainder of 2017 and the actual contributions made in the fourth quarter of 2016.

In millions of dollars	Pension plans		Postretirement plans					
	U.S. plans	Non-U.S. plans	U.S. plans	Non-U.S. plans	U.S. plans	Non-U.S. plans		
Company contributions ⁽²⁾ for the nine months ended September 30	2017	2016	2017	2016	2017	2016	2017	2016
Company contributions made or expected to be made during the remainder of the year	\$90	\$54	\$103	\$58	\$30	\$6	\$7	\$4
	16	15	35	68	—	—	2	5

(1) The U.S. pension plans include benefits paid directly by the Company for the nonqualified pension plans.

(2) Company contributions are composed of cash contributions made to the plans and benefits paid directly by the Company.

Defined Contribution Plans

The following table summarizes the Company's contributions for the defined contribution plans:

In millions of dollars	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
U.S. plans	\$ 95	\$ 89	\$293	\$281
Non-U.S. plans	68	67	203	207

Post Employment Plans

The following table summarizes the components of net expense recognized in the Consolidated Statement of Income for the Company's U.S. post employment plans:

Three Months Ended September 30,		Nine Months Ended September 30,	

In millions of dollars	2017	2016	2017	2016
Service-related expense	\$—	\$—	\$—	\$—
Interest cost on benefit obligation	—	—	1	2
Amortization of unrecognized				
Prior service benefit	(8)	(7)	(23)	(23)
Net actuarial loss	1	1	2	3
Total service-related benefit	\$(7)	\$(6)	\$(20)	\$(18)
Non-service-related expense	\$9	\$10	\$21	\$23
Total net expense	\$2	\$4	\$1	\$5

9. EARNINGS PER SHARE

The following table reconciles the income and share data used in the basic and diluted earnings per share (EPS) computations:

	Three Months		Nine Months	
	Ended September 30, 2017	2016	Ended September 30, 2017	2016
In millions, except per-share amounts				
Income from continuing operations before attribution of noncontrolling interests	\$4,137	\$3,887	\$12,138	\$11,442
Less: Noncontrolling interests from continuing operations	(1)	17	41	48
Net income from continuing operations (for EPS purposes)	\$4,138	\$3,870	\$12,097	\$11,394
Income (loss) from discontinued operations, net of taxes	(5)	(30)	(2)	(55)
Citigroup's net income	\$4,133	\$3,840	\$12,095	\$11,339
Less: Preferred dividends ⁽¹⁾	272	225	893	757
Net income available to common shareholders	\$3,861	\$3,615	\$11,202	\$10,582
Less: Dividends and undistributed earnings allocated to employee restricted and deferred shares with nonforfeitable rights to dividends, applicable to basic EPS	53	53	156	145
Net income allocated to common shareholders for basic EPS	\$3,808	\$3,562	\$11,046	\$10,437
Net income allocated to common shareholders for diluted EPS	3,808	3,562	\$11,046	\$10,437
Weighted-average common shares outstanding applicable to basic EPS	2,683.6	2,879.9	2,729.3	2,912.9
Effect of dilutive securities ⁽²⁾				
Options ⁽³⁾	0.1	0.1	0.1	0.1
Other employee plans	—	0.1	—	0.1
Adjusted weighted-average common shares outstanding applicable to diluted EPS ⁽⁴⁾	2,683.7	2,880.1	2,729.5	2,913.0
Basic earnings per share ⁽⁵⁾				
Income from continuing operations	\$1.42	\$1.25	\$4.05	\$3.60
Discontinued operations	—	(0.01)	—	(0.02)
Net income	\$1.42	\$1.24	\$4.05	\$3.58
Diluted earnings per share ⁽⁵⁾				
Income from continuing operations	\$1.42	\$1.25	\$4.05	\$3.60
Discontinued operations	—	(0.01)	—	(0.02)
Net income	\$1.42	\$1.24	\$4.05	\$3.58

(1) As of September 30, 2017, Citi estimates it will distribute preferred dividends of approximately \$320 million during the remainder of 2017, assuming such dividends are declared by the Citi Board of Directors.

Warrants issued to the U.S. Treasury as part of the Troubled Asset Relief Program (TARP) and the loss-sharing agreement (all of which were subsequently sold to the public in January 2011), with exercise prices of \$178.50 and (2) \$105.27 per share for approximately 21.0 million and 25.5 million shares of Citigroup common stock, respectively.

Both warrants were not included in the computation of earnings per share in the three and nine months ended September 30, 2017 and 2016 because they were anti-dilutive.

During the third quarters of 2017 and 2016, weighted-average options to purchase 0.8 million and 3.6 million (3) shares of common stock, respectively, were outstanding, but not included in the computation of earnings per share because the weighted-average exercise prices of \$206.70 and \$85.92 per share, respectively, were anti-dilutive.

(4) Due to rounding, common shares outstanding applicable to basic EPS and the effect of dilutive securities may not sum to common shares outstanding applicable to diluted EPS.

(5) Due to rounding, earnings per share on continuing operations and discontinued operations may not sum to earnings per share on net income.

10. FEDERAL FUNDS, SECURITIES BORROWED, LOANED AND SUBJECT TO REPURCHASE AGREEMENTS

For additional information on the Company's resale and repurchase agreements and securities borrowing and lending agreements, see Note 11 to the Consolidated Financial Statements in Citi's 2016 Annual Report on Form 10-K.

Federal funds sold and securities borrowed or purchased under agreements to resell, at their respective carrying values, consisted of the following:

In millions of dollars	September 30, December 31,	
	2017	2016
Federal funds sold	\$ 20	\$ —
Securities purchased under agreements to resell	139,203	131,473
Deposits paid for securities borrowed	113,385	105,340
Total ⁽¹⁾	\$ 252,608	\$ 236,813

Federal funds purchased and securities loaned or sold under agreements to repurchase, at their respective carrying values, consisted of the following:

In millions of dollars	September 30, December 31,	
	2017	2016
Federal funds purchased	\$ 388	\$ 178
Securities sold under agreements to repurchase	145,280	125,685
Deposits received for securities loaned	15,614	15,958
Total ⁽¹⁾	\$ 161,282	\$ 141,821

The above tables do not include securities-for-securities lending transactions of \$14.4 billion and \$9.3 billion at September 30, 2017 and December 31, 2016, respectively, where the Company acts as lender and receives (1) securities that can be sold or pledged as collateral. In these transactions, the Company recognizes the securities received at fair value within Other assets and the obligation to return those securities as a liability within Brokerage payables.

It is the Company's policy to take possession of the underlying collateral, monitor its market value relative to the amounts due under the agreements and, when necessary, require prompt transfer of additional collateral in order to maintain contractual margin protection. For resale and repurchase agreements, when necessary, the Company posts additional collateral in order to maintain contractual margin protection.

A substantial portion of the resale and repurchase agreements is recorded at fair value, as described in Notes 20 and 21 to the Consolidated Financial Statements. The remaining portion is carried at the amount of cash initially advanced or received, plus accrued interest, as specified in the respective agreements.

A substantial portion of securities borrowing and lending agreements is recorded at the amount of cash advanced or received. The remaining portion is recorded at fair value as the Company elected the fair value option for certain securities borrowed and loaned portfolios, as described in Note 21 to the Consolidated Financial Statements. With respect to securities loaned, the Company receives cash collateral in an amount generally in excess of the market value of the securities loaned. The Company monitors the market value of securities borrowed and securities loaned on a daily basis and obtains or posts additional collateral in order to maintain contractual margin protection.

The following tables present the gross and net resale and repurchase agreements and securities borrowing and lending agreements and the related offsetting amount permitted under ASC-210-20-45. The tables also include amounts related to financial instruments that are not permitted to be offset under ASC-210-20-45, but would be eligible for offsetting to the extent that an event of default occurred and a legal opinion supporting enforceability of the offsetting rights has been obtained. Remaining exposures continue to be secured by financial collateral, but the Company may not have sought or been able to obtain a legal opinion evidencing enforceability of the offsetting right.

As of September 30, 2017

In millions of dollars

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	Gross amounts of recognized assets	Gross amounts offset on the Consolidated Balance Sheet ⁽¹⁾	Net amounts of assets included on the Consolidated Balance Sheet ⁽²⁾	Amounts not offset on the Consolidated Balance Sheet but eligible for offsetting upon counterparty default ⁽³⁾	Net amounts ⁽⁴⁾
Securities purchased under agreements to resell	\$ 207,485	\$ 68,282	\$ 139,203	\$ 105,439	\$ 33,764
Deposits paid for securities borrowed	113,385	—	113,385	23,136	90,249
Total	\$ 320,870	\$ 68,282	\$ 252,588	\$ 128,575	\$ 124,013

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In millions of dollars	Gross amounts of recognized liabilities	Gross amounts offset on the Consolidated Balance Sheet ⁽¹⁾	Net amounts of liabilities included on the Consolidated Balance Sheet ⁽²⁾	Amounts not offset on the Consolidated Balance Sheet but eligible for offsetting upon counterparty default ⁽³⁾	Net amounts ⁽⁴⁾
Securities sold under agreements to repurchase	\$ 213,562	\$ 68,282	\$ 145,280	\$ 67,974	\$ 77,306
Deposits received for securities loaned	15,614	—	15,614	4,359	11,255
Total	\$ 229,176	\$ 68,282	\$ 160,894	\$ 72,333	\$ 88,561

As of December 31, 2016

In millions of dollars	Gross amounts of recognized assets	Gross amounts offset on the Consolidated Balance Sheet ⁽¹⁾	Net amounts of assets included on the Consolidated Balance Sheet ⁽²⁾	Amounts not offset on the Consolidated Balance Sheet but eligible for offsetting upon counterparty default ⁽³⁾	Net amounts ⁽⁴⁾
Securities purchased under agreements to resell	\$ 176,284	\$ 44,811	\$ 131,473	\$ 102,874	\$ 28,599
Deposits paid for securities borrowed	105,340	—	105,340	16,200	89,140
Total	\$ 281,624	\$ 44,811	\$ 236,813	\$ 119,074	\$ 117,739

In millions of dollars	Gross amounts of recognized liabilities	Gross amounts offset on the Consolidated Balance Sheet ⁽¹⁾	Net amounts of liabilities included on the Consolidated Balance Sheet ⁽²⁾	Amounts not offset on the Consolidated Balance Sheet but eligible for offsetting upon counterparty default ⁽³⁾	Net amounts ⁽⁴⁾
Securities sold under agreements to repurchase	\$ 170,496	\$ 44,811	\$ 125,685	\$ 63,517	\$ 62,168
Deposits received for securities loaned	15,958	—	15,958	3,529	12,429
Total	\$ 186,454	\$ 44,811	\$ 141,643	\$ 67,046	\$ 74,597

(1) Includes financial instruments subject to enforceable master netting agreements that are permitted to be offset under ASC 210-20-45.

(2) The total of this column for each period excludes Federal funds sold/purchased. See tables above.

(3) Includes financial instruments subject to enforceable master netting agreements that are not permitted to be offset under ASC 210-20-45, but would be eligible for offsetting to the extent that an event of default has occurred and a

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legal opinion supporting enforceability of the offsetting right has been obtained.

- (4) Remaining exposures continue to be secured by financial collateral, but the Company may not have sought or been able to obtain a legal opinion evidencing enforceability of the offsetting right.

The following tables present the gross amount of liabilities associated with repurchase agreements and securities lending agreements, by remaining contractual maturity:

In millions of dollars	As of September 30, 2017				
	Open and overnight	Up to 30 days	31–90 days	Greater than 90 days	Total
Securities sold under agreements to repurchase	\$97,624	\$54,810	\$23,997	\$37,131	\$213,562
Deposits received for securities loaned	11,980	342	2,070	1,222	15,614
Total	\$109,604	\$55,152	\$26,067	\$38,353	\$229,176

In millions of dollars	As of December 31, 2016				
	Open and overnight	Up to 30 days	31–90 days	Greater than 90 days	Total
Securities sold under agreements to repurchase	\$79,740	\$50,399	\$19,396	\$20,961	\$170,496
Deposits received for securities loaned	10,813	2,169	2,044	932	15,958
Total	\$90,553	\$52,568	\$21,440	\$21,893	\$186,454

The following tables present the gross amount of liabilities associated with repurchase agreements and securities lending agreements, by class of underlying collateral:

In millions of dollars	As of September 30, 2017		
	Repurchase agreements	Securities lending agreements	Total
U.S. Treasury and federal agency securities	\$67,622	\$ —	\$67,622
State and municipal securities	1,031	5	1,036
Foreign government securities	92,113	221	92,334
Corporate bonds	19,731	472	20,203
Equity securities	11,910	14,301	26,211
Mortgage-backed securities	12,590	—	12,590
Asset-backed securities	5,373	—	5,373
Other	3,192	615	3,807
Total	\$213,562	\$ 15,614	\$229,176

In millions of dollars	As of December 31, 2016		
	Repurchase agreements	Securities lending agreements	Total
U.S. Treasury and federal agency securities	\$66,263	\$ —	\$66,263
State and municipal securities	334	—	334
Foreign government securities	52,988	1,390	54,378
Corporate bonds	17,164	630	17,794
Equity securities	12,206	13,913	26,119
Mortgage-backed securities	11,421	—	11,421
Asset-backed securities	5,428	—	5,428
Other	4,692	25	4,717
Total	\$170,496	\$ 15,958	\$186,454

11. BROKERAGE RECEIVABLES AND BROKERAGE PAYABLES

The Company has receivables and payables for financial instruments sold to and purchased from brokers, dealers and customers, which arise in the ordinary course of business.

For additional information on these receivables and payables, see Note 12 to the Consolidated Financial Statements in Citi's 2016 Annual Report on Form 10-K.

Brokerage receivables and Brokerage payables consisted of the following:

In millions of dollars	September 30, December 31,	
	2017	2016
Receivables from customers	\$ 14,717	\$ 10,374
Receivables from brokers, dealers, and clearing organizations	23,359	18,513
Total brokerage receivables ⁽¹⁾	\$ 38,076	\$ 28,887
Payables to customers	\$ 37,935	\$ 37,237
Payables to brokers, dealers, and clearing organizations	25,270	19,915
Total brokerage payables ⁽¹⁾	\$ 63,205	\$ 57,152

(1) Includes brokerage receivables and payables recorded by Citi broker-dealer entities that are accounted for in accordance with the AICPA Accounting Guide for Brokers and Dealers in Securities as codified in ASC 940-320.

12. INVESTMENTS

For additional information regarding Citi's investment portfolios, including evaluating investments for other-than-temporary impairment (OTTI), see Note 13 to the Consolidated Financial Statements in Citi's 2016 Annual Report on Form 10-K.

Overview

The following table presents Citi's investments by category:

In millions of dollars	September 30, December 31,	
	2017	2016
Securities available-for-sale (AFS)	\$ 295,315	\$ 299,424
Debt securities held-to-maturity (HTM) ⁽¹⁾	51,527	45,667
Non-marketable equity securities carried at fair value ⁽²⁾	1,300	1,774
Non-marketable equity securities carried at cost ⁽³⁾	6,532	6,439
Total investments	\$ 354,674	\$ 353,304

(1) Carried at adjusted amortized cost basis, net of any credit-related impairment.

(2) Unrealized gains and losses for non-marketable equity securities carried at fair value are recognized in earnings.

(3) Primarily consists of shares issued by the Federal Reserve Bank, Federal Home Loan Banks and various clearing houses of which Citigroup is a member.

The following table presents interest and dividend income on investments:

In millions of dollars	Three Months Nine Months			
	Ended		Ended	
	September 30,	September 30,	September 30,	September 30,
	2017	2016	2017	2016
Taxable interest	\$ 1,922	\$ 1,717	\$ 5,545	\$ 5,153
Interest exempt from U.S. federal income tax	129	135	412	411
Dividend income	53	35	165	115
Total interest and dividend income	\$ 2,104	\$ 1,887	\$ 6,122	\$ 5,679

The following table presents realized gains and losses on the sales of investments, which excludes OTTI losses:

In millions of dollars	Three			
	Months		Nine Months	
	Ended		Ended	
	September	September 30,	September	September 30,
	30,	30,	30,	30,
	2017	2016	2017	2016
Gross realized investment gains	\$ 293	\$ 483	\$ 840	\$ 1,105
Gross realized investment losses	(80)	(196)	(214)	(432)
Net realized gains on sale of investments	\$ 213	\$ 287	\$ 626	\$ 673

Securities Available-for-Sale

The amortized cost and fair value of AFS securities were as follows:

	September 30,	December 31,
	2017	2016

In millions of dollars