CITIGROUP INC
Form 10-Q
August 01, 2016

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

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

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

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x
Number of shares of Citigroup Inc. common stock outstanding on June 30, 2016: 2,905,374,038

Available on the web at www.citigroup.com

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OVERVIEW

This Quarterly Report on Form 10-Q should be read in conjunction with Citigroup's Annual Report on Form 10-K for the year ended December 31, 2015, including the historical audited consolidated financial statements of Citigroup reflecting certain realignments and reclassifications set forth in Citigroup's Current Report on Form 8-K filed with the SEC on June 17, 2016 (2015 Annual Report on Form 10-K), and Citigroup's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016 (First Quarter of 2016 Form 10-Q). Additional information about Citigroup is available on Citi's website at www.citigroup.com. Citigroup's recent annual reports on Form 10-K, quarterly reports on Form 10-Q, proxy statements, as well as other filings with the SEC, are available free of charge through Citi's website by clicking on the "Investors" page and selecting "All SEC Filings." The SEC's website also contains current reports, information statements, and other information regarding Citi at www.sec.gov.
Certain reclassifications have been made to the prior periods' financial statements to conform to the current period's presentation. For additional information on certain recent reclassifications, see Note 3 to the Consolidated Financial Statements.
Throughout this report, "Citigroup," "Citi" and "the Company" refer to Citigroup Inc. and its consolidated subsidiaries.

Citigroup is managed pursuant to the following segments:
The following are the four regions in which Citigroup operates. The regional results are fully reflected in the segment results above.

(1) 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.

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

EXECUTIVE SUMMARY

Second Quarter of 2016—Solid Performance in Continued Challenging Environment
Citi reported solid operating results in the second quarter of 2016 despite a continued challenging environment characterized by market volatility, macroeconomic uncertainties and a low interest rate environment. The referendum in the United Kingdom on June 23, 2016 further added to the uncertainty during the quarter, although capital markets activity increased in the days preceding and following the referendum vote, contributing to year-over-year revenue growth in Citi's market sensitive businesses, primarily its markets businesses in the Institutional Clients Group (ICG).
As described further throughout this Executive Summary, despite the market environment, Citi showed continued progress in several areas. In North America Global Consumer Banking (GCB), Citi's ongoing investments in Citi-branded cards drove growth in average loans and purchase sales. North America GCB also completed the acquisition of the Costco portfolio and renewed and extended several of its partnership programs, including with American Airlines and The Home Depot. International GCB generated positive operating leverage, highlighted by solid year-over-year growth in Mexico. In ICG, Citi continued to win new mandates and support clients around the world, generating year-over-year growth in treasury and trade solutions and fixed income markets, particularly in rates and currencies.
In Citicorp, loans and deposits both increased 4%. Excluding the impact of foreign currency translation into U.S. dollars for reporting purposes (FX translation), Citicorp loans and deposits both increased 6%. (Citi's results of operations excluding the impact of FX translation are non-GAAP financial measures.) Citi Holdings decreased further, constituting only 2% of Citigroup's net income in the current quarter and 4% of Citigroup's GAAP assets as of the end of the second quarter of 2016. During the quarter, Citi utilized approximately $900 million in deferred tax assets (DTAs), which contributed to a net increase of $1.5 billion of regulatory capital, and each of Citigroup's key regulatory capital metrics further increased. For additional information on Citi's DTAs, see "Income Taxes" below.
Citi was also pleased to learn that the Federal Reserve Board did not object to the capital plan Citi submitted as part of the 2016 Comprehensive Capital Analysis and Review (CCAR). As a result, and as previously disclosed, Citi intends to return approximately $10.4 billion of capital to its shareholders over the next four quarters beginning with the third quarter of 2016 (for additional information, see "Equity Security Repurchases" and "Dividends" below). This result, combined with the feedback Citi received during the quarter that neither the Federal Reserve Board nor the FDIC found any deficiencies in Citi's 2015 resolution plan, further demonstrates the progress Citi has made.
As noted above, however, while market activity increased following the referendum in the United Kingdom, Citi expects

the operating environment to continue to be challenging, as many risks and uncertainties remain, including significant uncertainties arising from the vote in favor of the United Kingdom's withdrawal from the European Union. For a more detailed discussion of these risks and uncertainties, see each respective business' results of operations, "Managing Global Risk" (including "Country Risk") and "Forward-Looking Statements" below as well as the "Risk Factors" section in Citi's 2015 Annual Report on Form 10-K.

Second Quarter 2016 Summary Results

Citigroup
Citigroup reported net income of $4.0 billion, or $1.24 per share, compared to $4.8 billion, or $1.51 per share, in the prior-year period. Results in the second quarter of 2015 included $312 million ($196 million after-tax) of CVA/DVA. Excluding the impact of CVA/DVA in the prior-year period, Citigroup reported net income of $4.0 billion in the second quarter of 2016, or $1.24 per share, compared to $4.7 billion, or $1.45 per share, in the prior-year period. (Citi's results of operations excluding the impact of CVA/DVA are non-GAAP financial measures.) The 14% decrease from

the prior-year period was primarily driven by lower revenues and a slightly higher effective tax rate (see “Income Taxes” below), partially offset by lower cost of credit and lower expenses.
Citi’s revenues were $17.5 billion in the second quarter of 2016, a decrease of 10% from the prior-year period driven by a 5% decline in Citicorp and a 57% decline in Citi Holdings. Excluding CVA/DVA in the second quarter of 2015, revenues were down 8% from the prior-year period, as Citicorp revenues decreased 3% and Citi Holdings revenues also decreased 57%. Excluding CVA/DVA in the second quarter of 2015 and the impact of FX translation (which lowered revenues by approximately $537 million in the second quarter of 2016 compared to the prior-year period), Citigroup revenues decreased 6% from the prior-year period, driven by a 56% decrease in Citi Holdings, while Citicorp revenues were largely unchanged versus the prior-year period.

Expenses

Citigroup expenses decreased 5% versus the prior-year period as lower expenses in Citi Holdings and a benefit from the impact of FX translation were partially offset by ongoing investments in Citicorp. FX translation lowered expenses by approximately $316 million in the second quarter of 2016 compared to the prior-year period.
Citicorp expenses decreased 1% reflecting efficiency savings and a benefit from the impact of FX translation, partially offset by ongoing investments in the franchise.
Citi Holdings’ expenses were $858 million, down 37% from the prior-year period, primarily driven by the ongoing decline in Citi Holdings assets, partially offset by a modest increase in legal and related expenses. Citi Holdings’ legal

and related expenses in the second quarter of 2016 were $116 million, compared to $79 million in the prior-year period.

Credit Costs

Citi's total provisions for credit losses and for benefits and claims of $1.4 billion decreased 15% from the prior-year period, as lower net credit losses were partially offset by lower net loan loss reserve releases.

Net credit losses of $1.6 billion declined 16% versus the prior-year period. Consumer net credit losses declined 19% to $1.5 billion, mostly reflecting continued improvements in North America Citi-branded cards and Citi retail services in Citicorp as well as continued improvement in the North America mortgage portfolio and ongoing divestiture activity within Citi Holdings. Corporate net credit losses increased 33% to $142 million, mostly related to the energy portfolio, with roughly two-thirds of the corporate net credit losses offset by related reserve releases (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 $256 million in the second quarter of 2016, compared to a $453 million release in the prior-year period. Citicorp's net reserve release was $27 million, compared to a net loan loss reserve release of $270 million in the prior-year period. The smaller net reserve release in the second quarter of 2016 was primarily driven by the absence of prior-period net loan loss reserve releases in GCB and a smaller net reserve release in ICG. Citi's credit quality largely remained favorable across the franchise during the quarter. The allowance for loan losses attributable to energy and energy-related loans in ICG decreased to 3.9% of funded exposures as of the second quarter of 2016, compared to 4.2% of funded exposures as of the first quarter of 2016, as net credit losses in the portfolio were offset by previously-established reserves.

Citi Holdings' net reserve release increased $46 million from the prior-year period to $229 million, primarily reflecting the impact of asset sales in the current quarter.

For additional information on Citi's consumer (including commercial) and corporate credit costs and allowance for loan losses, see "Credit Risk" below.

Capital

As noted above, Citi continued to grow its regulatory capital during the second quarter of 2016, even as it returned approximately $1.5 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 14.1% and 12.5% as of June 30, 2016, respectively, compared to 12.5% and 11.4% as of June 30, 2015 (all based on the Basel III Advanced Approaches for determining risk-weighted assets). Citigroup's Supplementary Leverage ratio as of June 30, 2016, on a fully implemented basis, was 7.5%, compared to 6.7% as of June 30, 2015. For additional information on Citi's capital ratios and related components, including the impact of Citi's DTAs on its capital ratios, see "Capital Resources" below.

Citicorp

Citicorp net income decreased 17% from the prior-year period to $3.9 billion. CVA/DVA, recorded in ICG, was $303 million ($190 million after-tax) in second quarter of 2015 (for a summary of CVA/DVA by business within ICG, see "Institutional Clients Group" below). Excluding CVA/DVA in the second quarter of 2015, Citicorp's net income decreased 13% from the prior-year period, primarily driven by the lower revenues and higher cost of credit, partially offset by lower expenses.

Citicorp revenues decreased 5% from the prior-year period to $16.7 billion driven by a 6% decline in GCB revenues, a 1% decline in ICG revenues and lower revenues in Corporate/Other. Excluding CVA/DVA in the second quarter of 2015, Citicorp revenues decreased 3% from the prior-year period, driven by a 6% decrease in GCB revenues, partially offset by a 2% increase in ICG revenues. As referenced above, excluding CVA/DVA in the prior-year period and the impact of FX translation, Citicorp's revenues were approximately unchanged versus the prior-year period, as growth in the ICG franchise was offset by lower GCB revenues as well as the absence of prior-period real estate gains in Corporate/Other.

GCB revenues of $7.7 billion decreased 6% versus the prior-year period. Excluding the impact of FX translation, GCB revenues decreased 2%, as decreases in North America GCB and Asia GCB were partially offset by an increase in Latin America GCB. North America GCB revenues decreased 3% to $4.8 billion, driven by lower revenues in Citi-branded cards, Citi retail services and retail banking. Citi-branded cards revenues of $1.9 billion were down 1% versus the prior-year period, as a modest benefit from the previously disclosed acquisition of the Costco portfolio (acquired June 17, 2016) was offset by the continued impact of higher rewards costs and higher payment rates. Citi retail services revenues of $1.5 billion decreased 4% versus the prior-year period, primarily driven by the impact of renewing and extending several partnership programs (including The Home Depot as referenced above) as well as the absence of revenues associated with two portfolios sold in the first quarter of 2016. Retail banking revenues decreased 4% from the prior-year period to $1.3 billion as lower mortgage activity was only partially offset by continued growth in consumer and commercial banking.

North America GCB average deposits of $182 billion grew 1% year-over-year and average retail banking loans of $54 billion grew 10%. Average Citi retail services loans of $43 billion and retail services purchase sales of $20 billion were each largely unchanged versus the prior-year period. Average Citi-branded card loans of $67 billion increased 6%, while Citi-branded card purchase sales of $53 billion increased 15% versus the prior-year period, each including the impact of the Costco portfolio acquisition. For additional information on the results of operations of North America GCB for the second quarter of 2016, including the impact of the Costco acquisition to North America GCB's loans and purchase sales, see "Global Consumer Banking—North America GCB" below.

International GCB revenues (consisting of Latin America GCB and Asia GCB (which includes EMEA GCB for reporting purposes)) decreased 9% versus the prior-year period to $3.0 billion driven by declines in Latin America GCB (13%) and Asia GCB (7%). Excluding the impact of FX translation, international GCB revenues were approximately unchanged versus the prior-year period. Latin America GCB revenues increased 4% versus the prior-year period, as the impact of growth in retail banking loans, deposits and card purchase sales was partially offset by a continued decline in card balances, driven by ongoing higher payment rates. Asia GCB revenues declined 4% versus the prior-year period, driven by lower wealth management and retail lending revenues, while card revenues were unchanged from the prior-year period. For additional information on the results of operations of Latin America GCB and Asia GCB for the second quarter of 2016, including the impact of FX translation, see "Global Consumer Banking" below. Excluding the impact of FX translation, international GCB average deposits of $117 billion increased 4%, average retail loans of $87 billion decreased 1%, investment sales of $13 billion decreased 28%, average card loans of $23 billion increased 1% and card purchase sales of $23 billion increased 3%.

ICG revenues were $8.8 billion in the second quarter of 2016, down 1% from the prior-year period driven by a 2% increase in Markets and securities services and 5% decline in Banking. Excluding CVA/DVA in the second quarter of 2015, ICG revenues increased 2% driven by a 10% increase in Markets and securities services revenues, partially offset by a 5% decrease in Banking revenues.

Banking revenues of $4.4 billion (excluding CVA/DVA in the second quarter of 2015 and the impact of mark-to-market gains / (losses) on hedges related to accrual loans within corporate lending (see below)) decreased 2% compared to the prior-year period, primarily driven by lower industry-wide investment banking activity during the current quarter and lower corporate lending revenues, partially offset by growth in treasury and trade solutions. Investment banking revenues of $1.2 billion decreased 6% versus the prior-year period. Advisory revenues decreased 7% to $238 million driven by lower activity in the current quarter. Equity underwriting revenues decreased 41% to $174 million, largely driven by lower industry-wide equity underwriting activity. Debt underwriting revenues increased 9% to $805 million, largely reflecting an increase in wallet share.

Private bank revenues decreased 1% (also 1% excluding CVA/DVA in the second quarter of 2015) to $738 million from the prior-year period, primarily driven by lower capital markets and managed investment revenues. Corporate lending revenues decreased 55% to $186 million, including $203 million of mark-to-market losses on hedges related to accrual loans, compared to $66 million of losses in the prior-year period. Excluding the impact of mark-to-market losses on loan hedges, corporate lending revenues decreased 18% versus the prior-year period, as higher loan volumes were more than offset by an adjustment to the residual value of a lease financing as well as higher hedging costs. Treasury and trade solutions revenues of $2.0 billion increased 5% from the prior-year period. Excluding the impact of FX translation, treasury

and trade solutions revenues increased 9% reflecting continued growth in transaction volumes.

Markets and securities services revenues of $4.7 billion (excluding CVA/DVA in the second quarter of 2015) increased 10% from the prior-year period. Fixed income markets revenues of $3.5 billion increased 4% (14% excluding CVA/DVA in the second quarter of 2015) from the prior-year period, driven by an increase in corporate client activity in rates and currencies as well as a better trading environment in the current quarter, partially offset by lower revenues in securitized products driven by decreased trading opportunities. Equity markets revenues of $788 million increased 19% (21% excluding CVA/DVA in the second quarter of 2015) versus the prior-year period. The second quarter of 2015 included a previously disclosed charge to revenues of $175 million for valuation adjustments related to certain financing transactions. Excluding this adjustment, equity markets revenues decreased 4% driven by lower market activity as well as the comparison to strong trading performance in Asia in the prior-year period. Securities services revenues of $531 million decreased 7% versus the prior-year period. Excluding the impact of FX translation, securities services revenues declined 3% largely reflecting the absence of revenues from divested businesses. For additional information on the results of operations of ICG for the second quarter of 2016, see "Institutional Clients Group" below.

Corporate/Other revenues were $126 million, down 66% from the prior-year period, mostly reflecting the absence of real estate gains in the prior-year period, as well as lower debt buyback activity. For additional information on the

results of operations of Corporate/Other for the second quarter of 2016, see "Corporate/Other" below.
Citicorp end-of-period loans increased 4% to $592 billion from the prior-year period, driven by a 5% increase in corporate loans and a 4% increase in consumer loans. Excluding the impact of FX translation, Citicorp loans grew 6%, with 6% growth in both corporate and consumer loans.

Citi Holdings

Citi Holdings' net income was $93 million in the second quarter of 2016, compared to net income of $156 million in the prior-year period. CVA/DVA was $9 million ($6 million after-tax) in the second quarter of 2015. Excluding the impact of CVA/DVA in the prior-year period, Citi Holdings' net income was $93 million, compared to $150 million in the prior-year period, primarily reflecting lower revenues, partially offset by lower expenses and lower credit costs.
Citi Holdings' revenues were $843 million down 57% from the prior-year period. Excluding CVA/DVA in the second quarter of 2015, Citi Holdings' revenues also decreased 57% from the prior-year period, mainly reflecting continued reductions in Citi Holdings assets and lower net gains on asset sales. For additional information on the results of operations of Citi Holdings for the second quarter of 2016, see "Citi Holdings" below.
At the end of the current quarter, Citi Holdings' assets were $66 billion, 47% below the prior-year period, and represented approximately 4% of Citi's total GAAP assets. Citi Holdings' risk-weighted assets were $121 billion as of

June 30, 2016, a decrease of 31% from the prior-year period, and represented 10% of Citi's risk-weighted assets under Basel III (based on the Advanced Approaches for determining risk-weighted assets).

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

	Second Quarter			Six Months		
In millions of dollars, except per-share amounts and ratios	2016	2015	% Change	2016	2015	% Change
Net interest revenue	$11,236	$11,822	(5)%	$22,463	$23,394	(4)%
Non-interest revenue	6,312	7,648	(17)	12,640	15,812	(20)
Revenues, net of interest expense	$17,548	$19,470	(10)%	$35,103	$39,206	(10)%
Operating expenses	10,369	10,928	(5)	20,892	21,812	(4)
Provisions for credit losses and for benefits and claims	1,409	1,648	(15)	3,454	3,563	(3)
Income from continuing operations before income taxes	$5,770	$6,894	(16)%	$10,757	$13,831	(22)%
Income taxes	1,723	2,036	(15)	3,202	4,156	(23)
Income from continuing operations	$4,047	$4,858	(17)%	$7,555	$9,675	(22)%
Income (loss) from discontinued operations, net of taxes[1]	(23)	6	NM	(25)	1	NM
Net income before attribution of noncontrolling interests	$4,024	$4,864	(17)%	$7,530	$9,676	(22)%
Net income attributable to noncontrolling interests	26	18	44	31	60	(48)
Citigroup's net income	$3,998	$4,846	(17)%	$7,499	$9,616	(22)%
Less:						
Preferred dividends—Basic	$322	$202	59 %	$532	$330	61 %
Dividends and undistributed earnings allocated to employee restricted and deferred shares that contain nonforfeitable rights to dividends, applicable to basic EPS	53	64	(17)	93	126	(26)
Income allocated to unrestricted common shareholders for basic and diluted EPS	$3,623	$4,580	(21)%	$6,874	$9,160	(25)%
Earnings per share						
Basic						
Income from continuing operations	$1.25	$1.51	(17)	$2.36	$3.03	(22)
Net income	1.24	1.52	(18)	2.35	3.03	(22)
Diluted						
Income from continuing operations	$1.25	$1.51	(17)%	$2.36	$3.02	(22)%
Net income	1.24	1.51	(18)	2.35	3.02	(22)
Dividends declared per common share	0.05	0.05	—	0.10	0.06	67

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

SUMMARY OF SELECTED FINANCIAL DATA—PAGE 2

	Citigroup Inc. and Consolidated Subsidiaries					
	Second Quarter			Six Months		
In millions of dollars, except per-share amounts, ratios and direct staff	2016	2015	% Change	2016	2015	% Change
At June 30:						
Total assets	$1,818,771	$1,829,370	(1)%			
Total deposits	937,852	908,037	3			
Long-term debt	207,448	211,845	(2)			
Citigroup common stockholders' equity	212,635	205,472	3			
Total Citigroup stockholders' equity	231,888	219,440	6			
Direct staff (in thousands)	220	238	(8)			
Performance metrics						
Return on average assets	0.89 %	1.06 %		0.84 %	1.05 %	
Return on average common stockholders' equity[2]	7.0	9.1		6.7	9.2	
Return on average total stockholders' equity[2]	7.0	8.9		6.7	9.0	
Efficiency ratio (Total operating expenses/Total revenues)	59	56		60	56	
Basel III ratios—full implementation						
Common Equity Tier 1 Capital[3]	12.54 %	11.37 %				
Tier 1 Capital[3]	14.12	12.54				
Total Capital[3]	16.14	14.14				
Supplementary Leverage ratio[4]	7.48	6.72				
Citigroup common stockholders' equity to assets	11.69 %	11.23 %				
Total Citigroup stockholders' equity to assets	12.75	12.00				
Dividend payout ratio[5]	4.0	3.3		4.3	2.0	
Book value per common share	$73.19	$68.27	7 %			
Tangible book value (TBV) per share[6]	$63.53	$59.18	7 %			
Ratio of earnings to fixed charges and preferred stock dividends	2.63x	3.05x		2.59x	3.09x	

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

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

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

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

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

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

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

	Second Quarter			Six Months		
In millions of dollars	2016	2015	% Change	2016	2015	% Change
Income (loss) from continuing operations						
CITICORP						
Global Consumer Banking						
North America	$842	$1,085	(22)%	$1,702	$2,238	(24)%
Latin America	184	190	(3)	340	410	(17)
Asia[1]	297	336	(12)	512	675	(24)
Total	$1,323	$1,611	(18)%	$2,554	$3,323	(23)%
Institutional Clients Group						
North America	$1,059	$1,079	(2)%	$1,643	$2,106	(22)%
EMEA	720	695	4	1,119	1,630	(31)
Latin America	396	430	(8)	733	805	(9)
Asia	540	656	(18)	1,179	1,293	(9)
Total	$2,715	$2,860	(5)%	$4,674	$5,834	(20)%
Corporate/Other	(89)	231	NM	(118)	212	NM
Total Citicorp	$3,949	$4,702	(16)%	$7,110	$9,369	(24)%
Citi Holdings	$98	$156	(37)%	$445	$306	45 %
Income from continuing operations	$4,047	$4,858	(17)%	$7,555	$9,675	(22)%
Discontinued operations	$(23)	$6	NM	$(25)	$1	NM
Net income attributable to noncontrolling interests	26	18	44 %	31	60	(48)%
Citigroup's net income	$3,998	$4,846	(17)%	$7,499	$9,616	(22)%

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

CITIGROUP REVENUES

	Second Quarter			Six Months		
In millions of dollars	2016	2015	% Change	2016	2015	% Change
CITICORP						
Global Consumer Banking						
North America	$4,756	$4,895	(3)%	$9,630	$9,955	(3)%
Latin America	1,248	1,432	(13)	2,489	2,864	(13)
Asia[1]	1,729	1,857	(7)	3,384	3,667	(8)
Total	$7,733	$8,184	(6)%	$15,503	$16,486	(6)%
Institutional Clients Group						
North America	$3,478	$3,523	(1)%	$6,524	$6,914	(6)%
EMEA	2,615	2,565	2	4,822	5,465	(12)
Latin America	1,033	1,027	1	2,008	2,018	—
Asia	1,720	1,831	(6)	3,528	3,626	(3)
Total	$8,846	$8,946	(1)%	$16,882	$18,023	(6)%
Corporate/Other	126	371	(66)	400	583	(31)
Total Citicorp	$16,705	$17,501	(5)%	$32,785	$35,092	(7)%
Citi Holdings	$843	$1,969	(57)%	$2,318	$4,114	(44)%
Total Citigroup Net Revenues	$17,548	$19,470	(10)%	$35,103	$39,206	(10)%

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

SEGMENT BALANCE SHEET[1]

In millions of dollars	Global Consumer Banking	Institutional Clients Group	Corporate/Other and consolidating eliminations[2]	Subtotal Citicorp	Citi Holdings	Citigroup Parent company-issued long-term debt and stockholders' equity[3]	Total Citigroup consolidated
Assets							
Cash and deposits with banks	$9,730	$63,802	$ 75,797	$149,329	$804	$—	$150,133
Federal funds sold and securities borrowed or purchased under agreements to resell	213	227,715	—	227,928	755	—	228,683
Trading account assets	5,859	261,906	481	268,246	3,518	—	271,764
Investments	8,178	112,605	229,927	350,710	5,583	—	356,293
Loans, net of unearned income and allowance for loan losses	277,581	304,077	—	581,658	39,553	—	621,211
Other assets	42,136	87,812	47,374	177,322	13,365	—	190,687
Liquidity assets[4]	57,856	244,154	(304,566)	(2,556)	2,556	—	—
Total assets	$401,553	$1,302,071	$ 49,013	$1,752,637	$66,134	$—	$1,818,771
Liabilities and equity							
Total deposits	$301,979	$606,817	$ 22,680	$931,476	$6,376	$—	$937,852
Federal funds purchased and securities loaned or sold under agreements to repurchase	3,885	154,076	—	157,961	40	—	158,001
Trading account liabilities	(3)	135,064	555	135,616	691	—	136,307
Short-term borrowings	44	18,362	—	18,406	2	—	18,408
Long-term debt[3]	1,448	32,286	20,913	54,647	4,115	148,686	207,448
Other liabilities	18,037	87,108	17,508	122,653	5,081	—	127,734
Net inter-segment funding (lending)[3]	76,163	268,358	(13,776)	330,745	49,829	(380,574)	—
Total liabilities	$401,553	$1,302,071	$ 47,880	$1,751,504	$66,134	$(231,888)	$1,585,750
Total equity[5]	—	—	1,133	1,133	—	231,888	233,021
Total liabilities and equity	$401,553	$1,302,071	$ 49,013	$1,752,637	$66,134	$—	$1,818,771

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

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

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

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

(5) Citicorp equity represents noncontrolling interests.

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 (consisting of Citi's consumer banking businesses in Mexico) and Asia) and Institutional Clients Group (which includes Banking and Markets and securities services). Citicorp also includes Corporate/Other. At June 30, 2016, Citicorp had approximately $1.8 trillion of assets and $932 billion of deposits, representing approximately 96% of Citi's total assets and 99% of Citi's total deposits.

	Second Quarter			Six Months		
In millions of dollars except as otherwise noted	2016	2015	% Change	2016	2015	% Change
Net interest revenue	$10,687	$10,622	1 %	$21,317	$20,935	2 %
Non-interest revenue	6,018	6,879	(13)	11,468	14,157	(19)
Total revenues, net of interest expense	$16,705	$17,501	(5)%	$32,785	$35,092	(7)%
Provisions for credit losses and for benefits and claims						
Net credit losses	$1,514	$1,586	(5)%	$3,095	$3,074	1 %
Credit reserve build (release)	(2)	(220)	99	191	(250)	NM
Provision for loan losses	$1,512	$1,366	11 %	$3,286	$2,824	16 %
Provision for benefits and claims	20	21	(5)	48	49	(2)
Provision for unfunded lending commitments	(25)	(50)	50	48	(82)	NM
Total provisions for credit losses and for benefits and claims	$1,507	$1,337	13 %	$3,382	$2,791	21 %
Total operating expenses	$9,511	$9,566	(1)%	$19,206	$19,065	1 %
Income from continuing operations before taxes	$5,687	$6,598	(14)%	$10,197	$13,236	(23)%
Income taxes	1,738	1,896	(8)	3,087	3,867	(20)
Income from continuing operations	$3,949	$4,702	(16)%	$7,110	$9,369	(24)%
Income (loss) from discontinued operations, net of taxes	(23)	6	NM	(25)	1	NM
Noncontrolling interests	21	18	17	25	59	(58)
Net income	$3,905	$4,690	(17)%	$7,060	$9,311	(24)%
Balance sheet data (in billions of dollars)						
Total end-of-period (EOP) assets	$1,753	$1,705	3 %			
Average assets	$1,736	$1,714	1	$1,718	$1,717	—
Return on average assets	0.90 %	1.10 %		0.83 %	1.09 %	
Efficiency ratio	57 %	55 %		59 %	54 %	
Total EOP loans	$592	$568	4			
Total EOP deposits	$932	$896	4			

NM Not meaningful

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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 focused on its priority markets in the U.S., Mexico and Asia with 2,681 branches in 19 countries as of June 30, 2016. At June 30, 2016, GCB had approximately $402 billion of assets and $302 billion of deposits.

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

	Second Quarter			Six Months		
In millions of dollars except as otherwise noted	2016	2015	% Change	2016	2015	% Change
Net interest revenue	$6,364	$6,457	(1)%	$12,770	$12,918	(1)%
Non-interest revenue	1,369	1,727	(21)	2,733	3,568	(23)
Total revenues, net of interest expense	$7,733	$8,184	(6)%	$15,503	$16,486	(6)%
Total operating expenses	$4,304	$4,338	(1)%	$8,712	$8,643	1 %
Net credit losses	$1,373	$1,504	(9)%	$2,743	$2,993	(8)%
Credit reserve build (release)	24	(97)	NM	109	(246)	NM
Provision (release) for unfunded lending commitments	8	(4)	NM	10	(4)	NM
Provision for benefits and claims	20	21	(5)	48	49	(2)
Provisions for credit losses and for benefits and claims	$1,425	$1,424	— %	$2,910	$2,792	4 %
Income from continuing operations before taxes	$2,004	$2,422	(17)%	$3,881	$5,051	(23)%
Income taxes	681	811	(16)	1,327	1,728	(23)
Income from continuing operations	$1,323	$1,611	(18)%	$2,554	$3,323	(23)%
Noncontrolling interests	1	5	(80)	3	1	NM
Net income	$1,322	$1,606	(18)%	$2,551	$3,322	(23)%
Balance Sheet data (in billions of dollars)						
Average assets	$388	$381	2 %	$383	$381	1 %
Return on average assets	1.37 %	1.69 %		1.34 %	1.76 %	
Efficiency ratio	56 %	53 %		56 %	52 %	
Total EOP assets	$402	$382	5			
Average deposits	$299	$298	—	$297	$298	—
Net credit losses as a percentage of average loans	2.02 %	2.21 %		2.03 %	2.21 %	
Revenue by business						
Retail banking	$3,272	$3,533	(7)%	$6,488	$7,071	(8)%
Cards[1]	4,461	4,651	(4)	9,015	9,415	(4)
Total	$7,733	$8,184	(6)%	$15,503	$16,486	(6)%
Income from continuing operations by business						
Retail banking	$489	$549	(11)%	$806	$1,128	(29)%
Cards[1]	834	1,062	(21)	1,748	2,195	(20)
Total	$1,323	$1,611	(18)%	$2,554	$3,323	(23)%

Table continues on next page.

Foreign currency (FX) translation impact						
Total revenue—as reported	$7,733	$8,184	(6)%	$15,503	$16,486	(6)%
Impact of FX translation[2]	—	(299)		—	(597)	
Total revenues—ex-FX[3]	$7,733	$7,885	(2)%	$15,503	$15,889	(2)%
Total operating expenses—as reported	$4,304	$4,338	(1)%	$8,712	$8,643	1 %
Impact of FX translation[2]	—	(135)		—	(276)	
Total operating expenses—ex-FX[3]	$4,304	$4,203	2 %	$8,712	$8,367	4 %
Total provisions for LLR & PBC—as reported	$1,425	$1,424	— %	$2,910	$2,792	4 %
Impact of FX translation[2]	—	(57)		—	(121)	
Total provisions for LLR & PBC—ex-FX[3]	$1,425	$1,367	4 %	$2,910	$2,671	9 %
Net income—as reported	$1,322	$1,606	(18)%	$2,551	$3,322	(23)%
Impact of FX translation[2]	—	(73)		—	(135)	
Net income—ex-FX[3]	$1,322	$1,533	(14)%	$2,551	$3,187	(20)%

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

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

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

NM Not meaningful

NORTH AMERICA GCB

North America GCB provides traditional retail banking, including commercial banking, and its Citi-branded cards and Citi retail services card products to retail customers and small to mid-size businesses, as applicable, in the U.S. North America GCB's U.S. cards product portfolio includes its proprietary portfolio (including the Citi Double Cash, Thank You and Value cards) and co-branded cards (including, among others, American Airlines, Costco and Hilton Worldwide) within Citi-branded cards as well as its co-brand and private label relationships within Citi retail services. As of June 30, 2016, North America GCB's 729 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 June 30, 2016, North America GCB had approximately 10.8 million retail banking customer accounts, $54.8 billion of retail banking loans and $183.3 billion of deposits. In addition, North America GCB had approximately 120.7 million Citi-branded and Citi retail services credit card accounts (including approximately 8 million as a result of Citi's completion of the acquisition of the Costco portfolio on June 17, 2016) with $120.8 billion in outstanding card loan balances (including approximately $11 billion as a result of the Costco portfolio acquisition).

	Second Quarter		%	Six Months		%
In millions of dollars, except as otherwise noted	2016	2015	Change	2016	2015	Change
Net interest revenue	$4,377	$4,312	2 %	$8,819	$8,648	2 %
Non-interest revenue	379	583	(35)	811	1,307	(38)
Total revenues, net of interest expense	$4,756	$4,895	(3)%	$9,630	$9,955	(3)%
Total operating expenses	$2,432	$2,316	5 %	$4,938	$4,657	6 %
Net credit losses	$953	$999	(5)%	$1,885	$1,959	(4)%
Credit reserve build (release)	50	(108)	NM	129	(207)	NM
Provision for unfunded lending commitments	7	—	NM	8	1	NM
Provisions for benefits and claims	8	9	(11)	17	19	(11)
Provisions for credit losses and for benefits and claims	$1,018	$900	13 %	$2,039	$1,772	15 %
Income from continuing operations before taxes	$1,306	$1,679	(22)%	$2,653	$3,526	(25)%
Income taxes	464	594	(22)	951	1,288	(26)
Income from continuing operations	$842	$1,085	(22)%	$1,702	$2,238	(24)%
Noncontrolling interests	(1)	—	(100)	(1)	1	NM
Net income	$843	$1,085	(22)%	$1,703	$2,237	(24)%
Balance Sheet data (in billions of dollars)						
Average assets	$219	$207	6 %	$216	$208	4 %
Return on average assets	1.55 %	2.10 %		1.59 %	2.17 %	
Efficiency ratio	51 %	47 %		51 %	47 %	
Average deposits	$182.1	$179.9	1	$181.4	$180.2	1
Net credit losses as a percentage of average loans	2.34 %	2.58 %		2.33 %	2.54 %	
Revenue by business						
Retail banking	$1,330	$1,379	(4)%	$2,637	$2,793	(6)%
Citi-branded cards	1,907	1,933	(1)	3,787	3,942	(4)
Citi retail services	1,519	1,583	(4)	3,206	3,220	—
Total	$4,756	$4,895	(3)%	$9,630	$9,955	(3)%
Income from continuing operations by business						
Retail banking	$178	$207	(14)%	$276	$417	(34)%
Citi-branded cards	334	499	(33)	700	1,038	(33)
Citi retail services	330	379	(13)	726	783	(7)
Total	$842	$1,085	(22)%	$1,702	$2,238	(24)%

NM Not meaningful

2Q16 vs. 2Q15
Net income decreased by 22% due to lower revenues, higher expenses and a net loan loss reserve build, partially offset by lower net credit losses.
Revenues decreased 3%, reflecting lower revenues in retail banking, Citi-branded cards and Citi retail services.
Retail banking revenues decreased 4%. The decrease was primarily driven by a decline in mortgage gain on sale revenues due to lower mortgage originations and lower mortgage servicing revenues. This decline in retail banking revenues was partially offset by continued growth in consumer and commercial banking, including growth in average loans (10%) and average checking deposits (9%), as well as improvement in spreads driven by improved deposit mix and higher interest rates.
Cards revenues decreased 3%. In Citi-branded cards, revenues decreased 1%, primarily reflecting the continued impact of higher rewards costs and higher customer payment rates, partially offset by a modest benefit from the previously disclosed acquisition of the Costco portfolio. Average active accounts grew 10% (5% excluding the Costco portfolio acquisition), average loans grew 6% (3% excluding Costco) and purchase sales grew 15% (10% excluding Costco), in each case driven by the continued investment spending (discussed below).
Citi retail services revenues decreased 4%. The decrease was primarily due to the impact of renewing and extending several partnerships in a competitive environment, principally that with The Home Depot, as well as the absence of revenues associated with two portfolios sold in the first quarter of 2016. Purchase sales and average loans were largely unchanged. North America GCB expects revenues within Citi retail services to remain relatively unchanged to the current quarter level during at least the remainder of 2016 as expected overall volume growth is likely to be offset by the impact of absorbing the more competitive terms of the partnership renewals.
Expenses increased 5%, primarily due to the continued investment spending (including for the Costco portfolio acquisition and continued marketing investments, among other areas), partially offset by efficiency savings. North America GCB expects continued higher expenses related to Costco and other Citi-branded cards investments in the near term. In addition, during the second quarter of 2016, Citi renewed and extended its partnership with American Airlines. North America GCB currently expects the impact of the renewal could lower pretax earnings in Citi-branded cards modestly during the remainder of 2016, primarily due to higher expenses.
Provisions increased 13%, largely due to a net loan loss reserve build ($57 million), compared to a loan loss reserve release in the prior-year period ($108 million), partially offset by lower net credit losses (5%) in each of Citi-branded cards and Citi retail services. The net loan loss reserve build was driven by Citi-branded cards due to volume growth and the impact of the Costco portfolio. North America GCB expects to incur net loan loss reserve builds in Citi-branded cards in the near term due in part to the need to establish loan loss

reserves related to new loans originated in the Costco portfolio.
For information on Citi's energy and energy-related exposures within commercial banking within North America GCB, see "Credit Risk—Commercial Credit" below.

2016 YTD vs. 2015 YTD
Year-to-date, North America GCB has experienced similar trends to those described above. Net income decreased 24% due to lower revenues, higher expenses and a net loan loss reserve build, partially offset by lower net credit losses.
Revenues decreased 3%, reflecting lower revenues in retail banking and Citi-branded cards, while Citi retail services revenues were largely unchanged. Retail banking revenues decreased 6%. Excluding the previously disclosed $110 million gain on sale of branches in Texas in the first quarter of 2015, revenues decreased 2%, driven by the same factors described above. Cards revenues decreased 2%. In Citi-branded cards, revenues decreased 4%, driven by the same factors described above. Citi retail services revenues were largely unchanged, primarily due to gains on sales of two cards portfolios in the first quarter of 2016, offset by the impact of the partnership renewals.
Expenses increased 6%, primarily due to higher repositioning charges and the continued investment spending, higher volume-related expenses and higher regulatory and compliance costs, partially offset by ongoing cost reduction initiatives, including as a result of the business' branch rationalization strategy.

Provisions increased 15%, largely due to a net loan loss reserve build ($137 million), compared to a net loan loss reserve release in the prior-year period ($206 million), partially offset by lower net credit losses (4%) largely in Citi-branded cards. The net loan loss reserve build was driven by energy and energy-related exposures in the commercial banking portfolio within retail banking in the first quarter of 2016 as well as volume growth and the impact of the Costco portfolio, as described above.

LATIN AMERICA GCB

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

At June 30, 2016, Latin America GCB had 1,491 retail branches in Mexico, with approximately 28.4 million retail banking customer accounts, $19.5 billion in retail banking loans and $28.2 billion in deposits. In addition, the business had approximately 5.7 million Citi-branded card accounts with $5.0 billion in outstanding loan balances.

	Second Quarter		%	Six Months		%
In millions of dollars, except as otherwise noted	2016	2015	Change	2016	2015	Change
Net interest revenue	$871	$991	(12)%	$1,734	$1,981	(12)%
Non-interest revenue	377	441	(15)	755	883	(14)
Total revenues, net of interest expense	$1,248	$1,432	(13)%	$2,489	$2,864	(13)%
Total operating expenses	$726	$846	(14)%	$1,446	$1,643	(12)%
Net credit losses	$260	$316	(18)%	$538	$672	(20)%
Credit reserve build (release)	(2)	19	NM	15	11	36
Provision (release) for unfunded lending commitments	1	—	100	2	(3)	NM
Provision for benefits and claims	12	12	—	31	30	3
Provisions for credit losses and for benefits and claims (LLR & PBC)	$271	$347	(22)%	$586	$710	(17)%
Income from continuing operations before taxes	$251	$239	5 %	$457	$511	(11)%
Income taxes	67	49	37	117	101	16
Income from continuing operations	$184	$190	(3)%	$340	$410	(17)%
Noncontrolling interests	1	2	(50)	2	2	—
Net income	$183	$188	(3)%	$338	$408	(17)%
Balance Sheet data (in billions of dollars)						
Average assets	$50	$55	(9)%	$50	$56	(11)%
Return on average assets	1.47 %	1.37 %		1.36 %	1.47 %	
Efficiency ratio	58 %	59 %		58 %	57 %	
Average deposits	$27.4	$28.7	(5)	$27.6	$29.0	(5)
Net credit losses as a percentage of average loans	4.25 %	4.66 %		4.38 %	4.95 %	
Revenue by business						
Retail banking	$865	$975	(11)%	$1,733	$1,947	(11)%
Citi-branded cards	383	457	(16)	756	917	(18)
Total	$1,248	$1,432	(13)%	$2,489	$2,864	(13)%
Income from continuing operations by business						
Retail banking	$107	$121	(12)%	$206	$269	(23)%
Citi-branded cards	77	69	12	134	141	(5)
Total	$184	$190	(3)%	$340	$410	(17)%
FX translation impact						
Total revenues—as reported	$1,248	$1,432	(13)%	$2,489	$2,864	(13)%
Impact of FX translation[1]	—	(234)		—	(453)	
Total revenues—ex-FX[2]	$1,248	$1,198	4 %	$2,489	$2,411	3 %
Total operating expenses—as reported	$726	$846	(14)%	$1,446	$1,643	(12)%
Impact of FX translation[1]	—	(85)		—	(171)	
Total operating expenses—ex-FX[2]	$726	$761	(5)%	$1,446	$1,472	(2)%
Provisions for LLR & PBC—as reported	$271	$347	(22)%	$586	$710	(17)%
Impact of FX translation[1]	—	(49)		—	(104)	
Provisions for LLR & PBC—ex-FX[2]	$271	$298	(9)%	$586	$606	(3)%
Net income—as reported	$183	$188	(3)%	$338	$408	(17)%

Impact of FX translation[1]	—	(71)		—	(130)	
Net income—ex-FX[2]	$183	$117	56 %	$338	$278	22 %

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

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

NM Not Meaningful

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

2Q16 vs. 2Q15
Net income increased 56%, driven by higher revenues, lower expenses and lower cost of credit.
Revenues increased 4%, primarily due to higher revenues in retail banking, partially offset by lower revenues in cards. Retail banking revenues increased 7% driven by volume growth, including an increase in average loans (8%), average deposits (10%) and deposit spreads, partially offset by a decline in loan spreads. Cards revenues decreased 3% driven by continued lower volumes (average loans down 1%), although increased purchase sales (7%) are expected to begin to lead to increased card loan growth during the remainder of 2016, despite continuing pressure from higher payment rates.
Expenses decreased 5%, primarily due to lower legal and related costs, lower repositioning charges, the impact of business divestitures and ongoing efficiency savings.
Provisions decreased 9%, driven by a lower net loan loss reserve build and lower net credit losses. The net loan loss reserve build decreased $18 million, primarily due to releases related to the commercial banking portfolio and mortgages. Net credit losses decreased 5%, largely reflecting lower net credit losses in the cards portfolio due to a focus on higher credit quality customers.

2016 YTD vs. 2015 YTD
Year-to-date, Latin America GCB has experienced similar trends to those described above. Net income increased 22%, driven by the same factors described above.
Revenues increased 3%, primarily due to higher revenues in retail banking, partially offset by lower revenues in cards. Retail banking revenues increased 6%, driven by the same factors described above as well as the impact of business divestitures. Cards revenues decreased 3%, driven by continued higher payment rates resulting from the business' focus on higher credit quality customers which also drove a decline in average loans (2%).
Expenses decreased 2%, primarily due to lower legal and related expenses, the impact of business divestitures and ongoing efficiency savings, partially offset by repositioning charges, higher marketing costs and higher volume-related costs.
Provisions decreased 3% as lower net credit losses were partially offset by a higher net loan loss reserve build. Net credit losses decreased 7%, largely reflecting lower net credit losses in the cards and payroll portfolios due to the focus on higher credit quality customers. The net loan loss reserve build increased $10 million, primarily due to a net loan loss reserve build for cards and a lower release related to the commercial banking portfolio.

ASIA GCB

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

At June 30, 2016, on a combined basis, the businesses had 461 retail branches, approximately 17.1 million retail banking customer accounts, $67.5 billion in retail banking loans and $90.5 billion in deposits. In addition, the businesses had approximately 16.6 million Citi-branded card accounts with $17.6 billion in outstanding loan balances.

	Second Quarter		%	Six Months		%
In millions of dollars, except as otherwise noted[1]	2016	2015	Change	2016	2015	Change
Net interest revenue	$1,116	$1,154	(3)%	$2,217	$2,289	(3)%
Non-interest revenue	613	703	(13)	1,167	1,378	(15)
Total revenues, net of interest expense	$1,729	$1,857	(7)%	$3,384	$3,667	(8)%
Total operating expenses	$1,146	$1,176	(3)%	$2,328	$2,343	(1)%
Net credit losses	$160	$189	(15)%	$320	$362	(12)%
Credit reserve build (release)	(24)	(8)	NM	(35)	(50)	30
Provision (release) for unfunded lending commitments	—	(4)	100	—	(2)	100
Provisions for credit losses	$136	$177	(23)%	$285	$310	(8)%
Income from continuing operations before taxes	$447	$504	(11)%	$771	$1,014	(24)%
Income taxes	150	168	(11)	259	339	(24)
Income from continuing operations	$297	$336	(12)%	$512	$675	(24)%
Noncontrolling interests	1	3	(67)	2	(2)	NM
Net income	$296	$333	(11)%	$510	$677	(25)%
Balance Sheet data (in billions of dollars)						
Average assets	$119	$119	— %	$118	$117	1 %
Return on average assets	1.00 %	1.12 %		0.87 %	1.17 %	
Efficiency ratio	66 %	63 %		69 %	64 %	
Average deposits	$89.4	$89.3	—	$88.3	$88.8	(1)
Net credit losses as a percentage of average loans	0.76 %	0.84 %		0.76 %	0.81 %	
Revenue by business						
Retail banking	$1,077	$1,179	(9)%	$2,118	$2,331	(9)%
Citi-branded cards	652	678	(4)	1,266	1,336	(5)
Total	$1,729	$1,857	(7)%	$3,384	$3,667	(8)%
Income from continuing operations by business						
Retail banking	$204	$221	(8)%	$324	$442	(27)%
Citi-branded cards	93	115	(19)	188	233	(19)
Total	$297	$336	(12)%	$512	$675	(24)%

FX translation impact						
Total revenues—as reported	$1,729	$1,857	(7)%	$3,384	$3,667	(8)%
Impact of FX translation[2]	—	(65)		—	(144)	
Total revenues—ex-FX[3]	$1,729	$1,792	(4)%	$3,384	$3,523	(4)%
Total operating expenses—as reported	$1,146	$1,176	(3)%	$2,328	$2,343	(1)%
Impact of FX translation[2]	—	(50)		—	(105)	
Total operating expenses—ex-FX[3]	$1,146	$1,126	2 %	$2,328	$2,238	4 %
Provisions for loan losses—as reported	$136	$177	(23)%	$285	$310	(8)%
Impact of FX translation[2]	—	(8)		—	(17)	
Provisions for loan losses—ex-FX[3]	$136	$169	(20)%	$285	$293	(3)%
Net income—as reported	$296	$333	(11)%	$510	$677	(25)%
Impact of FX translation[2]	—	(2)		—	(5)	
Net income—ex-FX[3]	$296	$331	(11)%	$510	$672	(24)%

(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 second quarter of 2016 average exchange rates for all periods presented.
(3) Presentation of this metric excluding FX translation is a non-GAAP financial measure.
NM Not meaningful

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

2Q16 vs. 2Q15
Net income decreased 11%, primarily due to lower revenues and higher expenses, partially offset by lower cost of credit.
Revenues decreased 4%, primarily due to lower retail banking revenues as cards revenues were unchanged. Retail banking revenues decreased 6%, mainly due to a decline (16%) in investment sales revenues within the wealth management business due to lower client activity, particularly in Hong Kong, China, Korea and Taiwan. Retail banking revenues excluding wealth management declined 2%, largely reflecting the repositioning of the portfolio away from lower return mortgage loans as well as de-risking in the commercial portfolio towards the end of 2015, partially offset by growth in higher return personal loans (3%). This decrease in revenues was also partially offset by growth in insurance revenues as well as deposit products (3% increase in average deposits), despite continued optimization of the branch footprint. Asia GCB expects wealth management revenues within its retail banking business could continue to be impacted by market uncertainty during the remainder of 2016.
Cards revenues were largely unchanged. While the overall negative impact from regulatory changes in the region continued to abate, growth in purchase sales slowed during the current quarter, in part due to actions the business took to lower the value of rewards on certain products in Australia in response to regulation that capped interchange rates. Purchase sales were also negatively impacted by slower economic growth in the region. The slower purchase sales growth and a reduction in promotional rate balances resulted in more modest loan growth (increase of 1%) in the current quarter.
Expenses increased 2%, primarily due to higher repositioning costs and higher regulatory and compliance costs, partially offset by efficiency savings.

Provisions decreased 20%, primarily due to a higher net loan loss reserve release and lower net credit losses.

2016 YTD vs. 2015 YTD

Year-to-date, Asia GCB has experienced similar trends to
those described above. Net income decreased 24% due to lower revenues and higher expenses, partially offset by lower cost of credit.

Revenues decreased 4%, primarily due to the slowdown in investment sales revenues, lower retail lending revenues and lower cards revenues. Retail banking revenues decreased 6%, driven by the same factors described above. Cards revenues decreased 1%, primarily due to spread compression and slower purchase sales growth, mostly offset by the stabilizing payment rates and modest loan growth (2%) across the region.

Expenses increased 4%, driven by the same factors described above.

Provisions decreased 3%, primarily due to lower net credit losses, partially offset by a lower net loan loss reserve release.

INSTITUTIONAL CLIENTS GROUP

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

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

ICG's international presence is supported by trading floors in approximately 80 countries and a proprietary network in over 100 countries and jurisdictions. At June 30, 2016, ICG had approximately $1.3 trillion of assets and $607 billion of deposits, while two of its businesses, securities services and issuer services, managed approximately $15.3 trillion of assets under custody compared to $15.5 trillion at the end of the prior-year period. The decline in assets under custody from the prior-year period was primarily due to business divestitures.

	Second Quarter		%	Six Months		%
In millions of dollars, except as otherwise noted	2016	2015	Change	2016	2015	Change
Commissions and fees	$955	$990	(4)%	$1,958	$1,987	(1)%
Administration and other fiduciary fees	638	663	(4)	1,235	1,276	(3)
Investment banking	1,029	1,120	(8)	1,769	2,254	(22)
Principal transactions	1,911	1,793	7	3,485	3,990	(13)
Other[1]	46	193	(76)	38	450	(92)
Total non-interest revenue	$4,579	$4,759	(4)%	$8,485	$9,957	(15)%
Net interest revenue (including dividends)	4,267	4,187	2	8,397	8,066	4
Total revenues, net of interest expense	$8,846	$8,946	(1)%	$16,882	$18,023	(6)%
Total operating expenses	$4,760	$4,842	(2)%	$9,629	$9,494	1 %
Net credit losses	$141	$82	72 %	$352	$81	NM
Credit reserve build (release)	(26)	(123)	79	82	(4)	NM
Provision (release) for unfunded lending commitments	(33)	(46)	28	38	(78)	NM
Provisions for credit losses	$82	$(87)	NM	$472	$(1)	NM
Income from continuing operations before taxes	$4,004	$4,191	(4)%	$6,781	$8,530	(21)%
Income taxes	1,289	1,331	(3)	2,107	2,696	(22)
Income from continuing operations	$2,715	$2,860	(5)%	$4,674	$5,834	(20)%
Noncontrolling interests	17	15	13	27	50	(46)
Net income	$2,698	$2,845	(5)%	$4,647	$5,784	(20)%
Average assets (in billions of dollars)	$1,299	$1,284	1 %	$1,285	$1,282	— %
Return on average assets	0.84 %	0.89 %		0.73 %	0.91 %	
Efficiency ratio	54 %	54 %		57 %	53 %	
CVA/DVA-after-tax	$—	$190	(100)%	$—	$146	(100)%
Net income ex-CVA/DVA [2]	$2,698	$2,655	2 %	$4,647	$5,638	(18)%
Revenues by region						
North America	$3,478	$3,523	(1)%	$6,524	$6,914	(6)%

EMEA	2,615	2,565	2	4,822	5,465	(12)
Latin America	1,033	1,027	1	2,008	2,018	—
Asia	1,720	1,831	(6)	3,528	3,626	(3)
Total	$8,846	$8,946	(1)%	$16,882	$18,023	(6)%

Income from continuing operations by region						
North America	$1,059	$1,079	(2)%	$1,643	$2,106	(22)%
EMEA	720	695	4	1,119	1,630	(31)
Latin America	396	430	(8)	733	805	(9)
Asia	540	656	(18)	1,179	1,293	(9)
Total	$2,715	$2,860	(5)%	$4,674	$5,834	(20)%
Average loans by region (in billions of dollars)						
North America	$133	$121	10 %	$130	$118	10 %
EMEA	67	63	6	65	62	5
Latin America	42	41	2	43	41	5
Asia	61	63	(3)	61	63	(3)
Total	$303	$288	5 %	$299	$284	5 %
EOP deposits by business (in billions of dollars)						
Treasury and trade solutions	$405	$397	2 %			
All other ICG businesses	202	191	6			
Total	$607	$588	3 %			

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

(2) Excludes CVA/DVA in the second quarter and six months of 2015, consistent with current period presentation. For additional information, see Notes 1 and 22 to the Consolidated Financial Statements.

NM Not Meaningful

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

	Second Quarter		%	Six Months		%
In millions of dollars	2016	2015	Change	2016	2015	Change
Investment banking revenue details						
Advisory	$238	$257	(7)%	$465	$552	(16)%
Equity underwriting	174	296	(41)	292	527	(45)
Debt underwriting	805	737	9	1,335	1,413	(6)
Total investment banking	$1,217	$1,290	(6)%	$2,092	$2,492	(16)%
Treasury and trade solutions	2,048	1,955	5	3,999	3,845	4
Corporate lending—excluding gain (loss) on loan hedges[2]	389	476	(18)	844	952	(11)
Private bank	738	747	(1)	1,484	1,456	2
Total banking revenues (ex-CVA/DVA and gain (loss) on loan hedges)[1]	$4,392	$4,468	(2)%	$8,419	$8,745	(4)%
Corporate lending—gain/(loss) on loan hedges[2]	$(203)	$(66)	NM	$(269)	$(14)	NM
Total banking revenues (ex-CVA/DVA and including gain (loss) on loan hedges)[1]	$4,189	$4,402	(5)%	$8,150	$8,731	(7)%
Fixed income markets	$3,468	$3,047	14 %	$6,553	$6,531	— %
Equity markets	788	649	21	1,494	1,516	(1)
Securities services	531	570	(7)	1,093	1,113	(2)
Other[3]	(130)	(25)	NM	(408)	(102)	NM
Total Markets and securities services (ex-CVA/DVA)[1]	$4,657	$4,241	10 %	$8,732	$9,058	(4)%
Total ICG (ex-CVA/DVA)	$8,846	$8,643	2 %	$16,882	$17,789	(5)%
CVA/DVA (excluded as applicable in lines above)	—	303	NM	—	234	NM
Fixed income markets	—	289	NM	—	214	NM
Equity markets	—	15	NM	—	17	NM
Private bank	—	(1)	NM	—	3	NM
Total revenues, net of interest expense	$8,846	$8,946	(1)%	$16,882	$18,023	(6)%

(1) Excludes CVA/DVA in the second quarter and six months of 2015, consistent with current period presentation. For additional information, see Notes 1 and 22 to the Consolidated Financial Statements.

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

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

NM Not meaningful

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

2Q16 vs. 2Q15
Net income increased 2%, primarily driven by higher revenues and lower expenses, partially offset by higher credit costs.

- Revenues increased 2%, reflecting higher revenues in Markets and securities services (increase of 10%), partially offset by lower revenues in Banking (decrease of 5%, decrease of 2% 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, including normal seasonal trends during the remainder of 2016.

Within Banking:

- Investment banking revenues decreased 6%, largely reflecting an industry-wide slowdown in activity levels, particularly in equity underwriting, partially offset by an increase in wallet share across all products. Advisory revenues decreased 7%, primarily reflecting the lower overall M&A market. Equity underwriting revenues decreased 41% driven by the lower market activity. Debt underwriting revenues increased 9%, driven by North America and EMEA, primarily due to the increase in wallet share.
- Treasury and trade solutions revenues increased 5%. Excluding the impact of FX translation, revenues increased 9% due to continued growth in transaction volumes, continued growth in deposit balances across all regions, improved spreads, particularly in EMEA and Latin America, and overall growth in the trade business. End-of-period deposit balances increased 2% (3% excluding the impact of FX translation), while average trade loans decreased 4% (3% excluding the impact of FX translation), as the business maintained origination volumes while reducing lower spread assets and increasing asset sales to optimize returns.
- Corporate lending revenues decreased 55%. Excluding the impact of gains/(losses) on hedges on accrual loans, revenues decreased 18%, driven by an adjustment to the residual value of a lease financing as well as higher hedging costs.
- Private bank revenues decreased 1%, reflecting weakness in Latin America and Asia, primarily due to a decline in managed investments and lower capital markets activities, partially offset by growth in deposit balances and loan volumes.

Within Markets and securities services:

- Fixed income markets revenues increased 14%, with higher revenues in all regions. Rates and currencies (both G10 products and local markets) drove these results, with revenues up 25% year-over-year, including particularly strong performance following the U.K. referendum on June 23, 2016, as well as a more favorable trading environment. The business experienced continued growth in activity throughout the current quarter with the corporate client base, which comprises over 40% of direct client revenues in rates and currencies. The increase in rates and currencies revenues was partially offset by lower spread products revenues, mostly reflecting a decline in securitized markets revenues, particularly in North America. The decline in spread products revenues was partially offset by an increase in credit markets and municipals revenues, driven by higher client activity as compared to the prior-year period.
- Equity markets revenues increased 21%, primarily reflecting the absence of the charge for valuation adjustments related to certain financing transactions (see “Executive Summary” above). Excluding the adjustment, revenues decreased 4%, reflecting the impact of lower client volumes and strong trading performance in Asia in the prior-year period.
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Securities services revenues decreased 7%. Excluding the impact of FX translation, revenues decreased 3%, primarily reflecting the absence of revenues from divestitures as well as lower assets under custody due to lower market valuations. Excluding the impact of FX translation and divestitures, revenues increased 2%.

Expenses decreased 2% as repositioning savings, lower legal and related costs and a benefit from FX translation were partially offset by higher repositioning charges.
Provisions increased $169 million to $82 million due to higher net credit losses and a lower net loan loss reserve release ($59 million compared to $169 million in the prior-year period). Net credit losses increased 72% to $141 million, with approximately two-thirds of these losses offset by related reserve releases. The cost of credit related to energy and energy-related exposures was de minimis in the current quarter as net credit losses were offset by previously existing loan loss reserves and the portfolio benefited from stabilization of oil prices and increased capital markets activity by clients (for additional information on Citi's corporate energy and energy-related exposures, see "Credit Risk—Corporate Credit" below.) Despite the stabilization of oil prices during the current quarter, and the resulting positive impact on ICG cost of credit, the business remains cautious as to the energy sector, and the environment remains uncertain. Depending on these factors, ICG could see total provisions increase from current quarter levels during the remainder of 2016.

2016 YTD vs. 2015 YTD
Net income decreased 18%, primarily driven by lower revenues, higher credit costs and higher expenses.

- Revenues decreased 5%, reflecting lower revenues in Markets and securities services (decrease of 4%) and lower revenues in Banking (decrease of 7%, decrease of 4% excluding the gains/(losses) on hedges on accrual loans).

Within Banking:

- Investment banking revenues decreased 16%, largely reflecting the industry-wide slowdown in activity levels during the first half of 2016. Advisory revenues decreased 16%, reflecting strong performance in the prior-year period as well as the lower market activity. Equity underwriting revenues decreased 45%, in line with the decline in market activity. Debt underwriting revenues decreased 6%, primarily due to the decline in market activity, partially offset by a higher wallet share.
- Treasury and trade solutions revenues increased 4% (8% excluding the impact of FX translation) primarily due to continued growth in transaction volumes, continued growth in deposit balances across all regions and improved spreads, particularly in Latin America and North America, as trade revenues were largely unchanged.
- Corporate lending revenues decreased 39%. Excluding the impact of gains/(losses) on hedges on accrual loans, revenues decreased 11%, driven by the lease financing adjustment referenced above, the higher hedging costs and the absence of positive mark-to-market adjustments compared to the prior-year period, partially offset by continued growth in average loan balances.
- Private bank revenues increased 2%, reflecting growth in loan volumes and deposit balances, partially offset by lower capital markets activity and managed investments.

Within Markets and securities services:

- Fixed income markets revenues were largely unchanged as a decrease in spread products and commodities revenues were offset by growth in rates and currencies. Spread products revenues declined due to a decline in securitized markets revenues, particularly in North America, and credit markets revenues, partially offset by an increase in municipals revenues. The decline in spread products revenues was primarily driven by lower activity levels and a less favorable environment in the early part of 2016. The decline in spread products revenues was offset by strength in rates and currencies revenues (15% increase year-over-year) due to higher revenues in overall G10 products, partially offset by lower local markets revenues in EMEA.
- Equity markets revenues decreased 1%. Excluding the valuation adjustment referenced above, revenues decreased 12%, reflecting the impact of lower client volumes in cash equities and derivatives and the strong trading performance in Asia in the prior-year period.
- Securities services revenues decreased 2%. Excluding the impact of FX translation, revenues increased 3%,

primarily reflecting a modest gain on sale of a private equity fund services business.

Expenses increased 1% as higher repositioning charges, higher legal and related costs and investment spending were largely offset by repositioning savings and a benefit from FX translation.
Provisions increased $473 million, primarily reflecting net credit losses of $352 million ($81 million in the prior-year period) and a net loan loss reserve build of $120 million (negative $82 million in the period-year period). This higher cost of credit included approximately $216 million of net credit losses and an approximately $154 million net loan loss reserve build related to energy and energy-related exposures in the first half of 2016, largely due to low oil prices as well as the impact of regulatory guidance.

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CORPORATE/OTHER

Corporate/Other includes certain unallocated costs of global staff functions (including finance, risk, human resources, legal and compliance), other corporate expenses and unallocated global operations and technology expenses, Corporate Treasury and discontinued operations. At June 30, 2016, Corporate/Other had $49 billion of assets, or 3% of Citigroup's total assets.

In millions of dollars	Second Quarter 2016	Second Quarter 2015	% Change	Six Months 2016	Six Months 2015	% Change
Net interest revenue	$56	$(22)	NM	$150	$(49)	NM
Non-interest revenue	70	393	(82)%	250	632	(60)%
Total revenues, net of interest expense	$126	$371	(66)%	$400	$583	(31)%
Total operating expenses	$447	$386	16%	$865	$928	(7)%
Provisions for loan losses and for benefits and claims	—	—	—	—	—	—
Loss from continuing operations before taxes	$(321)	$(15)	NM	$(465)	$(345)	(35)%
Income taxes (benefits)	(232)	(246)	6%	(347)	(557)	38%
Income (loss) from continuing operations	$(89)	$231	NM	$(118)	$212	NM
Income (loss) from discontinued operations, net of taxes	(23)	6	NM	(25)	1	NM
Net income (loss) before attribution of noncontrolling interests	$(112)	$237	NM	$(143)	$213	NM
Noncontrolling interests	3	(2)	NM	(5)	8	NM
Net income (loss)	$(115)	$239	NM	$(138)	$205	NM

NM Not meaningful

2Q16 vs. 2Q15

The net loss was $115 million, compared to net income of $239 million in the prior-year period, due to lower revenues, higher expenses and the absence of the previously disclosed favorable tax impact reflecting the resolution of certain state and local audits in the prior-year period (see "Income Taxes" below).

Revenues decreased 66%, primarily due to the absence of gains on real estate sales in the prior-year period and lower gains on debt buybacks. Corporate/Other expects revenues to be at or near zero during the remainder of 2016 as a result of lower debt buyback activity and the absence of certain episodic gains.

Expenses increased 16%, largely driven by higher corporate-wide advertising and marketing expenses and higher legal and related expenses.

2016 YTD vs. 2015 YTD

The net loss was $138 million, compared to net income of $205 million in the prior-year period, reflecting lower revenues and the absence of the favorable tax impact reflecting the resolution of the state and local audits, partially offset by lower expenses.

Revenues decreased 31%, primarily due to the absence of the gains on real estate sales and lower gains on debt buybacks, partially offset by higher investment income.

Expenses decreased 7%, largely driven by lower legal and related expenses, partially offset by 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. As of June 30, 2016, Citi Holdings assets were approximately $66 billion, a decrease of 47% year-over-year and 10% from March 31, 2016. The decline in assets of $7 billion from March 31, 2016 primarily consisted of divestitures and run-off. As of June 30, 2016, Citi had signed agreements to reduce Citi Holdings GAAP assets by $7 billion, subject to regulatory approvals and other closing conditions.

Also as of June 30, 2016, consumer assets in Citi Holdings were approximately $58 billion, or approximately 88% of Citi Holdings assets. Of the consumer assets, approximately $33 billion, or 57%, consisted of North America mortgages (residential first mortgages and home equity loans). As of June 30, 2016, Citi Holdings represented approximately 4% of Citi's GAAP assets and 10% of its risk-weighted assets under Basel III (based on the Advanced Approaches for determining risk-weighted assets).

	Second Quarter		%	Six Months		%
In millions of dollars, except as otherwise noted	2016	2015	Change	2016	2015	Change
Net interest revenue	$549	$1,200	(54)%	$1,146	$2,459	(53)%
Non-interest revenue	294	769	(62)	1,172	1,655	(29)
Total revenues, net of interest expense	$843	$1,969	(57)%	$2,318	$4,114	(44)%
Provisions for credit losses and for benefits and claims						
Net credit losses	$102	$334	(69)%	$245	$803	(69)%
Credit reserve release	(224)	(185)	(21)	(255)	(357)	29
Provision for loan losses	$(122)	$149	NM	$(10)	$446	NM
Provision for benefits and claims	29	160	(82)	89	329	(73)
Release for unfunded lending commitments	(5)	2	NM	(7)	(3)	NM
Total provisions for credit losses and for benefits and claims	$(98)	$311	NM	$72	$772	(91)%
Total operating expenses	$858	$1,362	(37)%	$1,686	$2,747	(39)%
Income from continuing operations before taxes	$83	$296	(72)%	$560	$595	(6)%
Income taxes (benefits)	(15)	140	NM	115	289	(60)%
Income from continuing operations	$98	$156	(37)%	$445	$306	45 %
Noncontrolling interests	5	—	NM	$6	$1	NM
Net income	$93	$156	(40)%	$439	$305	44 %
Total revenues, net of interest expense (excluding CVA/DVA)[1]						
Total revenues—as reported	$843	$1,969	(57)%	$2,318	$4,114	(44)%
CVA/DVA	—	9	NM	—	5	NM
Total revenues-excluding CVA/DVA[1]	$843	$1,960	(57)%	$2,318	$4,109	(44)%
Balance sheet data (in billions of dollars)						
Average assets	$71	$126	(44)%	$75	$130	(42)%
Return on average assets	0.53 %	0.50 %		1.18 %	0.47 %	
Efficiency ratio	102 %	69 %		73 %	67 %	
Total EOP assets	$66	$124	(47)			
Total EOP loans	41	64	(35)			
Total EOP deposits	6	12	(45)			

(1) Excludes CVA/DVA in the second quarter and six months of 2015, consistent with current period presentation. For additional information, see Notes 1 and 22 to the Consolidated Financial Statements.

NM Not meaningful

The discussion of the results of operations for Citi Holdings below excludes the impact of CVA/DVA for the second quarter and year-to-date 2015. Presentations of the results of operations, excluding the impact of CVA/DVA, are non-GAAP financial measures. For a reconciliation of these metrics to the reported results, see the table above.

2Q16 vs. 2Q15

Net income was $93 million, compared to $150 million in the prior-year period, primarily due to lower revenues, partially offset by lower expenses and lower cost of credit.

Revenues decreased 57%, primarily driven by the overall wind-down of the portfolio and lower net gains on asset sales in the current quarter.

Expenses declined 37%, primarily due to the ongoing decline in assets, partially offset by a modest increase in legal and related costs.

Provisions decreased $409 million to a benefit of $98 million, driven by lower net credit losses and a higher net loan loss reserve release. Net credit losses declined 69%, primarily due to divestiture activity and continued improvements in North America mortgages. The net reserve release increased 25% to $229 million, primarily due to the impact of asset sales in the current quarter.

2016 YTD vs. 2015 YTD

Net income increased 45% to $439 million, primarily due to lower expenses and lower net credit losses, partially offset by lower revenues and a lower net loan loss reserve release.

Revenues decreased 44%, primarily driven by the overall wind-down of the portfolio, partially offset by higher net gains on asset sales.

Expenses declined 39%, primarily due to the ongoing decline in assets and lower legal and related costs, partially offset by higher repositioning costs.

Provisions decreased 91%, driven by lower net credit losses, partially offset by a lower net loan loss reserve release. Net credit losses declined 69%, primarily due to overall lower asset levels as well as continued improvements in North America mortgages. The net reserve release decreased 27% to $262 million, primarily due to the impact of asset sales.

OFF-BALANCE SHEET ARRANGEMENTS

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

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

CAPITAL RESOURCES

Overview

Capital is used principally to support assets in Citi's businesses and to absorb credit, market, and operational losses. Citi primarily generates capital through earnings from its operating businesses. Citi may augment its capital through issuances of common stock, noncumulative perpetual preferred stock and equity issued through awards under employee benefit plans, among other issuances. During the second quarter of 2016, consistent with the planned optimization of its capital structure, Citi issued noncumulative perpetual preferred stock amounting to $1.5 billion, resulting in a total of approximately $19.3 billion outstanding as of June 30, 2016. In addition, during the second quarter of 2016, Citi returned a total of approximately $1.5 billion of capital to common shareholders in the form of share repurchases (approximately 30 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

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

Capital Planning and Stress Testing

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

In June 2016, the Federal Reserve Board expressed no objection to Citi's capital plan, including requested capital actions, in conjunction with the 2016 CCAR (for additional information, see "Equity Security Repurchases" and "Dividends" below).

Current Regulatory Capital Standards

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

GSIB Surcharge

The Federal Reserve Board also adopted a rule which imposes a risk-based capital surcharge upon U.S. bank holding companies that are identified as global systemically important bank holding companies (GSIBs), including Citi. GSIB surcharges under the rule initially range from 1.0% to 4.5% of total risk-weighted assets. Citi's initial GSIB surcharge effective January 1, 2016 is 3.5%. However, Citi's efforts in addressing quantitative measures of its systemic importance have resulted in a reduction of Citi's estimated GSIB surcharge to 3%, effective January 1, 2017. For additional information regarding the identification of a GSIB and the methodology for annually determining the GSIB surcharge, see "Capital Resources—Current Regulatory Capital Standards—GSIB Surcharge" in Citigroup's 2015 Annual

Report on Form 10-K.

Transition Provisions

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

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

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

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

In millions of dollars, except ratios	June 30, 2016		December 31, 2015	
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach
Common Equity Tier 1 Capital	$171,594	$171,594	$173,862	$173,862
Tier 1 Capital	181,282	181,282	176,420	176,420
Total Capital (Tier 1 Capital + Tier 2 Capital)[1]	206,163	218,860	198,746	211,115
Total Risk-Weighted Assets	1,204,218	1,152,635	1,190,853	1,138,711
Common Equity Tier 1 Capital ratio[2]	14.25 %	14.89 %	14.60 %	15.27 %
Tier 1 Capital ratio[2]	15.05	15.73	14.81	15.49
Total Capital ratio[2]	17.12	18.99	16.69	18.54

In millions of dollars, except ratios	June 30, 2016	December 31, 2015
Quarterly Adjusted Average Total Assets[3]	$1,754,048	$1,732,933
Total Leverage Exposure[4]	2,332,632	2,326,072
Tier 1 Leverage ratio	10.34 %	10.18 %
Supplementary Leverage ratio	7.77	7.58

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

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

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

In millions of dollars	June 30, 2016	December 31, 2015
Common Equity Tier 1 Capital		
Citigroup common stockholders' equity[1]	$212,819	$205,286
Add: Qualifying noncontrolling interests	277	369
Regulatory Capital Adjustments and Deductions:		
Less: Net unrealized gains (losses) on securities available-for-sale (AFS), net of tax[2][3]	822	(544)
Less: Defined benefit plans liability adjustment, net of tax[3]	(2,243)	(3,070)
Less: Accumulated net unrealized losses on cash flow hedges, net of tax[4]	(149)	(617)
Less: Cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax[3][5]	344	176
Less: Intangible assets:		
Goodwill, net of related deferred tax liabilities (DTLs)[6]	21,854	21,980
Identifiable intangible assets other than mortgage servicing rights (MSRs), net of related DTLs[3][7]	3,215	1,434
Less: Defined benefit pension plan net assets[3]	578	318
Less: Deferred tax assets (DTAs) arising from net operating loss, foreign tax credit and general business credit carry-forwards[3][8]	13,765	9,464
Less: Excess over 10%/15% limitations for other DTAs, certain common stock investments, and MSRs[3][8][9]	3,316	2,652
Total Common Equity Tier 1 Capital	$171,594	$173,862
Additional Tier 1 Capital		
Qualifying perpetual preferred stock[1]	$19,069	$16,571
Qualifying trust preferred securities[10]	1,368	1,707
Qualifying noncontrolling interests	17	12
Regulatory Capital Adjustment and Deductions:		
Less: Cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax[3][5]	230	265
Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries[11]	184	229
Less: Defined benefit pension plan net assets[3]	386	476
Less: DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards[3][8]	9,177	14,195
Less: Permitted ownership interests in covered funds[12]	789	567
Total Additional Tier 1 Capital	$9,688	$2,558
Total Tier 1 Capital (Common Equity Tier 1 Capital + Additional Tier 1 Capital)	$181,282	$176,420
Tier 2 Capital		
Qualifying subordinated debt[13]	$23,701	$21,370
Qualifying trust preferred securities[10]	328	—
Qualifying noncontrolling interests	23	17
Excess of eligible credit reserves over expected credit losses[14]	1,011	1,163
Regulatory Capital Adjustment and Deduction:		
Add: Unrealized gains on AFS equity exposures includable in Tier 2 Capital	2	5
Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries[11]	184	229
Total Tier 2 Capital	$24,881	$22,326
Total Capital (Tier 1 Capital + Tier 2 Capital)	$206,163	$198,746

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

In millions of dollars	June 30, 2016	December 31, 2015
Credit Risk[15]	$809,540	$791,036
Market Risk	69,678	74,817
Operational Risk	325,000	325,000
Total Risk-Weighted Assets	$1,204,218	$1,190,853

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

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

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

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

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

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

(7) Identifiable intangible assets other than MSRs increased by approximately $2.2 billion during the second quarter of 2016 as a result of the acquisition of the Costco cards portfolio, as well as the renewal and extension of the co-branded credit card program agreement with American Airlines. For additional information, see Note 16 to the Consolidated Financial Statements.

(8) Of Citi's approximately $45.4 billion of net DTAs at June 30, 2016, approximately $20.9 billion of such assets were includable in regulatory capital pursuant to the U.S. Basel III rules, while approximately $24.5 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 $17.1 billion were deducted from Common Equity Tier 1 Capital and $9.2 billion were deducted from Additional Tier 1 Capital. Serving to reduce the approximately $26.3 billion of aggregate excluded net DTAs was approximately $1.8 billion of net DTLs primarily associated with goodwill and certain other intangible assets. Separately, under the U.S. Basel III rules, goodwill and these other intangible assets are deducted net of associated DTLs in arriving at Common Equity Tier 1 Capital.

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

(10) Represents Citigroup Capital XIII trust preferred securities, which are permanently grandfathered as Tier 1 Capital under the U.S. Basel III rules, as well as non-grandfathered trust preferred securities which are eligible for inclusion in Tier 1 Capital during 2015 in an amount up to 25% of the aggregate outstanding principal amounts of such issuances as of January 1, 2014. The remaining 75% of non-grandfathered trust preferred securities are eligible for inclusion in Tier 2 Capital during 2015 in accordance with the transition arrangements for non-qualifying capital instruments under the U.S. Basel III rules. As of December 31, 2015, however, the entire

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

(11) 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 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 up to 25% of the aggregate outstanding principal amounts of such issuances as of January 1, 2014. Effective January 1, 2016, non-qualifying subordinated debt issuances are not eligible for inclusion in Tier 2 Capital.

(14) 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 June 30, 2016	Six Months Ended June 30, 2016
Common Equity Tier 1 Capital		
Balance, beginning of period	$169,924	$173,862
Net income	3,998	7,499
Common and preferred dividends declared	(469)	(828)
Net increase in treasury stock	(1,315)	(1,862)
Net change in common stock and additional paid-in capital[1]	147	(520)
Net change in foreign currency translation adjustment net of hedges, net of tax	(552)	102
Net increase in unrealized gains on securities AFS, net of tax	556	1,595
Net increase in defined benefit plans liability adjustment, net of tax	(16)	(1,319)
Net change in adjustment related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax	5	37
Net decrease in goodwill, net of related deferred tax liabilities (DTLs)	81	126
Net increase in identifiable intangible assets other than mortgage servicing rights (MSRs), net of related DTLs	(1,216)	(1,781)
Net increase in defined benefit pension plan net assets	(56)	(260)
Net change in deferred tax assets (DTAs) arising from net operating loss, foreign tax credit and general business credit carry-forwards	283	(4,301)
Net change in excess over 10%/15% limitations for other DTAs, certain common stock investments and MSRs	244	(664)
Other	(20)	(92)
Net change in Common Equity Tier 1 Capital	$1,670	$(2,268)
Common Equity Tier 1 Capital Balance, end of period	$171,594	$171,594
Additional Tier 1 Capital		
Balance, beginning of period	$8,167	$2,558
Net increase in qualifying perpetual preferred stock[1]	1,494	2,498
Net change in qualifying trust preferred securities	2	(339)
Net change in adjustment related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax	(5)	35
Net change in defined benefit pension plan net assets	(38)	90
Net decrease in DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards	189	5,018
Net increase in permitted ownership interests in covered funds	(164)	(222)
Other	43	50
Net increase in Additional Tier 1 Capital	$1,521	$7,130
Tier 1 Capital Balance, end of period	$181,282	$181,282
Tier 2 Capital		
Balance, beginning of period	$23,567	$22,326
Net increase in qualifying subordinated debt	1,037	2,331
Net change in qualifying trust preferred securities	(9)	328
Net change in excess of eligible credit reserves over expected credit losses	245	(152)
Other	41	48
Net increase in Tier 2 Capital	$1,314	$2,555

Tier 2 Capital Balance, end of period	$24,881	$24,881
Total Capital (Tier 1 Capital + Tier 2 Capital)	$206,163	$206,163

(1) During the three months and six months ended June 30, 2016, Citi issued $1.5 billion and approximately $2.5 billion of qualifying perpetual preferred stock with issuance costs of $6 million and $37 million, respectively. In accordance with Federal Reserve Board regulatory reporting requirements, which differ from those under U.S. GAAP, such issuance costs are excluded from common stockholders' equity and netted against preferred stock.

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

In millions of dollars	Three Months Ended June 30, 2016	Six Months Ended June 30, 2016
Total Risk-Weighted Assets, beginning of period	$1,210,107	$1,190,853
Changes in Credit Risk-Weighted Assets		
Net decrease in retail exposures[1]	(1,278)	(9,192)
Net increase in wholesale exposures[2]	1,335	3,724
Net change in repo-style transactions	(3,218)	635
Net decrease in securitization exposures	(2,154)	(468)
Net change in equity exposures	(189)	402
Net increase in over-the-counter (OTC) derivatives[3]	2,148	9,686
Net increase in derivatives CVA[4]	1,854	12,774
Net increase in other exposures[5]	3,288	619
Net change in supervisory 6% multiplier[6]	(4)	324
Net increase in Credit Risk-Weighted Assets	$1,782	$18,504
Changes in Market Risk-Weighted Assets		
Net decrease in risk levels[7]	$(7,741)	$(2,437)
Net change due to model and methodology updates[8]	70	(2,702)
Net decrease in Market Risk-Weighted Assets	$(7,671)	$(5,139)
Net change in Operational Risk-Weighted Assets	$—	$—
Total Risk-Weighted Assets, end of period	$1,204,218	$1,204,218

(1) Retail exposures decreased during the three months ended June 30, 2016, in part, due to residential mortgage loan sales and repayments, divestitures of certain Citi Holdings portfolios, and the impact of FX translation. Retail exposures decreased during the six months ended June 30, 2016, in part, due to residential mortgage loan sales and repayments, divestitures of certain Citi Holdings portfolios and reductions in qualifying revolving (cards) exposures attributable to seasonal holiday spending repayments. In addition, retail exposures for both the three and six months ended June 30, 2016 also reflect the acquisition of the Costco cards portfolio.

(2) Wholesale exposures increased slightly during the three months ended June 30, 2016 primarily due to growth in commercial loans, partially offset by the impact of FX translation. Wholesale exposures increased during the six months ended June 30, 2016 primarily due to increases in securities AFS and commercial loans, partially offset by a decrease in loan commitments.

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

(4) Derivatives CVA increased during the three months ended June 30, 2016 primarily driven by volatility and rating changes. Derivatives CVA increased during the six months ended June 30, 2016 primarily driven by increased volatility and model enhancements.

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

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

(7) Risk levels decreased during the three and six months ended June 30, 2016 primarily due to a reduction in exposure levels subject to comprehensive risk, a reduction in positions subject to securitization charges, and the ongoing assessment regarding the applicability of the market risk capital rules to certain securitization positions, partially offset by an increase in assets subject to standard specific risk charges. In addition, further contributing to the decline in risk levels during the three months ended June 30, 2016 was a reduction in exposure levels subject to

Value at Risk and Stressed Value at Risk.

(8) Risk-weighted assets declined during the six months ended June 30, 2016 due to updated model volatility inputs.

Capital Resources of Citigroup's Subsidiary U.S. Depository Institutions Under Current Regulatory Standards
Citigroup's subsidiary U.S. depository institutions are also subject to regulatory capital standards issued by their respective primary federal bank regulatory agencies, which are similar to the standards of the Federal Reserve Board. During 2016, Citi's primary subsidiary U.S. depository institution, Citibank, N.A. (Citibank), is subject to effective minimum Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital ratios, inclusive of the 25% phase-in of the 2.5% Capital Conservation Buffer, of 5.125%, 6.625%

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

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

In millions of dollars, except ratios	June 30, 2016		December 31, 2015	
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach
Common Equity Tier 1 Capital	$128,824	$128,824	$127,323	$127,323
Tier 1 Capital	128,824	128,824	127,323	127,323
Total Capital (Tier 1 Capital + Tier 2 Capital)[1]	140,147	151,297	138,762	149,749
Total Risk-Weighted Assets	923,797	1,016,761	898,769	999,014
Common Equity Tier 1 Capital ratio[2][3]	13.95%	12.67%	14.17%	12.74%
Tier 1 Capital ratio[2][3]	13.95	12.67	14.17	12.74
Total Capital ratio[2][3]	15.17	14.88	15.44	14.99

In millions of dollars, except ratios	June 30, 2016	December 31, 2015
Quarterly Adjusted Average Total Assets[4]	$1,326,486	$1,298,560
Total Leverage Exposure[5]	1,856,908	1,838,941
Tier 1 Leverage ratio[3]	9.71%	9.80%
Supplementary Leverage ratio	6.94	6.92

(1) Under the Advanced Approaches framework eligible credit reserves that exceed expected credit losses are eligible for inclusion in Tier 2 Capital to the extent the excess reserves do not exceed 0.6% of credit risk-weighted assets, which differs from the Standardized Approach in which the allowance for credit losses is eligible for inclusion in Tier 2 Capital up to 1.25% of credit risk-weighted assets, with any excess allowance for credit losses being deducted in arriving at credit risk-weighted assets.
(2) As of June 30, 2016 and December 31, 2015, 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.
(3) Beginning January 1, 2015, Citibank must maintain minimum Common Equity Tier 1 Capital, Tier 1 Capital, Total Capital, and Tier 1 Leverage ratios of 6.5%, 8%, 10% and 5%, respectively, to be considered "well capitalized" under the revised Prompt Corrective Action (PCA) regulations applicable to insured depository institutions as established by the U.S. Basel III rules. For additional information, see "Capital Resources—Current Regulatory Capital Standards—Prompt Corrective Action Framework" in Citigroup's 2015 Annual Report on Form 10-K.
(4) Tier 1 Leverage ratio denominator.
(5) Supplementary Leverage ratio denominator.

As indicated in the table above, Citibank's capital ratios at June 30, 2016 were in excess of the stated and effective minimum requirements under the U.S. Basel III rules. In addition, Citibank was also "well capitalized" as of

June 30, 2016 under the revised PCA regulations which became effective January 1, 2015.

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

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

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

	Common Equity Tier 1 Capital ratio		Tier 1 Capital ratio		Total Capital ratio	
In basis points	Impact of $100 million change in Common Equity Tier 1 Capital	Impact of $1 billion change in risk-weighted assets	Impact of $100 million change in Tier 1 Capital	Impact of $1 billion change in risk-weighted assets	Impact of $100 million change in Total Capital	Impact of $1 billion change in risk-weighted assets
Citigroup						
Advanced Approaches	0.8	1.2	0.8	1.3	0.8	1.4
Standardized Approach	0.9	1.3	0.9	1.4	0.9	1.6
Citibank						
Advanced Approaches	1.1	1.5	1.1	1.5	1.1	1.6
Standardized Approach	1.0	1.2	1.0	1.2	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	0.7	0.5	0.4

Citigroup Broker-Dealer Subsidiaries
At June 30, 2016, Citigroup Global Markets Inc., a U.S. broker-dealer registered with the SEC that is an indirect wholly owned subsidiary of Citigroup, had net capital, computed in accordance with the SEC's net capital rule, of approximately $8.1 billion, which exceeded the minimum requirement by approximately $6.5 billion.
Moreover, Citigroup Global Markets Limited, a broker-dealer registered with the United Kingdom's Prudential Regulation Authority (PRA) that is also an indirect wholly owned subsidiary of Citigroup, had total capital of $17.8 billion at June 30, 2016, which exceeded the PRA's minimum regulatory capital requirements.

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

Basel III (Full Implementation)

Citigroup's Capital Resources Under Basel III
(Full Implementation)
Citi currently estimates that its effective minimum Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital ratio requirements under the U.S. Basel III rules, on a fully implemented basis, inclusive of the 2.5% Capital Conservation Buffer and the Countercyclical Capital Buffer at its current level of 0%, as well as assuming a 3% GSIB surcharge, may be 10%, 11.5% and 13.5%, respectively.
Further, under the U.S. Basel III rules, Citi must also comply with a 4% minimum Tier 1 Leverage ratio requirement and an effective 5% minimum Supplementary Leverage ratio requirement.
The following table sets forth the capital tiers, total risk-weighted assets, risk-based capital ratios, quarterly adjusted average total assets, Total Leverage Exposure and leverage ratios, assuming full implementation under the U.S. Basel III rules, for Citi as of June 30, 2016 and December 31, 2015.

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

In millions of dollars, except ratios	June 30, 2016		December 31, 2015	
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach
Common Equity Tier 1 Capital	$154,534	$154,534	$146,865	$146,865
Tier 1 Capital	174,027	174,027	164,036	164,036
Total Capital (Tier 1 Capital + Tier 2 Capital)(1)	198,920	211,641	186,097	198,655
Total Risk-Weighted Assets	1,232,666	1,179,497	1,216,277	1,162,884
Common Equity Tier 1 Capital ratio(2)(3)	12.54 %	13.10 %	12.07 %	12.63 %
Tier 1 Capital ratio(2)(3)	14.12	14.75	13.49	14.11
Total Capital ratio(2)(3)	16.14	17.94	15.30	17.08

In millions of dollars, except ratios	June 30, 2016	December 31, 2015
Quarterly Adjusted Average Total Assets(4)	$1,748,345	$1,724,710
Total Leverage Exposure(5)	2,326,929	2,317,849
Tier 1 Leverage ratio(3)	9.95 %	9.51 %
Supplementary Leverage ratio(3)	7.48	7.08

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

Common Equity Tier 1 Capital Ratio

Citi's Common Equity Tier 1 Capital ratio was 12.5% at June 30, 2016, compared to 12.3% at March 31, 2016 and 12.1% at December 31, 2015 (all based on application of the Advanced Approaches for determining total risk-weighted assets). The quarter-over-quarter increase in the ratio was largely due to quarterly net income of $4.0 billion, the favorable effects attributable to DTA utilization of approximately $0.9 billion, as well as a decline in market risk-weighted assets, offset in part by an increase in identifiable intangible assets other than MSRs, and the return of approximately $1.5 billion of capital to common shareholders. The increase in Citi's Common Equity Tier 1 Capital ratio from year-end 2015 reflected continued growth in Common Equity Tier 1 Capital resulting from net income of $7.5 billion, the favorable effects attributable to DTA utilization of approximately $2.4 billion, and beneficial net movements in AOCI, offset in part by the return of approximately $2.9 billion of capital to common shareholders, an increase in credit risk-weighted assets, and an increase in identifiable intangible assets other than MSRs.

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

In millions of dollars	June 30, 2016	December 31, 2015
Common Equity Tier 1 Capital		
Citigroup common stockholders' equity[1]	$212,819	$205,286
Add: Qualifying noncontrolling interests	134	145
Regulatory Capital Adjustments and Deductions:		
Less: Accumulated net unrealized losses on cash flow hedges, net of tax[2]	(149)	(617)
Less: Cumulative unrealized net gain related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax[3]	574	441
Less: Intangible assets:		
Goodwill, net of related deferred tax liabilities (DTLs)[4]	21,854	21,980
Identifiable intangible assets other than mortgage servicing rights (MSRs), net of related DTLs[5]	5,358	3,586
Less: Defined benefit pension plan net assets	964	794
Less: Deferred tax assets (DTAs) arising from net operating loss, foreign tax credit and general business credit carry-forwards[6]	22,942	23,659
Less: Excess over 10%/15% limitations for other DTAs, certain common stock investments, and MSRs[6][7]	6,876	8,723
Total Common Equity Tier 1 Capital	$154,534	$146,865
Additional Tier 1 Capital		
Qualifying perpetual preferred stock[1]	$19,069	$16,571
Qualifying trust preferred securities[8]	1,368	1,365
Qualifying noncontrolling interests	29	31
Regulatory Capital Deductions:		
Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries[9]	184	229
Less: Permitted ownership interests in covered funds[10]	789	567
Total Additional Tier 1 Capital	$19,493	$17,171
Total Tier 1 Capital (Common Equity Tier 1 Capital + Additional Tier 1 Capital)	$174,027	$164,036
Tier 2 Capital		
Qualifying subordinated debt[11]	$23,701	$20,744
Qualifying trust preferred securities[12]	328	342
Qualifying noncontrolling interests	37	41
Excess of eligible credit reserves over expected credit losses[13]	1,011	1,163
Regulatory Capital Deduction:		
Less: Minimum regulatory capital requirements of insurance underwriting subsidiaries[9]	184	229
Total Tier 2 Capital	$24,893	$22,061
Total Capital (Tier 1 Capital + Tier 2 Capital)[14]	$198,920	$186,097

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

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

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

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

(5) Identifiable intangible assets other than MSRs increased by approximately $2.2 billion during the second quarter of 2016 as a result of the acquisition of the Costco cards portfolio, as well as the renewal and extension of the co-branded credit card program agreement with American Airlines. For additional information, see Note 16 to the Consolidated Financial Statements.

(6) Of Citi's approximately $45.4 billion of net DTAs at June 30, 2016, approximately $17.4 billion of such assets were includable in regulatory capital pursuant to the U.S. Basel III rules, while approximately $28.0 billion of such assets were excluded in arriving at Common Equity Tier 1 Capital. Comprising the excluded net DTAs was an aggregate of approximately $29.8 billion of net DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards as well as temporary differences that were deducted from Common Equity Tier 1 Capital. Serving to reduce the approximately $29.8 billion of aggregate excluded net DTAs was approximately $1.8 billion of net DTLs primarily associated with goodwill and certain other intangible assets. Separately, under the U.S. Basel III rules, goodwill and these other intangible assets are deducted net of associated DTLs in arriving at Common Equity Tier 1 Capital.

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

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

(9) 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 June 30, 2016	Six Months Ended June 30, 2016
Common Equity Tier 1 Capital		
Balance, beginning of period	$153,023	$146,865
Net income	3,998	7,499
Common and preferred dividends declared	(469)	(828)
Net increase in treasury stock	(1,315)	(1,862)
Net change in common stock and additional paid-in capital[1]	147	(520)
Net change in foreign currency translation adjustment net of hedges, net of tax	(552)	102
Net increase in unrealized gains on securities AFS, net of tax	927	2,961
Net increase in defined benefit plans liability adjustment, net of tax	(27)	(492)
Net change in adjustment related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax	—	72
Net decrease in goodwill, net of related deferred tax liabilities (DTLs)	81	126
Net increase in identifiable intangible assets other than mortgage servicing rights (MSRs), net of related DTLs	(2,026)	(1,772)
Net increase in defined benefit pension plan net assets	(94)	(170)
Net decrease in deferred tax assets (DTAs) arising from net operating loss, foreign tax credit and general business credit carry-forwards	472	717
Net decrease in excess over 10%/15% limitations for other DTAs, certain common stock investments and MSRs	378	1,847
Other	(9)	(11)
Net increase in Common Equity Tier 1 Capital	$1,511	$7,669
Common Equity Tier 1 Capital Balance, end of period	$154,534	$154,534
Additional Tier 1 Capital		
Balance, beginning of period	$18,119	$17,171
Net increase in qualifying perpetual preferred stock[1]	1,494	2,498
Net increase in qualifying trust preferred securities	2	3
Net increase in permitted ownership interests in covered funds	(164)	(222)
Other	42	43
Net increase in Additional Tier 1 Capital	$1,374	$2,322
Tier 1 Capital Balance, end of period	$174,027	$174,027
Tier 2 Capital		
Balance, beginning of period	$23,579	$22,061
Net increase in qualifying subordinated debt	1,037	2,957
Net change in excess of eligible credit reserves over expected credit losses	245	(152)
Other	32	27
Net increase in Tier 2 Capital	$1,314	$2,832
Tier 2 Capital Balance, end of period	$24,893	$24,893
Total Capital (Tier 1 Capital + Tier 2 Capital)	$198,920	$198,920

(1) During the three months and six months ended June 30, 2016, Citi issued $1.5 billion and approximately $2.5 billion of qualifying perpetual preferred stock with issuance costs of $6 million and $37 million, respectively. In accordance with Federal Reserve Board regulatory reporting requirements, which differ from those under U.S. GAAP, such issuance costs are excluded from common stockholders' equity and netted against preferred stock.

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

	Advanced Approaches			Standardized Approach		
In millions of dollars	Citicorp	Citi Holdings	Total	Citicorp	Citi Holdings	Total
Credit Risk	$766,959	$71,029	$837,988	$1,043,206	$66,018	$1,109,224
Market Risk	68,581	1,097	69,678	69,043	1,230	70,273
Operational Risk	275,921	49,079	325,000	—	—	—
Total Risk-Weighted Assets	$1,111,461	$121,205	$1,232,666	$1,112,249	$67,248	$1,179,497

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

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

Total risk-weighted assets under both the Basel III Advanced Approaches and the Standardized Approach increased from year-end 2015 due to an increase in credit risk-weighted assets, partially offset by a decrease in market risk-weighted assets. The growth in credit
risk-weighted assets resulted from higher derivative exposures, and a net increase in cards exposures arising from the acquisition of the Costco portfolio, which was offset in part by residential mortgage loan sales and repayments, as well as divestitures of certain Citi Holdings portfolios. In addition, further contributing to the increase in credit risk-weighted assets under the Advanced Approaches were model enhancements related to OTC derivatives and derivatives CVA.

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

In millions of dollars	Three Months Ended June 30, 2016	Six Months Ended June 30, 2016
Total Risk-Weighted Assets, beginning of period	$1,239,575	$1,216,277
Changes in Credit Risk-Weighted Assets		
Net decrease in retail exposures[1]	(1,278)	(9,192)
Net increase in wholesale exposures[2]	1,335	3,724
Net change in repo-style transactions	(3,218)	635
Net decrease in securitization exposures	(2,154)	(468)
Net change in equity exposures	(345)	549
Net increase in over-the-counter (OTC) derivatives[3]	2,148	9,686
Net increase in derivatives CVA[4]	1,854	12,774
Net increase in other exposures[5]	2,483	3,326
Net change in supervisory 6% multiplier[6]	(63)	494
Net increase in Credit Risk-Weighted Assets	$762	$21,528
Changes in Market Risk-Weighted Assets		
Net decrease in risk levels[7]	$(7,741)	$(2,437)
Net change due to model and methodology updates[8]	70	(2,702)
Net decrease in Market Risk-Weighted Assets	$(7,671)	$(5,139)
Net change in Operational Risk-Weighted Assets	$—	$—
Total Risk-Weighted Assets, end of period	$1,232,666	$1,232,666

(1) Retail exposures decreased during the three months ended June 30, 2016, in part, due to residential mortgage loan sales and repayments, divestitures of certain Citi Holdings portfolios, and the impact of FX translation. Retail exposures decreased during the six months ended June 30, 2016, in part, due to residential mortgage loan sales and repayments, divestitures of certain Citi Holdings portfolios and reductions in qualifying revolving (cards) exposures attributable to seasonal holiday spending repayments. In addition, retail exposures for both the three and six months ended June 30, 2016 also reflect the acquisition of the Costco cards portfolio.

(2) Wholesale exposures increased slightly during the three months ended June 30, 2016 primarily due to growth in commercial loans, partially offset by the impact of FX translation. Wholesale exposures increased during the six months ended June 30, 2016 primarily due to increases in securities AFS and commercial loans, partially offset by a decrease in loan commitments.

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

(4) Derivatives CVA increased during the three months ended June 30, 2016 primarily driven by volatility and rating changes. Derivatives CVA increased during the six months ended June 30, 2016 primarily driven by increased volatility and model enhancements.

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

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

(7) Risk levels decreased during the three and six months ended June 30, 2016 primarily due to a reduction in exposure levels subject to comprehensive risk, a reduction in positions subject to securitization charges, and the ongoing assessment regarding the applicability of the market risk capital rules to certain securitization positions, partially offset by an increase in assets subject to standard specific risk charges. In addition, further contributing to the decline in risk levels during the three months ended June 30, 2016 was a reduction in exposure levels subject to

Value at Risk and Stressed Value at Risk.

(8) Risk-weighted assets declined during the six months ended June 30, 2016 due to updated model volatility inputs.

Supplementary Leverage Ratio

Citigroup's Supplementary Leverage ratio was 7.5% for the second quarter of 2016, compared to 7.4% for the first quarter of 2016 and 7.1% for the fourth quarter of 2015. The growth in the ratio quarter-over-quarter was principally driven by an increase in Tier 1 Capital attributable largely to quarterly net income of $4.0 billion and a $1.5 billion noncumulative perpetual preferred stock issuance, partially offset by an increase in identifiable intangible assets other than MSRs and Total Leverage Exposure. The growth in the ratio from the fourth quarter of 2015 was also principally driven by an increase in Tier 1 Capital

attributable largely to net income of $7.5 billion, $2.5 billion of noncumulative perpetual preferred stock issuances, and the favorable effects associated with DTA utilization of approximately $2.4 billion, offset in part by the return of capital to common shareholders.

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

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

In millions of dollars, except ratios	June 30, 2016	December 31, 2015
Tier 1 Capital	$174,027	$164,036
Total Leverage Exposure (TLE)		
On-balance sheet assets[(1)]	$1,807,312	$1,784,248
Certain off-balance sheet exposures:[(2)]		
Potential future exposure (PFE) on derivative contracts	207,468	206,128
Effective notional of sold credit derivatives, net[(3)]	68,412	76,923
Counterparty credit risk for repo-style transactions[(4)]	21,457	25,939
Unconditionally cancellable commitments	60,913	58,699
Other off-balance sheet exposures	220,334	225,450
Total of certain off-balance sheet exposures	$578,584	$593,139
Less: Tier 1 Capital deductions	58,967	59,538
Total Leverage Exposure	$2,326,929	$2,317,849
Supplementary Leverage ratio	7.48 %	7.08 %

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

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

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

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

Citibank's Supplementary Leverage ratio, assuming full implementation under the U.S. Basel III rules, was 6.8% for the second quarter of 2016, compared to 6.9% for the first quarter of 2016 and 6.7% for the fourth quarter of 2015. The slight decrease in the ratio quarter-over-quarter was primarily attributable to a decline in Tier 1 Capital, as quarterly net income of $3.5 billion was more than offset by the aggregate effects of an increase in identifiable intangible assets other than MSRs, as well as 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 2015 was principally driven by an increase in Tier 1 Capital due to net income, and beneficial net movements in AOCI, partially offset by cash

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

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

Interest Rate Risk in the Banking Book
In April 2016, the Basel Committee on Banking Supervision (Basel Committee) issued a final rule which sets forth revised principles regarding the supervisory review process over a bank's management of interest rate risk in the banking book (IRRBB), as well as the methods expected to be used by banks for the measurement, monitoring and control of IRRBB. Moreover, the final rule establishes qualitative and quantitative public disclosure requirements for IRRBB. The final rule is applicable to large, internationally active banking organizations, and is expected to be implemented by 2018.
The U.S. banking agencies have not yet proposed rules for incorporating the Basel Committee's revised principles on IRRBB into the U.S. regulatory capital framework.

Revisions to the Securitization Framework
In July 2016, the Basel Committee issued a final rule which amends the Basel III securitization framework issued in December 2014 to include an alternative, and potentially preferential, regulatory capital treatment for securitizations identified as "simple, transparent and comparable" (STC). Although the Basel Committee had previously issued criteria solely for identifying STC securitizations in July 2015, this final rule introduces further requirements with respect to these identifying criteria as well as sets forth additional criteria, all of which must be satisfied in order for a securitization exposure to receive the alternative and more favorable regulatory capital treatment.
The U.S. banking agencies may revise the regulatory capital treatment of securitization exposures, including STC securitizations, in the future, based upon the revisions adopted by the Basel Committee.

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

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

In millions of dollars or shares, except per share amounts	June 30, 2016	December 31, 2015
Total Citigroup stockholders' equity	$231,888	$221,857
Less: Preferred stock	19,253	16,718
Common equity	$212,635	$205,139
Less:		
Goodwill	22,496	22,349
Intangible assets (other than MSRs)[1]	5,521	3,721
Goodwill and intangible assets (other than MSRs) related to assets held-for-sale	30	68
Tangible common equity (TCE)	$184,588	$179,001
Common shares outstanding (CSO)	2,905.4	2,953.3
Tangible book value per share (TCE/CSO)	$63.53	$60.61
Book value per share (Common equity/CSO)	$73.19	$69.46

(1) Identifiable intangible assets (other than MSRs) increased by approximately $2.2 billion during the second quarter of 2016 as a result of the acquisition of the Costco cards portfolio, as well as the renewal and extension of the co-branded credit card program agreement with American Airlines. For additional information, see Note 16 to the Consolidated Financial Statements.

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

MANAGING GLOBAL RISK

For Citi, effective risk management is of primary importance to its overall operations. Accordingly, Citi’s risk management process has been designed to monitor, evaluate and manage the principal risks it assumes in conducting its activities. Specifically, the activities that Citi engages in, and the risks those activities generate, must be consistent with Citi’s mission and value proposition, the key principles that guide it, and Citi's risk appetite.
For more information on Citi’s management of global risk, including its three lines of defense, see “Managing Global Risk” in Citi’s 2015 Annual Report on Form 10-K.

CREDIT RISK

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

CONSUMER CREDIT

North America Consumer Mortgage Lending

Overview
Citi's North America consumer mortgage portfolio consists of both residential first mortgages and home equity loans. At June 30, 2016, Citi's North America consumer mortgage portfolio was $76.9 billion (compared to $78.7 billion at March 31, 2016), of which the residential first mortgage portfolio was $55.8 billion (compared to $56.8 billion at March 31, 2016), and the home equity loan portfolio was $21.1 billion (compared to $21.9 billion at March 31, 2016). For additional information on Citi's North America consumer mortgage portfolio, see Note 14 to the Consolidated Financial Statements and "Credit Risk—North America Consumer Mortgage Lending" in Citi's 2015 Annual Report on Form 10-K.

North America Consumer Mortgage—Residential First Mortgages
The following charts detail the quarterly outstanding loans and credit trends for Citi's residential first mortgage portfolio in North America.
North America Residential First Mortgage - EOP Loans
In billions of dollars

North America Residential First Mortgage - Net Credit Losses
In millions of dollars
Note: CMI refers to loans originated by CitiMortgage. CFNA refers to loans originated by CitiFinancial. Totals may not sum due to rounding.
(1) Decrease in 4Q'15 EOP loans primarily reflected the transfer of CFNA residential first mortgages to held-for-sale and classification as Other assets at year-end 2015. This transfer did not impact net credit losses in 4Q'15.
(2) Decrease in 1Q'16 net credit losses primarily reflected the transfer of CFNA residential first mortgage to held-for-sale and classification as Other assets at year-end 2015.
(3) 2Q'16 excludes a $23 million recovery of prior net credit losses related to the sale of CMI residential first mortgages during the quarter.
(4) Year-over-year change in the S&P/Case-Shiller U.S. National Home Price Index.
(5) Year-over-year change as of April 2016.

North America Residential First Mortgage Delinquencies-Citi Holdings
In billions of dollars
Note: Days past due excludes (i) U.S. mortgage loans that are guaranteed by U.S. government-sponsored agencies because the potential loss predominantly resides with the U.S. agencies, and (ii) loans recorded at fair value. Totals may not sum due to rounding.
(1) Decrease in 4Q'15 delinquencies primarily reflected the transfer of CFNA residential first mortgages to held-for-sale and classification as Other assets at year-end 2015.

Overall changes in net credit losses and delinquencies in Citi's North America residential first mortgage portfolio during the current quarter as well as going forward will largely be driven by continued asset sales or transfers to held-for-sale as well as overall trends in HPI and interest rates.

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North America Residential First Mortgages—State Delinquency Trends

The following tables set forth the six U.S. states and/or regions with the highest concentration of Citi's residential first mortgages.

In billions of dollars	June 30, 2016					March 31, 2016				
State[1]	ENR[2]	ENR Distribution	90+DPD %	% LTV > 100%[3]	Refreshed FICO	ENR[2]	ENR Distribution	90+DPD %	% LTV > 100%[3]	Refreshed FICO
CA	$19.6	38 %	0.2 %	— %	756	$19.6	38 %	0.3 %	1 %	754
NY/NJ/CT[4]	13.2	26	0.7	1	753	13.0	25	0.7	1	752
IL[4]	2.3	4	0.9	3	737	2.2	4	1.0	5	736
VA/MD	2.2	4	1.0	3	722	2.2	4	1.2	4	719
FL[4]	2.2	4	0.7	2	727	2.2	4	0.9	3	725
TX	1.8	3	0.9	—	716	1.9	4	0.9	—	713
Other	10.0	20	1.2	2	714	10.7	21	1.2	2	711
Total	$51.3	100 %	0.6 %	1 %	742	$51.8	100 %	0.7 %	1 %	740

Note: Totals may not sum due to rounding.

(1) Certain of the states are included as part of a region based on Citi's view of similar HPI within the region.

(2) Ending net receivables. Excludes loans in Canada and Puerto Rico, loans guaranteed by U.S. government agencies, loans recorded at fair value and loans subject to long term standby commitments (LTSCs). Excludes balances for which FICO or LTV data are unavailable.

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

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

Foreclosures

A substantial majority of Citi's foreclosure inventory consists of residential first mortgages. At June 30, 2016, Citi's foreclosure inventory included approximately $0.1 billion, or 0.2%, of the total residential first mortgage portfolio, unchanged from March 31, 2016, based on the dollar amount of ending net receivables of loans in foreclosure inventory, excluding loans that are guaranteed by U.S. government agencies and loans subject to LTSCs.

North America Consumer Mortgage—Home Equity Loans

Citi's home equity loan portfolio consists of both fixed-rate home equity loans and loans extended under home equity lines of credit. Fixed-rate home equity loans are fully amortizing. Home equity lines of credit allow for amounts to be drawn for a period of time with the payment of interest only and then, at the end of the draw period, the then-outstanding amount is converted to an amortizing loan (the interest-only payment feature during the revolving period is standard for this product across the industry). After conversion, the home equity loans typically have a 20-year amortization period. As of June 30, 2016, Citi's home equity loan portfolio of $21.1 billion consisted of $5.9 billion of fixed-rate home equity loans and $15.2 billion of loans extended under home equity lines of credit (Revolving HELOCs).

Revolving HELOCs

Citi's $15.2 billion of Revolving HELOCs as of June 30, 2016 consisted of $5.2 billion of loans that had commenced amortization (compared to $4.6 billion at March 31, 2016) and $10.0 billion of loans still within their revolving period that had not commenced amortization, or "reset" (compared to $11.2 billion at March 31, 2016). The following chart indicates the FICO and combined loan-to-value (CLTV) characteristics of Citi's Revolving HELOCs portfolio and the

year in which they reset:
North America Home Equity Lines of Credit Amortization – Citigroup
Total ENR by Reset Year
In billions of dollars as of June 30, 2016
Note: Totals may not sum due to rounding.

Approximately 34% of Citi's total Revolving HELOCs portfolio had commenced amortization as of June 30, 2016 (compared to 29% as of March 31, 2016). Of the remaining Revolving HELOCs portfolio, approximately 56% will commence amortization during the remainder of 2016–2017. Before commencing amortization, Revolving HELOC

borrowers are required to pay only interest on their loans. Upon amortization, these borrowers will be required to pay both interest, usually at a variable rate, and principal that amortizes typically over 20 years, rather than the typical 30-year amortization. As a result, Citi's customers with Revolving HELOCs that reset could experience "payment shock" due to the higher required payments on the loans.

While it is not certain what ultimate impact this payment shock could have on Citi's delinquency rates and net credit losses, Citi currently estimates that the monthly loan payment for its Revolving HELOCs that reset during the remainder of 2016–2017 could increase on average by approximately $370, or 150%. Increases in interest rates could further increase these payments given the variable nature of the interest rates on these loans post-reset. Of the Revolving HELOCs that will commence amortization during the remainder of 2016–2017, approximately $0.5 billion, or 7%, of the loans have a CLTV greater than 100% as of June 30, 2016. Borrowers' high loan-to-value positions, as well as the cost and availability of refinancing options, could limit borrowers' ability to refinance their Revolving HELOCs as these loans begin to reset.

Approximately 6.5% of the Revolving HELOCs that have begun amortization as of June 30, 2016 were 30+ days past due, compared to 3.5% of the total outstanding home equity loan portfolio (amortizing and non-amortizing). This compared to 6.7% and 3.5%, respectively, as of March 31, 2016. As newly amortizing loans continue to season, the delinquency rate of the amortizing Revolving HELOC portfolio and total home equity loan portfolio is expected to increase. Delinquencies on newly amortizing loans have tended to peak between four and six months after reset. Resets to date have generally occurred during a period of historically low interest rates, improving HPI and a favorable economic environment, which Citi believes has likely reduced the overall "payment shock" to the borrower. Citi continues to monitor this reset risk closely and will continue to consider any potential impact in determining its allowance for loan loss reserves. In addition, management continues to review and take additional actions to offset potential reset risk, such as a borrower outreach program to provide reset risk education and proactively working with high-risk borrowers through a specialized single point of contact unit. For further information on reset risk, see "Risk Factors—Credit and Market Risks" in Citi's 2015 Annual Report on Form 10-K.

Net Credit Losses and Delinquencies

The following charts detail the quarterly outstanding loans and credit trends for Citi's home equity loan portfolio in North America:

North America Home Equity - EOP Loans
In billions of dollars

North America Home Equity - Net Credit Losses
In millions of dollars

Note: Totals may not sum due to rounding.

(1) 2Q'16 excludes a non-recurring benefit to net credit losses of approximately $13 million associated with certain previously charged-off loans.

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

As evidenced by the tables above, net credit losses in the North America home equity loan portfolio continued to improve during the second quarter of 2016, largely driven by the continued improvement in HPI.
Given the limited market in which to sell delinquent home equity loans to date, as well as the relatively smaller number of home equity loan modifications and modification programs (see Note 14 to the Consolidated Financial Statements), Citi's

ability to reduce delinquencies or net credit losses in its home equity loan portfolio in Citi Holdings, whether pursuant to deterioration of the underlying credit performance of these loans, the reset of the Revolving HELOCs (as discussed above) or otherwise, is more limited as compared to residential first mortgages.

North America Home Equity Loans—State Delinquency Trends
The following tables set forth the six U.S. states and/or regions with the highest concentration of Citi's home equity loans:

In billions of dollars	June 30, 2016					March 31, 2016				
State[1]	ENR[2]	ENR Distribution	90+DPD %	% CLTV > 100%[3]	Refreshed FICO	ENR[2]	ENR Distribution	90+DPD %	% CLTV > 100%[3]	Refreshed FICO
CA	$5.7	29 %	1.9 %	4 %	731	$6.0	29 %	1.8 %	5 %	731
NY/NJ/CT[4]	5.6	28	2.7	9	726	5.8	28	2.5	9	725
FL[4]	1.4	7	2.1	16	715	1.4	7	1.9	21	715
VA/MD	1.2	6	2.1	24	714	1.2	6	1.9	26	714
IL[4]	0.9	4	1.7	30	722	0.9	4	1.6	33	722
IN/OH/MI[4]	0.5	2	1.7	25	704	0.5	3	2.0	29	703
Other	4.5	23	1.9	10	712	4.9	24	1.8	13	712
Total	$19.8	100 %	2.1 %	11 %	722	$20.6	100 %	2.0 %	12 %	722

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

GCB Commercial Banking Exposure to the Energy and Energy-Related Sector
In addition to the total corporate credit exposure to the energy and energy-related sector described under "Corporate Credit" below, Citi's commercial banking business, reported within GCB retail banking, had total credit exposure to the energy and energy-related sector of approximately $2.0 billion as of June 30, 2016, with approximately $1.4 billion of direct outstanding funded loans, or 5%, of the total outstanding commercial banking loans. This compared to approximately $2.1 billion of total corporate credit exposure and $1.4 billion of direct outstanding funded energy and energy-related loans as of March 31, 2016. In addition, as of June 30, 2016, approximately 88% of commercial banking's total credit exposure to the energy and energy-related sector was in the U.S., unchanged from March 31, 2016. Approximately 29% of commercial banking's total energy and energy-related exposure was rated investment grade at June 30, 2016, also unchanged from March 31, 2016.

During the second quarter of 2016, Citi built additional energy and energy-related loan loss reserves by approximately $2 million, and incurred net credit losses of approximately $17 million on this commercial banking portfolio. As of June 30, 2016, Citi held loan loss reserves against its funded energy

and energy-related commercial banking loans equal to approximately 9.8% of these loans (compared to approximately 9.6% as of March 31, 2016).

Additional Consumer Credit Details

Consumer Loan Delinquency Amounts and Ratios

	EOP loans[1]	90+ days past due[2]			30–89 days past due[2]		
In millions of dollars, except EOP loan amounts in billions	June 30, 2016	June 30, 2016	March 31, 2016	June 30, 2015	June 30, 2016	March 31, 2016	June 30, 2015
Citicorp[3][4]							
Total	$ 285.2	$1,965	$2,022	$2,020	$2,318	$2,360	$2,290
Ratio		0.69 %	0.74 %	0.74 %	0.82 %	0.87 %	0.84 %
Retail banking							
Total	$ 141.8	$515	$498	$567	$735	$793	$746
Ratio		0.37 %	0.35 %	0.40 %	0.52 %	0.56 %	0.53 %
North America	54.8	180	152	150	192	198	176
Ratio		0.33 %	0.29 %	0.31 %	0.36 %	0.38 %	0.36 %
Latin America	19.5	157	172	232	197	256	217
Ratio		0.81 %	0.86 %	1.10 %	1.01 %	1.27 %	1.03 %
Asia[5]	67.5	178	174	185	346	339	353
Ratio		0.26 %	0.25 %	0.26 %	0.51 %	0.49 %	0.49 %
Cards							
Total	$ 143.4	$1,450	$1,524	$1,453	$1,583	$1,567	$1,544
Ratio		1.01 %	1.17 %	1.10 %	1.10 %	1.20 %	1.17 %
North America—Citi-branded	77.5	510	530	495	550	492	462
Ratio		0.66 %	0.82 %	0.77 %	0.71 %	0.76 %	0.72 %
North America—Citi retail services	43.3	619	665	567	669	688	652
Ratio		1.43 %	1.56 %	1.31 %	1.55 %	1.62 %	1.51 %
Latin America	5.0	145	149	200	137	152	183
Ratio		2.90 %	2.81 %	3.39 %	2.74 %	2.87 %	3.10 %
Asia[5]	17.6	176	180	191	227	235	247
Ratio		1.00 %	1.02 %	1.06 %	1.29 %	1.34 %	1.36 %
Citi Holdings[6][7]							
Total	$ 41.2	$878	$896	$1,647	$858	$929	$1,366
Ratio		2.23 %	2.08 %	2.70 %	2.18 %	2.16 %	2.24 %
International	5.5	170	145	185	138	161	213
Ratio		3.09 %	2.27 %	1.97 %	2.51 %	2.52 %	2.27 %
North America	35.7	708	751	1,462	720	768	1,153
Ratio		2.09 %	2.05 %	2.84 %	2.12 %	2.09 %	2.24 %
Total Citigroup	$ 326.4	$2,843	$2,918	$3,667	$3,176	$3,289	$3,656
Ratio		0.88 %	0.93 %	1.10 %	0.98 %	1.05 %	1.09 %

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

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

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

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

$408 million ($0.9 billion), $456 million ($1.1 billion) and $423 million ($0.8 billion) at June 30, 2016, March 31, 2016 and June 30, 2015, respectively. The amounts excluded for loans 30–89 days past due (EOP loans have the same adjustment as above) were $91 million, $86 million and $75 million at June 30, 2016, March 31, 2016 and June 30, 2015, respectively.

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

(6) The 90+ days and 30–89 days past due and related ratios for Citi Holdings North America exclude U.S. mortgage loans that are guaranteed by U.S. government-sponsored entities since the potential loss predominantly resides within the U.S. government-sponsored entities. The amounts excluded for loans 90+ days past due (and EOP loans) were $1.2 billion ($1.8 billion), $1.3 billion ($1.9 billion) and $1.7 billion ($2.7 billion) at June 30, 2016, March 31, 2016 and June 30,

2015, respectively. The amounts excluded for loans 30–89 days past due (EOP loans have the same adjustment as above) for each period were $0.2 billion, $0.2 billion and $0.3 billion at June 30, 2016, March 31, 2016 and June 30, 2015, respectively.

(7) The June 30, 2016, March 31, 2016 and June 30, 2015 loans 90+ days past due and 30–89 days past due and related ratios for North America exclude $9 million, $9 million and $12 million, respectively, of loans that are carried at fair value.

Consumer Loan Net Credit Losses and Ratios

	Average loans[1]	Net credit losses[2][3]		
In millions of dollars, except average loan amounts in billions	2Q16	2Q16	1Q16	2Q15
Citicorp				
Total	$ 273.3	$ 1,373	$ 1,370	$ 1,504
Ratio		2.02 %	2.03 %	2.21 %
Retail banking				
Total	$ 141.4	$ 242	$ 220	$ 261
Ratio		0.69 %	0.63 %	0.73 %
North America	54.4	44	24	39
Ratio		0.33 %	0.18 %	0.32 %
Latin America	19.5	137	134	142
Ratio		2.83 %	2.76 %	2.70 %
Asia[4]	67.5	61	62	80
Ratio		0.36 %	0.37 %	0.44 %
Cards				
Total	$ 131.9	$ 1,131	$ 1,150	$ 1,243
Ratio		3.45 %	3.52 %	3.84 %
North America—Citi-branded	66.7	467	455	503
Ratio		2.82 %	2.83 %	3.19 %
North America—Retail services	42.7	442	453	457
Ratio		4.16 %	4.14 %	4.30 %
Latin America	5.1	123	144	174
Ratio		9.70 %	11.14 %	11.44 %
Asia[4]	17.4	99	98	109
Ratio		2.29 %	2.27 %	2.43 %
Citi Holdings[3]				
Total	$ 43.3	$ 101	$ 143	$ 309
Ratio		0.94 %	1.25 %	1.90 %
International	6.1	77	78	116
Ratio		5.08 %	4.68 %	4.70 %
North America	37.2	24	65	193
Ratio		0.26 %	0.66 %	1.39 %
Total Citigroup	$ 316.6	$ 1,474	$ 1,513	$ 1,813
Ratio		1.87 %	1.92 %	2.15 %

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

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

(3) As a result of the entry into an agreement to sell OneMain Financial (OneMain), OneMain was classified as held-for-sale (HFS) beginning March 31, 2015. As a result of HFS accounting treatment, approximately $160 million of net credit losses (NCLs) were recorded as a reduction in revenue (Other revenue) during the second quarter of 2015. Accordingly, these NCLs are not included in this table. Loans HFS are excluded from this table as

they are recorded in Other assets.

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

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CORPORATE CREDIT

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

Corporate Credit Portfolio

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

	At June 30, 2016				At March 31, 2016				At December 31, 2015			
In billions of dollars	Due within 1 year	Greater than 1 year but within 5 years	Greater than 5 years	Total exposure	Due within 1 year	Greater than 1 year but within 5 years	Greater than 5 years	Total exposure	Due within 1 year	Greater than 1 year but within 5 years	Greater than 5 years	Total exposure
Direct outstandings (on-balance sheet)(1)	$111	$ 99	$ 24	$ 234	$104	$ 103	$ 24	$ 231	$98	$ 97	$ 25	$ 220
Unfunded lending commitments (off-balance sheet)(2)	101	209	32	342	103	225	23	351	99	231	26	356
Total exposure	$212	$ 308	$ 56	$ 576	$207	$ 328	$ 47	$ 582	$197	$ 328	$ 51	$ 576

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

Portfolio Mix—Geography, Counterparty and Industry

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

	June 30, 2016	March 31, 2016	December 31, 2015
North America	54 %	56 %	56 %
EMEA	26	25	25
Asia	12	12	12
Latin America	8	7	7
Total	100 %	100 %	100 %

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

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

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

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

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

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

Note: Total exposure includes direct outstandings and unfunded lending commitments.
(1) In addition to this exposure, Citi has energy-related exposure within the "Public sector" (e.g., energy-related state-owned entities) and "Transportation and industrial" sector (e.g., off-shore drilling entities) included in the table above. As of June 30, 2016, Citi's total exposure to these energy-related entities remained largely consistent with the prior quarter, at approximately $6 billion, of which approximately $4 billion consisted of direct outstanding funded loans.

Exposure to the Energy and Energy-Related Sector

As of June 30, 2016, Citi's total corporate credit exposure to the energy and energy-related sector (see footnote 1 to the table above) was $56.9 billion, with $22.1 billion consisting of direct outstanding funded loans, or 3%, of Citi's total outstanding loans. This compared to $57.2 billion of total exposure and $22.3 billion of funded loans as of March 31, 2016. In addition, as of June 30, 2016, approximately 72% of ICG's total corporate credit energy and energy-related exposure was in the United States, United Kingdom and Canada (unchanged from March 31, 2016). Also as of June 30, 2016, approximately 73% of Citi's total energy and energy-related exposures were rated investment grade (unchanged from March 31, 2016).

During the second quarter of 2016, Citi incurred approximately $102 million of net credit losses in the energy and energy-related loan portfolio and released approximately $104 million of energy and energy-related loan loss reserves. As of June 30, 2016, Citi held loan loss reserves against its funded energy and energy-related loans equal to approximately 3.9% of these loans (down slightly from 4.2% at March 31, 2016), with a funded reserve ratio of

approximately 10% on the non-investment grade portion of the portfolio, consistent with the prior quarter.

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

Exposure to Banks, Broker-Dealers and Finance Companies

As of June 30, 2016, Citi's total corporate credit exposure to banks, broker-dealers and finance companies was approximately $39 billion, of which $27 billion represented direct outstanding funded loans, or 5% of Citi's total outstanding loans. Also as of June 30, 2016, approximately 84% of Citi's bank, broker-dealers and finance companies total corporate credit exposure was rated investment grade.

Included in the amounts noted above, as of June 30, 2016, Citi's total corporate credit exposure to banks was approximately $24 billion, with $19 billion consisting of direct outstanding funded loans, or 3% of Citi's total outstanding loans. Of the approximately $24 billion as of June 30, 2016, approximately 30% related to Asia, 30% related to EMEA, 20% related to North America and 20% related to Latin America. More than 70% of Citi's total corporate credit exposure to banks had a tenor of less than 12 months as of June 30, 2016.
In addition to the corporate lending exposures described above, Citi has additional exposure to banks, broker-dealers and finance companies in the form of derivatives and securities financing transactions, which are typically executed as repurchase and reverse repurchase agreements or securities loaned or borrowed arrangements. As of June 30, 2016, Citi had net derivative credit exposure to banks, broker-dealers and finance companies of approximately $8 billion after the application of netting arrangements, legally enforceable margin agreements and other collateral arrangements. The collateral considered as part of the net derivative credit exposure was represented primarily by high quality, liquid assets. As of June 30, 2016, Citi had net credit exposure to banks, broker-dealers and finance companies in the form of securities financing transactions of $4 billion after the application of netting and collateral arrangements. The collateral considered in the net exposure for the securities financing transactions exposure was primarily cash and highly liquid investment grade securities.

Credit Risk Mitigation

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

At June 30, 2016, March 31, 2016 and December 31, 2015, $37.6 billion, $36.6 billion and $34.5 billion, respectively, of the corporate credit portfolio was economically hedged. Citigroup’s expected loss model used in the calculation of its loan loss reserve does not include the favorable impact of credit derivatives and other mitigants that are marked to market. In addition, the reported amounts of direct outstandings and unfunded lending commitments in the tables above do not reflect the impact of these hedging transactions. The credit protection was economically hedging underlying corporate credit portfolio exposures with the following risk rating distribution:

Rating of Hedged Exposure

	June 30, 2016	March 31, 2016	December 31, 2015
AAA/AA/A	20 %	19 %	21 %
BBB	51	53	48
BB/B	25	25	27
CCC or below	4	3	4
Total	100 %	100 %	100 %

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

Industry of Hedged Exposure

	June 30, 2016	March 31, 2016	December 31, 2015
Transportation and industrial	26 %	28 %	28 %
Consumer retail and health	16	18	17
Technology, media and telecom	15	16	16
Energy	15	13	13
Power, chemicals, commodities and metals and mining	12	11	12
Insurance and special purpose entities	5	5	5
Public Sector	5	4	4
Banks/broker-dealers	5	4	4
Other industries	1	1	1
Total	100 %	100 %	100 %

ADDITIONAL CONSUMER AND CORPORATE CREDIT DETAILS

Loans Outstanding

In millions of dollars	2nd Qtr. 2016	1st Qtr. 2016	4th Qtr. 2015	3rd Qtr. 2015	2nd Qtr. 2015
Consumer loans					
In U.S. offices					
Mortgage and real estate[1]	$77,242	$79,128	$80,281	$89,155	$90,715
Installment, revolving credit, and other	3,486	3,504	3,480	4,999	4,956
Cards	120,113	106,892	112,800	107,244	107,096
Commercial and industrial	7,041	6,793	6,407	6,437	6,493
	$207,882	$196,317	$202,968	$207,835	$209,260
In offices outside the U.S.					
Mortgage and real estate[1]	$46,049	$47,831	$47,062	$47,295	$50,704
Installment, revolving credit, and other	27,830	28,778	29,480	29,702	30,958
Cards	25,844	26,312	27,342	26,865	28,662
Commercial and industrial	17,857	17,697	17,741	17,841	18,863
Lease financing	140	139	362	368	424
	$117,720	$120,757	$121,987	$122,071	$129,611
Total consumer loans	$325,602	$317,074	$324,955	$329,906	$338,871
Unearned income[2]	817	826	830	(687)	(677)
Consumer loans, net of unearned income	$326,419	$317,900	$325,785	$329,219	$338,194
Corporate loans					
In U.S. offices					
Commercial and industrial	$50,286	$44,104	$41,147	$40,435	$40,697
Loans to financial institutions	32,001	36,865	36,396	38,034	37,360
Mortgage and real estate[1]	40,175	38,697	37,565	37,019	34,680
Installment, revolving credit, and other	32,491	33,273	33,374	32,129	31,882
Lease financing	1,546	1,597	1,780	1,718	1,707
	$156,499	$154,536	$150,262	$149,335	$146,326
In offices outside the U.S.					
Commercial and industrial	$87,125	$85,491	$82,358	$85,628	$87,274
Loans to financial institutions	27,856	28,652	28,704	28,090	29,675
Mortgage and real estate[1]	5,455	5,769	5,106	6,602	5,948
Installment, revolving credit, and other	24,825	21,583	20,853	19,352	20,214
Lease financing	255	280	303	329	378
Governments and official institutions	5,757	5,303	4,911	4,503	4,714
	$151,273	$147,078	$142,235	$144,504	$148,203
Total corporate loans	$307,772	$301,614	$292,497	$293,839	$294,529
Unearned income[3]	(676)	(690)	(665)	(614)	(605)
Corporate loans, net of unearned income	$307,096	$300,924	$291,832	$293,225	$293,924
Total loans—net of unearned income	$633,515	$618,824	$617,617	$622,444	$632,118
Allowance for loan losses—on drawn exposures	(12,304)	(12,712)	(12,626)	(13,626)	(14,075)
Total loans—net of unearned income and allowance for credit losses	$621,211	$606,112	$604,991	$608,818	$618,043
Allowance for loan losses as a percentage of total loans—net of unearned income[4]	1.96%	2.07%	2.06%	2.21%	2.25%
Allowance for consumer loan losses as a percentage of total consumer loans—net of unearned income[4]	2.89%	3.09%	3.02%	3.35%	3.45%

Allowance for corporate loan losses as a percentage of total corporate loans—net of unearned income[4]	0.95 %	0.98 %	0.97 %	0.90 %	0.84 %

(1) Loans secured primarily by real estate.

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

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

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

Details of Credit Loss Experience

In millions of dollars	2nd Qtr. 2016	1st Qtr. 2016	4th Qtr. 2015	3rd Qtr. 2015	2nd Qtr. 2015
Allowance for loan losses at beginning of period	$12,712	$12,626	$13,626	$14,075	$14,598
Provision for loan losses					
Consumer	$1,275	$1,570	$1,684	$1,338	$1,559
Corporate	115	316	572	244	(44)
	$1,390	$1,886	$2,256	$1,582	$1,515
Gross credit losses					
Consumer					
In U.S. offices	$1,212	$1,230	$1,267	$1,244	$1,393
In offices outside the U.S.	678	689	794	746	816
Corporate					
In U.S. offices	63	190	75	30	5
In offices outside the U.S.	95	34	44	48	121
	$2,048	$2,143	$2,180	$2,068	$2,335
Credit recoveries[1]					
Consumer					
In U.S. offices	$262	$256	$229	$222	$228
In offices outside the U.S.	154	150	164	155	168
Corporate					
In U.S. offices	3	4	9	11	4
In offices outside the U.S.	13	9	16	17	15
	$432	$419	$418	$405	$415
Net credit losses					
In U.S. offices	$1,010	$1,160	$1,104	$1,041	$1,166
In offices outside the U.S.	606	564	658	622	754
Total	$1,616	$1,724	$1,762	$1,663	$1,920
Other—net[2][3][4][5][6][7][8]	$(182)	$(76)	$(1,494)	(368)	$(118)
Allowance for loan losses at end of period	$12,304	$12,712	$12,626	$13,626	$14,075
Allowance for loan losses as a percentage of total loans[9]	1.96 %	2.07 %	2.06 %	2.21 %	2.25 %
Allowance for unfunded lending commitments[6][10]	$1,432	$1,473	$1,402	$1,036	$973
Total allowance for loan losses and unfunded lending commitments	$13,736	$14,185	$14,028	$14,662	$15,048
Net consumer credit losses	$1,474	$1,513	$1,668	$1,613	$1,813
As a percentage of average consumer loans	1.87 %	1.90 %	2.00 %	1.93 %	2.15 %
Net corporate credit losses	$142	$211	$94	$50	$107
As a percentage of average corporate loans	0.19 %	0.29 %	0.13 %	0.07 %	0.15 %
Allowance for loan losses at end of period[11]					
Citicorp	$10,433	$10,544	$10,331	$10,213	$10,368
Citi Holdings	1,871	2,168	2,295	3,413	3,707
Total Citigroup	$12,304	$12,712	$12,626	$13,626	$14,075
Allowance by type					
Consumer	$9,432	$9,807	$9,835	$11,030	$11,669
Corporate	2,872	2,905	2,791	2,596	2,406
Total Citigroup	$12,304	$12,712	$12,626	$13,626	$14,075

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

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

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

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

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

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

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

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

(9) June 30, 2016, March 31, 2016, December 31, 2015, September 30, 2015, and June 30, 2015 exclude $4.1 billion, $4.8 billion, $5.0 billion, $5.5 billion and $6.5 billion, respectively, of loans which are carried at fair value.

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

(11) Allowance for loan losses represents management's best estimate of probable losses inherent in the portfolio, as well as probable losses related to large individually evaluated impaired loans and troubled debt restructurings. See "Significant Accounting Policies and Significant Estimates" and Note 1 to the Consolidated Financial Statements in Citi's 2015 Annual Report on Form 10-K. Attribution of the allowance is made for analytical purposes only and the entire allowance is available to absorb probable credit losses inherent in the overall portfolio.

Allowance for Loan Losses

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

In billions of dollars	June 30, 2016		
	Allowance for loan losses	Loans, net of unearned income	Allowance as a percentage of loans[1]
North America cards[2]	$4.6	$ 120.8	3.8 %
North America mortgages[3]	1.4	76.9	1.8
North America other	0.4	13.6	2.9
International cards	1.5	25.1	6.0
International other[4]	1.5	90.0	1.7
Total consumer	$9.4	$ 326.4	2.9 %
Total corporate	2.9	307.1	1.0
Total Citigroup	$12.3	$ 633.5	2.0 %

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

(2) Includes both Citi-branded cards and Citi retail services. The $4.6 billion of loan loss reserves represented approximately 15 months of coincident net credit loss coverage.

(3) Of the $1.4 billion, approximately $1.2 billion was allocated to North America mortgages in Citi Holdings. Of the $1.4 billion, approximately $0.5 billion and $0.8 billion are determined in accordance with ASC 450-20 and ASC 310-10-35 (troubled debt restructurings), respectively. Of the $76.9 billion in loans, approximately $71.0 billion and $5.8 billion of the loans are evaluated in accordance with ASC 450-20 and ASC 310-10-35 (troubled debt restructurings), respectively. For additional information, see Note 15 to the Consolidated Financial Statements.

(4) Includes mortgages and other retail loans.

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

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

(2) Includes both Citi-branded cards and Citi retail services. The $4.5 billion of loan loss reserves represented approximately 15 months of coincident net credit loss coverage.

(3) Of the $1.7 billion, approximately $1.6 billion was allocated to North America mortgages in Citi Holdings. Of the $1.7 billion, approximately $0.6 billion and $1.1 billion are determined in accordance with ASC 450-20 and ASC 310-10-35 (troubled debt restructurings), respectively. Of the $79.6 billion in loans, approximately $72.3 billion and $7.1 billion of the loans are evaluated in accordance with ASC 450-20 and ASC 310-10-35 (troubled debt restructurings), respectively. For additional information, see Note 15 to the Consolidated Financial Statements.

(4) Includes mortgages and other retail loans.

Non-Accrual Loans and Assets and Renegotiated Loans

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

Non-Accrual Loans and Assets:

- Corporate and consumer (commercial market) non-accrual status is based on the determination that payment of interest or principal is doubtful.
- A corporate loan may be classified as non-accrual and still be performing under the terms of the loan structure. Payments received on corporate non-accrual loans are generally applied to loan principal and not reflected as interest income. Approximately 66% of Citi's corporate non-accrual loans were performing at June 30, 2016, compared to 59% at March 31, 2016.
- Consumer non-accrual status is generally based on aging, i.e., the borrower has fallen behind on payments.
- Mortgage loans in regulated bank entities discharged through Chapter 7 bankruptcy, other than FHA insured loans, are classified as non-accrual. Non-bank mortgage loans discharged through Chapter 7 bankruptcy are classified as non-accrual at 90 days or more past due. In addition, home equity loans in regulated bank entities are classified as non-accrual if the related residential first mortgage loan is 90 days or more past due.
- North America Citi-branded cards and Citi retail services are not included because, under industry standards, credit card loans accrue interest until such loans are charged off, which typically occurs at 180 days contractual delinquency.

Renegotiated Loans:

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

Non-Accrual Loans and Assets

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

As set forth in the tables below, Citi's corporate non-accrual loans within Citicorp increased during the second quarter of 2016 by 6% or approximately $135 million, driven primarily by energy and energy-related exposures in EMEA (for additional information on these exposures, see "Corporate Credit" above). Approximately two-thirds of the total additions to corporate non-accrual loans during the quarter remained performing as of June 30, 2016.

In millions of dollars	Jun. 30, 2016	Mar. 31, 2016	Dec. 31, 2015	Sept. 30, 2015	Jun. 30, 2015
Citicorp	$4,101	$3,718	$2,991	$2,921	$2,684
Citi Holdings	2,064	2,210	2,263	3,486	3,800
Total non-accrual loans	$6,165	$5,928	$5,254	$6,407	$6,484
Corporate non-accrual loans(1)(2)					
North America	$1,280	$1,331	$818	$833	$467
EMEA	762	469	347	386	385
Latin America	267	410	303	230	226
Asia	151	117	128	129	145
Total corporate non-accrual loans	$2,460	$2,327	$1,596	$1,578	$1,223
Citicorp	$2,410	$2,275	$1,543	$1,525	$1,168
Citi Holdings	50	52	53	53	55
Total corporate non-accrual loans	$2,460	$2,327	$1,596	$1,578	$1,223
Consumer non-accrual loans(1)(3)					
North America	$2,520	$2,519	$2,515	$3,622	$3,928
Latin America	884	817	874	935	1,032
Asia(4)	301	265	269	272	301
Total consumer non-accrual loans	$3,705	$3,601	$3,658	$4,829	$5,261
Citicorp	$1,691	$1,443	$1,448	$1,396	$1,516
Citi Holdings	2,014	2,158	2,210	3,433	3,745
Total consumer non-accrual loans	$3,705	$3,601	$3,658	$4,829	$5,261

(1) Excludes purchased distressed loans, as they are generally accreting interest. The carrying value of these loans was $212 million at June 30, 2016, $236 million at March 31, 2016, $250 million at December 31, 2015, $320 million at September 30, 2015 and $343 million at June 30, 2015.

(2) The increases in corporate non-accrual loans during the third quarter of 2015 and first quarter of 2016 primarily related to Citi's North America and EMEA energy and energy-related corporate credit exposure.

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

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

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

	Three months ended June 30, 2016			Three months ended June 30, 2015		
In millions of dollars	Corporate	Consumer	Total	Corporate	Consumer	Total
Non-accrual loans at beginning of period	$2,327	$ 3,601	$5,928	$1,182	$ 5,572	$6,754
Additions	830	1,326	2,156	292	1,077	1,369
Sales and transfers to held-for-sale	(1)	(209)	(210)	(140)	(141)	(281)
Returned to performing	(68)	(143)	(211)	(10)	(281)	(291)
Paydowns/settlements	(491)	(396)	(887)	(103)	(309)	(412)
Charge-offs	(113)	(462)	(575)	(40)	(615)	(655)
Other	(24)	(12)	(36)	42	(42)	—
Ending balance	$2,460	$ 3,705	$6,165	$1,223	$ 5,261	$6,484

	Six months ended June 30, 2016			Six months ended June 30, 2015		
In millions of dollars	Corporate	Consumer	Total	Corporate	Consumer	Total
Non-accrual loans at beginning of period	$1,596	$ 3,658	$5,254	$1,202	$ 5,905	$7,107
Additions	1,877	2,240	4,117	488	2,933	3,421
Sales and transfers to held-for-sale	(9)	(371)	(380)	(176)	(755)	(931)
Returned to performing	(83)	(284)	(367)	(21)	(607)	(628)
Paydowns/settlements	(589)	(641)	(1,230)	(242)	(616)	(858)
Charge-offs	(253)	(898)	(1,151)	(58)	(1,486)	(1,544)
Other	(79)	1	(78)	30	(113)	(83)
Ending balance	$2,460	$ 3,705	$6,165	$1,223	$ 5,261	$6,484

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

In millions of dollars	Jun. 30, 2016	Mar. 31, 2016	Dec. 31, 2015	Sept. 30, 2015	Jun. 30, 2015
OREO					
Citicorp	$54	$74	$70	$83	$85
Citi Holdings	121	131	139	144	161
Total OREO	$175	$205	$209	$227	$246
North America	$151	$159	$166	$177	$190
EMEA	—	1	1	1	1
Latin America	19	35	38	44	50
Asia	5	10	4	5	5
Total OREO	$175	$205	$209	$227	$246
Non-accrual assets—Total Citigroup					
Corporate non-accrual loans	$2,460	$2,327	$1,596	$1,578	$1,223
Consumer non-accrual loans	3,705	3,601	3,658	4,829	5,261
Non-accrual loans (NAL)	$6,165	$5,928	$5,254	$6,407	$6,484
OREO	$175	$205	$209	$227	$246
Non-accrual assets (NAA)	$6,340	$6,133	$5,463	$6,634	$6,730
NAL as a percentage of total loans	0.97 %	0.96 %	0.85 %	1.03 %	1.03 %
NAA as a percentage of total assets	0.35	0.34	0.32	0.37	0.37
Allowance for loan losses as a percentage of NAL[(1)]	200	214	240	213	217

Non-accrual assets—Total Citicorp	Jun. 30, 2016	Mar. 31, 2016	Dec. 31, 2015	Sept. 30, 2015	Jun. 30, 2015
Non-accrual loans (NAL)	$4,101	$3,718	$2,991	$2,921	$2,684
OREO	54	74	70	83	85
Non-accrual assets (NAA)	$4,155	$3,792	$3,061	$3,004	$2,769
NAA as a percentage of total assets	0.24 %	0.22 %	0.19 %	0.18 %	0.16 %
Allowance for loan losses as a percentage of NAL[(1)]	254	284	345	350	386
Non-accrual assets—Total Citi Holdings					
Non-accrual loans (NAL)[(2)]	$2,064	$2,210	$2,263	$3,486	$3,800
OREO	121	131	139	144	161
Non-accrual assets (NAA)	$2,185	$2,341	$2,402	$3,630	$3,961
NAA as a percentage of total assets	3.31 %	3.21 %	2.97 %	3.10 %	3.19 %
Allowance for loan losses as a percentage of NAL[(1)]	91	98	101	98	98

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

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

Renegotiated Loans

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

In millions of dollars	Jun. 30, 2016	Dec. 31, 2015
Corporate renegotiated loans[(1)]		
In U.S. offices		
Commercial and industrial[(2)]	$26	$25
Mortgage and real estate[(3)]	96	104
Loans to financial institutions	—	5
Other	252	273
	$374	$407
In offices outside the U.S.		
Commercial and industrial[(2)]	$297	$111
Mortgage and real estate[(3)]	34	33
Other	36	45
	$367	$189
Total corporate renegotiated loans	$741	$596
Consumer renegotiated loans[(4)(5)(6)]		
In U.S. offices		
Mortgage and real estate[(7)]	$5,643	$7,058
Cards	1,307	1,396
Installment and other	81	79
	$7,031	$8,533
In offices outside the U.S.		
Mortgage and real estate	$463	$474
Cards	542	555
Installment and other	491	514
	$1,496	$1,543
Total consumer renegotiated loans	$8,527	$10,076

(1) Includes $422 million and $258 million of non-accrual loans included in the non-accrual assets table above at June 30, 2016 and December 31, 2015, respectively. The remaining loans are accruing interest.

(2) In addition to modifications reflected as TDRs at June 30, 2016, Citi also modified $374 million commercial loans risk rated "Substandard Non-Performing" or worse (asset category defined by banking regulators) all within offices in the U.S. These modifications were not considered TDRs because the modifications did not involve a concession (a required element of a TDR for accounting purposes).

(3) In addition to modifications reflected as TDRs at June 30, 2016, Citi also modified $13 million of commercial real estate loans risk rated "Substandard Non-Performing" or worse (asset category defined by banking regulators) in offices inside the U.S. These modifications were not considered TDRs because the modifications did not involve a concession (a required element of a TDR for accounting purposes).

(4) Includes $1,739 million and $1,852 million of non-accrual loans included in the non-accrual assets table above at June 30, 2016 and December 31, 2015, respectively. The remaining loans are accruing interest.

(5) Includes $45 million and $53 million of commercial real estate loans at June 30, 2016 and December 31, 2015, respectively.

(6) Includes $105 million and $128 million of other commercial loans at June 30, 2016 and December 31, 2015, respectively.

(7) Reduction in the six months ended June 30, 2016 includes $1,073 million related to TDRs sold or transferred to held-for-sale.

LIQUIDITY RISK

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

High-Quality Liquid Assets (HQLA)

	Citibank			Non-Bank and Other[1]			Total		
In billions of dollars	Jun. 30, 2016	Mar. 31, 2016	Jun. 30, 2015	Jun. 30, 2016	Mar. 31, 2016	Jun. 30, 2015	Jun. 30, 2016	Mar. 31, 2016	Jun. 30, 2015
Available cash	$61.3	$74.2	$71.9	$23.2	$24.5	$17.8	$84.5	$98.7	$89.7
U.S. sovereign	115.0	117.6	118.8	19.6	22.6	19.4	134.6	140.3	138.2
U.S. agency/agency MBS	69.2	68.9	58.5	0.3	0.5	1.3	69.5	69.4	59.7
Foreign government debt[2]	86.7	86.8	80.6	16.8	19.6	13.5	103.6	106.4	94.1
Other investment grade	1.2	1.1	2.9	1.5	1.6	1.1	2.7	2.7	4.0
Total HQLA (EOP)	$333.3	$348.7	$332.6	$61.5	$68.8	$53.1	$394.8	$417.5	$385.8
Total HQLA (AVG)	$342.5	$335.1	$—	$68.5	$65.0	$—	$411.0	$400.1	$—

Note: Except as indicated, amounts set forth in the table above are as of period end and may increase or decrease intra-period in the ordinary course of business. For securities, the amounts represent the liquidity value that potentially could be realized, and thus exclude any securities that are encumbered, as well as the haircuts that would be required for securities financing transactions. As previously disclosed (see “Liquidity Risk” in the First Quarter of 2016 Form 10-Q), the Federal Reserve Board has proposed requiring disclosure of HQLA, the Liquidity Coverage Ratio and related components on an average basis each quarter, as compared to end-of-period. Citi has presented the average information on these metrics currently available, which includes average total HQLA, average LCR and average net outflows under the LCR for the periods 2Q’16 and 1Q’16; 2Q’15 and other component information is not currently available.

(1) “Non-Bank and Other” includes the parent holding company (Citigroup), Citi’s broker-dealer subsidiaries and other non-bank subsidiaries that are consolidated into Citigroup as well as Banamex and Citibank (Switzerland) AG. Banamex and Citibank (Switzerland) AG account for approximately $8 billion of the “Non-Bank and Other” HQLA balance as of June 30, 2016.

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

As set forth in the table above, sequentially, Citi’s total HQLA declined on an end-of-period basis but increased on an average basis, as Citi maintained higher cash balances for most of the second quarter of 2016 in advance of its acquisition of the Costco portfolio on June 17, 2016.

Citi’s HQLA as set forth above does not include Citi’s available borrowing capacity from the Federal Home Loan Banks (FHLB) of which Citi is a member, which was approximately $37 billion as of June 30, 2016 (unchanged from both March 31, 2016 and June 30, 2015) and maintained by eligible collateral pledged to such banks. The HQLA also

does not include Citi's borrowing capacity at the U.S. Federal Reserve Bank discount window or other central banks, which would be in addition to the resources noted above.

In general, Citi's liquidity is fungible across legal entities within its bank group. Citi's bank subsidiaries, including Citibank, can lend to the Citi parent and broker-dealer entities in accordance with Section 23A of the Federal Reserve Act. As of June 30, 2016, the capacity available for lending to these entities under Section 23A was approximately $15 billion, compared to $14 billion as of March 31, 2016 and $17 billion as of June 30, 2015, subject to certain eligible non-cash collateral requirements.

Loans

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

In billions of dollars	Jun. 30, 2016	Mar. 31, 2016	Jun. 30, 2015
Global Consumer Banking			
North America	$175.6	$160.9	$156.9
Latin America	24.5	25.4	27.0
Asia[1]	85.1	86.3	90.5
Total	$285.2	$272.6	$274.4
Institutional Clients Group			
Corporate lending	123.9	123.0	119.1
Treasury and trade solutions (TTS)	73.6	73.0	74.7
Private bank, markets and securities services and other	109.4	104.8	99.9
Total	$306.9	$300.8	$293.6
Total Citicorp	592.1	573.4	568.0
Total Citi Holdings	41.4	45.4	64.1
Total Citigroup loans (EOP)	$633.5	$618.8	$632.1
Total Citigroup loans (AVG)	$620.6	$612.2	$627.0

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

As set forth on the table above, end-of-period loans remained largely unchanged year-over-year and increased 2% quarter-over-quarter. Excluding the impact of FX translation, Citigroup's end-of-period loans increased 2% year-over-year and 3% quarter-over-quarter, as growth in Citicorp offset continued reductions in Citi Holdings. Excluding the impact of FX translation, Citicorp loans increased 6% year-over-year. GCB loans grew 6% year-over-year, driven by 12% growth in North America. Within North America, Citi-branded cards increased 20% year-over-year, primarily due to the acquisition of the Costco portfolio. International GCB loans declined 1%, as continued growth in Mexico was more than offset by a 3% decline in Asia reflecting the repositioning of the retail portfolio in this region away from lower return mortgage loans as well as de-risking in the commercial portfolio, which was partially offset by growth in higher return card and personal loans. ICG loans increased 6% year-over-year. Within ICG, corporate loans increased 6% driven by both new business and the funding of transaction-related commitments to target market clients. While treasury and trade solutions loans remained relatively unchanged, private bank and markets and securities services loans grew 11% year-over-year driven by continued opportunities to support client activity.
Citi Holdings loans decreased 35% year-over-year driven by $18 billion of reductions in North America mortgages, including transfers to held-for-sale (see Note 14 to the Consolidated Financial Statements).

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

In billions of dollars	Jun. 30, 2016	Mar. 31, 2016	Jun. 30, 2015
Global Consumer Banking			
North America	$183.3	$183.7	$182.5
Latin America	28.2	28.3	29.1
Asia[1]	90.5	90.7	89.4
Total	$302.0	$302.7	$301.0
Institutional Clients Group			
Treasury and trade solutions (TTS)	405.0	415.0	397.3
Banking ex-TTS	116.4	114.8	108.4
Markets and securities services	85.5	77.3	82.5
Total	$606.8	$607.1	$588.3
Corporate/Other	22.7	15.6	7.0
Total Citicorp	$931.5	$925.4	$896.3
Total Citi Holdings	6.4	9.2	11.7
Total Citigroup deposits (EOP)	$937.9	$934.6	$908.0
Total Citigroup deposits (AVG)	$935.6	$911.7	$906.4

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

As set forth in the table above, end-of-period deposits increased 3% year-over-year and remained relatively unchanged quarter-over-quarter. Excluding the impact of FX translation, Citigroup's end-of-period deposits increased 5% year-over-year and 1% sequentially, despite continued reductions in Citi Holdings deposits.
Excluding the impact of FX translation, Citicorp deposits grew 6% year-over-year. Within Citicorp, GCB deposits increased 2% year-over-year, driven by 5% growth in international deposits. ICG deposits increased 5% year-over-year, driven by primarily by treasury and trade solutions, which continued to support clients' local liquidity needs, particularly in North America and EMEA.

Long-Term Debt

The weighted-average maturities of unsecured long-term debt issued by Citigroup and its affiliates (including Citibank) with a remaining life greater than one year (excluding remaining trust preferred securities outstanding) was approximately 7.0 years as of June 30, 2016, unchanged sequentially and an increase from 6.7 years in the prior-year period, due primarily to the issuance of longer-dated debt securities during the second quarter of 2016 including in response to proposed total loss-absorbing capacity, or TLAC, requirements (for additional information on TLAC, see "Liquidity Risk— Long-Term Debt— Total Loss Absorbing Capacity (TLAC)" and "Risk Factors— Liquidity Risks" in Citi's 2015 Annual Report on Form 10-K).

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

Long-Term Debt Outstanding

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

In billions of dollars	Jun. 30, 2016	Mar. 31, 2016	Jun. 30, 2015
Parent			
Benchmark debt:			
Senior debt	$96.1	$94.0	$98.4
Subordinated debt	28.8	29.4	25.6
Trust preferred	1.7	1.7	1.7
Customer-related debt:			
Structured debt	22.5	23.6	23.7
Non-structured debt	3.3	3.3	4.5
Local country and other[1]	2.3	4.1	1.2
Total parent	$154.8	$156.1	$155.1
Bank			
FHLB borrowings	$19.6	$17.1	$16.8
Securitizations[2]	27.3	28.7	32.0
Local country and other[1]	5.8	6.0	7.9
Total bank	$52.6	$51.7	$56.7
Total long-term debt	$207.4	$207.8	$211.8

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

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

(2) Predominantly credit card securitizations, primarily backed by Citi-branded credit card receivables.

Citi's total long-term debt outstanding decreased modestly both year-over-year and sequentially as Citi's continued issuance of benchmark debt was more than offset by declines in other funding sources, including securitizations at the bank entities and customer-related debt at the parent.

As part of its liability management and to assist it in meeting regulatory changes and requirements, Citi has considered, and may continue to consider, opportunities to repurchase its long-term debt pursuant to open market purchases, tender offers or other means. Such repurchases help reduce Citi's overall funding costs. During the second quarter of 2016, Citi repurchased an aggregate of approximately $2.9 billion of its outstanding long-term debt.

Long-Term Debt Issuances and Maturities

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

In billions of dollars	2Q16 Maturities	2Q16 Issuances	1Q16 Maturities	1Q16 Issuances	2Q15 Maturities	2Q15 Issuances
Parent						
Benchmark debt:						
Senior debt	$5.1	$ 6.6	$4.3	$ 5.2	$3.2	$ 5.4
Subordinated debt	1.7	1.0	—	1.5	2.0	3.0

Trust preferred	—	—	—	—	—	—
Customer-related debt:						
Structured debt	3.4	2.0	2.0	3.6	1.4	3.9
Non-structured debt	0.1	0.1	0.2	—	0.3	0.1
Local country and other	1.9	—	0.1	1.9	0.1	0.1
Total parent	$12.2	$ 9.7	$6.6	$ 12.2	$7.0	$ 12.5
Bank						
FHLB borrowings	$1.0	$ 2.5	$1.7	$ 1.0	$—	$ 0.5
Securitizations	1.3	—	2.3	—	3.2	—
Local country and other	1.1	1.0	0.7	0.7	0.4	1.2
Total bank	$3.4	$ 3.5	$4.7	$ 1.7	$3.6	$ 1.7
Total	$15.6	$ 13.2	$11.3	$ 13.9	$10.6	$ 14.2

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

In billions of dollars	Maturities 2016 YTD	2016	2017	2018	2019	2020	2021	Thereafter	Total
Parent									
Benchmark debt:									
Senior debt	$ 9.4	$5.1	$14.4	$18.5	$14.6	$6.6	$8.7	$ 28.2	$96.1
Subordinated debt	1.7	—	2.4	1.0	1.3	—	—	24.1	28.8
Trust preferred	—	—	—	—	—	—	—	1.7	1.7
Customer-related debt:									
Structured debt	5.4	2.0	3.4	2.5	2.1	2.2	1.7	8.6	22.5
Non-structured debt	0.3	0.3	0.5	0.6	0.2	0.2	0.1	1.3	3.3
Local country and other	2.0	—	0.3	0.2	0.1	0.1	—	1.6	2.3
Total parent	$ 18.8	$7.4	$20.9	$22.9	$18.3	$9.2	$10.5	$ 65.5	$154.8
Bank									
FHLB borrowings	$ 2.7	$6.8	$8.8	$4.0	$—	$—	$—	$ —	$19.6
Securitizations	3.6	8.1	5.3	8.4	1.9	0.1	2.5	1.0	27.3
Local country and other	1.8	1.4	1.8	0.8	0.4	1.0	0.2	0.2	5.8
Total bank	$ 8.1	$16.3	$15.8	$13.2	$2.3	$1.2	$2.7	$ 1.2	$52.6
Total long-term debt	$ 26.9	$23.7	$36.8	$36.1	$20.6	$10.4	$13.2	$ 66.7	$207.4

Secured Funding Transactions and Short-Term Borrowings

Citi supplements its primary sources of funding with short-term borrowings. Short-term borrowings generally include (i) secured funding transactions (securities loaned or sold under agreements to repurchase, or repos) and (ii) to a lesser extent, short-term borrowings consisting of commercial paper and borrowings from the FHLB and other market participants. See Note 17 to the Consolidated Financial Statements for further information on Citigroup's and its affiliates' outstanding short-term borrowings. Citi has purposefully reduced its commercial paper and other short-term borrowings, including FHLB borrowings, as it continued to grow its high-quality deposits.

Secured Funding

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

Secured funding of $158 billion as of June 30, 2016 declined 11% from the prior-year period and increased 1% sequentially. Excluding the impact of FX translation, secured funding decreased 9% from the prior-year period and increased 2% sequentially, both driven by normal business activity. Average balances for secured funding were

approximately $161 billion for the quarter ended June 30, 2016.

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

The remainder of the secured funding activity in the broker-dealer subsidiaries serves to fund securities inventory held in the context of market making and customer activities. To maintain reliable funding under a wide range of market

conditions, including under periods of stress, Citi manages these activities by taking into consideration the quality of the underlying collateral, and stipulating financing tenor. The weighted average maturity of Citi's secured funding of less liquid securities inventory was greater than 110 days as of June 30, 2016.

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

Liquidity Coverage Ratio (LCR)

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

In billions of dollars	Jun. 30, 2016	Mar. 31, 2016	Jun. 30, 2015
HQLA	$411.0	$400.1	$385.8
Net outflows	339.8	333.3	347.3
LCR	121 %	120 %	111 %
HQLA in excess of net outflows	$71.2	$66.8	$38.6

Note: Amounts for 2Q'16 and 1Q'16 set forth in the table above are presented on an average basis; amounts for 2Q'15 are presented end-of-period. Accordingly, data in 2Q'16 and 1Q'16 is not directly comparable to data in 2Q'15.

As set forth in the table above, Citi's LCR increased sequentially driven by the increase in HQLA as discussed above, partially offset by higher net outflows due to growth in average deposits as well as the impact of the Costco portfolio acquisition.

Credit Ratings

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

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

Recent Credit Rating Developments

On June 14, 2016, Fitch affirmed Citigroup Inc.'s Viability Rating (VR) and Long-Term Issuer Default Rating (IDR) at 'a/A', respectively. At the same time, Fitch affirmed Citibank, N.A.'s VR and IDR at 'a/A+', respectively. The outlooks for the Long-Term IDRs are Stable.

Potential Impacts of Ratings Downgrades

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

The following information is provided for the purpose of analyzing the potential funding and liquidity impact to Citigroup and Citibank of a hypothetical, simultaneous
ratings downgrade across all three major rating agencies. This analysis is subject to certain estimates, estimation methodologies, and judgments and uncertainties. Uncertainties include potential ratings limitations that certain entities may have with respect to permissible counterparties, as well as general subjective counterparty behavior. For example, certain corporate customers and markets counterparties could re-evaluate their business relationships with Citi and limit transactions in certain contracts or market instruments with Citi. Changes in counterparty behavior could impact Citi's funding and liquidity, as well as the results of operations of certain of its businesses. The actual impact to Citigroup or Citibank is unpredictable and may differ materially from the potential funding and liquidity impacts described below. For additional information on the impact of credit rating changes on Citi and its applicable subsidiaries, see "Risk Factors— Liquidity Risks" in Citi's 2015 Annual Report on Form 10-K.

Citigroup Inc. and Citibank—Potential Derivative Triggers

As of June 30, 2016, Citi estimates that a hypothetical one-notch downgrade of the senior debt/long-term rating of Citigroup Inc. across all three major rating agencies could impact Citigroup's funding and liquidity due to derivative triggers by approximately $1.2 billion, compared to $0.8 billion as of March 31, 2016. Other funding sources, such as securities financing transactions and other margin requirements, for which there are no explicit triggers, could also be adversely affected.

As of June 30, 2016, Citi estimates that a hypothetical one-notch downgrade of the senior debt/long-term rating of Citibank across all three major rating agencies could impact Citibank's funding and liquidity by approximately $2.1 billion, compared to $1.3 billion as of March 31, 2016, due to derivative triggers.

In total, Citi estimates that a one-notch downgrade of Citigroup and Citibank, across all three major rating agencies, could result in aggregate cash obligations and collateral requirements of approximately $3.3 billion, compared to $2.1 billion as of March 31, 2016 (see also Note 21 to the Consolidated Financial Statements). As set forth under "High-Quality Liquid Assets" above, the liquidity resources of Citibank were approximately $343 billion and the liquidity resources of Citi's non-bank and other entities were approximately $69 billion, for a total of approximately $411 billion as of June 30, 2016. These liquidity resources are available in part as a contingency for the potential events described above.

In addition, a broad range of mitigating actions are currently included in Citigroup's and Citibank's contingency funding plans. For Citigroup, these mitigating factors include, but are not limited to, accessing surplus funding capacity from existing clients, tailoring levels of secured lending, and adjusting the size of select trading books and collateralized borrowings from certain Citibank subsidiaries. Mitigating actions available to Citibank include, but are not limited to, selling or financing highly liquid government securities, tailoring levels of secured lending, adjusting the size of select trading assets, reducing loan originations and renewals, raising

additional deposits, or borrowing from the FHLB or central banks. Citi believes these mitigating actions could substantially reduce the funding and liquidity risk, if any, of the potential downgrades described above.

Citibank—Additional Potential Impacts

In addition to the above derivative triggers, Citi believes that a potential one-notch downgrade of Citibank's senior debt/long-term rating by S&P could also have an adverse impact on the commercial paper/short-term rating of Citibank. As of June 30, 2016, Citibank had liquidity commitments of approximately $10.0 billion to consolidated asset-backed commercial paper conduits, unchanged from March 31, 2016 (as referenced in Note 20 to the Consolidated Financial Statements).

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

MARKET RISK

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

Market Risk of Non-Trading Portfolios
For additional information on Citi's net interest revenue (for interest rate exposure purposes), interest rate risk and interest rate risk measurement, see "Market Risk of Non-Trading Portfolios" in Citi's 2015 Annual Report on Form 10-K.

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

In millions of dollars (unless otherwise noted)	Jun. 30, 2016	Mar. 31, 2016	Jun. 30, 2015
Estimated annualized impact to net interest revenue			
U.S. dollar[(1)]	$1,394	$1,362	$1,360
All other currencies	590	587	645
Total	$1,984	$1,949	$2,005
As a percentage of average interest-earning assets	0.12 %	0.13 %	0.12 %
Estimated initial impact to AOCI (after-tax)[(2)]	$(4,628)	$(4,950)	$(4,213)
Estimated initial impact on Common Equity Tier 1 Capital ratio (bps)[(3)]	(52)	(57)	(47)

(1) Certain trading-oriented businesses within Citi have accrual-accounted positions that are excluded from the estimated impact to net interest revenue in the table since these exposures are managed economically in combination with mark-to-market positions. The U.S. dollar interest rate exposure associated with these businesses was $(230) million for a 100 basis point instantaneous increase in interest rates as of June 30, 2016.
(2) Includes the effect of changes in interest rates on AOCI related to investment securities, cash flow hedges and pension liability adjustments.
(3) The estimated initial impact to the Common Equity Tier 1 Capital ratio considers the effect of Citi's deferred tax asset position and is based on only the estimated initial AOCI impact above.

The slight increase in the estimated impact to net interest revenue sequentially primarily reflected changes in the balance sheet composition. The sequential decrease in the estimated impact to AOCI primarily reflected changes in the composition of Citi Treasury's investment and interest rate derivatives portfolio.
In the event of an unanticipated parallel instantaneous 100 basis point increase in interest rates, Citi expects the negative impact to AOCI would be offset in stockholders' equity through the combination of expected incremental net interest revenue and the expected recovery of the impact on AOCI through accretion of Citi's investment portfolio over a period of time. As of June 30, 2016, Citi expects that the negative $4.6 billion impact to AOCI in such a scenario could potentially be offset over approximately 30 months.

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

In millions of dollars (unless otherwise noted)	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Overnight rate change (bps)	100	100	—	—
10-year rate change (bps)	100	—	100	(100)
Estimated annualized impact to net interest revenue				
U.S. dollar	$1,394	$1,380	$171	$(170)
All other currencies	590	552	34	(33)
Total	$1,984	$1,932	$205	$(203)
Estimated initial impact to AOCI (after-tax)(1)	$(4,628)	$(2,941)	$(1,863)	$1,482
Estimated initial impact to Common Equity Tier 1 Capital ratio (bps)(2)	(52)	(33)	(21)	16

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

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

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

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

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

Changes in Foreign Exchange Rates—Impacts on AOCI and Capital

As of June 30, 2016, Citi estimates that an unanticipated parallel instantaneous 5% appreciation of the U.S. dollar against all of the other currencies in which Citi has invested capital could reduce Citi's tangible common equity (TCE) by approximately $1.6 billion, or 0.9% of TCE, as a result of changes to Citi's foreign currency translation adjustment in AOCI, net of hedges. This impact would be primarily due to changes in the value of the Mexican peso, the Euro and the Japanese Yen.

This impact is also before any mitigating actions Citi may take, including ongoing management of its foreign currency translation exposure. Specifically, as currency movements change the value of Citi's net investments in foreign-currency-denominated capital, these movements also change the value of Citi's risk-weighted assets denominated in those currencies. This, coupled with Citi's foreign currency hedging strategies, such as foreign currency borrowings, foreign currency forwards and other currency hedging instruments, lessens the impact of foreign currency movements on Citi's Common Equity Tier 1 Capital ratio. Changes in these hedging strategies, as well as hedging costs, divestitures and tax impacts, can further impact the actual impact of changes in foreign exchange rates on Citi's capital as compared to an unanticipated parallel shock, as described above.

The effect of Citi's ongoing management strategies with respect to changes in foreign exchange rates and the impact of these changes on Citi's TCE and Common Equity Tier 1 Capital ratio are shown in the table below. For additional information on the changes in AOCI, see Note 18 to the Consolidated Financial Statements.

	For the quarter ended		
In millions of dollars (unless otherwise noted)	Jun. 30, 2016	Mar. 31, 2016	Jun. 30, 2015

Change in FX spot rate[1]	(0.9)%	2.1 %	0.2 %
Change in TCE due to FX translation, net of hedges	$(441)	$396	$(44)
As a percentage of TCE	(0.2)%	0.2 %	— %
Estimated impact to Common Equity Tier 1 Capital ratio (on a fully implemented basis) due to changes in FX translation, net of hedges (bps)	2	(1)	(3)

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

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Interest Revenue/Expense and Net Interest Margin

In millions of dollars, except as otherwise noted	2nd Qtr. 2016	1st Qtr. 2016	2nd Qtr. 2015	Change 2Q16 vs. 2Q15
Interest revenue[1]	$14,473	$14,286	$14,995	(3)%
Interest expense	3,120	2,940	3,051	2
Net interest revenue[1][2]	$11,353	$11,346	$11,944	(5)%
Interest revenue—average rate	3.65 %	3.68 %	3.71 %	(6) bps
Interest expense—average rate	1.04	0.99	0.97	7 bps
Net interest margin	2.86	2.92	2.95	(9) bps
Interest-rate benchmarks				
Two-year U.S. Treasury note—average rate	0.77 %	0.84 %	0.61 %	16 bps
10-year U.S. Treasury note—average rate	1.75	1.91	2.16	(41) bps
10-year vs. two-year spread	98 bps	107 bps	155 bps	

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

(1) Net interest revenue includes the taxable equivalent adjustments related to the tax-exempt bond portfolio (based on the U.S. federal statutory tax rate of 35%) of $117 million, $119 million, and $121 million for the three months ended June 30, 2016, March 31, 2016 and June 30, 2015, respectively.

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

Citi’s net interest margin (NIM) is calculated by dividing gross interest revenue less gross interest expense by average interest earning assets. Citi’s NIM was 2.86% in the second quarter of 2016, lower than the first quarter driven by higher cash balances and lower loan yields.

For information regarding expected changes to the FDIC deposit insurance assessment, see “Market Risk—Interest Revenue/Expense and Net Interest Margin” in Citi’s First Quarter of 2016 Form 10-Q.

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

	Average volume			Interest revenue			% Average rate		
	2nd Qtr.	1st Qtr.	2nd Qtr.	2nd Qtr.	1st Qtr.	2nd Qtr.	2nd Qtr.	1st Qtr.	2nd Qtr.
In millions of dollars, except rates	2016	2016	2015	2016	2016	2015	2016	2016	2015
Assets									
Deposits with banks[(5)]	$135,245	$117,765	$134,641	$237	$219	$168	0.70%	0.75%	0.50%
Federal funds sold and securities borrowed or purchased under agreements to resell[(6)]									
In U.S. offices	$148,511	$150,044	$149,577	$362	$374	$307	0.98%	1.00%	0.82%
In offices outside the U.S.[(5)]	84,018	78,571	86,458	302	273	357	1.45%	1.40%	1.66%
Total	$232,529	$228,615	$236,035	$664	$647	$664	1.15%	1.14%	1.13%
Trading account assets[(7)(8)]									
In U.S. offices	$108,602	$104,982	$118,896	$970	$953	$985	3.59%	3.65%	3.32%
In offices outside the U.S.[(5)]	101,075	99,118	110,691	603	518	671	2.40%	2.10%	2.43%
Total	$209,677	$204,100	$229,587	$1,573	$1,471	$1,656	3.02%	2.90%	2.89%
Investments									
In U.S. offices									
Taxable	$225,279	$228,980	$214,168	$991	$1,000	$973	1.77%	1.76%	1.82%
Exempt from U.S. income tax	19,010	19,400	19,818	170	169	99	3.60%	3.50%	2.00%
In offices outside the U.S.[(5)]	107,235	103,763	99,045	837	754	760	3.14%	2.92%	3.08%
Total	$351,524	$352,143	$333,031	$1,998	$1,923	$1,832	2.29%	2.20%	2.21%
Loans (net of unearned income)[(9)]									
In U.S. offices	$353,422	$350,107	$347,779	$5,793	$5,873	$6,292	6.59%	6.75%	7.26%
In offices outside the U.S.[(5)]	267,226	262,133	279,247	3,972	3,901	3,721	5.98%	5.99%	5.34%
Total	$620,648	$612,240	$627,026	$9,765	$9,774	$10,013	6.33%	6.42%	6.41%
Other interest-earning assets[(10)]	$45,639	$47,765	$62,656	$236	$252	$662	2.08%	2.12%	4.24%
Total interest-earning assets	$1,595,262	$1,562,628	$1,622,976	$14,473	$14,286	$14,995	3.65%	3.68%	3.71%
Non-interest-earning assets[(7)]	$212,050	$214,943	$216,708						
Total assets from discontinued operations	—	—	—						
Total assets	$1,807,312	$1,777,571	$1,839,684						

(1) Net interest revenue includes the taxable equivalent adjustments related to the tax-exempt bond portfolio (based on the U.S. federal statutory tax rate of 35%) of $117 million, $119 million, and $121 million for the three months ended June 30, 2016, March 31, 2016 and June 30, 2015, respectively.

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

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

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

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

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

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

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

(9) Includes cash-basis loans.

(10) Includes brokerage receivables.

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

	Average volume			Interest expense			% Average rate		
	2nd Qtr.	1st Qtr.	2nd Qtr.	2nd Qtr.	1st Qtr.	2nd Qtr.	2nd Qtr.	1st Qtr.	2nd Qtr.
In millions of dollars, except rates	2016	2016	2015	2016	2016	2015	2016	2016	2015
Liabilities									
Deposits									
In U.S. offices[5]	$286,653	$277,648	$269,673	$371	$316	$330	0.52%	0.46%	0.49%
In offices outside the U.S.[6]	435,242	424,055	431,305	935	888	958	0.86%	0.84%	0.89%
Total	$721,895	$701,703	$700,978	$1,306	$1,204	$1,288	0.73%	0.69%	0.74%
Federal funds purchased and securities loaned or sold under agreements to repurchase[7]									
In U.S. offices	$103,517	$103,523	$112,690	$260	$260	$183	1.01%	1.01%	0.65%
In offices outside the U.S.[6]	57,685	59,392	70,602	267	242	260	1.86%	1.64%	1.48%
Total	$161,202	$162,915	$183,292	$527	$502	$443	1.31%	1.24%	0.97%
Trading account liabilities[8][9]									
In U.S. offices	$27,420	$23,636	$26,008	$64	$52	$27	0.94%	0.88%	0.42%
In offices outside the U.S.[6]	45,960	41,676	46,972	32	36	27	0.28%	0.35%	0.23%
Total	$73,380	$65,312	$72,980	$96	$88	$54	0.53%	0.54%	0.30%
Short-term borrowings[10]									
In U.S. offices	$54,825	$56,834	$65,695	$43	$29	$73	0.32%	0.21%	0.45%
In offices outside the U.S.[6]	10,253	22,642	48,584	66	71	84	2.59%	1.26%	0.69%
Total	$65,078	$79,476	$114,279	$109	$100	$157	0.67%	0.51%	0.55%
Long-term debt[11]									
In U.S. offices	$175,506	$172,429	$180,517	$1,009	$995	$1,057	2.31%	2.32%	2.35%
In offices outside the U.S.[6]	6,714	6,854	7,393	73	51	52	4.37%	2.99%	2.82%
Total	$182,220	$179,283	$187,910	$1,082	$1,046	$1,109	2.39%	2.35%	2.37%
Total interest-bearing liabilities	$1,203,775	$1,188,689	$1,259,439	$3,120	$2,940	$3,051	1.04%	0.99%	0.97%
Demand deposits in U.S. offices	$38,979	$31,336	$24,670						
Other non-interest-bearing liabilities[8]	335,243	332,065	336,701						
Total liabilities	$1,577,997	$1,552,090	$1,620,810						
Citigroup stockholders' equity[12]	$228,149	$224,320	$217,522						
Noncontrolling interest	1,166	1,161	1,352						
Total equity[12]	$229,315	$225,481	$218,874						
Total liabilities and stockholders' equity	$1,807,312	$1,777,571	$1,839,684						
Net interest revenue as a percentage of average interest-earning assets[13]									
In U.S. offices	$854,825	$853,513	$884,959	$6,816	$6,986	$7,087	3.21%	3.29%	3.21%
In offices outside the U.S.[6]	740,437	709,115	738,017	4,537	4,360	4,857	2.46	2.47	2.64
Total	$1,595,262	$1,562,628	$1,622,976	$11,353	$11,346	$11,944	2.86%	2.92%	2.95%

(1) Net interest revenue includes the taxable equivalent adjustments related to the tax-exempt bond portfolio (based on the U.S. federal statutory tax rate of 35%) of $117 million, $119 million, and $121 million for the three months ended June 30, 2016, March 31, 2016 and June 30, 2015, respectively.

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

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

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

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

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

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

(8) The fair value carrying amounts of derivative contracts are reported net, pursuant to ASC 815-10-45, in Non-interest-earning assets and Other non-interest-bearing liabilities.
(9) Interest expense on Trading account liabilities of ICG is reported as a reduction of Interest revenue. Interest revenue and Interest expense on cash collateral positions are reported in interest on Trading account assets and Trading account liabilities, respectively.
(10) Includes brokerage payables.
(11) Excludes hybrid financial instruments and beneficial interests in consolidated VIEs that are classified as Long-term debt, as these obligations are accounted for in changes in fair value recorded in Principal transactions.
(12) Includes stockholders' equity from discontinued operations.
(13) Includes allocations for capital and funding costs based on the location of the asset.

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

	Average volume		Interest revenue		% Average rate	
	Six Months	Six Months	Six Months	Six Months	Six Months	Six Months
In millions of dollars, except rates	2016	2015	2016	2015	2016	2015
Assets						
Deposits with banks[5]	$126,505	$136,907	$456	$351	0.72%	0.52 %
Federal funds sold and securities borrowed or purchased under agreements to resell[6]						
In U.S. offices	$149,278	$150,327	$736	$590	0.99%	0.79 %
In offices outside the U.S.[5]	81,295	88,280	575	716	1.42%	1.64 %
Total	$230,573	$238,607	$1,311	$1,306	1.14%	1.10 %
Trading account assets[7][8]						
In U.S. offices	$106,792	$117,923	$1,923	$1,903	3.62%	3.25 %
In offices outside the U.S.[5]	100,097	111,000	1,121	1,187	2.25%	2.16 %
Total	$206,889	$228,923	$3,044	$3,090	2.96%	2.72 %
Investments						
In U.S. offices						
Taxable	$227,130	$213,800	$1,991	$1,913	1.76%	1.80 %
Exempt from U.S. income tax	19,205	20,279	339	182	3.55%	1.81 %
In offices outside the U.S.[5]	105,499	100,607	1,591	1,529	3.03%	3.06 %
Total	$351,834	$334,686	$3,921	$3,624	2.24%	2.18 %
Loans (net of unearned income)[9]						
In U.S. offices	$351,765	$352,865	$11,666	$12,660	6.67%	7.24 %
In offices outside the U.S.[5]	264,680	278,081	7,873	7,916	5.98%	5.74 %
Total	$616,445	$630,946	$19,539	$20,576	6.37%	6.58 %
Other interest-earning assets[10]	$46,702	$54,080	$488	$772	2.10%	2.88 %
Total interest-earning assets	$1,578,948	$1,624,149	$28,759	$29,719	3.66%	3.69 %
Non-interest-earning assets[7]	$213,496	$222,258				
Total assets from discontinued operations	—	—				
Total assets	$1,792,444	$1,846,407				

(1) Net interest revenue includes the taxable equivalent adjustments (based on the U.S. federal statutory tax rate of 35%) of $236 million and $244 million for the six months ended June 30, 2016 and 2015, respectively.
(2) Interest rates and amounts include the effects of risk management activities associated with the respective asset and liability categories.
(3) Monthly or quarterly averages have been used by certain subsidiaries where daily averages are unavailable.

(4) Detailed average volume, Interest revenue and Interest expense exclude Discontinued operations. See Note 2 to the Consolidated Financial Statements.
(5) Average rates reflect prevailing local interest rates, including inflationary effects and monetary corrections in certain countries.
(6) Average volumes of securities borrowed or purchased under agreements to resell are reported net pursuant to FIN 41 (ASC 210-20-45). However, Interest revenue excludes the impact of FIN 41 (ASC 210-20-45).
(7) The fair value carrying amounts of derivative contracts are reported in Non-interest-earning assets and Other non-interest-bearing liabilities.
(8) Interest expense on Trading account liabilities of ICG is reported as a reduction of Interest revenue. Interest revenue and Interest expense on cash collateral positions are reported in interest on Trading account assets and Trading account liabilities, respectively.
(9) Includes cash-basis loans.
(10) Includes brokerage receivables.

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

	Average volume		Interest expense		% Average rate		
	Six Months	Six Months	Six Months	Six Months	Six Months	Six Months	
In millions of dollars, except rates	2016	2015	2016	2015	2016	2015	
Liabilities							
Deposits							
In U.S. offices[5]	$282,151	$275,596	$687	$686	0.49%	0.50	%
In offices outside the U.S.[6]	429,649	424,092	1,823	1,927	0.85%	0.92	%
Total	$711,800	$699,688	$2,510	$2,613	0.71%	0.75	%
Federal funds purchased and securities loaned or sold under agreements to repurchase[7]							
In U.S. offices	$103,520	$109,542	$520	$346	1.01%	0.64	%
In offices outside the U.S.[6]	58,539	70,661	509	473	1.75%	1.35	%
Total	$162,059	$180,203	$1,029	$819	1.28%	0.92	%
Trading account liabilities[8][9]							
In U.S. offices	$25,528	$27,024	$116	$50	0.91%	0.37	%
In offices outside the U.S.[6]	43,818	46,066	68	51	0.31%	0.22	%
Total	$69,346	$73,090	$184	$101	0.53%	0.28	%
Short-term borrowings[10]							
In U.S. offices	$55,830	$68,878	$72	$94	0.26%	0.28	%
In offices outside the U.S.[6]	16,448	52,831	138	183	1.69%	0.70	%
Total	$72,278	$121,709	$210	$277	0.58%	0.46	%
Long-term debt[11]							
In U.S. offices	$173,968	$186,036	$2,003	$2,167	2.32%	2.35	%
In offices outside the U.S.[6]	6,784	7,200	124	102	3.68%	2.86	%
Total	$180,752	$193,236	$2,127	$2,269	2.37%	2.37	%
Total interest-bearing liabilities	$1,196,235	$1,267,926	$6,060	$6,079	1.02%	0.97	%
Demand deposits in U.S. offices	$35,158	$24,344					
Other non-interest-bearing liabilities[8]	333,653	337,915					
Total liabilities from discontinued operations	—	—					
Total liabilities	$1,565,046	$1,630,185					
Citigroup stockholders' equity[12]	$226,235	$214,828					
Noncontrolling interest	1,164	1,394					
Total equity[12]	$227,399	$216,222					
Total liabilities and stockholders' equity	$1,792,445	$1,846,407					
Net interest revenue as a percentage of average interest-earning assets							
In U.S. offices	$854,172	$913,944	$13,802	$14,091	3.25%	3.11	%
In offices outside the U.S.[6]	724,776	710,205	8,897	9,549	2.47%	2.71	%
Total	$1,578,948	$1,624,149	$22,699	$23,640	2.89%	2.94	%

(1) Net interest revenue includes the taxable equivalent adjustments (based on the U.S. federal statutory tax rate of 35%) of $236 million and $244 million for the six months ended June 30, 2016 and 2015, respectively.
(2) Interest rates and amounts include the effects of risk management activities associated with the respective asset and liability categories.
(3) Monthly or quarterly averages have been used by certain subsidiaries where daily averages are unavailable.
(4)

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

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

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

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

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

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

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

In millions of dollars	2nd Qtr. 2016 vs. 1st Qtr. 2016 Increase (decrease) due to change in:			2nd Qtr. 2016 vs. 2nd Qtr. 2015 Increase (decrease) due to change in:		
	Average volume	Average rate	Net change	Average volume	Average rate	Net change
Deposits with banks[(4)]	$31	$(13)	$18	$1	$68	$69
Federal funds sold and securities borrowed or purchased under agreements to resell						
In U.S. offices	$(4)	$(8)	$(12)	$(2)	$57	$55
In offices outside the U.S.[(4)]	19	10	29	(10)	(45)	(55)
Total	$15	$2	$17	$(12)	$12	$—
Trading account assets[(5)]						
In U.S. offices	$33	$(16)	$17	$(89)	$74	$(15)
In offices outside the U.S.[(4)]	10	75	85	(58)	(10)	(68)
Total	$43	$59	$102	$(147)	$64	$(83)
Investments[(1)]						
In U.S. offices	$(19)	$11	$(8)	$48	$41	$89
In offices outside the U.S.[(4)]	26	57	83	64	13	77
Total	$7	$68	$75	$112	$54	$166
Loans (net of unearned income)[(6)]						
In U.S. offices	$55	$(135)	$(80)	$101	$(600)	$(499)
In offices outside the U.S.[(4)]	76	(5)	71	(165)	416	251
Total	$131	$(140)	$(9)	$(64)	$(184)	$(248)
Other interest-earning assets[(7)]	$(11)	$(5)	$(16)	$(148)	$(278)	$(426)
Total interest revenue	$216	$(29)	$187	$(258)	$(264)	$(522)

(1) The taxable equivalent adjustment is related to the tax-exempt bond portfolio based on the U.S. federal statutory tax rate of 35% and is included in this presentation.
(2) Rate/volume variance is allocated based on the percentage relationship of changes in volume and changes in rate to the total net change.
(3) Detailed average volume, Interest revenue and Interest expense exclude Discontinued operations. See Note 2 to the Consolidated Financial Statements.
(4) Changes in average rates reflect changes in prevailing local interest rates, including inflationary effects and monetary corrections in certain countries.
(5) Interest expense on Trading account liabilities of ICG is reported as a reduction of Interest revenue. Interest revenue and Interest expense on cash collateral positions are reported in interest on Trading account assets and Trading account liabilities, respectively.
(6) Includes cash-basis loans.
(7) Includes brokerage receivables.

Analysis of Changes in Interest Expense and Net Interest Revenue[1][2][3]

In millions of dollars	2nd Qtr. 2016 vs. 1st Qtr. 2016 Increase (decrease) due to change in: Average volume	Average rate	Net change	2nd Qtr. 2016 vs. 2nd Qtr. 2015 Increase (decrease) due to change in: Average volume	Average rate	Net change
Deposits						
In U.S. offices	$11	$44	$55	$21	$20	$41
In offices outside the U.S.[4]	24	23	47	9	(32)	(23)
Total	$35	$67	$102	$30	$(12)	$18
Federal funds purchased and securities loaned or sold under agreements to repurchase						
In U.S. offices	$—	$—	$—	$(16)	$93	$77
In offices outside the U.S.[4]	(7)	32	25	(53)	60	7
Total	$(7)	$32	$25	$(69)	$153	$84
Trading account liabilities[5]						
In U.S. offices	$9	$3	$12	$2	$35	$37
In offices outside the U.S.[4]	3	(7)	(4)	(1)	6	5
Total	$12	$(4)	$8	$1	$41	$42
Short-term borrowings[6]						
In U.S. offices	$(1)	$15	$14	$(11)	$(19)	$(30)
In offices outside the U.S.[4]	(53)	48	(5)	(107)	89	(18)
Total	$(54)	$63	$9	$(118)	$70	$(48)
Long-term debt						
In U.S. offices	$18	$(4)	$14	$(29)	$(19)	$(48)
In offices outside the U.S.[4]	(1)	23	22	(5)	26	21
Total	$17	$19	$36	$(34)	$7	$(27)
Total interest expense	$3	$177	$180	$(190)	$259	$69
Net interest revenue	$213	$(206)	$7	$(68)	$(523)	$(591)

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

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

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

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

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

(6) Includes brokerage payables.

Analysis of Changes in Interest Revenue, Interest Expense, and Net Interest Revenue[1][2][3]

In millions of dollars	Six Months 2016 vs. Six Months 2015 Increase (decrease) due to change in:		
	Average volume	Average rate	Net change[2]
Deposits at interest with banks[4]	$(28)	$133	$105
Federal funds sold and securities borrowed or purchased under agreements to resell			
In U.S. offices	$(4)	$150	$146
In offices outside the U.S.[4]	(54)	(87)	(141)
Total	$(58)	$63	$5
Trading account assets[5]			
In U.S. offices	$(189)	$209	$20
In offices outside the U.S.[4]	(120)	54	(66)
Total	$(309)	$263	$(46)
Investments[1]			
In U.S. offices	$113	$122	$235
In offices outside the U.S.[4]	74	(12)	62
Total	$187	$110	$297
Loans (net of unearned income)[6]			
In U.S. offices	$(39)	$(955)	$(994)
In offices outside the U.S.[4]	(390)	347	(43)
Total	$(429)	$(608)	$(1,037)
Other interest-earning assets	$(96)	$(188)	$(284)
Total interest revenue	$(733)	$(227)	$(960)
Deposits [7]			
In U.S. offices	$16	$(15)	$1
In offices outside the U.S.[4]	25	(129)	(104)
Total	$41	$(144)	$(103)
Federal funds purchased and securities loaned or sold under agreements to repurchase			
In U.S. offices	$(20)	$194	$174
In offices outside the U.S.[4]	(90)	126	36
Total	$(110)	$320	$210
Trading account liabilities[5]			
In U.S. offices	$(3)	$69	$66
In offices outside the U.S.[4]	(3)	20	17
Total	$(6)	$89	$83
Short-term borrowings			
In U.S. offices	$(17)	$(5)	$(22)
In offices outside the U.S.[4]	(185)	140	(45)
Total	$(202)	$135	$(67)
Long-term debt			
In U.S. offices	$(139)	$(25)	$(164)
In offices outside the U.S.[4]	(6)	28	22
Total	$(145)	$3	$(142)
Total interest expense	$(422)	$403	$(19)
Net interest revenue	$(311)	$(630)	$(941)

(1)

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

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

(3) Detailed average volume, Interest revenue and Interest expense exclude Discontinued operations.

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

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

(6) Includes cash-basis loans.

(7) The interest expense on deposits includes the FDIC assessment and deposit insurance fees and charges of $502 million and $585 million for the six months ended June 30, 2016 and 2015, respectively.

Market Risk of Trading Portfolios
For additional information on Citi's market risk of trading portfolios, see "Market Risk—Market Risk of Trading Portfolios" in Citi's 2015 Annual Report on Form 10-K.

Value at Risk
As of June 30, 2016, Citi estimates that the conservative features of its VAR calibration contribute an approximate 16% add-on (compared to 22% at March 31, 2016) to what would be a VAR estimated under the assumption of stable and perfectly normal distributed markets.
As set forth in the table below, Citi's average Trading VAR as of June 30, 2016 decreased sequentially, mainly due to interest rate risk profile changes from hedging activity associated with non-trading positions. Average Trading and Credit Portfolio VAR as of June 30, 2016 decreased more than Trading VAR, with the further decrease mainly from lower spread volatilities affecting the credit portfolio.

In millions of dollars	June 30, 2016	Second Quarter 2016 Average	March 31, 2016	First Quarter 2016 Average	June 30, 2015	Second Quarter 2015 Average
Interest rate	$ 32	$ 32	$ 37	$ 41	$ 33	$ 42
Credit spread	61	60	62	64	64	$ 70
Covariance adjustment[1]	(30)	(26)	(29)	(27)	(22)	(25)
Fully diversified interest rate and credit spread	$ 63	$ 66	$ 70	$ 78	$ 75	$ 87
Foreign exchange	26	20	25	29	32	34
Equity	11	15	9	15	24	21
Commodity	23	20	17	14	18	18
Covariance adjustment[1]	(59)	(56)	(62)	(56)	(66)	(70)
Total trading VAR—all market risk factors, including general and specific risk (excluding credit portfolios)[2]	$ 64	$ 65	$ 59	$ 80	$ 83	$ 90
Specific risk-only component[3]	$ 9	$ 9	$ 7	$ 7	$ 7	$ 6
Total trading VAR—general market risk factors only (excluding credit portfolios)[2]	$ 55	$ 56	$ 52	$ 73	$ 76	$ 84

Incremental impact of the credit portfolio[4]	$ 22	$ 23	$ 29	$ 28	$ 15	$ 23
Total trading and credit portfolio VAR	$ 86	$ 88	$ 88	$ 108	$ 98	$ 113

(1) Covariance adjustment (also known as diversification benefit) equals the difference between the total VAR and the sum of the VARs tied to each individual risk type. The benefit reflects the fact that the risks within each and across risk types are not perfectly correlated and, consequently, the total VAR on a given day will be lower than the sum of the VARs relating to each individual risk type. The determination of the primary drivers of changes to the covariance adjustment is made by an examination of the impact of both model parameter and position changes.

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

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

(4) The credit portfolio is composed of mark-to-market positions associated with non-trading business units including Citi Treasury, the CVA relating to derivative counterparties and all associated CVA hedges. FVA and DVA are not included. The credit portfolio also includes hedges to the loan portfolio, fair value option loans and hedges to the leveraged finance pipeline within capital markets origination in ICG.

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

In millions of dollars	Second Quarter 2016 Low	Second Quarter 2016 High	First Quarter 2016 Low	First Quarter 2016 High	Second Quarter 2015 Low	Second Quarter 2015 High
Interest rate	$26	$ 40	$29	$64	$29	$73
Credit spread	56	64	56	69	63	77
Fully diversified interest rate and credit spread	$60	$ 74	$66	$97	$71	$106
Foreign exchange	14	29	24	40	22	51
Equity	10	26	9	24	12	32
Commodity	16	25	10	18	15	22
Total trading	$55	$ 76	$59	$106	$71	$107
Total trading and credit portfolio	79	98	85	131	89	141

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

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

In millions of dollars	Jun. 30, 2016
Total—all market risk factors, including general and specific risk	$ 62
Average—during quarter	$ 61
High—during quarter	72
Low—during quarter	53

Regulatory VAR Back-testing

In accordance with Basel III, Citi is required to perform back-testing to evaluate the effectiveness of its Regulatory VAR model. Regulatory VAR back-testing is the process in which the daily one-day VAR, at a 99% confidence interval, is compared to the buy-and-hold profit and loss (i.e., the profit and loss impact if the portfolio is held constant at the end of the day and re-priced the following day). Buy-and-hold profit and loss represents the daily mark-to-market

profit and loss attributable to price movements in covered positions from the close of the previous business day. Buy-and-hold profit and loss excludes realized trading revenue, net interest, fees and commissions, intra-day trading profit and loss, and changes in reserves.

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

As of June 30, 2016, there was one back-testing exception observed for Citi's Regulatory VAR for the prior 12 months. Trading losses on June 3, 2016 exceeded the VAR estimate at the Citigroup level, driven by higher volatility in the interest rate and foreign exchange markets following the release of weak non-farm payroll data.

COUNTRY RISK

For additional information on country risk at Citi, see “Country Risk” and “Risk Factors” in Citi’s 2015 Annual Report on Form 10-K.

Top 25 Country Exposures

The following table presents Citi’s top 25 exposures by country (excluding the U.S.) as of June 30, 2016. For purposes of the table, loan amounts are reflected in the country where the loan is booked, which is generally based on the domicile of the borrower. For example, a loan to a Chinese subsidiary of a Switzerland-based corporation will generally be categorized as a loan in China. In addition, Citi has

developed regional booking centers in certain countries, most significantly in the United Kingdom (U.K.) and Ireland, in order to more efficiently serve its corporate customers. As an example, with respect to the U.K., only 30% of corporate loans presented in the table below are to U.K. domiciled entities (25% for unfunded commitments), with the balance of the loans predominately to European domiciled counterparties. Approximately 85% of the total U.K. funded loans and 90% of the total U.K. unfunded commitments were investment grade as of June 30, 2016. Trading account assets and investment securities are generally categorized based on the domicile of the issuer of the security of the underlying reference entity. For additional information on the assets included in the table, see the footnotes to the table below.

In billions of dollars	ICG loans[1]	GCB loans[2]	Other funded[3]	Unfunded[4]	Net MTM on Derivatives/Repos[5]	Total hedges (on loans and CVA)	Investment securities[6]	Trading account assets[7]	Total as of 2Q16	Total as of 1Q16	Total as of 4Q15
United Kingdom	$ 33.1	$ —	$ 3.7	$ 51.8	$ 13.5	$ (3.0)	$ 8.9	$ 0.4	$ 108.4	$ 103.5	$ 110.4
Mexico	7.2	24.5	0.4	5.3	0.8	(0.6)	15.9	3.5	57.0	61.1	60.4
Singapore	12.0	13.3	0.5	5.1	0.8	(0.3)	5.7	0.2	37.3	37.2	36.7
Korea	2.9	19.3	0.4	4.4	1.4	(1.0)	8.6	1.2	37.2	38.5	39.3
Hong Kong	11.7	10.4	0.7	5.3	0.5	(0.9)	5.0	2.6	35.3	34.5	35.2
India	10.2	6.3	0.7	4.5	0.4	(1.3)	7.1	3.1	31.0	32.8	33.0
Brazil	14.3	1.9	0.2	3.8	2.9	(2.8)	4.1	4.2	28.6	27.8	23.2
Ireland	7.7	—	0.4	15.1	0.3	—	—	0.6	24.1	24.5	22.0
Australia	3.9	10.2	—	4.9	1.0	(0.9)	4.6	(1.1)	22.6	25.9	24.5
China	7.3	4.5	3.2	1.6	1.3	(1.1)	3.0	2.6	22.4	22.9	23.0
Canada	2.5	0.6	2.3	6.3	2.8	(0.9)	4.3	0.2	18.1	17.4	16.5
Germany	0.2	—	—	4.2	3.7	(3.5)	9.8	2.9	17.3	21.9	18.8
Japan	2.8	—	0.4	2.9	4.1	(1.2)	2.4	4.2	15.6	11.1	9.1
Taiwan	3.8	8.0	0.1	1.4	0.2	(0.2)	1.2	0.9	15.4	15.5	14.8
Poland	2.7	1.6	0.1	3.2	0.1	(0.3)	4.7	0.1	12.2	14.8	13.1
Malaysia	2.0	4.8	0.2	1.8	0.2	(0.1)	0.8	1.6	11.3	10.8	9.2
Netherlands	—	—	—	—	1.6	(1.0)	6.1	0.4	7.1	6.8	7.1
Thailand	0.9	1.9	—	1.1	0.1	—	1.7	0.8	6.5	6.2	5.4
United Arab Emirates	3.5	1.3	0.2	1.6	0.4	(0.4)	—	(0.2)	6.4	6.4	6.4
Luxembourg	0.1	—	—	—	0.5	(0.2)	5.1	0.2	5.7	6.2	4.9
Indonesia	1.9	1.1	0.1	1.0	—	(0.2)	0.9	0.4	5.2	5.2	4.4

Colombia	2.3	1.7	—	0.9	0.3	(0.1)	0.3	(0.3)	5.1	5.9	5.7
Russia	2.4	0.9	—	0.8	0.2	(0.5)	0.6	0.4	4.8	5.1	5.0
Turkey	3.3	—	0.4	0.5	0.3	(0.1)	0.4	(0.2)	4.6	4.8	4.0
South Africa	1.3	—	—	2.2	0.3	(0.3)	1.1	(0.1)	4.5	2.8	2.8

(1) ICG loans reflect funded corporate loans and private bank loans, net of unearned income. As of June 30, 2016, private bank loans in the table above totaled $16.5 billion, concentrated in the U.K. ($4.3 billion), Singapore ($6.6 billion) and Hong Kong ($4.5 billion).

(2) GCB loans include funded loans in Brazil and Colombia related to businesses that were transferred to Citi Holdings as of January 1, 2016.

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

(4) Unfunded exposure includes unfunded corporate lending commitments, letters of credit and other contingencies.

(5) Net mark-to-market (MTM) on derivatives and securities lending/borrowing transactions (repos). Exposures are shown net of collateral and inclusive of CVA. Includes margin loans.

(6) Investment securities include securities available-for-sale, recorded at fair market value, and securities held-to-maturity, recorded at historical cost.

(7) Trading account assets are shown on a net basis and include derivative exposures where the underlying reference entity is located in that country.

Included within the table above are Citi's exposures to the U.K. as well as certain other countries within the European Union (EU) as of June 30, 2016. On June 23, 2016, a referendum was held in the U.K. regarding the U.K.'s continued membership in the EU, with the result that a majority of votes cast were in favor of the U.K. leaving the EU.
The result of the referendum has raised numerous uncertainties, including as to when the U.K. may begin the official process of withdrawal and the commencement of negotiations with the EU regarding the terms of the withdrawal. Additional areas of uncertainty that could impact Citi include, among others: (i) whether Citi will need to make changes to its legal entity and booking model strategy and/or structure in both the U.K. and the EU based on the outcome of negotiations relating to the regulation of financial services; (ii) the potential impact of the withdrawal to the economy of the United Kingdom as well as more broadly throughout Europe; (iii) the potential impact to Citi's exposures to counterparties as a result of any macroeconomic slowdown; (iv) the impact of the referendum on U.S. monetary policy, such as changes to interest rates; and (v) the potential impact to foreign exchange rates, particularly the Euro and the pound sterling, and the resulting impacts to Citi's results of operations.
To date, Citi has not experienced any significant negative impact to its results of operations or client or counterparty activity or exposures as a result of the U.K. referendum. Given the current status, it is not possible to determine as to the outcome of the issues raised above. However, Citi will continue to monitor developments emanating from the U.K. referendum closely.

Argentina
For additional information relating to Citi's exposures in Argentina, see "Country Risk—Argentina" in Citi's 2015 Annual Report on Form 10-K and First Quarter of 2016 Form 10-Q.
There were no significant changes to Citi's exposures in Argentina during the current quarter. Citi's net investment in its Argentine operations was approximately $722 million as of June 30, 2016 (compared to $756 million as of March 31, 2016) with cumulative translation losses, net of qualifying net investment hedges, of approximately $2 billion (pretax) as of June 30, 2016 (unchanged from March 31, 2016). In addition, during the current quarter, Citi Argentina was notified by the Comision Nacional de Valores that Citi's previous suspension from certain capital markets activities had been lifted and an Argentine court, at the request of the Ministry of Economy and Public Finance, lifted an injunction that restricted Citi from exiting its retail custody business in Argentina.

Venezuela
For historical information on foreign exchange controls in Venezuela as well as additional information on Citi's exposures in Venezuela, see "Country Risk—Venezuela" in Citi's 2015 Annual Report on Form 10-K and First Quarter of 2016 Form 10-Q.
As of June 30, 2016, Citi's net investment in its Venezuelan operations was approximately $54 million (compared to $51 million as of March 31, 2016), with de minimis foreign exchange exposure remaining. Citi also had cumulative translation losses related to its investment in Venezuela of approximately $20 million, which would not be reclassified into earnings unless a change of control, liquidation or similar event to Citi's Venezuela operations were to occur. Accordingly, if any such event were to occur, Citi estimates its net exposure to Venezuela would be approximately $70 million as of June 30, 2016.
In addition, as previously reported, on July 11, 2016, following a periodic risk management review in Venezuela, Citi decided to discontinue correspondent banking and the servicing of certain accounts in Venezuela.

INCOME TAXES

Deferred Tax Assets

For additional information on Citi's deferred tax assets (DTAs), see "Risk Factors—Operational Risks," "Significant Accounting Policies and Significant Estimates—Income Taxes" and Note 9 to the Consolidated Financial Statements in Citi's 2015 Annual Report on Form 10-K.

At June 30, 2016, Citigroup had recorded net DTAs of approximately $45.4 billion, a decrease of $0.9 billion from March 31, 2016 and $2.4 billion from December 31, 2015. The sequential decrease in DTAs was driven primarily by the continued generation of U.S. taxable earnings in Citicorp and gains in AOCI.

The following table summarizes Citi's net DTAs balance as of the periods presented. Of Citi's net DTAs as of June 30, 2016, those arising from net operating losses, foreign tax credit and general business credit carry-forwards are 100% deducted in calculating Citi's regulatory capital, while DTAs arising from temporary differences are deducted from regulatory capital if in excess of the 10%/15% limitations (see "Capital Resources" above). Approximately $17.4 billion of the net DTAs was not deducted in calculating regulatory capital pursuant to full Basel III implementation standards as of June 30, 2016.

Jurisdiction/Component	DTAs balance	
In billions of dollars	June 30, 2016	December 31, 2015
Total U.S.	$43.1	$ 45.2
Total foreign	2.3	2.6
Total	$45.4	$ 47.8

Effective Tax Rate

Citi's effective tax rate for the second quarter of 2016 was 29.9%, slightly higher than the 29.2% effective tax rate in the second quarter of 2015 (excluding CVA/DVA). The slight increase was due to a combination of factors, including the impact of the previously disclosed New York City tax reform and a state and local audit settlement in the prior-year period and the lower level of pretax income in the current quarter.

DISCLOSURE CONTROLS AND PROCEDURES

Citi's disclosure controls and procedures are designed to ensure that information required to be disclosed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, including without limitation that information required to be disclosed by Citi in its SEC filings is accumulated and communicated to management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) as appropriate to allow for timely decisions regarding required disclosure.
Citi's Disclosure Committee assists the CEO and CFO in their responsibilities to design, establish, maintain and evaluate the effectiveness of Citi's disclosure controls and procedures. The Disclosure Committee is responsible for, among other things, the oversight, maintenance and implementation of the disclosure controls and procedures, subject to the supervision and oversight of the CEO and CFO.
Citi's management, with the participation of its CEO and CFO, has evaluated the effectiveness of Citigroup's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of June 30, 2016 and, based on that evaluation, the CEO and CFO have concluded that at that date Citigroup's disclosure controls and procedures were effective.

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

Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012, which added Section 13(r) to the Securities Exchange Act of 1934, as amended, Citi is required to disclose in its annual or quarterly reports, as applicable, whether it or any of its affiliates knowingly engaged in certain activities, transactions or dealings relating to Iran or with individuals or entities that are subject to sanctions under U.S. law. Disclosure is generally required even where the activities, transactions or dealings were conducted in compliance with applicable law.
A branch of Citibank located in Dublin, Ireland processed a funds transfer to the Embassy of Iran in Ireland during the second quarter of 2016. The value of this funds transfer was approximately EUR 50 (approximately $57.00). This payment was for visa services which are exempt under Office of Foreign Assets Control regulations. The transaction resulted in nominal revenue for Citibank.

FORWARD-LOOKING STATEMENTS

Certain statements in this Form 10-Q, including but not limited to statements included within the Management's Discussion and Analysis of Financial Condition and Results of Operations, are "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. In addition, Citigroup also may make forward-looking statements in its other documents filed or furnished with the SEC, and its management may make forward-looking statements orally to analysts, investors, representatives of the media and others.
Generally, forward-looking statements are not based on historical facts but instead represent Citigroup's and its management's beliefs regarding future events. Such statements may be identified by words such as believe, expect, anticipate, intend, estimate, may increase, may fluctuate, and similar expressions or future or conditional verbs such as will, should, would and could.
Such statements are based on management's current expectations and are subject to risks, uncertainties and changes in circumstances. Actual results and capital and other financial conditions may differ materially from those included in these statements due to a variety of factors, including without limitation the precautionary statements included within each individual business' discussion and analysis of its results of operations above and in Citi's 2015 Annual Report on Form 10-K, the factors listed and described under "Risk Factors" in Citi's 2015 Annual Report on Form 10-K and the risks and uncertainties summarized below:

- potential changes to various aspects of the regulatory capital framework proposed or adopted by the Basel Committee on Banking Supervision and/or the U.S. banking agencies, such as those related to market risk (including as a result of the so-called "fundamental review of the trading book"), operational risk and credit risk, and the impact any such changes could have on Citi's regulatory capital ratios and/or their components;
- the potential impact of any inclusion of Citi's GSIB surcharge in the Federal Reserve Board's post-stress minimum capital requirements under CCAR, including on Citi's ability to return capital to shareholders;
- Citi's ability to adequately address the shortcomings identified by the Federal Reserve Board and FDIC as a result of their review of Citi's 2015 annual resolution plan submission and the potential impact actions Citi may take to address such shortcomings may have on its funding and liquidity;
- the ongoing regulatory changes and uncertainties faced by Citi in the U.S. and globally, including as a result of the Federal Reserve Board's recent proposal relating to single-counterparty credit limits, and the potential impact these changes and uncertainties could have on Citi's businesses, results of operations, financial condition, strategy or organizational structure and compliance risks and costs;
- the potential impact to Citi's delinquency rates, loan loss reserves, net credit losses and overall results of operations

as Citi's revolving home equity lines of credit continue to "reset" (Revolving HELOCs), particularly if interest rates increase;

- the potential impact to Citi's businesses, credit costs and overall results of operations and financial condition as a result of macroeconomic and geopolitical challenges and uncertainties, including slower growth in the emerging markets or if energy or other commodity prices deteriorate;
- the extensive uncertainties arising as a result of the vote in the United Kingdom to withdraw from the European Union and the potential impact to macroeconomic conditions as well as Citi's legal entity structure and overall results of operations or financial condition;
- the various risks faced by Citi as a result of its significant presence in the emerging markets, including among others sociopolitical instability, nationalization or loss of licenses, business restrictions, sanctions or asset freezes, closure of branches or subsidiaries, confiscation of assets and foreign exchange controls as well as the increased compliance and regulatory risks and costs;
- the potential impact of concentrations of risk, such as market risk arising from Citi's volume of transactions with counterparties in the financial services industry, could have on Citi's hedging strategies and results of operations;
- the uncertainties and potential operational difficulties to Citi and its liquidity planning arising from the Federal Reserve Board's total loss-absorbing capacity (TLAC) proposal, including uncertainties relating to any potential

"grandfathering" of outstanding long-term debt and the potential impact on Citi's estimated liquidity needs;

- the potential impacts on Citi's liquidity and/or costs of funding as a result of external factors, including among others market disruptions and governmental fiscal and monetary policies as well as regulatory changes, such as the TLAC proposal;
- the impact of ratings downgrades of Citi or one or more of its more significant subsidiaries or issuing entities on Citi's funding and liquidity as well as the results of operations of certain of its businesses;
- the potential negative impact to Citi's co-branding and private label credit card relationships or Citi's results of operations or financial condition due to, among other things, operational difficulties of a particular retailer or merchant or early termination of a particular relationship;
- the potential impact to Citi from an increasing risk of continually evolving cybersecurity or other technological risks, including the theft, loss, misuse or disclosure of confidential client, customer or network information, damage to Citi's reputation, additional costs to Citi, regulatory penalties, legal exposure and financial losses;
- Citi's ability to continue to utilize its DTAs (including the foreign tax credit component of its DTAs) and thus reduce the negative impact of the DTAs on Citi's regulatory capital, including as a result of movements in Citi's AOCI;
- the potential impact to Citi if its interpretation or application of the extensive tax laws to which it is subject,

such as withholding tax obligations, differs from those of the relevant governmental authorities;

- the impact on the value of Citi's DTAs and its results of operations if corporate tax rates in the U.S. or certain state, local or foreign jurisdictions decline, or if other changes are made to the U.S. tax system;
- the potential impact to Citi's results of operations and/or regulatory capital and capital ratios if Citi's risk models, including its Basel III risk-weighted asset models, are ineffective, require modification or enhancement or approval is withdrawn by Citi's U.S. banking regulators;
- Citi's ability to manage its overall level of expenses while at the same time continuing to successfully invest in identified areas of its businesses or operations;
- Citi's ability to continue to wind-down Citi Holdings, and thus reduce the negative impact on Citi's regulatory capital, as well as maintain Citi Holdings at or above "break even" during 2016;
- the potential impact on Citi's performance, including its competitive position and ability to effectively manage its businesses and continue to execute its strategy, if Citi is unable to hire and retain highly qualified employees for any reason;
- the impact of ongoing changes to financial accounting and reporting standards or interpretations, such as the FASB's recently finalized credit impairment standard, on how Citi records and reports its financial condition and results of operations as well as the potential impact of incorrect assumptions or estimates in Citi's financial statements;
- the heightened compliance requirements and risks to which Citi is subject, including reputational and legal risks, as well as the impact of increased compliance costs on Citi's expense management and investments initiatives;
- the potential outcomes of the extensive legal and regulatory proceedings, investigations and other inquiries to which Citi is or may be subject at any given time, particularly given the increased severity of the remedies sought and potential collateral consequences to Citi arising from such outcomes; and
- the potential impact of the U.S. Treasury's proposed changes to Section 385 of the U.S. tax code on Citi's intercompany borrowing activities and documentation.

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

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CONSOLIDATED FINANCIAL STATEMENTS

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

	Three Months Ended June 30,		Six Months Ended June 30,	
In millions of dollars, except per share amounts	2016	2015	2016	2015
Revenues				
Interest revenue	$14,356	$14,873	$28,523	$29,473
Interest expense	3,120	3,051	6,060	6,079
Net interest revenue	$11,236	$11,822	$22,463	$23,394
Commissions and fees	$2,725	$3,194	$5,188	$6,364
Principal transactions	1,816	2,173	3,656	4,144
Administration and other fiduciary fees	878	995	1,689	1,957
Realized gains on sales of investments, net	200	183	386	490
Other-than-temporary impairment losses on investments				
Gross impairment losses	(118)	(43)	(583)	(115)
Less: Impairments recognized in AOCI	—	—	—	—
Net impairment losses recognized in earnings	$(118)	$(43)	$(583)	$(115)
Insurance premiums	$217	$482	$481	$979
Other revenue	594	664	1,823	1,993
Total non-interest revenues	$6,312	$7,648	$12,640	$15,812
Total revenues, net of interest expense	$17,548	$19,470	$35,103	$39,206
Provisions for credit losses and for benefits and claims				
Provision for loan losses	$1,390	$1,515	$3,276	$3,270
Policyholder benefits and claims	49	181	137	378
Provision (release) for unfunded lending commitments	(30)	(48)	41	(85)
Total provisions for credit losses and for benefits and claims	$1,409	$1,648	$3,454	$3,563
Operating expenses				
Compensation and benefits	$5,229	$5,483	$10,785	$11,003
Premises and equipment	642	737	1,293	1,446
Technology/communication	1,657	1,656	3,306	3,256
Advertising and marketing	433	393	823	785
Other operating	2,408	2,659	4,685	5,322
Total operating expenses	$10,369	$10,928	$20,892	$21,812
Income from continuing operations before income taxes	$5,770	$6,894	$10,757	$13,831
Provision for income taxes	1,723	2,036	3,202	4,156
Income from continuing operations	$4,047	$4,858	$7,555	$9,675
Discontinued operations				
Income (loss) from discontinued operations	$(36)	$9	$(39)	$1
Provision (benefit) for income taxes	(13)	3	(14)	—
Income (loss) from discontinued operations, net of taxes	$(23)	$6	$(25)	$1
Net income before attribution of noncontrolling interests	$4,024	$4,864	$7,530	$9,676
Noncontrolling interests	26	18	31	60
Citigroup's net income	$3,998	$4,846	$7,499	$9,616
Basic earnings per share[(1)]				
Income from continuing operations	$1.25	$1.51	$2.36	$3.03
Loss from discontinued operations, net of taxes	(0.01)	—	(0.01)	—
Net income	$1.24	$1.52	$2.35	$3.03
Weighted average common shares outstanding	2,915.8	3,020.0	2,929.4	3,027.1

Diluted earnings per share[1]				
Income from continuing operations	$ 1.25	$ 1.51	$ 2.36	$ 3.02
Loss from discontinued operations, net of taxes	(0.01)	—	(0.01)	—
Net income	$ 1.24	$ 1.51	$ 2.35	$ 3.02
Adjusted weighted average common shares outstanding	2,915.9	3,025.0	2,929.5	3,032.1

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

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
In millions of dollars	2016	2015	2016	2015
Net income before attribution of noncontrolling interests	$4,024	$4,864	$7,530	$9,676
Add: Citigroup's other comprehensive income (loss)				
Net change in unrealized gains and losses on investment securities, net of taxes	$927	$(935)	$2,961	$(344)
Net change in debt valuation adjustment (DVA), net of taxes [1]	12	—	205	—
Net change in cash flow hedges, net of taxes	151	92	468	178
Benefit plans liability adjustment, net of taxes	(27)	578	(492)	488
Net change in foreign currency translation adjustment, net of taxes and hedges	(552)	(148)	102	(2,210)
Citigroup's total other comprehensive income (loss)	$511	$(413)	$3,244	$(1,888)
Total comprehensive income before attribution of noncontrolling interests	$4,535	$4,451	$10,774	$7,788
Less: Net income attributable to noncontrolling interests	26	18	31	60
Citigroup's comprehensive income	$4,509	$4,433	$10,743	$7,728

(1) Effective January 1, 2016, Citigroup early adopted only the provisions of the amendment in ASU No. 2016-01, Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities, related to the presentation of DVA on fair value option liabilities. Accordingly, beginning in the first quarter 2016, the portion of the change in fair value of these liabilities related to changes in Citigroup's own credit spreads (DVA) is reflected as a component of Accumulated other comprehensive income (AOCI).

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

CONSOLIDATED BALANCE SHEET Citigroup Inc. and Subsidiaries
(UNAUDITED)

In millions of dollars	June 30, 2016 (Unaudited)	December 31, 2015
Assets		
Cash and due from banks (including segregated cash and other deposits)	$22,140	$20,900
Deposits with banks	127,993	112,197
Federal funds sold and securities borrowed or purchased under agreements to resell (including $144,816 and $137,964 as of June 30, 2016 and December 31, 2015, respectively, at fair value)	228,683	219,675
Brokerage receivables	36,851	27,683
Trading account assets (including $92,869 and $92,123 pledged to creditors at June 30, 2016 and December 31, 2015, respectively)	271,764	249,956
Investments:		
Available for sale (including $8,659 and $10,698 pledged to creditors as of June 30, 2016 and December 31, 2015, respectively)	312,765	299,136
Held to maturity (including $1,487 and $3,630 pledged to creditors as of June 30, 2016 and December 31, 2015, respectively)	35,903	36,215
Non-marketable equity securities (including $1,973 and $2,088 at fair value as of June 30, 2016 and December 31, 2015, respectively)	7,625	7,604
Total investments	$356,293	$342,955
Loans:		
Consumer (including $32 and $34 as of June 30, 2016 and December 31, 2015, respectively, at fair value)	326,419	325,785
Corporate (including $4,102 and $4,971 as of June 30, 2016 and December 31, 2015, respectively, at fair value)	307,096	291,832
Loans, net of unearned income	$633,515	$617,617
Allowance for loan losses	(12,304)	(12,626)
Total loans, net	$621,211	$604,991
Goodwill	22,496	22,349
Intangible assets (other than MSRs)	5,521	3,721
Mortgage servicing rights (MSRs)	1,324	1,781
Other assets (including $7,432 and $6,121 as of June 30, 2016 and December 31, 2015, respectively, at fair value)	124,495	125,002
Total assets	$1,818,771	$1,731,210

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

In millions of dollars	June 30, 2016 (Unaudited)	December 31, 2015
Assets of consolidated VIEs to be used to settle obligations of consolidated VIEs		
Cash and due from banks	$112	$153

Trading account assets	427	583
Investments	4,755	5,263
Loans, net of unearned income		
Consumer	54,211	58,772
Corporate	21,832	22,008
Loans, net of unearned income	$76,043	$80,780
Allowance for loan losses	(1,751)	(2,135)
Total loans, net	$74,292	$78,645
Other assets	150	150
Total assets of consolidated VIEs to be used to settle obligations of consolidated VIEs	$79,736	$84,794

Statement continues on the next page.

CONSOLIDATED BALANCE SHEET (Continued) Citigroup Inc. and Subsidiaries

In millions of dollars, except shares and per share amounts	June 30, 2016 (Unaudited)	December 31, 2015
Liabilities		
Non-interest-bearing deposits in U.S. offices	$140,145	$139,249
Interest-bearing deposits in U.S. offices (including $685 and $923 as of June 30, 2016 and December 31, 2015, respectively, at fair value)	295,589	280,234
Non-interest-bearing deposits in offices outside the U.S.	76,574	71,577
Interest-bearing deposits in offices outside the U.S. (including $786 and $667 as of June 30, 2016 and December 31, 2015, respectively, at fair value)	425,544	416,827
Total deposits	$937,852	$907,887
Federal funds purchased and securities loaned or sold under agreements to repurchase (including $46,144 and $36,843 as of June 30, 2016 and December 31, 2015, respectively, at fair value)	158,001	146,496
Brokerage payables	62,054	53,722
Trading account liabilities	136,307	117,512
Short-term borrowings (including $1,850 and $1,207 as of June 30, 2016 and December 31, 2015, respectively, at fair value)	18,408	21,079
Long-term debt (including $25,931 and $25,293 as of June 30, 2016 and December 31, 2015, respectively, at fair value)	207,448	201,275
Other liabilities (including $2,822 and $1,624 as of June 30, 2016 and December 31, 2015, respectively, at fair value)	65,680	60,147
Total liabilities	$1,585,750	$1,508,118
Stockholders' equity		
Preferred stock ($1.00 par value; authorized shares: 30 million), issued shares: 770,120 as of June 30, 2016 and 668,720 as of December 31, 2015, at aggregate liquidation value	$19,253	$16,718
Common stock ($0.01 par value; authorized shares: 6 billion), issued shares: 3,099,482,042 as of June 30, 2016 and December 31, 2015	31	31
Additional paid-in capital	107,730	108,288
Retained earnings	140,527	133,841
Treasury stock, at cost: June 30, 2016—194,108,004 shares and December 31, 2015—146,203,311 shares	(9,538)	(7,677)
Accumulated other comprehensive income (loss)	(26,115)	(29,344)
Total Citigroup stockholders' equity	$231,888	$221,857
Noncontrolling interest	1,133	1,235
Total equity	$233,021	$223,092
Total liabilities and equity	$1,818,771	$1,731,210

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

In millions of dollars	June 30, 2016 (Unaudited)	December 31, 2015

Liabilities of consolidated VIEs for which creditors or beneficial interest holders do not have recourse to the general credit of Citigroup		
Short-term borrowings	$10,986	$ 11,965
Long-term debt	27,723	31,273
Other liabilities	2,072	2,099
Total liabilities of consolidated VIEs for which creditors or beneficial interest holders do not have recourse to the general credit of Citigroup	$40,781	$ 45,337

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

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

	Six Months Ended June 30,	
In millions of dollars, except shares in thousands	2016	2015
Preferred stock at aggregate liquidation value		
Balance, beginning of period	$16,718	$10,468
Issuance of new preferred stock	2,535	3,500
Balance, end of period	$19,253	$13,968
Common stock and additional paid-in capital		
Balance, beginning of period	$108,319	$108,010
Employee benefit plans	(516)	279
Preferred stock issuance expense	(37)	(14)
Other	(5)	(25)
Balance, end of period	$107,761	$108,250
Retained earnings		
Balance, beginning of period	$133,841	$118,201
Adjustment to opening balance, net of taxes[1][2]	15	(349)
Adjusted balance, beginning of period	$133,856	$117,852
Citigroup's net income	7,499	9,616
Common dividends[3]	(296)	(184)
Preferred dividends	(532)	(330)
Tax benefit	—	—
Balance, end of period	$140,527	$126,954
Treasury stock, at cost		
Balance, beginning of period	$(7,677)	$(2,929)
Employee benefit plans[4]	773	151
Treasury stock acquired[5]	(2,634)	(1,850)
Balance, end of period	$(9,538)	$(4,628)
Citigroup's accumulated other comprehensive income (loss)		
Balance, beginning of period	$(29,344)	$(23,216)
Adjustment to opening balance, net of taxes[1]	(15)	—
Adjusted balance, beginning of period	$(29,359)	$(23,216)
Net change in Citigroup's Accumulated other comprehensive income (loss)	3,244	(1,888)
Balance, end of period	$(26,115)	$(25,104)
Total Citigroup common stockholders' equity	$212,635	$205,472
Total Citigroup stockholders' equity	$231,888	$219,440
Noncontrolling interests		
Balance, beginning of period	$1,235	$1,511
Transactions between noncontrolling-interest shareholders and the related consolidated subsidiary	(11)	—
Transactions between Citigroup and the noncontrolling-interest shareholders	(73)	(114)
Net income attributable to noncontrolling-interest shareholders	31	60
Dividends paid to noncontrolling-interest shareholders	(1)	(10)
Other comprehensive income (loss) attributable to noncontrolling-interest shareholders	(23)	(61)
Other	(25)	(1)
Net change in noncontrolling interests	$(102)	$(126)
Balance, end of period	$1,133	$1,385

Total equity	$233,021	$220,825

(1) Effective January 1, 2016, Citigroup early adopted the provisions of the amendment in ASU No. 2016-01, Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities, related to the presentation of DVA on fair value option liabilities. Accordingly, beginning in the first quarter 2016, the portion of the change in fair value of these liabilities related to changes in Citigroup's own credit spreads (DVA) is reflected as a component of Accumulated other comprehensive income (AOCI). The cumulative effect of this change in accounting resulted in a reclassification from Retained earnings to AOCI of an accumulated after-tax loss of approximately $15 million at January 1, 2016.

(2) Citi adopted ASU 2014-01 Investments-Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Affordable Housing, in the first quarter of 2015 on a retrospective basis. This adjustment to opening Retained earnings represents the impact to periods prior to January 1, 2013 and is shown as an adjustment to the opening balance since 2015 is the earliest period presented in this statement. See Note 1 to the Consolidated Financial Statements for additional information.

(3) Common dividends declared were $0.05 per share in the first and second quarter of 2016 and $0.01 per share in the first quarter and $0.05 per share in the second quarter of 2015.

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

(5) For the six months ended June 30, 2016 and 2015, primarily consists of open market purchases under Citi's Board of Directors-approved common stock repurchase program.

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

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

In millions of dollars	Six Months Ended June 30, 2016	2015
Cash flows from operating activities of continuing operations		
Net income before attribution of noncontrolling interests	$7,530	$9,676
Net income attributable to noncontrolling interests	31	60
Citigroup's net income	$7,499	$9,616
Gain (loss) from discontinued operations, net of taxes	(25)	1
Income from continuing operations—excluding noncontrolling interests	$7,524	$9,615
Adjustments to reconcile net income to net cash provided by operating activities of continuing operations		
Gains on significant disposals[1]	(422)	—
Depreciation and amortization	1,776	1,767
Provision for loan losses	3,276	3,270
Realized gains from sales of investments	(386)	(490)
Net impairment losses on investments, goodwill and intangible assets	583	136
Change in trading account assets	(21,808)	17,589
Change in trading account liabilities	18,795	(2,741)
Change in brokerage receivables net of brokerage payables	(836)	(12,815)
Change in loans held-for-sale (HFS)	1,786	(1,869)
Change in other assets	(4,345)	(1,382)
Change in other liabilities	7,175	3,575
Other, net	7,949	1,691
Total adjustments	$13,543	$8,731
Net cash provided by operating activities of continuing operations	$21,067	$18,346
Cash flows from investing activities of continuing operations		
Change in deposits with banks	$(15,796)	$(2,911)
Change in federal funds sold and securities borrowed or purchased under agreements to resell	(9,008)	5,516
Change in loans	(30,170)	(9,945)
Proceeds from sales and securitizations of loans	7,021	6,377
Purchases of investments	(108,359)	(140,945)
Proceeds from sales of investments	66,138	89,707
Proceeds from maturities of investments	33,383	44,732
Proceeds from significant disposals[1]	265	—
Capital expenditures on premises and equipment and capitalized software	(1,377)	(1,471)
Proceeds from sales of premises and equipment, subsidiaries and affiliates, and repossessed assets	390	328
Net cash used in investing activities of continuing operations	$(57,513)	$(8,612)
Cash flows from financing activities of continuing operations		
Dividends paid	$(828)	$(514)
Issuance of preferred stock	2,498	3,486
Treasury stock acquired	(2,634)	(1,850)
Stock tendered for payment of withholding taxes	(312)	(423)
Change in federal funds purchased and securities loaned or sold under agreements to repurchase	11,505	3,574
Issuance of long-term debt	27,142	27,183
Payments and redemptions of long-term debt	(26,855)	(26,059)

Change in deposits	29,965	8,705
Change in short-term borrowings	(2,671)	(32,428)
Net cash provided by (used in) financing activities of continuing operations	$37,810	$(18,326)

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Effect of exchange rate changes on cash and cash equivalents	$(124)	$(103)
Change in cash and due from banks	$1,240	$(8,695)
Cash and due from banks at beginning of period	20,900	32,108
Cash and due from banks at end of period	$22,140	$23,413
Supplemental disclosure of cash flow information for continuing operations		
Cash paid during the period for income taxes	$2,045	$2,863
Cash paid during the period for interest	5,726	5,478
Non-cash investing activities		
Decrease in net loans associated with significant disposals reclassified to HFS	—	(8,874)
Decrease in investments associated with significant disposals reclassified to HFS	—	(1,444)
Transfers to loans HFS from loans	6,000	15,900
Transfers to OREO and other repossessed assets	97	158
Non-cash financing activities		
Decrease in long-term debt associated with significant disposals reclassified to HFS	$—	$(5,923)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. BASIS OF PRESENTATION AND ACCOUNTING CHANGES

Basis of Presentation
The accompanying unaudited Consolidated Financial Statements as of June 30, 2016 and for the three- and six- month periods ended June 30, 2016 and 2015 include the accounts of Citigroup Inc. and its consolidated subsidiaries.
In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation have been reflected. The accompanying unaudited Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and related notes included in Citigroup's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, including the historical audited consolidated financial statements of Citigroup reflecting the certain realignments and reclassifications set forth in Citigroup's Current Report on Form 8-K filed with the SEC on June 17, 2016 (2015 Annual Report on Form 10-K), and Citigroup's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016 (First Quarter of 2016 Form 10-Q).
Certain financial information that is normally included in annual financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP), but is not required for interim reporting purposes, has been condensed or omitted.
Management must make estimates and assumptions that affect the Consolidated Financial Statements and the related footnote disclosures. While management makes its best judgment, actual results could differ from those estimates. Current market conditions increase the risk and complexity of the judgments in these estimates.
As noted above, the Notes to Consolidated Financial Statements are unaudited.
Throughout these Notes, "Citigroup," "Citi" and the "Company" refer to Citigroup Inc. and its consolidated subsidiaries.
Certain reclassifications have been made to the prior periods' financial statements and notes to conform to the current period's presentation.

ACCOUNTING CHANGES

Recognition and Measurement of Financial Assets and Financial Liabilities
In January 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-01, Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities, which addresses certain aspects of recognition, measurement, presentation, and disclosure of financial instruments.
This ASU requires entities to present separately in OCI the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability at fair value in accordance with the fair value option for financial

instruments. It will also require equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income, thus eliminating eligibility for the current available-for-sale category. However, Federal Reserve Bank and Federal Home Loan Bank stock as well as exchange seats will continue to be presented at cost.
Citi early-adopted only the provisions of this ASU related to presentation of DVA in OCI effective January 1, 2016, as permitted by the ASU. Accordingly, beginning in the first quarter 2016, the portion of the change in fair value of liabilities for which the fair value option was elected related to changes in Citigroup's own credit spreads (DVA) is reflected as a component of Accumulated other comprehensive income (AOCI), whereas, these amounts were previously recognized in Citigroup's revenues and net income. The impact of adopting this amendment resulted in a cumulative catch-up reclassification from retained earnings to AOCI of an accumulated after tax loss of approximately $15 million at January 1, 2016. Financial statements for periods prior to 2016 were not subject to restatement under the provisions of this ASU. For additional information, see Note 18, Note 22 and Note 23 to the Consolidated

Financial Statements. The Company is evaluating the effect that the other provisions of ASU 2016-01 will have on its Consolidated Financial Statements and related disclosures.

Accounting for Investments in Tax Credit Partnerships

In January 2014, the FASB issued ASU No. 2014-01, Investments—Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Qualified Affordable Housing Projects. Any transition adjustment is reflected as an adjustment to retained earnings in the earliest period presented (retrospective application).

The ASU is applicable to Citi's portfolio of low income housing tax credit (LIHTC) partnership interests. The new standard widens the scope of investments eligible to elect to apply a new alternative method, the proportional amortization method, under which the cost of the investment is amortized to tax expense in proportion to the amount of tax credits and other tax benefits received. Citi qualifies to elect the proportional amortization method under the ASU for its entire LIHTC portfolio. These investments were previously accounted for under the equity method, which resulted in losses (due to amortization of the investment) being recognized in Other revenue and tax credits and benefits being recognized in the Income tax expense line. In contrast, the proportional amortization method combines the amortization of the investment and receipt of the tax credits/benefits into one line, Income tax expense.

Citi adopted ASU 2014-01 in the first quarter of 2015.

The adoption of this ASU was applied retrospectively and cumulatively reduced Retained earnings by approximately $349 million, Other assets by approximately $178 million, and deferred tax assets by approximately $171 million.

Consolidation
In February 2015, the FASB issued ASU No. 2015-02, Consolidation (Topic 810): Amendments to the Consolidation Analysis, which intended to improve certain areas of consolidation guidance for legal entities such as limited partnerships, limited liability companies, and securitization structures. The ASU reduced the number of consolidation models and became effective on January 1, 2016. Adoption of ASU 2015-02 did not have a material impact on the Company's Consolidated Financial Statements.

Consolidation-Collateralized Financing Entities
In August 2014, the FASB issued ASU No. 2014-13, Consolidation (Topic 810): Measuring the Financial Assets and the Financial Liabilities of a Consolidated Collateralized Financing Entity, which provides an alternative measurement method for consolidated collateralized financing VIEs to elect: (i) to measure their financial assets and liabilities separately under existing U.S. GAAP for fair value measurement with any differences in such fair values reflected in earnings; or (ii) to measure both their financial assets and liabilities using the more observable of the fair value of the financial assets or the fair value of the financial liabilities. The ASU became effective on January 1, 2016. Adoption of ASU 2014-13 did not have a material impact on the Company's Consolidated Financial Statements.

FUTURE APPLICATION OF ACCOUNTING STANDARDS

Accounting for Financial Instruments-Credit Losses
In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326). The ASU introduces a new accounting model, the Current Expected Credit Losses model (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk.
The FASB's CECL model utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses for loans, held-to-maturity securities and other receivables at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. For available-for-sale securities where fair value is less than cost, credit-related impairment, if any, will be recognized in an allowance for credit losses and adjusted each period for changes in expected credit risk. This model replaces the multiple existing impairment models in current GAAP, which generally require that a loss be incurred before it is recognized.
The CECL model represents a significant departure from existing GAAP, and may result in material changes to the Company's accounting for financial instruments. The Company is evaluating the effect that ASU 2016-13 will have on its Consolidated Financial Statements and related disclosures. The ASU will be effective for Citi as of January

1, 2020. Early application is permitted for annual periods beginning January 1, 2019.

Recognition of Breakage for Certain Prepaid Stored-Value Products
In March 2016, the FASB issued ASU No. 2016-04, Liabilities—Extinguishment of Liabilities (Subtopic 405-20): Recognition of Breakage for Certain Prepaid Stored-Value Products, which was intended to address potential diversity in entities' practices related to the derecognition of the financial liability that is recorded when an entity issues a prepaid stored-value product. Typically, when the holder of a prepaid stored-value product redeems that product to make a purchase of goods or services, the issuing entity settles the transaction with the selling merchant, and the liability to the product holder is extinguished. However, in some cases, a prepaid stored-value product may be wholly or partially unused for an indefinite time period.

The ASU provides authoritative guidance describing the narrow circumstances in which an entity's liability for an unredeemed prepaid stored-value product may be extinguished. The amendment is effective on January 1, 2018; early adoption is permitted. Adoption of the ASU is not expected to have a material impact on the Company's Consolidated Financial Statements.

Revenue Recognition

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in GAAP when it becomes effective on January 1, 2018. Early application is permitted for annual periods beginning after December 15, 2016. The ASU is not applicable to financial instruments and, therefore, is not expected to impact a majority of the Company's revenue, including net interest income. The Company is evaluating the effect that ASU 2014-09 will have on its Consolidated Financial Statements and related disclosures.

Lease Accounting

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which is intended to increase transparency and comparability of accounting for lease transactions. The ASU will require lessees to recognize all leases on the balance sheet as lease assets and lease liabilities and will require both quantitative and qualitative disclosures regarding key information about leasing arrangements. Lessor accounting is largely unchanged. The guidance is effective beginning January 1, 2019 with an option to early adopt. The Company is evaluating whether to early adopt and the effect that ASU 2016-02 will have on its Consolidated Financial Statements, regulatory capital and related disclosures.

2. DISCONTINUED OPERATIONS AND SIGNIFICANT DISPOSALS

Discontinued Operations
The following Discontinued operations are recorded within the Corporate/Other segment.

Sale of Brazil Credicard Business
Citi sold its non-Citibank-branded cards and consumer finance business in Brazil (Credicard) in 2013 and reported it as Discontinued operations. Residual costs and resolution of certain contingencies from the disposal resulted in income from Discontinued operations, net of taxes, of $0 million and $8 million for the three months ended June 30, 2016 and 2015, respectively, and income from Discontinued operations, net of taxes, of $0 million and $6 million for the six months ended June 30, 2016 and 2015, respectively.

Sale of Egg Banking plc Credit Card Business
Citi sold the Egg Banking plc (Egg) credit card business in 2011 and reported it as Discontinued operations. Residual costs from the disposal resulted in losses from Discontinued operations, net of taxes, of $20 million and $2 million for the three months ended June 30, 2016 and 2015, respectively, and losses from Discontinued operations, net of taxes, of $22 million and $6 million for the six months ended June 30, 2016 and 2015, respectively.

Combined Results for Discontinued Operations
The following is summarized financial information for previous Discontinued operations for which Citi continues to have minimal residual costs associated with the sales:

	Three Months Ended June 30,		Six Months Ended June 30,	
In millions of dollars	2016	2015	2016	2015
Total revenues, net of interest expense[1]	$—	$ —	$—	$ —
Income (loss) from discontinued operations	$(36)	$ 9	$(39)	$ 1
Provision (benefit) for income taxes	(13)	3	(14)	—
Income (loss), from discontinued operations, net of taxes	$(23)	$ 6	$(25)	$ 1

(1) Total revenues include gain or loss on sale, if applicable.

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

Significant Disposals
The following sales completed during 2016 and 2015 were identified as significant disposals. The major classes of assets and liabilities derecognized from the Consolidated Balance Sheet at closing and the income (loss) before taxes related to each business until the disposal date are presented below.

Novation of the 80% Primerica Coinsurance Agreement
During the first quarter of 2016, Citi completed a novation (an arrangement that extinguishes Citi’s rights and obligations under a contract) of the Primerica 80% Coinsurance Agreement to a third-party re-insurer, resulting in revenue of $422 million recorded in Other revenue ($274 million after tax). Furthermore, the novation resulted in derecognition of $1.5 billion of available for-sale securities and cash, $0.95 billion of deferred acquisition costs and $2.7 billion of insurance liabilities.
Income before taxes, excluding the revenue upon novation, was as follows:

In millions of dollars	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Income before taxes	$ —	$ 42	$ —	$ 77

Sale of OneMain Financial Business

On November 15, 2015, Citi sold its OneMain Financial business, which was reported in Citi Holdings, including 1,100 retail branches, 5,500 employees, and approximately 1.3 million customer accounts. OneMain Financial had approximately $10.2 billion of assets, including $7.8 billion of loans (net of allowance), and $1.4 billion of available-for-sale securities. The total amount of liabilities sold was $8.4 billion, including $6.2 billion of long-term debt and $1.1 billion of short-term borrowings. The transaction generated a pretax gain on sale of $2.6 billion, recorded in Other revenue ($1.6 billion after-tax) during the fourth quarter of 2015. However, when combined with the loss on redemption of certain long-term debt supporting remaining Citi Holdings' assets during the fourth quarter of 2015, the resulting net after-tax gain was $0.8 billion.

Income before taxes was as follows:

In millions of dollars	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Income before taxes	$ —	$ 177	$ —	$ 354

3. BUSINESS SEGMENTS

Citigroup's activities are conducted through the Global Consumer Banking (GCB), Institutional Clients Group (ICG), Corporate/Other and Citi Holdings business segments.

GCB includes a global, full-service consumer franchise delivering a wide array of banking, including commercial banking, credit card lending and investment services through a network of local branches, offices and electronic delivery systems and is composed of four GCB businesses: North America, EMEA, Latin America and Asia.

ICG is composed of Banking and Markets and securities services and provides corporate, institutional, public sector and high-net-worth clients in over 100 countries and jurisdictions with a broad range of banking and financial products and services.

Corporate/Other includes certain unallocated costs of global functions, other corporate expenses and net treasury results, unallocated corporate expenses, offsets to certain line-item reclassifications and eliminations, the results of discontinued operations and unallocated taxes.

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

The accounting policies of these reportable segments are the same as those disclosed in Note 1 to the Consolidated Financial Statements in Citi's 2015 Annual Report on Form 10-K.

The prior-period balances reflect reclassifications to conform the presentation to the current period's presentation. Effective January 1, 2016, historical financial data was reclassified from Citicorp to Citi Holdings for the consumer businesses in Argentina, Brazil and Colombia that Citi intends to exit. These businesses, which previously were reported as part of Latin America Global Consumer Banking, are now reported as part of Citi Holdings. While Citi does not intend to exit its consumer businesses in Venezuela, these businesses are not significant, lending predominantly to support ICG activities, and are now reported as part of ICG. Similarly, Citi's remaining indirect investment in Banco de Chile is now reported as part of ICG. The following also reflects certain other regional reclassifications within ICG and certain other immaterial reclassifications. Citi's consolidated results remain unchanged for all periods presented as a result of the changes discussed above.

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

	Revenues, net of interest expense		Provision (benefits) for income taxes[1]		Income (loss) from continuing operations[2]		Identifiable assets	
	Three Months Ended June 30,							
In millions of dollars, except identifiable assets in billions	2016	2015	2016	2015	2016	2015	June 30, 2016	December 31, 2015
Global Consumer Banking	$7,733	$8,184	$681	$811	$1,323	$1,611	$402	$381
Institutional Clients Group	8,846	8,946	1,289	1,331	2,715	2,860	1,302	1,217
Corporate/Other	126	371	(232)	(246)	(89)	231	49	52
Total Citicorp	$16,705	$17,501	$1,738	$1,896	$3,949	$4,702	$1,753	$1,650
Citi Holdings	843	1,969	(15)	140	98	156	66	81
Total	$17,548	$19,470	$1,723	$2,036	$4,047	$4,858	$1,819	$1,731

	Revenues, net of interest expense		Provision (benefits) for income taxes[1]		Income (loss) from continuing operations[2]	
	Six Months Ended June 30,					
In millions of dollars, except identifiable assets in billions	2016	2015	2016	2015	2016	2015
Global Consumer Banking	$15,503	$16,486	$1,327	$1,728	$2,554	$3,323
Institutional Clients Group	16,882	18,023	2,107	2,696	4,674	5,834
Corporate/Other	400	583	(347)	(557)	(118)	212
Total Citicorp	$32,785	$35,092	$3,087	$3,867	$7,110	$9,369
Citi Holdings	2,318	4,114	115	289	445	306

Total	$35,103	$39,206	$ 3,202	$ 4,156	$ 7,555	$ 9,675

(1) Includes Citicorp (excluding Corporate/Other) total revenues, net of interest expense, in North America of $8.3 billion and $8.3 billion; in EMEA of $2.6 billion and $2.6 billion; in Latin America of $2.3 billion and $2.5 billion; and in Asia of $3.4 billion and $3.7 billion for the three months ended June 30, 2016 and 2015, respectively. Regional numbers exclude Citi Holdings and Corporate/Other, which largely operate within the U.S. Includes Citicorp (excluding Corporate/Other) total revenues, net of interest expense, in North America of $16.2 billion and $16.8 billion; in EMEA of $4.8 billion and $5.5 billion; in Latin America of $4.5 billion and $4.9 billion; and in Asia of $6.9 billion and $7.3 billion for the six months ended June 30, 2016 and 2015, respectively.

(2) Includes pretax provisions for credit losses and for benefits and claims in the GCB results of $1.4 billion and $1.4 billion; in the ICG results of $82 million and $(87) million; and in Citi Holdings results of $(0.1) billion and $0.3 billion for the three months ended June 30, 2016 and 2015, respectively. Includes pretax provisions for credit losses and for benefits and claims in the GCB results of $2.9 billion and $2.8 billion; in the ICG results of $472 million and $(1) million; and in Citi Holdings results of $0.1 billion and $0.8 billion for the six months ended June 30, 2016 and 2015, respectively.

4. INTEREST REVENUE AND EXPENSE

Interest revenue and Interest expense consisted of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
In millions of dollars	2016	2015	2016	2015
Interest revenue				
Loan interest, including fees	$9,750	$10,529	$19,510	$21,084
Deposits with banks	237	168	456	351
Federal funds sold and securities borrowed or purchased under agreements to resell	664	664	1,311	1,306
Investments, including dividends	1,937	1,770	3,792	3,481
Trading account assets[1]	1,532	1,620	2,966	3,019
Other interest[2]	236	122	488	232
Total interest revenue	$14,356	$14,873	$28,523	$29,473
Interest expense				
Deposits[3]	$1,306	$1,288	$2,510	$2,613
Federal funds purchased and securities loaned or sold under agreements to repurchase	527	443	1,029	819
Trading account liabilities[1]	96	54	184	101
Short-term borrowings	109	157	210	277
Long-term debt	1,082	1,109	2,127	2,269
Total interest expense	$3,120	$3,051	$6,060	$6,079
Net interest revenue	$11,236	$11,822	$22,463	$23,394
Provision for loan losses	1,390	1,515	3,276	3,270
Net interest revenue after provision for loan losses	$9,846	$10,307	$19,187	$20,124

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

(2) During 2015, interest earned related to assets of significant disposals (primarily OneMain Financial) were reclassified into Other interest.

(3) Includes deposit insurance fees and charges of $267 million and $289 million for the three months ended June 30, 2016 and 2015, respectively, and $502 million and $585 million for the six months ended June 30, 2016 and 2015, respectively.

5. COMMISSIONS AND FEES

The primary components of Commissions and fees revenue are investment banking fees, trading-related fees, fees related to trade and securities services in ICG and credit card and bank card fees.

Investment banking fees are substantially composed of underwriting and advisory revenues and are recognized when Citigroup's performance under the terms of a contractual arrangement is completed, which is typically at the closing of the transaction. Underwriting revenue is recorded in Commissions and fees, net of both reimbursable and non-reimbursable expenses, consistent with the AICPA Audit and Accounting Guide for Brokers and Dealers in Securities (codified in ASC 940-605-05-1). Expenses associated with advisory transactions are recorded in Other operating expenses, net of client reimbursements. Out-of-pocket expenses are deferred and recognized at the time the related revenue is recognized. In general, expenses incurred related to investment banking transactions that fail to close (are not consummated) are recorded gross in Other operating expenses.

Trading-related fees primarily include commissions and fees from the following: executing transactions for clients on exchanges and over-the-counter markets; sale of mutual funds, insurance and other annuity products; and assisting clients in clearing transactions, providing brokerage services and other such activities. Trading-related fees are recognized when earned in Commissions and fees. Gains or losses, if any, on these transactions are included in Principal transactions (see Note 6 to the Consolidated Financial Statements).

Credit card and bank card fees are primarily composed of interchange revenue and certain card fees, including annual fees, reduced by reward program costs and certain partner payments. Interchange revenue and fees are recognized when earned. Annual card fees are deferred and amortized on a straight-line basis over a 12-month period. Reward costs are recognized when points are earned by the customers. The following table presents Commissions and fees revenue:

	Three Months Ended June 30,		Six Months Ended June 30,	
In millions of dollars	2016	2015	2016	2015
Investment banking	$753	$960	$1,327	$1,898
Trading-related	544	616	1,145	1,250
Trade and securities services	386	448	792	883
Credit cards and bank cards	344	497	615	998
Corporate finance[1]	241	126	364	271
Other consumer[2]	166	182	324	362
Checking-related	104	130	220	246
Loan servicing	68	119	164	214
Other	119	116	237	242
Total commissions and fees	$2,725	$3,194	$5,188	$6,364

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

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

6. PRINCIPAL TRANSACTIONS

Principal transactions revenue consists of realized and unrealized gains and losses from trading activities. Trading activities include revenues from fixed income, equities, credit and commodities products and foreign exchange transactions which are managed on a portfolio basis characterized by primary risk. Not included in the table below is the impact of net interest revenue related to trading activities, which is an integral part of trading activities' profitability. See Note 4 to the Consolidated Financial Statements for information about

net interest revenue related to trading activities. Principal transactions include CVA (credit valuation adjustments on derivatives), FVA (funding valuation adjustments) on over-the-counter derivatives and, prior to 2016, DVA (debt valuation adjustments on issued liabilities for which the fair value option has been elected). These adjustments are discussed further in Note 22 to the Consolidated Financial Statements.

The following table presents principal transactions revenue:

	Three Months Ended June 30,		Six Months Ended June 30,	
In millions of dollars	2016	2015	2016	2015
Global Consumer Banking	$165	$144	$310	$300
Institutional Clients Group	1,911	1,793	3,485	3,990
Corporate/Other	(256)	182	(146)	(239)
Subtotal Citicorp				