CITIGROUP INC
Form 10-K
February 26, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2015
Commission file number 1-9924
Citigroup Inc.
(Exact name of registrant as specified in its charter)

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

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

Securities registered pursuant to Section 12(b) of the Act: See Exhibit 99.01

Securities registered pursuant to Section 12(g) of the Act: none

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes x No o
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No x
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o
Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x
The aggregate market value of Citigroup Inc. common stock held by non-affiliates of Citigroup Inc. on June 30, 2015 was approximately $166.1 billion.
Number of shares of Citigroup Inc. common stock outstanding on January 31, 2016: 2,948,120,153

Documents Incorporated by Reference: Portions of the registrant's proxy statement for the annual meeting of stockholders scheduled to be held on April 26, 2016, are incorporated by reference in this Form 10-K in response to Items 10, 11, 12, 13 and 14 of Part III.
Available on the web at www.citigroup.com

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*	For additional information regarding Citigroup's Directors, see "Corporate Governance," "Proposal 1: Election of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance" in the definitive Proxy Statement for Citigroup's Annual Meeting of Stockholders scheduled to be held on April 26, 2016, to be filed with the SEC (the Proxy Statement), incorporated herein by reference.
**	See "Compensation Discussion and Analysis," "The Personnel and Compensation Committee Report," and "2015 Summary Compensation Table and Compensation Information" in the Proxy Statement, incorporated herein by reference.
***	See "About the Annual Meeting," "Stock Ownership" and "Proposal 4: Approval of Additional Authorized Shares under the Citigroup 2014 Stock Incentive Plan" including Annex B, "Equity Compensation Plan Information" in the Proxy Statement, incorporated herein by reference.
****	See "Corporate Governance—Director Independence," "—Certain Transactions and Relationships, Compensation Committee Interlocks and Insider Participation," and "—Indebtedness" in the Proxy Statement, incorporated herein by reference.
*****	See "Proposal 2: Ratification of Selection of Independent Registered Public Accounting Firm" in the Proxy Statement, incorporated herein by reference.

CITIGROUP'S 2015 ANNUAL REPORT ON FORM 10-K

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OVERVIEW

Citigroup's history dates back to the founding of the City
Bank of New York in 1812.
Citigroup is a global diversified financial services holding company, whose businesses provide consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, trade and securities services and wealth management. Citi has approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions.
At December 31, 2015, Citi had approximately 231,000 full-time employees, compared to approximately 241,000 full-time employees at December 31, 2014.
Citigroup currently operates, for management reporting purposes, via two primary business segments: Citicorp, consisting of Citi's Global Consumer Banking businesses and Institutional Clients Group; and Citi Holdings, consisting of businesses and portfolios of assets that Citigroup has determined are not central to its core Citicorp businesses. For a further description of the business segments and the products and services they provide, see "Citigroup Segments" below, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 3 to the Consolidated Financial Statements.
Throughout this report, "Citigroup," "Citi" and "the Company" refer to Citigroup Inc. and its consolidated subsidiaries.
Additional information about Citigroup is available on Citi's website at www.citigroup.com. Citigroup's recent annual reports on Form 10-K, quarterly reports on Form 10-Q, proxy statements, as well as other filings with the 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, information statements, and other information regarding Citi at www.sec.gov.
Certain reclassifications, including a realignment of certain businesses, have been made to the prior periods' financial statements to conform to the current period's presentation. For information on certain recent such reclassifications, see Note 3 to the Consolidated Financial Statements.

Please see "Risk Factors" below for a discussion of the most significant risks and uncertainties that could impact Citigroup's businesses, financial condition and results of operations.

As described above, Citigroup is managed pursuant to the following segments:
(Chart continues on next page.)

The following are the four regions in which Citigroup operates. The regional results are fully reflected in the segment results above.
* As previously announced, Citigroup intends to exit its consumer businesses in Brazil, Argentina and Colombia. Effective in the first quarter of 2016, these businesses, which previously have been reported as part of Latin America GCB, will be reported as part of Citi Holdings. For additional information, see “Citicorp” below. Citi intends to release a revised Quarterly Financial Data Supplement reflecting this realignment prior to the release of its first quarter of 2016 earnings information.

(1) For reporting purposes, Asia GCB includes the results of operations of EMEA GCB for all periods presented.
(2) North America includes the U.S., Canada and Puerto Rico, Latin America includes Mexico and Asia includes Japan.

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

EXECUTIVE SUMMARY

Citi's full year 2015 results of operations reflected a solid overall performance. As described in more detail throughout this Executive Summary, Citi's full year 2015 net income of $17.1 billion was its highest since pre-financial crisis, when Citi was a very different company in terms of footprint, mix of businesses and assets. During the year, Citi was able to grow revenues by 3% and make investments in its core Citicorp businesses while reducing its overall expenses, thus improving its overall efficiency ratio. Loan and deposit growth in Citicorp each grew by 5% while Citi's overall balance sheet decreased by 3% (each excluding the impact of foreign currency translation into U.S. dollars for reporting purposes (FX translation)). Citi also ended 2015 with a Common Equity Tier 1 Capital ratio, on a fully implemented basis, of 12.1%.
In addition to these accomplishments, Citi made significant progress on its execution priorities during 2015, including:

- Efficient resource allocation and disciplined expense management: As described above, Citi maintained disciplined expense management during 2015, even as it continued to absorb increased regulatory and compliance costs in Citicorp and made ongoing business investments. Citi's expense management during 2015 was further aided by lower legal and related expenses and lower repositioning expenses in Citicorp as compared to the prior year, as discussed further below.
- Continued wind down of Citi Holdings, while maintaining profitability: Citi significantly reduced the assets in Citi Holdings during the year. Citi Holdings' assets decreased $55 billion, or 43%, from 2014, ending the year at $74 billion. In addition, as of December 31, 2015, Citi had executed agreements to further reduce Citi Holdings GAAP assets by approximately $7 billion in 2016 (for additional information, see "Citi Holdings" below). As discussed further below, Citi Holdings also maintained profitability in 2015.
- Utilization of deferred tax assets (DTAs): Citi utilized approximately $1.5 billion in DTAs during 2015 (for additional information, see "Significant Accounting Policies and Significant Estimates—Income Taxes" below and Note 9 to the Consolidated Financial Statements).

Citi was able to achieve these results and make ongoing progress on its execution priorities during a year with market volatility and uncertainties, including macroeconomic uncertainties, slower global growth and market volatility resulting from, among other things, lower commodity prices as well as uncertainty regarding the timing and pace of U.S. interest rate changes.
As the year-to-date has shown, Citi expects the operating environment in 2016 to remain challenging, with many of the uncertainties impacting its results of operations during 2015

continuing into 2016. For a more detailed discussion of the risks and uncertainties that could impact Citi's businesses, results of operations and financial condition during 2016, see each respective business' results of operations, "Risk Factors" and "Managing Global Risk" below. While Citi may not be able to control all aspects of its operating environment in 2016, it intends to continue to build on the progress made during 2015 by remaining focused on its execution priorities and target client strategy.

2015 Summary Results

Citigroup
Citigroup reported net income of $17.2 billion or $5.40 per share, compared to $7.3 billion or $2.20 per share in the prior year. Results in 2015 included $254 million ($162 million after-tax) of CVA/DVA, compared to negative $390 million (negative $240 million after-tax) in 2014. Citigroup full year 2014 results also included a charge of $3.8 billion ($3.7 billion after-tax) to settle RMBS and CDO-related claims recorded in Citi Holdings and a tax charge of

$210 million related to corporate tax reforms recorded in Corporate/Other.

Excluding the impact of CVA/DVA in both periods as well as the impact of the mortgage settlement and the tax item in 2014, Citigroup reported net income of $17.1 billion in 2015, or $5.35 per share, compared to $11.5 billion, or $3.55 per share, in the prior year. (Citi’s results of operations excluding the impact of CVA/DVA as well as the impact of the mortgage settlement and the tax item in 2014 are non-GAAP financial measures. Citi believes the presentation of its results
of operations excluding these impacts provides a more meaningful depiction for investors of the underlying fundamentals of its businesses.) The 49% increase from the prior year was primarily driven by lower expenses and lower net credit losses, partially offset by lower revenues and a reduced net loan loss reserve release.

Citi’s revenues were $76.4 billion in 2015, a decrease of 1% from the prior year. Excluding CVA/DVA, revenues were $76.1 billion, down 2% from the prior year, as Citicorp revenues decreased by 2% and Citi Holdings revenues decreased 1%. Excluding CVA/DVA and the impact of FX translation, Citigroup revenues increased 3% from the prior year, driven by an increase of 3% in both Citicorp and Citi Holdings’ revenues. (Citi’s results of operations excluding the impact of FX translation are non-GAAP financial measures. Citi believes the presentation of its results of operations excluding the impact of FX translation provides a more meaningful depiction for investors of the underlying fundamentals of its businesses.)

Expenses

Citigroup expenses decreased 21% versus the prior year to $43.6 billion. Excluding the impact of the mortgage settlement in the prior year, Citigroup expenses declined 15% driven by significantly lower legal and related expenses ($1.5 billion compared to $5.8 billion in the prior year) and

repositioning costs ($472 million compared to $1.6 billion in the prior year), as well as the impact of FX translation (which lowered expenses by approximately $2.6 billion in 2015 compared to the prior year). Excluding the impact of both the mortgage settlement in the prior year and FX translation, Citigroup's expenses declined 10%, mainly driven by the lower legal and related expenses and repositioning costs.
Excluding the impact of FX translation, which lowered reported expenses by approximately $2.4 billion in 2015 compared to the prior year, Citicorp expenses decreased 9% also driven by significantly lower legal and related expenses and repositioning costs. Citicorp expenses in 2015 included legal and related expenses of $1.1 billion, compared to $4.8 billion in the prior year, and $278 million of repositioning costs, compared to $1.5 billion in the prior year.
Citi Holdings' expenses were $4.6 billion, down 52% from the prior year. Excluding the impact of the mortgage settlement in the prior year, Citi Holdings' expenses decreased 22%, primarily driven by the ongoing decline in Citi Holdings assets as well as lower legal and related expenses.

Credit Costs
Citi's total provisions for credit losses and for benefits and claims of $7.9 billion increased 6% from the prior year. Excluding the impact of the mortgage settlement in the prior year, Citi's total provisions for credit losses and for benefits and claims increased 7% as a lower net loan loss reserve release was partially offset by lower net credit losses.
Net credit losses of $7.3 billion declined 19% versus the prior year. Consumer net credit losses declined 19% to $7.1 billion, mostly reflecting continued improvements in North America Citi-branded cards and Citi retail services in Citicorp as well as the North America mortgage portfolio within Citi Holdings. Corporate net credit losses declined 19% to $234 million. As previously disclosed, corporate net credit losses in 2014 included approximately $165 million of net credit losses related to the Pemex supplier program in Mexico (for additional information, see "Institutional Clients Group" below). Excluding these net credit losses in the prior year, net credit losses increased by approximately $111 million, primarily related to a limited number of energy and energy-related corporate loans, predominantly incurred during the latter part of 2015 (for additional information, see "Institutional Clients Group" and "Credit Risk—Corporate Credit" below).
The net release of allowance for loan losses and unfunded lending commitments was $120 million in 2015, compared to a $2.4 billion release in 2014, excluding the impact of the mortgage settlement in the prior year. Citicorp's net reserve build was $409 million, compared to a net loan loss reserve release of $1.4 billion in 2014. The build in 2015 was primarily driven by net loan loss reserve builds in Institutional Clients Group (ICG) during the latter part of 2015, including approximately $530 million for energy and energy-related exposures. Overall, Citi expects its credit costs in Citicorp will likely be higher in 2016 as compared to 2015 given that it believes the vast majority of its net loan loss reserve releases have occurred as credit quality has largely stabilized.

Citi Holdings' net reserve release, excluding the impact of the mortgage settlement in the prior year, decreased $443 million from the prior year to $529 million, primarily reflecting lower net releases related to the North America mortgage portfolio.
For additional information on Citi's consumer and corporate credit costs and allowance for loan losses, see "Credit Risk" below.

Capital
Citi continued to grow its regulatory capital during 2015, even as it returned approximately $5.9 billion of capital to its shareholders in the form of common stock repurchases and dividends. Citigroup's Tier 1 Capital and Common Equity Tier 1 Capital ratios, on a fully implemented basis, were 13.5% and 12.1% as of December 31, 2015, respectively, compared to 11.5% and 10.6% as of December 31, 2014 (all based on the Basel III Advanced Approaches for determining risk-weighted assets). Citigroup's Supplementary Leverage ratio as of December 31, 2015, on a fully implemented basis, was 7.1%, compared to 5.9% as of December 31, 2014. For additional information on Citi's capital ratios and related components, including the impact of Citi's DTAs on its capital ratios, see

"Capital Resources" below.

Citicorp

Citicorp net income increased 50% from the prior year to $16.2 billion. CVA/DVA, recorded in ICG, was $269 million ($172 million after-tax) in 2015, compared to negative $343 million (negative $211 million after-tax) in the prior year (for a summary of CVA/DVA by business within ICG, see "Institutional Clients Group" below). Excluding CVA/DVA in both periods and the tax item in 2014, Citicorp's net income was $16.0 billion, up 43% from the prior year, primarily driven by the lower expenses and net credit losses, partially offset by lower revenues and the net loan loss reserve builds.

Citicorp revenues decreased 1% from the prior year to $68.5 billion. Excluding CVA/DVA, Citicorp revenues were $68.2 billion in 2015, down 2% from the prior year, reflecting largely unchanged revenues in ICG and a 6% decrease in Global Consumer Banking (GCB) revenues. As referenced above, excluding CVA/DVA and the impact of FX translation, Citicorp's revenues grew 3%.

GCB revenues of $33.9 billion decreased 6% versus the prior year. Excluding the impact of FX translation, GCB revenues decreased 1%, as decreases in North America GCB and Asia GCB were partially offset by an increase in Latin America GCB. North America GCB revenues decreased 1% to $19.4 billion, as lower revenues in Citi-branded cards were partially offset by higher retail banking revenues. Citi-branded cards revenues of $7.8 billion were down 6% versus the prior year, reflecting the continued impact of lower average loans as well as an increase in acquisition and rewards costs related to new account acquisitions, particularly during the second half of 2015. Citi retail services revenues of $6.4 billion were largely unchanged versus the prior year, as the continued impact of lower fuel prices and higher contractual partner payments was offset by modest growth in average loans. Retail banking revenues increased 6% from the prior

year to $5.2 billion, reflecting continued loan and deposit growth and improved deposit spreads. North America GCB average deposits of $172 billion increased 1% year-over-year and average retail loans of $50 billion grew 7%. Average card loans of $107 billion decreased 2%, while purchase sales of $263 billion increased 4% versus the prior year. For additional information on the results of operations of North America GCB for 2015, see "Global Consumer Banking— North America GCB" below.

International GCB revenues (consisting of EMEA GCB, Latin America GCB and Asia GCB) decreased 12% versus the prior year to $14.4 billion. Excluding the impact of FX translation, international GCB revenues were unchanged versus the prior year. Latin America GCB revenues increased 3% versus the prior year, as increases in loan and deposit balances as well as the impact of business divestitures were partially offset by the continued impact of spread compression in cards. Asia GCB revenues declined 3% versus the prior year, reflecting lower investment sales revenues as well as continued high payment rates and the ongoing impact of regulatory changes in cards, partially offset by growth in lending, deposit and insurance products. For additional information on the results of operations of Latin America GCB and Asia GCB (which includes the results of operations of EMEA GCB for reporting purposes) for 2015, including the impact of FX translation, see "Global Consumer Banking" below. Year-over-year, international GCB average deposits of $129 billion increased 5%, average retail loans of $99 billion increased 3%, investment sales of $78 billion decreased 8%, average card loans of $26 billion increased 2% and card purchase sales of $101 billion increased 6%, all excluding the impact of FX translation.

ICG revenues were $33.7 billion in 2015, up 2% from the prior year. Excluding CVA/DVA, ICG revenues were largely unchanged from the prior year at $33.5 billion.

Banking revenues of $16.9 billion, excluding CVA/DVA and the impact of mark-to-market gains on hedges related to accrual loans within corporate lending (see below), were largely unchanged compared to the prior year, as lower equity underwriting activity within investment banking as well as the impact of FX translation was offset by higher advisory revenues and continued growth in the private bank. Investment banking revenues of $4.5 billion decreased 3% versus the prior year. Advisory revenues increased 16% to $1.1 billion with sustained wallet share gains for the year. Debt underwriting revenues increased 1% to $2.5 billion, driven by wallet share gains in investment grade debt and strong performance in investment grade loans in the second half of 2015, while equity underwriting revenues decreased 28% to $902 million, largely reflecting lower industry-wide underwriting activity during the year.

Private bank revenues, excluding CVA/DVA, increased 8% to $2.9 billion from the prior year, driven by higher loan and deposit balances as well as growth in managed investments revenue. Corporate lending revenues rose 8% to $2.0 billion, including $323 million of mark-to-market gains on hedges related to accrual loans compared to a $116 million gain in the prior year. Excluding the impact of FX translation and the mark-to-market impact of loan hedges, corporate

lending revenues increased 3% versus the prior year, as growth in average loans was partially offset by the impact of lower spreads. Treasury and trade solutions revenues of $7.8 billion were relatively unchanged versus the prior year. Excluding the impact of FX translation, treasury and trade solutions revenues increased 6%, as continued growth in deposit balances and spreads was partially offset by lower trade revenues.

Markets and securities services revenues of $16.3 billion, excluding CVA/DVA, decreased 1% from the prior year. Fixed income markets revenues of $11.3 billion, excluding CVA/DVA, decreased 7% from the prior year, as growth in rates and currencies was more than offset by a slowdown in spread products, reflecting the volatile trading environment during the year. Equity markets revenues of $3.1 billion, excluding CVA/DVA, increased 13% versus the prior year driven by growth across all products. Securities services revenues of $2.1 billion increased 4% versus the prior year, and increased 15% excluding the impact of FX translation, reflecting increased client activity and higher client balances. For additional information on the results of operations of ICG for 2015, see "Institutional Clients Group" below.

Corporate/Other revenues increased to $907 million from $301 million in the prior year, driven mainly by gains on debt buybacks during the course of 2015. For additional information on the results of operations of Corporate/Other in 2015, see "Corporate/Other" below.

Citicorp end-of-period loans increased 1% to $573 billion from the prior year, as a 5% increase in corporate loans was partially offset by a 2% decrease in consumer loans. Excluding the impact of FX translation, Citicorp loans grew 5%, with 8% growth in corporate loans and 2% growth in consumer loans.

Citi Holdings

Citi Holdings' net income was $1.0 billion in 2015, compared to a net loss of $3.5 billion in the prior year. CVA/DVA was negative $15 million (negative $10 million after-tax) in 2015, compared to negative $47 million (negative $29 million after-tax) in the prior year. Excluding the impact of CVA/DVA in both periods and the impact of the mortgage settlement in the prior year, Citi Holdings' net income was $1.1 billion, compared to $275 million in the prior year, primarily reflecting lower expenses and lower credit costs.

Citi Holdings' revenues were largely unchanged from the prior year at $7.8 billion. Excluding CVA/DVA, Citi Holdings' revenues decreased 1% to $7.9 billion from the prior year, primarily driven by the overall wind-down of the portfolio and the impact of redemptions of high cost debt, mostly offset by the impact of higher gains on asset sales. For additional information on the results of operations of Citi Holdings in 2015, see "Citi Holdings" below.

At the end of 2015, Citi Holdings' assets were $74 billion, 43% below the prior year, and represented approximately 4% of Citi's total GAAP assets. Citi Holdings' risk-weighted assets were $133 billion as of December 31, 2015, a decrease of 30% from the prior year, and represented 11% of Citi's risk-weighted assets under Basel III (based on the Advanced Approaches for determining risk-weighted assets).

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

In millions of dollars, except per-share amounts and ratios	2015	2014	2013	2012	2011
Net interest revenue	$46,630	$47,993	$46,793	$46,686	$47,649
Non-interest revenue	29,724	29,226	29,931	22,844	29,986
Revenues, net of interest expense	$76,354	$77,219	$76,724	$69,530	$77,635
Operating expenses	43,615	55,051	48,408	50,036	50,180
Provisions for credit losses and for benefits and claims	7,913	7,467	8,514	11,329	12,359
Income from continuing operations before income taxes	$24,826	$14,701	$19,802	$8,165	$15,096
Income taxes	7,440	7,197	6,186	397	4,020
Income from continuing operations	$17,386	$7,504	$13,616	$7,768	$11,076
Income (loss) from discontinued operations, net of taxes[1]	(54)	(2)	270	(58)	68
Net income before attribution of noncontrolling interests	$17,332	$7,502	$13,886	$7,710	$11,144
Net income attributable to noncontrolling interests	90	192	227	219	148
Citigroup's net income	$17,242	$7,310	$13,659	$7,491	$10,996
Less:					
Preferred dividends—Basic	$769	$511	$194	$26	$26
Dividends and undistributed earnings allocated to employee restricted and deferred shares that contain nonforfeitable rights to dividends, applicable to basic EPS	224	111	263	164	184
Income allocated to unrestricted common shareholders for basic EPS	$16,249	$6,688	$13,202	$7,301	$10,786
Add: Other adjustments to income	—	1	1	10	16
Income allocated to unrestricted common shareholders for diluted EPS	$16,249	$6,689	$13,203	$7,311	$10,802
Earnings per share					
Basic					
Income from continuing operations	$5.43	$2.21	$4.26	$2.51	$3.68
Net income	5.41	2.21	4.35	2.49	3.71
Diluted					
Income from continuing operations	$5.42	$2.20	$4.25	$2.44	$3.58
Net income	5.40	2.20	4.34	2.42	3.60
Dividends declared per common share	0.16	0.04	0.04	0.04	0.03

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 direct staff	2015	2014	2013	2012	2011
At December 31:					
Total assets	$1,731,210	$1,842,181	$1,880,035	$1,864,328	$1,873,597
Total deposits	907,887	899,332	968,273	930,560	865,936
Long-term debt	201,275	223,080	221,116	239,463	323,505
Citigroup common stockholders’ equity	205,139	199,717	197,254	186,155	177,213
Total Citigroup stockholders’ equity	221,857	210,185	203,992	188,717	177,525
Direct staff (in thousands)	231	241	251	259	266
Performance metrics					
Return on average assets	0.95 %	0.39 %	0.73 %	0.39 %	0.56 %
Return on average common stockholders’ equity(2)	8.1	3.4	7.0	4.1	6.3
Return on average total stockholders’ equity(2)	7.9	3.5	6.9	4.1	6.3
Efficiency ratio (Total operating expenses/Total revenues)	57	71	63	72	65
Basel III ratios—full implementation					
Common Equity Tier 1 Capital(3)	12.07 %	10.57 %	10.57 %	8.72 %	N/A
Tier 1 Capital(3)	13.49	11.45	11.23	9.03	N/A
Total Capital(3)	15.30	12.80	12.64	10.81	N/A
Supplementary Leverage ratio(4)	7.08	5.94	5.42	N/A	N/A
Citigroup common stockholders’ equity to assets	11.85 %	10.84 %	10.49 %	9.99 %	9.46 %
Total Citigroup stockholders’ equity to assets	12.82	11.41	10.85	10.12	9.48
Dividend payout ratio(5)	3.0	1.8	0.9	1.7	0.8
Book value per common share	$69.46	$66.05	$65.12	$61.46	$60.61
Ratio of earnings to fixed charges and preferred stock dividends	2.89x	2.00x	2.18x	1.39x	1.61x

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

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

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

(4) Citi’s Supplementary Leverage ratio is based on the U.S. Basel III rules, on a fully implemented basis.

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

N/A Not applicable

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SEGMENT AND BUSINESS—INCOME (LOSS) AND REVENUES
The following tables show the income (loss) and revenues for Citigroup on a segment and business view:
CITIGROUP INCOME

In millions of dollars	2015	2014	2013	% Change 2015 vs. 2014	% Change 2014 vs. 2013
Income (loss) from continuing operations					
CITICORP					
Global Consumer Banking					
North America	$4,255	$4,412	$3,918	(4)%	13%
Latin America	928	1,158	1,251	(20)	(7)
Asia(1)	1,199	1,249	1,407	(4)	(11)
Total	$6,382	$6,819	$6,576	(6)%	4%
Institutional Clients Group					
North America	$3,621	$4,113	$3,081	(12)%	33%
EMEA	2,288	2,034	2,554	12	(20)
Latin America	1,328	1,345	1,606	(1)	(16)
Asia	2,214	2,042	2,184	8	(7)
Total	$9,451	$9,534	$9,425	(1)%	1%
Corporate/Other	$495	$(5,375)	$(514)	NM	NM
Total Citicorp	$16,328	$10,978	$15,487	49%	(29)%
Citi Holdings	$1,058	$(3,474)	$(1,871)	NM	(86)%
Income from continuing operations	$17,386	$7,504	$13,616	NM	(45)%
Discontinued operations	$(54)	$(2)	$270	NM	NM
Net income attributable to noncontrolling interests	90	192	227	(53)%	(15)%
Citigroup’s net income	$17,242	$7,310	$13,659	NM	(46)%

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

CITIGROUP REVENUES

In millions of dollars	2015	2014	2013	% Change 2015 vs. 2014	% Change 2014 vs. 2013
CITICORP					
Global Consumer Banking					
North America	$19,448	$19,669	$19,798	(1)%	(1)%
Latin America	7,323	8,460	8,576	(13)	(1)
Asia[1]	7,091	7,888	7,931	(10)	(1)
Total	$33,862	$36,017	$36,305	(6)%	(1)%
Institutional Clients Group					
North America	$13,105	$12,940	$11,434	1%	13%
EMEA	9,799	9,415	10,061	4	(6)
Latin America	3,918	4,098	4,675	(4)	(12)
Asia	6,926	6,599	7,152	5	(8)
Total	$33,748	$33,052	$33,322	2%	(1)%
Corporate/Other	$907	$301	$322	NM	(7)%
Total Citicorp	$68,517	$69,370	$69,949	(1)%	(1)%
Citi Holdings	$7,837	$7,849	$6,775	—%	16%
Total Citigroup net revenues	$76,354	$77,219	$76,724	(1)%	1%

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

SEGMENT BALANCE SHEET[1]

In millions of dollars	Global Consumer Banking	Institutional Clients Group	Corporate/Other and consolidating eliminations[2]	Subtotal Citicorp	Citi Holdings	Citigroup Parent company-issued long-term debt and stockholders' equity[3]	Total Citigroup consolidated
Assets							
Cash and deposits with banks	$11,389	$60,557	$ 60,285	$132,231	$866	$—	$133,097
Federal funds sold and securities borrowed or purchased under agreements to resell	127	218,336	—	218,463	1,212	—	219,675
Trading account assets	5,290	240,022	1,382	246,694	3,262	—	249,956
Investments	7,273	108,248	220,451	335,972	6,983	—	342,955
Loans, net of unearned income and allowance for loan losses	277,323	284,871	—	562,194	42,797	—	604,991
Other assets	44,047	75,504	45,237	164,788	15,748	—	180,536
Liquidity assets[4]	48,148	223,811	(275,553)	(3,594)	3,594	—	—
Total assets	$393,597	$1,211,349	$ 51,802	$1,656,748	$74,462	$—	$1,731,210
Liabilities and equity							
Total deposits	$301,438	$587,336	$ 12,058	$900,832	$7,055	$—	$907,887
Federal funds purchased and securities loaned or sold under agreements to repurchase	4,235	142,200	—	146,435	61	—	146,496
Trading account liabilities	3	116,633	41	116,677	835	—	117,512
Short-term borrowings	100	20,962	—	21,062	17	—	21,079
Long-term debt	1,891	31,924	21,307	55,122	3,996	142,157	201,275
Other liabilities	16,813	73,211	17,349	107,373	6,496	—	113,869
Net inter-segment funding (lending)[3]	69,117	239,083	(188)	308,012	56,002	(364,014)	—
Total liabilities	$393,597	$1,211,349	$ 50,567	$1,655,513	$74,462	$(221,857)	$1,508,118
Total equity	—	—	1,235	1,235	—	221,857	223,092
Total liabilities and equity	$393,597	$1,211,349	$ 51,802	$1,656,748	$74,462	$—	$1,731,210

(1) The supplemental information presented in the table above reflects Citigroup's consolidated GAAP balance sheet by reporting segment as of December 31, 2015. The respective segment information depicts the assets and liabilities managed by each segment as of such date. While this presentation is not defined by GAAP, Citi believes that these non-GAAP financial measures enhance investors' understanding of the balance sheet components managed by the underlying business segments, as well as the beneficial inter-relationships of the asset and liability dynamics of the balance sheet components among Citi's business segments.

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

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

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

CITICORP

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

Citicorp consists of the following operating businesses: Global Consumer Banking (which consists of consumer banking businesses in North America, EMEA, Latin America and Asia) and Institutional Clients Group (which includes Banking and Markets and securities services). Citicorp also includes Corporate/Other. At December 31, 2015, Citicorp had approximately $1.7 trillion of assets and $901 billion of deposits, representing approximately 96% of Citi's total assets and 99% of Citi's total deposits.

Consistent with its strategy to continue to efficiently allocate its resources and further simplify its Global Consumer Bank, in February 2016, Citi announced that it intends to exit its consumer businesses in Argentina, Brazil and Colombia. These consumer businesses, consisting of approximately $6 billion of assets, $5 billion of consumer loans and $3 billion of deposits as of December 31, 2015, contributed approximately $1.1 billion of revenues, $900 million of expenses and a net loss of $34 million in 2015. These businesses, which previously have been reported as part of Latin America GCB, will be reported as part of Citi Holdings beginning in the first quarter of 2016. See also "Citigroup Segments" above and "Citi Holdings" below. While Citi does not intend to exit its consumer businesses in Venezuela, these businesses are not significant, lending predominantly to support ICG activities, and will be reported as part of ICG beginning in the first quarter of 2016. Similarly, Citi's remaining indirect investment in Banco de Chile will be reported as part of ICG beginning in the first quarter of 2016.

In millions of dollars except as otherwise noted	2015	2014	2013	% Change 2015 vs. 2014	% Change 2014 vs. 2013
Net interest revenue	$42,926	$43,402	$42,445	(1)%	2%
Non-interest revenue	25,591	25,968	27,504	(1)	(6)
Total revenues, net of interest expense	$68,517	$69,370	$69,949	(1)%	(1)%
Provisions for credit losses and for benefits and claims					
Net credit losses	$6,236	$7,136	$7,199	(13)%	(1)%
Credit reserve build (release)	309	(1,238)	(811)	NM	(53)
Provision for loan losses	$6,545	$5,898	$6,388	11%	(8)%
Provision for benefits and claims	107	144	167	(26)	(14)
Provision for unfunded lending commitments	100	(152)	90	NM	NM
Total provisions for credit losses and for benefits and claims	$6,752	$5,890	$6,645	15%	(11)%
Total operating expenses	$39,000	$45,362	$40,498	(14)%	12%
Income from continuing operations before taxes	$22,765	$18,118	$22,806	26%	(21)%
Income taxes	6,437	7,140	7,319	(10)	(2)
Income from continuing operations	$16,328	$10,978	$15,487	49%	(29)%
Income (loss) from discontinued operations, net of taxes	(54)	(2)	270	NM	NM
Noncontrolling interests	79	186	211	(58)	(12)
Net income	$16,195	$10,790	$15,546	50%	(31)%
Balance sheet data (in billions of dollars)					
Total end-of-period (EOP) assets	$1,657	$1,713	$1,726	(3)%	(1)%

Average assets	1,712	1,753	1,711	(2)	2
Return on average assets	0.95%	0.62%	0.91%		
Efficiency ratio	57	65	58		
Total EOP loans	$573	$565	$565	1	—
Total EOP deposits	901	883	900	2	(2)

NM Not meaningful

GLOBAL CONSUMER BANKING

Global Consumer Banking (GCB) consists of Citigroup's four geographical consumer banking businesses that provide traditional banking services to retail customers through retail banking, including commercial banking, and Citi-branded cards and Citi retail services (for additional information on these businesses, see "Citigroup Segments" above). GCB is a globally diversified business with 2,994 branches in 24 countries around the world as of December 31, 2015. At December 31, 2015, GCB had approximately $394 billion of assets and $301 billion of deposits.

GCB's overall strategy is to leverage Citi's global footprint and seek to be the preeminent bank for the emerging affluent and affluent consumers in large urban centers. In credit cards and in certain retail markets, Citi serves customers in a somewhat broader set of segments and geographies. Consistent with its strategy, since 2012, Citi has exited, or is in the process of exiting, 20 consumer markets and has reduced its branch footprint by 25% to focus its global presence.

In millions of dollars except as otherwise noted	2015	2014	2013	% Change 2015 vs. 2014	% Change 2014 vs. 2013
Net interest revenue	$26,881	$27,924	$27,545	(4)%	1%
Non-interest revenue	6,981	8,093	8,760	(14)	(8)
Total revenues, net of interest expense	$33,862	$36,017	$36,305	(6)%	(1)%
Total operating expenses	$18,264	$19,951	$19,801	(8)%	1%
Net credit losses	$6,029	$6,860	$7,017	(12)%	(2)%
Credit reserve build (release)	(318)	(1,148)	(654)	72	(76)
Provision (release) for unfunded lending commitments	5	(23)	37	NM	NM
Provision for benefits and claims	107	144	167	(26)	(14)
Provisions for credit losses and for benefits and claims	$5,823	$5,833	$6,567	—%	(11)%
Income from continuing operations before taxes	$9,775	$10,233	$9,937	(4)%	3%
Income taxes	3,393	3,414	3,361	(1)	2
Income from continuing operations	$6,382	$6,819	$6,576	(6)%	4%
Noncontrolling interests	9	25	14	(64)	79
Net income	$6,373	$6,794	$6,562	(6)%	4%
Balance Sheet data (in billions of dollars)					
Average assets	$391	$408	$401	(4)%	2%
Return on average assets	1.63%	1.67%	1.65%		
Efficiency ratio	54	55	55		
Total EOP assets	$394	$406	$413	(3)	(2)
Average deposits	300	305	299	(2)	2
Net credit losses as a percentage of average loans	2.14%	2.36%	2.52%		
Revenue by business					
Retail banking	$14,777	$15,461	$15,991	(4)%	(3)%
Cards[1]	19,085	20,556	20,314	(7)	1
Total	$33,862	$36,017	$36,305	(6)%	(1)%
Income from continuing operations by business					
Retail banking	$1,989	$1,787	$1,897	11%	(6)%
Cards[1]	4,393	5,032	4,679	(13)	8
Total	$6,382	$6,819	$6,576	(6)%	4%

(Table continues on next page.)

Foreign currency (FX) translation impact					
Total revenue—as reported	$33,862	$36,017	$36,305	(6)%	(1)%
Impact of FX translation[2]	—	(1,969)	(2,573)		
Total revenues—ex-FX	$33,862	$34,048	$33,732	(1)%	1 %
Total operating expenses—as reported	$18,264	$19,951	$19,801	(8)%	1 %
Impact of FX translation[2]	—	(1,171)	(1,382)		
Total operating expenses—ex-FX	$18,264	$18,780	$18,419	(3)%	2 %
Total provisions for LLR & PBC—as reported	$5,823	$5,833	$6,567	— %	(11)%
Impact of FX translation[2]	—	(470)	(558)		
Total provisions for LLR & PBC—ex-FX	$5,823	$5,363	$6,009	9 %	(11)%
Net income—as reported	$6,373	$6,794	$6,562	(6)%	4 %
Impact of FX translation[2]	—	(197)	(416)		
Net income—ex-FX	$6,373	$6,597	$6,146	(3)%	7 %

(1) Includes both Citi-branded cards and Citi retail services.
(2) Reflects the impact of FX translation into U.S. dollars at the 2015 average exchange rates for all periods presented.
NM Not meaningful

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NORTH AMERICA GCB

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

As of December 31, 2015, North America GCB's 780 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 December 31, 2015, North America GCB had approximately 10.9 million retail banking customer accounts, $51.8 billion of retail banking loans and $172.8 billion of deposits. In addition, North America GCB had approximately 113.4 million Citi-branded and Citi retail services credit card accounts, with $113.3 billion in outstanding card loan balances.

In millions of dollars, except as otherwise noted	2015	2014	2013	% Change 2015 vs. 2014	% Change 2014 vs. 2013
Net interest revenue	$17,481	$17,203	$16,656	2 %	3 %
Non-interest revenue	1,967	2,466	3,142	(20)	(22)
Total revenues, net of interest expense	$19,448	$19,669	$19,798	(1)%	(1)%
Total operating expenses	$9,186	$9,706	$9,853	(5)%	(1)%
Net credit losses	$3,753	$4,206	$4,636	(11)%	(9)%
Credit reserve build (release)	(339)	(1,242)	(1,036)	73	(20)
Provision for unfunded lending commitments	7	(8)	6	NM	NM
Provisions for benefits and claims	38	40	59	(5)	(32)
Provisions for credit losses and for benefits and claims	$3,459	$2,996	$3,665	15 %	(18)%
Income from continuing operations before taxes	$6,803	$6,967	$6,280	(2)%	11 %
Income taxes	2,548	2,555	2,362	—	8
Income from continuing operations	$4,255	$4,412	$3,918	(4)%	13 %
Noncontrolling interests	—	(1)	—	100	—
Net income	$4,255	$4,413	$3,918	(4)%	13 %
Balance Sheet data (in billions of dollars)					
Average assets	$208	$211	$204	(1)%	3 %
Return on average assets	2.05 %	2.09 %	1.92 %		
Efficiency ratio	47	49	50		
Average deposits	$171.8	$170.7	$166.0	1	3
Net credit losses as a percentage of average loans	2.39 %	2.70 %	3.09 %		
Revenue by business					
Retail banking	$5,208	$4,917	$5,389	6 %	(9)%
Citi-branded cards	7,809	8,290	8,220	(6)	1
Citi retail services	6,431	6,462	6,189	—	4
Total	$19,448	$19,669	$19,798	(1)%	(1)%
Income from continuing operations by business					
Retail banking	$659	$355	$416	86 %	(15)%
Citi-branded cards	2,075	2,391	1,945	(13)	23
Citi retail services	1,521	1,666	1,557	(9)	7
Total	$4,255	$4,412	$3,918	(4)%	13 %

NM Not meaningful

2015 vs. 2014

Net income decreased by 4% due to lower loan loss reserve releases and lower revenues, partially offset by lower expenses and lower net credit losses.

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

Retail banking revenues increased 6%. The increase was primarily driven by 7% growth in average loans, 9% growth in average checking deposits, improved deposit spreads and slightly higher mortgage origination revenues, partially offset by lower net gains on branch sales (approximately $40 million) and mortgage portfolio sales (approximately $80 million) as well as a lower mortgage repurchase reserve release (approximately $50 million) compared to 2014. This growth in retail banking revenues occurred despite the fact that, consistent with GCB's strategy, during 2015, North America GCB closed or sold 69 branches (a 9% decline from the prior year), with announced plans to sell or close an additional 50 branches in the first quarter of 2016. With these actions, over 90% of North America GCB's retail banking footprint will be concentrated in its six key metropolitan areas.

Cards revenues decreased 3% due to a 2% decline in average loans, partially offset by a 4% increase in purchase sales. In Citi-branded cards, revenues decreased 6%, primarily reflecting an increase in acquisition and rewards costs, particularly during the second half of 2015 as North America GCB deployed its investment spending (as discussed below) to grow its new account acquisitions in its core products. North America GCB expects the increased acquisition and rewards costs within Citi-branded cards to continue to negatively impact revenues in 2016. The decrease in Citi-branded cards revenues was also due to the continued impact of lower average loans (down 4%), driven primarily by continued high customer payment rates during the year, partially offset by a 6% increase in purchase sales.

Citi retail services revenues were largely unchanged as the continued impact of lower fuel prices, which negatively impacts purchase sales in the fuel portfolios, and higher contractual partner payments was offset by the impact of higher spreads and volumes (1% increase in average loans). The higher contractual partner payments resulted from the business sharing the benefits of higher yields and lower net credit losses with its retail partners. Purchase sales were unchanged as the continued impact of lower fuel prices was offset by volume growth. North America GCB expects the negative impact of lower fuel prices on Citi retail services revenues to continue in the near term.

Expenses decreased 5%, primarily due to ongoing cost reduction initiatives, including as a result of the branch rationalization strategy, and lower repositioning charges, partially offset by increased investment spending (including marketing, among other areas) in Citi-branded cards, which is expected to continue into 2016.

Provisions increased 15% largely due to lower net loan loss reserve releases (73%), partially offset by lower net credit losses (11%). Net credit losses declined in Citi-branded cards (down 14% to $1.9 billion) and in Citi retail services (down 8% to $1.7 billion). The lower loan loss reserve release

reflected overall credit stabilization in the cards portfolios during 2015. As a result of this stabilization, North America GCB expects to experience modest loan loss reserve builds during 2016.

In addition to the trends discussed above expected to impact North America GCB's results of operations in 2016, North America GCB expects to make additional investments in its U.S. cards businesses during 2016, including investments in connection with Citi's planned acquisition of the Costco portfolio, the closing of which is currently expected to occur mid-2016, as well as the expected impact of renewing certain important partnership programs in a competitive environment (see also "Risk Factors—Operational Risks" below). While North America GCB believes these investments are necessary for the growth of its U.S. cards businesses, they will reduce the pretax earnings of the businesses during 2016.

2014 vs. 2013

Net income increased by 13% due to lower net credit losses, higher loan loss reserve releases and lower expenses, partially offset by lower revenues.

Revenues decreased 1%, with lower revenues in retail banking, partially offset by higher revenues in Citi-branded cards and Citi retail services. Retail banking revenues of $4.9 billion decreased 9% due to lower mortgage origination

revenues and spread compression in the deposit portfolios, partially offset by continued volume-related growth (average loans increased 9% and average deposits increased 3%) and gains from branch sales.

Cards revenues increased 2% as average loans increased 3% versus 2013. In Citi-branded cards, revenues increased 1% as a 4% increase in purchase sales and higher net interest spreads, driven by the continued reduction of promotional balances in the portfolio, mostly offset lower average loans. The decline in average loans was driven primarily by the reduction in promotional balances, and to a lesser extent, increased customer payment rates during the year.

Citi retail services revenues increased 4%, primarily due to a 12% increase in average loans driven by the Best Buy acquisition in September 2013, partially offset by continued declines in fee revenues primarily reflecting higher yields and improving credit and the resulting increase in contractual partner payments. Citi retail services revenues also benefited from lower funding costs, partially offset by a decline in net interest spreads due to a higher percentage of promotional balances within the portfolio.

Expenses decreased 1% as ongoing cost reduction initiatives were partially offset by higher repositioning charges, increased investment spending and an increase in Citi retail services expenses due to the impact of the Best Buy portfolio acquisition.

Provisions decreased 18% due to lower net credit losses (9%) and higher loan loss reserve releases (21%). Net credit losses declined in Citi-branded cards (down 14% to $2.2 billion) and in Citi retail services (down 2% to $1.9 billion). The loan loss reserve release increased due to the continued improvement in Citi-branded cards, partially offset by a lower loan loss reserve release in Citi retail services due to reserve builds for new loans originated in the Best Buy portfolio.

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, as applicable, with the largest presence in Mexico. As of December 31, 2015, Latin America GCB includes branch networks in Brazil, Argentina, Colombia and Venezuela as well as Banco Nacional de Mexico, or Banamex, Mexico's second-largest bank.

At December 31, 2015, Latin America GCB had 1,694 retail branches (1,492 through Banamex in Mexico), with approximately 31.9 million retail banking customer accounts, $24.0 billion in retail banking loans and $40.8 billion in deposits. In addition, the business had approximately 7.8 million Citi-branded card accounts with $7.5 billion in outstanding loan balances. As announced in February 2016, Citi intends to exit its consumer businesses in Argentina, Brazil and Colombia. For additional information, see "Citigroup Segments" and "Citicorp" above.

In millions of dollars, except as otherwise noted	2015	2014	2013	% Change 2015 vs. 2014	% Change 2014 vs. 2013
Net interest revenue	$4,843	$5,672	$5,726	(15)%	(1)%
Non-interest revenue	2,480	2,788	2,850	(11)	(2)
Total revenues, net of interest expense	$7,323	$8,460	$8,576	(13)%	(1)%
Total operating expenses	$4,444	$4,974	$4,931	(11)%	1%
Net credit losses	$1,549	$1,861	$1,610	(17)%	16%
Credit reserve build (release)	94	120	363	(22)	(67)
Provision (release) for unfunded lending commitments	1	(1)	—	NM	—
Provision for benefits and claims	69	104	108	(34)	(4)
Provisions for credit losses and for benefits and claims (LLR & PBC)	$1,713	$2,084	$2,081	(18)%	—%
Income from continuing operations before taxes	$1,166	$1,402	$1,564	(17)%	(10)%
Income taxes	238	244	313	(2)	(22)
Income from continuing operations	$928	$1,158	$1,251	(20)%	(7)%
Noncontrolling interests	3	6	3	(50)	100
Net income	$925	$1,152	$1,248	(20)%	(8)%
Balance Sheet data (in billions of dollars)					
Average assets	$64	$76	$79	(16)%	(4)%
Return on average assets	1.45%	1.52%	1.66%		
Efficiency ratio	61	59	57		
Average deposits	$40.8	$44.5	$43.6	(8)	2
Net credit losses as a percentage of average loans	4.67%	4.86%	4.42%		
Revenue by business					
Retail banking	$5,078	$5,678	$5,831	(11)%	(3)%
Citi-branded cards	2,245	2,782	2,745	(19)	1
Total	$7,323	$8,460	$8,576	(13)%	(1)%
Income from continuing operations by business					
Retail banking	$590	$740	$762	(20)%	(3)%
Citi-branded cards	338	418	489	(19)	(15)
Total	$928	$1,158	$1,251	(20)%	(7)%
FX translation impact					
Total revenues—as reported	$7,323	$8,460	$8,576	(13)%	(1)%
Impact of FX translation[1]	—	(1,382)	(1,784)		
Total revenues—ex-FX	$7,323	$7,078	$6,792	3%	4%
Total operating expenses—as reported	$4,444	$4,974	$4,931	(11)%	1%

Impact of FX translation[1]	—	(737)	(904)		
Total operating expenses—ex-FX	$4,444	$4,237	$4,027	5 %	5 %
Provisions for LLR & PBC—as reported	$1,713	$2,084	$2,081	(18)%	— %
Impact of FX translation[1]	—	(373)	(456)		
Provisions for LLR & PBC—ex-FX	$1,713	$1,711	$1,625	— %	5 %
Net income—as reported	$925	$1,152	$1,248	(20)%	(8)%
Impact of FX translation[1]	—	(180)	(338)		
Net income—ex-FX	$925	$972	$910	(5)%	7 %

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

2015 vs. 2014
Net income decreased 5% as higher expenses were partially offset by higher revenues.
Revenues increased 3%, primarily due to the approximately $180 million gain on sale in the third quarter of 2015 related to the Mexico merchant acquiring business. Excluding this gain, revenues increased 1% as the impact of modest volume growth was mostly offset by the absence of gains and revenues from businesses divested in 2014, including as a result of the sale of the Honduras consumer business in the second quarter and the partial sale of Citi's indirect investment in Banco de Chile in the first quarter, as well as continued spread compression in cards. Revenues were also impacted by continued slow economic growth in the region during 2015.
Retail banking revenues increased 6%, excluding the gain on sale related to the merchant acquiring business and the business divestitures in 2014. This increase in retail banking revenues reflected volume growth, including an increase in average loans (4%) and average deposits (5%), partially offset by a decline in investment sales (15%). Cards revenues decreased 2%, primarily due to higher payment rates in Mexico resulting from the business' focus on higher credit quality customers, consistent with GCB's strategy, as well as muted volumes (low purchase sales growth and unchanged average loans). Cards revenues were also negatively impacted by ongoing shifts in consumer behavior, including due to the previously-disclosed regulatory reforms enacted in 2013 in Mexico. Latin America GCB expects the cards payment rate in Mexico to remain elevated in 2016.
Expenses increased 5%, primarily due to higher regulatory and compliance costs, higher technology spending and mandatory salary increases in certain countries, partially offset by lower repositioning charges, lower legal and related costs and ongoing efficiency savings.
Provisions were unchanged as higher net credit losses were partially offset by a lower net loan loss reserve build. Net credit losses increased 1%, largely reflecting portfolio growth as well as net credit losses incurred in the commercial banking portfolio in the fourth quarter of 2015 associated with a wind-down portfolio in Brazil, most of which was offset by the release of previously-established loan loss reserves. The higher net credit losses were partially offset by the absence of a $71 million charge-off in the fourth quarter of 2014 related to Citi's homebuilder exposure in Mexico. The net loan loss reserve build declined 13%, primarily due to lower builds related to Mexico cards, partially offset by higher builds related to Brazil in the second half of 2015, as well as the absence of the releases related to the Mexico homebuilder exposure in 2014.

Argentina/Venezuela
For additional information on Citi's exposures and risks in Argentina and Venezuela, see "Managing Global Risk—Country Risk" below.

2014 vs. 2013
Net income increased 7% as higher revenues were partially offset by higher expenses and credit costs.
Revenues increased 4%, primarily due to volume growth and spread and fee growth in Mexico, partially offset by continued spread compression in the region and slower overall economic growth in certain Latin America markets, including Mexico and Brazil during 2014. Retail banking revenues increased 3% as average loans increased 6%, investment sales increased 25% and average deposits increased 6%, partially offset by lower spreads in Brazil and Colombia. Cards revenues increased 8% as average loans increased 5% and purchase sales increased 1%, excluding the impact of Credicard's results in the prior-year period (for additional information, see Note 2 to the Consolidated

Financial Statements). The increase in cards revenues was partially offset by lower economic growth and slowing cards purchase sales in Mexico due to the regulatory reforms enacted during 2013, as referenced above.

Expenses increased 5%, primarily due to mandatory salary increases in certain countries, higher legal and related costs, increased repositioning charges and higher technology spending, partially offset by productivity and repositioning savings.

Provisions increased 5%, primarily due to higher net credit losses, which were partially offset by a lower loan loss reserve build. Net credit losses increased 22%, driven by portfolio growth and continued seasoning in the Mexico cards portfolio. Net credit losses were also impacted by both the slower economic growth and regulatory reforms in Mexico as well as the $71 million charge-off related to Citi's homebuilder exposure in Mexico.

ASIA GCB

Asia GCB provides traditional retail banking, including commercial banking, and its Citi-branded card products to retail customers and small to mid-size businesses, as applicable. As of December 31, 2015, Citi's most significant revenues in the region were from Korea, Singapore, Hong Kong, Australia, India, Taiwan, Malaysia, Thailand, Indonesia and the Philippines. In addition, for reporting purposes, Asia GCB includes the results of operations of EMEA GCB, which provides traditional retail banking, including commercial banking, and Citi-branded card products to retail customers and small to mid-size businesses, primarily in Poland, Russia and the United Arab Emirates.

At December 31, 2015, on a combined basis, the businesses had 520 retail branches, approximately 17.5 million retail banking customer accounts, $71.0 billion in retail banking loans and $87.8 billion in deposits. In addition, the business had approximately 16.9 million Citi-branded card accounts with $17.7 billion in outstanding loan balances.

In millions of dollars, except as otherwise noted[1]	2015	2014	2013	% Change 2015 vs. 2014	% Change 2014 vs. 2013
Net interest revenue	$4,557	$5,049	$5,163	(10)%	(2)%
Non-interest revenue	2,534	2,839	2,768	(11)	3
Total revenues, net of interest expense	$7,091	$7,888	$7,931	(10)%	(1)%
Total operating expenses	$4,634	$5,271	$5,017	(12)%	5%
Net credit losses	$727	$793	$771	(8)%	3%
Credit reserve build (release)	(73)	(26)	19	NM	NM
Provision (release) for unfunded lending commitments	(3)	(14)	31	79	NM
Provisions for credit losses	$651	$753	$821	(14)%	(8)%
Income from continuing operations before taxes	$1,806	$1,864	$2,093	(3)%	(11)%
Income taxes	607	615	686	(1)	(10)
Income from continuing operations	$1,199	$1,249	$1,407	(4)%	(11)%
Noncontrolling interests	6	20	11	(70)	82
Net income	$1,193	$1,229	$1,396	(3)%	(12)%
Balance Sheet data (in billions of dollars)					
Average assets	$120	$122	$119	(2)%	3%
Return on average assets	0.99%	1.01%	1.17%		
Efficiency ratio	65	67	63		
Average deposits	$87.9	$89.7	$89.4	(2)	—
Net credit losses as a percentage of average loans	0.80%	0.82%	0.84%		
Revenue by business					
Retail banking	$4,491	$4,866	$4,771	(8)%	2%
Citi-branded cards	2,600	3,022	3,160	(14)	(4)
Total	$7,091	$7,888	$7,931	(10)%	(1)%
Income from continuing operations by business					
Retail banking	$740	$692	$719	7%	(4)%
Citi-branded cards	459	557	688	(18)	(19)
Total	$1,199	$1,249	$1,407	(4)%	(11)%

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FX translation impact					
Total revenues—as reported	$7,091	$7,888	$7,931	(10)%	(1)%
Impact of FX translation(2)	—	(587)	(789)		
Total revenues—ex-FX	$7,091	$7,301	$7,142	(3)%	2 %
Total operating expenses—as reported	$4,634	$5,271	$5,017	(12)%	5 %
Impact of FX translation(2)	—	(434)	(478)		
Total operating expenses—ex-FX	$4,634	$4,837	$4,539	(4)%	7 %
Provisions for loan losses—as reported	$651	$753	$821	(14)%	(8)%
Impact of FX translation(2)	—	(97)	(102)		
Provisions for loan losses—ex-FX	$651	$656	$719	(1)%	(9)%
Net income—as reported	$1,193	$1,229	$1,396	(3)%	(12)%
Impact of FX translation(2)	—	(17)	(78)		
Net income—ex-FX	$1,193	$1,212	$1,318	(2)%	(8)%

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

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

2015 vs. 2014
Net income decreased 2%, primarily due to lower revenues, partially offset by lower expenses.
Revenues decreased 3%, primarily due to an industry-wide slowdown in investment sales, particularly in the second half of 2015, as well as spread compression and higher payment rates and the ongoing impact of regulatory changes in cards, partially offset by volume growth.
Retail banking revenues decreased 2%, mainly due to a decline in investment sales revenue, particularly in Taiwan, Singapore, India, Korea and Indonesia, reflecting weaker customer confidence due to slowing economic growth and volatility in the capital markets, as well as spread compression, particularly in Poland. This decline in revenues was partially offset by higher volumes, driven by lending (2% increase in average loans), deposit products (5% increase in average deposits) and higher insurance fee revenues. Citi expects investment sales revenues could continue to be challenged in 2016, depending upon overall consumer sentiment, economic growth and the capital markets environment in the region.
Cards revenues decreased 5%, primarily due to spread compression, including continued high payment rates, and the ongoing impact of regulatory changes, particularly in Singapore, Taiwan, Australia, Malaysia and Poland, partially offset by modest volume growth (a 3% increase in average loans and a 5% increase in purchase sales). Cards revenues were also impacted by the weaker customer confidence, primarily in the second half of 2015. Spread compression and regulatory changes will likely continue to have a negative impact on cards revenues in the near term.
Expenses decreased 4%, primarily due to the absence of repositioning charges in Korea in 2014 and efficiency savings, partially offset by higher regulatory and compliance costs,

investment spending, volume-related growth and compensation expense.
Provisions decreased 1%, primarily due to higher loan loss reserve releases, largely offset by an increase in net credit losses related to the consumer business in Russia due to a deterioration in the economic environment. Overall credit quality remained stable across the region during 2015.

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2014 vs. 2013

Net income decreased 8%, primarily due to higher expenses, partially offset by lower credit costs and higher revenues.

Revenues increased 2%, reflecting higher retail banking revenues, partially offset by lower cards revenues. Retail banking revenues increased 4%, due to higher insurance fee revenues and volume growth (average retail loans increased 8% and average retail deposits increased 2%), partially offset by the ongoing impact of regulatory changes and continued spread compression.

Cards revenues decreased 1%, due to the impact of regulatory changes, particularly in Korea, Indonesia and Singapore, spread compression and customer deleveraging, largely offset by a 2% increase in average loans and a 3% increase in purchase sales driven by growth in China, India, Singapore and Hong Kong.

Expenses increased 7%, primarily due to higher repositioning charges in Korea, investment spending and volume-related growth, partially offset by higher efficiency savings.

Provisions decreased 9%, primarily due to higher overall loan loss reserve releases, partially offset by a loan loss reserve build related to the consumer business in Russia.

INSTITUTIONAL CLIENTS GROUP

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

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

ICG’s international presence is supported by trading floors in approximately 80 countries and a proprietary network in over 95 countries and jurisdictions. At December 31, 2015, ICG had approximately $1.2 trillion of assets and $587 billion of deposits, while two of its businesses, securities services and issuer services, managed approximately $15.1 trillion of assets under custody compared to $16.1 trillion at the end of 2014. The decline in assets under custody from 2014 was primarily due to the impact of FX translation and a decline in market volumes.

In millions of dollars, except as otherwise noted	2015	2014	2013	% Change 2015 vs. 2014	% Change 2014 vs. 2013
Commissions and fees	$3,855	$3,995	$3,980	(4)%	—%
Administration and other fiduciary fees	2,424	2,520	2,576	(4)	(2)
Investment banking	4,110	4,269	3,862	(4)	11
Principal transactions	5,823	5,905	6,489	(1)	(9)
Other[(1)]	1,337	661	905	NM	(27)
Total non-interest revenue	$17,549	$17,350	$17,812	1%	(3)%
Net interest revenue (including dividends)	16,199	15,702	15,510	3	1
Total revenues, net of interest expense	$33,748	$33,052	$33,322	2%	(1)%
Total operating expenses	$18,985	$19,391	$19,645	(2)%	(1)%
Net credit losses	$207	$276	$182	(25)%	52%
Credit reserve build (release)	627	(90)	(157)	NM	43
Provision (release) for unfunded lending commitments	95	(129)	53	NM	NM
Provisions for credit losses	$929	$57	$78	NM	(27)%
Income from continuing operations before taxes	$13,834	$13,604	$13,599	2%	—%
Income taxes	4,383	4,070	4,174	8	(2)
Income from continuing operations	$9,451	$9,534	$9,425	(1)%	1%
Noncontrolling interests	52	118	110	(56)	7
Net income	$9,399	$9,416	$9,315	—%	1%
Average assets (in billions of dollars)	$1,266	$1,287	$1,258	(2)%	2%
Return on average assets	0.74%	0.73%	0.74%		
Efficiency ratio	56	59	59		
Revenues by region					
North America	$13,105	$12,940	$11,434	1%	13%

EMEA	9,799	9,415	10,061	4	(6)
Latin America	3,918	4,098	4,675	(4)	(12)
Asia	6,926	6,599	7,152	5	(8)
Total	$33,748	$33,052	$33,322	2 %	(1)%

(1) Increase in 2015 primarily reflects mark-to-market gains on credit derivatives.

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Income from continuing operations by region					
North America	$3,621	$4,113	$3,081	(12)%	33 %
EMEA	2,288	2,034	2,554	12	(20)
Latin America	1,328	1,345	1,606	(1)	(16)
Asia	2,214	2,042	2,184	8	(7)
Total	$9,451	$9,534	$9,425	(1)%	1 %
Average loans by region (in billions of dollars)					
North America	$125	$111	$98	13 %	13 %
EMEA	59	58	55	2	5
Latin America	39	40	38	(3)	5
Asia	62	68	65	(9)	5
Total	$285	$277	$256	3 %	8 %
EOP deposits by business (in billions of dollars)					
Treasury and trade solutions	$392	$380	$380	3 %	— %
All other ICG businesses	195	175	189	11	(7)
Total	$587	$555	$569	6 %	(2)%

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

In millions of dollars	2015	2014	2013	% Change 2015 vs. 2014	% Change 2014 vs. 2013
Investment banking revenue details					
Advisory	$1,102	$949	$851	16 %	12 %
Equity underwriting	902	1,246	1,059	(28)	18
Debt underwriting	2,539	2,512	2,504	1	—
Total investment banking	$4,543	$4,707	$4,414	(3)%	7 %
Treasury and trade solutions	7,767	7,767	7,720	—	1
Corporate lending—excluding gain (loss) on loan hedges[1]	1,694	1,749	1,518	(3)	15
Private bank	2,860	2,660	2,494	8	7
Total banking revenues (ex-CVA/DVA and gain (loss) on loan hedges)	$16,864	$16,883	$16,146	— %	5 %
Corporate lending—gain/(loss) on loan hedges[1]	$323	$116	$(287)	NM	NM
Total banking revenues (ex-CVA/DVA and including gain (loss) on loan hedges)	$17,187	$16,999	$15,859	1 %	7 %
Fixed income markets	$11,346	$12,148	$13,625	(7)%	(11)%
Equity markets	3,128	2,774	2,815	13	(1)
Securities services	2,130	2,048	1,974	4	4
Other	(312)	(574)	(606)	46	5
Total Markets and securities services (ex-CVA/DVA)	$16,292	$16,396	$17,808	(1)%	(8)%
Total ICG (ex-CVA/DVA)	$33,479	$33,395	$33,667	— %	(1)%
CVA/DVA (excluded as applicable in lines above)[2]	269	(343)	(345)	NM	1
Fixed income markets	215	(359)	(300)	NM	(20)
Equity markets	52	24	(39)	NM	NM
Private bank	2	(8)	(6)	NM	(33)

Total revenues, net of interest expense	$33,748	$33,052	$33,322	2 %	(1)%

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

(2) Funding valuation adjustments (FVA) is included within CVA for presentation purposes. For additional information, see Note 25 to the Consolidated Financial Statements.

NM Not meaningful

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

2015 vs. 2014

Net income decreased 4%, primarily driven by higher credit costs, partially offset by lower expenses.

- Revenues were largely unchanged, reflecting lower revenues in Markets and securities services (decrease of 1%) and a modest increase in revenues in Banking (increase of 1%, but unchanged excluding the gains/(losses) on hedges on accrual loans). Citi expects revenues in ICG, particularly in its Markets and securities services businesses, will likely continue to reflect the overall market environment.

Within Banking:

- Investment banking revenues decreased 3%, largely reflecting an industry-wide activity decline in underwriting activity. Advisory revenues increased 16%, reflecting increased target client activity and strength in the overall M&A market. Equity underwriting revenues decreased 28% driven by the lower market activity and a decline in wallet share resulting from continued share fragmentation. Debt underwriting revenues increased 1%, driven by increased wallet share in investment grade debt and strong performance in investment grade loans in the second half of 2015, partially offset by the lower market activity and decreased wallet share in high-yield and leveraged loans.
- Treasury and trade solutions revenues were largely unchanged. Excluding the impact of FX translation, revenues increased 6%, as continued growth in deposit balances across regions and improved spreads, particularly in North America, were partially offset by continued declines in trade balances and spreads. End-of-period deposit balances increased 3% (7% excluding the impact of FX translation), largely driven by Asia and Latin America. Average trade loans decreased 12% (9% excluding the impact of FX translation), as the business maintained origination volumes while reducing lower spread assets and increasing asset sales to optimize returns (see “Managing Global Risk—Liquidity Risk” below).
- Corporate lending revenues increased 8%. Excluding the impact of gains/(losses) on hedges on accrual loans, revenues decreased 3%. Excluding the impact of FX translation and gains/(losses) on hedges on accrual loans, revenues increased 3% as continued growth in average loan balances, lower hedge premium costs and an improvement in mark-to-market adjustments were partially offset by lower spreads, particularly in EMEA.
- Private bank revenues increased 8%, reflecting strength in North America, Asia and EMEA, primarily due to growth in loan volumes and deposit balances, improved spreads in banking and higher managed investments revenues, partially offset by continued spread compression in lending.

Within Markets and securities services:

- Fixed income markets revenues decreased 7%, driven by North America, primarily due to a volatile trading environment during 2015 due to macroeconomic uncertainty. The decrease in fixed income markets revenues resulted from a decline in spread products revenues (credit markets, securitized markets and municipals), partially offset by strength in rates and currencies. Rates and currencies revenues increased 4% due to higher revenues in local markets and overall G10 products, partially offset by G10 foreign exchange.
- Equity markets revenues increased 13%, primarily reflecting improved performance across products, including derivatives and prime finance, with strength in Asia and EMEA.
- Securities services revenues increased 4%. Excluding the impact of FX translation, revenues increased 15%, reflecting increased client activity and higher client balances.

Expenses decreased 2% as efficiency savings, the impact of FX translation and lower repositioning charges were partially offset by increased regulatory and compliance costs and compensation expense.
Provisions increased $872 million to $929 million, primarily reflecting a net loan loss reserve build ($722 million), compared to a net loan loss reserve release ($219 million) in 2014. The net loan loss reserve build included approximately $530 million for energy and energy-related exposures, including $250 million in the fourth quarter of 2015, due to the significant decline in commodity prices during the second half of 2015. (For additional information on Citi's energy and energy-related exposures, see "Managing Global Risk—Credit Risk—Corporate Credit" below.) The remainder of the build during 2015 was primarily due to volume growth and overall macroeconomic conditions.
The higher net loan loss reserve build during 2015 was partially offset by lower net credit losses. Net credit losses decreased 25%, primarily due to the absence of net credit losses of approximately $165 million related to the Petróleos Mexicanos (Pemex) supplier program, which were incurred during 2014 (for additional information, see Citi's Form 8-K filed with the SEC on February 28, 2014), partially offset by increased net credit losses related to a limited number of energy and energy-related exposures, including approximately $75 million in the fourth quarter of 2015.
Looking to 2016, cost of credit in ICG will largely depend on the price of oil and other commodity prices as well as macroeconomic conditions. To the extent commodity prices remain at year-end 2015 levels, or deteriorate further, ICG expects to incur additional loan loss reserve builds in its energy and energy-related portfolios, which could be significant, and Citi's corporate non-accrual loans could be negatively impacted. Such events as well as macroeconomic conditions could also negatively impact Citi's other corporate credit portfolios.

2014 vs. 2013
Net income increased 1%, primarily driven by lower expenses, largely offset by lower revenues. Excluding the impact of the net fraud loss of $360 million in Mexico in the fourth quarter of 2013, net income decreased 1%, primarily driven by the lower revenues and higher expenses, largely offset by lower credit costs.

- Revenues decreased 1%, reflecting lower revenues in Markets and securities services (decrease of 8%), partially offset by higher revenues in Banking (increase of 7%, or 5% excluding the gains/(losses) on hedges on accrual loans).

Within Banking:

- Investment banking revenues increased 7%, reflecting a stronger overall market environment and improved wallet share with ICG's target clients, partially offset by a modest decline in overall wallet share. The decline in overall wallet share was primarily driven by equity and debt underwriting and reflected market fragmentation. Advisory revenues increased 12%, reflecting the increased target client activity and an expansion of the overall M&A market. Equity underwriting revenues increased 18% largely in line with overall growth in market fees. Debt underwriting revenues were largely unchanged.
- Treasury and trade solutions revenues increased 1%. Excluding the impact of FX translation, revenues increased 3% as continued higher deposit balances, fee growth and trade activity were partially offset by the impact of spread compression globally. End-of-period deposit balances were unchanged, but increased 3% excluding the impact of FX translation, largely driven by North America. Average trade loans decreased 9% (7% excluding the impact of FX translation).
- Corporate lending revenues increased 52%. Excluding the impact of gains/(losses) on hedges on accrual loans, revenues increased 15%, primarily due to continued growth in average loan balances and lower funding costs.
- Private bank revenues increased 7% due to growth in client business volumes and improved spreads in banking, higher capital markets activity and an increase in assets under management in managed investments, partially offset by continued spread compression in lending.

Within Markets and securities services:

- Fixed income markets revenues decreased 11%, driven by a decrease in rates and currencies revenues, partially offset by increased securitized products and commodities revenues. Rates and currencies revenues declined due to historically muted levels of volatility, uncertainties around Russia and Greece and lower client activity in the first half of 2014. In addition, the first half of 2013 included a strong performance in rates and currencies, driven in part by the impact of quantitative easing globally. Municipals and credit markets revenues declined due to challenging trading conditions resulting from macroeconomic uncertainties, particularly in the fourth quarter of 2014. These declines were partially offset by increased

securitized products and commodities revenues, largely in North America.
- Equity markets revenues decreased 1%, primarily reflecting weakness in EMEA, particularly cash equities, driven by volatility in Europe, largely offset by improved performance in prime finance due to increased customer flows.
- Securities services revenues increased 4%. Excluding the impact of FX translation, revenues increased 5% due to increased volumes, assets under custody and overall client activity.

Expenses decreased 1% as efficiency savings, the absence of the net fraud loss and lower performance-based compensation were partially offset by higher repositioning charges and legal and related expenses as well as increased regulatory and compliance costs. Excluding the impact of the net fraud loss, expenses increased 1%, as higher repositioning charges and legal and related expenses as well as increased regulatory and compliance costs were partially offset by efficiency savings and lower performance-based compensation.
Provisions decreased 27%, primarily reflecting a release for unfunded lending commitments in the corporate loan portfolio, compared to a build in 2013, partially offset by higher net credit losses and a lower loan loss reserve release

driven by the overall economic environment. Net credit losses increased 52%, largely related to the Pemex supplier program during 2014 as well as write-offs related to a specific counterparty.

CORPORATE/OTHER

Corporate/Other includes certain unallocated costs of global staff functions (including finance, risk, human resources, legal and compliance), other corporate expenses and unallocated global operations and technology expenses, Corporate Treasury and discontinued operations. At December 31, 2015, Corporate/Other had $52 billion of assets, or 3% of Citigroup's total assets. For additional information, see "Managing Global Risk—Liquidity Risk" below.

In millions of dollars	2015	2014	2013	% Change 2015 vs. 2014	% Change 2014 vs. 2013
Net interest revenue	$(154)	$(224)	$(610)	31%	63%
Non-interest revenue	1,061	525	932	NM	(44)
Total revenues, net of interest expense	$907	$301	$322	NM	(7)%
Total operating expenses	$1,751	$6,020	$1,052	(71)%	NM
Provisions for loan losses and for benefits and claims	—	—	—	—	—
Loss from continuing operations before taxes	$(844)	$(5,719)	$(730)	85%	NM
Income taxes (benefits)	(1,339)	(344)	(216)	NM	(59)
Income (loss) from continuing operations	$495	$(5,375)	$(514)	NM	NM
Income (loss) from discontinued operations, net of taxes	(54)	(2)	270	NM	NM
Net income (loss) before attribution of noncontrolling interests	$441	$(5,377)	$(244)	NM	NM
Noncontrolling interests	18	43	87	(58)%	(51)
Net income (loss)	$423	$(5,420)	$(331)	NM	NM

NM Not meaningful

2015 vs. 2014

Net income was $423 million, compared to a net loss of $5.4 billion in 2014, largely reflecting significantly lower expenses, an increased tax benefit due to legal entity restructurings and resolution of certain state and local audits in the second quarter of 2015, as well as higher revenues.

Revenues increased $606 million to $907 million, primarily due to gains on debt buybacks during the course of 2015 and real estate sales in the second quarter of 2015 as well as higher revenues from sales of AFS securities, partially offset by hedging activities.

Expenses decreased $4.3 billion to $1.8 billion, largely driven by lower legal and related expenses ($796 million compared to $4.4 billion in 2014), a benefit from FX translation and lower repositioning charges.

During the fourth quarter of 2015, a change was enacted to the dividend rate Citi is entitled to receive on the shares of capital stock it is required to hold in the Federal Reserve System. Pursuant to current requirements, Citibank, N.A. (Citibank) is required to purchase stock equal to 3% of its capital stock and surplus (with an additional 3% subject to call by the Federal Reserve Board). As a result of the recent change, effective January 1, 2016, the statutory dividend Citi is to receive on these shares will decrease from a fixed 6% to the lesser of (i) the high-yield rate paid on the 10-year U.S. Treasury note based on the auction immediately preceding the dividend payment, and (ii) 6%. While the actual impact to Corporate/Other revenues (where Citi records this dividend) will be based on the number of shares of Federal Reserve System capital stock it holds at any given time as well as the quarter-to-quarter operational activities impacting the result of operations of Corporate/Other, based on year-end amounts, Citi estimates this change could negatively impact revenues in

Corporate/Other by approximately $160 million annually going forward.

2014 vs. 2013

The net loss increased $5.1 billion to $5.4 billion, primarily due to higher legal and related expenses.

Revenues decreased 7%, primarily driven by lower revenues from sales of AFS securities as well as hedging activities.

Expenses increased $5.0 billion to $6.0 billion, largely driven by the higher legal and related expenses ($4.4 billion compared to $172 million in 2013) as well as increased regulatory and compliance costs and higher repositioning charges.

CITI HOLDINGS

Citi Holdings contains the remaining businesses and portfolios of assets that Citigroup has determined are not central to its core Citicorp businesses. Consistent with this determination, beginning in the first quarter of 2016, Citi's consumer businesses in Argentina, Brazil and Colombia will be reported as part of Citi Holdings (for additional information, see "Citigroup Segments" and "Citicorp" above).

As of December 31, 2015, Citi Holdings assets were approximately $74 billion, a decrease of 43% year-over-year and 33% from September 30, 2015. The decline in assets of $36 billion from September 30, 2015 primarily consisted of divestitures and run-off, including, among others, completion of the sales of Citi's retail banking and credit cards businesses in Japan and OneMain Financial. As of December 31, 2015, Citi had signed agreements to reduce Citi Holdings GAAP assets by an additional $7 billion in 2016, subject to regulatory approvals and other closing conditions.

Also as of December 31, 2015, consumer assets in Citi Holdings were approximately $64 billion, or approximately 86% of Citi Holdings assets. Of the consumer assets, approximately $38 billion, or 59%, consisted of North America mortgages (residential first mortgages and home equity loans). As of December 31, 2015, Citi Holdings represented approximately 4% of Citi's GAAP assets and 11% of its risk-weighted assets under Basel III (based on the Advanced Approaches for determining risk-weighted assets).

In millions of dollars, except as otherwise noted	2015	2014	2013	% Change 2015 vs. 2014	% Change 2014 vs. 2013
Net interest revenue	$3,704	$4,591	$4,348	(19)%	6%
Non-interest revenue	4,133	3,258	2,427	27	34
Total revenues, net of interest expense	$7,837	$7,849	$6,775	—%	16%
Provisions for credit losses and for benefits and claims					
Net credit losses	$1,066	$1,837	$3,264	(42)%	(44)%
Credit reserve release	(503)	(907)	(2,048)	45	56
Provision for loan losses	$563	$930	$1,216	(39)%	(24)%
Provision for benefits and claims	624	657	663	(5)	(1)
Release for unfunded lending commitments	(26)	(10)	(10)	NM	—
Total provisions for credit losses and for benefits and claims	$1,161	$1,577	$1,869	(26)%	(16)%
Total operating expenses	$4,615	$9,689	$7,910	(52)%	22%
Income (loss) from continuing operations before taxes	$2,061	$(3,417)	$(3,004)	NM	(14)%
Income taxes (benefits)	1,003	57	(1,133)	NM	NM
Income (loss) from continuing operations	$1,058	$(3,474)	$(1,871)	NM	(86)%
Noncontrolling interests	$11	$6	$16	83%	(63)%
Net income (loss)	$1,047	$(3,480)	$(1,887)	NM	(84)%
Total revenues, net of interest expense (excluding CVA/DVA)					
Total revenues—as reported	$7,837	$7,849	$6,775	—%	16%
CVA/DVA[1]	(15)	(47)	3	68	NM
Total revenues-excluding CVA/DVA	$7,852	$7,896	$6,772	(1)%	17%
Balance sheet data (in billions of dollars)					
Average assets	$112	$144	$173	(22)%	(17)%
Return on average assets	0.93%	(2.42)%	(1.09)%		
Efficiency ratio	59	123	117		
Total EOP assets	$74	$129	$154	(43)	(16)
Total EOP loans	45	79	100	(43)	(21)

Total EOP deposits	7	17	69	(59)	(75)

(1) FVA is included within CVA for presentation purposes. For additional information, see Note 25 to the Consolidated Financial Statements.
NM Not meaningful

The discussion of the results of operations for Citi Holdings below excludes the impact of CVA/DVA for all periods presented. Presentations of the results of operations, excluding the impact of CVA/DVA, are non-GAAP financial measures. Citi believes the presentation of Citi Holdings' results excluding the impact of CVA/DVA is a more meaningful depiction of the underlying fundamentals of the business. For a reconciliation of these metrics to the reported results, see the table above.

2015 vs. 2014
Net income was $1.1 billion, an improvement from a net loss of $3.5 billion in 2014, largely due to the impact of the mortgage settlement in 2014 (see "Executive Summary" above). Excluding the mortgage settlement, net income increased $782 million, primarily due to lower expenses and lower net credit losses, partially offset by a lower net loan loss reserve release. While Citi Holdings expects to have positive net income during 2016, given the significant asset sales and declines in overall Citi Holdings' assets during 2015, it does not expect to generate the same level of net income in 2016 as in 2015.
Revenues decreased 1%, primarily driven by the overall wind-down of the portfolio, the impact of redemptions of high cost debt and the impact of recording OneMain Financial net credit losses as a reduction of revenue beginning in the second quarter of 2015, mostly offset by higher gains on asset sales, including in the fourth quarter of 2015 due to the sales of OneMain Financial and the retail banking and credit cards businesses in Japan.
Expenses declined 52%. Excluding the impact of the mortgage settlement, expenses declined 22%, primarily due to the ongoing decline in assets and lower legal and related costs ($420 million compared to $986 million in 2014).
Provisions decreased 26%. Excluding the impact of the mortgage settlement, provisions decreased 24%, driven by lower net credit losses, partially offset by a lower net loss reserve release. Net credit losses declined 42%, primarily due to the impact of the recording of OneMain Financial net credit losses as a reduction in revenue, continued improvements in North America mortgages and overall lower asset levels. The net reserve release decreased 42%. Excluding the impact of the mortgage settlement, the net reserve release decreased 46% to $529 million, primarily due to lower releases related to the North America mortgage portfolio as the portfolio has been reduced and credit has improved.

2014 vs. 2013
The net loss increased by $1.6 billion to $3.5 billion, largely due to the impact of the mortgage settlement, partially offset by higher revenues and lower cost of credit. Excluding the mortgage settlement, net income increased by $2.2 billion to $275 million, primarily due to lower expenses, lower net credit losses and higher revenues, partially offset by a lower net loan loss reserve release.
Revenues increased 17%, primarily driven by gains on asset sales, including the sales of the consumer operations in Greece and Spain in the third quarter of 2014, lower funding costs and the absence of residential mortgage repurchase reserve builds for representation and warranty claims as compared to 2013, partially offset by losses on the redemption of debt associated with funding Citi Holdings assets.
Expenses increased 22%. Excluding the impact of the mortgage settlement, expenses declined 25%, primarily driven

by lower legal and related costs ($986 million compared to $2.6 billion in 2013) as well as the ongoing decline in assets.
Provisions decreased 16%. Excluding the impact of the mortgage settlement, provisions declined 19%, driven by a 44% decline in net credit losses primarily due to continued improvements in North America mortgages and overall lower
asset levels. The net reserve release decreased 55%. Excluding the impact of the mortgage settlement, the net reserve release decreased 53%, primarily due to lower net releases related to the North America mortgage portfolio, partially offset by lower losses on asset sales.

Payment Protection Insurance (PPI)

The selling of PPI by financial institutions in the U.K. has been the subject of intense review and focus by U.K. regulators and, more recently, the U.K. Supreme Court. For additional information on PPI, see "Citi Holdings" in Citi's Annual Report on Form 10-K for the year ended December 31, 2013 filed with the SEC on March 3, 2014.

PPI is designed to cover a customer's loan repayments if certain events occur, such as long-term illness or unemployment. The U.K. Financial Conduct Authority (FCA) found certain problems across the industry with how these products were sold, including customers not realizing that the cost of PPI premiums was being added to their loan or PPI being unsuitable for the customer. Redress generally involves the repayment of premiums and the refund of all applicable contractual interest together with compensatory interest of 8%. In addition, during the fourth quarter of 2014, the U.K. Supreme Court issued a ruling in a case (Plevin) involving PPI pursuant to which the court ruled, independent of the sale of the PPI contract, the PPI contract at issue in the case was "unfair" due to the high sales commissions earned and the lack of disclosure to the customer thereof.

During the fourth quarter of 2015, the FCA issued a consultation paper that proposed (1) a deadline for PPI complaints (both non-Plevin and Plevin complaints) of two years after the effective date of the final rules; (2) an FCA-led customer communications campaign in advance of the deadline, with bank funding of the campaign; and (3) a failure to disclose a sales commission of 50% or more would be deemed unfair when assessing a new PPI complaint and require a customer refund of the difference between the commission paid and 50%, plus interest. Final rules are expected from the FCA in spring 2016.

During 2015, Citi increased its PPI reserves by approximately $153 million ($65 million of which was recorded in Citi Holdings and $88 million of which was recorded in discontinued operations), including a $106 million reserve increase in the fourth quarter of 2015 ($39 million of which was recorded in Citi Holdings and $67 million of which was recorded in discontinued operations). The increase for full year 2015 compared to an increase of $118 million during 2014. While the overall level of claims generally remained

unchanged in 2015, the increase in the reserves during 2015, including in the fourth quarter of 2015, was due in part to the Plevin case and the guidelines set forth in the FCA's consultation paper, including the proposed customer communications campaign.
Citi's year-end 2015 PPI reserve was $262 million (compared to $225 million as of December 31, 2014).
Additional reserving actions, if any, in 2016 will largely depend on the timing of and response to the FCA's final rules, including the level of customer response to any communications campaign.

OFF-BALANCE SHEET ARRANGEMENTS

Citigroup enters into various types of off-balance sheet arrangements in the ordinary course of business. Citi's involvement in these arrangements can take many different forms, including without limitation:

- purchasing or retaining residual and other interests in unconsolidated special purpose entities, such as credit card receivables and mortgage-backed and other asset-backed securitization entities;
- holding senior and subordinated debt, interests in limited and general partnerships and equity interests in other unconsolidated special purpose entities;
- providing guarantees, indemnifications, loan commitments, letters of credit and representations and warranties; and
- entering into operating leases for property and equipment.

Citi enters into these arrangements for a variety of business purposes. For example, securitization arrangements offer investors access to specific cash flows and risks created through the securitization process. Securitization arrangements also assist Citi and Citi's customers in monetizing their financial assets and securing financing at more favorable rates than Citi or the customers could otherwise obtain.

The table below shows where a discussion of Citi's various off-balance sheet arrangements may be found in this Form 10-K. In addition, see Notes 1, 22 and 27 to the Consolidated Financial Statements.

Types of Off-Balance Sheet Arrangements	Disclosures in this Form 10-K
Variable interests and other obligations, including contingent obligations, arising from variable interests in nonconsolidated VIEs	See Note 22 to the Consolidated Financial Statements.
Letters of credit, and lending and other commitments	See Note 27 to the Consolidated Financial Statements.
Guarantees	See Note 27 to the Consolidated Financial Statements.
Leases	See Note 27 to the Consolidated Financial Statements.

CONTRACTUAL OBLIGATIONS

The following table includes information on Citigroup’s contractual obligations, as specified and aggregated pursuant to SEC requirements.

	Contractual obligations by year						
In millions of dollars	2016	2017	2018	2019	2020	Thereafter	Total
Long-term debt obligations—principal[1]	$43,537	$34,345	$31,416	$19,153	$9,377	$63,447	$201,275
Long-term debt obligations—interest payments[2]	5,960	4,667	3,575	2,736	2,262	29,332	48,532
Operating and capital lease obligations	1,238	1,002	778	698	567	4,483	8,766
Purchase obligations[3]	612	547	258	246	240	500	2,403
Other liabilities[4]	29,015	732	772	192	276	3,462	34,449
Total	$80,362	$41,293	$36,799	$23,025	$12,722	$101,224	$295,425

(1) For additional information about long-term debt obligations, see “Managing Global Risk—Liquidity Risk” below and Note 18 to the Consolidated Financial Statements.

(2) Contractual obligations related to interest payments on long-term debt for 2016–2020 are calculated by applying the December 31, 2015 weighted-average interest rate (3.32%) on average outstanding long-term debt to the average remaining contractual obligations on long-term debt for each of those years. The “Thereafter” interest payments on long-term debt for the remaining years to maturity (2021–2098) are calculated by applying current interest rates on the remaining contractual obligations on long-term debt for each of those years.

(3) Purchase obligations consist of obligations to purchase goods or services that are enforceable and legally binding on Citi. For presentation purposes, purchase obligations are included in the table above through the termination date of the respective agreements, even if the contract is renewable. Many of the purchase agreements for goods or services include clauses that would allow Citi to cancel the agreement with specified notice; however, that impact is not included in the table above (unless Citi has already notified the counterparty of its intention to terminate the agreement).

(4) Other liabilities reflected on Citigroup’s Consolidated Balance Sheet includes accounts payable, accrued expenses, uncertain tax positions and other liabilities that have been incurred and will ultimately be paid in cash; legal reserve accruals are not included in the table above. Also includes discretionary contributions in 2016 for Citi’s employee-defined benefit obligations for the pension, postretirement and postemployment plans and defined contribution plans.

CAPITAL RESOURCES

Overview

Capital is used principally to support assets in Citi's businesses and to absorb credit, market, and operational losses. Citi primarily generates capital through earnings from its operating businesses. Citi may augment its capital through issuances of common stock, noncumulative perpetual preferred stock and equity issued through awards under employee benefit plans, among other issuances. During 2015, Citi continued to raise capital through noncumulative perpetual preferred stock issuances amounting to approximately $6.3 billion, resulting in a total of approximately $16.7 billion outstanding as of December 31, 2015. In addition, during 2015, Citi returned a total of approximately $5.9 billion of capital to common shareholders in the form of share repurchases (approximately 101 million common shares) and dividends.

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

Capital Management

Citigroup's capital management framework is designed to ensure that Citigroup and its principal subsidiaries maintain sufficient capital consistent with each entity's respective risk profile, management targets, and all applicable regulatory standards and guidelines. Citi assesses its capital adequacy against a series of internal quantitative capital goals, designed to evaluate the Company's capital levels in expected and stressed economic environments. Underlying these internal quantitative capital goals are strategic capital considerations, centered on preserving and building financial strength. The Citigroup Capital Committee, with oversight from the Risk Management Committee of Citigroup's Board of Directors, has responsibility for Citi's aggregate capital structure, including the capital assessment and planning process, which is integrated into Citi's capital plan. Balance sheet management, including oversight of capital adequacy, for Citigroup's subsidiaries is governed by each entity's Asset and Liability Committee. For additional information regarding Citi's capital planning and stress testing exercises, see "Capital Planning and Stress Testing" below.

Current Regulatory Capital Standards

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

Risk-Based Capital Ratios

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

The U.S. Basel III rules establish stated minimum Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital ratios for substantially all U.S. banking organizations, including Citi and Citibank, N.A. (Citibank). Moreover, these rules provide for both a fixed Capital Conservation Buffer and a discretionary Countercyclical Capital Buffer, which

would be available to absorb losses in advance of any potential impairment of regulatory capital below the stated minimum risk-based capital ratio requirements. In December 2015, the Federal Reserve Board voted to affirm the Countercyclical Capital Buffer amount at the current level of 0%, and issued a proposed framework for implementing the Countercyclical Capital Buffer in the future. For additional information regarding the Federal Reserve Board's proposed policy statement on the Countercyclical Capital Buffer, see "Regulatory Capital Standards Developments" below.

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

GSIB Surcharge

In August 2015, the Federal Reserve Board issued a final rule which imposes a risk-based capital surcharge upon U.S. bank holding companies that are identified as global systemically important bank holding companies (GSIBs), including Citi. The GSIB surcharge augments the Capital Conservation Buffer and, if invoked, any Countercyclical Capital Buffer, and would result in restrictions on earnings distributions (e.g., dividends, equity repurchases, and discretionary executive bonuses) should the expanded buffer be breached to absorb losses during periods of financial or economic stress, with the degree of such restrictions based upon the extent to which the expanded buffer is breached.

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

A U.S. bank holding company that is designated a GSIB under the established methodology will be required, on an annual basis, to calculate a surcharge using two methods and will be subject to the higher of the resulting two surcharges. The first method ("method 1") is based on the same five broad categories of systemic importance used to identify a GSIB. Under the second method ("method 2"), the substitutability category is replaced with a quantitative measure intended to assess the extent of a GSIB's reliance on short-term wholesale funding. Moreover, method 1 incorporates relative measures of systemic importance across certain global banking organizations and a year-end spot foreign exchange rate, whereas method 2 uses fixed measures of systemic importance and application of an average foreign exchange rate over a three-year period. Generally, the surcharge derived under method 2 will result in a higher surcharge than derived under method 1.

Should a GSIB's systemic importance change year-over-year such that it becomes subject to a higher surcharge, the higher surcharge would not become effective for a full year (e.g., a higher surcharge calculated by December 31, 2016 would not become effective until January 1, 2018). However, if a GSIB's systemic importance changes such that the GSIB would be subject to a lower surcharge, the GSIB would be subject to the lower surcharge beginning with the next calendar year (e.g., a lower surcharge calculated by December 31, 2016 would become effective January 1, 2017).

GSIB surcharges under the final rule, which are required to be composed entirely of Common Equity Tier 1 Capital, initially range from 1.0% to 4.5% of total risk-weighted assets. Citi's initial GSIB surcharge effective January 1, 2016, which is based primarily on 2014 quantitative measures of systemic importance (other than the short-term wholesale funding measure under method 2, based on 2015 data), is 3.5%. However, Citi's ongoing efforts during 2015 in managing balance sheet efficiency has resulted in lower scores for substantially all of the quantitative measures of systemic importance, and consequently has reduced Citi's estimated GSIB surcharge to 3%, also derived under method 2, which would become effective January 1, 2017.

Transition Provisions

The U.S. Basel III rules contain several differing, largely multi-year transition provisions (i.e., "phase-ins" and "phase-outs") with respect to the stated minimum Common Equity Tier 1 Capital and Tier 1 Capital ratio requirements, substantially all regulatory capital adjustments and deductions, and non-qualifying Tier 1 and Tier 2 Capital instruments (such as non-grandfathered trust preferred securities and certain subordinated debt issuances). Moreover, the GSIB surcharge will be introduced in parallel with the Capital Conservation Buffer and, if applicable, any Countercyclical Capital Buffer, commencing phase-in on January 1, 2016 and becoming fully effective on January 1, 2019. With the exception of the non-grandfathered trust preferred securities which do not fully phase-out until January 1, 2022 and the capital buffers and GSIB surcharge which do not fully phase-in until January 1, 2019, all other transition provisions will be entirely reflected in Citi's regulatory capital ratios by January 1, 2018. Citi considers all of these transition provisions as being fully implemented on January 1, 2019 (full implementation), with the inclusion of the capital buffers and GSIB surcharge.

The following chart sets forth the transitional progression to full implementation by January 1, 2019 of the regulatory capital components (i.e., inclusive of the mandatory 2.5% Capital Conservation Buffer and the Countercyclical Capital Buffer at its current level of 0%, as well as an estimated 3% GSIB surcharge) comprising the effective minimum risk-based capital ratios.

Basel III Transition Arrangements: Minimum Risk-Based Capital Ratios

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

Basel III Transition Arrangements: Significant Regulatory Capital Adjustments and Deductions

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

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

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

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

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

Tier 1 Leverage Ratio

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

Supplementary Leverage Ratio

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

Further, U.S. GSIBs, and their subsidiary insured depository institutions, including Citi and Citibank, are subject to enhanced Supplementary Leverage ratio standards. The enhanced Supplementary Leverage ratio standards establish a 2% leverage buffer for U.S. GSIBs in addition to the stated 3% minimum Supplementary Leverage ratio requirement in the U.S. Basel III rules. If a U.S. GSIB fails to exceed the 2% leverage buffer, it will be subject to increasingly onerous restrictions (depending upon the extent of the shortfall) regarding capital distributions and discretionary executive bonus payments. Accordingly, U.S. GSIBs are effectively subject to a 5% minimum Supplementary Leverage ratio requirement. Additionally, insured depository institution subsidiaries of U.S. GSIBs, such as Citibank, are required to maintain a Supplementary Leverage ratio of 6% to be considered "well capitalized" under the revised Prompt Corrective Action (PCA) framework established by the U.S. Basel III rules. Citi and Citibank are required to be compliant with these higher effective minimum ratio requirements on January 1, 2018.

Prompt Corrective Action Framework

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

(iv) "significantly undercapitalized"; and (v) "critically undercapitalized."

Accordingly, beginning January 1, 2015, an insured depository institution, such as Citibank, 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." Additionally, Advanced Approaches insured depository institutions, such as Citibank, must maintain a minimum Supplementary Leverage ratio of 6%, effective January 1, 2018, to be considered "well capitalized."

Capital Planning and Stress Testing

Citi is subject to an annual assessment by the Federal Reserve Board as to whether Citi has effective capital planning processes as well as sufficient regulatory capital to absorb losses during stressful economic and financial conditions, while also meeting obligations to creditors and counterparties and continuing to serve as a credit intermediary. This annual assessment includes two related programs:

- The Comprehensive Capital Analysis and Review (CCAR) evaluates Citi's capital adequacy, capital adequacy process, and its planned capital distributions, such as dividend payments and common stock repurchases. As part of CCAR, the Federal Reserve Board assesses whether Citi has sufficient capital to continue operations throughout times of

economic and financial market stress and whether Citi has robust, forward-looking capital planning processes that account for its unique risks. The Federal Reserve Board may object to Citi's annual capital plan based on either quantitative or qualitative grounds. If the Federal Reserve Board objects to Citi's annual capital plan, Citi may not undertake any capital distribution unless the Federal Reserve Board indicates in writing that it does not object to the distribution.

Dodd-Frank Act Stress Testing (DFAST) is a forward-looking quantitative evaluation of the impact of stressful economic and financial market conditions on Citi's regulatory capital. This program serves to inform the Federal Reserve Board, the financial companies, and the general public, how Citi's regulatory capital ratios might change using a hypothetical set of adverse economic conditions as designed by the Federal Reserve Board. In addition to the annual supervisory stress test conducted by the Federal Reserve Board, Citi is required to conduct annual company-run stress tests under the same three supervisory scenarios as well as conduct a mid-cycle stress test under company-developed scenarios.

Both CCAR and DFAST include an estimate of projected revenues, losses, reserves, certain pro forma regulatory capital ratios (i.e., Common Equity Tier 1 Capital, Tier 1 Capital, Total Capital, and Tier 1 Leverage ratios), and any other additional capital measures deemed

relevant by Citi. Projections are required over a nine-quarter planning horizon under baseline conditions and under a range of stressed scenarios. All risk-based capital ratios reflect application of the Standardized Approach framework only and the transition arrangements under the U.S. Basel III rules.
In November 2015, the Federal Reserve Board released a final rule, which for purposes of CCAR, adopted targeted amendments to its capital plan and stress test rules. Effective January 1, 2016, the final rule removed all requirements related to the Tier 1 Common Capital ratio (originally defined in conjunction with the 2009 Supervisory Capital Assessment Program), as it has effectively been replaced by the Common Equity Tier 1 Capital ratio requirement subsequent to the implementation of the U.S. Basel III rules. Moreover, the final rule delayed the use of the Supplementary Leverage ratio until the 2017 capital planning cycle, and deferred the use of the Advanced Approaches framework indefinitely. For additional information regarding CCAR, see "Risk Factors—Regulatory Risks" below.

Citigroup's Capital Resources Under Current Regulatory Standards

During 2015 and thereafter, Citi is required to maintain stated minimum Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital ratios of 4.5%, 6% and 8%, respectively. The stated minimum Common Equity Tier 1 Capital and Tier 1 Capital ratio requirements in 2014 were 4% and 5.5%, respectively, while the stated minimum Total Capital ratio requirement of 8% remained unchanged.
Furthermore, to be "well capitalized" under current federal bank regulatory agency definitions, a bank holding company must have a Tier 1 Capital ratio of at least 6%, a Total Capital ratio of at least 10%, and not be subject to a Federal Reserve Board directive to maintain higher capital levels.
The following tables set forth the capital tiers, total risk-weighted assets, risk-based capital ratios, quarterly adjusted average total assets, Total Leverage Exposure and leverage ratios under current regulatory standards (reflecting Basel III Transition Arrangements) for Citi as of December 31, 2015 and December 31, 2014.

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

In millions of dollars, except ratios	December 31, 2015		December 31, 2014[1]	
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach[2]
Common Equity Tier 1 Capital	$173,862	$173,862	$166,663	$166,663
Tier 1 Capital	176,420	176,420	166,663	166,663
Total Capital (Tier 1 Capital + Tier 2 Capital)[3]	198,746	211,115	184,959	197,707
Total Risk-Weighted Assets	1,190,853	1,138,711	1,274,672	1,211,358
Common Equity Tier 1 Capital ratio[4]	14.60 %	15.27 %	13.07 %	13.76 %
Tier 1 Capital ratio[4]	14.81	15.49	13.07	13.76
Total Capital ratio[4]	16.69	18.54	14.51	16.32

In millions of dollars, except ratios	December 31, 2015	December 31, 2014[1]
Quarterly Adjusted Average Total Assets[5]	$1,732,933	$1,849,325
Total Leverage Exposure[6]	2,326,072	2,518,115
Tier 1 Leverage ratio	10.18 %	9.01 %
Supplementary Leverage ratio	7.58	6.62

(1) Restated to reflect the retrospective adoption of ASU 2014-01 for Low Income Housing Tax Credit (LIHTC) investments, consistent with current period presentation.
(2) Pro forma presentation to reflect the application of the Basel III 2015 Standardized Approach, consistent with current period presentation.
(3) Under the Advanced Approaches framework eligible credit reserves that exceed expected credit losses are eligible for inclusion in Tier 2 Capital to the extent the excess reserves do not exceed 0.6% of credit risk-weighted assets,

which differs from the Standardized Approach in which the allowance for credit losses is 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.

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

(5) Tier 1 Leverage ratio denominator.

(6) Supplementary Leverage ratio denominator.

As indicated in the table above, Citigroup's capital ratios at December 31, 2015 were in excess of the stated minimum requirements under the U.S. Basel III rules. In addition, Citi was also "well capitalized" under current

federal bank regulatory agency definitions as of December 31, 2015.

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

In millions of dollars	December 31, 2015	December 31, 2014[1]
Common Equity Tier 1 Capital		
Citigroup common stockholders' equity[2]	$205,286	$199,841
Add: Qualifying noncontrolling interests	369	539
Regulatory Capital Adjustments and Deductions:		
Less: Net unrealized gains (losses) on securities AFS, net of tax[3][4]	(544)	46
Less: Defined benefit plans liability adjustment, net of tax[4]	(3,070)	(4,127)
Less: Accumulated net unrealized losses on cash flow hedges, net of tax[5]	(617)	(909)
Less: Cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax[4][6]	176	56
Less: Intangible assets:		
Goodwill, net of related deferred tax liabilities (DTLs)[7]	21,980	22,805
Identifiable intangible assets other than mortgage servicing rights (MSRs), net of related DTLs[4]	1,434	875
Less: Defined benefit pension plan net assets[4]	318	187
Less: Deferred tax assets (DTAs) arising from net operating loss, foreign tax credit and general business credit carry-forwards[4][8]	9,464	4,725
Less: Excess over 10%/15% limitations for other DTAs, certain common stock investments, and MSRs[4][8][9]	2,652	1,977
Less: Deductions applied to Common Equity Tier 1 Capital due to insufficient amount of Additional Tier 1 Capital to cover deductions[4]	—	8,082
Total Common Equity Tier 1 Capital	$173,862	$166,663
Additional Tier 1 Capital		
Qualifying perpetual preferred stock[2]	$16,571	$10,344
Qualifying trust preferred securities[10]	1,707	1,719
Qualifying noncontrolling interests	12	7
Regulatory Capital Adjustment and Deductions:		
Less: Cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax[4][6]	265	223
Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries[11]	229	279
Less: Defined benefit pension plan net assets[4]	476	749
Less: DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards[4][8]	14,195	18,901
Less: Permitted ownership interests in covered funds[12]	567	—
Less: Deductions applied to Common Equity Tier 1 Capital due to insufficient amount of Additional Tier 1 Capital to cover deductions[4]	—	(8,082)
Total Additional Tier 1 Capital	$2,558	$—
Total Tier 1 Capital (Common Equity Tier 1 Capital + Additional Tier 1 Capital)	$176,420	$166,663

Tier 2 Capital		
Qualifying subordinated debt[13]	$21,370	$17,386
Qualifying noncontrolling interests	17	12
Excess of eligible credit reserves over expected credit losses[14]	1,163	1,177
Regulatory Capital Adjustment and Deduction:		
Add: Unrealized gains on AFS equity exposures includable in Tier 2 Capital	5	—
Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries[11]	229	279
Total Tier 2 Capital	$22,326	$18,296
Total Capital (Tier 1 Capital + Tier 2 Capital)	$198,746	$184,959

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

In millions of dollars	December 31, 2015	December 31, 2014[1]
Credit Risk[15]	$791,036	$861,691
Market Risk	74,817	100,481
Operational Risk	325,000	312,500
Total Risk-Weighted Assets	$1,190,853	$1,274,672

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

(2) Issuance costs of $147 million and $124 million related to preferred stock outstanding at December 31, 2015 and December 31, 2014, respectively, are excluded from common stockholders' equity and netted against preferred stock in accordance with Federal Reserve Board regulatory reporting requirements, which differ from those under U.S. GAAP.

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

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

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

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

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

(8) Of Citi's approximately $47.8 billion of net DTAs at December 31, 2015, approximately $22.9 billion of such assets were includable in regulatory capital pursuant to the U.S. Basel III rules, while approximately $24.9 billion of such assets were excluded in arriving at regulatory capital. Comprising the excluded net DTAs was an aggregate of approximately $26.3 billion of net DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards as well as temporary differences, of which $12.1 billion were deducted from Common Equity Tier 1 Capital and $14.2 billion were deducted from Additional Tier 1 Capital. In addition, approximately $1.4 billion of net DTLs, primarily consisting of DTLs associated with goodwill and certain other intangible assets, partially offset by DTAs related to cash flow hedges, are permitted to be excluded prior to deriving the amount of net DTAs subject to deduction under these rules. Separately, under the U.S. Basel III rules, goodwill and these other intangible assets are deducted net of associated DTLs in arriving at Common Equity Tier 1 Capital, while Citi's current cash flow hedges and the related deferred tax effects are not required to be reflected in regulatory capital.

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

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

As of December 31, 2015 and December 31, 2014, however, the entire amount of non-grandfathered trust preferred securities was included within Tier 1 Capital, as the amounts outstanding did not exceed the respective threshold for exclusion from Tier 1 Capital.

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

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

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

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

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

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

In millions of dollars	Three Months Ended December 31, 2015	Twelve Months Ended December 31, 2015[1]
Common Equity Tier 1 Capital		
Balance, beginning of period	$173,345	$166,663
Net income	3,335	17,242
Dividends declared	(415)	(1,253)
Treasury stock acquired	(1,650)	(5,452)
Net increase in additional paid-in capital[2]	331	1,036
Net increase in foreign currency translation adjustment net of hedges, net of tax	(796)	(5,499)
Net increase in unrealized losses on securities AFS, net of tax[3]	(453)	(374)
Net increase in defined benefit plans liability adjustment, net of tax[3]	(34)	(1,014)
Net change in cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax	111	(120)
Net change in goodwill, net of related deferred tax liabilities (DTLs)	(248)	825
Net change in identifiable intangible assets other than mortgage servicing rights (MSRs), net of related DTLs	130	(559)
Net change in defined benefit pension plan net assets	44	(131)
Net increase in deferred tax assets (DTAs) arising from net operating loss, foreign tax credit and general business credit carry-forwards	(146)	(4,739)
Net change in excess over 10%/15% limitations for other DTAs, certain common stock investments and MSRs	312	(675)
Net decrease in regulatory capital deduction applied to Common Equity Tier 1 Capital due to insufficient Additional Tier 1 Capital to cover deductions	—	8,082
Other	(4)	(170)
Net increase in Common Equity Tier 1 Capital	$517	$7,199
Common Equity Tier 1 Capital Balance, end of period	$173,862	$173,862
Additional Tier 1 Capital		
Balance, beginning of period	$931	$—
Net increase in qualifying perpetual preferred stock[4]	1,495	6,227
Net decrease in qualifying trust preferred securities	(9)	(12)
Net change in cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax	165	(42)
Net decrease in defined benefit pension plan net assets	66	273
Net change in DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards	(218)	4,706
Net change in permitted ownership interests in covered funds	111	(567)
	—	(8,082)

Net decrease in regulatory capital deduction applied to Common Equity Tier 1 Capital due to insufficient Additional Tier 1 Capital to cover deductions		
Other	17	55
Net increase in Additional Tier 1 Capital	$1,627	$2,558
Tier 1 Capital Balance, end of period	$176,420	$176,420
Tier 2 Capital		
Balance, beginning of period	$21,353	$18,296
Net increase in qualifying subordinated debt	349	3,984
Net change in excess of eligible credit reserves over expected credit losses	606	(14)
Other	18	60
Net increase in Tier 2 Capital	$973	$4,030
Tier 2 Capital Balance, end of period	$22,326	$22,326
Total Capital (Tier 1 Capital + Tier 2 Capital)	$198,746	$198,746

(1) The beginning balance of Common Equity Tier 1 Capital for the twelve months ended December 31, 2015 has been restated to reflect the retrospective adoption of ASU 2014-01 for LIHTC investments, consistent with current period presentation.
(2) Primarily represents an increase in additional paid-in capital related to employee benefit plans.
(3) Presented net of impact of transition arrangements related to unrealized gains (losses) on securities AFS and defined benefit plans liability adjustment under the U.S. Basel III rules.
(4) Citi issued approximately $1.5 billion and approximately $6.3 billion of qualifying perpetual preferred stock during the three and twelve months ended December 31, 2015, respectively, which were partially offset by the netting of issuance costs of $4 million and $23 million during those respective periods.

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

In millions of dollars	Three Months Ended December 31, 2015	Twelve Months Ended December 31, 2015[1]
Total Risk-Weighted Assets, beginning of period	$1,229,667	$1,274,672
Changes in Credit Risk-Weighted Assets		
Net decrease in retail exposures[2]	(13,856)	(26,399)
Net increase in wholesale exposures[3]	1,668	1,682
Net decrease in repo-style transactions	(935)	(2,015)
Net decrease in securitization exposures	(1,843)	(2,563)
Net increase in equity exposures	1,129	1,603
Net decrease in over-the-counter (OTC) derivatives[4]	(3,119)	(7,002)
Net decrease in derivatives CVA[5]	(789)	(4,418)
Net decrease in other exposures[6]	(9,464)	(27,793)
Net decrease in supervisory 6% multiplier[7]	(1,585)	(3,750)
Net decrease in Credit Risk-Weighted Assets	$(28,794)	$(70,655)
Changes in Market Risk-Weighted Assets		
Net decrease in risk levels[8]	$(7,662)	$(21,041)
Net decrease due to model and methodology updates[9]	(2,358)	(4,623)
Net decrease in Market Risk-Weighted Assets	$(10,020)	$(25,664)
Increase in Operational Risk-Weighted Assets[10]	$—	$12,500
Total Risk-Weighted Assets, end of period	$1,190,853	$1,190,853

(1) The beginning balance of Total Risk-Weighted Assets for the twelve months ended December 31, 2015 has been restated to reflect the retrospective adoption of ASU 2014-01 for LIHTC investments, consistent with current period presentation.
(2) Retail exposures decreased during the three months ended December 31, 2015 primarily due to reductions in loans, divestitures within the Citi Holdings portfolio, and the impact of FX translation. Retail exposures decreased during the twelve months ended December 31, 2015 primarily due to reductions in loans and commitments, divestitures within the Citi Holdings portfolio and the impact of FX translation, partially offset by the reclassification from other exposures of certain non-material portfolios.
(3) Wholesale exposures increased during the three months ended December 31, 2015 primarily due to an increase in commitments, partially offset by the impact of FX translation. Wholesale exposures increased during the twelve months ended December 31, 2015 primarily due to an increase in investments and commitments and the reclassification from other exposures of certain non-material portfolios, largely offset by the impact of FX translation.
(4)

OTC derivatives decreased during the three months and twelve months ended December 31, 2015 primarily driven by exposure reduction and model updates. Further, parameter updates also contributed to the decrease in OTC derivatives during the three months ended December 31, 2015.

(5) Derivatives CVA decreased during the three months ended December 31, 2015 primarily driven by exposure reduction and parameter and model updates. Derivatives CVA decreased during the twelve months ended December 31, 2015 driven by exposure reduction, credit spread changes and model updates.

(6) Other exposures include cleared transactions, unsettled transactions, assets other than those reportable in specific exposure categories and non-material portfolios. Other exposures decreased during the three months ended December 31, 2015 primarily due to decreased cleared transaction exposures, reduction of retail non-material exposures and decreases in other assets. Other exposures decreased during the twelve months ended December 31, 2015 as a result of the reclassification to retail exposures and wholesale exposures of certain non-material portfolios, reduction in retail non-material exposures, and decreases in other assets.

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

(8) Risk levels decreased during the three and twelve months ended December 31, 2015 primarily due to a reduction in positions subject to securitization charges, the ongoing assessment regarding the applicability of the market risk capital rules to certain securitization positions, and a decrease in assets subject to standard specific risk charges. In addition, further contributing to the decline in risk levels during the twelve months ended December 31, 2015 were reductions in exposure levels subject to comprehensive risk, Value at Risk, and Stressed Value at Risk.

(9) Risk-weighted assets declined during the three months ended December 31, 2015 due to model volatility inputs. Risk-weighted assets declined during the twelve months ended December 31, 2015 due to the implementation of the “Volcker Rule.”

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

Capital Resources of Citigroup's Subsidiary U.S. Depository Institutions Under Current Regulatory Standards
Citigroup's subsidiary U.S. depository institutions are also subject to regulatory capital standards issued by their respective primary federal bank regulatory agencies, which are similar to the standards of the Federal Reserve Board. The following tables set forth the capital tiers, total risk-weighted assets, risk-based capital ratios, quarterly adjusted average total assets, Total Leverage Exposure and leverage ratios under current regulatory standards (reflecting Basel III Transition Arrangements) for Citibank, Citi's primary subsidiary U.S. depository institution, as of December 31, 2015 and December 31, 2014.

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

In millions of dollars, except ratios	December 31, 2015		December 31, 2014[1]	
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach[2]
Common Equity Tier 1 Capital	$126,496	$126,496	$128,262	$128,262
Tier 1 Capital	126,496	126,496	128,262	128,262
Total Capital (Tier 1 Capital + Tier 2 Capital)[3]	137,935	148,916	139,246	151,124
Total Risk-Weighted Assets	897,892	998,181	945,407	1,044,768
Common Equity Tier 1 Capital ratio[4]	14.09 %	12.67 %	13.57 %	12.28 %
Tier 1 Capital ratio[4]	14.09	12.67	13.57	12.28
Total Capital ratio[4]	15.36	14.92	14.73	14.46

In millions of dollars, except ratios	December 31, 2015	December 31, 2014[1]
Quarterly Adjusted Average Total Assets[5]	$1,297,733	$1,366,910
Total Leverage Exposure[6]	1,838,114	1,954,833
Tier 1 Leverage ratio	9.75 %	9.38 %
Supplementary Leverage ratio	6.88	6.56

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

As indicated in the table above, Citibank's capital ratios at December 31, 2015 were in excess of the stated minimum requirements under the U.S. Basel III rules. In addition, Citibank was also "well capitalized" as of December 31, 2015 under the revised PCA regulations which became effective January 1, 2015.
Further, Citibank is required to conduct the annual Dodd-Frank Act Stress Test. The annual stress test consists of a forward looking quantitative evaluation of the impact of stressful economic and financial market conditions under several scenarios on Citibank's regulatory capital. This

program serves to inform the Office of the Comptroller of the Currency (OCC) how Citibank's regulatory capital ratios might change during a hypothetical set of adverse economic conditions and to ultimately evaluate the reliability of Citibank's capital planning process.

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

The following tables present the estimated sensitivity of Citigroup's and Citibank's capital ratios to changes of $100 million in Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital (numerator), and changes of $1 billion in Advanced Approaches and Standardized Approach risk-weighted assets, quarterly adjusted average total assets, as well as Total Leverage Exposure (denominator), under current regulatory capital standards (reflecting Basel III Transition Arrangements), as of December 31, 2015. This

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

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

	Common Equity Tier 1 Capital ratio		Tier 1 Capital ratio		Total Capital ratio	
In basis points	Impact of $100 million change in Common Equity Tier 1 Capital	Impact of $1 billion change in risk-weighted assets	Impact of $100 million change in Tier 1 Capital	Impact of $1 billion change in risk-weighted assets	Impact of $100 million change in Total Capital	Impact of $1 billion change in risk-weighted assets
Citigroup						
Advanced Approaches	0.8	1.2	0.8	1.2	0.8	1.4
Standardized Approach	0.9	1.3	0.9	1.4	0.9	1.6
Citibank						
Advanced Approaches	1.1	1.6	1.1	1.6	1.1	1.7
Standardized Approach	1.0	1.3	1.0	1.3	1.0	1.5

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

	Tier 1 Leverage ratio		Supplementary Leverage ratio	
In basis points	Impact of $100 million change in Tier 1 Capital	Impact of $1 billion change in quarterly adjusted average total assets	Impact of $100 million change in Tier 1 Capital	Impact of $1 billion change in Total Leverage Exposure
Citigroup	0.6	0.6	0.4	0.3
Citibank	0.8	0.8	0.5	0.4

Citigroup Broker-Dealer Subsidiaries

At December 31, 2015, Citigroup Global Markets Inc., a U.S. broker-dealer registered with the SEC that is an indirect wholly owned subsidiary of Citigroup, had net capital, computed in accordance with the SEC's net capital rule, of approximately $7.5 billion, which exceeded the minimum requirement by approximately $6.1 billion.

Moreover, Citigroup Global Markets Limited, a broker-dealer registered with the United Kingdom's Prudential Regulation Authority (PRA) that is also an indirect wholly owned subsidiary of Citigroup, had total capital of $17.4

billion at December 31, 2015, which exceeded the PRA's minimum regulatory capital requirements.
In addition, certain of Citi’s other broker-dealer
subsidiaries are subject to regulation in the countries in which they do business, including requirements to maintain

specified levels of net capital or its equivalent. Citigroup’s other broker-dealer subsidiaries were in compliance with their capital requirements at December 31, 2015.

Basel III (Full Implementation)

Citigroup's Capital Resources Under Basel III
(Full Implementation)
Citi currently estimates that its effective minimum Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital ratio requirements under the U.S. Basel III rules, on a fully implemented basis and assuming a 3% 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, 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 December 31, 2015 and December 31, 2014.

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

In millions of dollars, except ratios	December 31, 2015		December 31, 2014[1]	
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach
Common Equity Tier 1 Capital	$146,865	$146,865	$136,597	$136,597
Tier 1 Capital	164,036	164,036	148,066	148,066
Total Capital (Tier 1 Capital + Tier 2 Capital)[2]	186,097	198,655	165,454	178,413
Total Risk-Weighted Assets	1,216,277	1,162,884	1,292,605	1,228,488
Common Equity Tier 1 Capital ratio[3][4]	12.07 %	12.63 %	10.57 %	11.12 %
Tier 1 Capital ratio[3][4]	13.49	14.11	11.45	12.05
Total Capital ratio[3][4]	15.30	17.08	12.80	14.52

In millions of dollars, except ratios	December 31, 2015	December 31, 2014[1]
Quarterly Adjusted Average Total Assets[5]	$1,724,710	$1,835,637
Total Leverage Exposure[6]	2,317,849	2,492,636
Tier 1 Leverage ratio[4]	9.51 %	8.07 %
Supplementary Leverage ratio[4]	7.08	5.94

(1) Restated to reflect the retrospective adoption of ASU 2014-01 for LIHTC investments, consistent with current period presentation.
(2) Under the Advanced Approaches framework eligible credit reserves that exceed expected credit losses are eligible for inclusion in Tier 2 Capital to the extent the excess reserves do not exceed 0.6% of credit risk-weighted assets, which differs from the Standardized Approach in which the allowance for credit losses is 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.
(3) As of December 31, 2015 and December 31, 2014, Citi's Common Equity Tier 1 Capital, Tier 1 Capital, and Total Capital ratios were the lower derived under the Basel III Advanced Approaches framework.
(4) Citi's Basel III capital ratios and related components, on a fully implemented basis, are non-GAAP financial measures. Citi believes these ratios and the related components provide useful information to investors and others by measuring Citi's progress against future regulatory capital standards.
(5) Tier 1 Leverage ratio denominator.
(6) Supplementary Leverage ratio denominator.

Common Equity Tier 1 Capital Ratio

Citi's Common Equity Tier 1 Capital ratio was 12.07% at December 31, 2015, compared to 11.67% at September 30, 2015 and 10.57% at December 31, 2014 (all based on application of the Advanced Approaches for determining total risk-weighted assets). The quarter-over-quarter increase in the ratio was largely attributable to quarterly net income of $3.3 billion and a reduction in risk-weighted assets, partially offset by movements in AOCI as well as a $1.8 billion return of capital to common shareholders in the form of share repurchases and dividends. The increase in Citi's Common Equity Tier 1 Capital ratio from year-end 2014 reflected continued growth in Common Equity Tier 1 Capital resulting from net income of $17.2 billion and the favorable effects attributable to DTA utilization of approximately $1.5 billion, offset in part by the return of $5.9 billion of capital to common shareholders and movements in AOCI.

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

In millions of dollars	December 31, 2015	December 31, 2014[1]
Common Equity Tier 1 Capital		
Citigroup common stockholders' equity[2]	$205,286	$199,841
Add: Qualifying noncontrolling interests	145	165
Regulatory Capital Adjustments and Deductions:		
Less: Accumulated net unrealized losses on cash flow hedges, net of tax[3]	(617)	(909)
Less: Cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax[4]	441	279
Less: Intangible assets:		
Goodwill, net of related deferred tax liabilities (DTLs)[5]	21,980	22,805
Identifiable intangible assets other than mortgage servicing rights (MSRs), net of related DTLs	3,586	4,373
Less: Defined benefit pension plan net assets	794	936
Less: Deferred tax assets (DTAs) arising from net operating loss, foreign tax credit and general business credit carry-forwards[6]	23,659	23,626
Less: Excess over 10%/15% limitations for other DTAs, certain common stock investments, and MSRs[6][7]	8,723	12,299
Total Common Equity Tier 1 Capital	$146,865	$136,597
Additional Tier 1 Capital		
Qualifying perpetual preferred stock[2]	$16,571	$10,344
Qualifying trust preferred securities[8]	1,365	1,369
Qualifying noncontrolling interests	31	35
Regulatory Capital Deductions:		
Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries[9]	229	279
Less: Permitted ownership interests in covered funds[10]	567	—
Total Additional Tier 1 Capital	$17,171	$11,469
Total Tier 1 Capital (Common Equity Tier 1 Capital + Additional Tier 1 Capital)	$164,036	$148,066
Tier 2 Capital		
Qualifying subordinated debt[11]	$20,744	$16,094
Qualifying trust preferred securities[12]	342	350
Qualifying noncontrolling interests	41	46
Excess of eligible credit reserves over expected credit losses[13]	1,163	1,177
Regulatory Capital Deduction:		
Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries[9]	229	279
Total Tier 2 Capital	$22,061	$17,388
Total Capital (Tier 1 Capital + Tier 2 Capital)[14]	$186,097	$165,454

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

(2) Issuance costs of $147 million and $124 million related to preferred stock outstanding at December 31, 2015 and December 31, 2014, respectively, are excluded from common stockholders' equity and netted against preferred stock in accordance with Federal Reserve Board regulatory reporting requirements, which differ from those under

U.S. GAAP.

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

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

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

(6) Of Citi's approximately $47.8 billion of net DTAs at December 31, 2015, approximately $16.8 billion of such assets were includable in regulatory capital pursuant to the U.S. Basel III rules, while approximately $31.0 billion of such assets were excluded in arriving at Common Equity Tier 1 Capital. Comprising the excluded net DTAs was an aggregate of approximately $32.4 billion of net DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards as well as temporary differences that were deducted from Common Equity Tier 1 Capital. In addition, approximately $1.4 billion of net DTLs, primarily consisting of DTLs associated with goodwill and certain other intangible assets, partially offset by DTAs related to cash flow hedges, are permitted to be excluded prior to deriving the amount of net DTAs subject to deduction under these rules. Separately, under the U.S. Basel III rules, goodwill and these other intangible assets are deducted net of associated DTLs in arriving at Common Equity Tier 1 Capital, while Citi's current cash flow hedges and the related deferred tax effects are not required to be reflected in regulatory capital.

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

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

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

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

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

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

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

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

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

In millions of dollars	Three Months Ended December 31, 2015	Twelve Months Ended December 31, 2015[1]
Common Equity Tier 1 Capital		
Balance, beginning of period	$146,451	$136,597
Net income	3,335	17,242
Dividends declared	(415)	(1,253)
Treasury stock acquired	(1,650)	(5,452)
Net increase in additional paid-in capital[2]	331	1,036
Net increase in foreign currency translation adjustment net of hedges, net of tax	(796)	(5,499)
Net increase in unrealized losses on securities AFS, net of tax	(1,131)	(964)
Net change in defined benefit plans liability adjustment, net of tax	(85)	43
Net change in cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax	276	(162)
Net change in goodwill, net of related deferred tax liabilities (DTLs)	(248)	825
Net decrease in identifiable intangible assets other than mortgage servicing rights (MSRs), net of related DTLs	325	787
Net decrease in defined benefit pension plan net assets	110	142
Net increase in deferred tax assets (DTAs) arising from net operating loss, foreign tax credit and general business credit carry-forwards	(364)	(33)
Net decrease in excess over 10%/15% limitations for other DTAs, certain common stock investments and MSRs	728	3,576
Other	(2)	(20)
Net increase in Common Equity Tier 1 Capital	$414	$10,268
Common Equity Tier 1 Capital Balance, end of period	$146,865	$146,865
Additional Tier 1 Capital		
Balance, beginning of period	$15,548	$11,469
Net increase in qualifying perpetual preferred stock[3]	1,495	6,227
Net decrease in qualifying trust preferred securities	—	(4)
Net change in permitted ownership interests in covered funds	111	(567)
Other	17	46
Net increase in Additional Tier 1 Capital	$1,623	$5,702
Tier 1 Capital Balance, end of period	$164,036	$164,036
Tier 2 Capital		
Balance, beginning of period	$21,097	$17,388
Net increase in qualifying subordinated debt	349	4,650
Net change in excess of eligible credit reserves over expected credit losses	606	(14)
Other	9	37
Net increase in Tier 2 Capital	$964	$4,673
Tier 2 Capital Balance, end of period	$22,061	$22,061
Total Capital (Tier 1 Capital + Tier 2 Capital)	$186,097	$186,097

(1)

The beginning balance of Common Equity Tier 1 Capital for the twelve months ended December 31, 2015 has been restated to reflect the retrospective adoption of ASU 2014-01 for LIHTC investments, consistent with current period presentation.

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

(3) Citi issued approximately $1.5 billion and approximately $6.3 billion of qualifying perpetual preferred stock during the three and twelve months ended December 31, 2015, respectively, which were partially offset by the netting of issuance costs of $4 million and $23 million during those respective periods.

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

	Advanced Approaches			Standardized Approach		
In millions of dollars	Citicorp	Citi Holdings	Total	Citicorp	Citi Holdings	Total
Credit Risk	$736,641	$79,819	$816,460	$1,015,070	$72,629	$1,087,699
Market Risk	70,715	4,102	74,817	71,029	4,156	75,185
Operational Risk	275,921	49,079	325,000	—	—	—
Total Risk-Weighted Assets	$1,083,277	$133,000	$1,216,277	$1,086,099	$76,785	$1,162,884

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

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

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

Total risk-weighted assets under both the Basel III Advanced Approaches and the Standardized Approach declined from year-end 2014 primarily due to a decrease in credit risk-weighted assets resulting from the impact of FX translation and the ongoing decline in Citi Holdings assets, as well as a decline in market risk-weighted assets. In addition, partially offsetting the decrease in total risk-weighted assets under the Advanced Approaches was an increase in operational risk-weighted assets reflecting an evaluation of ongoing events in the banking industry, as well as continued enhancements to Citi's operational risk model.

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

In millions of dollars	Three Months Ended December 31, 2015	Twelve Months Ended December 31, 2015[1]
Total Risk-Weighted Assets, beginning of period	$1,254,473	$1,292,605
Changes in Credit Risk-Weighted Assets		
Net decrease in retail exposures[2]	(13,856)	(26,399)
Net increase in wholesale exposures[3]	1,668	1,682
Net decrease in repo-style transactions	(935)	(2,015)
Net decrease in securitization exposures	(1,843)	(2,563)
Net increase in equity exposures	1,123	1,722
Net decrease in over-the-counter (OTC) derivatives[4]	(3,119)	(7,002)
Net decrease in derivatives CVA[5]	(789)	(4,418)
Net decrease in other exposures[6]	(8,875)	(20,845)
Net decrease in supervisory 6% multiplier[7]	(1,550)	(3,326)
Net decrease in Credit Risk-Weighted Assets	$(28,176)	$(63,164)
Changes in Market Risk-Weighted Assets		
Net decrease in risk levels[8]	$(7,662)	$(21,041)
Net decrease due to model and methodology updates[9]	(2,358)	(4,623)
Net decrease in Market Risk-Weighted Assets	$(10,020)	$(25,664)
Increase in Operational Risk-Weighted Assets[10]	$—	$12,500
Total Risk-Weighted Assets, end of period	$1,216,277	$1,216,277

(1) The beginning balance of Total Risk-Weighted Assets for the twelve months ended December 31, 2015 has been restated to reflect the retrospective adoption of ASU 2014-01 for LIHTC investments, consistent with current period presentation.

(2) Retail exposures decreased during the three months ended December 31, 2015 primarily due to reductions in loans, divestitures within the Citi Holdings portfolio, and the impact of FX translation. Retail exposures decreased during the twelve months ended December 31, 2015 primarily due to reductions in loans and commitments, divestitures within the Citi Holdings portfolio and the impact of FX translation, partially offset by the reclassification from other exposures of certain non-material portfolios.

(3) Wholesale exposures increased during the three months ended December 31, 2015 primarily due to an increase in commitments, partially offset by the impact of FX translation. Wholesale exposures increased during the twelve months ended December 31, 2015 primarily due to an increase in investments and commitments and the reclassification from other exposures of certain non-material portfolios, largely offset by the impact of FX translation.

(4) OTC derivatives decreased during the three months and twelve months ended December 31, 2015 primarily driven by exposure reduction and model updates. Further, parameter updates also contributed to the decrease in OTC derivatives during the three months ended December 31, 2015.

(5) Derivatives CVA decreased during the three months ended December 31, 2015 primarily driven by exposure reduction and parameter and model updates. Derivatives CVA decreased during the twelve months ended December 31, 2015 driven by exposure reduction, credit spread changes and model updates.

(6) Other exposures include cleared transactions, unsettled transactions, assets other than those reportable in specific exposure categories and non-material portfolios. Other exposures decreased during the three months ended December 31, 2015 primarily due to decreased cleared transaction exposures, reduction of retail non-material exposures and decreases in other assets. Other exposures decreased during the twelve months ended December 31, 2015 as a result of the reclassification to retail exposures and wholesale exposures of certain non-material portfolios, reduction in retail non-material exposures, and decreases in other assets.

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

(8) Risk levels decreased during the three and twelve months ended December 31, 2015 primarily due to a reduction in positions subject to securitization charges, the ongoing assessment regarding the applicability of the market risk capital rules to certain securitization positions, and a decrease in assets subject to standard specific risk charges. In addition, further contributing to the decline in risk levels during the twelve months ended December 31, 2015 were reductions in exposure levels subject to comprehensive risk, Value at Risk, and Stressed Value at Risk.

(9) Risk-weighted assets declined during the three months ended December 31, 2015 due to model volatility inputs. Risk-weighted assets declined during the twelve months ended December 31, 2015 due to the implementation of the "Volcker Rule."

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

Supplementary Leverage Ratio

Citigroup's Supplementary Leverage ratio was 7.08% for the fourth quarter of 2015, compared to 6.85% for the third quarter of 2015 and 5.94% for the fourth quarter of 2014. The growth in the ratio quarter-over-quarter was principally driven by an increase in Tier 1 Capital attributable largely to net income of $3.3 billion and a $1.5 billion noncumulative perpetual preferred stock issuance, as well as an overall reduction in Total Leverage Exposure resulting from reduced on-balance sheet assets and derivative exposures, partially offset by a $1.8 billion return of capital to common shareholders in the form of share repurchases and dividends. The growth in the ratio from the fourth quarter of 2014 was also principally driven by an

increase in Tier 1 Capital attributable largely to net income of $17.2 billion and approximately $6.2 billion (net of issuance costs) of noncumulative perpetual preferred stock issuances, offset in part by the return of capital to common shareholders. Further, a decrease in Total Leverage Exposure also contributed to the growth in the ratio from the fourth quarter of 2014.

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 December 31, 2015 and December 31, 2014.

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

In millions of dollars, except ratios	December 31, 2015	December 31, 2014[1]
Tier 1 Capital	$164,036	$148,066
Total Leverage Exposure (TLE)		
On-balance sheet assets[2]	$1,784,248	$1,899,955
Certain off-balance sheet exposures:[3]		
Potential future exposure (PFE) on derivative contracts	206,128	240,712
Effective notional of sold credit derivatives, net[4]	76,923	96,869
Counterparty credit risk for repo-style transactions[5]	25,939	28,073
Unconditionally cancellable commitments	58,699	61,673
Other off-balance sheet exposures	225,450	229,672
Total of certain off-balance sheet exposures	$593,139	$656,999
Less: Tier 1 Capital deductions	59,538	64,318
Total Leverage Exposure	$2,317,849	$2,492,636
Supplementary Leverage ratio	7.08%	5.94%

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

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

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

(4) 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.

(5) 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 6.65% for the fourth quarter of 2015, compared to 6.67% for the third quarter of 2015 and 6.20% for the fourth quarter of 2014. The ratio remained substantially unchanged from the third quarter of 2015 as the growth in Tier 1 Capital resulting primarily from quarterly net income and a $2.1 billion noncumulative perpetual preferred stock issuance was offset by

cash dividends paid by Citibank to its parent, Citicorp, and which were subsequently remitted to Citigroup. The increase in the ratio from the fourth quarter of 2014 was principally driven by net income and DTA utilization, as well as an overall reduction in Total Leverage Exposure, partially offset by cash dividends paid by Citibank to its parent, Citicorp, and which were subsequently remitted to Citigroup.

Regulatory Capital Standards Developments

Countercyclical Capital Buffer

In December 2015, the Federal Reserve Board released a proposed policy statement on the framework that would be followed in setting the amount of the U.S. Countercyclical Capital Buffer for Advanced Approaches banking organizations. In accordance with the U.S. Basel III rules, the amount of the applicable Countercyclical Capital Buffer is equal to the weighted average of Countercyclical Capital Buffer amounts established by the Federal Reserve Board for the national jurisdictions where the Advanced Approaches banking organization has private sector credit exposures. As a result, the Countercyclical Capital Buffer may differ for each Advanced Approaches banking organization.

The Federal Reserve Board's proposed framework for setting the U.S. Countercyclical Capital Buffer encompasses a number of financial-system vulnerabilities, as well as a wide range of financial and macroeconomic quantitative indicators. However, given that no single indicator or fixed set of indicators can adequately capture all the key vulnerabilities in the U.S. economy and financial system, the types of indicators and models considered in assessments of the appropriate level of the Countercyclical Capital Buffer are likely to change over time.

The Federal Reserve Board expects to consider the applicable level of the U.S. Countercyclical Capital Buffer at least once per year. An increase in the amount of the Countercyclical Capital Buffer for U.S.-based credit exposures would generally have an effective date 12 months after such determination, while a decrease in the amount of the Countercyclical Capital Buffer would generally become effective the day after such determination.

Revisions to the Standardized Approach for Credit Risk

In December 2015, the Basel Committee on Banking Supervision (Basel Committee) issued a second consultative document which proposes various revisions to the Standardized Approach in deriving credit risk-weighted assets. As proposed, the revised Standardized Approach seeks to balance risk sensitivity and complexity, and to promote comparability of credit risk-weighted assets across banking organizations and jurisdictions.

The proposal would, in part, revise the Standardized Approach in measuring credit risk-weighted assets with respect to certain on-balance sheet assets, such as in relation to the risk-weighting methodologies employed with respect to bank, corporate, and real estate (both residential and commercial) exposures; the treatment of off-balance sheet commitments; and aspects of the credit risk mitigation framework. Moreover, the proposal would permit the use of external credit ratings combined with due diligence requirements in the calculation of credit risk-weighted assets for exposures to banks and corporates, while also providing alternative approaches for jurisdictions that do not allow the use of external credit ratings for risk-based capital purposes, such as the U.S. Prior to finalizing the

proposal, the Basel Committee will be conducting a comprehensive quantitative impact study so as to assist with assessing the risk-weighting calibration for each of the affected exposure classes, as well as will evaluate the appropriate implementation and transitional arrangements. The U.S. banking agencies have indicated that any changes to the U.S. Basel III rules as a result of the Basel Committee's proposed revisions to the Standardized Approach would apply primarily to large, internationally active banking organizations.

Revised Minimum Capital Requirements for Market Risk

In January 2016, the Basel Committee issued a final rule which sets forth a revised market risk capital framework, resulting from the so-called "fundamental review of the trading book" and four quantitative impact studies over several years.

The final rule establishes a revised boundary between the trading book and banking book which, in part, provides more prescriptive guidance as to qualifying trading book positions as well as imposes heightened restrictions and, in certain instances, additional capital charges, on the transfer of positions between the trading book and banking book. Moreover, the final rule also revises both the internal models approach and the standardized approach in certain respects. With regard to the internal models approach, the final rule introduces a more comprehensive model to measure market risk, provides for a more granular model approval process, and reduces the regulatory capital benefits

of hedging activities and portfolio diversification. The final rule revises the standardized approach, in part, by calibrating it more closely to the internal models approach by increasing reliance on risk sensitivity inputs in the calculation of market risk capital requirements. The deadline for national jurisdictions to implement the revised market risk capital framework is January 1, 2019, with the effective date for banking organizations to begin reporting under the revised framework, subject to any required supervisory approvals, being December 31, 2019.

If the U.S. banking agencies were to adopt the Basel Committee's final rule unchanged, Citi believes its market risk-weighted assets could increase significantly. However, as set forth in the tables above, as of December 31, 2015, Citi's market risk-weighted assets constituted approximately 6% of its total risk-weighted assets. Accordingly, Citi currently believes that the overall impact to its total risk-weighted assets and thus its risk-based capital ratios would not be material. Nevertheless, the ultimate impact to Citi's market risk-weighted assets and potentially its risk-based capital ratios is uncertain and is subject to several factors including, but not limited to, the U.S. banking agencies' implementation of a final rule, potential changes in the scale and scope of future market risk model approvals as well as potential risk mitigation actions.

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

Tangible common equity (TCE), as currently defined by Citi, represents common equity less goodwill and other intangible assets (other than MSRs). Other companies may calculate TCE in a different manner. TCE and tangible book value per share are non-GAAP financial measures. Citi believes these capital metrics provide useful information, as they are used by investors and industry analysts.

In millions of dollars or shares, except per share amounts	December 31, 2015	December 31, 2014[1]
Total Citigroup stockholders' equity	$221,857	$210,185
Less: Preferred stock	16,718	10,468
Common equity	$205,139	$199,717
Less:		
Goodwill	22,349	23,592
Intangible assets (other than MSRs)	3,721	4,566
Goodwill and intangible assets (other than MSRs) related to assets held-for-sale	68	71
Tangible common equity (TCE)	$179,001	$171,488
Common shares outstanding (CSO)	2,953.3	3,023.9
Tangible book value per share (TCE/CSO)	$60.61	$56.71
Book value per share (common equity/CSO)	$	