UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

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)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934 formatted in Inline XBRL: See Exhibit 99.01

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

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

Large accelerated filer ☒	**Accelerated filer** ☐	**Non-accelerated filer** ☐	**Smaller reporting company** ☐
			Emerging growth company ☐

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

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

Number of shares of Citigroup Inc. common stock outstanding on September 30, 2023: 1,913,881,933

Available on the web at www.citigroup.com

CITIGROUP'S THIRD QUARTER 2023—FORM 10-Q

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, 2022 (referred to herein as Citi's 2022 Form 10-K), Citigroup's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 (First Quarter of 2023 Form 10-Q) and Citigroup's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 (Second Quarter of 2023 Form 10-Q).

Throughout this report, "Citigroup," "Citi" and "the Company" refer to Citigroup Inc. and its consolidated subsidiaries. All "Note" references correspond to the Notes to the Consolidated Financial Statements herein, unless otherwise indicated.

For a list of certain terms and acronyms used in this Quarterly Report on Form 10-Q and other Citigroup presentations, see "Glossary of Terms and Acronyms" at the end of this report.

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

Please see "Risk Factors" in Citi's 2022 Form 10-K for a discussion of material risks and uncertainties that could impact Citigroup's businesses, results of operations and financial condition.

Non-GAAP Financial Measures

Citi prepares its financial statements in accordance with U.S. generally accepted accounting principles (GAAP) and also presents certain non-GAAP financial measures (non-GAAP measures) that exclude certain items or otherwise include components that differ from the most directly comparable measures calculated in accordance with U.S. GAAP. Non-GAAP measures are provided as additional useful information to assess Citi's financial condition and results of operations, including providing an additional meaningful depiction of underlying fundamentals of period-to-period operating results. These non-GAAP measures are not intended as a substitute for GAAP financial measures and may not be defined or calculated the same way as non-GAAP measures with similar names used by other companies.

Citi's non-GAAP financial measures in this Form 10-Q include:

- Results excluding divestiture-related impacts
- Tangible common equity (TCE), return on tangible common equity (RoTCE) and tangible book value per share (TBVPS)
- Banking and Corporate lending revenues excluding gains (losses) on loan hedges
- Non-*ICG* Markets net interest income

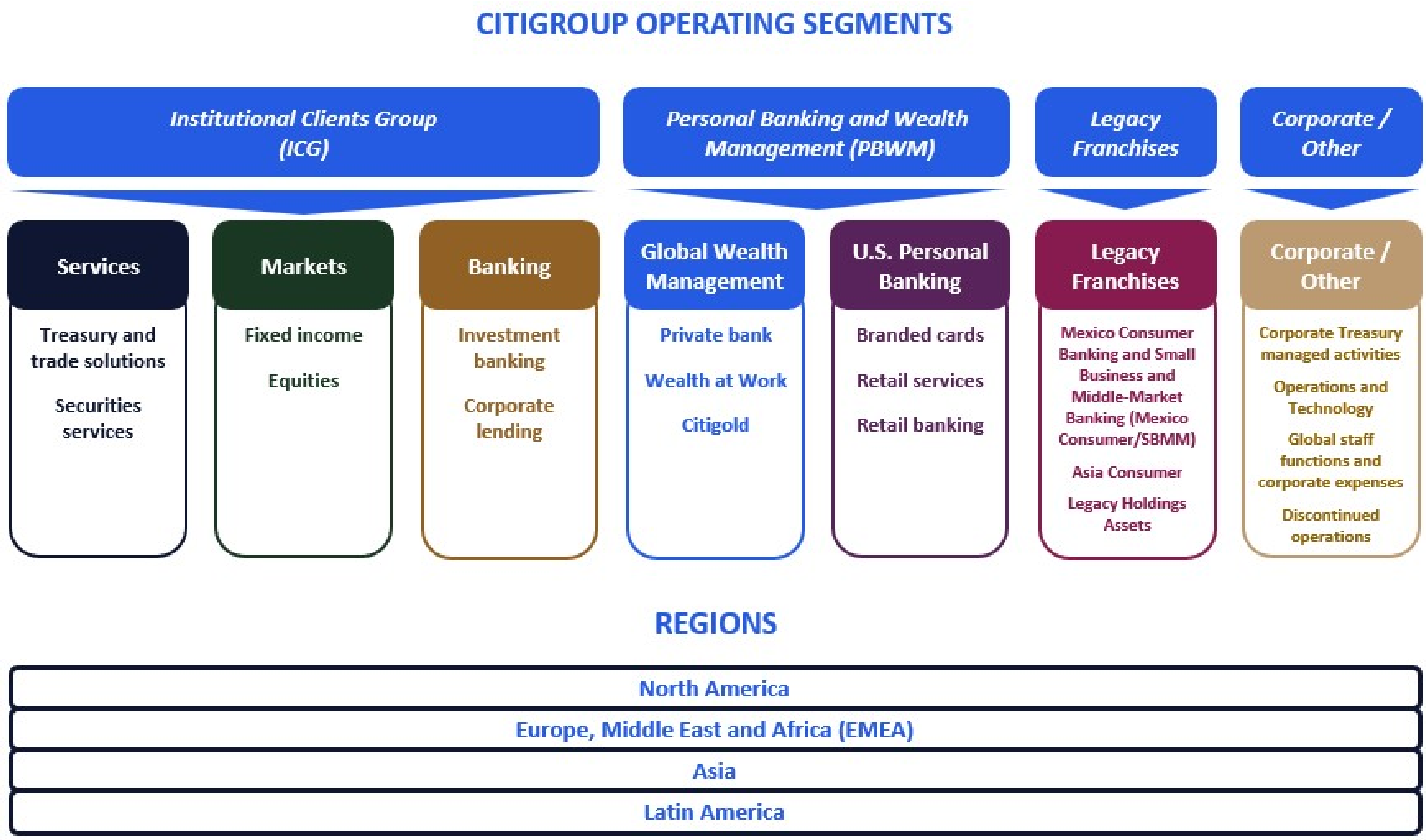
Citi's results excluding divestiture-related impacts represent as reported, or GAAP, financial results adjusted for items that are incurred and recognized, which are wholly and necessarily a consequence of actions taken to sell (including through a public offering), dispose of or wind down business activities associated with Citi's announced 14 exit markets. For additional information on results excluding divestiture-related impacts, see "Executive Summary" and "*Legacy Franchises*" below.

For more information on TCE, RoTCE and TBVPS, see "Capital Resources—Tangible Common Equity, Book Value Per Share, Tangible Book Value Per Share and Return on Equity" below.

For more information on Banking and Corporate lending revenues excluding gains (losses) on loan hedges, see "Executive Summary" and "*Institutional Clients Group*" below.

For more information on non-*ICG* Markets net interest income, see "Market Risk—Non-*ICG* Markets Net Interest Income" below.

As of September 30, 2023, Citigroup was managed pursuant to three operating segments—*Institutional Clients Group*, *Personal Banking and Wealth Management* and *Legacy Franchises*—across four regions. Activities not assigned to the operating segments were included in *Corporate/Other*.



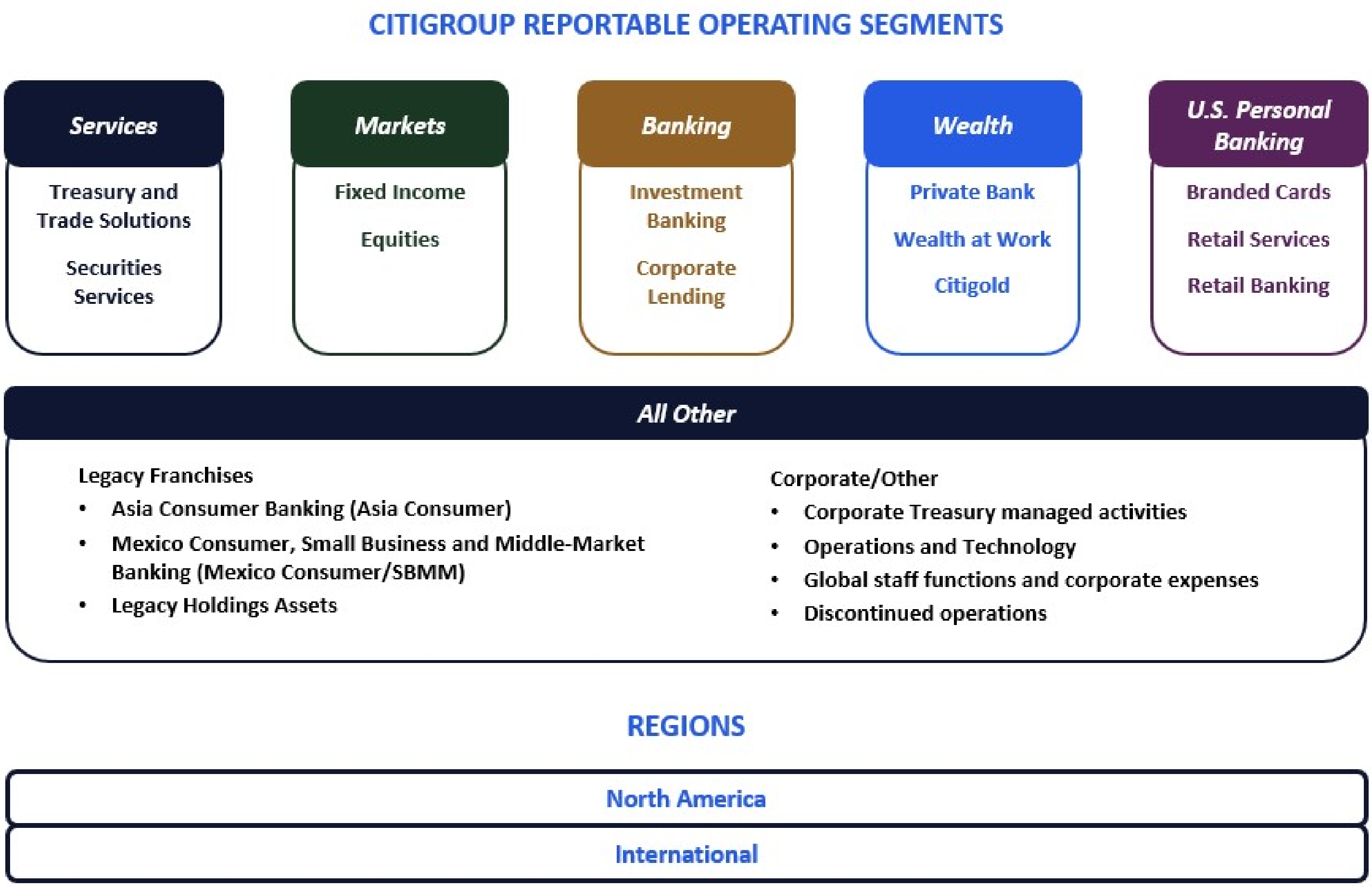
For a further description of the operating segments and the products and services they provided, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 3 to the Consolidated Financial Statements below. The results for the four regions in which Citigroup operated as of September 30, 2023 were fully reflected in the operating segments and *Corporate/Other*.

Planned Revision to Operating Model and Financial Reporting Structure

As part of Citi's overall simplification, Citi previously disclosed that as of the fourth quarter of 2023 it will be making changes to its operating model to simplify the Company and further align its organizational structure with its business strategy.

Citi's new operating model includes the elimination of the *ICG*, *PBWM* and *Legacy Franchises* operating segments and will result in five new reportable operating segments—*Services*, *Markets*, *Banking*, *Wealth* and *U.S. Personal Banking*—and a new financial reporting structure, effective as of the end of the fourth quarter of 2023. Activities not assigned to the reportable operating segments will be included in a new *All Other* category, which will consist of Legacy Franchises and Corporate/Other, as outlined below.

Citi will also consolidate its regional structure from four to two regions, consisting of North America and a newly created international group. Citi expects to incur charges through the first half of 2024 as additional phases of its overall simplification initiatives are finalized and implemented. For additional information on expenses, see "Executive Summary—Expenses" below.



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

EXECUTIVE SUMMARY

Third Quarter of 2023—Results Demonstrated Strength of Diversified Business Model and Progress Toward Priorities

As described further throughout this Executive Summary, during the third quarter of 2023:

- Citi's revenues increased 9% versus the prior-year period. Excluding divestiture-related impacts (see "*Legacy Franchises*" below), revenues increased 10%, driven by higher net interest income and non-interest revenues.
- Citi's expenses increased 6% versus the prior-year period, both on a reported basis and excluding divestiture-related impacts (see "*Legacy Franchises*" below), largely driven by continued investments in risk and controls, the impacts of inflation and severance. The increase was partially offset by productivity savings and expense reductions from the exited markets and continued wind-downs (see "Expenses" below).
- Citi's cost of credit was $1.8 billion versus $1.4 billion in the prior-year period. The increase was primarily driven by the ongoing normalization in net credit losses and volume growth in Branded cards and Retail services in *PBWM*.
- Citi returned $1.5 billion to common shareholders in the form of dividends and share repurchases.
- Citi's Common Equity Tier 1 (CET1) Capital ratio under the Basel III Standardized Approach increased to 13.6% as of September 30, 2023, compared to 12.3% as of September 30, 2022 (see "Capital Resources" below). This compares to Citi's required regulatory CET1 Capital ratio of 12.3% as of October 1, 2023 under the Basel III Standardized Approach.
- Citi continued to make progress on its consumer banking business divestitures in the third quarter of 2023, including the closing of its Taiwan sale transaction and working toward the closing of its Indonesia sale transaction in the fourth quarter of 2023. (For additional information on the progress of Citi's other exits and wind-downs, see "*Legacy Franchises*" below.)
- As previously disclosed, Citi announced it will be making changes to its operating model to simplify the Company and further align its organizational structure with its business strategy. This new operating model will elevate the leaders of Citi's five key businesses and eliminate management layers, and reflect the next step in Citi's work to implement its strategic and other initiatives. For additional information, see "Planned Revision to Operating Model and Financial Reporting Structure" above.

Third Quarter of 2023 Results Summary

Citigroup

Citigroup reported net income of $3,546 million in the current quarter, up 2%, compared to net income of $3,479 million in the prior-year period, or $1.63 per share, unchanged from the prior-year period. The net income increase was driven by the higher revenues, partially offset by the higher expenses, the higher cost of credit and a higher effective tax rate. Citigroup's effective tax rate was 25% versus 20% in the prior-year period, largely driven by the geographic mix of earnings in the current quarter (see "Income Taxes" below).

Results for the third quarter of 2023 included divestiture-related impacts of $299 million in earnings before taxes ($214 million after-tax). See "*Legacy Franchises*" below for details about the divestiture-related impacts. These divestiture-related impacts, collectively, had a $0.11 beneficial impact on earnings per share (EPS) in the current quarter. Excluding these divestiture-related impacts, EPS was $1.52. (As used throughout this Form 10-Q, Citi's results of operations and financial condition excluding divestiture-related impacts are non-GAAP financial measures.)

Results for the third quarter of 2022 included divestiture-related impacts of $519 million in earnings before taxes ($256 million after-tax). See "*Legacy Franchises*" below for details about the divestiture-related impacts. These divestiture-related impacts, collectively, had a $0.13 beneficial impact on EPS in the prior-year period. Excluding these divestiture-related impacts, EPS was $1.50.

Citigroup revenues of $20.1 billion in the third quarter of 2023 increased 9% on a reported basis, and 10% excluding divestiture-related impacts versus the prior-year period. The increase in revenues reflected strength across Services and Markets in *Institutional Clients Group (ICG)* and U.S. Personal Banking in *Personal Banking and Wealth Management (PBWM)*, as well as growth in Banking in *ICG.* The increase was partially offset by a revenue reduction from the exited markets and continued wind-downs in *Legacy Franchises*.

Citigroup's end-of-period loans were $666 billion, up 3% versus the prior-year period, largely driven by growth in U.S. Personal Banking.

Citigroup's end-of-period deposits were approximately $1.3 trillion, down 3% versus the prior-year period. The decline in deposits was largely due to a reduction in Services, reflecting monetary tightening, a shift of deposits to higher-yielding investments in Global Wealth Management (Global Wealth) and a reduction of institutional certificates of deposit in *Corporate/Other*. For additional information about Citi's deposits by business, including drivers and deposit trends, see each respective business's results of operations and "Liquidity Risk—Deposits" below.

Expenses

Citigroup's operating expenses of $13.5 billion increased 6% from the prior-year period, both on a reported basis and excluding divestiture-related impacts. The higher expenses largely reflected continued investments in risk and controls, the impact of inflation and severance, partially offset by productivity savings and expense reductions from the exited markets and wind-downs in *Legacy Franchises.* Expenses also continued to be impacted by investments in Citi's transformation and business- and enterprise-led investments.

Citi expects to continue to incur higher expenses in the fourth quarter of 2023, including additional severance costs related to its organizational and management simplification initiatives.

Cost of Credit

Citi's total provisions for credit losses and for benefits and claims was a cost of $1.8 billion, compared to $1.4 billion in the prior-year period. This increase was driven by higher net credit losses (see below), partially offset by a lower net build in the ACL for loans and unfunded commitments and other provisions.

The net build of $203 million in the ACL for loans and unfunded lending commitments and other provisions in the current quarter was primarily driven by growth in Branded cards and Retail services card balances in *PBWM*. This compared to a net build of $478 million in the ACL for loans and unfunded lending commitments and other provisions in the prior-year period. For additional information on Citi's ACL, see "Significant Accounting Policies and Significant Estimates—Citi's Allowance for Credit Losses (ACL)" below.

Net credit losses of $1.6 billion increased 85% from the prior-year period. Consumer net credit losses of $1.6 billion increased 79%, reflecting ongoing normalization, particularly in Branded cards and Retail services. Corporate net credit losses increased to $58 million from $6 million in the prior-year period.

Citi expects to incur higher year-over-year net credit losses for the fourth quarter of 2023, primarily driven by ongoing normalization, particularly in the cards businesses in *PBWM.* Net credit losses in the cards businesses are expected to reach pre-pandemic levels by the end of 2023.

For additional information on Citi's consumer and corporate credit costs, see each respective business's results of operations and "Credit Risk" below.

Capital

Citigroup's CET1 Capital ratio was 13.6% as of September 30, 2023, compared to 12.3% as of September 30, 2022, based on the Basel III Standardized Approach for determining risk-weighted assets (RWA). The increase was primarily driven by net income and impacts from the sales of certain Asia Consumer Banking (Asia Consumer) businesses, as well as business actions, including a reduction in RWA, partially offset by the payment of common dividends and share repurchases.

During the third quarter of 2023, Citi repurchased $0.5 billion of common shares and paid $1.0 billion of common dividends (see "Unregistered Sales of Equity Securities, Repurchases of Equity Securities and Dividends" below). Citi will continue to assess common share repurchases on a quarter-by-quarter basis given uncertainty regarding regulatory capital requirements. For additional information, see "Capital Resources—Regulatory Capital Standards and Developments" below.

Citigroup's Supplementary Leverage ratio as of September 30, 2023 was 6.0%, compared to 5.7% as of September 30, 2022, and 5.8% as of December 31, 2022. The increase was driven by higher Tier 1 Capital from net income, partially offset by an increase in Total Leverage Exposure. For additional information on Citi's capital ratios and related components, see "Capital Resources" below.

Institutional Clients Group

ICG net income of $2.4 billion increased 12%, primarily driven by higher revenues, partially offset by higher expenses and higher cost of credit. *ICG* operating expenses of $7.2 billion increased 10%, primarily driven by continued investments in risks and controls and volume-related expenses, partially offset by productivity savings.

ICG revenues of $10.6 billion increased 12% (including gain (loss) on loan hedges), driven by growth across Services, Markets and Banking, partially offset by an approximate $180 million net impact from a currency devaluation in Argentina on Citi's net investment in the country. Revenues also included a loss on loan hedges of $47 million in the third quarter of 2023, compared with a loss on loan hedges of $56 million in the prior-year period.

Services revenues of $4.7 billion increased 13%. TTS revenues of $3.6 billion increased 12%, driven by 17% growth in net interest income and 1% growth in non-interest revenue. The increase in TTS net interest income was primarily driven by higher interest rates and deposit volume growth. The increase in non-interest revenue was driven by continued growth in underlying drivers, primarily a 16% increase in cross-border transaction value, a 6% increase in U.S. dollar clearing volume and an 8% increase in commercial card spend volume. The increase in non-interest revenue was largely offset by the impact from the currency devaluation in Argentina on Citi's net investment in the country. Securities services revenues of $1.1 billion increased 16%, largely driven by higher net interest income across currencies.

Markets revenues of $4.5 billion increased 10%, driven by an increase of 14% in Fixed income markets, largely reflecting strength in rates and currencies. The increase was partially offset by a decrease of 3% in Equity markets, driven by a decline in equity derivatives, partially offset by growth in equity cash and prime services.

Banking revenues of $1.4 billion increased 18%, including the gain (loss) on loan hedges in the current quarter and the prior-year period. Excluding the gain (loss) on loan hedges, Banking revenues of $1.5 billion increased 17%, driven by higher revenues in Investment banking. Investment banking revenues of $844 million increased 34%, reflecting increased client activity in debt underwriting and an absence of certain realized and unrealized gains (losses) in the prior-year period. Corporate lending revenues increased 2%, including the impact of the gain (loss) on loan hedges. Excluding the impact of the gain (loss) on loan hedges, Corporate lending revenues increased 1% versus the prior-year period. (As used throughout this Form 10-Q, Citi's results of operations and financial condition excluding the impact of the gain (loss) on loan hedges are non-GAAP financial measures.)

For additional information on the results of operations of *ICG* for the third quarter of 2023, see "*Institutional Clients Group*" below.

Personal Banking and Wealth Management

PBWM net income of $803 million increased 1%, as higher revenues were largely offset by higher cost of credit and higher expenses. *PBWM* operating expenses of $4.3 billion increased 5%, largely driven by investments in risks and controls and severance, partially offset by productivity savings.

PBWM revenues of $6.8 billion increased 10%, driven by growth in net interest income, reflecting strong loan growth in U.S. Personal Banking, as well as higher non-interest revenue, primarily due to lower partner payments in Retail services and higher investment product revenues in Global Wealth.

U.S. Personal Banking revenues of $4.9 billion increased 13%, primarily driven by higher revenues in cards, partially offset by lower Retail banking revenues. Branded cards revenues of $2.5 billion increased 12%, primarily driven by the higher net interest income, as average loans increased 12%. Retail services revenues of $1.7 billion increased 21%, primarily driven by the higher net interest income from loan growth, as well as the lower partner payments. Retail banking revenues of $624 million decreased 3%, largely driven by the transfer of certain relationships and the associated deposits to Global Wealth, partially offset by higher deposit spreads.

Global Wealth revenues of $1.9 billion increased 2%, primarily driven by higher investment product revenues across all regions, the benefit of the transfer of certain relationships and the associated deposits from Retail banking, and higher lending revenue.

For additional information on the results of operations of *PBWM* for the third quarter of 2023, see "*Personal Banking and Wealth Management*" below.

Legacy Franchises

Legacy Franchises net income was $125 million, compared to $316 million in the prior-year period, primarily driven by lower revenues and higher cost of credit, partially offset by lower expenses. *Legacy Franchises* operating expenses of $1.8 billion decreased 3%, primarily driven by the impact of exited markets and continued wind-downs, partially offset by separation costs and the impact of FX translation in Mexico Consumer, Small Business and Middle-Market Banking (Mexico Consumer/SBMM).

Legacy Franchises revenues of $2.2 billion decreased 13%, largely driven by the lower gain on sale impacts in Asia Consumer and reductions from exited markets and continued wind-downs. The decrease was partially offset by higher revenues in Mexico Consumer/SBMM, largely reflecting the impact of FX translation, higher interest rates and volume growth.

For additional information on the results of operations of *Legacy Franchises* for the third quarter of 2023, see "*Legacy Franchises*" below.

Corporate/Other

Corporate/Other net income was $189 million, compared to $209 million in the prior-year period, largely driven by lower income tax benefits, partially offset by higher revenues and lower operating expenses. *Corporate/Other* operating expenses of $237 million decreased from $286 million in the prior-year period, primarily driven by lower consulting expenses.

Corporate/Other revenues of $500 million increased from $299 million in the prior-year period, largely driven by the absence of prior-year mark-to-market losses, primarily related to retained interchange litigation risk associated with shares of Visa B common stock that Citi previously sold.

For additional information on the results of operations of *Corporate/Other* for the third quarter of 2023, see "*Corporate/Other*" below.

Macroeconomic and Other Risks and Uncertainties

Various geopolitical, macroeconomic and regulatory challenges and uncertainties continue to adversely impact economic conditions in the U.S. and globally, including continued elevated interest rates and inflation, economic and geopolitical challenges related to China, the Russia–Ukraine war and escalating tensions and conflicts in the Middle East, and a potential U.S. government shutdown. These and other factors have adversely affected financial markets, negatively impacted global economic growth rates and resulted in a continued risk of recession in the U.S., Europe and other regions and countries. In addition, these and other factors could adversely affect Citi's customers, clients, businesses, funding costs, cost of credit and overall results of operations and financial condition during the fourth quarter of 2023.

As previously disclosed in May 2023, the Federal Deposit Insurance Corporation (FDIC) issued a proposal that would implement a special assessment to recover its uninsured deposit losses from recent bank failures. The FDIC estimated that the preliminary cost of the failures is approximately $15.8 billion, an estimate that would be periodically adjusted. The FDIC is proposing to collect the special assessment at an annual rate of approximately 12.5 basis points of uninsured U.S. deposits, over eight quarterly assessment periods beginning in 2024. Citi is likely to incur up to a $1.5 billion pretax charge, impacting operating expenses, if the final rule for the FDIC special assessment, which is expected before the end of 2023, is enacted as proposed.

Additionally, in July 2023, the U.S. banking agencies issued a notice of proposed rulemaking, known as the Basel III Endgame, related to regulatory capital requirements that, if finalized as proposed, would have a material impact on Citi's current capital position. For additional information, see "Capital Resources—Regulatory Capital Standards and Developments—Basel III Revisions" below.

For a further discussion of trends, uncertainties and risks that will or could impact Citi's businesses, results of operations, capital and other financial condition during the remainder of 2023, see "Third Quarter of 2023 Results Summary" above and each respective business's results of operations, "Managing Global Risk," including "Managing Global Risk—Other Risks—Country Risk—Russia" and "—Argentina," and "Forward-Looking Statements" below and "Risk Factors" in Citi's 2022 Form 10-K.

RESULTS OF OPERATIONS

SUMMARY OF SELECTED FINANCIAL DATA

Citigroup Inc. and Consolidated Subsidiaries

	Third Quarter			Nine Months		
In millions of dollars, except per share amounts	**2023**	2022	**% Change**	**2023**	2022	**% Change**
Net interest income	**$ 13,828**	$ 12,563	**10 %**	**$ 41,076**	$ 35,398	**16 %**
Non-interest revenue	**6,311**	5,945	**6**	**19,946**	21,934	**(9)**
Revenues, net of interest expense	**$ 20,139**	$ 18,508	**9 %**	**$ 61,022**	$ 57,332	**6 %**
Operating expenses	**13,511**	12,749	**6**	**40,370**	38,307	**5**
Provisions for credit losses and for benefits and claims	**1,840**	1,365	**35**	**5,639**	3,394	**66**
Income from continuing operations before income taxes	**$ 4,788**	$ 4,394	**9 %**	**$ 15,013**	$ 15,631	**(4)%**
Income taxes	**1,203**	879	**37**	**3,824**	3,002	**27**
Income from continuing operations	**$ 3,585**	$ 3,515	**2 %**	**$ 11,189**	$ 12,629	**(11)%**
Income (loss) from discontinued operations, net of taxes	**2**	(6)	**NM**	**—**	(229)	**100**
Net income before attribution of noncontrolling interests	**$ 3,587**	$ 3,509	**2 %**	**$ 11,189**	$ 12,400	**(10)%**
Net income attributable to noncontrolling interests	**41**	30	**37**	**122**	68	**79**
Citigroup's net income	**$ 3,546**	$ 3,479	**2 %**	**$ 11,067**	$ 12,332	**(10)%**
Earnings per share						
Basic						
Income from continuing operations	**$ 1.64**	$ 1.64	**— %**	**$ 5.19**	$ 5.99	**(13)%**
Net income	**1.64**	1.64	**—**	**5.19**	5.87	**(12)**
Diluted						
Income from continuing operations	**$ 1.63**	$ 1.63	**— %**	**$ 5.14**	$ 5.95	**(14)%**
Net income	**1.63**	1.63	**—**	**5.14**	5.84	**(12)**
Dividends declared per common share	**0.53**	0.51	**4**	**1.55**	1.53	**1**
Common dividends	**$ 1,038**	$ 1,001	**4 %**	**$ 3,042**	$ 3,025	**1 %**
Preferred dividends[1]	**333**	277	**20**	**898**	794	**13**
Common share repurchases	**500**	—	**NM**	**1,500**	3,250	**(54)**

Table continues on the next page, including footnotes.

SUMMARY OF SELECTED FINANCIAL DATA (Continued)

Citigroup Inc. and Consolidated Subsidiaries

In millions of dollars, except per share amounts, ratios and direct staff	Third Quarter			Nine Months		
	2023	2022	**% Change**	**2023**	2022	**% Change**
At September 30:						
Total assets	**$2,368,477**	$2,381,064	**(1)%**			
Total deposits	**1,273,506**	1,306,486	**(3)**			
Long-term debt	**275,760**	253,068	**9**			
Citigroup common stockholders' equity	**190,008**	179,565	**6**			
Total Citigroup stockholders' equity	**209,503**	198,560	**6**			
Average assets	**2,413,779**	2,399,446	**1**	**$2,447,212**	$2,384,513	**3 %**
Direct staff *(in thousands)*	**240**	238	**1 %**			
Performance metrics						
Return on average assets	**0.58 %**	0.58 %		**0.60 %**	0.69 %	
Return on average common stockholders' equity(2)	**6.7**	7.1		**7.3**	8.6	
Return on average total stockholders' equity(2)	**6.7**	6.9		**7.1**	8.3	
Return on tangible common equity (RoTCE)(3)	**7.7**	8.2		**8.3**	9.9	
Efficiency ratio (total operating expenses/total revenues, net)	**67.1**	68.9		**66.2**	66.8	
Basel III ratios						
CET1 Capital(4)(5)	**13.59 %**	12.26 %				
Tier 1 Capital(4)(5)	**15.40**	13.97				
Total Capital(4)(5)	**15.78**	14.99				
Supplementary Leverage ratio	**6.04**	5.71				
Citigroup common stockholders' equity to assets	**8.02 %**	7.54 %				
Total Citigroup stockholders' equity to assets	**8.85**	8.34				
Dividend payout ratio(6)	**33**	31		**30 %**	26 %	
Total payout ratio(7)	**48**	31		**45**	54	
Book value per common share	**$ 99.28**	$ 92.71	**7 %**			
Tangible book value per share (TBVPS)(3)	**86.90**	80.34	**8**			

(1) Certain series of preferred stock have semiannual payment dates. See Note 19.
(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) RoTCE and TBVPS are non-GAAP financial measures. For information on RoTCE and TBVPS, see "Capital Resources—Tangible Common Equity, Book Value Per Share, Tangible Book Value Per Share and Return on Equity" below.
(4) Citi's binding CET1 Capital and Tier 1 Capital ratios were derived under the Basel III Standardized Approach, whereas Citi's binding Total Capital ratio was derived under the Basel III Advanced Approaches framework for both periods presented.
(5) Certain of the above prior-period amounts have been revised to conform with enhancements made in the current period.
(6) Dividends declared per common share as a percentage of net income per diluted share.
(7) Total common dividends declared plus common share repurchases as a percentage of net income available to common shareholders (*Net income* less preferred dividends). See "Consolidated Statement of Changes in Stockholders' Equity," Note 9 and "Equity Security Repurchases" below for the component details.

NM Not meaningful

SEGMENT REVENUES AND INCOME (LOSS)

REVENUES

In millions of dollars	Third Quarter 2023	Third Quarter 2022	% Change	Nine Months 2023	Nine Months 2022	% Change
Institutional Clients Group	**$ 10,644**	$ 9,468	**12 %**	**$ 32,318**	$ 32,047	**1 %**
Personal Banking and Wealth Management	**6,778**	6,187	**10**	**19,621**	18,121	**8**
Legacy Franchises	**2,217**	2,554	**(13)**	**6,992**	6,420	**9**
Corporate/Other	**500**	299	**67**	**2,091**	744	**NM**
Total Citigroup net revenues	**$ 20,139**	$ 18,508	**9 %**	**$ 61,022**	$ 57,332	**6 %**

NM Not meaningful

INCOME

In millions of dollars	Third Quarter 2023	Third Quarter 2022	% Change	Nine Months 2023	Nine Months 2022	% Change
Income (loss) from continuing operations						
Institutional Clients Group	**$ 2,465**	$ 2,186	**13 %**	**$ 7,982**	$ 8,822	**(10)%**
Personal Banking and Wealth Management	**803**	792	**1**	**1,786**	3,205	**(44)**
Legacy Franchises	**127**	316	**(60)**	**611**	(84)	**NM**
Corporate/Other	**190**	221	**(14)**	**810**	686	**18**
Income from continuing operations	**$ 3,585**	$ 3,515	**2 %**	**$ 11,189**	$ 12,629	**(11)%**
Discontinued operations	**$ 2**	$ (6)	**NM**	**$ —**	$ (229)	**100 %**
Less: Net income attributable to noncontrolling interests	**41**	30	**37 %**	**122**	68	**79**
Citigroup's net income	**$ 3,546**	$ 3,479	**2 %**	**$ 11,067**	$ 12,332	**(10)%**

NM Not meaningful

SEGMENT BALANCE SHEET[1]—SEPTEMBER 30, 2023

In millions of dollars	Institutional Clients Group	Personal Banking and Wealth Management	Legacy Franchises	Corporate/Other and consolidating eliminations[2]	Citigroup parent company-issued long-term debt and stockholders' equity[3]	Total Citigroup consolidated
Assets						
Cash and deposits with banks, net of allowance	$ 100,907	$ 6,242	$ 2,948	$ 143,890	$ —	$ 253,987
Securities borrowed and purchased under agreements to resell, net of allowance	334,419	320	320	—	—	335,059
Trading account assets	395,108	1,301	433	9,526	—	406,368
Investments, net of allowance	142,851	13	1,519	364,615	—	508,998
Loans, net of unearned income and allowance for credit losses on loans	277,866	335,971	34,882	—	—	648,719
Other assets, net of allowance	127,263	25,541	17,710	44,832	—	215,346
Net intersegment liquid assets[4]	343,647	101,279	22,674	(467,600)	—	—
Total assets	$ 1,722,061	$ 470,667	$ 80,486	$ 95,263	$ —	$ 2,368,477
Liabilities and equity						
Total deposits	$ 782,346	$ 416,257	$ 50,845	$ 24,058	$ —	$ 1,273,506
Securities loaned and sold under agreements to repurchase	253,948	30	2,754	38	—	256,770
Trading account liabilities	163,251	529	255	589	—	164,624
Short-term borrowings	32,596	1	—	10,569	—	43,166
Long-term debt[3]	98,871	314	76	15,928	160,571	275,760
Other liabilities	102,400	13,337	13,747	14,972	—	144,456
Net intersegment funding (lending)[3]	288,649	40,199	12,809	28,417	(370,074)	—
Total liabilities	$ 1,722,061	$ 470,667	$ 80,486	$ 94,571	$ (209,503)	$ 2,158,282
Total equity[5]	—	—	—	692	209,503	210,195
Total liabilities and equity	$ 1,722,061	$ 470,667	$ 80,486	$ 95,263	$ —	$ 2,368,477

(1) The supplemental information presented in the table above reflects Citigroup's consolidated GAAP balance sheet by reportable segment and component. The respective segment information depicts the assets and liabilities managed by each segment.
(2) Consolidating eliminations for total Citigroup and Citigroup parent company assets and liabilities are recorded within *Corporate/Other*.
(3) The total equity and the majority of long-term debt of Citigroup are reflected on the Citigroup parent company balance sheet (see Notes 17 and 27). Citigroup allocates stockholders' equity and long-term debt to its businesses through intersegment allocations as shown above.
(4) Represents the attribution of Citigroup's liquid assets (primarily consisting of cash, marketable equity securities and AFS debt securities) to the various businesses based on Liquidity Coverage ratio (LCR) assumptions.
(5) *Corporate/Other* equity represents noncontrolling interests.

INSTITUTIONAL CLIENTS GROUP

Institutional Clients Group (ICG) includes Services, Markets and Banking (for additional information on these businesses, see "Citigroup Operating Segments" above). *ICG* provides corporate, institutional and public sector 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, 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. For more information on *ICG*'s business activities, see "*Institutional Clients Group*" in Citi's 2022 Form 10-K.

For information on Citi's planned revision to its financial reporting structure as of the end of the fourth quarter of 2023, including, among other things, the elimination of the *ICG* operating segment and the resulting creation of three new reportable operating segments (*Services*, consisting of Treasury and Trade Solutions and Securities Services; *Markets*, consisting of Fixed Income and Equity markets; and *Banking*, consisting of Investment Banking and Corporate Lending), see "Planned Revision to Operating Model and Financial Reporting Structure" above.

ICG's international presence is supported by trading floors in approximately 80 countries and a proprietary network in 95 countries and jurisdictions. As previously disclosed, as of March 31, 2023, Citi ended nearly all of the institutional banking services it offered in Russia, with the remaining services only those necessary to fulfill its remaining legal and regulatory obligations. For additional information about Citi's continued efforts to reduce its operations and exposure in Russia, see "Managing Global Risk—Other Risks—Country Risk—Russia" below.

At September 30, 2023, *ICG* had $1.7 trillion in assets and $782 billion in deposits. Securities services managed $23.0 trillion in assets under custody and administration at September 30, 2023, of which Citi provided both custody and administrative services to certain clients related to $1.8 trillion of such assets. Managed assets under trust were $4.1 trillion at September 30, 2023. For additional information on these operations, see "Administration and Other Fiduciary Fees" in Note 5.

	Third Quarter			Nine Months		
In millions of dollars, except as otherwise noted	**2023**	2022	**% Change**	**2023**	2022	**% Change**
Commissions and fees	**$ 1,138**	$ 1,082	**5 %**	**$ 3,414**	$ 3,337	**2 %**
Administration and other fiduciary fees	**673**	651	**3**	**2,036**	2,055	**(1)**
Investment banking fees[1]	**805**	816	**(1)**	**2,325**	2,845	**(18)**
Principal transactions	**2,899**	2,776	**4**	**9,071**	11,576	**(22)**
Other	**(365)**	(427)	**15**	**(673)**	(640)	**(5)**
Total non-interest revenue	**$ 5,150**	$ 4,898	**5 %**	**$ 16,173**	$ 19,173	**(16)%**
Net interest income (including dividends)	**5,494**	4,570	**20**	**16,145**	12,874	**25**
Total revenues, net of interest expense	**$ 10,644**	$ 9,468	**12 %**	**$ 32,318**	$ 32,047	**1 %**
Total operating expenses	**$ 7,179**	$ 6,541	**10 %**	**$ 21,438**	$ 19,698	**9 %**
Net credit losses on loans	**$ 51**	$ —	**— %**	**$ 146**	$ 48	**NM**
Credit reserve build (release) for loans	**101**	75	**35**	**(124)**	595	**NM**
Provision (release) for credit losses on unfunded lending commitments	**(40)**	(59)	**32**	**(298)**	124	**NM**
Provisions (releases) for credit losses on HTM debt securities and other assets	**84**	70	**20**	**458**	88	**NM**
Provisions (releases) for credit losses	**$ 196**	$ 86	**NM**	**$ 182**	$ 855	**(79)%**
Income from continuing operations before taxes	**$ 3,269**	$ 2,841	**15 %**	**$ 10,698**	$ 11,494	**(7)%**
Income taxes	**804**	655	**23**	**2,716**	2,672	**2**
Income from continuing operations	**$ 2,465**	$ 2,186	**13 %**	**$ 7,982**	$ 8,822	**(10)%**
Noncontrolling interests	**36**	24	**50**	**105**	59	**78**
Net income	**$ 2,429**	$ 2,162	**12 %**	**$ 7,877**	$ 8,763	**(10)%**
Balance Sheet data *(in billions of dollars)*						
EOP assets	**$ 1,722**	$ 1,706	**1 %**			
Average assets	**1,757**	1,729	**2**	**$ 1,775**	$ 1,704	**4 %**
Efficiency ratio	**67 %**	69 %		**66 %**	61 %	
Average loans by reporting unit *(in billions of dollars)*						
Services	**$ 83**	$ 82	**1 %**	**$ 81**	$ 82	**(1)%**
Banking	**181**	197	**(8)**	**186**	197	**(6)**
Markets	**14**	12	**17**	**13**	13	**—**
Total	**$ 278**	$ 291	**(4)%**	**$ 280**	$ 292	**(4)%**

Average deposits by reporting unit *(in billions of dollars)*						
TTS	**$ 676**	$ 664	**2 %**	**$ 690**	$ 669	**3 %**
Securities services	**120**	131	**(8)**	**123**	134	**(8)**
Services	**$ 796**	$ 795	**— %**	**$ 813**	$ 803	**1 %**
Markets and Banking	**25**	22	**14**	**24**	21	**14**
Total	**$ 821**	$ 817	**— %**	**$ 837**	$ 824	**2 %**

(1) Investment banking fees are substantially composed of underwriting and advisory revenues.
NM Not meaningful

ICG Revenue Details

	Third Quarter			Nine Months		
In millions of dollars	**2023**	2022	**% Change**	**2023**	2022	**% Change**
Services						
Net interest income	**$ 3,133**	$ 2,619	**20 %**	**$ 8,886**	$ 6,897	**29 %**
Non-interest revenue	**1,582**	1,558	**2**	**4,951**	4,795	**3**
Total Services revenues	**$ 4,715**	$ 4,177	**13 %**	**$ 13,837**	$ 11,692	**18 %**
Net interest income	**$ 2,607**	$ 2,231	**17 %**	**$ 7,390**	$ 5,960	**24 %**
Non-interest revenue	**984**	977	**1**	**3,122**	2,911	**7**
TTS revenues	**$ 3,591**	$ 3,208	**12 %**	**$ 10,512**	$ 8,871	**18 %**
Net interest income	**$ 526**	$ 388	**36 %**	**$ 1,496**	$ 937	**60 %**
Non-interest revenue	**598**	581	**3**	**1,829**	1,884	**(3)**
Securities services revenues	**$ 1,124**	$ 969	**16 %**	**$ 3,325**	$ 2,821	**18 %**
Markets						
Net interest income	**$ 1,578**	$ 1,228	**29 %**	**$ 5,030**	$ 3,675	**37 %**
Non-interest revenue	**2,902**	2,840	**2**	**9,670**	11,494	**(16)**
Total Markets revenues(1)	**$ 4,480**	$ 4,068	**10 %**	**$ 14,700**	$ 15,169	**(3)%**
Fixed income markets	**$ 3,562**	$ 3,122	**14 %**	**$ 11,545**	$ 11,489	**— %**
Equity markets	**918**	946	**(3)**	**3,155**	3,680	**(14)**
Total Markets revenues	**$ 4,480**	$ 4,068	**10 %**	**$ 14,700**	$ 15,169	**(3)%**
Rates and currencies	**$ 2,801**	$ 2,492	**12 %**	**$ 9,285**	$ 8,955	**4 %**
Spread products / other fixed income	**761**	630	**21**	**2,260**	2,534	**(11)**
Total Fixed income markets revenues	**$ 3,562**	$ 3,122	**14 %**	**$ 11,545**	$ 11,489	**— %**
Banking						
Net interest income	**$ 783**	$ 723	**8 %**	**$ 2,229**	$ 2,302	**(3)%**
Non-interest revenue	**666**	500	**33**	**1,552**	2,884	**(46)**
Total Banking revenues	**$ 1,449**	$ 1,223	**18 %**	**$ 3,781**	$ 5,186	**(27)%**
Investment banking						
Advisory	**$ 309**	$ 392	**(21)%**	**$ 760**	$ 1,096	**(31)%**
Equity underwriting	**132**	100	**32**	**403**	462	**(13)**
Debt underwriting	**403**	139	**NM**	**1,067**	906	**18**
Total Investment banking revenues	**$ 844**	$ 631	**34 %**	**$ 2,230**	$ 2,464	**(9)%**
Corporate lending (excluding gains (losses) on loan hedges)(2)	**$ 652**	$ 648	**1 %**	**$ 1,863**	$ 2,115	**(12)%**
Total Banking revenues (excluding gains (losses) on loan hedges)(2)	**$ 1,496**	$ 1,279	**17 %**	**$ 4,093**	$ 4,579	**(11)%**
Gain (loss) on loan hedges(2)	**(47)**	(56)	**16**	**(312)**	607	**NM**
Total Banking revenues (including gains (losses) on loan hedges)(2)	**$ 1,449**	$ 1,223	**18 %**	**$ 3,781**	$ 5,186	**(27)%**
Total *ICG* revenues, net of interest expense	**$ 10,644**	$ 9,468	**12 %**	**$ 32,318**	$ 32,047	**1 %**

(1) Citi assesses its Markets business performance on a total revenue basis, as offsets may occur across revenue line items. For example, securities that generate *Net interest income* may be risk managed with derivatives that are recorded in *Principal transactions* revenue within *Non-interest revenue*. For a description of the composition of these revenue line items, see Notes 4, 5 and 6.
(2) Credit derivatives are used to economically hedge a portion of the corporate loan portfolio that includes both accrual loans and loans at fair value. Gain (loss) on loan hedges includes the mark-to-market on the credit derivatives and the mark-to-market on the loans in the portfolio that are at fair value. The fixed premium costs of these hedges are netted against the corporate lending revenues to reflect the cost of credit protection. Citigroup's results of operations excluding the impact of gain (loss) on loan hedges are non-GAAP financial measures.
NM Not meaningful

The discussion of the results of operations for ICG below excludes (where noted) the impact of any gain (loss) on hedges of accrual loans, which are non-GAAP financial measures. For a reconciliation of these metrics to the reported results, see the table above.

3Q23 vs. 3Q22

Net income of $2.4 billion increased 12%, primarily driven by higher revenues, partially offset by higher expenses and higher cost of credit.

Revenues increased 12% (including gain (loss) on loan hedges), driven by higher Services, Banking and Markets revenues, partially offset by an approximate $180 million net impact from a currency devaluation in Argentina on Citi's net investment in the country. Services revenues were up 13%, driven by higher revenues in both TTS and Securities services. Banking revenues were up 18% (including the impact of the gain (loss) on loan hedges), reflecting higher revenues in both Investment banking and Corporate lending. Markets revenues were up 10%, driven by higher revenues in Fixed income markets, partially offset by lower revenues in Equity markets.

Citi expects revenues in its Markets and Investment banking businesses will continue to reflect the overall market environment during the fourth quarter of 2023.

Within Services:

- TTS revenues increased 12%, driven by 17% growth in net interest income and 1% growth in non-interest revenue, reflecting strong growth across all client segments. The increase in net interest income was primarily driven by higher interest rates as well as growth in deposits, partially offset by higher interest rates paid on deposits. Average deposits increased 2%, largely driven by growth in EMEA, Asia and Latin America. On a quarter-over-quarter basis, average deposits were down, mainly in North America, driven by portfolio optimization efforts and monetary tightening. Average loans increased 2%, mainly driven by growth in Latin America and North America. The increase in non-interest revenue was driven by strong fee growth in the cash business, reflecting solid client engagement and continued growth of underlying drivers, including higher cross-border flows (up 16%), U.S. dollar clearing volume (up 6%) and commercial card spend (up 8%). The increase in non-interest revenue was largely offset by the impact from the currency devaluation in Argentina.
- Securities services revenues increased 16%, as net interest income grew 36%, driven by higher interest rates across currencies and cost of funds management, partially offset by the impact of an 8% decline in average deposits. The decline in average deposits reflected the impact of monetary tightening. Non-interest revenues increased 3%, driven by higher fees due to higher assets under custody and administration and continued elevated levels of corporation actions in Issuer services. The increase in non-interest revenue was partially offset by the impact from the currency devaluation in Argentina.

Within Markets:

- Fixed income markets increased 14%, driven by North America, largely reflecting strength in rates and currencies despite continued lower market volatility.
  Rates and currencies increased 12%, driven by a conducive rate environment and associated market-making activity. Spread products and other fixed income revenues increased 21%. This increase was driven by North America, reflecting higher commodities revenue, and growth in the financing and securitization business, including increased client or market activity.
- Equity markets revenues decreased 3%, driven by a decline in equity derivatives, partially offset by growth in equity cash and prime services. The decline in equity derivatives revenues reflected a more challenging macroeconomic environment and lower volatility. The increase in equity cash revenue was driven by increased client activity. Prime services revenues increased modestly and the business continued to grow prime finance balances.

Within Banking:

- Investment banking revenues increased 34%, as strength in equity and debt underwriting was partially offset by a decline in advisory. Advisory revenues decreased 21%, reflecting a decline in EMEA, driven by macroeconomic uncertainties resulting in a lower market wallet, in addition to lower wallet share. Equity underwriting revenues increased 32%, reflecting growth in EMEA and North America, driven by growth in wallet share, partially offset by lower market wallet. Debt underwriting revenues increased 190%, reflecting growth in North America and EMEA, driven by wallet share gains, largely in investment grade, as well as growth in leveraged loans. The increase in debt underwriting revenues also reflected an absence of certain realized and unrealized losses of $110 million in the prior-year period, compared to gains of $16 million in the current-year period.
- Corporate lending revenues increased 2%, including the impact of gains (losses) on loan hedges. Excluding the impact of gains (losses) on loan hedges, revenues increased modestly (up 1%).

Expenses increased 10%, primarily driven by continued investment in risk and controls and volume-related expenses, partially offset by productivity savings.

Provisions reflected a cost of $196 million, compared to $86 million in the prior-year period, largely driven by an ACL build for loans and higher net credit losses. Net credit losses were $51 million, compared to no losses in the prior-year period.

The ACL build was $145 million, compared to $86 million in the prior-year period, largely driven by an ACL build for loans of $101 million, primarily due to specific risks and uncertainties impacting vulnerable industries and regions, partially offset by improved key macroeconomic variable forecasts. For additional information on Citi's ACL, see "Significant Accounting Policies and Significant Estimates" below.

For additional information on *ICG*'s corporate credit portfolio, see "Managing Global Risk—Credit Risk—Corporate Credit" below.

For additional information on trends in *ICG*'s deposits and loans, see "Managing Global Risk—Liquidity Risk—Loans" and "—Deposits" below.

For additional information about trends, uncertainties and risks related to *ICG*'s future results, see "Executive Summary" above, "Managing Global Risk—Other Risks—Country Risk—Argentina" and "—Russia" and "Forward-Looking Statements" below and "Risk Factors" in Citi's 2022 Form 10-K.

2023 YTD vs. 2022 YTD

Net income of $7.9 billion decreased 10%, primarily driven by higher expenses and higher cost of credit, partially offset by a modest increase in revenues.

Revenues increased 1% (including gain (loss) on loan hedges), driven by higher Services revenues, partially offset by lower Banking and Markets revenues as well as the approximate $180 million net impact from the currency devaluation in Argentina. Services revenues increased 18%, driven by higher revenues in both TTS and Securities services. Banking revenues declined 27% (including the impact of the gain (loss) on loan hedges), reflecting lower revenues in both Investment banking and Corporate lending. Markets revenues declined 3%, driven by lower revenues in Equity markets, reflecting lower client activity, driven by decreased volatility and a strong prior-year comparison.

Within Services:

- TTS revenues increased 18%, with growth in net interest income of 24% and non-interest revenue of 7%, largely driven by the same factors described above.
- Securities services revenues increased 18%, reflecting higher net interest income, largely driven by the same factors described above. Non-interest revenue declined 3%, as a decrease in revenues in the custody business and the impact from the currency devaluation in Argentina were partially offset by an increase in Issuer services.

Within Markets:

- Fixed income markets revenues were largely unchanged. Rates and currencies revenues increased 4%, driven by strength in rates, partially offset by a decline in the currencies business, primarily reflecting lower volatility and a strong prior-year comparison. Spread products and other fixed income revenues decreased 11%, driven by lower client activity.
- Equity markets revenues decreased 14%, primarily due to a decline in equity derivatives, largely driven by the same factors described above, as well as a modest decline in equity cash.

Within Banking:

- Investment banking revenues decreased 9%. Advisory revenues decreased 31%, primarily driven by lower market wallet. Equity underwriting revenues decreased 13%, driven by lower wallet share. Debt underwriting revenues increased 18%, driven by growth in wallet share, partially offset by a decline in market wallet.
- Corporate lending revenues decreased 43%, including the impact of gains (losses) on loan hedges. Excluding the impact of gains (losses) on loan hedges, revenues decreased 12%, primarily driven by the impact of foreign currency translation, as well as lower volumes.

Expenses increased 9%, primarily driven by continued investment in Citi's transformation, investments in TTS, other risk and controls investments, volume-related expenses and other structural expenses, including severance costs, partially offset by productivity savings and FX translation.

Provisions reflected a cost of $182 million, compared to $855 million in the prior-year period. Net credit losses were $146 million, compared to $48 million in the prior-year period.

The ACL build was $36 million, compared to $807 million in the prior-year period. The lower build was driven by the absence of Russia-related ACL builds in the prior-year period. The lower build was partially offset by a $458 million build for other assets, primarily related to an increase in transfer risk associated with exposures outside the U.S. driven by safety and soundness considerations under U.S. banking law.

PERSONAL BANKING AND WEALTH MANAGEMENT

Personal Banking and Wealth Management (PBWM) consists of U.S. Personal Banking and Global Wealth Management (Global Wealth). U.S. Personal Banking includes Branded cards and Retail services, which have proprietary card portfolios (Cash, Rewards and Value) and co-branded cards (including Costco and American Airlines) within Branded cards, and co-brand and private label relationships within Retail services (including, among others, The Home Depot, Best Buy, Sears and Macy's). U.S. Personal Banking also includes Retail banking, which provides traditional banking services to retail and small business customers. Global Wealth includes Private bank, Wealth at Work and Citigold and provides financial services to clients from affluent to ultra-high-net-worth through banking, lending, mortgages, investment, custody and trust product offerings in 20 countries, including the U.S., Mexico and four wealth management centers: Singapore, Hong Kong, the UAE and London.

For information on Citi's planned revision to its financial reporting structure as of the end of the fourth quarter of 2023, including, among other things, the elimination of the *PBWM* operating segment and the resulting creation of two new reportable operating segments (*Wealth*, consisting of Private Bank, Wealth at Work and Citigold; and *U.S. Personal Banking*, consisting of Cards (Branded Cards and Retail Services) and Retail Banking), see "Planned Revision to Operating Model and Financial Reporting Structure" above.

At September 30, 2023, U.S. Personal Banking had 652 retail bank branches concentrated in the six key metropolitan areas of New York, Chicago, Los Angeles, San Francisco, Miami and Washington, D.C. U.S. Personal Banking had $156 billion in outstanding credit card balances, $109 billion in deposits, $39 billion in mortgages and $4 billion in personal and small business loans. Global Wealth had $307 billion in deposits, $89 billion in mortgage loans, $57 billion in personal and small business loans and $5 billion in outstanding credit card balances.

In millions of dollars, except as otherwise noted	Third Quarter 2023	2022	% Change	Nine Months 2023	2022	% Change
Net interest income	$ 6,356	$ 5,836	9 %	$ 18,253	$ 16,790	9 %
Non-interest revenue	422	351	20	1,368	1,331	3
Total revenues, net of interest expense	$ 6,778	$ 6,187	10 %	$ 19,621	$ 18,121	8 %
Total operating expenses	$ 4,301	$ 4,077	5 %	$ 12,759	$ 11,951	7 %
Net credit losses on loans	$ 1,367	$ 723	89 %	$ 3,702	$ 2,113	75 %
Credit reserve build (release) for loans	95	360	(74)	935	(64)	NM
Provision (release) for credit losses on unfunded lending commitments	(9)	19	NM	(13)	30	NM
Provisions for benefits and claims (PBC), and other assets	4	7	(43)	3	9	(67)
Provisions (releases) for credit losses and PBC	$ 1,457	$ 1,109	31 %	$ 4,627	$ 2,088	NM
Income from continuing operations before taxes	$ 1,020	$ 1,001	2 %	$ 2,235	$ 4,082	(45)%
Income taxes	217	209	4	449	877	(49)
Income from continuing operations	$ 803	$ 792	1 %	$ 1,786	$ 3,205	(44)%
Noncontrolling interests	—	—	—	—	—	—
Net income	$ 803	$ 792	1 %	$ 1,786	$ 3,205	(44)%
Balance Sheet data *(in billions of dollars)*						
EOP assets	$ 471	$ 479	(2)%			
Average assets	474	473	—	$ 484	$ 474	2 %
Average loans	347	325	7	340	318	7
Average deposits	421	428	(2)	429	437	(2)
Efficiency ratio	63 %	66 %		65 %	66 %	
Net credit losses as a percentage of average loans	1.57	0.88		1.46	0.89	
Revenue by reporting unit and component						
Branded cards	$ 2,538	$ 2,258	12 %	$ 7,356	$ 6,516	13 %
Retail services	1,731	1,431	21	4,990	4,030	24
Retail banking	624	642	(3)	1,831	1,893	(3)
U.S. Personal Banking	$ 4,893	$ 4,331	13 %	$ 14,177	$ 12,439	14 %
Private bank	$ 640	$ 649	(1)%	$ 1,812	$ 2,173	(17)%
Wealth at Work	234	182	29	651	535	22
Citigold	1,011	1,025	(1)	2,981	2,974	—
Global Wealth	$ 1,885	$ 1,856	2 %	$ 5,444	$ 5,682	(4)%
Total	$ 6,778	$ 6,187	10 %	$ 19,621	$ 18,121	8 %

NM Not meaningful

3Q23 vs. 3Q22

Net income was $803 million, compared to $792 million in the prior-year period, driven by higher revenues, partially offset by higher cost of credit and higher expenses.

Revenues increased 10%, primarily driven by higher net interest income, reflecting strong loan growth in U.S. Personal Banking, as well as higher non-interest revenue, primarily due to lower partner payments in Retail services and higher investment product revenues in Global Wealth.

U.S. Personal Banking revenues increased 13%, reflecting higher revenues in cards, partially offset by lower revenues in Retail banking.

Cards revenues increased 16%. Branded cards revenues increased 12%, primarily driven by the higher net interest income, reflecting the strong loan growth. Branded cards new account acquisitions increased 5% and card spend volumes increased 4%. Average loans increased 12%, reflecting lower payment rates and the higher card spend volumes.

Retail services revenues increased 21%, primarily driven by the higher net interest income on higher loan balances, as well as higher non-interest revenue due to the lower partner payments on higher net credit losses. Retail services card spend volumes decreased 5%, primarily driven by lower discretionary retail spend. Average loans increased 9%, reflecting lower payment rates, partially offset by the lower card spend volumes.

Retail banking revenues decreased 3%, primarily driven by the impact of the transfer of certain relationships and the associated deposit balances to Global Wealth, partially offset by strength in deposit spreads. Average loans increased 17%, primarily driven by mortgage originations and lower refinancings due to higher interest rates. Average deposits decreased 4%, largely reflecting the transfer of certain relationships and the associated deposit balances to Global Wealth.

Global Wealth revenues increased 2%, primarily driven by higher investment product revenue across all regions, the benefits of the transfer of certain relationships and the associated deposit balances from Retail banking, and higher lending revenue. Average loans were largely unchanged. Average deposits decreased 1%, reflecting transfers to higher-yielding investments on Citi's platform. Client assets increased 7%, primarily driven by increases in market valuations and net new inflows. Client advisors were largely unchanged. Private bank revenues decreased 1%, driven by higher interest rates paid on deposits, partially offset by the higher investment product revenue. Wealth at Work revenues increased 29%, driven by higher lending spreads and loan growth, primarily in mortgages, and Citigold revenues decreased 1%.

Expenses increased 5%, largely driven by risk and controls investments and severance costs, partially offset by productivity savings.

Provisions were $1.5 billion, compared to $1.1 billion in the prior-year period, largely driven by higher net credit losses, partially offset by a lower net ACL build for loans. Net credit losses increased 89%, reflecting ongoing normalization in cards, with Branded cards net credit losses up 103% to $707 million and Retail services net credit losses up 82% to $573 million. Both Branded cards and Retail services net credit losses are expected to reach pre-pandemic levels by the end of 2023.

The net ACL build was $90 million, compared to $386 million in the prior-year period, primarily reflecting growth in loan balances in Branded cards and Retail services. For additional information on Citi's ACL, see "Significant Accounting Policies and Significant Estimates" below.

For additional information on U.S. Personal Banking's Branded cards, Retail services and Retail banking portfolios, see "Credit Risk—Consumer Credit" below.

For additional information about trends, uncertainties and risks related to *PBWM*'s future results, see "Executive Summary" above and "Forward-Looking Statements" below, and "Risk Factors—Strategic Risks" in Citi's 2022 Form 10-K.

2023 YTD vs. 2022 YTD

Net income was $1.8 billion, compared to $3.2 billion in the prior-year period, driven by higher cost of credit and higher expenses, partially offset by higher revenues.

Revenues increased 8%, largely due to higher revenues in U.S. Personal Banking. U.S. Personal Banking revenues increased 14%, reflecting higher revenues in cards, largely driven by the same factors described above. Retail banking revenues decreased 3%, largely driven by the impact of the transfer of certain relationships and the associated deposit balances to Global Wealth. Global Wealth revenues decreased 4%, largely driven by investment product revenue headwinds and lower net interest income, partially offset by the benefits of the transfer of certain relationships and the associated deposit balances from Retail banking.

Expenses increased 7%, primarily driven by continued investments in Citi's transformation, other risk and controls investments and severance costs, partially offset by productivity savings.

Provisions were $4.6 billion, compared to $2.1 billion in the prior-year period, reflecting higher net credit losses, primarily driven by ongoing normalization in Branded cards and Retail services, as well as a net ACL build for loans.

The net ACL build was $925 million, primarily driven by growth in loan balances in Branded cards and Retail services, compared to a release of $25 million in the prior-year period.

LEGACY FRANCHISES

As of September 30, 2023, *Legacy Franchises* included (i) Asia Consumer Banking (Asia Consumer), representing the consumer banking operations of the remaining five exit countries (China, Indonesia, Korea, Poland and Russia), (ii) Mexico Consumer Banking (Mexico Consumer) and Mexico Small Business and Middle-Market Banking (Mexico SBMM), collectively Mexico Consumer/SBMM, and (iii) Legacy Holdings Assets (certain North America consumer mortgage loans and other legacy assets). Asia Consumer provides traditional retail banking and branded card products to retail and small business customers. Mexico Consumer/SBMM provides traditional retail banking and branded card products to consumers and small business customers and traditional middle-market banking products and services to commercial customers through Citibanamex.

For information on Citi's planned revision to its financial reporting structure as of the end of the fourth quarter of 2023, including, among other things, the creation of a new *All Other* category, which will include Legacy Franchises (Asia Consumer, Mexico Consumer/SBMM and Legacy Holdings Assets), see "Planned Revision to Operating Model and Financial Reporting Structure" above.

Legacy Franchises also included the following eight Asia Consumer businesses prior to their sales: Australia, until its closing in June 2022; the Philippines, until its closing in August 2022; Thailand and Malaysia, until their closings in November 2022; Bahrain, until its closing in December 2022; India and Vietnam, until their closings in March 2023; and Taiwan, until its closing in August 2023.

Additionally, Citi has entered into an agreement to sell its consumer banking business in Indonesia and has continued to make progress on its wind-downs in China, Korea and Russia. In October 2023, Citi also announced the signing of an agreement to sell its onshore consumer wealth business in China. See Note 2 for additional information on *Legacy Franchises*' consumer banking business sales and wind-downs. For additional information about Citi's continued efforts to reduce its operations and exposures in Russia, see "*Institutional Clients Group*" above and "Managing Global Risk—Other Risks—Country Risk—Russia" below, as well as "Risk Factors" in Citi's 2022 Form 10-K.

As previously disclosed, Citi intends to pursue an IPO of its consumer, small business and middle-market banking operations in Mexico. Citi will retain its *ICG* and Private bank businesses in Mexico. Citi currently expects that the separation of the businesses will be completed in the second half of 2024 and that the IPO will take place in 2025.

At September 30, 2023, on a combined basis, *Legacy Franchises* had 1,355 retail branches, $20 billion in retail banking loans and $51 billion in deposits. In addition, the businesses had $9 billion in outstanding card loan balances, and Mexico SBMM had $8 billion in outstanding corporate loan balances.

In millions of dollars, except as otherwise noted	Third Quarter 2023	2022	% Change	Nine Months 2023	2022	% Change
Net interest income	$ 1,279	$ 1,385	(8)%	$ 3,914	$ 4,367	(10)%
Non-interest revenue	938	1,169	(20)	3,078	2,053	50
Total revenues, net of interest expense	$ 2,217	$ 2,554	(13)%	$ 6,992	$ 6,420	9 %
Total operating expenses	$ 1,794	$ 1,845	(3)%	$ 5,324	$ 5,952	(11)%
Net credit losses on loans	$ 219	$ 164	34 %	$ 595	$ 448	33 %
Credit reserve build (release) for loans	(17)	6	NM	60	(168)	NM
Provision (release) for credit losses on unfunded lending commitments	(5)	(31)	84	(33)	90	NM
Provisions for benefits and claims (PBC), HTM debt securities and other assets	(9)	28	NM	211	78	NM
Provisions (releases) for credit losses and PBC	$ 188	$ 167	13 %	$ 833	$ 448	86 %
Income (loss) from continuing operations before taxes	$ 235	$ 542	(57)%	$ 835	$ 20	NM
Income taxes	108	226	(52)	224	104	NM
Income (loss) from continuing operations	$ 127	$ 316	(60)%	$ 611	$ (84)	NM
Noncontrolling interests	2	—	—	7	—	— %
Net income (loss)	$ 125	$ 316	(60)%	$ 604	$ (84)	NM
Balance Sheet data *(in billions of dollars)*						
EOP assets	$ 80	$ 100	(20)%			
Average assets	87	103	(16)	$ 92	$ 114	(19)%
EOP loans	37	37	—			
EOP deposits	51	50	1			
Efficiency ratio	81 %	72 %		76 %	93 %	
Revenue by reporting unit and component						
Asia Consumer	$ 672	$ 1,372	(51)%	$ 2,635	$ 3,039	(13)%
Mexico Consumer/SBMM	1,552	1,173	32	4,323	3,496	24
Legacy Holdings Assets	(7)	9	NM	34	(115)	NM
Total	$ 2,217	$ 2,554	(13)%	$ 6,992	$ 6,420	9 %

NM Not meaningful

3Q23 vs. 3Q22

Net income was $125 million, compared to $316 million in the prior-year period, driven by lower revenues and higher cost of credit, partially offset by lower expenses.

Results for the third quarter of 2023 included divestiture-related impacts of approximately $299 million in earnings before taxes (approximately $214 million after-tax), reflecting the following:

- $396 million of aggregate divestiture-related revenues, primarily related to a gain on sale of the Taiwan consumer business, recorded in *Other revenue*
- $114 million of aggregate divestiture-related expenses, largely relating to separation costs in Mexico Consumer/SBMM and severance costs in Asia Consumer
- $(17) million benefit of divestiture-related credit costs
- $85 million of related taxes

Results for the third quarter of 2022 included divestiture-related impacts of approximately $519 million (approximately $256 million after-tax), reflecting the following:

- $614 million of aggregate divestiture-related revenues, primarily related to a gain on sale of the Philippines consumer business, recorded in *Other revenue*
- $107 million of aggregate divestiture-related expenses, primarily composed of transaction costs (recognized as an operating expense) associated with the Philippines gain on sale, as well as severance and related costs associated with Asia Consumer
- $(12) million benefit of divestiture-related credit costs
- $263 million of related taxes

Revenues decreased 13%, primarily driven by lower revenues in Asia Consumer, partially offset by higher revenues in Mexico Consumer/SBMM.

Asia Consumer revenues of $672 million decreased from $1.4 billion in the prior-year period, mainly driven by the lower gain on sale impacts in Asia Consumer and the reduction from exited markets and continued wind-downs.

Mexico Consumer/SBMM revenues increased 32%, as cards revenues increased 46%, SBMM revenues increased 27% and retail banking revenues increased 28%, primarily due to the benefit of FX translation as well as higher interest rates and higher lending volumes.

Legacy Holdings Assets revenues of $(7) million decreased from $9 million in the prior-year period, largely driven by the continued wind-down of legacy assets.

Expenses decreased 3%, mainly driven by the impact of the exited markets and continued wind-downs, partially offset by separation costs and the impact of FX translation in Mexico Consumer/SBMM.

Provisions were $188 million, compared to $167 million in the prior-year period, primarily driven by higher net credit losses, partially offset by a net ACL release in the current quarter. Net credit losses increased 34%, largely driven by the ongoing normalization in the Mexico Consumer portfolios.

For additional information about trends, uncertainties and risks related to *Legacy Franchises*' future results, see "Executive Summary" above, "Managing Global Risk—Other Risks—Country Risk—Russia" and "Forward-Looking Statements" below and "Risk Factors—Strategic Risks" in Citi's 2022 Form 10-K.

2023 YTD vs. 2022 YTD

Net income was $604 million, compared to a net loss of $84 million in the prior-year period, driven by higher revenues and lower expenses, partially offset by higher cost of credit.

Results for year-to-date 2023 included divestiture-related impacts of approximately $1.2 billion (approximately $770 million after-tax), reflecting the following:

- $1.4 billion of net divestiture gains, primarily related to the gain on sales of the India and Taiwan consumer banking businesses, recorded in *Other revenue*
- $266 million of aggregate divestiture-related expenses
- $(37) million benefit of divestiture-related credit costs
- $409 million of related taxes

Results for year-to-date 2022 included divestiture-related impacts of approximately $(110) million (approximately $(297) million after-tax), reflecting the following:

- $645 million of net divestiture gains, primarily related to a $616 million gain on sale of the Philippines consumer banking business, recorded in *Other revenue* in the third quarter of 2022
- $638 million of aggregate divestiture-related expenses, including a $535 million goodwill impairment in the first quarter of 2022
- $117 million of divestiture-related credit costs
- $187 million of related taxes

Revenues increased 9%, driven by higher revenues in Mexico Consumer/SBMM and Legacy Holdings Assets, partially offset by lower revenues in Asia Consumer.

Asia Consumer revenues decreased 13%, primarily driven by the reduction from exited markets and wind-downs, partially offset by higher gain on sale impacts in the current-year period. Mexico Consumer/SBMM revenues increased 24%, mainly due to the benefit of FX translation as well as higher interest rates and higher lending volumes. Legacy Holdings Assets revenues of $34 million increased from $(115) million in the prior-year period, primarily driven by the release of a CTA loss (net of hedges) recorded in *AOCI* in the second quarter of 2022.

Expenses decreased 11%, mainly driven by the absence of the goodwill impairment that occurred in the first quarter of 2022 and the impact of the exited markets and continued wind-downs.

Provisions were $833 million, compared to $448 million in the prior-year period, driven by higher lending volumes and net credit losses in Mexico Consumer, as well as a build for other assets, primarily related to an increase in transfer risk associated with exposures outside the U.S. driven by safety and soundness considerations under U.S. banking law.

CORPORATE/OTHER

Activities not assigned to the operating segments (*ICG*, *PBWM* and *Legacy Franchises*) are included in *Corporate/Other*. *Corporate/Other* included certain unallocated costs of global staff functions (including finance, risk, human resources, legal and compliance-related costs), other corporate expenses and unallocated global operations and technology expenses and income taxes, as well as results of Corporate Treasury investment activities and discontinued operations. For information on Citi's planned revision to its financial reporting structure as of the end of the fourth quarter of 2023, including, among other things, the creation of a new *All Other* category, which will include Corporate/Other, see "Planned Revision to Operating Model and Financial Reporting Structure" above. At September 30, 2023, *Corporate/Other* had $95 billion in assets, including Corporate Treasury investment securities and the Company's deferred tax assets (DTAs).

	Third Quarter			Nine Months		
In millions of dollars	**2023**	2022	**% Change**	**2023**	2022	**% Change**
Net interest income	**$ 699**	$ 772	**(9)%**	**$ 2,764**	$ 1,367	**NM**
Non-interest revenue	**(199)**	(473)	**58**	**(673)**	(623)	**(8)%**
Total revenues, net of interest expense	**$ 500**	$ 299	**67 %**	**$ 2,091**	$ 744	**NM**
Total operating expenses	**$ 237**	$ 286	**(17)%**	**$ 849**	$ 706	**20 %**
Provisions for HTM debt securities and other assets	**$ (1)**	$ 3	**NM**	**$ (3)**	$ 3	**NM**
Income (loss) from continuing operations before taxes	**$ 264**	$ 10	**NM**	**$ 1,245**	$ 35	**NM**
Income taxes (benefits)	**74**	(211)	**NM**	**435**	(651)	**NM**
Income from continuing operations	**$ 190**	$ 221	**(14)%**	**$ 810**	$ 686	**18 %**
Income (loss) from discontinued operations, net of taxes	**2**	(6)	**NM**	**—**	(229)	**100**
Net income before attribution to noncontrolling interests	**$ 192**	$ 215	**(11)%**	**$ 810**	$ 457	**77 %**
Noncontrolling interests	**3**	6	**NM**	**10**	9	**11**
Net income	**$ 189**	$ 209	**(10)%**	**$ 800**	$ 448	**79 %**

NM Not meaningful

3Q23 vs. 3Q22

Net income was $189 million, compared to $209 million in the prior-year period. The decrease in net income was primarily driven by higher income tax expense due to the geographic mix of earnings, partially offset by higher revenues and lower expenses.

Revenues increased to $500 million, compared to $299 million in the prior-year period, largely driven by the absence of prior-year mark-to-market losses, primarily related to retained interchange litigation risk associated with shares of Visa B common stock that Citi previously sold.

Expenses were $237 million, compared to $286 million in the prior-year period, largely reflecting lower consulting expenses.

For additional information about trends, uncertainties and risks related to *Corporate/Other*'s future results, see "Executive Summary" above, "Forward-Looking Statements" below and "Risk Factors—Strategic Risks" in Citi's 2022 Form 10-K.

2023 YTD vs. 2022 YTD

Net income was $800 million, compared to net income of $448 million in the prior-year period, largely driven by higher revenues and a prior-year release of a CTA loss (net of hedges) from *AOCI* (for additional information, see Note 2). The increase in net income was partially offset by higher income tax expense due to the geographic mix of earnings and lower discrete tax benefits as well as higher expenses.

Revenues increased to $2.1 billion, compared to $744 million in the prior-year period, largely driven by higher net interest income from *Deposits with banks* and the investment portfolio, largely due to higher interest rates.

Expenses were $849 million, compared to $706 million in the prior-year period, primarily reflecting higher severance costs, partially offset by lower consulting expenses.

CAPITAL RESOURCES

For additional information about capital resources, including Citi's capital management, regulatory capital buffers, the stress testing component of capital planning and current regulatory capital standards and developments, see "Capital Resources" and "Risk Factors" in Citi's 2022 Form 10-K.

During the third quarter of 2023, Citi returned a total of $1.5 billion of capital to common shareholders in the form of $1.0 billion in dividends and $0.5 billion in share repurchases (approximately 12 million common shares). For additional information, see "Unregistered Sales of Equity Securities, Repurchases of Equity Securities and Dividends" below.

Citi paid common dividends of $0.53 per share for the third quarter of 2023, and on October 19, 2023, declared common dividends of $0.53 per share for the fourth quarter of 2023. Citi intends to maintain a quarterly common dividend of at least $0.53 per share, subject to financial and macroeconomic conditions as well as its Board of Directors' approval. In addition, as previously announced, Citi will continue to assess common share repurchases on a quarter-by-quarter basis given uncertainty regarding regulatory capital requirements. For additional information, see "Capital Resources—Regulatory Capital Standards and Developments" below.

Common Equity Tier 1 Capital Ratio

Citi's Common Equity Tier 1 (CET1) Capital ratio under the Basel III Standardized Approach was 13.6% as of September 30, 2023, compared to 13.4% as of June 30, 2023, relative to a required regulatory CET1 Capital ratio of 12.0% as of such dates under the Standardized Approach. This compares to a CET1 Capital ratio of 13.0% as of December 31, 2022, relative to a required regulatory CET1 Capital ratio of 11.5% as of such date under the Standardized Approach.

Citi's CET1 Capital ratio under the Basel III Advanced Approaches was 12.5% as of September 30, 2023, largely unchanged from June 30, 2023, relative to a required regulatory CET1 Capital ratio of 10.5% as of such dates under the Advanced Approaches framework. This compares to a CET1 Capital ratio of 12.1% as of December 31, 2022, relative to a required regulatory CET1 Capital ratio of 10.0% as of such date under the Advanced Approaches.

Citi's CET1 Capital ratio increased under the Standardized Approach from June 30, 2023, driven primarily by net income and impacts from the sales of Asia Consumer businesses, partially offset by the return of capital to common shareholders. Citi's CET1 Capital ratio increased under both the Standardized Approach and Advanced Approaches from year-end 2022, driven primarily by year-to-date net income of $11.1 billion and impacts from the sales of Asia Consumer businesses, partially offset by the return of capital to common shareholders. The increase in the CET1 Capital ratio under the Advanced Approaches was also partially offset by an increase in Advanced Approaches RWA.

Stress Capital Buffer

In July 2023, the Federal Reserve Board confirmed Citi's Stress Capital Buffer (SCB) requirement of 4.3%, increased from 4.0%, for the four-quarter window starting from October 1, 2023 to September 30, 2024.

Accordingly, as of October 1, 2023, Citi's required regulatory CET1 Capital ratio increased to 12.3% from 12.0% under the Standardized Approach, incorporating the 4.3% SCB and its current GSIB surcharge of 3.5%. Citi's required regulatory CET1 Capital ratio under the Advanced Approaches (using the fixed 2.5% Capital Conservation Buffer) remains unchanged at 10.5%. The SCB applies to Citigroup only; the regulatory capital framework applicable to Citibank, including the Capital Conservation Buffer, is unaffected by Citigroup's SCB.

For additional information regarding regulatory capital buffers, including the SCB and GSIB surcharge, see "Capital Resources—Regulatory Capital Buffers" in Citi's 2022 Form 10-K.

Citigroup's Capital Resources

The following table presents Citi's required risk-based capital ratios as of September 30, 2023, June 30, 2023 and December 31, 2022:

	Advanced Approaches			Standardized Approach[1]		
	September 30, 2023	June 30, 2023	December 31, 2022	**September 30, 2023**	June 30, 2023	December 31, 2022
CET1 Capital ratio[2]	**10.5 %**	10.5 %	10.0 %	**12.0 %**	12.0 %	11.5 %
Tier 1 Capital ratio[2]	**12.0**	12.0	11.5	**13.5**	13.5	13.0
Total Capital ratio[2]	**14.0**	14.0	13.5	**15.5**	15.5	15.0

(1) As of October 1, 2023, Citi's required regulatory CET1 Capital ratio increased from 12.0% to 12.3% under the Standardized Approach, incorporating the 4.3% SCB and its current GSIB surcharge of 3.5%.
(2) As of January 1, 2023, Citi's required risk-based capital ratios included the 4.0% SCB and 3.5% GSIB surcharge under the Standardized Approach, and the 2.5% Capital Conservation Buffer and 3.5% GSIB surcharge under the Advanced Approaches (all of which must be composed of CET1 Capital). These requirements were applicable through September 30, 2023. See "Stress Capital Buffer" above for more information.

The following tables present Citi's capital components and ratios as of September 30, 2023, June 30, 2023 and December 31, 2022:

	Advanced Approaches			Standardized Approach		
In millions of dollars, except ratios	**September 30, 2023**	June 30, 2023	December 31, 2022	**September 30, 2023**	June 30, 2023	December 31, 2022
CET1 Capital[1]	**$ 156,134**	$ 154,243	$ 148,930	**$ 156,134**	$ 154,243	$ 148,930
Tier 1 Capital[1]	**176,878**	175,743	169,145	**176,878**	175,743	169,145
Total Capital (Tier 1 Capital + Tier 2 Capital)[1][5]	**197,219**	198,036	188,889	**205,932**	206,852	197,578
Total Risk-Weighted Assets[5]	**1,249,606**	1,234,271	1,233,138	**1,148,550**	1,153,450	1,148,678
Credit Risk[1][5]	**$ 892,423**	$ 874,707	$ 860,515	**$ 1,087,701**	$ 1,090,440	$ 1,072,777
Market Risk[5]	**59,880**	62,261	74,849	**60,849**	63,010	75,901
Operational Risk	**297,303**	297,303	297,774	**—**	—	—
CET1 Capital ratio[2][5]	**12.49 %**	12.50 %	12.08 %	**13.59 %**	13.37 %	12.97 %
Tier 1 Capital ratio[2][5]	**14.15**	14.24	13.72	**15.40**	15.24	14.73
Total Capital ratio[2][5]	**15.78**	16.04	15.32	**17.93**	17.93	17.20

In millions of dollars, except ratios	Required Capital Ratios	September 30, 2023	June 30, 2023	December 31, 2022
Quarterly Adjusted Average Total Assets[1][3]		**$ 2,378,887**	$ 2,429,306	$ 2,395,863
Total Leverage Exposure[1][4]		**2,927,392**	2,943,546	2,906,773
Leverage ratio	**4.0 %**	**7.44 %**	7.23 %	7.06 %
Supplementary Leverage ratio	**5.0**	**6.04**	5.97	5.82

(1) Citi's regulatory capital ratios and components reflect certain deferrals based on the modified regulatory capital transition provision related to the current expected credit losses (CECL) standard. For additional information, see "Capital Resources—Regulatory Capital Treatment—Modified Transition of the Current Expected Credit Losses Methodology" in Citi's 2022 Form 10-K.
(2) Citi's binding CET1 Capital and Tier 1 Capital ratios were derived under the Basel III Standardized Approach, whereas Citi's binding Total Capital ratio was derived under the Basel III Advanced Approaches framework for all periods presented.
(3) Leverage ratio denominator. Represents quarterly average total assets less amounts deducted from Tier 1 Capital.
(4) Supplementary Leverage ratio denominator.
(5) Certain of the above prior-period amounts have been revised to conform with enhancements made in the current period.

As indicated in the table above, Citigroup's capital ratios at September 30, 2023 were in excess of the regulatory capital requirements under the U.S. Basel III rules. In addition, Citi was "well capitalized" under current federal bank regulatory agencies definitions as of September 30, 2023.

Components of Citigroup Capital

In millions of dollars	September 30, 2023	December 31, 2022
CET1 Capital		
Citigroup common stockholders' equity(1)	**$ 190,134**	$ 182,325
Add: Qualifying noncontrolling interests	**193**	128
Regulatory capital adjustments and deductions:		
Add: CECL transition provision(2)	**1,514**	2,271
Less: Accumulated net unrealized gains (losses) on cash flow hedges, net of tax	**(1,259)**	(2,522)
Less: Cumulative unrealized net gain (loss) related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax	**625**	1,441
Less: Intangible assets:		
Goodwill, net of related DTLs(3)	**18,552**	19,007
Identifiable intangible assets other than MSRs, net of related DTLs	**3,444**	3,411
Less: Defined benefit pension plan net assets; other	**1,340**	1,935
Less: DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards(4)	**11,219**	12,197
Less: Excess over 10%/15% limitations for other DTAs, certain common stock investments, and MSRs(4)(5)	**1,786**	325
Total CET1 Capital (Standardized Approach and Advanced Approaches)	**$ 156,134**	$ 148,930
Additional Tier 1 Capital		
Qualifying noncumulative perpetual preferred stock(1)	**$ 19,369**	$ 18,864
Qualifying trust preferred securities(6)	**1,412**	1,406
Qualifying noncontrolling interests	**28**	30
Regulatory capital deductions:		
Less: Other	**65**	85
Total Additional Tier 1 Capital (Standardized Approach and Advanced Approaches)	**$ 20,744**	$ 20,215
Total Tier 1 Capital (CET1 Capital + Additional Tier 1 Capital) (Standardized Approach and Advanced Approaches)	**$ 176,878**	$ 169,145
Tier 2 Capital		
Qualifying subordinated debt	**$ 16,112**	$ 15,530
Qualifying noncontrolling interests	**34**	37
Eligible allowance for credit losses(2)(7)(8)	**13,688**	13,461
Regulatory capital deduction:		
Less: Other	**780**	595
Total Tier 2 Capital (Standardized Approach)(8)	**$ 29,054**	$ 28,433
Total Capital (Tier 1 Capital + Tier 2 Capital) (Standardized Approach)(8)	**$ 205,932**	$ 197,578
Adjustment for excess of eligible credit reserves over expected credit losses(2)(7)(8)	**$ (8,713)**	$ (8,689)
Total Tier 2 Capital (Advanced Approaches)(8)	**$ 20,341**	$ 19,744
Total Capital (Tier 1 Capital + Tier 2 Capital) (Advanced Approaches)(8)	**$ 197,219**	$ 188,889

(1) Issuance costs of $126 million and $131 million related to outstanding noncumulative perpetual preferred stock at September 30, 2023 and December 31, 2022, respectively, were excluded from common stockholders' equity and netted against such preferred stock in accordance with Federal Reserve Board regulatory reporting requirements, which differ from those under U.S. GAAP.

(2) Citi's regulatory capital ratios and components reflect certain deferrals based on the modified regulatory capital transition provision related to the CECL standard. For additional information, see "Capital Resources—Regulatory Capital Treatment—Modified Transition of the Current Expected Credit Losses Methodology" in Citi's 2022 Form 10-K.

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

(4) Of Citi's $28.3 billion of net DTAs at September 30, 2023, $11.2 billion of net DTAs arising from net operating loss, foreign tax credit and general business credit tax carry-forwards, as well as $1.8 billion of DTAs arising from temporary differences that exceeded 10%/15% limitations, were excluded from Citi's CET1 Capital as of September 30, 2023. DTAs arising from net operating loss, foreign tax credit and general business credit tax carry-forwards are required to be entirely deducted from CET1 Capital under the U.S. Basel III rules. DTAs arising from temporary differences are required to be deducted from capital only if they exceed 10%/15% limitations under the U.S. Basel III rules.

Footnotes continue on the following page.

(5) Assets subject to 10%/15% limitations include MSRs, DTAs arising from temporary differences and significant common stock investments in unconsolidated financial institutions. At September 30, 2023 and December 31, 2022, this deduction related only to DTAs arising from temporary differences that exceeded the 10% limitation.

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

(7) Under the Standardized Approach, the allowance for credit losses is eligible for inclusion in Tier 2 Capital up to 1.25% of credit risk-weighted assets, with any excess allowance for credit losses being deducted in arriving at credit risk-weighted assets, which differs from the Advanced Approaches framework, in which eligible credit reserves that exceed expected credit losses are eligible for inclusion in Tier 2 Capital to the extent that the excess reserves do not exceed 0.6% of credit risk-weighted assets. The total amount of eligible credit reserves in excess of expected credit losses that were eligible for inclusion in Tier 2 Capital, subject to limitation, under the Advanced Approaches framework were $5.0 billion and $4.8 billion at September 30, 2023 and December 31, 2022, respectively.

(8) Certain of the above prior-period amounts have been revised to conform with enhancements made in the current period.

Citigroup Capital Rollforward

In millions of dollars	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2023
CET1 Capital, beginning of period	**$ 154,243**	**$ 148,930**
Net income	**3,546**	**11,067**
Common and preferred dividends declared	**(1,371)**	**(3,940)**
Net increase in treasury stock	**(491)**	**(771)**
Net increase in common stock and additional paid-in capital	**168**	**294**
Net change in CTA net of hedges, net of tax	**(1,496)**	**(631)**
Net change in unrealized gains (losses) on debt securities AFS, net of tax	**(169)**	**793**
Net decrease in defined benefit plans liability adjustment, net of tax	**312**	**72**
Net change in adjustment related to change in fair value of financial liabilities attributable to own creditworthiness, net of tax	**(19)**	**170**
Net change in other Accumulated other comprehensive income (loss) *(AOCI)*	**11**	**34**
Net decrease in goodwill, net of related DTLs	**381**	**455**
Net change in identifiable intangible assets other than MSRs, net of related DTLs	**87**	**(33)**
Net decrease in defined benefit pension plan net assets	**663**	**604**
Net decrease in DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards	**242**	**978**
Net change in excess over 10%/15% limitations for other DTAs, certain common stock investments and MSRs	**42**	**(1,461)**
Net decrease in CECL transition provision	**—**	**(757)**
Other	**(15)**	**330**
Net increase in CET1 Capital	**$ 1,891**	**$ 7,204**
CET1 Capital, end of period (Standardized Approach and Advanced Approaches)	**$ 156,134**	**$ 156,134**
Additional Tier 1 Capital, beginning of period	**$ 21,500**	**$ 20,215**
Net change in qualifying perpetual preferred stock	**(740)**	**505**
Net increase in qualifying trust preferred securities	**2**	**6**
Other	**(18)**	**18**
Net change in Additional Tier 1 Capital	**$ (756)**	**$ 529**
Tier 1 Capital, end of period (Standardized Approach and Advanced Approaches)	**$ 176,878**	**$ 176,878**
Tier 2 Capital, beginning of period (Standardized Approach)(1)	**$ 31,109**	**$ 28,433**
Net change in qualifying subordinated debt	**(1,557)**	**582**
Net change in eligible allowance for credit losses	**(27)**	**227**
Other	**(471)**	**(188)**
Net change in Tier 2 Capital (Standardized Approach)	**$ (2,055)**	**$ 621**
Tier 2 Capital, end of period (Standardized Approach)	**$ 29,054**	**$ 29,054**
Total Capital, end of period (Standardized Approach)	**$ 205,932**	**$ 205,932**
Tier 2 Capital, beginning of period (Advanced Approaches)(1)	**$ 22,293**	**$ 19,744**
Net change in qualifying subordinated debt	**(1,557)**	**582**
Net increase in excess of eligible credit reserves over expected credit losses	**76**	**203**
Other	**(471)**	**(188)**
Net change in Tier 2 Capital (Advanced Approaches)	**$ (1,952)**	**$ 597**
Tier 2 Capital, end of period (Advanced Approaches)	**$ 20,341**	**$ 20,341**
Total Capital, end of period (Advanced Approaches)	**$ 197,219**	**$ 197,219**

(1) Certain of the above prior-period amounts have been revised to conform with enhancements made in the current period.

Citigroup Risk-Weighted Assets Rollforward (Basel III Standardized Approach)

In millions of dollars	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2023
Total Risk-Weighted Assets, beginning of period[1]	**$ 1,153,450**	**$ 1,148,678**
Changes in Credit Risk-Weighted Assets		
General credit risk exposures[2]	**(1,853)**	**(8,015)**
Derivatives[3]	**(2,447)**	**3,509**
Repo-style transactions[4]	**(1,571)**	**10,032**
Securitization exposures	**447**	**539**
Equity exposures[5]	**108**	**2,485**
Other exposures[6]	**2,577**	**6,374**
Net change in Credit Risk-Weighted Assets	**$ (2,739)**	**$ 14,924**
Changes in Market Risk-Weighted Assets		
Risk levels	**$ (1,964)**	**$ (7,749)**
Model and methodology updates	**(197)**	**(7,303)**
Net decrease in Market Risk-Weighted Assets[7]	**$ (2,161)**	**$ (15,052)**
Total Risk-Weighted Assets, end of period	**$ 1,148,550**	**$ 1,148,550**

(1) Certain of the above prior-period amounts have been revised to conform with enhancements made in the current period.

(2) General credit risk exposures include cash and balances due from depository institutions, securities, and loans and leases. General credit risk exposures decreased during the nine months ended September 30, 2023, primarily driven by divestitures and non-strategic portfolio exits.

(3) Derivative exposures decreased during the three months ended September 30, 2023, primarily driven by reduced exposures in FX. Derivative exposures increased during the nine months ended September 30, 2023, mainly driven by movements in rates and currencies.

(4) Repo-style transactions include repurchase and reverse repurchase transactions, as well as securities borrowing and securities lending transactions. Repo-style transactions increased during the nine months ended September 30, 2023, mainly due to increased business activities.

(5) Equity exposures increased during the nine months ended September 30, 2023, primarily due to increases in investment market share prices.

(6) Other exposures increased during the three and nine months ended September 30, 2023, mainly driven by increases across accounts receivables, prepaid expenses and other assets.

(7) Market risk-weighted assets decreased during the three and nine months ended September 30, 2023, primarily due to exposure changes and changes in model inputs related to volatility and correlation between market risk factors.

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

In millions of dollars	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2023
Total Risk-Weighted Assets, beginning of period(1)	**$ 1,234,271**	**$ 1,233,138**
Changes in Credit Risk-Weighted Assets		
General credit risk exposures(2)	**9,320**	**22,450**
Derivatives(3)	**5,161**	**(6,228)**
Repo-style transactions(4)	**(806)**	**1,698**
Securitization exposures	**446**	**1,407**
Equity exposures(5)	**(77)**	**2,751**
Other exposures(6)	**3,672**	**9,830**
Net increase in Credit Risk-Weighted Assets	**$ 17,716**	**$ 31,908**
Changes in Market Risk-Weighted Assets		
Risk levels	**$ (2,184)**	**$ (7,666)**
Model and methodology updates	**(197)**	**(7,303)**
Net decrease in Market Risk-Weighted Assets(7)	**$ (2,381)**	**$ (14,969)**
Net decrease in Operational Risk-Weighted Assets	**$ —**	**$ (471)**
Total Risk-Weighted Assets, end of period	**$ 1,249,606**	**$ 1,249,606**

(1) Certain of the above prior-period amounts have been revised to conform with enhancements made in the current period.
(2) General credit risk exposures decreased during the three and nine months ended September 30, 2023, mainly driven by lending as well as card activities.
(3) Derivative exposures increased during the three months ended September 30, 2023, primarily due to an increase in CVA. Derivative exposures decreased during the nine months ended September 30, 2023, driven by reductions across default risk and CVA.
(4) Repo-style transactions increased during the nine months ended September 30, 2023, mainly due to increased business activities.
(5) Equity exposures increased during the nine months ended September 30, 2023, primarily due to increases in investment market share prices.
(6) Other exposures increased during the three and nine months ended September 30, 2023, mainly driven by increases across accounts receivables, prepaid expenses and other assets.
(7) Market risk-weighted assets decreased during the three and nine months ended September 30, 2023, primarily due to exposure changes and changes in model inputs related to volatility and correlation between market risk factors.

Supplementary Leverage Ratio

The following table presents Citi's Supplementary Leverage ratio and related components as of September 30, 2023, June 30, 2023 and December 31, 2022:

In millions of dollars, except ratios	**September 30, 2023**	June 30, 2023	December 31, 2022
Tier 1 Capital	**$ 176,878**	$ 175,743	$ 169,145
Total Leverage Exposure			
On-balance sheet assets(1)(2)	**$ 2,415,293**	$ 2,467,128	$ 2,432,823
Certain off-balance sheet exposures(3)			
Potential future exposure on derivative contracts	**154,202**	144,823	133,071
Effective notional of sold credit derivatives, net(4)	**32,784**	31,833	34,117
Counterparty credit risk for repo-style transactions(5)	**21,199**	19,399	17,169
Other off-balance sheet exposures	**340,320**	318,185	326,553
Total of certain off-balance sheet exposures	**$ 548,505**	$ 514,240	$ 510,910
Less: Tier 1 Capital deductions	**36,406**	37,822	36,960
Total Leverage Exposure	**$ 2,927,392**	$ 2,943,546	$ 2,906,773
Supplementary Leverage ratio	**6.04 %**	5.97 %	5.82 %

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

(2) Citi's regulatory capital ratios and components reflect certain deferrals based on the modified regulatory capital transition provision related to the CECL standard. For additional information, see "Capital Resources—Regulatory Capital Treatment—Modified Transition of the Current Expected Credit Losses Methodology" in Citi's 2022 Form 10-K.

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

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

(5) Repo-style transactions include repurchase and reverse repurchase transactions as well as securities borrowing and securities lending transactions.

As presented in the table above, Citigroup's Supplementary Leverage ratio was approximately 6.0% at September 30, 2023 and June 30, 2023, compared to 5.8% at December 31, 2022. The increase from the fourth quarter of 2022 was primarily driven by an increase in Tier 1 Capital due to net income of $11.1 billion, partially offset by dividends and an increase in Total Leverage Exposure.

Capital Resources of Citigroup's Subsidiary U.S. Depository Institutions

Citigroup's subsidiary U.S. depository institutions are also subject to regulatory capital standards issued by their respective primary bank regulatory agencies, which are similar to the standards of the Federal Reserve Board.

The following tables present the capital components and ratios for Citibank, Citi's primary subsidiary U.S. depository institution, as of September 30, 2023, June 30, 2023 and December 31, 2022:

		Advanced Approaches			Standardized Approach		
In millions of dollars, except ratios	**Required Capital Ratios[(1)]**	**September 30, 2023**	June 30, 2023	December 31, 2022	**September 30, 2023**	June 30, 2023	December 31, 2022
CET1 Capital[(2)]		**$ 150,635**	$ 150,482	$ 149,593	**$ 150,635**	$ 150,482	$ 149,593
Tier 1 Capital[(2)]		**152,763**	152,612	151,720	**152,763**	152,612	151,720
Total Capital (Tier 1 Capital + Tier 2 Capital)[(2)(3)(8)]		**165,977**	165,840	165,141	**173,610**	173,517	172,647
Total Risk-Weighted Assets[(8)]		**1,027,427**	1,041,217	1,008,736	**976,833**	986,744	986,187
Credit Risk[(2)(8)]		**$ 750,046**	$ 758,445	$ 729,798	**$ 940,019**	$ 944,565	$ 948,150
Market Risk[(8)]		**36,667**	42,058	37,676	**36,814**	42,179	38,037
Operational Risk		**240,714**	240,714	241,262	**—**	—	—
CET1 Capital ratio[(4)(5)(8)]	**7.0 %**	**14.66 %**	14.45 %	14.83 %	**15.42 %**	15.25 %	15.17 %
Tier 1 Capital ratio[(4)(5)(8)]	**8.5**	**14.87**	14.66	15.04	**15.64**	15.47	15.38
Total Capital ratio[(4)(5)(8)]	**10.5**	**16.15**	15.93	16.37	**17.77**	17.58	17.51

In millions of dollars, except ratios	**Required Capital Ratios**	**September 30, 2023**	June 30, 2023	December 31, 2022
Quarterly Adjusted Average Total Assets[(2)(6)]		**$ 1,666,706**	$ 1,716,982	$ 1,738,744
Total Leverage Exposure[(2)(7)]		**2,139,843**	2,162,693	2,189,541
Leverage ratio[(5)]	**5.0 %**	**9.17 %**	8.89 %	8.73 %
Supplementary Leverage ratio[(5)]	**6.0**	**7.14**	7.06	6.93

(1) Citibank's required risk-based capital ratios are inclusive of the 2.5% Capital Conservation Buffer (all of which must be composed of CET1 Capital).
(2) Citibank's regulatory capital ratios and components reflect certain deferrals based on the modified regulatory capital transition provision related to the CECL standard. For additional information, see "Capital Resources—Regulatory Capital Treatment—Modified Transition of the Current Expected Credit Losses Methodology" in Citi's 2022 Form 10-K.
(3) Under the Standardized Approach, the allowance for credit losses is eligible for inclusion in Tier 2 Capital up to 1.25% of credit risk-weighted assets, with any excess allowance for credit losses being deducted in arriving at credit risk-weighted assets, which differs from the Advanced Approaches framework, in which eligible credit reserves that exceed expected credit losses are eligible for inclusion in Tier 2 Capital to the extent that the excess reserves do not exceed 0.6% of credit risk-weighted assets.
(4) Citibank's binding CET1 Capital, Tier 1 Capital and Total Capital ratios were derived under the Basel III Advanced Approaches framework for all periods presented.
(5) Citibank must maintain required CET1 Capital, Tier 1 Capital, Total Capital and Leverage ratios of 6.5%, 8.0%, 10.0% and 5.0%, 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. Citibank must also maintain a required Supplementary Leverage ratio of 6.0% to be considered "well capitalized."
(6) Leverage ratio denominator. Represents quarterly average total assets less amounts deducted from Tier 1 Capital.
(7) Supplementary Leverage ratio denominator.
(8) Certain of the above prior-period amounts have been revised to conform with enhancements made in the current period.

As presented in the table above, Citibank's capital ratios at September 30, 2023 were in excess of the regulatory capital requirements under the U.S. Basel III rules. In addition, Citibank was "well capitalized" as of September 30, 2023.

Citibank's Supplementary Leverage ratio was 7.1% at September 30, 2023 and June 30, 2023, compared to 6.9% at December 31, 2022. The year-to-date increase was driven by a decrease in Total Leverage Exposure, primarily due to lower average on-balance sheet assets, and an increase in Tier 1 Capital due to net income in 2023, partially offset by dividends.

Impact of Changes on Citigroup and Citibank Capital Ratios

The following tables present the estimated sensitivity of Citigroup's and Citibank's capital ratios to changes of $100 million in CET1 Capital, Tier 1 Capital and Total Capital (numerator), and changes of $1 billion in Advanced Approaches and Standardized Approach risk-weighted assets and quarterly adjusted average total assets, as well as Total Leverage Exposure (denominator), as of September 30, 2023. 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.

	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**	**1.0**	**0.8**	**1.1**	**0.8**	**1.3**
Standardized Approach	**0.9**	**1.2**	**0.9**	**1.3**	**0.9**	**1.6**
Citibank						
Advanced Approaches	**1.0**	**1.4**	**1.0**	**1.4**	**1.0**	**1.6**
Standardized Approach	**1.0**	**1.6**	**1.0**	**1.6**	**1.0**	**1.8**

	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	**0.4**	**0.3**	**0.3**	**0.2**
Citibank	**0.6**	**0.6**	**0.5**	**0.3**

Citigroup Broker-Dealer Subsidiaries

At September 30, 2023, 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 $16 billion, which exceeded the minimum requirement by $12 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 regulatory capital of $27 billion at September 30, 2023, 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 principal broker-dealer subsidiaries were in compliance with their regulatory capital requirements at September 30, 2023.

Total Loss-Absorbing Capacity (TLAC)

The table below details Citi's eligible external TLAC and long-term debt (LTD) amounts and ratios, and each TLAC and LTD regulatory requirement, as well as the surplus amount in dollars in excess of each requirement:

	September 30, 2023	
In billions of dollars, except ratios	**External TLAC**	**LTD**
Total eligible amount	**$ 337**	**$ 152**
% of Advanced Approaches risk-weighted assets	**27.0 %**	**12.1 %**
Regulatory requirement[1][2]	**22.5**	**9.5**
Surplus amount	**$ 56**	**$ 33**
% of Total Leverage Exposure	**11.5 %**	**5.2 %**
Regulatory requirement	**9.5**	**4.5**
Surplus amount	**$ 59**	**$ 20**

(1) External TLAC includes method 1 GSIB surcharge of 2.0%.
(2) LTD includes method 2 GSIB surcharge of 3.5%.

As of September 30, 2023, Citi exceeded each of the TLAC and LTD regulatory requirements, resulting in a $20 billion surplus above its binding TLAC requirement of LTD as a percentage of Total Leverage Exposure.

For additional information on Citi's TLAC-related requirements, see "Capital Resources—Total Loss-Absorbing Capacity (TLAC)" in Citi's 2022 Form 10-K.

Capital Resources (Full Adoption of CECL)[1]

The following tables present Citigroup's and Citibank's capital components and ratios under a hypothetical scenario where the full impact of CECL is reflected as of September 30, 2023:

	Citigroup				Citibank		
	Required Capital Ratios, Advanced Approaches	Required Capital Ratios, Standardized Approach	Advanced Approaches	Standardized Approach	Required Capital Ratios[2]	Advanced Approaches	Standardized Approach
CET1 Capital ratio	10.5 %	12.0 %	12.35 %	13.44 %	7.0 %	14.53 %	15.28 %
Tier 1 Capital ratio	12.0	13.5	14.01	15.24	8.5	14.74	15.50
Total Capital ratio	14.0	15.5	15.64	17.78	10.5	16.02	17.64

	Required Capital Ratios	Citigroup	Required Capital Ratios	Citibank
Leverage ratio	4.0 %	7.35 %	5.0 %	9.09 %
Supplementary Leverage ratio	5.0	5.97	6.0	7.08

(1) See footnote 2 on the "Components of Citigroup Capital" table above.
(2) Citibank's required capital ratios were the same under the Standardized Approach and the Advanced Approaches framework.

Regulatory Capital Standards and Developments

Basel III Revisions

On July 27, 2023, the U.S. banking agencies issued a notice of proposed rulemaking, known as the Basel III Endgame (capital proposal), that would amend U.S. regulatory capital requirements.

The capital proposal would maintain the current capital rule's dual-requirement structure for risk-weighted assets but would eliminate the use of internal models to calculate credit risk and operational risk components of risk-weighted assets. Large banking organizations, such as Citi, would be required to calculate their risk-based capital ratios under both the new expanded risk-based approach and the Standardized Approach and use the lower of the two for each risk-based capital ratio for determining the binding constraints.

The expanded risk-based approach is designed to align with the international capital standards adopted by the Basel Committee on Banking Supervision (Basel Committee). The Basel Committee finalized the Basel III reforms in December 2017, which included revisions to the methodologies to determine credit, market and operational risk-weighted asset amounts.

If adopted as proposed, the capital proposal's impact on risk-weighted asset amounts would also affect several other requirements including TLAC, external long-term debt and the short-term wholesale funding score included in the GSIB surcharge under method 2 (see "GSIB Surcharge" below for additional changes in that area). The proposal has a three-year transition period that would begin on July 1, 2025. Citi is currently reviewing the proposal and participating in the comment period. For additional information, see "Executive Summary" above.

GSIB Surcharge

Separately, the Federal Reserve Board proposed changes to the GSIB surcharge rule that aim to make it more risk sensitive. Proposed changes include measuring certain systemic indicators on a daily versus quarterly average basis, changing certain of the risk indicators and shortening the time to come into compliance with each year's surcharge. In addition, the proposal would narrow surcharge bands under method 2 from 50 bps to 10 bps to reduce cliff effects when moving between bands. This proposal is also subject to a comment period and provides that it would be effective two full calendar quarters after its finalization.

Long-Term Debt Requirements

On August 29, 2023, the Federal Reserve Board issued a notice of proposed rulemaking to amend the TLAC rule to change the haircuts (i.e., the percentage reductions) that are applied to eligible long-term debt. The proposed revisions are estimated to decrease the TLAC percentage of Advanced Approaches RWA as well as the TLAC percentage of Total Leverage Exposure. This proposal, which Citi is currently reviewing, is subject to a comment period and there is no proposed transition period for its implementation. The impact of the proposed rule in its current form is not expected to be material to Citi.

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

Tangible common equity (TCE), as defined by Citi, represents common stockholders' equity less goodwill and identifiable intangible assets (other than mortgage servicing rights (MSRs)). Return on tangible common equity (RoTCE) represents annualized net income available to common shareholders as a percentage of average TCE. Tangible book value per share (TBVPS) represents average TCE divided by average common shares outstanding. Other companies may calculate these measures differently. TCE, RoTCE and TBVPS are non-GAAP financial measures.

In millions of dollars or shares, except per share amounts	**September 30, 2023**	December 31, 2022
Total Citigroup stockholders' equity	**$ 209,503**	$ 201,189
Less: Preferred stock	**19,495**	18,995
Common stockholders' equity	**$ 190,008**	$ 182,194
Less:		
Goodwill	**19,829**	19,691
Identifiable intangible assets (other than MSRs)	**3,811**	3,763
Goodwill and identifiable intangible assets (other than MSRs) related to assets held-for-sale (HFS)	**49**	589
Tangible common equity (TCE)	**$ 166,319**	$ 158,151
Common shares outstanding (CSO)	**1,913.9**	1,937.0
Book value per share (common stockholders' equity/CSO)	**$ 99.28**	$ 94.06
Tangible book value per share (TCE/CSO)	**86.90**	81.65

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
In millions of dollars	**2023**	2022	**2023**	2022
Net income available to common shareholders	**$ 3,213**	$ 3,202	**$ 10,169**	$ 11,538
Average common stockholders' equity	**189,158**	179,699	**187,160**	179,950
Average TCE	**165,327**	155,511	**163,188**	155,391
Return on average common stockholders' equity	**6.7 %**	7.1 %	**7.3 %**	8.6 %
RoTCE	**7.7**	8.2	**8.3**	9.9

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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 and the key Leadership Principles that support it, as well as Citi's risk appetite. For more information on managing global risk at Citi, see "Managing Global Risk" in Citi's 2022 Form 10-K.

CREDIT RISK

For more information on credit risk, including Citi's credit risk management, measurement and stress testing, and Citi's consumer and corporate credit portfolios, see "Credit Risk" and "Risk Factors" in Citi's 2022 Form 10-K.

Loans

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

In billions of dollars	**3Q23**	2Q23	3Q22
Personal Banking and Wealth Management			
U.S. Retail banking	**$ 43**	$ 40	$ 36
U.S. Cards	**153**	149	138
Global Wealth	**151**	150	151
Total	**$ 347**	$ 339	$ 325
Institutional Clients Group			
Services	**$ 83**	$ 80	$ 82
Banking	**181**	185	197
Markets	**14**	13	12
Total	**$ 278**	$ 278	$ 291
Total *Legacy Franchises*[1]	**$ 37**	$ 37	$ 39
Total Citigroup loans (AVG)	**$ 662**	$ 654	$ 655
Total Citigroup loans (EOP)	**$ 666**	$ 661	$ 646

(1) See footnote 2 to the table in "Credit Risk—Consumer Credit—Consumer Credit Portfolio" below.

On an average basis, loans increased 1% both year-over-year and sequentially as growth in *PBWM* was largely offset by a decline in *ICG* and *Legacy Franchises*. *PBWM* average loans increased 7% year-over-year, primarily driven by loan growth in cards, mortgages and installment lending. *ICG* average loans decreased 4% year-over-year, reflecting actions taken to reduce RWA. *Legacy Franchises* average loans decreased 5%, primarily reflecting the impact of the continued wind-downs, particularly in Korea and China, partially offset by higher lending volumes in Mexico Consumer.

End-of-period loans increased 3% year-over-year, as growth in *PBWM*, reflecting an increase in U.S. Personal Banking, was partially offset by declines in *ICG* and *Legacy Franchises*. End-of-period loans increased 1% sequentially.

CORPORATE CREDIT

The following table details Citi's corporate credit portfolio within *ICG* and the Mexico SBMM component of *Legacy Franchises* (excluding certain loans managed on a delinquency basis, loans carried at fair value and loans held-for-sale), and before consideration of collateral or hedges, by remaining tenor for the periods indicated:

	September 30, 2023				June 30, 2023				December 31, 2022			
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)	**$ 125**	**$ 118**	**$ 38**	**$ 281**	$ 127	$ 118	$ 35	$ 280	$ 135	$ 122	$ 27	$ 284
Unfunded lending commitments (off-balance sheet)(2)	**144**	**259**	**19**	**422**	135	260	16	411	140	256	10	406
Total exposure	**$ 269**	**$ 377**	**$ 57**	**$ 703**	$ 262	$ 378	$ 51	$ 691	$ 275	$ 378	$ 37	$ 690

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

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

	September 30, 2023	June 30, 2023	December 31, 2022
North America	**56 %**	56 %	56 %
EMEA	**25**	25	25
Asia	**12**	12	12
Latin America	**7**	7	7
Total	**100 %**	100 %	100 %

The maintenance of accurate and consistent risk ratings across the corporate credit portfolio facilitates the comparison of credit exposure across all lines of business, geographic regions and products. Counterparty risk ratings reflect an estimated probability of default for a counterparty, and internal risk ratings are derived by leveraging validated statistical models and scorecards 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.

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

	Total exposure		
	September 30, 2023	June 30, 2023	December 31, 2022
AAA/AA/A	**49 %**	49 %	50 %
BBB	**34**	34	34
BB/B	**15**	15	14
CCC or below	**2**	2	2
Total	**100 %**	100 %	100 %

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

In addition to the obligor and facility risk ratings assigned to all exposures, Citi may classify exposures in the corporate credit portfolio. These classifications are consistent with Citi's interpretation of the U.S. banking regulators' definition of criticized exposures, which may categorize exposures as special mention, substandard, doubtful or loss.

Risk ratings and classifications are reviewed regularly and adjusted as appropriate. The credit review process incorporates quantitative and qualitative factors, including financial and non-financial disclosures or metrics, idiosyncratic events or changes to the competitive, regulatory or macroeconomic environment.

Citi believes the corporate credit portfolio to be appropriately rated and classified as of September 30, 2023. Citi has taken action to adjust internal ratings and classifications of exposures as both the macroeconomic environment and obligor-specific factors have changed, particularly where additional stress has been seen.

As obligor risk ratings are downgraded, the probability of default increases. Downgrades of obligor risk ratings tend to result in a higher provision for credit losses. In addition, appetite per obligor is reduced consistent with the ratings, and downgrades may result in the purchase of additional credit derivatives or other risk/structural mitigants to hedge the incremental credit risk, or may result in Citi's seeking to reduce exposure to an obligor or an industry sector. Citi will continue to review exposures to ensure that the appropriate probability of default is incorporated into all risk assessments.

See Note 13 for additional information on Citi's corporate credit portfolio.

Portfolio Mix—Industry

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

	Total exposure		
	September 30, 2023	June 30, 2023	December 31, 2022
Transportation and industrials	**21 %**	21 %	20 %
Technology, media and telecom	**12**	12	12
Consumer retail	**12**	12	11
Real estate	**10**	10	10
Commercial	**8**	8	8
Residential	**2**	2	2
Banks and finance companies(1)	**10**	10	10
Power, chemicals, metals and mining	**9**	9	9
Energy and commodities	**7**	7	7
Health	**5**	6	6
Insurance	**4**	4	4
Asset managers and funds	**3**	3	5
Public sector	**3**	3	3
Financial markets infrastructure	**3**	2	2
Other industries	**1**	1	1
Total	**100 %**	100 %	100 %

(1) As of the periods in the table, Citi had less than 1% exposure to securities firms. See corporate credit portfolio by industry, below.

The following table details Citi's corporate credit portfolio by industry as of September 30, 2023:

In millions of dollars	Total credit exposure	Funded[1]	Unfunded[1]	Investment grade	Non-investment grade: Non-criticized	Non-investment grade: Criticized performing	Non-investment grade: Criticized non-performing[2]	Selected metrics: 30 days or more past due and accruing	Selected metrics: Net credit losses (recoveries)	Selected metrics: Credit derivative hedges[3]
Transportation and industrials	**$ 150,025**	**$ 58,312**	**$ 91,713**	**$ 119,760**	**$ 24,845**	**$ 5,145**	**$ 275**	**$ 136**	**$ 37**	**$ (7,047)**
Autos[4]	49,486	22,606	26,880	42,945	5,439	1,044	58	43	19	(2,291)
Transportation	27,565	11,181	16,384	20,314	5,758	1,408	85	7	7	(1,185)
Industrials	72,974	24,525	48,449	56,501	13,648	2,693	132	86	11	(3,571)
Technology, media and telecom	**84,142**	**28,116**	**56,026**	**66,735**	**13,586**	**3,383**	**438**	**107**	**21**	**(5,449)**
Consumer retail	**81,615**	**34,117**	**47,498**	**63,016**	**15,030**	**3,370**	**199**	**154**	**53**	**(5,371)**
Real estate	**70,625**	**49,107**	**21,518**	**62,050**	**4,467**	**3,287**	**821**	**103**	**2**	**(547)**
Commercial	54,478	34,950	19,528	45,972	4,461	3,287	758	103	2	(547)
Residential	16,147	14,157	1,990	16,078	6	—	63	—	—	—
Banks and finance companies	**73,721**	**45,506**	**28,215**	**64,801**	**7,640**	**1,144**	**136**	**127**	**37**	**(633)**
Power, chemicals, metals and mining	**58,757**	**18,736**	**40,021**	**45,983**	**10,601**	**2,042**	**131**	**145**	**7**	**(4,970)**
Power	23,430	4,487	18,943	20,075	2,726	535	94	16	7	(2,301)
Chemicals	21,808	8,044	13,764	15,855	4,927	1,011	15	50	1	(2,042)
Metals and mining	13,519	6,205	7,314	10,053	2,948	496	22	79	(1)	(627)
Energy and commodities[5]	**45,098**	**12,752**	**32,346**	**38,870**	**5,607**	**481**	**140**	**3**	**(14)**	**(3,079)**
Health	**34,731**	**9,029**	**25,702**	**29,239**	**4,087**	**1,249**	**156**	**24**	**7**	**(3,021)**
Insurance	**29,685**	**3,550**	**26,135**	**28,608**	**1,041**	**36**	**—**	**6**	**—**	**(4,436)**
Asset managers and funds	**22,027**	**5,559**	**16,468**	**20,389**	**1,535**	**64**	**39**	**1**	**—**	**(170)**
Public sector	**23,530**	**10,730**	**12,800**	**20,975**	**2,089**	**462**	**4**	**40**	**6**	**(1,281)**
Financial markets infrastructure	**18,884**	**123**	**18,761**	**18,884**	**—**	**—**	**—**	**—**	**—**	**(7)**
Securities firms	**1,620**	**623**	**997**	**951**	**635**	**34**	**—**	**—**	**—**	**(2)**
Other industries[6]	**9,000**	**5,184**	**3,816**	**4,203**	**4,492**	**270**	**35**	**48**	**(1)**	**(12)**
Total	**$ 703,460**	**$ 281,445**	**$ 422,016**	**$ 584,464**	**$ 95,655**	**$ 20,967**	**$ 2,374**	**$ 894**	**$ 155**	**$ (36,025)**

(1) Funded excludes loans carried at fair value of $7.2 billion at September 30, 2023.
(2) Includes non-accrual loan exposures and criticized unfunded exposures.
(3) Represents the amount of purchased credit protection in the form of derivatives to economically hedge funded and unfunded exposures. Of the $36.0 billion of purchased credit protection, $33.7 billion represents the total notional amount of purchased credit derivatives on individual reference entities. The remaining $2.3 billion represents the first loss tranche of portfolios of purchased credit derivatives with a total notional of $18.6 billion, where the protection seller absorbs the first loss on the referenced loan portfolios.
(4) Autos total credit exposure includes securitization financing facilities secured by auto loans and leases, extended mainly to the finance company subsidiaries of global auto manufacturers, bank subsidiaries and independent auto finance companies, of approximately $18.3 billion ($10.8 billion in funded, with 100% rated investment grade) as of September 30, 2023.
(5) In addition to this exposure, Citi has energy-related exposure within the public sector (e.g., energy-related state-owned entities) and the transportation and industrials sector (e.g., off-shore drilling entities) included in the table above. As of September 30, 2023, Citi's total exposure to these energy-related entities was approximately $5.0 billion, of which approximately $2.6 billion consisted of direct outstanding funded loans.
(6) Includes $0.8 billion and $0.1 billion of funded and unfunded exposure at September 30, 2023, respectively, primarily related to commercial credit card delinquency-managed loans.

Exposure to Commercial Real Estate

As of September 30, 2023, Citi's total credit exposure to commercial real estate (CRE) was $66 billion (unchanged from June 30, 2023), including $8 billion of exposure related to office buildings. This total CRE exposure consisted of (i) approximately $54 billion related to corporate clients (unchanged from June 30, 2023), mainly included in the real estate category in the table above, and (ii) approximately $11 billion related to Private bank clients (unchanged from June 30, 2023) within *PBWM* that is not in the table above as they are not considered corporate exposures.

In addition, as of September 30, 2023, approximately 86% of Citi's total CRE exposure was rated investment grade and more than 76% was to borrowers in the U.S.

As of September 30, 2023, the ACLL attributed to the total funded CRE exposure (including the Private bank) was approximately 1.45%, and there were $743 million of non-accrual CRE loans.

The following table details Citi's corporate credit portfolio by industry as of December 31, 2022:

In millions of dollars	Total credit exposure	Funded[1]	Unfunded[1]	Investment grade	Non-investment grade: Non-criticized	Non-investment grade: Criticized performing	Non-investment grade: Criticized non-performing[2]	Selected metrics: 30 days or more past due and accruing	Selected metrics: Net credit losses (recoveries)	Selected metrics: Credit derivative hedges[3]
Transportation and industrials	$ 139,225	$ 57,271	$ 81,954	$ 109,197	$ 19,697	$ 9,850	$ 481	$ 403	$ —	$ (8,459)
Autos[4]	47,482	21,995	25,487	40,795	5,171	1,391	125	52	—	(3,084)
Transportation	24,843	10,374	14,469	18,078	3,156	3,444	165	57	(30)	(1,270)
Industrials	66,900	24,902	41,998	50,324	11,370	5,015	191	294	30	(4,105)
Technology, media and telecom	81,211	28,931	52,280	65,386	12,308	3,308	209	169	11	(6,050)
Consumer retail	78,255	32,687	45,568	60,215	14,830	2,910	300	195	28	(5,395)
Real estate	70,676	48,539	22,137	63,023	4,722	2,881	50	138	2	(739)
Commercial	54,139	34,112	20,027	46,670	4,716	2,703	50	96	2	(739)
Residential	16,537	14,427	2,110	16,353	6	178	—	42	—	—
Banks and finance companies	65,623	42,276	23,347	57,368	5,718	2,387	150	266	65	(1,113)
Power, chemicals, metals and mining	59,404	18,326	41,078	47,395	10,466	1,437	106	226	34	(5,063)
Power	22,718	4,827	17,891	18,822	3,325	512	59	129	(3)	(2,306)
Chemicals	23,147	7,765	15,382	19,033	3,534	564	16	55	30	(2,098)
Metals and mining	13,539	5,734	7,805	9,540	3,607	361	31	42	7	(659)
Energy and commodities[5]	46,309	13,069	33,240	38,918	6,076	1,200	115	180	11	(3,852)
Health	41,836	8,771	33,065	36,954	3,737	978	167	84	7	(2,855)
Insurance	29,932	4,417	25,515	29,090	801	41	—	44	—	(3,884)
Asset managers and funds	35,983	13,162	22,821	34,431	1,492	60	—	95	—	(759)
Public sector	23,705	11,736	11,969	20,663	2,084	956	2	77	4	(1,633)
Financial markets infrastructure	8,742	60	8,682	8,672	70	—	—	—	—	(18)
Securities firms	1,462	569	893	625	678	157	2	2	—	(2)
Other industries[6]	7,374	4,217	3,157	4,842	2,245	238	49	19	16	(8)
Total	$ 689,737	$ 284,031	$ 405,706	$ 576,779	$ 84,924	$ 26,403	$ 1,631	$ 1,898	$ 178	$ (39,830)

(1) Funded excludes loans carried at fair value of $5.1 billion at December 31, 2022.
(2) Includes non-accrual loan exposures and criticized unfunded exposures.
(3) Represents the amount of purchased credit protection in the form of derivatives to economically hedge funded and unfunded exposures. Of the $39.8 billion of purchased credit protection, $36.6 billion represents the total notional amount of purchased credit derivatives on individual reference entities. The remaining $3.2 billion represents the first loss tranche of portfolios of purchased credit derivatives with a total notional of $27.6 billion, where the protection seller absorbs the first loss on the referenced loan portfolios.
(4) Autos total credit exposure includes securitization financing facilities secured by auto loans and leases, extended mainly to the finance company subsidiaries of global auto manufacturers, bank subsidiaries and independent auto finance companies, of approximately $17.4 billion ($10.3 billion in funded, with more than 99% rated investment grade) as of December 31, 2022.
(5) In addition to this exposure, Citi has energy-related exposure within the public sector (e.g., energy-related state-owned entities) and the transportation and industrials sector (e.g., off-shore drilling entities) included in the table above. As of December 31, 2022, Citi's total exposure to these energy-related entities was approximately $4.7 billion, of which approximately $2.4 billion consisted of direct outstanding funded loans.
(6) Includes $0.6 billion and $0.1 billion of funded and unfunded exposure at December 31, 2022, respectively, primarily related to commercial credit card delinquency-managed loans.

Credit Risk Mitigation

As part of its overall risk management activities, Citigroup uses credit derivatives, both partial- and full-term, and other risk mitigants to economically hedge portions of the credit risk in its corporate credit portfolio, in addition to outright asset sales. In advance of the expiration of partial-term economic hedges, Citi will determine, among other factors, the economic feasibility of hedging the remaining life of the instrument. The results of the mark-to-market and any realized gains or losses on credit derivatives are reflected primarily in *Principal transactions* in the Consolidated Statement of Income.

At September 30, 2023, June 30, 2023 and December 31, 2022, *ICG* had economic hedges on the corporate credit portfolio of $36.0 billion, $38.5 billion and $39.8 billion, respectively. Citi's expected credit loss model used in the calculation of its ACL 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 *ICG* corporate credit portfolio exposures with the following risk rating distribution:

Rating of Hedged Exposure

	September 30, 2023	June 30, 2023	December 31, 2022
AAA/AA/A	**45 %**	42 %	39 %
BBB	**43**	43	45
BB/B	**10**	13	12
CCC or below	**2**	2	4
Total	**100 %**	100 %	100 %

CONSUMER CREDIT

Consumer Credit Portfolio

The following table presents Citi's quarterly end-of-period consumer loans[1]:

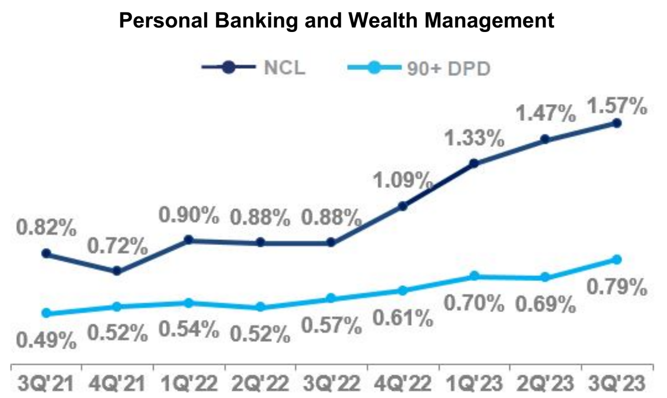
In billions of dollars	3Q22[2]	4Q22[2]	1Q23[2]	2Q23[2]	**3Q23[2]**
Personal Banking and Wealth Management					
U.S. Personal Banking					
Cards					
Branded cards	$ 93.7	$ 100.2	$ 97.1	$ 103.0	**$ 105.2**
Retail services	46.7	50.5	48.4	50.0	**50.5**
Retail banking					
Mortgages[5]	32.3	33.4	35.3	37.4	**38.8**
Personal, small business and other	3.5	3.7	3.9	4.1	**4.3**
Global Wealth[3][4]					
Cards	4.0	4.6	4.4	4.5	**4.6**
Mortgages[5]	82.0	84.0	85.2	87.0	**88.8**
Personal, small business and other[6]	65.1	60.6	60.3	59.0	**57.2**
Total	**$ 327.3**	**$ 337.0**	**$ 334.6**	**$ 345.0**	**$ 349.4**
Legacy Franchises					
Asia Consumer[7]	$ 13.4	$ 13.3	$ 10.0	$ 9.1	**$ 8.0**
Mexico Consumer (excludes Mexico SBMM)	13.7	14.8	16.3	17.8	**17.8**
Legacy Holdings Assets[8]	3.2	3.0	2.8	2.7	**2.5**
Total	**$ 30.3**	**$ 31.1**	**$ 29.1**	**$ 29.6**	**$ 28.3**
Total consumer loans	**$ 357.6**	**$ 368.1**	**$ 363.7**	**$ 374.6**	**$ 377.7**

(1) End-of-period loans include interest and fees on credit cards.
(2) Asia Consumer loan balances, reported within *Legacy Franchises*, exclude any loans reclassified to held-for-sale (HFS) as of the date Citi enters into a sale agreement for the respective Asia Consumer banking business. These reclassified HFS loans are instead reported in *Other assets* on the Consolidated Balance Sheet until sale closing. The remaining Asia Consumer loan portfolios—China, Korea, Russia and Poland—are held-for-investment and included in end-of-period consumer loans for all periods presented. All HFS portfolios were reclassified prior to the end of 1Q22 except for a $1.8 billion portfolio, which was moved to HFS in 1Q23 and subsequently sold in 2Q23.
(3) Consists of $101.1 billion, $99.5 billion, $98.9 billion, $98.2 billion and $99.3 billion of loans in North America as of September 30, 2023, June 30, 2023, March 31, 2023, December 31, 2022 and September 30, 2022, respectively. For additional information on the credit quality of the Global Wealth portfolio, see Note 13.
(4) Consists of $49.5 billion, $51.0 billion, $51.0 billion, $51.0 billion and $51.8 billion of loans outside North America as of September 30, 2023, June 30, 2023, March 31, 2023, December 31, 2022 and September 30, 2022, respectively.
(5) See Note 13 for details on loan-to-value ratios for the portfolios and FICO scores for the U.S. portfolio.
(6) At September 30, 2023, includes approximately $47 billion of classifiably managed loans. Over 90% of these loans are fully collateralized (consisting primarily of marketable investment securities, commercial real estate and limited partner capital commitments in private equity) and have experienced very low historical net credit losses (NCLs). As discussed below, approximately 95% of the classifiably managed portion of these loans are investment grade. See "Consumer Loan Delinquencies Amounts and Ratios" below for details on the delinquency-managed portfolio.
(7) Asia Consumer also includes loans and leases in certain EMEA countries for all periods presented.
(8) Primarily consists of certain North America consumer mortgages.

For information on changes to Citi's consumer loans, see "Credit Risk—Loans" above.

Consumer Credit Trends

Personal Banking and Wealth Management (PBWM)

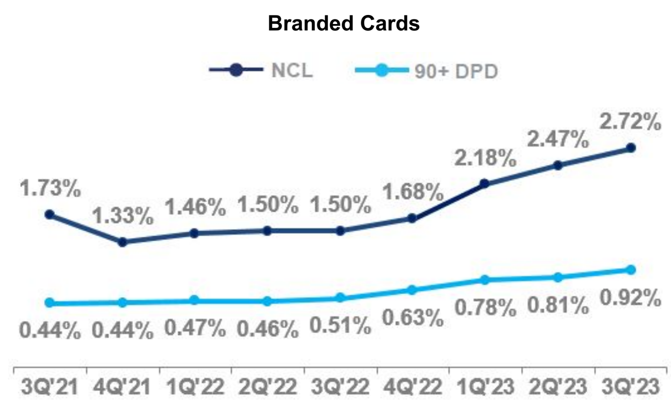


As indicated above, *PBWM* consists of U.S. Personal Banking and Global Wealth Management (Global Wealth). U.S. Personal Banking provides card products through Branded cards and Retail services, and also provides mortgages and home equity, small business and personal consumer loans through Citi's Retail banking network. The Retail bank is concentrated in six major U.S. metropolitan areas. Global Wealth provides investment services, cards, mortgages and personal, small business and other consumer loans through the Private bank, Wealth at Work and Citigold.

As of September 30, 2023, 45% of *PBWM* consumer loans consisted of U.S. cards loans. U.S. cards net credit losses represented approximately 94% of total *PBWM* losses.

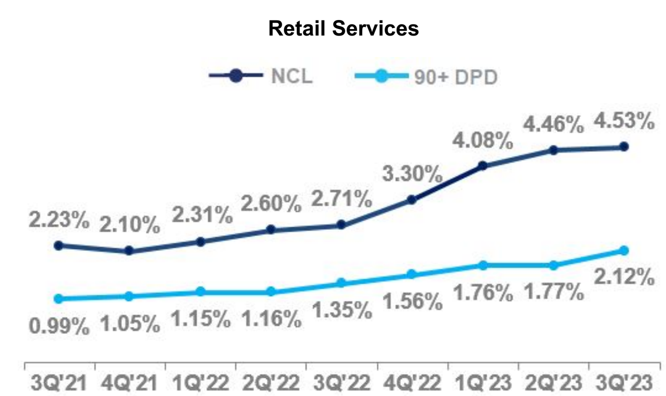
As shown in the chart above, the third quarter of 2023 net credit loss rate in *PBWM* increased quarter-over-quarter and year-over-year, largely driven by a continued increase in net flow rates (due to certain loans migrating into later-stage delinquency buckets), primarily reflecting the ongoing normalization in Branded cards and Retail services, including macroeconomic pressures related to the higher inflationary and interest rate environment.

PBWM's 90+ days past due delinquency rate increased quarter-over-quarter and year-over-year, largely driven by a continued increase in net flow rates (due to certain loans migrating into later-stage delinquency buckets), primarily reflecting the ongoing normalization in Branded cards and Retail services, including the macroeconomic pressures related to the higher inflationary and interest rate environment.



U.S. Personal Banking's Branded cards portfolio includes proprietary and co-branded cards.

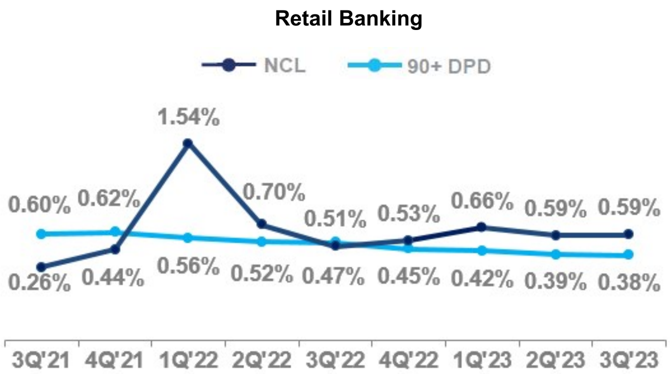
As shown in the chart above, the third quarter of 2023 net credit loss rate and 90+ days past due delinquency rate in Branded cards increased quarter-over-quarter and year-over-year, largely driven by a continued increase in net flow rates (due to certain loans migrating into later-stage delinquency buckets), primarily reflecting ongoing normalization, including macroeconomic pressures related to the higher inflationary and interest rate environment.



U.S. Personal Banking's Retail services partners directly with more than 20 retailers and dealers to offer private label and co-branded cards. Retail services' target market focuses on select industry segments such as home improvement, specialty retail, consumer electronics and fuel. Retail services continually evaluates opportunities to add partners within target industries that have strong loyalty, lending or payment programs and growth potential.

As shown in the chart above, the third quarter of 2023 net credit loss rate and 90+ days past due delinquency rate in Retail services increased quarter-over-quarter and year-over-year, largely driven by a continued increase in net flow rates (due to certain loans migrating into later-stage delinquency buckets), primarily reflecting the ongoing normalization, including macroeconomic pressures related to the higher inflationary and interest rate environment.

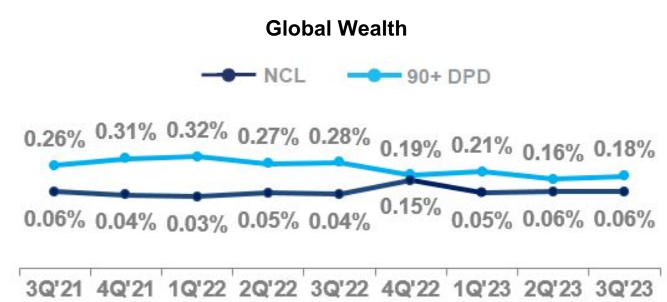
For additional information on cost of credit, loan delinquency and other information for Citi's cards portfolios, see each respective business's results of operations above and Note 13.



U.S. Personal Banking's Retail banking portfolio consists primarily of consumer mortgages (including home equity) and unsecured lending products, such as small business loans and personal loans. The portfolio is generally delinquency managed, where Citi evaluates credit risk based on FICO scores, delinquencies and the value of underlying collateral. The consumer mortgages in this portfolio have historically been extended to high credit quality customers, generally with loan-to-value ratios that are less than or equal to 80% on first and second mortgages. For additional information, see "Loan-to-Value (LTV) Ratios" in Note 13.

As shown in the chart above, the net credit loss rate in Retail banking for the third quarter of 2023 was unchanged quarter-over-quarter, and increased year-over-year, primarily driven by growth and seasoning of the personal loans portfolio.

The 90+ days past due delinquency rate was broadly stable quarter-over-quarter, and decreased year-over-year, primarily driven by lower delinquencies in U.S. mortgages.

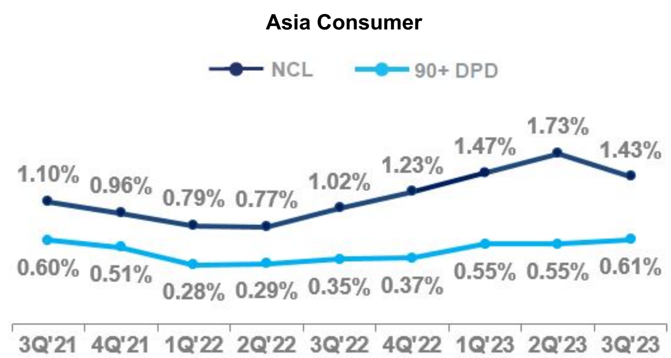


As discussed above, the Global Wealth credit portfolios primarily consist of consumer mortgages, cards and other lending products extended to customer segments that range from the affluent to ultra-high-net-worth through the Private bank, Wealth at Work and Citigold. These customer segments represent a target market that is characterized by historically low default rates and delinquencies.

As of September 30, 2023, approximately $47 billion, or 31%, of the portfolio was classifiably managed and primarily consisted of margin lending, commercial real estate, subscription credit finance and other lending programs. These classifiably managed loans are primarily evaluated for credit risk based on their internal risk rating, of which 95% is rated investment grade. While the delinquency rate in the chart above is calculated only for the delinquency-managed portfolio, the net credit loss rate is calculated using net credit losses for both the delinquency and classifiably managed portfolios. For more information on Citi's total commercial real estate exposure, see "Exposure to Commercial Real Estate" within the Corporate Credit section.

As shown in the chart above, the net credit loss and 90+ days past due delinquency rates in Global Wealth for the third quarter of 2023 were broadly stable quarter-over-quarter and year-over-year. The low levels of net credit losses and the 90+ days past due delinquency rate continued to reflect the strong credit profiles of the Global Wealth portfolios.

Legacy Franchises

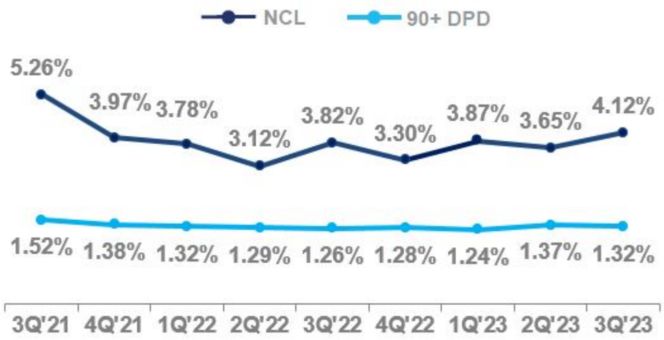


Asia Consumer provides credit cards, consumer mortgages and small business and personal loans. Asia Consumer also includes loans and leases in certain EMEA countries for all periods presented. As discussed above, as of the third quarter of 2023, Asia Consumer includes only the loan balances of the remaining consumer banking portfolios held-for-investment (China, Korea, Russia and Poland).

As shown in the chart above, the net credit loss rate in Asia Consumer for the third quarter of 2023 decreased quarter-over-quarter, driven by higher recoveries, and increased year-over-year, primarily driven by lower average loans due to the ongoing wind-downs of the remaining consumer businesses, particularly Korea, and the reclassification of the portfolio to HFS in the first quarter of 2023 (subsequently sold in the second quarter of 2023).

The 90+ days past due delinquency rate was broadly stable quarter-over-quarter and increased year-over-year. The year-over-year increase was mainly driven by lower loans due to the ongoing wind-downs.

Mexico Consumer



Mexico Consumer operates in Mexico through Citibanamex and provides cards, consumer mortgages and small business and personal loans. Mexico Consumer serves a more mass-market segment in Mexico and focuses on developing multiproduct relationships with customers.

As shown in the chart above, the net credit loss rate in Mexico Consumer for the third quarter of 2023 increased quarter-over-quarter and year-over-year, primarily driven by the ongoing normalization of loss rates after peak losses experienced during the pandemic.

The 90+ days past due delinquency rate decreased quarter-over-quarter, driven by the sale of delinquent loans of a portfolio segment, and increased year-over-year, driven by the ongoing normalization of delinquency rates after peak delinquencies experienced during the pandemic.

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

U.S. Cards FICO Distribution

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

Branded Cards

FICO distribution[(1)]	September 30, 2023	June 30, 2023	September 30, 2022
> 760	**46 %**	47 %	48 %
680–760	**39**	38	38
< 680	**15**	15	14
Total	**100 %**	100 %	100 %

Retail Services

FICO distribution[(1)]	September 30, 2023	June 30, 2023	September 30, 2022
> 760	**26 %**	27 %	27 %
680–760	**42**	42	43
< 680	**32**	31	30
Total	**100 %**	100 %	100 %

(1) The FICO bands in the tables are consistent with general industry peer presentations.

The FICO distribution of both card portfolios declined slightly from the prior quarter and the prior year, reflecting the ongoing normalization in net credit loss and delinquency rates. The FICO distribution continued to reflect strong underlying credit quality and benefits from the continued impacts of prior government stimulus, unemployment benefits and customer relief programs. See Note 13 for additional information on FICO scores.

Additional Consumer Credit Details

Consumer Loan Delinquencies Amounts and Ratios

In millions of dollars, except EOP loan amounts in billions	EOP loans(1) September 30, 2023	90+ days past due(2) September 30, 2023	90+ days past due(2) June 30, 2023	90+ days past due(2) September 30, 2022	30–89 days past due(2) September 30, 2023	30–89 days past due(2) June 30, 2023	30–89 days past due(2) September 30, 2022
Personal Banking and Wealth Management(3)(4)(5)							
Total	**$ 349.4**	**$ 2,399**	$ 2,041	$ 1,557	**$ 2,585**	$ 2,213	$ 1,778
Ratio		**0.79 %**	0.69 %	0.57 %	**0.86 %**	0.75 %	0.65 %
U.S. Personal Banking							
Total	**$ 198.8**	**$ 2,207**	$ 1,882	$ 1,286	**$ 2,327**	$ 1,974	$ 1,474
Ratio		**1.11 %**	0.97 %	0.73 %	**1.17 %**	1.02 %	0.84 %
Cards(4)							
Total	**155.7**	**2,045**	1,723	1,105	**2,093**	1,741	1,269
Ratio		**1.31 %**	1.13 %	0.79 %	**1.34 %**	1.14 %	0.90 %
Branded cards	**105.2**	**972**	837	474	**1,019**	834	554
Ratio		**0.92 %**	0.81 %	0.51 %	**0.97 %**	0.81 %	0.59 %
Retail services	**50.5**	**1,073**	886	631	**1,074**	907	715
Ratio		**2.12 %**	1.77 %	1.35 %	**2.13 %**	1.81 %	1.53 %
Retail banking(3)	**43.1**	**162**	159	181	**234**	233	205
Ratio		**0.38 %**	0.39 %	0.51 %	**0.55 %**	0.57 %	0.58 %
Global Wealth delinquency-managed loans(5)	**$ 103.8**	**$ 192**	$ 159	$ 271	**$ 258**	$ 239	$ 304
Ratio		**0.18 %**	0.16 %	0.28 %	**0.25 %**	0.23 %	0.31 %
Global Wealth classifiably managed loans(6)	**$ 46.8**	**N/A**	N/A	N/A	**N/A**	N/A	N/A
Legacy Franchises							
Total	**$ 28.3**	**$ 393**	$ 413	$ 375	**$ 366**	$ 359	$ 299
Ratio		**1.40 %**	1.40 %	1.25 %	**1.30 %**	1.22 %	1.00 %
Asia Consumer(7)(8)	**8.0**	**49**	50	47	**58**	60	63
Ratio		**0.61 %**	0.55 %	0.35 %	**0.73 %**	0.66 %	0.47 %
Mexico Consumer	**17.8**	**235**	243	173	**236**	228	169
Ratio		**1.32 %**	1.37 %	1.26 %	**1.33 %**	1.28 %	1.23 %
Legacy Holdings Assets (consumer)(9)	**2.5**	**109**	120	155	**72**	71	67
Ratio		**4.74 %**	4.80 %	5.34 %	**3.13 %**	2.84 %	2.31 %
Total Citigroup consumer	**$ 377.7**	**$ 2,792**	$ 2,454	$ 1,932	**$ 2,951**	$ 2,572	$ 2,077
Ratio		**0.85 %**	0.75 %	0.64 %	**0.89 %**	0.79 %	0.68 %

(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 and 30–89 days past due and related ratios for Retail banking exclude loans guaranteed by U.S. government-sponsored agencies since the potential risk of loss predominantly resides with the U.S. government-sponsored agencies. The amounts excluded for loans 90+ days past due and (EOP loans) were $61 million ($0.5 billion), $73 million ($0.5 billion) and $96 million ($0.6 billion) at September 30, 2023, June 30, 2023 and September 30, 2022, respectively. The amounts excluded for loans 30–89 days past due (the 30–89 days past due EOP loans have the same adjustments as the 90+ days past due EOP loans) were $70 million, $68 million and $67 million at September 30, 2023, June 30, 2023 and September 30, 2022, respectively. The EOP loans in the table include the guaranteed loans.
(4) The 90+ days past due balances for Branded cards and Retail services are generally still accruing interest. Citi'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.
(5) Excludes EOP classifiably managed Private bank loans. These loans are not included in the delinquency numerator, denominator and ratios.
(6) These loans are evaluated for non-accrual status and write-off primarily based on their internal risk classification and not solely on their delinquency status, and therefore delinquency metrics are excluded from this table. As of September 30, 2023, June 30, 2023 and September 30, 2022, 95%, 97% and 95% of Global Wealth classifiably managed loans were rated investment grade. For additional information on the credit quality of the Global Wealth portfolio, including classifiably managed portfolios, see "Consumer Credit Trends" above.
(7) Asia Consumer includes delinquencies and loans in certain EMEA countries for all periods presented.

(8) Citi has entered into agreements to sell certain Asia Consumer banking businesses. Accordingly, the loans of these businesses have been reclassified as HFS in *Other assets* on the Consolidated Balance Sheet, and hence the loans and related delinquencies and ratios are not included in this table. The reclassifications commenced as follows: Bahrain, India, Indonesia, Malaysia, Taiwan, Thailand and Vietnam in 1Q22 (Bahrain, Malaysia and Thailand closed in 4Q22; India and Vietnam closed in 1Q23 and Taiwan closed in 3Q23). In addition, a portfolio was reclassified to HFS in the first quarter of 2023 and subsequently sold in the second quarter of 2023. See Note 2 for additional information.

(9) The 90+ days past due and 30–89 days past due and related ratios exclude U.S. mortgage loans that are primarily related to U.S. mortgages guaranteed by U.S. government-sponsored agencies since the potential risk of loss predominantly resides with the U.S. agencies. The amounts excluded for 90+ days past due and (EOP loans) were $67 million ($0.2 billion), $77 million ($0.2 billion) and $95 million ($0.3 billion) at September 30, 2023, June 30, 2023 and September 30, 2022, respectively. The amounts excluded for loans 30–89 days past due (the 30–89 days past due EOP loans have the same adjustments as the 90+ days past due EOP loans) were $36 million, $31 million and $31 million at September 30, 2023, June 30, 2023 and September 30, 2022, respectively. The EOP loans in the table include the guaranteed loans.

N/A Not applicable

Consumer Loan Net Credit Losses (NCLs) and Ratios

	Average loans[(1)]	Net credit losses[(2)]		
In millions of dollars, except average loan amounts in billions	**3Q23**	**3Q23**	2Q23	3Q22
Personal Banking and Wealth Management[(2)]				
Total	**$ 346.5**	**$ 1,367**	$ 1,241	$ 723
Ratio		**1.57 %**	1.47 %	0.88 %
U.S. Personal Banking				
Total	**$ 195.6**	**$ 1,343**	$ 1,218	$ 706
Ratio		**2.72 %**	2.58 %	1.61 %
Cards				
Total	**153.4**	**1,280**	1,159	663
Ratio		**3.31 %**	3.12 %	1.91 %
Branded cards	**103.2**	**707**	614	348
Ratio		**2.72 %**	2.47 %	1.50 %
Retail services	**50.2**	**573**	545	315
Ratio		**4.53 %**	4.46 %	2.71 %
Retail banking	**42.2**	**63**	59	43
Ratio		**0.59 %**	0.59 %	0.47 %
Global Wealth	**$ 150.9**	**$ 24**	$ 23	$ 17
Ratio		**0.06 %**	0.06 %	0.04 %
Legacy Franchises				
Total	**$ 29.1**	**$ 212**	$ 188	$ 158
Ratio		**2.89 %**	2.59 %	1.97 %
Asia Consumer[(3)(4)]	**8.6**	**31**	41	39
Ratio		**1.43 %**	1.73 %	1.02 %
Mexico Consumer	**17.9**	**186**	153	130
Ratio		**4.12 %**	3.65 %	3.82 %
Legacy Holdings Assets (consumer)	**2.6**	**(5)**	(6)	(11)
Ratio		**(0.76)%**	(0.86)%	(1.41)%
Total Citigroup	**$ 375.6**	**$ 1,579**	$ 1,429	$ 881
Ratio		**1.67 %**	1.56 %	0.98 %

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

(4) Approximately $4 million, $8 million and $34 million in NCLs relating to certain Asia Consumer businesses classified as held-for-sale in *Other assets* and *Other liabilities* on the Consolidated Balance Sheet were recorded as a reduction in revenue (*Other revenue*) in 3Q23, 2Q23 and 3Q22, respectively. Accordingly, these NCLs are not included in this table. See Note 2 for additional information regarding businesses held-for-sale.

ADDITIONAL CONSUMER AND CORPORATE CREDIT DETAILS

Loans Outstanding

In millions of dollars	3rd Qtr. 2023	2nd Qtr. 2023	1st Qtr. 2023	4th Qtr. 2022	3rd Qtr. 2022
Consumer loans					
In North America offices(1)					
Residential first mortgages(2)	**$ 106,369**	$ 102,680	$ 98,790	$ 96,039	$ 93,381
Home equity loans(2)	**3,796**	4,000	4,244	4,580	4,794
Credit cards	**155,698**	152,951	145,543	150,643	140,404
Personal, small business and other	**36,590**	37,161	37,812	37,752	40,110
Total	**$ 302,453**	$ 296,792	$ 286,389	$ 289,014	$ 278,689
In offices outside North America(1)					
Residential mortgages(2)	**$ 26,389**	$ 27,090	$ 26,913	$ 28,114	$ 27,281
Credit cards	**13,573**	13,714	13,033	12,955	11,764
Personal, small business and other	**35,299**	36,995	37,361	37,984	39,849
Total	**$ 75,261**	$ 77,799	$ 77,307	$ 79,053	$ 78,894
Consumer loans, net of unearned income(3)	**$ 377,714**	$ 374,591	$ 363,696	$ 368,067	$ 357,583
Corporate loans					
In North America offices(1)					
Commercial and industrial	**$ 58,130**	$ 59,790	$ 59,790	$ 56,176	$ 52,990
Financial institutions	**36,783**	36,268	38,524	43,399	43,667
Mortgage and real estate(2)	**17,445**	17,495	18,562	17,829	17,762
Installment and other	**23,207**	22,153	23,578	23,767	21,222
Lease financing	**225**	224	299	308	383
Total	**$ 135,790**	$ 135,930	$ 140,753	$ 141,479	$ 136,024
In offices outside North America(1)					
Commercial and industrial	**$ 95,528**	$ 95,836	$ 92,803	$ 93,967	$ 100,570
Financial institutions	**23,759**	21,701	22,272	21,931	23,604
Mortgage and real estate(2)	**6,481**	6,076	4,975	4,179	4,005
Installment and other	**24,407**	23,395	24,800	23,347	19,653
Lease financing	**46**	49	49	46	48
Governments and official institutions	**2,794**	3,034	2,647	4,205	4,473
Total	**$ 153,015**	$ 150,091	$ 147,546	$ 147,675	$ 152,353
Corporate loans, net of unearned income, excluding portfolio layer cumulative basis adjustments(4)	**$ 288,805**	$ 286,021	$ 288,299	$ 289,154	$ 288,377
Unallocated portfolio layer cumulative basis adjustments	**$ (171)**	$ —	$ —	$ —	$ —
Corporate loans, net of unearned income(4)	**$ 288,634**	$ 286,021	$ 288,299	$ 289,154	$ 288,377
Total loans—net of unearned income	**$ 666,348**	$ 660,612	$ 651,995	$ 657,221	$ 645,960
Allowance for credit losses on loans (ACLL)	**(17,629)**	(17,496)	(17,169)	(16,974)	(16,309)
Total loans—net of unearned income and ACLL	**$ 648,719**	$ 643,116	$ 634,826	$ 640,247	$ 629,651
ACLL as a percentage of total loans—net of unearned income(5)	**2.68 %**	2.67 %	2.65 %	2.60 %	2.54 %
ACLL for consumer loan losses as a percentage of total consumer loans—net of unearned income(5)	**3.95 %**	3.97 %	3.96 %	3.84 %	3.74 %
ACLL for corporate loan losses as a percentage of total corporate loans—net of unearned income(5)	**0.97 %**	0.94 %	0.98 %	1.01 %	1.04 %

(1) North America includes the U.S., Canada and Puerto Rico. Mexico is included in offices outside North America. The classification of corporate loans between offices in North America and outside North America is based on the domicile of the booking unit. The difference between the domicile of the booking unit and the domicile of the managing unit is not material.
(2) Loans secured primarily by real estate.
(3) Consumer loans are net of unearned income of $789 million, $769 million, $748 million, $712 million and $671 million at September 30, 2023, June 30, 2023, March 31, 2023, December 31, 2022 and September 30, 2022, respectively. Unearned income on consumer loans primarily represents unamortized origination fees and costs, premiums and discounts.

(4) Corporate loans include Mexico SBMM loans and are net of unearned income of $(806) million, $(795) million, $(801) million, $(797) million and $(750) million at September 30, 2023, June 30, 2023, March 31, 2023, December 31, 2022 and September 30, 2022, respectively. Unearned income on corporate loans primarily represents interest received in advance, but not yet earned, on loans originated on a discounted basis.

(5) Because loans carried at fair value do not have an ACLL, they are excluded from the ACLL ratio calculation.

Details of Credit Loss Experience

In millions of dollars	**3rd Qtr. 2023**	2nd Qtr. 2023	1st Qtr. 2023	4th Qtr. 2022	3rd Qtr. 2022
Allowance for credit losses on loans (ACLL) at beginning of period	**$ 17,496**	$ 17,169	$ 16,974	$ 16,309	$ 15,952
Adjustment to opening balance:					
Financial instruments—TDRs and vintage disclosures[1]	**$ —**	$ —	$ (352)	$ —	$ —
Adjusted ACLL at beginning of period	**$ 17,496**	$ 17,169	$ 16,622	$ 16,309	$ 15,952
Provision for credit losses on loans (PCLL)					
Consumer	**$ 1,656**	$ 1,838	$ 1,800	$ 1,779	$ 1,281
Corporate	**160**	(77)	(63)	(6)	47
Total	**$ 1,816**	$ 1,761	$ 1,737	$ 1,773	$ 1,328
Gross credit losses on loans					
Consumer					
In U.S. offices	**$ 1,611**	$ 1,513	$ 1,329	$ 1,117	$ 946
In offices outside the U.S.	**317**	280	266	220	248
Corporate					
In U.S. offices	**16**	26	16	51	8
In offices outside the U.S.	**56**	60	23	79	35
Total	**$ 2,000**	$ 1,879	$ 1,634	$ 1,467	$ 1,237
Gross recoveries on loans					
Consumer					
In U.S. offices	**$ 274**	$ 301	$ 262	$ 235	$ 252
In offices outside the U.S.	**75**	63	53	40	61
Corporate					
In U.S. offices	**9**	7	10	1	34
In offices outside the U.S.	**5**	4	7	11	3
Total	**$ 363**	$ 375	$ 332	$ 287	$ 350
Net credit losses on loans (NCLs)					
In U.S. offices	**$ 1,344**	$ 1,231	$ 1,073	$ 932	$ 668
In offices outside the U.S.	**293**	273	229	248	219
Total	**$ 1,637**	$ 1,504	$ 1,302	$ 1,180	$ 887
Other—net[2][3][4][5][6][7]	**$ (46)**	$ 70	$ 112	$ 72	$ (84)
Allowance for credit losses on loans (ACLL) at end of period	**$ 17,629**	$ 17,496	$ 17,169	$ 16,974	$ 16,309
ACLL as a percentage of EOP loans[8]	**2.68 %**	2.67 %	2.65 %	2.60 %	2.54 %
Allowance for credit losses on unfunded lending commitments (ACLUC)[9]	**$ 1,806**	$ 1,862	$ 1,959	$ 2,151	$ 2,089
Total ACLL and ACLUC	**$ 19,435**	$ 19,358	$ 19,128	$ 19,125	$ 18,398
Net consumer credit losses on loans	**$ 1,579**	$ 1,429	$ 1,280	$ 1,062	$ 881
As a percentage of average consumer loans	**1.67 %**	1.56 %	1.43 %	1.17 %	0.98 %
Net corporate credit losses on loans	**$ 58**	$ 75	$ 22	$ 118	$ 6
As a percentage of average corporate loans	**0.08 %**	0.11 %	0.03 %	0.16 %	0.01 %
ACLL by type at end of period[10]					
Consumer	**$ 14,912**	$ 14,866	$ 14,389	$ 14,119	$ 13,361
Corporate	**2,717**	2,630	2,780	2,855	2,948
Total	**$ 17,629**	$ 17,496	$ 17,169	$ 16,974	$ 16,309

(1) On January 1, 2023, Citi adopted Accounting Standards Update (ASU) 2022-02, *Financial Instruments—Credit Losses (Topic 326): TDRs and Vintage Disclosures*. The ASU eliminated the accounting and disclosure requirements for TDRs, including the requirement to measure the ACLL for TDRs using a discounted cash flow (DCF) approach. On January 1, 2023, Citi recorded a $352 million decrease in the *Allowance for loan losses*, along with a $290 million

after-tax increase to *Retained earnings*.

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

(3) The third quarter of 2023 includes a decrease of approximately $46 million related to FX translation.

(4) The second quarter of 2023 includes an increase of approximately $70 million related to FX translation.

(5) The first quarter of 2023 includes an increase of approximately $112 million related to FX translation.

(6) The fourth quarter of 2022 includes an increase of approximately $72 million related to FX translation.

(7) The third quarter of 2022 includes a decrease of approximately $84 million related to FX translation.

(8) September 30, 2023, June 30, 2023, March 31, 2023, December 31, 2022 and September 30, 2022 exclude $7.4 billion, $5.8 billion, $5.1 billion, $5.4 billion and $3.9 billion, respectively, of loans that are carried at fair value.

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

(10) See "Significant Accounting Policies and Significant Estimates" below. Attribution of the allowance is made for analytical purposes only and is available to absorb probable credit losses inherent in the overall portfolio.

Allowance for Credit Losses on Loans (ACLL)

The following tables detail information on Citi's ACLL, loans and coverage ratios:

	September 30, 2023		
In billions of dollars	**ACLL**	**EOP loans, net of unearned income**	**ACLL as a percentage of EOP loans**[1]
Consumer			
North America cards[2]	**$ 12.2**	**$ 155.7**	**7.8 %**
North America mortgages[3]	**0.4**	**110.0**	**0.4**
North America other[3]	**0.6**	**36.6**	**1.6**
International cards	**0.9**	**13.6**	**6.6**
International other[3]	**0.8**	**61.6**	**1.3**
Total[1]	**$ 14.9**	**$ 377.5**	**4.0 %**
Corporate			
Commercial and industrial	**$ 1.6**	**$ 150.4**	**1.1 %**
Financial institutions	**0.3**	**60.1**	**0.5**
Mortgage and real estate	**0.6**	**23.7**	**2.5**
Installment and other	**0.2**	**47.2**	**0.4**
Total[1]	**$ 2.7**	**$ 281.4**	**1.0 %**
Loans at fair value[1]	**N/A**	**$ 7.4**	**N/A**
Total Citigroup	**$ 17.6**	**$ 666.3**	**2.7 %**

	December 31, 2022		
In billions of dollars	ACLL	EOP loans, net of unearned income	ACLL as a percentage of EOP loans[1]
Consumer			
North America cards[2]	$ 11.4	$ 150.6	7.6 %
North America mortgages[3]	0.5	100.4	0.5
North America other[3]	0.6	37.8	1.6
International cards	0.8	13.0	6.2
International other[3]	0.8	66.0	1.2
Total[1]	$ 14.1	$ 367.8	3.8 %
Corporate			
Commercial and industrial	$ 1.9	$ 147.8	1.3 %
Financial institutions	0.4	64.9	0.6
Mortgage and real estate	0.4	21.9	1.8
Installment and other	0.2	49.4	0.4
Total[1]	$ 2.9	$ 284.0	1.0 %
Loans at fair value[1]	N/A	$ 5.4	N/A
Total Citigroup	$ 17.0	$ 657.2	2.6 %

(1) Excludes loans carried at fair value, since they do not have an ACLL and are excluded from the ACLL ratio calculation.

(2) Includes both Branded cards and Retail services. As of September 30, 2023, the $12.2 billion of ACLL represented approximately 29 months of coincident net credit loss coverage (based on 3Q23 NCLs). As of September 30, 2023, Branded cards ACLL as a percentage of EOP loans was 6.3% and Retail services ACLL

as a percentage of EOP loans was 11.0%. As of December 31, 2022, the $11.4 billion of ACLL represented approximately 43 months of coincident net credit loss coverage (based on 4Q22 NCLs). As of December 31, 2022, Branded cards ACLL as a percentage of EOP loans was 6.2% and Retail services ACLL as a percentage of EOP loans was 10.3%.

(3) Includes residential mortgages, retail loans and personal, small business and other loans, including those extended through the Private bank network.

N/A Not applicable

The following table details Citi's corporate credit ACLL by industry exposure:

	September 30, 2023		
In millions of dollars, except percentages	**Funded exposure[1]**	**ACLL**	**ACLL as a % of funded exposure**
Transportation and industrials	**$ 58,312**	**$ 530**	**0.9 %**
Technology, media and telecom	**28,116**	**356**	**1.3**
Consumer retail	**34,117**	**289**	**0.8**
Real estate[2]	**49,107**	**674**	**1.4**
Commercial	**34,950**	**595**	**1.7**
Residential	**14,157**	**79**	**0.6**
Banks and finance companies	**45,506**	**218**	**0.5**
Power, chemicals, metals and mining	**18,737**	**254**	**1.4**
Energy and commodities	**12,752**	**155**	**1.2**
Health	**9,029**	**83**	**0.9**
Insurance	**3,550**	**15**	**0.4**
Asset managers and funds	**5,559**	**35**	**0.6**
Public sector	**10,730**	**58**	**0.5**
Financial markets infrastructure	**123**	**—**	**—**
Securities firms	**623**	**7**	**1.1**
Other industries[3]	**5,184**	**43**	**0.8**
Total[4]	**$ 281,445**	**$ 2,717**	**1.0 %**

(1) Funded exposure excludes loans carried at fair value of $7.2 billion that are not subject to ACLL under the CECL standard.

(2) As of September 30, 2023, the portion of the ACLL attributed to the total funded CRE exposure (including the Private bank) was approximately 1.45%.

(3) Includes $0.8 billion of funded exposure at September 30, 2023, primarily related to commercial credit card delinquency-managed loans.

(4) As of September 30, 2023, the ACLL shown above reflects coverage of 0.4% of funded investment-grade exposure and 2.7% of funded non-investment-grade exposure.

The following table details Citi's corporate credit ACLL by industry exposure:

	December 31, 2022		
In millions of dollars, except percentages	Funded exposure[1]	ACLL	ACLL as a % of funded exposure
Transportation and industrials	$ 57,271	$ 699	1.2 %
Technology, media and telecom	28,931	330	1.1
Consumer retail	32,687	358	1.1
Real estate	48,539	500	1.0
Commercial	34,112	428	1.3
Residential	14,427	72	0.5
Power, chemicals, metals and mining	18,326	288	1.6
Banks and finance companies	42,276	225	0.5
Energy and commodities	13,069	188	1.4
Asset managers and funds	13,162	38	0.3
Health	8,771	81	0.9
Insurance	4,417	11	0.2
Public sector	11,736	58	0.5
Financial markets infrastructure	60	—	—
Securities firms	569	11	1.9
Other industries[2]	4,217	68	1.6
Total[3]	$ 284,031	$ 2,855	1.0 %

(1) Funded exposure excludes loans carried at fair value of $5.1 billion that are not subject to ACLL under the CECL standard.

(2) Includes $0.6 billion of funded exposure at December 31, 2022, primarily related to commercial credit card delinquency-managed loans.

(3) As of December 31, 2022, the ACLL shown above reflects coverage of 0.4% of funded investment-grade exposure and 3.0% of funded non-investment-grade exposure.

Non-Accrual Loans and Assets

For additional information on Citi's non-accrual loans and assets, see "Non-Accrual Loans and Assets" in Citi's 2022 Form 10-K.

Non-Accrual Loans

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.

Citi's non-accrual loans increased $695 million, or 27%, from June 30, 2023, primarily driven by the downgrade of two corporate loans in North America and EMEA.

In millions of dollars	**Sept. 30, 2023**	Jun. 30, 2023	Mar. 31, 2023	Dec. 31, 2022	Sept. 30, 2022
Corporate non-accrual loans by region[1][2][3]					
North America	**$ 934**	$ 358	$ 285	$ 138	$ 276
EMEA	**507**	350	383	502	598
Latin America	**407**	428	462	429	555
Asia	**127**	125	83	53	56
Total	**$ 1,975**	$ 1,261	$ 1,213	$ 1,122	$ 1,485
Corporate non-accrual loans[1][2][3]					
Banking	**$ 1,689**	$ 931	$ 868	$ 767	$ 1,085
Services	**94**	123	133	153	185
Markets	**—**	1	3	3	—
Mexico SBMM	**192**	206	209	199	215
Total	**$ 1,975**	$ 1,261	$ 1,213	$ 1,122	$ 1,485
Consumer non-accrual loans[1]					
U.S. Personal Banking and Global Wealth	**$ 567**	$ 536	$ 608	$ 541	$ 585
Asia Consumer[4]	**25**	24	29	30	30
Mexico Consumer	**463**	498	480	457	486
Legacy Holdings Assets—Consumer	**247**	263	278	289	300
Total	**$ 1,302**	$ 1,321	$ 1,395	$ 1,317	$ 1,401
Total non-accrual loans	**$ 3,277**	$ 2,582	$ 2,608	$ 2,439	$ 2,886

(1) Corporate loans are placed on non-accrual status based upon a review by Citigroup's risk officers. Corporate non-accrual loans may still be current on interest payments. With limited exceptions, the following practices are applied for consumer loans: consumer loans, excluding credit cards and mortgages, are placed on non-accrual status at 90 days past due and are charged off at 120 days past due; residential mortgage loans are placed on non-accrual status at 90 days past due and written down to net realizable value at 180 days past due. Consistent with industry conventions, Citigroup generally accrues interest on credit card loans until such loans are charged off, which typically occurs at 180 days contractual delinquency. As such, the non-accrual loan disclosures do not include credit card loans. The balances above represent non-accrual loans within *Corporate loans* and *Consumer loans* on the Consolidated Balance Sheet.
(2) Approximately 62%, 51%, 61%, 50% and 68% of Citi's corporate non-accrual loans were performing at September 30, 2023, June 30, 2023, March 31, 2023, December 31, 2022 and September 30, 2022, respectively.
(3) The September 30, 2023 total corporate non-accrual loans represented 0.68% of total corporate loans.
(4) Asia Consumer includes balances in certain EMEA countries for all periods presented.

Modified Loans

On January 1, 2023, Citi adopted ASU 2022-02, which eliminated the accounting and disclosure requirements for TDRs (see Note 1 for additional information). See Note 13 for information on loan modifications during the nine months ended September 30, 2023.

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

In millions of dollars	**Three Months Ended September 30, 2023**			Three Months Ended September 30, 2022		
	Corporate	**Consumer**	**Total**	Corporate	Consumer	Total
Non-accrual loans at beginning of quarter	**$ 1,261**	**$ 1,321**	**$ 2,582**	$ 1,655	$ 1,380	$ 3,035
Additions	**1,013**	**453**	**1,466**	372	417	789
Sales and transfers to HFS	**(52)**	**(2)**	**(54)**	(15)	(4)	(19)
Returned to performing	**(17)**	**(71)**	**(88)**	(41)	(68)	(109)
Paydowns/settlements	**(181)**	**(126)**	**(307)**	(442)	(130)	(572)
Charge-offs	**(45)**	**(227)**	**(272)**	(43)	(168)	(211)
Other	**(4)**	**(46)**	**(50)**	(1)	(26)	(27)
Ending balance	**$ 1,975**	**$ 1,302**	**$ 3,277**	$ 1,485	$ 1,401	$ 2,886

In millions of dollars	**Nine Months Ended September 30, 2023**			Nine Months Ended September 30, 2022		
	Corporate	**Consumer**	**Total**	Corporate	Consumer	Total
Non-accrual loans at beginning of year	**$ 1,122**	**$ 1,317**	**$ 2,439**	$ 1,553	$ 1,826	$ 3,379
Additions	**1,702**	**1,234**	**2,936**	1,913	1,060	2,973
Sales and transfers to HFS	**(77)**	**(16)**	**(93)**	(21)	(228)	(249)
Returned to performing	**(106)**	**(247)**	**(353)**	(294)	(324)	(618)
Paydowns/settlements	**(500)**	**(361)**	**(861)**	(1,511)	(425)	(1,936)
Charge-offs	**(152)**	**(615)**	**(767)**	(148)	(463)	(611)
Other	**(14)**	**(10)**	**(24)**	(7)	(45)	(52)
Ending balance	**$ 1,975**	**$ 1,302**	**$ 3,277**	$ 1,485	$ 1,401	$ 2,886

The table below summarizes Citigroup's other real estate owned (OREO) assets. OREO is recorded on the Consolidated Balance Sheet within *Other assets*. This represents the carrying value of all real estate property acquired by foreclosure or other legal proceedings when Citi has taken possession of the collateral:

In millions of dollars	**Sept. 30, 2023**	Jun. 30, 2023	Mar. 31, 2023	Dec. 31, 2022	Sept. 30, 2022
OREO					
North America	**$ 23**	$ 17	$ 15	$ 10	$ 9
EMEA	**—**	—	—	—	—
Latin America	**12**	13	5	4	5
Asia	**2**	1	1	1	2
Total OREO	**$ 37**	$ 31	$ 21	$ 15	$ 16
Non-accrual assets					
Corporate non-accrual loans	**$ 1,975**	$ 1,261	$ 1,213	$ 1,122	$ 1,485
Consumer non-accrual loans	**1,302**	1,321	1,395	1,317	1,401
Non-accrual loans (NAL)	**$ 3,277**	$ 2,582	$ 2,608	$ 2,439	$ 2,886
OREO	**$ 37**	$ 31	$ 21	$ 15	$ 16
Non-accrual assets (NAA)	**$ 3,314**	$ 2,613	$ 2,629	$ 2,454	$ 2,902
NAL as a percentage of total loans	**0.49 %**	0.39 %	0.40 %	0.37 %	0.45 %
NAA as a percentage of total assets	**0.14**	0.11	0.11	0.10	0.12
ACLL as a percentage of NAL[1]	**538**	678	658	696	565

(1) The ACLL includes the allowance for Citi's credit card portfolios and purchased credit-deteriorated loans, while the non-accrual loans exclude credit card balances (with the exception of certain international portfolios).

LIQUIDITY RISK

For additional information on funding and liquidity at Citi, including its objectives, management and measurement, see “Liquidity Risk” and “Risk Factors—Liquidity Risks” in Citi’s 2022 Form 10-K.

High-Quality Liquid Assets (HQLA)

	Citibank			Citi non-bank and other entities			Total		
In billions of dollars	**Sept. 30, 2023**	Jun. 30, 2023	Sept. 30, 2022	**Sept. 30, 2023**	Jun. 30, 2023	Sept. 30, 2022	**Sept. 30, 2023**	Jun. 30, 2023	Sept. 30, 2022
Available cash	**$ 203.1**	$ 254.3	$ 202.2	**$ 5.4**	$ 4.9	$ 2.1	**$ 208.5**	$ 259.2	$ 204.3
U.S. sovereign	**134.2**	120.3	144.6	**79.3**	74.7	69.4	**213.5**	195.0	214.0
U.S. agency/agency MBS	**48.5**	45.1	52.5	**3.6**	3.8	4.7	**52.1**	48.9	57.2
Foreign government debt(1)	**74.3**	60.9	63.3	**19.9**	19.1	15.7	**94.2**	80.0	79.0
Other investment grade	**0.3**	0.5	2.0	**0.7**	0.2	0.6	**1.0**	0.7	2.6
Total HQLA (AVG)	**$ 460.4**	$ 481.1	$ 464.6	**$ 108.9**	$ 102.7	$ 92.5	**$ 569.3**	$ 583.8	$ 557.1

Note: The amounts shown in the table above are presented on an average basis. For securities, the amounts represent the liquidity value that potentially could be realized and, therefore, exclude any securities that are encumbered and incorporate any haircuts applicable under the U.S. LCR rule. The table above incorporates various restrictions that could limit the transferability of liquidity between legal entities, including Section 23A of the Federal Reserve Act.

(1) 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 Japan, Korea, Mexico, India and Hong Kong.

The table above includes average amounts of HQLA held at Citigroup’s operating entities that are eligible for inclusion in the calculation of Citigroup’s consolidated Liquidity Coverage ratio (LCR), pursuant to the U.S. LCR rules. These amounts include the HQLA needed to meet the minimum requirements at these entities as well as any amounts in excess of these minimums that are available to be transferred to other entities within Citigroup. The decrease in Citi’s average HQLA from the second quarter of 2023 was primarily driven by the reduction in the Available cash component of average HQLA, due to a reduction in deposits.

As of September 30, 2023, Citigroup had approximately $937 billion of available liquidity resources to support client and business needs, including end-of-period HQLA ($558 billion); additional unencumbered HQLA, including excess liquidity held at bank entities that is non-transferable to other entities within Citigroup ($203 billion); and unused borrowing capacity from available assets not already accounted for within Citi’s HQLA to support additional advances from the Federal Home Loan Bank (FHLB) and the Federal Reserve Bank discount window ($176 billion).

Short-Term Liquidity Measurement: Liquidity Coverage Ratio (LCR)

In addition to internal 30-day liquidity stress testing performed for Citi’s major entities, operating subsidiaries and countries, Citi also monitors its liquidity by reference to the LCR. The table below details the components of Citi’s LCR calculation and HQLA in excess of net outflows for the periods indicated:

In billions of dollars	**Sept. 30, 2023**	Jun. 30, 2023	Sept. 30, 2022
HQLA	**$ 569.3**	$ 583.8	$ 557.1
Net outflows	**485.3**	491.9	477.0
LCR	**117 %**	119 %	117 %
HQLA in excess of net outflows	**$ 84.0**	$ 91.9	$ 80.1

Note: The amounts are presented on an average basis.

As of September 30, 2023, Citigroup’s average LCR decreased 2% from the quarter ended June 30, 2023, primarily driven by the reduction in the Available cash component of average HQLA, due to a reduction in deposits.

In addition, considering Citi’s total available liquidity resources at quarter end of $937 billion, Citi maintained approximately $452 billion of excess liquidity above the stressed average net outflow of approximately $485 billion, shown in the LCR table above.

Long-Term Liquidity Measurement: Net Stable Funding Ratio (NSFR)

As previously disclosed, the U.S. banking agencies adopted a rule to assess the availability of a bank's stable funding against a required level.

The rule became effective July 1, 2021, with public disclosure of the NSFR required on a semiannual basis beginning June 30, 2023. Citi made the required disclosure and was in compliance with the rule as of September 30, 2023.

Select Balance Sheet Items

This section provides details of select liquidity-related assets and liabilities reported on Citigroup's Consolidated Balance Sheet on an average and end-of-period basis.

Cash and Investments

The table below details average and end-of-period *Cash and due from banks*, *Deposits with banks* (collectively cash) and *Investment securities*. Citi's investment portfolio consists largely of highly liquid U.S. Treasury, U.S. agency and other sovereign bonds, with an aggregate duration of less than three years. At September 30, 2023, Citi's EOP cash and *Investment securities* comprised approximately 32% of Citigroup's total assets:

In billions of dollars	**3Q23**	2Q23	3Q22
Cash and due from banks	**$ 27**	$ 28	$ 32
Deposits with banks	**260**	310	256
Investment securities	**509**	508	513
Total Citigroup cash and Investment securities (AVG)	**$ 796**	$ 846	$ 801
Total Citigroup cash and Investment securities (EOP)	**$ 763**	$ 804	$ 808

Deposits

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

In billions of dollars	**3Q23**	2Q23	3Q22
Personal Banking and Wealth Management			
U.S. Personal Banking	**$ 110**	$ 113	$ 115
Global Wealth	**311**	318	313
Total	**$ 421**	$ 431	$ 428
Institutional Clients Group			
TTS	**$ 676**	$ 688	$ 664
Securities services	**120**	125	131
Markets and Banking	**25**	24	22
Total	**$ 821**	$ 837	$ 817
Legacy Franchises	**$ 52**	$ 51	$ 50
Corporate/Other	**$ 21**	$ 19	$ 21
Total Citigroup deposits (AVG)	**$ 1,315**	$ 1,338	$ 1,316
Total Citigroup deposits (EOP)	**$ 1,274**	$ 1,320	$ 1,306

Citi's deposit base is spread across a diversified set of countries, industries, clients and currencies.

On an average basis, deposits were largely unchanged year-over-year, as a modest increase in *Legacy Franchises* was offset by a decline in *PBWM*, and declined 2% sequentially. The increase in *Legacy Franchises* average deposits year-over-year was primarily driven by the impact of FX translation in Mexico Consumer/SBMM. *PBWM* average deposits decreased 2% year-over-year, largely reflecting clients putting cash to work in investments on Citi's platform. *ICG* and *Corporate/Other* average deposits were largely unchanged year-over-year. The quarter-over-quarter decrease in average deposits was largely driven by Services, reflecting the impact of monetary tightening.

End-of-period deposits decreased 3% year-over-year, largely due to a reduction in Services, reflecting monetary tightening, a shift of deposits to higher-yielding investments in Global Wealth and a reduction of institutional certificates of deposit in *Corporate/Other.* End-of-period deposits decreased 4% sequentially, driven by *ICG*, *PBWM* and *Legacy Franchises*, partially offset by *Corporate/Other*.

The majority of Citi's $1.3 trillion of end-of-period deposits are institutional (approximately $782 billion), and span approximately 90 countries. A large majority of these institutional deposits are within TTS, and of these, approximately 80% are from clients that use all three TTS integrated services: payments and collections, liquidity management and working capital solutions. In addition, nearly 80% of TTS deposits are from clients that have a greater than 15-year relationship with Citi. On an average basis, TTS grew deposits year-over-year at a faster rate than total Citi. Citi also has a strong consumer and wealth deposit base, with $416 billion of U.S. Personal Banking and Global Wealth end-of-period deposits, which are diversified across the Private bank, Citigold, Retail banking and Wealth at Work. As of August 2023, approximately 80% of U.S. Citigold deposit balances are with clients who have been with Citi for more than 10 years and approximately 60% of Private bank ultra-high-net-worth deposit balances are with clients who have been with Citi for more than 10 years. U.S. Personal Banking deposits are spread across six core urban centers.

Long-Term Debt

Weighted Average Maturity (WAM)

The following table presents Citigroup and its affiliates' (including Citibank) WAM of unsecured long-term debt issued with a remaining life greater than one year:

WAM in years	**Sept. 30, 2023**	Jun. 30, 2023	Sept. 30, 2022
Unsecured debt	**7.4**	7.7	7.8
Non-bank benchmark debt	**7.1**	7.3	7.4
Customer-related debt	**8.2**	8.2	8.6
TLAC-eligible debt	**8.7**	8.9	9.1

The WAM is calculated based on the contractual maturity of each security. For securities that are redeemable prior to maturity where the option is not held by the issuer, the WAM is calculated based on the earliest date an option becomes exercisable.

Long-Term Debt Outstanding

Citi's long-term debt outstanding at the Citigroup parent company includes benchmark 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 complements benchmark debt issuance as a source of funding for Citi's non-bank entities. Citi's long-term debt at the bank includes bank notes, FHLB advances and securitizations.

The following table presents Citi's end-of-period total long-term debt outstanding for each of the dates indicated:

In billions of dollars	**Sept. 30, 2023**	Jun. 30, 2023	Sept. 30, 2022
Non-bank(1)			
Benchmark debt:			
Senior debt	**$ 110.3**	$ 111.1	$ 112.7
Subordinated debt	**24.5**	24.5	22.4
Trust preferred	**1.6**	1.6	1.6
Customer-related debt	**106.4**	110.3	86.9
Local country and other(2)	**8.5**	7.9	7.0
Total non-bank	**$ 251.3**	$ 255.4	$ 230.6
Bank			
FHLB borrowings	**$ 8.5**	$ 7.5	$ 7.3
Securitizations(3)	**5.2**	5.5	8.4
Citibank benchmark senior debt	**7.6**	2.6	2.5
Local country and other(2)	**3.2**	3.5	4.3
Total bank	**$ 24.5**	$ 19.1	$ 22.5
Total long-term debt	**$ 275.8**	$ 274.5	$ 253.1

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

(1) Non-bank includes long-term debt issued to third parties by the parent holding company (Citigroup) and Citi's non-bank subsidiaries (including broker-dealer subsidiaries) that are consolidated into Citigroup. As of September 30, 2023, non-bank included $90.6 billion of long-term debt issued by Citi's broker-dealer and other subsidiaries that are consolidated into Citigroup. Certain Citigroup consolidated hedging activities are also included in this line.

(2) Local country and other includes debt issued by Citi's affiliates in support of their local operations. Within non-bank, certain secured financing is also included.

(3) Predominantly credit card securitizations, primarily backed by Branded cards receivables.

Citi's total long-term debt outstanding increased 9% year-over-year, largely driven by issuance of customer-related debt at the non-bank entities, as well as increased senior benchmark debt and FHLB borrowings at the bank. The increase was partially offset by a decline in senior benchmark debt at the non-bank entities, as well as lower securitizations at the bank. Sequentially, long-term debt outstanding was largely unchanged, reflecting a decline in customer-related debt at the non-bank, offset by an increase in senior benchmark debt at the bank.

As part of its liability management, Citi has considered, and may continue to consider, opportunities to redeem or repurchase its long-term debt pursuant to open market purchases, tender offers or other means. Such redemptions and repurchases help reduce Citi's overall funding costs. During the third quarter of 2023, Citi redeemed or repurchased an aggregate of approximately $5.7 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:

	3Q23		2Q23		3Q22	
In billions of dollars	**Maturities**	**Issuances**	Maturities	Issuances	Maturities	Issuances
Non-bank						
Benchmark debt:						
Senior debt	**$ —**	**$ —**	$ 5.3	$ —	$ 7.4	$ 4.7
Subordinated debt	**—**	**—**	1.3	3.2	0.9	—
Trust preferred	**—**	**—**	—	—	—	—
Customer-related debt	**11.6**	**11.2**	12.5	10.6	7.5	14.5
Local country and other	**0.6**	**1.0**	0.9	0.6	1.4	0.8
Total non-bank	**$ 12.2**	**$ 12.2**	$ 20.0	$ 14.4	$ 17.2	$ 20.0
Bank						
FHLB borrowings	**$ 1.0**	**$ 2.0**	$ 2.3	$ 2.5	$ —	$ 5.0
Securitizations	**0.3**	**—**	1.1	—	1.1	—
Citibank benchmark senior debt	**—**	**5.0**	—	—	—	—
Local country and other	**0.9**	**0.7**	0.1	—	0.3	0.1
Total bank	**$ 2.2**	**$ 7.7**	$ 3.5	$ 2.5	$ 1.4	$ 5.1
Total	**$ 14.4**	**$ 19.9**	$ 23.5	$ 16.9	$ 18.6	$ 25.1

The table below details Citi's aggregate long-term debt maturities (including repurchases and redemptions) year-to-date in 2023, as well as its aggregate expected remaining long-term debt maturities by year as of September 30, 2023:

		Maturities							
In billions of dollars	**3Q23 YTD**	2023	2024	2025	2026	2027	2028	Thereafter	Total
Non-bank									
Benchmark debt:									
Senior debt	**$ 7.0**	$ 3.2	$ 5.4	$ 11.9	$ 23.5	$ 6.9	$ 14.7	$ 44.7	$ 110.3
Subordinated debt	**1.3**	—	0.9	4.9	2.3	3.6	2.0	10.8	24.5
Trust preferred	**—**	—	—	—	—	—	—	1.6	1.6
Customer-related debt	**33.1**	4.1	25.1	16.2	9.5	9.6	7.2	34.7	106.4
Local country and other	**1.9**	0.6	1.0	1.8	0.6	—	1.0	3.5	8.5
Total non-bank	**$ 43.3**	$ 7.9	$ 32.4	$ 34.8	$ 35.9	$ 20.1	$ 24.9	$ 95.3	$ 251.3
Bank									
FHLB borrowings	**$ 3.3**	$ 1.0	$ 5.0	$ 2.5	$ —	$ —	$ —	$ —	$ 8.5
Securitizations	**2.4**	—	1.2	1.6	—	0.8	1.0	0.6	5.2
Citibank benchmark senior debt	**—**	—	2.6	2.5	—	—	2.5	—	7.6
Local country and other	**1.3**	0.1	1.0	0.2	0.5	—	—	1.4	3.2
Total bank	**$ 7.0**	$ 1.1	$ 9.8	$ 6.8	$ 0.5	$ 0.8	$ 3.5	$ 2.0	$ 24.5
Total long-term debt	**$ 50.3**	$ 9.0	$ 42.2	$ 41.6	$ 36.4	$ 20.9	$ 28.4	$ 97.3	$ 275.8

Secured Funding Transactions and Short-Term Borrowings

Citi supplements its primary sources of funding with short-term financings that generally include (i) secured funding transactions consisting of securities loaned or sold under agreements to repurchase, i.e., repos, and (ii) to a lesser extent, short-term borrowings consisting of commercial paper and borrowings from the FHLB and other market participants.

Secured Funding Transactions

Secured funding is primarily accessed through Citi's broker-dealer subsidiaries, with a smaller portion executed through Citi's bank entities to efficiently fund both (i) secured lending activity and (ii) a portion of the securities inventory held in the context of market making and customer activities. Secured funding transactions are predominantly collateralized by government debt securities. Generally, 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 changes in securities inventory. In order to maintain reliable funding under a wide range of market conditions, Citi manages risks related to its secured funding by establishing secured funding limits and conducting daily stress tests that account for risks related to capacity, tenor, haircut, collateral type, counterparty and client actions.

Secured funding of $257 billion as of September 30, 2023 increased 27% year-over-year, largely driven by additional financing to support increases in trading-related assets within Citi's broker-dealer subsidiaries. As of the quarter ended September 30, 2023, on an average basis, secured funding was $275 billion. The portion of secured funding in the broker-dealer subsidiaries that funds secured lending is commonly referred to as "matched book" activity and is primarily secured by high-quality liquid securities such as U.S. Treasury securities, U.S. agency securities and foreign government debt securities. Other "matched book" activity is secured by less liquid securities, including equity securities, corporate bonds and asset-backed securities, the tenor of which is generally equal to or longer than the tenor of the corresponding assets. As indicated above, the remaining portion of secured funding is used to fund securities inventory held in the context of market making and customer activities.

Short-Term Borrowings

Citi's short-term borrowings of $43 billion as of the third quarter of 2023 decreased 9% year-over-year and increased 7% sequentially, driven by higher commercial paper (see Note 17 for further information on Citigroup's and its affiliates' outstanding short-term borrowings).

Credit Ratings

The table below presents the ratings for Citigroup and Citibank as of September 30, 2023. While not included in the table below, the long-term and short-term ratings of Citigroup Global Markets Holdings Inc. (CGMHI) were A+/F1 at Fitch, A2/P-1 at Moody's Investors Service and A/A-1 at S&P Global Ratings as of September 30, 2023.

Ratings as of September 30, 2023

	Citigroup Inc.			Citibank, N.A.		
	Long-term	Short-term	Outlook	Long-term	Short-term	Outlook
Fitch Ratings (Fitch)	A	F1	Stable	A+	F1	Stable
Moody's Investors Service (Moody's)	A3	P-2	Stable	Aa3	P-1	Stable
S&P Global Ratings (S&P)	BBB+	A-2	Stable	A+	A-1	Stable

Potential Impacts of Ratings Downgrades

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

For additional information on the impact of credit rating changes on Citi and its applicable subsidiaries, see "Risk Factors—Liquidity Risks" and "Credit Ratings" in Citi's 2022 Form 10-K.

Citigroup Inc. and Citibank—Potential Derivative Triggers

As of September 30, 2023, Citi estimates that a hypothetical one-notch downgrade of the senior debt/long-term rating of Citigroup Inc. across all three major rating agencies could impact Citigroup's funding and liquidity due to derivative triggers by approximately $0.3 billion, compared to $0.4 billion as of June 30, 2023. Other funding sources, such as secured financing transactions and other margin requirements, for which there are no explicit triggers, could also be adversely affected.

As of September 30, 2023, 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 due to derivative triggers by approximately $0.4 billion, compared to $0.4 billion as of June 30, 2023. Other funding sources, such as secured funding transactions and other margin requirements, for which there are no explicit triggers, could also be adversely impacted.

In total, as of September 30, 2023, Citi estimates that a one-notch downgrade of Citigroup and Citibank across all three major rating agencies could result in increased aggregate cash obligations and collateral requirements of approximately $0.7 billion, compared to $0.8 billion as of June 30, 2023 (see also Note 19). As detailed under "High-Quality Liquid Assets" above, Citigroup has various liquidity resources available to its bank and non-bank entities in part as a contingency for the potential events described above.

Citibank—Additional Potential Impacts

In addition to the above derivative triggers, Citi believes that a potential downgrade of Citibank's senior debt/long-term rating across any of the three major rating agencies could also have an adverse impact on the commercial paper/short-term rating of Citibank. Citibank has provided liquidity commitments to consolidated asset-backed commercial paper conduits, primarily in the form of asset purchase agreements. As of September 30, 2023, Citibank had liquidity commitments of approximately $11.0 billion to consolidated asset-backed commercial paper conduits, which was largely unchanged from June 30, 2023 (see Note 20 for additional information).

In addition to the above-referenced liquidity resources of certain Citibank 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 reevaluate their deposit relationships with Citibank. This reevaluation 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 arises from both Citi's trading and non-trading portfolios. For additional information on market risk and market risk management at Citi, see "Market Risk—Overview" and "Risk Factors" in Citi's 2022 Form 10-K.

Market Risk of Non-Trading Portfolios

Market risk from non-trading portfolios stems predominantly from the potential impact of changes in interest rates and foreign exchange rates on Citi's net interest income and on Citi's *Accumulated other comprehensive income (loss) (AOCI)* from its investment securities portfolios. Market risk from non-trading portfolios also includes the potential impact of changes in foreign exchange rates on Citi's capital invested in foreign currencies.

Banking Book Interest Rate Risk

For interest rate risk purposes, Citi's non-trading portfolios are referred to as the Banking Book. Management of interest rate risk in the Banking Book is governed by Citi's Non-Trading Market Risk Policy. Management's Asset & Liability Committee (ALCO) establishes Citi's risk appetite and related limits for interest rate risk in the Banking Book, which are subject to approval by Citigroup's Board of Directors. Corporate Treasury is responsible for the day-to-day management of Citi's Banking Book interest rate risk as well as periodically reviewing it with the ALCO. Citi's Banking Book interest rate risk management is also subject to independent oversight from the second line of defense team reporting to the Chief Risk Officer.

Changes in interest rates impact Citi's net income, *AOCI* and CET1. These changes primarily affect Citi's Banking Book through net interest income, due to a variety of risk factors, including:

- Differences in timing and amounts of the maturity or repricing of assets, liabilities and off-balance sheet instruments;
- Changes in the level and/or shape of interest rate curves;
- Client behavior in response to changes in interest rates (e.g., mortgage prepayments, deposit betas); and
- Changes in the maturity of instruments resulting from changes in the interest rate environment.

As part of their ongoing activities, Citi's businesses generate interest rate-sensitive positions from their client-facing products, such as loans and deposits. The component of this interest rate risk that can be hedged is transferred via Citi's funds transfer pricing process to Corporate Treasury. Corporate Treasury uses various tools to manage the total interest rate risk position within the established risk appetite and target Citi's desired risk profile, including its investment securities portfolio, company-issued debt and interest rate derivatives.

In addition, Citi uses multiple metrics to measure its Banking Book interest rate risk. Interest Rate Exposure (IRE) is a key metric that analyzes the impact of a range of scenarios on Citi's Banking Book net interest income and certain other interest rate-sensitive income versus a base case. IRE does not represent a forecast of Citi's net interest income.

The scenarios, methodologies and assumptions used in this analysis are periodically evaluated and enhanced in response to changes in the market environment, changes in Citi's balance sheet composition, enhancements in Citi's modeling and other factors.

Since the third quarter of 2022, Citi has employed enhanced IRE methodologies and changes to certain assumptions. The changes included, among other things, assumptions around the projected balance sheet and revisions to the treatment of certain business contributions (notably accrual positions in *ICG*'s Markets businesses). These changes resulted in a higher impact to Citi's net interest income over a 12-month period.

Under the enhanced methodology, Citi utilizes the most recent quarter-end balance sheet, assuming no changes to its composition and size over the forecasted horizon (holding the balance sheet static). The forecasts incorporate expectations and assumptions of deposit pricing, loan spreads and mortgage prepayment behavior implied by the interest rate curves in each scenario. The base case scenario reflects the market-implied forward interest rates, and sensitivity scenarios assume instantaneous shocks to the base case. The forecasts do not assume Citi takes any risk-mitigating actions in response to changes in the interest rate environment. Certain interest rates are subject to flooring assumptions in downward rate scenarios. Deposit pricing sensitivities (i.e., deposit betas), are informed by historical and expected behavior. Actual deposit pricing could differ from the assumptions used in these forecasts.

Citi's IRE analysis primarily reflects the impacts from the following Banking Book assets and liabilities: loans, client deposits, Citi's deposits with other banks, investment securities, long-term debt, any related interest rate hedges and the funds transfer pricing of positions in total trading and credit portfolio value at risk (VAR). It excludes impacts from any positions that are included in total trading and credit portfolio VAR.

In addition to IRE, Citi analyzes economic value sensitivity (EVS) as a longer-term interest rate risk metric. EVS is a net present value (NPV)–based measure of the lifetime cash flows of Citi's Banking Book. It estimates the interest rate sensitivity of the Banking Book's economic value from longer-term assets being potentially funded with shorter-term liabilities, or vice versa. Citi manages EVS within risk limits approved by Citigroup's Board of Directors that are aligned with Citi's risk appetite.

Interest Rate Risk of Investment Portfolios—Impact on *AOCI*

Citi also measures the potential impacts of changes in interest rates on the value of its *AOCI*, which can in turn impact Citi's common equity and tangible common equity. This will impact Citi's CET1 and other regulatory capital ratios. Citi seeks to manage its exposure to changes in the market level of interest rates, while limiting the potential impact on its *AOCI* and regulatory capital position.

AOCI at risk is managed as part of the Company-wide interest rate risk position. *AOCI* at risk considers potential changes in *AOCI* (and the corresponding impact on the CET1 Capital ratio) relative to Citi's capital generation capacity.

Citi uses 100 basis point (bps) shocks in each scenario to reflect its net interest income sensitivity to unanticipated changes in market interest rates, as potential monetary policy decisions and changes in economic conditions may be reflected in current market-implied forward rates. The following table presents the 12-month estimated impact to Citi's net interest income, *AOCI* and the CET1 Capital ratio, each assuming an unanticipated parallel instantaneous 100 bps increase in interest rates:

In millions of dollars, except as otherwise noted	**Sept. 30, 2023**	Jun. 30, 2023	Sept. 30, 2022
Parallel interest rate shock +100 bps			
Interest rate exposure(1)			
U.S. dollar	**$ 82**	$ (55)	$ 677
All other currencies	**1,214**	1,468	1,483
Total	**$ 1,296**	$ 1,413	$ 2,160
As a percentage of average interest-earning assets	**0.06 %**	0.06 %	0.10 %
Estimated initial negative impact to *AOCI* (after-tax)(2)	**$ (807)**	$ (1,416)	$ (969)
Estimated initial impact on CET1 Capital ratio (bps) from *AOCI* scenario	**(12)**	(12)	(9)

(1) Excludes trading book and fair value option banking book portfolios and replaces them with the associated transfer pricing.
(2) Includes the effect of changes in interest rates on *AOCI* related to investment securities, cash flow hedges and pension liability adjustments.

The All other currencies of $1,214 million as of September 30, 2023 in the table above includes the impact from the following top five non-U.S. dollar currencies, which represents approximately 50% of the total non-U.S. dollar currency impact: approximately $0.2 billion from the Japanese yen, and approximately $0.1 billion each from the Singapore dollar, Swiss franc, Indian rupee and British pound sterling. These impacts per currency are generally in the same direction (estimated positive impact in the +100 bps shock scenario) and not offsetting.

Citi's balance sheet is asset sensitive (assets reprice faster than liabilities), resulting in higher net interest income in increasing interest rate scenarios. The estimated impact to Citi's net interest income in a 100 bps upward rate shock scenario as of the third quarter of 2023 decreased quarter-over-quarter and year-over-year, primarily due to changes in deposit composition and levels, partially offset by hedging actions. At progressively higher interest rate levels, the marginal net interest income benefit is lower, as Citi assumes it will pass on a larger share of rate changes to depositors (i.e., higher betas), further reducing Citi's IRE sensitivity. Currency-specific interest rate changes and balance sheet factors may drive quarter-to-quarter volatility in Citi's estimated IRE.

In a 100 bps upward rate shock scenario, Citi expects that the approximate $0.8 billion initial negative impact to *AOCI* could potentially be offset in shareholders' equity through the expected recovery of the impact on *AOCI* through accretion of Citi's investment portfolio and expected net interest income benefit over a period of approximately four months.

Scenario Analysis

The following table presents the estimated impact to Citi's net interest income, *AOCI* and CET1 Capital ratio (on a fully implemented basis) under six different scenarios of changes in interest rates for the U.S. dollar and all other currencies in which Citi has invested capital as of September 30, 2023. The interest rate scenarios are also impacted by convexity related to mortgage products.

In millions of dollars, except as otherwise noted	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6
Overnight rate change (bps)	100	100	—	—	(100)	(100)
10-year rate change (bps)	100	—	100	(100)	—	(100)
Interest rate exposure						
U.S. dollar	$ 82	$ 16	$ 56	$ (83)	$ (504)	$ (608)
All other currencies[1]	1,214	1,034	176	(179)	(916)	(1,081)
Total	$ 1,296	$ 1,050	$ 232	$ (262)	$ (1,420)	$ (1,689)
Estimated initial impact to *AOCI* (after-tax)[2]	$ (807)	$ (1,008)	$ 245	$ (445)	$ 995	$ 645
Estimated initial impact to CET1 Capital ratio (bps) from *AOCI* scenario	(12)	(8)	(3)	2	8	11

Note: Each scenario 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. The interest rate exposure in the table above assumes no change in deposit size or mix from the baseline forecast included in the different interest scenarios presented. As a result, in higher interest rate scenarios, customer activity resulting in a shift from non-interest-bearing and low interest rate deposit products to higher-yielding deposits would reduce the expected benefit to net interest income. Conversely, in lower interest rate scenarios, customer activity resulting in a shift from higher-yielding deposits to non-interest-bearing and low interest rate deposit products would reduce the expected decrease to net interest income.

(1) Scenario 1 includes the impact from the following top five non-U.S. dollar currencies, which represents approximately 50% of the total non-U.S. dollar currency impact: approximately $0.2 billion from the Japanese yen, and approximately $0.1 billion each from the Singapore dollar, Swiss franc, Indian rupee and British pound sterling. These impacts per currency are generally in the same direction (estimated positive impact in the +100 bps shock scenario) and not offsetting.

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

As shown in the table above, the estimated impact to Citi's net interest income is larger under Scenario 2 than Scenario 3, as Citi's Banking Book has relatively higher interest rate exposure to the short end of the yield curve. For non-U.S. dollar currencies, exposure to downward rate shocks is smaller in magnitude as a result of Citi's flooring assumption, given low rate levels for certain non-U.S. dollar currencies.

The magnitude of the impact to *AOCI* is greater under Scenario 2 compared to Scenario 3. This is because the combination of changes to Citi's investment portfolio, partially offset by changes related to Citi's pension liabilities, results in a net position that is more sensitive to rates at shorter- and intermediate-term maturities.

Changes in Foreign Exchange Rates—Impacts on *AOCI* and Capital

As of September 30, 2023, 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 $1.7 billion, or 0.96%, as a result of changes to Citi's CTA in *AOCI*, net of hedges. This impact would be primarily due to changes in the value of the Mexican peso, Euro and Indian rupee.

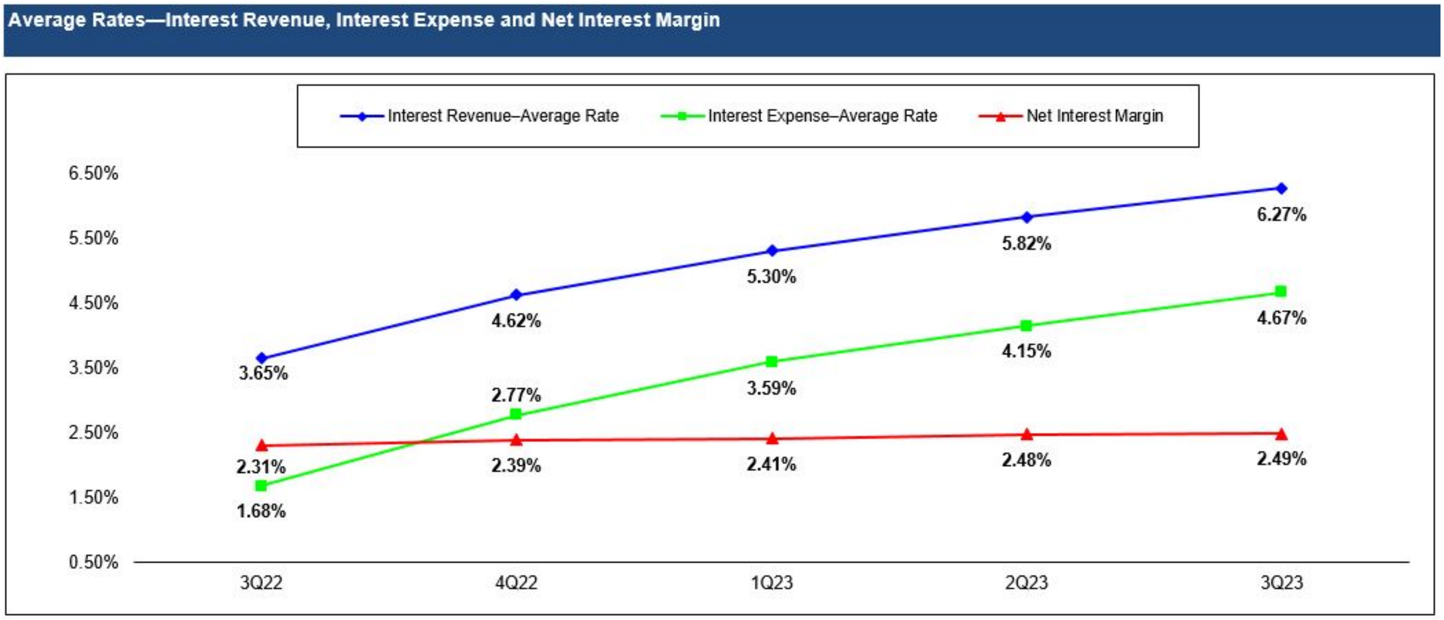
This impact is also before any mitigating actions Citi may take, including ongoing management of its foreign currency translation exposure. Specifically, as currency movements change the value of Citi's net investments in foreign currency-denominated capital, these movements also change the value of 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 CET1 Capital ratio. Changes in these hedging strategies, as well as hedging costs, divestitures and tax impacts, can further affect the actual impact of changes in foreign exchange rates on Citi's capital compared to an unanticipated parallel shock, as described above.

The effect of Citi's ongoing management strategies with respect to quarterly changes in foreign exchange rates, and the quarterly impact of these changes on Citi's TCE and CET1 Capital ratio, are shown in the table below. See Note 18 for additional information on the changes in *AOCI*.

	For the quarter ended		
In millions of dollars, except as otherwise noted	**Sept. 30, 2023**	Jun. 30, 2023	Sept. 30, 2022
Change in FX spot rate[1]	**(2.5)%**	(0.2)%	(4.5)%
Change in TCE due to FX translation, net of hedges	**$ (1,314)**	$ (98)	$ (2,121)
As a percentage of TCE	**(0.8)%**	(0.1)%	(1.4)%
Estimated impact to CET1 Capital ratio (on a fully implemented basis) due to changes in FX translation, net of hedges (bps)	**(1)**	—	(2)

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

Interest Revenue/Expense and Net Interest Margin (NIM)



In millions of dollars, except as otherwise noted	**3rd Qtr. 2023**	2nd Qtr. 2023	3rd Qtr. 2022	**Change 3Q23 vs. 3Q22**
Interest revenue(1)	**$ 34,860**	$ 32,660	$ 19,965	**75 %**
Interest expense(2)	**21,009**	18,747	7,356	**186**
Net interest income, taxable equivalent basis(1)	**$ 13,851**	$ 13,913	$ 12,609	**10 %**
Interest revenue—average rate(3)	**6.27 %**	5.82 %	3.65 %	**262 bps**
Interest expense—average rate	**4.67**	4.15	1.68	**299 bps**
Net interest margin(3)(4)	**2.49**	2.48	2.31	**18 bps**
Interest rate benchmarks				
Two-year U.S. Treasury note—average rate	**4.92 %**	4.26 %	3.38 %	**154 bps**
10-year U.S. Treasury note—average rate	**4.15**	3.60	3.10	**105 bps**
10-year vs. two-year spread	**(77) bps**	(66) bps	(28) bps	

(1) *Interest revenue* and *Net interest income* include the taxable equivalent adjustments primarily related to the tax-exempt bond portfolio and certain tax-advantaged loan programs of $23 million, $13 million and $46 million for the three months ended September 30, 2023, June 30, 2023 and September 30, 2022, respectively.
(2) Interest expense associated with certain hybrid financial instruments, which are classified as *Long-term debt* and accounted for at fair value, is reported together with any changes in fair value as part of *Principal transactions* in the Consolidated Statement of Income and is therefore not reflected in *Interest expense* in the table above.
(3) The average rate on interest revenue and net interest margin reflects the taxable equivalent gross-up adjustment. See footnote 1 above.
(4) Citi's NIM is calculated by dividing net interest income by average interest-earning assets.

Non-*ICG* Markets Net Interest Income

In millions of dollars	**3rd Qtr. 2023**	2nd Qtr. 2023	3rd Qtr. 2022	**Change 3Q23 vs. 3Q22**
Net interest income—taxable equivalent basis(1) per above	**$ 13,851**	$ 13,913	$ 12,609	**10 %**
ICG Markets net interest income—taxable equivalent basis(1)	**1,578**	1,983	1,230	**28**
Non-*ICG* Markets net interest income—taxable equivalent basis(1)	**$ 12,273**	$ 11,930	$ 11,379	**8 %**

(1) *Interest revenue* and *Net interest income* include the taxable equivalent adjustments discussed in the table above.

Citi's net interest income in the third quarter of 2023 increased 10% to $13.8 billion versus the prior-year period. As presented in the table above, Citi's net interest income on a taxable equivalent basis also increased 10% year-over-year, or $1.2 billion. The increase was driven by higher net interest income in non-*ICG* Markets, which increased 8%, and *ICG* Markets, which increased 28%. The increase in net interest income in non-*ICG* Markets primarily reflected higher interest rates and growth in U.S. cards interest-earning balances, partially offset by a reduction in net interest income due to the exited markets and continued wind-downs in *Legacy Franchises*. The increase in *ICG* Markets net interest income was primarily driven by higher interest rates as well as a change in the mix of trading positions in support of client activity.

Citi's net interest margin was 2.49% on a taxable equivalent basis in the third quarter of 2023, an increase of 1 basis point from the prior quarter, primarily driven by beneficial balance sheet mix changes and higher interest rates, largely offset by the absence of the benefit of dividend seasonality in *ICG* Markets in the prior quarter.

Additional Interest Rate Details

Average Balances and Interest Rates—Assets[1][2][3]

Taxable Equivalent Basis

Quarterly—Assets	Average balance			Interest revenue			% Average rate		
In millions of dollars, except rates	**3rd Qtr. 2023**	2nd Qtr. 2023	3rd Qtr. 2022	**3rd Qtr. 2023**	2nd Qtr. 2023	3rd Qtr. 2022	**3rd Qtr. 2023**	2nd Qtr. 2023	3rd Qtr. 2022
Deposits with banks[4]	**$ 260,159**	$ 310,047	$ 256,444	**$ 2,645**	$ 3,049	$ 1,218	**4.03 %**	3.94 %	1.88 %
Securities borrowed and purchased under agreements to resell[5]									
In U.S. offices	**$ 165,557**	$ 182,676	$ 200,951	**$ 3,577**	$ 3,227	$ 1,285	**8.57 %**	7.09 %	2.54 %
In offices outside the U.S.[4]	**187,051**	183,028	160,768	**3,786**	3,027	891	**8.03**	6.63	2.20
Total	**$ 352,608**	$ 365,704	$ 361,719	**$ 7,363**	$ 6,254	$ 2,176	**8.28 %**	6.86 %	2.39 %
Trading account assets[6][7]									
In U.S. offices	**$ 194,531**	$ 180,214	$ 143,102	**$ 2,334**	$ 2,071	$ 1,196	**4.76 %**	4.61 %	3.32 %
In offices outside the U.S.[4]	**151,333**	149,015	129,894	**1,559**	1,681	795	**4.09**	4.52	2.43
Total	**$ 345,864**	$ 329,229	$ 272,996	**$ 3,893**	$ 3,752	$ 1,991	**4.47 %**	4.57 %	2.89 %
Investments									
In U.S. offices									
Taxable	**$ 333,520**	$ 337,957	$ 355,293	**$ 2,287**	$ 2,238	$ 1,521	**2.72 %**	2.66 %	1.70 %
Exempt from U.S. income tax	**11,432**	11,577	11,809	**120**	108	110	**4.16**	3.74	3.70
In offices outside the U.S.[4]	**163,902**	158,415	146,312	**2,320**	2,110	1,379	**5.62**	5.34	3.74
Total	**$ 508,854**	$ 507,949	$ 513,414	**$ 4,727**	$ 4,456	$ 3,010	**3.69 %**	3.52 %	2.33 %
Consumer loans[8]									
In U.S. offices	**$ 297,178**	$ 289,122	$ 273,324	**$ 7,807**	$ 7,294	$ 6,064	**10.42 %**	10.12 %	8.80 %
In offices outside the U.S.[4]	**78,454**	78,730	83,023	**1,802**	1,668	1,316	**9.11**	8.50	6.29
Total	**$ 375,632**	$ 367,852	$ 356,347	**$ 9,609**	$ 8,962	$ 7,380	**10.15 %**	9.77 %	8.22 %
Corporate loans[8]									
In U.S. offices	**$ 133,944**	$ 135,716	$ 141,539	**$ 1,862**	$ 1,791	$ 1,449	**5.52 %**	5.29 %	4.06 %
In offices outside the U.S.[4]	**152,710**	150,023	156,832	**3,585**	3,311	1,981	**9.31**	8.85	5.01
Total	**$ 286,654**	$ 285,739	$ 298,371	**$ 5,447**	$ 5,102	$ 3,430	**7.54 %**	7.16 %	4.56 %
Total loans[8]									
In U.S. offices	**$ 431,122**	$ 424,838	$ 414,863	**$ 9,669**	$ 9,085	$ 7,513	**8.90 %**	8.58 %	7.18 %
In offices outside the U.S.[4]	**231,164**	228,753	239,855	**5,387**	4,979	3,297	**9.25**	8.73	5.45
Total	**$ 662,286**	$ 653,591	$ 654,718	**$ 15,056**	$ 14,064	$ 10,810	**9.02 %**	8.63 %	6.55 %
Other interest-earning assets[9]	**$ 76,400**	$ 85,083	$ 110,619	**$ 1,176**	$ 1,085	$ 760	**6.11 %**	5.11 %	2.73 %
Total interest-earning assets	**$ 2,206,171**	$ 2,251,603	$2,169,910	**$ 34,860**	$ 32,660	$ 19,965	**6.27 %**	5.82 %	3.65 %
Non-interest-earning assets[6]	**$ 207,608**	$ 214,011	$ 229,536						
Total assets	**$ 2,413,779**	$ 2,465,614	$2,399,446						

Nine Months—Assets	Average balance		Interest revenue		% Average rate	
In millions of dollars, except rates	**Nine Months 2023**	Nine Months 2022	**Nine Months 2023**	Nine Months 2022	**Nine Months 2023**	Nine Months 2022
Deposits with banks[4]	**$ 299,449**	$ 248,119	**$ 8,725**	$ 2,172	**3.90 %**	1.17 %
Securities borrowed and purchased under agreements to resell[5]						
In U.S. offices	**$ 178,268**	$ 189,671	**$ 9,644**	$ 1,852	**7.23 %**	1.31 %
In offices outside the U.S.[4]	**183,852**	161,954	**9,147**	1,523	**6.65**	1.26
Total	**$ 362,120**	$ 351,625	**$ 18,791**	$ 3,375	**6.94 %**	1.28 %
Trading account assets[6][7]						
In U.S. offices	**$ 179,654**	$ 139,682	**$ 6,178**	$ 2,420	**4.60 %**	2.32 %
In offices outside the U.S.[4]	**144,985**	133,449	**4,215**	2,381	**3.89**	2.39
Total	**$ 324,639**	$ 273,131	**$ 10,393**	$ 4,801	**4.28 %**	2.35 %
Investments						
In U.S. offices						
Taxable	**$ 338,751**	$ 355,483	**$ 6,674**	$ 3,674	**2.63 %**	1.38 %
Exempt from U.S. income tax	**11,539**	11,773	**344**	313	**3.99**	3.55
In offices outside the U.S.[4]	**160,819**	150,016	**6,324**	3,477	**5.26**	3.10
Total	**$ 511,109**	$ 517,272	**$ 13,342**	$ 7,464	**3.49 %**	1.93 %
Consumer loans[8]						
In U.S. offices	**$ 289,931**	$ 264,941	**$ 22,152**	$ 16,457	**10.22 %**	8.30 %
In offices outside the U.S.[4]	**79,120**	88,762	**5,043**	3,786	**8.52**	5.70
Total	**$ 369,051**	$ 353,703	**$ 27,195**	$ 20,243	**9.85 %**	7.65 %
Corporate loans[8]						
In U.S. offices	**$ 135,798**	$ 140,198	**$ 5,389**	$ 3,846	**5.31 %**	3.67 %
In offices outside the U.S.[4]	**151,689**	159,693	**9,847**	4,978	**8.68**	4.17
Total	**$ 287,487**	$ 299,891	**$ 15,236**	$ 8,824	**7.09 %**	3.93 %
Total loans[8]						
In U.S. offices	**$ 425,729**	$ 405,139	**$ 27,541**	$ 20,303	**8.65 %**	6.70 %
In offices outside the U.S.[4]	**230,809**	248,455	**14,890**	8,764	**8.63**	4.72
Total	**$ 656,538**	$ 653,594	**$ 42,431**	$ 29,067	**8.64 %**	5.95 %
Other interest-earning assets[9]	**$ 83,080**	$ 117,354	**$ 3,277**	$ 1,953	**5.27 %**	2.23 %
Total interest-earning assets	**$ 2,236,935**	$2,161,095	**$ 96,959**	$ 48,832	**5.80 %**	3.02 %
Non-interest-earning assets[6]	**$ 210,277**	$ 223,418				
Total assets	**$ 2,447,212**	$2,384,513				

(1) *Interest revenue* and *Net interest income* include the taxable equivalent adjustments primarily related to the tax-exempt bond portfolio and certain tax-advantaged loan programs of $23 million, $13 million and $46 million for the three months ended September 30, 2023, June 30, 2023 and September 30, 2022, respectively, and $80 million and $132 million for the nine months ended September 30, 2023 and 2022, respectively.
(2) Interest rates and amounts include the effects of risk management activities associated with the respective asset categories.
(3) Monthly or quarterly averages have been used by certain subsidiaries where daily averages are unavailable.
(4) Average rates reflect prevailing local interest rates, including inflationary effects and monetary corrections in certain countries.
(5) Average volumes of securities borrowed or purchased under agreements to resell are reported net pursuant to ASC 210-20-45. However, *Interest revenue* excludes the impact of ASC 210-20-45.
(6) The fair value carrying amounts of derivative contracts are reported net, pursuant to ASC 815-10-45, in *Non-interest-earning assets* and *Other non-interest-bearing liabilities*.
(7) *Interest expense* on *Trading account liabilities* of *ICG* is reported as a reduction of *Interest revenue*. *Interest revenue* and *Interest expense* on cash collateral positions are reported in interest on *Trading account assets* and *Trading account liabilities*, respectively.
(8) Net of unearned income. Includes cash-basis loans.
(9) Includes assets from businesses held-for-sale (see Note 2) and *Brokerage receivables*.

Average Balances and Interest Rates—Liabilities and Equity, and Net Interest Income[1][2][3]

Taxable Equivalent Basis

Quarterly—Liabilities	**Average balance**			**Interest expense**			**% Average rate**		
In millions of dollars, except rates	**3rd Qtr. 2023**	2nd Qtr. 2023	3rd Qtr. 2022	**3rd Qtr. 2023**	2nd Qtr. 2023	3rd Qtr. 2022	**3rd Qtr. 2023**	2nd Qtr. 2023	3rd Qtr. 2022
Deposits									
In U.S. offices[4]	**$ 586,909**	$ 595,476	$ 569,903	**$ 5,390**	$ 4,983	$ 1,743	**3.64 %**	3.36 %	1.21 %
In offices outside the U.S.[5]	**534,254**	536,735	505,456	**4,240**	3,744	1,527	**3.15**	2.80	1.20
Total	**$ 1,121,163**	$ 1,132,211	$1,075,359	**$ 9,630**	$ 8,727	$ 3,270	**3.41 %**	3.09 %	1.21 %
Securities loaned and sold under agreements to repurchase[6]									
In U.S. offices	**$ 180,168**	$ 170,226	$ 111,513	**$ 3,780**	$ 3,084	$ 864	**8.32 %**	7.27 %	3.07 %
In offices outside the U.S.[5]	**94,955**	91,921	95,677	**2,310**	1,869	387	**9.65**	8.16	1.60
Total	**$ 275,123**	$ 262,147	$ 207,190	**$ 6,090**	$ 4,953	$ 1,251	**8.78 %**	7.58 %	2.40 %
Trading account liabilities[7][8]									
In U.S. offices	**$ 45,168**	$ 50,429	$ 56,447	**$ 453**	$ 479	$ 255	**3.98 %**	3.81 %	1.79 %
In offices outside the U.S.[5]	**66,199**	77,925	72,078	**439**	391	217	**2.63**	2.01	1.19
Total	**$ 111,367**	$ 128,354	$ 128,525	**$ 892**	$ 870	$ 472	**3.18 %**	2.72 %	1.46 %
Short-term borrowings and other interest-bearing liabilities[9]									
In U.S. offices	**$ 87,040**	$ 86,990	$ 103,375	**$ 1,737**	$ 1,608	$ 654	**7.92 %**	7.41 %	2.51 %
In offices outside the U.S.[5]	**30,395**	39,744	50,947	**219**	169	91	**2.86**	1.71	0.71
Total	**$ 117,435**	$ 126,734	$ 154,322	**$ 1,956**	$ 1,777	$ 745	**6.61 %**	5.62 %	1.92 %
Long-term debt[10]									
In U.S. offices	**$ 156,065**	$ 159,803	$ 165,834	**$ 2,389**	$ 2,367	$ 1,572	**6.07 %**	5.94 %	3.76 %
In offices outside the U.S.[5]	**2,420**	2,524	3,495	**52**	53	46	**8.52**	8.42	5.22
Total	**$ 158,485**	$ 162,327	$ 169,329	**$ 2,441**	$ 2,420	$ 1,618	**6.11 %**	5.98 %	3.79 %
Total interest-bearing liabilities	**$ 1,783,573**	$ 1,811,773	$1,734,725	**$ 21,009**	$ 18,747	$ 7,356	**4.67 %**	4.15 %	1.68 %
Demand deposits in U.S. offices	**$ 104,930**	$ 113,639	$ 140,271						
Other non-interest-bearing liabilities[7]	**315,523**	331,119	325,283						
Total liabilities	**$ 2,204,026**	$ 2,256,531	$2,200,279						
Citigroup stockholders' equity	**$ 209,028**	$ 208,459	$ 198,694						
Noncontrolling interests	**725**	624	473						
Total equity	**$ 209,753**	$ 209,083	$ 199,167						
Total liabilities and stockholders' equity	**$ 2,413,779**	$ 2,465,614	$2,399,446						
Net interest income as a percentage of average interest-earning assets[11]									
In U.S. offices	**$ 1,287,260**	$ 1,336,146	$1,278,682	**$ 6,561**	$ 6,961	$ 7,458	**2.02 %**	2.09 %	2.31 %
In offices outside the U.S.[6]	**918,911**	915,457	891,228	**7,290**	6,952	5,151	**3.15**	3.05	2.29
Total	**$ 2,206,171**	$ 2,251,603	$2,169,910	**$ 13,851**	$ 13,913	$ 12,609	**2.49 %**	2.48 %	2.31 %

Nine Months—Liabilities	Average balance		Interest expense		% Average rate	
In millions of dollars, except rates	**Nine Months 2023**	Nine Months 2022	**Nine Months 2023**	Nine Months 2022	**Nine Months 2023**	Nine Months 2022
Deposits						
In U.S. offices[4]	**$ 595,461**	$ 561,368	**$ 14,805**	$ 2,525	**3.32 %**	0.60 %
In offices outside the U.S.[5]	**538,056**	513,121	**11,260**	3,036	**2.80**	0.79
Total	**$ 1,133,517**	$1,074,489	**$ 26,065**	$ 5,561	**3.07 %**	0.69 %
Securities loaned and sold under agreements to repurchase[6]						
In U.S. offices	**$ 160,543**	$ 113,772	**$ 9,096**	$ 1,416	**7.58 %**	1.66 %
In offices outside the U.S.[5]	**93,116**	94,791	**5,513**	772	**7.92**	1.09
Total	**$ 253,659**	$ 208,563	**$ 14,609**	$ 2,188	**7.70 %**	1.40 %
Trading account liabilities[7][8]						
In U.S. offices	**$ 49,277**	$ 52,584	**$ 1,344**	$ 315	**3.65 %**	0.80 %
In offices outside the U.S.[5]	**73,750**	69,965	**1,205**	441	**2.18**	0.84
Total	**$ 123,027**	$ 122,549	**$ 2,549**	$ 756	**2.77 %**	0.82 %
Short-term borrowings and other interest bearing liabilities[9]						
In U.S. offices	**$ 90,041**	$ 92,022	**$ 4,827**	$ 884	**7.17 %**	1.28 %
In offices outside the U.S.[5]	**39,356**	57,119	**555**	184	**1.89**	0.43
Total	**$ 129,397**	$ 149,141	**$ 5,382**	$ 1,068	**5.56 %**	0.96 %
Long-term debt[10]						
In U.S. offices	**$ 161,240**	$ 165,880	**$ 7,041**	$ 3,604	**5.84 %**	2.90 %
In offices outside the U.S.[5]	**2,542**	3,780	**157**	125	**8.26**	4.42
Total	**$ 163,782**	$ 169,660	**$ 7,198**	$ 3,729	**5.88 %**	2.94 %
Total interest-bearing liabilities	**$ 1,803,382**	$1,724,402	**$ 55,803**	$ 13,302	**4.14 %**	1.03 %
Demand deposits in U.S. offices	**$ 113,080**	$ 137,682				
Other non-interest-bearing liabilities[7]	**323,035**	322,927				
Total liabilities	**$ 2,239,497**	$2,185,011				
Citigroup stockholders' equity	**$ 207,071**	$ 198,945				
Noncontrolling interests	**644**	557				
Total equity	**$ 207,715**	$ 199,502				
Total liabilities and stockholders' equity	**$ 2,447,212**	$2,384,513				
Net interest income as a percentage of average interest-earning assets[11]						
In U.S. offices	**$ 1,321,446**	$1,257,817	**$ 20,977**	$ 21,386	**2.12 %**	2.27 %
In offices outside the U.S.[6]	**915,491**	903,278	**20,179**	14,144	**2.95**	2.09
Total	**$ 2,236,937**	$2,161,095	**$ 41,156**	$ 35,530	**2.46 %**	2.20 %

(1) *Interest revenue* and *Net interest income* include the taxable equivalent adjustments discussed in the table above.
(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) Consists of other time deposits and savings deposits. Savings deposits are made up of insured money market accounts, NOW accounts and other savings deposits.
(5) Average rates reflect prevailing local interest rates, including inflationary effects and monetary corrections in certain countries.
(6) Average volumes of securities sold under agreements to repurchase are reported net pursuant to ASC 210-20-45. However, *Interest expense* excludes the impact of ASC 210-20-45.
(7) The fair value carrying amounts of derivative contracts are reported net, pursuant to ASC 815-10-45, in *Non-interest-earning assets* and *Other non-interest-bearing liabilities*.
(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 *Brokerage payables*.
(10) Excludes hybrid financial instruments and beneficial interests in consolidated VIEs that are classified as *Long-term debt*, as the changes in fair value for these obligations are recorded in *Principal transactions*.
(11) Includes allocations for capital and funding costs based on the location of the asset.

Market Risk of Trading Portfolios

Value at Risk (VAR)

Citi believes its VAR model is conservatively calibrated to incorporate fat-tail scaling and the greater of short-term (approximately the most recent month) and long-term (18 months for commodities and three years for others) market volatility. As of September 30, 2023, Citi estimates that the conservative features of the VAR calibration contribute an approximate 32% add-on to what would be a VAR estimated under the assumption of stable and perfectly, normally distributed markets. As of June 30, 2023, the add-on was 48%.

As presented in the table below, Citi's average trading VAR for the third quarter of 2023 decreased 13% quarter-over-quarter, primarily from inventory changes in *ICG* Markets businesses and updates to reflect changes in volatilities.

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

In millions of dollars	**September 30, 2023**	**Third Quarter 2023 Average**	June 30, 2023	Second Quarter 2023 Average	September 30, 2022	Third Quarter 2022 Average
Interest rate	**$ 109**	**$ 102**	$ 109	$ 129	$ 109	$ 113
Credit spread	**80**	**68**	63	69	60	80
Covariance adjustment(1)	**(59)**	**(49)**	(48)	(49)	(39)	(59)
Fully diversified interest rate and credit spread(2)	**$ 130**	**$ 121**	$ 124	$ 149	$ 130	$ 134
Foreign exchange	**72**	**36**	20	18	14	28
Equity	**27**	**23**	30	22	32	26
Commodity	**28**	**28**	29	37	36	37
Covariance adjustment(1)	**(116)**	**(89)**	(91)	(89)	(92)	(94)
Total trading VAR—all market risk factors, including general and specific risk (excluding credit portfolios)(2)	**$ 141**	**$ 119**	$ 112	$ 137	$ 120	$ 131
Specific risk-only component(3)	**$ (9)**	**$ (9)**	$ (15)	$ (9)	$ (2)	$ —
Total trading VAR—general market risk factors only (excluding credit portfolios)	**$ 150**	**$ 128**	$ 127	$ 146	$ 122	$ 131
Incremental impact of the credit portfolio(4)	**$ 6**	**$ 13**	$ 33	$ 11	$ 23	$ 28
Total trading and credit portfolio VAR	**$ 147**	**$ 132**	$ 145	$ 148	$ 143	$ 159

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

	Third Quarter 2023		Second Quarter 2023		Third Quarter 2022	
In millions of dollars	**Low**	**High**	Low	High	Low	High
Interest rate	**$ 85**	**$ 119**	$ 102	$ 186	$ 91	$ 137
Credit spread	**56**	**80**	57	83	60	99
Fully diversified interest rate and credit spread	**$ 105**	**$ 138**	$ 116	$ 211	$ 118	$ 151
Foreign exchange	**12**	**101**	12	24	13	43
Equity	**14**	**33**	15	32	21	33
Commodity	**22**	**31**	25	47	33	41
Total trading	**$ 99**	**$ 150**	$ 107	$ 192	$ 113	$ 149
Total trading and credit portfolio	**111**	**165**	118	200	134	173

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		**September 30, 2023**
Total—all market risk factors, including general and specific risk		
Average—during quarter	**$**	**117**
High—during quarter		**148**
Low—during quarter		**95**

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 exceed the Regulatory VAR. Given the conservative calibration of Citi's VAR model (as a result of taking the greater of short- and long-term volatilities and fat-tail scaling of volatilities), Citi would expect fewer exceptions under normal and stable market conditions. Periods of unstable market conditions could increase the number of back-testing exceptions.

As of September 30, 2023, there were two back-testing exceptions observed for Citi's Regulatory VAR in the last 12 months.

OTHER RISKS

For additional information regarding other risks, including Citi's management of other risks, see "Managing Global Risk —Other Risks" in Citi's 2022 Form 10-K.

Country Risk

Top 25 Country Exposures

The following table presents Citi's top 25 exposures by country (excluding the U.S.) as of September 30, 2023. (Including the U.S., Citi's top 25 exposures by country would represent approximately 98% of Citi's exposure to all countries as of September 30, 2023.)

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 39% of corporate loans presented in the table below are to U.K. domiciled entities (39% for unfunded commitments), with the balance of the loans predominately to European domiciled counterparties. Approximately 89% of the total U.K. funded loans and 90% of the total U.K. unfunded commitments were investment grade as of September 30, 2023.

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	PBWM loans[1]	Legacy Franchises loans	Loans transferred to HFS[7]	Other funded[2]	Unfunded[3]	Net MTM on derivatives/ repos[4]	Total hedges (on loans and CVA)	Investment securities[5]	Trading account assets[6]	Total as of 3Q23	Total as of 2Q23	Total as of 3Q22	Total as a % of Citi as of 3Q23
United Kingdom	$35.9	$ 5.1	$ —	$ —	$ 1.4	$ 41.9	$ 11.4	$ (4.5)	$ 3.6	$ 2.4	**$97.2**	$97.6	$ 93.0	**5.6 %**
Mexico	9.7	0.1	25.9	—	0.3	9.2	3.1	(3.4)	23.0	1.3	**69.2**	68.9	56.3	**4.0**
Ireland	14.4	—	—	—	0.9	33.0	0.2	(0.2)	—	0.7	**49.0**	49.9	50.3	**2.8**
Hong Kong	8.7	20.0	—	—	0.2	5.0	2.1	(0.5)	8.6	0.1	**44.2**	46.0	50.2	**2.5**
Singapore	9.0	17.8	—	—	0.4	7.2	1.0	(0.5)	5.9	1.5	**42.3**	43.9	44.5	**2.4**
Brazil	13.0	—	—	—	—	2.8	7.9	(1.1)	7.3	2.9	**32.8**	31.0	29.8	**1.9**
India	7.2	—	—	—	0.6	3.9	0.9	(0.6)	9.0	1.3	**22.3**	23.6	25.6	**1.3**
South Korea	3.7	—	5.7	—	0.1	1.4	0.8	(0.7)	9.0	0.9	**20.9**	22.4	22.8	**1.2**
China	5.8	—	0.8	—	0.6	1.2	1.9	(1.2)	7.9	1.6	**18.6**	18.2	19.1	**1.1**
Germany	0.4	—	—	—	0.3	6.7	7.9	(3.8)	7.9	(2.1)	**17.3**	18.8	20.4	**1.0**
Canada	1.7	1.5	—	—	0.1	7.2	2.1	(2.0)	3.1	2.8	**16.5**	16.4	15.8	**0.9**
Australia	8.4	0.4	—	—	—	6.3	0.8	(1.4)	0.6	1.4	**16.5**	15.7	14.5	**0.9**
United Arab Emirates	6.3	1.5	—	—	0.1	4.8	0.3	(0.3)	3.7	—	**16.4**	16.2	15.8	**0.9**
Japan	1.5	—	—	—	—	3.6	5.3	(1.9)	4.5	2.9	**15.9**	13.2	17.9	**0.9**
Poland	2.9	—	1.4	—	—	2.8	0.9	(0.2)	5.1	0.1	**13.0**	14.1	12.5	**0.7**
Jersey	2.6	2.7	—	—	—	6.9	—	(0.1)	—	—	**12.1**	11.5	16.1	**0.7**
Indonesia	2.1	—	—	0.6	—	1.0	1.4	(0.1)	1.0	0.1	**6.1**	6.4	5.6	**0.3**
Taiwan	4.0	—	—	—	—	0.8	0.5	(0.1)	0.3	(0.1)	**5.4**	14.0	14.4	**0.3**
Malaysia	1.1	—	—	—	0.1	0.8	0.1	(0.1)	3.1	0.2	**5.3**	4.9	8.0	**0.3**
Philippines	0.6	—	—	—	0.1	0.2	2.4	(0.2)	2.2	(0.1)	**5.2**	5.2	5.3	**0.3**
Luxembourg	0.2	0.8	—	—	—	0.1	0.4	(0.3)	3.6	0.1	**4.9**	5.2	4.4	**0.3**
South Africa	1.5	—	—	—	—	0.7	0.1	(0.2)	2.2	0.3	**4.6**	4.5	4.3	**0.3**
Czech Republic	0.8	—	—	—	—	0.8	2.1	—	0.7	0.1	**4.5**	5.2	3.2	**0.3**
Chile	1.0	—	—	—	2.2	0.1	0.2	—	—	—	**3.5**	3.8	3.2	**0.2**
Italy	0.4	—	—	—	—	1.7	1.3	(1.8)	—	1.9	**3.5**	5.2	3.9	**0.2**
Total as a % of Citi's total exposure														**31.3 %**
Total as a % of Citi's non-U.S. total exposure														**90.1 %**

(1) *PBWM* loans reflect funded loans, including those related to the Private bank, net of unearned income. As of September 30, 2023, Private bank loans in the table above totaled $19.3 billion, concentrated in Singapore ($5.1 billion), the U.K. ($5.0 billion) and Hong Kong ($4.3 billion).
(2) Other funded includes other direct exposures such as accounts receivable and investments accounted for under the equity method.
(3) Unfunded exposure includes unfunded corporate lending commitments, letters of credit and other contingencies.
(4) Net mark-to-market (MTM) counterparty risk on OTC derivatives and securities lending/borrowing transactions (repos). Exposures are shown net of collateral and inclusive of CVA. Also includes margin loans.

(5) Investment securities include debt securities AFS, recorded at fair market value, and debt securities HTM, recorded at amortized cost.
(6) Trading account assets are shown on a net basis and include issuer risk on cash products and derivative exposure where the underlying reference entity/issuer is located in that country.
(7) September 30, 2023, June 30, 2023 and September 30, 2022 include *Legacy Franchises* loans reclassified to HFS as a result of Citi's agreement to sell its consumer banking business in each applicable country. For additional information, see "*Legacy Franchises*" above and Note 2.

Russia

Introduction

In Russia, Citi's remaining operations are conducted through both *ICG* and *Legacy Franchises*.

As part of previously disclosed plans, Citi has ended nearly all of the institutional banking services it offered in Russia, with the remaining services only those necessary to fulfill its remaining legal and regulatory obligations. In addition, Citi has significantly reduced its *Legacy Franchises* loan portfolio in Russia since September 2022, largely due to loan portfolio sales and its entry into a credit card referral agreement with a Russian bank. Citi has ceased soliciting any new business or new clients in Russia. Citi will continue to manage its existing legal and regulatory commitments and obligations, as well as support its employees, during this period. For additional information, see "Citi's Wind-Down of Its Russia Operations" below.

Citi continues to monitor the war in Ukraine, related sanctions and economic conditions and continues to mitigate its Russia exposures and risks as appropriate.

For additional information about Citi's risks related to its Russia exposures, see "Forward-Looking Statements" below and "Risk Factors—Market-Related Risk," "—Operational Risks" and "—Other Risks" in Citi's 2022 Form 10-K.

Impact of Russia's Invasion of Ukraine on Citi's Businesses

Russia-related Balance Sheet Exposures

Citi's remaining domestic operations in Russia are conducted through a subsidiary of Citibank, AO Citibank, which uses the Russian ruble as its functional currency.

The following table summarizes Citi's exposures related to its Russia operations:

In billions of U.S. dollars	**September 30, 2023**	June 30, 2023	September 30, 2022	Change 3Q23 vs. 2Q23
Loans	**$ 0.2**	$ 0.3	$ 1.6	$ (0.1)
Investment securities[1]	**0.4**	0.6	1.4	(0.2)
Net MTM on derivatives/repos[2]	**1.2**	2.0	1.4	(0.8)
Total hedges (on loans and CVA)	**(0.1)**	(0.1)	(0.1)	—
Unfunded[3]	**—**	—	0.2	—
Trading accounts assets	**—**	—	0.1	—
Country risk exposure	**$ 1.7**	**$ 2.8**	**$ 4.6**	**$ (1.1)**
Cash on deposit and placements[4]	**0.6**	0.9	3.0	(0.3)
Deposit Insurance Agency[5]	**3.5**	2.8	—	0.7
Total third-party exposure[6]	**$ 5.8**	**$ 6.5**	**$ 7.6**	**$ (0.7)**
Additional exposures to Russian counterparties that are not held by the Russian subsidiary	**0.1**	0.1	0.3	—
Total Russia exposure[7]	**$ 5.9**	**$ 6.6**	**$ 7.9**	**$ (0.7)**

(1) Investment securities include debt securities AFS, recorded at fair market value, primarily local government debt securities.
(2) Reverse repurchase agreements are shown gross of collateral and are included in net MTM on derivatives/repos in the table above, as netting of collateral for Russia-related reverse repurchase agreements was removed in the second quarter of 2022. This removal was due to the inability to conclude, with a well-founded basis, the enforceability of contractual rights in the Russian legal system in the event of a counterparty default, given the geopolitical uncertainty caused by the war in Ukraine.
(3) Unfunded exposure consists of unfunded corporate lending commitments, letters of credit and other contingencies.
(4) Cash on deposit and placements are primarily with the Central Bank of Russia and foreign financial institutions.
(5) Represents dividends received by Citi in its role as custodian for investor clients in Russia, which Citi is required by local regulation to hold at the Deposit Insurance Agency. Citi is unable to remit these funds to clients due to restrictions imposed by the Russian government.
(6) The majority of AO Citibank's third-party exposures was funded with the dividends under footnote 5 and domestic deposit liabilities from both corporate and personal banking clients.
(7) Citigroup's CTA loss included in its *AOCI* related to its indirect subsidiary, AO Citibank, is excluded from the above table, because the CTA loss is not held in AO Citibank and would be recognized in Citigroup's earnings only upon either the substantial liquidation or a loss of control of AO Citibank. Citi has separately described these risks in "Deconsolidation Risk" below.

During the third quarter of 2023, Citi's Russia-related exposures decreased by $0.7 billion, as shown in the table above. The decrease in exposure was driven by a $0.7 billion depreciation of the ruble against the U.S. dollar. During the period, inflows from dividends received from Russian corporations on behalf of Citi's clients were fully offset by deposit outflows and tax payments to local authorities. Approximately 68% of Citi's remaining exposures in Russia are trapped dividends that Citi cannot remit to its clients due to restrictions imposed by the Russian government, of which $3.5 billion is held with the Deposit Insurance Agency as of September 30, 2023.

Citi's net investment in Russia was approximately $1.0 billion as of September 30, 2023 (down slightly from $1.1 billion as of June 30, 2023). Citi hedges its ruble/USD spot FX exposure in *AOCI* through the purchase of FX derivatives. The ongoing mark-to-market of the hedging derivatives is also reported in *AOCI*. When the ruble depreciates against the USD, the USD equivalent value of Citigroup's investment in AO Citibank also declines. This change in value is offset by the change in value of the hedging instrument (FX derivative). Going forward, Citi may record devaluations on its net ruble-denominated assets in earnings, without the benefit from a change in the fair value of derivative positions used to economically hedge the exposures.

Earnings and Other Impacts on Citi's Businesses

Citi's *ICG*, *PBWM* and *Legacy Franchises* segments and *Corporate/Other* have been impacted by various macroeconomic factors and volatilities, including Russia's invasion of Ukraine and its direct and indirect impact on the European and global economies. For a broader discussion of these factors and volatilities on Citi's businesses, see "Executive Summary" and each business's results of operations above.

As of September 30, 2023, Citigroup's ACL included a $0.1 billion remaining credit reserve for Citi's direct Russian counterparties (compared to $0.2 billion at June 30, 2023).

Citi's Wind-Down of Its Russia Operations

In August 2022, Citi disclosed its decision to wind down its Russia consumer, local commercial and institutional banking businesses, including actively pursuing portfolio sales. In connection with this wind-down, Citi has incurred approximately $55 million to-date in charges, largely from restructuring, vendor termination fees and other related charges. Citi expects to incur an additional approximate $85 million in estimated charges (approximately $10 million in *ICG* and $65 million in *Legacy Franchises*, and $10 million in *Corporate/Other* excluding the impact from any portfolio sales). This estimate was revised down during the third quarter from $180 million at June 30, 2023. During the third quarter, as part of the previously disclosed cards referral agreement with a Russian bank, approximately $26 million of credit card receivables was settled upon referral and refinanced. For additional information about Citi's continued efforts to reduce its operations and exposure in Russia, see Note 2 and "Risk Factors" and "Managing Global Risk—Other Risks—Country Risk—Russia" in Citi's 2022 Form 10-K.

Deconsolidation Risk

Citi's remaining operations in Russia subject it to various risks, including, among others, foreign currency volatility, including appreciation or devaluation; restrictions arising from retaliatory Russian laws and regulations on the conduct of its business; sanctions or asset freezes; or other deconsolidation events (for additional information, see "Risk Factors—Other Risks" in Citi's 2022 Form 10-K). Examples of triggers that may result in deconsolidation of AO Citibank include voluntary or forced sale of ownership or loss of control due to actions of relevant governmental authorities, including expropriation (i.e., the entity becomes subject to the complete control of a government, court, administrator, trustee or regulator); revocation of banking license; and loss of ability to elect a board of directors or appoint members of senior management. As of September 30, 2023, Citi continued to consolidate AO Citibank because none of the deconsolidation factors were triggered.

In the event Citi deems there is a loss of control, for example, through expropriation of AO Citibank Russia, Citi's foreign entity in Russia, Citi would be required to (i) write off the net investment of approximately $1.0 billion (down slightly from $1.1 billion as of June 30, 2023), (ii) recognize a CTA loss of approximately $1.6 billion (compared to $1.6 billion as of June 30, 2023) through earnings and (iii) recognize a loss of $0.6 billion (compared to $0.4 billion as of June 30, 2023) on intercompany liabilities owed by AO Citibank to other Citi entities outside Russia. In the sole event of a substantial liquidation, as opposed to a loss of control, Citi would be required to recognize the CTA loss of approximately $1.6 billion through earnings and would evaluate its remaining net investment as circumstances evolve.

Citi as Paying Agent for Russia-related Clients

Citi serves or served as paying agent on bonds issued by various entities in Russia, including Russian corporate clients. Citi's role as paying agent is administrative. In this role, Citi acts as an agent of its client, the bond issuer, receiving interest and principal payments from the bond issuer and then making payments to international central securities depositories (e.g., Depository Trust Company, Euroclear, Clearstream). The international central securities depositories (ICSDs) make payments to those participants or account holders (e.g., broker/dealers) that have clients who are investors in the applicable bonds (i.e., bondholders). As a paying agent, Citi generally does not have information about the identity of the bondholders. Citi may be exposed to risks due to its responsibilities for receiving and processing payments on behalf of its clients as a result of sanctions or other governmental requirements and prohibitions. To mitigate operational and sanctions risks, Citi has established policies, procedures and controls for client relationships and payment processing to help ensure compliance with U.S., U.K., EU and other jurisdictions' sanctions laws.

These processes may require Citi to delay or withhold the processing of payments as a result of sanctions on the bond issuer. Citi is also prevented from making payments to accounts on behalf of bondholders should the ICSDs disclose to Citi the presence of sanctioned bondholders. In both instances, Citi is generally required to segregate, restrict or block the funds until applicable sanctions are lifted or the payment is otherwise authorized under applicable law.

Reputational Risks
Citi has continued its efforts to enhance and protect its reputation with its colleagues, clients, customers, investors, regulators and the public. Citi's response to the war in Ukraine, including any action or inaction, may have a negative impact on Citi's reputation with some or all of these parties.

For example, Citi is exposed to reputational risk as a result of its current presence in Russia and association with Russian individuals or entities, whether subject to sanctions or not, including Citi's inability to support its global clients in Russia, which could adversely affect its broader client relationships and businesses; current involvement in transactions or supporting activities involving Russian assets or interests; failure to correctly interpret and apply laws and regulations, including those related to sanctions; perceived misalignment of Citi's actions to its stated strategy in Russia; and the reputational impact from Citi's activity and engagement with Ukraine or with non-Russian clients exiting their Russia businesses. Citi has considered the potential for reputation risk and taken actions to mitigate such risks. Citi established a Russia Special Review Process with management's Reputation Risk Committee with oversight for significant Russia-related reputation risks and completed a number of reputation risk reviews of matters with a Russian nexus.

While Citi announced its intention to wind down its businesses in Russia, Citi will continue to manage those operations during the wind-down process and will be required to maintain certain limited operations to fulfill its remaining legal and regulatory obligations. Also, sanctions and sanctions compliance are highly complex and may change over time and result in increased operational risk. Failure to fully comply with relevant sanctions or the application of sanctions where they should not be applied may negatively impact Citi's reputation. In addition, Citi currently performs services for, conducts business with or deals in non-sanctioned Russian-owned businesses and Russian assets. This has attracted, and will likely continue to attract, negative attention, despite the previously disclosed plan to wind down nearly all its activities in the country, cessation of new business and client originations, and reduction of other exposures.

Citi's continued presence or divestiture of businesses in Russia could also increase its susceptibility to cyberattacks that could negatively impact its relationships with clients and customers, harm its reputation, increase its compliance costs and adversely affect its business operations and results of operations. For additional information on operational and cyber risks, see "Risk Factors—Operational Risk" in Citi's 2022 Form 10-K.

Board's Role in Overseeing Related Risks
The Citi Board of Directors (Board) and the Board's Risk Management Committee (RMC) and its other Committees have received and continue to receive regular reports from senior management regarding the war in Ukraine and its impact on Citi's operations in Russia, Ukraine and elsewhere, as well as the war's broader geopolitical, macroeconomic and reputational impacts. In addition to receiving regular briefings from management, the full Board has routinely been invited to attend portions of the RMC meetings for discussions related to the war in Ukraine, including with respect to Citi's risk exposures and stress testing. The reports to the Board and its Committees from senior management who represent the impacted businesses and the EMEA region, Independent Risk Management, Finance, Independent Compliance Risk Management, including those individuals responsible for sanctions compliance, and Human Resources, have included detailed information regarding financial impacts, impacts on capital, cybersecurity, strategic considerations, sanctions compliance, employee assistance and reputational risks, enabling the Board and its Committees to properly exercise their oversight responsibilities. In addition, senior management has also provided updates to Citi's Executive Management Team and the Board, outside of formal meetings, regarding Citi's Russia-related risks, including with respect to cybersecurity matters.

Ukraine
Citi has continued to operate in Ukraine throughout the war through its *ICG* businesses, serving the local subsidiaries of multinationals, along with local financial institutions and the public sector. Citi employs approximately 230 people in Ukraine and their safety is Citi's top priority. All of Citi's domestic operations in Ukraine are conducted through a subsidiary of Citibank, which uses the Ukrainian hryvnia as its functional currency. Citi's exposures in Ukraine are not significant enough to be included in the "Top 25 Country Exposures" table above. As of September 30, 2023, Citi had $1.5 billion of direct exposures related to Ukraine, compared to $1.3 billion as of June 30, 2023. The increase in exposures reflected a $0.2 billion increase in deposits.

Argentina

Citi operates in Argentina through its *ICG* businesses. As of September 30, 2023, Citi's net investment in its Argentine operations was approximately $1.9 billion (unchanged from June 30, 2023). Under U.S. GAAP, Citi uses the U.S. dollar as the functional currency for its operations in countries such as Argentina that are deemed highly inflationary. Citi therefore records the impact of exchange rate fluctuations on its net Argentine peso (ARS)–denominated assets directly in earnings. Accordingly, Citi seeks to reduce its overall ARS exposure in Argentina while complying with local capital and currency exposure limitations.

From Citi's total net investment in Argentina of approximately $1.9 billion, as of September 30, 2023, Citi's net ARS exposure was approximately $1.3 billion (compared to $1.6 billion at June 30, 2023). The net ARS exposure has decreased as a result of Citi purchasing an additional approximate $200 million of certain local government bonds during the third quarter (for a total of $500 million in these bonds). These bonds are indexed to the higher of the U.S. dollar (USD) exchange rate or the local inflation index. Citi also originated approximately $50 million of USD-denominated loans during the third quarter. Such bonds and USD-denominated loans may reduce the impact to Citi of a potential currency devaluation in the future, although it remains unclear how effective Citi's strategies to reduce its ARS exposure may be.

As previously disclosed, the Central Bank of Argentina has continued to maintain certain capital and currency controls that generally restrict Citi's ability to access U.S. dollars in Argentina and remit earnings from its Argentine operations. As a result, Citi's net investment in its Argentine operations is likely to continue to increase as Citi generates net income in its Argentine franchise and its earnings cannot be remitted. Due to the currency controls implemented by the Central Bank of Argentina, certain indirect foreign exchange mechanisms have developed that some Argentine entities may use to obtain U.S. dollars, generally at rates that are significantly higher than Argentina's official exchange rate. Citibank Argentina is precluded from accessing these alternative mechanisms, and these exchange mechanisms cannot be used to remeasure Citi's net monetary assets into the U.S. dollar under U.S. GAAP. Citibank Argentina therefore uses Argentina's official market exchange rate to remeasure its net ARS assets into the U.S. dollar, which was 350.0 ARS to 1 U.S. dollar as of September 30, 2023. During the third quarter, the Central Bank of Argentina devalued the official exchange rate by 27%, resulting in an approximate $180 million net negative impact to Citi's net investment in the country. For additional information on this impact to Citi, see "Executive Summary" and "*Institutional Clients Group*" above.

If Argentina's official exchange rate further converges with the approximate rate implied by the indirect foreign exchange mechanisms, Citi could incur a significant loss on its capital in Argentina. Current macroeconomic conditions in the country, along with sustained high inflation, low international reserves held by the Central Bank of Argentina and the foreign currency policy decisions following the upcoming general presidential elections in Argentina, may result in an accelerated or steep depreciation of the official exchange rate in the near term. Citi cannot predict future fluctuations in Argentina's official market exchange rate or to what extent Citi may be able to access U.S. dollars at the official exchange rate in the future.

Citi may economically hedge foreign currency risk in its net ARS-denominated assets to the extent possible and prudent using non-deliverable forward (NDF) derivative instruments that are primarily executed outside of Argentina. As of September 30, 2023, the international NDF market had very limited liquidity, resulting in Citi's inability to economically hedge substantially all of its ARS exposure. Accordingly, and to the extent that Citi does not execute NDF contracts for this unhedged exposure in the future, Citi would record devaluations on its net ARS-denominated assets in earnings, without any benefit from a change in the fair value of derivative positions used to economically hedge the exposure.

Citi continually evaluates its economic exposure to its Argentine counterparties and reserves for changes in credit risk and records mark-to-market adjustments for relevant market risks associated with its Argentine assets. Citi believes it has established an appropriate ACL on its Argentine loans, and appropriate fair value adjustments on Argentine assets and liabilities measured at fair value, for credit and sovereign risks under U.S. GAAP as of September 30, 2023. However, Citi may need to record additional reserves in the future, resulting in higher *ICG* cost of credit, should there be an increase in transfer risk associated with its Argentine exposures. For additional information on Citi's emerging markets risks, including those related to its Argentine exposures, see "Risk Factors—Strategic Risks" in Citi's 2022 Form 10-K.

SIGNIFICANT ACCOUNTING POLICIES AND SIGNIFICANT ESTIMATES

This section contains a summary of Citi's most significant accounting policies. Note 1 to the Consolidated Financial Statements in Citi's 2022 Form 10-K contains a summary of all of Citigroup's significant accounting policies. These policies, as well as estimates made by management, are integral to the presentation of Citi's results of operations and financial condition. While all of these policies require a certain level of management judgment and estimates, this section highlights and discusses the significant accounting policies that require management to make highly difficult, complex or subjective judgments and estimates at times regarding matters that are inherently uncertain and susceptible to change (see also "Risk Factors—Operational Risks" in Citi's 2022 Form 10-K). Management has discussed each of these significant accounting policies, the related estimates and its judgments with the Audit Committee of the Citigroup Board of Directors.

Valuations of Financial Instruments

Citigroup holds debt and equity securities, derivatives, retained interests in securitizations, investments in private equity and other financial instruments. A portion of these assets and liabilities is reflected at fair value on Citi's Consolidated Balance Sheet as *Trading account assets*, *Available-for-sale securities* and *Trading account liabilities*.

Citi purchases securities under agreements to resell (reverse repos or resale agreements) and sells securities under agreements to repurchase (repos), a substantial portion of which is carried at fair value. In addition, certain loans, short-term borrowings, long-term debt and deposits, as well as certain securities borrowed and loaned positions that are collateralized with cash, are carried at fair value. Citigroup holds its investments, trading assets and liabilities, and resale and repurchase agreements on Citi's Consolidated Balance Sheet to meet customer needs and to manage liquidity needs, interest rate risks and private equity investing.

When available, Citi generally uses quoted market prices to determine fair value and classifies such items within Level 1 of the fair value hierarchy established under ASC 820-10, *Fair Value Measurement*. If quoted market prices are not available, fair value is based on internally developed valuation models that use, where possible, current market-based or independently sourced market parameters, such as interest rates, currency rates and option volatilities. Such models are often based on a discounted cash flow analysis. In addition, items valued using such internally generated valuation techniques are classified according to the lowest level input or value driver that is significant to the valuation. Thus, an item may be classified under the fair value hierarchy as Level 3 even though there may be some significant inputs that are readily observable.

Citi is required to exercise subjective judgments relating to the applicability and functionality of internal valuation models, the significance of inputs or value drivers to the valuation of an instrument and the degree of illiquidity and subsequent lack of observability in certain markets. The fair value of these instruments is reported on Citi's Consolidated Balance Sheet with the changes in fair value recognized in either the Consolidated Statement of Income or in *AOCI*.

Losses on available-for-sale securities whose fair values are less than the amortized cost, where Citi intends to sell the security or could more-likely-than-not be required to sell the security prior to recovery, are recognized in earnings. Where Citi does not intend to sell the security nor could more-likely-than-not be required to sell the security, any portion of the loss that is attributable to credit is recognized as an allowance for credit losses with a corresponding provision for credit losses, and the remainder of the loss is recognized in *AOCI*. Such losses are capped at the difference between the fair value and amortized cost of the security.

For equity securities carried at cost or under the measurement alternative, decreases in fair value below the carrying value are recognized as impairment in the Consolidated Statement of Income. Moreover, for certain equity method investments, decreases in fair value are only recognized in earnings in the Consolidated Statement of Income if such decreases are judged to be an other-than-temporary impairment (OTTI). Assessing if the fair value impairment is temporary is also inherently judgmental.

The fair value of financial instruments incorporates the effects of Citi's own credit risk and the market view of counterparty credit risk, the quantification of which is also complex and judgmental. For additional information on Citi's fair value analysis, see Notes 6, 22 and 23 in this Form 10-Q and Note 1 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

Citi's Allowance for Credit Losses (ACL)

The table below presents Citi's allowance for credit losses on loans (ACLL) and total ACL as of the third quarter of 2023. For information on the drivers of Citi's ACL build in the third quarter of 2023, see "3Q23 Changes in the ACL" below. For additional information on Citi's accounting policy on accounting for credit losses under ASC Topic 326, *Financial Instruments—Credit Losses; Current Expected Credit Losses (CECL)*, see Note 1 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

	ACL										
In millions of dollars	Balance Dec. 31, 2022	1Q23 build (release)	1Q23 FX/ Other[1][4]	Balance Mar. 31, 2023	2Q23 build (release)	2Q23 FX/ Other	Balance Jun. 30, 2023	**3Q23 build (release)**	**3Q23 FX/ Other**	**Balance Sept. 30, 2023**	**ACLL/EOP loans Sept. 30, 2023[2]**
ICG	$ 2,715	$ (75)	$ 3	$ 2,643	$ (150)	$ (3)	$ 2,490	$ 101	$ (13)	$ 2,578	
Legacy Franchises corporate (Mexico SBMM)	140	(10)	7	137	(2)	5	140	1	(2)	139	
Total corporate ACLL	**$ 2,855**	**$ (85)**	**$ 10**	**$ 2,780**	**$ (152)**	**$ 2**	**$ 2,630**	**$ 102**	**$ (15)**	**$ 2,717**	**0.97 %**
U.S. Cards[2]	$ 11,393	$ 536	$ (173)	$ 11,756	$ 276	$ (1)	$ 12,031	$ 128	$ 1	$ 12,160	**7.81 %**
Retail banking and Global Wealth	1,330	(29)	(60)	1,241	57	1	1,299	(33)	(1)	1,265	
Total *PBWM*	$ 12,723	$ 507	$ (233)	$ 12,997	$ 333	$ —	$ 13,330	$ 95	$ —	$ 13,425	
Legacy Franchises consumer	1,396	13	(17)	1,392	76	68	1,536	(18)	(31)	1,487	
Total consumer ACLL	**$ 14,119**	**$ 520**	**$ (250)**	**$ 14,389**	**$ 409**	**$ 68**	**$ 14,866**	**$ 77**	**$ (31)**	**$ 14,912**	**3.95 %**
Total ACLL	**$ 16,974**	**$ 435**	**$ (240)**	**$ 17,169**	**$ 257**	**$ 70**	**$ 17,496**	**$ 179**	**$ (46)**	**$ 17,629**	**2.68 %**
Allowance for credit losses on unfunded lending commitments (ACLUC)	$ 2,151	$ (194)	$ 2	$ 1,959	$ (96)	$ (1)	$ 1,862	$ (54)	$ (2)	$ 1,806	
Other[3]	243	408	(19)	632	145	(19)	758	53	(18)	793	
Total ACL	**$ 19,368**	**$ 649**	**$ (257)**	**$ 19,760**	**$ 306**	**$ 50**	**$ 20,116**	**$ 178**	**$ (66)**	**$ 20,228**	

(1) Includes reclassifications to *Other assets* related to Citi's agreements to sell certain of its consumer banking businesses. See Notes 2 and 14.
(2) As of September 30, 2023, in U.S. Personal Banking, Branded cards ACLL/EOP loans was 6.3% and Retail services ACLL/EOP loans was 11.0%.
(3) Includes ACL on *Other assets* and *Held-to-maturity debt securities*.
(4) Includes a decrease of $352 million from the adoption of ASU 2022-02 related to the recognition and measurement of TDRs under the modified retrospective approach related to *PBWM* and *Legacy Franchises* consumer loans as of January 1, 2023. See Notes 1 and 14.

Citi's reserves for expected credit losses on funded loans and for unfunded lending commitments, standby letters of credit and financial guarantees are reflected on the Consolidated Balance Sheet in the *Allowance for credit losses on loans* (ACLL) and *Other liabilities* (for Allowance for credit losses on unfunded lending commitments (ACLUC)), respectively. In addition, Citi's reserves for expected credit losses on other financial assets carried at amortized cost, including held-to-maturity securities, reverse repurchase agreements, securities borrowed, deposits with banks and other financial receivables are reflected in *Other assets*. These reserves, together with the ACLL and ACLUC, are referred to as the ACL. Changes in the ACL are reflected as *Provision for credit losses* in the Consolidated Statement of Income for each reporting period. Citi's ability to estimate expected credit losses over the reasonable and supportable (R&S) period is based on the ability to forecast economic activity over an R&S timeframe. The R&S forecast period for consumer and corporate credit exposures is eight quarters.

The ACL is composed of quantitative and qualitative management adjustment components. The quantitative component uses three forward-looking macroeconomic forecast scenarios—base, upside and downside. The qualitative management adjustment component reflects risks and certain economic conditions not fully captured in the quantitative component. Both the quantitative and qualitative components are further discussed below.

Quantitative Component

Citi estimates expected credit losses for its quantitative component using (i) its comprehensive internal data on loss and default history, (ii) internal credit risk ratings, (iii) external credit bureau and rating agencies information and (iv) R&S forecasts of macroeconomic conditions.

For its consumer and corporate portfolios, Citi's expected credit losses are determined primarily by utilizing models that consider the borrowers' probability of default (PD), loss given default (LGD) and exposure at default (EAD). The loss likelihood and severity models used for estimating expected credit losses are sensitive to changes in macroeconomic variables, including housing prices, unemployment rate and real GDP, and cover a wide range of geographic, industry, product and business segments.

In addition, Citi's models determine expected credit losses based on leading credit indicators, including loan delinquencies, changes in portfolio size, default frequency, risk ratings and loss recovery rates, as well as other credit trends.

Qualitative Component

The qualitative management adjustment component includes risks that are not fully captured in the quantitative component. These may include but are not limited to portfolio characteristics, idiosyncratic events, factors not within historical loss data or the economic forecast, uncertainty in the environment and other factors as required by banking supervisory guidance for the ACL. The primary examples of these are:

- Normalization of portfolio performance and consumer behavior from low losses as a result of government stimulus and market liquidity during the COVID-19 pandemic
- Potential impacts on vulnerable industries and regions due to emerging macroeconomic risks and uncertainties, including those related to potential global recession, inflation, interest rates, commodity prices and geopolitical tensions
- Transfer risk associated with exposures outside the U.S. for certain safety and soundness considerations under U.S. banking law

As of the third quarter of 2023, Citi's qualitative component of the ACL continued to decline quarter-over-quarter. The decline was primarily driven by releases of COVID-19–related uncertainty reserves, as the portfolio continues to normalize toward pre-pandemic levels and as risks are captured in the quantitative component of the ACL. These releases were partially offset by a build for macroeconomic risks and uncertainties impacting vulnerable industries and regions in the corporate portfolio, including continued high interest rates.

Macroeconomic Variables

Citi considers a multitude of global macroeconomic variables for the base, upside and downside probability-weighted macroeconomic scenario forecasts it uses to estimate the ACL. Citi's forecasts of the U.S. unemployment rate and U.S. real GDP growth rate represent the key macroeconomic variables that most significantly affect its estimate of the ACL.

The tables below present Citi's forecasted quarterly average U.S. unemployment rate and year-over-year U.S. real GDP growth rate used in determining the base macroeconomic forecast for Citi's ACL for each quarterly reporting period from 3Q22 to 3Q23:

	Quarterly average			
U.S. unemployment	**4Q23**	**2Q24**	**4Q24**	**8-quarter average(1)**
Citi forecast at 3Q22	4.3 %	4.0 %	4.0 %	4.0 %
Citi forecast at 4Q22	4.7	4.5	4.4	4.4
Citi forecast at 1Q23	4.3	4.6	4.5	4.3
Citi forecast at 2Q23	4.1	4.5	4.5	4.3
Citi forecast at 3Q23	3.9	4.3	4.4	4.2

(1) Represents the average unemployment rate for the rolling, forward-looking eight quarters in the forecast horizon.

	Year-over-year growth rate(1)		
	Full year		
U.S. real GDP	**2023**	**2024**	**2025**
Citi forecast at 3Q22	0.6 %	1.9 %	2.7 %
Citi forecast at 4Q22	0.3	1.5	2.2
Citi forecast at 1Q23	1.0	1.0	2.0
Citi forecast at 2Q23	1.3	0.7	2.0
Citi forecast at 3Q23	2.1	1.0	2.0

(1) The year-over-year growth rate is the percentage change in the real (inflation adjusted) GDP level.

Under the base macroeconomic forecast as of 3Q23, U.S. real GDP growth is expected to decline in the last quarter of 2023 before recovering in 2024, while the unemployment rate is expected to increase modestly over the eight-quarter forecast horizon, broadly returning to pre-pandemic levels.

Scenario Weighting

Citi's ACL is estimated using three probability-weighted macroeconomic scenarios—base, upside and downside. The macroeconomic scenario weights are estimated using a statistical model, which, among other factors, takes into consideration key macroeconomic drivers of the ACL, severity of the scenario and other macroeconomic uncertainties and risks. Citi evaluates scenario weights on a quarterly basis.

Citi's downside scenario incorporates more adverse macroeconomic assumptions than the base scenario. For example, compared to the base scenario, Citi's downside scenario reflects a severe recession, including an elevated average U.S. unemployment rate of 6.8% over the eight-quarter R&S period, with a peak difference of 3.2% in the first quarter of 2025. The downside scenario also reflects a year-over-year U.S. real GDP contraction in 2024 of 2.5%, with a peak quarter-over-quarter difference to the base scenario of 1.2% in the fourth quarter of 2023.

Citi's ACL is sensitive to the various macroeconomic scenarios that drive the quantitative component of expected credit losses due to changes in the length and severity of forecasted economic variables or events in the respective scenarios. To demonstrate this sensitivity, Citi applied 100% weight to the downside scenario as of September 30, 2023, to reflect the most severe economic deterioration forecast in the multiple macroeconomic scenarios. Citi's downside scenario incorporates more adverse macroeconomic assumptions than the weighted scenario assumptions; therefore, applying a 100% downside scenario weight would result in a hypothetical increase in the ACL of approximately $4.8 billion related to lending exposures, except for loans individually evaluated for credit losses.

This analysis does not incorporate any impacts or changes to the qualitative component of the ACL. These factors could change the outcome of the sensitivity analysis based on historical experience and current conditions at the time of the assessment. Given the uncertainty inherent in macroeconomic forecasting, Citi continues to believe that its ACL estimate based on a three probability-weighted macroeconomic scenario approach combined with the qualitative component remains appropriate as of September 30, 2023.

3Q23 Changes in the ACL

As further discussed below, Citi's ending ACL balance for the third quarter of 2023 was $20.2 billion, compared to $20.1 billion as of June 30, 2023. The net build of $0.2 billion was primarily driven by growth in card balances in *PBWM* and corporate builds primarily related to specific risks and uncertainties impacting vulnerable industries and regions, partially offset by improvement in key macroeconomic variable forecasts. Citi believes its analysis of the ACL reflects the forward view of the economic environment as of September 30, 2023. See Note 14 for additional information.

Consumer Allowance for Credit Losses on Loans

Citi's consumer ACLL is largely driven by U.S. cards (Branded cards and Retail services) in U.S. Personal Banking. Citi's total consumer ACLL build was $0.1 billion in the third quarter of 2023, primarily driven by growth in U.S. cards balances, resulting in a September 30, 2023 ACLL balance of $14.9 billion, or 3.95% of total funded consumer loans.

For U.S. cards, the level of reserves relative to total funded loans decreased to 7.81% at September 30, 2023, due to macroeconomic improvement, compared to 7.86% at June 30, 2023. For the remaining consumer exposures, the level of reserves relative to total funded loans was 1.24% at September 30, 2023, compared to 1.28% at June 30, 2023.

Corporate Allowance for Credit Losses on Loans

Citi had a corporate ACLL build of $0.1 billion in the third quarter of 2023. The build was primarily driven by specific risks and uncertainties impacting vulnerable industries and regions, partially offset by improved key macroeconomic variable forecasts. The ACLL reserve balance increased by $0.1 billion to $2.7 billion, or 0.97% of total funded corporate loans.

ACLUC

Citi had an ACLUC release of $0.1 billion in the third quarter of 2023, which reduced the ACLUC reserve balance, included in *Other liabilities*, to $1.8 billion. The release was primarily driven by changes in the corporate portfolio and improved key macroeconomic variable forecasts.

ACL on Other Financial Assets

Citi's ending ACL balance on other financial assets carried at amortized cost for the third quarter of 2023 was $0.8 billion, compared to $0.8 billion as of June 30, 2023. The net build of $0.1 billion was primarily driven by a deterioration in certain macroeconomic variable forecasts, primarily impacting other financial assets. See Note 14 for additional information.

Regulatory Capital Impact

Citi elected the modified CECL transition provision for regulatory capital purposes provided by the U.S. banking agencies' final rule. Accordingly, the Day One regulatory capital effects resulting from the adoption of CECL, as well as the ongoing adjustments for 25% of the change in CECL-based allowances in each quarter between January 1, 2020 and December 31, 2021, started to be phased in on January 1, 2022 and will be fully reflected in Citi's regulatory capital as of January 1, 2025.

See Notes 1 and 14 for a further description of the ACL and related accounts.

Goodwill

Citi tests for goodwill impairment annually as of October 1 (the annual test) and conducts interim assessments between the annual test if an event occurs or circumstances change that would more-likely-than-not reduce the fair value of a reporting unit below its carrying amount. These events or circumstances include, among other things, a significant adverse change in the business climate, a decision to sell or dispose of all or a significant portion of a reporting unit or a sustained decrease in Citi's stock price.

At October 1, 2022, the fair value of two reporting units (Banking and Mexico Consumer/SBMM) ranged from 102% to 106% of their carrying values. The carrying values of the Banking and Mexico Consumer/SBMM reporting units included approximately $1.5 billion and $1 billion of goodwill, respectively. For each of the remaining reporting units, fair value exceeded carrying value by at least 10%.

While the inherent risk related to uncertainty is embedded in the key assumptions used in the valuations of the reporting units, the economic and business environments continue to evolve as Citi's management implements its strategic refresh. If management's future estimates of key economic and market assumptions were to differ from its current assumptions, Citi could potentially experience material goodwill impairment charges in the future. See Note 15 for a further discussion of goodwill.

Litigation Accruals

See the discussion in Note 26 for information regarding Citi's policies on establishing accruals for litigation and regulatory contingencies.

INCOME TAXES

Effective Tax Rate

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions of dollars, except effective tax rate	**2023**	2022	**2023**	2022
Income from continuing operations before income tax expense	**$ 4,788**	$ 4,394	**$15,013**	$15,631
Provision for income taxes	**1,203**	879	**3,824**	3,002
Effective tax rate	**25 %**	20 %	**25 %**	19 %

Citi's effective tax rate was 25% in the third quarter of 2023 versus 20% in the third quarter of 2022, both including the impact of divestitures, largely driven by the geographic mix of earnings. Citi recognized a third quarter of 2023 tax provision benefit of approximately $60 million related to tax law changes. For the nine months ended September 30, 2023, Citi's effective tax rate increased to 25%, compared to 19% in the prior-year period, both including the impact of divestitures, largely driven by the geographic mix of earnings and lower discrete tax benefits.

Deferred Tax Assets

For additional information on Citi's deferred tax assets (DTAs), see "Capital Resources," "Risk Factors—Strategic Risks," "Significant Accounting Policies and Significant Estimates—Income Taxes" and Notes 1 and 9 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

The table below summarizes Citi's net DTAs balance:

Jurisdiction/Component	**DTAs balance**	
In billions of dollars	**September 30, 2023**	December 31, 2022
Total U.S.	**$ 25.4**	$ 24.8
Total foreign	**2.9**	2.9
Total	**$ 28.3**	$ 27.7

At September 30, 2023, Citigroup had recorded net DTAs of approximately $28.3 billion, a decrease of $0.2 billion from June 30, 2023 and an increase of $0.6 billion from December 31, 2022. The decrease for the third quarter was primarily from income in *Other comprehensive income*, and the year-to-date increase was primarily a result of Citi's geographic mix of earnings. Of Citi's $28.3 billion of net DTAs, $11.2 billion (compared to $11.7 billion at June 30, 2023) was deducted in calculating Citi's regulatory capital, and the remaining $17.1 billion was appropriately risk weighted under the Basel III rules.

The $11.2 billion of DTAs deducted from regulatory capital was composed of $11.2 billion related to tax carry-forwards, with $1.8 billion of temporary differences in excess of the 10%/15% regulatory limitations, reduced by $1.8 billion of deferred tax liabilities, primarily associated with goodwill and certain other intangible assets that were separately deducted from capital.

DTA Realizability

Citi believes that realization of the net DTAs of $28.3 billion at September 30, 2023 is more-likely-than-not, based on management's expectations of future taxable income generation in the jurisdictions in which the DTAs arise, as well as consideration of available tax planning strategies (as defined in ASC Topic 740, *Income Taxes*).

DISCLOSURE CONTROLS AND PROCEDURES

Citi's disclosure controls and procedures are designed to ensure that information required to be disclosed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, including without limitation that information required to be disclosed by Citi in its SEC filings is accumulated and communicated to management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), as appropriate, to allow for timely decisions regarding required disclosure.

Citi's Disclosure Committee assists the CEO and CFO in their responsibilities to design, establish, maintain and evaluate the effectiveness of Citi's disclosure controls and procedures. The Disclosure Committee is responsible for, among other things, the oversight, maintenance and implementation of the disclosure controls and procedures, subject to the supervision and oversight of the CEO and CFO.

Citi's management, with the participation of its CEO and CFO, has evaluated the effectiveness of Citigroup's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of September 30, 2023. 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 (Section 219), 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 certain individuals or entities that are the subject of sanctions under U.S. law. Disclosure is generally required even where the activities, transactions or dealings were conducted in compliance with applicable law. To the extent that transactions or dealings for its clients are permitted by U.S. law, Citi may continue to engage in such activities.

Citi, in its First Quarter of 2023 Form 10-Q, identified and reported certain activities pursuant to Section 219 for the fourth quarter of 2022. Citi, in its Second Quarter of 2023 Form 10-Q, identified and reported certain activities pursuant to Section 219 for the second quarter of 2023. During the third quarter of 2023, Citigroup identified one transaction pursuant to Section 219.

On July 26, 2023, Citibank Europe plc, Czech Republic Branch, processed a payment to the Iranian Embassy in the Czech Republic for the payment of fees for a travel tourist visa. The total value of the payment was CZK 1,200.00 (approximately USD 51.80). Nominal fees were realized for the processing of this payment. This payment was permissible under the travel exemption of the Iranian Transactions and Sanctions Regulations.

FORWARD-LOOKING STATEMENTS

Certain statements in this Form 10-Q, including but not limited to statements included within the Management's Discussion and Analysis of Financial Condition and Results of Operations, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In addition, Citigroup may make forward-looking statements in its other documents filed or furnished with the SEC, and its management may make forward-looking statements orally to analysts, investors, representatives of the media and others.

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

Such statements are based on management's current expectations and are subject to risks, uncertainties and changes in circumstances. Actual results of operations and financial conditions, including capital and liquidity, may differ materially from those included in these statements due to a variety of factors, including without limitation (i) the precautionary statements included within the "Executive Summary" and each business's discussion and analysis of its results of operations above, in Citi's Second Quarter of 2023 Form 10-Q, in Citi's First Quarter of 2023 Form 10-Q, in Citi's 2022 Form 10-K and in Citi's other SEC filings; (ii) the factors listed and described under "Risk Factors" in Citi's 2022 Form 10-K; and (iii) the risks and uncertainties summarized below:

- the potential impact to Citi from continued macroeconomic, geopolitical and other challenges, uncertainties and volatility, including, among others, governmental fiscal and monetary actions or expected actions, including continued elevated interest rates, reductions in central bank balance sheets, or other restrictive interest rate or other monetary policies; potential recessions in the U.S., Europe and other regions and countries; a potential U.S. federal government shutdown and the resulting impacts; sustained elevated levels of inflation and their impacts; economic and geopolitical challenges related to China, including weak economic growth, driven in part by challenges in its real estate sector, and tensions or conflicts between China and Taiwan and/or involving China and the U.S.; other geopolitical challenges, tensions and conflicts, including those related to Russia's war in Ukraine and potential escalation of the conflict in the Middle East; foreign currency volatility and devaluations; distress and volatility in emerging markets, including sovereign debt pricing; protracted or widespread trade tensions; and election outcomes;
- the potential impact on Citi's ability to return capital to common shareholders consistent with its capital planning efforts and targets, due to, among other things: changes in regulatory capital rules, requirements or interpretations, such as revisions to the U.S. Basel III rules, including the recently issued notice of proposed rulemaking, known as the Basel III Endgame, related to regulatory capital requirements; annual recalibration of the Stress Capital Buffer (increased effective as of October 1, 2023); recalibration of the GSIB surcharge; Citi's results of operations and financial condition, including the capital impact related to Citi's remaining consumer banking divestitures, and achievement of the expected benefits from the divestitures; Citi's effectiveness in planning, managing and calculating its level of risk-weighted assets under both the Advanced Approaches and the Standardized Approach and Supplementary Leverage ratio and GSIB surcharge; Citi's implementation and maintenance of an effective capital planning framework; forecasts of macroeconomic conditions; and Citi's DTA utilization;
- the ongoing regulatory and legislative uncertainties and changes faced by financial institutions, including Citi, in the U.S. and globally, such as potential changes to various aspects of the regulatory capital framework and requirements applicable to Citi; potential fiscal, monetary, regulatory, tax, sanctions and other changes, including potential increased regulatory requirements and costs, such as the imposition of additional or special assessments by the FDIC, including the recently issued notice of proposed rulemaking to recover the losses from recent bank failures; potential changes in regulatory requirements relating to interest rate risk management; future legislative and regulatory requirements in the U.S. and globally relating to sustainability and climate change, including any new disclosure requirements, such as those proposed and/or adopted by the SEC, the EU and the State of California; increased legislative activity by U.S. states that restricts the flow of capital and investment by financial institutions to state governmental entities, including anti-ESG initiatives that are designed to push back against corporate ESG policies; and the potential impact these uncertainties and changes could have on Citi's businesses, results of operations, financial condition, business planning and compliance risks and costs;
- the potential impact to credit card fee revenues in Branded cards and Retail services in *PBWM* from the Consumer Financial Protection Bureau's proposed cap on credit card late fees;
- Citi's ability to improve its risk and controls environment, modernize its data and technology infrastructure and further enhance safety and soundness, meet regulatory expectations, be sufficiently competitive, serve clients effectively, avoid operational errors and realize productivity improvements, as part of its transformation and other priorities, including as a result of factors that Citi cannot control, which could make the initiatives more costly and more challenging to implement, and limit their effectiveness;
- Citi's ability to achieve its objectives from its strategic and other initiatives, such as those related to its investment and simplification priorities, including, among others, achieving productivity improvements and expense

savings, minimizing disruptions to its businesses and managing the execution uncertainty and complexity associated with Citi's exit of Mexico Consumer/SBMM, which may not be as productive, effective or timely as Citi expects, and could result in CTA and other losses, charges or other negative financial or strategic impacts, which could be material;

- the potential impact to Citi from climate change and the transition to a low-carbon economy, including both physical risks, such as increased frequency and/or severity of adverse weather events as consequences of chronic climate changes, and transition risks, such as those arising from changes in regulations or market preferences toward a low-carbon economy; higher regulatory, compliance, credit, reputational and other risks and costs and data-related challenges, including as a result of any new disclosure requirements; and an increased focus by banking regulators and others on the issue of climate change at financial institutions directly and with respect to their clients;
- Citi's ability 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 its ability to generate U.S. taxable income in the relevant tax carry-forward periods;
- the potential impact to Citi if its interpretation or application of the complex income-based and non-income based (such as withholding, stamp, service and other non-income taxes) tax laws to which it is subject in the U.S. and in non-U.S. jurisdictions differs from those of the relevant governmental taxing authorities, including as a result of litigation or examinations regarding non-income-based tax matters, and the resulting payment of additional taxes, penalties or interest;
- the potential impact from a deterioration in or failure to maintain Citi's co-branding or private label credit card relationships, due to, among other things, the general economic environment; changes in consumer sentiment, spending patterns and credit card usage behaviors; a decline in sales and revenues, partner store closures or other operational difficulties of the retailer or merchant; early termination of a particular relationship; or other factors, including bankruptcies, liquidations, restructurings, consolidations or other similar events, whether due to the impact of a challenging economic environment or otherwise;
- Citi's ability to address any shortcomings or deficiencies or guidance provided by the Federal Reserve Board or FDIC on its resolution and recovery plan submissions;
- the potential impact on Citi's performance and the performance of its individual businesses, including its competitive position and ability to effectively manage its businesses, and its ability to effectively execute its transformation and strategic and other initiatives, if Citi is unable to attract, retain and motivate highly qualified employees, particularly given the highly competitive environment for talent and other factors, such as potential attrition driven by Citi's simplification initiatives, low unemployment, changes in workers' expectations and regulation of employee compensation in the banking industry;
- Citi's ability to compete effectively in the U.S. and globally with both financial and non-financial services firms, including as a result of certain competitors being subject to less stringent legal and regulatory requirements; the introduction of new or emerging technologies and mobile platforms; possible disruptions from artificial intelligence-driven solutions; growth in digital asset markets; changes in the payments space; reliance on third parties for certain product and service offerings and impact if any third party is unable to provide adequate support for such product and service offerings; and the increased operational, compliance and other risks resulting from the need to develop new or change or adapt existing products and services to attract and retain customers or clients or to compete more effectively with competitors;
- the potential impact to Citi from a prior or future failure or disruption of its operational processes or systems, including as a result of, among other things, human error, such as manual transaction processing errors (e.g., erroneous payments to lenders or manual errors by Citi traders that cause system and market disruptions and losses for Citi or its clients), which can be exacerbated by staffing challenges and processing backlogs; fraud or malice on the part of employees or third parties; operational or execution failures or deficiencies by third parties; insufficient (or limited) straight-through processing between legacy systems and any failure to design and effectively operate controls that mitigate operational risks associated with those legacy systems, leading to potential risk of errors and operating losses; accidental system or technological failure; electrical or telecommunication outages; failure of or cyber incidents involving computer servers or infrastructure; other similar losses or damage to Citi's property or assets; failures by third parties; potential disruptions and/or malfunctions within Citi's businesses, as well as the operations of Citi's clients, customers or other third parties; and the increased financial, reputational, legal and compliance risks resulting from any such failure or disruption of operational processes or systems, including legal and regulatory actions or proceedings, fines and other costs;
- the increasing risk to Citi's and third parties' computer systems and networks from continually evolving, sophisticated cybersecurity incidents that could result in, among other things, theft, loss, misuse or disclosure of confidential Citi, client or customer information or assets and a disruption of computer, software or network systems; and the potential impact from such risks, including reputational damage, regulatory penalties, loss of revenues, additional costs (including repair, remediation and other costs), exposure to litigation and other financial losses;
- the potential impact of changes or errors in accounting assumptions, judgments or estimates, or the application of certain accounting principles, related to the preparation of Citi's financial statements, including the estimate of Citi's ACL, which depends on its CECL models and

assumptions, forecasted macroeconomic conditions and characteristics of Citi's loan portfolios and other applicable financial assets; reserves related to litigation, regulatory and tax matters exposures; valuation of DTAs; the fair values of certain assets and liabilities; and the assessment of goodwill and other assets for impairment;

- the financial impact from reclassification of any CTA component of *AOCI*, including related hedges and taxes, into Citi's earnings, due to a sale, IPO, substantial liquidation or other deconsolidation event of any foreign operations or equity investments, such as those related to Citi's remaining consumer banking divestitures or other legacy businesses, whether due to Citi's strategic refresh or otherwise;
- the impact of changes to financial accounting and reporting standards or interpretations of how Citi records and reports its financial condition and results of operations;
- the potential impact to Citi's results of operations and/or regulatory capital and capital ratios if Citi's risk management and mitigation processes, strategies or models, including those related to its comprehensive stress testing initiatives or ability to manage, assess and aggregate data, are deficient or ineffective, or Citi's Basel III regulatory capital models require refinement, modification or enhancement, or any related action is taken by Citi's U.S. banking regulators;
- the potential impact of credit risk and concentrations of risk on Citi's results of operations, whether due to a default of or deterioration involving consumer, corporate or public sector borrowers or other counterparties in the U.S. or in various countries and jurisdictions globally, including from indemnification obligations in connection with various transactions, such as hedging or reinsurance arrangements related to those obligations, or Citi's inability to liquidate or realize the fair value of its collateral, which risks can be heightened for vulnerable industries or sectors impacted by the continued macroeconomic, geopolitical, market and other challenges and uncertainties and volatilities;
- the potential impact on Citi's liquidity and/or costs of funding if it does not effectively manage its liquidity or due to various other factors, including, among others, general disruptions in the financial markets; deposit outflows or unfavorable changes in deposit mix, whether driven by migration to higher-yielding products, competition or otherwise, which could be exacerbated by the rapid spread of information via social or mainstream media; governmental fiscal and monetary policies; regulatory changes; negative investor perceptions of Citi's creditworthiness; competition for funding, including a decrease in demand for corporate debt, unexpected increases in cash or collateral requirements, and the consequent inability to monetize available liquidity resources; changes in Citi's credit spreads; higher interest rates; and changes in currency exchange rates;
- the impact of a credit ratings downgrade of Citi or certain of its subsidiaries or issuing entities on Citi's funding and liquidity as well as on the operations of certain of its businesses;
- the potential impact to Citi of ongoing interpretation and implementation of regulatory and legislative requirements and changes in the U.S. and globally, as well as heightened regulatory scrutiny and expectations for large financial institutions and their employees and agents, with respect to governance, infrastructure, data, climate and risk management practices and controls, customer and client protection, market practices, anti-money laundering and increasingly complex sanctions and disclosure regimes, including the impact on Citi's compliance, regulatory and other risks and costs, such as increased regulatory oversight and restrictions, enforcement proceedings, penalties and fines;
- the potential outcomes of the extensive legal and regulatory proceedings, examinations, investigations, consent orders and related compliance efforts and other inquiries to which Citi is or may be subject at any given time, such as the previously disclosed October 2020 FRB and OCC consent orders, particularly given the increased focus by regulators on risk and controls, such as enterprise-wide risk management, compliance, data quality management and governance and internal controls, and policies and procedures; Citi's ability to implement targeted actions plans and submit quarterly progress reports detailing the results and status of improvements to comply with the consent orders on a timely and sufficient basis, which will continue to require significant investments to meet regulatory expectations; and the heightened scrutiny and expectations generally from regulators, and the severity of the remedies that may be sought by regulators, such as significant monetary penalties, supervisory or enforcement orders, business restrictions, limitations on dividends, changes to directors and/or officers and collateral consequences to Citi arising from such outcomes; and
- the various risks faced by Citi as a result of its presence in the emerging markets, including, among others, limitations or unavailability of hedges on foreign investments; foreign currency volatility and devaluations; sustained elevated interest rates and other restrictive monetary policies; elevated inflation and hyperinflation; sovereign debt volatility; election outcomes; regulatory changes and political events; foreign exchange controls, including the inability to access indirect foreign exchange mechanisms; macroeconomic and geopolitical challenges and uncertainties and volatility, including with respect to commodity prices as well as repricing of assets and resulting impacts; limitations on foreign investment; sociopolitical instability; civil unrest; crime, corruption and fraud; cyberattacks; nationalization or loss of licenses; business restrictions; sanctions or asset freezes; potential criminal charges; closure of branches or subsidiaries; confiscation of assets, whether related to geopolitical conflicts or otherwise; the need to record additional reserves based on the transfer risk associated with exposures outside the U.S. driven by safety and soundness considerations under U.S. banking law; risks related to the ongoing wind-down of Citi's operations in Russia; and increased compliance and regulatory risks and costs.

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 that the forward-looking statements were made.

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CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

Citigroup Inc. and Subsidiaries

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions of dollars, except per share amounts	**2023**	2022	**2023**	2022
Revenues				
Interest revenue	**$ 34,837**	$ 19,919	**$ 96,879**	$ 48,700
Interest expense	**21,009**	7,356	**55,803**	13,302
Net interest income	**$ 13,828**	$ 12,563	**$ 41,076**	$ 35,398
Commissions and fees	**$ 2,195**	$ 2,139	**$ 6,693**	$ 7,159
Principal transactions	**3,008**	2,625	**9,475**	11,740
Administration and other fiduciary fees	**971**	915	**2,856**	2,904
Realized gains on sales of investments, net	**30**	52	**151**	74
Impairment losses on investments:				
Impairment losses on investments and other assets	**(70)**	(91)	**(227)**	(277)
(Provision) releases for credit losses on AFS debt securities[1]	**(1)**	5	**(1)**	7
Net impairment losses recognized in earnings	**$ (71)**	$ (86)	**$ (228)**	$ (270)
Other revenue	**$ 178**	$ 300	**$ 999**	$ 327
Total non-interest revenues	**$ 6,311**	$ 5,945	**$ 19,946**	$ 21,934
Total revenues, net of interest expense	**$ 20,139**	$ 18,508	**$ 61,022**	$ 57,332
Provisions for credit losses and for benefits and claims				
Provision for credit losses on loans	**$ 1,816**	$ 1,328	**$ 5,314**	$ 2,972
Provision (release) for credit losses on HTM debt securities	**(3)**	10	**(24)**	28
Provision for credit losses on other assets	**56**	73	**630**	76
Policyholder benefits and claims	**25**	25	**63**	74
Provision (release) for credit losses on unfunded lending commitments	**(54)**	(71)	**(344)**	244
Total provisions for credit losses and for benefits and claims[2]	**$ 1,840**	$ 1,365	**$ 5,639**	$ 3,394
Operating expenses				
Compensation and benefits	**$ 7,424**	$ 6,745	**$ 22,350**	$ 20,037
Premises and equipment	**620**	557	**1,813**	1,719
Technology/communication	**2,256**	2,145	**6,692**	6,229
Advertising and marketing	**324**	407	**1,016**	1,132
Other operating	**2,887**	2,895	**8,499**	9,190
Total operating expenses	**$ 13,511**	$ 12,749	**$ 40,370**	$ 38,307
Income from continuing operations before income taxes	**$ 4,788**	$ 4,394	**$ 15,013**	$ 15,631
Provision for income taxes	**1,203**	879	**3,824**	3,002
Income from continuing operations	**$ 3,585**	$ 3,515	**$ 11,189**	$ 12,629
Discontinued operations				
Income (loss) from discontinued operations	**$ 2**	$ (6)	**$ —**	$ (270)
Benefit for income taxes	**—**	—	**—**	(41)
Income (loss) from discontinued operations, net of taxes	**$ 2**	$ (6)	**$ —**	$ (229)
Net income before attribution to noncontrolling interests	**$ 3,587**	$ 3,509	**$ 11,189**	$ 12,400
Noncontrolling interests	**41**	30	**122**	68
Citigroup's net income	**$ 3,546**	$ 3,479	**$ 11,067**	$ 12,332
Basic earnings per share[3]				
Income from continuing operations	**$ 1.64**	$ 1.64	**$ 5.19**	$ 5.99
Income from discontinued operations, net of taxes	**—**	—	**—**	(0.12)
Net income	**$ 1.64**	$ 1.64	**$ 5.19**	$ 5.87
Weighted average common shares outstanding *(in millions)*	**1,924.4**	1,936.8	**1,936.9**	1,950.0
Diluted earnings per share[3]				
Income from continuing operations	**$ 1.63**	$ 1.63	**$ 5.14**	$ 5.95
Income (loss) from discontinued operations, net of taxes	**—**	—	**—**	(0.12)
Net income	**$ 1.63**	$ 1.63	**$ 5.14**	$ 5.84
Adjusted weighted average diluted common shares outstanding *(in millions)*	**1,951.7**	1,955.1	**1,961.5**	1,967.1

(1) In accordance with ASC 326, which requires the provision for credit losses on AFS securities to be included in revenue.
(2) This total excludes the provision for credit losses on AFS securities, which is disclosed separately above.
(3) Due to rounding, earnings per share on continuing operations and discontinued operations may not sum to earnings per share on net income.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

Citigroup Inc. and Subsidiaries

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions of dollars	**2023**	2022	**2023**	2022
Citigroup's net income	**$ 3,546**	$ 3,479	**$ 11,067**	$ 12,332
Add: Citigroup's other comprehensive income, net change, net of taxes[1]				
Unrealized gains and losses on debt securities[2]	**$ (169)**	$ (580)	**$ 793**	$ (6,358)
Debt valuation adjustment (DVA)[3]	**299**	872	**(645)**	3,632
Cash flow hedges	**731**	(763)	**1,263**	(2,970)
Benefit plans liability adjustment[4]	**312**	37	**72**	119
CTA, net of hedges	**(1,496)**	(2,399)	**(632)**	(4,043)
Excluded component of fair value hedges	**(12)**	30	**(15)**	87
Long-duration insurance contracts	**23**	—	**22**	—
Citigroup's total other comprehensive income (loss)	**$ (312)**	$ (2,803)	**$ 858**	$ (9,533)
Citigroup's total comprehensive income	**$ 3,234**	$ 676	**$ 11,925**	$ 2,799
Add: Other comprehensive income (loss) attributable to noncontrolling interests	**(37)**	(44)	**9**	(126)
Add: Net income (loss) attributable to noncontrolling interests	**41**	30	**122**	68
Total comprehensive income	**$ 3,238**	$ 662	**$ 12,056**	$ 2,741

(1) See Note 18.
(2) See Note 12.
(3) See Note 22.
(4) See Note 8.

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

In millions of dollars		**September 30, 2023 (Unaudited)**		December 31, 2022
Assets				
Cash and due from banks (including segregated cash and other deposits)	**$**	**26,548**	$	30,577
Deposits with banks, net of allowance		**227,439**		311,448
Securities borrowed and purchased under agreements to resell (including $206,151 and $239,527 as of September 30, 2023 and December 31, 2022, respectively, at fair value), net of allowance		**335,059**		365,401
Brokerage receivables, net of allowance		**66,194**		54,192
Trading account assets (including $179,948 and $133,535 pledged to creditors as of September 30, 2023 and December 31, 2022, respectively)		**406,368**		334,114
Investments:				
Available-for-sale debt securities (including $14,720 and $10,933 pledged to creditors as of September 30, 2023 and December 31, 2022, respectively)		**241,783**		249,679
Held-to-maturity debt securities, net of allowance (fair value of which is $231,002 and $243,648 as of September 30, 2023 and December 31, 2022, respectively) (includes $8 and $0 pledged to creditors as of September 30, 2023 and December 31, 2022, respectively)		**259,456**		268,863
Equity securities (including $738 and $895 as of September 30, 2023 and December 31, 2022, respectively, at fair value)		**7,759**		8,040
Total investments	**$**	**508,998**	$	526,582
Loans:				
Consumer (including $222 and $237 as of September 30, 2023 and December 31, 2022, respectively, at fair value)		**377,714**		368,067
Corporate (including $7,189 and $5,123 as of September 30, 2023 and December 31, 2022, respectively, at fair value)		**288,634**		289,154
Loans, net of unearned income	**$**	**666,348**	$	657,221
Allowance for credit losses on loans (ACLL)		**(17,629)**		(16,974)
Total loans, net	**$**	**648,719**	$	640,247
Goodwill		**19,829**		19,691
Intangible assets (including MSRs at fair value of $729 and $665 as of September 30, 2023 and December 31, 2022, respectively)		**4,540**		4,428
Premises and equipment, net of depreciation and amortization		**27,959**		26,253
Other assets (including $13,937 and $10,658 as of September 30, 2023 and December 31, 2022, respectively, at fair value), net of allowance		**96,824**		103,743
Total assets	**$**	**2,368,477**	$	2,416,676

Statement continues on the next page.

In millions of dollars, except shares and per share amounts	**September 30, 2023 (Unaudited)**	December 31, 2022
Liabilities		
Deposits (including $2,722 and $1,875 as of September 30, 2023 and December 31, 2022, respectively, at fair value)	**$ 1,273,506**	$ 1,365,954
Securities loaned and sold under agreements to repurchase (including $60,662 and $70,886 as of September 30, 2023 and December 31, 2022, respectively, at fair value)	**256,770**	202,444
Brokerage payables (including $7,211 and $4,439 as of September 30, 2023 and December 31, 2022, respectively, at fair value)	**75,076**	69,218
Trading account liabilities	**164,624**	170,647
Short-term borrowings (including $6,470 and $6,222 as of September 30, 2023 and December 31, 2022, respectively, at fair value)	**43,166**	47,096
Long-term debt (including $112,629 and $105,995 as of September 30, 2023 and December 31, 2022, respectively, at fair value)	**275,760**	271,606
Other liabilities, plus allowances	**69,380**	87,873
Total liabilities	**$ 2,158,282**	$ 2,214,838
Stockholders' equity		
Preferred stock ($1.00 par value; authorized shares: 30 million), issued shares: **as of September 30, 2023—779,800** and as of December 31, 2022—759,800, at aggregate liquidation value	**$ 19,495**	$ 18,995
Common stock ($0.01 par value; authorized shares: 6 billion), issued shares: **as of September 30, 2023—3,099,691,671** and as of December 31, 2022—3,099,669,424	**31**	31
Additional paid-in capital	**108,757**	108,458
Retained earnings	**202,135**	194,734
Treasury stock, at cost: **September 30, 2023—1,185,809,738 shares** and December 31, 2022—1,162,682,999 shares	**(74,738)**	(73,967)
Accumulated other comprehensive income (loss) (*AOCI*)	**(46,177)**	(47,062)
Total Citigroup stockholders' equity	**$ 209,503**	$ 201,189
Noncontrolling interests	**692**	649
Total equity	**$ 210,195**	$ 201,838
Total liabilities and equity	**$ 2,368,477**	$ 2,416,676

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

In millions of dollars	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Preferred stock at aggregate liquidation value				
Balance, beginning of period	**$ 20,245**	$ 18,995	**$ 18,995**	$ 18,995
Issuance of new preferred stock	**1,500**	—	**2,750**	—
Redemption of preferred stock	**(2,250)**	—	**(2,250)**	—
Balance, end of period	**$ 19,495**	$ 18,995	**$ 19,495**	$ 18,995
Common stock and additional paid-in capital (APIC)				
Balance, beginning of period	**$ 108,610**	$ 108,241	**$ 108,489**	$ 108,034
Employee benefit plans	**170**	137	**296**	343
Preferred stock issuance costs (reclassifications to retained earnings for redemptions)	**16**	—	**16**	—
Other (primarily preferred stock issuance costs related to new issuances)	**(8)**	—	**(13)**	1
Balance, end of period	**$ 108,788**	$ 108,378	**$ 108,788**	$ 108,378
Retained earnings				
Balance, beginning of period	**$ 199,976**	$ 191,261	**$ 194,734**	$ 184,948
Adjustment to opening balance, net of taxes(1)				
Financial instruments—TDRs and vintage disclosures	**—**	—	**290**	—
Adjusted balance, beginning of period	**$ 199,976**	$ 191,261	**$ 195,024**	$ 184,948
Citigroup's net income	**3,546**	3,479	**11,067**	12,332
Common dividends(2)	**(1,038)**	(1,001)	**(3,042)**	(3,025)
Preferred dividends	**(333)**	(277)	**(898)**	(794)
Other (primarily reclassifications from APIC for preferred issuance costs on redemptions)	**(16)**	—	**(16)**	1
Balance, end of period	**$ 202,135**	$ 193,462	**$ 202,135**	$ 193,462
Treasury stock, at cost				
Balance, beginning of period	**$ (74,247)**	$ (73,988)	**$ (73,967)**	$ (71,240)
Employee benefit plans(3)	**9**	11	**729**	513
Treasury stock acquired(4)	**(500)**	—	**(1,500)**	(3,250)
Balance, end of period	**$ (74,738)**	$ (73,977)	**$ (74,738)**	$ (73,977)
Citigroup's accumulated other comprehensive income (loss)				
Balance, beginning of period	**$ (45,865)**	$ (45,495)	**$ (47,062)**	$ (38,765)
Adjustment to opening balance, net of taxes(1)	**—**	—	**27**	—
Adjusted balance, beginning of period	**$ (45,865)**	$ (45,495)	**$ (47,035)**	$ (38,765)
Citigroup's total other comprehensive income	**(312)**	(2,803)	**858**	(9,533)
Balance, end of period	**$ (46,177)**	$ (48,298)	**$ (46,177)**	$ (48,298)
Total Citigroup common stockholders' equity	**$ 190,008**	$ 179,565	**$ 190,008**	$ 179,565
Total Citigroup stockholders' equity	**$ 209,503**	$ 198,560	**$ 209,503**	$ 198,560
Noncontrolling interests				
Balance, beginning of period	**$ 703**	$ 612	**$ 649**	$ 700
Transactions between Citigroup and noncontrolling-interest shareholders	**(15)**	—	**(14)**	(34)
Net income attributable to noncontrolling-interest shareholders	**41**	30	**122**	68
Distributions paid to noncontrolling-interest shareholders	**—**	(39)	**(82)**	(51)
Other comprehensive income (loss) attributable to noncontrolling-interest shareholders	**(37)**	(44)	**9**	(126)
Other	**—**	(2)	**8**	—
Net change in noncontrolling interests	**$ (11)**	$ (55)	**$ 43**	$ (143)
Balance, end of period	**$ 692**	$ 557	**$ 692**	$ 557
Total equity	**$ 210,195**	$ 199,117	**$ 210,195**	$ 199,117

(1) See Note 1 for additional details.
(2) Common dividends declared were $0.51 per share for each of 1Q23 and 2Q23, $0.53 per share for 3Q23 and $0.51 per share for each of 1Q22, 2Q22 and 3Q22.

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

Citigroup Inc. and Subsidiaries

In millions of dollars	Nine Months Ended September 30, 2023	2022
Cash flows from operating activities of continuing operations		
Net income before attribution of noncontrolling interests	**$ 11,189**	$ 12,400
Net income attributable to noncontrolling interests	**122**	68
Citigroup's net income	**$ 11,067**	$ 12,332
Income (loss) from discontinued operations, net of taxes	**—**	(229)
Income from continuing operations—excluding noncontrolling interests	**$ 11,067**	$ 12,561
Adjustments to reconcile net income to net cash provided by (used in) operating activities of continuing operations		
Net loss (gain) on sale of significant disposals[1]	**(1,462)**	(616)
Depreciation and amortization	**3,388**	3,154
Deferred income taxes	**(979)**	(576)
Provisions for credit losses and for benefits and claims[2]	**5,639**	3,394
Realized gains from sales of investments	**(151)**	(74)
Impairment losses on investments and other assets	**227**	277
Goodwill impairment	**—**	535
Change in trading account assets	**(72,397)**	(26,385)
Change in trading account liabilities	**(6,023)**	34,950
Change in brokerage receivables net of brokerage payables	**(6,144)**	1,055
Change in loans held-for-sale (HFS)	**2,117**	3,499
Change in other assets	**(7,134)**	(2,754)
Change in other liabilities	**(3,715)**	1,303
Other, net[2][3]	**6,817**	(18,067)
Total adjustments	**$ (79,817)**	$ (305)
Net cash provided by (used in) operating activities of continuing operations	**$ (68,750)**	$ 12,256
Cash flows from investing activities of continuing operations		
Change in securities borrowed and purchased under agreements to resell	**$ 30,342**	$ (21,926)
Change in loans	**(17,733)**	(5,788)
Proceeds from divestitures[1]	**—**	3,242
Proceeds from sales and securitizations of loans	**3,397**	3,077
Net payment due to transfer of net liabilities associated with divestitures[1]	**(1,166)**	—
Available-for-sale (AFS) debt securities		
Purchases of investments[2][3]	**(171,154)**	(177,347)
Proceeds from sales of investments	**35,580**	86,454
Proceeds from maturities of investments[2][3]	**149,049**	102,857
Held-to-maturity (HTM) debt securities		
Purchases of investments	**(734)**	(39,288)
Proceeds from maturities of investments	**6,955**	9,913
Capital expenditures on premises and equipment and capitalized software	**(4,818)**	(3,667)
Proceeds from sales of premises and equipment and repossessed assets	**16**	46
Other, net[2][3]	**273**	(821)
Net cash provided by (used in) investing activities of continuing operations	**$ 30,007**	$ (43,248)
Cash flows from financing activities of continuing operations		
Dividends paid	**$ (3,899)**	$ (3,777)
Issuance of preferred stock	**2,739**	—
Redemption of preferred stock	**(750)**	—

CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED) (Continued)

	Nine Months Ended September 30,	
In millions of dollars	**2023**	2022
Treasury stock acquired	**$ (1,429)**	$ (3,250)
Stock tendered for payment of withholding taxes	**(324)**	(339)
Change in securities loaned and sold under agreements to repurchase	**54,326**	12,144
Issuance of long-term debt	**52,465**	85,459
Payments and redemptions of long-term debt	**(50,296)**	(47,011)
Change in deposits	**(92,448)**	8,947
Change in short-term borrowings	**(5,430)**	19,395
Net cash provided by (used in) financing activities of continuing operations	**$ (45,046)**	$ 71,568
Effect of exchange rate changes on cash, due from banks and deposits with banks	**$ (4,249)**	$ (3,002)
Change in cash, due from banks and deposits with banks	**(88,038)**	37,574
Cash, due from banks and deposits with banks at beginning of period	**342,025**	262,033
Cash, due from banks and deposits with banks at end of period	**$ 253,987**	$ 299,607
Cash and due from banks (including segregated cash and other deposits)	**$ 26,548**	$ 26,502
Deposits with banks, net of allowance	**227,439**	273,105
Cash, due from banks and deposits with banks at end of period	**$ 253,987**	$ 299,607
Supplemental disclosure of cash flow information for continuing operations		
Cash paid during the period for income taxes	**$ 4,071**	$ 2,684
Cash paid during the period for interest	**51,873**	12,557
Non-cash investing activities(1)(4)(5)		
Transfer of investment securities from HTM to AFS	**$ 3,324**	$ —
Transfer of investment securities from AFS to HTM	**—**	21,688
Decrease in net loans associated with divestitures reclassified to HFS	**—**	16,956
Decrease in goodwill associated with divestitures reclassified to HFS	**—**	876
Transfers to loans HFS (*Other assets*) from loans HFI	**6,031**	4,037
Transfers from loans HFS (*Other assets*) to loans HFI	**322**	—
Non-cash financing activities(1)(5)		
Decrease in deposits associated with divestitures reclassified to HFS	**$ —**	$ 19,691
Non-cash redemption of preferred stock and increase in short-term borrowings	**1,500**	—

(1) See Note 2 for further information on significant disposals.
(2) 2022 amounts have been revised to conform to the current-period presentation.
(3) Consistent with the revisions disclosed in "Statement of Cash Flows" in Note 1 to the Consolidated Financial Statements in Citi's 2022 Form 10-K, during the nine months ended September 30, 2022, $16.1 billion of cash flows related to maturities of short-term negotiable certificates of deposit (NCDs) and $41 million of cash flows related to purchases of short-term NCDs were reclassified from purchases and maturities of AFS securities within investing activities to *Other, net* within operating activities.
(4) In January 2023, Citi adopted ASU 2022-01. Upon adoption, Citi transferred $3.3 billion of mortgage-backed securities from HTM classification to AFS classification as allowed under the ASU. At the time of transfer, the securities were in an unrealized gain position of $0.1 billion, which was recorded in *AOCI* upon transfer.
(5) Operating and finance lease right-of-use assets and lease liabilities represent non-cash investing and financing activities, respectively, and are not included in the non-cash investing activities presented here. See Note 25 for more information and balances as of September 30, 2023.

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

1. BASIS OF PRESENTATION, UPDATED ACCOUNTING POLICIES AND ACCOUNTING CHANGES

Basis of Presentation
The accompanying unaudited Consolidated Financial Statements as of September 30, 2023 and for the three- and nine-month periods ended September 30, 2023 and 2022 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 within Citigroup's Annual Report on Form 10-K for the year ended December 31, 2022 (2022 Form 10-K), Citigroup's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 (First Quarter of 2023 Form 10-Q) and Citigroup's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 (Second Quarter of 2023 Form 10-Q).

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

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

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

Throughout these Notes, "Citigroup," "Citi" and "the Company" refer to Citigroup Inc. and its consolidated subsidiaries.

Certain reclassifications and updates have been made to the prior periods' financial statements and notes to conform to the current period's presentation.

Cash equivalents are defined as those amounts included in *Cash and due from banks* and predominately all of *Deposits with banks*. Cash flows from risk management activities are classified in the same category as the related assets and liabilities. Amounts included in *Cash and due from banks* and *Deposits with banks* approximate fair value.

UPDATED SIGNIFICANT ACCOUNTING POLICIES

The accounting policies below have been updated from those disclosed in Citi's 2022 Form 10-K for the effects of accounting standards adopted during the first quarter of 2023.

See Note 1 to the Consolidated Financial Statements in Citi's 2022 Form 10-K for a summary of all of Citigroup's significant accounting policies.

Allowances for Credit Losses (ACL)
Beginning January 1, 2023, Citi adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2022-02, *Financial Instruments—Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures* under the methodology described below. For information about Citi's accounting for troubled debt restructurings (TDRs) prior to January 1, 2023, see Note 1 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

ACCOUNTING CHANGES

TDRs and Vintage Disclosures
In March 2022, the FASB issued ASU No. 2022-02, *Financial Instruments—Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures*. Citi adopted the ASU on January 1, 2023, including the guidance on the recognition and measurement of TDRs under the modified retrospective approach.

Adopting these amendments resulted in a decrease to the ACLL of $352 million and an increase in other assets related to held-for-sale businesses of $44 million, with a corresponding increase to retained earnings of $290 million and a decrease in deferred tax assets of $106 million on January 1, 2023. The ACL for corporate loans was unaffected because the measurement approach used for corporate loans is not in the scope of this ASU.

ASU 2022-02 eliminates the accounting and disclosure requirements for TDRs, including the requirement to measure the ACLL for TDRs using a discounted cash flow (DCF) approach. With the elimination of TDR accounting requirements, reasonably expected TDRs are no longer considered when determining the term over which to estimate expected credit losses. The ACLL for modified loans that are collateral dependent continues to be based on the fair value of the collateral.

Consumer Loans
Upon adoption of the ASU on January 1, 2023, Citi discontinued the use of a DCF approach for consumer loans formerly considered TDRs. Beginning January 1, 2023, Citi measures the ACLL for all consumer loans under approaches that do not incorporate discounting, primarily utilizing models that consider the borrowers' probability of default, loss given default and exposure at default. In addition, upon adoption of the ASU, Citi collectively evaluates smaller-balance homogeneous loans formerly considered TDRs for expected

credit losses, whereas previously those loans had been individually evaluated.

The ASU also requires disclosure of modifications of loans to borrowers experiencing financial difficulty if the modification involves principal forgiveness, an interest rate reduction, an other-than-insignificant payment delay, a term extension or a combination of those types of modifications. In addition, the ASU requires the disclosure of current-period gross write-offs by year of loan origination (vintage). The amendments related to disclosures are required to be applied prospectively beginning as of the date of adoption. See Note 13 for these new disclosures for periods beginning on and after January 1, 2023.

Long-Duration Insurance Contracts

In August 2018, the FASB issued ASU No. 2018-12, *Financial Services—Insurance: Targeted Improvements to the Accounting for Long-Duration Contracts*, which changes the existing recognition, measurement, presentation and disclosures for long-duration contracts issued by an insurance entity. Specifically, the guidance (i) improves the timeliness of recognizing changes in the liability for future policy benefits and prescribes the rate used to discount future cash flows for long-duration insurance contracts, (ii) simplifies and improves the accounting for certain market-based options or guarantees associated with deposit (or account balance) contracts, (iii) simplifies the amortization of deferred acquisition costs and (iv) introduces additional quantitative and qualitative disclosures. Citi has certain insurance subsidiaries, primarily in Mexico, that issue long-duration insurance contracts such as traditional life insurance policies and life-contingent annuity contracts that are impacted by the requirements of ASU 2018-12.

Citi adopted the targeted improvements in ASU 2018-12 on January 1, 2023, resulting in a $39 million decrease in *Other liabilities* and a $27 million increase in *AOCI*, after-tax.

FUTURE ACCOUNTING CHANGES

Accounting for Investments in Tax Credit Structures

In March 2023, the FASB issued ASU No. 2023-02, *Investments—Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method*. The ASU expands the scope of tax equity investments eligible to apply the proportional amortization method of accounting. Under the proportional amortization method, the cost of an eligible investment is amortized in proportion to the income tax credits and other income tax benefits that are received by the investor, with the amortization of the investment and the income tax credits being presented net in the income statement as components of income tax expense (benefit). The ASU will permit the Company to elect to use the proportional amortization method to account for all eligible tax equity investments, regardless of the tax credit program from which the income tax credits are received, if certain conditions are met. Citi plans to adopt the ASU on January 1, 2024 and does not expect a material impact to its results of operations as a result of adopting the standard.

Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions

In June 2022, the FASB issued ASU No. 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. The ASU was issued to address diversity in practice whereby certain entities included the impact of contractual restrictions when valuing equity securities, and it clarifies that a contractual restriction on the sale of an equity security should not be considered part of the unit of account of the equity security and, therefore, should not be considered in measuring fair value. The ASU also includes requirements for entities to disclose the fair value of equity securities subject to contractual sale restrictions, the nature and remaining duration of the restrictions and the circumstances that could cause a lapse in the restrictions.

The ASU will be effective for Citi on January 1, 2024 and is not expected to have an impact on Citi's operating results or financial position.

2. DISCONTINUED OPERATIONS, SIGNIFICANT DISPOSALS AND OTHER BUSINESS EXITS

Summary of Discontinued Operations

The Company's results from *Discontinued operations* consisted of residual activities related to the sales of the Egg Banking plc credit card business in 2011 and the German retail banking business in 2008. All *Discontinued operations* results are recorded within *Corporate/Other*.

The following table summarizes financial information for all *Discontinued operations*:

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions of dollars	**2023**	2022	**2023**	2022
Total revenues, net of interest expense	**$ —**	$ —	**$ —**	$ (262)
Income (loss) from discontinued operations	**$ 2**	$ (6)	**$ —**	$ (270)
Benefit for income taxes	**—**	—	**—**	(41)
Income (loss) from discontinued operations, net of taxes	**$ 2**	$ (6)	**$ —**	$ (229)

During the second quarter of 2022, the Company finalized the settlement of certain liabilities related to its legacy consumer operation in the U.K. (the legacy operation), including an indemnification liability related to its sale of the Egg Banking business in 2011, which led to the substantial liquidation of the legacy operation. As a result, a CTA loss (net of hedges) in *AOCI* of approximately $400 million pretax ($345 million after-tax) related to the legacy operation was released to earnings in the second quarter of 2022. Out of the total CTA release, a $260 million pretax loss ($221 million after-tax loss) was attributable to the Egg Banking business noted above, reported in *Discontinued operations*, and therefore the corresponding CTA release was also reported in *Discontinued operations* during the second quarter of 2022. The remaining CTA release of a $140 million pretax loss ($124 million after-tax loss) related to Legacy Holdings Assets was reported as part of *Continuing operations* within *Legacy Franchises*.

While the legacy operation was divested in multiple sales over the years, each transaction did not result in substantial liquidation given that Citi retained certain liabilities noted above, which were gradually settled over time until reaching the point of substantial liquidation during the second quarter of 2022, triggering the release of the CTA loss to earnings.

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

Significant Disposals

As of September 30, 2023, Citi had entered into sale agreements for nine consumer banking businesses within *Legacy Franchises*. Australia closed in the second quarter of 2022, the Philippines closed in the third quarter of 2022, Bahrain, Malaysia and Thailand closed in the fourth quarter of 2022, India and Vietnam closed in the first quarter of 2023 and Taiwan closed in the third quarter of 2023. Citi's entry of sale agreement for the Indonesia consumer banking business has resulted in the reclassification to HFS on the Consolidated Balance Sheet of approximately $1 billion in assets within *Other assets*, including approximately $520 million of loans (net of allowance of $34 million), and approximately $1 billion in liabilities within *Other liabilities*, including approximately $900 million in deposits.

Of the nine sale agreements, the five below were identified as significant disposals. As of September 30, 2023, there were no remaining assets or liabilities included on Citi's Consolidated Balance Sheet related to the significant disposals:

In millions of dollars			Income (loss) before taxes(6)			
			Three Months Ended September 30,		Nine Months Ended September 30,	
Consumer banking business in	**Sale agreement date**	**Closing date**	**2023**	2022	**2023**	2022
Australia(1)	8/9/2021	6/1/2022	**$ —**	$ —	**$ —**	$ 193
Philippines(2)	12/23/2021	8/1/2022	**—**	7	**—**	72
Thailand(3)	1/14/2022	11/1/2022	**—**	28	**—**	106
India(4)	3/30/2022	3/1/2023	**—**	37	**2**	161
Taiwan(5)	1/28/2022	8/12/2023	**(1)**	15	**91**	111

(1) On June 1, 2022, Citi completed the sale of its Australia consumer banking business, which was part of *Legacy Franchises*. The business had approximately $9.4 billion in assets, including $9.3 billion of loans (net of allowance of $140 million) and excluding goodwill. The total amount of liabilities was $7.3 billion, including $6.8 billion in deposits. The transaction generated a pretax loss on sale of approximately $760 million ($640 million after-tax), recorded in *Other revenue*. The loss on sale primarily reflected the impact of an approximate pretax $620 million CTA loss (net of hedges) ($470 million after-tax) already reflected in the *AOCI* component of equity. The sale closed on June 1, 2022, and the CTA-related balance was removed from *AOCI*, resulting in a neutral CTA impact to Citi's CET1 Capital. The income before taxes shown in the above table for Australia reflects Citi's ownership through June 1, 2022.

(2) On August 1, 2022, Citi completed the sale of its Philippines consumer banking business, which was part of *Legacy Franchises*. The business had approximately $1.8 billion in assets, including $1.2 billion of loans (net of allowance of $80 million) and excluding goodwill. The total amount of liabilities was $1.3 billion, including $1.2 billion in deposits. The sale resulted in a pretax gain on sale of approximately $618 million ($290 million after-tax), recorded in *Other revenue*. The income before taxes shown in the above table for the Philippines reflects Citi's ownership through August 1, 2022.

(3) On November 1, 2022, Citi completed the sale of its Thailand consumer banking business, which was part of *Legacy Franchises*. The business had approximately $2.7 billion in assets, including $2.4 billion of loans (net of allowance of $67 million) and excluding goodwill. The total amount of liabilities was $1.0 billion, including $0.8 billion in deposits. The sale resulted in a pretax gain on sale of approximately $209 million ($115 million after-tax), recorded in *Other revenue*. The income before taxes shown in the above table for Thailand reflects Citi's ownership through November 1, 2022.

(4) On March 1, 2023, Citi completed the sale of its India consumer banking business, which was part of *Legacy Franchises*. The business had approximately $5.2 billion in assets, including $3.4 billion of loans (net of allowance of $32 million) and excluding goodwill. The total amount of liabilities was $5.2 billion, including $5.1 billion in deposits. The sale resulted in a pretax gain on sale of approximately $1.1 billion ($727 million after-tax), recorded in *Other revenue*. The income before taxes shown in the above table for India reflects Citi's ownership through March 1, 2023.

(5) On August 12, 2023, Citi completed the sale of its Taiwan consumer banking business, which was part of *Legacy Franchises*. The business had approximately $11.6 billion in assets, including $7.2 billion of loans (net of allowance of $92 million) and excluding goodwill. The total amount of liabilities was $9.2 billion, including $9.0 billion in deposits. The sale resulted in a pretax gain on sale of approximately $403 million ($284 million after-tax), subject to closing adjustments, recorded in *Other revenue*. The income before taxes shown in the above table for Taiwan reflects Citi's ownership through August 12, 2023.

(6) Income before taxes for the period in which the individually significant component was classified as HFS for all prior periods presented. For Australia, excludes the pretax loss on sale. For the Philippines, Thailand, India and Taiwan, excludes the pretax gain on sale.

Citi did not have any other significant disposals as of September 30, 2023. As of November 3, 2023, Citi had not entered into sale agreements for the remaining *Legacy Franchises* businesses to be sold, specifically the Poland consumer banking business and the Mexico Consumer/SBMM businesses.

For a description of the Company's significant disposal transactions in prior periods and financial impact, see Note 2 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

Other Business Exits

Wind-Down of Korea Consumer Banking Business

On October 25, 2021, Citi disclosed its decision to wind down and close its Korea consumer banking business, which is reported in the *Legacy Franchises* operating segment. In connection with the announcement, Citibank Korea Inc. (CKI) commenced a voluntary early termination program (Korea VERP). Due to the voluntary nature of this termination program, no liabilities for termination benefits are recorded until CKI makes formal offers to employees that are then irrevocably accepted by those employees. Related charges are recorded as *Compensation and benefits*.

The following table summarizes the reserve charges related to the Korea VERP and other initiatives reported in the *Legacy Franchises* operating segment and *Corporate/Other*:

In millions of dollars	Employee termination costs
Total Citigroup (pretax)	
Original charges in fourth quarter 2021	$ 1,052
Utilization	(1)
Foreign exchange	3
Balance at December 31, 2021	$ 1,054
Additional charges in first quarter 2022	$ 31
Utilization	(347)
Foreign exchange	(24)
Balance at March 31, 2022	$ 714
Additional charges (releases)	$ (3)
Utilization	(670)
Foreign exchange	(41)
Balance at June 30, 2022	$ —

Note: There were no additional charges after June 30, 2022.

The total cash charges for the wind-down were $1.1 billion through 2022, most of which were recognized in 2021. Citi does not expect to record any additional charges in connection with the Korea VERP.

See Note 8 to the Consolidated Financial Statements in Citi's 2022 Form 10-K for details on the pension impact of the Korea wind-down.

Wind-Down of Russia Consumer and Institutional Banking Businesses

On August 25, 2022, Citi announced its decision to wind down its consumer banking and local commercial banking operations in Russia. As part of the wind-down, Citi is also actively pursuing sales of certain Russian consumer banking portfolios.

On October 14, 2022, Citi disclosed that it would end nearly all of the institutional banking services it offered in Russia by the end of the first quarter of 2023. Going forward, Citi's only operations in Russia are those necessary to fulfill its remaining legal and regulatory obligations.

Portfolio Sales

- On December 12, 2022, Citi completed the sale of a portfolio of ruble-denominated personal installment loans, totaling approximately $240 million in outstanding loan balances, to Uralsib, a Russian commercial bank, resulting in a pretax net loss of approximately $12 million. The net loss on sale of the loan portfolio included a $32 million adjustment to record the loans at lower of cost or fair value recognized in *Other revenue.* In addition, the sale of the loans resulted in a release in the allowance for credit losses on loans of approximately $20 million recognized in the *Provision for credit losses on loans*.
- During the second quarter of 2023, Citi recorded an incremental gain of $5 million related to post-closing contingency payments for the previously disclosed personal installment loan sale in *Other revenue.* The previously disclosed sale of a portfolio of ruble-denominated personal installment loans resulted in a pretax net loss on sale of approximately $7 million.
- During the third quarter of 2023, as part of the previously disclosed cards referral agreement with a Russian bank, approximately $26 million of credit card receivables was settled upon referral and refinanced.

Wind-Down Charges

The following tables provide details on Citi's Russia wind-down charges:

	Three Months Ended September 30, 2023			
In millions of dollars	**ICG**	**Legacy Franchises**	**Corporate/ Other**	**Total**
Severance[1]	**$ (2)**	**$ (3)**	**$ 1**	**$ (4)**
Vendor termination and other costs[2]	**—**	**1**	**—**	**1**
Total	**$ (2)**	**$ (2)**	**$ 1**	**$ (3)**

	Program-to-date September 30, 2023			
In millions of dollars	**ICG**	**Legacy Franchises**	**Corporate/ Other**	**Total**
Severance[1]	**$ 8**	**$ 26**	**$ 3**	**$ 37**
Vendor termination and other costs[2]	**—**	**18**	**—**	**18**
Total	**$ 8**	**$ 44**	**$ 3**	**$ 55**

	Estimated additional charges as of September 30, 2023			
In millions of dollars	**ICG**	**Legacy Franchises**	**Corporate/ Other**	**Total**
Severance[1]	**$ 10**	**$ 17**	**$ 10**	**$ 37**
Vendor termination and other costs[2]	**—**	**48**	**—**	**48**
Total	**$ 10**	**$ 65**	**$ 10**	**$ 85**

(1) Recorded in *Compensation and benefits.*
(2) Recorded in *Other operating expenses.*

3. OPERATING SEGMENTS

The operating segments and reporting units reflect how the CEO, who is the chief operating decision maker, manages the Company, including allocating resources and measuring performance.

Citigroup's activities are conducted through three operating segments: *Institutional Clients Group (ICG)*, *Personal Banking and Wealth Management (PBWM)* and *Legacy Franchises*, with *Corporate/Other* including activities not assigned to a specific operating segment, as well as discontinued operations.

ICG consists of Services, Markets and Banking, providing corporate, institutional and public sector clients around the world with a full range of wholesale banking products and services.

PBWM consists of U.S. Personal Banking and Global Wealth Management (Global Wealth), providing traditional banking services and credit cards to retail and small business customers primarily in the U.S., and financial services to clients from affluent to ultra-high-net-worth through banking, lending, mortgages, investment, custody and trust product offerings in 20 countries, including the U.S., Mexico and the four wealth management centers: Singapore, Hong Kong, the UAE and London.

Legacy Franchises consists of Asia Consumer and Mexico Consumer/SBMM businesses that Citi intends to exit, and its remaining Legacy Holdings Assets.

Corporate/Other includes activities not assigned to the operating segments, including certain unallocated costs of global functions, other corporate expenses and corporate treasury results, offsets to certain line-item reclassifications and eliminations and unallocated taxes, as well as discontinued operations.

Revenues and expenses directly associated with each respective business segment or component are included in determining respective operating results. Other revenues and expenses that are not directly attributable to a particular business segment or component are generally allocated from *Corporate/Other* based on respective net revenues, non-interest expenses or other relevant measures.

As a result of revenues and expenses from transactions with other operating segments or components being treated as transactions with external parties for purposes of segment disclosures, the Company includes intersegment eliminations within *Corporate/Other* to reconcile the business segment results to Citi's consolidated results.

The accounting policies of these operating segments are the same as those disclosed in Note 1 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

On September 13, 2023, Citi announced changes to its organizational structure, with the resulting operating segment impacts being implemented in the fourth quarter of 2023. The Company continues to execute requisite system and process changes that will enable the new segments to be operational in the fourth quarter of 2023. Citi expects to update its operating segment disclosures, including historical financial results, in the fourth quarter of 2023. These changes will not impact the previously reported consolidated financial results of the Company.

The following tables present certain information regarding the Company's continuing operations by operating segment and *Corporate/Other*:

	Three Months Ended September 30,									
	ICG		PBWM		Legacy Franchises		Corporate/Other		Total Citi	
In millions of dollars, except identifiable assets, average loans and average deposits in billions	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Net interest income	**$ 5,494**	$ 4,570	**$ 6,356**	$ 5,836	**$ 1,279**	$ 1,385	**$ 699**	$ 772	**$ 13,828**	$ 12,563
Non-interest revenue	**5,150**	4,898	**422**	351	**938**	1,169	**(199)**	(473)	**6,311**	5,945
Total revenues, net of interest expense	**$10,644**	$ 9,468	**$ 6,778**	$ 6,187	**$ 2,217**	$ 2,554	**$ 500**	$ 299	**$ 20,139**	$ 18,508
Operating expense	**7,179**	6,541	**4,301**	4,077	**1,794**	1,845	**237**	286	**13,511**	12,749
Provisions (releases) for credit losses	**196**	86	**1,457**	1,109	**188**	167	**(1)**	3	**1,840**	1,365
Income (loss) from continuing operations before taxes	**$ 3,269**	$ 2,841	**$ 1,020**	$ 1,001	**$ 235**	$ 542	**$ 264**	$ 10	**$ 4,788**	$ 4,394
Provision (benefits) for income taxes	**804**	655	**217**	209	**108**	226	**74**	(211)	**1,203**	879
Income (loss) from continuing operations	**$ 2,465**	$ 2,186	**$ 803**	$ 792	**$ 127**	$ 316	**$ 190**	$ 221	**$ 3,585**	$ 3,515
Identifiable assets (September 30, 2023 and December 31, 2022)	**$ 1,722**	$ 1,730	**$ 471**	$ 494	**$ 80**	$ 97	**$ 95**	$ 96	**$ 2,368**	$ 2,417
Average loans	**278**	291	**347**	325	**37**	39	**—**	—	**662**	655
Average deposits	**821**	817	**421**	428	**52**	50	**21**	21	**1,315**	1,316

	Nine Months Ended September 30,									
	ICG		PBWM		Legacy Franchises		Corporate/Other		Total Citi	
In millions of dollars, except average loans and average deposits in billions	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Net interest income	**$16,145**	$12,874	**$18,253**	$16,790	**$ 3,914**	$ 4,367	**$ 2,764**	$ 1,367	**$ 41,076**	$ 35,398
Non-interest revenue	**16,173**	19,173	**1,368**	1,331	**3,078**	2,053	**(673)**	(623)	**19,946**	21,934
Total revenues, net of interest expense	**$32,318**	$32,047	**$19,621**	$18,121	**$ 6,992**	$ 6,420	**$ 2,091**	$ 744	**$ 61,022**	$ 57,332
Operating expense	**21,438**	19,698	**12,759**	11,951	**5,324**	5,952	**849**	706	**40,370**	38,307
Provisions for credit losses	**182**	855	**4,627**	2,088	**833**	448	**(3)**	3	**5,639**	3,394
Income (loss) from continuing operations before taxes	**$10,698**	$11,494	**$ 2,235**	$ 4,082	**$ 835**	$ 20	**$ 1,245**	$ 35	**$ 15,013**	$ 15,631
Provision (benefits) for income taxes	**2,716**	2,672	**449**	877	**224**	104	**435**	(651)	**3,824**	3,002
Income (loss) from continuing operations	**$ 7,982**	$ 8,822	**$ 1,786**	$ 3,205	**$ 611**	$ (84)	**$ 810**	$ 686	**$ 11,189**	$ 12,629
Average loans	**$ 280**	$ 292	**$ 340**	$ 318	**$ 37**	$ 44	**$ —**	$ —	**$ 657**	$ 654
Average deposits	**837**	824	**429**	437	**51**	52	**22**	11	**1,339**	1,324

4. INTEREST REVENUE AND EXPENSE

Interest revenue and *Interest expense* consisted of the following:

In millions of dollars	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Interest revenue				
Consumer loans	**$ 9,609**	$ 7,380	**$ 27,195**	$ 20,243
Corporate loans	**5,432**	3,403	**15,186**	8,750
Loan interest, including fees	**$ 15,041**	$ 10,783	**$ 42,381**	$ 28,993
Deposits with banks	**2,645**	1,218	**8,725**	2,172
Securities borrowed and purchased under agreements to resell	**7,363**	2,176	**18,791**	3,375
Investments, including dividends	**4,719**	2,993	**13,314**	7,413
Trading account assets[1]	**3,893**	1,989	**10,391**	4,794
Other interest-earning assets[2]	**1,176**	760	3,277	1,953
Total interest revenue	**$ 34,837**	$ 19,919	**$ 96,879**	$ 48,700
Interest expense				
Deposits	**$ 9,630**	$ 3,270	**$ 26,065**	$ 5,561
Securities loaned and sold under agreements to repurchase	**6,090**	1,251	**14,609**	2,188
Trading account liabilities[1]	**892**	472	**2,549**	756
Short-term borrowings and other interest-bearing liabilities[3]	**1,956**	745	**5,382**	1,068
Long-term debt	**2,441**	1,618	**7,198**	3,729
Total interest expense	**$ 21,009**	$ 7,356	**$ 55,803**	$ 13,302
Net interest income	**$ 13,828**	$ 12,563	**$ 41,076**	$ 35,398
Provision for credit losses on loans	**1,816**	1,328	**5,314**	2,972
Net interest income after provision for credit losses on loans	**$ 12,012**	$ 11,235	**$ 35,762**	$ 32,426

(1) 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.
(2) Includes assets from businesses held-for-sale (see Note 2) and *Brokerage receivables*.
(3) Includes liabilities from businesses held-for-sale (see Note 2) and *Brokerage payables*.

5. COMMISSIONS AND FEES; ADMINISTRATION AND OTHER FIDUCIARY FEES

For additional information on Citi's commissions and fees, and administration and other fiduciary fees, see Note 5 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

The following tables present *Commissions and fees* revenue:

	Three Months Ended September 30, 2023				Nine Months Ended September 30, 2023			
In millions of dollars	**ICG**	**PBWM**	**Legacy Franchises**	**Total**	**ICG**	**PBWM**	**Legacy Franchises**	**Total**
Investment banking	**$ 694**	**$ —**	**$ —**	**$ 694**	**$ 2,018**	**$ —**	**$ —**	**$ 2,018**
Brokerage commissions	**368**	**176**	**21**	**565**	**1,142**	**535**	**99**	**1,776**
Credit and bank card income								
Interchange fees	**356**	**2,507**	**152**	**3,015**	**1,050**	**7,409**	**485**	**8,944**
Card-related loan fees	**16**	**36**	**71**	**123**	**46**	**116**	**198**	**360**
Card rewards and partner payments[(1)]	**(198)**	**(2,858)**	**(103)**	**(3,159)**	**(574)**	**(8,425)**	**(285)**	**(9,284)**
Deposit-related fees[(2)]	**284**	**32**	**9**	**325**	**808**	**90**	**26**	**924**
Transactional service fees	**298**	**7**	**22**	**327**	**889**	**17**	**72**	**978**
Corporate finance[(3)]	**89**	**—**	**—**	**89**	**274**	**3**	**—**	**277**
Insurance distribution revenue	**—**	**64**	**13**	**77**	**—**	**183**	**74**	**257**
Insurance premiums	**—**	**1**	**25**	**26**	**—**	**2**	**70**	**72**
Loan servicing	**7**	**11**	**3**	**21**	**24**	**37**	**10**	**71**
Other	**3**	**42**	**49**	**92**	**9**	**150**	**139**	**300**
Total commissions and fees[(4)]	**$ 1,917**	**$ 18**	**$ 262**	**$ 2,195**	**$ 5,686**	**$ 117**	**$ 888**	**$ 6,693**

	Three Months Ended September 30, 2022				Nine Months Ended September 30, 2022			
In millions of dollars	ICG	PBWM	Legacy Franchises	Total	ICG	PBWM	Legacy Franchises	Total
Investment banking	$ 725	$ —	$ —	$ 725	$ 2,477	$ —	$ —	$ 2,477
Brokerage commissions	356	167	48	571	1,209	621	169	1,999
Credit and bank card income								
Interchange fees	330	2,420	199	2,949	891	6,954	647	8,492
Card-related loan fees	12	64	66	142	32	201	226	459
Card rewards and partner payments[(1)]	(175)	(2,852)	(134)	(3,161)	(458)	(8,223)	(466)	(9,147)
Deposit-related fees[(2)]	262	25	13	300	807	128	49	984
Transactional service fees	270	5	20	295	791	14	72	877
Corporate finance[(3)]	87	—	—	87	339	3	—	342
Insurance distribution revenue	—	57	33	90	—	165	102	267
Insurance premiums	—	1	22	23	—	3	69	72
Loan servicing	13	14	4	31	32	36	11	79
Other	6	44	37	87	9	141	108	258
Total commissions and fees[(4)]	$ 1,886	$ (55)	$ 308	$ 2,139	$ 6,129	$ 43	$ 987	$ 7,159

(1) Citi's consumer credit card programs have certain partner sharing agreements that vary by partner. These agreements are subject to contractually based performance thresholds that, if met, would require Citi to make ongoing payments to the partner. The threshold is based on the profitability of a program and is generally calculated based on predefined program revenues less predefined program expenses. In most of Citi's partner sharing agreements, program expenses include net credit losses and, to the extent that an increase in net credit losses reduces Citi's liability for the partners' share for a given program year, would generally result in lower payments to partners in total for that year and vice versa. Further, in some instances, other partner payments are based on program sales and new account acquisitions.

(2) Overdraft fees are accounted for under ASC 310. Citi eliminated overdraft fees, returned item fees and overdraft protection fees beginning in June 2022. Includes overdraft fees (prior to the elimination of overdraft fees in June 2022) of $0 and $0 million for the three months ended September 30, 2023 and 2022, respectively, and $0 and $59 million for the nine months ended September 30, 2023 and 2022, respectively.

(3) Consists primarily of fees earned from structuring and underwriting loan syndications or related financing activity. This activity is accounted for under ASC 310.

(4) *Commissions and fees* include $(2,897) million and $(2,872) million not accounted for under ASC 606, *Revenue from Contracts with Customers*, for the three months ended September 30, 2023 and 2022, respectively, and $(8,497) million and $(8,115) million for the nine months ended September 30, 2023 and 2022, respectively. Amounts reported in *Commissions and fees* accounted for under other guidance primarily include card-related loan fees, card reward programs and certain partner payments, corporate finance fees, insurance premiums and loan servicing fees.

The following tables present *Administration and other fiduciary fees* revenue:

In millions of dollars	Three Months Ended September 30, 2023 ICG	PBWM	Legacy Franchises	Total	Nine Months Ended September 30, 2023 ICG	PBWM	Legacy Franchises	Total
Custody fees	**$ 447**	**$ 20**	**$ 2**	**$ 469**	**$ 1,349**	**$ 62**	**$ 13**	**$ 1,424**
Fiduciary fees	**73**	**199**	**98**	**370**	**217**	**537**	**270**	**1,024**
Guarantee fees	**124**	**6**	**1**	**132**	**382**	**21**	**4**	**408**
Total administration and other fiduciary fees[(1)]	**$ 644**	**$ 225**	**$ 101**	**$ 971**	**$ 1,948**	**$ 620**	**$ 287**	**$ 2,856**

In millions of dollars	Three Months Ended September 30, 2022 ICG	PBWM	Legacy Franchises	Total	Nine Months Ended September 30, 2022 ICG	PBWM	Legacy Franchises	Total
Custody fees	$ 422	$ 21	$ 2	$ 445	$ 1,375	$ 67	$ 7	$ 1,449
Fiduciary fees	78	179	77	334	210	580	236	1,026
Guarantee fees	124	10	2	136	391	34	4	429
Total administration and other fiduciary fees[(1)]	$ 624	$ 210	$ 81	$ 915	$ 1,976	$ 681	$ 247	$ 2,904

(1) *Administration and other fiduciary fees* include $132 million and $136 million for the three months ended September 30, 2023 and 2022, respectively, and $408 million and $429 million for the nine months ended September 30, 2023 and 2022, respectively, that are not accounted for under ASC 606, *Revenue from Contracts with Customers.* These generally include guarantee fees.

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 that are managed on a portfolio basis and characterized below based on the primary risk managed by each trading desk (as such, the trading desks can be periodically reorganized and thus the risk categories). Not included in the table below is the impact of net interest income related to trading activities, which is an integral part of trading activities' profitability (see Note 4 for information about net interest income related to trading activities). Principal transactions include CVA (credit valuation adjustments) and FVA (funding valuation adjustments) on over-the-counter derivatives, and gains (losses) on certain economic hedges on loans in *ICG*. These adjustments are discussed further in Note 22.

In certain transactions, Citi incurs fees and presents these fees paid to third parties in operating expenses.

The following table presents *Principal transactions* revenue:

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions of dollars	**2023**	2022	**2023**	2022
Interest rate risks[1]	**$ 955**	$ 458	**$ 2,926**	$ 3,143
Foreign exchange risks[2]	**1,295**	1,555	**4,125**	4,978
Equity risks[3]	**308**	411	**1,147**	1,687
Commodity and other risks[4]	**475**	404	**1,443**	1,466
Credit products and risks[5]	**(25)**	(203)	**(166)**	466
Total	**$ 3,008**	$ 2,625	**$ 9,475**	$ 11,740

(1) Includes revenues from government securities and corporate debt, municipal securities, mortgage securities and other debt instruments. Also includes spot and forward trading of currencies and exchange-traded and over-the-counter (OTC) currency options, options on fixed income securities, interest rate swaps, currency swaps, swap options, caps and floors, financial futures, OTC options and forward contracts on fixed income securities.
(2) Includes revenues from foreign exchange spot, forward, option and swap contracts, as well as foreign currency translation (FX translation) gains and losses.
(3) Includes revenues from common, preferred and convertible preferred stock, convertible corporate debt, equity-linked notes and exchange-traded and OTC equity options and warrants.
(4) Primarily includes revenues from crude oil, refined oil products, natural gas and other commodities trades.
(5) Includes revenues from structured credit products.

7. INCENTIVE PLANS

For additional information on Citi's incentive plans, see Note 7 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

8. RETIREMENT BENEFITS

For additional information on Citi's retirement benefits, see Note 8 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

Net (Benefit) Expense

The following table summarizes the components of net (benefit) expense recognized in the Consolidated Statement of Income for the Company's pension and postretirement plans for Significant Plans and All Other Plans. Benefits earned during the period are reported in *Compensation and benefits expenses* and all other components of the net period benefit cost are reported in *Other operating expenses* in the Consolidated Statement of Income:

	Three Months Ended September 30,							
	Pension plans				Postretirement benefit plans			
	U.S. plans		Non-U.S. plans		U.S. plans		Non-U.S. plans	
In millions of dollars	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Service cost	**$ —**	$ —	**$ 29**	$ 26	**$ —**	$ —	**$ —**	$ 1
Interest cost on benefit obligation	**124**	120	**105**	91	**4**	4	**27**	21
Expected return on assets	**(160)**	(153)	**(84)**	(64)	**(3)**	(3)	**(20)**	(16)
Amortization of unrecognized:								
Prior service (benefit)	**—**	—	**(1)**	(2)	**(2)**	(2)	**(2)**	(2)
Net actuarial loss (gain)	**39**	36	**20**	16	**(3)**	(2)	**(4)**	2
Settlement loss(1)	**—**	—	**5**	—	**—**	—	**—**	—
Total net expense (benefit)	**$ 3**	$ 3	**$ 74**	$ 67	**$ (4)**	$ (3)	**$ 1**	$ 6

(1) Settlement relates to divestiture and wind-down activities.

	Nine Months Ended September 30,							
	Pension plans				Postretirement benefit plans			
	U.S. plans		Non-U.S. plans		U.S. plans		Non-U.S. plans	
In millions of dollars	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Service cost	**$ —**	$ —	**$ 87**	$ 90	**$ —**	$ —	**$ 1**	$ 2
Interest cost on benefit obligation	**374**	311	**305**	243	**13**	11	**79**	67
Expected return on assets	**(481)**	(461)	**(247)**	(196)	**(10)**	(9)	**(59)**	(54)
Amortization of unrecognized:								
Prior service cost (benefit)	**1**	1	**(4)**	(5)	**(7)**	(7)	**(6)**	(6)
Net actuarial loss (gain)	**118**	136	**54**	43	**(8)**	(5)	**(14)**	4
Curtailment (gain)(1)	**—**	—	**(8)**	(23)	**—**	—	**—**	—
Settlement loss (gain)(1)	**—**	—	**9**	(10)	**—**	—	**—**	—
Total net expense (benefit)	**$ 12**	$ (13)	**$ 196**	$ 142	**$ (12)**	$ (10)	**$ 1**	$ 13

(1) Curtailment and settlement relate to divestiture and wind-down activities. 2022 includes gains due to curtailment and settlement relating to divestiture activities. Total net expense for non-U.S. plans includes a $36 million net benefit related to the wind-down of Citi's consumer banking business in Korea.

Funded Status and *Accumulated Other Comprehensive Income (AOCI)*

The following table summarizes the funded status and amounts recognized on the Consolidated Balance Sheet for the Company's Significant Plans:

	Nine Months Ended September 30, 2023			
	Pension plans		Postretirement benefit plans	
In millions of dollars	U.S. plans	Non-U.S. plans	U.S. plans	Non-U.S. plans
Change in projected benefit obligation				
Projected benefit obligation at beginning of year	$ 9,741	$ 6,375	$ 375	$ 1,013
Plans measured annually	(19)	(1,774)	—	(193)
Projected benefit obligation at beginning of year—Significant Plans	$ 9,722	$ 4,601	$ 375	$ 820
First-quarter activity	160	241	(1)	70
Second-quarter activity	(265)	179	(27)	75
Projected benefit obligation at June 30, 2023—Significant Plans	$ 9,617	$ 5,021	$ 347	$ 965
Service cost	—	12	—	—
Interest cost on benefit obligation	124	86	4	24
Actuarial (gain)[4]	(435)	(264)	(17)	(95)
Benefits paid, net of participants' contributions	(217)	(85)	(11)	(18)
Foreign exchange impact and other	—	(91)	—	(15)
Projected benefit obligation at period end—Significant Plans	$ 9,089	$ 4,679	$ 323	$ 861
Change in plan assets				
Plan assets at fair value at beginning of year	$ 10,145	$ 6,086	$ 253	$ 855
Plans measured annually	—	(1,226)	—	(7)
Plan assets at fair value at beginning of year—Significant Plans	$ 10,145	$ 4,860	$ 253	$ 848
First-quarter activity	143	225	5	73
Second-quarter activity	(131)	(6)	(2)	24
Plan assets at fair value at June 30, 2023—Significant Plans	$ 10,157	$ 5,079	$ 256	$ 945
Actual return on plan assets	(215)	(113)	(3)	(29)
Company contributions, net of reimbursements	15	8	(20)	—
Benefits paid, net of participants' contributions	(217)	(85)	(11)	(18)
Foreign exchange impact and other	—	(91)	—	(16)
Plan assets at fair value at period end—Significant Plans	$ 9,740	$ 4,798	$ 222	$ 882
Qualified plans[1]	$ 1,144	$ 119	$ (101)	$ 21
Nonqualified plans[2]	(493)	—	—	—
Funded status of the plans at period end—Significant Plans	$ 651	$ 119	$ (101)	$ 21
Net amount recognized at period end				
Benefit asset	$ 1,144	$ 738	$ —	$ 21
Benefit liability	(493)	(619)	(101)	—
Net amount recognized on the balance sheet—Significant Plans	$ 651	$ 119	$ (101)	$ 21
Amounts recognized in *AOCI* at period end[3]				
Prior service (expense) benefit	$ —	$ (3)	$ 75	$ 34
Net actuarial (loss) gain	(6,244)	(1,438)	136	(281)
Net amount recognized in equity (pretax)—Significant Plans	$ (6,244)	$ (1,441)	$ 211	$ (247)
Accumulated benefit obligation at period end—Significant Plans	$ 9,089	$ 4,501	$ 323	$ 861

(1) The U.S. qualified pension plan is fully funded under specified Employee Retirement Income Security Act of 1974, as amended (ERISA), funding rules as of January 1, 2023 and no minimum required funding is expected for 2023.
(2) The nonqualified plans of the Company are unfunded.
(3) The framework for the Company's pension oversight process includes monitoring of potential settlement charges for all plans. Settlement accounting is triggered when either the sum of all settlements (including lump-sum payments) for the year is greater than service plus interest costs or if more than 10% of the plan's projected benefit obligation will be settled. Because some of Citi's significant plans are frozen and have no material service cost, settlement accounting may apply in the future.
(4) During 2023, the actuarial gain is primarily due to the increase in global discount rates.

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

In millions of dollars	**Three Months Ended September 30, 2023**	**Nine Months Ended September 30, 2023**	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2022
Beginning of period balance, net of tax[1][2]	**$ (5,995)**	**$ (5,755)**	$ (5,770)	$ (5,852)
Actuarial assumptions changes and plan experience	**818**	**703**	977	4,001
Net asset (loss) due to difference between actual and expected returns	**(614)**	**(676)**	(1,084)	(4,221)
Net amortization	**47**	**135**	43	159
Curtailment/settlement loss (gain)[3]	**5**	**1**	—	(32)
Foreign exchange impact and other	**124**	**(95)**	60	193
Change in deferred taxes, net	**(68)**	**4**	41	19
Change, net of tax	**$ 312**	**$ 72**	$ 37	$ 119
End of period balance, net of tax[1][2]	**$ (5,683)**	**$ (5,683)**	$ (5,733)	$ (5,733)

(1) See Note 18 for further discussion of net *AOCI* balance.
(2) Includes net-of-tax amounts for certain profit-sharing plans outside the U.S.
(3) Curtailment and settlement relate to divestiture activities, including $36 million related to the Korea wind-down in the nine-month period ended September 30, 2022.

Plan Assumptions

Certain assumptions used in determining pension and postretirement benefit obligations and net benefit expense for the Significant Plans are as follows:

	Three Months Ended		
During the period	**Sept. 30, 2023**	Jun. 30, 2023	Sept. 30, 2022
Discount rate			
U.S. plans			
Qualified pension	**5.40%**	5.15%	4.80%
Nonqualified pension	**5.45**	5.20	4.80
Postretirement	**5.50**	5.25	4.75
Non-U.S. plans			
Pension	**1.80–10.40**	2.05–10.65	2.00–10.75
Weighted average	**7.72**	7.64	6.68
Postretirement	**10.40**	10.70	10.75
Expected return on assets			
U.S. plans			
Qualified pension	**5.70**	5.70	5.00
Postretirement	**5.70/3.00**	5.70/3.00	5.00/1.50
Non-U.S. plans			
Pension	**4.50–9.90**	4.10–9.90	2.00–8.00
Weighted average	**6.56**	6.26	4.72
Postretirement	**8.70**	8.70	8.00

At period ended[1]	**Sept. 30, 2023**	Jun. 30, 2023	Sept. 30, 2022
Discount rate			
U.S. plans			
Qualified pension	**6.05%**	5.40%	5.65%
Nonqualified pension	**6.10**	5.45	5.60
Postretirement	**6.10**	5.50	5.65
Non-U.S. plans			
Pension	**1.85–11.55**	1.80–10.40	2.10–11.30
Weighted average	**8.35**	7.72	7.64
Postretirement	**11.55**	10.40	11.25
Expected return on assets			
U.S. plans			
Qualified pension	**5.70**	5.70	5.00
Postretirement	**5.70/3.00**	5.70/3.00	5.00/1.50
Non-U.S. plans			
Pension	**4.50–9.90**	4.50–9.90	2.00–8.00
Weighted average	**6.70**	6.56	5.48
Postretirement	**8.70**	8.70	8.00

(1) The assumptions for the discount rate and expected return on assets at the end of each quarter are used in the following quarter.

Sensitivities of Certain Key Assumptions

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

	Three Months Ended September 30, 2023	
In millions of dollars	**One-percentage-point increase**	**One-percentage-point decrease**
Pension		
U.S. plans	**$ 6**	**$ (7)**
Non-U.S. plans	**(2)**	**3**
Postretirement		
Non-U.S. plans	**(1)**	**1**

Contributions

For the U.S. pension plans, there were no required minimum cash contributions during the first nine months of 2023.

The following table summarizes the Company's actual contributions for the nine months ended September 30, 2023 and 2022, as well as expected Company contributions for the remainder of 2023 and the actual contributions made in 2022:

	Pension plans				Postretirement plans			
	U.S. plans[1]		Non-U.S. plans		U.S. plans		Non-U.S. plans	
In millions of dollars	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Company contributions[2][3] for the nine months ended September 30	**$ 43**	$ 41	**$ 87**	$ 417	**$ —**	$ 5	**$ 7**	$ 7
Company contributions made during the remainder of the year[3]	**—**	14	**—**	77	**—**	9	**—**	2
Company contributions expected to be made during the remainder of the year	**16**	—	**25**	—	**1**	—	**2**	—

(1) The U.S. plans include benefits paid directly by the Company for the nonqualified pension plans.
(2) Company contributions are composed of cash contributions made to the plans and benefits paid directly by the Company.
(3) 2022 benefit payments increased due to the wind-down of Citi's consumer banking business in Korea.

Defined Contribution Plans

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions of dollars	**2023**	2022	**2023**	2022
U.S. plans	**$ 138**	$ 119	**$ 413**	$ 356
Non-U.S. plans	**114**	98	**342**	303

Post Employment Plans

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions of dollars	**2023**	2022	**2023**	2022
Service-related expense				
Amortization of unrecognized:				
Net actuarial loss	**$ 1**	$ 1	**$ 2**	$ 2
Total service-related expense	**$ 1**	$ 1	**$ 2**	$ 2
Non-service-related expense	**5**	2	**10**	8
Total net expense	**$ 6**	$ 3	**$ 12**	$ 10

9. EARNINGS PER SHARE

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

In millions of dollars, except per share amounts	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Earnings per common share				
Income from continuing operations before attribution of noncontrolling interests	**$ 3,585**	$ 3,515	**$ 11,189**	$ 12,629
Less: Noncontrolling interests from continuing operations	**41**	30	**122**	68
Net income from continuing operations (for EPS purposes)	**$ 3,544**	$ 3,485	**$ 11,067**	$ 12,561
Income (loss) from discontinued operations, net of taxes	**2**	(6)	**—**	(229)
Citigroup's net income	**$ 3,546**	$ 3,479	**$ 11,067**	$ 12,332
Less: Preferred dividends	**333**	277	**898**	794
Net income available to common shareholders	**$ 3,213**	$ 3,202	**$ 10,169**	$ 11,538
Less: Dividends and undistributed earnings allocated to employee restricted and deferred shares with rights to dividends, and other relevant items[1], applicable to basic EPS	**53**	28	**121**	89
Net income allocated to common shareholders for basic EPS	**$ 3,160**	$ 3,174	**$ 10,048**	$ 11,449
Weighted-average common shares outstanding applicable to basic EPS *(in millions)*	**1,924.4**	1,936.8	**1,936.9**	1,950.0
Basic earnings per share[2]				
Income from continuing operations	**$ 1.64**	$ 1.64	**$ 5.19**	$ 5.99
Discontinued operations	**—**	—	**—**	(0.12)
Net income per share—basic	**$ 1.64**	$ 1.64	**$ 5.19**	$ 5.87
Diluted earnings per share				
Net income allocated to common shareholders for basic EPS	**$ 3,160**	$ 3,174	**$ 10,048**	$ 11,449
Add back: Dividends allocated to employee restricted and deferred shares with rights to dividends that are forfeitable	**16**	11	**42**	30
Net income allocated to common shareholders for diluted EPS	**$ 3,176**	$ 3,185	**$ 10,090**	$ 11,479
Weighted-average common shares outstanding applicable to basic EPS *(in millions)*	**1,924.4**	1,936.8	**1,936.9**	1,950.0
Effect of dilutive securities				
Options[3]	**—**	—	**—**	—
Other employee plans	**27.3**	18.3	**24.6**	17.1
Adjusted weighted-average common shares outstanding applicable to diluted EPS *(in millions)*[4]	**1,951.7**	1,955.1	**1,961.5**	1,967.1
Diluted earnings per share[2]				
Income from continuing operations	**$ 1.63**	$ 1.63	**$ 5.14**	$ 5.95
Discontinued operations	**—**	—	**—**	(0.12)
Net income per share—diluted[5]	**$ 1.63**	$ 1.63	**$ 5.14**	$ 5.84

(1) Other relevant items includes issuance costs of $16 million related to the redemption of preferred stock Series A and B in the third quarter of 2023. These issuance costs were reclassified from *Additional paid-in capital* to *Retained earnings* upon redemption of the preferred stock. See Note 19.

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

(3) During the third quarters of 2023 and 2022, no significant options to purchase shares of common stock were outstanding.

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

(5) Due to rounding, income from continuing operations and discontinued operations may not sum to net income per share—diluted.

10. SECURITIES BORROWED, LOANED AND SUBJECT TO REPURCHASE AGREEMENTS

For additional information on the Company's resale and repurchase agreements and securities borrowing and lending agreements, see Note 11 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

Securities borrowed and purchased under agreements to resell, at their respective carrying values, consisted of the following:

In millions of dollars		**September 30, 2023**		December 31, 2022
Securities purchased under agreements to resell	**$**	**264,838**	$	291,272
Deposits paid for securities borrowed		**70,274**		74,165
Total, net[1]	**$**	**335,112**	$	365,437
Allowance for credit losses on securities purchased and borrowed[2]		**(53)**		(36)
Total, net of allowance	**$**	**335,059**	$	365,401

Securities loaned and sold under agreements to repurchase, at their respective carrying values, consisted of the following:

In millions of dollars		**September 30, 2023**		December 31, 2022
Securities sold under agreements to repurchase	**$**	**242,611**	$	183,827
Deposits received for securities loaned		**14,159**		18,617
Total, net[1]	**$**	**256,770**	$	202,444

(1) The above tables do not include securities-for-securities lending transactions of $7.2 billion and $4.4 billion at September 30, 2023 and December 31, 2022, respectively, where the Company acts as lender and receives securities that can be sold or pledged as collateral. In these transactions, the Company recognizes the securities received at fair value within *Other assets* and the obligation to return those securities as a liability within *Brokerage payables*.

(2) See Note 14 for further information.

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

A substantial portion of the resale and repurchase agreements is recorded at fair value as the Company elected the fair value option, as described in Notes 22 and 23. The remaining portion is carried at the amount of cash initially advanced or received, plus accrued interest, as specified in the respective agreements.

A substantial portion of securities borrowing and lending agreements is recorded at the amount of cash advanced or received. The remaining portion is recorded at fair value as the Company elected the fair value option for certain securities borrowed and loaned portfolios, as described in Note 23. With respect to securities loaned, the Company receives cash collateral in an amount generally in excess of the market value of the securities loaned. The Company monitors the market value of securities borrowed and securities loaned on a daily basis and posts or obtains additional collateral in order to maintain contractual margin protection.

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

	As of September 30, 2023									
In millions of dollars		**Gross amounts of recognized assets**		**Gross amounts offset on the Consolidated Balance Sheet[1]**		**Net amounts of assets included on the Consolidated Balance Sheet**		**Amounts not offset on the Consolidated Balance Sheet but eligible for offsetting upon counterparty default[2]**		**Net amounts[3]**
Securities purchased under agreements to resell	**$**	**499,862**	**$**	**235,024**	**$**	**264,838**	**$**	**239,448**	**$**	**25,390**
Deposits paid for securities borrowed		**85,480**		**15,206**		**70,274**		**18,388**		**51,886**
Total	**$**	**585,342**	**$**	**250,230**	**$**	**335,112**	**$**	**257,836**	**$**	**77,276**

In millions of dollars	**Gross amounts of recognized liabilities**	**Gross amounts offset on the Consolidated Balance Sheet[(1)]**	**Net amounts of liabilities included on the Consolidated Balance Sheet**	**Amounts not offset on the Consolidated Balance Sheet but eligible for offsetting upon counterparty default[(2)]**	**Net amounts[(3)]**
Securities sold under agreements to repurchase	**$ 477,635**	**$ 235,024**	**$ 242,611**	**$ 155,168**	**$ 87,443**
Deposits received for securities loaned	**29,365**	**15,206**	**14,159**	**3,877**	**10,282**
Total	**$ 507,000**	**$ 250,230**	**$ 256,770**	**$ 159,045**	**$ 97,725**

	As of December 31, 2022				
In millions of dollars	Gross amounts of recognized assets	Gross amounts offset on the Consolidated Balance Sheet[(1)]	Net amounts of assets included on the Consolidated Balance Sheet	Amounts not offset on the Consolidated Balance Sheet but eligible for offsetting upon counterparty default[(2)]	Net amounts[(3)]
Securities purchased under agreements to resell	$ 403,663	$ 112,391	$ 291,272	$ 204,077	$ 87,195
Deposits paid for securities borrowed	88,817	14,652	74,165	13,844	60,321
Total	$ 492,480	$ 127,043	$ 365,437	$ 217,921	$ 147,516

In millions of dollars	Gross amounts of recognized liabilities	Gross amounts offset on the Consolidated Balance Sheet[(1)]	Net amounts of liabilities included on the Consolidated Balance Sheet	Amounts not offset on the Consolidated Balance Sheet but eligible for offsetting upon counterparty default[(2)]	Net amounts[(3)]
Securities sold under agreements to repurchase	$ 296,218	$ 112,391	$ 183,827	$ 71,635	$ 112,192
Deposits received for securities loaned	33,269	14,652	18,617	2,542	16,075
Total	$ 329,487	$ 127,043	$ 202,444	$ 74,177	$ 128,267

(1) Includes financial instruments subject to enforceable master netting agreements that are permitted to be offset under ASC 210-20-45.
(2) Includes financial instruments subject to enforceable master netting agreements that are not permitted to be offset under ASC 210-20-45, but would be eligible for offsetting to the extent that an event of default has occurred and a legal opinion supporting enforceability of the offsetting right has been obtained.
(3) Remaining exposures continue to be secured by financial collateral, but the Company may not have sought or been able to obtain a legal opinion evidencing enforceability of the offsetting right.

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

	As of September 30, 2023				
In millions of dollars	**Open and overnight**	**Up to 30 days**	**31–90 days**	**Greater than 90 days**	**Total**
Securities sold under agreements to repurchase	**$ 248,681**	**$ 142,516**	**$ 29,711**	**$ 56,727**	**$ 477,635**
Deposits received for securities loaned	**20,634**	**242**	**556**	**7,933**	**29,365**
Total	**$ 269,315**	**$ 142,758**	**$ 30,267**	**$ 64,660**	**$ 507,000**

	As of December 31, 2022				
In millions of dollars	Open and overnight	Up to 30 days	31–90 days	Greater than 90 days	Total
Securities sold under agreements to repurchase	$ 138,710	$ 86,819	$ 25,119	$ 45,570	$ 296,218
Deposits received for securities loaned	25,388	267	2,121	5,493	33,269
Total	$ 164,098	$ 87,086	$ 27,240	$ 51,063	$ 329,487

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

	As of September 30, 2023		
In millions of dollars	**Repurchase agreements**	**Securities lending agreements**	**Total**
U.S. Treasury and federal agency securities	**$ 191,944**	**$ —**	**$ 191,944**
State and municipal securities	**1,434**	**2**	**1,436**
Foreign government securities	**161,785**	**626**	**162,411**
Corporate bonds	**15,761**	**23**	**15,784**
Equity securities	**15,478**	**28,228**	**43,706**
Mortgage-backed securities	**67,390**	**—**	**67,390**
Other	**23,843**	**486**	**24,329**
Total	**$ 477,635**	**$ 29,365**	**$ 507,000**

	As of December 31, 2022		
In millions of dollars	Repurchase agreements	Securities lending agreements	Total
U.S. Treasury and federal agency securities	$ 99,979	$ 106	$ 100,085
State and municipal securities	1,911	—	1,911
Foreign government securities	123,826	13	123,839
Corporate bonds	14,308	45	14,353
Equity securities	9,749	33,096	42,845
Mortgage-backed securities	36,225	—	36,225
Asset-backed securities	1,755	—	1,755
Other	8,465	9	8,474
Total	$ 296,218	$ 33,269	$ 329,487

11. BROKERAGE RECEIVABLES AND BROKERAGE PAYABLES

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

For additional information on these receivables and payables, see Note 12 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

Brokerage receivables and *Brokerage payables* consisted of the following:

In millions of dollars	**September 30, 2023**	December 31, 2022
Receivables from customers	**$ 22,854**	$ 15,462
Receivables from brokers, dealers and clearing organizations	**43,340**	38,730
Total brokerage receivables[(1)]	**$ 66,194**	$ 54,192
Payables to customers	**$ 53,441**	$ 55,747
Payables to brokers, dealers and clearing organizations	**21,635**	13,471
Total brokerage payables[(1)]	**$ 75,076**	$ 69,218

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

12. INVESTMENTS

For additional information regarding Citi's investment portfolios, including evaluating investments for impairment, see Note 13 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

The following table presents Citi's investments by category:

In millions of dollars	**September 30, 2023**	December 31, 2022
Debt securities available-for-sale (AFS)	**$ 241,783**	$ 249,679
Debt securities held-to-maturity (HTM)(1)	**259,456**	268,863
Marketable equity securities carried at fair value(2)	**283**	429
Non-marketable equity securities carried at fair value(2)(5)	**455**	466
Non-marketable equity securities measured using the measurement alternative(3)	**1,621**	1,676
Non-marketable equity securities carried at cost(4)	**5,400**	5,469
Total investments(6)	**$ 508,998**	$ 526,582

(1) Carried at adjusted amortized cost basis, net of any ACL.
(2) Unrealized gains and losses are recognized in earnings.
(3) Impairment losses and adjustments to the carrying value as a result of observable price changes are recognized in earnings. See "Non-Marketable Equity Securities Not Carried at Fair Value" below.
(4) Represents shares issued by the Federal Reserve Bank, Federal Home Loan Banks and certain exchanges of which Citigroup is a member.
(5) Includes $24 million and $27 million of investments in funds for which the fair values are estimated using the net asset value of the Company's ownership interest in the funds at September 30, 2023 and December 31, 2022, respectively.
(6) Not included in the balances above is approximately $2 billion of accrued interest receivable at September 30, 2023 and December 31, 2022, which is included in *Other assets* on the Consolidated Balance Sheet. The Company does not recognize an allowance for credit losses on accrued interest receivable for AFS and HTM debt securities, consistent with its non-accrual policy, which results in timely write-off of accrued interest. The Company did not reverse through interest income any accrued interest receivables for the quarters ended September 30, 2023 and 2022.

The following table presents interest and dividend income on investments:

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
In millions of dollars	**2023**	2022	**2023**	2022
Taxable interest	**$ 4,547**	$ 2,714	**$ 12,831**	$ 7,001
Interest exempt from U.S. federal income tax	**83**	220	**252**	263
Dividend income	**89**	59	**231**	149
Total interest and dividend income on investments	**$ 4,719**	$ 2,993	**$ 13,314**	$ 7,413

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

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
In millions of dollars	**2023**	2022	**2023**	2022
Gross realized investment gains	**$ 83**	$ 102	**$ 262**	$ 282
Gross realized investment losses	**(53)**	(50)	**(111)**	(208)
Net realized gains on sales of investments	**$ 30**	$ 52	**$ 151**	$ 74

Debt Securities Available-for-Sale

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

	September 30, 2023					December 31, 2022				
In millions of dollars	**Amortized cost**	**Gross unrealized gains**	**Gross unrealized losses**	**Allowance for credit losses**	**Fair value**	Amortized cost	Gross unrealized gains	Gross unrealized losses	Allowance for credit losses	Fair value
Debt securities AFS										
Mortgage-backed securities[1]										
U.S. government-sponsored agency guaranteed[2][3]	**$ 20,750**	**$ 23**	**$ 958**	**$ —**	**$ 19,815**	$ 12,009	$ 8	$ 755	$ —	$ 11,262
Residential	**310**	**—**	**3**	**—**	**307**	488	—	3	—	485
Commercial	**1**	**—**	**—**	**—**	**1**	2	—	—	—	2
Total mortgage-backed securities	**$ 21,061**	**$ 23**	**$ 961**	**$ —**	**$ 20,123**	$ 12,499	$ 8	$ 758	$ —	$ 11,749
U.S. Treasury and federal agency securities										
U.S. Treasury	**$ 83,029**	**$ 21**	**$ 1,782**	**$ —**	**$ 81,268**	$ 94,732	$ 50	$ 2,492	$ —	$ 92,290
Agency obligations	**—**	**—**	**—**	**—**	**—**	—	—	—	—	—
Total U.S. Treasury and federal agency securities	**$ 83,029**	**$ 21**	**$ 1,782**	**$ —**	**$ 81,268**	$ 94,732	$ 50	$ 2,492	$ —	$ 92,290
State and municipal	**$ 2,204**	**$ 6**	**$ 179**	**$ —**	**$ 2,031**	$ 2,363	$ 19	$ 159	$ —	$ 2,223
Foreign government	**127,245**	**234**	**2,083**	**—**	**125,396**	135,648	569	2,940	—	133,277
Corporate	**5,653**	**13**	**268**	**5**	**5,393**	5,146	19	246	3	4,916
Asset-backed securities[1]	**681**	**3**	**2**	**—**	**682**	1,022	12	4	—	1,030
Other debt securities	**6,890**	**2**	**2**	**—**	**6,890**	4,198	1	5	—	4,194
Total debt securities AFS	**$ 246,763**	**$ 302**	**$ 5,277**	**$ 5**	**$ 241,783**	$ 255,608	$ 678	$ 6,604	$ 3	$ 249,679

(1) The Company invests in mortgage- and asset-backed securities, which are typically issued by VIEs through securitization transactions. The Company's maximum exposure to loss from these VIEs is equal to the carrying amount of the securities, which is reflected in the table above. See Note 20 for mortgage- and asset-backed securitizations in which the Company has other involvement.

(2) In January 2023, Citi adopted ASU 2022-01. Upon adoption, Citi transferred $3.3 billion of mortgage-backed securities from HTM classification to AFS classification as allowed under the ASU. At the time of transfer, the securities were in an unrealized gain position of $0.1 billion, which was recorded in *AOCI* upon transfer. See Note 1 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

(3) Amortized cost includes unallocated portfolio layer cumulative basis adjustments of $(0.5) billion as of September 30, 2023. Gross unrealized gains and gross unrealized losses on mortgage-backed securities excluding the effect of unallocated portfolio layer cumulative basis adjustments were $2 million and $1.5 billion, respectively, as of September 30, 2023.

The following table presents the fair value of AFS debt securities that have been in an unrealized loss position:

In millions of dollars	Less than 12 months		12 months or longer		Total	
	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses
September 30, 2023						
Debt securities AFS						
Mortgage-backed securities						
U.S. government-sponsored agency guaranteed	**$ 7,751**	**$ 154**	**$ 8,945**	**$ 804**	**$ 16,696**	**$ 958**
Residential	**298**	**3**	**4**	**—**	**302**	**3**
Commercial	**—**	**—**	**—**	**—**	**—**	**—**
Total mortgage-backed securities	**$ 8,049**	**$ 157**	**$ 8,949**	**$ 804**	**$ 16,998**	**$ 961**
U.S. Treasury and federal agency securities						
U.S. Treasury	**$ 23,045**	**$ 705**	**$ 48,721**	**$ 1,077**	**$ 71,766**	**$ 1,782**
Total U.S. Treasury and federal agency securities	**$ 23,045**	**$ 705**	**$ 48,721**	**$ 1,077**	**$ 71,766**	**$ 1,782**
State and municipal	**$ 751**	**$ 39**	**$ 864**	**$ 140**	**$ 1,615**	**$ 179**
Foreign government	**73,044**	**1,425**	**19,780**	**658**	**92,824**	**2,083**
Corporate	**2,858**	**213**	**1,583**	**55**	**4,441**	**268**
Asset-backed securities	**214**	**2**	**—**	**—**	**214**	**2**
Other debt securities	**1,359**	**2**	**—**	**—**	**1,359**	**2**
Total debt securities AFS	**$ 109,320**	**$ 2,543**	**$ 79,897**	**$ 2,734**	**$ 189,217**	**$ 5,277**
December 31, 2022						
Debt securities AFS						
Mortgage-backed securities						
U.S. government-sponsored agency guaranteed	$ 7,908	$ 412	$ 3,290	$ 343	$ 11,198	$ 755
Residential	158	3	1	—	159	3
Commercial	1	—	1	—	2	—
Total mortgage-backed securities	$ 8,067	$ 415	$ 3,292	$ 343	$ 11,359	$ 758
U.S. Treasury and federal agency securities						
U.S. Treasury	$ 40,701	$ 1,001	$ 34,692	$ 1,491	$ 75,393	$ 2,492
Agency obligations	—	—	—	—	—	—
Total U.S. Treasury and federal agency securities	$ 40,701	$ 1,001	$ 34,692	$ 1,491	$ 75,393	$ 2,492
State and municipal	$ 896	$ 31	$ 707	$ 128	$ 1,603	$ 159
Foreign government	82,900	2,332	14,220	608	97,120	2,940
Corporate	3,082	209	784	37	3,866	246
Asset-backed securities	708	4	—	—	708	4
Other debt securities	2,213	5	—	—	2,213	5
Total debt securities AFS	$ 138,567	$ 3,997	$ 53,695	$ 2,607	$ 192,262	$ 6,604

The following table presents the amortized cost and fair value of AFS debt securities by contractual maturity dates:

In millions of dollars	September 30, 2023 Amortized cost	September 30, 2023 Fair value	December 31, 2022 Amortized cost	December 31, 2022 Fair value
Mortgage-backed securities[(1)]				
Due within 1 year	**$ 10**	**$ 10**	$ 42	$ 44
After 1 but within 5 years	**364**	**354**	523	513
After 5 but within 10 years	**570**	**527**	468	440
After 10 years	**20,659**	**19,232**	11,466	10,752
Total[(2)]	**$ 21,603**	**$ 20,123**	$ 12,499	$ 11,749
U.S. Treasury and federal agency securities				
Due within 1 year	**$ 35,939**	**$ 35,588**	$ 25,935	$ 25,829
After 1 but within 5 years	**46,561**	**45,219**	68,455	66,166
After 5 but within 10 years	**529**	**461**	342	295
After 10 years	**—**	**—**	—	—
Total	**$ 83,029**	**$ 81,268**	$ 94,732	$ 92,290
State and municipal				
Due within 1 year	**$ 13**	**$ 12**	$ 19	$ 18
After 1 but within 5 years	**106**	**103**	94	92
After 5 but within 10 years	**326**	**310**	305	302
After 10 years	**1,759**	**1,606**	1,945	1,811
Total	**$ 2,204**	**$ 2,031**	$ 2,363	$ 2,223
Foreign government				
Due within 1 year	**$ 60,383**	**$ 59,996**	$ 64,795	$ 64,479
After 1 but within 5 years	**60,881**	**59,656**	67,935	66,150
After 5 but within 10 years	**5,490**	**5,326**	2,491	2,250
After 10 years	**491**	**418**	427	398
Total	**$ 127,245**	**$ 125,396**	$ 135,648	$ 133,277
All other[(3)]				
Due within 1 year	**$ 6,169**	**$ 6,161**	$ 4,452	$ 4,441
After 1 but within 5 years	**6,172**	**5,962**	5,162	4,988
After 5 but within 10 years	**818**	**813**	695	693
After 10 years	**65**	**29**	57	18
Total	**$ 13,224**	**$ 12,965**	$ 10,366	$ 10,140
Total debt securities AFS[(2)]	**$ 247,305**	**$ 241,783**	$ 255,608	$ 249,679

(1) Includes mortgage-backed securities of U.S. government-sponsored agencies. The Company invests in mortgage- and asset-backed securities, which are typically issued by VIEs through securitization transactions. See Note 20 for more information about mortgage- and asset-backed securitizations in which the Company has other involvement.
(2) Amortized cost excludes unallocated portfolio layer cumulative basis adjustments of $(0.5) billion as of September 30, 2023.
(3) Includes corporate, asset-backed and other debt securities.

Debt Securities Held-to-Maturity

The carrying value and fair value of debt securities HTM were as follows:

In millions of dollars	Amortized cost, net[1]	Gross unrealized gains	Gross unrealized losses	Fair value
September 30, 2023				
Debt securities HTM				
Mortgage-backed securities[2]				
U.S. government-sponsored agency guaranteed[3]	**$ 81,442**	**$ —**	**$ 13,354**	**$ 68,088**
Non-U.S. residential	**330**	**—**	**—**	**330**
Commercial	**1,133**	**—**	**169**	**964**
Total mortgage-backed securities	**$ 82,905**	**$ —**	**$ 13,523**	**$ 69,382**
U.S. Treasury securities	**$ 134,934**	**$ —**	**$ 13,413**	**$ 121,521**
State and municipal	**9,103**	**9**	**1,188**	**7,924**
Foreign government	**2,314**	**—**	**89**	**2,225**
Asset-backed securities[2]	**30,200**	**1**	**251**	**29,950**
Total debt securities HTM, net	**$ 259,456**	**$ 10**	**$ 28,464**	**$ 231,002**
December 31, 2022				
Debt securities HTM				
Mortgage-backed securities[2]				
U.S. government-sponsored agency guaranteed	$ 90,063	$ 58	$ 10,033	$ 80,088
Non-U.S. residential	445	—	—	445
Commercial	1,114	5	1	1,118
Total mortgage-backed securities	$ 91,622	$ 63	$ 10,034	$ 81,651
U.S. Treasury securities	$ 134,961	$ —	$ 13,722	$ 121,239
State and municipal	9,237	34	764	8,507
Foreign government	2,075	—	93	1,982
Asset-backed securities[2]	30,968	4	703	30,269
Total debt securities HTM, net	$ 268,863	$ 101	$ 25,316	$ 243,648

(1) Amortized cost is reported net of ACL of $95 million and $120 million at September 30, 2023 and December 31, 2022, respectively.

(2) The Company invests in mortgage- and asset-backed securities. These securitizations are generally considered VIEs. The Company’s maximum exposure to loss from these VIEs is equal to the carrying amount of the securities, which is reflected in the table above. See Note 20 for mortgage- and asset-backed securitizations in which the Company has other involvement.

(3) In January 2023, Citi adopted ASU 2022-01. Upon adoption, Citi transferred $3.3 billion of mortgage-backed securities from HTM classification to AFS classification as allowed under the ASU. At the time of transfer, the securities were in an unrealized gain position of $0.1 billion, which was recorded in *AOCI* upon transfer. See Note 1 to the Consolidated Financial Statements in Citi’s 2022 Form 10-K.

The following table presents the carrying value and fair value of HTM debt securities by contractual maturity dates:

In millions of dollars	September 30, 2023 Amortized cost(1)	September 30, 2023 Fair value	December 31, 2022 Amortized cost(1)	December 31, 2022 Fair value
Mortgage-backed securities				
Due within 1 year	**$ 20**	**$ 20**	$ 27	$ 27
After 1 but within 5 years	**660**	**622**	520	505
After 5 but within 10 years	**1,229**	**1,094**	1,496	1,374
After 10 years	**80,996**	**67,646**	89,579	79,745
Total	**$ 82,905**	**$ 69,382**	$ 91,622	$ 81,651
U.S. Treasury securities				
Due within 1 year	**$ 3,403**	**$ 3,360**	$ 3,148	$ 3,017
After 1 but within 5 years	**130,534**	**117,304**	86,617	79,104
After 5 but within 10 years	**997**	**857**	45,196	39,118
After 10 years	**—**	**—**	—	—
Total	**$ 134,934**	**$ 121,521**	$ 134,961	$ 121,239
State and municipal				
Due within 1 year	**$ 30**	**$ 30**	$ 22	$ 21
After 1 but within 5 years	**116**	**113**	102	100
After 5 but within 10 years	**1,289**	**1,187**	1,002	967
After 10 years	**7,668**	**6,594**	8,111	7,419
Total	**$ 9,103**	**$ 7,924**	$ 9,237	$ 8,507
Foreign government				
Due within 1 year	**$ 1,131**	**$ 1,090**	$ 143	$ 139
After 1 but within 5 years	**1,183**	**1,135**	1,932	1,843
After 5 but within 10 years	**—**	**—**	—	—
After 10 years	**—**	**—**	—	—
Total	**$ 2,314**	**$ 2,225**	$ 2,075	$ 1,982
All other(2)				
Due within 1 year	**$ —**	**$ —**	$ —	$ —
After 1 but within 5 years	**1**	**1**	—	—
After 5 but within 10 years	**12,016**	**11,970**	11,751	11,583
After 10 years	**18,183**	**17,979**	19,217	18,686
Total	**$ 30,200**	**$ 29,950**	$ 30,968	$ 30,269
Total debt securities HTM	**$ 259,456**	**$ 231,002**	$ 268,863	$ 243,648

(1) Amortized cost is reported net of ACL of $95 million and $120 million at September 30, 2023 and December 31, 2022, respectively.
(2) Includes corporate and asset-backed securities.

HTM Debt Securities Delinquency and Non-Accrual Details

Citi did not have any HTM debt securities that were delinquent or on non-accrual status at September 30, 2023 or December 31, 2022.

There were no purchased credit-deteriorated HTM debt securities held by the Company as of September 30, 2023 or December 31, 2022.

Evaluating Investments for Impairment—AFS Debt Securities

Overview

The Company conducts periodic reviews of all AFS debt securities with unrealized losses to evaluate whether the impairment resulted from expected credit losses or from other factors and to evaluate the Company's intent to sell such securities.

For more information on evaluating investments for impairment, see Note 13 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

Recognition and Measurement of Impairment

The following table presents total impairment on AFS investments recognized in earnings:

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions of dollars	**2023**	2022	**2023**	2022
Impairment losses related to debt securities that the Company does not intend to sell nor will likely be required to sell:				
Total impairment losses recognized during the period	**$ —**	$ —	**$ —**	$ —
Less: Portion of impairment loss recognized in *AOCI* (before taxes)	**—**	—	**—**	—
Net impairment losses recognized in earnings for debt securities that the Company does not intend to sell nor will likely be required to sell	**$ —**	$ —	**$ —**	$ —
Impairment losses recognized in earnings for debt securities that the Company intends to sell, would more-likely-than-not be required to sell or will be subject to an issuer call deemed probable of exercise	**43**	74	**137**	254
Total impairment losses recognized in earnings	**$ 43**	$ 74	**$ 137**	$ 254

Allowance for Credit Losses on AFS Debt Securities

The allowance for credit losses on AFS debt securities held that the Company does not intend to sell nor will likely be required to sell was $5 million and $3 million as of September 30, 2023 and December 31, 2022, respectively.

Non-Marketable Equity Securities Not Carried at Fair Value

Non-marketable equity securities are required to be measured at fair value with changes in fair value recognized in earnings unless (i) the measurement alternative is elected or (ii) the investment represents Federal Reserve Bank and Federal Home Loan Bank stock or certain exchange seats that continue to be carried at cost.

The election to measure a non-marketable equity security using the measurement alternative is made on an instrument-by-instrument basis. Under the measurement alternative, an equity security is carried at cost plus or minus changes resulting from observable prices in orderly transactions for the identical or a similar investment of the same issuer. The carrying value of the equity security is adjusted to fair value on the date of an observed transaction. Fair value may differ from the observed transaction price due to a number of factors, including marketability adjustments and differences in rights and obligations when the observed transaction is not for the identical investment held by Citi.

Equity securities under the measurement alternative are also assessed for impairment. On a quarterly basis, management qualitatively assesses whether each equity security under the measurement alternative is impaired. For details on impairment indicators that are considered, see Note 13 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

When the qualitative assessment indicates that the equity security is impaired, its fair value is determined. If the fair value of the investment is less than its carrying value, the investment is written down to fair value through earnings.

Below is the carrying value of non-marketable equity securities measured using the measurement alternative at September 30, 2023 and December 31, 2022:

In millions of dollars	**September 30, 2023**	December 31, 2022
Measurement alternative:		
Carrying value	**$ 1,621**	$ 1,676

Below are amounts recognized in earnings and life-to-date amounts for non-marketable equity securities measured using the measurement alternative:

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
In millions of dollars	**2023**	2022	**2023**	2022
Measurement alternative[(1)]:				
Impairment losses	**$ 27**	$ 17	**$ 90**	$ 23
Downward changes for observable prices	**4**	—	**24**	—
Upward changes for observable prices	**17**	7	**49**	141

(1) See Note 22 for additional information on these nonrecurring fair value measurements.

	Life-to-date amounts on securities still held
In millions of dollars	**September 30, 2023**
Measurement alternative:	
Impairment losses	**$ 299**
Downward changes for observable prices	**28**
Upward changes for observable prices	**913**

A similar impairment analysis is performed for non-marketable equity securities carried at cost. For the three months ended September 30, 2023 and 2022, there was no impairment loss recognized in earnings for non-marketable equity securities carried at cost.

13. LOANS

Citigroup loans are reported in two categories: corporate and consumer. These categories are classified primarily according to the operating segment, reporting unit and component that manage the loans in addition to the nature of the obligor, with corporate loans generally made for corporate institutional and public sector clients around the world and consumer loans to retail and small business customers. For additional information regarding Citi's corporate and consumer loans, including related accounting policies, see Note 1 above and Notes 1 and 14 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

Corporate Loans

Corporate loans represent loans and leases managed by *ICG* and the Mexico SBMM component of *Legacy Franchises.* The following table presents information by corporate loan type:

In millions of dollars	**September 30, 2023**	December 31, 2022
In North America offices(1)		
Commercial and industrial	**$ 58,130**	$ 56,176
Financial institutions	**36,783**	43,399
Mortgage and real estate(2)	**17,445**	17,829
Installment and other	**23,207**	23,767
Lease financing	**225**	308
Total	**$ 135,790**	$ 141,479
In offices outside North America(1)		
Commercial and industrial	**$ 95,528**	$ 93,967
Financial institutions	**23,759**	21,931
Mortgage and real estate(2)	**6,481**	4,179
Installment and other	**24,407**	23,347
Lease financing	**46**	46
Governments and official institutions	**2,794**	4,205
Total	**$ 153,015**	$ 147,675
Corporate loans, net of unearned income, excluding portfolio layer cumulative basis adjustments(4)(5)(6)	**$ 288,805**	$ 289,154
Unallocated portfolio layer cumulative basis adjustments(3)	**$ (171)**	$ —
Corporate loans, net of unearned income(4)(5)(6)	**$ 288,634**	$ 289,154

(1) North America includes the U.S., Canada and Puerto Rico. Mexico is included in offices outside North America. The classification between offices in North America and outside North America is based on the domicile of the booking unit. The difference between the domicile of the booking unit and the domicile of the managing unit is not material.
(2) Loans secured primarily by real estate.
(3) Represents fair value hedge basis adjustments related to portfolio layer method hedges of mortgage and real estate loans, which are not allocated to individual loans in the portfolio. See Note 21.
(4) Corporate loans are net of unearned income of ($806) million and ($797) million at September 30, 2023 and December 31, 2022, respectively. Unearned income on corporate loans primarily represents interest received in advance, but not yet earned, on loans originated on a discounted basis.
(5) Not included in the balances above is approximately $2 billion of accrued interest receivable at September 30, 2023 and December 31, 2022, which is included in *Other assets* on the Consolidated Balance Sheet.
(6) Accrued interest receivable considered to be uncollectible is reversed through interest income. Amounts reversed were not material for the three and nine months ended September 30, 2023 and 2022.

The Company sold and/or reclassified to held-for-sale $1.3 billion and $4.2 billion of corporate loans during the three and nine months ended September 30, 2023, respectively, and $2.2 billion and $3.7 billion of corporate loans during the three and nine months ended September 30, 2022, respectively. The Company did not have significant purchases of corporate loans classified as held-for-investment for the three and nine months ended September 30, 2023 or 2022.

Corporate Loan Delinquencies and Non-Accrual Details at September 30, 2023

In millions of dollars	30–89 days past due and accruing(1)	≥ 90 days past due and accruing(1)	Total past due and accruing	Total non-accrual(2)	Total current(3)	Total loans(4)
Commercial and industrial	**$ 402**	**$ 183**	**$ 585**	**$ 903**	**$ 148,907**	**$ 150,395**
Financial institutions	**106**	**5**	**111**	**87**	**59,948**	**60,146**
Mortgage and real estate	**8**	**100**	**108**	**821**	**22,932**	**23,861**
Lease financing	**—**	**—**	**—**	**—**	**271**	**271**
Other	**70**	**20**	**90**	**164**	**46,689**	**46,943**
Loans at fair value						**7,189**
Total(5)	**$ 586**	**$ 308**	**$ 894**	**$ 1,975**	**$ 278,747**	**$ 288,805**

Corporate Loan Delinquencies and Non-Accrual Details at December 31, 2022

In millions of dollars	30–89 days past due and accruing(1)	≥ 90 days past due and accruing(1)	Total past due and accruing	Total non-accrual(2)	Total current(3)	Total loans(4)
Commercial and industrial	$ 763	$ 594	$ 1,357	$ 860	$ 145,586	$ 147,803
Financial institutions	233	102	335	152	64,420	64,907
Mortgage and real estate	30	12	42	33	21,874	21,949
Lease financing	—	1	1	10	343	354
Other	145	18	163	67	48,788	49,018
Loans at fair value						5,123
Total	$ 1,171	$ 727	$ 1,898	$ 1,122	$ 281,011	$ 289,154

(1) Corporate loans that are 90 days past due are generally classified as non-accrual. Corporate loans are considered past due when principal or interest is contractually due but unpaid.
(2) Non-accrual loans generally include those loans that are 90 days or more past due or those loans for which Citi believes, based on actual experience and a forward-looking assessment of the collectibility of the loan in full, that the payment of interest and/or principal is doubtful.
(3) Loans less than 30 days past due are presented as current.
(4) The Total loans column includes loans at fair value, which are not included in the various delinquency columns and, therefore, the tables' total rows will not cross-foot.
(5) Excludes $(171) million of unallocated portfolio layer cumulative basis adjustments at September 30, 2023.

Corporate Loans Credit Quality Indicators

In millions of dollars	Recorded investment in loans[1]							
	Term loans by year of origination						Revolving line of credit arrangements[2]	September 30, 2023
	2023	2022	2021	2020	2019	Prior		
Investment grade[3]								
Commercial and industrial[4]	$ 42,312	$ 7,844	$ 4,809	$ 2,441	$ 2,751	$ 7,538	$ 36,301	$ 103,996
Financial institutions[4]	9,518	4,050	3,048	520	603	1,978	33,069	52,786
Mortgage and real estate	2,075	4,881	3,874	3,026	1,725	1,903	141	17,625
Other[6]	2,227	5,739	1,404	1,009	938	4,697	27,682	43,696
Total investment grade	$ 56,132	$ 22,514	$ 13,135	$ 6,996	$ 6,017	$ 16,116	$ 97,193	$ 218,103
Non-investment grade[3]								
Accrual								
Commercial and industrial[4]	$ 16,057	$ 5,183	$ 2,328	$ 1,650	$ 920	$ 2,967	$ 16,391	$ 45,496
Financial institutions[4]	3,172	1,115	842	16	175	205	1,748	7,273
Mortgage and real estate	658	776	946	677	653	1,103	602	5,415
Other[6]	513	786	376	202	215	132	1,130	3,354
Non-accrual								
Commercial and industrial[4]	80	71	74	—	45	178	455	903
Financial institutions	7	3	28	—	—	—	49	87
Mortgage and real estate	3	329	12	28	137	260	52	821
Other[5]	12	—	41	—	62	2	47	164
Total non-investment grade	$ 20,502	$ 8,263	$ 4,647	$ 2,573	$ 2,207	$ 4,847	$ 20,474	$ 63,513
Loans at fair value[6]								$ 7,189
Corporate loans, net of unearned income[7]	$ 76,634	$ 30,777	$ 17,782	$ 9,569	$ 8,224	$ 20,963	$ 117,667	$ 288,805

In millions of dollars	Recorded investment in loans[1] Term loans by year of origination 2022	2021	2020	2019	2018	Prior	Revolving line of credit arrangements[2]	December 31, 2022
Investment grade[3]								
Commercial and industrial[4]	$ 40,639	$ 6,124	$ 3,620	$ 3,458	$ 2,617	$ 7,048	$ 38,358	$ 101,864
Financial institutions[4]	11,850	3,877	835	922	333	1,327	37,462	56,606
Mortgage and real estate	4,436	3,236	4,010	2,619	1,127	1,706	152	17,286
Other[6]	7,649	2,687	1,439	643	2,119	3,832	26,805	45,174
Total investment grade	$ 64,574	$ 15,924	$ 9,904	$ 7,642	$ 6,196	$ 13,913	$ 102,777	$ 220,930
Non-investment grade[3]								
Accrual								
Commercial and industrial[4]	$ 17,278	$ 3,139	$ 1,973	$ 1,331	$ 965	$ 3,546	$ 16,848	$ 45,080
Financial institutions[4]	4,708	630	197	254	47	240	2,073	8,149
Mortgage and real estate	582	835	429	729	783	801	472	4,631
Other[6]	1,244	559	391	413	1	219	1,292	4,119
Non-accrual								
Commercial and industrial	1	12	99	115	49	105	479	860
Financial institutions[4]	41	34	—	—	—	—	77	152
Mortgage and real estate	10	4	—	—	—	19	—	33
Other[5]	6	—	26	8	10	11	16	77
Total non-investment grade	$ 23,870	$ 5,213	$ 3,115	$ 2,850	$ 1,855	$ 4,941	$ 21,257	$ 63,101
Loans at fair value[6]								$ 5,123
Corporate loans, net of unearned income	$ 88,444	$ 21,137	$ 13,019	$ 10,492	$ 8,051	$ 18,854	$ 124,034	$ 289,154

(1) Recorded investment in a loan includes net deferred loan fees and costs, unamortized premium or discount, less any direct write-downs.
(2) There were no significant revolving line of credit arrangements that converted to term loans during the period.
(3) Held-for-investment loans are accounted for on an amortized cost basis.
(4) Includes certain short-term loans with less than one year in tenor.
(5) Other includes installment and other, lease financing and loans to government and official institutions.
(6) Loans at fair value include loans to commercial and industrial, financial institutions, mortgage and real estate and other.
(7) Excludes $(171) million of unallocated portfolio layer cumulative basis adjustments at September 30, 2023.

Corporate Gross Credit Losses

The table below details gross credit losses recognized during the nine months ended September 30, 2023, by year of loan origination:

In millions of dollars	For the Nine Months Ended September 30, 2023							
	2023	2022	2021	2020	2019	Prior	Revolving line of credit arrangement	Total
Commercial and industrial	$ 9	$ 19	$ 1	$ 1	$ —	$ 2	$ 73	$ 105
Financial institutions	—	—	—	—	—	—	38	38
Mortgage and real estate	—	—	—	1	—	2	1	4
Other(1)	—	—	—	—	—	—	50	50
Total	$ 9	$ 19	$ 1	$ 2	$ —	$ 4	$ 162	$ 197

(1) Other includes installment and other, lease financing and loans to government and official institutions.

Non-Accrual Corporate Loans

In millions of dollars	September 30, 2023		December 31, 2022	
	Recorded investment(1)(2)	Related specific allowance	Recorded investment(1)(2)	Related specific allowance
Non-accrual corporate loans with specific allowances				
Commercial and industrial	$ 718	$ 205	$ 583	$ 268
Financial institutions	81	50	149	51
Mortgage and real estate	628	114	33	4
Other	10	1	—	—
Total non-accrual corporate loans with specific allowances	$ 1,437	$ 370	$ 765	$ 323
Non-accrual corporate loans without specific allowances				
Commercial and industrial	$ 185	N/A	$ 277	N/A
Financial institutions	6	N/A	3	N/A
Mortgage and real estate	193	N/A	—	N/A
Lease financing	—	N/A	10	N/A
Other	154	N/A	67	N/A
Total non-accrual corporate loans without specific allowances	$ 538	N/A	$ 357	N/A

(1) Recorded investment in a loan includes net deferred loan fees and costs, unamortized premium or discount, less any direct write-downs.

(2) Interest income recognized for the three and nine months ended September 30, 2023 was $6 million and $31 million, respectively, and for the three and nine months ended September 30, 2022 was $10 million and $33 million, respectively.

N/A Not applicable

Corporate Loan Modifications to Borrowers Experiencing Financial Difficulty

Citi seeks to modify certain corporate loans to borrowers experiencing financial difficulty to reduce Citi's exposure to loss, often providing the borrower with an opportunity to work through financial difficulties. Each modification is unique to the borrower's individual circumstances. The following table details corporate loan modifications granted during the three and nine months ended September 30, 2023 to borrowers experiencing financial difficulty by type of modification granted and the financial effect of those modifications. Citi defines a corporate loan modification to a borrower experiencing financial difficulty as a modification of a loan classified as substandard or worse at the time of modification.

	For the Three and Nine Months Ended September 30, 2023			
In millions of dollars, except for weighted average term extension	**Total modifications balance at September 30, 2023(1)(2)(3)**	**Term extension**	**Combination: Term extension and payment delay(4)**	**Weighted average term extension (months)**
Three Months Ended September 30, 2023				
Commercial and industrial	**$ 25**	**$ 25**	**$ —**	**22**
Financial institutions	**—**	**—**	**—**	**—**
Mortgage and real estate	**35**	**35**	**—**	**55**
Other(5)	**—**	**—**	**—**	**—**
Total	**$ 60**	**$ 60**	**$ —**	
Nine Months Ended September 30, 2023				
Commercial and industrial	**$ 93**	**$ 70**	**$ 23**	**28**
Financial institutions	**—**	**—**	**—**	**—**
Mortgage and real estate	**85**	**84**	**1**	**37**
Other(5)	**—**	**—**	**—**	**—**
Total	**$ 178**	**$ 154**	**$ 24**	

(1) The above table reflects activity for loans outstanding as of the end of the reporting period. The balances are not significant as a percentage of the total carrying values of loans by class of receivable as of September 30, 2023.
(2) Commitments to lend to borrowers experiencing financial difficulty that were granted modifications totaled $1 billion as of September 30, 2023.
(3) The allowance for corporate loans, including modified loans, is based on the borrower's overall financial performance. Charge-offs for amounts deemed uncollectible may be recorded at the time of the modification or may have already been recorded in prior periods such that no charge-off is required at the time of modification.
(4) Payment delays either for principal or interest payments had an immaterial financial impact.
(5) Other includes installment and other, lease financing and loans to government and official institutions.

The following table presents the Company's corporate troubled debt restructurings (TDRs), under previous GAAP, prior to the Company's adoption of ASU No. 2022-02 on January 1, 2023:

	For the Three and Nine Months Ended September 30, 2022			
In millions of dollars	Carrying value of TDRs modified during the period	TDRs involving changes in the amount and/or timing of principal payments(1)	TDRs involving changes in the amount and/or timing of interest payments(2)	TDRs involving changes in the amount and/or timing of both principal and interest payments
Three Months Ended September 30, 2022				
Commercial and industrial	$ 11	$ —	$ —	$ 11
Mortgage and real estate	1	1	—	—
Other(3)	7	—	—	7
Total	$ 19	$ 1	$ —	$ 18
Nine Months Ended September 30, 2022				
Commercial and industrial	$ 26	$ —	$ —	$ 26
Mortgage and real estate	1	1	—	—
Other(3)	30	—	—	30
Total	$ 57	$ 1	$ —	$ 56

(1) TDRs involving changes in the amount or timing of principal payments may involve principal forgiveness or deferral of periodic and/or final principal payments. Because forgiveness of principal is rare for corporate loans, modifications typically have little to no impact on the loans' projected cash flows and thus little to no

impact on the allowance established for the loans. Charge-offs for amounts deemed uncollectible may be recorded at the time of the restructuring or may have already been recorded in prior periods such that no charge-off is required at the time of the modification.

(2) TDRs involving changes in the amount or timing of interest payments may involve a below-market interest rate.

(3) Other includes installment and other, lease financing and loans to government and official institutions.

Performance of Modified Corporate Loans

The following table presents the delinquencies of modified corporate loans to borrowers experiencing financial difficulty. It includes loans that were modified during the nine months ended September 30, 2023:

	As of September 30, 2023[1]			
In millions of dollars	**Total**	**Current**	**30–89 days past due**	**90+ days past due**
Commercial and industrial	**$ 93**	**$ 93**	**$ —**	**$ —**
Financial institutions	**—**	**—**	**—**	**—**
Mortgage and real estate	**85**	**85**	**—**	**—**
Other[2]	**—**	**—**	**—**	**—**
Total	**$ 178**	**$ 178**	**$ —**	**$ —**

(1) Corporate loans are generally not modified as a result of their delinquency status; rather, they are modified because of events that have impacted the overall financial performance of the borrower. Corporate loans, if past due, are re-aged to current status upon modification.

(2) Other includes installment and other, lease financing and loans to government and official institutions.

Defaults of Modified Corporate Loans

No modified corporate loans to borrowers experiencing financial difficulty defaulted during the three and nine months ended September 30, 2023. Default is defined as 60 days past due, except for classifiably managed commercial banking loans, where default is defined as 90 days past due. For a modified corporate loan that is not collateral dependent, expected default rates are considered in the loan's individually assessed ACL.

The following table presents the Company's three and nine months ended September 30, 2022 corporate TDRs, under previous GAAP, prior to the Company's adoption of ASU No. 2022-02 on January 1, 2023, that defaulted for which the payment default occurred within one year of a permanent modification. Default is defined as 60 days past due:

		TDR loans that re-defaulted within one year of modification during the	
In millions of dollars	TDR balances at September 30, 2022	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2022
Commercial and industrial	$ 114	$ —	$ —
Mortgage and real estate	14	—	—
Other[1]	22	—	—
Total[2]	$ 150	$ —	$ —

(1) Other includes installment and other, lease financing and loans to government and official institutions.

(2) The above table reflects activity for loans outstanding that were considered TDRs as of the end of the reporting period.

Consumer Loans

Consumer loans represent loans and leases managed primarily by *PBWM* and *Legacy Franchises* (except Mexico SBMM). The tables below present details about these loans, including the following loan categories:

- Residential first mortgages and Home equity loans primarily represent secured mortgage lending to customers of Retail banking and Global Wealth.
- Credit cards primarily represent unsecured credit card lending to customers of Branded cards and Retail services.
- Personal, small business and other loans are primarily composed of classifiably managed loans to customers of Global Wealth (mostly within the Private bank) who are typically high credit quality borrowers that historically experienced minimal delinquencies and credit losses. Loans to these borrowers are generally well collateralized in the form of liquid securities and other forms of collateral.

The following tables provide Citi's consumer loans by type:

Consumer Loans, Delinquencies and Non-Accrual Status at September 30, 2023

In millions of dollars	Total current[1][2]	30–89 days past due[3][4]	≥ 90 days past due[3][4]	Past due government guaranteed[5]	Total loans	Non-accrual loans for which there is no ACLL	Non-accrual loans for which there is an ACLL	Total non-accrual	90 days past due and accruing
In North America offices[6]									
Residential first mortgages[7]	**$ 105,453**	**$ 389**	**$ 294**	**$ 233**	**$ 106,369**	**$ 102**	**$ 384**	**$ 486**	**$ 120**
Home equity loans[8][9]	**3,675**	**32**	**89**	**—**	**3,796**	**47**	**132**	**179**	**—**
Credit cards	**151,560**	**2,093**	**2,045**	**—**	**155,698**	**—**	**—**	**—**	**2,045**
Personal, small business and other[10]	**36,447**	**92**	**49**	**2**	**36,590**	**3**	**56**	**59**	**5**
Total	**$ 297,135**	**$ 2,606**	**$ 2,477**	**$ 235**	**$ 302,453**	**$ 152**	**$ 572**	**$ 724**	**$ 2,170**
In offices outside North America[6]									
Residential mortgages[7]	**$ 26,268**	**$ 49**	**$ 72**	**$ —**	**$ 26,389**	**$ —**	**$ 258**	**$ 258**	**$ 20**
Credit cards	**13,179**	**192**	**202**	**—**	**13,573**	**—**	**187**	**187**	**59**
Personal, small business and other[10]	**35,154**	**104**	**41**	**—**	**35,299**	**—**	**133**	**133**	**—**
Total	**$ 74,601**	**$ 345**	**$ 315**	**$ —**	**$ 75,261**	**$ —**	**$ 578**	**$ 578**	**$ 79**
Total Citigroup[11][12]	**$ 371,736**	**$ 2,951**	**$ 2,792**	**$ 235**	**$ 377,714**	**$ 152**	**$ 1,150**	**$ 1,302**	**$ 2,249**

Consumer Loans, Delinquencies and Non-Accrual Status at December 31, 2022

In millions of dollars	Total current[1][2]	30–89 days past due[3][4]	≥ 90 days past due[3][4]	Past due government guaranteed[5]	Total loans	Non-accrual loans for which there is no ACLL	Non-accrual loans for which there is an ACLL	Total non-accrual	90 days past due and accruing
In North America offices[6]									
Residential first mortgages[7]	$ 95,023	$ 421	$ 316	$ 279	$ 96,039	$ 86	$ 434	$ 520	$ 163
Home equity loans[8][9]	4,407	38	135	—	4,580	51	151	202	—
Credit cards	147,717	1,511	1,415	—	150,643	—	—	—	1,415
Personal, small business and other[10]	37,635	88	22	7	37,752	3	23	26	11
Total	$ 284,782	$ 2,058	$ 1,888	$ 286	$ 289,014	$ 140	$ 608	$ 748	$ 1,589
In offices outside North America[6]									
Residential mortgages[7]	$ 27,946	$ 62	$ 106	$ —	$ 28,114	$ —	$ 305	$ 305	$ 13
Credit cards	12,659	147	149	—	12,955	—	127	127	56
Personal, small business and other[10]	37,869	105	10	—	37,984	—	137	137	—
Total	$ 78,474	$ 314	$ 265	$ —	$ 79,053	$ —	$ 569	$ 569	$ 69
Total Citigroup[11][12]	$ 363,256	$ 2,372	$ 2,153	$ 286	$ 368,067	$ 140	$ 1,177	$ 1,317	$ 1,658

(1) Loans less than 30 days past due are presented as current.
(2) Includes $222 million and $237 million at September 30, 2023 and December 31, 2022, respectively, of residential first mortgages recorded at fair value.
(3) Excludes loans guaranteed by U.S. government-sponsored agencies. Excludes delinquencies on $29.8 billion and $17.0 billion of classifiably managed Private bank loans in North America and outside North America, respectively, at September 30, 2023. Excludes delinquencies on $31.5 billion and $17.8 billion of classifiably managed Private bank loans in North America and outside North America, respectively, at December 31, 2022.
(4) Loans modified under Citi's COVID-19 consumer relief programs continue to be reported in the same delinquency bucket they were in at the time of modification. Most modified loans in North America would not be reported as 30–89 or 90+ days past due for the duration of the programs (which have various durations, and certain of which may be renewed).
(5) Consists of loans that are guaranteed by U.S. government-sponsored agencies that are 30–89 days past due of $0.1 billion and $0.1 billion and 90 days or more past due of $0.1 billion and $0.2 billion at September 30, 2023 and December 31, 2022, respectively.
(6) North America includes the U.S., Canada and Puerto Rico. Mexico is included in offices outside North America.
(7) Includes approximately $0.2 billion and $0.0 billion of residential first mortgage loans in process of foreclosure in North America and outside North America, respectively, and $20.0 billion of residential mortgages outside North America related to the Global Wealth business at September 30, 2023. Includes approximately $0.1 billion and $0.0 billion of residential first mortgage loans in process of foreclosure in North America and outside North America, respectively, and $19.8 billion of residential mortgages outside North America related to the Global Wealth business at December 31, 2022.
(8) Includes approximately $0.1 billion and $0.1 billion at September 30, 2023 and December 31, 2022, respectively, of home equity loans in process of foreclosure.
(9) Fixed-rate home equity loans and loans extended under home equity lines of credit, which are typically in junior lien positions.

(10) As of September 30, 2023, Global Wealth business in North America includes $32.3 billion of loans, of which $29.8 billion are classifiably managed with 96% rated investment grade, and Global Wealth business outside North America includes $24.9 billion of loans, of which $17.0 billion are classifiably managed with 93% rated investment grade. As of December 31, 2022, Global Wealth business in North America includes $34.0 billion of loans, of which $31.5 billion are classifiably managed with 98% rated investment grade, and Global Wealth business outside North America includes $26.6 billion of loans, of which $17.8 billion are classifiably managed with 94% rated investment grade. Such loans are shown as "current" above.

(11) Consumer loans are net of unearned income of $789 million and $712 million at September 30, 2023 and December 31, 2022, respectively. Unearned income on consumer loans primarily represents unamortized origination fees and costs, premiums and discounts.

(12) Not included in the balances above are approximately $1 billion and $1 billion of accrued interest receivable at September 30, 2023 and December 31, 2022, respectively, which are included in *Other assets* on the Consolidated Balance Sheet, except for credit card loans (which include accrued interest and fees). During the three and nine months ended September 30, 2023, the Company reversed accrued interest (primarily related to credit cards) of approximately $0.3 billion and $0.8 billion, respectively, and during the three and nine months ended September 30, 2022, the Company reversed accrued interest of approximately $0.2 billion and $0.5 billion, respectively. These reversals of accrued interest are reflected as a reduction to *Interest revenue* in the Consolidated Statement of Income.

Interest Income Recognized for Non-Accrual Consumer Loans

In millions of dollars	**Three Months Ended September 30, 2023**	Three Months Ended September 30, 2022	**Nine Months Ended September 30, 2023**	Nine Months Ended September 30, 2022
In North America offices[1]				
Residential first mortgages	**$ 2**	$ 3	**$ 8**	$ 9
Home equity loans	**2**	1	**5**	3
Credit cards	**—**	—	**—**	—
Personal, small business and other	**1**	1	**2**	2
Total	**$ 5**	$ 5	**$ 15**	$ 14
In offices outside North America[1]				
Residential mortgages	**$ 2**	$ 2	**$ 7**	$ 2
Credit cards	**—**	—	**—**	—
Personal, small business and other	**—**	—	**—**	—
Total	**$ 2**	$ 2	**$ 7**	$ 2
Total Citigroup	**$ 7**	$ 7	**$ 22**	$ 16

(1) North America includes the U.S., Canada and Puerto Rico. Mexico is included in offices outside North America.

During the three and nine months ended September 30, 2023, the Company sold and/or reclassified to held-for-sale $1 million and $1.8 billion (a mortgage portfolio, which was moved to HFS in 1Q23 and subsequently sold in 2Q23) of consumer loans, respectively. During the three and nine months ended September 30, 2022, the Company sold and/or reclassified to held-for-sale $0 million and $337 million of consumer loans, respectively. The increase was due to the reclassification of a portfolio to HFS in the first quarter of 2023. The Company did not have significant purchases of consumer loans classified as held-for-investment for the three and nine months ended September 30, 2023 or 2022. Loans held by a business for sale are not included in the above since they have been reclassified to *Other assets*. See Note 2 for additional information regarding Citigroup's businesses held-for-sale.

Consumer Credit Scores (FICO)

The following tables provide details on the Fair Isaac Corporation (FICO) scores for Citi's U.S. consumer loan portfolio based on end-of-period receivables by year of origination. FICO scores are updated monthly for substantially all of the portfolio or, otherwise, on a quarterly basis for the remaining portfolio. Loans that did not have FICO scores as of the prior period have been updated with FICO scores as they become available. With respect to Citi's consumer loan portfolio outside of the U.S. as of September 30, 2023 and December 31, 2022 ($76.8 billion and $80.5 billion, respectively), various country-specific or regional credit risk metrics and acquisition and behavior scoring models are leveraged as one of the factors to evaluate the credit quality of customers (for additional information on loans outside of the U.S., see "Consumer Loans and Ratios Outside of North America" below). As a result, details of relevant credit quality indicators for those loans are not comparable to the below FICO score distribution for the U.S. portfolio.

FICO score distribution—U.S. portfolio[1]	September 30, 2023					
In millions of dollars	Less than 680	680 to 760	Greater than 760	Classifiably managed[2]	FICO not available[3]	Total loans
Residential first mortgages						
2023	$ 300	$ 4,526	$ 9,067			
2022	698	6,331	13,766			
2021	592	5,574	12,503			
2020	412	4,235	10,738			
2019	280	2,367	5,239			
Prior	2,073	6,980	13,472			
Total residential first mortgages	$ 4,355	$ 30,013	$ 64,785	$ —	$ 7,216	$ 106,369
Home equity loans (pre-reset)	$ 418	$ 1,079	$ 1,745			
Home equity loans (post-reset)	74	76	51			
Home equity term loans	87	131	102			
2023	—	—	—			
2022	—	—	—			
2021	—	—	1			
2020	—	2	2			
2019	1	1	1			
Prior	86	128	98			
Total home equity loans	$ 579	$ 1,286	$ 1,898	$ —	$ 33	$ 3,796
Credit cards	$ 30,570	$ 60,462	$ 60,592			
Revolving loans converted to term loans[4]	1,013	375	53			
Total credit cards[5]	$ 31,583	$ 60,837	$ 60,645	$ —	$ 2,027	$ 155,092
Personal, small business and other						
2023	$ 84	$ 304	$ 633			
2022	293	440	575			
2021	77	104	127			
2020	9	11	16			
2019	10	10	11			
Prior	131	177	130			
Total personal, small business and other[6][7]	$ 604	$ 1,046	$ 1,492	$ 29,828	$ 2,721	$ 35,691
Total	$ 37,121	$ 93,182	$ 128,820	$ 29,828	$ 11,997	$ 300,948

FICO score distribution—U.S. portfolio[1]	December 31, 2022					
In millions of dollars	Less than 680	680 to 760	Greater than 760	Classifiably managed[2]	FICO not available[3]	Total loans
Residential first mortgages						
2022	$ 691	$ 7,530	$ 12,928			
2021	639	5,933	12,672			
2020	431	4,621	10,936			
2019	321	2,505	5,445			
2018	302	1,072	1,899			
Prior	2,020	6,551	12,649			
Total residential first mortgages	$ 4,404	$ 28,212	$ 56,529		$ 6,894	$ 96,039
Home equity line of credit (pre-reset)	$ 552	$ 1,536	$ 1,876			
Home equity line of credit (post-reset)	62	65	40			
Home equity term loans	106	151	117			
2022	—	—	—			
2021	—	1	1			
2020	1	2	2			
2019	1	2	2			
2018	1	2	1			
Prior	103	144	111			
Total home equity loans	$ 720	$ 1,752	$ 2,033		$ 75	$ 4,580
Credit cards	$ 27,901	$ 58,213	$ 60,896			
Revolving loans converted to term loans[4]	766	354	54			
Total credit cards[5]	$ 28,667	$ 58,567	$ 60,950		$ 1,914	$ 150,098
Personal, small business and other						
2022	$ 247	$ 546	$ 800			
2021	96	170	210			
2020	15	20	30			
2019	21	23	28			
2018	10	10	9			
Prior	126	190	144			
Total personal, small business and other[6][7]	$ 515	$ 959	$ 1,221	$ 31,478	$ 2,639	$ 36,812
Total	$ 34,306	$ 89,490	$ 120,733	$ 31,478	$ 11,522	$ 287,529

(1) The FICO bands in the tables are consistent with general industry peer presentations.
(2) These personal, small business and other loans without a FICO score available include $29.8 billion and $31.5 billion of Private bank loans as of September 30, 2023 and December 31, 2022, respectively, which are classifiably managed within Global Wealth and are primarily evaluated for credit risk based on their internal risk ratings. As of September 30, 2023 and December 31, 2022, approximately 96% and 98% of these loans, respectively, were rated investment grade.
(3) FICO scores not available related to loans guaranteed by government-sponsored enterprises for which FICO scores are generally not utilized.
(4) Not included in the tables above are $68 million and $75 million of revolving credit card loans outside of the U.S. that were converted to term loans as of September 30, 2023 and December 31, 2022, respectively.
(5) Excludes $606 million and $545 million of balances related to Canada for September 30, 2023 and December 31, 2022, respectively.
(6) Excludes $899 million and $940 million of balances related to Canada for September 30, 2023 and December 31, 2022, respectively.
(7) Includes approximately $42 million and $67 million of personal revolving loans that were converted to term loans for September 30, 2023 and December 31, 2022, respectively.

Consumer Gross Credit Losses

The following table provides details on gross credit losses recognized during the nine months ended September 30, 2023, by year of loan origination:

In millions of dollars	Nine Months Ended September 30, 2023
Residential first mortgages	
2023	$ —
2022	2
2021	—
2020	1
2019	5
Prior	31
Total residential first mortgages	**$ 39**
Home equity line of credit (pre-reset)	$ 2
Home equity line of credit (post-reset)	—
Home equity term loans	2
Total home equity loans	**$ 4**
Credit cards	$ 4,598
Revolving loans converted to term loans	132
Total credit cards	**$ 4,730**
Personal, small business and other	
2023	$ 110
2022	146
2021	83
2020	34
2019	38
Prior	132
Total personal, small business and other	**$ 543**
Total Citigroup	**$ 5,316**

Loan-to-Value (LTV) Ratios—U.S. Consumer Mortgages

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

The following tables provide details on the LTV ratios for Citi's U.S. consumer mortgage portfolios by year of origination. LTV ratios are updated monthly using the most recent Core Logic Home Price Index data available for substantially all of the portfolio, applied at the Metropolitan Statistical Area level, if available, or the state level if not. The remainder of the portfolio is updated in a similar manner using the Federal Housing Finance Agency indices.

LTV distribution—U.S. portfolio	**September 30, 2023**				
In millions of dollars	**Less than or equal to 80%**	**> 80% but less than or equal to 100%**	**Greater than 100%**	**LTV not available**[(1)]	**Total**
Residential first mortgages					
2023	**$ 11,461**	**$ 2,668**	**$ 8**		
2022	**17,794**	**4,057**	**42**		
2021	**19,047**	**663**	**33**		
2020	**16,325**	**241**	**1**		
2019	**8,306**	**182**	**26**		
Prior	**24,138**	**197**	**75**		
Total residential first mortgages	**$ 97,071**	**$ 8,008**	**$ 185**	**$ 1,105**	**$ 106,369**
Home equity loans (pre-reset)	**$ 2,846**	**$ 19**	**$ 7**		
Home equity loans (post-reset)	**486**	**6**	**12**		
Total home equity loans	**$ 3,332**	**$ 25**	**$ 19**	**$ 420**	**$ 3,796**
Total	**$ 100,403**	**$ 8,033**	**$ 204**	**$ 1,525**	**$ 110,165**

LTV distribution—U.S. portfolio	December 31, 2022				
In millions of dollars	Less than or equal to 80%	> 80% but less than or equal to 100%	Greater than 100%	LTV not available[(1)]	Total
Residential first mortgages					
2022	$ 15,644	$ 6,497	$ 40		
2021	19,104	1,227	33		
2020	16,935	267	1		
2019	8,789	140	23		
2018	3,598	74	9		
Prior	22,367	132	74		
Total residential first mortgages	$ 86,437	$ 8,337	$ 180	$ 1,085	$ 96,039
Home equity loans (pre-reset)	$ 3,677	$ 36	$ 56		
Home equity loans (post-reset)	627	12	27		
Total home equity loans	$ 4,304	$ 48	$ 83	$ 145	$ 4,580
Total	$ 90,741	$ 8,385	$ 263	$ 1,230	$ 100,619

(1) Residential first mortgages with no LTV information available includes government-guaranteed loans that do not require LTV information for credit risk assessment and fair value loans.

Loan-to-Value (LTV) Ratios—Outside of U.S. Consumer Mortgages

The following tables provide details on the LTV ratios for Citi's consumer mortgage portfolio outside of the U.S. by year of origination:

LTV distribution—outside of U.S. portfolio(1)	**September 30, 2023**				
In millions of dollars	**Less than or equal to 80%**	**> 80% but less than or equal to 100%**	**Greater than 100%**	**LTV not available**	**Total**
Residential mortgages					
2023	**$ 2,304**	**$ 883**	**$ —**		
2022	**3,303**	**957**	**187**		
2021	**3,467**	**928**	**187**		
2020	**2,494**	**446**	**—**		
2019	**2,622**	**68**	**—**		
Prior	**8,322**	**45**	**3**		
Total	**$ 22,512**	**$ 3,327**	**$ 377**	**$ 173**	**$ 26,389**

LTV distribution—outside of U.S. portfolio(1)	December 31, 2022				
In millions of dollars	Less than or equal to 80%	> 80% but less than or equal to 100%	Greater than 100%	LTV not available	Total
Residential mortgages					
2022	$ 3,106	$ 975	$ 294		
2021	4,144	964	273		
2020	3,293	502	25		
2019	3,048	92	1		
2018	2,074	48	—		
Prior	9,201	36	7		
Total	$ 24,866	$ 2,617	$ 600	$ 31	$ 28,114

(1) Mortgage portfolios outside of the U.S. are primarily in Global Wealth. As of September 30, 2023 and December 31, 2022, mortgage portfolios outside of the U.S. had an average LTV of approximately 53% and 51%, respectively.

Consumer Loans and Ratios Outside of North America

In millions of dollars at September 30, 2023	Total loans outside of North America(1)	Classifiably managed loans(2)	Delinquency-managed loans and ratios: Delinquency-managed loans	30–89 days past due ratio	≥ 90 days past due ratio	3Q23 NCL ratio	3Q22 NCL ratio
Residential mortgages(3)	**$ 26,389**	**$ —**	**$ 26,389**	**0.19 %**	**0.27 %**	**(0.01)%**	0.18 %
Credit cards	**13,573**	**—**	**13,573**	**1.41**	**1.49**	**4.35**	3.22
Personal, small business and other(4)	**35,299**	**16,954**	**18,345**	**0.57**	**0.22**	**0.99**	0.74
Total	**$ 75,261**	**$ 16,954**	**$ 58,307**	**0.59 %**	**0.54 %**	**1.24 %**	0.91 %

In millions of dollars at December 31, 2022	Total loans outside of North America(1)	Classifiably managed loans(2)	Delinquency-managed loans and ratios: Delinquency-managed loans	30–89 days past due ratio	≥ 90 days past due ratio
Residential mortgages(3)	$ 28,114	$ —	$ 28,114	0.22 %	0.38 %
Credit cards	12,955	—	12,955	1.13	1.15
Personal, small business and other(4)	37,984	17,762	20,222	0.52	0.05
Total	$ 79,053	$ 17,762	$ 61,291	0.51 %	0.43 %

(1) Mexico is included in offices outside of North America.
(2) Classifiably managed loans are primarily evaluated for credit risk based on their internal risk classification. As of September 30, 2023 and December 31, 2022, approximately 93% and 94% of these loans, respectively, were rated investment grade.
(3) Includes $20.0 billion and $19.8 billion as of September 30, 2023 and December 31, 2022, respectively, of residential mortgages related to the Global Wealth business.
(4) Includes $24.9 billion and $26.6 billion as of September 30, 2023 and December 31, 2022, respectively, of loans related to the Global Wealth business.

Consumer Loan Modifications to Borrowers Experiencing Financial Difficulty

Citi seeks to modify consumer loans to borrowers experiencing financial difficulty to minimize losses, avoid foreclosure or repossession of collateral, and ultimately maximize payments received from the borrowers. Citi uses various metrics to identify consumer borrowers experiencing financial difficulty, with the primary indicator being delinquency at the time of modification. Citi's significant consumer modification programs are described below.

Credit Cards

Citi seeks to assist credit card borrowers who are experiencing financial difficulty by offering long-term loan modification programs. These modifications generally involve reducing the interest rate on the credit card, placing the customer on a fixed payment plan not to exceed 60 months and canceling the customer's available line of credit. Citi also grants modifications to credit card borrowers working with third-party renegotiation agencies that seek to restructure customers' entire unsecured debt. In both circumstances, if the cardholder does not comply with the modified payment terms, the credit card loan continues to age and will ultimately be charged off in accordance with Citi's standard charge-off policy. In certain situations, Citi may forgive a portion of an outstanding balance if the borrower pays a required amount.

Residential Mortgages

Citi utilizes a third-party subservicer for the servicing of its residential mortgage loans. Through this third-party subservicer, Citi seeks to assist residential mortgage borrowers who are experiencing financial difficulty primarily by offering interest rate reductions, principal and/or interest forbearance, term extensions or combinations thereof. Borrowers enrolled in forbearance programs typically have payments suspended until the end of the forbearance period. In the U.S., before permanently modifying the contractual payment terms of a mortgage loan, Citi enters into a trial modification with the borrower. Trial modifications generally represent a three-month period during which the borrower makes monthly payments under the anticipated modified payment terms. These loans continue to age and accrue interest in accordance with their original contractual terms. Upon successful completion of the trial period, and the borrower's formal acceptance of the modified terms, Citi and the borrower enter into a permanent modification. Citi expects the majority of loans entering trial modifications to ultimately be enrolled in a permanent modification. During the three and nine months ended September 30, 2023, $12 million and $22 million, respectively, of mortgage loans were enrolled in trial programs. Mortgage loans of $4 million and $6 million had gone through Chapter 7 bankruptcy during the three and nine months ended September 30, 2023, respectively.

Types of Consumer Loan Modifications and Their Financial Effect

The following tables provide details on permanent consumer loan modifications granted during the three and nine months ended September 30, 2023 to borrowers experiencing financial difficulty by type of modification granted and the financial effect of those modifications:

	For the Three Months Ended September 30, 2023									
In millions of dollars, except weighted averages	**Modifications as % of loans**	**Total modifications balance at September 30, 2023[1][2][3]**	**Interest rate reduction**	**Term extension**	**Payment delay**	**Combination: interest rate reduction and term extension**	**Combination: term extension and payment delay[4]**	**Weighted average interest rate reduction %**	**Weighted average term extension (months)**	**Weighted average delay in payments (months)**
In North America offices[5]										
Residential first mortgages[6]	**0.05 %**	**$ 48**	**$ —**	**$ 25**	**$ 19**	**$ 4**	**$ —**	**1 %**	**220**	**6**
Home equity loans	**0.03**	**1**	**—**	**—**	**1**	**—**	**—**	**2**	**146**	**6**
Credit cards	**0.22**	**339**	**339**	**—**	**—**	**—**	**—**	**22**	**—**	**—**
Personal, small business and other	**0.01**	**4**	**—**	**—**	**—**	**4**	**—**	**6**	**15**	**—**
Total	**0.13 %**	**$ 392**	**$ 339**	**$ 25**	**$ 20**	**$ 8**	**$ —**			
In offices outside North America[5]										
Residential mortgages	**0.99 %**	**$ 260**	**$ —**	**$ —**	**$ 7**	**$ —**	**$ 253**	**— %**	**1**	**1**
Credit cards	**0.10**	**13**	**13**	**—**	**—**	**—**	**—**	**18**	**—**	**—**
Personal, small business and other	**0.02**	**7**	**1**	**2**	**—**	**4**	**—**	**8**	**21**	**—**
Total	**0.37 %**	**$ 280**	**$ 14**	**$ 2**	**$ 7**	**$ 4**	**$ 253**			

	For the Nine Months Ended September 30, 2023									
In millions of dollars, except weighted averages	**Modifications as % of loans**	**Total modifications balance at September 30, 2023[1][2][3]**	**Interest rate reduction**	**Term extension**	**Payment delay**	**Combination: interest rate reduction and term extension**	**Combination: term extension and payment delay[4]**	**Weighted average interest rate reduction %**	**Weighted average term extension (months)**	**Weighted average delay in payments (months)**
In North America offices[5]										
Residential first mortgages[6]	**0.14 %**	**$ 145**	**$ 1**	**$ 53**	**$ 82**	**$ 9**	**$ —**	**1 %**	**202**	**8**
Home equity loans	**0.55**	**21**	**—**	**—**	**8**	**13**	**—**	**2**	**122**	**8**
Credit cards	**0.49**	**756**	**756**	**—**	**—**	**—**	**—**	**22**	**—**	**—**
Personal, small business and other	**0.02**	**9**	**1**	**—**	**—**	**8**	**—**	**6**	**15**	**—**
Total	**0.31 %**	**$ 931**	**$ 758**	**$ 53**	**$ 90**	**$ 30**	**$ —**			
In offices outside North America[5]										
Residential mortgages	**1.15 %**	**$ 303**	**$ —**	**$ —**	**$ 25**	**$ 1**	**$ 277**	**2 %**	**3**	**4**
Credit cards	**0.24**	**33**	**32**	**—**	**—**	**1**	**—**	**18**	**28**	**—**
Personal, small business and other	**0.06**	**20**	**3**	**6**	**—**	**11**	**—**	**8**	**19**	**—**
Total	**0.47 %**	**$ 356**	**$ 35**	**$ 6**	**$ 25**	**$ 13**	**$ 277**			

(1) The above tables reflect activity for loans outstanding as of the end of the reporting period. During the three and nine months ended September 30, 2023, Citi granted forgiveness of $17 million and $38 million, respectively, in credit card loans and $1 million and $2 million, respectively, in personal, small business and other loans that had no remaining outstanding balance at September 30, 2023.

(2) Commitments to lend to borrowers experiencing financial difficulty that were granted modifications included in the tables above were immaterial at September 30, 2023.

(3) For major consumer portfolios, the ACLL is based on macroeconomic-sensitive models that rely on historical performance and macroeconomic scenarios to forecast expected credit losses. Modifications of consumer loans impact expected credit losses by affecting the likelihood of default.

(4) Residential mortgages in offices outside North America were granted four months of payment deferrals during the six months ended December 31, 2022.

(5) North America includes the U.S., Canada and Puerto Rico. Mexico is included in offices outside North America.

(6) Excludes residential first mortgages discharged in Chapter 7 bankruptcy in the three and nine months ended September 30, 2023.

The following tables present the Company's three and nine months ended September 30, 2022 consumer TDRs, under previous GAAP, prior to the Company's adoption of ASU No. 2022-02 on January 1, 2023:

Consumer Troubled Debt Restructurings[(1)]

In millions of dollars, except number of loans modified	For the Three Months Ended September 30, 2022 Number of loans modified	Post-modification recorded investment[(2)(3)]	Deferred principal[(4)]	Contingent principal forgiveness[(5)]	Principal forgiveness[(6)]	Average interest rate reduction
In North America offices[(7)]						
Residential first mortgages	235	$ 58	$ —	$ —	$ —	— %
Home equity loans	117	14	—	—	—	—
Credit cards	46,326	203	—	—	—	18
Personal, small business and other	132	3	—	—	—	7
Total[(8)]	46,810	$ 278	$ —	$ —	$ —	
In offices outside North America[(7)]						
Residential mortgages	172	$ 6	$ —	$ —	$ —	— %
Credit cards	3,519	15	—	—	—	27
Personal, small business and other	575	6	—	—	1	8
Total[(8)]	4,266	$ 27	$ —	$ —	$ 1	

In millions of dollars, except number of loans modified	For the Nine Months Ended September 30, 2022 Number of loans modified	Post-modification recorded investment[(2)(9)]	Deferred principal[(4)]	Contingent principal forgiveness[(5)]	Principal forgiveness[(6)]	Average interest rate reduction
In North America offices[(7)]						
Residential first mortgages	860	$ 195	$ —	$ —	$ —	— %
Home equity loans	324	30	—	—	—	—
Credit cards	123,886	533	—	—	—	18
Personal, small business and other	383	5	—	—	—	5
Total[(8)]	125,453	$ 763	$ —	$ —	$ —	
In offices outside North America[(7)]						
Residential first mortgages	465	$ 16	$ —	$ —	$ —	— %
Credit cards	11,981	50	—	—	1	24
Personal, small business and other	1,842	22	—	—	1	8
Total[(8)]	14,288	$ 88	$ —	$ —	$ 2	

(1) The above tables do not include loan modifications that meet the TDR relief criteria in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) or the interagency guidance.
(2) Post-modification balances include past-due amounts that are capitalized at the modification date.
(3) Post-modification balances in North America include $1.8 million of residential first mortgages to borrowers who have gone through Chapter 7 bankruptcy in the three months ended September 30, 2022. These amounts include $1.8 million of residential first mortgages that were newly classified as TDRs in the three months ended September 30, 2022, based on previously received OCC guidance.
(4) Represents portion of contractual loan principal that is non-interest bearing, but still due from the borrower. Such deferred principal is charged off at the time of permanent modification to the extent that the related loan balance exceeds the underlying collateral value.
(5) Represents portion of contractual loan principal that is non-interest bearing and, depending upon borrower performance, eligible for forgiveness.
(6) Represents portion of contractual loan principal that was forgiven at the time of permanent modification.
(7) North America includes the U.S., Canada and Puerto Rico. Mexico is included in offices outside North America.
(8) The above tables reflect activity for restructured loans that were considered TDRs during the reporting period.
(9) Post-modification balances in North America include $3.7 million of residential first mortgages to borrowers who have gone through Chapter 7 bankruptcy in the nine months ended September 30, 2022. These amounts include $3.7 million of residential first mortgages that were newly classified as TDRs in the nine months ended September 30, 2022, based on previously received OCC guidance.

Performance of Modified Consumer Loans

The following table presents the delinquencies and gross credit losses of permanently modified consumer loans to borrowers experiencing financial difficulty. It includes loans that were modified during the nine months ended September 30, 2023:

In millions of dollars	As of September 30, 2023 Total	Current	30–89 days past due	90+ days past due	Gross credit losses
In North America offices(1)					
Residential first mortgages	$ 145	$ 62	$ 19	$ 64	$ —
Home equity loans	21	14	1	6	—
Credit cards	756	522	143	91	118
Personal, small business and other	9	8	1	—	—
Total(2)(3)	$ 931	$ 606	$ 164	$ 161	$ 118
In offices outside North America(1)					
Residential mortgages	$ 304	$ 301	$ 2	$ 1	$ —
Credit cards	33	29	2	2	1
Personal, small business and other	19	17	2	—	—
Total(2)(3)	$ 356	$ 347	$ 6	$ 3	$ 1

(1) North America includes the U.S., Canada and Puerto Rico. Mexico is included in offices outside North America.
(2) Typically, upon modification a loan re-ages to current. However, FFIEC guidelines for re-aging certain loans require that at least three consecutive minimum monthly payments, or the equivalent amount, be received. In these cases, the loan will remain delinquent until the payment criteria for re-aging have been satisfied.
(3) Loans modified under Citi's COVID-19 consumer relief programs continue to be reported in the same delinquency bucket they were in at the time of modification.

Defaults of Modified Consumer Loans

The following tables present default activity for permanently modified consumer loans to borrowers experiencing financial difficulty by type of modification granted, including loans that were modified and subsequently defaulted during the three and nine months ended September 30, 2023. Default is defined as 60 days past due:

In millions of dollars	For the Three Months Ended September 30, 2023 Total(1)(2)	Interest rate reduction	Term extension	Payment delay	Combination: interest rate reduction and term extension	Combination: term extension and payment delay	Combination: interest rate reduction, term extension and payment delay
In North America offices(3)							
Residential first mortgages	$ 6	$ —	$ 5	$ 1	$ —	$ —	$ —
Home equity loans	—	—	—	—	—	—	—
Credit cards(4)	61	61	—	—	—	—	—
Personal, small business and other	—	—	—	—	—	—	—
Total	$ 67	$ 61	$ 5	$ 1	$ —	$ —	$ —
In offices outside North America(3)							
Residential mortgages	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Credit cards(4)	2	2	—	—	—	—	—
Personal, small business and other	—	—	—	—	—	—	—
Total	$ 2	$ 2	$ —	$ —	$ —	$ —	$ —

In millions of dollars	Total[1][2]	Interest rate reduction	Term extension	Payment delay	Combination: interest rate reduction and term extension	Combination: term extension and payment delay	Combination: interest rate reduction, term extension and payment delay
	For the Nine Months Ended September 30, 2023						
In North America offices[3]							
Residential first mortgages	**$ 7**	**$ 1**	**$ 5**	**$ 1**	**$ —**	**$ —**	**$ —**
Home equity loans	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Credit cards[4]	**93**	**93**	**—**	**—**	**—**	**—**	**—**
Personal, small business and other	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total	**$ 100**	**$ 94**	**$ 5**	**$ 1**	**$ —**	**$ —**	**$ —**
In offices outside North America[3]							
Residential mortgages	**$ 2**	**$ —**	**$ —**	**$ 2**	**$ —**	**$ —**	**$ —**
Credit cards[4]	**3**	**3**	**—**	**—**	**—**	**—**	**—**
Personal, small business and other	**2**	**—**	**—**	**—**	**2**	**—**	**—**
Total	**$ 7**	**$ 3**	**$ —**	**$ 2**	**$ 2**	**$ —**	**$ —**

(1) The above table reflects activity for loans outstanding as of the end of the reporting period.
(2) Modified residential first mortgages that default are typically liquidated through foreclosure or a similar type of liquidation.
(3) North America includes the U.S., Canada and Puerto Rico. Mexico is included in offices outside North America.
(4) Modified credit card loans that default continue to be charged off in accordance with Citi's consumer charge-off policy.

The following table presents the Company's three and nine months ended September 30, 2022 consumer TDRs, under previous GAAP, prior to the Company's adoption of ASU No. 2022-02 on January 1, 2023, that defaulted for which the payment default occurred within one year of a permanent modification. Default is defined as 60 days past due:

In millions of dollars	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2022
In North America offices[1]		
Residential first mortgages	$ 6	$ 23
Home equity loans	1	3
Credit cards	62	178
Personal, small business and other	—	—
Total	$ 69	$ 204
In offices outside North America[1]		
Residential mortgages	$ 2	$ 9
Credit cards	3	10
Personal, small business and other	1	3
Total	$ 6	$ 22

(1) North America includes the U.S., Canada and Puerto Rico. Mexico is included in offices outside North America.

14. ALLOWANCE FOR CREDIT LOSSES

In millions of dollars		Three Months Ended September 30, 2023	2022		Nine Months Ended September 30, 2023	2022
Allowance for credit losses on loans (ACLL) at beginning of period	**$**	**17,496**	$ 15,952	**$**	**16,974**	$ 16,455
Adjustments to opening balance[1]						
Financial instruments—TDRs and vintage disclosures[1]	**$**	**—**	$ —	**$**	**(352)**	$ —
Adjusted ACLL at beginning of period	**$**	**17,496**	$ 15,952	**$**	**16,622**	$ 16,455
Gross credit losses on loans	**$**	**(2,000)**	$ (1,237)	**$**	**(5,513)**	$ (3,689)
Gross recoveries on loans		**363**	350		**1,070**	1,080
Net credit losses on loans (NCLs)	**$**	**(1,637)**	$ (887)	**$**	**(4,443)**	$ (2,609)
Replenishment of NCLs	**$**	**1,637**	$ 887	**$**	**4,443**	$ 2,609
Net reserve builds (releases) for loans		**100**	519		**787**	259
Net specific reserve builds (releases) for loans		**79**	(78)		**84**	104
Total provision for credit losses on loans (PCLL)	**$**	**1,816**	$ 1,328	**$**	**5,314**	$ 2,972
Other, net (see table below)		**(46)**	(84)		**136**	(509)
ACLL at end of period	**$**	**17,629**	$ 16,309	**$**	**17,629**	$ 16,309
Allowance for credit losses on unfunded lending commitments (ACLUC) at beginning of period[2]	**$**	**1,862**	$ 2,193	**$**	**2,151**	$ 1,871
Provision (release) for credit losses on unfunded lending commitments		**(54)**	(71)		**(344)**	244
Other, net		**(2)**	(33)		**(1)**	(26)
ACLUC at end of period[2]	**$**	**1,806**	$ 2,089	**$**	**1,806**	$ 2,089
Total allowance for credit losses on loans, leases and unfunded lending commitments[3]	**$**	**19,435**	$ 18,398	**$**	**19,435**	$ 18,398

Other, net details *In millions of dollars*		Three Months Ended September 30, 2023	2022		Nine Months Ended September 30, 2023	2022
Reclasses of consumer ACLL to HFS[4]	**$**	**—**	$ —	**$**	**—**	$ (350)
FX translation and other		**(46)**	(84)		**136**	(159)
Other, net	**$**	**(46)**	$ (84)	**$**	**136**	$ (509)

(1) See Note 1 in Citi's First Quarter of 2023 Form 10-Q for a description of the impact of adopting ASU 2022-02 on the ACL.
(2) Represents additional credit loss reserves for unfunded lending commitments and letters of credit recorded in *Other liabilities* on the Consolidated Balance Sheet.
(3) This line does not include $95 million and $698 million, and $115 million and $141 million, of ACL on *HTM debt securities* and *Other assets* at September 30, 2023 and 2022, respectively. See below for additional information.
(4) See Note 2.

Allowance for Credit Losses on Loans and End-of-Period Loans

	Three Months Ended					
	September 30, 2023			September 30, 2022		
In millions of dollars	**Corporate**	**Consumer**	**Total**	Corporate	Consumer	Total
ACLL at beginning of period	**$ 2,630**	**$ 14,866**	**$ 17,496**	$ 2,969	$ 12,983	$ 15,952
Charge-offs	**(72)**	**(1,928)**	**(2,000)**	(43)	(1,194)	(1,237)
Recoveries	**14**	**349**	**363**	37	313	350
Replenishment of NCLs	**58**	**1,579**	**1,637**	6	881	887
Net reserve builds (releases)	**25**	**75**	**100**	145	374	519
Net specific reserve builds (releases)	**77**	**2**	**79**	(104)	26	(78)
Other	**(15)**	**(31)**	**(46)**	(62)	(22)	(84)
Ending balance	**$ 2,717**	**$ 14,912**	**$ 17,629**	$ 2,948	$ 13,361	$ 16,309

	Nine Months Ended					
	September 30, 2023			September 30, 2022		
In millions of dollars	**Corporate**	**Consumer**	**Total**	Corporate	Consumer	Total
ACLL at beginning of period	**$ 2,855**	**$ 14,119**	**$ 16,974**	$ 2,415	$ 14,040	$ 16,455
Adjustments to opening balance:						
Financial instruments—TDRs and vintage disclosures[(1)]	**—**	**(352)**	**(352)**	—	—	—
Adjusted ACLL at beginning of period	**$ 2,855**	**$ 13,767**	**$ 16,622**	$ 2,415	$ 14,040	$ 16,455
Charge-offs	**$ (197)**	**$ (5,316)**	**$ (5,513)**	$ (148)	$ (3,541)	$ (3,689)
Recoveries	**42**	**1,028**	**1,070**	88	992	1,080
Replenishment of NCLs	**155**	**4,288**	**4,443**	60	2,549	2,609
Net reserve builds (releases)	**(184)**	**971**	**787**	394	(135)	259
Net specific reserve builds (releases)	**49**	**35**	**84**	169	(65)	104
Other	**(3)**	**139**	**136**	(30)	(479)	(509)
Ending balance	**$ 2,717**	**$ 14,912**	**$ 17,629**	$ 2,948	$ 13,361	$ 16,309

	September 30, 2023			December 31, 2022		
In millions of dollars	**Corporate**	**Consumer**	**Total**	Corporate	Consumer	Total
ACLL						
Collectively evaluated[(1)]	**$ 2,347**	**$ 14,872**	**$ 17,219**	$ 2,532	$ 13,521	$ 16,053
Individually evaluated	**370**	**40**	**410**	323	596	919
Purchased credit deteriorated	**—**	**—**	**—**	—	2	2
Total ACLL	**$ 2,717**	**$ 14,912**	**$ 17,629**	$ 2,855	$ 14,119	$ 16,974
Loans, net of unearned income						
Collectively evaluated[(1)]	**$ 279,470**	**$ 377,320**	**$ 656,790**	$ 282,909	$ 364,795	$ 647,704
Individually evaluated	**1,975**	**58**	**2,033**	1,122	2,921	4,043
Purchased credit deteriorated	**—**	**114**	**114**	—	114	114
Held at fair value	**7,189**	**222**	**7,411**	5,123	237	5,360
Total loans, net of unearned income	**$ 288,634**	**$ 377,714**	**$ 666,348**	$ 289,154	$ 368,067	$ 657,221

(1) See Note 1 in Citi's First Quarter of 2023 Form 10-Q for a description of the effect of adopting ASU 2022-02 on the ACL and for Citi's updated accounting policy for collectively evaluating the ACL for consumer loans formerly considered TDRs.

3Q23 Changes in the ACL

The total allowance for credit losses on loans, leases and unfunded lending commitments as of September 30, 2023 was $19,435 million, a slight increase from $19,125 million at December 31, 2022. The increase in the ACLL was primarily driven by growth in card balances in Branded cards and Retail services and an increase in transfer risk associated with exposures outside the U.S. driven by safety and soundness considerations under U.S. banking law, partially offset by a decrease in the ACLL of $352 million from the adoption of ASU 2022-02 for the recognition and measurement of TDRs (see Note 1) and improved key macroeconomic variable forecasts.

Consumer ACLL

Citi's total consumer allowance for credit losses on loans (ACLL) as of September 30, 2023 was $14,912 million, an increase from $14,119 million at December 31, 2022. The increase was primarily driven by growth in U.S. cards balances, partially offset by a decrease to the ACLL of $352 million from the adoption of ASU 2022-02 for the recognition and measurement of TDRs.

Corporate ACLL

Citi's total corporate ACLL as of September 30, 2023 was $2,717 million, a decrease from $2,855 million at December 31, 2022. The decrease was primarily driven by improved key macroeconomic variable forecasts.

ACLUC

As of September 30, 2023, Citi's total ACLUC, included in *Other liabilities*, was $1,806 million, a decrease from $2,151 million at December 31, 2022. The decrease was primarily driven by improved key macroeconomic variable forecasts.

Allowance for Credit Losses on HTM Debt Securities
The allowance for credit losses on HTM debt securities, which the Company has the intent and ability to hold, was $95 million and $120 million as of September 30, 2023 and December 31, 2022, respectively.

Allowance for Credit Losses on Other Assets

	Three Months Ended September 30, 2023			
In millions of dollars	Deposits with banks	Securities borrowed and purchased under agreements to resell	All other assets[(1)]	Total
Allowance for credit losses on other assets at beginning of quarter	$ 21	$ 26	$ 612	$ 659
Gross credit losses	—	—	(19)	(19)
Gross recoveries	—	—	6	6
Net credit losses (NCLs)	$ —	$ —	$ (13)	$ (13)
Replenishment of NCLs	$ —	$ —	$ 13	$ 13
Net reserve builds (releases)	6	30	7	43
Total provision for credit losses	$ 6	$ 30	$ 20	$ 56
Other, net	$ —	$ (3)	$ (1)	$ (4)
Allowance for credit losses on other assets at end of quarter	$ 27	$ 53	$ 618	$ 698

	Nine Months Ended September 30, 2023			
In millions of dollars	Deposits with banks	Securities borrowed and purchased under agreements to resell	All other assets[(1)]	Total
Allowance for credit losses on other assets at beginning of year	$ 51	$ 36	$ 36	$ 123
Gross credit losses	—	—	(54)	(54)
Gross recoveries	—	—	11	11
Net credit losses (NCLs)	$ —	$ —	$ (43)	$ (43)
Replenishment of NCLs	$ —	$ —	$ 43	$ 43
Net reserve builds (releases)	(23)	27	583	587
Total provision for credit losses	$ (23)	$ 27	$ 626	$ 630
Other, net	$ (1)	$ (10)	$ (1)	$ (12)
Allowance for credit losses on other assets at end of quarter	$ 27	$ 53	$ 618	$ 698

(1) Primarily an increase related to transfer risk associated with exposures outside of the U.S. driven by safety and soundness considerations under U.S. banking law.

In millions of dollars	Deposits with banks	Securities borrowed and purchased under agreements to resell	Brokerage receivables	All other assets[1]	Total
	Three Months Ended September 30, 2022				
Allowance for credit losses on other assets at beginning of quarter	$ 17	$ 27	$ —	$ 30	$ 74
Gross credit losses	—	—	—	(4)	(4)
Gross recoveries	—	—	—	—	—
Net credit losses (NCLs)	$ —	$ —	$ —	$ (4)	$ (4)
Replenishment of NCLs	$ —	$ —	$ —	$ 4	$ 4
Net reserve builds (releases)	23	45	—	1	69
Total provision for credit losses	$ 23	$ 45	$ —	$ 5	$ 73
Other, net	$ —	$ (3)	$ —	$ 1	$ (2)
Allowance for credit losses on other assets at end of quarter	$ 40	$ 69	$ —	$ 32	$ 141

In millions of dollars	Deposits with banks	Securities borrowed and purchased under agreements to resell	Brokerage receivables	All other assets[1]	Total
	Nine Months Ended September 30, 2022				
Allowance for credit losses on other assets at beginning of year	$ 21	$ 6	$ —	$ 26	$ 53
Gross credit losses	—	—	—	(19)	(19)
Gross recoveries	—	—	—	2	2
Net credit losses (NCLs)	$ —	$ —	$ —	$ (17)	$ (17)
Replenishment of NCLs	$ —	$ —	$ —	$ 17	$ 17
Net reserve builds (releases)	19	35	—	5	59
Total provision for credit losses	$ 19	$ 35	$ —	$ 22	$ 76
Other, net	$ —	$ 28	$ —	$ 1	$ 29
Allowance for credit losses on other assets at end of quarter	$ 40	$ 69	$ —	$ 32	$ 141

(1) Primarily accounts receivable.

For ACL on AFS debt securities, see Note 12.

15. GOODWILL AND INTANGIBLE ASSETS

Goodwill

The changes in *Goodwill* were as follows:

In millions of dollars	Institutional Clients Group	Personal Banking and Wealth Management	Legacy Franchises	Total
Balance at December 31, 2022	$ 8,986	$ 9,741	$ 964	$ 19,691
Foreign currency translation	42	69	80	191
Balance at March 31, 2023	$ 9,028	$ 9,810	$ 1,044	$ 19,882
Foreign currency translation	13	48	55	116
Balance at June 30, 2023	$ 9,041	$ 9,858	$ 1,099	$ 19,998
Foreign currency translation	(132)	(17)	(20)	(169)
Balance at September 30, 2023	**$ 8,909**	**$ 9,841**	**$ 1,079**	**$ 19,829**

Citi tests for goodwill impairment annually as of October 1 (the annual test) and conducts interim assessments between the annual test if an event occurs or circumstances change that would more-likely-than-not reduce the fair value of a reporting unit below its carrying amount. No such events or circumstances were identified as part of the qualitative assessment performed as of September 30, 2023. For additional information regarding Citi's goodwill impairment testing process, see Notes 1 and 16 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

While the inherent risk related to uncertainty is embedded in the key assumptions used in the valuations of the reporting units, the economic and business environments continue to evolve as Citi's management implements its strategic refresh. If management's future estimates of key economic and market assumptions were to differ from its current assumptions, Citi could potentially experience material goodwill impairment charges in the future.

Intangible Assets

The components of intangible assets were as follows:

	September 30, 2023			December 31, 2022		
In millions of dollars	**Gross carrying amount**	**Accumulated amortization**	**Net carrying amount**	Gross carrying amount	Accumulated amortization	Net carrying amount
Purchased credit card relationships[1]	**$ 5,302**	**$ 4,328**	**$ 974**	$ 5,513	$ 4,426	$ 1,087
Credit card contract-related intangibles[2]	**4,178**	**1,652**	**2,526**	3,903	1,518	2,385
Other customer relationships	**346**	**270**	**76**	373	283	90
Present value of future profits	**36**	**35**	**1**	32	31	1
Indefinite-lived intangible assets	**234**	**—**	**234**	192	—	192
Other	**—**	**—**	**—**	65	57	8
Intangible assets (excluding MSRs)	**$ 10,096**	**$ 6,285**	**$ 3,811**	$ 10,078	$ 6,315	$ 3,763
Mortgage servicing rights (MSRs)[3]	**729**	**—**	**729**	665	—	665
Total intangible assets	**$ 10,825**	**$ 6,285**	**$ 4,540**	$ 10,743	$ 6,315	$ 4,428

The changes in intangible assets were as follows:

In millions of dollars	Net carrying amount at December 31, 2022	**Acquisitions/ renewals/ divestitures**	**Amortization**	**Impairments**	**FX translation and other**	**Net carrying amount at September 30, 2023**
Purchased credit card relationships[1]	$ 1,087	**$ —**	**$ (113)**	**$ —**	**$ —**	**$ 974**
Credit card contract-related intangibles[2]	2,385	**290**	**(141)**	**—**	**(8)**	**2,526**
Other customer relationships	90	**11**	**(18)**	**—**	**(7)**	**76**
Present value of future profits	1	**—**	**—**	**—**	**—**	**1**
Indefinite-lived intangible assets	192	**20**	**—**	**—**	**22**	**234**
Other	8	**—**	**(8)**	**—**	**—**	**—**
Intangible assets (excluding MSRs)	$ 3,763	**$ 321**	**$ (280)**	**$ —**	**$ 7**	**$ 3,811**
Mortgage servicing rights (MSRs)[3]	665					**729**
Total intangible assets	$ 4,428					**$ 4,540**

(1) Reflects intangibles for the value of purchased cardholder relationships, which are discrete from contract-related intangibles.
(2) Reflects contract-related intangibles associated with the extension or renewal of existing credit card program agreements with card partners. For the credit card program agreement extended during 2023, the remaining term is over 10 years.
(3) See Note 20 for additional information on Citi's MSRs, including the rollforward for the three months ended September 30, 2023.

16. DEPOSITS

Deposits consisted of the following:

In millions of dollars	**September 30, 2023[1]**	December 31, 2022
Non-interest-bearing deposits in U.S. offices	**$ 104,061**	$ 122,655
Interest-bearing deposits in U.S. offices (including $1,001 and $903 as of September 30, 2023 and December 31, 2022, respectively, at fair value)	**569,428**	607,470
Non-interest-bearing deposits in offices outside the U.S.	**84,663**	95,182
Interest-bearing deposits in offices outside the U.S. (including $1,721 and $972 as of September 30, 2023 and December 31, 2022, respectively, at fair value)	**515,354**	540,647
Total deposits	**$ 1,273,506**	$ 1,365,954

(1) For information on time deposits that met or exceeded the insured limit at December 31, 2022, see Note 17 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

For additional information on Citi's deposits, see Citi's 2022 Form 10-K.

17. DEBT

For additional information regarding Citi's short-term borrowings and long-term debt, see Note 18 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

Short-Term Borrowings

In millions of dollars		**September 30, 2023**		December 31, 2022
Commercial paper				
Bank[1]	**$**	**11,124**	$	11,185
Broker-dealer and other[2]		**11,719**		14,345
Total commercial paper	**$**	**22,843**	$	25,530
Other borrowings[3]		**20,323**		21,566
Total	**$**	**43,166**	$	47,096

(1) Represents Citibank entities as well as other bank entities.
(2) Represents broker-dealer and other non-bank subsidiaries that are consolidated into Citigroup Inc., the parent holding company.
(3) Includes borrowings from Federal Home Loan Banks and other market participants. At September 30, 2023 and December 31, 2022, collateralized short-term advances from Federal Home Loan Banks were $9.0 billion and $12.0 billion, respectively. At September 30, 2023, Other borrowings include $1.5 billion associated with the Series A preferred stock redemption announced on September 29, 2023, which was settled on October 30, 2023.

Long-Term Debt

In millions of dollars		**September 30, 2023**		December 31, 2022
Citigroup Inc.[1]	**$**	**160,571**	$	166,257
Bank[2]		**24,560**		21,113
Broker-dealer and other[3]		**90,629**		84,236
Total	**$**	**275,760**	$	271,606

(1) Represents the parent holding company.
(2) Represents Citibank entities as well as other bank entities. At September 30, 2023 and December 31, 2022, collateralized long-term advances from the Federal Home Loan Banks were $8.5 billion and $7.3 billion, respectively.
(3) Represents broker-dealer and other non-bank subsidiaries that are consolidated into Citigroup Inc., the parent holding company. Certain Citigroup consolidated hedging activities are also included in this line.

Long-term debt outstanding includes trust preferred securities with a balance sheet carrying value of $1.6 billion at September 30, 2023 and December 31, 2022.

The following table summarizes Citi's outstanding trust preferred securities at September 30, 2023:

						Junior subordinated debentures owned by trust			
Trust	**Issuance date**	**Securities issued**	**Liquidation value[1]**	**Coupon rate[2]**	**Common shares issued to parent**	**Notional amount**		**Maturity**	**Redeemable by issuer beginning**
In millions of dollars, except securities and share amounts									
Citigroup Capital III	Dec. 1996	194,053	$ 194	7.625 %	6,003	$	200	Dec. 1, 2036	Not redeemable
Citigroup Capital XIII	Oct. 2010	89,840,000	2,246	3 mo. SOFR +663.161 bps[3]	1,000		2,246	Oct. 30, 2040	Oct. 30, 2015
Total obligated			**$ 2,440**			**$**	**2,446**		

Note: Distributions on the trust preferred securities and interest on the subordinated debentures are payable semiannually for Citigroup Capital III and quarterly for Citigroup Capital XIII.
(1) Represents the notional value received by outside investors from the trusts at the time of issuance. This differs from Citi's balance sheet carrying value due primarily to unamortized discount and issuance costs.
(2) In each case, the coupon rate on the subordinated debentures is the same as that on the trust preferred securities.
(3) The spread incorporates the contractual LIBOR-based spread and a 26.161 bps tenor spread adjustment.

18. CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) (AOCI)

Changes in each component of Citigroup's *Accumulated other comprehensive income (loss)* were as follows:

In millions of dollars	Net unrealized gains (losses) on debt securities	Debt valuation adjustment (DVA)[1]	Cash flow hedges[2]	Benefit plans[3]	CTA, net of hedges[4]	Excluded component of fair value hedges	Long-duration insurance contracts[5]	Accumulated other comprehensive income (loss)
Three Months Ended September 30, 2023								
Balance, June 30, 2023	$ (5,036)	$ (102)	$ (1,990)	$ (5,995)	$ (32,773)	$ 5	$ 26	$ (45,865)
Other comprehensive income before reclassifications	**(176)**	**290**	**366**	**274**	**(1,496)**	**(3)**	**23**	**(722)**
Increase (decrease) due to amounts reclassified from *AOCI*	**7**	**9**	**365**	**38**	**—**	**(9)**	**—**	**410**
Change, net of taxes	**$ (169)**	**$ 299**	**$ 731**	**$ 312**	**$ (1,496)**	**$ (12)**	**$ 23**	**$ (312)**
Balance at September 30, 2023	**$ (5,205)**	**$ 197**	**$ (1,259)**	**$ (5,683)**	**$ (34,269)**	**$ (7)**	**$ 49**	**$ (46,177)**
Nine Months Ended September 30, 2023								
Balance, December 31, 2022	$ (5,998)	$ 842	$ (2,522)	$ (5,755)	$ (33,637)	$ 8	$ —	$ (47,062)
Adjustment to opening balance, net of taxes[6]	—	—	—	—	—	—	27	27
Adjusted balance, beginning of period	**$ (5,998)**	**$ 842**	**$ (2,522)**	**$ (5,755)**	**$ (33,637)**	**$ 8**	**$ 27**	**$ (47,035)**
Other comprehensive income before reclassifications	**812**	**(650)**	**166**	**(28)**	**(632)**	**8**	**22**	**(302)**
Increase (decrease) due to amounts reclassified from *AOCI*	**(19)**	**5**	**1,097**	**100**	**—**	**(23)**	**—**	**1,160**
Change, net of taxes	**$ 793**	**$ (645)**	**$ 1,263**	**$ 72**	**$ (632)**	**$ (15)**	**$ 22**	**$ 858**
Balance at September 30, 2023	**$ (5,205)**	**$ 197**	**$ (1,259)**	**$ (5,683)**	**$ (34,269)**	**$ (7)**	**$ 49**	**$ (46,177)**

In millions of dollars	Net unrealized gains (losses) on debt securities	Debt valuation adjustment (DVA)[1]	Cash flow hedges[2]	Benefit plans[3]	CTA, net of hedges[4]	Excluded component of fair value hedges	Long-duration insurance contracts	Accumulated other comprehensive income (loss)
Three Months Ended September 30, 2022								
Balance, June 30, 2022	$ (6,392)	$ 1,573	$ (2,106)	$ (5,770)	$ (32,810)	$ 10	$ —	$ (45,495)
Other comprehensive income before reclassifications	(595)	874	(870)	5	(2,423)	31	—	(2,978)
Increase (decrease) due to amounts reclassified from *AOCI*	15	(2)	107	32	24	(1)	—	175
Change, net of taxes	$ (580)	$ 872	$ (763)	$ 37	$ (2,399)	$ 30	$ —	$ (2,803)
Balance at September 30, 2022	$ (6,972)	$ 2,445	$ (2,869)	$ (5,733)	$ (35,209)	$ 40	$ —	$ (48,298)
Nine Months Ended September 30, 2022								
Balance, December 31, 2021	$ (614)	$ (1,187)	$ 101	$ (5,852)	$ (31,166)	$ (47)	$ —	$ (38,765)
Other comprehensive income before reclassifications	(6,490)	3,635	(2,709)	26	(4,412)	81	—	(9,869)
Increase (decrease) due to amounts reclassified from *AOCI*	132	(3)	(261)	93	369	6	—	336
Change, net of taxes	$ (6,358)	$ 3,632	$ (2,970)	$ 119	$ (4,043)	$ 87	$ —	$ (9,533)
Balance at September 30, 2022	$ (6,972)	$ 2,445	$ (2,869)	$ (5,733)	$ (35,209)	$ 40	$ —	$ (48,298)

(1) Reflects the after-tax valuation of Citi's fair value option liabilities. See "Market Valuation Adjustments" in Note 22.
(2) Primarily driven by Citi's pay floating/receive fixed interest rate swap programs that hedge certain floating rates on assets.
(3) Primarily reflects adjustments based on the quarterly actuarial valuations of the Company's significant pension and postretirement plans, annual actuarial valuations of all other plans and amortization of amounts previously recognized in other comprehensive income.
(4) Primarily reflects the movements in (by order of impact) the Mexican peso, Chilean peso, Euro, Polish zloty and Brazilian real against the U.S. dollar and changes in related tax effects and hedges for the three months ended September 30, 2023. Primarily reflects the movements in (by order of impact) the Mexican peso, Russian ruble, Japanese yen, South Korean won and Chilean peso against the U.S. dollar and changes in related tax effects and hedges for the nine months ended September 30, 2023. Primarily reflects the movements in (by order of impact) the South Korean won, Euro, Russian ruble, Mexican peso, Polish zloty and Japanese yen against the U.S. dollar and changes in related tax effects and hedges for the three months ended September 30, 2022. Primarily reflects the movements in (by order of impact) the South Korean won, Euro, Japanese yen, Indian rupee, Chinese yuan and British pound sterling against the U.S. dollar and changes in related tax effects and hedges for the nine months ended September 30, 2022. Amounts recorded in the CTA component of *AOCI* remain in *AOCI* until the sale or substantial liquidation of the foreign entity, at which point such amounts related to the foreign entity are reclassified into earnings.
(5) Reflects the change in the liability for future policyholder benefits for certain long-duration life-contingent annuity contracts that are issued by a regulated Citi insurance subsidiary in Mexico and reported within *Legacy Franchises*. The amount reflects the change in the liability after discounting using an upper-medium grade fixed income instrument yield that reflects the duration characteristics of the liability. As of September 30, 2023, the balance of the liability for future policyholder benefits, which is recorded within *Other Liabilities*, for this insurance subsidiary was approximately $519 million.
(6) See Note 1.

The pretax and after-tax changes in each component of *Accumulated other comprehensive income (loss)* were as follows:

In millions of dollars	Pretax	Tax effect[1]	After-tax
Three Months Ended September 30, 2023			
Balance, June 30, 2023	$ (53,964)	$ 8,099	$ (45,865)
Change in net unrealized gains (losses) on debt securities	**(227)**	**58**	**(169)**
Debt valuation adjustment (DVA)	**395**	**(96)**	**299**
Cash flow hedges	**958**	**(227)**	**731**
Benefit plans	**380**	**(68)**	**312**
Foreign currency translation adjustment (CTA)	**(1,532)**	**36**	**(1,496)**
Excluded component of fair value hedges	**(10)**	**(2)**	**(12)**
Long-duration insurance contracts	**33**	**(10)**	**23**
Change	**$ (3)**	**$ (309)**	**$ (312)**
Balance at September 30, 2023	**$ (53,967)**	**$ 7,790**	**$ (46,177)**
Nine Months Ended September 30, 2023			
Balance, December 31, 2022	$ (55,253)	$ 8,191	$ (47,062)
Adjustment to opening balance[2]	39	(12)	27
Adjusted balance, beginning of period	**$ (55,214)**	**$ 8,179**	**$ (47,035)**
Change in net unrealized gains (losses) on debt securities	**1,095**	**(302)**	**793**
DVA	**(875)**	**230**	**(645)**
Cash flow hedges	**1,670**	**(407)**	**1,263**
Benefit plans	**68**	**4**	**72**
CTA	**(728)**	**96**	**(632)**
Excluded component of fair value hedges	**(14)**	**(1)**	**(15)**
Long-duration insurance contracts	**31**	**(9)**	**22**
Change	**$ 1,247**	**$ (389)**	**$ 858**
Balance at September 30, 2023	**$ (53,967)**	**$ 7,790**	**$ (46,177)**

In millions of dollars	Pretax	Tax effect[1]	After-tax
Three Months Ended September 30, 2022			
Balance, June 30, 2022	$ (53,566)	$ 8,071	$ (45,495)
Change in net unrealized gains (losses) on debt securities	(850)	270	(580)
DVA	1,159	(287)	872
Cash flow hedges	(1,025)	262	(763)
Benefit plans	(4)	41	37
CTA	(2,238)	(161)	(2,399)
Excluded component of fair value hedges	40	(10)	30
Long-duration insurance contracts	—	—	—
Change	$ (2,918)	$ 115	$ (2,803)
Balance, September 30, 2022	$ (56,484)	$ 8,186	$ (48,298)
Nine Months Ended September 30, 2022			
Balance, December 31, 2021	$ (45,383)	$ 6,618	$ (38,765)
Change in net unrealized gains (losses) on debt securities	(8,464)	2,106	(6,358)
DVA	4,800	(1,168)	3,632
Cash flow hedges	(3,933)	963	(2,970)
Benefit plans	100	19	119
CTA	(3,720)	(323)	(4,043)
Excluded component of fair value hedges	116	(29)	87
Long-duration insurance contracts	—	—	—
Change	$ (11,101)	$ 1,568	$ (9,533)
Balance, September 30, 2022	$ (56,484)	$ 8,186	$ (48,298)

(1) Income tax effects of these items are released from *AOCI* contemporaneously with the related gross pretax amount.
(2) See Note 1.

The Company recognized pretax (gains) losses related to amounts in *AOCI* reclassified to the Consolidated Statement of Income as follows:

	Increase (decrease) in AOCI due to amounts reclassified to Consolidated Statement of Income			
	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions of dollars	**2023**	2022	**2023**	2022
Realized (gains) losses on sales of investments	**$ (30)**	$ (52)	**$ (151)**	$ (74)
Gross impairment losses	**43**	74	**137**	254
Subtotal, pretax	**$ 13**	$ 22	**$ (14)**	$ 180
Tax effect	**(6)**	(7)	**(5)**	(48)
Net realized (gains) losses on investments, after-tax[1]	**$ 7**	$ 15	**$ (19)**	$ 132
Realized DVA (gains) losses on fair value option liabilities, pretax	**$ 12**	$ (3)	**$ 8**	$ (4)
Tax effect	**(3)**	1	**(3)**	1
Net realized DVA, after-tax	**$ 9**	$ (2)	**$ 5**	$ (3)
Interest rate contracts	**$ 480**	$ 141	**$ 1,444**	$ (344)
Foreign exchange contracts	**1**	1	**3**	3
Subtotal, pretax	**$ 481**	$ 142	**$ 1,447**	$ (341)
Tax effect	**(116)**	(35)	**(350)**	80
Amortization of cash flow hedges, after-tax[2]	**$ 365**	$ 107	**$ 1,097**	$ (261)
Amortization of unrecognized:				
Prior service cost (benefit)	**$ (6)**	$ (6)	**$ (17)**	$ (17)
Net actuarial loss	**52**	49	**152**	177
Curtailment/settlement impact[3]	**5**	—	**1**	(33)
Subtotal, pretax	**$ 51**	$ 43	**$ 136**	$ 127
Tax effect	**(13)**	(11)	**(36)**	(34)
Amortization of benefit plans, after-tax[3]	**$ 38**	$ 32	**$ 100**	$ 93
Excluded component of fair value hedges, pretax	**$ (12)**	$ (1)	**$ (31)**	$ 9
Tax effect	**3**	—	**8**	(3)
Excluded component of fair value hedges, after-tax	**$ (9)**	$ (1)	**$ (23)**	$ 6
Long-duration insurance contracts, pretax	**$ —**	$ —	**$ —**	$ —
Tax effect	**—**	—	**—**	—
Long-duration insurance contracts, after-tax	**$ —**	$ —	**$ —**	$ —
CTA, pretax	**$ —**	$ 26	**$ —**	$ 423
Tax effect	**—**	(2)	**—**	(54)
CTA, after-tax[4]	**$ —**	$ 24	**$ —**	$ 369
Total amounts reclassified out of *AOCI*, pretax	**$ 545**	$ 229	**$ 1,546**	$ 394
Total tax effect	**(135)**	(54)	**(386)**	(58)
Total amounts reclassified out of *AOCI*, after-tax	**$ 410**	$ 175	**$ 1,160**	$ 336

(1) The pretax amount is reclassified to *Realized gains (losses) on sales of investments, net* and *Gross impairment losses* in the Consolidated Statement of Income. See Note 12 for additional details.
(2) See Note 21 for additional details.
(3) See Note 8 for additional details.
(4) The pretax amount is reclassified to *Discontinued operations* and *Other revenue* in the Consolidated Statement of Income, and results from the substantial liquidation of a legacy U.K. consumer operation. See Note 2 for additional details.

19. PREFERRED STOCK

The following table summarizes the Company's preferred stock outstanding:

	Issuance date	Redeemable by issuer beginning	Dividend rate as of September 30, 2023	Redemption price per depositary share/ preference share	Number of depositary shares	Carrying value (in millions of dollars) September 30, 2023	December 31, 2022
Series A[(1)]	October 29, 2012	January 30, 2023	N/A	$ 1,000	1,500,000	$ —	$ 1,500
Series B[(2)]	December 13, 2012	February 15, 2023	N/A	1,000	750,000	—	750
Series D[(3)]	April 30, 2013	May 15, 2023	3-month SOFR+ 3.72761	1,000	1,250,000	**1,250**	1,250
Series J[(4)]	September 19, 2013	September 30, 2023	3-month SOFR+ 4.30161	25	38,000,000	**950**	950
Series K[(5)]	October 31, 2013	November 15, 2023	6.875 %	25	59,800,000	**1,495**	1,495
Series M[(6)]	April 30, 2014	May 15, 2024	6.300	1,000	1,750,000	**1,750**	1,750
Series P[(7)]	April 24, 2015	May 15, 2025	5.950	1,000	2,000,000	**2,000**	2,000
Series T[(8)]	April 25, 2016	August 15, 2026	6.250	1,000	1,500,000	**1,500**	1,500
Series U[(9)]	September 12, 2019	September 12, 2024	5.000	1,000	1,500,000	**1,500**	1,500
Series V[(10)]	January 23, 2020	January 30, 2025	4.700	1,000	1,500,000	**1,500**	1,500
Series W[(11)]	December 10, 2020	December 10, 2025	4.000	1,000	1,500,000	**1,500**	1,500
Series X[(12)]	February 18, 2021	February 18, 2026	3.875	1,000	2,300,000	**2,300**	2,300
Series Y[(13)]	October 27, 2021	November 15, 2026	4.150	1,000	1,000,000	**1,000**	1,000
Series Z[(14)]	March 7, 2023	May 15, 2028	7.375	1,000	1,250,000	**1,250**	—
Series AA[(15)]	September 21, 2023	November 15, 2028	7.625	1,000	1,500,000	**1,500**	—
						$ 19,495	$ 18,995

(1) Issued as depositary shares, each representing a 1/25th interest in a share of the corresponding series of non-cumulative perpetual preferred stock. Beginning in the second quarter of 2023, dividends are payable quarterly on January 30, April 30, July 30 and October 30 at a floating rate, in each case when, as and if declared by the Citi Board of Directors. Series A was reclassified to Short-term borrowings at the time of the announcement of redemption on September 29, 2023. Citi redeemed Series A in its entirety on October 30, 2023.

(2) Citi redeemed Series B in its entirety on August 15, 2023.

(3) Issued as depositary shares, each representing a 1/25th interest in a share of the corresponding series of non-cumulative perpetual preferred stock. Beginning in the third quarter of 2023, dividends are payable quarterly on February 15, May 15, August 15 and November 15 at a floating rate, in each case when, as and if declared by the Citi Board of Directors. The spread incorporates the contractual LIBOR-based spread and a 0.26161% tenor spread adjustment.

(4) Issued as depositary shares, each representing a 1/1,000th interest in a share of the corresponding series of non-cumulative perpetual preferred stock. Dividends are payable quarterly on March 30, June 30, September 30 and December 30 at a fixed rate until, but excluding, September 30, 2023, thereafter payable quarterly on the same dates at a floating rate, in each case when, as and if declared by the Citi Board of Directors. Beginning in the fourth quarter of 2023, dividends are payable quarterly on March 30, June 30, September 30 and December 30 at a floating rate, in each case when, as and if declared by the Citi Board of Directors. The spread incorporates the contractual LIBOR-based spread and a 0.26161% tenor spread adjustment.

(5) Issued as depositary shares, each representing a 1/1,000th interest in a share of the corresponding series of non-cumulative perpetual preferred stock. Dividends are payable quarterly on February 15, May 15, August 15 and November 15 at a fixed rate until, but excluding, November 15, 2023, thereafter payable quarterly on the same dates at a floating rate, in each case when, as and if declared by the Citi Board of Directors. As previously announced, Citi will be redeeming Series K in its entirety on November 15, 2023.

(6) Issued as depositary shares, each representing a 1/25th interest in a share of the corresponding series of non-cumulative perpetual preferred stock. Dividends are payable semiannually on May 15 and November 15 at a fixed rate until, but excluding, May 15, 2024, thereafter payable quarterly on February 15, May 15, August 15 and November 15 at a floating rate, in each case when, as and if declared by the Citi Board of Directors.

(7) Issued as depositary shares, each representing a 1/25th interest in a share of the corresponding series of non-cumulative perpetual preferred stock. Dividends are payable semiannually on May 15 and November 15 at a fixed rate until, but excluding, May 15, 2025, and thereafter payable quarterly on February 15, May 15, August 15 and November 15 at a floating rate, in each case when, as and if declared by the Citi Board of Directors.

(8) Issued as depositary shares, each representing a 1/25th interest in a share of the corresponding series of non-cumulative perpetual preferred stock. Dividends are payable semiannually on February 15 and August 15 at a fixed rate until, but excluding, August 15, 2026, thereafter payable quarterly on February 15, May 15, August 15 and November 15 at a floating rate, in each case when, as and if declared by the Citi Board of Directors.

(9) Issued as depositary shares, each representing a 1/25th interest in a share of the corresponding series of non-cumulative perpetual preferred stock. Dividends are payable semiannually on March 12 and September 12 at a fixed rate until, but excluding, September 12, 2024, thereafter payable quarterly on March 12, June 12, September 12 and December 12 at a floating rate, in each case when, as and if declared by the Citi Board of Directors.

(10) Issued as depositary shares, each representing a 1/25th interest in a share of the corresponding series of non-cumulative perpetual preferred stock. Dividends are payable semiannually on January 30 and July 30 at a fixed rate until, but excluding, January 30, 2025, thereafter payable quarterly on January 30, April 30, July 30 and October 30 at a floating rate, in each case when, as and if declared by the Citi Board of Directors.

(11) Issued as depositary shares, each representing a 1/25th interest in a share of the corresponding series of non-cumulative perpetual preferred stock. Dividends are payable quarterly on March 10, June 10, September 10 and December 10 at a fixed rate until, but excluding, December 10, 2025, thereafter payable quarterly on the same dates at a floating rate, in each case when, as and if declared by the Citi Board of Directors.

(12) Issued as depositary shares, each representing a 1/25th interest in a share of the corresponding series of non-cumulative perpetual preferred stock. Dividends are payable quarterly on February 18, May 18, August 18 and November 18 at a fixed rate until, but excluding, February 18, 2026, thereafter payable quarterly on the same dates at a floating rate, in each case when, as and if declared by the Citi Board of Directors.

(13) Issued as depositary shares, each representing a 1/25th interest in a share of the corresponding series of non-cumulative perpetual preferred stock. Dividends are payable quarterly on February 15, May 15, August 15 and November 15 at a fixed rate until, but excluding, November 15, 2026, thereafter payable quarterly on the same dates at a floating rate, in each case when, as and if declared by the Citi Board of Directors.

(14) Issued as depositary shares, each representing a 1/25th interest in a share of the corresponding series of non-cumulative perpetual preferred stock. Dividends are payable quarterly on February 15, May 15, August 15 and November 15 at a fixed rate until, but excluding, May 15, 2028, thereafter payable quarterly on the same dates at a floating rate, in each case when, as and if declared by the Citi Board of Directors.

(15) Issued as depositary shares, each representing a 1/25th interest in a share of the corresponding series of non-cumulative perpetual preferred stock. Dividends are payable quarterly on February 15, May 15, August 15 and November 15 at a fixed rate until, but excluding, November 15, 2028, thereafter payable quarterly on the same dates at a floating rate, in each case when, as and if declared by the Citi Board of Directors.

N/A Not applicable, as the series has been redeemed.

20. SECURITIZATIONS AND VARIABLE INTEREST ENTITIES

For additional information regarding Citi's use of special purpose entities (SPEs) and variable interest entities (VIEs), see Note 22 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

Citigroup's involvement with consolidated and unconsolidated VIEs with which the Company holds significant variable interests or has continuing involvement through servicing a majority of the assets in a VIE is presented below:

	As of September 30, 2023							
				Maximum exposure to loss in significant unconsolidated VIEs(1)				
				Funded exposures(2)		**Unfunded exposures**		
In millions of dollars	**Total involvement with SPE assets**	**Consolidated VIE/SPE assets**	**Significant unconsolidated VIE assets(3)**	**Debt investments**	**Equity investments**	**Funding commitments**	**Guarantees and derivatives**	**Total**
Credit card securitizations	**$ 31,203**	**$ 31,203**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Mortgage securitizations(4)								
U.S. agency-sponsored	**125,485**	**—**	**125,485**	**2,149**	**—**	**—**	**139**	**2,288**
Non-agency-sponsored	**64,111**	**—**	**64,111**	**3,133**	**—**	**130**	**—**	**3,263**
Citi-administered asset-backed commercial paper conduits	**20,852**	**20,852**	**—**	**—**	**—**	**—**	**—**	**—**
Collateralized loan obligations (CLOs)	**5,767**	**—**	**5,767**	**2,455**	**—**	**—**	**—**	**2,455**
Asset-based financing(5)	**190,782**	**10,652**	**180,130**	**41,613**	**927**	**12,775**	**—**	**55,315**
Municipal securities tender option bond trusts (TOBs)	**1,410**	**723**	**687**	**5**	**—**	**519**	**—**	**524**
Municipal investments	**21,657**	**3**	**21,654**	**2,356**	**2,884**	**2,934**	**—**	**8,174**
Client intermediation	**496**	**106**	**390**	**75**	**—**	**—**	**—**	**75**
Investment funds	**504**	**70**	**434**	**5**	**8**	**90**	**—**	**103**
Total	**$ 462,267**	**$ 63,609**	**$ 398,658**	**$ 51,791**	**$ 3,819**	**$ 16,448**	**$ 139**	**$ 72,197**

	As of December 31, 2022							
				Maximum exposure to loss in significant unconsolidated VIEs(1)				
				Funded exposures(2)		Unfunded exposures		
In millions of dollars	Total involvement with SPE assets	Consolidated VIE/SPE assets	Significant unconsolidated VIE assets(3)	Debt investments	Equity investments	Funding commitments	Guarantees and derivatives	Total
Credit card securitizations	$ 32,021	$ 32,021	$ —	$ —	$ —	$ —	$ —	$ —
Mortgage securitizations(4)								
U.S. agency-sponsored	117,358	—	117,358	2,052	—	—	48	2,100
Non-agency-sponsored	67,704	—	67,704	3,294	—	—	—	3,294
Citi-administered asset-backed commercial paper conduits	19,621	19,621	—	—	—	—	—	—
Collateralized loan obligations (CLOs)	7,600	—	7,600	2,601	—	—	—	2,601
Asset-based financing(5)	242,348	9,672	232,676	40,121	1,022	10,726	—	51,869
Municipal securities tender option bond trusts (TOBs)	2,155	672	1,483	2	—	1,108	—	1,110
Municipal investments	22,167	3	22,164	2,731	3,143	3,420	—	9,294
Client intermediation	482	121	361	58	—	—	13	71
Investment funds	534	91	443	2	5	68	—	75
Total	$ 511,990	$ 62,201	$ 449,789	$ 50,861	$ 4,170	$ 15,322	$ 61	$ 70,414

(1) The definition of maximum exposure to loss is included in the text that follows this table.
(2) Included on Citigroup's September 30, 2023 and December 31, 2022 Consolidated Balance Sheet.
(3) A significant unconsolidated VIE is an entity in which the Company has any variable interest or continuing involvement considered to be significant, regardless of the likelihood of loss.
(4) Citigroup mortgage securitizations also include agency and non-agency (private label) re-securitization activities. These SPEs are not consolidated.
(5) Included within this line are loans to third-party-sponsored private equity funds, which represent $6 billion and $69 billion in unconsolidated VIE assets and $283 million and $498 million in maximum exposure to loss as of September 30, 2023 and December 31, 2022, respectively.

The previous tables do not include:

- certain investment funds for which the Company provides investment management services and personal estate trusts for which the Company provides administrative, trustee and/or investment management services;
- certain third-party-sponsored private equity funds to which the Company provides secured credit facilities. The Company has no decision-making power and does not consolidate these funds, some of which may meet the definition of a VIE. The Company's maximum exposure to loss is generally limited to a loan or lending-related commitment. As of September 30, 2023 and December 31, 2022, the Company's maximum exposure to loss related to these transactions was $13.8 billion and $33.6 billion, respectively (for more information on these positions, see Note 13 and Note 27 to the Consolidated Financial Statements in Citi's 2022 Form 10-K);
- certain VIEs structured by third parties in which the Company holds securities in inventory, as these investments are made on arm's-length terms;
- certain positions in mortgage- and asset-backed securities held by the Company, which are classified as *Trading account assets* or *Investments*, in which the Company has no other involvement with the related securitization entity deemed to be significant (see Notes 12 and 21 for more information on these positions);
- certain representations and warranties exposures in Citigroup residential mortgage securitizations, in which the original mortgage loan balances are no longer outstanding; and
- VIEs such as preferred securities trusts used in connection with the Company's funding activities. The Company does not have a variable interest in these trusts.

The asset balances for consolidated VIEs represent the carrying amounts of the assets consolidated by the Company. The carrying amount may represent the amortized cost or the current fair value of the assets depending on the classification of the asset (e.g., loan or security) and the associated accounting model ascribed to that classification.

The asset balances for unconsolidated VIEs in which the Company has significant involvement represent the most current information available to the Company. In most cases, the asset balances represent an amortized cost basis without regard to impairments, unless fair value information is readily available to the Company.

The maximum funded exposure represents the balance sheet carrying amount of the Company's investment in the VIE. It reflects the initial amount of cash invested in the VIE, adjusted for any accrued interest and cash principal payments received. The carrying amount may also be adjusted for increases or declines in fair value or any impairment in value recognized in earnings. The maximum exposure of unfunded positions represents the remaining undrawn committed amount, including liquidity and credit facilities provided by the Company or the notional amount of a derivative instrument considered to be a variable interest. In certain transactions, the Company has entered into derivative instruments or other arrangements that are not considered variable interests in the VIE (e.g., interest rate swaps, cross-currency swaps or where the Company is the purchaser of credit protection under a credit default swap or total return swap where the Company pays the total return on certain assets to the SPE). Receivables under such arrangements are not included in the maximum exposure amounts.

The following tables present certain assets and liabilities of consolidated variable interest entities (VIEs), which are included on Citi's Consolidated Balance Sheet. The assets include those assets that can only be used to settle obligations of consolidated VIEs and are in excess of those obligations. In addition, the assets include third-party assets of consolidated VIEs only and exclude intercompany balances that eliminate in consolidation. The liabilities 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	**September 30, 2023 (Unaudited)**	December 31, 2022
Assets of consolidated VIEs to be used to settle obligations of consolidated VIEs		
Cash and due from banks	**$ 33**	$ 61
Trading account assets	**9,990**	9,153
Investments	**651**	594
Loans, net of unearned income		
Consumer	**34,349**	35,026
Corporate	**20,975**	19,782
Loans, net of unearned income	**$ 55,324**	$ 54,808
Allowance for credit losses on loans (ACLL)	**(2,527)**	(2,520)
Total loans, net	**$ 52,797**	$ 52,288
Other assets	**138**	105
Total assets of consolidated VIEs to be used to settle obligations of consolidated VIEs	**$ 63,609**	$ 62,201

In millions of dollars	**September 30, 2023 (Unaudited)**	December 31, 2022
Liabilities of consolidated VIEs for which creditors or beneficial interest holders do not have recourse to the general credit of Citigroup		
Short-term borrowings	**$ 9,657**	$ 9,807
Long-term debt	**7,340**	10,324
Other liabilities	**835**	622
Total liabilities of consolidated VIEs for which creditors or beneficial interest holders do not have recourse to the general credit of Citigroup	**$ 17,832**	$ 20,753

Funding Commitments for Significant Unconsolidated VIEs—Liquidity Facilities and Loan Commitments

The following table presents the notional amount of liquidity facilities and loan commitments that are classified as funding commitments in the VIE tables above:

In millions of dollars	September 30, 2023 Liquidity facilities	September 30, 2023 Loan/equity commitments	December 31, 2022 Liquidity facilities	December 31, 2022 Loan/equity commitments
Non-agency-sponsored mortgage securitizations	**$ —**	**$ 130**	$ —	$ —
Asset-based financing	**—**	**12,775**	—	10,726
Municipal securities tender option bond trusts (TOBs)	**519**	**—**	1,108	—
Municipal investments	**—**	**2,934**	—	3,420
Investment funds	**—**	**90**	—	68
Other	**—**	**—**	—	—
Total funding commitments	**$ 519**	**$ 15,929**	$ 1,108	$ 14,214

Significant Interests in Unconsolidated VIEs—Balance Sheet Classification

The following table presents the carrying amounts and classification of significant variable interests in unconsolidated VIEs:

In billions of dollars	September 30, 2023	December 31, 2022
Cash	**$ —**	$ —
Trading account assets	**1.6**	1.6
Investments	**8.1**	8.6
Total loans, net of allowance	**45.3**	44.2
Other	**0.6**	0.6
Total assets	**$ 55.6**	$ 55.0

Credit Card Securitizations

The Company's primary credit card securitization activity is through two trusts—Citibank Credit Card Master Trust and Citibank Omni Trust. These trusts are consolidated entities given Citi's continuing involvement. For additional information, see Note 22 to the Consolidated Financial Statements in Citi's 2022 Form 10-K. There were no material cash flows arising from either proceeds from new securitizations or paydowns of maturing notes during the nine months ended September 30, 2023 and 2022.

Mortgage Securitizations

The following tables summarize selected cash flow information and retained interests related to Citigroup mortgage securitizations:

	Three Months Ended September 30,			
	2023		2022	
In billions of dollars	**U.S. agency-sponsored mortgages**	**Non-agency-sponsored mortgages**	U.S. agency-sponsored mortgages	Non-agency-sponsored mortgages
Principal securitized	**$ 1.7**	**$ 0.6**	$ 1.4	$ 1.1
Proceeds from new securitizations	**1.7**	**0.5**	1.4	1.0
Contractual servicing fees received	**—**	**—**	—	—
Cash flows received on retained interests and other net cash flows	**—**	**0.1**	—	—
Purchases of previously transferred financial assets	**—**	**—**	—	—

	Nine Months Ended September 30,			
	2023		2022	
In billions of dollars	**U.S. agency-sponsored mortgages**	**Non-agency-sponsored mortgages**	U.S. agency-sponsored mortgages	Non-agency-sponsored mortgages
Principal securitized	**$ 4.1**	**$ 2.9**	$ 5.4	$ 11.3
Proceeds from new securitizations	**4.1**	**2.6**	5.2	11.0
Contractual servicing fees received	**0.1**	**—**	0.1	—
Cash flows received on retained interests and other net cash flows	**—**	**0.1**	—	0.1
Purchases of previously transferred financial assets	**—**	**—**	0.1	—

Note: Excludes broker-dealer re-securitization transactions.

Gains recognized on the securitization of U.S. agency-sponsored mortgages were less than $1 million each for the three and nine months ended September 30, 2023, respectively. Gains recognized on the securitization of non-agency-sponsored mortgages were $50.4 million and $64.1 million for the three and nine months ended September 30, 2023, respectively.

Gains recognized on the securitization of U.S. agency-sponsored mortgages were $1 million and $1 million for the three and nine months ended September 30, 2022, respectively. Gains recognized on the securitization of non-agency-sponsored mortgages were $21 million and $94 million for the three and nine months ended September 30, 2022, respectively.

	September 30, 2023			December 31, 2022		
		Non-agency-sponsored mortgages(1)			Non-agency-sponsored mortgages(1)	
In millions of dollars	**U.S. agency-sponsored mortgages**	**Senior interests(2)**	**Subordinated interests**	U.S. agency-sponsored mortgages	Senior interests	Subordinated interests
Carrying value of retained interests(3)	**$ 735**	**$ 953**	**$ 951**	$ 659	$ 1,119	$ 943

(1) Disclosure of non-agency-sponsored mortgages as senior and subordinated interests is indicative of the interests' position in the capital structure of the securitization.

(2) Senior interests in non-agency-sponsored mortgages include $1.6 million related to personal loan securitizations at September 30, 2023.

(3) Retained interests consist of Level 2 and Level 3 assets depending on the observability of significant inputs. See Note 22 for more information about fair value measurements.

The following table includes information about loan delinquencies and liquidation losses for assets held in non-consolidated, non-agency-sponsored securitization entities:

	Securitized assets		90 days past due		Liquidation (gains) losses			
					Three Months Ended September 30,		Nine Months Ended September 30,	
In billions of dollars, except liquidation losses in millions	**Sept. 30, 2023**	Dec. 31, 2022	**Sept. 30, 2023**	Dec. 31, 2022	**2023**	2022	**2023**	2022
Securitized assets								
Residential mortgages[(1)]	**$ 28.1**	$ 30.8	**$ 0.4**	$ 0.5	**$ (0.2)**	$ 1	**$ 4.4**	$ 3
Commercial and other	**29.2**	28.8	**—**	—	**—**	—	**—**	—
Total	**$ 57.3**	$ 59.6	**$ 0.4**	$ 0.5	**$ (0.2)**	$ 1	**$ 4.4**	$ 3

(1) Securitized assets include $0.1 billion of personal loan securitizations as of September 30, 2023.

Consumer Loan Securitizations
Beginning in the third quarter of 2023, Citi relaunched a program securitizing other consumer loans into asset-backed securities. The principal securitized and the proceeds from new securitizations at September 30, 2023 were $0.5 billion and $0.3 billion, respectively. The gain recognized on the securitization of consumer loans was $3.7 million for the three months ended September 30, 2023.

Mortgage Servicing Rights (MSRs)
The fair value of Citi's capitalized MSRs was $729 million and $647 million at September 30, 2023 and 2022, respectively. The MSRs correspond to principal loan balances of $52 billion and $48 billion as of September 30, 2023 and 2022, respectively. The following table summarizes the changes in capitalized MSRs:

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions of dollars	**2023**	2022	**2023**	2022
Balance, beginning of period	**$ 681**	$ 600	**$ 665**	$ 404
Originations	**23**	25	**54**	94
Changes in fair value of MSRs due to changes in inputs and assumptions	**42**	37	**61**	195
Other changes[(1)]	**(17)**	(15)	**(51)**	(46)
Balance, as of September 30	**$ 729**	$ 647	**$ 729**	$ 647

(1) Represents changes due to customer payments and passage of time.

The fair value of the MSRs is primarily affected by changes in prepayments of mortgages that result from shifts in mortgage interest rates. Specifically, higher interest rates tend to lead to declining prepayments, which causes the fair value of the MSRs to increase. In managing this risk, Citigroup economically hedges a significant portion of the value of its MSRs through the use of interest rate derivative contracts, forward purchase and sale commitments of mortgage-backed securities and purchased securities, all classified as *Trading account assets*.

The Company receives fees during the course of servicing previously securitized mortgages. The amounts of these fees were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions of dollars	**2023**	2022	**2023**	2022
Servicing fees	**$ 32**	$ 31	**$ 97**	$ 90
Late fees	**1**	1	**3**	3
Total MSR fees	**$ 33**	$ 32	**$ 100**	$ 93

In the Consolidated Statement of Income these fees are primarily classified as *Commissions and fees*, and changes in MSR fair values are classified as *Other revenue*.

Re-securitizations

The Company engages in re-securitization transactions in which debt securities are transferred to a VIE in exchange for new beneficial interests. Citi did not transfer non-agency (private label) securities to re-securitization entities during the three months ended September 30, 2023 and 2022. These securities are backed by either residential or commercial mortgages and are often structured on behalf of clients.

As of September 30, 2023 and December 31, 2022, Citi held no retained interests in private label re-securitization transactions structured by Citi.

The Company also re-securitizes U.S. government-agency-guaranteed mortgage-backed (agency) securities. During the three and nine months ended September 30, 2023, Citi transferred agency securities with a fair value of approximately $4.3 billion and $12.8 billion, respectively, to re-securitization entities, compared to approximately $5.3 billion and $20.3 billion for the three and nine months ended September 30, 2022, respectively.

As of September 30, 2023, the fair value of Citi-retained interests in agency re-securitization transactions structured by Citi totaled approximately $1.4 billion (including $552 million related to re-securitization transactions executed in 2023), compared to $1.4 billion as of December 31, 2022 (including $801 million related to re-securitization transactions executed in 2022), which is recorded in *Trading account assets*. The original fair values of agency re-securitization transactions in which Citi holds a retained interest as of September 30, 2023 and December 31, 2022 were approximately $85.9 billion and $79.4 billion, respectively.

As of September 30, 2023 and December 31, 2022, the Company did not consolidate any private label or agency re-securitization entities.

Citi-Administered Asset-Backed Commercial Paper Conduits

At September 30, 2023 and December 31, 2022, the commercial paper conduits administered by Citi had approximately $20.9 billion and $19.6 billion of purchased assets outstanding, respectively, and had unfunded commitments with clients of approximately $15.6 billion and $13.9 billion, respectively.

Substantially all of the funding of the conduits is in the form of short-term commercial paper. At September 30, 2023 and December 31, 2022, the weighted average remaining maturities of the commercial paper issued by the conduits were approximately 68 and 64 days, respectively.

Each asset purchased by the conduit is structured with transaction-specific credit enhancement, including over-collateralization, cash and excess spread collateral accounts, direct recourse or third-party guarantees. Credit enhancement is sized with the objective of approximating an investment-grade credit rating, based on Citi's internal risk ratings. In addition to the transaction-specific credit enhancement, the conduits have obtained letters of credit from the Company that equal at least 8% to 10% of the conduit's assets with a minimum of $200 million to $350 million. The letters of credit provided by the Company to the conduits total approximately $1.9 billion and $1.9 billion as of September 30, 2023 and December 31, 2022, respectively. The net result across multiseller conduits administered by the Company is that, in the event that defaulted assets exceed the transaction-specific credit enhancement described above, any losses in each conduit are allocated first to the Company and then to the commercial paper investors.

At September 30, 2023 and December 31, 2022, the Company owned $9.9 billion and $8.6 billion, respectively, of the commercial paper issued by its administered conduits. The Company's investments were not driven by market illiquidity and the Company is not obligated under any agreement to purchase the commercial paper issued by the conduits.

Municipal Securities Tender Option Bond (TOB) Trusts

At September 30, 2023 and December 31, 2022, none of the municipal bonds owned by non-customer TOB trusts were subject to a credit guarantee provided by the Company.

At September 30, 2023 and December 31, 2022, liquidity agreements provided with respect to customer TOB trusts totaled $0.5 billion and $1.1 billion, respectively, of which $0.3 billion and $0.7 billion, respectively, were offset by reimbursement agreements. For the remaining exposure related to TOB transactions, where the residual owned by the customer was at least 25% of the bond value at the inception of the transaction, no reimbursement agreement was executed.

The Company also provides other liquidity agreements or letters of credit to customer-sponsored municipal investment funds, which are not variable interest entities, and municipality-related issuers that totaled $1.3 billion and $1.4 billion as of September 30, 2023 and December 31, 2022, respectively. These liquidity agreements and letters of credit are offset by reimbursement agreements with various term-out provisions.

Asset-Based Financing

The primary types of Citi's asset-based financings, total assets of the unconsolidated VIEs with significant involvement and Citi's maximum exposure to loss are presented below. For Citi to realize the maximum loss, the VIE (borrower) would have to default with no recovery from the assets held by the VIE.

	September 30, 2023		December 31, 2022	
In millions of dollars	**Total unconsolidated VIE assets**	**Maximum exposure to unconsolidated VIEs**	Total unconsolidated VIE assets	Maximum exposure to unconsolidated VIEs
Type				
Commercial and other real estate	**$ 42,651**	**$ 9,250**	$ 43,236	$ 8,806
Corporate loans	**21,846**	**15,116**	23,120	15,077
Other (including investment funds, airlines and shipping)	**115,633**	**30,949**	166,320	27,986
Total	**$ 180,130**	**$ 55,315**	$ 232,676	$ 51,869

21. DERIVATIVES

In the ordinary course of business, Citigroup enters into various types of derivative transactions. All derivatives are recorded in *Trading account assets/Trading account liabilities* on the Consolidated Balance Sheet. For additional information regarding Citi's use of and accounting for derivatives, see Note 23 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

Information pertaining to Citigroup's derivatives activities, based on notional amounts, is presented in the table below. Derivative notional amounts are reference amounts from which contractual payments are derived and do not represent a complete measure of Citi's exposure to derivative transactions. Citi's derivative exposure arises primarily from market fluctuations (i.e., market risk), counterparty failure (i.e., credit risk) and/or periods of high volatility or financial stress (i.e., liquidity risk), as well as any market valuation adjustments that may be required on the transactions. Moreover, notional amounts do not reflect the netting of offsetting trades. For example, if Citi enters into a receive-fixed interest rate swap with $100 million notional, and offsets this risk with an identical but opposite pay-fixed position with a different counterparty, $200 million in derivative notionals is reported, although these offsetting positions may result in de minimis overall market risk.

In addition, aggregate derivative notional amounts can fluctuate from period to period in the normal course of business based on Citi's market share, levels of client activity and other factors.

Derivative Notionals

	Hedging instruments under ASC 815		Trading derivative instruments	
In millions of dollars	**September 30, 2023**	December 31, 2022	**September 30, 2023**	December 31, 2022
Interest rate contracts				
Swaps	**$ 257,165**	$ 255,280	**$ 22,518,303**	$ 23,780,711
Futures and forwards	**—**	—	**3,457,157**	2,966,025
Written options	**—**	—	**2,776,838**	1,937,025
Purchased options	**—**	—	**2,593,989**	1,881,291
Total interest rate contracts	**$ 257,165**	$ 255,280	**$ 31,346,287**	$ 30,565,052
Foreign exchange contracts				
Swaps	**$ 44,147**	$ 48,678	**$ 7,545,125**	$ 6,746,070
Futures, forwards and spot	**48,418**	43,666	**4,209,683**	3,350,341
Written options	**—**	—	**829,689**	789,077
Purchased options	**—**	—	**823,706**	783,591
Total foreign exchange contracts	**$ 92,565**	$ 92,344	**$ 13,408,203**	$ 11,669,079
Equity contracts				
Swaps	**$ —**	$ —	**$ 291,691**	$ 266,115
Futures and forwards	**—**	—	**94,385**	76,935
Written options	**—**	—	**622,464**	482,266
Purchased options	**—**	—	**504,349**	387,766
Total equity contracts	**$ —**	$ —	**$ 1,512,889**	$ 1,213,082
Commodity and other contracts				
Swaps	**$ —**	$ —	**$ 85,144**	$ 90,884
Futures and forwards	**2,948**	1,571	**164,020**	165,314
Written options	**—**	—	**54,286**	45,862
Purchased options	**—**	—	**51,815**	48,197
Total commodity and other contracts	**$ 2,948**	$ 1,571	**$ 355,265**	$ 350,257
Credit derivatives(1)				
Protection sold	**$ —**	$ —	**$ 765,188**	$ 593,136
Protection purchased	**—**	—	**828,691**	641,639
Total credit derivatives	**$ —**	$ —	**$ 1,593,879**	$ 1,234,775
Total derivative notionals	**$ 352,678**	$ 349,195	**$ 48,216,523**	$ 45,032,245

(1) Credit derivatives are arrangements designed to allow one party (protection purchaser) to transfer the credit risk of a "reference asset" to another party (protection seller). These arrangements allow a protection seller to assume the credit risk associated with the reference asset without directly purchasing that asset. The Company enters into credit derivative positions for purposes such as risk management, yield enhancement, reduction of credit concentrations and diversification of overall risk.

The following tables present the gross and net fair values of the Company's derivative transactions and the related offsetting amounts as of September 30, 2023 and December 31, 2022. Gross positive fair values are offset against gross negative fair values by counterparty, pursuant to enforceable master netting agreements. Under ASC 815-10-45, payables and receivables in respect of cash collateral received from or paid to a given counterparty pursuant to a credit support annex are included in the offsetting amount if a legal opinion supporting the enforceability of netting and collateral rights has been obtained. GAAP does not permit similar offsetting for security collateral.

In addition, the following tables reflect rule changes adopted by clearing organizations that require or allow entities to treat certain derivative assets, liabilities and the related variation margin as settlement of the related derivative fair values for legal and accounting purposes, as opposed to presenting gross derivative assets and liabilities that are subject to collateral, whereby the counterparties would also record a related collateral payable or receivable. The tables also present amounts that are not permitted to be offset, such as security collateral or cash collateral posted at third-party custodians, but which would be eligible for offsetting to the extent that an event of default has occurred and a legal opinion supporting enforceability of the netting and collateral rights has been obtained.

Derivative Mark-to-Market (MTM) Receivables/Payables

In millions of dollars at September 30, 2023	Derivatives classified in Trading account assets/liabilities[(1)(2)] Assets	Liabilities
Derivatives instruments designated as ASC 815 hedges		
Over-the-counter	$ 351	$ 7
Cleared	422	22
Interest rate contracts	$ 773	$ 29
Over-the-counter	$ 1,553	$ 1,747
Cleared	2	—
Foreign exchange contracts	$ 1,555	$ 1,747
Total derivatives instruments designated as ASC 815 hedges	$ 2,328	$ 1,776
Derivatives instruments not designated as ASC 815 hedges		
Over-the-counter	$ 124,279	$ 119,409
Cleared	53,859	53,634
Exchange traded	207	187
Interest rate contracts	$ 178,345	$ 173,230
Over-the-counter	$ 172,079	$ 164,527
Cleared	679	659
Exchange traded	4	18
Foreign exchange contracts	$ 172,762	$ 165,204
Over-the-counter	$ 19,000	$ 22,006
Cleared	19	120
Exchange traded	24,034	24,373
Equity contracts	$ 43,053	$ 46,499
Over-the-counter	$ 15,460	$ 16,226
Exchange traded	827	1,034
Commodity and other contracts	$ 16,287	$ 17,260
Over-the-counter	$ 6,922	$ 5,744
Cleared	5,720	5,333
Credit derivatives	$ 12,642	$ 11,077
Total derivatives instruments not designated as ASC 815 hedges	$ 423,089	$ 413,270
Total derivatives	$ 425,417	$ 415,046
Less: Netting agreements[(3)]	$ (333,991)	$ (333,991)
Less: Netting cash collateral received/paid[(4)]	(22,872)	(26,294)
Net receivables/payables included on the Consolidated Balance Sheet[(5)]	$ 68,554	$ 54,761
Additional amounts subject to an enforceable master netting agreement, but not offset on the Consolidated Balance Sheet		
Less: Cash collateral received/paid	$ (818)	$ (254)
Less: Non-cash collateral received/paid	(2,933)	(10,741)
Total net receivables/payables[(5)]	$ 64,803	$ 43,766

(1) The derivative fair values are also presented in Note 22.

(2) Over-the-counter (OTC) derivatives are derivatives executed and settled bilaterally with counterparties without the use of an organized exchange or central clearing house. Cleared derivatives include derivatives executed bilaterally with a counterparty in the OTC market, but then novated to a central clearing house, whereby the central clearing house becomes the counterparty to both of the original counterparties. Exchange-traded derivatives include derivatives executed directly on an organized exchange that provides pre-trade price transparency.

(3) Represents the netting of balances with the same counterparty under enforceable netting agreements. Approximately $255 billion, $56 billion and $23 billion of the netting against trading account asset/liability balances is attributable to each of the OTC, cleared and exchange-traded derivatives, respectively.

(4) Represents the netting of cash collateral paid and received by counterparties under enforceable credit support agreements. Substantially all netting of cash collateral received and paid is against OTC derivative assets and liabilities, respectively.

(5) The net receivables/payables include approximately $4 billion of derivative asset and $9 billion of derivative liability fair values not subject to enforceable master netting agreements, respectively.

In millions of dollars at December 31, 2022	Derivatives classified in Trading account assets/liabilities[1][2] Assets	Liabilities
Derivatives instruments designated as ASC 815 hedges		
Over-the-counter	$ 468	$ 1
Cleared	129	101
Interest rate contracts	$ 597	$ 102
Over-the-counter	$ 2,288	$ 1,766
Cleared	3	3
Foreign exchange contracts	$ 2,291	$ 1,769
Total derivatives instruments designated as ASC 815 hedges	$ 2,888	$ 1,871
Derivatives instruments not designated as ASC 815 hedges		
Over-the-counter	$ 126,844	$ 119,854
Cleared	50,515	52,566
Exchange traded	248	98
Interest rate contracts	$ 177,607	$ 172,518
Over-the-counter	$ 184,869	$ 183,578
Cleared	502	643
Exchange traded	1	5
Foreign exchange contracts	$ 185,372	$ 184,226
Over-the-counter	$ 19,674	$ 21,871
Cleared	1	4
Exchange traded	22,732	21,908
Equity contracts	$ 42,407	$ 43,783
Over-the-counter	$ 27,285	$ 24,912
Exchange traded	1,039	1,406
Commodity and other contracts	$ 28,324	$ 26,318
Over-the-counter	$ 6,836	$ 5,807
Cleared	1,553	1,970
Credit derivatives	$ 8,389	$ 7,777
Total derivatives instruments not designated as ASC 815 hedges	$ 442,099	$ 434,622
Total derivatives	$ 444,987	$ 436,493
Less: Netting agreements[3]	$ (346,545)	$ (346,545)
Less: Netting cash collateral received/paid[4]	(23,136)	(30,032)
Net receivables/payables included on the Consolidated Balance Sheet[5]	$ 75,306	$ 59,916
Additional amounts subject to an enforceable master netting agreement, but not offset on the Consolidated Balance Sheet		
Less: Cash collateral received/paid	$ (1,455)	$ (2,272)
Less: Non-cash collateral received/paid	(5,923)	(13,475)
Total net receivables/payables[5]	$ 67,928	$ 44,169

(1) The derivative fair values are also presented in Note 22.

(2) OTC derivatives are derivatives executed and settled bilaterally with counterparties without the use of an organized exchange or central clearing house. Cleared derivatives include derivatives executed bilaterally with a counterparty in the OTC market, but then novated to a central clearing house, whereby the central clearing house becomes the counterparty to both of the original counterparties. Exchange-traded derivatives include derivatives executed directly on an organized exchange that provides pre-trade price transparency.

(3) Represents the netting of balances with the same counterparty under enforceable netting agreements. Approximately $276 billion, $49 billion and $22 billion of the netting against trading account asset/liability balances is attributable to each of the OTC, cleared and exchange-traded derivatives, respectively.

(4) Represents the netting of cash collateral paid and received by counterparties under enforceable credit support agreements. Substantially all netting of cash collateral received and paid is against OTC derivative assets and liabilities, respectively.

(5) The net receivables/payables include approximately $14 billion of derivative asset and $11 billion of derivative liability fair values not subject to enforceable master netting agreements, respectively.

For the three and nine months ended September 30, 2023 and 2022, amounts recognized in *Principal transactions* in the Consolidated Statement of Income include certain derivatives not designated in a qualifying hedging relationship. Citigroup presents this disclosure by business classification, showing derivative gains and losses related to its trading activities together with gains and losses related to non-derivative instruments within the same trading portfolios, as this represents how these portfolios are risk managed. See Note 6 for further information.

The amounts recognized in *Other revenue* in the Consolidated Statement of Income related to derivatives not designated in a qualifying hedging relationship are presented below. The table below does not include any offsetting gains (losses) on the economically hedged items to the extent that such amounts are also recorded in *Other revenue*.

	Gains (losses) included in Other revenue			
	Three Months Ended September 30,		**Nine Months Ended September 30,**	
In millions of dollars	**2023**	2022	**2023**	2022
Interest rate contracts	**$ (16)**	$ 26	**$ (47)**	$ 170
Foreign exchange	**(46)**	(33)	**(113)**	(114)
Total	**$ (62)**	$ (7)	**$ (160)**	$ 56

Fair Value Hedges

For additional information regarding Citi's fair value hedges, see Note 23 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

The following table summarizes the gains (losses) on the Company's fair value hedges:

	Gains (losses) on fair value hedges[1]							
	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023		2022		**2023**		2022	
In millions of dollars	**Other revenue**	**Net interest income**	Other revenue	Net interest income	**Other revenue**	**Net interest income**	Other revenue	Net interest income
Gain (loss) on the hedging derivatives included in assessment of the effectiveness of fair value hedges								
Interest rate hedges	**$ —**	**$ 19**	$ —	$ (1,855)	**$ —**	**$ (473)**	$ —	$ (8,238)
Foreign exchange hedges	**(577)**	**—**	(964)	—	**709**	**—**	(2,623)	—
Commodity hedges[4]	**289**	**—**	(977)	—	**(36)**	**—**	(362)	—
Total gain (loss) on the hedging derivatives included in assessment of the effectiveness of fair value hedges	**$ (288)**	**$ 19**	$ (1,941)	$ (1,855)	**$ 673**	**$ (473)**	$ (2,985)	$ (8,238)
Gain (loss) on the hedged item in designated and qualifying fair value hedges								
Interest rate hedges	**$ —**	**$ (21)**	$ —	$ 1,793	**$ —**	**$ 460**	$ —	$ 8,036
Foreign exchange hedges	**577**	**—**	964	—	**(709)**	**—**	2,621	—
Commodity hedges[4]	**(289)**	**—**	977	—	**36**	**—**	362	—
Total gain (loss) on the hedged item in designated and qualifying fair value hedges	**$ 288**	**$ (21)**	$ 1,941	$ 1,793	**$ (673)**	**$ 460**	$ 2,983	$ 8,036
Net gain (loss) on the hedging derivatives excluded from assessment of the effectiveness of fair value hedges								
Interest rate hedges	**$ —**	**$ —**	$ —	$ —	**$ —**	**$ —**	$ —	$ (11)
Foreign exchange hedges[2]	**9**	**—**	79	—	**33**	**—**	183	—
Commodity hedges[3][4]	**100**	**—**	7	—	**201**	**—**	30	—
Total net gain (loss) on the hedging derivatives excluded from assessment of the effectiveness of fair value hedges	**$ 109**	**$ —**	$ 86	$ —	**$ 234**	**$ —**	$ 213	$ (11)

(1) Gain (loss) amounts for interest rate risk hedges are included in *Interest income/Interest expense*. The accrued interest income on fair value hedges is recorded in *Net interest income* and is excluded from this table. Amounts included both hedges of AFS securities and long-term debt on a net basis, which largely offset in the current period.

(2) Amounts related to the forward points (i.e., the spot-forward difference) that are excluded from the assessment of hedge effectiveness and are generally reflected directly in earnings under the mark-to-market approach. Amounts related to cross-currency basis, which are recognized in *AOCI*, are not reflected in the table above. The amount of cross-currency basis included in *AOCI* was $(10) million and $(14) million for the three and nine months ended September 30, 2023 and $40 million and $116 million for the three and nine months ended September 30, 2022, respectively.

(3) Amounts related to the forward points (i.e., the spot-forward difference) that are excluded from the assessment of hedge effectiveness reflected directly in earnings under the mark-to-market approach or recorded in *AOCI* under the amortization approach. The quarter ended September 30, 2023 includes gain (loss) of approximately $93 million and $7 million under the mark-to-market approach and amortization approach, respectively. The quarter ended September 30, 2022 includes gain (loss) of approximately $2 million and $5 million under the mark-to-market approach and amortization approach, respectively.

(4) The gain (loss) amounts for commodity hedges are included in *Principal transactions* for periods beginning 2023.

Cumulative Basis Adjustment

Upon electing to apply ASC 815 fair value hedge accounting, the carrying value of the hedged item is adjusted to reflect the cumulative changes in the hedged risk. This cumulative basis adjustment becomes part of the carrying amount of the hedged item until the hedged item is derecognized from the balance sheet. The table below presents the carrying amount of Citi's hedged assets and liabilities under qualifying fair value hedges at September 30, 2023 and December 31, 2022, along with the cumulative basis adjustments included in the carrying value of those hedged assets and liabilities that would reverse through earnings in future periods.

In millions of dollars

Balance sheet line item in which hedged item is recorded	Carrying amount of hedged asset/ liability(1)	Cumulative basis adjustment increasing (decreasing) the carrying amount	
		Active	**De-designated**
As of September 30, 2023			
Debt securities AFS(2)(5)	**$ 95,301**	**$ (3,180)**	**$ (343)**
Corporate loans(3)	**4,782**	**(171)**	**—**
Long-term debt	**137,360**	**(3,330)**	**(4,968)**
As of December 31, 2022			
Debt securities AFS(4)(5)	$ 98,837	$ (2,976)	$ (333)
Long-term debt	144,549	(5,040)	(3,399)

(1) Excludes physical commodities inventories with a carrying value of approximately $7 billion as of September 30, 2023, which includes cumulative basis adjustments of approximately $113 million for active hedges.

(2) These amounts include a cumulative basis adjustment of $(542) million for active hedges and $(294) million for de-designated hedges as of September 30, 2023, related to certain financial assets previously designated as the hedged item in a fair value hedge using the portfolio layer approach. The Company designated approximately $13 billion as the hedged amount (from a closed portfolio of financial assets with a carrying value of $19 billion as of September 30, 2023) in a portfolio layer-hedging relationship.

(3) All hedged corporate loans are designated in a fair value hedge using the portfolio layer approach. The Company designated approximately $3.8 billion as the hedged amount (from a closed portfolio of financial assets with a carrying value of $4.8 billion as of September 30, 2023).

(4) These amounts include a cumulative basis adjustment of $(91) million for active hedges and $(309) million for de-designated hedges as of December 31, 2022, related to certain prepayable financial assets previously designated as the hedged item in a fair value hedge using the last-of-layer approach. The Company designated approximately $3 billion as the hedged amount (from a closed portfolio of prepayable financial assets with a carrying value of $11 billion as of December 31, 2022) in a last-of-layer hedging relationship.

(5) Carrying amount represents the amortized cost.

Cash Flow Hedges

Citigroup hedges the variability of forecasted cash flows due to changes in contractually specified interest rates associated with floating-rate assets/liabilities and other forecasted transactions. These cash flow hedging relationships use either regression analysis or dollar-offset ratio analysis to assess whether the hedging relationships are highly effective at inception and on an ongoing basis.

For cash flow hedges, the entire change in the fair value of the hedging derivative is recognized in *AOCI* and then reclassified to earnings in the same period that the forecasted hedged cash flows impact earnings. The net gain (loss) associated with cash flow hedges expected to be reclassified from *AOCI* within 12 months of September 30, 2023 is approximately $(1.0) billion. The maximum length of time over which forecasted cash flows are hedged is 15 years.

The pretax change in *AOCI* from cash flow hedges is presented below. The after-tax impact of cash flow hedges on *AOCI* is shown in Note 18.

In millions of dollars	**Three Months Ended September 30,**				**Nine Months Ended September 30,**			
	2023		2022		**2023**		2022	
Amount of gain (loss) recognized in *AOCI* on derivatives								
Interest rate contracts		**$ 467**		$ (1,196)		**$ 208**		$ (3,637)
Foreign exchange contracts		**10**		29		**15**		45
Total gain (loss) recognized in *AOCI*		**$ 477**		$ (1,167)		**$ 223**		$ (3,592)
	Other revenue	**Net interest income**	Other revenue	Net interest income	**Other revenue**	**Net interest income**	Other revenue	Net interest income
Amount of gain (loss) reclassified from *AOCI* to earnings(1)								
Interest rate contracts	**$ —**	**$ (480)**	$ —	$ (141)	**$ —**	**$ (1,444)**	$ —	$ 344
Foreign exchange contracts	**(1)**	**—**	(1)	—	**(3)**	**—**	(3)	—
Total gain (loss) reclassified from *AOCI* into earnings	**$ (1)**	**$ (480)**	$ (1)	$ (141)	**$ (3)**	**$ (1,444)**	$ (3)	$ 344
Net pretax change in cash flow hedges included within *AOCI*		**$ 958**		$ (1,025)		**$ 1,670**		$ (3,933)

(1) All amounts reclassified into earnings for interest rate contracts are included in *Interest income/Interest expense (Net interest income)*. For all other hedges, the amounts reclassified to earnings are included primarily in *Other revenue* and *Net interest income* in the Consolidated Statement of Income.

Net Investment Hedges

Citigroup uses foreign currency forwards, cross-currency swaps, options and foreign currency-denominated debt instruments to manage the foreign exchange risk associated with Citigroup's equity investments in several non-U.S.-dollar-functional-currency foreign subsidiaries. Citi records the change in the fair value of these hedging instruments and the translation adjustment for the investments in these foreign subsidiaries in Foreign currency translation adjustment (CTA) within *AOCI*.

The pretax gain (loss) recorded in CTA within *AOCI*, related to net investment hedges, was $363 million and $(586) million for the three and nine months ended September 30, 2023 and $812 million and $1.5 billion for the three and nine months ended September 30, 2022, respectively. The three and nine months ended September 30, 2022 include a $1 million pretax gain and $46 million pretax loss related to net investment hedges, respectively, which were reclassified from *AOCI* into earnings (recorded in *Other revenue*).

Credit Derivatives

The following tables summarize the key characteristics of Citi's credit derivatives portfolio by counterparty and derivative form:

	Fair values		Notionals	
In millions of dollars at September 30, 2023	**Receivable**[1]	**Payable**[2]	**Protection purchased**	**Protection sold**
By instrument				
Credit default swaps and options	**$ 11,031**	**$ 10,644**	**$ 805,562**	**$ 761,316**
Total return swaps and other	**1,611**	**433**	**23,129**	**3,872**
Total by instrument	**$ 12,642**	**$ 11,077**	**$ 828,691**	**$ 765,188**
By rating of reference entity				
Investment grade	**$ 6,809**	**$ 5,579**	**$ 656,154**	**$ 611,363**
Non-investment grade	**5,833**	**5,498**	**172,537**	**153,825**
Total by rating of reference entity	**$ 12,642**	**$ 11,077**	**$ 828,691**	**$ 765,188**
By maturity				
Within 1 year	**$ 1,471**	**$ 1,035**	**$ 154,096**	**$ 134,847**
From 1 to 5 years	**8,977**	**8,149**	**578,360**	**555,290**
After 5 years	**2,194**	**1,893**	**96,235**	**75,051**
Total by maturity	**$ 12,642**	**$ 11,077**	**$ 828,691**	**$ 765,188**

(1) The fair value amount receivable is composed of $4,697 million under protection purchased and $7,945 million under protection sold.
(2) The fair value amount payable is composed of $8,182 million under protection purchased and $2,895 million under protection sold.

	Fair values		Notionals	
In millions of dollars at December 31, 2022	Receivable[1]	Payable[2]	Protection purchased	Protection sold
By instrument				
Credit default swaps and options	$ 6,867	$ 7,360	$ 623,981	$ 586,504
Total return swaps and other	1,522	417	17,658	6,632
Total by instrument	$ 8,389	$ 7,777	$ 641,639	$ 593,136
By rating of reference entity				
Investment grade	$ 3,796	$ 2,970	$ 499,339	$ 462,873
Non-investment grade	4,593	4,807	142,300	130,263
Total by rating of reference entity	$ 8,389	$ 7,777	$ 641,639	$ 593,136
By maturity				
Within 1 year	$ 1,753	$ 1,801	$ 147,031	$ 148,721
From 1 to 5 years	4,577	4,134	443,113	407,293
After 5 years	2,059	1,842	51,495	37,122
Total by maturity	$ 8,389	$ 7,777	$ 641,639	$ 593,136

(1) The fair value amount receivable is composed of $5,094 million under protection purchased and $3,295 million under protection sold.
(2) The fair value amount payable is composed of $3,573 million under protection purchased and $4,204 million under protection sold.

Credit Risk-Related Contingent Features in Derivatives

Certain derivative instruments contain provisions that require the Company to either post additional collateral or immediately settle any outstanding liability balances upon the occurrence of a specified event related to the credit risk of the Company. These events, which are defined by the existing derivative contracts, are primarily downgrades in the credit ratings of the Company and its affiliates.

The fair value (excluding CVA) of all derivative instruments with credit risk-related contingent features that were in a net liability position at September 30, 2023 and December 31, 2022 was $15 billion and $18 billion, respectively. The Company posted $13 billion and $15 billion as collateral for this exposure in the normal course of business as of September 30, 2023 and December 31, 2022, respectively.

A downgrade could trigger additional collateral or cash settlement requirements for the Company and certain affiliates. In the event that Citigroup and Citibank were downgraded a single notch by all three major rating agencies as of September 30, 2023, the Company could be required to post an additional $0.7 billion as either collateral or settlement of the derivative transactions. In addition, the Company could be required to segregate with third-party custodians collateral previously received from existing derivative counterparties in the amount of $4 million upon the single notch downgrade, resulting in aggregate cash obligations and collateral requirements of approximately $0.7 billion.

Derivatives Accompanied by Financial Asset Transfers

For transfers of financial assets accounted for as a sale by the Company, and for which the Company has retained substantially all of the economic exposure to the transferred asset through a total return swap executed with the same counterparty in contemplation of the initial sale (and still outstanding), the asset amounts derecognized and the gross cash proceeds received as of the date of derecognition were $2.2 billion and $1.4 billion as of September 30, 2023 and December 31, 2022, respectively.

At September 30, 2023, the fair value of these previously derecognized assets was $2.2 billion. The fair value of the total return swaps as of September 30, 2023 was $3 million recorded as gross derivative assets and $52 million recorded as gross derivative liabilities. At December 31, 2022, the fair value of these previously derecognized assets was $1.4 billion, and the fair value of the total return swaps was $27 million recorded as gross derivative assets and $32 million recorded as gross derivative liabilities.

The balances for the total return swaps are on a gross basis, before the application of counterparty and cash collateral netting, and are included primarily as equity derivatives in the tabular disclosures in this Note.

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22. FAIR VALUE MEASUREMENT

For additional information regarding fair value measurement at Citi, see Note 25 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

Fair Value Hierarchy

ASC 820-10 specifies a hierarchy of inputs based on whether the inputs are observable or unobservable. Observable inputs are developed using market data and reflect market participant assumptions, while unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1: Quoted prices for *identical* instruments in active markets.
- Level 2: Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations in which all significant inputs and significant value drivers are *observable* in the market.
- Level 3: Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are *unobservable*.

As required under the fair value hierarchy, the Company considers relevant and observable market inputs in its valuations where possible.

The fair value hierarchy classification approach typically utilizes rules-based and data-driven selection criteria to determine whether an instrument is classified as Level 1, Level 2 or Level 3:

- The determination of whether an instrument is quoted in an active market and therefore considered a Level 1 instrument is based upon the frequency of observed transactions and the quality of independent market data available on the measurement date.
- A Level 2 classification is assigned where there is observability of prices/market inputs to models, or where any unobservable inputs are not significant to the valuation. The determination of whether an input is considered observable is based on the availability of independent market data and its corroboration, for example through observed transactions in the market.
- Otherwise, an instrument is classified as Level 3.

Market Valuation Adjustments

The table below summarizes the credit valuation adjustments (CVA) and funding valuation adjustments (FVA) applied to the fair value of derivative instruments at September 30, 2023 and December 31, 2022:

	Credit and funding valuation adjustments contra-liability (contra-asset)	
In millions of dollars	**September 30, 2023**	December 31, 2022
Counterparty CVA	**$ (589)**	$ (816)
Asset FVA	**(539)**	(622)
Citigroup (own credit) CVA	**473**	607
Liability FVA	**273**	263
Total CVA and FVA—derivative instruments	**$ (382)**	$ (568)

The table below summarizes pretax gains (losses) related to changes in CVA on derivative instruments, net of hedges, FVA on derivatives and debt valuation adjustments (DVA) on Citi's own fair value option (FVO) liabilities for the periods indicated:

	Credit/funding/debt valuation adjustments gain (loss)			
	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions of dollars	**2023**	2022	**2023**	2022
Counterparty CVA	**$ 35**	$ (10)	**$ 5**	$ (211)
Asset FVA	**(17)**	(96)	**77**	(247)
Own credit CVA	**14**	29	**(134)**	327
Liability FVA	**38**	58	**(5)**	148
Total CVA and FVA—derivative instruments	**$ 70**	$ (19)	**$ (57)**	$ 17
DVA related to own FVO liabilities(1)	**$ 395**	$ 1,159	**$ (875)**	$ 4,800
Total CVA, DVA and FVA	**$ 465**	$ 1,140	**$ (932)**	$ 4,817

(1) See Note 20 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

Items Measured at Fair Value on a Recurring Basis

The following tables present for each of the fair value hierarchy levels the Company's assets and liabilities that are measured at fair value on a recurring basis at September 30, 2023 and December 31, 2022. The Company may hedge positions that have been classified in the Level 3 category with other financial instruments (hedging instruments) that may be classified as Level 3, but also with financial instruments classified as Level 1 or Level 2. The effects of these hedges are presented gross in the following tables:

Fair Value Levels

In millions of dollars at September 30, 2023	Level 1	Level 2	Level 3	Gross inventory	Netting[1]	Net balance
Assets						
Securities borrowed and purchased under agreements to resell	$ —	$ 440,315	$ 135	$ 440,450	$ (234,299)	$ 206,151
Trading non-derivative assets						
Trading mortgage-backed securities						
U.S. government-sponsored agency guaranteed	—	67,525	538	68,063	—	68,063
Residential	1	2,128	165	2,294	—	2,294
Commercial	—	505	205	710	—	710
Total trading mortgage-backed securities	$ 1	$ 70,158	$ 908	$ 71,067	$ —	$ 71,067
U.S. Treasury and federal agency securities	$ 90,944	$ 1,717	$ —	$ 92,661	$ —	$ 92,661
State and municipal	—	1,903	3	1,906	—	1,906
Foreign government	45,369	31,687	69	77,125	—	77,125
Corporate	1,363	18,367	764	20,494	—	20,494
Equity securities	46,513	10,604	263	57,380	—	57,380
Asset-backed securities	—	1,805	575	2,380	—	2,380
Other trading assets[2]	64	13,764	973	14,801	—	14,801
Total trading non-derivative assets	$ 184,254	$ 150,005	$ 3,555	$ 337,814	$ —	$ 337,814
Trading derivatives						
Interest rate contracts	$ 129	$ 176,243	$ 2,746	$ 179,118		
Foreign exchange contracts	—	172,886	1,431	174,317		
Equity contracts	25	41,817	1,211	43,053		
Commodity contracts	—	15,013	1,274	16,287		
Credit derivatives	—	11,803	839	12,642		
Total trading derivatives—before netting and collateral	$ 154	$ 417,762	$ 7,501	$ 425,417		
Netting agreements					$ (333,991)	
Netting of cash collateral received					(22,872)	
Total trading derivatives—after netting and collateral	$ 154	$ 417,762	$ 7,501	$ 425,417	$ (356,863)	$ 68,554
Investments						
Mortgage-backed securities						
U.S. government-sponsored agency guaranteed	$ —	$ 19,786	$ 29	$ 19,815	$ —	$ 19,815
Residential	—	283	24	307	—	307
Commercial	—	1	—	1	—	1
Total investment mortgage-backed securities	$ —	$ 20,070	$ 53	$ 20,123	$ —	$ 20,123
U.S. Treasury and federal agency securities	$ 80,949	$ 299	$ 20	$ 81,268	$ —	$ 81,268
State and municipal	—	1,538	493	2,031	—	2,031
Foreign government	57,970	67,230	196	125,396	—	125,396
Corporate	2,835	2,269	289	5,393	—	5,393
Marketable equity securities	186	86	11	283	—	283
Asset-backed securities	—	652	30	682	—	682
Other debt securities	—	6,890	—	6,890	—	6,890
Non-marketable equity securities[3]	—	—	431	431	—	431
Total investments	$ 141,940	$ 99,034	$ 1,523	$ 242,497	$ —	$ 242,497

Table continues on the next page.

In millions of dollars at September 30, 2023	Level 1	Level 2	Level 3	Gross inventory	Netting[1]	Net balance
Loans	$ —	$ 7,146	$ 265	$ 7,411	$ —	$ 7,411
Mortgage servicing rights	—	—	729	729	—	729
Non-trading derivatives and other financial assets measured on a recurring basis	$ 6,990	$ 7,496	$ 77	$ 14,563	$ —	$ 14,563
Total assets	$ 333,338	$ 1,121,758	$ 13,785	$ 1,468,881	$ (591,162)	$ 877,719
Total as a percentage of gross assets[4]	22.7%	76.4%	0.9%			
Liabilities						
Interest-bearing deposits	$ —	$ 2,567	$ 155	$ 2,722	$ —	$ 2,722
Securities loaned and sold under agreements to repurchase	—	225,705	481	226,186	(165,524)	60,662
Trading account liabilities						
Securities sold, not yet purchased	96,351	13,412	88	109,851	—	109,851
Other trading liabilities	—	11	1	12	—	12
Total trading account liabilities	$ 96,351	$ 13,423	$ 89	$ 109,863	$ —	$ 109,863
Trading derivatives						
Interest rate contracts	$ 120	$ 168,590	$ 4,549	$ 173,259		
Foreign exchange contracts	—	166,133	818	166,951		
Equity contracts	35	44,118	2,346	46,499		
Commodity contracts	—	16,035	1,225	17,260		
Credit derivatives	—	10,311	766	11,077		
Total trading derivatives—before netting and collateral	$ 155	$ 405,187	$ 9,704	$ 415,046		
Netting agreements					$ (333,991)	
Netting of cash collateral paid					(26,294)	
Total trading derivatives—after netting and collateral	$ 155	$ 405,187	$ 9,704	$ 415,046	$ (360,285)	$ 54,761
Short-term borrowings	$ —	$ 6,014	$ 456	$ 6,470	$ —	$ 6,470
Long-term debt	—	76,979	35,650	112,629	—	112,629
Total non-trading derivatives and other financial liabilities measured on a recurring basis	$ 7,111	$ 177	$ 28	$ 7,316	$ —	$ 7,316
Total liabilities	$ 103,617	$ 730,052	$ 46,563	$ 880,232	$ (525,809)	$ 354,423
Total as a percentage of gross liabilities[4]	11.8 %	82.9 %	5.3 %			

(1) Represents netting of (i) the amounts due under securities purchased under agreements to resell and the amounts owed under securities sold under agreements to repurchase and (ii) derivative exposures covered by a qualifying master netting agreement and cash collateral offsetting.

(2) Includes positions related to investments in unallocated precious metals, as discussed in Note 23. Also includes physical commodities accounted for at the lower of cost or fair value and unfunded credit products.

(3) Amounts exclude $24 million of investments measured at net asset value (NAV) in accordance with ASU 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent).*

(4) Because the amount of the cash collateral paid/received has not been allocated to the Level 1, 2 and 3 subtotals, these percentages are calculated based on total assets and liabilities measured at fair value on a recurring basis, excluding the cash collateral paid/received on derivatives.

Fair Value Levels

In millions of dollars at December 31, 2022	Level 1	Level 2	Level 3	Gross inventory	Netting[1]	Net balance
Assets						
Securities borrowed and purchased under agreements to resell	$ —	$ 350,145	$ 149	$ 350,294	$ (110,767)	$239,527
Trading non-derivative assets						
Trading mortgage-backed securities						
U.S. government-sponsored agency guaranteed	—	34,878	600	35,478	—	35,478
Residential	1	1,821	166	1,988	—	1,988
Commercial	—	798	145	943	—	943
Total trading mortgage-backed securities	$ 1	$ 37,497	$ 911	$ 38,409	$ —	$ 38,409
U.S. Treasury and federal agency securities	$ 63,067	$ 4,513	$ 1	$ 67,581	$ —	$ 67,581
State and municipal	—	2,256	7	2,263	—	2,263
Foreign government	38,383	25,850	119	64,352	—	64,352
Corporate	1,593	11,955	394	13,942	—	13,942
Equity securities	43,990	10,179	192	54,361	—	54,361
Asset-backed securities	—	1,597	668	2,265	—	2,265
Other trading assets[2]	24	14,963	648	15,635	—	15,635
Total trading non-derivative assets	$ 147,058	$ 108,810	$ 2,940	$ 258,808	$ —	$258,808
Trading derivatives						
Interest rate contracts	$ 297	$ 174,156	$ 3,751	$ 178,204		
Foreign exchange contracts	—	186,897	766	187,663		
Equity contracts	20	40,683	1,704	42,407		
Commodity contracts	—	26,823	1,501	28,324		
Credit derivatives	—	7,484	905	8,389		
Total trading derivatives—before netting and collateral	$ 317	$ 436,043	$ 8,627	$ 444,987		
Netting agreements					$ (346,545)	
Netting of cash collateral received[3]					(23,136)	
Total trading derivatives—after netting and collateral	$ 317	$ 436,043	$ 8,627	$ 444,987	$ (369,681)	$ 75,306
Investments						
Mortgage-backed securities						
U.S. government-sponsored agency guaranteed	$ —	$ 11,232	$ 30	$ 11,262	$ —	$ 11,262
Residential	—	444	41	485	—	485
Commercial	—	2	—	2	—	2
Total investment mortgage-backed securities	$ —	$ 11,678	$ 71	$ 11,749	$ —	$ 11,749
U.S. Treasury and federal agency securities	$ 91,851	$ 439	$ —	$ 92,290	$ —	$ 92,290
State and municipal	—	1,637	586	2,223	—	2,223
Foreign government	58,419	74,250	608	133,277	—	133,277
Corporate	2,230	2,343	343	4,916	—	4,916
Marketable equity securities	254	165	10	429	—	429
Asset-backed securities	—	1,029	1	1,030	—	1,030
Other debt securities	—	4,194	—	4,194	—	4,194
Non-marketable equity securities[4]	—	9	430	439	—	439
Total investments	$ 152,754	$ 95,744	$ 2,049	$ 250,547	$ —	$250,547

Table continues on the next page.

In millions of dollars at December 31, 2022	Level 1	Level 2	Level 3	Gross inventory	Netting[(1)]	Net balance
Loans	$ —	$ 3,999	$ 1,361	$ 5,360	$ —	$ 5,360
Mortgage servicing rights	—	—	665	665	—	665
Non-trading derivatives and other financial assets measured on a recurring basis	$ 4,310	$ 6,291	$ 57	$ 10,658	$ —	$ 10,658
Total assets	$ 304,439	$1,001,032	$ 15,848	$ 1,321,319	$ (480,448)	$840,871
Total as a percentage of gross assets[(5)]	23.0%	75.8%	1.2%			
Liabilities						
Interest-bearing deposits	$ —	$ 1,860	$ 15	$ 1,875	$ —	$ 1,875
Securities loaned and sold under agreements to repurchase	—	155,822	1,031	156,853	(85,967)	70,886
Trading account liabilities						
Securities sold, not yet purchased	97,559	13,111	50	110,720	—	110,720
Other trading liabilities	—	8	3	11	—	11
Total trading account liabilities	$ 97,559	$ 13,119	$ 53	$ 110,731	$ —	$110,731
Trading derivatives						
Interest rate contracts	$ 175	$ 169,049	$ 3,396	$ 172,620		
Foreign exchange contracts	—	185,279	716	185,995		
Equity contracts	70	40,905	2,808	43,783		
Commodity contracts	2	25,093	1,223	26,318		
Credit derivatives	—	6,715	1,062	7,777		
Total trading derivatives—before netting and collateral	$ 247	$ 427,041	$ 9,205	$ 436,493		
Netting agreements					$ (346,545)	
Netting of cash collateral paid[(3)]					(30,032)	
Total trading derivatives—after netting and collateral	$ 247	$ 427,041	$ 9,205	$ 436,493	$ (376,577)	$ 59,916
Short-term borrowings	$ —	$ 6,184	$ 38	$ 6,222	$ —	$ 6,222
Long-term debt	—	69,878	36,117	105,995	—	105,995
Total non-trading derivatives and other financial liabilities measured on a recurring basis	$ 4,197	$ 240	$ 2	$ 4,439	$ —	$ 4,439
Total liabilities	$ 102,003	$ 674,144	$ 46,461	$ 822,608	$ (462,544)	$360,064
Total as a percentage of gross liabilities[(5)]	12.4 %	82.0 %	5.6 %			

(1) Represents netting of (i) the amounts due under securities purchased under agreements to resell and the amounts owed under securities sold under agreements to repurchase and (ii) derivative exposures covered by a qualifying master netting agreement and cash collateral offsetting.

(2) Includes positions related to investments in unallocated precious metals, as discussed in Note 23. Also includes physical commodities accounted for at the lower of cost or fair value and unfunded credit products.

(3) Represents the netting of cash collateral paid and received by counterparties under enforceable credit support agreements. Substantially all netting of cash collateral received and paid is against OTC derivative assets and liabilities, respectively.

(4) Amounts exclude $27 million of investments measured at NAV in accordance with ASU 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent).*

(5) Because the amount of the cash collateral paid/received has not been allocated to the Level 1, 2 and 3 subtotals, these percentages are calculated based on total assets and liabilities measured at fair value on a recurring basis, excluding the cash collateral paid/received on derivatives.

Changes in Level 3 Fair Value Category

The following tables present the changes in the Level 3 fair value category for the three and nine months ended September 30, 2023 and 2022. The gains and losses presented below include changes in the fair value related to both observable and unobservable inputs.

The Company often hedges positions with offsetting positions that are classified in a different level. For example, the gains and losses for assets and liabilities in the Level 3 category presented in the tables below do not reflect the effect of offsetting losses and gains on hedging instruments that may be classified in the Level 1 or Level 2 categories. In addition, the Company hedges items classified in the Level 3 category with instruments also classified in Level 3 of the fair value hierarchy. The hedged items and related hedges are presented gross in the following tables:

Level 3 Fair Value Rollforward

		Net realized/unrealized gains (losses) incl. in[1]		Transfers							
In millions of dollars	Jun. 30, 2023	Principal transactions	Other[1][2]	into Level 3	out of Level 3	Purchases	Issuances	Sales	Settlements	Sept. 30, 2023	Unrealized gains (losses) still held[3]
Assets											
Securities borrowed and purchased under agreements to resell	$ 140	$ 1	$ —	$ —	$ —	$ 126	$ —	$ —	$ (132)	$ 135	$ 9
Trading non-derivative assets											
Trading mortgage-backed securities											
U.S. government-sponsored agency guaranteed	659	(21)	—	93	(155)	92	—	(130)	—	538	(14)
Residential	145	(1)	—	31	(3)	52	—	(59)	—	165	(3)
Commercial	182	(8)	—	59	(25)	26	—	(29)	—	205	(8)
Total trading mortgage-backed securities	$ 986	$ (30)	$ —	$ 183	$ (183)	$ 170	$ —	$ (218)	$ —	$ 908	$ (25)
U.S. Treasury and federal agency securities	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
State and municipal	3	—	—	—	—	—	—	—	—	3	—
Foreign government	81	(23)	—	—	(31)	70	—	(28)	—	69	19
Corporate	581	224	—	38	(303)	624	—	(400)	—	764	(232)
Marketable equity securities	285	2	—	16	(10)	28	—	(58)	—	263	1
Asset-backed securities	539	6	—	15	(39)	297	—	(243)	—	575	2
Other trading assets	1,478	(332)	—	279	(198)	260	—	(514)	—	973	(114)
Total trading non-derivative assets	$ 3,953	$ (153)	$ —	$ 531	$ (764)	$ 1,449	$ —	$ (1,461)	$ —	$ 3,555	$ (349)
Trading derivatives, net[4]											
Interest rate contracts	$ (1,962)	$ (474)	$ —	$ (18)	$ 298	$ 51	$ —	$ 49	$ 253	$ (1,803)	$ (637)
Foreign exchange contracts	700	158	—	1	(24)	50	—	(8)	(264)	613	159
Equity contracts	(1,563)	641	—	128	(145)	(346)	—	(21)	171	(1,135)	212
Commodity contracts	330	222	—	96	(149)	(389)	—	(2)	(59)	49	120
Credit derivatives	(155)	54	—	22	81	80	—	—	(9)	73	(16)
Total trading derivatives, net[4]	$ (2,650)	$ 601	$ —	$ 229	$ 61	$ (554)	$ —	$ 18	$ 92	$ (2,203)	$ (162)

Table continues on the next page.

In millions of dollars	Jun. 30, 2023	Net realized/unrealized gains (losses) incl. in[1] Principal transactions	Other[1][2]	Transfers into Level 3	Transfers out of Level 3	Purchases	Issuances	Sales	Settlements	Sept. 30, 2023	Unrealized gains (losses) still held[3]
Investments											
Mortgage-backed securities											
U.S. government-sponsored agency guaranteed	$ 32	$ —	$ —	$ —	$ (3)	$ —	$ —	$ —	$ —	$ 29	$ —
Residential	25	—	(1)	—	—	—	—	—	—	24	(1)
Commercial	—	—	—	—	—	—	—	—	—	—	—
Total investment mortgage-backed securities	$ 57	$ —	$ (1)	$ —	$ (3)	$ —	$ —	$ —	$ —	$ 53	$ (1)
U.S. Treasury and federal agency securities	$ 21	$ —	$ (1)	$ —	$ —	$ —	$ —	$ —	$ —	$ 20	$ —
State and municipal	507	—	(29)	1	—	45	—	(31)	—	493	(29)
Foreign government	414	—	(12)	2	(179)	124	—	(153)	—	196	1
Corporate	290	—	—	—	—	15	—	(16)	—	289	—
Marketable equity securities	13	—	(2)	—	—	—	—	—	—	11	—
Asset-backed securities	1	—	(1)	30	—	—	—	—	—	30	—
Other debt securities	57	—	1	—	(58)	—	—	—	—	—	—
Non-marketable equity securities	404	—	21	6	—	—	—	—	—	431	(5)
Total investments	$ 1,764	$ —	$ (24)	$ 39	$ (240)	$ 184	$ —	$ (200)	$ —	$ 1,523	$ (34)
Loans	$ 241	$ —	$ 15	$ —	$ —	$ —	$ 10	$ —	$ (1)	$ 265	$ (82)
Mortgage servicing rights	681	—	42	—	—	—	23	—	(17)	729	41
Other financial assets measured at fair value on a recurring basis	73	—	(22)	—	—	28	—	(2)	—	77	—
Liabilities											
Interest-bearing deposits	$ 26	$ —	$ (10)	$ 49	$ —	$ —	$ 70	$ —	$ —	$ 155	$ (11)
Securities loaned and sold under agreements to repurchase	627	(2)	—	—	—	—	—	—	(148)	481	1
Trading account liabilities											
Securities sold, not yet purchased	62	—	—	11	(3)	61	—	—	(43)	88	(2)
Other trading liabilities	4	—	—	1	(2)	2	—	—	(4)	1	—
Short-term borrowings	296	—	—	16	(7)	1	181	—	(31)	456	(21)
Long-term debt	37,204	2,816	—	1,010	(1,336)	—	3,027	—	(1,439)	35,650	2,112
Other financial liabilities measured on a recurring basis	23	—	—	—	—	—	26	(21)	—	28	—

(1) Net realized/unrealized gains (losses) are presented as increase (decrease) to Level 3 assets, and as (increase) decrease to Level 3 liabilities. Changes in fair value of available-for-sale debt securities are recorded in *AOCI*, unless related to credit impairment, while gains and losses from sales are recorded in *Realized gains (losses) from sales of investments* in the Consolidated Statement of Income.
(2) Unrealized gains (losses) on MSRs are recorded in *Other revenue* in the Consolidated Statement of Income.
(3) Represents the amount of total gains or losses for the period, included in earnings (and *AOCI* for changes in fair value of available-for-sale debt securities and DVA on fair value option liabilities), attributable to the change in fair value relating to assets and liabilities classified as Level 3 that are still held at September 30, 2023.
(4) Total Level 3 derivative assets and liabilities have been netted in these tables for presentation purposes only.

In millions of dollars	Dec. 31, 2022	Net realized/unrealized gains (losses) incl. in[1] Principal transactions	Other[1][2]	Transfers into Level 3	Transfers out of Level 3	Purchases	Issuances	Sales	Settlements	Sept. 30, 2023	Unrealized gains (losses) still held[3]
Assets											
Securities borrowed and purchased under agreements to resell	$ 149	$ 4	$ —	$ —	$ (2)	$ 263	$ —	$ —	$ (279)	$ 135	$ 9
Trading non-derivative assets											
Trading mortgage-backed securities											
U.S. government-sponsored agency guaranteed	600	(31)	—	278	(421)	462	—	(350)	—	538	(34)
Residential	166	(2)	—	92	(65)	152	—	(178)	—	165	(17)
Commercial	145	(23)	—	163	(56)	76	—	(100)	—	205	(19)
Total trading mortgage-backed securities	$ 911	$ (56)	$ —	$ 533	$ (542)	$ 690	$ —	$ (628)	$ —	$ 908	$ (70)
U.S. Treasury and federal agency securities	$ 1	$ (1)	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
State and municipal	7	(3)	—	19	—	—	—	(20)	—	3	(1)
Foreign government	119	(17)	—	8	(58)	131	—	(114)	—	69	22
Corporate	394	300	—	248	(481)	976	—	(673)	—	764	(185)
Marketable equity securities	192	11	—	42	(18)	125	—	(89)	—	263	10
Asset-backed securities	668	20	—	94	(120)	615	—	(702)	—	575	4
Other trading assets	648	69	—	540	(274)	728	—	(738)	—	973	(123)
Total trading non-derivative assets	$ 2,940	$ 323	$ —	$ 1,484	$ (1,493)	$ 3,265	$ —	$ (2,964)	$ —	$ 3,555	$ (343)
Trading derivatives, net[4]											
Interest rate contracts	$ 355	$ (2,163)	$ —	$ (220)	$ (361)	$ 38	$ —	$ 62	$ 486	$ (1,803)	$ (2,060)
Foreign exchange contracts	50	704	—	105	24	152	—	(89)	(333)	613	408
Equity contracts	(1,104)	(237)	—	61	661	(599)	—	(65)	148	(1,135)	(596)
Commodity contracts	278	85	—	270	91	(447)	—	(14)	(214)	49	12
Credit derivatives	(157)	(92)	—	19	217	82	—	—	4	73	(84)
Total trading derivatives, net[4]	$ (578)	$ (1,703)	$ —	$ 235	$ 632	$ (774)	$ —	$ (106)	$ 91	$ (2,203)	$ (2,320)

Table continues on the next page.

In millions of dollars	Dec. 31, 2022	Net realized/unrealized gains (losses) incl. in[1] Principal transactions	Other[1][2]	Transfers into Level 3	Transfers out of Level 3	Purchases	Issuances	Sales	Settlements	Sept. 30, 2023	Unrealized gains (losses) still held[3]
Investments											
Mortgage-backed securities											
U.S. government-sponsored agency guaranteed	$ 30	$ —	$ (1)	$ —	$ (3)	$ 4	$ —	$ (1)	$ —	$ 29	$ (3)
Residential	41	—	(1)	—	—	—	—	(16)	—	24	(1)
Commercial	—	—	—	—	—	—	—	—	—	—	—
Total investment mortgage-backed securities	$ 71	$ —	$ (2)	$ —	$ (3)	$ 4	$ —	$ (17)	$ —	$ 53	$ (4)
U.S. Treasury and federal agency securities	$ —	$ —	$ (1)	$ —	$ —	$ 51	$ —	$ (30)	$ —	$ 20	$ —
State and municipal	586	—	(20)	2	(77)	46	—	(44)	—	493	(23)
Foreign government	608	—	(7)	27	(197)	647	—	(882)	—	196	1
Corporate	343	—	(1)	—	(61)	96	—	(88)	—	289	(4)
Marketable equity securities	10	—	1	—	—	—	—	—	—	11	—
Asset-backed securities	1	—	(1)	30	—	—	—	—	—	30	—
Other debt securities	—	—	1	—	(63)	62	—	—	—	—	—
Non-marketable equity securities	430	—	3	8	—	16	—	(26)	—	431	(5)
Total investments	$ 2,049	$ —	$ (27)	$ 67	$ (401)	$ 922	$ —	$ (1,087)	$ —	$ 1,523	$ (35)
Loans	$ 1,361	$ —	$ (249)	$ 2	$ (309)	$ —	$ 116	$ —	$ (656)	$ 265	$ (104)
Mortgage servicing rights	665	—	61	—	—	—	54	—	(51)	729	62
Other financial assets measured at fair value on a recurring basis	57	—	(24)	—	(2)	50	—	(4)	—	77	—
Liabilities											
Interest-bearing deposits	$ 15	$ (7)	$ (12)	$ 49	$ (1)	$ —	$ 83	$ —	$ (10)	$ 155	$ (11)
Securities loaned and sold under agreements to repurchase	1,031	(8)	—	—	(24)	1,335	—	—	(1,869)	481	1
Trading account liabilities											
Securities sold, not yet purchased	50	(13)	—	22	(34)	125	—	—	(88)	88	(2)
Other trading liabilities	3	2	—	4	(2)	2	—	—	(4)	1	—
Short-term borrowings	38	40	—	35	(23)	1	478	—	(33)	456	(31)
Long-term debt	36,117	2,589	—	4,238	(7,442)	—	7,371	—	(2,045)	35,650	841
Other financial liabilities measured on a recurring basis	2	—	1	—	(1)	—	49	(21)	—	28	—

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(2) Unrealized gains (losses) on MSRs are recorded in *Other revenue* in the Consolidated Statement of Income.

(3) Represents the amount of total gains or losses for the period, included in earnings (and *AOCI* for changes in fair value of available-for-sale debt securities and DVA on fair value option liabilities), attributable to the change in fair value relating to assets and liabilities classified as Level 3 that are still held at September 30, 2023.

(4) Total Level 3 derivative assets and liabilities have been netted in these tables for presentation purposes only.

In millions of dollars	Jun. 30, 2022	Net realized/unrealized gains (losses) incl. in[1]		Transfers		Purchases	Issuances	Sales	Settlements	Sept. 30, 2022	Unrealized gains (losses) still held[3]
		Principal transactions	Other[1][2]	into Level 3	out of Level 3						
Assets											
Securities borrowed and purchased under agreements to resell	$ 183	$ (1)	$ —	$ —	$ —	$ 128	$ —	$ —	$ (169)	$ 141	$ 3
Trading non-derivative assets											
Trading mortgage-backed securities											
U.S. government-sponsored agency guaranteed	708	(28)	—	54	(153)	310	—	(219)	—	672	(33)
Residential	153	(2)	—	25	(22)	33	—	(45)	—	142	(2)
Commercial	138	(4)	—	20	(17)	5	—	(26)	—	116	1
Total trading mortgage-backed securities	$ 999	$ (34)	$ —	$ 99	$ (192)	$ 348	$ —	$ (290)	$ —	$ 930	$ (34)
U.S. Treasury and federal agency securities	$ 1	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ (1)	$ —	$ —
State and municipal	80	4	—	4	(6)	14	—	(74)	—	22	—
Foreign government	364	(14)	—	5	(4)	70	—	(41)	—	380	(9)
Corporate	537	21	—	193	(72)	91	—	(310)	—	460	(15)
Marketable equity securities	133	48	—	71	(12)	34	—	(87)	—	187	(26)
Asset-backed securities	554	(7)	—	68	(25)	196	—	(174)	—	612	(18)
Other trading assets	816	32	—	74	(280)	191	11	(161)	(4)	679	(19)
Total trading non-derivative assets	$ 3,484	$ 50	$ —	$ 514	$ (591)	$ 944	$ 11	$ (1,137)	$ (5)	$ 3,270	$ (121)
Trading derivatives, net[4]											
Interest rate contracts	$ 881	$ (278)	$ —	$ (503)	$ (12)	$ (195)	$ 1	$ 83	$ (3)	$ (26)	$ (142)
Foreign exchange contracts	156	(171)	—	32	(3)	(146)	—	212	197	277	121
Equity contracts	(101)	162	—	60	222	(347)	—	28	37	61	(150)
Commodity contracts	255	110	—	140	(134)	(60)	—	(2)	(56)	253	151
Credit derivatives	(349)	(110)	—	53	124	(36)	—	1	204	(113)	(164)
Total trading derivatives, net[4]	$ 842	$ (287)	$ —	$ (218)	$ 197	$ (784)	$ 1	$ 322	$ 379	$ 452	$ (184)

Table continues on the next page.

In millions of dollars	Jun. 30, 2022	Net realized/unrealized gains (losses) incl. in[1]: Principal transactions	Net realized/unrealized gains (losses) incl. in[1]: Other[1][2]	Transfers: into Level 3	Transfers: out of Level 3	Purchases	Issuances	Sales	Settlements	Sept. 30, 2022	Unrealized gains (losses) still held[3]
Investments											
Mortgage-backed securities											
U.S. government-sponsored agency guaranteed	$ 28	$ —	$ (2)	$ —	$ —	$ —	$ —	$ —	$ —	$ 26	$ (2)
Residential	40	—	(4)	—	—	3	—	—	—	39	(5)
Total investment mortgage-backed securities	$ 68	$ —	$ (6)	$ —	$ —	$ 3	$ —	$ —	$ —	$ 65	$ (7)
U.S. Treasury and federal agency securities	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
State and municipal	539	—	(20)	81	—	—	—	(25)	—	575	(14)
Foreign government	1,001	—	(53)	6	(56)	224	—	(262)	—	860	(44)
Corporate	334	—	4	1	(3)	1	—	—	—	337	—
Marketable equity securities	10	—	—	—	—	—	—	—	—	10	—
Asset-backed securities	1	—	8	—	—	—	—	(7)	—	2	—
Non-marketable equity securities	310	—	(3)	—	(10)	87	—	—	—	384	—
Total investments	$ 2,263	$ —	$ (70)	$ 88	$ (69)	$ 315	$ —	$ (294)	$ —	$ 2,233	$ (65)
Loans	$ 325	$ —	$ 5	$ 83	$ (3)	$ —	$ 333	$ —	$ (108)	$ 635	$ (6)
Mortgage servicing rights	600	—	37	—	—	—	25	—	(15)	647	38
Other financial assets measured at fair value on a recurring basis	63	—	(19)	22	—	7	(1)	(16)	(6)	50	(12)
Liabilities											
Interest-bearing deposits	$ 18	$ —	$ 3	$ —	$ —	$ —	$ 2	$ —	$ (1)	$ 16	$ —
Securities loaned and sold under agreements to repurchase	593	36	—	—	—	437	33	—	(30)	997	—
Trading account liabilities											
Securities sold, not yet purchased	72	(10)	—	13	(2)	46	—	—	(36)	103	(13)
Other trading liabilities	—	(2)	—	—	—	—	—	—	—	2	—
Short-term borrowings	81	12	—	1	(40)	—	6	—	(1)	35	(17)
Long-term debt	29,778	3,734	—	2,831	(811)	—	3,838	—	(192)	31,710	3,336
Other financial liabilities measured on a recurring basis	—	—	(8)	5	—	—	—	—	—	13	—

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(2) Unrealized gains (losses) on MSRs are recorded in *Other revenue* in the Consolidated Statement of Income.

(3) Represents the amount of total gains or losses for the period, included in earnings (and *AOCI* for changes in fair value of available-for-sale debt securities and DVA on fair value option liabilities), attributable to the change in fair value relating to assets and liabilities classified as Level 3 that are still held at September 30, 2022.

(4) Total Level 3 derivative assets and liabilities have been netted in these tables for presentation purposes only.

In millions of dollars	Dec. 31, 2021	Net realized/unrealized gains (losses) incl. in[1]: Principal transactions	Other[1][2]	Transfers: into Level 3	out of Level 3	Purchases	Issuances	Sales	Settlements	Sept. 30, 2022	Unrealized gains (losses) still held[3]
Assets											
Securities borrowed and purchased under agreements to resell	$ 231	$ (2)	$ —	$ —	$ —	$ 252	$ —	$ —	$ (340)	$ 141	$ 14
Trading non-derivative assets											
Trading mortgage-backed securities											
U.S. government-sponsored agency guaranteed	496	(41)	—	181	(311)	794	—	(447)	—	672	(53)
Residential	104	(2)	—	86	(54)	118	—	(110)	—	142	(1)
Commercial	81	(9)	—	117	(51)	14	—	(36)	—	116	7
Total trading mortgage-backed securities	$ 681	$ (52)	$ —	$ 384	$ (416)	$ 926	$ —	$ (593)	$ —	$ 930	$ (47)
U.S. Treasury and federal agency securities	$ 4	$ (4)	$ —	$ 2	$ (1)	$ —	$ —	$ —	$ (1)	$ —	$ —
State and municipal	37	9	—	75	(26)	15	—	(88)	—	22	(1)
Foreign government	23	(40)	—	304	(5)	157	—	(59)	—	380	(19)
Corporate	412	89	—	455	(350)	919	—	(1,065)	—	460	(109)
Marketable equity securities	174	34	—	134	(99)	142	—	(198)	—	187	(47)
Asset-backed securities	613	(26)	—	208	(192)	589	—	(580)	—	612	(151)
Other trading assets	576	158	—	407	(372)	557	27	(662)	(12)	679	(95)
Total trading non-derivative assets	$ 2,520	$ 168	$ —	$ 1,969	$ (1,461)	$ 3,305	$ 27	$ (3,245)	$ (13)	$ 3,270	$ (469)
Trading derivatives, net[4]											
Interest rate contracts	$ 1,726	$ 322	$ —	$ (430)	$ (815)	$ (186)	$ 7	$ 77	$ (727)	$ (26)	$ (332)
Foreign exchange contracts	(89)	993	—	(443)	(9)	29	20	(399)	175	277	240
Equity contracts	(2,140)	2,159	—	(13)	429	58	—	(288)	(144)	61	1,021
Commodity contracts	422	732	—	95	(543)	60	—	(144)	(369)	253	412
Credit derivatives	(31)	(167)	—	(12)	(27)	(36)	—	—	160	(113)	(260)
Total trading derivatives, net[4]	$ (112)	$ 4,039	$ —	$ (803)	$ (965)	$ (75)	$ 27	$ (754)	$ (905)	$ 452	$ 1,081

Table continues on the next page.

In millions of dollars	Dec. 31, 2021	Net realized/unrealized gains (losses) incl. in[1] Principal transactions	Other[1][2]	Transfers into Level 3	Transfers out of Level 3	Purchases	Issuances	Sales	Settlements	Sept. 30, 2022	Unrealized gains (losses) still held[3]
Investments											
Mortgage-backed securities											
U.S. government-sponsored agency guaranteed	$ 51	$ —	$ (11)	$ 1	$ (10)	$ 4	$ —	$ (9)	$ —	$ 26	$ (5)
Residential	94	—	(10)	—	(39)	3	—	(9)	—	39	(6)
Total investment mortgage-backed securities	$ 145	$ —	$ (21)	$ 1	$ (49)	$ 7	$ —	$ (18)	$ —	$ 65	$ (11)
U.S. Treasury and federal agency securities	$ 1	$ —	$ (1)	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
State and municipal	772	—	(98)	81	(142)	1	—	(39)	—	575	(73)
Foreign government	786	—	(92)	256	(169)	609	—	(530)	—	860	(36)
Corporate	188	—	(3)	154	(3)	1	—	—	—	337	(2)
Marketable equity securities	16	—	(6)	—	—	—	—	—	—	10	—
Asset-backed securities	3	—	19	—	—	—	—	(20)	—	2	—
Non-marketable equity securities	316	—	(15)	11	(10)	107	—	(25)	—	384	—
Total investments	$ 2,227	$ —	$ (217)	$ 503	$ (373)	$ 725	$ —	$ (632)	$ —	$ 2,233	$ (122)
Loans	$ 711	$ —	$ (185)	$ 84	$ (198)	$ —	$ 334	$ —	$ (111)	$ 635	$ (52)
Mortgage servicing rights	404	—	195	—	—	—	94	—	(46)	647	194
Other financial assets measured at fair value on a recurring basis	73	—	(13)	29	(16)	21	39	(17)	(66)	50	8
Liabilities											
Interest-bearing deposits	$ 183	$ —	$ 6	$ 7	$ (122)	$ —	$ 20	$ —	$ (66)	$ 16	$ —
Securities loaned and sold under agreements to repurchase	643	86	—	—	(3)	453	33	—	(43)	997	—
Trading account liabilities											
Securities sold, not yet purchased	65	11	—	48	(21)	129	—	1	(108)	103	(6)
Other trading liabilities	—	(2)	—	—	—	—	—	—	—	2	—
Short-term borrowings	105	101	—	41	(61)	—	82	—	(31)	35	(22)
Long-term debt	25,509	11,979	—	9,574	(4,318)	—	13,537	—	(613)	31,710	9,530
Other financial liabilities measured on a recurring basis	1	—	(7)	5	—	—	—	—	—	13	—

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(2) Unrealized gains (losses) on MSRs are recorded in *Other revenue* in the Consolidated Statement of Income.

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(4) Total Level 3 derivative assets and liabilities have been netted in these tables for presentation purposes only.

Level 3 Fair Value Transfers

The following were the significant Level 3 transfers for the period December 31, 2022 to September 30, 2023:

- During the three and nine months ended September 30, 2023, transfers of *Long-term debt* were $1.0 billion and $4.2 billion from Level 2 to Level 3, respectively. Of the $4.2 billion transfer, approximately $3.6 billion related to interest rate option volatility inputs becoming unobservable and/or significant relative to their overall valuation, and $0.6 billion related to equity and credit derivative inputs (in addition to other volatility inputs, e.g., interest rate volatility inputs) becoming unobservable and/or significant to their overall valuation. In other instances, market changes have resulted in some inputs becoming more observable, and some unobservable inputs becoming less significant to the overall valuation of the instruments (e.g., when an option becomes deep-in or deep-out of the money). This has primarily resulted in $1.3 billion and $7.4 billion of certain structured long-term debt products being transferred from Level 3 to Level 2 during the three and nine months ended September 30, 2023, respectively.

The following were the significant Level 3 transfers for the period December 31, 2021 to September 30, 2022:

- During the three and nine months ended September 30, 2022, transfers of *Long-term debt* were $2.8 billion and $9.6 billion, respectively, from Level 2 to Level 3. Of the $9.6 billion transfer in the nine months ended September 30, 2022, approximately $6.8 billion related to interest rate option volatility inputs becoming unobservable and/or significant relative to their overall valuation, and $2.8 billion related to equity and credit derivative inputs (in addition to other volatility inputs, e.g., interest rate volatility inputs) becoming unobservable and/or significant to their overall valuation. In other instances, market changes have resulted in some inputs becoming more observable, and some unobservable inputs becoming less significant to the overall valuation of the instruments (e.g., when an option becomes deep-in or deep-out of the money). This has primarily resulted in $0.8 billion and $4.3 billion of certain structured long-term debt products being transferred from Level 3 to Level 2 during the three and nine months ended September 30, 2022, respectively.

Valuation Techniques and Inputs for Level 3 Fair Value Measurements

The following tables present the valuation techniques covering the majority of Level 3 inventory and the most significant unobservable inputs used in Level 3 fair value measurements.

Differences between this table and amounts presented in the Level 3 Fair Value Rollforward table represent individually immaterial items that have been measured using a variety of valuation techniques other than those listed.

As of September 30, 2023	Fair value[1] *(in millions)*	Methodology	Input	Low[2][3]	High[2][3]	Weighted average[4]
Assets						
Securities borrowed and purchased under agreements to resell	**$ 135**	Model-based	Interest rate	**4.62 %**	**4.62 %**	**4.62 %**
			Credit spread	**15 bps**	**15 bps**	**15 bps**
Mortgage-backed securities	**$ 614**	Yield analysis	Yield	**5.36 %**	**20.06 %**	**9.29 %**
	338	Price-based	Price	**$ 0.96**	**$ 112.94**	**$ 53.66**
State and municipal, foreign government, corporate and other debt securities	**$ 2,107**	Price-based	Price	**$ 0.85**	**$ 102.42**	**$ 82.51**
	792	Model-based	Credit spread	**35 bps**	**550 bps**	**290 bps**
Marketable equity securities[5]	**$ 224**	Price-based	Price	**$ —**	**$ 9,862.00**	**$ 91.95**
	33	Model-based	WAL	**2.49 years**	**2.49 years**	**2.49 years**
			Recovery *(in millions)*	**$ 7,148**	**$ 7,148**	**$ 7,148**
			Appraised value *(in millions)*	**$ 4.38**	**$ 19.30**	**$ 14.40**
Asset-backed securities	**$ 573**	Price-based	Price	**$ 3.97**	**$ 139.76**	**$ 80.52**
	77	Yield analysis	Yield	**6.40 %**	**12.43 %**	**8.13 %**
Non-marketable equities	**$ 296**	Comparables analysis	Illiquidity discount	**10.00 %**	**20.00 %**	**10.47 %**
	53	Cash flow	PE ratio	**12.90x**	**15.00x**	**13.40x**
	44	Model-based	Discount to price	**8.50 %**	**33.00 %**	**18.63 %**
			Revenue multiple	**4.20x**	**11.30x**	**10.56x**
Derivatives—gross[6]						
Interest rate contracts (gross)	**$ 7,135**	Model-based	IR normal volatility	**(9.25)%**	**47.18 %**	**2.25 %**
			Interest rate	**2.48 %**	**3.67 %**	**2.78 %**
Foreign exchange contracts (gross)	**$ 2,201**	Model-based	IR normal volatility	**(9.25)%**	**47.39 %**	**3.28 %**
Equity contracts (gross)[7]	**$ 3,463**	Model-based	Equity volatility	**0.04 %**	**299.19 %**	**38.17 %**
			Equity forward	**64.56 %**	**328.31 %**	**114.08 %**
			Equity-FX correlation	**(79.00)%**	**70.00 %**	**(10.18)%**
			WAL	**2.49 years**	**2.49 years**	**2.49 years**
			Recovery *(in millions)*	**$ 7,148**	**$ 7,148**	**$ 7,148**
			Equity-IR correlation	**(25.00)%**	**44.00 %**	**28.54 %**
Commodity and other contracts (gross)	**$ 2,498**	Model-based	Commodity correlation	**(39.67)%**	**93.50 %**	**(0.46)%**
			Commodity volatility	**7.80 %**	**104.90 %**	**25.13 %**
			Forward price	**16.67 %**	**2,000%**	**153.87 %**
Credit derivatives (gross)	**$ 1,170**	Model-based	Credit spread	**8 bps**	**775 bps**	**108 bps**
	433	Price-based	Recovery rate	**25.00 %**	**40.00 %**	**39.13 %**
			Credit correlation	**25.00 %**	**90.00 %**	**49.93 %**
			Price	**$ 14.86**	**$ 100.07**	**$ 82.59**
			Upfront points	**(1.66)%**	**99.00 %**	**48.05 %**
Nontrading derivatives and other financial assets and liabilities measured on a recurring basis (gross)	**$ 105**	Price-based	Price	**$ —**	**$ 9,862.02**	**$ 86.58**
Loans and leases	**$ 225**	Price-based	Price	**$ 73.95**	**$ 103.41**	**$ 89.02**

As of September 30, 2023	Fair value[1] (in millions)	Methodology	Input	Low[2][3]	High[2][3]	Weighted average[4]
			Forward price	20.39 %	534.83 %	159.35 %
			Commodity volatility	7.80 %	104.90 %	25.13 %
			Commodity correlation	(39.67)%	93.50 %	(0.46)%
Mortgage servicing rights	$ 641	Cash flow	Yield	0.50 %	12.00 %	5.68 %
			WAL	3.87 years	9.59 years	8.06 years
Liabilities						
Interest-bearing deposits	$ 85	Model-based	Price	$ 100.00	$ 100.00	$ 100.00
	70	Price-based	Forward price	100 %	100 %	100 %
			Equity forward	100 %	117 %	103 %
Securities loaned and sold under agreements to repurchase	$ 481	Model-based	Interest rate	4.66 %	5.59 %	4.71 %
Trading account liabilities						
Securities sold, not yet purchased and other trading liabilities	$ 85	Price-based	Price	$ —	$ 259.90	$ 78.73
Short-term borrowings and long-term debt	$ 33,941	Model-based	IR normal volatility	0.33 %	20.00 %	1.35 %

As of December 31, 2022	Fair value[1] (in millions)	Methodology	Input	Low[2][3]	High[2][3]	Weighted average[4]
Assets						
Securities borrowed and purchased under agreements to resell	$ 146	Model-based	Credit spread	15 bps	15 bps	15 bps
			Interest rate	2.61 %	2.61 %	2.61 %
Mortgage-backed securities	$ 228	Price-based	Price	$ 1.04	$ 99.71	$ 51.51
	732	Yield analysis	Yield	4.41 %	20.30 %	9.74 %
State and municipal, foreign government, corporate and other debt securities	$ 2,360	Price-based	Price	$ 0.01	$ 994.68	$ 245.85
Marketable equity securities[5]	$ 147	Price-based	Price	$ —	$ 9,087.76	$ 114.29
	31	Model-based	WAL	2.24 years	2.24 years	2.24 years
			Recovery *(in millions)*	$ 7,148	$ 7,148	$ 7,148
Asset-backed securities	$ 304	Price-based	Price	$ 10.50	$ 145.00	$ 74.97
	308	Yield analysis	Yield	5.76 %	18.58 %	9.34 %
Non-marketable equities	$ 287	Comparables analysis	Illiquidity discount	8.60 %	17.00 %	10.16 %
	101	Price-based	PE ratio	14.00x	15.70x	15.16x
			Cost of capital	8.10 %	17.50 %	10.44 %
			Revenue multiple	3.60x	13.90x	12.40x
Derivatives—gross[6]						
Interest rate contracts (gross)	$ 7,108	Model-based	IR normal volatility	0.33 %	1.82 %	0.96 %
Foreign exchange contracts (gross)	$ 1,437	Model-based	IR normal volatility	0.33 %	1.47 %	0.67 %
			IR basis	(4.23)%	9.68 %	(0.03)%
			Equity volatility	0.05 %	300.72 %	33.91 %
			Credit spread	116 bps	626 bps	594 bps
Equity contracts (gross)[7]	$ 4,430	Model-based	Equity volatility	0.05 %	300.72 %	41.47 %
			Equity forward	68.34 %	271.61 %	103.50 %
			Equity-FX correlation	(95.00)%	50.00 %	(16.33)%
			Equity-Equity correlation	(3.98)%	98.68 %	85.63 %
			WAL	2.24 years	2.24 years	2.24 years
			Recovery *(in millions)*	$ 7,148	$ 7,148	$ 7,148
			Equity-IR correlation	(18.83)%	60.00 %	32.37 %

Commodity and other contracts (gross)	$	2,724	Model-based	Forward price		14.27 %		385.50 %		106.08 %
				Commodity volatility		10.43 %		151.50 %		33.55 %
				Commodity correlation		(32.00)%		91.94 %		36.70 %
Credit derivatives (gross)	$	1,520	Model-based	Credit spread		2.50 bps		955.10 bps		101.27 bps
		439	Price-based	Recovery rate		25.00 %		75.00 %		42.27 %
				Credit correlation		25.00 %		80.00 %		42.38 %
				Price	$	31.71	$	99.00	$	78.75
				Credit spread volatility		35.58 %		64.79 %		40.47 %
Non-trading derivatives and other financial assets and liabilities measured on a recurring basis (gross)	$	57	Price-based	Price	$	80.16	$	105.32	$	92.65
Loans and leases	$	1,059	Model-based	Equity volatility		0.05 %		300.72 %		42.62 %
		304	Price-based	Forward price		14.27 %		324.85 %		105.07 %
				Price	$	0.01	$	100.53	$	84.77
				Equity forward		68.34 %		271.61 %		103.49 %
Mortgage servicing rights	$	580	Cash flow	Yield		(0.40)%		13.20 %		5.36 %
		84	Model-based	WAL		3.92 years		9.33 years		7.71 years
Liabilities										
Interest-bearing deposits	$	15	Model-based	Forward price		100.00 %		101.30 %		100.07 %
Securities loaned and sold under agreements to repurchase	$	970	Model-based	Interest rate		4.01 %		4.97 %		4.07 %
Trading account liabilities										
Securities sold, not yet purchased and other trading liabilities	$	47	Price-based	Price	$	—	$	9,087.76	$	41.22
		6	Model-based	FX volatility		2.00 %		40.00 %		12.85 %
Short-term borrowings and long-term debt	$	36,155	Model-based	IR normal volatility		0.33 %		1.82 %		0.89 %

(1) The tables above include the fair values for the items listed and may not foot to the total population for each category.
(2) Some inputs are shown as zero due to rounding.
(3) When the low and high inputs are the same, there is either a constant input applied to all positions, or the methodology involving the input applies to only one large position.
(4) Weighted averages are calculated based on the fair values of the instruments.
(5) For equity securities, the price inputs are expressed on an absolute basis, not as a percentage of the notional amount.
(6) Both trading and non-trading account derivatives—assets and liabilities—are presented on a gross absolute value basis.
(7) Includes hybrid products.

Items Measured at Fair Value on a Nonrecurring Basis
Certain assets and liabilities are measured at fair value on a nonrecurring basis and, therefore, are not included in the tables above. These include assets measured at cost that have been written down to fair value during the periods as a result of an impairment. These also include non-marketable equity securities that have been measured using the measurement alternative and are either (i) written down to fair value during the periods as a result of an impairment or (ii) adjusted upward or downward to fair value as a result of a transaction observed during the periods for an identical or similar investment in the same issuer. In addition, these assets include loans held-for-sale and other real estate owned that are measured at the lower of cost or market value.

The following tables present the carrying amounts of all assets that were still held for which a nonrecurring fair value measurement was recorded:

In millions of dollars	**Fair value**	**Level 2**	**Level 3**
September 30, 2023			
Loans HFS[1]	**$ 1,547**	**$ 354**	**$ 1,193**
Other real estate owned	**2**	**—**	**2**
Loans[2]	**407**	**—**	**407**
Non-marketable equity securities measured using the measurement alternative	**60**	**—**	**60**
Total assets at fair value on a nonrecurring basis	**$ 2,016**	**$ 354**	**$ 1,662**

In millions of dollars	Fair value	Level 2	Level 3
December 31, 2022			
Loans HFS[1]	$ 2,336	$ 457	$ 1,879
Other real estate owned	1	—	1
Loans[2]	69	—	69
Non-marketable equity securities measured using the measurement alternative	597	—	597
Total assets at fair value on a nonrecurring basis	$ 3,003	$ 457	$ 2,546

(1) Net of mark-to-market amounts on the unfunded portion of loans HFS recognized as *Other liabilities* on the Consolidated Balance Sheet.
(2) Represents impaired loans held for investment whose carrying amount is based on the fair value of the underlying collateral less costs to sell, primarily real estate.

Valuation Techniques and Inputs for Level 3 Nonrecurring Fair Value Measurements

The following tables present the valuation techniques covering the majority of Level 3 nonrecurring fair value measurements and the most significant unobservable inputs used in those measurements:

As of September 30, 2023	**Fair value[1]** *(in millions)*	**Methodology**	**Input**	**Low[2]**	**High**	**Weighted average[3]**
Loans HFS	**$ 1,192**	Price-based	Price	**$ 75.00**	**$ 99.66**	**$ 93.93**
Other real estate owned	**$ 2**	Price-based	Appraised value[4]	**$ 51,210**	**$ 627,594**	**$ 380,813**
Loans[5]	**$ 375**	Recovery analysis	Appraised value[4]	**$ 12,000**	**$ 271,763,454**	**$ 208,321,959**
Non-marketable equity securities measured using the measurement alternative	**$ 42**	Price-based	Price	**$ 3.04**	**$ 28.21**	**$ 11.06**
	17	Comparable analysis	Revenue multiple	**2.60x**	**35.70x**	**16.13x**

As of December 31, 2022	Fair value[1] *(in millions)*	Methodology	Input	Low[2]	High	Weighted average[3]
Loans HFS	$ 1,830	Price-based	Price	$ 0.88	$ 100.23	$ 65.91
Other real estate owned	$ 1	Price-based	Appraised value[4]	$ 30,000	$ 441,750	$ 310,552
Loans[5]	$ 45	Recovery analysis	Appraised value[4]	$ 12,000	$ 14,022,820	$ 3,714,342
	24	Appraised value				
Non-marketable equity securities measured using the measurement alternative	$ 234	Comparable analysis	Revenue multiple	4.95x	73.10x	19.68x
	363	Price-based	Price	$ 0.46	$ 2,416.43	$ 557.86

(1) The tables above include the fair values for the items listed and may not foot to the total population for each category.
(2) Some inputs are shown as zero due to rounding.
(3) Weighted averages are calculated based on the fair values of the instruments.
(4) Appraised values are disclosed in whole dollars.
(5) Represents impaired loans held for investment whose carrying amount is based on the fair value of the underlying collateral less costs to sell, primarily real estate.

Nonrecurring Fair Value Changes

The following table presents total nonrecurring fair value measurements for the period, included in earnings, attributable to the change in fair value relating to assets that were still held:

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
In millions of dollars	**2023**	2022	**2023**	2022
Loans HFS	**$ —**	$ (250)	**$ 6**	$ (413)
Other real estate owned	**—**	—	**—**	—
Loans[1]	**(82)**	10	**(110)**	17
Non-marketable equity securities measured using the measurement alternative	**(12)**	(14)	**(69)**	114
Total nonrecurring fair value gains (losses)	**$ (94)**	$ (254)	**$ (173)**	$ (282)

(1) Represents loans held for investment whose carrying amount is based on the fair value of the underlying collateral less costs to sell, primarily real estate.

Estimated Fair Value of Financial Instruments Not Carried at Fair Value

The following tables present the carrying value and fair value of Citigroup's financial instruments that are not carried at fair value. The tables below therefore exclude items measured at fair value on a recurring basis presented in the tables above.

	September 30, 2023		**Estimated fair value**		
In billions of dollars	**Carrying value**	**Estimated fair value**	**Level 1**	**Level 2**	**Level 3**
Assets					
HTM debt securities, net of allowance[1]	**$ 264.9**	**$ 236.8**	**$ 123.7**	**$ 110.5**	**$ 2.6**
Securities borrowed and purchased under agreements to resell	**128.9**	**129.0**	**—**	**129.0**	**—**
Loans[2][3]	**641.1**	**646.0**	**—**	**—**	**646.0**
Other financial assets[3][4]	**352.4**	**352.4**	**236.2**	**17.8**	**98.4**
Liabilities					
Deposits	**$ 1,270.8**	**$ 1,270.1**	**$ —**	**$ 1,078.5**	**$ 191.6**
Securities loaned and sold under agreements to repurchase	**196.1**	**196.1**	**—**	**196.1**	**—**
Long-term debt[5]	**163.1**	**162.2**	**—**	**153.5**	**8.7**
Other financial liabilities[6]	**144.8**	**144.8**	**—**	**34.2**	**110.6**

	December 31, 2022		Estimated fair value		
In billions of dollars	Carrying value	Estimated fair value	Level 1	Level 2	Level 3
Assets					
HTM debt securities, net of allowance[1]	$ 274.3	$ 249.2	$ 123.2	$ 123.1	$ 2.9
Securities borrowed and purchased under agreements to resell	125.9	125.9	—	125.9	—
Loans[2][3]	634.5	634.9	—	—	634.9
Other financial assets[3][4]	427.1	427.1	320.0	22.0	85.1
Liabilities					
Deposits	$ 1,364.1	$ 1,345.4	$ —	$ 1,159.4	$ 186.0
Securities loaned and sold under agreements to repurchase	131.6	131.6	—	131.6	—
Long-term debt[5]	165.6	160.5	—	151.1	9.4
Other financial liabilities[6]	142.4	142.4	—	26.5	115.9

(1) Includes $5.4 billion and $5.5 billion of non-marketable equity securities carried at cost at September 30, 2023 and December 31, 2022, respectively.
(2) The carrying value of loans is net of the allowance for credit losses on loans of $17.6 billion for September 30, 2023 and $17.0 billion for December 31, 2022. In addition, the carrying values exclude $0.3 billion and $0.4 billion of lease finance receivables at September 30, 2023 and December 31, 2022, respectively.
(3) Includes items measured at fair value on a nonrecurring basis.
(4) Includes cash and due from banks, deposits with banks, brokerage receivables, reinsurance recoverables and other financial instruments included in *Other assets* on the Consolidated Balance Sheet, for all of which the carrying value is a reasonable estimate of fair value.
(5) The carrying value includes long-term debt balances under qualifying fair value hedges.
(6) Includes brokerage payables, separate and variable accounts, short-term borrowings (carried at cost) and other financial instruments included in *Other liabilities* on the Consolidated Balance Sheet, for all of which the carrying value is a reasonable estimate of fair value.

The estimated fair values of the Company's corporate unfunded lending commitments at September 30, 2023 and December 31, 2022 were off-balance sheet liabilities of $8.3 billion and $13.7 billion, respectively, substantially all of which are classified as Level 3. The Company does not estimate the fair values of consumer unfunded lending commitments, which are generally cancelable by providing notice to the borrower.

23. FAIR VALUE ELECTIONS

The Company may elect to report most financial instruments and certain other items at fair value on an instrument-by-instrument basis with changes in fair value reported in earnings, other than DVA (see below). The election is made upon the initial recognition of an eligible financial asset, financial liability or firm commitment or when certain specified reconsideration events occur. The fair value election may not otherwise be revoked once an election is made. The changes in fair value are recorded in current earnings. Movements in DVA are reported as a component of *AOCI*.

The Company has elected fair value accounting for its mortgage servicing rights (MSRs). See Note 20 for additional details on Citi's MSRs. Additional discussion regarding other applicable areas in which fair value elections were made is presented in Note 22.

The following table presents the changes in fair value of those items for which the fair value option has been elected:

	Changes in fair value—gains (losses)			
	Three Months Ended September 30,		**Nine Months Ended September 30,**	
In millions of dollars	**2023**	2022	**2023**	2022
Assets				
Securities borrowed and purchased under agreements to resell	**$ 69**	$ (82)	**$ 59**	$ (165)
Trading account assets	**(14)**	(69)	**65**	(307)
Loans				
Certain corporate loans	**1,036**	372	**1,362**	(2,227)
Certain consumer loans	**(10)**	—	**(9)**	(1)
Total loans	**$ 1,026**	$ 372	**$ 1,353**	$ (2,228)
Other assets				
MSRs	**$ 42**	$ 37	**$ 61**	$ 195
Certain mortgage loans HFS[1]	**(28)**	(110)	**(38)**	(440)
Total other assets	**$ 14**	$ (73)	**$ 23**	$ (245)
Total assets	**$ 1,095**	$ (596)	**$ 1,500**	$ (2,945)
Liabilities				
Interest-bearing deposits	**$ 18**	$ 133	**$ (34)**	$ 10
Securities loaned and sold under agreements to repurchase	**(63)**	63	**(82)**	159
Trading account liabilities	**(151)**	208	**1**	(241)
Short-term borrowings[2]	**144**	61	**232**	1,257
Long-term debt[2]	**2,443**	4,922	**(4,053)**	20,635
Total liabilities	**$ 2,391**	$ 5,387	**$ (3,936)**	$ 21,820

(1) Includes gains (losses) associated with interest rate lock commitments for originated loans for which the Company has elected the fair value option.
(2) Includes DVA that is included in *AOCI*. See Notes 18 and 22.

Own Debt Valuation Adjustments (DVA)
Own debt valuation adjustments are recognized on Citi's liabilities for which the fair value option has been elected using Citi's credit spreads observed in the bond market. Changes in fair value of fair value option liabilities related to changes in Citigroup's own credit spreads (DVA) are reflected as a component of *AOCI*. See Note 18 for additional information.

Among other variables, the fair value of liabilities for which the fair value option has been elected (other than non-recourse debt and similar liabilities) is impacted by the narrowing or widening of the Company's credit spreads.

The estimated changes in the fair value of these non-derivative liabilities due to such changes in the Company's own credit spread (or instrument-specific credit risk) were a gain of $395 million and a gain of $1,159 million for the three months ended September 30, 2023 and 2022, respectively, and a loss of $(875) million and a gain of $4,800 million for the nine months ended September 30, 2023 and 2022, respectively. Changes in fair value resulting from changes in instrument-specific credit risk were estimated by incorporating the Company's current credit spreads observable in the bond market into the relevant valuation technique used to value each liability as described above.

The Fair Value Option for Financial Assets and Financial Liabilities

Selected Portfolios of Securities Purchased Under Agreements to Resell, Securities Borrowed, Securities Sold Under Agreements to Repurchase, Securities Loaned and Certain Uncollateralized Short-Term Borrowings
The Company elected the fair value option for certain portfolios of fixed income securities purchased under agreements to resell and fixed income securities sold under agreements to repurchase, securities borrowed, securities loaned and certain uncollateralized short-term borrowings held primarily by broker-dealer entities in the United States, the United Kingdom and Japan. In each case, the election was made because the related interest rate risk is managed on a portfolio basis, primarily with offsetting derivative instruments that are accounted for at fair value through earnings.

Changes in fair value for transactions in these portfolios are recorded in *Principal transactions*. The related interest revenue and interest expense are measured based on the contractual rates specified in the transactions and are reported as *Interest revenue* and *Interest expense* in the Consolidated Statement of Income.

Certain Loans and Other Credit Products
Citigroup has also elected the fair value option for certain other originated and purchased loans, including certain unfunded loan products, such as guarantees and letters of credit, executed by Citigroup's lending and trading businesses. None of these credit products are highly leveraged financing commitments. Significant groups of transactions include loans and unfunded loan products that are expected to be either sold or securitized in the near term, or transactions where the economic risks are hedged with derivative instruments, such as purchased credit default swaps or total return swaps where the Company pays the total return on the underlying loans to a third party. Citigroup has elected the fair value option to mitigate accounting mismatches in cases where hedge accounting is complex and to achieve operational simplifications. Fair value was not elected for most lending transactions across the Company.

The following table provides information about certain credit products carried at fair value:

	September 30, 2023		December 31, 2022	
In millions of dollars	**Trading assets**	**Loans**	Trading assets	Loans
Carrying amount reported on the Consolidated Balance Sheet	**$ 4,340**	**$ 7,411**	$ 6,011	$ 5,360
Aggregate unpaid principal balance in excess of (less than) fair value	**120**	**60**	167	51
Balance of non-accrual loans or loans more than 90 days past due	**—**	**1**	—	2
Aggregate unpaid principal balance in excess of (less than) fair value for non-accrual loans or loans more than 90 days past due	**—**	**1**	—	—

In addition to the amounts reported above, $541 million and $729 million of unfunded commitments related to certain credit products selected for fair value accounting were outstanding as of September 30, 2023 and December 31, 2022, respectively.

Changes in the fair value of funded and unfunded credit products are classified in *Principal transactions* in Citi's Consolidated Statement of Income. Related interest revenue is measured based on the contractual interest rates and reported as *Interest revenue* on *Trading account assets* or loan interest depending on the balance sheet classifications of the credit products. The changes in fair value for the three months ended September 30, 2023 and 2022 due to instrument-specific credit risk totaled to a loss of $(27) million and $(69) million, respectively. Changes in fair value due to instrument-specific credit risk are estimated based on changes in borrower-specific credit spreads and recovery assumptions.

Certain Investments in Unallocated Precious Metals

Citigroup invests in unallocated precious metals accounts (e.g., gold, silver, platinum and palladium) as part of its commodity trading activities. Under ASC 815, the investment is bifurcated into a debt host contract and a commodity derivative instrument. Citigroup elects the fair value option for the debt host contract, and reports the contract within *Trading account assets* on the Company's Consolidated Balance Sheet. The total carrying amount of debt host contracts across unallocated precious metals accounts was approximately $0.4 billion and $0.3 billion at September 30, 2023 and December 31, 2022, respectively.

As part of its commodity trading activities, Citi trades unallocated precious metals investments and executes forward purchase and forward sale derivative contracts with trading counterparties. When Citi sells an unallocated precious metals investment, Citi's receivable from its depository bank is repaid and Citi derecognizes its investment in the unallocated precious metal. The forward purchase or sale contract with the trading counterparty indexed to unallocated precious metals is accounted for as a derivative, at fair value through earnings.

Certain Mortgage Loans Held-for-Sale (HFS)

Citigroup has elected the fair value option for certain purchased and originated prime fixed-rate and conforming adjustable-rate first mortgage loans HFS. These loans are intended for sale or securitization and are economically hedged with derivative instruments. The Company has elected the fair value option to mitigate accounting mismatches in cases where hedge accounting is complex and to achieve operational simplifications.

The following table provides information about certain mortgage loans HFS carried at fair value:

In millions of dollars	**September 30, 2023**	December 31, 2022
Carrying amount reported on the Consolidated Balance Sheet	**$ 551**	$ 793
Aggregate fair value in excess of (less than) unpaid principal balance	**(17)**	(10)
Balance of non-accrual loans or loans more than 90 days past due	**3**	1
Aggregate unpaid principal balance in excess of fair value for non-accrual loans or loans more than 90 days past due	**—**	—

The changes in the fair values of these mortgage loans are reported in *Other revenue* in the Company's Consolidated Statement of Income. There was no net change in fair value during the nine months ended September 30, 2023 and 2022 due to instrument-specific credit risk. Changes in fair value due to instrument-specific credit risk are estimated based on changes in the borrower default, prepayment and recovery forecasts in addition to instrument-specific credit spread. Related interest income continues to be measured based on the contractual interest rates and reported as *Interest revenue* in the Consolidated Statement of Income.

Certain Debt Liabilities

The Company has elected the fair value option for certain debt liabilities, because these exposures are considered to be trading-related positions and, therefore, are managed on a fair value basis. These positions are classified as *Long-term debt* or *Short-term borrowings* on the Company's Consolidated Balance Sheet.

The following table provides information about the carrying value of notes carried at fair value, disaggregated by type of risk:

In billions of dollars	**September 30, 2023**	December 31, 2022
Interest rate linked	**$ 55.1**	$ 53.4
Foreign exchange linked	**—**	0.1
Equity linked	**47.4**	42.5
Commodity linked	**5.3**	5.0
Credit linked	**4.8**	5.0
Total	**$ 112.6**	$ 106.0

The portion of the changes in fair value attributable to changes in Citigroup's own credit spreads (DVA) is reflected as a component of *AOCI* while all other changes in fair value are reported in *Principal transactions*. Changes in the fair value of these liabilities include accrued interest, which is also included in the change in fair value reported in *Principal transactions*.

The following table provides information about long-term debt carried at fair value:

In millions of dollars	**September 30, 2023**	December 31, 2022
Carrying amount reported on the Consolidated Balance Sheet	**$ 112,629**	$ 105,995
Aggregate unpaid principal balance in excess of (less than) fair value	**(2,616)**	(2,944)

The following table provides information about short-term borrowings carried at fair value:

In millions of dollars	**September 30, 2023**	December 31, 2022
Carrying amount reported on the Consolidated Balance Sheet	**$ 6,470**	$ 6,222
Aggregate unpaid principal balance in excess of (less than) fair value	**(12)**	(9)

24. GUARANTEES AND COMMITMENTS

The following tables present information about Citi's guarantees at September 30, 2023 and December 31, 2022.

For additional information on Citi's guarantees and indemnifications included in the tables below, as well as its other guarantees and indemnifications excluded from these tables, see Note 27 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

	Maximum potential amount of future payments			
In billions of dollars at September 30, 2023	**Expire within 1 year**	**Expire after 1 year**	**Total amount outstanding**	**Carrying value** *(in millions of dollars)*
Financial standby letters of credit	**$ 20.8**	**$ 64.5**	**$ 85.3**	**$ 759**
Performance guarantees	**4.7**	**5.8**	**10.5**	**47**
Derivative instruments considered to be guarantees	**18.0**	**19.2**	**37.2**	**326**
Loans sold with recourse	**0.6**	**1.2**	**1.8**	**16**
Securities lending indemnifications[1]	**110.2**	**—**	**110.2**	**—**
Credit card merchant processing[2]	**136.8**	**—**	**136.8**	**1**
Credit card arrangements with partners	**—**	**0.4**	**0.4**	**5**
Other	**31.3**	**8.4**	**39.7**	**50**
Total	**$ 322.4**	**$ 99.5**	**$ 421.9**	**$ 1,204**

	Maximum potential amount of future payments			
In billions of dollars at December 31, 2022	Expire within 1 year	Expire after 1 year	Total amount outstanding	Carrying value *(in millions of dollars)*
Financial standby letters of credit	$ 31.3	$ 58.3	$ 89.6	$ 905
Performance guarantees	6.1	5.6	11.7	65
Derivative instruments considered to be guarantees	18.5	30.0	48.5	353
Loans sold with recourse	—	1.7	1.7	13
Securities lending indemnifications[1]	95.9	—	95.9	—
Credit card merchant processing[2]	129.6	—	129.6	1
Credit card arrangements with partners	—	0.6	0.6	7
Other	0.1	8.4	8.5	32
Total	$ 281.5	$ 104.6	$ 386.1	$ 1,376

(1) The carrying values of securities lending indemnifications were not material for either period presented, as the probability of potential liabilities arising from these guarantees is minimal.

(2) At September 30, 2023 and December 31, 2022, this maximum potential exposure was estimated to be approximately $137 billion and $130 billion, respectively. However, Citi believes that the maximum exposure is not representative of the actual potential loss exposure based on its historical experience. This contingent liability is unlikely to arise, as most products and services are delivered when purchased and amounts are refunded when items are returned to merchants.

Loans Sold with Recourse
In addition to the amounts presented in the tables above, the repurchase reserve was approximately $11 million and $10 million at September 30, 2023 and December 31, 2022, respectively, and these amounts are included in *Other liabilities* on the Consolidated Balance Sheet.

For additional information on Citi's loans sold with recourse, see Note 27 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

Credit Card Arrangements with Partners
Citi, in one of its credit card partner arrangements, provides guarantees to the partner regarding the volume of certain customer originations during the term of the agreement. To the extent that such origination targets are not met, the guarantees serve to compensate the partner for certain payments that otherwise would have been generated in connection with such originations.

Other Guarantees and Indemnifications

Credit Card Protection Programs
Citi, through its credit card businesses, provides various cardholder protection programs on several of its card products, including programs that provide insurance coverage for rental cars, coverage for certain losses associated with purchased products, price protection for certain purchases and protection for lost luggage. These guarantees are not included in the table, since the total outstanding amount of the guarantees and Citi's maximum exposure to loss cannot be quantified. The protection is limited to certain types of purchases and losses, and it is not possible to quantify the purchases that would qualify for these benefits at any given time. Citi assesses the probability and amount of its potential liability related to these programs based on the extent and nature of its historical loss experience. At September 30, 2023 and December 31, 2022, the actual and estimated losses incurred and the carrying value of Citi's obligations related to these programs were immaterial.

Value-Transfer Networks (Including Exchanges and Clearing Houses) (VTNs)
Citi is a member of, or shareholder in, hundreds of value-transfer networks (VTNs) (payment, clearing and settlement systems as well as exchanges) around the world. As a condition of membership, many of these VTNs require that members stand ready to pay a pro rata share of the losses incurred by the organization due to another member's default on its obligations. Citi's potential obligations may be limited to its membership interests in the VTNs, contributions to the VTN's funds, or, in certain narrow cases, to the full pro rata share. The maximum exposure is difficult to estimate as this would require an assessment of claims that have not yet occurred; however, Citi believes the risk of loss is remote given historical experience with the VTNs. Accordingly, Citi's participation in VTNs is not reported in the guarantees tables above, and there are no amounts reflected on the Consolidated Balance Sheet as of September 30, 2023 or December 31, 2022 for potential obligations that could arise from Citi's involvement with VTN associations.

Long-Term Care (LTC) Insurance Indemnification
Citi has an indemnification contingency to Brighthouse Financial in connection with Citi's sale of an insurance subsidiary. A liability under this indemnification agreement is currently remote because Brighthouse Financial would become responsible for LTC policyholder claims only when both the reinsurance provided by other parties ceases and trust assets set aside to meet these claims are not adequate. However, should events occur causing both the reinsurance protection and trust collateral to become insufficient to cover Brighthouse Financial's LTC policyholder claims, Citi will be required to either estimate and disclose a reasonably possible loss or range of loss to the extent that such an estimate can be made, or to accrue for such liability if the event becomes probable and estimable. Citi continues to closely monitor its potential exposure under this indemnification obligation. For additional information, see Note 27 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

Futures and Over-the-Counter Derivatives Clearing
Citi provides clearing services on central clearing parties (CCP) for clients that need to clear exchange-traded and over-the-counter (OTC) derivatives contracts with CCPs. Based on all relevant facts and circumstances, Citi has concluded that it acts as an agent for accounting purposes in its role as clearing member for these client transactions. As such, Citi does not reflect the underlying exchange-traded or OTC derivatives contracts in its Consolidated Financial Statements. See Note 21 for a discussion of Citi's derivatives activities that are reflected in its Consolidated Financial Statements.

As a clearing member, Citi collects and remits cash and securities collateral (margin) between its clients and the respective CCP. In certain circumstances, Citi collects a higher amount of cash (or securities) from its clients than it needs to remit to the CCPs. This excess cash is then held at depository institutions such as banks or carry brokers.

There are two types of margin: initial and variation. Where Citi obtains benefits from or controls cash initial margin (e.g., retains an interest spread), cash initial margin collected from clients and remitted to the CCP or depository institutions is reflected within *Brokerage payables* (payables to customers) and *Brokerage receivables* (receivables from brokers, dealers and clearing organizations) or *Cash and due from banks*, respectively.

However, for exchange-traded and OTC-cleared derivatives contracts where Citi does not obtain benefits from or control the client cash balances, the client cash initial margin collected from clients and remitted to the CCP or depository institutions is not reflected on Citi's Consolidated Balance Sheet. These conditions are met when Citi has contractually agreed with the client that (i) Citi will pass through to the client all interest paid by the CCP or depository institutions on the cash initial margin, (ii) Citi will not utilize its right as a clearing member to transform cash margin into other assets, (iii) Citi does not guarantee and is not liable to the client for the performance of the CCP or the depository institution and (iv) the client cash balances are legally isolated from Citi's bankruptcy estate. The total amount of cash initial margin collected and remitted in this manner was approximately $17.3 billion and $18.0 billion as of September 30, 2023 and December 31, 2022, respectively.

Variation margin due from clients to the respective CCP, or from the CCP to clients, reflects changes in the value of the client's derivative contracts for each trading day. As a clearing member, Citi is exposed to the risk of non-performance by clients (e.g., failure of a client to post variation margin to the CCP for negative changes in the value of the client's derivative contracts). In the event of non-performance by a client, Citi would move to close out the client's positions. The CCP would typically utilize initial margin posted by the client and held by the CCP, with any remaining shortfalls required to be paid by Citi as clearing member. Citi generally holds incremental cash or securities margin posted by the client, which would typically be expected to be sufficient to mitigate Citi's credit risk in the event the client fails to perform.

As required by ASC 860-30-25-5, securities collateral posted by clients is not recognized on Citi's Consolidated Balance Sheet.

FICC Sponsored Member Repo Program

Citi acts as a sponsoring member of the Government Securities Division of the Fixed Income Clearing Corporation (FICC) to clear eligible resale and repurchase agreements on behalf of its clients that become sponsored members of the FICC. Citi, as sponsoring member, is required to provide a guarantee to the FICC with respect to the prompt payment and performance of its sponsored members. Because Citi obtains a security interest in the cash or high-quality securities collateral that the clients place with the clearing house, Citi expects the risk of loss from this guarantee to be remote. See Note 10 for additional information on Citi's resale and repurchase agreements, including risk mitigation practices for these transactions.

Carrying Value—Guarantees and Indemnifications

At September 30, 2023 and December 31, 2022, the total carrying amounts of the liabilities related to the guarantees and indemnifications included in the tables above amounted to approximately $1.2 billion and $1.4 billion, respectively. The carrying value of financial and performance guarantees is included in *Other liabilities*. For loans sold with recourse, the carrying value of the liability is included in *Other liabilities*.

Collateral

Cash collateral available to Citi to reimburse losses realized under these guarantees and indemnifications amounted to $49.8 billion and $51.8 billion at September 30, 2023 and December 31, 2022, respectively. Securities and other marketable assets held as collateral amounted to $76.3 billion and $63.7 billion at September 30, 2023 and December 31, 2022, respectively. The majority of collateral is held to reimburse losses realized under securities lending indemnifications. In addition, letters of credit in favor of Citi held as collateral amounted to $3.4 billion and $3.7 billion at September 30, 2023 and December 31, 2022, respectively. Other property may also be available to Citi to cover losses under certain guarantees and indemnifications; however, the value of such property has not been determined.

Performance Risk

Presented in the tables below are the maximum potential amounts of future payments that are classified based on internal and external credit ratings. The determination of the maximum potential future payments is based on the notional amount of the guarantees without consideration of possible recoveries under recourse provisions or from collateral held or pledged. As such, Citi believes such amounts bear no relationship to the anticipated losses, if any, on these guarantees.

	Maximum potential amount of future payments			
In billions of dollars at September 30, 2023	**Investment grade**	**Non-investment grade**	**Not rated**	**Total**
Financial standby letters of credit	**$ 74.3**	**$ 11.0**	**$ —**	**$ 85.3**
Loans sold with recourse	**—**	**—**	**1.8**	**1.8**
Other	**17.4**	**22.3**	**—**	**39.7**
Total	**$ 91.7**	**$ 33.3**	**$ 1.8**	**$ 126.8**

	Maximum potential amount of future payments			
In billions of dollars at December 31, 2022	Investment grade	Non-investment grade	Not rated	Total
Financial standby letters of credit	$ 77.9	$ 10.4	$ 1.3	$ 89.6
Loans sold with recourse	—	—	1.7	1.7
Other	—	8.5	—	8.5
Total	$ 77.9	$ 18.9	$ 3.0	$ 99.8

Credit Commitments and Lines of Credit

The majority of unused commitments are contingent upon customers maintaining specific credit standards. Commercial commitments generally have floating interest rates and fixed expiration dates and may require payment of fees. Such fees (net of certain direct costs) are deferred and, upon exercise of the commitment, amortized over the life of the loan or, if exercise is deemed remote, amortized over the commitment period.

The table below summarizes Citigroup's credit commitments:

In millions of dollars	U.S.	Outside of U.S.[1]	September 30, 2023	December 31, 2022
Commercial and similar letters of credit	$ 659	$ 4,549	$ 5,208	$ 5,316
One- to four-family residential mortgages	756	687	1,443	2,394
Revolving open-end loans secured by one- to four-family residential properties	5,553	25	5,578	6,380
Commercial real estate, construction and land development	13,451	2,045	15,496	15,170
Credit card lines	614,535	64,459	678,994	683,232
Commercial and other consumer loan commitments	205,749	108,703	314,452	297,399
Other commitments and contingencies[2]	5,381	105	5,486	5,673
Total	$ 846,084	$ 180,573	$ 1,026,657	$ 1,015,564

(1) Consumer commitments related to the business HFS countries under sales agreements are reflected in their original categories until the respective sales are completed.
(2) Other commitments and contingencies include commitments to purchase certain debt and equity securities.

Other Commitments

As a Federal Reserve member bank, Citi is required to subscribe to half of a certain amount of shares issued by its Federal Reserve District Bank. As of September 30, 2023 and December 31, 2022, Citi holds shares with a carrying value of $4.5 billion, with the remaining half subject to call by the Federal Reserve District Bank Board.

In the normal course of business, Citi enters into reverse repurchase and securities borrowing agreements, as well as repurchase and securities lending agreements, which settle at a future date. At September 30, 2023 and December 31, 2022, Citi had approximately $143.9 billion and $111.6 billion of unsettled reverse repurchase and securities borrowing agreements, and approximately $108.7 billion and $37.3 billion of unsettled repurchase and securities lending agreements, respectively. See Note 10 for a further discussion of securities purchased under agreements to resell and securities borrowed, and securities sold under agreements to repurchase and securities loaned, including the Company's policy for offsetting repurchase and reverse repurchase agreements.

These amounts are not included in the table above.

Restricted Cash

Citigroup defines restricted cash (as cash subject to withdrawal restrictions) to include cash deposited with central banks that must be maintained to meet minimum regulatory requirements, and cash set aside for the benefit of customers or for other purposes such as compensating balance arrangements or debt retirement. Restricted cash may include minimum reserve requirements at certain central banks and cash segregated to satisfy rules regarding the protection of customer assets as required by Citigroup broker-dealers' primary regulators, including the SEC, the Commodity Futures Trading Commission and the United Kingdom's Prudential Regulation Authority.

Restricted cash is included on the Consolidated Balance Sheet within the following balance sheet lines:

In millions of dollars	September 30, 2023	December 31, 2022
Cash and due from banks	$ 4,150	$ 4,820
Deposits with banks, net of allowance	14,786	12,156
Total	$ 18,936	$ 16,976

In addition to the restricted cash amounts presented above, at September 30, 2023 and December 31, 2022, approximately $3.5 billion and $1.8 billion, respectively, was held at the Deposit Insurance Agency and was subject to restrictions imposed by the Russian government. These restricted amounts are reported within *Other assets* on the Consolidated Balance Sheet.

25. LEASES

The Company's operating leases, where Citi is a lessee, include real estate, such as office space and branches, and various types of equipment. These leases may contain renewal and extension options and early termination features; however, these options do not impact the lease term unless the Company is reasonably certain that it will exercise options. These leases have a weighted-average remaining lease term of approximately six years as of September 30, 2023.

For additional information regarding Citi's leases, see Notes 1 and 28 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

The following table presents information on the right-of-use (ROU) asset and lease liabilities included in *Premises and equipment* and *Other liabilities*, respectively:

In millions of dollars	**September 30, 2023**	December 31, 2022
ROU asset	**$ 2,787**	$ 2,892
Lease liability	**2,974**	3,076

The Company recognizes fixed lease costs on a straight-line basis throughout the lease term in the Consolidated Statement of Income. In addition, variable lease costs are recognized in the period in which the obligation for those payments is incurred.

26. CONTINGENCIES

The following information supplements and amends, as applicable, the disclosure in Note 26 to the Consolidated Financial Statements in Citigroup's Second Quarter of 2023 Form 10-Q, Note 25 to the Consolidated Financial Statements in Citi's First Quarter of 2023 Form 10-Q and in Note 29 to the Consolidated Financial Statements in Citi's 2022 Form 10-K. For purposes of this Note, Citigroup, its affiliates and subsidiaries and current and former officers, directors, and employees, are sometimes collectively referred to as Citigroup and Related Parties.

In accordance with ASC 450, Citigroup establishes accruals for contingencies, including any litigation, regulatory, or tax matters disclosed herein, when Citigroup believes it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. Once established, accruals are adjusted from time to time, as appropriate, in light of additional information. The amount of loss ultimately incurred in relation to those matters may be substantially higher or lower than the amounts accrued for those matters. With respect to previously incurred loss contingencies for which recovery is expected, Citi applies loss recovery accounting when disputes and uncertainties affecting recognition are resolved.

If Citigroup has not accrued for a matter because the matter does not meet the criteria for accrual (as set forth above), or Citigroup believes an exposure to loss exists in excess of the amount accrued for a particular matter, in each case assuming a material loss is reasonably possible but not probable, Citigroup discloses the matter. In addition, for such matters, Citigroup discloses an estimate of the aggregate reasonably possible loss or range of loss in excess of the amounts accrued for those matters for which an estimate can be made. At September 30, 2023, Citigroup estimates that the reasonably possible unaccrued loss for these matters ranges up to approximately $1.3 billion in the aggregate.

As available information changes, the matters for which Citigroup is able to estimate will change, and the estimates themselves will change. In addition, while many estimates presented in financial statements and other financial disclosures involve significant judgment and may be subject to significant uncertainty, estimates of the range of reasonably possible loss arising from litigation, regulatory, tax, or other matters are subject to particular uncertainties. For example, at the time of making an estimate, Citigroup may only have preliminary or incomplete information about the facts underlying the claim; its assumptions about the future rulings of the court or other tribunal on significant issues, or the behavior and incentives of adverse parties, regulators, or tax authorities may prove to be wrong; and the outcomes it is attempting to predict are often not amenable to the use of statistical or other quantitative analytical tools. In addition, from time to time an outcome may occur that Citigroup had not accounted for in its estimates because it had deemed such an outcome to be remote. For all these reasons, the amount of loss in excess of amounts accrued in relation to matters for which an estimate has been made could be substantially higher or lower than the range of loss included in the estimate.

Subject to the foregoing, it is the opinion of Citigroup's management, based on current knowledge and after taking into account its current accruals, that the eventual outcome of all matters described in this Note would not be likely to have a material adverse effect on the consolidated financial condition of Citigroup. Nonetheless, given the substantial or indeterminate amounts sought in certain of these matters and the inherent unpredictability of such matters, an adverse outcome in certain of these matters could, from time to time, have a material adverse effect on Citigroup's consolidated results of operations or cash flows in particular quarterly or annual periods.

For further information on ASC 450 and Citigroup's accounting and disclosure framework for contingencies, including for any litigation, regulatory, and tax matters disclosed herein, see Note 29 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

FDIC Special Assessment

On May 11, 2023, the FDIC issued a notice of proposed rulemaking that would implement a special assessment—primarily upon large banks—to recover the uninsured deposit losses from the failures of Silicon Valley Bank and Signature Bank. The FDIC estimated that of the cost of the failures, approximately $15.8 billion was attributable to the protection of uninsured depositors, an estimate that will be periodically adjusted. The FDIC has proposed collecting the special assessment at an annual rate of approximately 12.5 basis points of uninsured U.S. deposits over eight quarterly assessment periods beginning in 2024. There is sufficient uncertainty around the final FDIC regulation that would impact both the timing and amount. If the final rule for the FDIC special assessment, which is expected before the end of 2023, is enacted as proposed, Citi is likely to incur up to a $1.5 billion pretax charge, impacting operating expenses. This amount is not included in the reasonably possible loss estimate above.

Interbank Offered Rates-Related Litigation and Other Matters

On October 10, 2023, in MCCARTHY, ET AL. v. INTERCONTINENTAL EXCHANGE, INC., ET AL., the United States District Court for the Northern District of California granted defendants' motion to dismiss with prejudice for all claims against Citigroup, Citibank, and CGMI. Additional information concerning this action is publicly available in court filings under the docket number 20-CV-5832 (N.D. Cal.) (Donato, J.).

Interest Rate and Credit Default Swap Matters

Antitrust and Other Litigation: On August 14, 2023, the court granted defendants' motion to dismiss with prejudice for all claims against Citigroup, Citibank, CGMI, and CGML in TERA GROUP, INC., ET AL. v. CITIGROUP, INC., ET AL. Additional information concerning this action is publicly available in court filings under the docket number 17-CV-4302 (S.D.N.Y.) (Sullivan, J.).

Variable Rate Demand Obligation Litigations

On September 21, 2023, the court granted plaintiffs' motion for class certification in THE CITY OF PHILADELPHIA, MAYOR AND CITY COUNCIL OF BALTIMORE, THE BOARD OF DIRECTORS OF THE SAN DIEGO ASSOCIATION OF GOVERNMENTS, ACTING AS THE SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION v. BANK OF AMERICA CORP., ET AL., certifying both an antitrust class and a breach-of-contract subclass. On October 5, 2023, defendants filed a Rule 23(f) petition seeking leave to appeal the certification ruling. Additional information concerning this action is publicly available in court filings under the docket numbers 19-CV-1608 (S.D.N.Y.) (Furman, J.) and 23-7328 (2d Cir.).

Since April 2018, Citigroup and certain of its affiliates, including Citibank and CGMI, have been named in state court *qui tam* lawsuits in which Edelweiss Fund, LLC alleges that Citi and other financial institutions defrauded certain state municipal variable rate demand obligation ("VRDO") issuers in connection with resetting VRDO interest rates. Filed under each state's respective false claims act, these actions are pending in state courts in California, Illinois, New Jersey, and New York, and are captioned STATE OF CALIFORNIA EX REL. EDELWEISS FUND v. JP MORGAN CHASE & CO., ET AL., STATE OF ILLINOIS EX REL. EDELWEISS FUND v. JP MORGAN CHASE & CO., ET AL., STATE OF NEW JERSEY EX REL. EDELWEISS FUND v. JP MORGAN CHASE & CO., ET AL., and STATE OF NEW YORK EX REL. EDELWEISS FUND v. JP MORGAN CHASE & CO., ET AL., respectively. Additional information concerning these actions is publicly available in court filings under the docket numbers 2017 L 000289 (Ill. Cir. Ct.) (Donnelly, J.), 100559/2014 (N.Y. Sup. Ct.) (Borrok, J.), L-885-15 (N.J. Super. Ct.) (Hurd, J.), 14-323-BLS1 (Mass. Super. Ct.) (Kaplan, J.), SJC-12973 (Mass. Sup. Ct.), CGC-14-540777 (Cal. Super. Ct.) (Schulman, J.), A163264 (Cal. Ct. App.), and S280347 (Cal. Sup. Ct.).

Settlement Payments

Payments required in any settlement agreements described above have been made or are covered by existing litigation or other accruals.

27. SUBSIDIARY GUARANTEES

Citigroup Inc. has fully and unconditionally guaranteed the payments due on debt securities issued by Citigroup Global Markets Holdings Inc. (CGMHI), a wholly owned subsidiary, under the Senior Debt Indenture dated as of March 8, 2016, between CGMHI, Citigroup Inc. and The Bank of New York Mellon, as trustee. In addition, Citigroup Capital III and Citigroup Capital XIII (collectively, the Capital Trusts), each of which is a wholly owned finance subsidiary of Citigroup Inc., have issued trust preferred securities. Citigroup Inc. has guaranteed the payments due on the trust preferred securities to the extent that the Capital Trusts have insufficient available funds to make payments on the trust preferred securities. The guarantee, together with Citigroup Inc.'s other obligations with respect to the trust preferred securities, effectively provides a full and unconditional guarantee of amounts due on the trust preferred securities (see Note 17 for additional information). No other subsidiary of Citigroup Inc. guarantees the debt securities issued by CGMHI or the trust preferred securities issued by the Capital Trusts.

Summarized financial information for Citigroup Inc. and CGMHI is presented in the tables below:

SUMMARIZED INCOME STATEMENT

	Nine Months Ended September 30, 2023	
In millions of dollars	**Citigroup parent company**	**CGMHI**
Total revenues, net of interest expense	**$ 10,080**	**$ 8,494**
Total operating expenses	**138**	**8,856**
Provision for credit losses	**—**	**29**
Equity in undistributed income of subsidiaries	**343**	**—**
Income (loss) from continuing operations before income taxes	**$ 10,285**	**$ (391)**
Provision (benefit) for income taxes	**(782)**	**5**
Net income	**$ 11,067**	**$ (396)**

SUMMARIZED BALANCE SHEET

	September 30, 2023		December 31, 2022	
In millions of dollars	**Citigroup parent company**	**CGMHI**	Citigroup parent company	CGMHI
Cash and deposits with banks	**$ 3,018**	**$ 20,385**	$ 3,015	$ 27,122
Securities borrowed and purchased under resale agreements	**—**	**271,275**	—	306,273
Trading account assets	**557**	**260,593**	306	209,957
Advances to subsidiaries	**151,911**	**—**	146,843	—
Investments in subsidiary bank holding company	**175,310**	**—**	172,721	—
Investments in non-bank subsidiaries	**47,644**	**—**	48,295	—
Other assets	**14,766**	**179,700**	13,788	163,819
Total assets	**$ 393,206**	**$ 731,953**	$ 384,968	$ 707,171
Securities loaned and sold under agreements to repurchase	**$ —**	**$ 294,354**	$ —	$ 245,916
Trading account liabilities	**205**	**104,799**	604	115,929
Short-term borrowings	**1,500**	**25,929**	—	43,850
Long-term debt	**160,571**	**184,859**	166,257	172,068
Advances from subsidiaries	**17,803**	**—**	14,562	—
Other liabilities	**3,624**	**83,858**	2,356	90,570
Stockholders' equity	**209,503**	**38,154**	201,189	38,838
Total liabilities and equity	**$ 393,206**	**$ 731,953**	$ 384,968	$ 707,171

UNREGISTERED SALES OF EQUITY SECURITIES, REPURCHASES OF EQUITY SECURITIES AND DIVIDENDS

Unregistered Sales of Equity Securities
None.

Equity Security Repurchases
All large banks, including Citi, are subject to limitations on capital distributions in the event of a breach of any regulatory capital buffers, including the Stress Capital Buffer, with the degree of such restrictions based on the extent to which the buffers are breached. For additional information, see "Capital Resources—Regulatory Capital Buffers" and "Risk Factors—Strategic Risks" in Citi's 2022 Form 10-K.

The following table summarizes Citi's common share repurchases for the third quarter of 2023:

In millions, except per share amounts	**Total shares purchased**	**Average price paid per share**
July 2023		
Open market repurchases(1)	—	$ —
Employee transactions(2)	—	—
August 2023		
Open market repurchases(1)	—	—
Employee transactions(2)	—	—
September 2023		
Open market repurchases(1)	**11.95**	**41.82**
Employee transactions(2)	—	—
Total for 3Q23	**11.95**	**$ 41.82**

(1) Repurchases not made pursuant to any publicly announced plan or program.
(2) During the third quarter, pursuant to Citigroup's Board of Directors' authorization, Citi withheld an insignificant number of shares of common stock, added to treasury stock, related to activity on employee stock programs to satisfy the employee tax requirements.

As previously announced, Citi will continue to assess common share repurchases on a quarter-by-quarter basis given uncertainty regarding regulatory capital requirements.

Dividends
Citi paid common dividends of $0.53 per share for the third quarter of 2023, and on October 19, 2023, declared common dividends of $0.53 per share for the fourth quarter of 2023. Citi intends to maintain a quarterly common dividend of at least $0.53 per share, subject to financial and macroeconomic conditions as well as its Board of Directors' approval.

As discussed above, Citi's ability to pay common stock dividends is subject to limitations on capital distributions in the event of a breach of any regulatory capital buffers, including the Stress Capital Buffer, with the degree of such restrictions based on the extent to which the buffers are breached. For additional information, see "Capital Resources—Regulatory Capital Buffers" and "Risk Factors—Strategic Risks" in Citi's 2022 Form 10-K.

Any dividend on Citi's outstanding common stock would also need to be in compliance with Citi's obligations on its outstanding preferred stock.

On October 19, 2023, Citi declared preferred dividends of approximately $300 million for the fourth quarter of 2023.

For information on the ability of Citigroup's subsidiary depository institutions to pay dividends, see Note 19 to the Consolidated Financial Statements in Citi's 2022 Form 10-K.

OTHER INFORMATION

Insider Trading Arrangements

During the third quarter of 2023, no director or executive officer of Citi adopted or terminated any Rule 10b5-1 or non-Rule 10b5-1 trading arrangement (each, as defined in Item 408 of Regulation S-K).

Amendments to By-laws

On November 1, 2023, Citi's Board of Directors amended Citi's By-laws (the By-laws), effective as of such date, to enhance procedural mechanics and disclosure requirements in connection with shareholder nominations of directors (or proposals of business other than nominations at an annual meeting not brought pursuant to SEC Rule 14a-8), including by: (i) amending Section 11 of Article III to require a stockholder desiring to nominate directors to make a representation confirming that such stockholder will, or is part of a group that will, solicit proxies in support of director nominees other than Citi's nominees in accordance with SEC Rule 14a-19, or whether it will otherwise solicit proxies in support of director nominees (or a proposal, in the case of business other than nominations at an annual meeting); (ii) amending Section 11 of Article III to require a stockholder desiring to nominate directors (or propose business other than nominations at an annual meeting) to make a representation that it will provide Citi documents demonstrating that it has delivered a proxy statement and form to the holders of a percentage of Citi's stock consistent with the stockholder's representation to Citi; (iii) amending Section 13 of Article III to require nominating or proposing stockholders who are entities to satisfy certain informational requirements with respect to the individuals who directly or indirectly control (but are not passive investors in) such entities; (iv) amending Section 11 of Article III to require that any stockholder desiring to nominate directors at a special meeting for director elections must comply with the advance notice information requirements applicable at annual meetings; (v) amending Section 11 of Article III to require that a stockholder seeking to propose business other than nominations at an annual meeting must include the text of any proposed resolution or by-law amendment; (vi) amending Sections 11 and 12 of Article III to provide that Citi has ten days to provide the nominee questionnaire to a stockholder upon request, which would require a stockholder to approach Citi with such a request more than ten days prior to the end of the applicable nomination window to ensure the nomination is timely submitted; (vii) amending Section 11 to Article III to clarify that, with the adoption of SEC Rule 14a-19, Citi's proxy access by-law is no longer the exclusive means for stockholder nominees to be included on Citi's proxy card; (viii) amending Section 11 of Article III to prohibit a stockholder soliciting proxies from using the white-colored proxy card; and (ix) amending Section 11 of Article III to clarify that a nominating or proposing stockholder's failure to provide the required information or comply with the applicable By-law requirements (including compliance with the applicable SEC rules) will result in a stockholder's nomination or proposal of other business being disregarded. The amendments to the By-laws also incorporated certain other modifications that provide clarification and consistency.

The foregoing description of the amendments to the By-laws does not purport to be complete and is qualified in its entirety by the text of the By-laws, as amended, a copy of which is attached as Exhibit 3.02 to this Quarterly Report on Form 10-Q and is incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 3rd day of November, 2023.

CITIGROUP INC.
(Registrant)

By /s/ Mark A. L. Mason
Mark A. L. Mason
Chief Financial Officer
(Principal Financial Officer)

By /s/ Johnbull E. Okpara
Johnbull E. Okpara
Controller and Chief Accounting Officer
(Principal Accounting Officer)

GLOSSARY OF TERMS AND ACRONYMS

The following is a list of terms and acronyms that are used in this Quarterly Report on Form 10-Q and other Citigroup SEC filings and presentations.

* Denotes a Citi metric

2022 Form 10-K: Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC.

90+ days past due delinquency rate*: Represents consumer loans that are past due by 90 or more days, divided by that period's total EOP loans.

ABS: Asset-backed securities

ACL: Allowance for credit losses, which is composed of the allowance for credit losses on loans (ACLL), allowance for credit losses on unfunded lending commitments (ACLUC), allowance for credit losses on HTM securities and allowance for credit losses on other assets.

ACLL: Allowance for credit losses on loans

ACLUC: Allowance for credit losses on unfunded lending commitments

Advanced Approaches: The Advanced Approaches capital framework, established through Basel III rules by the FRB, requires certain banking organizations to use an internal ratings-based approach and other methodologies to calculate risk-based capital requirements for credit risk and advanced measurement approaches to calculate risk-based capital requirements for operational risk.

AFS: Available-for-sale

ALCO: Asset Liability Committee

Amortized cost: Amount at which a financing receivable or investment is originated or acquired, adjusted for accretion or amortization of premium, discount, and net deferred fees or costs, collection of cash, charge-offs, foreign exchange, and fair value hedge accounting adjustments. For AFS securities, amortized cost is also reduced by any impairment losses recognized in earnings. Amortized cost is not reduced by the allowance for credit losses, except where explicitly presented net.

AOCI: Accumulated other comprehensive income (loss)

ARM: Adjustable rate mortgage(s)

ASC: Accounting Standards Codification under GAAP issued by the FASB.

Asia Consumer: Asia Consumer Banking

ASU: Accounting Standards Update under GAAP issued by the FASB.

AUC: Assets under custody

AUM: Assets under management. Represent assets managed on behalf of Citi's clients.

Available liquidity resources*: Resources available at the balance sheet date to support Citi's client and business needs, including HQLA assets; additional unencumbered securities, including excess liquidity held at bank entities that is non-transferable to other entities within Citigroup; and available assets not already accounted for within Citi's HQLA to support Federal Home Loan Bank (FHLB) and Federal Reserve Bank discount window borrowing capacity.

Basel III: Liquidity and capital rules adopted by the FRB based on an internationally agreed set of measures developed by the Basel Committee on Banking Supervision.

Beneficial interests issued by consolidated VIEs: Represents the interest of third-party holders of debt, equity securities or other obligations, issued by VIEs that Citi consolidates.

Benefit obligation: Refers to the projected benefit obligation for pension plans and the accumulated postretirement benefit obligation for OPEB plans.

BHC: Bank holding company

Board: Citigroup's Board of Directors

Book value per share*: EOP common equity divided by EOP common shares outstanding.

Bps: Basis points. One basis point equals 1/100th of one percent.

Branded cards: Citi's branded cards business with a portfolio of proprietary cards (Cash, Rewards and Value) and co-branded cards (including, among others, American Airlines and Costco).

Build: A net increase in ACL through the provision for credit losses.

Cards: Citi's credit cards' businesses or activities.

CCAR: Comprehensive Capital Analysis and Review

CCO: Chief Compliance Officer

CDS: Credit default swaps

CECL: Current expected credit losses

CEO: Chief Executive Officer

CET1 Capital: Common Equity Tier 1 Capital. See "Capital Resources—Components of Citigroup Capital" above for the components of CET1.

CET1 Capital ratio*: Common Equity Tier 1 Capital ratio. A primary regulatory capital ratio representing end-of-period CET1 Capital divided by total risk-weighted assets.

CFO: Chief Financial Officer

CFTC: Commodity Futures Trading Commission

CGMHI: Citigroup Global Markets Holdings Inc.

CGMI: Citigroup Global Markets Inc.

CGML: Citigroup Global Markets Limited

Citi: Citigroup Inc.

Citibank or CBNA: Citibank, N.A. (National Association)

Classifiably managed: Loans primarily evaluated for credit risk based on internal risk rating classification.

Client assets: Represent assets under management as well as custody, brokerage, administration and deposit accounts.

CLO: Collateralized loan obligations

Coincident NCL coverage ratio: A credit metric, representing the ACLL at period end divided by (the most recent quarter's NCLs divided by 3). This ratio is expressed in months of coverage.

Collateral dependent: A loan is considered collateral dependent when repayment of the loan is expected to be provided substantially through the operation or sale of the collateral when the borrower is experiencing financial difficulty, including when foreclosure is deemed probable based on borrower delinquency.

Commercial cards: Provides a wide range of payment services to corporate and public sector clients worldwide through commercial card products. Services include procurement, corporate travel and entertainment, expense management services and business-to-business payment solutions.

Consent orders: In October 2020, Citigroup and Citibank entered into consent orders with the Federal Reserve and OCC that require Citigroup and Citibank to make improvements in various aspects of enterprise-wide risk management, compliance, data quality management and governance and internal controls.

CRE: Commercial real estate

Credit card spend volume*: Dollar amount of card customers' gross purchases. Also known as purchase sales.

Credit cycle: A period of time over which credit quality improves, deteriorates and then improves again (or vice versa). The duration of a credit cycle can vary from a couple of years to several years.

Credit derivatives: Financial instruments whose value is derived from the credit risk associated with the debt of a third-party issuer (the reference entity), which allow one party (the protection purchaser) to transfer that risk to another party (the protection seller).

Critical Audit Matters: Audit matters communicated by KPMG to Citi's Audit Committee of the Board of Directors, relating to accounts or disclosures that are material to the Consolidated Financial Statements and involved especially challenging, subjective or complex judgments. See "Report of Independent Registered Public Accounting Firm" in Citi's annual reports on Form 10-K.

Criticized: Criticized loans, lending-related commitments and derivative receivables that are classified as special mention, substandard and doubtful categories for regulatory purposes.

CRO: Chief Risk Officer

CTA: Cumulative translation adjustment (also known as currency translation adjustment). A separate component of equity within *AOCI* reported net of tax. For Citi, represents the impact of translating non-USD balance sheet items into USD each period. The CTA amount in EOP *AOCI* is a cumulative balance, net of tax.

CVA: Credit valuation adjustment

Delinquency managed: Loans primarily evaluated for credit risk based on delinquencies, FICO scores and the value of underlying collateral.

Divestiture-related impacts: Citi's results excluding divestiture-related impacts represent as reported, or GAAP, financial results adjusted for items that are incurred and recognized, which are wholly and necessarily a consequence of actions taken to sell (including through a public offering), dispose of or wind down business activities associated with Citi's announced 14 exit markets.

Dividend payout ratio*: Represents dividends declared per common share as a percentage of net income per diluted share.

Dodd-Frank Act: Wall Street Reform and Consumer Protection Act

DPD: Days past due

DSA: Deferred stock awards

DTA: Deferred tax asset

DVA: Debt valuation adjustment

EC: European Commission

Efficiency ratio*: A ratio signifying how much of a dollar in expenses (as a percentage) it takes to generate one dollar in revenue. Represents total operating expenses divided by total revenues, net.

EMEA: Europe, Middle East and Africa

EOP: End-of-period

EPS*: Earnings per share

ERISA: Employee Retirement Income Security Act of 1974

ESG: Environmental, Social and Governance

ETR: Effective tax rate

EU: European Union

Fannie Mae: Federal National Mortgage Association

FASB: Financial Accounting Standards Board

FCA: Financial Conduct Authority

FDIC: Federal Deposit Insurance Corporation

Federal Reserve: The Board of the Governors of the Federal Reserve System

FFIEC: Federal Financial Institutions Examination Council

FHA: Federal Housing Administration

FHLB: Federal Home Loan Bank

FICO: Fair Issac Corporation

FICO score: A measure of consumer credit risk provided by credit bureaus, typically produced from statistical models by

Fair Isaac Corporation utilizing data collected by the credit bureaus.

FINRA: Financial Industry Regulatory Authority

Firm: Citigroup Inc.

FRB: Federal Reserve Board

FRBNY: Federal Reserve Bank of New York

Freddie Mac: Federal Home Loan Mortgage Corporation

FTCs: Foreign tax credit carry-forwards

FVA: Funding valuation adjustment

FX: Foreign exchange

FX translation: The impact of converting non-U.S.-dollar currencies into U.S. dollars.

G7: Group of Seven nations. Countries in the G7 are Canada, France, Germany, Italy, Japan, the U.K. and the U.S.

GAAP or U.S. GAAP: Generally accepted accounting principles in the United States of America.

Ginnie Mae: Government National Mortgage Association

Global Wealth: Global Wealth Management

GSIB: Global systemically important banks

HELOC: Home equity line of credit

HFI loans: Loans that are held-for-investment (i.e., excludes loans held-for-sale).

HFS: Held-for-sale

HQLA: High-quality liquid assets. Consist of cash and certain high-quality liquid securities as defined in the LCR rule.

HTM: Held-to-maturity

Hyperinflation: Extreme economic inflation with prices rising at a very high rate in a very short time. Under U.S. GAAP, entities operating in a hyperinflationary economy need to change their functional currency to the U.S. dollar. Once the change is made, the CTA balance is frozen.

IBOR: Interbank Offered Rate

ICG: Institutional Clients Group

ICRM: Independent Compliance Risk Management

IPO: Initial public offering

ISDA: International Swaps and Derivatives Association

KM: Key financial and non-financial metric used by management when evaluating consolidated and/or individual business results.

KPMG LLP: Citi's Independent Registered Public Accounting Firm.

LATAM: Latin America, which for Citi, includes Mexico.

LCR: Liquidity Coverage ratio. Represents HQLA divided by net outflows in the period.

LDA: Loss Distribution Approach

LF: Legacy Franchises

LGD: Loss given default

LIBOR: London Interbank Offered Rate

LLC: Limited Liability Company

LTD: Long-term debt

LTV: Loan-to-value. For residential real estate loans, the relationship, expressed as a percentage, between the principal amount of a loan and the appraised value of the collateral (i.e., residential real estate) securing the loan.

Master netting agreement: A single agreement with a counterparty that permits multiple transactions governed by that agreement to be terminated or accelerated and settled through a single payment in a single currency in the event of a default (e.g., bankruptcy, failure to make a required payment or securities transfer or deliver collateral or margin when due).

MBS: Mortgage-backed securities

MCA: Manager's control assessment

MD&A: Management's discussion and analysis

Measurement alternative: Measures equity securities without readily determinable fair values at cost less impairment (if any), plus or minus observable price changes from an identical or similar investment of the same issuer.

Mexico Consumer: Mexico Consumer Banking

Mexico Consumer/SBMM: Mexico Consumer Banking and Small Business and Middle-Market Banking

Mexico SBMM: Mexico Small Business and Middle-Market Banking

Moody's: Moody's Investors Service

MSRs: Mortgage servicing rights

N/A: Data is not applicable or available for the period presented.

NAA: Non-accrual assets. Consists of non-accrual loans and OREO.

NAL: Non-accrual loans. Loans for which interest income is not recognized on an accrual basis. Loans (other than credit card loans and certain consumer loans insured by U.S. government-sponsored agencies) are placed on non-accrual status when full payment of principal and interest is not expected, regardless of delinquency status, or when principal and interest have been in default for a period of 90 days or more unless the loan is both well secured and in the process of collection. Collateral-dependent loans are typically maintained on non-accrual status.

NAV: Net asset value

NCL(s): Net credit losses. Represents gross credit losses, less gross credit recoveries.

NCL ratio*: Represents net credit losses (recoveries) (annualized), divided by average loans for the reporting period.

Net capital rule: Rule 15c3-1 under the Securities Exchange Act of 1934.

Net interchange income: Includes the following components:

- Interchange revenue: Fees earned from merchants based on Citi's credit and debit card customers' sales transactions.
- Reward costs: The cost to Citi for points earned by cardholders enrolled in credit card rewards programs generally tied to sales transactions.
- Partner payments: Payments to co-brand credit card partners based on the cost of loyalty program rewards earned by cardholders on credit card transactions.

NII: Net interest income. Represents total interest revenue less total interest expenses.

NIM*: Net interest margin expressed as a yield percentage, calculated as annualized net interest income divided by average interest-earning assets for the period.

NIR: Non-interest revenues

NM: Not meaningful

Noncontrolling interests: The portion of an investment that has been consolidated by Citi that is not 100% owned by Citi.

Non-GAAP financial measure: Management uses these financial measures because it believes they provide information to enable investors to understand the underlying operational performance and trends of Citi and its businesses.

NSFR: Net stable funding ratio

O/S: Outstanding

OCC: Office of the Comptroller of the Currency

OCI: Other comprehensive income (loss)

OREO: Other real estate owned

OTTI: Other-than-temporary impairment

Over-the-counter cleared (OTC-cleared) derivatives: Derivative contracts that are negotiated and executed bilaterally, but subsequently settled via a central clearing house, such that each derivative counterparty is only exposed to the default of that clearing house.

Over-the-counter (OTC) derivatives: Derivative contracts that are negotiated, executed and settled bilaterally between two derivative counterparties, where one or both counterparties is a derivatives dealer.

Parent company: Citigroup Inc.

Participating securities: Represents unvested share-based compensation awards containing nonforfeitable rights to dividends or dividend equivalents (collectively, "dividends"), which are included in the earnings per share calculation using the two-class method. Citi grants RSUs to certain employees under its share-based compensation programs, which entitle the recipients to receive non-forfeitable dividends during the vesting period on a basis equivalent to the dividends paid to holders of common stock. These unvested awards meet the definition of participating securities. Under the two-class method for calculating EPS, all earnings (distributed and undistributed) are allocated to each class of common stock and participating securities, based on their respective rights to receive dividends.

PBWM: Personal Banking and Wealth Management

PD: Probability of default

Principal transactions revenue: Primarily trading-related revenues predominantly generated by the *ICG* businesses. See Note 6.

Provision for credit losses: Composed of the provision for credit losses on loans, provision for credit losses on HTM investments, provision for credit losses on other assets and provision for credit losses on unfunded lending commitments.

Provisions: Provisions for credit losses and for benefits and claims.

PSUs: Performance share units

Purchased credit-deteriorated: Purchased credit-deteriorated assets are financial assets that as of the date of acquisition have experienced a more-than-insignificant deterioration in credit quality since origination, as determined by the Company.

R&S forecast period: Reasonable and supportable period over which Citi forecasts future macroeconomic conditions for CECL purposes.

Real GDP: Real gross domestic product is the inflation-adjusted value of the goods and services produced by labor and property located in a country.

Regulatory VAR: Daily aggregated VAR calculated in accordance with regulatory rules.

REITs: Real estate investment trusts

Release: A net decrease in ACL through the provision for credit losses.

Reported basis: Financial statements prepared under U.S. GAAP.

Results of operations that exclude certain impacts from gains or losses on sale, or one-time charges*: Represents GAAP items, excluding the impact of gains or losses on sales, or one-time charges (e.g., the loss on sale related to the sale of Citi's consumer banking business in Australia).

Results of operations that exclude the impact of FX translation*: Represents GAAP items, excluding the impact of FX translation, whereby the prior periods' foreign currency balances are translated into U.S. dollars at the current period's conversion rates (also known as constant dollar). GAAP measures excluding the impact of FX translation are non-GAAP financial measures.

Retail services: Citi's U.S. retail services cards business with a portfolio of co-brand and private label relationships (including, among others, The Home Depot, Best Buy, Sears and Macy's).

RMI: A non-partisan, non-profit organization that works to transform global energy systems across the real economy. Citi joined the RMI Center for Climate-Aligned Finance in 2021.

ROA*: Return on assets. Represents net income (annualized), divided by average assets for the period.

ROCE*: Return on Common Equity. Represents net income less preferred dividends (both annualized), divided by average common equity for the period.

ROE: Return on equity. Represents net income less preferred dividends (both annualized), divided by average Citigroup equity for the period.

RoTCE*: Return on tangible common equity. Represents net income less preferred dividends (both annualized), divided by average tangible common equity for the period.

RSU(s): Restricted stock units

RWA: Risk-weighted assets. Basel III establishes two comprehensive approaches for calculating RWA (the Standardized Approach and the Advanced Approaches), which include capital requirements for credit risk, market risk and operational risk for Advanced Approaches. Key differences in the calculation of credit risk RWA between the Standardized and Advanced Approaches are that for Advanced, credit risk RWA is based on risk-sensitive approaches that largely rely on the use of internal credit models and parameters, whereas for Standardized, credit risk RWA is generally based on supervisory risk weightings, which vary primarily by counterparty type and asset class. Market risk RWA is calculated on a generally consistent basis between Basel III Standardized Approach and Basel III Advanced Approaches.

S&P: Standard and Poor's Global Ratings

SCB: Stress Capital Buffer

SCF: Subscription credit facility. SCFs are revolving credit facilities provided to private equity funds that are secured against the fund's investors' capital commitments.

SEC: The U.S. Securities and Exchange Commission

Securities financing agreements: Include resale, repurchase, securities borrowed and securities loaned agreements.

SLR: Supplementary Leverage ratio. Represents Tier 1 Capital divided by Total Leverage Exposure.

SOFR: Secured Overnight Financing Rate

SPEs: Special purpose entities

Standardized Approach: Established through Basel III, the Standardized Approach aligns regulatory capital requirements more closely with the key elements of banking risk by introducing a wider differentiation of risk weights and a wider recognition of credit risk mitigation techniques, while avoiding excessive complexity. Accordingly, the Standardized Approach produces capital ratios more in line with the actual economic risks that banks are facing.

Structured notes: Financial instruments whose cash flows are linked to the movement in one or more indexes, interest rates, foreign exchange rates, commodities prices, prepayment rates or other market variables. The notes typically contain embedded (but not separable or detachable) derivatives. Contractual cash flows for principal, interest or both can vary in amount and timing throughout the life of the note based on non-traditional indexes or non-traditional uses of traditional interest rates or indexes.

Tangible book value per share (TBVPS)*: Represents tangible common equity divided by EOP common shares outstanding.

Tangible common equity (TCE): Represents common stockholders' equity less goodwill and identifiable intangible assets, other than MSRs.

Taxable equivalent basis: Represents the total revenue, net of interest expense for the business, adjusted for revenue from investments that receive tax credits and the impact of tax-exempt securities. This metric presents results on a level comparable to taxable investments and securities. GAAP measures on taxable equivalent basis, including the metrics derived from these measures, are non-GAAP financial measures.

TDR: Troubled debt restructuring. Prior to January 1, 2023, a TDR was deemed to occur when the Company modified the original terms of a loan agreement by granting a concession to a borrower that was experiencing financial difficulty. Loans with short-term and other insignificant modifications that are not considered concessions were not TDRs. The accounting guidance for TDRs was eliminated with the adoption of ASU 2022-02. See Note 1 for more information.

TLAC: Total loss-absorbing capacity

Total ACL: Allowance for credit losses, which comprises the allowance for credit losses on loans (ACLL), allowance for credit losses on unfunded lending commitments (ACLUC), allowance for credit losses on HTM securities and allowance for credit losses on other assets.

Total payout ratio*: Represents total common dividends declared plus common share repurchases as a percentage of net income available to common shareholders.

Transformation: Citi has embarked on a multiyear transformation, with the target outcome to change Citi's business and operating models such that they simultaneously strengthen risk and controls and improve Citi's value to customers, clients and shareholders.

Unaudited: Financial statements and information that have not been subjected to auditing procedures sufficient to permit an independent certified public accountant to express an opinion.

U.S. government agencies: U.S. government agencies include, but are not limited to, agencies such as Ginnie Mae and FHA, and do not include Fannie Mae and Freddie Mac, which are U.S. government-sponsored enterprises (U.S. GSEs). In general, obligations of U.S. government agencies are fully and explicitly guaranteed as to the timely payment of principal and interest by the full faith and credit of the U.S. government in the event of a default.

U.S. Treasury: U.S. Department of the Treasury

VAR: Value at risk. A measure of the dollar amount of potential loss from adverse market moves in an ordinary market environment.

VIEs: Variable interest entities

Wallet: Proportion of fee revenue based on estimates of investment banking fees generated across the industry (i.e., the revenue wallet) from investment banking transactions in M&A, equity and debt underwriting, and loan syndications.

EXHIBIT INDEX

Exhibit Number		Description of Exhibit
3.01+		Restated Certificate of Incorporation of Citigroup, as amended, as in effect on the date hereof.
3.02+		By-Laws of Citigroup, as amended, effective November 1, 2023.
10.01*+		Employment Termination Notice and Nonsolicitation Policy for U.S. Employees, effective September 1, 2023.
22+		Subsidiary Issuers of Guaranteed Securities
31.01+		Certification of principal executive officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.02+		Certification of principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.01+		Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.01+		List of Securities Registered Pursuant to Section 12(b) of the Securities Exchange Act of 1934, formatted in Inline XBRL.
101.01+		Financial statements from the Quarterly Report on Form 10-Q of Citigroup for the quarterly period ended September 30, 2023, filed on November 3, 2023, formatted in Inline XBRL: (i) the Consolidated Statement of Income, (ii) the Consolidated Balance Sheet, (iii) the Consolidated Statement of Changes in Stockholders' Equity, (iv) the Consolidated Statement of Cash Flows and (v) the Notes to the Consolidated Financial Statements.
104		See the cover page of this Quarterly Report on Form 10-Q, formatted in Inline XBRL.

The total amount of securities authorized pursuant to any instrument defining rights of holders of long-term debt of the Company does not exceed 10% of the total assets of the Company and its consolidated subsidiaries. The Company will furnish copies of any such instrument to the SEC upon request.

+ Filed herewith.
* Denotes a management contract or compensatory plan or arrangement.

NOTES