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, 2021

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, smaller reporting, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	**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. Yes ☐

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

Number of shares of Citigroup Inc. common stock outstanding on September 30, 2021: 1,984,267,239

Available on the web at www.citigroup.com

CITIGROUP'S THIRD QUARTER 2021—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, 2020 (2020 Annual Report on Form 10-K) and Citigroup's Quarterly Reports on Form 10-Q for the quarter ended March 31, 2021 (First Quarter of 2021 Form 10-Q) and for the quarter ended June 30, 2021 (Second Quarter of 2021 Form 10-Q).

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

Certain reclassifications and updates have been made to the prior periods' financial statements and disclosures to conform to the current period's presentation. For additional information, see footnote 1 to "Summary of Selected Financial Data" and "Segment and Business—Income (Loss) and Revenues" below and Notes 1 and 3 to the Consolidated Financial Statements.

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

Please see "Risk Factors" in Citi's 2020 Annual Report on Form 10-K for a discussion of material risks and uncertainties that could impact Citigroup's businesses, results of operations and financial condition.

Citigroup is managed pursuant to two business segments: *Global Consumer Banking* and *Institutional Clients Group*, with the remaining operations in *Corporate/Other*.

Citigroup Segments

Global Consumer Banking (GCB)

- **North America**
- **Latin America**(1)
- **Asia**(2)

Consisting of:

- **Retail banking and wealth management, including**
  - Residential real estate
  - Small business banking
- **Citi-branded cards** in all regions
- **Citi retail services** in North America

Institutional Clients Group (ICG)

- **Banking**
  - Investment banking
  - Treasury and trade solutions
  - Corporate lending
  - Private bank
- **Markets and securities services**
  - Fixed income markets
  - Equity markets
  - Securities services

Corporate/Other

- **Corporate Treasury**
- **Operations and technology**
- **Global staff functions and other corporate expenses**
- **Legacy non-core assets:**
  - Consumer loans
  - Certain portfolios of securities, loans and other assets
- **Discontinued operations**

The following are the four regions in which Citigroup operates. The regional results are fully reflected in the segment and *Corporate/Other* results above.

Citigroup Regions(3)

- North America
- Europe, Middle East and Africa (EMEA)
- Latin America
- Asia

(1) *Latin America GCB* consists of Citi's consumer banking business in Mexico.
(2) *Asia GCB* includes the results of operations of *GCB* activities in certain *EMEA* countries for all periods presented.
(3) *North America* includes the U.S., Canada and Puerto Rico, *Latin America* includes Mexico and *Asia* includes Japan.

As previously disclosed, Citi will focus its consumer banking franchise in *Asia* and *EMEA* on four wealth centers—Singapore, Hong Kong, the United Arab Emirates (UAE) and London—and is pursuing exits of its consumer franchises in 13 markets across the two regions. *ICG* will continue to serve clients, including its commercial banking clients, in all of these markets. For additional information, see "Executive Summary" and "*Asia GCB*" below and Note 2 to the Consolidated Financial Statements. For information regarding risks related to Citi's exits from the 13 markets, see "Forward-Looking Statements" below.

In conjunction with its strategic refresh, Citi is assessing its current operating segment and reporting unit structure along with potential changes to management reporting used to assist in decisions about resources and capital allocation, and assess business performance.

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

EXECUTIVE SUMMARY

Third Quarter of 2021—Results Demonstrated Continued Progress Across the Franchise
As described further throughout this Executive Summary, during or since the third quarter of 2021:

- Citi's earnings increased significantly versus the prior-year period, largely reflecting an allowance for credit loss (ACL) release of $1.2 billion as a result of a continued improvement in portfolio credit quality, partially offset by higher expenses.
- Citi's revenues declined 1% versus the prior-year period. Excluding a pretax loss of approximately $680 million ($580 million after-tax) related to the sale of Citi's Australia consumer banking business in *Asia Global Consumer Banking* (*GCB*) (see "Citigroup" below), revenues increased 3%, as strength in investment banking, equity markets and securities services in *Institutional Clients Group* (*ICG*) was partially offset by normalization in market activity in fixed income markets within *ICG* as well as lower card loans and deposit spreads across *GCB.*
- Citi continued to invest in its transformation, including infrastructure supporting its risk and control environment, and make business-led investments.
- Citi had deposit growth across *ICG* and *GCB*, reflecting continued engagement across both corporate clients and consumers.
- Citi returned approximately $4 billion of capital to its common shareholders in the form of $1 billion in dividends and $3 billion in common share repurchases, totaling approximately 43 million common shares, while maintaining robust regulatory capital ratios. Year-to-date, Citi returned nearly $11 billion of capital to its common shareholders.
- Citi submitted its plans to address the consent orders issued to Citigroup and Citibank by the Federal Reserve Board and Office of the Comptroller of the Currency, respectively (for additional information, see "Citi's Consent Order Compliance" in Citi's 2020 Annual Report on Form 10-K).
- On November 8, 2021, Citi filed an amended Current Report on Form 8-K/A with the SEC disclosing that, in connection with the previously disclosed wind-down plan of its Korea consumer banking business, Citi expects to incur total estimated cash charges ranging from approximately $1.2 billion to $1.5 billion, related to voluntary termination benefits and related costs. Citi does not expect to recognize these charges all at once, but over time through the remainder of 2021 and 2022, as voluntary retirements are phased and irrevocably accepted in order to minimize business and operational impacts.

For a discussion of trends, uncertainties and risks that will or could impact Citi's businesses, results of operations and financial condition during the remainder of 2021, see each respective business's results of operations and "Forward-Looking Statements" below, and "COVID-19 Pandemic Overview," "Risk Factors" and "Managing Global Risk" in Citi's 2020 Annual Report on Form 10-K.

Third Quarter of 2021 Results Summary

Citigroup
Citigroup reported net income of $4.6 billion, or $2.15 per share, compared to net income of $3.1 billion, or $1.36 per share, in the prior-year period. The increase in net income was driven by lower cost of credit, partially offset by higher expenses and lower revenues. Citigroup's effective tax rate was 20% in the current quarter, largely unchanged from the third quarter of 2020. Earnings per share increased 58%, reflecting the increase in net income, as well as a slight decline in average diluted shares outstanding.

Citigroup revenues of $17.2 billion in the third quarter of 2021 decreased 1% from the prior-year period. Excluding the Australia loss on sale, Citigroup revenues increased 3%, as higher revenues in *ICG*, along with growth in *Corporate/ Other*, were partially offset by lower revenues in *GCB*.

As previously disclosed, the Australia loss on sale primarily reflects the impact of a currency translation adjustment (CTA) loss (net of hedges) already reflected in the *Accumulated other comprehensive income* (*AOCI*) component of equity. Upon closing, the CTA-related balance would be removed from the *AOCI* component of equity, resulting in a neutral impact from CTA to Citi's Common Equity Tier 1 Capital. Ultimately, the sale is expected to result in an improvement in Citi's Common Equity Tier 1 Capital ratio due to the reduction in associated risk-weighted assets. (As used throughout this Form 10-Q, Citi's results of operations and financial condition excluding the impact of the Australia loss on sale are non-GAAP financial measures. Citi believes the presentation of its results of operations and financial condition excluding the impact of the Australia sale provides a meaningful depiction of the underlying fundamentals of its broader results and *Asia GCB* business's results for investors, industry analysts and others.)

Citigroup's end-of-period loans were $665 billion, largely unchanged from the prior-year period. Excluding the impact of foreign currency translation into U.S. dollars for reporting purposes (FX translation), Citigroup's end-of-period loans decreased 1%. On this basis and excluding the impact of held-for-sale accounting as a result of the Australia sale (totaling approximately $9 billion of loans), loans increased 1%, driven by active client engagement in treasury and trade solutions, the private bank and markets, partially offset by lower loans in *GCB* and *Corporate/Other*. Citigroup's end-of-period deposits increased 7% to $1.3 trillion. Excluding the impact of FX translation, Citigroup's end-of-period deposits increased 6%, primarily driven by growth across both *ICG* and *GCB*. (As used throughout this Form 10-Q, Citi's results of operations and financial condition excluding the impact of FX translation are non-GAAP financial measures.)

Expenses
Citigroup operating expenses of $11.5 billion increased 5% from the prior-year period. Excluding the impact of FX translation, expenses increased 4%, reflecting continued investments in Citi's transformation, as well as business-led investments and revenue-related expenses, partially offset by efficiency savings.

Cost of Credit
Citi's total provisions for credit losses and for benefits and claims was a benefit of $0.2 billion, compared to a cost of $2.4 billion in the prior-year period, primarily driven by a net ACL reserve release of $1.2 billion (versus a build of $436 million in the prior-year period) as well as lower net credit losses. Citi's net ACL release primarily reflected a continued improvement in portfolio credit quality. 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 $1.0 billion decreased 50% from the prior-year period. Consumer net credit losses of $0.9 billion decreased 42%, primarily reflecting lower loan volumes and improved delinquencies in the *North America* cards portfolios. Corporate net credit losses decreased 88% to $39 million from $325 million in the prior-year period, driven by improvements in portfolio credit quality.

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 Common Equity Tier 1 (CET1) Capital ratio was 11.7% as of September 30, 2021, based on the Basel III Standardized Approach for determining risk-weighted assets, unchanged from the prior-year period, based on the Basel III Advanced Approaches framework for determining risk-weighted assets.

Citigroup's Supplementary Leverage ratio as of September 30, 2021 was 5.8%, compared to 6.8% as of September 30, 2020. The decrease was primarily driven by the expiration of temporary relief granted by the Federal Reserve Board. For additional information on Citi's capital ratios, see "Capital Resources" below.

Global Consumer Banking
GCB net income of $1.3 billion compared to net income of $920 million in the prior-year period, reflecting lower cost of credit, partially offset by lower revenues and higher expenses. *GCB* operating expenses of $4.6 billion increased 7% from the prior-year period. Excluding the impact of FX translation, expenses increased 5%, reflecting continued investments in Citi's transformation, as well as business-led investments and volume-related expenses, partially offset by efficiency savings.

GCB revenues of $6.3 billion decreased 13%. Excluding the impact of FX translation and the Australia loss on sale, revenues decreased 5%, as continued solid deposit growth and momentum in investment management were more than offset by lower card loans and lower deposit spreads.

North America GCB revenues of $4.3 billion decreased 4%, with lower revenues across Citi-branded cards, Citi retail services and retail banking. Citi-branded cards revenues of $2.0 billion decreased 1%, reflecting continued higher payment rates. Citi retail services revenues of $1.3 billion decreased 6%, reflecting lower average loans and continued higher payment rates. Retail banking revenues of $1.0 billion decreased 7%, as the benefit of stronger deposit growth was more than offset by lower deposit spreads, as well as lower mortgage revenues.

Year-over-year, *North America GCB* average deposits of $208 billion increased 14%, assets under management of $85 billion increased 16% and average retail banking loans of $50 billion decreased 7%. Average Citi-branded card loans of $82 billion increased 1%, while average Citi retail services loans of $42 billion decreased 5%. Citi-branded card purchase sales of $106 billion increased 24% and Citi retail services purchase sales of $23 billion increased 14%, reflecting a continued recovery in sales activity from the pandemic-related low levels in the prior-year period. For additional information on the results of operations of *North America GCB* for the third quarter of 2021, see "*Global Consumer Banking—North America GCB*" below.

International *GCB* revenues (consisting of *Latin America GCB* and *Asia GCB* (which includes the results of operations in certain *EMEA* countries)) of $1.9 billion decreased 27% versus the prior-year period. Excluding the impact of FX translation and the Australia loss on sale, international *GCB* revenues declined 5%. Excluding the impact of FX translation, *Latin America GCB* revenues declined 7%, driven by lower lending volumes and deposit spreads, partially offset by growth in assets under management. Excluding the impact of FX translation and the Australia loss on sale, *Asia GCB* revenues decreased 4%, reflecting lower loans and lower deposit spreads, partially offset by higher investment revenues. For additional information on the results of operations of *Latin America GCB* and *Asia GCB* for the third quarter of 2021, including the impact of FX translation, see "*Global Consumer Banking—Latin America GCB*" and "*Global Consumer Banking—Asia GCB*" below. For additional information on Citi's consumer banking business in Australia, including the impact of the reclassification of deposits and loans to held-for-sale, see "*Global Consumer Banking—Asia GCB*" below and Note 2 to the Consolidated Financial Statements.

Year-over-year, excluding the impact of FX translation, international *GCB* average deposits of $145 billion increased 3%, average retail banking loans of $71 billion decreased 5% (primarily reflecting the impact of held-for-sale accounting as a result of the Australia sale) and assets under management of $144 billion increased 10%. On this basis, international *GCB* average card loans of $19 billion decreased 15%, primarily reflecting the impact of held-for-sale accounting as a result of the Australia sale, as well as higher payment rates, while card purchase sales of $24 billion increased 8%, reflecting a continued recovery in purchase sales activity from the pandemic-related low levels in the prior-year period.

Institutional Clients Group

ICG net income of $3.4 billion increased 21%, as lower cost of credit and higher revenues more than offset higher expenses. *ICG* operating expenses increased 9% to $6.4 billion, reflecting continued investments in Citi's transformation, business-led investments and higher revenue-related expenses, partially offset by efficiency savings.

ICG revenues of $10.8 billion increased 4%, primarily reflecting a 12% increase in *Banking* revenues, partially offset by a 4% decrease in *Markets and securities services* revenues. The increase in *Banking* revenues included the impact of $47 million of losses on loan hedges related to corporate lending and the private bank, compared to losses of $124 million related to corporate lending and the private bank in the prior-year period.

Excluding the impact of losses on loan hedges, *Banking* revenues of $5.8 billion increased 11%, as higher revenues in investment banking, corporate lending and the private bank were partially offset by lower revenues in treasury and trade solutions. Investment banking revenues of $1.9 billion increased 39%, reflecting strong growth across products. Advisory revenues increased significantly to $539 million, equity underwriting revenues increased 5% to $507 million and debt underwriting revenues increased 19% to $877 million. (As used throughout this Form 10-Q, Citi's results of operations and financial condition excluding the impact of gains (losses) on loan hedges are non-GAAP financial measures.)

Treasury and trade solutions revenues of $2.3 billion declined 4%, or 5% excluding the impact of FX translation, as higher fee revenues, including a recovery in commercial card revenues, as well as growth in trade were more than offset by the impact of lower deposit spreads. Private bank revenues increased 4% to $1.0 billion. Excluding the impact of losses on loan hedges, private bank revenues also increased 4%, driven by higher fees and lending volumes, reflecting momentum with both new and existing clients, partially offset by lower deposit spreads. Corporate lending revenues of $588 million increased 39%. Excluding the impact of losses on loan hedges, corporate lending revenues of $631 million increased 17%, primarily due to lower cost of funds and a modest gain on sale, partially offset by lower loan volumes.

Markets and securities services revenues of $5.0 billion decreased 4%. Fixed income markets revenues of $3.2 billion decreased 16%, reflecting the continued normalization in market activity across rates and spread products. Equity markets revenues of $1.2 billion increased 40%, driven by growth in derivatives, prime finance and cash equities, reflecting solid client activity and favorable market conditions. Securities services revenues of $692 million increased 10%. Excluding the impact of FX translation, securities services revenues increased 9%, driven by strong growth in fee revenues with both new and existing clients, including growth in assets under custody and settlement volumes, partially offset by lower deposit spreads. For additional information on the results of operations of *ICG* for the third quarter of 2021, see "*Institutional Clients Group*" below.

Corporate/Other

Corporate/Other net loss was $111 million in the third quarter of 2021, compared to a net loss of $607 million in the prior-year period, primarily driven by higher revenues and lower expenses, partially offset by a lower net ACL release on Citi's residual legacy portfolio. Operating expenses of $519 million decreased 37%, primarily driven by the absence of a prior-year period civil money penalty, partially offset by an increase in expenses related to Citi's transformation.

Corporate/Other revenues of $108 million increased from $(224) million in the prior-year period, largely reflecting higher net revenue from the investment portfolio. For additional information on the results of operations of *Corporate/Other* for the third quarter of 2021, see "*Corporate/Other*" below.

COVID-19 PANDEMIC

Although economic growth and employment rates have continued to recover from pandemic-related lows, particularly in the U.S., the pandemic has continued to adversely impact certain industries and regions. Notwithstanding these impacts, Citi has maintained strong capital and liquidity positions with consistently strong business operations.

Following a U.S. presidential executive order issued in September 2021 mandating vaccination for government contractors that will apply to a significant number of Citi employees, Citi announced a requirement that U.S.-domiciled employees must be vaccinated, subject to legally required accommodations.

For information on Citi's support of its colleagues, customers and communities and its management of pandemic risks, see "COVID-19 Pandemic Overview" in Citigroup's 2020 Annual Report on Form 10-K.

RESULTS OF OPERATIONS

SUMMARY OF SELECTED FINANCIAL DATA

Citigroup Inc. and Consolidated Subsidiaries

In millions of dollars, except per share amounts	Third Quarter 2021	Third Quarter 2020[1]	% Change	Nine Months 2021	Nine Months 2020[1]	% Change
Net interest revenue	**$ 10,398**	$ 10,493	**(1)%**	**$ 30,763**	$ 33,065	**(7)%**
Non-interest revenue	**6,756**	6,809	**(1)**	**23,192**	24,734	**(6)**
Revenues, net of interest expense	**$ 17,154**	$ 17,302	**(1)%**	**$ 53,955**	$ 57,799	**(7)%**
Operating expenses	**11,484**	10,964	**5**	**33,749**	32,067	**5**
Provisions for credit losses and for benefits and claims	**(192)**	2,384	**NM**	**(3,313)**	17,541	**NM**
Income from continuing operations before income taxes	**$ 5,862**	$ 3,954	**48 %**	**$ 23,519**	$ 8,191	**NM**
Income taxes	**1,193**	777	**54**	**4,680**	1,409	**NM**
Income from continuing operations	**$ 4,669**	$ 3,177	**47 %**	**$ 18,839**	$ 6,782	**NM**
Income (loss) from discontinued operations, net of taxes	**(1)**	(7)	**86**	**7**	(26)	**NM**
Net income before attribution of noncontrolling interests	**$ 4,668**	$ 3,170	**47 %**	**$ 18,846**	$ 6,756	**NM**
Net income attributable to noncontrolling interests	**24**	24	**—**	**67**	18	**NM**
Citigroup's net income	**$ 4,644**	$ 3,146	**48 %**	**$ 18,779**	$ 6,738	**NM**
Earnings per share						
Basic						
Income from continuing operations	**$ 2.17**	$ 1.37	**58 %**	**$ 8.70**	$ 2.82	**NM**
Net income	**2.17**	1.37	**58**	**8.70**	2.81	**NM**
Diluted						
Income from continuing operations	**$ 2.15**	$ 1.36	**58 %**	**$ 8.64**	$ 2.81	**NM**
Net income	**2.15**	1.36	**58**	**8.65**	2.80	**NM**
Dividends declared per common share	**0.51**	0.51	**—**	**1.53**	1.53	**— %**
Common dividends	**$ 1,040**	$ 1,074	**(3)%**	**$ 3,176**	$ 3,226	**(2)%**
Preferred dividends[2]	**266**	284	**(6)**	**811**	828	**(2)**
Common share repurchases	**3,000**	—	**NM**	**7,600**	2,925	**NM**

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 2021	Third Quarter 2020[1]	% Change	Nine Months 2021	Nine Months 2020[1]	% Change
At September 30:						
Total assets	**$2,361,876**	$2,234,459	**6 %**			
Total deposits	**1,347,528**	1,262,623	**7**			
Long-term debt	**258,274**	273,254	**(5)**			
Citigroup common stockholders' equity	**182,880**	175,896	**4**			
Total Citigroup stockholders' equity	**200,875**	193,876	**4**			
Average assets	**2,346,025**	2,259,472	**4**	**$2,334,876**	$2,202,132	**6 %**
Direct staff *(in thousands)*	**220**	209	**5 %**			
Performance metrics						
Return on average assets	**0.79 %**	0.55 %		**1.08 %**	0.41 %	
Return on average common stockholders' equity[3]	**9.5**	6.5		**13.2**	4.5	
Return on average total stockholders' equity[3]	**9.1**	6.5		**12.5**	4.7	
Return on tangible common equity (RoTCE)[4]	**11.0**	7.6		**15.4**	5.3	
Efficiency ratio (total operating expenses/total revenues, net)	**66.9**	63.4		**62.6**	55.5	
Basel III ratios						
Common Equity Tier 1 Capital[5]	**11.65 %**	11.66 %				
Tier 1 Capital[5]	**13.15**	13.15				
Total Capital[5]	**15.37**	15.54				
Supplementary Leverage ratio	**5.80**	6.82				
Citigroup common stockholders' equity to assets	**7.74 %**	7.87 %				
Total Citigroup stockholders' equity to assets	**8.50**	8.68				
Dividend payout ratio[6]	**24**	38		**18 %**	55 %	
Total payout ratio[7]	**92**	38		**60**	104	
Book value per common share	**$ 92.16**	$ 84.48	**9 %**			
Tangible book value (TBV) per share[4]	**79.07**	71.95	**10**			

(1) In the fourth quarter of 2020, Citi revised the 2020 second quarter accounting conclusion for its variable post-charge-off third-party collection costs from a "change in accounting estimate effected by a change in accounting principle" to a "change in accounting principle," which required an adjustment to January 1, 2020 opening retained earnings, rather than 2020 net income. As a result, Citi's full-year and quarterly results for 2020 were revised to reflect this change as if it were effective as of January 1, 2020, as follows: an increase to beginning retained earnings on January 1, 2020 of $330 million and a decrease of $443 million in the allowance for credit losses on loans, as well as a $113 million decrease in other assets related to income taxes; a decrease of $18 million to provisions for credit losses on loans in the first quarter and increases of $339 million and $122 million to provisions for credit losses on loans in the second and third quarters, respectively; and increases in operating expenses of $49 million and $45 million with a corresponding decrease in net credit losses, in the first and second quarters, respectively. See Note 1 to the Consolidated Financial Statements for additional information.
(2) Certain series of preferred stock have semiannual payment dates. See Note 9 to the Consolidated Financial Statements.
(3) 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.
(4) RoTCE and TBV are non-GAAP financial measures. For information on RoTCE and TBV, see "Capital Resources—Tangible Common Equity, Book Value Per Share, Tangible Book Value Per Share and Return on Equity" below.
(5) Citi's reportable Common Equity Tier 1 Capital and Tier 1 Capital ratios were derived under the Basel III Standardized Approach framework as of September 30, 2021, and under the Basel III Advanced Approaches framework as of September 30, 2020, whereas Citi's reportable Total Capital ratio was derived under the Basel III Advanced Approaches framework for both periods presented.
(6) Dividend payout ratio is calculated as dividends declared per common share as a percentage of net income per diluted share.
(7) Total payout ratio is calculated as 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 to the Consolidated Financial Statements and "Equity Security Repurchases" below for the component details.
NM Not meaningful

SEGMENT AND BUSINESS—INCOME AND REVENUES

CITIGROUP INCOME

In millions of dollars	Third Quarter 2021	Third Quarter 2020	% Change	Nine Months 2021	Nine Months 2020	% Change
Income (loss) from continuing operations[1]						
Global Consumer Banking						
North America	**$ 1,448**	$ 661	**NM**	**$ 4,614**	$ (1,014)	**NM**
Latin America	**228**	108	**NM**	**632**	75	**NM**
Asia[2]	**(342)**	151	**NM**	**91**	370	**(75)%**
Total	**$ 1,334**	$ 920	**45 %**	**$ 5,337**	$ (569)	**NM**
Institutional Clients Group						
North America	**$ 854**	$ 1,023	**(17)%**	**$ 4,886**	$ 2,509	**95 %**
EMEA	**1,035**	880	**18**	**3,657**	2,389	**53**
Latin America	**665**	102	**NM**	**1,907**	427	**NM**
Asia	**889**	852	**4**	**2,760**	2,928	**(6)**
Total	**$ 3,443**	$ 2,857	**21 %**	**$ 13,210**	$ 8,253	**60 %**
Corporate/Other	**(108)**	(600)	**82**	**292**	(902)	**NM**
Income from continuing operations	**$ 4,669**	$ 3,177	**47 %**	**$ 18,839**	$ 6,782	**NM**
Discontinued operations	**$ (1)**	$ (7)	**86 %**	**$ 7**	$ (26)	**NM**
Less: Net income attributable to noncontrolling interests	**24**	24	**—**	**67**	18	**NM**
Citigroup's net income	**$ 4,644**	$ 3,146	**48 %**	**$ 18,779**	$ 6,738	**NM**

(1) During the first quarter of 2021, Citi changed its classification of certain recurring expenses related to investments in infrastructure and risk controls, allocating them from *Corporate/Other* to *GCB* and *ICG*. This allocation change had no impact on Citi's earnings before income taxes (EBIT) or *Net income* for any period. Prior-period amounts have been reclassified to conform to the current period's presentation. See Note 3 to the Consolidated Financial Statements.
(2) *Asia GCB* includes the results of operations of *GCB* activities in certain *EMEA* countries.
NM Not meaningful

CITIGROUP REVENUES

In millions of dollars	Third Quarter 2021	Third Quarter 2020	% Change	Nine Months 2021	Nine Months 2020	% Change
Global Consumer Banking						
North America	**$ 4,338**	$ 4,527	**(4)%**	**$ 12,967**	$ 14,493	**(11)%**
Latin America	**1,038**	1,027	**1**	**3,099**	3,276	**(5)**
Asia[1]	**884**	1,619	**(45)**	**4,051**	4,917	**(18)**
Total	**$ 6,260**	$ 7,173	**(13)%**	**$ 20,117**	$ 22,686	**(11)%**
Institutional Clients Group						
North America	**$ 4,145**	$ 3,920	**6 %**	**$ 12,761**	$ 13,854	**(8)%**
EMEA	**3,095**	3,085	**—**	**10,061**	9,947	**1**
Latin America	**1,261**	1,141	**11**	**3,571**	3,766	**(5)**
Asia	**2,285**	2,207	**4**	**7,000**	7,407	**(5)**
Total	**$ 10,786**	$ 10,353	**4 %**	**$ 33,393**	$ 34,974	**(5)%**
Corporate/Other	**108**	(224)	**NM**	**445**	139	**NM**
Total Citigroup net revenues	**$ 17,154**	$ 17,302	**(1)%**	**$ 53,955**	$ 57,799	**(7)%**

(1) *Asia GCB* includes the results of operations of *GCB* activities in certain *EMEA* countries.
NM Not meaningful

SEGMENT BALANCE SHEET[1]—SEPTEMBER 30, 2021

In millions of dollars	Global Consumer Banking	Institutional Clients Group	Corporate/Other and consolidating eliminations[2]	Citigroup parent company-issued long-term debt and stockholders' equity[3]	Total Citigroup consolidated
Assets					
Cash and deposits with banks, net of allowance	$ 7,753	$ 99,060	$ 216,995	$ —	$ 323,808
Securities borrowed and purchased under agreements to resell, net of allowance	305	337,166	225	—	337,696
Trading account assets	1,370	328,361	13,183	—	342,914
Investments, net of allowance	1,244	132,623	366,982	—	500,849
Loans, net of unearned income and allowance for credit losses on loans	245,477	397,458	4,114	—	647,049
Other assets, net of allowance	48,848	118,248	42,464	—	209,560
Net inter-segment liquid assets[4]	137,285	406,563	(543,848)	—	—
Total assets	$ 442,282	$ 1,819,479	$ 100,115	$ —	$ 2,361,876
Liabilities and equity					
Total deposits	$ 354,437	$ 986,215	$ 6,876	$ —	$ 1,347,528
Securities loaned and sold under agreements to repurchase	2,180	207,003	1	—	209,184
Trading account liabilities	845	177,958	483	—	179,286
Short-term borrowings	17	29,324	342	—	29,683
Long-term debt[3]	530	85,457	2,183	170,104	258,274
Other liabilities, net of allowance	28,978	89,474	17,859	—	136,311
Net inter-segment funding (lending)[3]	55,295	244,048	71,636	(370,979)	—
Total liabilities	$ 442,282	$ 1,819,479	$ 99,380	$ (200,875)	$ 2,160,266
Total stockholders' equity[5]	—	—	735	200,875	201,610
Total liabilities and equity	$ 442,282	$ 1,819,479	$ 100,115	$ —	$ 2,361,876

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

GLOBAL CONSUMER BANKING

Global Consumer Banking (*GCB*) consists of consumer banking businesses in *North America*, *Latin America* (consisting of Citi's consumer banking business in Mexico) and *Asia*. *GCB* provides traditional banking services to retail customers through retail banking, Citi-branded cards and, in the U.S., Citi retail services. *GCB* is focused on markets in the U.S., Mexico and Asia. As of September 30, 2021, *GCB* had 2,157 branches in 19 countries and jurisdictions with $442 billion in assets and $354 billion in retail banking deposits (excluding approximately $7 billion of deposits and $9 billion of loans reclassified to held-for-sale as a result of Citi's agreement to sell its consumer banking business in Australia).

GCB's strategy is to leverage its global footprint and digital capabilities to develop multiproduct relationships with customers, both in and out of Citi's branch footprint. To achieve this, *GCB* strives to optimize its clients' experiences across lending, payments and wealth management through continued digitization, new partnerships and innovation. For information on Citi's previously announced strategic actions, including its pursuit of exits of its consumer franchises in 13 markets across *Asia* and *EMEA*, see "Executive Summary" above, "*Asia GCB*" below and Note 2 to the Consolidated Financial Statements.

	Third Quarter			Nine Months		
In millions of dollars, except as otherwise noted	**2021**	2020	**% Change**	**2021**	2020	**% Change**
Net interest revenue	**$ 5,963**	$ 6,251	**(5)%**	**$ 17,763**	$ 19,857	**(11)%**
Non-interest revenue	**297**	922	**(68)**	**2,354**	2,829	**(17)**
Total revenues, net of interest expense	**$ 6,260**	$ 7,173	**(13)%**	**$ 20,117**	$ 22,686	**(11)%**
Total operating expenses	**$ 4,567**	$ 4,287	**7 %**	**$ 13,517**	$ 12,884	**5 %**
Net credit losses on loans	**$ 944**	$ 1,598	**(41)%**	**$ 3,777**	$ 5,374	**(30)%**
Credit reserve build (release) for loans	**(1,031)**	34	**NM**	**(4,235)**	5,144	**NM**
Provision (release) for credit losses on unfunded lending commitments	**1**	5	**(80)**	**2**	4	**(50)**
Provisions for benefits and claims, HTM debt securities and other assets	**21**	45	**(53)**	**65**	103	**(37)**
Provisions (releases) for credit losses and for benefits and claims (PBC)	**$ (65)**	$ 1,682	**NM**	**$ (391)**	$ 10,625	**NM**
Income (loss) from continuing operations before taxes	**$ 1,758**	$ 1,204	**46 %**	**$ 6,991**	$ (823)	**NM**
Income taxes (benefits)	**424**	284	**49**	**1,654**	(254)	**NM**
Income (loss) from continuing operations	**$ 1,334**	$ 920	**45 %**	**$ 5,337**	$ (569)	**NM**
Noncontrolling interests	**(2)**	—	**NM**	**(7)**	(3)	**NM**
Net income (loss)	**$ 1,336**	$ 920	**45 %**	**$ 5,344**	$ (566)	**NM**
Balance Sheet data and ratios						
EOP assets *(in billions of dollars)*	**$ 442**	$ 435	**2 %**			
Average assets *(in billions of dollars)*	**441**	434	**2**	**$ 439**	$ 419	**5 %**
Return on average assets	**1.20 %**	0.84 %		**1.63 %**	(0.18)%	
Efficiency ratio	**73**	60		**67**	57	
Average retail banking deposits *(in billions of dollars)*	**$ 353**	$ 320	**10**	**$ 351**	$ 304	**15**
Net credit losses as a percentage of average loans	**1.42 %**	2.33 %		**1.89 %**	2.58 %	
Revenue by business						
Retail banking	**$ 2,146**	$ 2,916	**(26)%**	**$ 7,792**	$ 8,798	**(11)%**
Cards[1]	**4,114**	4,257	**(3)**	**12,325**	13,888	**(11)**
Total	**$ 6,260**	$ 7,173	**(13)%**	**$ 20,117**	$ 22,686	**(11)%**
Income (loss) from continuing operations by business						
Retail banking	**$ (326)**	$ 264	**NM**	**$ 205**	$ 384	**(47)%**
Cards[1]	**1,660**	656	**NM**	**5,132**	(953)	**NM**
Total	**$ 1,334**	$ 920	**45 %**	**$ 5,337**	$ (569)	**NM**

Table continues on the next page, including footnotes.

Foreign currency (FX) translation impact									
Total revenue—as reported	**$**	**6,260**	$	7,173	**(13)%**	**$**	**20,117**	$	22,686	**(11)%**
Impact of FX translation[2]		**—**		95			**—**		365	
Total revenues—ex-FX[3]	**$**	**6,260**	$	7,268	**(14)%**	**$**	**20,117**	$	23,051	**(13)%**
Total operating expenses—as reported	**$**	**4,567**	$	4,287	**7 %**	**$**	**13,517**	$	12,884	**5 %**
Impact of FX translation[2]		**—**		59			**—**		227	
Total operating expenses—ex-FX[3]	**$**	**4,567**	$	4,346	**5 %**	**$**	**13,517**	$	13,111	**3 %**
Total provisions for credit losses and PBC—as reported	**$**	**(65)**	$	1,682	**NM**	**$**	**(391)**	$	10,625	**NM**
Impact of FX translation[2]		**—**		15			**—**		123	
Total provisions for credit losses and PBC—ex-FX[3]	**$**	**(65)**	$	1,697	**NM**	**$**	**(391)**	$	10,748	**NM**
Net income—as reported	**$**	**1,336**	$	920	**45 %**	**$**	**5,344**	$	(566)	**NM**
Impact of FX translation[2]		**—**		11			**—**		7	
Net income—ex-FX[3]	**$**	**1,336**	$	931	**44 %**	**$**	**5,344**	$	(559)	**NM**

(1) Includes both Citi-branded cards and Citi retail services.
(2) Reflects the impact of FX translation into U.S. dollars for the third quarter of 2021 and year-to-date 2021 average exchange rates for all periods presented.
(3) Presentation of this metric excluding FX translation is a non-GAAP financial measure.
NM Not meaningful

NORTH AMERICA GCB

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

At September 30, 2021, *North America GCB* had 658 retail bank branches concentrated in the six key metropolitan areas of New York, Chicago, Miami, Washington, D.C., Los Angeles and San Francisco. Also, as of September 30, 2021, *North America GCB* had \$48.8 billion in retail banking loans and \$211.4 billion in retail banking deposits. In addition, *North America GCB* had \$125.5 billion in outstanding card loan balances.

	Third Quarter			Nine Months		
In millions of dollars, except as otherwise noted	**2021**	2020	**% Change**	**2021**	2020	**% Change**
Net interest revenue	**\$ 4,336**	\$ 4,500	**(4)%**	**\$ 12,786**	\$ 14,243	**(10)%**
Non-interest revenue	**2**	27	**(93)**	**181**	250	**(28)**
Total revenues, net of interest expense	**\$ 4,338**	\$ 4,527	**(4)%**	**\$ 12,967**	\$ 14,493	**(11)%**
Total operating expenses	**\$ 2,658**	\$ 2,483	**7 %**	**\$ 7,737**	\$ 7,506	**3 %**
Net credit losses on loans	**\$ 617**	\$ 1,182	**(48)%**	**\$ 2,384**	\$ 4,120	**(42)%**
Credit reserve build (release) for loans	**(809)**	(10)	**NM**	**(3,141)**	4,200	**NM**
Provision (release) for credit losses on unfunded lending commitments	**1**	5	**(80)**	**2**	4	**(50)**
Provisions for benefits and claims, HTM debt securities and other assets	**4**	(6)	**NM**	**12**	18	**(33)**
Provisions (releases) for credit losses and for benefits and claims	**\$ (187)**	\$ 1,171	**NM**	**\$ (743)**	\$ 8,342	**NM**
Income (loss) from continuing operations before taxes	**\$ 1,867**	\$ 873	**NM**	**\$ 5,973**	\$ (1,355)	**NM**
Income taxes (benefits)	**419**	212	**98 %**	**1,359**	(341)	**NM**
Income (loss) from continuing operations	**\$ 1,448**	\$ 661	**NM**	**\$ 4,614**	\$ (1,014)	**NM**
Noncontrolling interests	**—**	—	**— %**	**—**	—	**— %**
Net income (loss)	**\$ 1,448**	\$ 661	**NM**	**\$ 4,614**	\$ (1,014)	**NM**
Balance Sheet data and ratios						
Average assets *(in billions of dollars)*	**\$ 267**	\$ 274	**(3)%**	**\$ 265**	\$ 261	**2 %**
Return on average assets	**2.15 %**	0.96 %		**2.33 %**	(0.52)%	
Efficiency ratio	**61**	55		**60**	52	
Average retail banking deposits *(in billions of dollars)*	**\$ 208**	\$ 182	**14**	**\$ 203**	\$ 172	**18**
Net credit losses as a percentage of average loans	**1.41 %**	2.63 %		**1.84 %**	2.98 %	
Revenue by business						
Retail banking	**\$ 1,031**	\$ 1,113	**(7)%**	**\$ 3,111**	\$ 3,365	**(8)%**
Citi-branded cards	**2,036**	2,061	**(1)**	**6,086**	6,626	**(8)**
Citi retail services	**1,271**	1,353	**(6)**	**3,770**	4,502	**(16)**
Total	**\$ 4,338**	\$ 4,527	**(4)%**	**\$ 12,967**	\$ 14,493	**(11)%**
Income (loss) from continuing operations by business						
Retail banking	**\$ (73)**	\$ 25	**NM**	**\$ (119)**	\$ (160)	**26 %**
Citi-branded cards	**781**	422	**85 %**	**2,824**	(627)	**NM**
Citi retail services	**740**	214	**NM**	**1,909**	(227)	**NM**
Total	**\$ 1,448**	\$ 661	**NM**	**\$ 4,614**	\$ (1,014)	**NM**

NM Not meaningful

3Q21 vs. 3Q20

Net income was $1.4 billion, compared to $661 million in the prior-year period, reflecting significantly lower cost of credit, partially offset by a decline in revenues and higher expenses.

Revenues decreased 4%, reflecting lower revenues in retail banking, Citi retail services and Citi-branded cards.

Retail banking revenues decreased 7%, as the benefit of strong deposit growth and growth in assets under management (increase of 16%, reflecting favorable market conditions and strong client engagement) was more than offset by lower deposit spreads, as well as lower mortgage revenues. Average deposits increased 14%, driven by higher levels of consumer liquidity due to government stimulus, as well as continued strategic efforts to drive organic growth.

Cards revenues decreased 3%. Citi-branded cards revenues decreased 1%, primarily driven by continued higher payment rates, reflecting increased customer liquidity from government stimulus and relief programs, largely offset by higher spending-related revenues. Purchase sales increased 24%, reflecting a continued recovery in sales activity from the pandemic-driven low levels in the prior-year period.

Citi retail services revenues decreased 6%, primarily driven by lower average loans (down 5%) and continued higher payment rates from the increased customer liquidity from government stimulus and relief programs. Purchase sales increased 14%, reflecting a continued recovery in sales activity from the pandemic-driven low levels in the prior-year period.

Expenses increased 7%, primarily driven by continued investments in Citi's transformation, as well as business-led investments and higher volume-related expenses, partially offset by efficiency savings.

Provisions reflected a benefit of $187 million, compared to costs of $1.2 billion in the prior-year period, primarily driven by a larger net ACL release in the current quarter, as well as lower net credit losses. Net credit losses decreased 48%, consisting of lower net credit losses in both Citi-branded cards (down 45% to $357 million) and Citi retail services (down 53% to $238 million), primarily driven by lower loan volumes and improved delinquencies, as a result of the higher payment rates.

The net ACL release was $808 million, compared to a release of $5 million in the prior-year period, reflecting improvement in portfolio credit quality and the continued improvement in the macroeconomic outlook. For additional information on Citi's ACL, see "Significant Accounting Policies and Significant Estimates" below.

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

For additional information about trends, uncertainties and risks related to *North America GCB*'s future results, see "Forward-Looking Statements" below and "COVID-19 Pandemic Overview" and "Risk Factors—Strategic Risks" in Citi's 2020 Annual Report on Form 10-K.

3Q21 YTD vs. 3Q20 YTD

Year-to-date, *North America GCB* experienced similar trends to those described above. *Net income* was $4.6 billion, compared to a *net loss* of $1.0 billion in the prior-year period, as significantly lower cost of credit more than offset a decline in revenues and higher expenses.

Revenues decreased 11%, reflecting lower revenues in retail banking, Citi-branded cards and Citi retail services. Retail banking revenues decreased 8%, primarily driven by the same factors described above. Cards revenues decreased 11%. In Citi-branded cards, revenues decreased 8%, driven by the same factors described above. Citi retail services revenues decreased 16%, driven by the same factors described above, as well as higher contractual partner payments reflecting higher income sharing as a result of lower forecasted losses. For additional information on partner payments, see Note 5 to the Consolidated Financial Statements.

Expenses increased 3%, driven by the same factors described above.

Provisions reflected a benefit of $743 million, compared to costs of $8.3 billion in the prior-year period. Net credit losses decreased 42%, driven by the same factors described above. The ACL release was $3.1 billion, compared to a build of $4.2 billion in the prior-year period, driven by the same factors described above.

LATIN AMERICA GCB

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

At September 30, 2021, *Latin America GCB* had 1,278 retail branches in Mexico, with $8.7 billion in retail banking loans and $23.3 billion in deposits. In addition, the business had $4.3 billion in outstanding card loan balances.

	Third Quarter			Nine Months		
In millions of dollars, except as otherwise noted	**2021**	2020	**% Change**	**2021**	2020	**% Change**
Net interest revenue	**$ 702**	$ 697	**1 %**	**$ 2,063**	$ 2,339	**(12)%**
Non-interest revenue	**336**	330	**2**	**1,036**	937	**11**
Total revenues, net of interest expense	**$ 1,038**	$ 1,027	**1 %**	**$ 3,099**	$ 3,276	**(5)%**
Total operating expenses	**$ 700**	$ 667	**5 %**	**$ 2,127**	$ 2,001	**6 %**
Net credit losses on loans	**$ 175**	$ 228	**(23)%**	**$ 790**	$ 704	**12 %**
Credit reserve build (release) for loans	**(178)**	(66)	**NM**	**(764)**	399	**NM**
Provision for credit losses on unfunded lending commitments	**—**	—	**—**	**—**	—	**—**
Provisions for benefits and claims, HTM debt securities and other assets	**19**	47	**(60)**	**54**	78	**(31)**
Provisions for credit losses and for benefits and claims (PBC)	**$ 16**	$ 209	**(92)%**	**$ 80**	$ 1,181	**(93)%**
Income (loss) from continuing operations before taxes	**$ 322**	$ 151	**NM**	**$ 892**	$ 94	**NM**
Income taxes (benefits)	**94**	43	**NM**	**260**	19	**NM**
Income (loss) from continuing operations	**$ 228**	$ 108	**NM**	**$ 632**	$ 75	**NM**
Noncontrolling interests	**—**	—	**— %**	**—**	—	**— %**
Net income (loss)	**$ 228**	$ 108	**NM**	**$ 632**	$ 75	**NM**
Balance Sheet data and ratios						
Average assets *(in billions of dollars)*	**$ 36**	$ 31	**16 %**	**$ 35**	$ 32	**9 %**
Return on average assets	**2.51 %**	1.39 %		**2.41 %**	0.31 %	
Efficiency ratio	**67**	65		**69**	61	
Average deposits *(in billions of dollars)*	**$ 24**	$ 23	**4**	**$ 24**	$ 22	**9**
Net credit losses as a percentage of average loans	**5.26 %**	6.67 %		**7.77 %**	6.49 %	
Revenue by business						
Retail banking	**$ 767**	$ 737	**4 %**	**$ 2,247**	$ 2,225	**1 %**
Citi-branded cards	**271**	290	**(7)**	**852**	1,051	**(19)**
Total	**$ 1,038**	$ 1,027	**1 %**	**$ 3,099**	$ 3,276	**(5)%**
Income (loss) from continuing operations by business						
Retail banking	**$ 119**	$ 68	**75 %**	**$ 339**	$ 29	**NM**
Citi-branded cards	**109**	40	**NM**	**293**	46	**NM**
Total	**$ 228**	$ 108	**NM**	**$ 632**	$ 75	**NM**
FX translation impact						
Total revenues—as reported	**$ 1,038**	$ 1,027	**1 %**	**$ 3,099**	$ 3,276	**(5)%**
Impact of FX translation[1]	**—**	86		**—**	226	
Total revenues—ex-FX[2]	**$ 1,038**	$ 1,113	**(7)%**	**$ 3,099**	$ 3,502	**(12)%**
Total operating expenses—as reported	**$ 700**	$ 667	**5 %**	**$ 2,127**	$ 2,001	**6 %**
Impact of FX translation[1]	**—**	51		**—**	130	
Total operating expenses—ex-FX[2]	**$ 700**	$ 718	**(3)%**	**$ 2,127**	$ 2,131	**— %**
Provisions for credit losses and PBC—as reported	**$ 16**	$ 209	**(92)%**	**$ 80**	$ 1,181	**(93)%**
Impact of FX translation[1]	**—**	15		**—**	92	
Provisions for credit losses and PBC—ex-FX[2]	**$ 16**	$ 224	**(93)%**	**$ 80**	$ 1,273	**(94)%**
Net income (loss)—as reported	**$ 228**	$ 108	**NM**	**$ 632**	$ 75	**NM**
Impact of FX translation[1]	**—**	12		**—**	—	
Net income (loss)—ex-FX[2]	**$ 228**	$ 120	**90 %**	**$ 632**	$ 75	**NM**

(1) Reflects the impact of FX translation into U.S. dollars for the third quarter of 2021 and year-to-date 2021 average exchange rates for all periods presented.
(2) Presentation of this metric excluding FX translation is a non-GAAP financial measure.
NM Not meaningful

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

3Q21 vs. 3Q20

Net income increased 90%, reflecting significantly lower cost of credit and lower expenses, partially offset by lower revenues.

Revenues decreased 7%, reflecting lower cards and retail banking revenues, largely due to the continued impact of the pandemic.

Retail banking revenues decreased 4%, primarily driven by continued lower loan volumes and deposit spreads, partially offset by growth in assets under management. Average loans decreased 13%, reflecting the impact of the pandemic on customer activity. Assets under management increased 6%, reflecting favorable market conditions, as well as strong client engagement.

Cards revenues decreased 14%, primarily driven by lower average loans (down 10%), reflecting higher payment rates. Purchase sales increased 20%, reflecting a continued recovery in sales activity from the pandemic-driven low levels in the prior-year period.

Expenses decreased 3%, as efficiency savings more than offset continued investments in Citi's transformation, as well as business-led investments.

Provisions of $16 million decreased 93%, reflecting a higher ACL release and lower net credit losses in the current period. Net credit losses decreased 29%, primarily reflecting lower cards loan volumes and improved delinquencies.

The net ACL release was $178 million, compared to $77 million in the prior-year period. The release reflected an improvement in portfolio credit quality, as well as the continued improvement in the macroeconomic outlook and lower loan volumes. For additional information on Citi's ACL, see "Significant Accounting Policies and Significant Estimates" below.

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

For additional information about trends, uncertainties and risks related to *Latin America GCB*'s future results, see "Forward-Looking Statements" below and "COVID-19 Pandemic Overview" and "Risk Factors—Strategic Risks" in Citi's 2020 Annual Report on Form 10-K.

3Q21 YTD vs. 3Q20 YTD

Year-to-date, *Latin America GCB* experienced similar trends to those described above. *Net income* was $632 million, compared to $75 million in the prior-year period, as significantly lower cost of credit more than offset lower revenues.

Revenues decreased 12%, reflecting lower revenues in both retail banking and cards. Retail banking revenues decreased 6%, driven by the same factors described above. Cards revenues decreased 24%, driven by the same factors described above.

Expenses were largely unchanged, as efficiency savings were offset by the impact of continued investments in Citi's transformation, as well as business-led investments.

Provisions decreased 94%, driven by a net ACL release compared to a net ACL build in the prior-year period. The ACL release was $764 million, compared to a build of $426 million in the prior-year period, driven by the same factors described above.

ASIA GCB

Asia GCB provides traditional retail banking and Citi-branded card products to retail and small business customers. Included within *Asia GCB* are traditional retail banking and Citi-branded card products provided to retail customers in certain *EMEA* countries, primarily the UAE, Poland and Russia.

Citi is pursuing exits of its consumer franchises in 13 markets across *Asia* and *EMEA* and will focus its consumer banking franchise in the two regions on four wealth centers: Singapore, Hong Kong, the UAE and London. As previously disclosed, Citi entered into an agreement to sell its consumer banking business in Australia and announced a decision to wind down and close its Korea consumer banking business (for additional information, including an estimated range of total cash charges expected to be incurred in connection with the Korea wind-down, see "Executive Summary" above and Note 2 to the Consolidated Financial Statements). For additional information regarding risks related to Citi's exits from the 13 markets, see "Forward-Looking Statements" below.

At September 30, 2021, on a combined basis, the businesses had 221 retail branches, $59.3 billion in retail banking loans and $119.7 billion in deposits. In addition, the businesses had $13.5 billion in outstanding card loan balances. These amounts exclude approximately $9 billion of loans ($6 billion of retail banking loans and $3 billion of credit card loan balances) and $7 billion of deposits reclassified to held-for-sale as a result of Citi's agreement to sell its consumer banking business in Australia.

	Third Quarter			Nine Months		
In millions of dollars, except as otherwise noted[1]	**2021**	2020	**% Change**	**2021**	2020	**% Change**
Net interest revenue	**$ 925**	$ 1,054	**(12)%**	**$ 2,914**	$ 3,275	**(11)%**
Non-interest revenue	**(41)**	565	**NM**	**1,137**	1,642	**(31)**
Total revenues, net of interest expense	**$ 884**	$ 1,619	**(45)%**	**$ 4,051**	$ 4,917	**(18)%**
Total operating expenses	**$ 1,209**	$ 1,137	**6 %**	**$ 3,653**	$ 3,377	**8 %**
Net credit losses on loans	**$ 152**	$ 188	**(19)%**	**$ 603**	$ 550	**10 %**
Credit reserve build (release) for loans	**(44)**	110	**NM**	**(330)**	545	**NM**
Provisions for HTM debt securities and other assets	**(2)**	4	**NM**	**(1)**	7	**NM**
Provisions for credit losses	**$ 106**	$ 302	**(65)%**	**$ 272**	$ 1,102	**(75)%**
Income (loss) from continuing operations before taxes	**$ (431)**	$ 180	**NM**	**$ 126**	$ 438	**(71)%**
Income taxes (benefits)	**(89)**	29	**NM**	**35**	68	**(49)**
Income (loss) from continuing operations	**$ (342)**	$ 151	**NM**	**$ 91**	$ 370	**(75)%**
Noncontrolling interests	**(2)**	—	**NM**	**(7)**	(3)	**NM**
Net income (loss)	**$ (340)**	$ 151	**NM**	**$ 98**	$ 373	**(74)%**
Balance Sheet data and ratios						
Average assets *(in billions of dollars)*	**$ 138**	$ 129	**7 %**	**$ 140**	$ 126	**11 %**
Return on average assets	**(0.98)%**	0.47 %		**0.09 %**	0.40 %	
Efficiency ratio	**137**	70		**90**	69	
Average deposits *(in billions of dollars)*	**$ 121**	$ 115	**5**	**$ 123**	$ 110	**12**
Net credit losses as a percentage of average loans	**0.79 %**	0.94 %		**1.00 %**	0.93 %	
Revenue by business						
Retail banking	**$ 348**	$ 1,066	**(67)%**	**$ 2,434**	$ 3,208	**(24)%**
Citi-branded cards	**536**	553	**(3)**	**1,617**	1,709	**(5)**
Total	**$ 884**	$ 1,619	**(45)%**	**$ 4,051**	$ 4,917	**(18)%**
Income (loss) from continuing operations by business						
Retail banking	**$ (372)**	$ 171	**NM**	**$ (15)**	$ 515	**NM**
Citi-branded cards	**30**	(20)	**NM**	**106**	(145)	**NM**
Total	**$ (342)**	$ 151	**NM**	**$ 91**	$ 370	**(75)%**
FX translation impact						
Total revenues—as reported	**$ 884**	$ 1,619	**(45)%**	**$ 4,051**	$ 4,917	**(18)%**
Impact of FX translation[2]	**—**	9		**—**	139	
Total revenues—ex-FX[3]	**$ 884**	$ 1,628	**(46)%**	**$ 4,051**	$ 5,056	**(20)%**
Total operating expenses—as reported	**$ 1,209**	$ 1,137	**6 %**	**$ 3,653**	$ 3,377	**8 %**
Impact of FX translation[2]	**—**	8		**—**	97	
Total operating expenses—ex-FX[3]	**$ 1,209**	$ 1,145	**6 %**	**$ 3,653**	$ 3,474	**5 %**

Provisions for credit losses—as reported	$	**106**	$	302	**(65)%**	$	**272**	$	1,102	**(75)%**
Impact of FX translation(2)		**—**		—			**—**		31	
Provisions for credit losses—ex-FX(3)	$	**106**	$	302	**(65)%**	$	**272**	$	1,133	**(76)%**
Net income (loss)—as reported	$	**(340)**	$	151	**NM**	$	**98**	$	373	**(74)%**
Impact of FX translation(2)		**—**		(1)			**—**		7	
Net income (loss)—ex-FX(3)	$	**(340)**	$	150	**NM**	$	**98**	$	380	**(74)%**

(1) *Asia GCB* includes the results of operations of *GCB* activities in certain *EMEA* countries for all periods presented.
(2) Reflects the impact of FX translation into U.S. dollars for the third quarter of 2021 and year-to-date 2021 average exchange rates for all periods presented.
(3) Presentation of this metric excluding FX translation is a non-GAAP financial measure.
NM Not meaningful

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

3Q21 vs. 3Q20

Net loss was $340 million, including an approximate $680 million pretax loss ($580 million after-tax) related to the sale of the Australia consumer banking business. Excluding the loss on sale, *net income* was $240 million compared to $150 million in the prior-year period, reflecting significantly lower cost of credit, partially offset by higher expenses and lower revenues.

Revenues decreased 46%, including the loss on sale. Excluding the loss on sale, the decline was 4%, reflecting lower retail banking and cards revenues, largely due to the continued impact of the pandemic, including lower interest rates.

Retail banking revenues decreased 68%, including the loss on sale. Excluding the loss on sale, revenues decreased 4%, as growth in both investment revenues and deposits was more than offset by lower deposit spreads due to lower interest rates and lower FX and insurance revenues. Assets under management increased 13%, reflecting the impact of market conditions, as well as strong client engagement. Average deposits increased 4% and average loans decreased 4%. The decline in retail banking revenues was also impacted by a 3% decrease in retail lending revenues, reflecting a decline in personal loans driven by spread compression.

Cards revenues decreased 3%, as lower average loans (down 16%, largely reflecting the reclassification to held-for-sale related to the Australia sale and higher payment rates) were partially offset by higher spending-related revenues (purchase sales up 6%), reflecting a continued recovery in sales activity from the pandemic-driven low levels in the prior-year period.

Expenses increased 6%, primarily driven by continued investments in Citi's transformation, as well as business-led investments, partially offset by efficiency savings.

Provisions decreased 65%, primarily driven by a net ACL release compared to a net ACL build in the prior-year period, as well as lower net credit losses. Net credit losses decreased 20%, primarily reflecting lower cards loan volumes and improved delinquencies.

The net ACL release was $44 million, compared to a build of $109 million in the prior-year period. The release reflected an improvement in portfolio credit quality, as well as the continued improvement in the macroeconomic outlook.

For additional information on Citi's ACL, see "Significant Accounting Policies and Significant Estimates" below.

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

For additional information about trends, uncertainties and risks related to *Asia GCB*'s future results, see "Forward-Looking Statements" below and "COVID-19 Pandemic Overview" and "Risk Factors—Strategic Risks" in Citi's 2020 Annual Report on Form 10-K.

3Q21 YTD vs. 3Q20 YTD

Year-to-date, *Asia GCB* experienced similar trends to those described above. *Net income* decreased 74%, including the loss on sale. Excluding the loss on sale, *net income* increased 78%, as significantly lower cost of credit was partially offset by lower revenues and higher expenses.

Revenues decreased 20%, including the loss on sale. Excluding the loss on sale, revenues decreased 6%, reflecting lower revenues in both retail banking and cards. Retail banking revenues decreased 26%, including the loss on sale. Excluding the loss on sale, retail banking revenues decreased 5%, primarily driven by the same factors described above. Cards revenues decreased 8%, driven by the same factors described above.

Expenses increased 5%, driven by the same factors described above.

Provisions decreased 76%, driven by a net ACL release compared to a net ACL build in the prior-year period. Net credit losses increased 6%, primarily reflecting the expiration of consumer relief programs and the lingering pandemic-related macroeconomic impacts in the region in early 2021. The ACL release was $330 million, compared to a build of $558 million in the prior-year period, driven by the same factors described above.

INSTITUTIONAL CLIENTS GROUP

Institutional Clients Group (*ICG*) includes *Banking* and *Markets and securities services* (for additional information on these businesses, see "Citigroup Segments" above). *ICG* provides corporate, institutional, public sector and high-net-worth clients around the world with a full range of wholesale banking products and services, including fixed income and equity sales and trading, foreign exchange, prime brokerage, derivative services, equity and fixed income research, corporate lending, investment banking and advisory services, private banking, cash management, trade finance and securities services. *ICG* transacts with clients in both cash instruments and derivatives, including fixed income, foreign currency, equity and commodity products. For more information on *ICG*'s business activities, see "*Institutional Clients Group*" in Citi's 2020 Annual Report on Form 10-K.

ICG's international presence is supported by trading floors in approximately 80 countries and a proprietary network in 96 countries and jurisdictions. At September 30, 2021, *ICG* had $1.8 trillion in assets and $986 billion in deposits, while two of its businesses—securities services and issuer services—had $25.8 trillion in assets under custody compared to $24.0 trillion at December 31, 2020 and $25.9 trillion at June 30, 2021.

	Third Quarter			Nine Months		
In millions of dollars, except as otherwise noted	**2021**	2020	**% Change**	**2021**	2020	**% Change**
Commissions and fees	**$ 1,160**	$ 1,099	**6 %**	**$ 3,598**	$ 3,348	**7 %**
Administration and other fiduciary fees	**845**	747	**13**	**2,524**	2,122	**19**
Investment banking	**1,692**	1,145	**48**	**5,067**	3,902	**30**
Principal transactions	**2,297**	2,511	**(9)**	**8,352**	11,779	**(29)**
Other	**609**	378	**61**	**1,293**	683	**89**
Total non-interest revenue	**$ 6,603**	$ 5,880	**12 %**	**$ 20,834**	$ 21,834	**(5)%**
Net interest revenue (including dividends)	**4,183**	4,473	**(6)**	**12,559**	13,140	**(4)**
Total revenues, net of interest expense	**$ 10,786**	$ 10,353	**4 %**	**$ 33,393**	$ 34,974	**(5)%**
Total operating expenses	**$ 6,398**	$ 5,858	**9 %**	**$ 18,970**	$ 17,741	**7 %**
Net credit losses on loans	**$ 40**	$ 326	**(88)%**	**$ 315**	$ 777	**(59)%**
Credit reserve build (release) for loans	**(65)**	106	**NM**	**(2,326)**	4,792	**NM**
Provision (release) for credit losses on unfunded lending commitments	**(13)**	423	**NM**	**(588)**	1,083	**NM**
Provisions (releases) for credit losses on HTM debt securities and other assets	**(8)**	(17)	**53**	**(9)**	44	**NM**
Provisions (releases) for credit losses	**$ (46)**	$ 838	**NM**	**$ (2,608)**	$ 6,696	**NM**
Income from continuing operations before taxes	**$ 4,434**	$ 3,657	**21 %**	**$ 17,031**	$ 10,537	**62 %**
Income taxes	**991**	800	**24**	**3,821**	2,284	**67**
Income from continuing operations	**$ 3,443**	$ 2,857	**21 %**	**$ 13,210**	$ 8,253	**60 %**
Noncontrolling interests	**24**	24	**—**	**73**	28	**NM**
Net income	**$ 3,419**	$ 2,833	**21 %**	**$ 13,137**	$ 8,225	**60 %**
Balance Sheet data and ratios *(in billions of dollars)*						
EOP assets *(in billions of dollars)*	**$ 1,819**	$ 1,703	**7 %**			
Average assets *(in billions of dollars)*	**1,809**	1,732	**4**	**$ 1,801**	$ 1,689	**7 %**
Return on average assets	**0.75 %**	0.65 %		**0.98 %**	0.65 %	
Efficiency ratio	**59**	57		**57**	51	
Revenues by region						
North America	**$ 4,145**	$ 3,920	**6 %**	**$ 12,761**	$ 13,854	**(8)%**
EMEA	**3,095**	3,085	**—**	**10,061**	9,947	**1**
Latin America	**1,261**	1,141	**11**	**3,571**	3,766	**(5)**
Asia	**2,285**	2,207	**4**	**7,000**	7,407	**(5)**
Total	**$ 10,786**	$ 10,353	**4 %**	**$ 33,393**	$ 34,974	**(5)%**
Income from continuing operations by region						
North America	**$ 854**	$ 1,023	**(17)%**	**$ 4,886**	$ 2,509	**95 %**
EMEA	**1,035**	880	**18**	**3,657**	2,389	**53**
Latin America	**665**	102	**NM**	**1,907**	427	**NM**
Asia	**889**	852	**4**	**2,760**	2,928	**(6)**
Total	**$ 3,443**	$ 2,857	**21 %**	**$ 13,210**	$ 8,253	**60 %**

Average loans by region *(in billions of dollars)*						
North America	**$ 205**	$ 198	**4 %**	**$ 200**	$ 204	**(2)%**
EMEA	**90**	88	**2**	**90**	89	**1**
Latin America	**32**	40	**(20)**	**32**	40	**(20)**
Asia	**74**	71	**4**	**73**	72	**1**
Total	**$ 401**	$ 397	**1 %**	**$ 395**	$ 405	**(2)%**
EOP deposits by business *(in billions of dollars)*						
Treasury and trade solutions	**$ 676**	$ 660	**2 %**			
All other *ICG* businesses	**310**	265	**17**			
Total	**$ 986**	$ 925	**7 %**			

NM Not meaningful

ICG Revenue Details

	Third Quarter			Nine Months		
In millions of dollars	**2021**	2020	**% Change**	**2021**	2020	**% Change**
Investment banking revenue details						
Advisory	**$ 539**	$ 163	**NM**	**$ 1,225**	$ 778	**57 %**
Equity underwriting	**507**	484	**5 %**	**1,927**	1,155	**67**
Debt underwriting	**877**	740	**19**	**2,516**	2,567	**(2)**
Total investment banking	**$ 1,923**	$ 1,387	**39 %**	**$ 5,668**	$ 4,500	**26 %**
Treasury and trade solutions	**2,291**	2,394	**(4)**	**6,746**	7,124	**(5)**
Corporate lending—excluding gains (losses) on loan hedges[1]	**631**	538	**17**	**1,662**	1,632	**2**
Private bank—excluding gains on loan hedges[1]	**973**	938	**4**	**2,993**	2,843	**5**
Total *Banking* revenues (ex-gains (losses) on loan hedges)	**$ 5,818**	$ 5,257	**11 %**	**$ 17,069**	$ 16,099	**6 %**
Gains (losses) on loan hedges[1]	**$ (47)**	$ (124)	**62 %**	**$ (165)**	$ 261	**NM**
Total *Banking* revenues (including gains (losses) on loan hedges), net of interest expense	**$ 5,771**	$ 5,133	**12 %**	**$ 16,904**	$ 16,360	**3 %**
Fixed income markets	**$ 3,182**	$ 3,788	**(16)%**	**$ 10,943**	$ 14,169	**(23)%**
Equity markets	**1,226**	875	**40**	**3,760**	2,814	**34**
Securities services	**692**	631	**10**	**2,017**	1,895	**6**
Other	**(85)**	(74)	**(15)**	**(231)**	(264)	**13**
Total *Markets and securities services* revenues, net of interest expense	**$ 5,015**	$ 5,220	**(4)%**	**$ 16,489**	$ 18,614	**(11)%**
Total revenues, net of interest expense	**$ 10,786**	$ 10,353	**4 %**	**$ 33,393**	$ 34,974	**(5)%**
Commissions and fees	**$ 198**	$ 159	**25 %**	**$ 580**	$ 502	**16 %**
Principal transactions[2]	**1,519**	2,178	**(30)**	**6,371**	9,736	**(35)**
Other	**404**	301	**34**	**916**	472	**94**
Total non-interest revenue	**$ 2,121**	$ 2,638	**(20)%**	**$ 7,867**	$ 10,710	**(27)%**
Net interest revenue	**1,061**	1,150	**(8)**	**3,076**	3,459	**(11)**
Total fixed income markets[3]	**$ 3,182**	$ 3,788	**(16)%**	**$ 10,943**	$ 14,169	**(23)%**
Rates and currencies	**$ 2,124**	$ 2,520	**(16)%**	**$ 7,156**	$ 10,136	**(29)%**
Spread products/other fixed income	**1,058**	1,268	**(17)**	**3,787**	4,033	**(6)**
Total fixed income markets	**$ 3,182**	$ 3,788	**(16)%**	**$ 10,943**	$ 14,169	**(23)%**
Commissions and fees	**$ 276**	$ 279	**(1)%**	**$ 966**	$ 946	**2 %**
Principal transactions[2]	**688**	344	**100**	**1,745**	1,311	**33**
Other	**38**	48	**(21)**	**157**	58	**NM**
Total non-interest revenue	**$ 1,002**	$ 671	**49 %**	**$ 2,868**	$ 2,315	**24 %**
Net interest revenue	**224**	204	**10**	**892**	499	**79**
Total equity markets[3]	**$ 1,226**	$ 875	**40 %**	**$ 3,760**	$ 2,814	**34 %**

(1) Credit derivatives are used to economically hedge a portion of the private bank and corporate loan portfolio that includes both accrual loans and loans at fair value. Gains (losses) on loan hedges include 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 private bank and corporate lending revenues to reflect the cost of credit protection. Gains (losses) on loan hedges include $(43) million and $(152) million related to the corporate loan portfolio and $(4) million and $(13) million related to the private bank for the three and nine months ended September 30, 2021, respectively. Gains (losses) on loan hedges include $(117) million and $224 million related to the corporate loan portfolio and $(8) million and $37 million related to the private bank for the three and nine months ended September 30, 2020, respectively. Citigroup's results of operations excluding the impact of gains (losses) on loan hedges are non-GAAP financial measures.
(2) Excludes principal transactions revenues of *ICG* businesses other than *Markets*, primarily treasury and trade solutions and the private bank.
(3) 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 revenue* may be risk managed by derivatives that are recorded in *Principal transactions* revenue. For a description of the composition of these revenue line items, see Notes 4, 5 and 6 to the Consolidated Financial Statements.
NM Not meaningful

The discussion of the results of operations for ICG below excludes (where noted) the impact of gains (losses) 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.

3Q21 vs. 3Q20

Net income of $3.4 billion increased 21% versus the prior-year period, primarily driven by lower cost of credit and higher revenues, partially offset by higher expenses.

Revenues increased 4%, reflecting higher *Banking* revenues (increase of 12% including the impact of losses on loan hedges), partially offset by lower *Markets and securities services* revenues. Excluding the impact of losses on loan hedges, *Banking* revenues were up 11%, driven by higher revenues in investment banking, corporate lending and the private bank, partially offset by lower revenues in treasury and trade solutions. *Markets and securities services* revenues were down 4%, primarily reflecting normalization in fixed income markets revenues, partially offset by growth in equity markets and securities services.

Within *Banking*:

- *Investment banking* revenues increased 39%, driven by higher revenues across advisory, equity underwriting and debt underwriting. Advisory revenues increased significantly from the prior-year period, reflecting strength in *North America* and *EMEA*, driven by growth in the market wallet as well as wallet share gains. Equity underwriting revenues increased modestly, as growth in *North America* and *EMEA* was largely offset by *Asia*. Debt underwriting revenues increased 19%, also reflecting strength in *North America* and *EMEA*, driven by growth in the market wallet and wallet share gains.
- *Treasury and trade solutions* revenues decreased 4%. Excluding the impact of FX translation, revenues declined 5%, reflecting a decline in the cash business, partially offset by an increase in trade. Cash revenues decreased, as strong growth in fee revenues reflecting solid client engagement and growth in transaction volumes, including a continued recovery in commercial cards from low pandemic-related levels in the prior-year period, were more than offset by the impact of lower deposit spreads. The increase in trade revenues was driven by growth in loans compared to a low point in the prior-year period, reflecting an increase in trade flows and originations, primarily in *EMEA* and *Asia*. End-of-period trade loans grew 15% (both including and excluding the impact of FX translation).
- *Corporate lending* revenues increased 39%, including the impact of losses on loan hedges. Excluding the impact of losses on loan hedges, revenues increased 17%, driven by lower cost of funds and a modest gain on sale, partially offset by lower loan volumes, reflecting muted demand given stronger client liquidity positions.
- *Private bank* revenues increased 4% (both including and excluding the impact of losses on loan hedges), mainly due to strong performance in *North America*. The increase in revenues was driven by higher fees and lending volumes, reflecting continued client engagement, partially offset by lower deposit spreads and lower capital markets revenues.

Within *Markets and securities services*:

- *Fixed income markets* revenues decreased 16%, reflecting declines across *North America*, *EMEA* and *Asia*, largely driven by a comparison to a strong prior-year period in rates and spread products and a normalization in market activity. Non-interest revenues decreased, reflecting lower investor client activity across rates and currencies and spread products. Net interest revenues also decreased, largely reflecting a change in the mix of trading positions.
  Rates and currencies revenues decreased 16%, driven by the normalization in market activity, primarily in G10 rates and a comparison to a strong prior-year period that included elevated levels of volatility and higher spreads related to the pandemic. Spread products and other fixed income revenues decreased 17%, driven by a comparison to a strong prior-year period and a normalization in activity, particularly in flow trading, including lower volatility and spreads, partially offset by strong securitization activity.
- *Equity markets* revenues increased 40%, driven by growth across all products. Equity derivatives revenues increased reflecting higher client activity, particularly in *EMEA* and *Asia*. Prime finance revenues increased due to favorable market conditions as well as growth in client balances. Cash equities revenues increased modestly reflecting higher client activity. Non-interest revenues increased, primarily in principal transactions, primarily due to the higher client activity.
- *Securities services* revenues increased 10%. Excluding the impact of FX translation, revenues increased 9%, as an increase in fee revenues from both new and existing clients, driven by growth in assets under custody and settlement volumes, was partially offset by lower deposit spreads.

Expenses were up 9%, primarily driven by continued investments in Citi's transformation, business-led investments and higher revenue-related expenses, partially offset by efficiency savings.

Provisions reflected a benefit of $46 million compared to costs of $838 million in the prior-year period. Net credit losses declined to $40 million from $326 million in the prior-year period, driven by improvements in portfolio credit quality.

The ACL release for the quarter was $0.1 billion, compared to a build of $0.5 billion in the prior-year period. The release was primarily driven by an improvement in portfolio credit quality. For additional information on Citi's ACL, see "Significant Accounting Policies and Significant Estimates" 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 on *ICG*'s corporate credit portfolio, see "Managing Global Risk—Credit Risk—Corporate Credit" below.

For additional information about trends, uncertainties and risks related to *ICG*'s future results, see "Strategic Risk—Country Risk—Argentina" and "Forward-Looking Statements" below and "COVID-19 Pandemic Overview" and "Risk Factors—Strategic Risks" in Citi's 2020 Annual Report on Form 10-K.

3Q21 YTD vs. 3Q20 YTD

Net income of $13.1 billion increased 60% versus the prior-year period, primarily driven by lower cost of credit, partially offset by lower revenues and higher expenses.

Revenues declined 5%, driven by an 11% decrease in *Markets and securities services* revenues, partially offset by a 3% increase in *Banking* revenues (including the impact of gains (losses) on loan hedges). Excluding the impact of gains (losses) on loan hedges, *Banking* revenues increased 6%, as growth in investment banking, the private bank and corporate lending was partially offset by a decrease in treasury and trade solutions. *Markets and securities services* revenues decreased 11%, primarily driven by normalization in fixed income markets revenues due to a strong prior-year performance, partially offset by growth in equity markets and securities services.

Within *Banking*:

- *Investment banking* revenues increased 26%. Advisory revenues increased 57%, driven by growth in the market wallet. Equity underwriting revenues increased 67%, primarily driven by growth in the market wallet in the first half of 2021, as well as share gains. Debt underwriting revenues decreased 2%, driven by a decline in wallet share.
- *Treasury and trade solutions* revenues decreased 5% (6% decrease excluding the impact of FX translation), driven by lower cash revenues, partially offset by higher trade revenues. Cash revenues declined, driven by the same factors described above. Trade revenues increased, reflecting improved loan spreads.
- *Corporate lending* revenues decreased 19%, including the impact of gains (losses) on loan hedges. Excluding the impact of gains (losses) on loan hedges, revenues increased 2%, primarily driven by the same factors described above and lower mark-downs on the portfolio, given lower volatility compared to the first half of 2020 due to the pandemic.
- *Private bank* revenues increased 3%. Excluding the impact of gains (losses) on loan hedges, revenues increased 5%, driven by the same factors described above.

Within *Markets and securities services*:

- *Fixed income markets* revenues decreased 23%, with declines across all regions, reflecting a strong prior-year comparison, particularly in rates and currencies, as well as declines in spread products and other fixed income revenues.
- *Equity markets* revenues increased 34%, driven largely by higher revenues in equity derivatives and prime finance, as well as an increase in cash equities.
- *Securities services* revenues increased 6%. Excluding the impact of FX translation, revenues increased 5%, driven by the same factors described above.

Expenses increased 7%, primarily driven by continued investments in Citi's transformation and business-led investments, partially offset by efficiency savings.

Provisions reflected a net benefit of $2.6 billion, compared to costs of $6.7 billion, driven by an ACL release and lower net credit losses. Net credit losses declined to $315 million from $777 million in the prior-year period, driven by improvements in portfolio credit quality. The ACL release was $2.9 billion, compared to a build of $5.9 billion in the prior-year period. The release was primarily driven by an improvement in portfolio credit quality as well as Citi's improved macroeconomic outlook.

CORPORATE/OTHER

Corporate/Other includes certain unallocated costs of global staff functions (including finance, risk, human resources, legal and compliance), other corporate expenses and unallocated global operations and technology expenses and income taxes, as well as Corporate Treasury, certain *North America* legacy consumer loan portfolios, other legacy assets and discontinued operations (for additional information on *Corporate/Other*, see "Citigroup Segments" above). At September 30, 2021, *Corporate/Other* had $101 billion in assets.

	Third Quarter			Nine Months		
In millions of dollars	**2021**	2020	**% Change**	**2021**	2020	**% Change**
Net interest revenue	**$ 252**	$ (231)	**NM**	**$ 441**	$ 68	**NM**
Non-interest revenue	**(144)**	7	**NM**	**4**	71	**(94)%**
Total revenues, net of interest expense	**$ 108**	$ (224)	**NM**	**$ 445**	$ 139	**NM**
Total operating expenses	**$ 519**	$ 819	**(37)%**	**$ 1,262**	$ 1,442	**(12)%**
Net credit losses (recoveries) on loans	**$ (23)**	$ (5)	**NM**	**$ (63)**	$ (12)	**NM**
Credit reserve build (release) for loans	**(53)**	(128)	**59 %**	**(261)**	223	**NM**
Provision (releases) for benefits and claims, HTM debt securities and other assets	**(4)**	1	**NM**	**19**	2	**NM**
Provisions (release) for credit losses on unfunded lending commitments	**(1)**	(4)	**75**	**(9)**	7	**NM**
Provisions (release) for credit losses and for benefits and claims	**$ (81)**	$ (136)	**40 %**	**$ (314)**	$ 220	**NM**
Income (loss) from continuing operations before taxes	**$ (330)**	$ (907)	**64 %**	**$ (503)**	$ (1,523)	**67 %**
Income taxes (benefits)	**(222)**	(307)	**28**	**(795)**	(621)	**(28)**
Income (loss) from continuing operations	**$ (108)**	$ (600)	**82 %**	**$ 292**	$ (902)	**NM**
Income (loss) from discontinued operations, net of taxes	**(1)**	(7)	**86**	**7**	(26)	**NM**
Net income (loss) before attribution of noncontrolling interests	**$ (109)**	$ (607)	**82 %**	**$ 299**	$ (928)	**NM**
Noncontrolling interests	**2**	—	**NM**	**1**	(7)	**NM**
Net income (loss)	**$ (111)**	$ (607)	**82 %**	**$ 298**	$ (921)	**NM**

NM Not meaningful

3Q21 vs. 3Q20

Net loss was $111 million in the third quarter of 2021, compared to a *net loss* of $607 million in the prior-year period, primarily driven by higher revenues and lower expenses, partially offset by a lower net ACL release.

Revenues of $108 million increased from $(224) million in the prior-year period, largely reflecting higher net revenue from the investment portfolio.

Expenses decreased 37%, primarily driven by the absence of the $400 million civil money penalty in the prior-year period, partially offset by investments in Citi's transformation.

Provisions reflected a net benefit of $81 million, compared to a net benefit of $136 million in the prior-year period, primarily driven by a lower net ACL release in the current quarter ($54 million compared to $132 million in the prior-year period), reflecting the continued wind-down of the legacy North America mortgage portfolio.

For additional information on Citi's ACL, see "Significant Accounting Policies and Significant Estimates" below.

For additional information about trends, uncertainties and risks related to *Corporate/Other*'s future results, see "Forward-Looking Statements" below and "COVID-19 Pandemic Overview" and "Risk Factors—Strategic Risks" in Citi's 2020 Annual Report on Form 10-K.

3Q21 YTD vs. 3Q20 YTD

Net income was $298 million, compared to a *net loss* of $921 million in the prior-year period, largely reflecting the higher revenues, lower expenses and a higher net ACL release, as well as certain income tax benefit items related to non-U.S. operations in the second quarter of 2021.

Revenues of $445 million increased from $139 million in the prior-year period, primarily reflecting the same factors described above.

Expenses decreased 12%, driven by the same factors described above, partially offset by an increase in brand marketing and transformation spend.

Provisions reflected a benefit of $314 million, compared to costs of $220 million in the prior-year period. The net ACL release was $270 million, compared to a build of $230 million in the prior-year period, primarily reflecting Citi's improved macroeconomic outlook.

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 2020 Annual Report on Form 10-K.

During the third quarter of 2021, Citi returned a total of approximately $4.0 billion of capital to common shareholders in the form of share repurchases (approximately 43 million common shares) and dividends. For additional information, see "Unregistered Sales of Equity Securities, Repurchases of Equity Securities and Dividends" below. Year-to-date, Citi returned nearly $11 billion of capital to its common shareholders.

Common Equity Tier 1 Capital Ratio

Citi's Common Equity Tier 1 Capital ratio was 11.7% as of September 30, 2021, compared to 11.8% as of June 30, 2021, both under the Basel III Standardized Approach. Citi's Common Equity Tier 1 Capital ratio was 11.7% as of December 31, 2020, under the Basel III Advanced Approaches framework.

Citi's Common Equity Tier 1 Capital ratio decreased from June 30, 2021, as an increase in risk-weighted assets and the return of approximately $4 billion of capital to common shareholders were partially offset by net income of $4.6 billion.

Citi's Common Equity Tier 1 Capital ratio remained unchanged from year-end 2020, as net income of $18.8 billion was offset by the return of approximately $11 billion of capital to common shareholders, adverse net movements in *Accumulated other comprehensive income* (*AOCI*), an increase in risk-weighted assets and a reduction in the benefit of the modified CECL transition provision as a result of the Allowance for credit losses (ACL) released during the year.

Stress Capital Buffer

In August 2021, the Federal Reserve Board finalized and announced Citi's Stress Capital Buffer (SCB) requirement of 3.0%. Accordingly, beginning October 1, 2021, Citigroup is required to maintain a 10.5% effective minimum Common Equity Tier 1 Capital requirement under the Standardized Approach. Citi's effective minimum Common Equity Tier 1 Capital requirement under the Advanced Approaches (using the fixed 2.5% Capital Conservation Buffer) remains unchanged at 10.0%.

The SCB applies to Citigroup only. The regulatory capital framework applicable to Citibank, including the Capital Conservation Buffer, is unchanged by Citigroup's SCB. For additional information regarding the SCB, see "Capital Resources—Regulatory Capital Buffers—Stress Capital Buffer" in Citi's 2020 Annual Report on Form 10-K. For additional information regarding CCAR and DFAST, see "Capital Resources—Stress Testing Component of Capital Planning" in Citi's 2020 Annual Report on Form 10-K.

Citigroup's Capital Resources

The following tables set forth Citi's capital components and ratios:

In millions of dollars, except ratios	Effective Minimum Requirement[1]	Advanced Approaches September 30, 2021	Advanced Approaches June 30, 2021	Advanced Approaches December 31, 2020	Standardized Approach September 30, 2021	Standardized Approach June 30, 2021	Standardized Approach December 31, 2020
Common Equity Tier 1 Capital[2]		**$ 149,631**	$ 150,378	$ 147,274	**$ 149,631**	$ 150,378	$ 147,274
Tier 1 Capital		**168,902**	169,636	167,053	**168,902**	169,636	167,053
Total Capital (Tier 1 Capital + Tier 2 Capital)[2]		**194,423**	195,972	195,959	**204,288**	205,531	204,849
Total Risk-Weighted Assets		**1,265,297**	1,253,785	1,255,284	**1,284,316**	1,271,046	1,221,576
Credit Risk[2]		**$ 871,668**	$ 860,231	$ 844,374	**$ 1,187,516**	$ 1,175,263	$ 1,109,435
Market Risk		**93,376**	91,594	107,812	**96,800**	95,783	112,141
Operational Risk		**300,253**	301,960	303,098	**—**	—	—
Common Equity Tier 1 Capital ratio[3]	**10.0 %**	**11.83 %**	11.99 %	11.73 %	**11.65 %**	11.83 %	12.06 %
Tier 1 Capital ratio[3]	**11.5**	**13.35**	13.53	13.31	**13.15**	13.35	13.68
Total Capital ratio[3]	**13.5**	**15.37**	15.63	15.61	**15.91**	16.17	16.77

In millions of dollars, except ratios	Effective Minimum Requirement	September 30, 2021	June 30, 2021	December 31, 2020
Quarterly Adjusted Average Total Assets[2][4]		**$ 2,311,830**	$ 2,307,323	$ 2,265,615
Total Leverage Exposure[2][5]		**2,911,050**	2,903,655	2,386,881
Tier 1 Leverage ratio	**4.0 %**	**7.31 %**	7.35 %	7.37 %
Supplementary Leverage ratio	**5.0**	**5.80**	5.84	7.00

(1) Citi's effective minimum risk-based capital requirements include the 2.5% Stress Capital Buffer and 3.0% GSIB surcharge under the Standardized Approach, and the 2.5% Capital Conservation Buffer and 3.0% GSIB surcharge under the Advanced Approaches (all of which must be composed of Common Equity Tier 1 Capital). These effective minimum requirements were applicable through September 30, 2021. See "Stress Capital Buffer" above for additional information.

(2) Citi has elected to apply the modified transition provision related to the impact of the CECL accounting standard on regulatory capital, as provided by the U.S. banking agencies' September 2020 final rule. Under the modified CECL transition provision, the changes in retained earnings (after-tax), deferred tax assets (DTAs) arising from temporary differences and the allowance for credit losses upon the January 1, 2020 CECL adoption date have been deferred and will phase in to regulatory capital at 25% per year commencing January 1, 2022. For the ongoing impact of CECL, Citigroup is allowed to adjust retained earnings and the allowance for credit losses in an amount equal to 25% of the change in the allowance for credit losses (pretax) for each period between January 1, 2020 and December 31, 2021. The cumulative adjustments to retained earnings and the allowance for credit losses between January 1, 2020 and December 31, 2021 will also phase in to regulatory capital at 25% per year commencing January 1, 2022, along with the deferred impacts related to the January 1, 2020 CECL adoption date. Corresponding adjustments to average on-balance sheet assets are reflected in quarterly adjusted average total assets and Total Leverage Exposure. In addition, the increase in DTAs arising from temporary differences upon the January 1, 2020 adoption date has been deducted from risk-weighted assets (RWA) and will phase in to RWA at 25% per year commencing January 1, 2022.

(3) Citi's reportable Common Equity Tier 1 Capital and Tier 1 Capital ratios were derived under the Basel III Standardized Approach as of September 30, 2021 and June 30, 2021, and under the Basel III Advanced Approaches framework as of December 31, 2020, whereas Citi's reportable Total Capital ratio was derived under the Basel III Advanced Approaches framework for all periods presented.

(4) Tier 1 Leverage ratio denominator. Represents quarterly average total assets less amounts deducted from Tier 1 Capital.

(5) Supplementary Leverage ratio denominator. Commencing with the second quarter of 2020 and continuing through the first quarter of 2021, Citigroup's Total Leverage Exposure temporarily excluded U.S. Treasuries and deposits at Federal Reserve Banks. For additional information, see "Capital Resources—Current Regulatory Capital Standards—Temporary Supplementary Leverage Ratio Relief" in Citi's 2020 Annual Report on Form 10-K.

As indicated in the table above, Citigroup's risk-based capital ratios at September 30, 2021 were in excess of the stated and effective minimum requirements under the U.S. Basel III rules. In addition, Citi was also "well capitalized" under current federal bank regulatory agency definitions as of September 30, 2021.

Components of Citigroup Capital

In millions of dollars		September 30, 2021		December 31, 2020
Common Equity Tier 1 Capital				
Citigroup common stockholders' equity(1)	**$**	**183,005**	$	180,118
Add: Qualifying noncontrolling interests		**136**		141
Regulatory capital adjustments and deductions:				
Add: CECL transition and 25% provision deferral(2)		**3,389**		5,348
Less: Accumulated net unrealized gains (losses) on cash flow hedges, net of tax		**663**		1,593
Less: Cumulative unrealized net gain (loss) related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax		**(1,317)**		(1,109)
Less: Intangible assets:				
Goodwill, net of related DTLs(3)		**20,689**		21,124
Identifiable intangible assets other than MSRs, net of related DTLs		**3,899**		4,166
Less: Defined benefit pension plan net assets; other		**2,068**		921
Less: DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards(4)		**10,897**		11,638
Total Common Equity Tier 1 Capital (Standardized Approach and Advanced Approaches)	**$**	**149,631**	$	147,274
Additional Tier 1 Capital				
Qualifying noncumulative perpetual preferred stock(1)	**$**	**17,870**	$	19,324
Qualifying trust preferred securities(5)		**1,398**		1,393
Qualifying noncontrolling interests		**34**		35
Regulatory capital deductions:				
Less: Permitted ownership interests in covered funds(6)		**—**		917
Less: Other		**31**		56
Total Additional Tier 1 Capital (Standardized Approach and Advanced Approaches)	**$**	**19,271**	$	19,779
Total Tier 1 Capital (Common Equity Tier 1 Capital + Additional Tier 1 Capital) (Standardized Approach and Advanced Approaches)	**$**	**168,902**	$	167,053
Tier 2 Capital				
Qualifying subordinated debt	**$**	**20,456**	$	23,481
Qualifying trust preferred securities(7)		**248**		331
Qualifying noncontrolling interests		**40**		41
Eligible allowance for credit losses(2)(8)		**14,860**		13,974
Regulatory capital deduction:				
Less: Other		**218**		31
Total Tier 2 Capital (Standardized Approach)	**$**	**35,386**	$	37,796
Total Capital (Tier 1 Capital + Tier 2 Capital) (Standardized Approach)	**$**	**204,288**	$	204,849
Adjustment for excess of eligible credit reserves over expected credit losses(2)(8)	**$**	**(9,865)**	$	(8,890)
Total Tier 2 Capital (Advanced Approaches)	**$**	**25,521**	$	28,906
Total Capital (Tier 1 Capital + Tier 2 Capital) (Advanced Approaches)	**$**	**194,423**	$	195,959

(1) Issuance costs of $125 million and $156 million related to outstanding noncumulative perpetual preferred stock as of September 30, 2021 and December 31, 2020, respectively, are excluded from common stockholders' equity and are netted against such preferred stock in accordance with Federal Reserve Board regulatory reporting requirements, which differ from those under U.S. GAAP.

(2) Citi has elected to apply the modified transition provision related to the impact of the CECL accounting standard on regulatory capital, as provided by the U.S. banking agencies' September 2020 final rule. Under the modified CECL transition provision, the changes in retained earnings (after-tax) and the allowance for credit losses upon the January 1, 2020 CECL adoption date have been deferred and will phase in to regulatory capital at 25% per year commencing January 1, 2022. For the ongoing impact of CECL, Citigroup is allowed to adjust retained earnings and the allowance for credit losses in an amount equal to 25% of the change in the allowance for credit losses (pretax) for each period between January 1, 2020 and December 31, 2021. The cumulative adjustments to retained earnings and the allowance for credit losses between January 1, 2020 and December 31, 2021 will also phase in to regulatory capital at 25% per year commencing January 1, 2022, along with the deferred impacts related to the January 1, 2020 CECL adoption date.

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

Footnotes continue on the following page.

(4) Of Citi's $24.5 billion of net DTAs at September 30, 2021, $15.3 billion was included in Common Equity Tier 1 Capital pursuant to the U.S. Basel III rules, while $9.2 billion was excluded. Excluded from Citi's Common Equity Tier 1 Capital as of September 30, 2021 was $10.9 billion of net DTAs arising from net operating loss, foreign tax credit and general business credit tax carry-forwards. The amount excluded was reduced by $1.7 billion of net DTLs primarily associated with goodwill and certain other intangible assets that are separately deducted from capital. DTAs arising from tax carry-forwards are required to be entirely deducted from Common Equity Tier 1 Capital under the U.S. Basel III rules. DTAs arising from temporary differences are required to be deducted from capital only if these DTAs exceed 10%/15% limitations under the U.S. Basel III rules. Citi's DTAs do not currently exceed these limitations and, therefore, are not subject to deduction from Common Equity Tier 1 Capital, but are subject to risk weighting at 250%.

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

(6) Banking entities are required to be in compliance with the Volcker Rule of the Dodd-Frank Act, which prohibits conducting certain proprietary investment activities and limits their ownership of, and relationships with, covered funds. Commencing January 1, 2021, Citi no longer deducts permitted market making positions in third-party covered funds from Tier 1 Capital, in accordance with the revised Volcker Rule 2.0 issued by the U.S. agencies in November 2019. Upon the removal of the capital deduction, permitted market making positions in third-party covered funds are included in risk-weighted assets.

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

(8) 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 was $5.0 billion and $5.1 billion at September 30, 2021 and December 31, 2020, respectively.

Citigroup Capital Rollforward

In millions of dollars	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2021
Common Equity Tier 1 Capital, beginning of period	**$ 150,378**	**$ 147,274**
Net income	**4,644**	**18,779**
Common and preferred dividends declared	**(1,306)**	**(3,987)**
Net increase in treasury stock	**(2,993)**	**(7,117)**
Net increase in common stock and additional paid-in capital	**102**	**45**
Net change in foreign currency translation adjustment net of hedges, net of tax	**(1,312)**	**(2,063)**
Net change in unrealized gains (losses) on debt securities AFS, net of tax	**(279)**	**(2,538)**
Net decrease in defined benefit plans liability adjustment, net of tax	**135**	**936**
Net change in adjustment related to change in fair value of financial liabilities attributable to own creditworthiness, net of tax	**(23)**	**22**
Net change in excluded component of fair value hedges	**8**	**(12)**
Net decrease in goodwill, net of related DTLs	**310**	**435**
Net decrease in identifiable intangible assets other than MSRs, net of related DTLs	**87**	**267**
Net increase in defined benefit pension plan net assets	**(73)**	**(803)**
Net decrease in DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards	**295**	**741**
Net decrease in CECL 25% provision deferral	**(385)**	**(1,959)**
Other	**43**	**(389)**
Net change in Common Equity Tier 1 Capital	**$ (747)**	**$ 2,357**
Common Equity Tier 1 Capital, end of period (Standardized Approach and Advanced Approaches)	**$ 149,631**	**$ 149,631**
Additional Tier 1 Capital, beginning of period	**$ 19,258**	**$ 19,779**
Net decrease in qualifying perpetual preferred stock	**—**	**(1,454)**
Net increase in qualifying trust preferred securities	**1**	**5**
Net decrease in permitted ownership interests in covered funds	**—**	**917**
Other	**12**	**24**
Net change in Additional Tier 1 Capital	**$ 13**	**$ (508)**
Tier 1 Capital, end of period (Standardized Approach and Advanced Approaches)	**$ 168,902**	**$ 168,902**
Tier 2 Capital, beginning of period (Standardized Approach)	**$ 35,895**	**$ 37,796**
Net decrease in qualifying subordinated debt	**(753)**	**(3,025)**
Net increase in eligible allowance for credit losses	**135**	**886**
Other	**109**	**(271)**
Net decrease in Tier 2 Capital (Standardized Approach)	**$ (509)**	**$ (2,410)**
Tier 2 Capital, end of period (Standardized Approach)	**$ 35,386**	**$ 35,386**
Total Capital, end of period (Standardized Approach)	**$ 204,288**	**$ 204,288**
Tier 2 Capital, beginning of period (Advanced Approaches)	**$ 26,336**	**$ 28,906**
Net decrease in qualifying subordinated debt	**(753)**	**(3,025)**
Net decrease in excess of eligible credit reserves over expected credit losses	**(171)**	**(89)**
Other	**109**	**(271)**
Net decrease in Tier 2 Capital (Advanced Approaches)	**$ (815)**	**$ (3,385)**
Tier 2 Capital, end of period (Advanced Approaches)	**$ 25,521**	**$ 25,521**
Total Capital, end of period (Advanced Approaches)	**$ 194,423**	**$ 194,423**

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

In millions of dollars	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2021
Total Risk-Weighted Assets, beginning of period	**$ 1,271,046**	**$ 1,221,576**
Changes in Credit Risk-Weighted Assets		
General credit risk exposures[1]	**(3,460)**	**648**
Repo-style transactions[2]	**4,283**	**9,450**
Securitization exposures[3]	**(1,357)**	**6,588**
Equity exposures	**(996)**	**706**
Over-the-counter (OTC) derivatives[4]	**9,431**	**31,924**
Other exposures[5]	**8,031**	**22,433**
Off-balance sheet exposures[6]	**(3,679)**	**6,332**
Net change in Credit Risk-Weighted Assets	**$ 12,253**	**$ 78,081**
Changes in Market Risk-Weighted Assets		
Risk levels	**$ (434)**	**$ (17,390)**
Model and methodology updates	**1,451**	**2,049**
Net change in Market Risk-Weighted Assets[7]	**$ 1,017**	**$ (15,341)**
Total Risk-Weighted Assets, end of period	**$ 1,284,316**	**$ 1,284,316**

(1) General credit risk exposures include cash and balances due from depository institutions, securities, and loans and leases. General credit risk exposures decreased during the three months ended September 30, 2021, primarily due to a decrease in commercial loans.

(2) Repo-style transactions include repurchase and reverse repurchase transactions as well as securities borrowing and securities lending transactions. Repo-style transactions increased during the three and nine months ended September 30, 2021, primarily due to volume- and exposure-driven increases.

(3) Securitization exposures increased during the nine months ended September 30, 2021, primarily due to increases in new deals.

(4) OTC derivatives increased during the three months ended September 30, 2021, mainly due to an increase in mark-to-market for bilateral derivatives. OTC derivatives increased during the nine months ended September 30, 2021, mainly due to changes in risk parameters and increases in mark-to-market and notionals for bilateral derivatives.

(5) Other exposures include cleared transactions, unsettled transactions and other assets. Other exposures increased during the three and nine months ended September 30, 2021, primarily due to increases in various other assets.

(6) Off-balance sheet exposures decreased during the three months ended September 30, 2021, primarily due to a decline in wholesale loan commitments. Off-balance sheet exposures increased during the nine months ended September 30, 2021, mainly due to an increase in wholesale loan commitments.

(7) Market risk-weighted assets decreased during the nine months ended September 30, 2021, primarily due to exposure changes.

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

In millions of dollars	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2021
Total Risk-Weighted Assets, beginning of period	**$ 1,253,785**	**$ 1,255,284**
Changes in Credit Risk-Weighted Assets		
Retail exposures(1)	**1,808**	**(14,383)**
Wholesale exposures(2)	**(6,854)**	**2,927**
Repo-style transactions(3)	**2,884**	**839**
Securitization exposures(4)	**(927)**	**6,884**
Equity exposures	**(1,036)**	**459**
Over-the-counter (OTC) derivatives(5)	**6,059**	**15,615**
Derivatives CVA(6)	**5,245**	**5,130**
Other exposures(7)	**3,947**	**8,737**
Supervisory 6% multiplier	**311**	**1,086**
Net change in Credit Risk-Weighted Assets	**$ 11,437**	**$ 27,294**
Changes in Market Risk-Weighted Assets		
Risk levels	**$ 330**	**$ (16,485)**
Model and methodology updates	**1,452**	**2,049**
Net change in Market Risk-Weighted Assets(8)	**$ 1,782**	**$ (14,436)**
Net change in Operational Risk-Weighted Assets(9)	**$ (1,707)**	**$ (2,845)**
Total Risk-Weighted Assets, end of period	**$ 1,265,297**	**$ 1,265,297**

(1) Retail exposures decreased during the nine months ended September 30, 2021, primarily driven by seasonal holiday spending repayments and improving delinquency and credit quality on qualifying revolving (cards) exposures.

(2) Wholesale exposures decreased during the three months ended September 30, 2021, mainly due to decreases in commercial loans and wholesale loan commitments. Wholesale exposures increased during the nine months ended September 30, 2021, primarily due to commercial loan growth and an increase in wholesale loan commitments.

(3) Repo-style transactions include repurchase and reverse repurchase transactions as well as securities borrowing and securities lending transactions. Repo-style transactions increased during the three months ended September 30, 2021, primarily due to changes in risk parameters.

(4) Securitization exposures increased during the nine months ended September 30, 2021, primarily due to increases in new deals.

(5) OTC derivatives increased during the three months ended September 30, 2021, mainly driven by an increase in mark-to-market for bilateral derivatives. OTC derivatives increased during the nine months ended September 30, 2021, primarily due to changes in risk parameters and an increase in mark-to-market for bilateral derivatives.

(6) Derivatives CVA increased during the three and nine months ended September 30, 2021, primarily driven by an increase in mark-to-market for bilateral derivatives.

(7) Other exposures include cleared transactions, unsettled transactions, assets other than those reportable in specific exposure categories and non-material portfolios. Other exposures increased during the three and nine months ended September 30, 2021, primarily due to increases in various other assets.

(8) Market risk-weighted assets decreased during the nine months ended September 30, 2021, primarily due to exposure changes.

(9) Operational risk-weighted assets decreased during the three and nine months ended September 30, 2021, mainly driven by changes in operational loss frequency.

Supplementary Leverage Ratio

The following table sets forth Citi's Supplementary Leverage ratio and related components:

In millions of dollars, except ratios	**September 30, 2021**	June 30, 2021	December 31, 2020
Tier 1 Capital	**$ 168,902**	$ 169,636	$ 167,053
Total Leverage Exposure			
On-balance sheet assets(1)(2)(3)	**$ 2,349,414**	$ 2,345,584	$ 1,864,374
Certain off-balance sheet exposures:(4)			
Potential future exposure on derivative contracts	**222,157**	216,555	183,604
Effective notional of sold credit derivatives, net(5)	**21,987**	25,590	32,640
Counterparty credit risk for repo-style transactions(6)	**21,174**	21,375	20,168
Unconditionally cancellable commitments	**70,541**	70,931	71,163
Other off-balance sheet exposures(7)	**263,361**	261,881	253,754
Total of certain off-balance sheet exposures	**$ 599,220**	$ 596,332	$ 561,329
Less: Tier 1 Capital deductions	**37,584**	38,261	38,822
Total Leverage Exposure(3)	**$ 2,911,050**	$ 2,903,655	$ 2,386,881
Supplementary Leverage ratio	**5.80 %**	5.84 %	7.00 %

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

(2) Citi has elected to apply the modified transition provision related to the impact of the CECL accounting standard on regulatory capital, as provided by the U.S. banking agencies' September 2020 final rule. Under the modified CECL transition provision, the changes in DTAs arising from temporary differences and the allowance for credit losses upon the January 1, 2020 CECL adoption date have been deferred and will phase in to regulatory capital at 25% per year commencing January 1, 2022. For the ongoing impact of CECL, Citigroup is allowed to adjust the allowance for credit losses in an amount equal to 25% of the change in the allowance for credit losses (pretax) for each period between January 1, 2020 and December 31, 2021. The cumulative adjustments to the allowance for credit losses between January 1, 2020 and December 31, 2021 will also phase in to regulatory capital at 25% per year commencing January 1, 2022, along with the deferred impacts related to the January 1, 2020 CECL adoption date. Corresponding adjustments to average on-balance sheet assets are reflected in Total Leverage Exposure.

(3) Commencing with the second quarter of 2020 and continuing through the first quarter of 2021, Citigroup's Total Leverage Exposure temporarily excluded U.S. Treasuries and deposits at Federal Reserve Banks. For additional information, see "Capital Resources—Current Regulatory Capital Standards—Temporary Supplementary Leverage Ratio Relief" in Citi's 2020 Annual Report on Form 10-K.

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

(5) 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.

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

(7) Other off-balance sheet exposures include unfunded commitments other than those that are unconditionally cancellable.

As set forth in the table above, Citigroup's Supplementary Leverage Ratio was approximately 5.8% at September 30, 2021 and June 30, 2021, compared to 7.0% at December 31, 2020. The ratio remained largely unchanged from the second quarter of 2021.

The ratio decreased from the fourth quarter of 2020, primarily attributable to an approximate 100 basis point impact from the expiration of the Federal Reserve Board's temporary Supplementary Leverage ratio relief. For additional information, see "Capital Resources—Current Regulatory Capital Standards—Temporary Supplementary Leverage Ratio Relief" in Citi's 2020 Annual Report on Form 10-K.

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 set forth the capital components and ratios for Citibank, Citi's primary subsidiary U.S. depository institution:

		Advanced Approaches			Standardized Approach		
In millions of dollars, except ratios	**Effective Minimum Requirement**[1]	**September 30, 2021**	June 30, 2021	December 31, 2020	**September 30, 2021**	June 30, 2021	December 31, 2020
Common Equity Tier 1 Capital[2]		**$ 147,459**	$ 146,729	$ 142,854	**$ 147,459**	$ 146,729	$ 142,854
Tier 1 Capital		**149,588**	148,858	144,962	**149,588**	148,858	144,962
Total Capital (Tier 1 Capital + Tier 2 Capital)[2][3]		**166,169**	165,462	161,319	**174,652**	173,964	169,303
Total Risk-Weighted Assets[4]		**1,062,794**	1,060,121	1,021,479	**1,099,462**	1,093,887	1,038,031
Credit Risk[2]		**$ 756,647**	$ 759,744	$ 716,513	**$ 1,041,022**	$1,043,517	$ 977,366
Market Risk		**55,566**	48,799	59,815	**58,440**	50,370	60,665
Operational Risk		**250,581**	251,578	245,151	**—**	—	—
Common Equity Tier 1 Capital ratio[4][5]	**7.0 %**	**13.87 %**	13.84 %	13.99 %	**13.41 %**	13.41 %	13.76 %
Tier 1 Capital ratio[4][5]	**8.5**	**14.08**	14.04	14.19	**13.61**	13.61	13.97
Total Capital ratio[4][5]	**10.5**	**15.64**	15.61	15.79	**15.89**	15.90	16.31

In millions of dollars, except ratios	**Effective Minimum Requirement**	**September 30, 2021**	June 30, 2021	December 31, 2020
Quarterly Adjusted Average Total Assets[2][6]		**$ 1,682,993**	$1,680,681	$ 1,680,026
Total Leverage Exposure[2][7]		**2,205,471**	2,199,985	2,180,821
Tier 1 Leverage ratio[5]	**5.0 %**	**8.89 %**	8.86 %	8.63 %
Supplementary Leverage ratio[5]	**6.0**	**6.78**	6.77	6.65

(1) Citibank's effective minimum risk-based capital requirements are inclusive of the 2.5% Capital Conservation Buffer (all of which must be composed of Common Equity Tier 1 Capital).

(2) Citibank has elected to apply the modified transition provision related to the impact of the CECL accounting standard on regulatory capital, as provided by the U.S. banking agencies' September 2020 final rule. Under the modified CECL transition provision, the changes in retained earnings (after-tax), deferred tax assets (DTAs) arising from temporary differences and the allowance for credit losses upon the January 1, 2020 CECL adoption date have been deferred and will phase in to regulatory capital at 25% per year commencing January 1, 2022. For the ongoing impact of CECL, Citibank is allowed to adjust retained earnings and the allowance for credit losses in an amount equal to 25% of the change in the allowance for credit losses (pretax) for each period between January 1, 2020 and December 31, 2021. The cumulative adjustments to retained earnings and the allowance for credit losses between January 1, 2020 and December 31, 2021 will also phase in to regulatory capital at 25% per year commencing January 1, 2022, along with the deferred impacts related to the January 1, 2020 CECL adoption date. Corresponding adjustments to average on-balance sheet assets are reflected in quarterly adjusted average total assets and Total Leverage Exposure. In addition, the increase in DTAs arising from temporary differences upon the January 1, 2020 adoption date has been deducted from risk-weighted assets (RWA) and will phase in to RWA at 25% per year commencing January 1, 2022.

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

(4) Citibank's reportable Total Capital ratio was derived under the Basel III Advanced Approaches framework, whereas Citibank's reportable Common Equity Tier 1 Capital and Tier 1 Capital ratios were the lower derived under the Basel III Standardized Approach for all periods presented.

(5) Citibank must maintain minimum Common Equity Tier 1 Capital, Tier 1 Capital, Total Capital and Tier 1 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 minimum Supplementary Leverage ratio of 6.0% to be considered "well capitalized."

(6) Tier 1 Leverage ratio denominator. Represents quarterly average total assets less amounts deducted from Tier 1 Capital.

(7) Supplementary Leverage ratio denominator. Citibank did not elect to temporarily exclude U.S. Treasuries and deposits at Federal Reserve Banks from Total Leverage Exposure. For additional information, see "Capital Resources—Current Regulatory Capital Standards—Temporary Supplementary Leverage Ratio Relief" in Citi's 2020 Annual Report on Form 10-K.

As indicated in the table above, Citibank's capital ratios at September 30, 2021 were in excess of the stated and effective minimum requirements under the U.S. Basel III rules. In addition, Citibank was "well capitalized" as of September 30, 2021.

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 Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital (numerator), and changes of $1 billion in Advanced Approaches and Standardized Approach risk-weighted assets and quarterly adjusted average total assets, as well as Total Leverage Exposure (denominator), as of September 30, 2021. 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**	**0.9**	**0.8**	**1.1**	**0.8**	**1.2**
Standardized Approach	**0.8**	**0.9**	**0.8**	**1.0**	**0.8**	**1.2**
Citibank						
Advanced Approaches	**0.9**	**1.3**	**0.9**	**1.3**	**0.9**	**1.5**
Standardized Approach	**0.9**	**1.2**	**0.9**	**1.2**	**0.9**	**1.4**

	Tier 1 Leverage ratio		Supplementary Leverage ratio	
In basis points	Impact of $100 million change in Tier 1 Capital	Impact of $1 billion change in quarterly adjusted average total assets	Impact of $100 million change in Tier 1 Capital	Impact of $1 billion change in Total Leverage Exposure
Citigroup	**0.4**	**0.3**	**0.3**	**0.2**
Citibank	**0.6**	**0.5**	**0.5**	**0.3**

Citigroup Broker-Dealer Subsidiaries
At September 30, 2021, 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 $13 billion, which exceeded the minimum requirement by $9 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 $28 billion at September 30, 2021, 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, 2021.

Total Loss-Absorbing Capacity (TLAC)
The table below details Citi's eligible external TLAC and long-term debt (LTD) amounts and ratios, and each effective minimum TLAC and LTD ratio requirement, as well as the surplus amount in dollars in excess of each requirement.

As of September 30, 2021, Citi exceeded each of the minimum TLAC and LTD requirements, resulting in a $12 billion surplus above its binding TLAC requirement of LTD as a percentage of Total Leverage Exposure.

	September 30, 2021	
In billions of dollars, except ratios	**External TLAC**	**LTD**
Total eligible amount	**$ 318**	**$ 143**
% of Standardized Approach risk-weighted assets	**24.8 %**	**11.1 %**
Effective minimum requirement(1)(2)	**22.5**	**9.0**
Surplus amount	**$ 29**	**$ 27**
% of Total Leverage Exposure	**10.9 %**	**4.9 %**
Effective minimum requirement	**9.5**	**4.5**
Surplus amount	**$ 41**	**$ 12**

(1) External TLAC includes Method 1 GSIB surcharge of 2.0%.
(2) LTD includes Method 2 GSIB surcharge of 3.0%.

For additional information on Citi's TLAC-related requirements, see "Capital Resources—Total Loss-Absorbing Capacity (TLAC)" and "Risk Factors—Compliance Risks" in Citi's 2020 Annual Report on Form 10-K.

Capital Resources (Full Adoption of CECL)[1]

The following tables set forth Citigroup's and Citibank's capital components and ratios reflecting the full impact of CECL as of September 30, 2021:

	Citigroup			Citibank		
	Effective Minimum Requirement[2]	Advanced Approaches	Standardized Approach	Effective Minimum Requirement	Advanced Approaches	Standardized Approach
Common Equity Tier 1 Capital ratio	10.0 %	11.55 %	11.38 %	7.0 %	13.59 %	13.14 %
Tier 1 Capital ratio	11.5	13.07	12.88	8.5	13.79	13.33
Total Capital ratio	13.5	15.11	15.65	10.5	15.35	15.62

	Effective Minimum Requirement	Citigroup	Effective Minimum Requirement	Citibank
Tier 1 Leverage ratio	4.0 %	7.15 %	5.0 %	8.71 %
Supplementary Leverage ratio	5.0	5.68	6.0	6.64

(1) See footnote 2 on the "Components of Citigroup Capital" table above.
(2) The effective minimum requirements were applicable through September 30, 2021. See "Stress Capital Buffer" above for additional information.

Upcoming Adoption of the Standardized Approach for Counterparty Credit Risk

In January 2020, the U.S. banking agencies issued a final rule to introduce the Standardized Approach for Counterparty Credit Risk (SA-CCR). SA-CCR will replace the Current Exposure Method, which is the current methodology used to calculate exposure for derivative contracts, throughout the regulatory framework. Among other instances, SA-CCR will be used for purposes of calculating risk-weighted assets under the Standardized Approach and Advanced Approaches (where internal models are not used), as well as Total Leverage Exposure. The mandatory compliance date of the SA-CCR final rule is January 1, 2022. For additional information on the SA-CCR final rule, see "Capital Resources—Regulatory Capital Standards Developments—Standardized Approach for Counterparty Credit Risk" in Citi's 2020 Annual Report on Form 10-K.

Citi's adoption of SA-CCR will result in an adverse impact to Citigroup's and Citibank's regulatory capital ratios in the first quarter of 2022. The magnitude of the impact upon adoption remains subject to additional implementation planning and business actions, including composition of the derivatives portfolio as of the adoption date.

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)). Tangible book value per share, as defined by Citi, represents TCE divided by common shares outstanding. Other companies may calculate TCE in a different manner. TCE, tangible book value per share and return on average TCE (RoTCE) are non-GAAP financial measures.

In millions of dollars or shares, except per share amounts	September 30, 2021	December 31, 2020
Total Citigroup stockholders' equity	**$ 200,875**	$ 199,442
Less: Preferred stock	**17,995**	19,480
Common stockholders' equity	**$ 182,880**	$ 179,962
Less:		
Goodwill	**21,573**	22,162
Identifiable intangible assets (other than MSRs)	**4,144**	4,411
Goodwill and identifiable intangible assets (other than MSRs) related to assets held-for-sale (HFS)	**257**	—
Tangible common equity (TCE)	**$ 156,906**	$ 153,389
Common shares outstanding (CSO)	**1,984.3**	2,082.1
Book value per share (common stockholders' equity/CSO)	**$ 92.16**	$ 86.43
Tangible book value per share (TCE/CSO)	**79.07**	73.67

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions of dollars	**2021**	2020	**2021**	2020
Net income available to common shareholders	**$ 4,378**	$ 2,862	**$ 17,968**	$ 5,910
Average common stockholders' equity	**183,613**	174,943	**182,422**	174,934
Average TCE	**157,371**	149,012	**156,047**	149,018
Return on average common stockholders' equity	**9.5 %**	6.5 %	**13.2 %**	4.5 %
RoTCE[(1)]	**11.0**	7.6	**15.4**	5.3

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

Managing Global Risk Table of Contents

(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, strategy, value proposition, key guiding principles and risk appetite.

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 2020 Annual Report on Form 10-K.

CONSUMER CREDIT

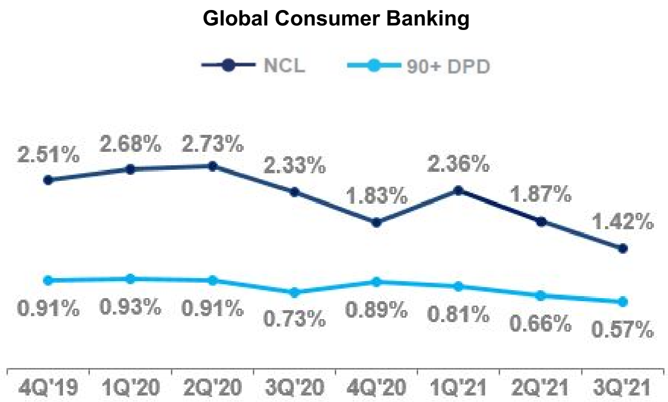
The following table shows Citi's quarterly end-of-period consumer loans:(1)

In billions of dollars	3Q'20	4Q'20	1Q'21	2Q'21	**3Q'21(2)**
Retail banking:					
Mortgages	$ 87.5	$ 88.9	$ 86.7	$ 86.3	**$ 79.8**
Personal, small business and other	38.3	40.1	39.1	39.0	**37.0**
Total retail banking	$ 125.8	$ 129.0	$ 125.8	$ 125.3	**$ 116.8**
Cards:					
Citi-branded cards	$ 102.2	$ 106.7	$ 99.6	$ 102.9	**$ 100.6**
Citi retail services	44.4	46.4	42.5	42.7	**42.7**
Total cards	$ 146.6	$ 153.1	$ 142.1	$ 145.6	**$ 143.3**
Total *GCB*	$ 272.4	$ 282.1	$ 267.9	$ 270.9	**$ 260.1**
***GCB* regional distribution:**					
North America	66 %	65 %	64 %	64 %	**67 %**
Latin America	5	5	5	5	**5**
Asia(3)	29	30	31	31	**28**
Total *GCB*	100 %	100 %	100 %	100 %	**100 %**
***Corporate/Other*(4)**	$ 7.6	$ 6.7	$ 6.1	$ 5.0	**$ 4.2**
Total consumer loans	$ 280.0	$ 288.8	$ 274.0	$ 275.9	**$ 264.3**

(1) End-of-period loans include interest and fees on credit cards.
(2) As a result of Citi's entry into an agreement to sell its consumer banking business in Australia, the business was reclassified as held-for-sale and its assets and liabilities were included in *Other assets* and *Other liabilities*, respectively, on Citi's Consolidated Balance Sheet and excluded from the assets and liabilities, including related credit measures, of *GCB* and *Asia GCB* beginning in the third quarter of 2021. For additional information, see Note 2 to the Consolidated Financial Statements.
(3) *Asia* includes loans and leases in certain *EMEA* countries for all periods presented.
(4) Primarily consists of legacy assets, principally *North America* consumer mortgages.

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

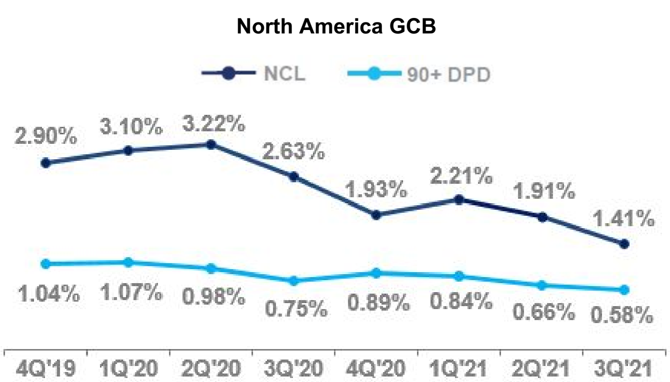
Overall Consumer Credit Trends



As shown in the chart above, *GCB*'s net credit loss rate decreased quarter-over-quarter and year-over-year for the third quarter of 2021, primarily reflecting the continued impact of government stimulus, unemployment benefits and consumer relief programs in *North America GCB*, and a decline following the peak charge-offs in *Asia GCB* and *Latin America GCB* in recent quarters.

GCB's 90+ days past due delinquency rate decreased quarter-over-quarter and year-over-year, primarily due to the continued impacts of government stimulus, unemployment benefits and consumer relief programs in *North America GCB*, as well as lower delinquencies in *Asia GCB* and *Latin America GCB*, following the charge-off of peak delinquencies in recent quarters.

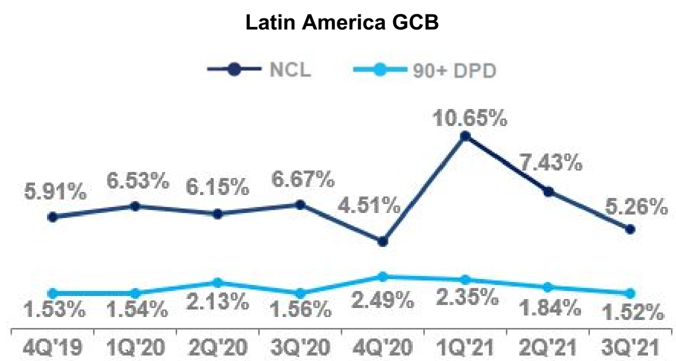
For additional information on consumer credit trends, see "Managing Global Risk—Credit Risk—Overall Consumer Credit Trends" in Citi's 2020 Annual Report on Form 10-K.



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

As of September 30, 2021, approximately 72% of *North America GCB* consumer loans consisted of Citi-branded and Citi retail services cards, which generally drives the overall credit performance of *North America GCB* (for additional information on *North America GCB*'s cards portfolios, including delinquency and net credit loss rates, see "Credit Card Trends" below).

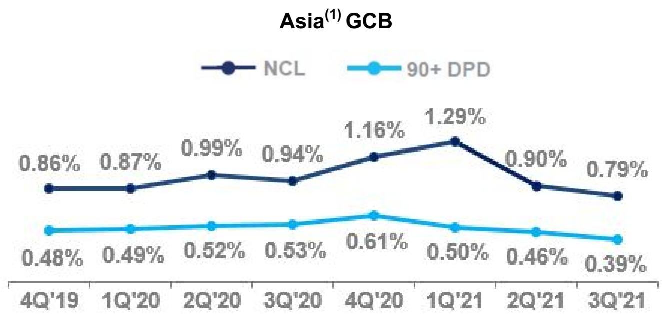
As shown in the chart above, the net credit loss rate and 90+ days past due delinquency rate in *North America GCB* for the third quarter of 2021 decreased quarter-over-quarter and year-over-year, primarily reflecting the continued impact of high payment rates in cards, driven by government stimulus. Year-over-year, the payment rates were also impacted by unemployment benefits and consumer relief programs.



Latin America GCB operates in Mexico through Citibanamex, one of Mexico's largest banks, and provides credit cards, consumer mortgages and small business and personal loans. *Latin America GCB* 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 *Latin America GCB* for the third quarter of 2021 decreased quarter-over-quarter and year-over-year. The impact of charge-offs of delinquent loans in prior quarters resulted in lower delinquencies that led to lower net credit losses in the current quarter.

The 90+ days past due delinquency rate decreased quarter-over-quarter and year-over-year. The impact of charge-offs of delinquent loans in prior quarters resulted in a lower 90+ day delinquency rate in the current quarter.



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

Asia GCB operates in 17 countries and jurisdictions in *Asia* and *EMEA* and provides credit cards, consumer mortgages and small business and personal loans.

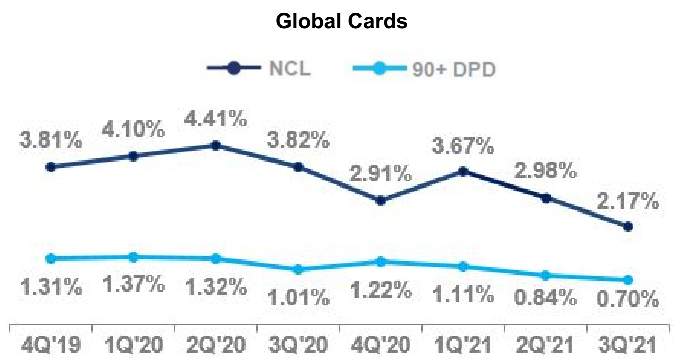
As shown in the chart above, the third quarter of 2021 net credit loss rate in *Asia GCB* decreased quarter-over-quarter, driven by the charge-off of peak delinquencies in recent quarters. Year-over-year, the net credit loss rate decreased, as elevated losses during the prior year return to pre-pandemic levels, and due to a shift in product mix toward secured product.

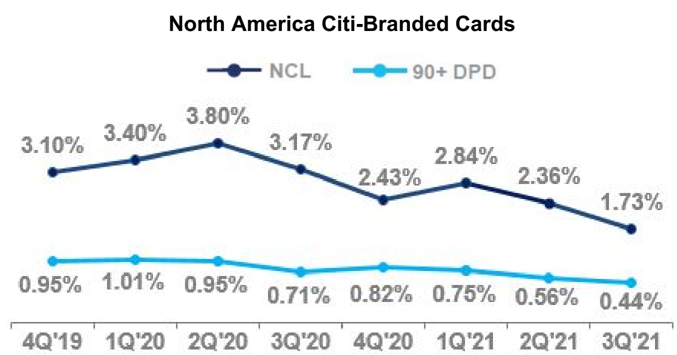
The 90+ days past due delinquency rate decreased quarter-over-quarter, driven by the charge-off of peak delinquencies in recent quarters. Year-over-year, the 90+ days past due delinquency rate decreased, as elevated delinquencies during the prior year return to pre-pandemic levels.

The performance of *Asia GCB*'s portfolios continues to reflect the strong credit profiles in the region's target customer segments. Regulatory changes in many markets in *Asia* over the past few years have also resulted in improved credit quality.

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 Notes 13 and 14 to the Consolidated Financial Statements.

Credit Card Trends



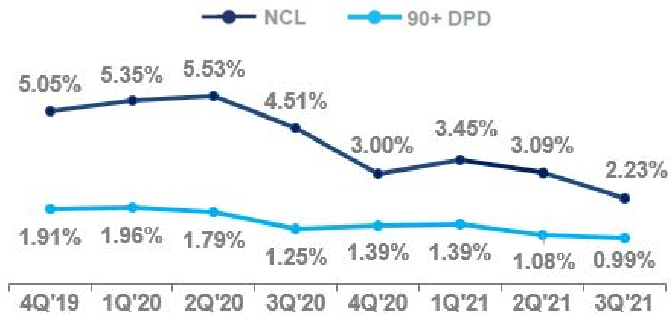


North America GCB's Citi-branded cards portfolio issues proprietary and co-branded cards.

As shown in the chart above, the net credit loss rate in *North America* Citi-branded cards for the third quarter of 2021 decreased quarter-over-quarter and year-over-year, primarily reflecting the continued impact of high payment rates, driven by government stimulus. Year-over-year, the payment rates were also impacted by unemployment benefits and consumer relief programs.

The 90+ days past due delinquency rate decreased quarter-over-quarter and year-over-year, primarily reflecting the continued impact of high payment rates, driven by government stimulus. Year-over-year, the payment rates were also impacted by unemployment benefits and consumer relief programs.

North America Citi Retail Services



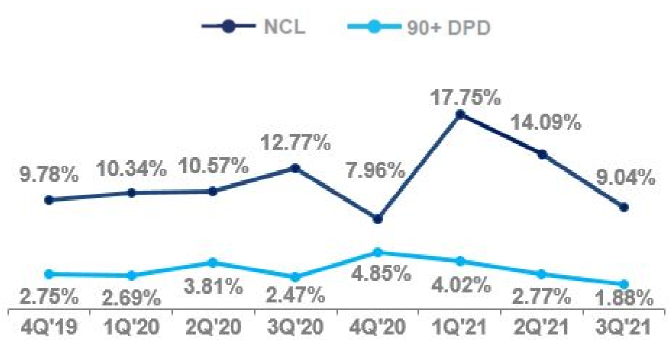
Citi retail services partners directly with more than 20 retailers and dealers to offer private label and co-branded cards. Citi retail services' target market focuses on select industry segments such as home improvement, specialty retail, consumer electronics and fuel.

Citi retail services continually evaluates opportunities to add partners within target industries that have strong loyalty, lending or payment programs and growth potential.

As shown in the chart above, the net credit loss rate in Citi retail services for the third quarter of 2021 decreased quarter-over-quarter and year-over-year, primarily reflecting the continued impact of high payment rates, driven by government stimulus. Year-over-year, the payment rates were also impacted by unemployment benefits and consumer relief programs.

The 90+ days past due delinquency rate decreased quarter-over-quarter and year-over-year, primarily reflecting the continued impact of high payment rates, driven by government stimulus. Year-over-year, the payment rates were also impacted by unemployment benefits and consumer relief programs.

Latin America Citi-Branded Cards

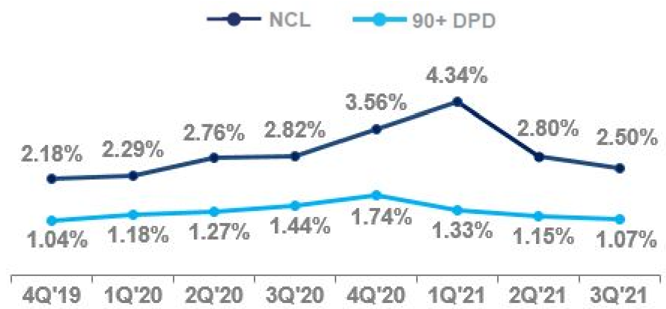


Latin America GCB issues proprietary and co-branded cards.

As shown in the chart above, the third quarter of 2021 net credit loss rate in *Latin America* Citi-branded cards decreased quarter-over-quarter and year-over-year. The impact of charge-offs of delinquent loans in prior quarters resulted in lower delinquencies that led to lower net credit losses in the current quarter.

The 90+ days past due delinquency rate decreased quarter-over-quarter and year-over-year. The impact of charge-offs of delinquent loans in prior quarters resulted in a lower 90+ day delinquency rate.

Asia Citi-Branded Cards(1)



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

As shown in the chart above, the net credit loss rate in *Asia* Citi-branded cards for the third quarter of 2021 decreased quarter-over-quarter, driven by the charge-off of peak delinquencies related to customers exiting the pandemic-related consumer relief programs in recent quarters, and decreased year-over-year as elevated losses during the prior year return to pre-pandemic levels.

The 90+ days past due delinquency rate decreased quarter-over-quarter, driven by the charge-off of peak delinquencies in recent quarters, and decreased year-over-year, as elevated delinquencies during the prior year return to pre-pandemic levels.

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

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

Citi-Branded Cards

FICO distribution[(1)]	September 30, 2021	June 30, 2021	September 30, 2020
> 760	**48 %**	49 %	43 %
680–760	**39**	39	41
< 680	**13**	12	16
Total	**100 %**	100 %	100 %

Citi Retail Services

FICO distribution[(1)]	September 30, 2021	June 30, 2021	September 30, 2020
> 760	**27 %**	28 %	26 %
680–760	**45**	45	44
< 680	**28**	27	30
Total	**100 %**	100 %	100 %

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

The FICO distribution of both cards portfolios remained largely stable compared to the prior quarter and improved compared to the prior year, demonstrating strong underlying credit quality and a benefit from the impacts of government stimulus, unemployment benefits and customer relief programs, as well as lower credit utilization. For additional information on FICO scores, see Note 13 to the Consolidated Financial Statements.

Additional Consumer Credit Details

Consumer Loan Delinquencies Amounts and Ratios(1)

In millions of dollars, except EOP loan amounts in billions	EOP loans(2) September 30, 2021	90+ days past due(3) September 30, 2021	June 30, 2021	September 30, 2020	30–89 days past due(3) September 30, 2021	June 30, 2021	September 30, 2020
***Global Consumer Banking*(4)(5)**							
Total	**$ 260.1**	**$ 1,488**	$ 1,790	$ 1,976	**$ 1,668**	$ 1,761	$ 2,398
Ratio		**0.57 %**	0.66 %	0.73 %	**0.64 %**	0.65 %	0.88 %
Retail banking							
Total	**$ 116.8**	**$ 479**	$ 560	$ 497	**$ 589**	$ 687	$ 786
Ratio		**0.41 %**	0.45 %	0.40 %	**0.51 %**	0.55 %	0.63 %
North America	**48.8**	**221**	236	211	**250**	268	378
Ratio		**0.46 %**	0.48 %	0.40 %	**0.52 %**	0.55 %	0.72 %
Latin America	**8.7**	**117**	127	105	**122**	134	136
Ratio		**1.34 %**	1.40 %	1.14 %	**1.40 %**	1.47 %	1.48 %
Asia(6)(7)	**59.3**	**141**	197	181	**217**	285	272
Ratio		**0.24 %**	0.30 %	0.29 %	**0.37 %**	0.43 %	0.43 %
Cards							
Total	**$ 143.3**	**$ 1,009**	$ 1,230	$ 1,479	**$ 1,079**	$ 1,074	$ 1,612
Ratio		**0.70 %**	0.84 %	1.01 %	**0.75 %**	0.74 %	1.10 %
North America—Citi-branded	**82.8**	**362**	457	574	**375**	355	624
Ratio		**0.44 %**	0.56 %	0.71 %	**0.45 %**	0.43 %	0.77 %
North America—Citi retail services	**42.7**	**421**	463	557	**471**	415	610
Ratio		**0.99 %**	1.08 %	1.25 %	**1.10 %**	0.97 %	1.37 %
Latin America	**4.3**	**81**	122	106	**68**	82	89
Ratio		**1.88 %**	2.77 %	2.47 %	**1.58 %**	1.86 %	2.07 %
Asia(6)(7)	**13.5**	**145**	188	242	**165**	222	289
Ratio		**1.07 %**	1.15 %	1.44 %	**1.22 %**	1.35 %	1.72 %
***Corporate/Other*—Consumer(8)**							
Total	**$ 4.2**	**$ 221**	$ 259	$ 278	**$ 99**	$ 111	$ 198
Ratio		**5.67 %**	5.51 %	3.86 %	**2.54 %**	2.36 %	2.75 %
Total Citigroup	**$ 264.3**	**$ 1,709**	$ 2,049	$ 2,254	**$ 1,767**	$ 1,872	$ 2,596
Ratio		**0.65 %**	0.75 %	0.81 %	**0.67 %**	0.68 %	0.93 %

(1) Loans modified under Citi's consumer relief programs continue to be reported in the same delinquency bucket they were in at the time of modification (which have various durations, and certain of which may be renewed by the customer). Consumer relief programs in *Asia* and Mexico largely expired during the fourth quarter of 2020.

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

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

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

(5) The 90+ days past due and 30–89 days past due and related ratios for *North America GCB* exclude loans that are primarily related to U.S. mortgages guaranteed by U.S. government-sponsored agencies since the potential loss predominantly resides with the U.S. government-sponsored agencies. The amounts excluded for loans 90+ days past due and (EOP loans) were $146 million ($0.6 billion), $150 million ($0.7 billion) and $148 million ($0.6 billion) as of September 30, 2021, June 30, 2021 and September 30, 2020, respectively. The amounts excluded for loans 30–89 days past due and (EOP loans) were $78 million ($0.6 billion), $80 million ($0.7 billion) and $88 million ($0.6 billion) as of September 30, 2021, June 30, 2021 and September 30, 2020, respectively.

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

(7) During the third quarter of 2021, Citi's Australia consumer banking business was classified as held-for-sale (HFS) pursuant to Citi's agreement to sell the business. Accordingly, the Australian consumer loans are recorded in *Other assets* on the Consolidated Balance Sheet and hence the loans and related delinquencies and ratios are not included in this table. See Note 2 to the Consolidated Financial Statements for additional information.

(8) The loans 90+ 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 loss predominantly resides with the U.S. agencies. The amounts excluded for 90+ days past due and (EOP loans) for each period were $138 million ($0.4 billion), $125 million ($0.3 billion) and $172 million ($0.5 billion) as of September 30, 2021, June 30, 2021 and September 30, 2020, respectively. The amounts excluded for loans 30–89 days past due and (EOP loans) for each period were $42 million ($0.4 billion), $48 million ($0.3 billion) and $66 million ($0.5 billion) as of September 30, 2021, June 30, 2021 and September 30, 2020, respectively.

Consumer Loan Net Credit Losses and Ratios

In millions of dollars, except average loan amounts in billions	**Average loans(1)** **3Q21**	**Net credit losses(2)** **3Q21**	2Q21	3Q20
Global Consumer Banking				
Total	**$ 262.9**	**$ 944**	$ 1,253	$ 1,598
Ratio		**1.42 %**	1.87 %	2.33 %
Retail banking				
Total	**$ 120.0**	**$ 161**	$ 193	$ 190
Ratio		**0.53 %**	0.61 %	0.60 %
North America	**49.5**	**22**	24	31
Ratio		**0.18 %**	0.19 %	0.23 %
Latin America	**8.9**	**77**	99	90
Ratio		**3.43 %**	4.32 %	3.85 %
Asia(3)(4)	**61.6**	**62**	70	69
Ratio		**0.40 %**	0.42 %	0.44 %
Cards				
Total	**$ 142.9**	**$ 783**	$ 1,060	$ 1,408
Ratio		**2.17 %**	2.98 %	3.82 %
North America—Citi-branded	**81.9**	**357**	467	647
Ratio		**1.73 %**	2.36 %	3.17 %
North America—Citi retail services	**42.4**	**238**	326	504
Ratio		**2.23 %**	3.09 %	4.51 %
Latin America	**4.3**	**98**	151	138
Ratio		**9.04 %**	14.09 %	12.77 %
Asia(3)(4)	**14.3**	**90**	116	119
Ratio		**2.50 %**	2.80 %	2.82 %
***Corporate/Other*—Consumer**				
Total	**$ 4.7**	**$ (22)**	$ (22)	$ (4)
Ratio		**(1.86)%**	(1.52)%	(0.19)%
Total Citigroup	**$ 267.6**	**$ 922**	$ 1,231	$ 1,594
Ratio		**1.37 %**	1.80 %	2.26 %

(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* includes NCLs and average loans in certain *EMEA* countries for all periods presented.
(4) As a result of Citi's agreement to sell its consumer banking business in Australia (Australia consumer) during the third quarter of 2021, Australia consumer was classified as held-for-sale (HFS) beginning in the third quarter of 2021. As a result of HFS accounting treatment, approximately $5 million of net credit losses (NCLs) was recorded as a reduction in revenue (*Other revenue*) for the third quarter of 2021. Accordingly, these NCLs are not included in this table. NCLs on Loans HFS are excluded from this table as they are recorded in *Other assets* on the Consolidated Balance Sheet. See Note 2 to the Consolidated Financial Statements for additional information.

CORPORATE CREDIT

The following table details Citi's corporate credit portfolio within *ICG* (excluding certain loans in the private bank, which are managed on a delinquency basis), and before consideration of collateral or hedges, by remaining tenor for the periods indicated:

	September 30, 2021				June 30, 2021				December 31, 2020			
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)	**$ 195**	**$ 136**	**$ 21**	**$ 352**	$ 192	$ 141	$ 22	$ 355	$ 177	$ 142	$ 25	$ 344
Unfunded lending commitments (off-balance sheet)(2)	**164**	**286**	**10**	**460**	166	281	11	458	158	272	11	441
Total exposure	**$ 359**	**$ 422**	**$ 31**	**$ 812**	$ 358	$ 422	$ 33	$ 813	$ 335	$ 414	$ 36	$ 785

(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 shows the percentage of this portfolio by region (excluding the delinquency-managed private bank portfolio) based on Citi's internal management geography:

	September 30, 2021	June 30, 2021	December 31, 2020
North America	**57 %**	57 %	56 %
EMEA	**25**	25	25
Asia	**13**	13	13
Latin America	**5**	5	6
Total	**100 %**	100 %	100 %

The maintenance of accurate and consistent risk ratings across the corporate credit portfolio facilitates the comparison of credit exposure across all lines of business, geographic regions and products. Counterparty risk ratings reflect an estimated probability of default for a counterparty and are derived by leveraging validated statistical models, scorecard models and external agency ratings (under defined circumstances), in combination with consideration of factors specific to the obligor or market, such as management experience, competitive position, regulatory environment and commodity prices. Facility risk ratings are assigned that reflect the probability of default of the obligor and factors that affect the loss given default of the facility, such as support or collateral. Internal obligor ratings that generally correspond to BBB and above are considered investment grade, while those below are considered non-investment grade.

The following table presents the corporate credit portfolio (excluding the delinquency-managed private bank portfolio) by facility risk rating as a percentage of the total corporate credit portfolio:

	Total exposure		
	September 30, 2021	June 30, 2021	December 31, 2020
AAA/AA/A	**49 %**	49 %	49 %
BBB	**32**	32	31
BB/B	**16**	16	17
CCC or below	**3**	3	3
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. This includes but is not limited to exposures in those sectors significantly impacted by the pandemic (including consumer retail, commercial real estate and transportation).

Citigroup believes the corporate credit portfolio to be appropriately rated and classified as of September 30, 2021. Since the onset of the COVID-19 pandemic, Citigroup 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, downgrades may result in the purchase of additional credit derivatives or other risk 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.

For additional information on Citi's corporate credit portfolio, see Note 13 to the Consolidated Financial Statements.

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 (excluding the delinquency-managed private bank portfolio):

	Total exposure		
	September 30, 2021	June 30, 2021	December 31, 2020
Transportation and industrials	**19 %**	18 %	19 %
Private bank	**14**	14	14
Consumer retail	**10**	10	10
Technology, media and telecom	**10**	11	11
Real estate	**9**	9	8
Power, chemicals, metals and mining	**8**	8	8
Banks and finance companies	**7**	7	7
Energy and commodities	**6**	6	6
Health	**5**	5	5
Public sector	**3**	3	3
Insurance	**3**	3	3
Asset managers and funds	**3**	3	3
Financial markets infrastructure	**2**	2	2
Other industries	**1**	1	1
Total	**100 %**	100 %	100 %

The following table details Citi's corporate credit portfolio by industry as of September 30, 2021:

					Non-investment grade			Selected metrics		
In millions of dollars	Total credit exposure	Funded[1]	Unfunded[1]	Investment grade	Non-criticized	Criticized performing	Criticized non-performing[2]	30 days or more past due and accruing[3]	Net charge-offs (recoveries)[4]	Credit derivative hedges[5]
Transportation and industrials	**$ 155,722**	**$ 55,345**	**$ 100,377**	**$ 118,945**	**$ 20,622**	**$ 14,798**	**$ 1,357**	**$ 192**	**$ 84**	**$ (8,706)**
Autos[6]	51,520	21,050	30,470	42,920	4,699	3,783	118	41	1	(3,167)
Transportation	31,507	12,513	18,994	22,353	3,431	4,648	1,075	36	63	(1,322)
Industrials	72,695	21,782	50,913	53,672	12,492	6,367	164	115	20	(4,217)
Private bank	**113,674**	**78,185**	**35,489**	**109,139**	**2,645**	**1,798**	**92**	**717**	**11**	**(1,080)**
Consumer retail	**81,309**	**35,716**	**45,593**	**63,393**	**12,511**	**4,961**	**444**	**138**	**78**	**(5,031)**
Technology, media and telecom	**83,716**	**31,192**	**52,524**	**64,569**	**15,744**	**3,107**	**296**	**141**	**11**	**(6,691)**
Real estate	**70,438**	**46,576**	**23,862**	**57,454**	**8,157**	**4,786**	**41**	**69**	**13**	**(662)**
Power, chemicals, metals and mining	**63,845**	**20,059**	**43,786**	**50,216**	**11,293**	**2,188**	**148**	**160**	**34**	**(5,508)**
Power	25,950	5,326	20,624	22,541	2,774	563	72	45	31	(2,823)
Chemicals	23,171	8,247	14,924	17,604	4,496	1,033	38	48	4	(2,049)
Metals and mining	14,724	6,486	8,238	10,071	4,023	592	38	67	(1)	(636)
Banks and finance companies	**58,478**	**34,894**	**23,584**	**48,056**	**5,934**	**4,459**	**29**	**82**	**(1)**	**(698)**
Energy and commodities[7]	**49,108**	**14,455**	**34,653**	**35,577**	**8,634**	**4,388**	**509**	**148**	**80**	**(3,471)**
Health	**36,012**	**7,943**	**28,069**	**29,127**	**5,567**	**1,162**	**156**	**66**	**—**	**(2,211)**
Public sector	**26,256**	**14,665**	**11,591**	**21,471**	**2,026**	**2,753**	**6**	**27**	**(3)**	**(1,277)**
Insurance	**27,189**	**2,482**	**24,707**	**26,251**	**876**	**62**	**—**	**11**	**1**	**(2,560)**
Asset managers and funds	**22,105**	**6,519**	**15,586**	**20,919**	**1,085**	**101**	**—**	**30**	**—**	**(97)**
Financial markets infrastructure	**14,294**	**236**	**14,058**	**14,265**	**28**	**—**	**1**	**—**	**—**	**(13)**
Securities firms	**3,021**	**701**	**2,320**	**585**	**2,389**	**39**	**8**	**—**	**—**	**(1)**
Other industries	**7,242**	**2,929**	**4,313**	**3,905**	**2,783**	**447**	**107**	**64**	**5**	**(104)**
Total	**$ 812,409**	**$ 351,897**	**$ 460,512**	**$ 663,872**	**$ 100,294**	**$ 45,049**	**$ 3,194**	**$ 1,845**	**$ 313**	**$ (38,110)**

(1) Excludes $48.6 billion and $1.5 billion of funded and unfunded exposure at September 30, 2021, respectively, primarily related to the delinquency-managed private bank portfolio.
(2) Includes non-accrual loan exposures and criticized unfunded exposures.
(3) Excludes $111 million of past due loans primarily related to the delinquency-managed private bank portfolio.
(4) Net charge-offs (recoveries) are for the nine months ended September 30, 2021 and exclude delinquency-managed private bank charge-offs of $1 million.
(5) Represents the amount of purchased credit protection in the form of derivatives to economically hedge funded and unfunded exposures. Of the $38.1 billion of purchased credit protection, $35.5 billion represents the total notional amount of purchased credit derivatives on individual reference entities. The remaining $2.6 billion represents the first loss tranche of portfolios of purchased credit derivatives with a total notional of $20.8 billion, where the protection seller absorbs the first loss on the referenced loan portfolios.
(6) 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 $18.7 billion ($6.7 billion in funded, with more than 99% rated investment grade) as of September 30, 2021.
(7) 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 industrial sector (e.g., off-shore drilling entities) included in the table above. As of September 30, 2021, Citi's total exposure to these energy-related entities was approximately $6.7 billion, of which approximately $3.5 billion consisted of direct outstanding funded loans.

Exposure to Commercial Real Estate

As of September 30, 2021, *ICG*'s total corporate credit exposure to commercial real estate (CRE) was $67 billion, with $45 billion consisting of direct outstanding funded loans (mainly included in the real estate and private bank categories in the above table), or 7% of Citi's total outstanding loans. In addition, as of September 30, 2021, more than 70% of *ICG*'s total corporate CRE exposure was to borrowers in the U.S. Also, as of September 30, 2021, approximately 74% of *ICG*'s total corporate CRE exposure was rated investment grade.

As of September 30, 2021, the ACLL was 0.9% of funded CRE exposure, including 2.4% of funded non-investment-grade exposure.

Of the total CRE exposure:

- $20 billion ($13 billion of direct outstanding funded loans) relates to Community Reinvestment Act-related lending provided pursuant to Citi's regulatory requirements to meet the credit needs of borrowers in low and moderate income neighborhoods.
- $20 billion ($16 billion of direct outstanding funded loans) relates to exposure secured by mortgages on underlying properties or in well-rated securitization exposures.
- $16 billion ($5 billion of direct outstanding funded loans) relates to unsecured loans to large REITs, with nearly 74% of the exposure rated investment grade.
- $11 billion ($11 billion of direct outstanding funded loans) relates to CRE exposure in the private bank of which 100% is secured by mortgages. In addition, 47% of the exposure is also full recourse to the client. As of September 30, 2021, 77% of the exposure was rated investment grade.

The following table details Citi's corporate credit portfolio by industry as of December 31, 2020:

					Non-investment grade			Selected metrics		
In millions of dollars	Total credit exposure	Funded[(1)]	Unfunded[(1)]	Investment grade	Non-criticized	Criticized performing	Criticized non-performing[(2)]	30 days or more past due and accruing[(3)]	Net charge-offs (recoveries)[(4)]	Credit derivative hedges[(5)]
Transportation and industrials	**$ 147,218**	**$ 60,122**	**$ 87,096**	**$ 106,041**	**$ 17,452**	**$ 21,927**	**$ 1,798**	**$ 136**	**$ 239**	**$ (8,110)**
Autos[(6)]	53,874	25,310	28,564	43,059	4,374	6,167	274	8	45	(3,220)
Transportation	27,693	14,107	13,586	16,410	2,993	6,872	1,418	17	144	(1,166)
Industrials	65,651	20,705	44,946	46,572	10,085	8,888	106	111	50	(3,724)
Private bank	**109,397**	**75,693**	**33,704**	**104,244**	**2,395**	**2,510**	**248**	**963**	**78**	**(1,080)**
Consumer retail	**82,129**	**34,809**	**47,320**	**60,741**	**11,653**	**9,418**	**317**	**146**	**64**	**(5,493)**
Technology, media and telecom	**82,657**	**30,880**	**51,777**	**61,296**	**15,924**	**5,214**	**223**	**107**	**74**	**(7,237)**
Real estate	**65,392**	**43,285**	**22,107**	**54,413**	**5,342**	**5,453**	**184**	**334**	**18**	**(642)**
Power, chemicals, metals and mining	**63,926**	**20,810**	**43,116**	**47,923**	**11,554**	**4,257**	**192**	**59**	**70**	**(5,341)**
Power	26,916	6,379	20,537	22,665	3,336	761	154	14	57	(2,637)
Chemicals	22,356	7,969	14,387	16,665	3,804	1,882	5	32	8	(2,102)
Metals and mining	14,654	6,462	8,192	8,593	4,414	1,614	33	13	5	(602)
Banks and finance companies	**52,925**	**29,856**	**23,069**	**43,831**	**4,648**	**4,387**	**59**	**27**	**79**	**(765)**
Energy and commodities[(7)]	**49,524**	**15,086**	**34,438**	**34,636**	**7,345**	**6,546**	**997**	**70**	**285**	**(4,199)**
Health	**35,504**	**8,658**	**26,846**	**29,164**	**4,354**	**1,749**	**237**	**17**	**17**	**(1,964)**
Public sector	**26,887**	**13,599**	**13,288**	**22,276**	**1,887**	**2,708**	**16**	**45**	**9**	**(1,089)**
Insurance	**26,576**	**1,925**	**24,651**	**25,864**	**575**	**136**	**1**	**27**	**1**	**(2,682)**
Asset managers and funds	**19,745**	**4,491**	**15,254**	**18,528**	**1,013**	**191**	**13**	**41**	**(1)**	**(84)**
Financial markets infrastructure	**12,610**	**229**	**12,381**	**12,590**	**20**	**—**	**—**	**—**	**—**	**(9)**
Securities firms	**976**	**430**	**546**	**573**	**298**	**97**	**8**	**—**	**—**	**(6)**
Other industries	**9,307**	**4,545**	**4,762**	**4,980**	**2,702**	**1,442**	**183**	**10**	**43**	**(138)**
Total	**$ 784,773**	**$ 344,418**	**$ 440,355**	**$ 627,100**	**$ 87,162**	**$ 66,035**	**$ 4,476**	**$ 1,982**	**$ 976**	**$ (38,839)**

(1) Excludes $42.6 billion and $4.4 billion of funded and unfunded exposure at December 31, 2020, respectively, primarily related to the delinquency-managed private bank portfolio.
(2) Includes non-accrual loan exposures and criticized unfunded exposures.
(3) Excludes $162 million of past due loans primarily related to the delinquency-managed private bank portfolio.
(4) Net charge-offs (recoveries) are for the year ended December 31, 2020 and exclude delinquency-managed private bank charge-offs of $10 million.
(5) Represents the amount of purchased credit protection in the form of derivatives to economically hedge funded and unfunded exposures. Of the $38.8 billion of purchased credit protection, $36.8 billion represents the total notional amount of purchased credit derivatives on individual reference entities. The remaining $2.0 billion represents the first loss tranche of portfolios of purchased credit derivatives with a total notional of $16.1 billion, where the protection seller absorbs the first loss on the referenced loan portfolios.
(6) 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 $20.2 billion ($10.3 billion in funded, with more than 99% rated investment grade) as of December 31, 2020.
(7) 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, 2020, Citi's total exposure to these energy-related entities was approximately $7.0 billion, of which approximately $3.8 billion consisted of direct outstanding funded loans.

Credit Risk Mitigation

As part of its overall risk management activities, Citigroup uses credit derivatives and other risk mitigants to hedge portions of the credit risk in its corporate credit portfolio, in addition to outright asset sales. Citi may enter into partial-term hedges as well as full-term hedges. In advance of the expiration of partial-term 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, 2021, June 30, 2021 and December 31, 2020, *ICG* (excluding the delinquency-managed private bank portfolio) had economic hedges on the corporate credit portfolio of $38.1 billion, $37.2 billion and $38.8 billion, respectively. Citigroup'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* (excluding the delinquency-managed private bank portfolio) corporate credit portfolio exposures with the following risk rating distribution:

Rating of Hedged Exposure

	September 30, 2021	June 30, 2021	December 31, 2020
AAA/AA/A	**32 %**	34 %	30 %
BBB	**47**	46	48
BB/B	**17**	17	19
CCC or below	**4**	3	3
Total	**100 %**	100 %	100 %

ADDITIONAL CONSUMER AND CORPORATE CREDIT DETAILS

Loans Outstanding

In millions of dollars	**3rd Qtr. 2021**	2nd Qtr. 2021	1st Qtr. 2021	4th Qtr. 2020	3rd Qtr. 2020
Consumer loans					
In North America offices[1]					
Residential first mortgages[2]	**$ 44,345**	$ 44,835	$ 45,739	$ 47,778	$ 48,370
Home equity loans[2]	**5,485**	6,168	6,638	7,128	7,625
Credit cards	**125,526**	124,823	121,048	130,385	125,485
Personal, small business and other	**3,179**	3,676	4,600	4,509	4,689
Total	**$ 178,535**	$ 179,502	$ 178,025	$ 189,800	$ 186,169
In offices outside North America[1]					
Residential first mortgages[2]	**$ 34,339**	$ 40,344	$ 39,833	$ 39,969	$ 38,507
Credit cards	**17,763**	20,776	21,137	22,692	21,108
Personal, small business and other	**33,613**	35,273	35,039	36,378	34,241
Total	**$ 85,715**	$ 96,393	$ 96,009	$ 99,039	$ 93,856
Consumer loans, net of unearned income[3]	**$ 264,250**	$ 275,895	$ 274,034	$ 288,839	$ 280,025
Corporate loans					
In North America offices[1]					
Commercial and industrial	**$ 56,496**	$ 53,549	$ 55,497	$ 57,731	$ 59,921
Financial institutions	**62,818**	65,494	57,009	55,809	52,884
Mortgage and real estate[2]	**63,584**	62,162	60,976	60,675	59,340
Installment and other	**26,922**	26,757	29,186	26,744	26,858
Lease financing	**425**	547	539	673	704
Total	**$ 210,245**	$ 208,509	$ 203,207	$ 201,632	$ 199,707
In offices outside North America[1]					
Commercial and industrial	**$ 105,671**	$ 105,486	$ 102,666	$ 104,072	$ 108,551
Financial institutions	**33,501**	35,713	34,729	32,334	32,583
Mortgage and real estate[2]	**10,685**	10,995	11,166	11,371	10,424
Installment and other	**36,054**	35,787	35,347	33,759	32,323
Lease financing	**47**	54	56	65	63
Governments and official institutions	**4,311**	4,395	4,783	3,811	3,235
Total	**$ 190,269**	$ 192,430	$ 188,747	$ 185,412	$ 187,179
Corporate loans, net of unearned income[4]	**$ 400,514**	$ 400,939	$ 391,954	$ 387,044	$ 386,886
Total loans—net of unearned income	**$ 664,764**	$ 676,834	$ 665,988	$ 675,883	$ 666,911
Allowance for credit losses on loans (ACLL)	**(17,715)**	(19,238)	(21,638)	(24,956)	(26,426)
Total loans—net of unearned income and ACLL	**$ 647,049**	$ 657,596	$ 644,350	$ 650,927	$ 640,485
ACLL as a percentage of total loans—net of unearned income[5]	**2.69 %**	2.88 %	3.29 %	3.73 %	4.00 %
ACLL for consumer loan losses as a percentage of total consumer loans—net of unearned income[5]	**5.55 %**	5.84 %	6.41 %	6.77 %	6.96 %
ACLL for corporate loan losses as a percentage of total corporate loans—net of unearned income[5]	**0.77 %**	0.80 %	1.06 %	1.42 %	1.82 %

(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 $650 million, $676 million, $700 million, $749 million and $739 million at September 30, 2021, June 30, 2021, March 31, 2021, December 31, 2020 and September 30, 2020, respectively. Unearned income on consumer loans primarily represents unamortized origination fees and costs, premiums and discounts.

(4) Corporate loans include private bank loans and are net of unearned income of $(831) million, $(841) million, $(844) million, $(844) million and $(857) million at September 30, 2021, June 30, 2021, March 31, 2021, December 31, 2020 and September 30, 2020, 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. 2021**	2nd Qtr. 2021	1st Qtr. 2021	4th Qtr. 2020	3rd Qtr. 2020
Allowance for credit losses on loans (ACLL) at beginning of period	**$ 19,238**	$ 21,638	$ 24,956	$ 26,426	$ 26,298
Provision for credit losses on loans (PCLL)					
Consumer[1]	**$ (162)**	$ (265)	$ (354)	$ 1,034	$ 1,500
Corporate	**(26)**	(861)	(1,125)	(1,410)	431
Total	**$ (188)**	$ (1,126)	$ (1,479)	$ (376)	$ 1,931
Gross credit losses on loans					
Consumer					
In U.S. offices	**$ 891**	$ 1,117	$ 1,247	$ 1,130	$ 1,479
In offices outside the U.S.	**449**	576	758	524	537
Corporate					
In U.S. offices	**20**	56	156	159	194
In offices outside the U.S.	**29**	95	47	76	157
Total	**$ 1,389**	$ 1,844	$ 2,208	$ 1,889	$ 2,367
Credit recoveries on loans[1]					
Consumer					
In U.S. offices	**$ 297**	$ 323	$ 316	$ 270	$ 304
In offices outside the U.S.	**121**	139	127	122	118
Corporate					
In U.S. offices	**7**	40	10	16	8
In offices outside the U.S.	**3**	22	7	9	18
Total	**$ 428**	$ 524	$ 460	$ 417	$ 448
Net credit losses on loans (NCLs)					
In U.S. offices	**$ 607**	$ 810	$ 1,077	$ 1,003	$ 1,361
In offices outside the U.S.	**354**	510	671	469	558
Total	**$ 961**	$ 1,320	$ 1,748	$ 1,472	$ 1,919
Other—net[2][3][4][5][6][7]	**$ (374)**	$ 46	$ (91)	$ 378	$ 116
Allowance for credit losses on loans (ACLL) at end of period	**$ 17,715**	$ 19,238	$ 21,638	$ 24,956	$ 26,426
ACLL as a percentage of EOP loans[8]	**2.69 %**	2.88 %	3.29 %	3.73 %	4.00 %
Allowance for credit losses on unfunded lending commitments (ACLUC)[9][10]	**$ 2,063**	$ 2,073	$ 2,012	$ 2,655	$ 2,299
Total ACLL and ACLUC	**$ 19,778**	$ 21,311	$ 23,650	$ 27,611	$ 28,725
Net consumer credit losses on loans	**$ 922**	$ 1,231	$ 1,562	$ 1,262	$ 1,594
As a percentage of average consumer loans	**1.37 %**	1.80 %	2.28 %	1.77 %	2.26 %
Net corporate credit losses on loans	**$ 39**	$ 89	$ 186	$ 210	$ 325
As a percentage of average corporate loans	**0.04 %**	0.09 %	0.20 %	0.22 %	0.33 %
ACLL by type at end of period[11]					
Consumer	**$ 14,668**	$ 16,111	$ 17,554	$ 19,554	$ 19,488
Corporate	**3,047**	3,127	4,084	5,402	6,938
Total	**$ 17,715**	$ 19,238	$ 21,638	$ 24,956	$ 26,426

(1) Citi had a change in accounting related to its variable post-charge-off third-party collection costs that was recorded as an adjustment to its January 1, 2020 opening allowance for credit losses on loans of $443 million. See Note 1 to the Consolidated Financial Statements.
(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 2021 includes an approximate $280 million reclass related to the announced sale of Citi's consumer banking business in Australia. The ACLL was reclassified to *Other assets* during 3Q21. 3Q21 consumer also includes a decrease of approximately $93 million related to FX translation.
(4) The second quarter of 2021 includes an increase of approximately $62 million related to FX translation.
(5) The first quarter of 2021 includes a decrease of approximately $108 million related to FX translation.
(6) The fourth quarter of 2020 includes an increase of approximately $376 million related to FX translation.
(7) The third quarter of 2020 includes an increase of approximately $116 million related to FX translation.

(8) September 30, 2021, June 30, 2021, March 31, 2021, December 31, 2020 and September 30, 2020 exclude $7.2 billion, $7.7 billion, $7.5 billion, $6.9 billion and $5.5 billion, respectively, of loans that are carried at fair value.
(9) At June 30, 2020, the corporate ACLUC includes a non-provision transfer of $68 million, representing reserves on performance guarantees as of March 31, 2020. The reserves on these contracts have been reclassified out of the allowance for credit losses on unfunded lending commitments and into other liabilities as of June 30, 2020.
(10) Represents additional credit reserves recorded as *Other liabilities* on the Consolidated Balance Sheet.
(11) See "Significant Accounting Policies and Significant Estimates" and Note 1 to the Consolidated Financial Statements. Attribution of the allowance is made for analytical purposes only and the entire allowance is available to absorb probable credit losses inherent in the overall portfolio.

Allowance for Credit Losses on Loans (ACLL)

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

	September 30, 2021		
In billions of dollars	**ACLL**	**EOP loans, net of unearned income**	**ACLL as a percentage of EOP loans**[1]
North America cards[2]	**$ 11.8**	**$ 125.5**	**9.4 %**
North America mortgages[3]	**0.3**	**49.8**	**0.6**
North America other	**0.2**	**3.2**	**6.3**
International cards	**1.3**	**17.8**	**7.3**
International other[4]	**1.1**	**68.0**	**1.6**
Total consumer	**$ 14.7**	**$ 264.3**	**5.6 %**
Total corporate	**3.0**	**400.5**	**0.8**
Total Citigroup	**$ 17.7**	**$ 664.8**	**2.7 %**

(1) Loans carried at fair value do not have an ACLL and are excluded from the ACLL ratio calculation.
(2) Includes both Citi-branded cards and Citi retail services. The $11.8 billion of loan loss reserves represented approximately 60 months of coincident net credit loss coverage. As of September 30, 2021, *North America* Citi-branded cards ACLL as a percentage of EOP loans was 8.3% and *North America* Citi retail services ACLL as a percentage of EOP loans was 11.5%.
(3) Of the $0.3 billion, approximately $0.1 billion was allocated to *North America* mortgages in *Corporate/Other*, including approximately $0.2 billion and $0.1 billion determined in accordance with ASC 450-20 and ASC 310-10-35 (troubled debt restructurings), respectively. Of the $49.8 billion in loans, approximately $48.4 billion and $1.4 billion of the loans were evaluated in accordance with ASC 450-20 and ASC 310-10-35 (troubled debt restructurings), respectively. For additional information, see Note 14 to the Consolidated Financial Statements.
(4) Includes mortgages and other retail loans.

	December 31, 2020		
In billions of dollars	ACLL	EOP loans, net of unearned income	ACLL as a percentage of EOP loans[1]
North America cards[2]	$ 14.7	$ 130.4	11.3 %
North America mortgages[3]	0.7	54.9	1.3
North America other	0.3	4.5	6.7
International cards	2.1	$ 22.7	9.3
International other[4]	1.8	76.3	2.4
Total consumer	$ 19.6	$ 288.8	6.8 %
Total corporate	5.4	387.1	1.4
Total Citigroup	$ 25.0	$ 675.9	3.7 %

(1) Loans carried at fair value do not have an ACLL and are excluded from the ACLL ratio calculation.
(2) Includes both Citi-branded cards and Citi retail services. The $14.7 billion of loan loss reserves represented approximately 53 months of coincident net credit loss coverage. As of December 31, 2020, *North America* Citi-branded cards ACLL as a percentage of EOP loans was 10.0% and *North America* Citi retail services ACLL as a percentage of EOP loans was 13.6%.
(3) Of the $0.7 billion, approximately $0.3 billion was allocated to *North America* mortgages in *Corporate/Other*, including approximately $0.5 billion and $0.2 billion determined in accordance with ASC 450-20 and ASC 310-10-35 (troubled debt restructurings), respectively. Of the $54.9 billion in loans, approximately $53.0 billion and $1.9 billion of the loans were evaluated in accordance with ASC 450-20 and ASC 310-10-35 (troubled debt restructurings), respectively. For additional information, see Note 14 to the Consolidated Financial Statements.
(4) Includes mortgages and other retail loans.

The following table details Citi's corporate credit allowance for credit losses on loans (ACLL) by industry exposure:

	September 30, 2021		
In millions of dollars, except percentages	Funded exposure[1]	ACLL[2][3]	ACLL as a % of funded exposure
Transportation and industrials	$ 53,232	$ 732	1.4 %
Private bank	78,185	148	0.2
Consumer retail	35,713	301	0.8
Technology, media and telecom	30,311	179	0.6
Real estate	45,850	554	1.2
Power, chemicals, metals and mining	19,927	146	0.7
Banks and finance companies	34,497	160	0.5
Energy and commodities	14,455	250	1.7
Health	7,888	90	1.1
Public sector	14,368	95	0.7
Insurance	2,482	8	0.3
Asset managers and funds	6,500	30	0.5
Financial markets infrastructure	236	—	—
Securities firms	701	16	2.3
Other industries	2,929	41	1.4
Total	$ 347,274	$ 2,750	0.8 %

(1) Funded exposure excludes approximately $48.6 billion, primarily related to the delinquency-managed credit portfolio of the private bank, with an associated ACLL of approximately $297 million and loans at fair value that are not subject to ACLL under the CECL standard.

(2) As of September 30, 2021, the ACLL shown above reflects coverage of 0.4% of funded investment-grade exposure and 2.3% of funded non-investment-grade exposure.

(3) Excludes approximately $297 million of ACLL primarily associated with delinquency-managed private bank exposures at September 30, 2021. Including those reserves and exposures, the total ACLL is 0.8% of total funded exposure, including 0.4% of funded investment-grade exposure and 2.3% of funded non-investment-grade exposure.

Non-Accrual Loans and Assets and Renegotiated Loans

For additional information on Citi's non-accrual loans and assets and renegotiated loans, see "Non-Accrual Loans and Assets and Renegotiated Loans" in Citi's 2020 Annual Report on 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.

In millions of dollars	**Sept. 30, 2021**	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sept. 30, 2020
Corporate non-accrual loans(1)(2)					
North America	**$ 1,166**	$ 1,154	$ 1,566	$ 1,928	$ 2,018
EMEA	**444**	480	591	661	720
Latin America	**679**	767	739	719	609
Asia	**111**	175	210	219	237
Total corporate non-accrual loans	**$ 2,400**	$ 2,576	$ 3,106	$ 3,527	$ 3,584
Consumer non-accrual loans					
North America	**$ 772**	$ 879	$ 961	$ 1,059	$ 934
Latin America	**549**	612	720	774	493
Asia(3)	**268**	315	303	308	263
Total consumer non-accrual loans	**$ 1,589**	$ 1,806	$ 1,984	$ 2,141	$ 1,690
Total non-accrual loans	**$ 3,989**	$ 4,382	$ 5,090	$ 5,668	$ 5,274

(1) Approximately 56%, 52%, 51%, 59% and 58% of Citi's corporate non-accrual loans were performing at September 30, 2021, June 30, 2021, March 31, 2021, December 31, 2020 and September 30, 2020, respectively.
(2) The September 30, 2021 corporate non-accrual loans represented 0.60% of total corporate loans.
(3) *Asia GCB* includes balances in certain *EMEA* countries for all periods presented.

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

In millions of dollars	Three Months Ended September 30, 2021 Corporate	Consumer	Total	Three Months Ended September 30, 2020 Corporate	Consumer	Total
Non-accrual loans at beginning of quarter	**$ 2,576**	**$ 1,806**	**$ 4,382**	$ 4,016	$ 1,829	$ 5,845
Additions	**349**	**470**	**819**	832	403	1,235
Sales and transfers to HFS	**(26)**	**(56)**	**(82)**	—	(42)	(42)
Returned to performing	**(43)**	**(166)**	**(209)**	(12)	(76)	(88)
Paydowns/settlements	**(386)**	**(212)**	**(598)**	(1,037)	(150)	(1,187)
Charge-offs	**(47)**	**(227)**	**(274)**	(158)	(303)	(461)
Other	**(23)**	**(26)**	**(49)**	(57)	29	(28)
Ending balance	**$ 2,400**	**$ 1,589**	**$ 3,989**	$ 3,584	$ 1,690	$ 5,274

In millions of dollars	Nine Months Ended September 30, 2021 Corporate	Consumer	Total	Nine Months Ended September 30, 2020 Corporate	Consumer	Total
Non-accrual loans at beginning of year	**$ 3,527**	**$ 2,141**	**$ 5,668**	$ 2,188	$ 1,816	$ 4,004
Additions	**1,342**	**1,678**	**3,020**	4,062	1,993	6,055
Sales and transfers to HFS	**(402)**	**(138)**	**(540)**	(1)	(73)	(74)
Returned to performing	**(101)**	**(518)**	**(619)**	(129)	(280)	(409)
Paydowns/settlements	**(1,761)**	**(532)**	**(2,293)**	(2,193)	(583)	(2,776)
Charge-offs	**(180)**	**(1,006)**	**(1,186)**	(290)	(908)	(1,198)
Other	**(25)**	**(36)**	**(61)**	(53)	(275)	(328)
Ending balance	**$ 2,400**	**$ 1,589**	**$ 3,989**	$ 3,584	$ 1,690	$ 5,274

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, 2021**	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sept. 30, 2020
OREO					
North America	**$ 10**	$ 12	$ 14	$ 19	$ 22
EMEA	**—**	—	—	—	—
Latin America	**10**	11	10	7	8
Asia	**1**	10	19	17	12
Total OREO	**$ 21**	$ 33	$ 43	$ 43	$ 42
Non-accrual assets					
Corporate non-accrual loans	**$ 2,400**	$ 2,576	$ 3,106	$ 3,527	$ 3,584
Consumer non-accrual loans	**1,589**	1,806	1,984	2,141	1,690
Non-accrual loans (NAL)	**$ 3,989**	$ 4,382	$ 5,090	$ 5,668	$ 5,274
OREO	**$ 21**	$ 33	$ 43	$ 43	$ 42
Non-accrual assets (NAA)	**$ 4,010**	$ 4,415	$ 5,133	$ 5,711	$ 5,316
NAL as a percentage of total loans	**0.60 %**	0.65 %	0.76 %	0.84 %	0.79 %
NAA as a percentage of total assets	**0.17**	0.19	0.22	0.25	0.24
ACLL as a percentage of NAL[1]	**444 %**	439 %	425 %	440 %	501 %

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

Renegotiated Loans

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

In millions of dollars	**Sept. 30, 2021**	Dec. 31, 2020
Corporate renegotiated loans[1]		
In U.S. offices		
Commercial and industrial[2]	**$ 114**	$ 193
Mortgage and real estate	**53**	60
Financial institutions	**—**	—
Other	**31**	30
Total	**$ 198**	$ 283
In offices outside the U.S.		
Commercial and industrial[2]	**$ 138**	$ 132
Mortgage and real estate	**12**	32
Financial institutions	**—**	—
Other	**20**	3
Total	**$ 170**	$ 167
Total corporate renegotiated loans	**$ 368**	$ 450
Consumer renegotiated loans[3]		
In U.S. offices		
Mortgage and real estate	**$ 1,455**	$ 1,904
Cards	**1,340**	1,449
Installment and other	**30**	33
Total	**$ 2,825**	$ 3,386
In offices outside the U.S.		
Mortgage and real estate	**$ 229**	$ 361
Cards	**361**	533
Installment and other	**437**	519
Total	**$ 1,027**	$ 1,413
Total consumer renegotiated loans	**$ 3,852**	$ 4,799

(1) Includes $337 million and $415 million of non-accrual loans included in the non-accrual loans table above at September 30, 2021 and December 31, 2020, respectively. The remaining loans are accruing interest.

(2) In addition to modifications reflected as TDRs at September 30, 2021 and December 31, 2020, Citi also modified zero and $47 million, respectively, of commercial loans risk rated "Substandard Non-Performing" or worse (asset category defined by banking regulators) in offices outside the U.S. These modifications were not considered TDRs because the modifications did not involve a concession or because the modifications qualified for exemptions from TDR accounting provided by the CARES Act or the interagency guidance.

(3) Includes $714 million and $873 million of non-accrual loans included in the non-accrual loans table above at September 30, 2021 and December 31, 2020, respectively. The remaining loans were accruing interest.

LIQUIDITY RISK

For additional information on funding and liquidity at Citigroup, including its objectives, management and measurement, see "Liquidity Risk" and "Risk Factors—Liquidity Risks" in Citi's 2020 Annual Report on Form 10-K.

High-Quality Liquid Assets (HQLA)

	Citibank			Citi non-bank and other entities			Total		
In billions of dollars	**Sept. 30, 2021**	Jun. 30, 2021	Sept. 30, 2020	**Sept. 30, 2021**	Jun. 30, 2021	Sept. 30, 2020	**Sept. 30, 2021**	Jun. 30, 2021	Sept. 30, 2020
Available cash	**$ 255.1**	$ 259.3	$ 279.3	**$ 3.5**	$ 2.8	$ 2.0	**$ 258.5**	$ 262.2	$ 281.3
U.S. sovereign	**108.9**	91.1	80.6	**64.3**	61.5	56.0	**173.2**	152.6	136.6
U.S. agency/agency MBS	**45.3**	41.5	34.6	**6.0**	5.2	5.8	**51.3**	46.7	40.4
Foreign government debt[(1)]	**50.2**	47.2	44.5	**11.2**	12.0	17.0	**61.4**	59.2	61.5
Other investment grade	**1.8**	1.5	1.5	**0.3**	0.3	0.7	**2.1**	1.9	2.2
Total HQLA (AVG)	**$ 461.2**	$ 440.7	$ 440.5	**$ 85.3**	$ 81.8	$ 81.5	**$ 546.5**	$ 522.6	$ 522.0

Note: The amounts set forth 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, Mexico, Hong Kong, South Korea and India.

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 and any amounts in excess of these minimums that are assumed to be transferable to other entities within Citigroup. Citigroup's HQLA increased quarter-over-quarter, primarily reflecting growth in deposits.

As of September 30, 2021, Citigroup had approximately $994 billion of available liquidity resources to support client and business needs, including end-of-period 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.

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, 2021**	Jun. 30, 2021	Sept. 30, 2020
HQLA	**$ 546.5**	$ 522.6	$ 522.0
Net outflows	**474.8**	461.7	442.6
LCR	**115 %**	113 %	118 %
HQLA in excess of net outflows	**$ 71.7**	$ 60.9	$ 79.4

Note: The amounts are presented on an average basis.

As of September 30, 2021, Citigroup's average LCR increased from the quarter ended June 30, 2021. The increase was primarily driven by lower funding needs in broker-dealer subsidiaries along with debt issuance in the latter part of the prior quarter.

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

As previously disclosed, in October 2020, the U.S. banking agencies adopted a final rule to assess the availability of a bank's stable funding against a required level.

The final rule became effective beginning July 1, 2021, while public disclosure requirements to report the ratio will occur on a semiannual basis beginning June 30, 2023. Citi was in compliance with the final rule as of the third quarter of 2021.

Loans

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

In billions of dollars	**Sept. 30, 2021**	Jun. 30, 2021	Sept. 30, 2020
Global Consumer Banking			
North America	**$ 173.8**	$ 171.9	$ 179.1
Latin America	**13.2**	13.5	13.6
Asia[1]	**75.9**	83.2	79.7
Total	**$ 262.9**	$ 268.6	$ 272.4
Institutional Clients Group			
Corporate lending	**$ 129.2**	$ 134.4	$ 166.1
Treasury and trade solutions (TTS)	**73.7**	71.6	67.1
Private bank	**125.9**	123.9	110.3
Markets and securities services and other	**72.0**	65.8	53.1
Total	**$ 400.8**	$ 395.8	$ 396.6
Total *Corporate/Other*	**$ 4.7**	$ 5.8	$ 8.2
Total Citigroup loans (AVG)	**$ 668.5**	$ 670.3	$ 677.2
Total Citigroup loans (EOP)	**$ 664.8**	$ 676.8	$ 666.9

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

End-of-period loans were largely unchanged year-over-year and declined 2% quarter-over-quarter.

On an average basis, loans declined 1% year-over-year and were largely unchanged sequentially. Excluding the impact of FX translation, average loans declined 2% year-over-year and were largely unchanged sequentially. On this basis, average *GCB* loans declined 4% year-over-year, primarily reflecting the reclassification of loans to held-for-sale as a result of Citi's agreement to sell its consumer banking business in Australia.

Excluding the impact of FX translation, average *ICG* loans were largely unchanged year-over-year. Loans in corporate lending declined 23% on an average basis, reflecting net repayments as Citi continued to assist its clients in accessing the capital markets, as well as lower demand. Private bank loans increased 14%, largely driven by increased secured lending to high-net-worth clients. *Markets and securities services* loans increased 35%, reflecting an increase in securitization financing. TTS loans increased 9%, reflecting an increase in trade flows and originations.

Average *Corporate/Other* loans continued to decline (down 42%), driven by the wind-down of legacy assets.

Deposits

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

In billions of dollars	**Sept. 30, 2021**	Jun. 30, 2021	Sept. 30, 2020
Global Consumer Banking[1]			
North America	**$ 208.4**	$ 204.2	$ 182.1
Latin America	**24.2**	24.1	22.5
Asia[2]	**120.7**	124.6	115.2
Total	**$ 353.3**	$ 352.9	$ 319.8
Institutional Clients Group			
Treasury and trade solutions (TTS)	**$ 674.8**	$ 659.3	$ 678.6
Banking ex-TTS	**179.5**	172.3	150.1
Markets and securities services	**127.2**	127.6	107.9
Total	**$ 981.6**	$ 959.2	$ 936.6
Corporate/Other	**$ 8.2**	$ 9.1	$ 11.4
Total Citigroup deposits (AVG)	**$ 1,343.0**	$ 1,321.3	$ 1,267.8
Total Citigroup deposits (EOP)	**$ 1,347.5**	$ 1,310.3	$ 1,262.6

(1) Reflects deposits within retail banking.
(2) Includes deposits in certain *EMEA* countries for all periods presented.

End-of-period deposits increased 7% year-over-year and 3% sequentially.

On an average basis, deposits increased 6% year-over-year and 2% sequentially. Excluding the impact of FX translation, average deposits grew 5% from the prior-year period and 2% sequentially. The year-over-year increase reflected continued client engagement as well as the elevated level of liquidity in the financial system. On this basis, average deposits in *GCB* increased 9%, with strong growth in *North America*.

Excluding the impact of FX translation, average deposits in *ICG* grew 4% year-over-year, with strong growth in the private bank and securities services.

Long-Term Debt

The weighted-average maturity of unsecured long-term debt issued by Citigroup and its affiliates (including Citibank) with a remaining life greater than one year was approximately 8.6 years as of September 30, 2021, compared to 8.6 years as of the prior year and 8.8 years as of the prior quarter. The weighted-average maturity is calculated based on the contractual maturity of each security. For securities that are redeemable prior to maturity at the option of the holder, the weighted-average maturity is calculated based on the earliest date an option becomes exercisable.

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.

Long-Term Debt Outstanding

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

In billions of dollars	**Sept. 30, 2021**	Jun. 30, 2021	Sept. 30, 2020
Non-bank[1]			
Benchmark debt:			
Senior debt	**$ 123.9**	$ 127.8	$ 126.3
Subordinated debt	**26.0**	26.2	27.4
Trust preferred	**1.7**	1.7	1.7
Customer-related debt	**74.7**	73.9	61.0
Local country and other[2]	**7.2**	6.3	8.1
Total non-bank	**$ 233.6**	$ 235.9	$ 224.5
Bank			
FHLB borrowings	**$ 5.8**	$ 9.5	$ 14.7
Securitizations[3]	**11.0**	11.6	16.4
Citibank benchmark senior debt	**3.6**	3.7	14.2
Local country and other[2]	**4.3**	3.9	3.5
Total bank	**$ 24.7**	$ 28.7	$ 48.8
Total long-term debt	**$ 258.3**	$ 264.6	$ 273.3

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, 2021, non-bank included $63.5 billion of long-term debt issued by Citi's broker-dealer and other subsidiaries, as well as certain Citigroup consolidated hedging activities.

(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 Citi-branded credit card receivables.

Citi's total long-term debt outstanding decreased year-over-year, primarily driven by declines in unsecured benchmark senior debt, FHLB borrowings and securitizations at the bank, partially offset by the issuance of customer-related debt at the non-bank entities. Sequentially, long-term debt outstanding decreased, driven primarily by decreases in FHLB borrowings at the bank and unsecured benchmark senior debt at the non-bank entities.

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 2021, Citi redeemed or repurchased an aggregate of approximately $5.9 billion of its outstanding long-term debt.

Long-Term Debt Issuances and Maturities

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

	3Q21		2Q21		3Q20	
In billions of dollars	**Maturities**	**Issuances**	Maturities	Issuances	Maturities	Issuances
Non-bank						
Benchmark debt:						
Senior debt	**$ 2.8**	**$ 0.3**	$ 1.8	$ 8.7	$ 1.4	$ —
Subordinated debt	**—**	**—**	—	—	—	—
Trust preferred	**—**	**—**	—	—	—	—
Customer-related debt	**6.9**	**9.8**	8.5	15.4	6.6	6.2
Local country and other	**0.6**	**1.3**	1.0	1.5	0.1	0.4
Total non-bank	**$ 10.3**	**$ 11.4**	$ 11.3	$ 25.6	$ 8.1	$ 6.6
Bank						
FHLB borrowings	**$ 3.8**	**$ —**	$ 1.4	$ —	$ 0.3	$ —
Securitizations	**—**	**—**	1.2	—	1.2	—
Citibank benchmark senior debt	**—**	**—**	5.5	—	2.1	—
Local country and other	**0.5**	**1.1**	0.1	0.4	3.5	0.4
Total bank	**$ 4.3**	**$ 1.1**	$ 8.2	$ 0.4	$ 7.1	$ 0.4
Total	**$ 14.6**	**$ 12.4**	$ 19.5	$ 26.0	$ 15.2	$ 7.0

The table below shows Citi's aggregate long-term debt maturities (including repurchases and redemptions) year-to-date in 2021, as well as its aggregate expected remaining long-term debt maturities by year as of September 30, 2021:

		Maturities							
In billions of dollars	**2021 YTD**	2021	2022	2023	2024	2025	2026	Thereafter	Total
Non-bank									
Benchmark debt:									
Senior debt	**$ 8.9**	$ 5.6	$ 11.4	$ 12.7	$ 11.1	$ 9.9	$ 18.5	$ 54.8	$ 123.9
Subordinated debt	**—**	—	0.8	1.3	1.0	5.2	2.6	15.0	26.0
Trust preferred	**—**	—	—	—	—	—	—	1.7	1.7
Customer-related debt	**24.0**	1.7	11.2	8.7	8.0	4.8	4.5	35.8	74.7
Local country and other	**3.0**	0.6	1.9	2.2	—	—	0.7	1.8	7.2
Total non-bank	**$ 35.9**	$ 7.9	$ 25.2	$ 24.9	$ 20.2	$ 20.0	$ 26.3	$ 109.1	$ 233.6
Bank									
FHLB borrowings	**$ 5.2**	$ 0.5	$ 5.3	$ —	$ —	$ —	$ —	$ —	$ 5.8
Securitizations	**4.8**	1.3	2.1	3.4	1.2	0.4	—	2.6	11.0
Citibank benchmark senior debt	**9.8**	—	0.9	—	2.7	—	—	—	3.6
Local country and other	**0.8**	0.7	1.4	0.6	1.0	0.1	—	0.5	4.3
Total bank	**$ 20.5**	$ 2.5	$ 9.7	$ 4.0	$ 4.9	$ 0.5	$ —	$ 3.1	$ 24.7
Total long-term debt	**$ 56.5**	$ 10.4	$ 34.9	$ 28.9	$ 25.1	$ 20.5	$ 26.3	$ 112.2	$ 258.3

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

Secured funding of $209 billion as of September 30, 2021 increased 1% from the prior-year period and decreased 6% sequentially. Excluding the impact of FX translation, secured funding was largely unchanged from the prior-year period and decreased 4% sequentially, driven by normal business activity. The average balance for secured funding was approximately $229 billion for the quarter ended September 30, 2021.

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

The remainder of the secured funding activity in the broker-dealer subsidiaries serves to fund securities inventory held in the context of market making and customer activities. To maintain reliable funding under a wide range of market conditions, including under periods of stress, Citi manages these activities by taking into consideration the quality of the underlying collateral and establishing minimum required funding tenors. The weighted average maturity of Citi's secured funding of less liquid securities inventory was greater than 110 days as of September 30, 2021.

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

Short-Term Borrowings

Citi's short-term borrowings of $30 billion decreased 21% year-over-year, reflecting a decline in FHLB advances, and 6% sequentially, driven by a decline in FHLB advances and unsecured commercial paper, partially offset by increases in asset-backed commercial paper and structured notes (see Note 16 to the Consolidated Financial Statements for further information on Citigroup's and its affiliates' outstanding short-term borrowings).

Credit Ratings

While not included in the table below, the long-term and short-term ratings of Citigroup Global Markets Holdings Inc. (CGMHI) were BBB+/A-2 at Standard & Poor's and A+/F1 at Fitch as of September 30, 2021.

Ratings as of September 30, 2021

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

Potential Impacts of Ratings Downgrades

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

The following information is provided for the purpose of analyzing the potential funding and liquidity impact to Citigroup and Citibank of a hypothetical simultaneous ratings downgrade across all three major rating agencies. This analysis is subject to certain estimates, estimation methodologies, judgments and uncertainties. Uncertainties include potential ratings limitations that certain entities may have with respect to permissible counterparties, as well as general subjective counterparty behavior. For example, certain corporate customers and markets counterparties could re-evaluate their business relationships with Citi and limit transactions in certain contracts or market instruments with Citi. Changes in counterparty behavior could impact Citi's funding and liquidity, as well as the results of operations of certain of its businesses. The actual impact to Citigroup or Citibank is unpredictable and may differ materially from the potential funding and liquidity impacts described below. For additional information on the impact of credit rating changes on Citi and its applicable subsidiaries, see "Risk Factors—Liquidity Risks" in Citi's 2020 Annual Report on Form 10-K.

Citigroup Inc. and Citibank—Potential Derivative Triggers

As of September 30, 2021, Citi estimates that a hypothetical one-notch downgrade of the senior debt/long-term rating of Citigroup Inc. across all three major rating agencies could impact Citigroup's funding and liquidity due to derivative triggers by approximately $1.1 billion, compared to $1.0 billion as of June 30, 2021. 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, 2021, 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 $0.5 billion, unchanged from June 30, 2021. 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, 2021, Citi estimates that a one-notch downgrade of Citigroup and Citibank across all three major rating agencies could result in increased aggregate cash obligations and collateral requirements of approximately $1.6 billion, compared to $1.4 billion as of June 30, 2021 (see also Note 19 to the Consolidated Financial Statements). 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.

In addition, a broad range of mitigating actions are currently included in Citigroup's and Citibank's contingency funding plans. For Citigroup, these mitigating factors include, but are not limited to, accessing surplus funding capacity from existing clients, tailoring levels of secured lending and adjusting the size of select trading books and collateralized borrowings at certain Citibank subsidiaries. Mitigating actions available to Citibank include, but are not limited to, selling or financing highly liquid government securities, tailoring levels of secured lending, adjusting the size of select trading assets, reducing loan originations and renewals, raising additional deposits or borrowing from the FHLB or central banks. Citi believes these mitigating actions could substantially reduce the funding and liquidity risk, if any, of the potential downgrades described above.

Citibank—Additional Potential Impacts

In addition to the above derivative triggers, Citi believes that a potential 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. As of September 30, 2021, Citibank had liquidity commitments of approximately $10.0 billion to consolidated asset-backed commercial paper conduits, compared to $9.0 billion as of June 30, 2021 (for additional information, see Note 18 to the Consolidated Financial Statements).

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 re-evaluate their deposit relationships with Citibank. This re-evaluation could result in clients' adjusting their discretionary deposit levels or changing their depository institution, which could potentially reduce certain deposit levels at Citibank. However, Citi could choose to adjust pricing, offer alternative deposit products to its existing customers or seek to attract deposits from new customers, in addition to the mitigating actions referenced above.

MARKET RISK

Market risk emanates from both Citi's trading and non-trading portfolios. For additional information on market risk and market risk management at Citi, see "Market Risk" and "Risk Factors" in Citi's 2020 Annual Report on Form 10-K.

Market Risk of Non-Trading Portfolios

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

In millions of dollars, except as otherwise noted	**Sept. 30, 2021**	Jun. 30, 2021	Sept. 30, 2020
Estimated annualized impact to net interest revenue			
U.S. dollar[1]	**$ 151**	$ 156	$ 65
All other currencies	**586**	624	702
Total	**$ 737**	$ 780	$ 767
As a percentage of average interest-earning assets	**0.03 %**	0.04 %	0.04 %
Estimated initial negative impact to *AOCI* (after-tax)[2]	**$ (4,914)**	$ (4,953)	$ (5,757)
Estimated initial impact on Common Equity Tier 1 Capital ratio (bps)	**(30)**	(30)	(36)

(1) Certain trading-oriented businesses within Citi have accrual-accounted positions that are excluded from the estimated impact to net interest revenue in the table, since these exposures are managed economically in combination with mark-to-market positions. The U.S. dollar interest rate exposure associated with these businesses was $(70) million for a 100 bps instantaneous increase in interest rates as of September 30, 2021.
(2) Includes the effect of changes in interest rates on *AOCI* related to investment securities, cash flow hedges and pension liability adjustments.

The sequential decline in the estimated impact to Citi's net interest revenue was driven by a decline in non-U.S. dollar exposure due to an increase in non-U.S. interest rates.

The modest sequential decline in the estimated impact to *AOCI* primarily reflected a continuation of the positioning strategy of Citi Treasury's investment securities and related interest rate derivatives portfolio.

In the event of a parallel instantaneous 100 bps increase in interest rates, as of September 30, 2021, Citi expects that the $4.9 billion negative impact to *AOCI* would be offset in stockholders' equity through the expected recovery of the impact on *AOCI* through accretion of Citi's investment portfolio over approximately 37 months.

The following table sets forth the estimated impact to Citi's net interest revenue, *AOCI* and the Common Equity Tier 1 Capital ratio (on a fully implemented basis) under five different changes in interest rate scenarios for the U.S. dollar and Citi's other currencies. The 100 bps downward rate scenarios are impacted by the low level of interest rates in several countries and the assumption that market interest rates, as well as rates paid to depositors and charged to borrowers, do not fall below zero (i.e., the "flooring assumption"). The 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**
Overnight rate change (bps)	100	100	—	—	(100)
10-year rate change (bps)	100	—	100	(100)	(100)
Estimated annualized impact to net interest revenue					
U.S. dollar	$ 151	$ 206	$ 77	$ (282)	$ (442)
All other currencies	586	620	38	(38)	(323)
Total	$ 737	$ 826	$ 115	$ (320)	$ (765)
Estimated initial impact to *AOCI* (after-tax)[1]	$ (4,914)	$ (3,191)	$ (2,019)	$ 1,532	$ 3,076
Estimated initial impact to Common Equity Tier 1 Capital ratio (bps)	(30)	(19)	(13)	10	16

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

Changes in Foreign Exchange Rates—Impacts on AOCI and Capital

As of September 30, 2021, 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 $1.5 billion, or 0.9%, as a result of changes to Citi's foreign currency translation adjustment in *AOCI*, net of hedges. This impact would be primarily due to changes in the value of the Mexican peso, 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 Common Equity Tier 1 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 as compared to an unanticipated parallel shock, as described above.

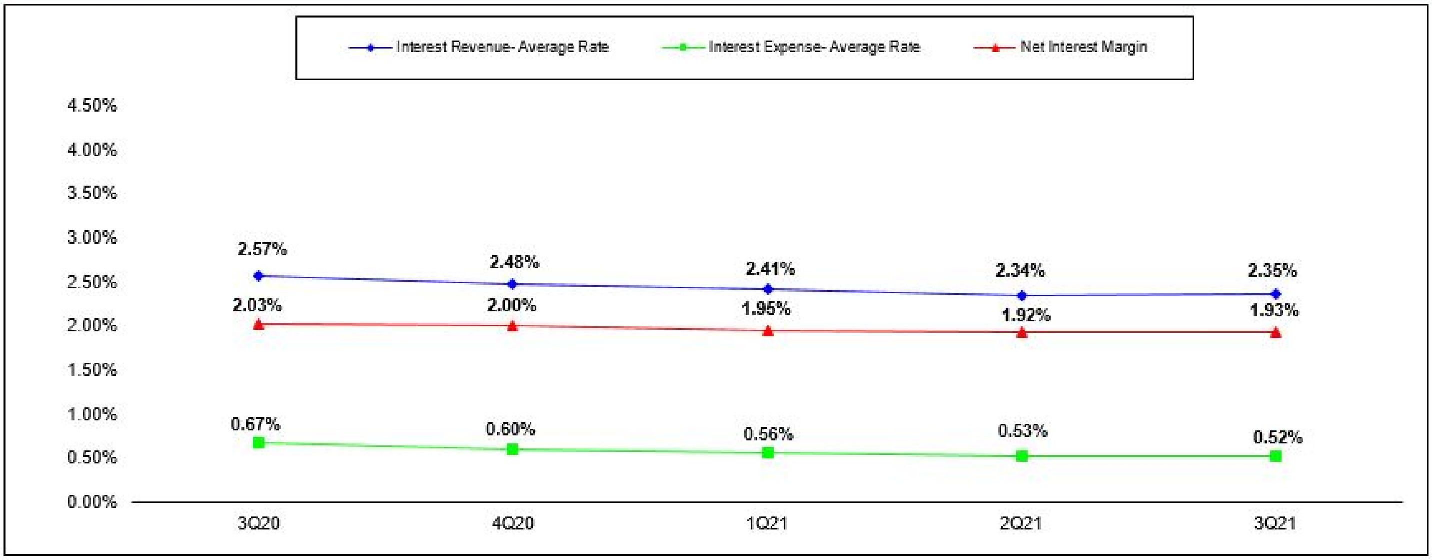
The effect of Citi's ongoing management strategies with respect to changes in foreign exchange rates, and the impact of these changes on Citi's TCE and Common Equity Tier 1 Capital ratio, are shown in the table below. For additional information on the changes in *AOCI*, see Note 17 to the Consolidated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

	For the quarter ended		
In millions of dollars, except as otherwise noted	**Sept. 30, 2021**	Jun. 30, 2021	Sept. 30, 2020
Change in FX spot rate[(1)]	**(2.7)%**	1.1 %	2.6 %
Change in TCE due to FX translation, net of hedges	**$ (1,042)**	$ 364	$ 655
As a percentage of TCE	**(0.7)%**	0.2 %	0.4 %
Estimated impact to Common Equity Tier 1 Capital ratio (on a fully implemented basis) due to changes in FX translation, net of hedges (bps)	**(1)**	—	(1.0)

(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)

Average Rates - Interest Revenue, Interest Expense, and Net Interest Margin



In millions of dollars, except as otherwise noted	**3rd Qtr. 2021**	2nd Qtr. 2021	3rd Qtr. 2020	**Change 3Q21 vs. 3Q20**
Interest revenue[1]	**$ 12,696**	$ 12,514	$ 13,373	**(5)%**
Interest expense[2]	**2,252**	2,264	2,821	**(20)**
Net interest revenue, taxable equivalent basis[1]	**$ 10,444**	$ 10,250	$ 10,552	**(1)%**
Interest revenue—average rate[3]	**2.35 %**	2.34 %	2.57 %	**(22) bps**
Interest expense—average rate	**0.52**	0.53	0.67	**(15) bps**
Net interest margin[3][4]	**1.93**	1.92	2.03	**(10) bps**
Interest-rate benchmarks				
Two-year U.S. Treasury note—average rate	**0.23 %**	0.17 %	0.14 %	**9 bps**
10-year U.S. Treasury note—average rate	**1.32**	1.59	0.65	**67 bps**
10-year vs. two-year spread	**109 bps**	142 bps	51 bps	

Note: All interest expense amounts include FDIC, as well as other similar deposit insurance assessments outside of the U.S.

(1) *Interest revenue* and *Net interest revenue* include the taxable equivalent adjustments primarily related to the tax-exempt bond portfolio and certain tax-advantaged loan programs (based on the U.S. federal statutory tax rate of 21%) of $46 million, $51 million and $59 million for the three months ended September 30, 2021, June 30, 2021 and September 30, 2020, 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 net interest margin (NIM) is calculated by dividing net interest revenue by average interest-earning assets.

Non-*ICG Markets* Net Interest Revenue

In millions of dollars	**3rd Qtr. 2021**	2nd Qtr. 2021	3rd Qtr. 2020	**Change 3Q21 vs. 3Q20**
Net interest revenue (NIR)—taxable equivalent basis[1] per above	**$ 10,444**	$ 10,250	$ 10,552	**(1)%**
ICG Markets NIR—taxable equivalent basis[1]	**1,331**	1,453	1,413	**(6)**
Non-*ICG Markets* NIR—taxable equivalent basis[1]	**$ 9,113**	$ 8,797	$ 9,139	**— %**

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

Citi's net interest revenue (NIR) in the third quarter of 2021 decreased 1% to $10.4 billion versus the prior-year period. As set forth in the table above, Citi's NIR on a taxable equivalent basis also decreased 1% year-over-year, or approximately $100 million, driven by modest declines in both non-*ICG Markets* NIR and *ICG Markets* (fixed income markets and equity markets) NIR. The decrease in non-*ICG Markets* NIR reflected lower loan balances and the impact of lower deposit spreads. The decrease in *ICG Markets* NIR largely reflected a change in the mix of trading positions in support of client activity.

Citi's NIM was 1.93% on a taxable equivalent basis in the third quarter of 2021, an increase of 1 basis point from the prior quarter, primarily reflecting higher cards NIR in *North America GCB* due to higher fees and higher loans, partially offset by growth in the balance sheet due to higher deposits and a decrease in *ICG Markets* NIR.

Additional Interest Rate Details

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

Taxable Equivalent Basis

Quarterly—Assets	**Average volume**			**Interest revenue**			**% Average rate**		
In millions of dollars, except rates	**3rd Qtr. 2021**	2nd Qtr. 2021	3rd Qtr. 2020	**3rd Qtr. 2021**	2nd Qtr. 2021	3rd Qtr. 2020	**3rd Qtr. 2021**	2nd Qtr. 2021	3rd Qtr. 2020
Deposits with banks[4]	**$ 294,160**	$ 296,445	$ 307,845	**$ 147**	$ 126	$ 116	**0.20 %**	0.17 %	0.15 %
Securities borrowed and purchased under agreements to resell[5]									
In U.S. offices	**$ 176,926**	$ 171,568	$ 153,513	**$ 70**	$ 85	$ 153	**0.16 %**	0.20 %	0.40 %
In offices outside the U.S.[4]	**146,257**	148,253	141,436	**194**	120	199	**0.53**	0.32	0.56
Total	**$ 323,183**	$ 319,821	$ 294,949	**$ 264**	$ 205	$ 352	**0.32 %**	0.26 %	0.47 %
Trading account assets[6][7]									
In U.S. offices	**$ 133,649**	$ 142,471	$ 144,268	**$ 665**	$ 579	$ 861	**1.97 %**	1.63 %	2.37 %
In offices outside the U.S.[4]	**154,993**	159,670	140,765	**620**	893	597	**1.59**	2.24	1.69
Total	**$ 288,642**	$ 302,141	$ 285,033	**$ 1,285**	$ 1,472	$ 1,458	**1.77 %**	1.95 %	2.03 %
Investments									
In U.S. offices									
Taxable	**$ 332,337**	$ 320,206	$ 282,024	**$ 935**	$ 867	$ 877	**1.12 %**	1.09 %	1.24 %
Exempt from U.S. income tax	**11,973**	12,613	14,166	**99**	114	126	**3.28**	3.63	3.54
In offices outside the U.S.[4]	**153,802**	151,419	142,596	**873**	863	899	**2.25**	2.29	2.51
Total	**$ 498,112**	$ 484,238	$ 438,786	**$ 1,907**	$ 1,844	$ 1,902	**1.52 %**	1.53 %	1.72 %
Loans (net of unearned income)[8]									
In U.S. offices	**$ 388,415**	$ 382,708	$ 389,831	**$ 6,035**	$ 5,800	$ 6,316	**6.16 %**	6.08 %	6.45 %
In offices outside the U.S.[4]	**280,072**	287,572	287,369	**2,862**	2,956	3,130	**4.05**	4.12	4.33
Total	**$ 668,487**	$ 670,280	$ 677,200	**$ 8,897**	$ 8,756	$ 9,446	**5.28 %**	5.24 %	5.55 %
Other interest-earning assets[9]	**$ 71,193**	$ 69,691	$ 63,577	**$ 196**	$ 111	$ 99	**1.09 %**	0.64 %	0.62 %
Total interest-earning assets	**$ 2,143,777**	$ 2,142,616	$2,067,390	**$ 12,696**	$ 12,514	$ 13,373	**2.35 %**	2.34 %	2.57 %
Non-interest-earning assets[6]	**$ 202,248**	$ 199,194	$ 192,082						
Total assets	**$ 2,346,025**	$ 2,341,810	$2,259,472						

Nine Months—Assets *In millions of dollars, except rates*	**Average volume** **Nine Months 2021**	Nine Months 2020	**Interest revenue** **Nine Months 2021**	Nine Months 2020	**% Average rate** **Nine Months 2021**	Nine Months 2020
Deposits with banks(4)	**$ 299,315**	$ 273,487	**$ 418**	$ 802	**0.19 %**	0.39 %
Securities borrowed and purchased under agreements to resell(5)						
In U.S. offices	**$ 170,761**	$ 146,098	**$ 272**	$ 1,076	**0.21 %**	0.98 %
In offices outside the U.S.(4)	**145,700**	137,222	**491**	885	**0.45**	0.86
Total	**$ 316,461**	$ 283,320	**$ 763**	$ 1,961	**0.32 %**	0.92 %
Trading account assets(6)(7)						
In U.S. offices	**$ 143,639**	$ 143,148	**$ 1,996**	$ 2,789	**1.86 %**	2.60 %
In offices outside the U.S.(4)	**155,894**	129,331	**2,099**	1,938	**1.80**	2.00
Total	**$ 299,533**	$ 272,479	**$ 4,095**	$ 4,727	**1.83 %**	2.32 %
Investments						
In U.S. offices						
Taxable	**$ 316,038**	$ 260,161	**$ 2,608**	$ 3,059	**1.10 %**	1.57 %
Exempt from U.S. income tax	**12,496**	14,345	**331**	361	**3.54**	3.36
In offices outside the U.S.(4)	**151,566**	137,127	**2,592**	2,908	**2.29**	2.83
Total	**$ 480,100**	$ 411,633	**$ 5,531**	$ 6,328	**1.54 %**	2.05 %
Loans (net of unearned income)(8)						
In U.S. offices	**$ 383,693**	$ 401,253	**$ 17,877**	$ 20,366	**6.23 %**	6.78 %
In offices outside the U.S.(4)	**284,553**	290,303	**8,709**	10,514	**4.09**	4.84
Total	**$ 668,246**	$ 691,556	**$ 26,586**	$ 30,880	**5.32 %**	5.96 %
Other interest-earning assets(9)	**$ 72,325**	$ 69,200	**$ 404**	$ 492	**0.75 %**	0.95 %
Total interest-earning assets	**$ 2,135,980**	$2,001,675	**$ 37,797**	$ 45,190	**2.37 %**	3.02 %
Non-interest-earning assets(6)	**$ 198,896**	$ 200,457				
Total assets	**$ 2,334,876**	$2,202,132				

(1) *Interest revenue* and *Net interest revenue* include the taxable equivalent adjustments primarily related to the tax-exempt bond portfolio and certain tax-advantaged loan programs (based on the U.S. federal statutory tax rate of 21%) of $46 million, $51 million and $59 million for the three months ended September 30, 2021, June 30, 2021 and September 30, 2020, respectively, and $150 million and $148 million for the nine months ended September 30, 2021 and 2020, respectively.
(2) Interest rates and amounts include the effects of risk management activities associated with the respective asset categories.
(3) Monthly or quarterly averages have been used by certain subsidiaries where daily averages are unavailable.
(4) Average rates reflect prevailing local interest rates, including inflationary effects and monetary corrections in certain countries.
(5) Average volumes of securities borrowed or purchased under agreements to resell are reported net pursuant to ASC 210-20-45. However, *Interest revenue* excludes the impact of ASC 210-20-45.
(6) The fair value carrying amounts of derivative contracts are reported net, pursuant to ASC 815-10-45, in *Non-interest-earning assets* and *Other non-interest-bearing liabilities*.
(7) *Interest expense* on *Trading account liabilities* of *ICG* is reported as a reduction of *Interest revenue*. *Interest revenue* and *Interest expense* on cash collateral positions are reported in interest on *Trading account assets* and *Trading account liabilities*, respectively.
(8) Includes cash-basis loans.
(9) Includes *Brokerage receivables*.

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

Taxable Equivalent Basis

Quarterly—Liabilities	**Average volume**			**Interest expense**			**% Average rate**		
In millions of dollars, except rates	**3rd Qtr. 2021**	2nd Qtr. 2021	3rd Qtr. 2020	**3rd Qtr. 2021**	2nd Qtr. 2021	3rd Qtr. 2020	**3rd Qtr. 2021**	2nd Qtr. 2021	3rd Qtr. 2020
Deposits									
In U.S. offices[(4)]	**$ 558,990**	$ 496,250	$ 505,627	**$ 476**	$ 456	$ 691	**0.34 %**	0.37 %	0.54 %
In offices outside the U.S.[(5)]	**538,800**	578,880	553,673	**547**	499	602	**0.40**	0.35	0.43
Total	**$ 1,097,790**	$ 1,075,130	$1,059,300	**$ 1,023**	$ 955	$ 1,293	**0.37 %**	0.36 %	0.49 %
Securities loaned and sold under agreements to repurchase[(6)]									
In U.S. offices	**$ 132,810**	$ 140,708	$ 132,721	**$ 195**	$ 170	$ 168	**0.58 %**	0.48 %	0.50 %
In offices outside the U.S.[(5)]	**96,137**	95,931	83,835	**92**	90	124	**0.38**	0.38	0.59
Total	**$ 228,947**	$ 236,639	$ 216,556	**$ 287**	$ 260	$ 292	**0.50 %**	0.44 %	0.54 %
Trading account liabilities[(7)(8)]									
In U.S. offices	**$ 43,740**	$ 48,433	$ 37,040	**$ 28**	$ 30	$ 39	**0.25 %**	0.25 %	0.42 %
In offices outside the U.S.[(5)]	**64,963**	73,705	51,557	**78**	120	84	**0.48**	0.65	0.65
Total	**$ 108,703**	$ 122,138	$ 88,597	**$ 106**	$ 150	$ 123	**0.39 %**	0.49 %	0.55 %
Short-term borrowings and other interest-bearing liabilities[(9)]									
In U.S. offices	**$ 65,584**	$ 69,944	$ 76,817	**$ (19)**	$ (17)	$ 57	**(0.11)%**	(0.10)%	0.30 %
In offices outside the U.S.[(5)]	**27,132**	23,738	18,654	**27**	48	31	**0.39**	0.81	0.66
Total	**$ 92,716**	$ 93,682	$ 95,471	**$ 8**	$ 31	$ 88	**0.03 %**	0.13 %	0.37 %
Long-term debt[(10)]									
In U.S. offices	**$ 181,723**	$ 191,009	$ 222,406	**$ 802**	$ 852	$ 1,023	**1.75 %**	1.79 %	1.83 %
In offices outside the U.S.[(5)]	**4,061**	4,355	3,827	**26**	16	2	**2.54**	1.47	0.21
Total	**$ 185,784**	$ 195,364	$ 226,233	**$ 828**	$ 868	$ 1,025	**1.77 %**	1.78 %	1.80 %
Total interest-bearing liabilities	**$ 1,713,940**	$ 1,722,953	$1,686,157	**$ 2,252**	$ 2,264	$ 2,821	**0.52 %**	0.53 %	0.67 %
Demand deposits in U.S. offices	**$ 122,731**	$ 78,665	$ 32,208						
Other non-interest-bearing liabilities[(7)]	**307,078**	337,136	347,525						
Total liabilities	**$ 2,143,749**	$ 2,138,754	$2,065,890						
Citigroup stockholders' equity	**$ 201,608**	$ 202,368	$ 192,923						
Noncontrolling interests	**668**	688	659						
Total equity	**$ 202,276**	$ 203,056	$ 193,582						
Total liabilities and stockholders' equity	**$ 2,346,025**	$ 2,341,810	$2,259,472						
Net interest revenue as a percentage of average interest-earning assets[(11)]									
In U.S. offices	**$ 1,246,588**	$ 1,235,013	$1,215,016	**$ 6,485**	$ 6,082	$ 6,479	**2.06 %**	1.98 %	2.12 %
In offices outside the U.S.[(6)]	**897,189**	907,603	852,374	**3,959**	4,168	4,073	**1.75**	1.84	1.90
Total	**$ 2,143,777**	$ 2,142,616	$2,067,390	**$ 10,444**	$ 10,250	$ 10,552	**1.93 %**	1.92 %	2.03 %

Nine Months—Liabilities	**Average volume**		**Interest expense**		**% Average rate**	
In millions of dollars, except rates	**Nine Months 2021**	Nine Months 2020	**Nine Months 2021**	Nine Months 2020	**Nine Months 2021**	Nine Months 2020
Deposits						
In U.S. offices[4]	**$ 520,311**	$ 475,516	**$ 1,463**	$ 2,778	**0.38 %**	0.78 %
In offices outside the U.S.[5]	**561,938**	533,649	**1,567**	2,598	**0.37**	0.65
Total	**$ 1,082,249**	$1,009,165	**$ 3,030**	$ 5,376	**0.37 %**	0.71 %
Securities loaned and sold under agreements to repurchase[6]						
In U.S. offices	**$ 140,153**	$ 137,091	**$ 536**	$ 1,126	**0.51 %**	1.10 %
In offices outside the U.S.[5]	**93,463**	76,189	**264**	704	**0.38**	1.23
Total	**$ 233,616**	$ 213,280	**$ 800**	$ 1,830	**0.46 %**	1.15 %
Trading account liabilities[7][8]						
In U.S. offices	**$ 47,990**	$ 37,321	**$ 80**	$ 239	**0.22 %**	0.86 %
In offices outside the U.S.[5]	**68,078**	51,333	**290**	267	**0.57**	0.69
Total	**$ 116,068**	$ 88,654	**$ 370**	$ 506	**0.43 %**	0.76 %
Short-term borrowings and other interest bearing liabilities[9]						
In U.S. offices	**$ 69,314**	$ 86,555	**$ (36)**	$ 487	**(0.07)%**	0.75 %
In offices outside the U.S.[5]	**23,933**	20,481	**106**	125	**0.59**	0.82
Total	**$ 93,247**	$ 107,036	**$ 70**	$ 612	**0.10 %**	0.76 %
Long-term debt[10]						
In U.S. offices	**$ 191,408**	$ 212,696	**$ 2,559**	$ 3,639	**1.79 %**	2.29 %
In offices outside the U.S.[5]	**4,396**	3,954	**55**	14	**1.67**	0.47
Total	**$ 195,804**	$ 216,650	**$ 2,614**	$ 3,653	**1.78 %**	2.25 %
Total interest-bearing liabilities	**$ 1,720,984**	$1,634,785	**$ 6,884**	$ 11,977	**0.53 %**	0.98 %
Demand deposits in U.S. offices	**$ 86,009**	$ 29,921				
Other non-interest-bearing liabilities[7]	**325,777**	343,620				
Total liabilities	**$ 2,132,770**	$2,008,327				
Citigroup stockholders' equity	**$ 201,426**	$ 193,164				
Noncontrolling interests	**680**	641				
Total equity	**$ 202,106**	$ 193,805				
Total liabilities and stockholders' equity	**$ 2,334,876**	$2,202,132				
Net interest revenue as a percentage of average interest-earning assets[11]						
In U.S. offices	**$ 1,237,799**	$1,172,136	**$ 18,902**	$ 20,184	**2.04 %**	2.30 %
In offices outside the U.S.[6]	**898,182**	829,539	**12,011**	13,029	**1.79**	2.10
Total	**$ 2,135,981**	$2,001,675	**$ 30,913**	$ 33,213	**1.93 %**	2.22 %

(1) *Interest revenue* and *Net interest revenue* 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. The interest expense on savings deposits includes FDIC deposit insurance assessments.
(5) Average rates reflect prevailing local interest rates, including inflationary effects and monetary corrections in certain countries.
(6) Average volumes of securities sold under agreements to repurchase are reported net pursuant to ASC 210-20-45. However, *Interest expense* excludes the impact of ASC 210-20-45.
(7) The fair value carrying amounts of derivative contracts are reported net, pursuant to ASC 815-10-45, in *Non-interest-earning assets* and *Other non-interest-bearing liabilities*.
(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.

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

In millions of dollars	3Q21 vs. 2Q21 Increase (decrease) due to change in: Average volume	Average rate	Net change	3Q21 vs. 3Q20 Increase (decrease) due to change in: Average volume	Average rate	Net change
Deposits with banks(3)	**$ (1)**	**$ 22**	**$ 21**	**$ (5)**	**$ 36**	**$ 31**
Securities borrowed and purchased under agreements to resell						
In U.S. offices	**$ 3**	**$ (18)**	**$ (15)**	**$ 20**	**$ (103)**	**$ (83)**
In offices outside the U.S.(3)	**(2)**	**76**	**74**	**7**	**(12)**	**(5)**
Total	**$ 1**	**$ 58**	**$ 59**	**$ 27**	**$ (115)**	**$ (88)**
Trading account assets(4)						
In U.S. offices	**$ (38)**	**$ 124**	**$ 86**	**$ (60)**	**$ (136)**	**$ (196)**
In offices outside the U.S.(3)	**(25)**	**(248)**	**(273)**	**58**	**(35)**	**23**
Total	**$ (63)**	**$ (124)**	**$ (187)**	**$ (2)**	**$ (171)**	**$ (173)**
Investments(1)						
In U.S. offices	**$ 34**	**$ 19**	**$ 53**	**$ 152**	**$ (121)**	**$ 31**
In offices outside the U.S.(3)	**14**	**(4)**	**10**	**68**	**(94)**	**(26)**
Total	**$ 48**	**$ 15**	**$ 63**	**$ 220**	**$ (215)**	**$ 5**
Loans (net of unearned income)(5)						
In U.S. offices	**$ 88**	**$ 147**	**$ 235**	**$ (23)**	**$ (258)**	**$ (281)**
In offices outside the U.S.(3)	**(77)**	**(17)**	**(94)**	**(78)**	**(190)**	**(268)**
Total	**$ 11**	**$ 130**	**$ 141**	**$ (101)**	**$ (448)**	**$ (549)**
Other interest-earning assets(6)	**$ 2**	**$ 83**	**$ 85**	**$ 13**	**$ 84**	**$ 97**
Total interest revenue	**$ (2)**	**$ 184**	**$ 182**	**$ 152**	**$ (829)**	**$ (677)**

(1) *Interest revenue* and *Net interest revenue* include the taxable equivalent adjustments discussed in the table above.
(2) Rate/volume variance is allocated based on the percentage relationship of changes in volume and changes in rate to the total net change.
(3) Changes in average rates reflect changes in prevailing local interest rates, including inflationary effects and monetary corrections in certain countries.
(4) *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.
(5) Includes cash-basis loans.
(6) Includes *Brokerage receivables*.

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

	3Q21 vs. 2Q21			3Q21 vs. 3Q20		
	Increase (decrease) due to change in:			Increase (decrease) due to change in:		
In millions of dollars	Average volume	Average rate	Net change	Average volume	Average rate	Net change
Deposits						
In U.S. offices	$ 55	$ (35)	$ 20	$ 67	$ (282)	$ (215)
In offices outside the U.S.[3]	(36)	84	48	(16)	(39)	(55)
Total	$ 19	$ 49	$ 68	$ 51	$ (321)	$ (270)
Securities loaned and sold under agreements to repurchase						
In U.S. offices	$ (10)	$ 35	$ 25	$ —	$ 27	$ 27
In offices outside the U.S.[3]	—	2	2	16	(48)	(32)
Total	$ (10)	$ 37	$ 27	$ 16	$ (21)	$ (5)
Trading account liabilities[4]						
In U.S. offices	$ (3)	$ 1	$ (2)	$ 6	$ (17)	$ (11)
In offices outside the U.S.[3]	(13)	(29)	(42)	19	(25)	(6)
Total	$ (16)	$ (28)	$ (44)	$ 25	$ (42)	$ (17)
Short-term borrowings and other interest-bearing liabilities[5]						
In U.S. offices	$ 1	$ (3)	$ (2)	$ (7)	$ (69)	$ (76)
In offices outside the U.S.[3]	6	(27)	(21)	11	(15)	(4)
Total	$ 7	$ (30)	$ (23)	$ 4	$ (84)	$ (80)
Long-term debt						
In U.S. offices	$ (41)	$ (9)	$ (50)	$ (181)	$ (40)	$ (221)
In offices outside the U.S.[3]	(1)	11	10	—	24	24
Total	$ (42)	$ 2	$ (40)	$ (181)	$ (16)	$ (197)
Total interest expense	$ (42)	$ 30	$ (12)	$ (85)	$ (484)	$ (569)
Net interest revenue	$ 40	$ 154	$ 194	$ 237	$ (345)	$ (108)

(1) *Interest revenue* and *Net interest revenue* include the taxable equivalent adjustments discussed in the table above.
(2) Rate/volume variance is allocated based on the percentage relationship of changes in volume and changes in rate to the total net change.
(3) Changes in average rates reflect changes in prevailing local interest rates, including inflationary effects and monetary corrections in certain countries.
(4) *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.
(5) Includes *Brokerage payables*.

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

	Nine Months 2021 vs. Nine Months 2020		
	Increase (decrease) due to change in:		
In millions of dollars	Average volume	Average rate	Net change
Deposits with banks[3]	**$ 70**	**$ (454)**	**$ (384)**
Securities borrowed and purchased under agreements to resell			
In U.S. offices	**$ 156**	**$ (960)**	**$ (804)**
In offices outside the U.S.[3]	**52**	**(446)**	**(394)**
Total	**$ 208**	**$ (1,406)**	**$ (1,198)**
Trading account assets[4]			
In U.S. offices	**$ 10**	**$ (803)**	**$ (793)**
In offices outside the U.S.[3]	**371**	**(210)**	**161**
Total	**$ 381**	**$ (1,013)**	**$ (632)**
Investments[1]			
In U.S. offices	**$ 595**	**$ (1,076)**	**$ (481)**
In offices outside the U.S.[3]	**285**	**(601)**	**(316)**
Total	**$ 880**	**$ (1,677)**	**$ (797)**
Loans (net of unearned income)[5]			
In U.S. offices	**$ (866)**	**$ (1,623)**	**$ (2,489)**
In offices outside the U.S.[3]	**(204)**	**(1,601)**	**(1,805)**
Total	**$ (1,070)**	**$ (3,224)**	**$ (4,294)**
Other interest-earning assets[6]	**$ 21**	**$ (109)**	**$ (88)**
Total interest revenue	**$ 490**	**$ (7,883)**	**$ (7,393)**

(1) *Interest revenue* and *Net interest revenue* include the taxable equivalent adjustments discussed in the table above.
(2) Rate/volume variance is allocated based on the percentage relationship of changes in volume and changes in rate to the total net change.
(3) Changes in average rates reflect changes in prevailing local interest rates, including inflationary effects and monetary corrections in certain countries.
(4) *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.
(5) Includes cash-basis loans.
(6) Includes *Brokerage receivables*.

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

	Nine Months 2021 vs. Nine Months 2020		
	Increase (decrease) due to change in:		
In millions of dollars	Average volume	Average rate	Net change
Deposits			
In U.S. offices	$ 241	$ (1,556)	$ (1,315)
In offices outside the U.S.[3]	131	(1,162)	(1,031)
Total	$ 372	$ (2,718)	$ (2,346)
Securities loaned and sold under agreements to repurchase			
In U.S. offices	$ 25	$ (615)	$ (590)
In offices outside the U.S.[3]	132	(572)	(440)
Total	$ 157	$ (1,187)	$ (1,030)
Trading account liabilities[4]			
In U.S. offices	$ 54	$ (213)	$ (159)
In offices outside the U.S.[3]	77	(54)	23
Total	$ 131	$ (267)	$ (136)
Short-term borrowings and other interest bearing liabilities[5]			
In U.S. offices	$ (81)	$ (442)	$ (523)
In offices outside the U.S.[3]	19	(38)	(19)
Total	$ (62)	$ (480)	$ (542)
Long-term debt			
In U.S. offices	$ (340)	$ (740)	$ (1,080)
In offices outside the U.S.[3]	2	39	41
Total	$ (338)	$ (701)	$ (1,039)
Total interest expense	$ 260	$ (5,353)	$ (5,093)
Net interest revenue	$ 230	$ (2,530)	$ (2,300)

(1) *Interest revenue* and *Net interest revenue* include the taxable equivalent adjustments discussed in the table above.
(2) Rate/volume variance is allocated based on the percentage relationship of changes in volume and changes in rate to the total net change.
(3) Changes in average rates reflect changes in prevailing local interest rates, including inflationary effects and monetary corrections in certain countries.
(4) *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.
(5) Includes *Brokerage payables*.

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 (three years) market volatility. As of September 30, 2021, Citi estimates that the conservative features of the VAR calibration contribute an approximate 31% add-on to what would be a VAR estimated under the assumption of stable and perfectly, normally distributed markets. As of June 30, 2021, the add-on was 35%.

As set forth in the table below, Citi's average trading VAR decreased quarter-over-quarter, mainly due to a reduction in interest rate short hedges as well as a general reduction in interest rate risk, both in *ICG Markets* businesses. Citi's average trading and credit portfolio VAR increased quarter-over-quarter, largely driven by increased credit hedging activity.

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

In millions of dollars	**September 30, 2021**	**Third Quarter 2021 Average**	June 30, 2021	Second Quarter 2021 Average	September 30, 2020	Third Quarter 2020 Average
Interest rate	**$ 65**	**$ 61**	$ 62	$ 76	$ 69	$ 82
Credit spread	**62**	**73**	77	73	67	79
Covariance adjustment(1)	**(43)**	**(42)**	(35)	(44)	(47)	(55)
Fully diversified interest rate and credit spread(2)	**$ 84**	**$ 92**	$ 104	$ 105	$ 89	$ 106
Foreign exchange	**42**	**42**	35	42	27	23
Equity	**36**	**36**	23	31	29	26
Commodity	**36**	**36**	48	35	21	25
Covariance adjustment(1)	**(103)**	**(105)**	(107)	(104)	(77)	(76)
Total trading VAR—all market risk factors, including general and specific risk (excluding credit portfolios)(2)	**$ 95**	**$ 101**	$ 103	$ 109	$ 89	$ 104
Specific risk-only component(3)	**$ (2)**	**$ 3**	$ (4)	$ (3)	$ (2)	$ (10)
Total trading VAR—general market risk factors only (excluding credit portfolios)	**$ 97**	**$ 98**	$ 107	$ 112	$ 91	$ 114
Incremental impact of the credit portfolio(4)	**$ 33**	**$ 38**	$ 27	$ 25	$ 35	$ 26
Total trading and credit portfolio VAR	**$ 128**	**$ 139**	$ 130	$ 134	$ 124	$ 130

(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 including Citi Treasury, the CVA relating to derivative counterparties and all associated CVA hedges. FVA and DVA are not included. The credit portfolio also includes hedges to the loan portfolio, fair value option loans and hedges to the leveraged finance pipeline within capital markets origination in *ICG*.

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

	Third Quarter 2021		Second Quarter 2021		Third Quarter 2020	
In millions of dollars	**Low**	**High**	Low	High	Low	High
Interest rate	**$ 51**	**$ 76**	$ 57	$ 96	$ 61	$ 111
Credit spread	**62**	**96**	65	86	67	95
Fully diversified interest rate and credit spread	**$ 77**	**$ 115**	$ 90	$ 123	$ 83	$ 128
Foreign exchange	**38**	**46**	34	48	15	31
Equity	**24**	**50**	23	43	22	33
Commodity	**27**	**55**	26	50	21	32
Total trading	**$ 86**	**$ 120**	$ 90	$ 130	$ 87	$ 128
Total trading and credit portfolio	**114**	**166**	116	159	113	150

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, 2021
Total—all market risk factors, including general and specific risk		
Average—during quarter	$	**102**
High—during quarter		**121**
Low—during quarter		**87**

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, 2021, there were no back-testing exceptions observed for Citi's Regulatory VAR for the prior 12 months.

STRATEGIC RISK

For additional information regarding strategic risk, including Citi's management of strategic risk, see "Managing Global Risk—Strategic Risk" in Citi's First Quarter of 2021 Form 10-Q and Citi's 2020 Annual Report on 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, 2021. (Including the U.S, the total exposure as of September 30, 2021 to the top 25 countries would represent approximately 96% of Citi's exposure to all countries.)

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 32% of corporate loans presented in the table below are to U.K. domiciled entities (32% for unfunded commitments), with the balance of the loans predominately to European domiciled counterparties. Approximately 84% of the total U.K. funded loans and 84% of the total U.K. unfunded commitments were investment grade as of September 30, 2021.

Trading account assets and investment securities are generally categorized based on the domicile of the issuer of the security of the underlying reference entity. For additional information on the assets included in the table, see the footnotes to the table below.

In billions of dollars	ICG loans[1]	GCB loans	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 3Q21	Total as of 2Q21	Total as of 3Q20	Total as a % of Citi as of 3Q21
United Kingdom	$ 43.1	$ 0.2	$ 2.1	$ 51.8	$ 19.6	$ (5.0)	$ 4.4	$ (4.6)	**$ 111.6**	$ 112.7	$ 108.5	6.3 %
Mexico	13.5	13.0	0.3	7.9	2.8	(0.9)	20.0	3.4	**60.0**	62.5	60.9	3.4
Hong Kong	20.9	14.6	0.3	7.3	1.2	(1.4)	8.6	1.3	**52.8**	52.6	47.9	3.0
Singapore	15.9	13.8	0.3	7.3	1.6	(0.7)	6.2	1.6	**46.0**	43.6	44.1	2.6
Ireland	14.7	—	1.4	28.4	0.6	(0.2)	—	0.4	**45.3**	43.8	41.2	2.5
South Korea	3.8	16.6	0.1	2.2	2.0	(0.8)	9.8	0.5	**34.2**	36.7	33.2	1.9
India	7.1	3.8	0.8	6.3	3.2	(0.7)	9.2	0.6	**30.3**	27.7	31.6	1.7
Brazil	10.5	—	—	2.9	5.6	(0.7)	5.1	1.0	**24.4**	26.1	25.1	1.4
China	7.7	3.6	0.7	2.3	1.0	(0.6)	6.1	(0.6)	**20.2**	19.8	21.7	1.1
Japan	2.5	—	0.1	4.8	4.2	(1.6)	5.0	4.3	**19.3**	16.6	19.7	1.1
Australia[7]	4.6	—	—	9.0	1.7	(0.5)	1.3	1.6	**17.7**	24.9	21.2	1.0
Taiwan	5.3	8.4	0.1	1.2	0.7	(0.1)	0.2	1.2	**17.0**	17.3	17.0	1.0
Canada	2.0	0.5	0.1	7.2	2.3	(1.2)	3.0	3.0	**16.9**	17.9	17.0	0.9
United Arab Emirates	8.0	1.4	0.1	4.1	0.8	(0.4)	2.5	0.1	**16.6**	14.2	11.9	0.9
Jersey	7.0	—	0.2	7.8	0.1	(0.2)	—	—	**14.9**	15.0	13.3	0.8
Germany	0.2	—	0.1	6.0	4.5	(3.6)	6.8	0.4	**14.4**	19.4	27.1	0.8
Poland	3.1	1.8	—	2.7	0.2	(0.1)	3.4	0.1	**11.2**	11.5	15.1	0.6
Malaysia	1.4	3.3	0.2	0.9	0.2	—	2.1	0.1	**8.2**	8.3	8.4	0.5
Thailand	1.0	2.5	—	2.1	0.1	—	2.0	0.3	**8.0**	7.5	7.9	0.4
Indonesia	2.2	0.6	—	1.3	0.1	(0.1)	1.5	0.2	**5.8**	6.0	6.0	0.3
Russia	2.3	0.7	—	0.8	0.1	(0.1)	1.6	0.1	**5.5**	5.4	4.6	0.3
Luxembourg	1.0	—	—	—	0.3	(0.8)	4.8	—	**5.3**	5.9	6.7	0.3
Philippines	0.8	1.2	0.1	0.5	0.2	—	1.5	(0.3)	**4.0**	4.1	4.7	0.2
South Africa	1.5	—	0.1	0.6	0.3	(0.1)	1.6	(0.2)	**3.8**	3.7	3.5	0.2
Czech Republic	0.8	—	—	0.7	1.4	—	0.5	0.1	**3.5**	3.6	3.8	0.2
Total as a % of Citi's total exposure												**33.4 %**
Total as a % of Citi's non-U.S. total exposure												**90.7 %**

(1) *ICG* loans reflect funded corporate loans and private bank loans, net of unearned income. As of September 30, 2021, private bank loans in the table above totaled $32.4 billion, concentrated in Hong Kong ($9.2 billion), the U.K. ($8.6 billion) and Singapore ($7.5 billion).
(2) Other funded includes other direct exposures such as accounts receivable, loans HFS, other loans in *Corporate/Other* 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 counterparty risk on OTC derivatives and securities lending/borrowing transactions (repos). Exposures are shown net of collateral and inclusive of CVA. Includes margin loans.
(5) Investment securities include debt securities available-for-sale, recorded at fair market value, and debt securities held-to-maturity, 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, 2021 excludes *GCB* loans reclassified to held-for-sale as a result of Citi's agreement to sell its consumer banking business in Australia. For additional information, see "*Asia GCB*" above and Note 2 to the Consolidated Financial Statements.

Argentina

Citi operates in Argentina through its *ICG* businesses. As of September 30, 2021, Citi's net investment in its Argentine operations was approximately $1.3 billion. Citi uses the U.S. dollar as the functional currency for its operations in highly inflationary countries under U.S. GAAP. Citi uses Argentina's official market exchange rate to remeasure its net Argentine peso-denominated assets into the U.S. dollar. As of September 30, 2021, the official Argentine peso exchange rate against the U.S. dollar was 98.74.

As previously disclosed, the Central Bank of Argentina has continued to maintain certain capital and currency controls that restrict Citi's ability to access U.S. dollars in Argentina and remit earnings from its Argentine operations. Citi's net investment in its Argentine operations is likely 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. 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 economically hedges the foreign currency risk in its net Argentine peso-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, 2021, the international NDF market had very limited liquidity, resulting in Citi being unable to economically hedge nearly all of its Argentine peso exposure. As a result, 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 Argentine peso-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 sovereign risk associated with its Argentine assets. Citi believes it has established appropriate allowances for credit losses on its Argentine loans, and appropriate fair value adjustments on Argentine assets and liabilities measured at fair value, for such risks under U.S. GAAP as of September 30, 2021. However, U.S. regulatory agencies may require Citi to record additional reserves in the future, increasing *ICG*'s cost of credit, based on the perceived country risk associated with its Argentine exposures. For additional information on emerging markets risks, see "Risk Factors—Strategic Risks" in Citi's 2020 Annual Report on 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 Citigroup's 2020 Annual Report on 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 Citigroup's 2020 Annual Report on 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 substantial 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 upon 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, 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, the portion of the loss related 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 other comprehensive income. 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). Adjudicating the temporary nature of fair value impairments 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, 20 and 21 to the Consolidated Financial Statements in this Form 10-Q and Note 1 to the Consolidated Financial Statements in Citi's 2020 Annual Report on Form 10-K.

Citi's Allowance for Credit Losses (ACL)

The table below shows Citi's ACL as of the third quarter of 2021. For information on the drivers of Citi's ACL release in the third quarter, see 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 2020 Annual Report on Form 10-K.

	ACL										
In millions of dollars	Balance Dec. 31, 2020	**1Q21 build (release)**	**1Q21 FX/ Other**	Balance Mar. 31, 2021	**2Q21 build (release)**	**2Q21 FX/ Other**	Balance Jun. 30, 2021	**3Q21 build (release)**	**3Q21 FX/ Other**	**Balance Sept. 30, 2021**	**ACLL/EOP loans Sept. 30, 2021[(1)]**
Cards[(1)]	$ 16,805	$ (1,523)	$ (42)	$ 15,240	$ (1,106)	$ 25	$ 14,159	$ (906)	$ (229)	$ 13,024	**9.09 %**
All other *GCB*	2,419	(283)	(42)	2,094	(292)	28	1,830	(125)	(129)	1,576	
Global Consumer Banking	$ 19,224	$ (1,806)	$ (84)	$ 17,334	$ (1,398)	$ 53	$ 15,989	$ (1,031)	$ (358)	$ 14,600	**5.61 %**
Institutional Clients Group	5,402	(1,312)	(6)	4,084	(949)	(8)	3,127	(65)	(15)	3,047	**0.77**
Corporate/Other	330	(109)	(1)	220	(99)	1	122	(53)	(1)	68	
Allowance for credit losses on loans (ACLL)	**$ 24,956**	**$ (3,227)**	**$ (91)**	**$ 21,638**	**$ (2,446)**	**$ 46**	**$ 19,238**	**$ (1,149)**	**$ (374)**	**$ 17,715**	**2.69 %**
Allowance for credit losses on unfunded lending commitments (ACLUC)	2,655	(626)	(17)	2,012	44	17	2,073	(13)	3	2,063	
Other	146	1	(1)	146	1	1	148	(13)	2	137	
Total ACL	**$ 27,757**	**$ (3,852)**	**$ (109)**	**$ 23,796**	**$ (2,401)**	**$ 64**	**$ 21,459**	**$ (1,175)**	**$ (369)**	**$ 19,915**	

(1) As of September 30, 2021, in *North America GCB*, Citi-branded cards ACLL/EOP loans was 8.3% and Citi retail services ACLL/EOP loans was 11.5%.

Citi's reserves for expected credit losses on funded loans and 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* (Allowance for credit losses on unfunded lending commitments (ACLUC)), respectively. In addition, Citi 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. 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.

The ACL is composed of quantitative and qualitative management adjustment components. The quantitative component uses a forward-looking base macroeconomic forecast. The qualitative management adjustment component reflects economic uncertainty using alternative downside macroeconomic scenarios and portfolio characteristics and current economic conditions not captured in the quantitative component, such as adjustments to reflect uncertainty around the estimated impact of the pandemic on credit losses. Both the quantitative and qualitative management adjustment 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) a reasonable and supportable forecast 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 that inform the forecasts, 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 (among other things), as well as other current economic factors and credit trends, including housing prices, unemployment and gross domestic product (GDP).

Qualitative Component

The qualitative management adjustment component includes, among other things, management adjustments to reflect economic uncertainty based on the likelihood and severity of downside scenarios and certain portfolio characteristics not captured in the quantitative component, such as concentrations, collateral valuation, model limitations, idiosyncratic events and other factors as required by banking supervisory guidance for the ACL. The qualitative management adjustment component also reflects the uncertainty around the estimated impact of the pandemic on credit loss estimates. The ultimate extent of the pandemic's impact on Citi's ACL will depend on, among other things, (i) how consumers respond to the conclusion of government stimulus and assistance programs, (ii) the impact on unemployment, (iii) the timing and extent of the economic recovery, (iv) the severity and duration of any resurgence of COVID-19, (v) the rate of distribution and administration of vaccines and (vi) the extent of any market volatility.

3Q21 Changes in the Allowance

In the third quarter of 2021, Citi released $1.1 billion of the ACL for its consumer portfolios and $0.1 billion of the ACL for its corporate portfolios, for a total release of $1.2 billion. The release in the consumer ACL was driven primarily by continued improvements in portfolio credit quality, as well as the continued improvement in the macroeconomic outlook. The release in the corporate ACL was also driven primarily by improvements in portfolio credit quality. The overall qualitative management adjustments declined compared to the previous quarter. Based on its latest macroeconomic forecast, Citi believes its analysis of the ACL reflects the forward view of the economic environment as of September 30, 2021.

Macroeconomic Variables

Citi considers a multitude of macroeconomic variables for both the base and downside macroeconomic forecasts it uses to estimate the ACL, including domestic and international variables for its global portfolios and exposures. 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 show Citi's forecasted quarterly average U.S. unemployment rate and year-over-year U.S. Real GDP growth rate used in determining Citi's ACL for each quarterly reporting period from 3Q20 to 3Q21:

	Quarterly average			
U.S. unemployment	**4Q21**	**2Q22**	**4Q22**	**13-quarter average(1)**
Citi forecast at 3Q20	6.4 %	6.1 %	5.7 %	6.6 %
Citi forecast at 4Q20	6.3	6.1	5.7	6.1
Citi forecast at 1Q21	4.9	4.1	3.8	4.3
Citi forecast at 2Q21	4.6	4.1	3.9	4.1
Citi forecast at 3Q21	4.5	4.1	3.9	4.0

(1) Represents the average unemployment rate for the rolling, forward-looking 13 quarters in the forecast horizon.

	Year-over-year growth rate(1)		
	Full year		
U.S. Real GDP	**2021**	**2022**	**2023**
Citi forecast at 3Q20	3.3 %	2.8 %	2.6 %
Citi forecast at 4Q20	3.7	2.7	2.6
Citi forecast at 1Q21	6.2	4.1	1.9
Citi forecast at 2Q21	6.2	3.7	1.9
Citi forecast at 3Q21	5.9	3.9	2.1

(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 3Q21, U.S. Real GDP growth is expected to remain strong during the remainder of 2021 and in 2022, and the unemployment rate is expected to continue to improve as the U.S. moves past the peak of the pandemic-related health and economic crisis.

Consumer

As discussed above, Citi's total consumer ACL release (including *Corporate/Other*) of $1.1 billion in the third quarter of 2021 reduced the ACL balance to $14.7 billion, or 5.55% of total consumer loans at September 30, 2021. The release was primarily driven by the continued improvements in portfolio credit quality, as well as the continued improvement in the macroeconomic outlook. Citi's consumer ACL is largely driven by the cards businesses.

For cards, including Citi's international businesses, the level of reserves relative to EOP loans decreased to 9.09% at September 30, 2021, compared to 9.72% at June 30, 2021, primarily driven by improvements in portfolio credit quality, as well as the continued improvement in the macroeconomic outlook. For the remaining consumer exposures, the level of reserves relative to EOP loans decreased to 1.4% at September 30, 2021, compared to 1.5% at June 30, 2021.

Corporate
Citi's corporate ACLL release of $0.1 billion in the third quarter of 2021 reduced the ACLL reserve balance to $3.0 billion, or 0.77% of total funded loans, and was primarily driven by improvements in portfolio credit quality.

The *Allowance for credit losses on unfunded lending commitments* (ACLUC) release of $14 million in the third quarter of 2021 decreased the total ACLUC reserve balance included in *Other liabilities* to $2.1 billion at September 30, 2021.

ACLL and Non-accrual Ratios
At September 30, 2021, the ratio of the allowance for credit losses to total funded loans was 2.69% (5.55% for consumer loans and 0.77% for corporate loans) compared to 2.88% at June 30, 2021 (5.84% for consumer loans and 0.80% for corporate loans).

Citi's total non-accrual loans were $4.0 billion at September 30, 2021, down $393 million from June 30, 2021. Consumer non-accrual loans decreased $217 million to $1.6 billion at September 30, 2021 from $1.8 billion at June 30, 2021, while corporate non-accrual loans decreased $176 million to $2.4 billion at September 30, 2021 from $2.6 billion at June 30, 2021. In addition, the ratio of non-accrual loans to total corporate loans was 0.60%, and 0.60% of non-accrual loans to total consumer loans, at September 30, 2021.

Regulatory Capital Impact
Citi has elected to phase in the CECL impact for regulatory capital purposes. The transition provisions were recently modified to defer the phase-in. After two years with no impact on capital, the CECL transition impact will phase in over a three-year transition period with 25% of the impact (net of deferred taxes) recognized on the first day of each subsequent year, commencing January 1, 2022, and will be fully implemented on January 1, 2025. In addition, 25% of the build (pretax) made in 2020 and 2021 will be deferred and amortized over the same timeframe.

For a further description of the ACL and related accounts, see Notes 1 and 14 to the Consolidated Financial Statements.

For a discussion of the adoption of the CECL accounting pronouncement, see Note 1 to the Consolidated Financial Statements.

Goodwill
Citi tests goodwill for impairment annually as of July 1 (the annual test) and through interim assessments between annual tests 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, such as 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 significant decline in Citi's stock price.

Citi performed its annual goodwill impairment test as of July 1, 2021. The fair values of the Company's reporting units as a percentage of their carrying values ranged from approximately 125% to 153%, resulting in no impairment. While the inherent risk related to uncertainty is embedded in the key assumptions used in the valuations, the economic and business environment continue to evolve as management progresses on its strategic refresh, including, among others, the exits of consumer businesses in 13 markets in *Asia* and *EMEA*. If management's best estimate of future key economic and market assumptions were to differ from current assumptions, Citi could potentially experience material goodwill impairment charges in the future. See Note 15 to the Consolidated Financial Statements for a further discussion on goodwill.

Litigation Accruals
See the discussion in Note 23 to the Consolidated Financial Statements for information regarding Citi's policies on establishing accruals for litigation and regulatory contingencies.

INCOME TAXES

Deferred Tax Assets

For additional information on Citi's deferred tax assets (DTAs), see "Risk Factors—Strategic Risks," "Significant Accounting Policies and Significant Estimates—Income Taxes" and Notes 1 and 9 to the Consolidated Financial Statements in Citi's 2020 Annual Report on Form 10-K.

At September 30, 2021, Citigroup had recorded net DTAs of approximately $24.5 billion, unchanged from June 30, 2021 and a decrease of $0.3 billion from December 31, 2020.

The table below summarizes Citi's net DTAs balance:

Jurisdiction/Component	DTAs balance	
In billions of dollars	**September 30, 2021**	December 31, 2020
Total U.S.	**$ 21.7**	$ 22.2
Total foreign	**2.8**	2.6
Total	**$ 24.5**	$ 24.8

Of Citi's total net DTAs of $24.5 billion as of September 30, 2021, $9.2 billion was excluded from Citi's Common Equity Tier 1 Capital. Excluded from Citi's Common Equity Tier 1 Capital as of September 30, 2021 was $10.9 billion of net DTAs arising from net operating losses, foreign tax credit (FTC) and general business credit carry-forwards, which decreased by $0.3 billion in the current quarter. The amount excluded was reduced by $1.7 billion of net DTLs, primarily associated with goodwill and certain other intangible assets, that are separately deducted from capital. Net DTAs arising from temporary differences are deducted from regulatory capital if in excess of the 10%/15% limitations (see "Capital Resources" in Citi's 2020 Annual Report on Form 10-K). For the quarter ended September 30, 2021, Citi did not have any such DTAs. Accordingly, the remaining $15.3 billion of net DTAs as of September 30, 2021 was not deducted in calculating regulatory capital pursuant to Basel III standards and was appropriately risk weighted under those rules.

DTA Realizability

Citi believes that the realization of the recognized net DTAs of $24.5 billion at September 30, 2021 is more-likely-than-not based on management's expectations as to future taxable income 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*).

In the third quarter of 2021, there was no change in Citi's DTA valuation allowance (VA) requirements for foreign tax credit carry-forwards. As part of its normal planning process in the fourth quarter of 2021, Citi expects to further update its forecasts of operating income and foreign source income, which in turn could affect Citi's valuation allowance against FTC carry-forwards.

Effective Tax Rate

Citi's reported effective tax rate for the third quarter of 2021 was approximately 20%, largely unchanged from the third quarter of 2020.

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, 2021. 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. Citi, in its related quarterly report on Form 10-Q, did not identify any reportable activities for the first quarter of 2021. Citi identified and reported certain activities pursuant to Section 219 for the second quarter of 2021. Citi did not identify any reportable activities pursuant to Section 219 for the third quarter of 2021.

SUPERVISION AND REGULATION

Securities and Commodities Regulation—Swap Dealer/ Security-Based Swap Dealer Requirements

Rules of the U.S. Commodity Futures Trading Commission (CFTC) govern the registration and regulation of swap dealers. As previously disclosed, several Citigroup subsidiaries, including Citibank, Citigroup Global Markets Inc. (CGMI), Citigroup Global Markets Limited (CGML), Citigroup Global Markets Europe (CGME) and Citigroup Energy Inc., are registered with the CFTC as swap dealers. On July 22, 2020, the CFTC adopted final rules establishing capital and financial reporting requirements for swap dealers that took effect in October 2021.

In addition, the SEC has adopted rules governing the registration and regulation of security-based swap dealers. The regulations include requirements related to (i) capital, margin and segregation, (ii) record-keeping, reporting and notification and (iii) risk management practices for uncleared security-based swaps and the cross-border application of certain security-based swap requirements. These requirements also took effect in October 2021.

For additional information about supervision and regulation applicable to Citi, see "Supervision, Regulation and Other—Supervision and Regulation" in Citi's 2020 Annual Report on Form 10-K.

FORWARD-LOOKING STATEMENTS

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

Generally, forward-looking statements are not based on historical facts but instead represent Citigroup's and its management's beliefs regarding future events. Such statements may be identified by words such as believe, expect, anticipate, intend, estimate, may increase, may fluctuate, target 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 and capital and other financial conditions may differ materially from those included in these statements due to a variety of factors, including without limitation (i) the precautionary statements included within each individual business's discussion and analysis of its results of operations above, in Citi's Second Quarter of 2021 Form 10-Q, in Citi's First Quarter of 2021 Form 10-Q and in Citi's 2020 Annual Report on Form 10-K and other SEC filings; (ii) the factors listed and described under "Risk Factors" in Citi's 2020 Annual Report on Form 10-K; and (iii) the risks and uncertainties summarized below:

- rapidly evolving challenges and uncertainties related to the COVID-19 pandemic in the U.S. and globally, including the duration and further spread of the coronavirus as well as any variants becoming more prevalent and impactful; further production, distribution, acceptance and effectiveness of vaccines; the public response, including consumer and business sentiment, spending patterns, employment trends and credit card usage behaviors; government actions, including fiscal and monetary actions, further imposition of social distancing and restrictions on businesses and the movement of the public; any delay, weakness or unevenness in the economic recovery or any future economic downturn, whether related to supply chain disruptions, inflationary trends, slowing of economic growth in certain countries or otherwise; the potential impact of Citi's recently announced vaccination requirement on the recruitment and retention of employees; and the potential impact on Citi's businesses and overall results of operations and financial condition;
- 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, regulatory capital requirements, including adoption of the U.S. SA-CCR rule; annual recalibration of the Stress Capital Buffer; Citi's results of operations and financial condition; forecasts of macroeconomic conditions; regulatory evaluations of Citi's ability to maintain an effective capital management framework; and Citi's effectiveness in managing and calculating its risk-weighted assets under both the Advance Approaches and the Standardized Approach, the Supplementary Leverage Ratio and the GSIB surcharge; whether due to the impact of the pandemic, the results of the CCAR process and regulatory stress tests or otherwise;
- the ongoing regulatory and legislative uncertainties and changes faced by financial institutions, including Citi, in the U.S. and globally, such as potential fiscal, monetary, regulatory, corporate and other income tax and other changes due to the current U.S. presidential administration, regulatory leadership and Congress or in response to the pandemic; raising of the federal debt ceiling; potential changes to various aspects of the regulatory capital framework; the future legislative and regulatory framework resulting from the U.K.'s exit from the European Union, including with respect to financial services; 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;
- Citi's ability, as part of its overall strategic priorities, to achieve its projected or expected results from its continued investments and efficiency initiatives and other actions, such as its transformation of infrastructure, risk management and controls, deepening of client relationships, enhancement of offerings and capabilities and revenue and expense expectations, including as a result of factors that Citi cannot control;
- Citi's ability to achieve its objectives from its strategic refresh, including, among others, those related to its Global Wealth business and its continued pursuit of exits of consumer businesses in 13 markets in *Asia* and *EMEA*, which may not be as productive, effective or timely as Citi expects and could result in additional foreign currency translation adjustment (CTA) or other losses, charges or other negative financial or strategic impacts;
- the number of Citibank Korea Inc. employees who apply for voluntary termination benefits and the number of such employees for whom Citi ultimately agrees to provide voluntary termination benefits; and Citi's ability to successfully wind down and close the Korea consumer banking business, including within the expected timeframe, or Citi's incurrence of unexpected losses, charges or other costs in connection with the wind-down;
- the transition away from or discontinuance of LIBOR or any other interest rate benchmark and the adverse consequences it could have for market participants, including Citi;
- 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;
- the potential impact to Citi if its interpretation or application of the complex income and non-income based tax laws to which it is subject, such as the Tax Cuts and Jobs Act (Tax Reform), withholding, stamp, service and other non-income taxes, differs from those of the relevant

governmental taxing authorities, including as a result of litigation or examinations regarding non-income based tax matters;

- the various risks faced by Citi as a result of its presence in the emerging markets, including, among others, limitations of hedges on foreign investments; foreign currency volatility and devaluations; sovereign volatility; election outcomes; regulatory changes and political events; foreign exchange controls; limitations on foreign investment; sociopolitical instability (including from hyperinflation); fraud; nationalization or loss of licenses; business restrictions; sanctions or asset freezes; potential criminal charges; closure of branches or subsidiaries; confiscation of assets; U.S. regulators imposing mandatory loan loss or other reserve requirements on Citi; and higher compliance and regulatory risks and costs;
- 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, declining sales and revenues, partner store closures, government-imposed restrictions, reduced air and business travel or other operational difficulties of the retailer or merchant, termination of a particular relationship; or other factors, such as bankruptcies, liquidations, restructurings, consolidations or other similar events, whether due to the impact of the pandemic or otherwise;
- Citi's ability in its resolution plan submissions to address any shortcomings or deficiencies identified or guidance provided by the Federal Reserve Board and FDIC;
- 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 continue to execute its strategies, if Citi is unable to attract, retain and motivate highly qualified employees;
- Citi's ability to effectively compete with U.S. and non-U.S. financial services companies and others, including as a result of emerging technologies;
- the potential impact to Citi from climate change, including both physical and transition risks as well as higher regulatory, compliance and reputational risks and costs;
- the potential impact to Citi's businesses, and results of operations and financial condition, as well as its macroeconomic outlook, due to macroeconomic, geopolitical and other challenges and uncertainties and volatilities, including, among others, slowing of the Chinese economy including negative economic impacts associated with such slowdown or any policy actions, a rapid rise in or an elevated level of inflation; governmental fiscal and monetary actions or expected actions, such as changes in interest rate policies and any program implemented to change the size of central bank balance sheets; geopolitical tensions and conflicts; protracted or widespread trade tensions; natural disasters; additional pandemics; and election outcomes;
- the potential impact to Citi from a failure in or disruption of its operational processes or systems, including as a result of, among other things, human error, such as processing errors, fraud or malice, accidental system or technological failure, electrical or telecommunication outages or failure of or cyber incidents involving computer servers or infrastructure or other similar losses or damage to Citi's property or assets, or failures by third parties, as well as disruptions in the operations of Citi's clients, customers or other third parties;
- the increasing risk of continually evolving, sophisticated cybersecurity activities faced by financial institutions and others, including Citi and third parties with which it does business, that could result in, among other things, theft, loss, misuse or disclosure of confidential client, customer or corporate 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 to, or the application of incorrect, assumptions, judgments or estimates in Citi's financial statements, including estimates of Citi's ACL, which depends on its CECL models and assumptions and forecasted macroeconomic conditions and qualitative management adjustment component; reserves related to litigation, regulatory and tax matters exposures; valuation of DTAs; and fair value of certain assets and liabilities, such as goodwill or any other asset for impairment;
- the financial impact from reclassification of any CTA component of *AOCI*, including related hedges and taxes, into Citi's earnings, due to the sale or substantial liquidation of any foreign entity, such as those related to any of Citi's 13 exit markets or legacy businesses, whether due to Citi's strategic refresh or otherwise;
- the impact of changes to financial accounting and reporting standards or interpretations, on 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 ability to manage and aggregate data, are deficient or ineffective, or 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, whether due to the pandemic or otherwise;
- the potential impact on Citi's liquidity and/or costs of funding as a result of external factors, including, among others, a rapid rise in or an elevated level of inflation, the competitive environment for deposits, general disruptions in the financial markets, governmental fiscal and monetary policies, regulatory changes or negative investor perceptions of Citi's creditworthiness, unexpected

increases in cash or collateral requirements and the inability to monetize available liquidity resources, whether due to the pandemic or otherwise;

- the impact of a ratings downgrade of Citi or one or more of its more significant subsidiaries or issuing entities on Citi's funding and liquidity as well as 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, among other things, governance, infrastructure, data and risk management practices and controls, 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; and
- 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 risks and controls, such as risk management, compliance, data quality management and governance and internal controls, and policies and procedures; as well as the transformative efforts to remediate deficiencies on a timely and sufficient basis and increased expenses for such remediation efforts, together with the heightened scrutiny and expectations generally from regulators, and the severity of the remedies sought by regulators, such as civil money penalties, supervisory or enforcement orders, business restrictions, limitations on dividends and changes to directors and/or officers, and potential collateral consequences to Citi arising from such outcomes.

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 forward-looking statements were made.

FINANCIAL STATEMENTS AND NOTES TABLE OF CONTENTS

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

Citigroup Inc. and Subsidiaries

In millions of dollars, except per share amounts	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Revenues				
Interest revenue	**$ 12,650**	$ 13,314	**$ 37,647**	$ 45,042
Interest expense	**2,252**	2,821	**6,884**	11,977
Net interest revenue	**$ 10,398**	$ 10,493	**$ 30,763**	$ 33,065
Commissions and fees	**$ 3,399**	$ 2,753	**$ 10,443**	$ 8,707
Principal transactions	**2,233**	2,508	**8,450**	11,926
Administration and other fiduciary fees	**1,007**	892	**2,990**	2,565
Realized gains on sales of investments, net	**117**	304	**655**	1,484
Impairment losses on investments:				
Impairment losses on investments and other assets	**(30)**	(30)	**(112)**	(154)
Provision for credit losses on AFS debt securities[1]	**(1)**	4	**(1)**	(4)
Net impairment losses recognized in earnings	**$ (31)**	$ (26)	**$ (113)**	$ (158)
Other revenue	**$ 31**	$ 378	**$ 767**	$ 210
Total non-interest revenues	**$ 6,756**	$ 6,809	**$ 23,192**	$ 24,734
Total revenues, net of interest expense	**$ 17,154**	$ 17,302	**$ 53,955**	$ 57,799
Provisions for credit losses and for benefits and claims				
Provision for credit losses on loans	**$ (188)**	$ 1,931	**$ (2,793)**	$ 16,298
Provision for credit losses on held-to-maturity (HTM) debt securities	**(10)**	(16)	**(17)**	21
Provision for credit losses on other assets	**(3)**	(13)	**3**	31
Policyholder benefits and claims	**22**	58	**89**	97
Provision for credit losses on unfunded lending commitments	**(13)**	424	**(595)**	1,094
Total provisions for credit losses and for benefits and claims[2]	**$ (192)**	$ 2,384	**$ (3,313)**	$ 17,541
Operating expenses				
Compensation and benefits	**$ 6,058**	$ 5,595	**$ 18,041**	$ 16,873
Premises and equipment	**560**	575	**1,694**	1,702
Technology/communication	**1,997**	1,891	**5,744**	5,355
Advertising and marketing	**402**	238	**1,012**	865
Other operating	**2,467**	2,665	**7,258**	7,272
Total operating expenses	**$ 11,484**	$ 10,964	**$ 33,749**	$ 32,067
Income from continuing operations before income taxes	**$ 5,862**	$ 3,954	**$ 23,519**	$ 8,191
Provision for income taxes	**1,193**	777	**4,680**	1,409
Income from continuing operations	**$ 4,669**	$ 3,177	**$ 18,839**	$ 6,782
Discontinued operations				
Income (loss) from discontinued operations	**$ (1)**	$ (7)	**$ 7**	$ (26)
Benefit for income taxes	**—**	—	**—**	—
Income (loss) from discontinued operations, net of taxes	**$ (1)**	$ (7)	**$ 7**	$ (26)
Net income before attribution of noncontrolling interests	**$ 4,668**	$ 3,170	**$ 18,846**	$ 6,756
Noncontrolling interests	**24**	24	**67**	18
Citigroup's net income	**$ 4,644**	$ 3,146	**$ 18,779**	$ 6,738
Basic earnings per share[3]				
Income from continuing operations	**$ 2.17**	$ 1.37	**$ 8.70**	$ 2.82
Income from discontinued operations, net of taxes	**—**	—	**—**	(0.01)
Net income	**$ 2.17**	$ 1.37	**$ 8.70**	$ 2.81
Weighted average common shares outstanding *(in millions)*	**2,009.3**	2,081.8	**2,049.3**	2,087.1
Diluted earnings per share[3]				
Income from continuing operations	**$ 2.15**	$ 1.36	**$ 8.64**	$ 2.81
Income (loss) from discontinued operations, net of taxes	**—**	—	**—**	(0.01)
Net income	**$ 2.15**	$ 1.36	**$ 8.65**	$ 2.80
Adjusted weighted average common shares outstanding *(in millions)*	**2,026.2**	2,094.3	**2,065.3**	2,100.1

(1) In accordance with ASC 326.
(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	**2021**	2020	**2021**	2020
Citigroup's net income	**$ 4,644**	$ 3,146	**$ 18,779**	$ 6,738
Add: Citigroup's other comprehensive income[1]				
Net change in unrealized gains and losses on debt securities, net of taxes[1]	**$ (279)**	$ (282)	**$ (2,538)**	$ 3,683
Net change in debt valuation adjustment (DVA), net of taxes[2]	**(82)**	(307)	**(186)**	601
Net change in cash flow hedges, net of taxes	**(201)**	(235)	**(930)**	1,736
Benefit plans liability adjustment, net of taxes	**135**	246	**936**	(117)
Net change in foreign currency translation adjustment, net of taxes and hedges	**(1,312)**	897	**(2,063)**	(2,651)
Net change in excluded component of fair value hedges, net of taxes	**8**	(39)	**(12)**	1
Citigroup's total other comprehensive income (loss)	**$ (1,731)**	$ 280	**$ (4,793)**	$ 3,253
Citigroup's total comprehensive income	**$ 2,913**	$ 3,426	**$ 13,986**	$ 9,991
Add: Other comprehensive loss attributable to noncontrolling interests	**$ (31)**	$ 19	**$ (71)**	$ 7
Add: Net income (loss) attributable to noncontrolling interests	**24**	24	**67**	18
Total comprehensive income	**$ 2,906**	$ 3,469	**$ 13,982**	$ 10,016

(1) See Note 17 to the Consolidated Financial Statements.
(2) See Note 20 to the Consolidated Financial Statements.

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

In millions of dollars	September 30, 2021 (Unaudited)	December 31, 2020
Assets		
Cash and due from banks (including segregated cash and other deposits)	**$ 28,906**	$ 26,349
Deposits with banks, net of allowance	**294,902**	283,266
Securities borrowed and purchased under agreements to resell (including $212,200 and $185,204 as of September 30, 2021 and December 31, 2020, respectively, at fair value), net of allowance	**337,696**	294,712
Brokerage receivables, net of allowance	**59,487**	44,806
Trading account assets (including $142,662 and $168,967 pledged to creditors at September 30, 2021 and December 31, 2020, respectively)	**342,914**	375,079
Investments:		
Available-for-sale debt securities (including $8,685 and $5,921 pledged to creditors as of September 30, 2021 and December 31, 2020, respectively), net of allowance	**295,573**	335,084
Held-to-maturity debt securities (including $1,257 and $547 pledged to creditors as of September 30, 2021 and December 31, 2020, respectively), net of allowance	**198,056**	104,943
Equity securities (including $918 and $1,066 at fair value as of September 30, 2021 and December 31, 2020, respectively)	**7,220**	7,332
Total investments	**$ 500,849**	$ 447,359
Loans:		
Consumer (including $13 and $14 as of September 30, 2021 and December 31, 2020, respectively, at fair value)	**264,250**	288,839
Corporate (including $7,146 and $6,840 as of September 30, 2021 and December 31, 2020, respectively, at fair value)	**400,514**	387,044
Loans, net of unearned income	**$ 664,764**	$ 675,883
Allowance for credit losses on loans (ACLL)	**(17,715)**	(24,956)
Total loans, net	**$ 647,049**	$ 650,927
Goodwill	**21,573**	22,162
Intangible assets (including MSRs of $409 and $336 as of September 30, 2021 and December 31, 2020, respectively, at fair value)	**4,553**	4,747
Other assets (including $11,895 and $14,613 as of September 30, 2021 and December 31, 2020, respectively, at fair value), net of allowance	**123,947**	110,683
Total assets	**$ 2,361,876**	$ 2,260,090

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

In millions of dollars	September 30, 2021 (Unaudited)	December 31, 2020
Assets of consolidated VIEs to be used to settle obligations of consolidated VIEs		
Cash and due from banks	**$ 194**	$ 281
Trading account assets	**10,433**	8,104
Investments	**897**	837
Loans, net of unearned income		
Consumer	**33,497**	37,561
Corporate	**12,760**	17,027
Loans, net of unearned income	**$ 46,257**	$ 54,588
Allowance for credit losses on loans (ACLL)	**(2,998)**	(3,794)
Total loans, net	**$ 43,259**	$ 50,794
Other assets	**1,186**	43
Total assets of consolidated VIEs to be used to settle obligations of consolidated VIEs	**$ 55,969**	$ 60,059

Statement continues on the next page.

In millions of dollars, except shares and per share amounts		**September 30, 2021 (Unaudited)**		December 31, 2020
Liabilities				
Non-interest-bearing deposits in U.S. offices	**$**	**145,103**	$	126,942
Interest-bearing deposits in U.S. offices (including $910 and $879 as of September 30, 2021 and December 31, 2020, respectively, at fair value)		**567,902**		503,213
Non-interest-bearing deposits in offices outside the U.S.		**94,016**		100,543
Interest-bearing deposits in offices outside the U.S. (including $1,803 and $1,079 as of September 30, 2021 and December 31, 2020, respectively, at fair value)		**540,507**		549,973
Total deposits	**$**	**1,347,528**	$	1,280,671
Securities loaned and sold under agreements to repurchase (including $75,262 and $60,206 as of September 30, 2021 and December 31, 2020, respectively, at fair value)		**209,184**		199,525
Brokerage payables (including $3,423 and $6,835 as of September 30, 2021 and December 31, 2020, respectively, at fair value)		**60,501**		50,484
Trading account liabilities		**179,286**		168,027
Short-term borrowings (including $8,814 and $4,683 as of September 30, 2021 and December 31, 2020, respectively, at fair value)		**29,683**		29,514
Long-term debt (including $78,178 and $67,063 as of September 30, 2021 and December 31, 2020, respectively, at fair value)		**258,274**		271,686
Other liabilities, net of allowance		**75,810**		59,983
Total liabilities	**$**	**2,160,266**	$	2,059,890
Stockholders' equity				
Preferred stock ($1.00 par value; authorized shares: 30 million), issued shares: **as of September 30, 2021—719,800** and as of December 31, 2020—779,200, at aggregate liquidation value	**$**	**17,995**	$	19,480
Common stock ($0.01 par value; authorized shares: 6 billion), issued shares: **as of September 30, 2021—3,099,651,835** and as of December 31, 2020—3,099,763,661		**31**		31
Additional paid-in capital		**107,922**		107,846
Retained earnings		**183,024**		168,272
Treasury stock, at cost: **September 30, 2021—1,115,384,596 shares** and December 31, 2020—1,017,674,452 shares		**(71,246)**		(64,129)
Accumulated other comprehensive income (loss) (*AOCI*)		**(36,851)**		(32,058)
Total Citigroup stockholders' equity	**$**	**200,875**	$	199,442
Noncontrolling interests		**735**		758
Total equity	**$**	**201,610**	$	200,200
Total liabilities and equity	**$**	**2,361,876**	$	2,260,090

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

In millions of dollars		**September 30, 2021 (Unaudited)**		December 31, 2020
Liabilities of consolidated VIEs for which creditors or beneficial interest holders do not have recourse to the general credit of Citigroup				
Short-term borrowings	**$**	**9,472**	$	9,278
Long-term debt		**13,917**		20,405
Other liabilities		**751**		463
Total liabilities of consolidated VIEs for which creditors or beneficial interest holders do not have recourse to the general credit of Citigroup	**$**	**24,140**	$	30,146

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

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)

In millions of dollars	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Preferred stock at aggregate liquidation value				
Balance, beginning of period	**$ 17,995**	$ 17,980	**$ 19,480**	$ 17,980
Issuance of new preferred stock	**—**	—	**2,300**	1,500
Redemption of preferred stock	**—**	—	**(3,785)**	(1,500)
Balance, end of period	**$ 17,995**	$ 17,980	**$ 17,995**	$ 17,980
Common stock and additional paid-in capital (APIC)				
Balance, beginning of period	**$ 107,851**	$ 107,699	**$ 107,877**	$ 107,871
Employee benefit plans	**60**	93	**(3)**	(81)
Preferred stock issuance costs (new issuances, net of reclassifications to retained earnings for redemptions)	**—**	—	**40**	2
Other	**42**	3	**39**	3
Balance, end of period	**$ 107,953**	$ 107,795	**$ 107,953**	$ 107,795
Retained earnings				
Balance, beginning of period	**$ 179,686**	$ 163,515	**$ 168,272**	$ 165,369
Adjustments to opening balance, net of taxes(1)				
Financial instruments—credit losses (CECL adoption)	**—**	—	**—**	(3,076)
Variable post-charge-off third-party collection costs	**—**	—	**—**	330
Adjusted balance, beginning of period	**$ 179,686**	$ 163,515	**$ 168,272**	$ 162,623
Citigroup's net income	**4,644**	3,146	**18,779**	6,738
Common dividends(2)	**(1,040)**	(1,074)	**(3,176)**	(3,226)
Preferred dividends	**(266)**	(284)	**(811)**	(828)
Other (primarily reclassifications from APIC for preferred issuance costs on redemptions)	**—**	—	**(40)**	(4)
Balance, end of period	**$ 183,024**	$ 165,303	**$ 183,024**	$ 165,303
Treasury stock, at cost				
Balance, beginning of period	**$ (68,253)**	$ (64,143)	**$ (64,129)**	$ (61,660)
Employee benefit plans(3)	**7**	6	**483**	448
Treasury stock acquired(4)	**(3,000)**	—	**(7,600)**	(2,925)
Balance, end of period	**$ (71,246)**	$ (64,137)	**$ (71,246)**	$ (64,137)
Citigroup's accumulated other comprehensive income (loss)				
Balance, beginning of period	**$ (35,120)**	$ (33,345)	**$ (32,058)**	$ (36,318)
Citigroup's total other comprehensive income	**(1,731)**	280	**(4,793)**	3,253
Balance, end of period	**$ (36,851)**	$ (33,065)	**$ (36,851)**	$ (33,065)
Total Citigroup common stockholders' equity	**$ 182,880**	$ 175,896	**$ 182,880**	$ 175,896
Total Citigroup stockholders' equity	**$ 200,875**	$ 193,876	**$ 200,875**	$ 193,876
Noncontrolling interests				
Balance, beginning of period	**$ 751**	$ 680	**$ 758**	$ 704
Transactions between noncontrolling-interest shareholders and the related consolidated subsidiary	**—**	—	**—**	—
Transactions between Citigroup and the noncontrolling-interest shareholders	**1**	—	**2**	(6)
Net income attributable to noncontrolling-interest shareholders	**24**	24	**67**	18
Distributions paid to noncontrolling-interest shareholders	**—**	(2)	**—**	(2)
Other comprehensive income (loss) attributable to noncontrolling-interest shareholders	**(31)**	19	**(71)**	7
Other	**(10)**	(2)	**(21)**	(2)
Net change in noncontrolling interests	**$ (16)**	$ 39	**$ (23)**	$ 15
Balance, end of period	**$ 735**	$ 719	**$ 735**	$ 719
Total equity	**$ 201,610**	$ 194,595	**$ 201,610**	$ 194,595

(1) See Note 1 to the Consolidated Financial Statements for additional details.
(2) Common dividends declared were $0.51 per share for each of the first, second and third quarters of 2021 and 2020.

(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 share repurchase program.

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

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

In millions of dollars	Nine Months Ended September 30, 2021	2020
Cash flows from operating activities of continuing operations		
Net income before attribution of noncontrolling interests	**$ 18,846**	$ 6,756
Net income attributable to noncontrolling interests	**67**	18
Citigroup's net income	**$ 18,779**	$ 6,738
Income (loss) from discontinued operations, net of taxes	**7**	(26)
Income from continuing operations—excluding noncontrolling interests	**$ 18,772**	$ 6,764
Adjustments to reconcile net income to net cash provided by (used in) operating activities of continuing operations		
Net loss on significant disposals[1]	**680**	—
Depreciation and amortization	**2,979**	2,886
Provisions for credit losses on loans and unfunded lending commitments	**(3,388)**	17,392
Realized gains from sales of investments	**(655)**	(1,484)
Impairment losses on investments and other assets	**112**	154
Change in trading account assets	**32,111**	(72,115)
Change in trading account liabilities	**11,259**	27,096
Change in brokerage receivables net of brokerage payables	**(4,664)**	(6,026)
Change in loans HFS	**(3,068)**	1,288
Change in other assets	**(1,781)**	(28)
Change in other liabilities	**8,989**	(1,070)
Other, net	**(2,161)**	2,889
Total adjustments	$ 40,413	$ (29,018)
Net cash provided by (used in) operating activities of continuing operations	**$ 59,185**	$ (22,254)
Cash flows from investing activities of continuing operations		
Change in securities borrowed and purchased under agreements to resell	**$ (42,984)**	$ (38,036)
Change in loans	**6,613**	23,488
Proceeds from sales and securitizations of loans	**1,134**	924
Purchases of investments	**(277,874)**	(276,084)
Proceeds from sales of investments	**96,203**	130,237
Proceeds from maturities of investments	**107,361**	78,476
Capital expenditures on premises and equipment and capitalized software	**(2,811)**	(2,300)
Proceeds from sales of premises and equipment, subsidiaries and affiliates and repossessed assets	**143**	25
Other, net	**146**	70
Net cash used in investing activities of continuing operations	**$ (112,069)**	$ (83,200)
Cash flows from financing activities of continuing operations		
Dividends paid	**$ (3,959)**	$ (4,024)
Issuance of preferred stock	**2,300**	1,500
Redemption of preferred stock	**(3,785)**	(1,500)
Treasury stock acquired	**(7,448)**	(2,925)
Stock tendered for payment of withholding taxes	**(328)**	(408)
Change in securities loaned and sold under agreements to repurchase	**9,659**	40,888
Issuance of long-term debt	**53,961**	65,599
Payments and redemptions of long-term debt	**(56,472)**	(47,521)
Change in deposits	**73,769**	192,033
Change in short-term borrowings	**169**	(7,610)

CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED) (Continued)

In millions of dollars	Nine Months Ended September 30, 2021	2020
Net cash provided by financing activities of continuing operations	**$ 67,866**	$ 236,032
Effect of exchange rate changes on cash and due from banks	**$ (789)**	$ (802)
Change in cash, due from banks and deposits with banks	**14,193**	129,776
Cash, due from banks and deposits with banks at beginning of period	**309,615**	193,919
Cash, due from banks and deposits with banks at end of period	**$ 323,808**	$ 323,695
Cash and due from banks (including segregated cash and other deposits)	**$ 28,906**	$ 25,308
Deposits with banks, net of allowance	**294,902**	298,387
Cash, due from banks and deposits with banks at end of period	**$ 323,808**	$ 323,695
Supplemental disclosure of cash flow information for continuing operations		
Cash paid during the period for income taxes	**$ 3,063**	$ 3,837
Cash paid during the period for interest	**6,894**	11,502
Non-cash investing activities[(1)(2)]		
Decrease in net loans associated with significant disposals reclassified to HFS	**$ 8,291**	$ —
Transfers to loans HFS (*Other assets*) from loans	**5,329**	2,122
Non-cash financing activities[(1)]		
Decrease in long-term debt associated with significant disposals reclassified to HFS	**$ 521**	$ —
Decrease in deposits associated with significant disposals reclassified to HFS	**6,912**	—

(1) See Note 2 for further information on significant disposals.
(2) 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 22 to the Consolidated Financial Statements for more information and balances as of September 30, 2021.

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, 2021 and for the three- and nine-month periods ended September 30, 2021 and 2020 include the accounts of Citigroup Inc. and its consolidated subsidiaries.

In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation have been reflected. The accompanying unaudited Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and related notes included in Citigroup's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (2020 Annual Report on Form 10-K) and Citigroup's Quarterly Reports on Form 10-Q for the quarter ended March 31, 2021 (First Quarter of 2021 Form 10-Q) and for the quarter ended June 30, 2021 (Second Quarter of 2021 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

See Note 1 to the Consolidated Financial Statements in Citigroup's 2020 Annual Report on Form 10-K for a summary of all of Citigroup's significant accounting policies.

ACCOUNTING CHANGES

Accounting for Financial Instruments—Credit Losses

Overview

In June 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326).* The ASU introduced a new credit loss methodology, the current expected credit losses (CECL) methodology, which requires earlier recognition of credit losses while also providing additional disclosure about credit risk. Citi adopted the ASU as of January 1, 2020, which, as discussed below, resulted in an increase in Citi's *Allowance for credit losses* and a decrease to opening *Retained earnings*, net of deferred income taxes, at January 1, 2020.

The CECL methodology utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses for loans, held-to-maturity debt securities, receivables and other financial assets measured at amortized cost at the time the financial asset is originated or acquired. The ACL is adjusted each period for changes in lifetime expected credit losses. The CECL methodology represents a significant change from prior U.S. GAAP and replaced the prior multiple existing impairment methods, which generally required that a loss be incurred before it was recognized. Within the life cycle of a loan or other financial asset, the methodology generally results in an earlier recognition of the provision for credit losses and the related ACL than prior U.S. GAAP. For available-for-sale debt securities where fair value is less than cost that Citi intends to hold or more-likely-than-not will not be required to sell, credit-related impairment, if any, is recognized through an ACL and adjusted each period for changes in credit risk.

January 1, 2020 CECL Transition (Day 1) Impact

The CECL methodology's impact on expected credit losses, among other things, reflects Citi's view of the current state of the economy, forecasted macroeconomic conditions and quality of Citi's portfolios. At the January 1, 2020 date of adoption, based on forecasts of macroeconomic conditions and exposures at that time, the aggregate impact to Citi was an approximate $4.1 billion, or an approximate 29%, pretax increase in the *Allowance for credit losses*, along with a $3.1 billion after-tax decrease in *Retained earnings* and a deferred tax asset increase of $1.0 billion. This transition impact reflects (i) a $4.9 billion build to the *Allowance for credit losses* for Citi's consumer exposures, primarily driven by the impact on credit card receivables of longer estimated tenors under the CECL lifetime expected credit loss methodology (loss coverage of approximately 23 months) compared to shorter estimated tenors under the probable loss methodology under prior U.S. GAAP (loss coverage of approximately 14 months), net of recoveries; and (ii) a release of $0.8 billion of reserves primarily related to Citi's corporate net loan loss exposures, largely due to more precise contractual maturities that result in shorter remaining tenors, incorporation of recoveries and use of more specific historical loss data based on an increase in portfolio segmentation across industries and geographies.

Under the CECL methodology, the *Allowance for credit losses* consists of quantitative and qualitative components. Citi's quantitative component of the *Allowance for credit losses* is model based and utilizes a single forward-looking macroeconomic forecast and discounts inputs for the corporate classifiably managed portfolios, complemented by the qualitative component described below, in estimating expected credit losses and discounts inputs for the corporate classifiably managed portfolios. Reasonable and supportable forecast periods vary by product. For example, Citi's consumer models use a 13-quarter reasonable and supportable period and revert to historical loss experience thereafter, while its corporate loan models use a nine-quarter reasonable and supportable period followed by a three-quarter graduated transition to historical loss experience.

The qualitative management adjustment component includes, among other things, management adjustments to reflect economic uncertainty based on the likelihood and severity of downside scenarios and certain portfolio characteristics not captured in the quantitative component, such as concentrations, collateral coverage, model limitations, idiosyncratic events and other factors as required by banking supervisory guidance for the ACL. The qualitative management adjustment component also includes management adjustments to reflect the uncertainty around the estimated impact of the pandemic on credit loss estimates.

Accounting for Variable Post-Charge-Off Third-Party Collection Costs

In the fourth quarter of 2020, Citi revised the 2020 second quarter accounting conclusion for its variable post-charge-off third-party collection costs from a "change in accounting estimate effected by a change in accounting principle" to a "change in accounting principle," which required an adjustment to January 1, 2020 opening retained earnings, rather than 2020 net income. As a result, Citi's full-year and quarterly results for 2020 were revised to reflect this change as if it were effective as of January 1, 2020, as follows:

- An increase to beginning retained earnings on January 1, 2020 of $330 million and a decrease of $443 million in the allowance for credit losses on loans, as well as a $113 million decrease in other assets related to income taxes.
- A decrease of $18 million to provisions for credit losses on loans in the first quarter and increases of $339 million and $122 million to provisions for credit losses on loans in the second and third quarters, respectively.
- Increases in operating expenses of $49 million and $45 million with a corresponding decrease in net credit losses, in the first and second quarters, respectively.

In making these revisions, Citi considered the guidance in ASC Topic 250, *Accounting Changes and Error Corrections*; ASC Topic 270, *Interim Reporting*; ASC Topic 250-S99-1, *Assessing Materiality*; and ASC Topic 250-S99-23, *Accounting Changes Not Retroactively Applied Due to Immateriality, Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements*. Citi believes that the effects of the revisions were not material to any previously reported quarterly or annual period.

Reference Rate Reform

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which provides optional guidance to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. Specifically, the guidance permits an entity, when certain criteria are met, to consider amendments to contracts made to comply with reference rate reform to meet the definition of a modification under U.S. GAAP. It further allows hedge accounting to be maintained and permits a one-time transfer or sale of qualifying held-to-maturity securities. The expedients and exceptions provided by the amendments are permitted to be adopted any time through December 31, 2022 and do not apply to contract modifications made and hedging relationships entered into or evaluated after December 31, 2022, except for certain optional expedients elected for certain hedging relationships existing as of December 31, 2022. The ASU was adopted by Citi as of June 30, 2020 with prospective application and did not impact financial results in 2020.

In January 2021, the FASB issued ASU No. 2021-01, *Reference Rate Reform (Topic 848): Scope*, which clarifies that the scope of the initial accounting relief issued by the FASB in March 2020 includes derivative instruments that do not reference a rate that is expected to be discontinued but that use an interest rate for margining, discounting or contract price alignment that is modified as a result of reference rate reform (commonly referred to as the "discounting transition"). The amendments do not apply to contract modifications made after December 31, 2022, new hedging relationships entered into after December 31, 2022 and existing hedging relationships evaluated for effectiveness in periods after December 31, 2022, except for hedging relationships existing as of December 31, 2022, that apply certain optional expedients in which the accounting effects are recorded through the end of the hedging relationship. The ASU was adopted by Citi on a full retrospective basis upon issuance and did not impact financial results in 2020.

FUTURE ACCOUNTING CHANGES

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 will be impacted by the requirements of ASU 2018-12.

The effective date of ASU 2018-12 was deferred for all insurance entities by ASU 2019-09, *Financial Services—Insurance: Effective Date* (issued in October 2019) and by ASU 2020-11, *Financial Services—Insurance: Effective Date and Early Application* (issued in November 2020). Citi plans to adopt the targeted improvements in ASU 2018-12 on January 1, 2023 and is currently evaluating the impact of the standard on its insurance subsidiaries. Citi does not expect a material impact to its results of operations as a result of adopting the standard.

2. DISCONTINUED OPERATIONS, SIGNIFICANT DISPOSALS AND OTHER BUSINESS EXITS

Discontinued Operations

The Company's results from *Discontinued operations* consisted of residual activities related to previously divested operations. 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	**2021**	2020	**2021**	2020
Total revenues, net of interest expense	**$ —**	$ —	**$ —**	$ —
Income (loss) from discontinued operations[1]	**$ (1)**	$ (7)	**$ 7**	$ (26)
Benefit for income taxes	**—**	—	**—**	—
Income (loss) from discontinued operations, net of taxes	**$ (1)**	$ (7)	**$ 7**	$ (26)

(1) Amounts in each period relate to the sale of the Egg Banking business in 2011.

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

Significant Disposals

The following transactions were identified as significant disposals that are recorded within the *Global Consumer Banking* segment, including the assets and liabilities that were reclassified to held-for-sale within *Other assets* and *Other liabilities* on the Consolidated Balance Sheet and the *Income (loss) before taxes (benefits)* related to each business.

Agreement to Sell Australia Consumer Banking Business

On August 9, 2021, Citi entered into an agreement to sell its Australia consumer banking business. The sale, which is subject to regulatory approvals and other customary closing conditions, is expected to close in the first half of 2022. As of the third quarter of 2021, Citi reported the business as held-for-sale, resulting in a pretax loss on sale of approximately $680 million recorded in *Other revenue* ($580 million after-tax), subject to closing adjustments. The loss on sale primarily reflects the impact of a pretax $625 million currency translation adjustment (CTA) loss (net of hedges) ($475 million after-tax) already reflected in the *Accumulated other comprehensive income* (*AOCI*) component of equity. Upon closing, the CTA-related balance would be removed from the *AOCI* component of equity, resulting in a neutral CTA impact to Citi's Common Equity Tier 1 Capital.

Income before taxes, excluding the pretax loss on sale, for the Australia consumer banking business is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions of dollars	**2021**	2020	**2021**	2020
Income before taxes	**$ 95**	$ 78	**$ 236**	$ 153

The following are assets and liabilities for the Australia consumer banking business, which were identified and reclassified to held-for-sale within *Other assets* and *Other liabilities*, respectively, on the Consolidated Balance Sheet at September 30, 2021:

In millions of dollars	September 30, 2021
Assets	
Cash and deposits with banks	**$ 21**
Loans (net of allowance of $249 million at September 30, 2021)	**8,291**
Goodwill and intangible assets	**257**
Other assets	**85**
Total assets	**$ 8,654**
Liabilities	
Deposits	**$ 6,912**
Long-term debt	**521**
Other liabilities	**143**
Total liabilities	**$ 7,576**

Citi did not have any other significant disposals to report as of September 30, 2021. As of November 8, 2021, Citi had not entered into any other definitive sales agreements related to its recently announced intention to pursue exits of its consumer franchises in 13 markets across *Asia* and *EMEA*.

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 2020 Annual Report on Form 10-K.

Other Business Exits

Wind-Down of Korea Consumer Banking Business

On October 25, 2021, Citi announced its decision to wind down and close its Korea consumer banking business. In connection with the announcement, Citibank Korea Inc. (CKI) has commenced a voluntary termination program. 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 the employees. Citi expects to incur total estimated cash charges ranging from approximately $1.2 billion to $1.5 billion, related to voluntary termination benefits and related costs. Citi does not expect to recognize these charges all at once, but over time through the remainder of 2021 and 2022, as voluntary retirements are phased and irrevocably accepted in order to minimize business and operational impacts.

3. BUSINESS SEGMENTS

Citigroup's activities are conducted through two business segments: *Global Consumer Banking* (*GCB*) and *Institutional Clients Group* (*ICG*), with the remaining operations in *Corporate/Other*, which includes activities not assigned to a specific business segment as well as certain *North America* legacy loan portfolios, discontinued operations and other legacy assets.

Beginning in the first quarter of 2021, Citi changed its allocation for certain recurring expenses that are attributable to the business segments from *Corporate/Other* to *GCB* and *ICG*. These expenses include incremental investments related to risks and controls, technology capabilities and information security initiatives, as well as some incremental spend related to the pandemic. The prior-period reportable operating segment results have been revised to conform the presentation for all periods to reflect this revised allocation methodology. Citi's consolidated results were unchanged for all periods presented as a result of the changes discussed above.

For additional information regarding Citigroup's business segments, see Note 3 to the Consolidated Financial Statements in Citi's 2020 Annual Report on Form 10-K.

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

	Three Months Ended September 30,						Identifiable assets	
	Revenues, net of interest expense(1)		Provision (benefits) for income taxes		Income (loss) from continuing operations(2)			
In millions of dollars, except identifiable assets in billions	**2021**	2020	**2021**	2020	**2021**	2020	**September 30, 2021**	December 31, 2020
Global Consumer Banking	**$ 6,260**	$ 7,173	**$ 424**	$ 284	**$ 1,334**	$ 920	**$ 442**	$ 434
Institutional Clients Group	**10,786**	10,353	**991**	800	**3,443**	2,857	**1,819**	1,730
Corporate/Other	**108**	(224)	**(222)**	(307)	**(108)**	(600)	**101**	96
Total	**$ 17,154**	$ 17,302	**$ 1,193**	$ 777	**$ 4,669**	$ 3,177	**$ 2,362**	$ 2,260

	Nine Months Ended September 30,					
	Revenues, net of interest expense(3)		Provision (benefits) for income taxes		Income (loss) from continuing operations(4)	
In millions of dollars	**2021**	2020	**2021**	2020	**2021**	2020
Global Consumer Banking	**$ 20,117**	$ 22,686	**$ 1,654**	$ (254)	**$ 5,337**	$ (569)
Institutional Clients Group	**33,393**	34,974	**3,821**	2,284	**13,210**	8,253
Corporate/Other	**445**	139	**(795)**	(621)	**292**	(902)
Total	**$ 53,955**	$ 57,799	**$ 4,680**	$ 1,409	**$ 18,839**	$ 6,782

(1) Includes total revenues, net of interest expense (excluding *Corporate/Other*), in *North America* of \$8.5 billion and \$8.4 billion; in *EMEA* of \$3.1 billion and \$3.1 billion; in *Latin America* of \$2.3 billion and \$2.2 billion; and in *Asia* of \$3.2 billion and \$3.8 billion for the three months ended September 30, 2021 and 2020, respectively. These regional numbers exclude *Corporate/Other*, which largely operates within the U.S.

(2) Includes pretax provisions for credit losses and for benefits and claims in the *GCB* results of \$(0.1) billion and \$1.7 billion; in the *ICG* results of \$0.0 billion and \$0.8 billion; and in the *Corporate/Other* results of \$(0.1) billion and \$(0.1) billion for the three months ended September 30, 2021 and 2020, respectively.

(3) Includes total revenues, net of interest expense, in *North America* of \$25.7 billion and \$28.3 billion; in *EMEA* of \$10.1 billion and \$9.9 billion; in *Latin America* of \$6.7 billion and \$7.0 billion; and in *Asia* of \$11.1 billion and \$12.3 billion for the nine months ended September 30, 2021 and 2020, respectively. Regional numbers exclude *Corporate/Other*, which largely operates within the U.S.

(4) Includes pretax provisions for credit losses and for benefits and claims in the *GCB* results of \$(0.4) billion and \$10.6 billion; in the *ICG* results of \$(2.6) billion and \$6.7 billion; and in the *Corporate/Other* results of \$(0.3) billion and \$0.2 billion for the nine months ended September 30, 2021 and 2020, respectively.

4. INTEREST REVENUE AND EXPENSE

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

In millions of dollars	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Interest revenue				
Loan interest, including fees	**$ 8,874**	$ 9,421	**$ 26,516**	$ 30,820
Deposits with banks	**147**	116	**418**	802
Securities borrowed and purchased under agreements to resell	**264**	352	**763**	1,961
Investments, including dividends	**1,885**	1,870	**5,455**	6,248
Trading account assets(1)	**1,284**	1,457	**4,091**	4,720
Other interest-bearing assets	**196**	98	404	491
Total interest revenue	**$ 12,650**	$ 13,314	**$ 37,647**	$ 45,042
Interest expense				
Deposits(2)	**$ 1,023**	$ 1,293	**$ 3,030**	$ 5,376
Securities loaned and sold under agreements to repurchase	**287**	292	**800**	1,830
Trading account liabilities(1)	**106**	123	**370**	506
Short-term borrowings and other interest-bearing liabilities	**8**	88	**70**	612
Long-term debt	**828**	1,025	**2,614**	3,653
Total interest expense	**$ 2,252**	$ 2,821	**$ 6,884**	$ 11,977
Net interest revenue	**$ 10,398**	$ 10,493	**$ 30,763**	$ 33,065
Provision (benefit) for credit losses on loans	**(188)**	1,931	**(2,793)**	16,298
Net interest revenue after provision for credit losses on loans	**$ 10,586**	$ 8,562	**$ 33,556**	$ 16,767

(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 deposit insurance fees and charges of $293 million and $375 million for the three months ended September 30, 2021 and 2020, respectively, and $912 million and $870 million for the nine months ended September 30, 2021 and 2020, respectively.

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 2020 Annual Report on Form 10-K.

The following tables present *Commissions and fees* revenue:

	Three Months Ended September 30, 2021				**Nine Months Ended September 30, 2021**			
In millions of dollars	**ICG**	**GCB**	**Corporate/ Other**	**Total**	**ICG**	**GCB**	**Corporate/ Other**	**Total**
Investment banking	**$ 1,493**	**$ —**	**$ —**	**$ 1,493**	**$ 4,503**	**$ —**	**$ —**	**$ 4,503**
Brokerage commissions	**483**	**290**	**—**	**773**	**1,626**	**910**	**—**	**2,536**
Credit- and bank-card income								
Interchange fees	**225**	**2,317**	**—**	**2,542**	**580**	**6,496**	**—**	**7,076**
Card-related loan fees	**7**	**164**	**—**	**171**	**19**	**511**	**—**	**530**
Card rewards and partner payments[1]	**(119)**	**(2,541)**	**—**	**(2,660)**	**(298)**	**(7,048)**	**—**	**(7,346)**
Deposit-related fees[2]	**270**	**69**	**—**	**339**	**774**	**219**	**—**	**993**
Transactional service fees	**257**	**24**	**—**	**281**	**749**	**74**	**—**	**823**
Corporate finance[3]	**214**	**—**	**—**	**214**	**552**	**—**	**—**	**552**
Insurance distribution revenue	**3**	**114**	**—**	**117**	**9**	**356**	**—**	**365**
Insurance premiums	**—**	**25**	**—**	**25**	**—**	**75**	**—**	**75**
Loan servicing	**10**	**11**	**3**	**24**	**32**	**28**	**11**	**71**
Other	**19**	**61**	**—**	**80**	**87**	**175**	**3**	**265**
Total commissions and fees[4]	**$ 2,862**	**$ 534**	**$ 3**	**$ 3,399**	**$ 8,633**	**$ 1,796**	**$ 14**	**$ 10,443**

	Three Months Ended September 30, 2020				Nine Months Ended September 30, 2020			
In millions of dollars	ICG	GCB	Corporate/ Other	Total	ICG	GCB	Corporate/ Other	Total
Investment banking	$ 1,076	$ —	$ —	$ 1,076	$ 3,474	$ —	$ —	$ 3,474
Brokerage commissions	486	260	—	746	1,545	713	—	2,258
Credit- and bank-card income								
Interchange fees	158	1,842	—	2,000	542	5,264	—	5,806
Card-related loan fees	4	157	—	161	18	455	—	473
Card rewards and partner payments[1]	(73)	(2,073)	—	(2,146)	(292)	(5,911)	—	(6,203)
Deposit-related fees[2]	246	79	—	325	699	279	—	978
Transactional service fees	217	20	—	237	659	64	—	723
Corporate finance[3]	77	—	—	77	372	—	—	372
Insurance distribution revenue	4	129	—	133	9	367	—	376
Insurance premiums	—	25	—	25	—	99	—	99
Loan servicing	16	4	10	30	54	26	20	100
Other	34	55	—	89	91	157	3	251
Total commissions and fees[4]	$ 2,245	$ 498	$ 10	$ 2,753	$ 7,171	$ 1,513	$ 23	$ 8,707

(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 the 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) Includes overdraft fees of $28 million and $23 million for the three months ended September 30, 2021 and 2020, respectively, and $75 million and $74 million for the nine months ended September 30, 2021 and 2020, respectively. Overdraft fees are accounted for under ASC 310.

(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 $(2,208) million and $(1,816) million not accounted for under ASC 606, *Revenue from Contracts with Customers*, for the three months ended September 30, 2021 and 2020, respectively, and $(6,031) million and $(5,044) million for the nine months ended September 30, 2021 and 2020, 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, 2021 ICG	GCB	Corporate/ Other	Total	Nine Months Ended September 30, 2021 ICG	GCB	Corporate/ Other	Total
Custody fees	**$ 471**	**$ 7**	**$ 1**	**$ 479**	**$ 1,419**	**$ 19**	**$ 1**	**$ 1,439**
Fiduciary fees	**204**	**175**	**3**	**382**	**596**	**511**	**6**	**1,113**
Guarantee fees	**144**	**1**	**1**	**146**	**429**	**5**	**4**	**438**
Total administration and other fiduciary fees(1)	**$ 819**	**$ 183**	**$ 5**	**$ 1,007**	**$ 2,444**	**$ 535**	**$ 11**	**$ 2,990**

In millions of dollars	Three Months Ended September 30, 2020 ICG	GCB	Corporate/ Other	Total	Nine Months Ended September 30, 2020 ICG	GCB	Corporate/ Other	Total
Custody fees	$ 427	$ 8	$ 2	$ 437	$ 1,165	$ 22	$ 38	$ 1,225
Fiduciary fees	167	153	—	320	497	441	—	938
Guarantee fees	132	2	1	135	393	5	4	402
Total administration and other fiduciary fees(1)	$ 726	$ 163	$ 3	$ 892	$ 2,055	$ 468	$ 42	$ 2,565

(1) *Administration and other fiduciary fees* include $146 million and $135 million for the three months ended September 30, 2021 and 2020, respectively, and $438 million and $402 million for the nine months ended September 30, 2021 and 2020, 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. Not included in the table below is the impact of net interest revenue related to trading activities, which is an integral part of trading activities' profitability. See Note 4 to the Consolidated Financial Statements for information about net interest revenue related to trading activities. Principal transactions include CVA (credit valuation adjustments) 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 20 to the Consolidated Financial Statements.

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	**2021**	2020	**2021**	2020
Interest rate risks[1]	**$ 461**	$ 993	**$ 2,424**	$ 4,751
Foreign exchange risks[2]	**924**	960	**2,851**	3,069
Equity risks[3]	**666**	157	**1,869**	1,078
Commodity and other risks[4]	**252**	248	**844**	1,007
Credit products and risks[5]	**(70)**	150	**462**	2,021
Total	**$ 2,233**	$ 2,508	**$ 8,450**	$ 11,926

(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 2020 Annual Report on Form 10-K.

8. RETIREMENT BENEFITS

For additional information on Citi's retirement benefits, see Note 8 to the Consolidated Financial Statements in Citi's 2020 Annual Report on Form 10-K.

Net (Benefit) Expense

The following tables summarize 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:

	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	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Benefits earned during the period	**$ —**	$ —	**$ 36**	$ 38	**$ —**	$ —	**$ 2**	$ 2
Interest cost on benefit obligation	**87**	87	**67**	59	**3**	4	**25**	22
Expected return on assets	**(173)**	(205)	**(65)**	(62)	**(3)**	(4)	**(22)**	(18)
Amortization of unrecognized:								
Prior service benefit	**—**	—	**(1)**	(1)	**(3)**	—	**(2)**	(3)
Net actuarial loss	**57**	62	**16**	17	**—**	—	**4**	5
Settlement loss (gain)(1)	**—**	—	**1**	(6)	**—**	—	**—**	—
Total net (benefit) expense	**$ (29)**	$ (56)	**$ 54**	$ 45	**$ (3)**	$ —	**$ 7**	$ 8

(1) Losses (gains) due to settlement relate to repositioning and divestiture 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	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Benefits earned during the period	**$ —**	$ —	**$ 113**	$ 109	**$ —**	$ —	**$ 6**	$ 6
Interest cost on benefit obligation	**264**	294	**199**	184	**9**	14	**74**	68
Expected return on assets	**(529)**	(619)	**(189)**	(183)	**(10)**	(13)	**(65)**	(56)
Amortization of unrecognized:								
Prior service cost (benefit)	**1**	1	**(4)**	(4)	**(7)**	—	**(7)**	(7)
Net actuarial loss (gain)	**173**	171	**48**	51	**(1)**	—	**12**	15
Settlement loss (gain)(1)	**—**	—	**5**	(3)	**—**	—	**—**	—
Total net (benefit) expense	**$ (91)**	$ (153)	**$ 172**	$ 154	**$ (9)**	$ 1	**$ 20**	$ 26

(1) Losses (gains) due to settlement relate to repositioning and divestiture activities.

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, 2021			
	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	$ 13,815	$ 8,629	$ 559	$ 1,390
Plans measured annually	(25)	(2,248)	—	(277)
Projected benefit obligation at beginning of year—Significant Plans	$ 13,790	$ 6,381	$ 559	$ 1,113
First quarter activity	(983)	(572)	(37)	(146)
Second quarter activity	265	138	(6)	53
Projected benefit obligation at June 30, 2021—Significant Plans	$ 13,072	$ 5,947	$ 516	$ 1,020
Benefits earned during the period	—	20	—	1
Interest cost on benefit obligation	87	58	3	23
Actuarial gain	(63)	(65)	(4)	(29)
Benefits paid, net of participants' contributions and government subsidy	(249)	(87)	(12)	(15)
Settlement gain(1)	—	(8)	—	—
Curtailment gain(1)	—	(14)	—	—
Foreign exchange impact and other	—	(147)	—	(32)
Projected benefit obligation at period end—Significant Plans	$ 12,847	$ 5,704	$ 503	$ 968
Change in plan assets				
Plan assets at fair value at beginning of year	$ 13,309	$ 7,831	$ 331	$ 1,146
Plans measured annually	—	(1,500)	—	(8)
Plan assets at fair value at beginning of year—Significant Plans	$ 13,309	$ 6,331	$ 331	$ 1,138
First quarter activity	(435)	(404)	(8)	(44)
Second quarter activity	320	213	5	35
Plan assets at fair value at June 30, 2021—Significant Plans	$ 13,194	$ 6,140	$ 328	$ 1,129
Actual return on plan assets	86	32	1	18
Company contributions, net of reimbursements	13	16	10	—
Benefits paid, net of participants' contributions and government subsidy	(249)	(87)	(12)	(15)
Settlements gain(1)	—	(8)	—	—
Foreign exchange impact and other	—	(130)	—	(36)
Plan assets at fair value at period end—Significant Plans	$ 13,044	$ 5,963	$ 327	$ 1,096
Qualified plans(2)	$ 865	$ 259	$ (176)	$ 128
Nonqualified plans(3)	(668)	—	—	—
Funded status of the plans at period end—Significant Plans	$ 197	$ 259	$ (176)	$ 128
Net amount recognized at period end				
Benefit asset	$ 865	$ 808	$ —	$ 128
Benefit liability	(668)	(549)	(176)	—
Net amount recognized on the balance sheet—Significant Plans	$ 197	$ 259	$ (176)	$ 128
Amounts recognized in *AOCI* at period end				
Prior service benefit	$ —	$ (1)	$ 94	$ 51
Net actuarial (loss) gain	(6,580)	(884)	86	(207)
Net amount recognized in equity (pretax)—Significant Plans	$ (6,580)	$ (885)	$ 180	$ (156)
Accumulated benefit obligation at period end—Significant Plans	$ 12,845	$ 5,425	$ 503	$ 968

(1) Gains due to settlement and curtailment relate to repositioning and divestiture activities.
(2) 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, 2021 and no minimum required funding is expected for 2021.
(3) The nonqualified plans of the Company are unfunded.

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

In millions of dollars	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2021
Beginning of period balance, net of tax[(1)(2)]	**$ (6,063)**	**$ (6,864)**
Actuarial assumptions changes and plan experience	**175**	**1,125**
Net asset loss due to difference between actual and expected returns	**(116)**	**(325)**
Net amortization	**69**	**216**
Curtailment/settlement gain (loss)[(3)]	**1**	**(3)**
Foreign exchange impact and other	**46**	**153**
Change in deferred taxes, net	**(40)**	**(230)**
Change, net of tax	**$ 135**	**$ 936**
End of period balance, net of tax[(1)(2)]	**$ (5,928)**	**$ (5,928)**

(1) See Note 17 to the Consolidated Financial Statements for further discussion of net *AOCI* balance.
(2) Includes net-of-tax amounts for certain profit-sharing plans outside the U.S.
(3) Curtailment and settlement relate to repositioning and divestiture activities.

Plan Assumptions

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

	Three Months Ended	
Net (benefit) expense assumed discount rates during the period	**Sept. 30, 2021**	Sept. 30, 2020
U.S. plans		
Qualified pension	**2.75 %**	2.60 %
Nonqualified pension	**2.70**	2.55
Postretirement	**2.60**	2.45
Non-U.S. plans		
Pension	**0.25–9.25**	0.20–8.40
Weighted average	**4.23**	3.68
Postretirement	**9.50**	8.80

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

Plan obligations assumed discount rates at period ended	**Sept. 30, 2021**	Jun. 30, 2021	Mar. 31, 2021
U.S. plans			
Qualified pension	**2.80 %**	2.75 %	3.10 %
Nonqualified pension	**2.75**	2.70	3.00
Postretirement	**2.65**	2.60	2.85
Non-U.S. plans			
Pension	**0.30–9.55**	0.25–9.25	0.25–9.30
Weighted average	**4.37**	4.23	4.26
Postretirement	**9.80**	9.50	9.70

Sensitivities of Certain Key Assumptions

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

	Three Months Ended September 30, 2021	
In millions of dollars	**One-percentage-point increase**	**One-percentage-point decrease**
Pension		
U.S. plans	**$ 9**	**$ (12)**
Non-U.S. plans	**1**	**3**
Postretirement		
U.S. plans	**—**	**(1)**
Non-U.S. plans	**(2)**	**2**

Contributions

For the U.S. pension plans, there were no required minimum cash contributions during the first nine months of 2021.

The following table summarizes the Company's actual contributions for the nine months ended September 30, 2021 and 2020, as well as expected Company contributions for the remainder of 2021 and the actual contributions made in 2020:

	Pension plans				Postretirement plans			
	U.S. plans[1]		Non-U.S. plans		U.S. plans		Non-U.S. plans	
In millions of dollars	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Company contributions[2] for the nine months ended September 30	**$ 41**	$ 42	**$ 116**	$ 111	**$ 19**	$ —	**$ 6**	$ 6
Company contributions (reimbursements) made during the remainder of the year	—	14	—	47	—	(15)	—	3
Company contributions expected to be made during the remainder of the year	**16**	—	**36**	—	**2**	—	**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.

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	**2021**	2020	**2021**	2020
U.S. plans	**$ 113**	$ 101	**$ 324**	$ 304
Non-U.S. plans	**87**	73	**270**	223

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	**2021**	2020	**2021**	2020
Service-related expense				
Interest cost on benefit obligation	**$ —**	$ 1	$ —	$ 1
Amortization of unrecognized:				
Net actuarial loss	**1**	—	**2**	1
Total service-related expense	**$ 1**	$ 1	**$ 2**	$ 2
Non-service-related expense	**$ 3**	$ 4	**$ 7**	$ 12
Total net expense	**$ 4**	$ 5	**$ 9**	$ 14

9. EARNINGS PER SHARE

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions of dollars, except per share amounts	**2021**	2020	**2021**	2020
Earnings per common share				
Income from continuing operations before attribution of noncontrolling interests	**$ 4,669**	$ 3,177	**$ 18,839**	$ 6,782
Less: Noncontrolling interests from continuing operations	**24**	24	**67**	18
Net income from continuing operations (for EPS purposes)	**$ 4,645**	$ 3,153	**$ 18,772**	$ 6,764
Income (loss) from discontinued operations, net of taxes	**(1)**	(7)	**7**	(26)
Citigroup's net income	**$ 4,644**	$ 3,146	**$ 18,779**	$ 6,738
Less: Preferred dividends(1)	**266**	284	**811**	828
Net income available to common shareholders	**$ 4,378**	$ 2,862	**$ 17,968**	$ 5,910
Less: Dividends and undistributed earnings allocated to employee restricted and deferred shares with rights to dividends, applicable to basic EPS	**26**	18	**134**	50
Net income allocated to common shareholders for basic EPS	**$ 4,352**	$ 2,844	**$ 17,834**	$ 5,860
Weighted-average common shares outstanding applicable to basic EPS *(in millions)*	**2,009.3**	2,081.8	**2,049.3**	2,087.1
Basic earnings per share(2)				
Income from continuing operations	**$ 2.17**	$ 1.37	**$ 8.70**	$ 2.82
Discontinued operations	**—**	—	**—**	(0.01)
Net income per share—basic	**$ 2.17**	$ 1.37	**$ 8.70**	$ 2.81
Diluted earnings per share				
Net income allocated to common shareholders for basic EPS	**$ 4,352**	$ 2,844	**$ 17,834**	$ 5,860
Add back: Dividends allocated to employee restricted and deferred shares with rights to dividends that are forfeitable	**8**	7	**23**	22
Net income allocated to common shareholders for diluted EPS	**$ 4,360**	$ 2,851	**$ 17,857**	$ 5,882
Weighted-average common shares outstanding applicable to basic EPS *(in millions)*	**2,009.3**	2,081.8	**2,049.3**	2,087.1
Effect of dilutive securities				
Options(3)	**—**	—	**—**	—
Other employee plans	**16.9**	12.5	**16.0**	13.0
Adjusted weighted-average common shares outstanding applicable to diluted EPS *(in millions)*(4)	**2,026.2**	2,094.3	**2,065.3**	2,100.1
Diluted earnings per share(2)				
Income from continuing operations	**$ 2.15**	$ 1.36	**$ 8.64**	$ 2.81
Discontinued operations	**—**	—	**—**	(0.01)
Net income per share—diluted	**$ 2.15**	$ 1.36	**$ 8.65**	$ 2.80

(1) On October 21, 2021, Citi declared preferred dividends of approximately $228 million for the fourth quarter of 2021. On October 27, 2021, Citi issued 1.0 million shares of Series Y preferred shares for $1.0 billion. During the second quarter of 2021, Citi redeemed all of its 1.25 million Series Q preferred shares for $1.25 billion and the remaining 1.035 million Series R preferred shares for $1.035 billion. During the first quarter of 2021, Citi redeemed all of its 41.4 million Series S preferred shares for $1.035 billion and 465,000 shares of its Series R preferred shares for $465 million, and Citi also issued 2.3 million of Series X preferred shares for $2.3 billion.

(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 first, second and third quarters of 2021 and 2020, 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.

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 2020 Annual Report on 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, 2021**	December 31, 2020
Securities purchased under agreements to resell	**$ 234,191**	$ 204,655
Deposits paid for securities borrowed	**103,514**	90,067
Total, net[1]	**$ 337,705**	$ 294,722
Allowance for credit losses on securities purchased and borrowed[2]	**(9)**	(10)
Total, net of allowance	**$ 337,696**	$ 294,712

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

In millions of dollars	**September 30, 2021**	December 31, 2020
Securities sold under agreements to repurchase	**$ 188,998**	$ 181,194
Deposits received for securities loaned	**20,186**	18,331
Total, net[1]	**$ 209,184**	$ 199,525

(1) The above tables do not include securities-for-securities lending transactions of $3.4 billion and $6.8 billion at September 30, 2021 and December 31, 2020, 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 to the Consolidated Financial Statements 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 described in Notes 20 and 21 to the Consolidated Financial Statements. The remaining portion is carried at the amount of cash initially advanced or received, plus accrued interest, as specified in the respective agreements.

A substantial portion of securities borrowing and lending agreements is recorded at the amount of cash advanced or received. The remaining portion is recorded at fair value as the Company elected the fair value option for certain securities borrowed and loaned portfolios, as described in Note 21 to the Consolidated Financial Statements. With respect to securities loaned, the Company receives cash collateral in an amount generally in excess of the market value of the securities loaned. The Company monitors the market value of securities borrowed and securities loaned on a daily basis and 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, 2021				
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	**$ 355,702**	**$ 121,511**	**$ 234,191**	**$ 178,517**	**$ 55,674**
Deposits paid for securities borrowed	**120,159**	**16,645**	**103,514**	**22,145**	**81,369**
Total	**$ 475,861**	**$ 138,156**	**$ 337,705**	**$ 200,662**	**$ 137,043**

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	**$ 310,509**	**$ 121,511**	**$ 188,998**	**$ 87,606**	**$ 101,392**
Deposits received for securities loaned	**36,831**	**16,645**	**20,186**	**3,587**	**16,599**
Total	**$ 347,340**	**$ 138,156**	**$ 209,184**	**$ 91,193**	**$ 117,991**

	As of December 31, 2020				
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	$ 362,025	$ 157,370	$ 204,655	$ 159,232	$ 45,423
Deposits paid for securities borrowed	96,425	6,358	90,067	13,474	76,593
Total	$ 458,450	$ 163,728	$ 294,722	$ 172,706	$ 122,016

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	$ 338,564	$ 157,370	$ 181,194	$ 95,563	$ 85,631
Deposits received for securities loaned	24,689	6,358	18,331	7,982	10,349
Total	$ 363,253	$ 163,728	$ 199,525	$ 103,545	$ 95,980

(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, 2021				
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	**$ 137,111**	**$ 87,435**	**$ 33,974**	**$ 51,989**	**$ 310,509**
Deposits received for securities loaned	**26,931**	**42**	**2,088**	**7,770**	**36,831**
Total	**$ 164,042**	**$ 87,477**	**$ 36,062**	**$ 59,759**	**$ 347,340**

	As of December 31, 2020				
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	$ 160,754	$ 98,226	$ 41,679	$ 37,905	$ 338,564
Deposits received for securities loaned	17,038	3	2,770	4,878	24,689
Total	$ 177,792	$ 98,229	$ 44,449	$ 42,783	$ 363,253

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, 2021		
In millions of dollars	**Repurchase agreements**	**Securities lending agreements**	**Total**
U.S. Treasury and federal agency securities	**$ 108,346**	**$ 2**	**$ 108,348**
State and municipal securities	**996**	**—**	**996**
Foreign government securities	**134,204**	**200**	**134,404**
Corporate bonds	**22,914**	**297**	**23,211**
Equity securities	**22,025**	**36,202**	**58,227**
Mortgage-backed securities	**16,576**	**—**	**16,576**
Asset-backed securities	**1,571**	**—**	**1,571**
Other	**3,877**	**130**	**4,007**
Total	**$ 310,509**	**$ 36,831**	**$ 347,340**

	As of December 31, 2020		
In millions of dollars	Repurchase agreements	Securities lending agreements	Total
U.S. Treasury and federal agency securities	$ 112,437	$ —	$ 112,437
State and municipal securities	664	2	666
Foreign government securities	130,017	194	130,211
Corporate bonds	20,149	78	20,227
Equity securities	21,497	24,149	45,646
Mortgage-backed securities	45,566	—	45,566
Asset-backed securities	3,307	—	3,307
Other	4,927	266	5,193
Total	$ 338,564	$ 24,689	$ 363,253

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 2020 Annual Report on Form 10-K.

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

In millions of dollars	**September 30, 2021**	December 31, 2020
Receivables from customers	**$ 21,833**	$ 18,097
Receivables from brokers, dealers and clearing organizations	**37,654**	26,709
Total brokerage receivables[1]	**$ 59,487**	$ 44,806
Payables to customers	**$ 48,300**	$ 39,319
Payables to brokers, dealers and clearing organizations	**12,201**	11,165
Total brokerage payables[1]	**$ 60,501**	$ 50,484

(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 2020 Annual Report on Form 10-K.

The following table presents Citi's investments by category:

In millions of dollars	**September 30, 2021**	December 31, 2020
Debt securities available-for-sale (AFS)	**$ 295,573**	$ 335,084
Debt securities held-to-maturity (HTM)(1)	**198,056**	104,943
Marketable equity securities carried at fair value(2)	**379**	515
Non-marketable equity securities carried at fair value(2)	**539**	551
Non-marketable equity securities measured using the measurement alternative(3)	**1,392**	962
Non-marketable equity securities carried at cost(4)	**4,910**	5,304
Total investments	**$ 500,849**	$ 447,359

(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.

The following table presents interest and dividend income on investments:

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
In millions of dollars	**2021**	2020	**2021**	2020
Taxable interest	**$ 1,777**	$ 1,752	**$ 5,152**	$ 5,915
Interest exempt from U.S. federal income tax	**73**	85	**196**	231
Dividend income	**35**	33	**107**	102
Total interest and dividend income on investments	**$ 1,885**	$ 1,870	**$ 5,455**	$ 6,248

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	**2021**	2020	**2021**	2020
Gross realized investment gains	**$ 142**	$ 381	**$ 757**	$ 1,619
Gross realized investment losses	**(25)**	(77)	**(102)**	(135)
Net realized gains on sales of investments	**$ 117**	$ 304	**$ 655**	$ 1,484

Debt Securities Available-for-Sale

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

	September 30, 2021					December 31, 2020				
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	**$ 36,127**	**$ 743**	**$ 201**	**$ —**	**$ 36,669**	$ 42,836	$ 1,134	$ 52	$ —	$ 43,918
Non-U.S. residential	**362**	**1**	**—**	**—**	**363**	568	3	—	—	571
Commercial	**34**	**—**	**—**	**—**	**34**	49	1	—	—	50
Total mortgage-backed securities	**$ 36,523**	**$ 744**	**$ 201**	**$ —**	**$ 37,066**	$ 43,453	$ 1,138	$ 52	$ —	$ 44,539
U.S. Treasury and federal agency securities										
U.S. Treasury	**$ 122,491**	**$ 1,119**	**$ 436**	**$ —**	**$ 123,174**	$ 144,094	$ 2,108	$ 49	$ —	$ 146,153
Agency obligations	**—**	**—**	**—**	**—**	**—**	50	1	—	—	51
Total U.S. Treasury and federal agency securities	**$ 122,491**	**$ 1,119**	**$ 436**	**$ —**	**$ 123,174**	$ 144,144	$ 2,109	$ 49	$ —	$ 146,204
State and municipal	**$ 2,710**	**$ 85**	**$ 111**	**$ —**	**$ 2,684**	$ 3,753	$ 123	$ 157	$ —	$ 3,719
Foreign government	**120,322**	**496**	**624**	**—**	**120,194**	123,467	1,623	122	—	124,968
Corporate	**6,929**	**70**	**65**	**8**	**6,926**	10,444	152	91	5	10,500
Asset-backed securities(1)	**263**	**1**	**—**	**—**	**264**	277	5	4	—	278
Other debt securities	**5,265**	**1**	**1**	**—**	**5,265**	4,871	5	—	—	4,876
Total debt securities AFS	**$ 294,503**	**$ 2,516**	**$ 1,438**	**$ 8**	**$ 295,573**	$ 330,409	$ 5,155	$ 475	$ 5	$ 335,084

(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. For mortgage- and asset-backed securitizations in which the Company has other involvement, see Note 18 to the Consolidated Financial Statements.

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

In millions of dollars	Less than 12 months Fair value	Less than 12 months Gross unrealized losses	12 months or longer Fair value	12 months or longer Gross unrealized losses	Total Fair value	Total Gross unrealized losses
September 30, 2021						
Debt securities AFS						
Mortgage-backed securities						
U.S. government-sponsored agency guaranteed	**$ 10,965**	**$ 182**	**$ 197**	**$ 19**	**$ 11,162**	**$ 201**
Non-U.S. residential	**58**	**—**	**—**	**—**	**58**	**—**
Commercial	**2**	**—**	**—**	**—**	**2**	**—**
Total mortgage-backed securities	**$ 11,025**	**$ 182**	**$ 197**	**$ 19**	**$ 11,222**	**$ 201**
U.S. Treasury	**$ 38,146**	**$ 122**	**$ 19,579**	**$ 314**	**$ 57,725**	**$ 436**
State and municipal	**198**	**5**	**1,182**	**106**	**1,380**	**111**
Foreign government	**54,437**	**494**	**9,452**	**130**	**63,889**	**624**
Corporate	**1,994**	**65**	**21**	**—**	**2,015**	**65**
Asset-backed securities	**3**	**—**	**—**	**—**	**3**	**—**
Other debt securities	**2,787**	**1**	**—**	**—**	**2,787**	**1**
Total debt securities AFS	**$ 108,590**	**$ 869**	**$ 30,431**	**$ 569**	**$ 139,021**	**$ 1,438**
December 31, 2020						
Debt securities AFS						
Mortgage-backed securities						
U.S. government-sponsored agency guaranteed	$ 3,588	$ 30	$ 298	$ 22	$ 3,886	$ 52
Non-U.S. residential	1	—	—	—	1	—
Commercial	7	—	4	—	11	—
Total mortgage-backed securities	$ 3,596	$ 30	$ 302	$ 22	$ 3,898	$ 52
U.S. Treasury and federal agency securities						
U.S. Treasury	$ 25,031	$ 49	$ —	$ —	$ 25,031	$ 49
Agency obligations	50	—	—	—	50	—
Total U.S. Treasury and federal agency securities	$ 25,081	$ 49	$ —	$ —	$ 25,081	$ 49
State and municipal	$ 836	$ 34	$ 893	$ 123	$ 1,729	$ 157
Foreign government	29,344	61	3,502	61	32,846	122
Corporate	1,083	90	24	1	1,107	91
Asset-backed securities	194	3	39	1	233	4
Other debt securities	182	—	—	—	182	—
Total debt securities AFS	$ 60,316	$ 267	$ 4,760	$ 208	$ 65,076	$ 475

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

In millions of dollars	September 30, 2021 Amortized cost	September 30, 2021 Fair value	December 31, 2020 Amortized cost	December 31, 2020 Fair value
Mortgage-backed securities[1]				
Due within 1 year	$ 200	$ 200	$ 27	$ 27
After 1 but within 5 years	187	188	567	571
After 5 but within 10 years	726	776	688	757
After 10 years[2]	35,410	35,902	42,171	43,184
Total	$ 36,523	$ 37,066	$ 43,453	$ 44,539
U.S. Treasury and federal agency securities				
Due within 1 year	$ 27,539	$ 27,614	$ 34,834	$ 34,951
After 1 but within 5 years	94,520	95,132	108,160	110,091
After 5 but within 10 years	432	428	1,150	1,162
After 10 years[2]	—	—	—	—
Total	$ 122,491	$ 123,174	$ 144,144	$ 146,204
State and municipal				
Due within 1 year	$ 45	$ 45	$ 427	$ 428
After 1 but within 5 years	137	140	189	198
After 5 but within 10 years	160	168	276	267
After 10 years[2]	2,368	2,331	2,861	2,826
Total	$ 2,710	$ 2,684	$ 3,753	$ 3,719
Foreign government				
Due within 1 year	$ 47,441	$ 47,492	$ 48,133	$ 48,258
After 1 but within 5 years	65,523	65,370	67,365	68,586
After 5 but within 10 years	5,560	5,514	5,908	6,011
After 10 years[2]	1,798	1,818	2,061	2,113
Total	$ 120,322	$ 120,194	$ 123,467	$ 124,968
All other[3]				
Due within 1 year	$ 6,108	$ 6,112	$ 6,661	$ 6,665
After 1 but within 5 years	5,434	5,464	7,814	7,891
After 5 but within 10 years	853	846	1,018	1,034
After 10 years[2]	62	33	99	64
Total	$ 12,457	$ 12,455	$ 15,592	$ 15,654
Total debt securities AFS	$ 294,503	$ 295,573	$ 330,409	$ 335,084

(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.
(2) Investments with no stated maturities are included as contractual maturities of greater than 10 years. Actual maturities may differ due to call or prepayment rights.
(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, 2021								
Debt securities HTM								
Mortgage-backed securities[2]								
U.S. government-sponsored agency guaranteed	**$**	**67,517**	**$**	**1,490**	**$**	**533**	**$**	**68,474**
Non-U.S. residential		**739**		**1**		**—**		**740**
Commercial		**957**		**3**		**2**		**958**
Total mortgage-backed securities	**$**	**69,213**	**$**	**1,494**	**$**	**535**	**$**	**70,172**
U.S. Treasury securities	**$**	**88,270**	**$**	**26**	**$**	**850**	**$**	**87,446**
State and municipal[3]		**8,952**		**575**		**18**		**9,509**
Foreign government		**1,694**		**10**		**16**		**1,688**
Asset-backed securities[2]		**29,927**		**9**		**27**		**29,909**
Total debt securities HTM, net	**$**	**198,056**	**$**	**2,114**	**$**	**1,446**	**$**	**198,724**
December 31, 2020								
Debt securities HTM								
Mortgage-backed securities[2]								
U.S. government-sponsored agency guaranteed	$	49,004	$	2,162	$	15	$	51,151
Non-U.S. residential		1,124		3		1		1,126
Commercial		825		1		1		825
Total mortgage-backed securities	$	50,953	$	2,166	$	17	$	53,102
U.S. Treasury securities[4]	$	21,293	$	4	$	55	$	21,242
State and municipal		9,185		755		11		9,929
Foreign government		1,931		91		—		2,022
Asset-backed securities[2]		21,581		6		92		21,495
Total debt securities HTM, net	$	104,943	$	3,022	$	175	$	107,790

(1) Amortized cost is reported net of ACL of $73 million and $86 million at September 30, 2021 and December 31, 2020, 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. For mortgage- and asset-backed securitizations in which the Company has other involvement, see Note 18 to the Consolidated Financial Statements.

(3) In February 2021, the Company transferred $237 million of state and municipal bonds from AFS classification to HTM classification in accordance with ASC 320. At the time of transfer, the securities were in an unrealized gain position of $14 million. The gain amounts will remain in *AOCI* and will be amortized over the remaining life of the securities.

(4) In August 2020, the Company transferred $13.1 billion of investments in U.S. Treasury securities from AFS classification to HTM classification in accordance with ASC 320. At the time of transfer, the securities were in an unrealized gain position of $144 million. The gain amounts will remain in *AOCI* and will be amortized over the remaining life of the securities.

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

	September 30, 2021		December 31, 2020	
In millions of dollars	**Amortized cost(1)**	**Fair value**	Amortized cost(1)	Fair value
Mortgage-backed securities				
Due within 1 year	**$ 160**	**$ 160**	$ 81	$ 81
After 1 but within 5 years	**737**	**792**	463	477
After 5 but within 10 years	**1,637**	**1,736**	1,699	1,873
After 10 years(2)	**66,679**	**67,484**	48,710	50,671
Total	**$ 69,213**	**$ 70,172**	$ 50,953	$ 53,102
U.S. Treasury securities				
Due within 1 year	**$ —**	**$ —**	$ —	$ —
After 1 but within 5 years	**42,783**	**42,287**	18,955	19,127
After 5 but within 10 years	**45,487**	**45,159**	2,338	2,115
After 10 years(2)	**—**	**—**	—	—
Total	**$ 88,270**	**$ 87,446**	$ 21,293	$ 21,242
State and municipal				
Due within 1 year	**$ 54**	**$ 54**	$ 6	$ 6
After 1 but within 5 years	**168**	**172**	139	142
After 5 but within 10 years	**838**	**881**	818	869
After 10 years(2)	**7,892**	**8,402**	8,222	8,912
Total	**$ 8,952**	**$ 9,509**	$ 9,185	$ 9,929
Foreign government				
Due within 1 year	**$ 334**	**$ 335**	$ 361	$ 360
After 1 but within 5 years	**1,360**	**1,353**	1,570	1,662
After 5 but within 10 years	**—**	**—**	—	—
After 10 years(2)	**—**	**—**	—	—
Total	**$ 1,694**	**$ 1,688**	$ 1,931	$ 2,022
All other(3)				
Due within 1 year	**$ —**	**$ —**	$ —	$ —
After 1 but within 5 years	**—**	**—**	—	—
After 5 but within 10 years	**11,299**	**11,297**	11,795	15,020
After 10 years(2)	**18,628**	**18,612**	9,786	6,475
Total	**$ 29,927**	**$ 29,909**	$ 21,581	$ 21,495
Total debt securities HTM	**$ 198,056**	**$ 198,724**	$ 104,943	$ 107,790

(1) Amortized cost is reported net of ACL of $73 million and $86 million at September 30, 2021 and December 31, 2020, respectively.
(2) Investments with no stated maturities are included as contractual maturities of greater than 10 years. Actual maturities may differ due to call or prepayment rights.
(3) Includes corporate and asset-backed securities.

HTM Debt Securities Delinquency and Non-Accrual Details

Citi did not have any HTM securities that were delinquent or on non-accrual status at September 30, 2021 and December 31, 2020.

There were no purchased credit-deteriorated HTM debt securities held by the Company as of September 30, 2021 and December 31, 2020.

Evaluating Investments for Impairment

AFS Debt Securities

Overview—AFS Debt Securities
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.

An AFS debt security is impaired when the current fair value of an individual AFS debt security is less than its amortized cost basis.

The Company recognizes the entire difference between amortized cost basis and fair value in earnings for impaired AFS debt securities that Citi has an intent to sell or for which Citi believes it will more-likely-than-not be required to sell prior to recovery of the amortized cost basis. However, for those AFS debt securities that the Company does not intend to sell and is not likely to be required to sell, only the credit-related impairment is recognized in earnings by recording an allowance for credit losses. Any remaining fair value decline for such securities is recorded in *AOCI*. The Company does not consider the length of time that the fair value of a security is below its amortized cost when determining if a credit loss exists.

For AFS debt securities, credit losses exist where Citi does not expect to receive contractual principal and interest cash flows sufficient to recover the entire amortized cost basis of a security. The allowance for credit losses is limited to the amount by which the AFS debt security's amortized cost basis exceeds its fair value. The allowance is increased or decreased if credit conditions subsequently worsen or improve. Reversals of credit losses are recognized in earnings.

The Company's review for impairment of AFS debt securities generally entails:

- identification and evaluation of impaired investments;
- consideration of evidential matter, including an evaluation of factors or triggers that could cause individual positions to qualify as credit impaired and those that would not support credit impairment; and
- documentation of the results of these analyses, as required under Citi's policies.

The sections below describe the Company's process for identifying expected credit impairments for debt security types that have the most significant unrealized losses as of September 30, 2021.

Mortgage-Backed Securities
Citi records no allowances for credit losses on U.S. government-agency-guaranteed mortgage-backed securities, because the Company expects to incur no credit losses in the event of default due to a history of incurring no credit losses and due to the nature of the counterparties.

State and Municipal Securities
The process for estimating credit losses in Citigroup's AFS state and municipal bonds is primarily based on a credit analysis that incorporates third-party credit ratings. Citi monitors the bond issuers and any insurers providing default protection in the form of financial guarantee insurance. The average external credit rating, ignoring any insurance, is Aa2/AA. In the event of an external rating downgrade or other indicator of credit impairment (i.e., based on instrument-specific estimates of cash flows or probability of issuer default), the subject bond is specifically reviewed for adverse changes in the amount or timing of expected contractual principal and interest payments.

For AFS state and municipal bonds with unrealized losses that Citi plans to sell or would more-likely-than-not be required to sell, the full impairment is recognized in earnings. For AFS state and municipal bonds where Citi has no intent to sell and it is more-likely-than-not that the Company will not be required to sell, Citi records an allowance for expected credit losses for the amount it expects not to collect, capped at the difference between the bond's amortized cost basis and fair value.

Equity Method Investments
Management assesses equity method investments that have fair values that are less than their respective carrying values for other-than-temporary impairment (OTTI). Fair value is measured as price multiplied by quantity if the investee has publicly listed securities. If the investee is not publicly listed, other methods are used (see Note 20 to the Consolidated Financial Statements).

For impaired equity method investments that Citi plans to sell prior to recovery of value or would more-likely-than-not be required to sell, with no expectation that the fair value will recover prior to the expected sale date, the full impairment is recognized as OTTI in *Other revenue* regardless of severity and duration. The measurement of the OTTI does not include partial projected recoveries subsequent to the balance sheet date.

For impaired equity method investments that management does not plan to sell and is not more-likely-than-not to be required to sell prior to recovery of value, the evaluation of whether an impairment is other-than-temporary is based on (i) whether and when an equity method investment will recover in value and (ii) whether the investor has the intent and ability to hold that investment for a period of time sufficient to recover the value. The determination of whether the impairment is considered other-than-temporary considers the following indicators:

- the cause of the impairment and the financial condition and near-term prospects of the issuer, including any specific events that may influence the operations of the issuer;
- the intent and ability to hold the investment for a period of time sufficient to allow for any anticipated recovery in market value; and
- the length of time and extent to which fair value has been less than the carrying value.

Recognition and Measurement of Impairment

The following tables present total impairment on *Investments* recognized in earnings:

	Three Months Ended September 30, 2021			Three Months Ended September 30, 2020		
In millions of dollars	AFS	Other assets	Total	AFS	Other assets	Total
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	21	—	21	30	—	30
Total impairment losses recognized in earnings	$ 21	$ —	$ 21	$ 30	$ —	$ 30

	Nine Months Ended September 30, 2021			Nine Months Ended September 30, 2020		
In millions of dollars	AFS	Other assets	Total	AFS	Other assets	Total
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	99	—	99	101	—	101
Total impairment losses recognized in earnings	$ 99	$ —	$ 99	$ 101	$ —	$ 101

Allowance for Credit Losses on AFS Debt Securities

In millions of dollars	Three Months Ended September 30, 2021					
	Mortgage-backed	U.S. Treasury and federal agency	State and municipal	Foreign government	Corporate	Total AFS
Allowance for credit losses at beginning of period	$ —	$ —	$ —	$ —	$ 5	$ 5
Less: Write-offs	—	—	—	—	—	—
Recoveries of amounts written-off	—	—	—	—	—	—
Net credit losses (NCLs)	$ —	$ —	$ —	$ —	$ —	$ —
NCLs	$ —	$ —	$ —	$ —	$ —	$ —
Credit losses on securities without previous credit losses	—	—	—	—	1	1
Net reserve builds (releases) on securities with previous credit losses	—	—	—	—	—	—
Total provision for credit losses	$ —	$ —	$ —	$ —	$ 1	$ 1
Initial allowance on newly purchased credit-deteriorated securities during the period	—	—	—	—	—	—
Allowance for credit losses at end of period	$ —	$ —	$ —	$ —	$ 6	$ 6

In millions of dollars	Nine Months Ended September 30, 2021					
	Mortgage-backed	U.S. Treasury and federal agency	State and municipal	Foreign government	Corporate	Total AFS
Allowance for credit losses at beginning of period	$ —	$ —	$ —	$ —	$ 5	$ 5
Less: Write-offs	—	—	—	—	—	—
Recoveries of amounts written-off	—	—	—	—	—	—
Net credit losses (NCLs)	$ —	$ —	$ —	$ —	$ —	$ —
NCLs	$ —	$ —	$ —	$ —	$ —	$ —
Credit losses on securities without previous credit losses	—	—	—	—	1	1
Net reserve builds (releases) on securities with previous credit losses	—	—	—	—	—	—
Total provision for credit losses	$ —	$ —	$ —	$ —	$ 1	$ 1
Initial allowance on newly purchased credit-deteriorated securities during the period	—	—	—	—	—	—
Allowance for credit losses at end of period	$ —	$ —	$ —	$ —	$ 6	$ 6

In millions of dollars	Three Months Ended September 30, 2020					
	Mortgage-backed	U.S. Treasury and federal agency	State and municipal	Foreign government	Corporate	Total AFS
Allowance for credit losses at beginning of period	$ —	$ —	$ —	$ 3	$ 5	$ 8
Less: Write-offs	—	—	—	—	—	—
Recoveries of amounts written-off	—	—	—	—	1	1
Net credit losses (NCLs)	$ —	$ —	$ —	$ —	$ 1	$ 1
NCLs	$ —	$ —	$ —	$ —	$ (1)	$ (1)
Credit losses on securities without previous credit losses	—	—	—	—	—	—
Net reserve builds (releases) on securities with previous credit losses	—	—	—	(3)	—	(3)
Total provision for credit losses	$ —	$ —	$ —	$ (3)	$ (1)	$ (4)
Initial allowance on newly purchased credit-deteriorated securities during the period	—	—	—	—	—	—
Allowance for credit losses at end of period	$ —	$ —	$ —	$ —	$ 5	$ 5

In millions of dollars	Nine Months Ended September 30, 2020					
	Mortgage-backed	U.S. Treasury and federal agency	State and municipal	Foreign government	Corporate	Total AFS
Allowance for credit losses at beginning of period	$ —	$ —	$ —	$ —	$ —	$ —
Less: Write-offs	—	—	—	—	—	—
Recoveries of amounts written-off	—	—	—	—	1	1
Net credit losses (NCLs)	$ —	$ —	$ —	$ —	$ 1	$ 1
NCLs	$ —	$ —	$ —	$ —	$ (1)	$ (1)
Credit losses on securities without previous credit losses	—	—	—	3	5	8
Net reserve builds (releases) on securities with previous credit losses	—	—	—	(3)	—	(3)
Total provision for credit losses	$ —	$ —	$ —	$ —	$ 4	$ 4
Initial allowance on newly purchased credit-deteriorated securities during the period	—	—	—	—	—	—
Allowance for credit losses at end of period	$ —	$ —	$ —	$ —	$ 5	$ 5

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. Impairment indicators that are considered include, but are not limited to, the following:

- a significant deterioration in the earnings performance, credit rating, asset quality or business prospects of the investee;
- a significant adverse change in the regulatory, economic or technological environment of the investee;
- a significant adverse change in the general market condition of either the geographical area or the industry in which the investee operates;
- a bona fide offer to purchase, an offer by the investee to sell or a completed auction process for the same or similar investment for an amount less than the carrying amount of that investment; and
- factors that raise significant concerns about the investee's ability to continue as a going concern, such as negative cash flows from operations, working capital deficiencies or noncompliance with statutory capital requirements or debt covenants.

When the qualitative assessment indicates that impairment exists, the investment is written down to fair value, with the full difference between the fair value of the investment and its carrying amount recognized in earnings.

Below is the carrying value of non-marketable equity securities measured using the measurement alternative at September 30, 2021 and December 31, 2020:

In millions of dollars	**September 30, 2021**	December 31, 2020
Measurement alternative:		
Carrying value	**$ 1,392**	$ 962

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	**2021**	2020	**2021**	2020
Measurement alternative:[1]				
Impairment losses	**$ 9**	$ 2	**$ 13**	$ 55
Downward changes for observable prices	**—**	—	**—**	19
Upward changes for observable prices	**86**	40	**382**	82

(1) See Note 20 to the Consolidated Financial Statements for additional information on these nonrecurring fair value measurements.

	Life-to-date amounts on securities still held
In millions of dollars	**September 30, 2021**
Measurement alternative:	
Impairment losses	**$ 76**
Downward changes for observable prices	**53**
Upward changes for observable prices	**861**

A similar impairment analysis is performed for non-marketable equity securities carried at cost. For the three and nine months ended September 30, 2021 and 2020, there was no impairment loss recognized in earnings for non-marketable equity securities carried at cost.

Investments in Alternative Investment Funds That Calculate Net Asset Value

The Company holds investments in certain alternative investment funds that calculate net asset value (NAV), or its equivalent, including private equity funds, funds of funds and real estate funds, as provided by third-party asset managers. Investments in such funds are generally classified as non-marketable equity securities carried at fair value. The fair values of these investments are estimated using the NAV of the Company's ownership interest in the funds. Some of these investments are in "covered funds" for purposes of the Volcker Rule, which prohibits certain proprietary investment activities and limits the ownership of, and relationships with, covered funds. On April 21, 2017, Citi's request for extension of the permitted holding period under the Volcker Rule for certain of its investments in illiquid funds was approved, allowing the Company to hold such investments until the earlier of five years from the July 21, 2017 expiration date of the general conformance period or the date such investments mature or are otherwise conformed with the Volcker Rule.

	Fair value		**Unfunded commitments**		**Redemption frequency (if currently eligible) monthly, quarterly, annually**	**Redemption notice period**
In millions of dollars	**September 30, 2021**	December 31, 2020	**September 30, 2021**	December 31, 2020		
Private equity funds[1][2]	**$ 123**	$ 123	**$ 60**	$ 62	—	—
Real estate funds[2][3]	**2**	9	**1**	20	—	—
Mutual/collective investment funds	**20**	20	**—**	—	—	—
Total	**$ 145**	$ 152	**$ 61**	$ 82	—	—

(1) Private equity funds include funds that invest in infrastructure, emerging markets and venture capital.

(2) With respect to the Company's investments in private equity funds and real estate funds, distributions from each fund will be received as the underlying assets held by these funds are liquidated. It is estimated that the underlying assets of these funds will be liquidated over a period of several years as market conditions allow. Private equity and real estate funds do not allow redemption of investments by their investors. Investors are permitted to sell or transfer their investments, subject to the approval of the general partner or investment manager of these funds, which generally may not be unreasonably withheld.

(3) Includes several real estate funds that invest primarily in commercial real estate in the U.S., Europe and Asia.

13. LOANS

Citigroup loans are reported in two categories: consumer and corporate. These categories are classified primarily according to the segment and subsegment that manage the loans. For additional information regarding Citi's consumer and corporate loans, including related accounting policies, see Note 1 to the Consolidated Financial Statements and Notes 1 and 14 to the Consolidated Financial Statements in Citi's 2020 Annual Report on Form 10-K.

Consumer Loans

Consumer loans represent loans and leases managed primarily by *GCB* and *Corporate/Other*.

Consumer Loans, Delinquencies and Non-Accrual Status at September 30, 2021

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)	$ 43,388	$ 289	$ 275	$ 393	$ 44,345	$ 133	$ 347	$ 480	$ 267
Home equity loans(8)(9)	5,276	48	161	—	5,485	65	210	275	—
Credit cards	123,897	846	783	—	125,526	—	—	—	783
Personal, small business and other	3,150	12	6	11	3,179	—	17	17	—
Total	**$ 175,711**	**$ 1,195**	**$ 1,225**	**$ 404**	**$ 178,535**	**$ 198**	**$ 574**	**$ 772**	**$ 1,050**
In offices outside North America(6)									
Residential first mortgages(7)	$ 33,993	$ 177	$ 169	$ —	$ 34,339	$ —	$ 419	$ 419	$ —
Credit cards	17,304	233	226	—	17,763	—	187	187	146
Personal, small business and other	33,362	162	89	—	33,613	—	211	211	26
Total	**$ 84,659**	**$ 572**	**$ 484**	**$ —**	**$ 85,715**	**$ —**	**$ 817**	**$ 817**	**$ 172**
Total Citigroup(10)	**$ 260,370**	**$ 1,767**	**$ 1,709**	**$ 404**	**$ 264,250**	**$ 198**	**$ 1,391**	**$ 1,589**	**$ 1,222**

(1) Loans less than 30 days past due are presented as current.
(2) Includes $13 million of residential first mortgages recorded at fair value.
(3) Excludes loans guaranteed by U.S. government-sponsored agencies.
(4) Loans modified under Citi's 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 by the customer). Consumer relief programs in *Asia* and Mexico largely expired during the fourth quarter of 2020 and began to age at that time.
(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 90 days or more past due of $0.3 billion.
(6) North America includes the U.S., Canada and Puerto Rico. Mexico is included in offices outside North America.
(7) Includes approximately $0.1 billion of residential first mortgage loans in process of foreclosure.
(8) Includes approximately $0.1 billion 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) Consumer loans are net of unearned income of $650 million. Unearned income on consumer loans primarily represents unamortized origination fees and costs, premiums and discounts.

Interest Income Recognized for Non-Accrual Consumer Loans

In millions of dollars	**Three Months Ended September 30, 2021**	Three Months Ended September 30, 2020	**Nine Months Ended September 30, 2021**	Nine Months Ended September 30, 2020
In North America offices[1]				
Residential first mortgages	**$ 3**	$ 4	**$ 9**	$ 11
Home equity loans	**2**	2	**6**	6
Credit cards	**—**	—	**—**	—
Personal, small business and other	**—**	—	**—**	—
Total	**$ 5**	$ 6	**$ 15**	$ 17
In offices outside North America[1]				
Residential first mortgages	**$ —**	$ —	**$ —**	$ —
Credit cards	**—**	—	**—**	—
Personal, small business and other	**—**	—	**—**	—
Total	**$ —**	$ —	**$ —**	$ —
Total Citigroup	**$ 5**	$ 6	**$ 15**	$ 17

(1) North America includes the U.S., Canada and Puerto Rico. Mexico is included in offices outside North America.

Consumer Loans, Delinquencies and Non-Accrual Status at December 31, 2020

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)]	$ 46,471	$ 402	$ 381	$ 524	$ 47,778	$ 136	$ 509	$ 645	$ 332
Home equity loans[(8)(9)]	6,829	78	221	—	7,128	72	307	379	—
Credit cards	127,827	1,228	1,330	—	130,385	—	—	—	1,330
Personal, small business and other	4,472	27	10	—	4,509	2	33	35	—
Total	$ 185,599	$ 1,735	$ 1,942	$ 524	$ 189,800	$ 210	$ 849	$ 1,059	$ 1,662
In offices outside North America[(6)]									
Residential first mortgages[(7)]	$ 39,557	$ 213	$ 199	$ —	$ 39,969	$ —	$ 486	$ 486	$ —
Credit cards	21,718	429	545	—	22,692	—	384	384	324
Personal, small business and other	35,925	319	134	—	36,378	—	212	212	52
Total	$ 97,200	$ 961	$ 878	$ —	$ 99,039	$ —	$ 1,082	$ 1,082	$ 376
Total Citigroup[(10)]	$ 282,799	$ 2,696	$ 2,820	$ 524	$ 288,839	$ 210	$ 1,931	$ 2,141	$ 2,038

(1) Loans less than 30 days past due are presented as current.
(2) Includes $14 million of residential first mortgages recorded at fair value.
(3) Excludes loans guaranteed by U.S. government-sponsored agencies.
(4) Loans modified under Citi's consumer relief programs continue to be reported in the same delinquency bucket they were in at the time of modification, and thus almost all 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 by the customer).
(5) Consists of residential first mortgages that are guaranteed by U.S. government-sponsored agencies that are 30–89 days past due of $0.2 billion and 90 days or more past due of $0.3 billion.
(6) North America includes the U.S., Canada and Puerto Rico. Mexico is included in offices outside North America.
(7) Includes approximately $0.1 billion of residential first mortgage loans in process of foreclosure.
(8) Includes approximately $0.1 billion 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) Consumer loans are net of unearned income of $749 million. Unearned income on consumer loans primarily represents unamortized origination fees and costs, premiums and discounts.

During the three and nine months ended September 30, 2021, the Company sold and/or reclassified to HFS $346 million and $1,178 million of consumer loans, respectively. During the three and nine months ended September 30, 2020, the Company sold and/or reclassified to HFS $386 million and $422 million of consumer loans, respectively. Loans held by a business for sale are not included in the above. For additional information regarding Citigroup's business for sale, see Note 2.

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.

FICO score distribution in U.S. portfolio[1][2]	**September 30, 2021**				
In millions of dollars	**Less than 680**	**680 to 760**	**Greater than 760**	**FICO not available**	**Total loans**
Residential first mortgages					
2021	$ 132	$ 2,555	$ 5,535		
2020	180	2,949	8,046		
2019	133	1,369	3,499		
2018	207	468	820		
2017	249	646	1,272		
Prior	1,602	4,164	8,755		
Total residential first mortgages	$ 2,503	$ 12,151	$ 27,927	$ 1,764	$ 44,345
Home equity loans (pre-reset)	$ 228	$ 877	$ 1,399		
Home equity loans (post-reset)	678	1,097	1,176		
Total home equity loans	$ 906	$ 1,974	$ 2,575	$ 30	$ 5,485
Credit cards[3]	$ 21,579	$ 50,734	$ 50,451	$ 2,237	$ 125,001
Personal, small business and other					
2021	$ 19	$ 63	$ 114		
2020	23	50	77		
2019	48	65	82		
2018	41	45	47		
2017	11	12	13		
Prior	120	176	141		
Total personal, small business and other	$ 262	$ 411	$ 474	$ 2,032	$ 3,179
Total	$ 25,250	$ 65,270	$ 81,427	$ 6,063	$ 178,010

FICO score distribution in U.S. portfolio[1][2]	December 31, 2020				
In millions of dollars	Less than 680	680 to 760	Greater than 760	FICO not available	Total loans
Residential first mortgages					
2020	$ 187	$ 3,741	$ 9,052		
2019	150	1,857	5,384		
2018	246	655	1,227		
2017	298	846	1,829		
2016	323	1,368	3,799		
Prior	1,708	4,133	9,105		
Total residential first mortgages	$ 2,912	$ 12,600	$ 30,396	$ 1,870	$ 47,778
Home equity loans (pre-reset)	$ 292	$ 1,014	$ 1,657		
Home equity loans (post-reset)	1,055	1,569	1,524		
Total home equity loans	$ 1,347	$ 2,583	$ 3,181	$ 17	$ 7,128
Credit cards[3]	$ 26,227	$ 52,778	$ 49,767	$ 1,041	$ 129,813
Personal, small business and other					
2020	$ 23	$ 58	$ 95		
2019	79	106	134		
2018	82	80	84		
2017	26	27	30		
2016	10	9	8		
Prior	214	393	529		
Total personal, small business and other	$ 434	$ 673	$ 880	$ 2,522	$ 4,509
Total	$ 30,920	$ 68,634	$ 84,224	$ 5,450	$ 189,228

(1) The FICO bands in the tables are consistent with general industry peer presentations.
(2) FICO scores are updated on either a monthly or quarterly basis. For updates that are made only quarterly, certain current-period loans by year of origination are greater than those disclosed in the prior periods. Loans that did not have FICO scores as of the prior period have been updated with FICO scores as they become available.
(3) Excludes $525 million and $572 million of balances related to Canada for September 30, 2021 and December 31, 2020, respectively.

Loan to Value (LTV) Ratios

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 in U.S. portfolio	**September 30, 2021**				
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 first mortgages					
2021	**$ 7,875**	**$ 355**	**$ —**		
2020	**11,049**	**137**	**—**		
2019	**4,913**	**96**	**1**		
2018	**1,378**	**117**	**6**		
2017	**2,117**	**56**	**2**		
Prior	**14,556**	**44**	**10**		
Total residential first mortgages	**$ 41,888**	**$ 805**	**$ 19**	**$ 1,633**	**$ 44,345**
Home equity loans (pre-reset)	**$ 2,441**	**$ 34**	**$ 10**		
Home equity loans (post-reset)	**2,839**	**69**	**28**		
Total home equity loans	**$ 5,280**	**$ 103**	**$ 38**	**$ 64**	**$ 5,485**
Total	**$ 47,168**	**$ 908**	**$ 57**	**$ 1,697**	**$ 49,830**

LTV distribution in U.S. portfolio	December 31, 2020				
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 first mortgages					
2020	$ 11,447	$ 1,543	$ —		
2019	7,029	376	2		
2018	1,617	507	11		
2017	2,711	269	4		
2016	5,423	84	2		
Prior	14,966	66	16		
Total residential first mortgages	$ 43,193	$ 2,845	$ 35	$ 1,705	$ 47,778
Home equity loans (pre-reset)	$ 2,876	$ 50	$ 16		
Home equity loans (post-reset)	3,782	290	58		
Total home equity loans	$ 6,658	$ 340	$ 74	$ 56	$ 7,128
Total	$ 49,851	$ 3,185	$ 109	$ 1,761	$ 54,906

Impaired Consumer Loans

The following tables present information about impaired consumer loans and interest income recognized on impaired consumer loans:

	Balance at September 30, 2021				Three Months Ended September 30,		Nine Months Ended September 30,	
					2021	2020	**2021**	2020
In millions of dollars	**Recorded investment[(1)(2)]**	**Unpaid principal balance**	**Related specific allowance[(3)]**	**Average carrying value[(4)]**	**Interest income recognized[(5)]**	Interest income recognized[(5)]	**Interest income recognized[(5)]**	Interest income recognized[(5)]
Mortgage and real estate								
Residential first mortgages	**$ 1,422**	**$ 1,566**	**$ 103**	**$ 1,632**	**$ 23**	$ 16	**$ 65**	$ 44
Home equity loans	**262**	**355**	**4**	**408**	**2**	3	**8**	10
Credit cards	**1,701**	**1,702**	**661**	**1,895**	**24**	26	**92**	77
Personal, small business and other	**467**	**787**	**123**	**529**	**14**	18	**41**	50
Total	**$ 3,852**	**$ 4,410**	**$ 891**	**$ 4,464**	**$ 63**	$ 63	**$ 206**	$ 181

	Balance at December 31, 2020			
In millions of dollars	Recorded investment[(1)(2)]	Unpaid principal balance	Related specific allowance[(3)]	Average carrying value[(4)]
Mortgage and real estate				
Residential first mortgages	$ 1,787	$ 1,962	$ 157	$ 1,661
Home equity loans	478	651	60	527
Credit cards	1,982	2,135	918	1,926
Personal, small business and other	552	552	210	463
Total	$ 4,799	$ 5,300	$ 1,345	$ 4,577

(1) Recorded investment in a loan includes net deferred loan fees and costs, unamortized premium or discount and direct write-downs and includes accrued interest only on credit card loans.

(2) For September 30, 2021, $191 million of residential first mortgages and $119 million of home equity loans do not have a specific allowance. For December 31, 2020, $211 million of residential first mortgages and $147 million of home equity loans do not have a specific allowance.

(3) Included in the *Allowance for credit losses on loans*.

(4) Average carrying value represents the average recorded investment ending balance for the last four quarters and does not include the related specific allowance.

(5) Includes amounts recognized on both accrual and cash basis.

Consumer Troubled Debt Restructurings[1]

In millions of dollars, except number of loans modified	Number of loans modified	Post-modification recorded investment[2][3]	Deferred principal[4]	Contingent principal forgiveness[5]	Principal forgiveness[6]	Average interest rate reduction
	For the Three Months Ended September 30, 2021					
North America						
Residential first mortgages	**281**	**$ 48**	**$ —**	**$ —**	**$ —**	**1 %**
Home equity loans	**31**	**1**	**—**	**—**	**—**	**1**
Credit cards	**33,746**	**159**	**—**	**—**	**—**	**18**
Personal, small business and other	**169**	**1**	**—**	**—**	**—**	**4**
Total[7]	**34,227**	**$ 209**	**$ —**	**$ —**	**$ —**	
International						
Residential first mortgages	**451**	**$ 22**	**$ —**	**$ —**	**$ —**	**— %**
Credit cards	**16,082**	**71**	**—**	**—**	**2**	**15**
Personal, small business and other	**7,336**	**49**	**—**	**—**	**2**	**9**
Total[7]	**23,869**	**$ 142**	**$ —**	**$ —**	**$ 4**	

In millions of dollars, except number of loans modified	Number of loans modified	Post-modification recorded investment[2][8]	Deferred principal[4]	Contingent principal forgiveness[5]	Principal forgiveness[6]	Average interest rate reduction
	For the Three Months Ended September 30, 2020					
North America						
Residential first mortgages	237	$ 42	$ —	$ —	$ —	— %
Home equity loans	62	5	—	—	—	—
Credit cards	48,909	261	—	—	—	17
Personal, small business and other	1,040	12	—	—	—	6
Total[7]	50,248	$ 320	$ —	$ —	$ —	
International						
Residential first mortgages	696	$ 21	$ —	$ —	$ —	1 %
Credit cards	25,147	122	—	—	2	14
Personal, small business and other	12,652	106	—	—	2	10
Total[7]	38,495	$ 249	$ —	$ —	$ 4	

(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 $4 million of residential first mortgages to borrowers who have gone through Chapter 7 bankruptcy in the three months ended September 30, 2021. These amounts include $2 million of residential first mortgages that were newly classified as TDRs in the three months ended September 30, 2021, 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) The above tables reflect activity for restructured loans that were considered TDRs during the reporting period.
(8) Post-modification balances in *North America* include $2 million of residential first mortgages to borrowers who have gone through Chapter 7 bankruptcy in the three months ended September 30, 2020. These amounts include $1 million of residential first mortgages that were newly classified as TDRs in the three months ended September 30, 2020, based on previously received OCC guidance.

Consumer Troubled Debt Restructurings[1]

In millions of dollars, except number of loans modified	Number of loans modified		Post-modification recorded investment[2][3]		Deferred principal[4]		Contingent principal forgiveness[5]		Principal forgiveness[6]	Average interest rate reduction
	For the Nine Months Ended September 30, 2021									
North America										
Residential first mortgages	**942**	**$**	**163**	**$**	**—**	**$**	**—**	**$**	**—**	**— %**
Home equity loans	**138**		**9**		**—**		**—**		**—**	**—**
Credit cards	**129,129**		**639**		**—**		**—**		**—**	**17**
Personal, small business and other	**855**		**12**		**—**		**—**		**—**	**3**
Total[7]	**131,064**	**$**	**823**	**$**	**—**	**$**	**—**	**$**	**—**	
International										
Residential first mortgages	**1,448**	**$**	**74**	**$**	**—**	**$**	**—**	**$**	**—**	**— %**
Credit cards	**58,978**		**267**		**—**		**—**		**10**	**14**
Personal, small business and other	**21,653**		**162**		**—**		**—**		**5**	**9**
Total[7]	**82,079**	**$**	**503**	**$**	**—**	**$**	**—**	**$**	**15**	

In millions of dollars, except number of loans modified	Number of loans modified		Post-modification recorded investment[2][8]		Deferred principal[4]		Contingent principal forgiveness[5]		Principal forgiveness[6]	Average interest rate reduction
	For the Nine Months Ended September 30, 2020									
North America										
Residential first mortgages	812	$	137	$	—	$	—	$	—	— %
Home equity loans	227		22		—		—		—	1
Credit cards	167,082		786		—		—		—	13
Personal, small business and other	1,816		19		—		—		—	4
Total[7]	169,937	$	964	$	—	$	—	$	—	
International										
Residential first mortgages	1,874	$	80	$	—	$	—	$	—	4 %
Credit cards	65,738		289		—		—		7	16
Personal, small business and other	31,590		234		—		—		6	10
Total[7]	99,202	$	603	$	—	$	—	$	13	

(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 $11 million of residential first mortgages to borrowers who have gone through Chapter 7 bankruptcy in the nine months ended September 30, 2021. These amounts include $4 million of residential first mortgages that were newly classified as TDRs in the nine months ended September 30, 2021, 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 on borrower performance, eligible for forgiveness.
(6) Represents portion of contractual loan principal that was forgiven at the time of permanent modification.
(7) The above tables reflect activity for restructured loans that were considered TDRs during the reporting period.
(8) Post-modification balances in *North America* include $10 million of residential first mortgages to borrowers who have gone through Chapter 7 bankruptcy in the nine months ended September 30, 2020. These amounts include $7 million of residential first mortgages that were newly classified as TDRs in the nine months ended September 30, 2020, based on previously received OCC guidance.

The following table presents consumer TDRs that defaulted for which the payment default occurred within one year of a permanent modification. Default is defined as 60 days past due.

	Three Months Ended September 30,		Nine Months Ended September 30,	
In millions of dollars	**2021**	2020	**2021**	2020
North America				
Residential first mortgages	**$ 10**	$ 24	**$ 43**	$ 59
Home equity loans	**1**	6	**8**	12
Credit cards	**60**	70	**196**	251
Personal, small business and other	**1**	1	**3**	3
Total	**$ 72**	$ 101	**$ 250**	$ 325
International				
Residential first mortgages	**$ 9**	$ 6	**$ 31**	$ 17
Credit cards	**36**	47	**133**	118
Personal, small business and other	**29**	20	**87**	55
Total	**$ 74**	$ 73	**$ 251**	$ 190

Purchased Credit-Deteriorated Assets

	Three Months Ended September 30, 2021			Three Months Ended December 31, 2020			Three Months Ended September 30, 2020		
In millions of dollars	**Credit cards**	**Mortgages[1]**	**Installment and other**	Credit cards	Mortgages[1]	Installment and other	Credit cards	Mortgages[1]	Installment and other
Purchase price	**$ —**	**$ 6**	**$ —**	$ —	$ 12	$ —	$ —	$ 25	$ —
Allowance for credit losses at acquisition date	**—**	**—**	**—**	—	—	—	—	—	—
Discount or premium attributable to non-credit factors	**—**	**—**	**—**	—	—	—	—	—	—
Par value (amortized cost basis)	**$ —**	**$ 6**	**$ —**	$ —	$ 12	$ —	$ —	$ 25	$ —

(1) Includes loans sold to agencies that were bought back at par due to repurchase agreements.

Corporate Loans

Corporate loans represent loans and leases managed by *ICG*. The following table presents information by corporate loan type:

In millions of dollars	**September 30, 2021**	December 31, 2020
In North America offices[1]		
Commercial and industrial	**$ 56,496**	$ 57,731
Financial institutions	**62,818**	55,809
Mortgage and real estate[2]	**63,584**	60,675
Installment and other	**26,922**	26,744
Lease financing	**425**	673
Total	**$ 210,245**	$ 201,632
In offices outside North America[1]		
Commercial and industrial	**$ 105,671**	$ 104,072
Financial institutions	**33,501**	32,334
Mortgage and real estate[2]	**10,685**	11,371
Installment and other	**36,054**	33,759
Lease financing	**47**	65
Governments and official institutions	**4,311**	3,811
Total	**$ 190,269**	$ 185,412
Corporate loans, net of unearned income[3]	**$ 400,514**	$ 387,044

(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) Corporate loans are net of unearned income of ($831) million and ($844) million at September 30, 2021 and December 31, 2020, respectively. Unearned income on corporate loans primarily represents interest received in advance, but not yet earned, on loans originated on a discounted basis.

The Company sold and/or reclassified to held-for-sale $1.0 billion and $4.1 billion of corporate loans during the three and nine months ended September 30, 2021, respectively, and $0.6 billion and $1.7 billion of corporate loans during the three and nine months ended September 30, 2020, 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, 2021 or 2020.

Corporate Loan Delinquencies and Non-Accrual Details at September 30, 2021

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	**$ 721**	**$ 237**	**$ 958**	**$ 1,751**	**$ 153,276**	**$ 155,985**
Financial institutions	**398**	**174**	**572**	**53**	**95,195**	**95,820**
Mortgage and real estate	**189**	**14**	**203**	**418**	**73,640**	**74,261**
Lease financing	**—**	**—**	**—**	**18**	**454**	**472**
Other	**168**	**55**	**223**	**160**	**66,447**	**66,830**
Loans at fair value						**7,146**
Total	**$ 1,476**	**$ 480**	**$ 1,956**	**$ 2,400**	**$ 389,012**	**$ 400,514**

Corporate Loan Delinquencies and Non-Accrual Details at December 31, 2020

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	$ 400	$ 109	$ 509	$ 2,795	$ 153,036	$ 156,340
Financial institutions	668	65	733	92	86,864	87,689
Mortgage and real estate	450	247	697	505	70,836	72,038
Lease financing	62	12	74	24	640	738
Other	112	19	131	111	63,157	63,399
Loans at fair value						6,840
Total	$ 1,692	$ 452	$ 2,144	$ 3,527	$ 374,533	$ 387,044

(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 collectability 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) Total loans include loans at fair value, which are not included in the various delinquency columns.

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, 2021
	2021	2020	2019	2018	2017	Prior		
Investment grade[3]								
Commercial and industrial[4]	**$ 44,949**	**$ 6,818**	**$ 5,187**	**$ 4,218**	**$ 3,358**	**$ 9,826**	**$ 29,013**	**$ 103,369**
Financial institutions[4]	**13,440**	**3,115**	**1,650**	**1,147**	**631**	**2,439**	**61,610**	**84,032**
Mortgage and real estate	**3,357**	**5,754**	**5,970**	**3,759**	**2,122**	**3,312**	**1,525**	**25,799**
Other[5]	**11,488**	**4,338**	**1,830**	**4,146**	**553**	**6,451**	**31,957**	**60,763**
Total investment grade	**$ 73,234**	**$ 20,025**	**$ 14,637**	**$ 13,270**	**$ 6,664**	**$ 22,028**	**$ 124,105**	**$ 273,963**
Non-investment grade[3]								
Accrual								
Commercial and industrial[4]	**$ 15,208**	**$ 3,298**	**$ 3,073**	**$ 2,883**	**$ 1,670**	**$ 4,009**	**$ 20,724**	**$ 50,865**
Financial institutions[4]	**6,467**	**535**	**507**	**193**	**91**	**619**	**3,325**	**11,737**
Mortgage and real estate	**1,661**	**1,339**	**2,009**	**1,469**	**857**	**1,027**	**610**	**8,972**
Other[5]	**2,416**	**434**	**582**	**433**	**240**	**460**	**1,797**	**6,362**
Non-accrual								
Commercial and industrial[4]	**11**	**142**	**99**	**104**	**108**	**167**	**1,120**	**1,751**
Financial institutions	**—**	**—**	**—**	**—**	**—**	**5**	**46**	**51**
Mortgage and real estate	**16**	**12**	**4**	**81**	**11**	**26**	**267**	**417**
Other[5]	**21**	**11**	**19**	**19**	**26**	**20**	**61**	**177**
Total non-investment grade	**$ 25,800**	**$ 5,771**	**$ 6,293**	**$ 5,182**	**$ 3,003**	**$ 6,333**	**$ 27,950**	**$ 80,332**
Non-rated private bank loans managed on a delinquency basis[3][6]	**$ 8,007**	**$ 9,233**	**$ 6,277**	**$ 3,074**	**$ 3,087**	**$ 9,395**	**$ —**	**$ 39,073**
Loans at fair value[7]								**7,146**
Corporate loans, net of unearned income	**$ 107,041**	**$ 35,029**	**$ 27,207**	**$ 21,526**	**$ 12,754**	**$ 37,756**	**$ 152,055**	**$ 400,514**

In millions of dollars	Recorded investment in loans[1] Term loans by year of origination 2020	2019	2018	2017	2016	Prior	Revolving line of credit arrangements[2]	December 31, 2020
Investment grade[3]								
Commercial and industrial[4]	$ 38,398	$ 7,607	$ 5,929	$ 3,909	$ 2,094	$ 8,670	$ 25,819	$ 92,426
Financial institutions[4]	10,560	2,964	2,106	782	681	2,030	56,239	75,362
Mortgage and real estate	6,793	6,714	5,174	2,568	1,212	1,719	1,557	25,737
Other[5]	10,874	3,566	4,597	952	780	5,290	31,696	57,755
Total investment grade	$ 66,625	$ 20,851	$ 17,806	$ 8,211	$ 4,767	$ 17,709	$ 115,311	$ 251,280
Non-investment grade[3]								
Accrual								
Commercial and industrial[4]	$ 19,683	$ 4,794	$ 4,645	$ 2,883	$ 1,182	$ 4,533	$ 23,400	$ 61,120
Financial institutions[4]	7,413	700	654	274	141	197	2,855	12,234
Mortgage and real estate	1,882	1,919	2,058	1,457	697	837	551	9,401
Other[5]	1,407	918	725	370	186	657	1,986	6,249
Non-accrual								
Commercial and industrial[4]	260	203	192	143	57	223	1,717	2,795
Financial institutions	1	—	—	—	—	—	91	92
Mortgage and real estate	13	4	3	18	8	32	427	505
Other[5]	15	3	12	29	2	65	9	135
Total non-investment grade	$ 30,674	$ 8,541	$ 8,289	$ 5,174	$ 2,273	$ 6,544	$ 31,036	$ 92,531
Non-rated private bank loans managed on a delinquency basis[3][6]	$ 9,823	$ 7,121	$ 3,533	$ 3,674	$ 4,300	$ 7,942	$ —	$ 36,393
Loans at fair value[7]								6,840
Corporate loans, net of unearned income	$ 107,122	$ 36,513	$ 29,628	$ 17,059	$ 11,340	$ 32,195	$ 146,347	$ 387,044

(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 quarter.
(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) Non-rated private bank loans mainly include mortgage and real estate loans to private banking clients.
(7) Loans at fair value include loans to commercial and industrial, financial institutions, mortgage and real estate and other.

Non-Accrual Corporate Loans

The following tables present non-accrual loan information by corporate loan type and interest income recognized on non-accrual corporate loans:

In millions of dollars	September 30, 2021 Recorded investment[(1)]	September 30, 2021 Unpaid principal balance	September 30, 2021 Related specific allowance	September 30, 2021 Average carrying value[(2)]	Three Months Ended September 30, 2021 Interest income recognized	Nine Months Ended September 30, 2021 Interest income recognized[(3)]
Non-accrual corporate loans						
Commercial and industrial	$ 1,751	$ 2,331	$ 293	$ 2,222	$ 6	$ 31
Financial institutions	53	120	4	55	—	—
Mortgage and real estate	418	668	16	469	—	—
Lease financing	18	19	—	23	—	—
Other	160	251	2	133	2	8
Total non-accrual corporate loans	**$ 2,400**	**$ 3,389**	**$ 315**	**$ 2,902**	**$ 8**	**$ 39**

In millions of dollars	December 31, 2020 Recorded investment[(1)]	December 31, 2020 Unpaid principal balance	December 31, 2020 Related specific allowance	December 31, 2020 Average carrying value[(2)]
Non-accrual corporate loans				
Commercial and industrial	$ 2,795	$ 3,664	$ 442	$ 2,649
Financial institutions	92	181	17	132
Mortgage and real estate	505	803	38	413
Lease financing	24	24	—	34
Other	111	235	18	174
Total non-accrual corporate loans	$ 3,527	$ 4,907	$ 515	$ 3,402

In millions of dollars	September 30, 2021 Recorded investment[(1)]	September 30, 2021 Related specific allowance	December 31, 2020 Recorded investment[(1)]	December 31, 2020 Related specific allowance
Non-accrual corporate loans with specific allowances				
Commercial and industrial	$ 801	$ 293	$ 1,523	$ 442
Financial institutions	27	4	90	17
Mortgage and real estate	229	16	246	38
Other	9	2	68	18
Total non-accrual corporate loans with specific allowances	**$ 1,066**	**$ 315**	$ 1,927	$ 515
Non-accrual corporate loans without specific allowances				
Commercial and industrial	$ 950		$ 1,272	
Financial institutions	26		2	
Mortgage and real estate	189		259	
Lease financing	18		24	
Other	151		43	
Total non-accrual corporate loans without specific allowances	**$ 1,334**	**N/A**	$ 1,600	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) Average carrying value represents the average recorded investment balance and does not include related specific allowances.
(3) Interest income recognized for the three and nine months ended September 30, 2020 was $5 million and $24 million, respectively.
N/A Not applicable

Corporate Troubled Debt Restructurings[(1)]

Three and Nine Months Ended September 30, 2021

In millions of dollars	Carrying value of TDRs modified during the period	TDRs involving changes in the amount and/or timing of principal payments[(2)]	TDRs involving changes in the amount and/or timing of interest payments[(3)]	TDRs involving changes in the amount and/or timing of both principal and interest payments
Three Months Ended September 30, 2021				
Commercial and industrial	$ 2	$ —	$ —	$ 2
Mortgage and real estate	1	—	—	1
Other	4	—	—	4
Total	$ 7	$ —	$ —	$ 7
Nine Months Ended September 30, 2021				
Commercial and industrial	$ 75	$ —	$ —	$ 75
Mortgage and real estate	7	—	—	7
Other	5	1	—	4
Total	$ 87	$ 1	$ —	$ 86

Three and Nine Months Ended September 30, 2020

In millions of dollars	Carrying value of TDRs modified during the period	TDRs involving changes in the amount and/or timing of principal payments[(2)]	TDRs involving changes in the amount and/or timing of interest payments[(3)]	TDRs involving changes in the amount and/or timing of both principal and interest payments
Three Months Ended September 30, 2020				
Commercial and industrial	$ 52	$ —	$ —	$ 52
Mortgage and real estate	8	—	—	8
Other	1	1	—	—
Total	$ 61	$ 1	$ —	$ 60
Nine Months Ended September 30, 2020				
Commercial and industrial	$ 200	$ —	$ —	$ 200
Mortgage and real estate	16	—	—	16
Other	5	5	—	—
Total	$ 221	$ 5	$ —	$ 216

(1) The above tables do not include loan modifications that meet the TDR relief criteria in the CARES Act or the interagency guidance.

(2) 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.

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

The following table presents total corporate loans modified in a TDR as well as those TDRs that defaulted and for which the payment default occurred within one year of a permanent modification. Default is defined as 60 days past due, except for classifiably managed commercial banking loans, where default is defined as 90 days past due.

		TDR loans that re-defaulted within one year of modification during the			TDR loans that re-defaulted within one year of modification during the	
In millions of dollars	**TDR balances at September 30, 2021**	**Three Months Ended September 30, 2021**	**Nine Months Ended September 30, 2021**	TDR balances at September 30, 2020	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2020
Commercial and industrial	**$ 252**	**$ —**	**$ —**	$ 390	$ —	$ —
Mortgage and real estate	**65**	**—**	**—**	98	—	—
Other	**51**	**—**	**—**	22	—	—
Total(1)	**$ 368**	**$ —**	**$ —**	$ 510	$ —	$ —

(1) The above table reflects activity for loans outstanding that were considered TDRs as of the end of the reporting period.

14. ALLOWANCE FOR CREDIT LOSSES

In millions of dollars	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Allowance for credit losses on loans (ACLL) at beginning of period	**$ 19,238**	$ 26,298	**$ 24,956**	$ 12,783
Adjustments to opening balance:(1)				
Financial instruments—credit losses (CECL)(1)	**—**	—	**—**	4,201
Variable post-charge-off third-party collection costs(1)	**—**	—	**—**	(443)
Adjusted ACLL at beginning of period	**$ 19,238**	$ 26,298	**$ 24,956**	$ 16,541
Gross credit losses on loans	**$ (1,389)**	$ (2,367)	**$ (5,441)**	$ (7,374)
Gross recoveries on loans	**428**	448	**1,412**	1,235
Net credit losses on loans (NCLs)	**$ (961)**	$ (1,919)	**$ (4,029)**	$ (6,139)
Replenishment of NCLs	**$ 961**	$ 1,919	**$ 4,029**	$ 6,139
Net reserve builds (releases) for loans	**(1,010)**	164	**(6,262)**	9,453
Net specific reserve builds (releases) for loans	**(139)**	(152)	**(560)**	706
Total provision for credit losses on loans (PCLL)	**$ (188)**	$ 1,931	**$ (2,793)**	$ 16,298
Initial allowance for credit losses on newly purchased credit-deteriorated assets during the period	**—**	—	**—**	4
Other, net (see table below)	**(374)**	116	**(419)**	(278)
ACLL at end of period	**$ 17,715**	$ 26,426	**$ 17,715**	$ 26,426
Allowance for credit losses on unfunded lending commitments (ACLUC) at beginning of period(2)	**$ 2,073**	$ 1,859	**$ 2,655**	$ 1,456
Adjustment to opening balance for CECL adoption(1)	**—**	—	**—**	(194)
Provision (release) for credit losses on unfunded lending commitments	**(13)**	424	**(595)**	1,094
Other, net	**3**	16	**3**	(57)
ACLUC at end of period(2)	**$ 2,063**	$ 2,299	**$ 2,063**	$ 2,299
Total allowance for credit losses on loans, leases and unfunded lending commitments	**$ 19,778**	$ 28,725	**$ 19,778**	$ 28,725

Other, net details *In millions of dollars*	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Sales or transfers of various consumer loan portfolios to HFS	**$ (278)**	$ —	**$ (278)**	$ (4)
FX translation	**(93)**	116	**(139)**	(279)
Other	**(3)**	—	**(2)**	5
Other, net	**$ (374)**	$ 116	**$ (419)**	$ (278)

(1) See Note 1 to the Consolidated Financial Statements in Citi's 2020 Annual Report on Form 10-K for further discussion of the impact of Citi's adoption of CECL and the change in accounting principle for collection costs.
(2) Represents additional credit loss reserves for unfunded lending commitments and letters of credit recorded in *Other liabilities* on the Consolidated Balance Sheet.

Allowance for Credit Losses on Loans and End-of-Period Loans

	Three Months Ended					
	September 30, 2021			September 30, 2020		
In millions of dollars	**Corporate**	**Consumer**	**Total**	Corporate	Consumer	Total
ACLL at beginning of period	**$ 3,127**	**$ 16,111**	**$ 19,238**	$ 6,824	$ 19,474	$ 26,298
Charge-offs	**(49)**	**(1,340)**	**(1,389)**	(351)	(2,016)	(2,367)
Recoveries	**10**	**418**	**428**	26	422	448
Replenishment of NCLs	**39**	**922**	**961**	325	1,594	1,919
Net reserve builds (releases)	**(44)**	**(966)**	**(1,010)**	267	(103)	164
Net specific reserve builds (releases)	**(21)**	**(118)**	**(139)**	(161)	9	(152)
Initial allowance for credit losses on newly purchased credit-deteriorated assets during the period	**—**	**—**	**—**	—	—	—
Other	**(15)**	**(359)**	**(374)**	8	108	116
Ending balance	**$ 3,047**	**$ 14,668**	**$ 17,715**	$ 6,938	$ 19,488	$ 26,426

	Nine Months Ended					
	September 30, 2021			September 30, 2020		
In millions of dollars	**Corporate**	**Consumer**	**Total**	Corporate	Consumer	Total
ACLL at beginning of period	**$ 5,402**	**$ 19,554**	**$ 24,956**	$ 2,886	$ 9,897	$ 12,783
Adjustments to opening balance:						
Financial instruments—credit losses (CECL adoption)(1)	**—**	**—**	**—**	(721)	4,922	4,201
Variable post-charge-off third-party collection costs(1)	**—**	**—**	**—**	—	(443)	(443)
Charge-offs	**(403)**	**(5,038)**	**(5,441)**	(837)	(6,537)	(7,374)
Recoveries	**89**	**1,323**	**1,412**	61	1,174	1,235
Replenishment of NCLs	**314**	**3,715**	**4,029**	776	5,363	6,139
Net reserve builds (releases)	**(2,137)**	**(4,125)**	**(6,262)**	4,418	5,035	9,453
Net specific reserve builds (releases)	**(189)**	**(371)**	**(560)**	373	333	706
Initial allowance for credit losses on newly purchased credit-deteriorated assets during the period	**—**	**—**	**—**	—	4	4
Other	**(29)**	**(390)**	**(419)**	(18)	(260)	(278)
Ending balance	**$ 3,047**	**$ 14,668**	**$ 17,715**	$ 6,938	$ 19,488	$ 26,426

(1) See "Accounting Changes" in Note 1 to the Consolidated Financial Statements for additional details.

	September 30, 2021			December 31, 2020		
In millions of dollars	**Corporate**	**Consumer**	**Total**	Corporate	Consumer	Total
ACLL						
Collectively evaluated	**$ 2,732**	**$ 13,777**	**$ 16,509**	$ 4,887	$ 18,207	$ 23,094
Individually evaluated	**315**	**891**	**1,206**	515	1,345	1,860
Purchased credit deteriorated	**—**	**—**	**—**	—	2	2
Total ACLL	**$ 3,047**	**$ 14,668**	**$ 17,715**	$ 5,402	$ 19,554	$ 24,956
Loans, net of unearned income						
Collectively evaluated	**$ 390,968**	**$ 260,258**	**$ 651,226**	$ 376,677	$ 283,885	$ 660,562
Individually evaluated	**2,400**	**3,852**	**6,252**	3,527	4,799	8,326
Purchased credit deteriorated	**—**	**127**	**127**	—	141	141
Held at fair value	**7,146**	**13**	**7,159**	6,840	14	6,854
Total loans, net of unearned income	**$ 400,514**	**$ 264,250**	**$ 664,764**	$ 387,044	$ 288,839	$ 675,883

Allowance for Credit Losses on HTM Debt Securities

	Three Months Ended September 30, 2021				
In millions of dollars	Mortgage-backed	State and municipal	Foreign government	Asset-backed	Total HTM
Allowance for credit losses on HTM debt securities at beginning of quarter	**$ 5**	**$ 72**	**$ 5**	**$ 1**	**$ 83**
Gross credit losses	**—**	**—**	**—**	**—**	**—**
Gross recoveries	**—**	**—**	**—**	**—**	**—**
Net credit losses (NCLs)	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Replenishment of NCLs	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Net reserve builds (releases)	**—**	**(5)**	**(1)**	**—**	**(6)**
Net specific reserve builds (releases)	**(4)**	**—**	**—**	**—**	**(4)**
Total provision for credit losses on HTM debt securities	**$ (4)**	**$ (5)**	**$ (1)**	**$ —**	**$ (10)**
Other, net	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Initial allowance for credit losses on newly purchased credit-deteriorated securities during the period	**—**	**—**	**—**	**—**	**—**
Allowance for credit losses on HTM debt securities at end of quarter	**$ 1**	**$ 67**	**$ 4**	**$ 1**	**$ 73**

	Nine Months Ended September 30, 2021				
In millions of dollars	Mortgage-backed	State and municipal	Foreign government	Asset-backed	Total HTM
Allowance for credit losses on HTM debt securities at beginning of year	**$ 3**	**$ 74**	**$ 6**	**$ 3**	**$ 86**
Gross credit losses	**—**	**—**	**—**	**—**	**—**
Gross recoveries	**3**	**—**	**—**	**—**	**3**
Net credit losses (NCLs)	**$ 3**	**$ —**	**$ —**	**$ —**	**$ 3**
Replenishment of NCLs	**$ (3)**	**$ —**	**$ —**	**$ —**	**$ (3)**
Net reserve builds (releases)	**2**	**(7)**	**(2)**	**(3)**	**(10)**
Net specific reserve builds (releases)	**(4)**	**—**	**—**	**—**	**(4)**
Total provision for credit losses on HTM debt securities	**$ (5)**	**$ (7)**	**$ (2)**	**$ (3)**	**$ (17)**
Other, net	**$ —**	**$ —**	**$ —**	**$ 1**	**$ 1**
Initial allowance for credit losses on newly purchased credit-deteriorated securities during the period	**—**	**—**	**—**	**—**	**—**
Allowance for credit losses on HTM debt securities at end of quarter	**$ 1**	**$ 67**	**$ 4**	**$ 1**	**$ 73**

Allowance for Credit Losses on HTM Debt Securities

	Three Months Ended September 30, 2020				
In millions of dollars	Mortgage-backed	State and municipal	Foreign government	Asset-backed	Total HTM
Allowance for credit losses on HTM debt securities at beginning of quarter	$ —	$ 99	$ 6	$ 2	$ 107
Adjustment to opening balance for CECL adoption	—	—	—	—	—
Gross credit losses	—	—	—	—	—
Gross recoveries	—	—	—	—	—
Net credit losses (NCLs)	$ —	$ —	$ —	$ —	$ —
Replenishment of NCLs	$ —	$ —	$ —	$ —	$ —
Net reserve builds (releases)	3	(19)	(1)	1	(16)
Net specific reserve builds (releases)	—	—	—	—	—
Total provision for credit losses on HTM debt securities	$ 3	$ (19)	$ (1)	$ 1	$ (16)
Other, net	$ 5	$ —	$ 2	$ —	$ 7
Initial allowance for credit losses on newly purchased credit-deteriorated securities during the period	—	—	—	—	—
Allowance for credit losses on HTM debt securities at end of quarter	$ 8	$ 80	$ 7	$ 3	$ 98

	Nine Months Ended September 30, 2020				
In millions of dollars	Mortgage-backed	State and municipal	Foreign government	Asset-backed	Total HTM
Allowance for credit losses on HTM debt securities at beginning of year	$ —	$ —	$ —	$ —	$ —
Adjustment to opening balance for CECL adoption	—	61	4	5	70
Gross credit losses	—	—	—	—	—
Gross recoveries	—	—	—	—	—
Net credit losses (NCLs)	$ —	$ —	$ —	$ —	$ —
Replenishment of NCLs	$ —	$ —	$ —	$ —	$ —
Net reserve builds	3	16	1	1	21
Net specific reserve builds (releases)	—	—	—	—	—
Total provision for credit losses on HTM debt securities	$ 3	$ 16	$ 1	$ 1	$ 21
Other, net	$ 5	$ 3	$ 2	$ (3)	$ 7
Initial allowance for credit losses on newly purchased credit-deteriorated securities during the period	—	—	—	—	—
Allowance for credit losses on HTM debt securities at end of quarter	$ 8	$ 80	$ 7	$ 3	$ 98

Allowance for Credit Losses on Other Assets

In millions of dollars	Three Months Ended September 30, 2021					
	Cash and due from banks	Deposits with banks	Securities borrowed and purchased under agreements to resell	Brokerage receivables	All other assets[1]	Total
Allowance for credit losses on other assets at beginning of quarter	**$ —**	**$ 24**	**$ 8**	**$ —**	**$ 28**	**$ 60**
Gross credit losses	—	—	—	—	—	—
Gross recoveries	—		—	—	—	—
Net credit losses (NCLs)	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Replenishment of NCLs	$ —	$ —	$ —	$ —	$ —	$ —
Net reserve builds (releases)	—	—	1	—	(4)	(3)
Total provision for credit losses	**$ —**	**$ —**	**$ 1**	**$ —**	**$ (4)**	**$ (3)**
Other, net	$ —	$ —	$ —	$ —	$ 1	$ 1
Allowance for credit losses on other assets at end of quarter	**$ —**	**$ 24**	**$ 9**	**$ —**	**$ 25**	**$ 58**

In millions of dollars	Nine Months Ended September 30, 2021					
	Cash and due from banks	Deposits with banks	Securities borrowed and purchased under agreements to resell	Brokerage receivables	All other assets[1]	Total
Allowance for credit losses on other assets at beginning of year	**$ —**	**$ 20**	**$ 10**	**$ —**	**$ 25**	**$ 55**
Gross credit losses	—	—	—	—	—	—
Gross recoveries	—	—	—	—	—	—
Net credit losses (NCLs)	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Replenishment of NCLs	$ —	$ —	$ —	$ —	$ —	$ —
Net reserve builds (releases)	—	5	(1)	—	(1)	3
Total provision for credit losses	**$ —**	**$ 5**	**$ (1)**	**$ —**	**$ (1)**	**$ 3**
Other, net	$ —	$ (1)	$ —	$ —	$ 1	$ —
Allowance for credit losses on other assets at end of quarter	**$ —**	**$ 24**	**$ 9**	**$ —**	**$ 25**	**$ 58**

(1) Primarily accounts receivable.

Allowance for Credit Losses on Other Assets

In millions of dollars	Three Months Ended September 30, 2020					
	Cash and due from banks	Deposits with banks	Securities borrowed and purchased under agreements to resell	Brokerage receivables	All other assets[1]	Total
Allowance for credit losses at beginning of quarter	$ —	$ 18	$ 7	$ —	$ 77	$ 102
Adjustment to opening balance for CECL adoption	—	—	—	—	—	—
Gross credit losses	—	—	—	—	—	—
Gross recoveries	—	—	—	—	—	—
Net credit losses (NCLs)	$ —	$ —	$ —	$ —	$ —	$ —
Replenishment of NCLs	$ —	$ —	$ —	$ —	$ —	$ —
Net reserve builds (releases)	—	7	(3)	—	(17)	(13)
Total provision for credit losses	$ —	$ 7	$ (3)	$ —	$ (17)	$ (13)
Other, net	$ —	$ —	$ —	$ —	$ (10)	$ (10)
Allowance for credit losses on other assets at end of quarter	$ —	$ 25	$ 4	$ —	$ 50	$ 79

In millions of dollars	Nine Months Ended September 30, 2020					
	Cash and due from banks	Deposits with banks	Securities borrowed and purchased under agreements to resell	Brokerage receivables	All other assets[1]	Total
Allowance for credit losses at beginning of year	$ —	$ —	$ —	$ —	$ —	$ —
Adjustment to opening balance for CECL adoption	6	14	2	1	3	26
Gross credit losses	—	—	—	—	—	—
Gross recoveries	—	—	—	—	—	—
Net credit losses (NCLs)	$ —	$ —	$ —	$ —	$ —	$ —
Replenishment of NCLs	$ —	$ —	$ —	$ —	$ —	$ —
Net reserve builds (releases)	(6)	11	2	(1)	25	31
Total provision for credit losses	$ (6)	$ 11	$ 2	$ (1)	$ 25	$ 31
Other, net	$ —	$ —	$ —	$ —	$ 22	$ 22
Allowance for credit losses on other assets at end of year	$ —	$ 25	$ 4	$ —	$ 50	$ 79

(1) Primarily accounts receivable.

For ACL on AFS debt securities, see Note 12 to the Consolidated Financial Statements.

15. GOODWILL AND INTANGIBLE ASSETS

Goodwill

The changes in *Goodwill* were as follows:

In millions of dollars	Global Consumer Banking	Institutional Clients Group	Total
Balance at December 31, 2020	$ 12,142	$ 10,020	$ 22,162
Foreign currency translation	(68)	(189)	(257)
Balance at March 31, 2021	$ 12,074	$ 9,831	$ 21,905
Foreign currency translation	34	121	155
Balance at June 30, 2021	$ 12,108	$ 9,952	$ 22,060
Foreign currency translation	(87)	(173)	(260)
Divesture[1]	(227)	—	(227)
Balance at September 30, 2021	**$ 11,794**	**$ 9,779**	**$ 21,573**

(1) Goodwill allocated to the Australia consumer banking business, which was classified as HFS during the third quarter of 2021.

The Company performed its annual goodwill impairment test as of July 1, 2021, at the level below each business segment (referred to as a reporting unit). The fair values of the Company's reporting units as percentage of their carrying values ranged from approximately 125% to 153%, resulting in no impairment. While the inherent risk related to uncertainty is embedded in the key assumptions used in the valuations, the economic and business environment continue to evolve as management progresses on its strategic refresh, including, among others, the exits of consumer businesses in 13 markets in *Asia* and *EMEA*. If management's best estimate of future key economic and market assumptions were to differ from current assumptions, Citi could potentially experience material goodwill impairment charges in the future.

For additional information regarding Citi's goodwill impairment testing process, see Notes 1 and 16 to the Consolidated Financial Statements in Citi's 2020 Annual Report on Form 10-K. Refer to Note 3 for a description of Citi's business segments.

Intangible Assets

The components of intangible assets were as follows:

In millions of dollars	September 30, 2021 Gross carrying amount	September 30, 2021 Accumulated amortization	September 30, 2021 Net carrying amount	December 31, 2020 Gross carrying amount	December 31, 2020 Accumulated amortization	December 31, 2020 Net carrying amount
Purchased credit card relationships	$ 5,579	$ 4,306	$ 1,273	$ 5,648	$ 4,229	$ 1,419
Credit card contract-related intangibles[1]	3,887	1,337	2,550	3,929	1,276	2,653
Core deposit intangibles	39	39	—	45	44	1
Other customer relationships	433	307	126	455	314	141
Present value of future profits	31	29	2	32	30	2
Indefinite-lived intangible assets	183	—	183	190	—	190
Other	76	66	10	72	67	5
Intangible assets (excluding MSRs)	$ 10,228	$ 6,084	$ 4,144	$ 10,371	$ 5,960	$ 4,411
Mortgage servicing rights (MSRs)[2]	409	—	409	336	—	336
Total intangible assets	$ 10,637	$ 6,084	$ 4,553	$ 10,707	$ 5,960	$ 4,747

(1) Primarily reflects contract-related intangibles associated with the American Airlines, The Home Depot, Costco and AT&T credit card program agreements, which represented 97% and 96% of the aggregate net carrying amount as of September 30, 2021 and December 31, 2020, respectively.

(2) For additional information on Citi's MSRs, see Note 18 to the Consolidated Financial Statements.

The changes in intangible assets were as follows:

In millions of dollars	Net carrying amount at December 31, 2020	Acquisitions/ renewals/ divestitures	Amortization	Impairments	FX translation and other	Net carrying amount at September 30, 2021
Purchased credit card relationships[1]	$ 1,419	$ (15)	$ (129)	$ —	$ (2)	$ 1,273
Credit card contract-related intangibles[2]	2,653	4	(105)	(1)	(1)	2,550
Core deposit intangibles	1	—	(1)	—	—	—
Other customer relationships	141	12	(17)	—	(10)	126
Present value of future profits	2	—	—	—	—	2
Indefinite-lived intangible assets	190	—	—	—	(7)	183
Other	5	23	(19)	—	1	10
Intangible assets (excluding MSRs)	$ 4,411	$ 24	$ (271)	$ (1)	$ (19)	$ 4,144
Mortgage servicing rights (MSRs)[3]	336					409
Total intangible assets	$ 4,747					$ 4,553

(1) Reflects intangibles for the value of cardholder relationships, which are discrete from partner contract-related intangibles, and includes credit card accounts primarily in the Costco, Macy's and Sears portfolios.

(2) Primarily reflects contract-related intangibles associated with the American Airlines, The Home Depot, Costco and AT&T credit card program agreements, which represented 97% and 96% of the aggregate net carrying amount at September 30, 2021 and December 31, 2020, respectively.

(3) For additional information on Citi's MSRs, including the rollforward for the three and nine months ended September 30, 2021, see Note 18 to the Consolidated Financial Statements.

16. DEBT

For additional information regarding Citi's short-term borrowings and long-term debt, see Note 17 to the Consolidated Financial Statements in Citi's 2020 Annual Report on Form 10-K.

Short-Term Borrowings

In millions of dollars		**September 30, 2021**		December 31, 2020
Commercial paper				
Bank[1]	**$**	**10,017**	$	10,022
Broker-dealer and other[2]		**6,995**		7,988
Total commercial paper	**$**	**17,012**	$	18,010
Other borrowings[3]		**12,671**		11,504
Total	**$**	**29,683**	$	29,514

(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, 2021 and December 31, 2020, collateralized short-term advances from the Federal Home Loan Banks were $1 million and $4 billion, respectively.

Long-Term Debt

In millions of dollars		**September 30, 2021**		December 31, 2020
Citigroup Inc.[1]	**$**	**170,104**	$	170,563
Bank[2]		**24,715**		44,742
Broker-dealer and other[3]		**63,455**		56,381
Total	**$**	**258,274**	$	271,686

(1) Represents the parent holding company.
(2) Represents Citibank entities as well as other bank entities. At September 30, 2021 and December 31, 2020, collateralized long-term advances from the Federal Home Loan Banks were $5.8 billion and $10.9 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 $1.7 billion at both September 30, 2021 and December 31, 2020.

The following table summarizes Citi's outstanding trust preferred securities at September 30, 2021:

						Junior subordinated debentures owned by trust		
Trust	**Issuance date**	**Securities issued**	**Liquidation value[1]**	**Coupon rate[2]**	**Common shares issued to parent**	**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	Sept. 2010	89,840,000	2,246	3 mo. LIBOR + 637 bps	1,000	2,246	Oct. 30, 2040	Oct. 30, 2015
Citigroup Capital XVIII	Jun. 2007	99,901	135	3 mo. sterling LIBOR + 88.75 bps	50	135	Jun. 28, 2067	Jun. 28, 2017
Total obligated			**$ 2,575**			**$ 2,581**		

Note: Distributions on the trust preferred securities and interest on the subordinated debentures are payable semiannually for Citigroup Capital III and Citigroup Capital XVIII 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.

17. CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) (AOCI)

Changes in each component of Citigroup's *Accumulated other comprehensive income (loss)* were as follows:

Three and Nine Months Ended September 30, 2021

In millions of dollars	Net unrealized gains (losses) on debt securities	Debt valuation adjustment (DVA)[1]	Cash flow hedges[2]	Benefit plans[3]	Foreign currency translation adjustment (CTA), net of hedges[4][5]	Excluded component of fair value hedges	Accumulated other comprehensive income (loss)
Three Months Ended September 30, 2021							
Balance, June 30, 2021	$ 1,061	$ (1,523)	$ 864	$ (6,063)	$ (29,392)	$ (67)	$ (35,120)
Other comprehensive income before reclassifications	(204)	(138)	2	84	(1,325)	7	(1,574)
Increase (decrease) due to amounts reclassified from *AOCI*	(75)	56	(203)	51	13	1	(157)
Change, net of taxes	$ (279)	$ (82)	$ (201)	$ 135	$ (1,312)	$ 8	$ (1,731)
Balance at September 30, 2021	**$ 782**	**$ (1,605)**	**$ 663**	**$ (5,928)**	**$ (30,704)**	**$ (59)**	**$ (36,851)**
Nine Months Ended September 30, 2021							
Balance, December 31, 2020	$ 3,320	$ (1,419)	$ 1,593	$ (6,864)	$ (28,641)	$ (47)	$ (32,058)
Other comprehensive income before reclassifications	(2,101)	(295)	(318)	773	(2,076)	(14)	(4,031)
Increase (decrease) due to amounts reclassified from *AOCI*	(437)	109	(612)	163	13	2	(762)
Change, net of taxes	$ (2,538)	$ (186)	$ (930)	$ 936	$ (2,063)	$ (12)	$ (4,793)
Balance at September 30, 2021	**$ 782**	**$ (1,605)**	**$ 663**	**$ (5,928)**	**$ (30,704)**	**$ (59)**	**$ (36,851)**

Footnotes to the table above appear on the following page.

Three and Nine Months Ended September 30, 2020

In millions of dollars	Net unrealized gains (losses) on investment securities	Debt valuation adjustment (DVA)[(1)]	Cash flow hedges[(2)]	Benefit plans[(3)]	Foreign currency translation adjustment (CTA), net of hedges[(4)]	Excluded component of fair value hedges	Accumulated other comprehensive income (loss)
Three Months Ended September 30, 2020							
Balance, June 30, 2020	$ 3,700	$ (36)	$ 2,094	$ (7,172)	$ (31,939)	$ 8	$ (33,345)
Other comprehensive income before reclassifications	(72)	(313)	(41)	189	897	(39)	621
Increase (decrease) due to amounts reclassified from *AOCI*	(210)	6	(194)	57	—	—	(341)
Change, net of taxes	$ (282)	$ (307)	$ (235)	$ 246	$ 897	$ (39)	$ 280
Balance at September 30, 2020	$ 3,418	$ (343)	$ 1,859	$ (6,926)	$ (31,042)	$ (31)	$ (33,065)
Nine Months Ended September 30, 2020							
Balance, December 31, 2019	$ (265)	$ (944)	$ 123	$ (6,809)	$ (28,391)	$ (32)	$ (36,318)
Other comprehensive income before reclassifications	4,735	599	2,083	(287)	(2,651)	1	4,480
Increase (decrease) due to amounts reclassified from *AOCI*	(1,052)	2	(347)	170	—	—	(1,227)
Change, net of taxes	$ 3,683	$ 601	$ 1,736	$ (117)	$ (2,651)	$ 1	$ 3,253
Balance at September 30, 2020	$ 3,418	$ (343)	$ 1,859	$ (6,926)	$ (31,042)	$ (31)	$ (33,065)

(1) Reflects the after-tax valuation of Citi's fair value options liabilities. See "Market Valuation Adjustments" in Note 20 to the Consolidated Financial Statements.

(2) Primarily driven by Citigroup's pay fixed/receive floating interest rate swap programs that hedge the floating rates on liabilities.

(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, South Korean won, Euro, Chilean peso and Brazilian real against the U.S. dollar and changes in related tax effects and hedges for the three months ended September 30, 2021. Primarily reflects the movements in (by order of impact) the Mexican peso, South Korean won, Euro, Chilean peso and Japanese yen against the U.S. dollar and changes in related tax effects and hedges for the nine months ended September 30, 2021. Primarily reflects the movements in (by order of impact) the Mexican peso, Euro, South Korean won, Australian dollar and Chinese yuan against the U.S. dollar and changes in related tax effects and hedges for the three months ended September 30, 2020. Primarily reflects the movements in (by order of impact) the Mexican peso, Brazilian real, Indian rupee, Russian ruble and South African rand against the U.S. dollar and changes in related tax effects and hedges for the nine months ended September 30, 2020. 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) September 30, 2021 includes an approximate $475 million (after-tax) currency translation adjustment (CTA) loss (net of hedges) associated with the sale of the consumer banking business in Australia (see Note 2 to the Consolidated Financial Statements). The transaction generated a pretax loss on sale of approximately $680 million upon classification as held-for-sale ($580 million after-tax), subject to closing adjustments. The loss on sale primarily reflects the impact of the pretax $625 million CTA loss (net of hedges) ($475 million after-tax) already reflected in the *AOCI* component of equity. Upon closing, the CTA-related balance will be removed from the *AOCI* component of equity, resulting in a neutral impact from CTA to Citi's Common Equity Tier 1 Capital.

The pretax and after-tax changes in each component of *Accumulated other comprehensive income (loss)* were as follows:

Three and Nine Months Ended September 30, 2021

In millions of dollars	Pretax	Tax effect	After-tax
Three Months Ended September 30, 2021			
Balance, June 30, 2021	$ (41,087)	$ 5,967	$ (35,120)
Change in net unrealized gains (losses) on debt securities	(374)	95	(279)
Debt valuation adjustment (DVA)	(107)	25	(82)
Cash flow hedges	(265)	64	(201)
Benefit plans	175	(40)	135
Foreign currency translation adjustment	(1,325)	13	(1,312)
Excluded component of fair value hedges	12	(4)	8
Change	$ (1,884)	$ 153	$ (1,731)
Balance at September 30, 2021	**$ (42,971)**	**$ 6,120**	**$ (36,851)**
Nine Months Ended September 30, 2021			
Balance, December 31, 2020	$ (36,992)	$ 4,934	$ (32,058)
Change in net unrealized gains (losses) on debt securities	(3,439)	901	(2,538)
Debt valuation adjustment (DVA)	(256)	70	(186)
Cash flow hedges	(1,219)	289	(930)
Benefit plans	1,166	(230)	936
Foreign currency translation adjustment	(2,217)	154	(2,063)
Excluded component of fair value hedges	(14)	2	(12)
Change	$ (5,979)	$ 1,186	$ (4,793)
Balance at September 30, 2021	**$ (42,971)**	**$ 6,120**	**$ (36,851)**

Three and Nine Months Ended September 30, 2020

In millions of dollars	Pretax	Tax effect	After-tax
Three Months Ended September 30, 2020			
Balance, June 30, 2020	$ (37,678)	$ 4,333	$ (33,345)
Change in net unrealized gains (losses) on debt securities	(393)	111	(282)
Debt valuation adjustment (DVA)	(452)	145	(307)
Cash flow hedges	(307)	72	(235)
Benefit plans	344	(98)	246
Foreign currency translation adjustment	918	(21)	897
Excluded component of fair value hedges	(51)	12	(39)
Change	$ 59	$ 221	$ 280
Balance, September 30, 2020	$ (37,619)	$ 4,554	$ (33,065)
Nine Months Ended September 30, 2020			
Balance, December 31, 2019	$ (42,772)	$ 6,454	$ (36,318)
Change in net unrealized gains (losses) on debt securities	4,905	(1,222)	3,683
Debt valuation adjustment (DVA)	801	(200)	601
Cash flow hedges	2,267	(531)	1,736
Benefit plans	(166)	49	(117)
Foreign currency translation adjustment	(2,652)	1	(2,651)
Excluded component of fair value hedges	(2)	3	1
Change	$ 5,153	$ (1,900)	$ 3,253
Balance, September 30, 2020	$ (37,619)	$ 4,554	$ (33,065)

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	**2021**	2020	**2021**	2020
Realized (gains) losses on sales of investments	**$ (117)**	$ (304)	**$ (655)**	$ (1,484)
Gross impairment losses	**21**	30	**99**	101
Subtotal, pretax	**$ (96)**	$ (274)	**$ (556)**	$ (1,383)
Tax effect	**21**	64	**119**	331
Net realized (gains) losses on investments after-tax[1]	**$ (75)**	$ (210)	**$ (437)**	$ (1,052)
Realized DVA (gains) losses on fair value option liabilities, pretax	**$ 72**	$ 8	**$ 141**	$ 3
Tax effect	**(16)**	(2)	**(32)**	(1)
Net realized debt valuation adjustment, after-tax	**$ 56**	$ 6	**$ 109**	$ 2
Interest rate contracts	**$ (269)**	$ (256)	**$ (809)**	$ (459)
Foreign exchange contracts	**1**	1	**3**	3
Subtotal, pretax	**$ (268)**	$ (255)	**$ (806)**	$ (456)
Tax effect	**65**	61	**194**	109
Amortization of cash flow hedges, after-tax[2]	**$ (203)**	$ (194)	**$ (612)**	$ (347)
Amortization of unrecognized:				
Prior service cost (benefit)	**$ (5)**	$ (4)	**$ (17)**	$ (10)
Net actuarial loss	**74**	85	**232**	239
Curtailment/settlement impact[3]	**1**	(5)	**5**	(2)
Subtotal, pretax	**$ 70**	$ 76	**$ 220**	$ 227
Tax effect	**(19)**	(19)	**(57)**	(57)
Amortization of benefit plans, after-tax[3]	**$ 51**	$ 57	**$ 163**	$ 170
Excluded component of fair value hedges, pretax	**$ 1**	$ —	**$ 2**	$ —
Tax effect	**—**	—	**—**	—
Excluded component of fair value hedges, after-tax	**$ 1**	$ —	**$ 2**	$ —
Foreign currency translation adjustment, pretax	**$ 20**	$ —	**$ 20**	$ —
Tax effect	**(7)**	—	**(7)**	—
Foreign currency translation adjustment, after-tax	**$ 13**	$ —	**$ 13**	$ —
Total amounts reclassified out of *AOCI*, pretax	**$ (201)**	$ (445)	**$ (979)**	$ (1,609)
Total tax effect	**44**	104	**217**	382
Total amounts reclassified out of *AOCI*, after-tax	**$ (157)**	$ (341)	**$ (762)**	$ (1,227)

(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 to the Consolidated Financial Statements for additional details.
(2) See Note 19 to the Consolidated Financial Statements for additional details.
(3) See Note 8 to the Consolidated Financial Statements for additional details.

18. SECURITIZATIONS AND VARIABLE INTEREST ENTITIES

For additional information regarding Citi's use of special purpose entities (SPEs) and variable interest entities (VIEs), see Note 21 to the Consolidated Financial Statements in Citi's 2020 Annual Report on 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, 2021							
				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	**$ 30,343**	**$ 30,343**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Mortgage securitizations[4]								
U.S. agency-sponsored	**114,519**	**—**	**114,519**	**1,537**	**—**	**—**	**47**	**1,584**
Non-agency-sponsored	**59,584**	**677**	**58,907**	**2,327**	**—**	**1**	**—**	**2,328**
Citi-administered asset-backed commercial paper conduits	**12,460**	**12,460**	**—**	**—**	**—**	**—**	**—**	**—**
Collateralized loan obligations (CLOs)	**10,094**	**—**	**10,094**	**3,254**	**—**	**—**	**—**	**3,254**
Asset-based financing[5]	**279,044**	**11,106**	**267,938**	**29,033**	**1,283**	**11,008**	**—**	**41,324**
Municipal securities tender option bond trusts (TOBs)	**3,320**	**909**	**2,411**	**16**	**—**	**1,529**	**—**	**1,545**
Municipal investments	**21,078**	**3**	**21,075**	**2,677**	**3,706**	**3,558**	**—**	**9,941**
Client intermediation	**872**	**280**	**592**	**75**	**—**	**—**	**206**	**281**
Investment funds	**523**	**192**	**331**	**1**	**—**	**13**	**5**	**19**
Other	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total	**$ 531,837**	**$ 55,970**	**$ 475,867**	**$ 38,920**	**$ 4,989**	**$ 16,109**	**$ 258**	**$ 60,276**

	As of December 31, 2020							
				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	$ 32,420	$ 32,420	$ —	$ —	$ —	$ —	$ —	$ —
Mortgage securitizations[4]								
U.S. agency-sponsored	123,999	—	123,999	1,948	—	—	61	2,009
Non-agency-sponsored	46,132	939	45,193	2,550	—	2	1	2,553
Citi-administered asset-backed commercial paper conduits	16,730	16,730	—	—	—	—	—	—
Collateralized loan obligations (CLOs)	18,332	—	18,332	4,273	—	—	—	4,273
Asset-based financing[5]	222,274	8,069	214,205	25,153	1,587	9,114	—	35,854
Municipal securities tender option bond trusts (TOBs)	3,349	835	2,514	—	—	1,611	—	1,611
Municipal investments	20,335	—	20,335	2,569	4,056	3,041	—	9,666
Client intermediation	1,352	910	442	88	—	—	56	144
Investment funds	488	153	335	—	—	15	—	15
Other	—	—	—	—	—	—	—	—
Total	$ 485,411	$ 60,056	$ 425,355	$ 36,581	$ 5,643	$ 13,783	$ 118	$ 56,125

(1) The definition of maximum exposure to loss is included in the text that follows this table.
(2) Included on Citigroup's September 30, 2021 and December 31, 2020 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. See "Re-securitizations" below for further discussion.
(5) Included within this line are loans to third-party sponsored private equity funds, which represent $115 billion and $78 billion in unconsolidated VIE assets and $507 million and $425 million in maximum exposure to loss as of September 30, 2021 and December 31, 2020, respectively.

The previous tables do not include:

- certain venture capital investments made by some of the Company's private equity subsidiaries, as the Company accounts for these investments in accordance with the Investment Company Audit Guide (codified in ASC 946);
- 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, 2021 and December 31, 2020, the Company's maximum exposure to loss related to these deals was $56.6 billion and $57.0 billion, respectively (for more information on these positions, see Note 13 to the Consolidated Financial Statements and Note 26 to the Consolidated Financial Statements in Citigroup's 2020 Annual Report on 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 (for more information on these positions, see Notes 12 and 20 to the Consolidated Financial Statements);
- certain representations and warranties exposures in legacy *ICG*-sponsored mortgage- and asset-backed securitizations in which the Company has no variable interest or continuing involvement as servicer. The outstanding balance of mortgage loans securitized during 2005 to 2008 in which the Company has no variable interest or continuing involvement as servicer was approximately $4.7 billion and $5.2 billion at September 30, 2021 and December 31, 2020, respectively;
- 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 trust 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.

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:

	September 30, 2021		December 31, 2020	
In millions of dollars	**Liquidity facilities**	**Loan/equity commitments**	Liquidity facilities	Loan/equity commitments
Non-agency-sponsored mortgage securitizations	**$ —**	**$ 1**	$ —	$ 2
Asset-based financing	**—**	**11,008**	—	9,114
Municipal securities tender option bond trusts (TOBs)	**1,529**	**—**	1,611	—
Municipal investments	**—**	**3,558**	—	3,041
Investment funds	**—**	**13**	—	15
Other	**—**	**—**	—	—
Total funding commitments	**$ 1,529**	**$ 14,580**	$ 1,611	$ 12,172

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, 2021**	December 31, 2020
Cash	**$ —**	$ —
Trading account assets	**1.4**	2.0
Investments	**9.3**	10.6
Total loans, net of allowance	**32.3**	29.3
Other	**0.9**	0.3
Total assets	**$ 43.9**	$ 42.2

Credit Card Securitizations

Substantially all of the Company's credit card securitization activity is through two trusts—Citibank Credit Card Master Trust (Master Trust) and Citibank Omni Master Trust (Omni Trust), with the substantial majority through the Master Trust. These trusts are consolidated entities. The following table reflects amounts related to the Company's securitized credit card receivables:

In billions of dollars	**September 30, 2021**	December 31, 2020
Ownership interests in principal amount of trust credit card receivables		
Sold to investors via trust-issued securities	**$ 11.0**	$ 15.7
Retained by Citigroup as trust-issued securities	**7.2**	7.9
Retained by Citigroup via non-certificated interests	**13.9**	11.1
Total	**$ 32.1**	$ 34.7

The following table summarizes selected cash flow information related to Citigroup's credit card securitizations:

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
In billions of dollars	**2021**	2020	**2021**	2020
Proceeds from new securitizations	**$ —**	$ —	**$ —**	$ —
Pay down of maturing notes	**—**	(1.1)	**(4.7)**	(4.3)

Master Trust Liabilities (at Par Value)

The weighted average maturity of the third-party term notes issued by the Master Trust was 3.3 years as of September 30, 2021 and 2.9 years as of December 31, 2020.

In billions of dollars	**Sept. 30, 2021**	Dec. 31, 2020
Term notes issued to third parties	**$ 9.7**	$ 13.9
Term notes retained by Citigroup affiliates	**2.2**	2.7
Total Master Trust liabilities	**$ 11.9**	$ 16.6

Omni Trust Liabilities (at Par Value)

The weighted average maturity of the third-party term notes issued by the Omni Trust was 1.9 years as of September 30, 2021 and 1.1 years as of December 31, 2020.

In billions of dollars	**Sept. 30, 2021**	Dec. 31, 2020
Term notes issued to third parties	**$ 1.3**	$ 1.8
Term notes retained by Citigroup affiliates	**5.0**	5.2
Total Omni Trust liabilities	**$ 6.3**	$ 7.0

Mortgage Securitizations

The following tables summarize selected cash flow information and retained interests related to Citigroup mortgage securitizations:

In billions of dollars	Three Months Ended September 30, 2021 U.S. agency-sponsored mortgages	2021 Non-agency-sponsored mortgages	2020 U.S. agency-sponsored mortgages	2020 Non-agency-sponsored mortgages
Principal securitized	**$ 0.5**	**$ 1.7**	$ 2.7	$ 2.9
Proceeds from new securitizations	**0.5**	**1.9**	2.9	4.5
Purchases of previously transferred financial assets	**—**	**—**	0.2	—

In billions of dollars	Nine Months Ended September 30, 2021 U.S. agency-sponsored mortgages	2021 Non-agency-sponsored mortgages	2020 U.S. agency-sponsored mortgages	2020 Non-agency-sponsored mortgages
Principal securitized	**$ 5.4**	**$ 19.8**	$ 7.2	$ 5.4
Proceeds from new securitizations	**5.6**	**19.7**	7.6	7.9
Contractual servicing fees received	**0.1**	**—**	0.1	—
Purchases of previously transferred financial assets	**0.1**	**—**	0.3	—

Note: Excludes re-securitization transactions.

Gains recognized on the securitization of U.S. agency-sponsored mortgages were $2 million and $3 million for the three and nine months ended September 30, 2021, respectively. For the three and nine months ended September 30, 2021, gains recognized on the securitization of non-agency-sponsored mortgages were $121 million and $423 million, respectively.

Gains recognized on the securitization of U.S. agency-sponsored mortgages were $83 million and $87 million for the three and nine months ended September 30, 2020, respectively. Gains recognized on the securitization of non-agency-sponsored mortgages were $51 million and $116 million for the three and nine months ended September 30, 2020, respectively.

	September 30, 2021			December 31, 2020		
		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)	**$ 379**	**$ 1,777**	**$ 500**	$ 315	$ 1,210	$ 145

(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 $82 million related to personal loan securitizations at September 30, 2021.
(3) Retained interests consist of Level 2 and Level 3 assets depending on the observability of significant inputs. See Note 20 to the Consolidated Financial Statements for more information about fair value measurements.

Key assumptions used in measuring the fair value of retained interests at the date of sale or securitization of mortgage receivables were as follows:

	Three Months Ended September 30, 2021		
		Non-agency-sponsored mortgages[1]	
	U.S. agency-sponsored mortgages	**Senior interests**	**Subordinated interests**
Weighted average discount rate	**8.6 %**	**2.2 %**	**2.4 %**
Weighted average constant prepayment rate	**5.9 %**	**4.3 %**	**13.3 %**
Weighted average anticipated net credit losses[2]	**NM**	**0.8 %**	**0.2 %**
Weighted average life	**7.4 years**	**3.2 years**	**4.9 years**

	Three Months Ended September 30, 2020		
		Non-agency-sponsored mortgages[1]	
	U.S. agency-sponsored mortgages	Senior interests	Subordinated interests
Weighted average discount rate	3.5 %	1.8 %	NM
Weighted average constant prepayment rate	29.7 %	2.5 %	NM
Weighted average anticipated net credit losses[2]	NM	0.2 %	NM
Weighted average life	4.2 years	3.9 years	NM

	Nine Months Ended September 30, 2021		
		Non-agency-sponsored mortgages[1]	
	U.S. agency-sponsored mortgages	**Senior interests**	**Subordinated interests**
Weighted average discount rate	**8.8 %**	**2.2 %**	**2.8 %**
Weighted average constant prepayment rate	**5.3 %**	**6.3 %**	**10.6 %**
Weighted average anticipated net credit losses[2]	**NM**	**1.4 %**	**1.0 %**
Weighted average life	**7.6 years**	**3.4 years**	**5.4 years**

	Nine Months Ended September 30, 2020		
		Non-agency-sponsored mortgages[1]	
	U.S. agency-sponsored mortgages	Senior interests	Subordinated interests
Weighted average discount rate	5.2 %	1.8 %	3.0 %
Weighted average constant prepayment rate	27.9 %	1.8 %	25.0 %
Weighted average anticipated net credit losses[2]	NM	0.7 %	0.5 %
Weighted average life	4.5 years	4.2 years	2.3 years

(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) Anticipated net credit losses represent estimated loss severity associated with defaulted mortgage loans underlying the mortgage securitizations disclosed above. Anticipated net credit losses, in this instance, do not represent total credit losses incurred to date, nor do they represent credit losses expected on retained interests in mortgage securitizations.

NM Anticipated net credit losses are not meaningful due to U.S. agency guarantees.

The interests retained by the Company range from highly rated and/or senior in the capital structure to unrated and/or residual interests. Key assumptions used in measuring the fair value of retained interests in securitizations of mortgage receivables at period end were as follows:

	September 30, 2021		
		Non-agency-sponsored mortgages[1]	
	U.S. agency-sponsored mortgages	**Senior interests**	**Subordinated interests**
Weighted average discount rate	**6.4 %**	**13.0 %**	**3.0 %**
Weighted average constant prepayment rate	**11.3 %**	**6.0 %**	**7.0 %**
Weighted average anticipated net credit losses[2]	**NM**	**NM**	**1.5 %**
Weighted average life	**5.7 years**	**12.6 years**	**18.2 years**

	December 31, 2020		
		Non-agency-sponsored mortgages[1]	
	U.S. agency-sponsored mortgages	Senior interests	Subordinated interests
Weighted average discount rate	5.9 %	7.2 %	4.3 %
Weighted average constant prepayment rate	22.7 %	5.3 %	4.7 %
Weighted average anticipated net credit losses[2]	NM	1.2 %	1.4 %
Weighted average life	4.5 years	5.3 years	4.7 years

(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) Anticipated net credit losses represent estimated loss severity associated with defaulted mortgage loans underlying the mortgage securitizations disclosed above. Anticipated net credit losses, in this instance, do not represent total credit losses incurred to date, nor do they represent credit losses expected on retained interests in mortgage securitizations.
NM Anticipated net credit losses are not meaningful due to U.S. agency guarantees.

The sensitivity of the fair value to adverse changes of 10% and 20% in each of the key assumptions is presented in the tables below. The negative effect of each change is calculated independently, holding all other assumptions constant. Because the key assumptions may not be independent, the net effect of simultaneous adverse changes in the key assumptions may be less than the sum of the individual effects shown below.

	September 30, 2021		
		Non-agency-sponsored mortgages	
In millions of dollars	**U.S. agency-sponsored mortgages**	**Senior interests**	**Subordinated interests**
Discount rate			
Adverse change of 10%	**$ (9)**	**$ —**	**$ —**
Adverse change of 20%	**(18)**	**(1)**	**(1)**
Constant prepayment rate			
Adverse change of 10%	**(18)**	**—**	**—**
Adverse change of 20%	**(35)**	**—**	**—**
Anticipated net credit losses			
Adverse change of 10%	**NM**	**—**	**—**
Adverse change of 20%	**NM**	**—**	**—**

In millions of dollars	December 31, 2020 U.S. agency-sponsored mortgages	Non-agency-sponsored mortgages Senior interests	Subordinated interests
Discount rate			
Adverse change of 10%	$ (8)	$ —	$ (1)
Adverse change of 20%	(15)	(1)	(1)
Constant prepayment rate			
Adverse change of 10%	(21)	—	—
Adverse change of 20%	(40)	—	—
Anticipated net credit losses			
Adverse change of 10%	NM	—	—
Adverse change of 20%	NM	—	—

NM Anticipated net credit losses are not meaningful due to U.S. agency guarantees.

The following table includes information about loan delinquencies and liquidation losses for assets held in non-consolidated, non-agency-sponsored securitization entities:

In billions of dollars, except liquidation losses in millions	Securitized assets Sept. 30, 2021	Securitized assets Dec. 31, 2020	90 days past due Sept. 30, 2021	90 days past due Dec. 31, 2020	Liquidation losses Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Securitized assets								
Residential mortgages[1]	**$ 28.5**	$ 16.9	**$ 0.3**	$ 0.5	**$ 2**	$ 5	**$ 8**	$ 23
Commercial and other	**25.6**	23.9	**—**	—	**—**	—	**$ —**	—
Total	**$ 54.1**	$ 40.8	**$ 0.3**	$ 0.5	**$ 2**	$ 5	**$ 8**	$ 23

(1) Securitized assets include $0.2 billion of personal loan securitizations as of September 30, 2021.

Mortgage Servicing Rights (MSRs)

The fair value of Citi's capitalized MSRs was $409 million and $334 million at September 30, 2021 and 2020, respectively. The MSRs correspond to principal loan balances of $48 billion and $56 billion as of September 30, 2021 and 2020, respectively. The following table summarizes the changes in capitalized MSRs:

In millions of dollars	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Balance, beginning of period	**$ 419**	$ 345	**$ 336**	$ 495
Originations	**8**	31	**76**	87
Changes in fair value of MSRs due to changes in inputs and assumptions	**(3)**	(22)	**49**	(191)
Other changes[1]	**(15)**	(20)	**(52)**	(57)
Sales of MSRs	**—**	—	**—**	—
Balance, as of September 30	**$ 409**	$ 334	**$ 409**	$ 334

(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	**2021**	2020	**2021**	2020
Servicing fees	**$ 32**	$ 29	**$ 100**	$ 102
Late fees	**1**	1	**2**	4
Ancillary fees	**—**	—	**—**	—
Total MSR fees	**$ 33**	$ 30	**$ 102**	$ 106

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, 2021 and 2020. These securities are backed by either residential or commercial mortgages and are often structured on behalf of clients.

As of September 30, 2021 and December 31, 2020, 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, 2021, Citi transferred agency securities with a fair value of approximately $12.6 billion and $37.1 billion, respectively, to re-securitization entities compared to approximately $11.5 billion and $31.8 billion for the three and nine months ended September 30, 2020, respectively.

As of September 30, 2021, the fair value of Citi-retained interests in agency re-securitization transactions structured by Citi totaled approximately $1.2 billion (including $526 million related to re-securitization transactions executed in 2021) compared to $1.6 billion as of December 31, 2020 (including $916 million related to re-securitization transactions executed in 2020), 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, 2021 and December 31, 2020 were approximately $78 billion and $83.6 billion, respectively.

As of September 30, 2021 and December 31, 2020, the Company did not consolidate any private label or agency re-securitization entities.

Citi-Administered Asset-Backed Commercial Paper Conduits

At September 30, 2021 and December 31, 2020, the commercial paper conduits administered by Citi had approximately $12.5 billion and $16.7 billion of purchased assets outstanding, respectively, and had incremental funding commitments with clients of approximately $20.5 billion and $17.1 billion, respectively.

Substantially all of the funding of the conduits is in the form of short-term commercial paper. At September 30, 2021 and December 31, 2020, the weighted average remaining lives of the commercial paper issued by the conduits were approximately 65 and 54 days, respectively.

The primary credit enhancement provided to the conduit investors is in the form of transaction-specific credit enhancements described above. Each asset purchased by the conduit is structured with transaction-specific credit enhancement features provided by the third-party client seller, including over-collateralization, cash and excess spread collateral accounts, direct recourse or third-party guarantees. These credit enhancements are sized with the objective of approximating a credit rating of A or above, based on Citi's internal risk ratings. In addition to the transaction-specific credit enhancements, the conduits, other than the government-guaranteed loan conduit, have obtained letters of credit from the Company, which equal at least 8% to 10% of the conduit's assets with a minimum of $200 million. The letters of credit provided by the Company to the conduits total approximately $1.1 billion and $1.5 billion as of September 30, 2021 and December 31, 2020, respectively. The net result across multi-seller conduits administered by the Company is that, in the event that defaulted assets exceed the transaction-specific credit enhancements described above, any losses in each conduit are allocated first to the Company and then to the commercial paper investors.

At September 30, 2021 and December 31, 2020, the Company owned $2.5 billion and $6.6 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.

Collateralized Loan Obligations (CLOs)
There were no new securitizations during the three months ended September 30, 2021 and 2020. The following table summarizes selected retained interests related to Citigroup CLOs:

In millions of dollars	**Sept. 30, 2021**	Dec. 31, 2020
Carrying value of retained interests	**$ 1,519**	$ 1,611

All of Citi's retained interests were held-to-maturity securities as of September 30, 2021 and December 31, 2020.

Municipal Securities Tender Option Bond (TOB) Trusts
At September 30, 2021 and December 31, 2020, none of the municipal bonds owned by non-customer TOB trusts were subject to a credit guarantee provided by the Company.

At September 30, 2021 and December 31, 2020, liquidity agreements provided with respect to customer TOB trusts totaled $1.5 billion and $1.6 billion, respectively, of which $0.7 billion and $0.8 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 $2.2 billion and $3.6 billion as of September 30, 2021 and December 31, 2020, 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 shown 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, 2021		December 31, 2020	
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	**$ 33,741**	**$ 6,841**	$ 34,570	$ 7,758
Corporate loans	**18,465**	**11,363**	12,022	7,654
Other (including investment funds, airlines and shipping)	**215,732**	**23,120**	167,613	20,442
Total	**$ 267,938**	**$ 41,324**	$ 214,205	$ 35,854

19. 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 22 to the Consolidated Financial Statements in Citi's 2020 Annual Report on 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

In millions of dollars	Hedging instruments under ASC 815 September 30, 2021	Hedging instruments under ASC 815 December 31, 2020	Trading derivative instruments September 30, 2021	Trading derivative instruments December 31, 2020
Interest rate contracts				
Swaps	**$ 283,433**	$ 334,351	**$ 20,154,428**	$ 17,724,147
Futures and forwards	**—**	—	**3,485,545**	4,142,514
Written options	**—**	—	**1,619,341**	1,573,483
Purchased options	**—**	—	**1,470,167**	1,418,255
Total interest rate contracts	**$ 283,433**	$ 334,351	**$ 26,729,481**	$ 24,858,399
Foreign exchange contracts				
Swaps	**$ 50,214**	$ 65,709	**$ 6,707,996**	$ 6,567,304
Futures, forwards and spot	**54,135**	37,080	**4,778,312**	3,945,391
Written options	**—**	47	**746,078**	907,338
Purchased options	**—**	53	**740,239**	900,626
Total foreign exchange contracts	**$ 104,349**	$ 102,889	**$ 12,972,625**	$ 12,320,659
Equity contracts				
Swaps	**$ —**	$ —	**$ 313,557**	$ 274,098
Futures and forwards	**—**	—	**92,136**	67,025
Written options	**—**	—	**585,440**	441,003
Purchased options	**—**	—	**473,549**	328,202
Total equity contracts	**$ —**	$ —	**$ 1,464,682**	$ 1,110,328
Commodity and other contracts				
Swaps	**$ —**	$ —	**$ 94,768**	$ 80,127
Futures and forwards	**2,342**	924	**176,408**	143,175
Written options	**—**	—	**63,308**	71,376
Purchased options	**—**	—	**58,947**	67,849
Total commodity and other contracts	**$ 2,342**	$ 924	**$ 393,431**	$ 362,527
Credit derivatives(1)				
Protection sold	**$ —**	$ —	**$ 634,497**	$ 543,607
Protection purchased	**—**	—	**705,590**	612,770
Total credit derivatives	**$ —**	$ —	**$ 1,340,087**	$ 1,156,377
Total derivative notionals	**$ 390,124**	$ 438,164	**$ 42,900,306**	$ 39,808,290

(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, 2021 and December 31, 2020. 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. As a result, the tables reflect a reduction of approximately $290 billion and $280 billion as of September 30, 2021 and December 31, 2020, respectively, of derivative assets and derivative liabilities that previously would have been reported on a gross basis, but are now legally settled and not subject to collateral. 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, 2021	Derivatives classified in Trading account assets/liabilities[1][2]	
Derivatives instruments designated as ASC 815 hedges	**Assets**	**Liabilities**
Over-the-counter	$ 1,964	$ 30
Cleared	244	84
Interest rate contracts	**$ 2,208**	**$ 114**
Over-the-counter	$ 1,146	$ 1,482
Cleared	6	—
Foreign exchange contracts	**$ 1,152**	**$ 1,482**
Total derivatives instruments designated as ASC 815 hedges	**$ 3,360**	**$ 1,596**
Derivatives instruments not designated as ASC 815 hedges		
Over-the-counter	$ 159,004	$ 146,083
Cleared	12,129	10,673
Exchange traded	55	29
Interest rate contracts	**$ 171,188**	**$ 156,785**
Over-the-counter	$ 130,707	$ 128,259
Cleared	401	249
Foreign exchange contracts	**$ 131,108**	**$ 128,508**
Over-the-counter	$ 30,147	$ 38,966
Cleared	18	24
Exchange traded	23,516	23,583
Equity contracts	**$ 53,681**	**$ 62,573**
Over-the-counter	$ 43,833	$ 43,394
Exchange traded	3,302	3,824
Commodity and other contracts	**$ 47,135**	**$ 47,218**
Over-the-counter	$ 7,237	$ 7,331
Cleared	3,005	3,318
Credit derivatives	**$ 10,242**	**$ 10,649**
Total derivatives instruments not designated as ASC 815 hedges	**$ 413,354**	**$ 405,733**
Total derivatives	**$ 416,714**	**$ 407,329**
Cash collateral paid/received[3]	$ 23,216	$ 18,492
Less: Netting agreements[4]	(313,526)	(313,526)
Less: Netting cash collateral received/paid[5]	(48,391)	(49,460)
Net receivables/payables included on the Consolidated Balance Sheet[6]	**$ 78,013**	**$ 62,835**
Additional amounts subject to an enforceable master netting agreement, but not offset on the Consolidated Balance Sheet		
Less: Cash collateral received/paid	**$ (881)**	**$ (509)**
Less: Non-cash collateral received/paid	**(5,726)**	**(13,358)**
Total net receivables/payables[6]	**$ 71,406**	**$ 48,968**

(1) The derivatives fair values are also presented in Note 20 to the Consolidated Financial Statements.
(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) Reflects the net amount of the $72,676 million and $66,883 million of gross cash collateral paid and received, respectively. Of the gross cash collateral paid, $49,460 million was used to offset trading derivative liabilities. Of the gross cash collateral received, $48,391 million was used to offset trading derivative assets.
(4) Represents the netting of balances with the same counterparty under enforceable netting agreements. Approximately $278 billion, $12 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.
(5) 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.
(6) The net receivables/payables include approximately $10 billion of derivative asset and $12 billion of derivative liability fair values not subject to enforceable master netting agreements, respectively.

In millions of dollars at December 31, 2020	Derivatives classified in Trading account assets/liabilities[1][2]	
Derivatives instruments designated as ASC 815 hedges	**Assets**	**Liabilities**
Over-the-counter	$ 1,781	$ 161
Cleared	74	319
Interest rate contracts	$ 1,855	$ 480
Over-the-counter	$ 2,037	$ 2,042
Foreign exchange contracts	$ 2,037	$ 2,042
Total derivatives instruments designated as ASC 815 hedges	$ 3,892	$ 2,522
Derivatives instruments not designated as ASC 815 hedges		
Over-the-counter	$ 228,519	$ 209,330
Cleared	11,041	12,563
Exchange traded	46	38
Interest rate contracts	$ 239,606	$ 221,931
Over-the-counter	$ 153,791	$ 152,784
Cleared	842	1,239
Exchange traded	—	1
Foreign exchange contracts	$ 154,633	$ 154,024
Over-the-counter	$ 29,244	$ 41,036
Cleared	1	18
Exchange traded	21,274	22,515
Equity contracts	$ 50,519	$ 63,569
Over-the-counter	$ 13,659	$ 17,076
Exchange traded	879	1,017
Commodity and other contracts	$ 14,538	$ 18,093
Over-the-counter	$ 7,826	$ 7,951
Cleared	1,963	2,178
Credit derivatives	$ 9,789	$ 10,129
Total derivatives instruments not designated as ASC 815 hedges	$ 469,085	$ 467,746
Total derivatives	$ 472,977	$ 470,268
Cash collateral paid/received[3]	$ 32,778	$ 8,196
Less: Netting agreements[4]	(364,879)	(364,879)
Less: Netting cash collateral received/paid[5]	(63,915)	(45,628)
Net receivables/payables included on the Consolidated Balance Sheet[6]	$ 76,961	$ 67,957
Additional amounts subject to an enforceable master netting agreement, but not offset on the Consolidated Balance Sheet		
Less: Cash collateral received/paid	$ (1,567)	$ (473)
Less: Non-cash collateral received/paid	(7,408)	(13,087)
Total net receivables/payables[6]	$ 67,986	$ 54,397

(1) The derivatives fair values are also presented in Note 20 to the Consolidated Financial Statements.

(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) Reflects the net amount of the $78,406 million and $72,111 million of gross cash collateral paid and received, respectively. Of the gross cash collateral paid, $45,628 million was used to offset trading derivative liabilities. Of the gross cash collateral received, $63,915 million was used to offset trading derivative assets.

(4) Represents the netting of balances with the same counterparty under enforceable netting agreements. Approximately $336 billion, $9 billion and $20 billion of the netting against trading account asset/liability balances is attributable to each of the OTC, cleared and exchange-traded derivatives, respectively.

(5) 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.

(6) The net receivables/payables include approximately $6 billion of derivative asset and $8 billion of derivative liability fair values not subject to enforceable master netting agreements, respectively.

For the three and nine months ended September 30, 2021 and 2020, 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 to the Consolidated Financial Statements 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 shown 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	**2021**	2020	**2021**	2020
Interest rate contracts	**$ 9**	$ (3)	**$ (66)**	$ 171
Foreign exchange	**(26)**	19	**(60)**	(18)
Total	**$ (17)**	$ 16	**$ (126)**	$ 153

Fair Value Hedges

Hedging of Benchmark Interest Rate Risk

Citigroup's fair value hedges are primarily hedges of fixed-rate long-term debt or assets, such as available-for-sale debt securities or loans.

For qualifying fair value hedges of interest rate risk, the changes in the fair value of the derivative and the change in the fair value of the hedged item attributable to the hedged risk are presented within *Interest revenue* or *Interest expense* based on whether the hedged item is an asset or a liability.

Citigroup has executed a last-of-layer hedge, which permits an entity to hedge the interest rate risk of a stated portion of a closed portfolio of prepayable financial assets that are expected to remain outstanding for the designated tenor of the hedge. In accordance with ASC 815, an entity may exclude prepayment risk when measuring the change in fair value of the hedged item attributable to interest rate risk under the last-of-layer approach. Similar to other fair value hedges, where the hedged item is an asset, the fair value of the hedged item attributable to interest rate risk will be presented in *Interest revenue* along with the change in the fair value of the hedging instrument.

Hedging of Foreign Exchange Risk

Citigroup hedges the change in fair value attributable to foreign exchange rate movements in available-for-sale debt securities and long-term debt that are denominated in currencies other than the functional currency of the entity holding the securities or issuing the debt. The hedging instrument is generally a forward foreign exchange contract or a cross-currency swap contract. Citigroup considers the premium associated with forward contracts (i.e., the differential between the spot and contractual forward rates) as the cost of hedging; this amount is excluded from the assessment of hedge effectiveness and is generally reflected directly in earnings over the life of the hedge. Citi also excludes changes in cross-currency basis associated with cross-currency swaps from the assessment of hedge effectiveness and records it in *Other comprehensive income.*

Hedging of Commodity Price Risk

Citigroup hedges the change in fair value attributable to spot price movements in physical commodities inventories. The hedging instrument is a futures contract to sell the underlying commodity. In this hedge, the change in the value of the hedged inventory is reflected in earnings, which offsets the change in the fair value of the futures contract that is also reflected in earnings. Although the change in the fair value of the hedging instrument recorded in earnings includes changes in forward rates, Citigroup excludes the differential between the spot and the contractual forward rates under the futures contract from the assessment of hedge effectiveness, and it is generally reflected directly in earnings over the life of the hedge. Citi also excludes changes in forward rates from the assessment of hedge effectiveness and records it in *Other comprehensive income.*

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,**			
	2021		2020		**2021**		2020	
In millions of dollars	**Other revenue**	**Net interest revenue**	Other revenue	Net interest revenue	**Other revenue**	**Net interest revenue**	Other revenue	Net interest revenue
Gain (loss) on the hedging derivatives included in assessment of the effectiveness of fair value hedges								
Interest rate hedges	**$ —**	**$ (747)**	$ —	$ (1,121)	**$ —**	**$ (4,228)**	$ —	$ 5,965
Foreign exchange hedges	**(724)**	**—**	1,235	—	**(714)**	**—**	(242)	—
Commodity hedges	**(166)**	**—**	(3)	—	**(732)**	**—**	(94)	—
Total gain (loss) on the hedging derivatives included in assessment of the effectiveness of fair value hedges	**$ (890)**	**$ (747)**	$ 1,232	$ (1,121)	**$ (1,446)**	**$ (4,228)**	$ (336)	$ 5,965
Gain (loss) on the hedged item in designated and qualifying fair value hedges								
Interest rate hedges	**$ —**	**$ 667**	$ —	$ 955	**$ —**	**$ 3,934**	$ —	$ (6,173)
Foreign exchange hedges	**725**	**—**	(1,235)	—	**715**	**—**	242	—
Commodity hedges	**166**	**—**	3	—	**732**	**—**	94	—
Total gain (loss) on the hedged item in designated and qualifying fair value hedges	**$ 891**	**$ 667**	$ (1,232)	$ 955	**$ 1,447**	**$ 3,934**	$ 336	$ (6,173)
Net gain (loss) on the hedging derivatives excluded from assessment of the effectiveness of fair value hedges								
Interest rate hedges	**$ —**	**$ —**	$ —	$ —	**$ —**	**$ (3)**	$ —	$ (23)
Foreign exchange hedges[2]	**79**	**—**	(24)	—	**96**	**—**	(65)	—
Commodity hedges	**42**	**—**	91	—	**(33)**	**—**	81	—
Total net gain (loss) on the hedging derivatives excluded from assessment of the effectiveness of fair value hedges	**$ 121**	**$ —**	$ 67	$ —	**$ 63**	**$ (3)**	$ 16	$ (23)

(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 revenue* and is excluded from this table.

(2) Amounts relate to the premium associated with forward contracts (differential between spot and contractual forward rates) that are excluded from the assessment of hedge effectiveness and are generally reflected directly in earnings. 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 $12 million and $(14) million for the three and nine months ended September 30, 2021 and $(51) million and $(2) million for the three and nine months ended September 30, 2020, respectively.

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 hedge basis adjustment becomes part of the carrying value 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, 2021 and December 31, 2020, along with the cumulative hedge 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	Cumulative fair value hedging adjustment increasing (decreasing) the carrying amount	
		Active	De-designated
As of September 30, 2021			
Debt securities AFS[1][3]	**$ 72,366**	**$ 103**	**$ 165**
Long-term debt	**155,659**	**1,804**	**4,061**
As of December 31, 2020			
Debt securities AFS[2][3]	$ 81,082	$ 28	$ 342
Long-term debt	169,026	5,554	4,989

(1) These amounts include a cumulative basis adjustment of $76 million for active hedges and $(118) million for de-designated hedges as of September 30, 2021, 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 $7 billion as the hedged amount (from a closed portfolio of prepayable financial assets with a carrying value of $30 billion as of September 30, 2021) in a last-of-layer hedging relationship.

(2) These amounts include a cumulative basis adjustment of $(18) million for active hedges and $62 million for de-designated hedges as of December 31, 2020, related to certain prepayable financial assets 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 $19 billion as of December 31, 2020) in a last-of-layer hedging relationship.

(3) 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, 2021 is approximately $1 billion. The maximum length of time over which forecasted cash flows are hedged is 10 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 17 to the Consolidated Financial Statements.

	Three Months Ended September 30,				Nine Months Ended September 30,			
In millions of dollars	**2021**		2020		**2021**		2020	
Amount of gain (loss) recognized in *AOCI* on derivatives								
Interest rate contracts		**$ 19**		$ (52)		**$ (397)**		$ 2,739
Foreign exchange contracts		**(16)**		—		**(16)**		(16)
Total gain (loss) recognized in *AOCI*		**$ 3**		$ (52)		**$ (413)**		$ 2,723
	Other revenue	**Net interest revenue**	Other revenue	Net interest revenue	**Other revenue**	**Net interest revenue**	Other revenue	Net interest revenue
Amount of gain (loss) reclassified from *AOCI* to earnings(1)								
Interest rate contracts	**$ —**	**$ 269**	$ —	$ 256	**$ —**	**$ 809**	$ —	$ 459
Foreign exchange contracts	**(1)**	**—**	(1)	—	**(3)**	**—**	(3)	—
Total gain (loss) reclassified from *AOCI* into earnings	**$ (1)**	**$ 269**	$ (1)	$ 256	**$ (3)**	**$ 809**	$ (3)	$ 459
Net pretax change in cash flow hedges included within *AOCI*		**$ (265)**		$ (307)		**$ (1,219)**		$ 2,267

(1) All amounts reclassified into earnings for interest rate contracts are included in *Interest income/Interest expense (Net interest revenue)*. For all other hedges, the amounts reclassified to earnings are included primarily in *Other revenue* and *Net interest revenue* in the Consolidated Statement of Income.

Net Investment Hedges

The pretax gain (loss) recorded in *Foreign currency translation adjustment* within *AOCI*, related to net investment hedges, was $700 million and $831 million for the three and nine months ended September 30, 2021 and $(450) million and $882 million for the three and nine months ended September 30, 2020, respectively.

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, 2021	Receivable[1]	Payable[2]	Protection purchased	Protection sold
By industry of counterparty				
Banks	$ 2,384	$ 3,060	$ 112,636	$ 108,122
Broker-dealers	1,984	1,229	50,752	44,525
Non-financial	125	75	6,056	2,635
Insurance and other financial institutions	5,749	6,285	536,146	479,215
Total by industry of counterparty	$ 10,242	$ 10,649	$ 705,590	$ 634,497
By instrument				
Credit default swaps and options	$ 9,609	$ 9,927	$ 689,107	$ 626,484
Total return swaps and other	633	722	16,483	8,013
Total by instrument	$ 10,242	$ 10,649	$ 705,590	$ 634,497
By rating of reference entity				
Investment grade	$ 4,179	$ 4,053	$ 541,747	$ 478,178
Non-investment grade	6,063	6,596	163,843	156,319
Total by rating of reference entity	$ 10,242	$ 10,649	$ 705,590	$ 634,497
By maturity				
Within 1 year	$ 783	$ 1,274	$ 131,085	$ 121,324
From 1 to 5 years	6,188	6,192	460,850	419,029
After 5 years	3,271	3,183	113,655	94,144
Total by maturity	$ 10,242	$ 10,649	$ 705,590	$ 634,497

(1) The fair value amount receivable is composed of $3,729 million under protection purchased and $6,513 million under protection sold.

(2) The fair value amount payable is composed of $7,244 million under protection purchased and $3,405 million under protection sold.

In millions of dollars at December 31, 2020	Fair values		Notionals	
	Receivable[1]	Payable[2]	Protection purchased	Protection sold
By industry of counterparty				
Banks	$ 2,902	$ 3,187	$ 117,685	$ 120,739
Broker-dealers	1,770	1,215	46,928	44,692
Non-financial	109	90	5,740	2,217
Insurance and other financial institutions	5,008	5,637	442,417	375,959
Total by industry of counterparty	$ 9,789	$ 10,129	$ 612,770	$ 543,607
By instrument				
Credit default swaps and options	$ 9,254	$ 9,254	$ 599,633	$ 538,426
Total return swaps and other	535	875	13,137	5,181
Total by instrument	$ 9,789	$ 10,129	$ 612,770	$ 543,607
By rating of reference entity				
Investment grade	$ 4,136	$ 4,037	$ 478,643	$ 418,147
Non-investment grade	5,653	6,092	134,127	125,460
Total by rating of reference entity	$ 9,789	$ 10,129	$ 612,770	$ 543,607
By maturity				
Within 1 year	$ 914	$ 1,355	$ 134,080	$ 125,464
From 1 to 5 years	6,022	5,991	421,682	374,376
After 5 years	2,853	2,783	57,008	43,767
Total by maturity	$ 9,789	$ 10,129	$ 612,770	$ 543,607

(1) The fair value amount receivable is composed of $3,514 million under protection purchased and $6,275 million under protection sold.
(2) The fair value amount payable is composed of $7,037 million under protection purchased and $3,092 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, 2021 and December 31, 2020 was $20 billion and $25 billion, respectively. The Company posted $18 billion and $22 billion as collateral for this exposure in the normal course of business as of September 30, 2021 and December 31, 2020, 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, 2021, the Company could be required to post an additional $1.5 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 $0.1 billion upon the single notch downgrade, resulting in aggregate cash obligations and collateral requirements of approximately $1.6 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), both the asset amounts derecognized and the gross cash proceeds received as of the date of derecognition were $1.6 billion and $2.0 billion as of September 30, 2021 and December 31, 2020, respectively.

At September 30, 2021, the fair value of these previously derecognized assets was $1.6 billion. The fair value of the total return swaps as of September 30, 2021 was $53 million recorded as gross derivative assets and $18 million recorded as gross derivative liabilities. At December 31, 2020, the fair value of these previously derecognized assets was $2.2 billion, and the fair value of the total return swaps was $135 million recorded as gross derivative assets and $7 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.

20. FAIR VALUE MEASUREMENT

For additional information regarding fair value measurement at Citi, see Note 24 to the Consolidated Financial Statements in Citi's 2020 Annual Report on Form 10-K.

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, 2021 and December 31, 2020:

	Credit and funding valuation adjustments contra-liability (contra-asset)	
In millions of dollars	**September 30, 2021**	December 31, 2020
Counterparty CVA	**$ (671)**	$ (800)
Asset FVA	**(459)**	(525)
Citigroup (own credit) CVA	**375**	403
Liability FVA	**80**	67
Total CVA—derivative instruments	**$ (675)**	$ (855)

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	**2021**	2020	**2021**	2020
Counterparty CVA	**$ 25**	$ 104	**$ 68**	$ (134)
Asset FVA	**(23)**	105	**71**	(316)
Own credit CVA	**34**	(62)	**(44)**	200
Liability FVA	**(63)**	(36)	**(52)**	87
Total CVA—derivative instruments	**$ (27)**	$ 111	**$ 43**	$ (163)
DVA related to own FVO liabilities[1]	**$ (107)**	$ (452)	**$ (256)**	$ 801
Total CVA and DVA	**$ (134)**	$ (341)	**$ (213)**	$ 638

(1) See Notes 1 and 17 to the Consolidated Financial Statements in Citi's 2020 Annual Report on 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 frequency of transactions, the size of the bid/ask spread and the amount of adjustment necessary when comparing similar transactions are all factors in determining the relevance of observed prices in those markets.

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, 2021 and December 31, 2020. 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, 2021	Level 1	Level 2	Level 3	Gross inventory	Netting[1]	Net balance
Assets						
Securities borrowed and purchased under agreements to resell	$ —	$ 328,482	$ 257	$ 328,739	$ (116,539)	$ 212,200
Trading non-derivative assets						
Trading mortgage-backed securities						
U.S. government-sponsored agency guaranteed	—	29,577	432	30,009	—	30,009
Residential	—	415	61	476	—	476
Commercial	—	656	120	776	—	776
Total trading mortgage-backed securities	$ —	$ 30,648	$ 613	$ 31,261	$ —	$ 31,261
U.S. Treasury and federal agency securities	$ 42,689	$ 4,621	$ —	$ 47,310	$ —	$ 47,310
State and municipal	—	1,570	71	1,641	—	1,641
Foreign government	54,922	27,517	33	82,472	—	82,472
Corporate	1,914	20,833	541	23,288	—	23,288
Equity securities	49,713	10,350	205	60,268	—	60,268
Asset-backed securities	—	804	664	1,468	—	1,468
Other trading assets[2]	—	16,278	915	17,193	—	17,193
Total trading non-derivative assets	$ 149,238	$ 112,621	$ 3,042	$ 264,901	$ —	$ 264,901
Trading derivatives						
Interest rate contracts	$ 59	$ 170,175	$ 3,162	$ 173,396		
Foreign exchange contracts	—	131,744	516	132,260		
Equity contracts	—	51,894	1,787	53,681		
Commodity contracts	—	45,933	1,202	47,135		
Credit derivatives	—	9,432	810	10,242		
Total trading derivatives—before netting and collateral	$ 59	$ 409,178	$ 7,477	$ 416,714		
Cash collateral paid[3]				$ 23,216		
Netting agreements					$ (313,526)	
Netting of cash collateral received					(48,391)	
Total trading derivatives—after netting and collateral	$ 59	$ 409,178	$ 7,477	$ 439,930	$ (361,917)	$ 78,013
Investments						
Mortgage-backed securities						
U.S. government-sponsored agency guaranteed	$ —	$ 36,617	$ 52	$ 36,669	$ —	$ 36,669
Residential	—	351	12	363	—	363
Commercial	—	34	—	34	—	34
Total investment mortgage-backed securities	$ —	$ 37,002	$ 64	$ 37,066	$ —	$ 37,066
U.S. Treasury and federal agency securities	$ 123,004	$ 170	$ —	$ 123,174	$ —	$ 123,174
State and municipal	—	1,949	735	2,684	—	2,684
Foreign government	65,314	54,068	812	120,194	—	120,194
Corporate	3,577	3,157	192	6,926	—	6,926
Marketable equity securities	243	136	—	379	—	379
Asset-backed securities	—	261	3	264	—	264
Other debt securities	—	5,265	—	5,265	—	5,265
Non-marketable equity securities[4]	—	47	347	394	—	394
Total investments	$ 192,138	$ 102,055	$ 2,153	$ 296,346	$ —	$ 296,346

Table continues on the next page.

In millions of dollars at September 30, 2021	Level 1	Level 2	Level 3	Gross inventory	Netting[1]	Net balance
Loans	$ —	$ 6,437	$ 722	$ 7,159	$ —	$ 7,159
Mortgage servicing rights	—	—	409	409	—	409
Non-trading derivatives and other financial assets measured on a recurring basis	$ 4,347	$ 7,462	$ 86	$ 11,895	$ —	$ 11,895
Total assets	$ 345,782	$ 966,235	$ 14,146	$ 1,349,379	$ (478,456)	$ 870,923
Total as a percentage of gross assets[5]	26.1%	72.9%	1.1%			
Liabilities						
Interest-bearing deposits	$ —	$ 2,531	$ 182	$ 2,713	$ —	$ 2,713
Securities loaned and sold under agreements to repurchase	—	184,142	656	184,798	(109,536)	75,262
Trading account liabilities						
Securities sold, not yet purchased	98,685	17,671	88	116,444	—	116,444
Other trading liabilities	—	7	—	7	—	7
Total trading liabilities	$ 98,685	$ 17,678	$ 88	$ 116,451	$ —	$ 116,451
Trading derivatives						
Interest rate contracts	$ 45	$ 155,183	$ 1,671	$ 156,899		
Foreign exchange contracts	3	129,263	724	129,990		
Equity contracts	26	58,787	3,760	62,573		
Commodity contracts	—	46,434	784	47,218		
Credit derivatives	—	9,889	760	10,649		
Total trading derivatives—before netting and collateral	$ 74	$ 399,556	$ 7,699	$ 407,329		
Cash collateral received[6]				$ 18,492		
Netting agreements					$ (313,526)	
Netting of cash collateral paid					(49,460)	
Total trading derivatives—after netting and collateral	$ 74	$ 399,556	$ 7,699	$ 425,821	$ (362,986)	$ 62,835
Short-term borrowings	$ —	$ 8,811	$ 3	$ 8,814	$ —	$ 8,814
Long-term debt	—	52,136	26,042	78,178	—	78,178
Total non-trading derivatives and other financial liabilities measured on a recurring basis	$ 3,245	$ 177	$ 1	$ 3,423		$ 3,423
Total liabilities	$ 102,004	$ 665,031	$ 34,671	$ 820,198	$ (472,522)	$ 347,676
Total as a percentage of gross liabilities[5]	12.7 %	83.0 %	4.3 %			

(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 21 to the Consolidated Financial Statements. Also includes physical commodities accounted for at the lower of cost or fair value and unfunded credit products.
(3) Reflects the net amount of $72,676 million of gross cash collateral paid, of which $49,460 million was used to offset trading derivative liabilities.
(4) Amounts exclude $0.1 billion 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).*
(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.
(6) Reflects the net amount of $66,883 million of gross cash collateral received, of which $48,391 million was used to offset trading derivative assets.

Fair Value Levels

In millions of dollars at December 31, 2020	Level 1	Level 2	Level 3	Gross inventory	Netting[1]	Net balance
Assets						
Securities borrowed and purchased under agreements to resell	$ —	$ 335,073	$ 320	$ 335,393	$ (150,189)	$185,204
Trading non-derivative assets						
Trading mortgage-backed securities						
U.S. government-sponsored agency guaranteed	—	42,903	27	42,930	—	42,930
Residential	—	391	340	731	—	731
Commercial	—	893	136	1,029	—	1,029
Total trading mortgage-backed securities	$ —	$ 44,187	$ 503	$ 44,690	$ —	$ 44,690
U.S. Treasury and federal agency securities	$ 64,529	$ 2,269	$ —	$ 66,798	$ —	$ 66,798
State and municipal	—	1,224	94	1,318	—	1,318
Foreign government	68,195	15,143	51	83,389	—	83,389
Corporate	1,607	18,840	375	20,822	—	20,822
Equity securities	54,117	12,289	73	66,479	—	66,479
Asset-backed securities	—	776	1,606	2,382	—	2,382
Other trading assets[2]	—	11,295	945	12,240	—	12,240
Total trading non-derivative assets	$ 188,448	$ 106,023	$ 3,647	$ 298,118	$ —	$298,118
Trading derivatives						
Interest rate contracts	$ 42	$ 238,026	$ 3,393	$ 241,461		
Foreign exchange contracts	2	155,994	674	156,670		
Equity contracts	66	48,362	2,091	50,519		
Commodity contracts	—	13,546	992	14,538		
Credit derivatives	—	8,634	1,155	9,789		
Total trading derivatives—before netting and collateral	$ 110	$ 464,562	$ 8,305	$ 472,977		
Cash collateral paid[3]				$ 32,778		
Netting agreements					$ (364,879)	
Netting of cash collateral received					(63,915)	
Total trading derivatives—after netting and collateral	$ 110	$ 464,562	$ 8,305	$ 505,755	$ (428,794)	$ 76,961
Investments						
Mortgage-backed securities						
U.S. government-sponsored agency guaranteed	$ —	$ 43,888	$ 30	$ 43,918	$ —	$ 43,918
Residential	—	571	—	571	—	571
Commercial	—	50	—	50	—	50
Total investment mortgage-backed securities	$ —	$ 44,509	$ 30	$ 44,539	$ —	$ 44,539
U.S. Treasury and federal agency securities	$ 146,032	$ 172	$ —	$ 146,204	$ —	$146,204
State and municipal	—	2,885	834	3,719	—	3,719
Foreign government	77,056	47,644	268	124,968	—	124,968
Corporate	6,326	4,114	60	10,500	—	10,500
Marketable equity securities	287	228	—	515	—	515
Asset-backed securities	—	277	1	278	—	278
Other debt securities	—	4,876	—	4,876	—	4,876
Non-marketable equity securities[4]	—	50	349	399	—	399
Total investments	$ 229,701	$ 104,755	$ 1,542	$ 335,998	$ —	$335,998

Table continues on the next page.

In millions of dollars at December 31, 2020	Level 1	Level 2	Level 3	Gross inventory	Netting[2]	Net balance
Loans	$ —	$ 4,869	$ 1,985	$ 6,854	$ —	$ 6,854
Mortgage servicing rights	—	—	336	336	—	336
Non-trading derivatives and other financial assets measured on a recurring basis	$ 6,230	$ 8,383	$ —	$ 14,613	$ —	$ 14,613
Total assets	$ 424,489	$1,023,665	$ 16,135	$ 1,497,067	$ (578,983)	$918,084
Total as a percentage of gross assets[5]	29.0%	69.9%	1.1%			
Liabilities						
Interest-bearing deposits	$ —	$ 1,752	$ 206	$ 1,958	$ —	$ 1,958
Securities loaned and sold under agreements to repurchase	—	156,644	631	157,275	(97,069)	60,206
Trading account liabilities						
Securities sold, not yet purchased	85,353	14,477	214	100,044	—	100,044
Other trading liabilities	—	—	26	26	—	26
Total trading liabilities	$ 85,353	$ 14,477	$ 240	$ 100,070	$ —	$100,070
Trading derivatives						
Interest rate contracts	$ 25	$ 220,607	$ 1,779	$ 222,411		
Foreign exchange contracts	3	155,441	622	156,066		
Equity contracts	53	58,212	5,304	63,569		
Commodity contracts	—	17,393	700	18,093		
Credit derivatives	—	9,022	1,107	10,129		
Total trading derivatives—before netting and collateral	$ 81	$ 460,675	$ 9,512	$ 470,268		
Cash collateral received[6]				$ 8,196		
Netting agreements					$ (364,879)	
Netting of cash collateral paid					(45,628)	
Total trading derivatives—after netting and collateral	$ 81	$ 460,675	$ 9,512	$ 478,464	$ (410,507)	$ 67,957
Short-term borrowings	$ —	$ 4,464	$ 219	$ 4,683	$ —	$ 4,683
Long-term debt	—	41,853	25,210	67,063	—	67,063
Non-trading derivatives and other financial liabilities measured on a recurring basis	$ 6,762	$ 72	$ 1	$ 6,835	$ —	$ 6,835
Total liabilities	$ 92,196	$ 679,937	$ 36,019	$ 816,348	$ (507,576)	$308,772
Total as a percentage of gross liabilities[5]	11.4 %	84.1 %	4.5 %			

(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 21 to the Consolidated Financial Statements. Also includes physical commodities accounted for at the lower of cost or fair value and unfunded credit products.

(3) Reflects the net amount of $78,406 million of gross cash collateral paid, of which $45,628 million was used to offset trading derivative liabilities.

(4) Amounts exclude $0.2 billion 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.

(6) Reflects the net amount of $72,111 million of gross cash collateral received, of which $63,915 million was used to offset trading derivative assets.

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, 2021 and 2020. 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, 2021	Principal transactions	Other(1)(2)	into Level 3	out of Level 3	Purchases	Issuances	Sales	Settlements	Sept. 30, 2021	Unrealized gains (losses) still held(3)
Assets											
Securities borrowed and purchased under agreements to resell	$ 211	$ 1	$ —	$ 45	$ —	$ 43	$ —	$ —	$ (43)	$ 257	$ 3
Trading non-derivative assets											
Trading mortgage-backed securities											
U.S. government-sponsored agency guaranteed	376	20	—	60	(52)	154	—	(126)	—	432	17
Residential	95	2	—	5	(9)	19	—	(51)	—	61	3
Commercial	87	1	—	17	(12)	36	—	(9)	—	120	1
Total trading mortgage-backed securities	$ 558	$ 23	$ —	$ 82	$ (73)	$ 209	$ —	$ (186)	$ —	$ 613	$ 21
U.S. Treasury and federal agency securities	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
State and municipal	70	3	—	—	—	—	—	(2)	—	71	4
Foreign government	141	26	—	7	(98)	6	—	(49)	—	33	4
Corporate	823	3	—	123	(110)	246	—	(544)	—	541	16
Marketable equity securities	147	12	—	55	(9)	58	—	(58)	—	205	14
Asset-backed securities	692	101	—	128	(19)	186	—	(424)	—	664	(28)
Other trading assets	555	138	—	25	(67)	379	—	(115)	—	915	36
Total trading non-derivative assets	$ 2,986	$ 306	$ —	$ 420	$ (376)	$ 1,084	$ —	$ (1,378)	$ —	$ 3,042	$ 67
Trading derivatives, net(4)											
Interest rate contracts	$ 1,764	$ (160)	$ —	$ (79)	$ 56	$ 10	$ —	$ —	$ (100)	$ 1,491	$ (189)
Foreign exchange contracts	(184)	131	—	(71)	(22)	11	—	(3)	(70)	(208)	121
Equity contracts	(2,550)	538	—	(370)	668	134	—	(98)	(295)	(1,973)	452
Commodity contracts	142	200	—	(3)	106	44	—	(50)	(21)	418	218
Credit derivatives	(41)	(84)	—	24	116	—	—	—	35	50	(87)
Total trading derivatives, net(4)	$ (869)	$ 625	$ —	$ (499)	$ 924	$ 199	$ —	$ (151)	$ (451)	$ (222)	$ 515

Table continues on the next page.

In millions of dollars	Jun. 30, 2021	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, 2021	Unrealized gains (losses) still held[3]
Investments											
Mortgage-backed securities											
U.S. government-sponsored agency guaranteed	$ 52	$ —	$ —	$ 20	$ (10)	$ —	$ —	$ (10)	$ —	$ 52	$ —
Residential	—	—	—	—	—	12	—	—	—	12	—
Total investment mortgage-backed securities	$ 52	$ —	$ —	$ 20	$ (10)	$ 12	$ —	$ (10)	$ —	$ 64	$ —
U.S. Treasury and federal agency securities	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
State and municipal	748	—	(6)	—	—	2	—	(9)	—	735	(6)
Foreign government	957	—	(25)	63	(232)	99	—	(50)	—	812	(6)
Corporate	104	—	(2)	151	(41)	7	—	(27)	—	192	—
Marketable equity securities	—	—	—	—	—	—	—	—	—	—	—
Asset-backed securities	3	—	—	—	—	—	—	—	—	3	—
Other debt securities	—	—	—	—	—	—	—	—	—	—	—
Non-marketable equity securities	382	—	(36)	1	—	—	—	—	—	347	(53)
Total investments	$ 2,246	$ —	$ (69)	$ 235	$ (283)	$ 120	$ —	$ (96)	$ —	$ 2,153	$ (65)
Loans	$ 429	$ —	$ (16)	$ —	$ (20)	$ —	$ 336	$ —	$ (7)	$ 722	$ 14
Mortgage servicing rights	419	—	(3)	—	—	—	8	—	(15)	409	(3)
Other financial assets measured on a recurring basis	55	—	3	10	(4)	33	—	(11)	—	86	—
Liabilities											
Interest-bearing deposits	$ 154	$ —	$ (25)	$ —	$ —	$ —	$ 14	$ —	$ (11)	$ 182	$ 5
Securities loaned and sold under agreements to repurchase	488	(29)	—	183	—	—	—	—	(44)	656	6
Trading account liabilities											
Securities sold, not yet purchased	168	(22)	—	7	(4)	21	—	—	(126)	88	4
Other trading liabilities	1	1	—	—	—	—	—	—	—	—	4
Short-term borrowings	41	(1)	—	2	(12)	—	2	—	(31)	3	2
Long-term debt	25,068	486	—	2,052	(1,086)	—	1,526	—	(1,032)	26,042	434
Other financial liabilities measured on a recurring basis	4	—	—	—	—	—	—		(3)	1	—

(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, 2021.

(4) Total Level 3 trading derivative assets and liabilities have been netted in these tables for presentation purposes only.

		Net realized/unrealized gains (losses) incl. in[1]		Transfers							
In millions of dollars	Dec. 31, 2020	Principal transactions	Other[1][2]	into Level 3	out of Level 3	Purchases	Issuances	Sales	Settlements	Sept. 30, 2021	Unrealized gains (losses) still held[3]
Assets											
Securities borrowed and purchased under agreements to resell	$ 320	$ (10)	$ —	$ 45	$ (49)	$ 319	$ —	$ —	$ (368)	$ 257	$ 25
Trading non-derivative assets											
Trading mortgage-backed securities											
U.S. government-sponsored agency guaranteed	27	21	—	312	(60)	268	—	(136)	—	432	31
Residential	340	24	—	74	(77)	220	—	(520)	—	61	17
Commercial	136	22	—	93	(53)	60	—	(138)	—	120	2
Total trading mortgage-backed securities	$ 503	$ 67	$ —	$ 479	$ (190)	$ 548	$ —	$ (794)	$ —	$ 613	$ 50
U.S. Treasury and federal agency securities	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
State and municipal	94	3	—	—	(29)	5	—	(2)	—	71	4
Foreign government	51	31	—	143	(126)	77	—	(143)	—	33	4
Corporate	375	78	—	441	(278)	721	—	(796)	—	541	(6)
Marketable equity securities	73	59	—	139	(51)	93	—	(108)	—	205	26
Asset-backed securities	1,606	349	—	163	(217)	1,120	—	(2,357)	—	664	(58)
Other trading assets	945	156	—	86	(196)	727	4	(803)	(4)	915	29
Total trading non-derivative assets	$ 3,647	$ 743	$ —	$ 1,451	$ (1,087)	$ 3,291	$ 4	$ (5,003)	$ (4)	$ 3,042	$ 49
Trading derivatives, net[4]											
Interest rate contracts	$ 1,614	$ (458)	$ —	$ 94	$ 377	$ 12	$ (84)	$ —	$ (64)	$ 1,491	$ (216)
Foreign exchange contracts	52	52	—	(63)	(18)	145	—	(300)	(76)	(208)	53
Equity contracts	(3,213)	1,150	—	(968)	1,566	243	—	(215)	(536)	(1,973)	237
Commodity contracts	292	750	—	7	(511)	138	—	(205)	(53)	418	272
Credit derivatives	48	(205)	—	39	45	—	—	—	123	50	(239)
Total trading derivatives, net[4]	$ (1,207)	$ 1,289	$ —	$ (891)	$ 1,459	$ 538	$ (84)	$ (720)	$ (606)	$ (222)	$ 107
Investments											
Mortgage-backed securities											
U.S. government-sponsored agency guaranteed	$ 30	$ —	$ 2	$ 42	$ (10)	$ 3	$ —	$ (15)	$ —	$ 52	$ (53)
Residential	—	—	—	—	—	12	—	—	—	12	—
Total investment mortgage-backed securities	$ 30	$ —	$ 2	$ 42	$ (10)	$ 15	$ —	$ (15)	$ —	$ 64	$ (53)
U.S. Treasury and federal agency securities	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
State and municipal	834	—	(16)	58	(108)	5	—	(38)	—	735	(12)
Foreign government	268	—	(24)	503	(521)	744	—	(158)	—	812	(4)
Corporate	60	—	(13)	183	(41)	37	—	(34)	—	192	2
Asset-backed securities	1	—	(21)	36	—	—	—	(13)	—	3	(25)
Non-marketable equity securities	349	—	4	2	—	—	—	(8)	—	347	(53)
Total investments	$ 1,542	$ —	$ (68)	$ 824	$ (680)	$ 801	$ —	$ (266)	$ —	$ 2,153	$ (145)

Table continues on the next page.

In millions of dollars	Dec. 31 2020	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, 2021	Unrealized gains (losses) still held[3]
Loans	$ 1,985	**$ —**	**$ 332**	**$ 271**	**$ (2,071)**	**$ —**	**$ 337**	**$ —**	**$ (132)**	**$ 722**	**$ 111**
Mortgage servicing rights	336	**—**	**49**	**—**	**—**	**—**	**76**	**—**	**(52)**	**409**	**50**
Other financial assets measured on a recurring basis	—	**—**	**3**	**65**	**(4)**	**33**	**—**	**(11)**	**—**	**86**	**—**
Liabilities											
Interest-bearing deposits	$ 206	**$ —**	**$ (7)**	**$ —**	**$ (44)**	**$ —**	**$ 34**	**$ —**	**$ (21)**	**$ 182**	**$ (146)**
Securities loaned and sold under agreements to repurchase	631	**(22)**	**—**	**183**	**(483)**	**488**	**—**	**—**	**(185)**	**656**	**25**
Trading account liabilities											
Securities sold, not yet purchased	214	**39**	**—**	**69**	**(29)**	**41**	**—**	**—**	**(168)**	**88**	**4**
Other trading liabilities	26	**26**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Short-term borrowings	219	**31**	**—**	**44**	**(56)**	**—**	**27**	**—**	**(200)**	**3**	**2**
Long-term debt	25,210	**2,259**	**—**	**6,921**	**(7,054)**	**—**	**9,071**	**—**	**(5,847)**	**26,042**	**1,305**
Other financial liabilities measured on a recurring basis	1	**—**	**(3)**	**—**	**(4)**	**—**	**14**	**—**	**(13)**	**1**	**—**

(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 other-than-temporary 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, 2021.

(4) Total Level 3 trading derivative assets and liabilities have been netted in these tables for presentation purposes only.

In millions of dollars	Jun. 30, 2020	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, 2020	Unrealized gains (losses) still held[3]
Assets											
Securities borrowed or purchased under agreements to resell	$ 326	$ 4	$ —	$ —	$ —	$ 43	$ —	$ —	$ (43)	$ 330	$ 4
Trading non-derivative assets											
Trading mortgage-backed securities											
U.S. government-sponsored agency guaranteed	96	9	—	5	—	182	—	(26)	—	266	9
Residential	433	64	—	10	(17)	67	—	(288)	—	269	(1)
Commercial	217	1	—	13	—	24	—	(74)	—	181	—
Total trading mortgage-backed securities	$ 746	$ 74	$ —	$ 28	$ (17)	$ 273	$ —	$ (388)	$ —	$ 716	$ 8
U.S. Treasury and federal agency securities	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
State and municipal	117	—	—	—	—	—	—	(41)	—	76	—
Foreign government	26	1	—	4	—	26	—	(16)	—	41	—
Corporate	399	(25)	—	22	(57)	160	2	(227)	—	274	(16)
Marketable equity securities	92	(31)	—	2	—	15	—	(13)	—	65	(25)
Asset-backed securities	1,785	14	—	167	(1)	351	—	(488)	—	1,828	4
Other trading assets	797	(24)	—	140	(102)	66	5	(84)	(4)	794	(29)
Total trading non-derivative assets	$ 3,962	$ 9	$ —	$ 363	$ (177)	$ 891	$ 7	$ (1,257)	$ (4)	$ 3,794	$ (58)
Trading derivatives, net[4]											
Interest rate contracts	$ 1,968	$ 70	$ —	$ (17)	$ (7)	$ 31	$ 78	$ (62)	$ (525)	$ 1,536	$ 50
Foreign exchange contracts	(26)	122	—	(23)	29	3	—	(6)	(74)	25	47
Equity contracts	(2,235)	(183)	—	(41)	(69)	1	—	(12)	(120)	(2,659)	(160)
Commodity contracts	(278)	172	—	48	(5)	29	—	(15)	24	(25)	151
Credit derivatives	402	(271)	—	(33)	19	—	—	—	34	151	(274)
Total trading derivatives, net[4]	$ (169)	$ (90)	$ —	$ (66)	$ (33)	$ 64	$ 78	$ (95)	$ (661)	$ (972)	$ (186)
Investments											
Mortgage-backed securities											
U.S. government-sponsored agency guaranteed	$ 30	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 30	$ (27)
Residential	—	—	—	—	—	—	—	—	—	—	8
Commercial	—	—	—	—	—	—	—	—	—	—	—
Total investment mortgage-backed securities	$ 30	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 30	$ (19)
U.S. Treasury and federal agency securities	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
State and municipal	825	—	(5)	2	—	19	—	(16)	—	825	25
Foreign government	196	—	3	—	—	66	—	(76)	—	189	—
Corporate	106	—	—	—	—	—	—	(50)	—	56	—
Marketable equity securities	1	—	(1)	—	—	—	—	—	—	—	(1)
Asset-backed securities	6	—	(4)	—	—	—	—	—	—	2	—
Other debt securities	—	—	—	—	—	—	—	—	—	—	—
Non-marketable equity securities	332	—	17	—	(2)	—	3	—	—	350	16
Total investments	$ 1,496	$ —	$ 10	$ 2	$ (2)	$ 85	$ 3	$ (142)	$ —	$ 1,452	$ 21

Table continues on the next page.

In millions of dollars	Jun. 30, 2020	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, 2020	Unrealized gains (losses) still held(3)
Loans	$ 978	$ —	$ 567	$ 138	$ —	$ —	$ —	$ —	$ (2)	$ 1,681	$ 573
Mortgage servicing rights	345	—	(22)	—	—	—	31	—	(20)	334	(14)
Other financial assets measured on a recurring basis	—	—	(3)	19	—	—	(13)	(3)	—	—	(11)
Liabilities											
Interest-bearing deposits	$ 237	$ —	$ 26	$ —	$ —	$ —	$ 4	$ —	$ (2)	$ 213	$ 23
Securities loaned or sold under agreements to repurchase	625	(34)	—	—	—	—	—	—	—	659	(126)
Trading account liabilities											
Securities sold, not yet purchased	104	3	—	54	(3)	—	—	—	(11)	141	—
Other trading liabilities	—	(16)	—	27	—	—	—	—	—	43	(15)
Short-term borrowings	128	9	—	78	—	—	11	—	(7)	201	13
Long-term debt	21,633	(267)	—	1,396	(27)	—	1,308	—	(1,461)	23,116	(234)
Other financial liabilities measured on a recurring basis	—	—	—	—	—	—	2	—	—	2	3

(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 investments 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, 2020.

(4) Total Level 3 derivative assets and liabilities have been netted in these tables for presentation purposes only.

In millions of dollars	Dec. 31, 2019	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, 2020	Unrealized gains (losses) still held[3]
Assets											
Securities borrowed and purchased under agreements to resell	$ 303	$ 18	$ —	$ —	$ —	$ 151	$ —	$ —	$ (142)	$ 330	$ 4
Trading non-derivative assets											
Trading mortgage-backed securities											
U.S. government-sponsored agency guaranteed	10	(65)	—	21	(9)	390	—	(81)	—	266	14
Residential	123	70	—	214	(60)	341	—	(419)	—	269	(6)
Commercial	61	5	—	156	(17)	113	—	(137)	—	181	(13)
Total trading mortgage-backed securities	$ 194	$ 10	$ —	$ 391	$ (86)	$ 844	$ —	$ (637)	$ —	$ 716	$ (5)
U.S. Treasury and federal agency securities	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
State and municipal	64	2	—	15	(3)	62	—	(64)	—	76	1
Foreign government	52	(27)	—	6	(2)	130	—	(118)	—	41	—
Corporate	313	265	—	108	(127)	579	2	(860)	(6)	274	7
Marketable equity securities	100	(22)	—	40	(3)	221	—	(271)	—	65	(33)
Asset-backed securities	1,177	(88)	—	663	(61)	1,091	—	(954)	—	1,828	(208)
Other trading assets	555	196	—	321	(254)	297	19	(321)	(19)	794	(63)
Total trading non-derivative assets	$ 2,455	$ 336	$ —	$ 1,544	$ (536)	$ 3,224	$ 21	$ (3,225)	$ (25)	$ 3,794	$ (301)
Trading derivatives, net[4]											
Interest rate contracts	$ 1	$ 445	$ —	$ 1,597	$ (9)	$ 33	$ 134	$ (49)	$ (616)	$ 1,536	$ 365
Foreign exchange contracts	(5)	70	—	(56)	40	52	—	(19)	(57)	25	339
Equity contracts	(1,596)	(747)	—	(432)	167	25	—	(18)	(58)	(2,659)	(658)
Commodity contracts	(59)	(34)	—	85	(75)	95	—	(59)	22	(25)	(34)
Credit derivatives	(56)	308	—	138	(339)	—	—	—	100	151	49
Total trading derivatives, net[4]	$ (1,715)	$ 42	$ —	$ 1,332	$ (216)	$ 205	$ 134	$ (145)	$ (609)	$ (972)	$ 61
Investments											
Mortgage-backed securities											
U.S. government-sponsored agency guaranteed	$ 32	$ —	$ (5)	$ 1	$ 1	$ 1	$ —	$ —	$ —	$ 30	$ (64)
Residential	—	—	—	—	—	—	—	—	—	—	8
Commercial	—	—	—	—	—	—	—	—	—	—	—
Total investment mortgage-backed securities	$ 32	$ —	$ (5)	$ 1	$ 1	$ 1	$ —	$ —	$ —	$ 30	$ (56)
U.S. Treasury and federal agency securities	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
State and municipal	623	—	(12)	312	(131)	114	—	(81)	—	825	50
Foreign government	96	—	8	27	(64)	274	—	(152)	—	189	—
Corporate	45	—	2	49	(152)	162	—	(50)	—	56	—
Marketable equity securities	—	—	(1)	1	—	—	—	—	—	—	(1)
Asset-backed securities	22	—	(1)	—	—	—	—	(19)	—	2	6
Other debt securities	—	—	—	—	—	—	—	—	—	—	—
Non-marketable equity securities	441	—	(36)	—	(2)	2	3	(3)	(55)	350	24
Total investments	$ 1,259	$ —	$ (45)	$ 390	$ (348)	$ 553	$ 3	$ (305)	$ (55)	$ 1,452	$ 23

Table continues on the next page.

In millions of dollars	Dec. 31, 2019	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, 2020	Unrealized gains (losses) still held[3]
Loans	$ 402	$ —	$ 935	$ 355	$ (6)	$ —	$ —	$ —	$ (5)	$ 1,681	$ 1,026
Mortgage servicing rights	495	—	(191)	—	—	—	87	—	(57)	334	(161)
Other financial assets measured on a recurring basis	1	—	11	19	—	—	(19)	(8)	(4)	—	9
Liabilities											
Interest-bearing deposits	$ 215	$ —	$ 15	$ 278	$ (151)	$ —	$ 34	$ —	$ (148)	$ 213	$ (122)
Securities loaned and sold under agreements to repurchase	757	(7)	—	—	—	—	—	—	(105)	659	(159)
Trading account liabilities											
Securities sold, not yet purchased	48	(126)	—	171	(21)	—	9	—	(192)	141	(40)
Other trading liabilities	—	(16)	—	27	—	—	—	—	—	43	(15)
Short-term borrowings	13	28	—	164	(6)	—	72	—	(14)	201	15
Long-term debt	17,169	(647)	—	6,459	(4,195)	—	8,096	—	(5,060)	23,116	(487)
Other financial liabilities measured on a recurring basis	—	—	—	—	—	—	4	—	(2)	2	—

(1) Changes in fair value of available-for-sale investments 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, 2020.
(4) Total Level 3 trading derivative assets and liabilities have been netted in these tables for presentation purposes only.

Level 3 Fair Value Rollforward

The following were the significant Level 3 transfers for the period December 31, 2020 to September 30, 2021:

- During the nine months ended September 30, 2021, transfers of *Loans* of $2.0 billion from Level 3 to Level 2 were primarily driven by equity forward and volatility inputs that have been assessed as not significant to the overall valuation of certain hybrid loan instruments, including equity options and long dated equity call spreads.
- During the nine months ended September 30, 2021, transfers of *Equity contracts* of $1.0 billion from Level 2 to Level 3 were due to equity forward and volatility inputs becoming an unobservable and/or significant input relative to the overall valuation of equity options and equity swaps. In other instances, market changes have resulted in observable equity forward and volatility inputs becoming an insignificant input to the overall valuation of the instrument (e.g., when an option becomes deep-in or deep-out of the money). This has resulted in $1.6 billion of certain *Equity contracts* being transferred from Level 3 to Level 2.
- During the three and nine months ended September 30, 2021, transfers of *Long-term debt* were $2.1 billion and $6.9 billion, respectively, from Level 2 to Level 3. Of the $6.9 billion transfer in the nine months ended September 30, 2021, approximately $5.9 billion related to interest rate option volatility inputs becoming unobservable and/or significant relative to their overall valuation, and $0.9 billion related to equity volatility 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 $1.1 billion and $7.1 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, 2021, respectively.

The following were the significant Level 3 transfers for the period December 31, 2019 to September 30, 2020:

- During the nine months ended September 30, 2020, transfers of *Interest rate contracts* of $1.6 billion from Level 2 to Level 3 were due to interest rate option volatility becoming an unobservable and/or significant input relative to the overall valuation of inflation and other interest rate derivatives.
- During the three and nine months ended September 30, 2020, $1.4 billion and $6.5 billion, respectively, of *Long-term debt* containing embedded derivatives was transferred from Level 2 to Level 3, as a result of interest rate option volatility, equity correlation and credit derivative inputs becoming unobservable and/or significant relative to the overall valuation of certain structured long-term debt products. In other instances, market changes resulted in unobservable volatility inputs becoming insignificant to the overall valuation of the instrument (e.g., when an option becomes deep-in or deep-out of the money). This has resulted in $4.2 billion of certain structured long-term debt products being transferred from Level 3 to Level 2 during the nine months ended September 30, 2020.

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, 2021	**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	$ 257	Model-based	Credit spread	15 bps	15 bps	15 bps
			Interest rate	0.27 %	0.64 %	0.46 %
Mortgage-backed securities	$ 376	Yield analysis	Yield	2.10 %	17.85 %	5.62 %
	244	Price-based	Price	$ 4.41	$ 120.77	$ 50.04
State and municipal, foreign government, corporate and other debt securities	$ 2,223	Price-based	Price	$ 0.01	$ 1,024.98	$ 188.92
	904	Model-based	Equity volatility	— %	286.78 %	23.08 %
Marketable equity securities[5]	$ 139	Price-based	Price	$ —	$ 73,000.00	$ 6,027.91
	41	Model-based	Illiquidity discount	20.00 %	21.00 %	20.31 %
	25	Comparables analysis	WAL	1.99 years	1.99 years	1.99 years
			Recovery *(in millions)*	$ 5,733	$ 5,733	$ 5,733
			Revenue multiple	6.40x	6.40x	6.40x
Asset-backed securities	$ 360	Price-based	Price	$ 5.70	$ 3,450.00	$ 447.00
	307	Yield analysis	Yield	2.76 %	21.13 %	7.25 %
Non-marketable equities	$ 166	Comparables analysis	Illiquidity discount	10.00 %	35.00 %	27.40 %
	114	Price-based	PE ratio	11.20x	29.60x	16.62x
	67	Model-based	Adjustment factor	—x	0.70x	0.32x
			Price	$ 43.43	$ 1,684.00	$ 1,219.39
			EBITDA multiples	4.60x	18.30x	12.89x
			Revenue multiple	13.00x	25.10x	18.54x
Derivatives—gross[6]						
Interest rate contracts (gross)	$ 4,681	Model-based	IR Normal volatility	0.05 %	0.78 %	0.57 %
			Inflation volatility	0.26 %	2.71 %	1.22 %
Foreign exchange contracts (gross)	$ 1,219	Model-based	IR Normal volatility	0.11 %	0.59 %	0.51 %
			FX volatility	0.76 %	41.60 %	10.25 %
			Interest rate	2.43 %	8.04 %	6.39 %
Equity contracts (gross)[7]	$ 5,400	Model-based	Equity volatility	— %	286.78 %	35.61 %
			Equity forward	57.78 %	127.80 %	89.35 %
			Equity-Equity correlation	(40.00)%	99.00 %	80.51 %
			Equity-FX correlation	(80.10)%	80.00 %	(10.34)%
Commodity and other contracts (gross)	$ 1,985	Model-based	Commodity correlation	(50.82)%	91.95 %	(0.71)%
			Commodity volatility	11.00 %	130.00 %	25.04 %
			Forward price	37.49 %	619.33 %	99.31 %
Credit derivatives (gross)	$ 1,111	Model-based	Credit spread	5 bps	625 bps	66 bps
	458	Price-based	Recovery rate	25.00 %	75.00 %	42.25 %
			Upfront points	4.54 %	99.97 %	59.38 %
			Credit correlation	25.00 %	80.00 %	52.25 %
			Price	$ 40.00	$ 102.88	$ 79.01

As of September 30, 2021	Fair value[1] (in millions)	Methodology	Input	Low[2][3]	High[2][3]	Weighted average[4]
Nontrading derivatives and other financial assets and liabilities measured on a recurring basis (gross)	**$ 87**	Price-based	Price	**$ 5.63**	**$ 252.23**	**$ 152.32**
Loans and leases	**$ 656**	Model-based	Equity volatility	**23.42 %**	**63.96 %**	**36.98 %**
Mortgage servicing rights	**$ 333**	Cash flow	Yield	**2.00 %**	**14.00 %**	**6.70 %**
	76	Model-based	WAL	**3.26 years**	**6.68 years**	**5.68 years**
Liabilities						
Interest-bearing deposits	**$ 149**	Model-based	IR Normal volatility	**0.14 %**	**0.78 %**	**0.62 %**
Securities loaned and sold under agreements to repurchase	**$ 656**	Model-based	Interest rate	**0.13 %**	**2.34 %**	**1.62 %**
Trading account liabilities						
Securities sold, not yet purchased and other trading liabilities	**$ 81**	Price-based	Price	**$ —**	**$ 12,100.00**	**$ 1,378.00**
Short-term borrowings and long-term debt	**$ 25,792**	Model-based	IR Normal volatility	**0.11 %**	**0.78 %**	**0.56 %**
			Equity volatility	**— %**	**286.78 %**	**23.17 %**
			Equity-IR correlation	**(13.00)%**	**60.00 %**	**29.19 %**
			Equity-FX correlation	**(80.10)%**	**80.00 %**	**(10.34)%**
			FX volatility	**— %**	**32.57 %**	**9.68 %**

As of December 31, 2020	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	$ 320	Model-based	Credit spread	15 bps	15 bps	15 bps
			Interest rate	0.30 %	0.35 %	0.32 %
Mortgage-backed securities	$ 344	Price-based	Price	$ 30	$ 111	$ 80
	168	Yield analysis	Yield	2.63 %	21.80 %	10.13 %
State and municipal, foreign government, corporate and other debt securities	$ 1,566	Price-based	Price	$ —	$ 2,265	$ 90
	852	Model-based	Credit spread	35 bps	375 bps	226 bps
Marketable equity securities[5]	$ 36	Model-based	Price	$ —	$ 31,000	$ 5,132
	36	Price-based	WAL	1.48 years	1.48 years	1.48 years
			Recovery *(in millions)*	$ 5,733	$ 5,733	$ 5,733
Asset-backed securities	$ 863	Price-based	Price	$ 2	$ 157	$ 59
	744	Yield analysis	Yield	3.77 %	21.77 %	9.01 %
Non-marketable equities	$ 205	Comparables analysis	Illiquidity discount	10.00 %	45.00 %	25.29 %
			PE ratio	13.60x	28.00x	22.83x
	142	Price-based	Price	$ 136	$ 2,041	$ 1,647
			EBITDA multiples	3.30x	36.70x	15.10x
			Adjustment factor	0.20x	0.61x	0.25x
			Appraised value *(in thousands)*	$ 287	$ 39,745	$ 21,754
			Revenue multiple	2.70x	28.00x	8.92x
Derivatives—gross[6]						
Interest rate contracts (gross)	$ 5,143	Model-based	Inflation volatility	0.27 %	2.36 %	0.78 %
			IR normal volatility	0.11 %	0.73 %	0.52 %
Foreign exchange contracts (gross)	$ 1,296	Model-based	FX volatility	1.70 %	12.63 %	5.41 %
			Contingent event	100.00 %	100.00 %	100.00 %

As of December 31, 2020	Fair value[1] (in millions)	Methodology	Input	Low[2][3]	High[2][3]	Weighted average[4]
			Interest rate	0.84 %	84.09 %	17.55 %
			IR normal volatility	0.11 %	0.52 %	0.46 %
			IR-FX correlation	40.00 %	60.00 %	50.00 %
			IR-IR correlation	(21.71)%	40.00 %	38.09 %
Equity contracts (gross)[7]	$ 7,330	Model-based	Equity volatility	5.00 %	91.43 %	42.74 %
			Forward price	65.88 %	105.20 %	91.82 %
Commodity and other contracts (gross)	$ 1,636	Model-based	Commodity correlation	(44.92)%	95.91 %	70.60 %
			Commodity volatility	0.16 %	80.17 %	23.72 %
			Forward price	15.40 %	262.00 %	98.53 %
Credit derivatives (gross)	$ 1,854	Model-based	Credit spread	3.50 bps	352.35 bps	99.89 bps
	408	Price-based	Recovery rate	20.00 %	60.00 %	41.60 %
			Credit correlation	25.00 %	80.00 %	43.36 %
			Upfront points	— %	107.20 %	48.10 %
Loans and leases	$ 1,804	Model-based	Equity volatility	24.65 %	83.09 %	58.23 %
Mortgage servicing rights	$ 258	Cash flow	Yield	2.86 %	16.00 %	6.32 %
	78	Model-based	WAL	2.66 years	5.40 years	4.46 years
Liabilities						
Interest-bearing deposits	$ 206	Model-based	IR Normal volatility	0.11 %	0.73 %	0.54 %
Securities loaned and sold under agreements to repurchase	$ 631	Model-based	Interest rate	0.08 %	1.86 %	0.71 %
Trading account liabilities						
Securities sold, not yet purchased	$ 178	Model-based	IR lognormal volatility	52.06 %	128.87 %	89.82 %
	62	Price-based	Price	$ —	$ 866	$ 80
			Interest rate	10.03 %	20.07 %	13.70 %
Short-term borrowings and long-term debt	$ 24,827	Model-based	IR Normal volatility	0.11 %	0.73 %	0.51 %
			Forward price	15.40 %	262.00 %	92.48 %

(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, 2021			
Loans HFS[1]	**$ 876**	**$ 368**	**$ 508**
Other real estate owned	**5**	**—**	**5**
Loans[2]	**224**	**—**	**224**
Non-marketable equity securities measured using the measurement alternative	**233**	**44**	**189**
Total assets at fair value on a nonrecurring basis	**$ 1,338**	**$ 412**	**$ 926**

In millions of dollars	Fair value	Level 2	Level 3
December 31, 2020			
Loans HFS[1]	$ 3,375	$ 478	$ 2,897
Other real estate owned	17	4	13
Loans[2]	1,015	679	336
Non-marketable equity securities measured using the measurement alternative	315	312	3
Total assets at fair value on a nonrecurring basis	$ 4,722	$ 1,473	$ 3,249

(1) Net of fair value 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, 2021	**Fair value**[1] *(in millions)*	**Methodology**	**Input**	**Low**[2]	**High**	**Weighted average**[3]
Loans held-for-sale	**$ 508**	Price-based	Price	**$ 90.00**	**$ 100.00**	**$ 98.37**
Other real estate owned	**$ 5**	Recovery analysis	Appraised value[4]	**$ 27,000**	**$ 3,400,000**	**$ 712,192**
Loans [5]	**$ 192**	Price-based	Appraised value[4]	**$ 91**	**$ 3,900,000**	**$ 253,297**
	32	Recovery analysis	Price	**2.70**	**70.00**	**32.14**
Non-marketable equity securities measured using the measurement alternative	**$ 189**	Price-based	Price	**$ 8.48**	**$ 1,951.67**	**$ 580.68**

As of December 31, 2020	Fair value[1] *(in millions)*	Methodology	Input	Low[2]	High	Weighted average[3]
Loans held-for-sale	$ 2,683	Price-based	Price	$ 79	$ 100	$ 98
Other real estate owned	$ 7	Price-based	Appraised value[4]	$ 3,110,711	$ 4,241,357	$ 3,586,975
	4	Recovery analysis	Price	51	51	51
Loans[5]	$ 147	Price-based	Price	$ 2	$ 49	$ 23
	73	Recovery analysis	Recovery rate	0.99 %	78.00 %	13.37 %
			Appraised value[4]	$ 34	$ 43,646,426	$ 17,762,950

(1) The table above includes 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	**2021**	2020	**2021**	2020
Loans HFS	**$ (13)**	$ (26)	**$ (22)**	$ (133)
Other real estate owned	**—**	—	**—**	(1)
Loans[1]	**(10)**	(31)	**33**	(131)
Non-marketable equity securities measured using the measurement alternative	**72**	37	**363**	8
Total nonrecurring fair value gains (losses)	**$ 49**	$ (20)	**$ 374**	$ (257)

(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, 2021		Estimated fair value		
In billions of dollars	**Carrying value**	**Estimated fair value**	**Level 1**	**Level 2**	**Level 3**
Assets					
Investments, net of allowance	**$ 203.0**	**$ 203.7**	**$ 89.1**	**$ 111.6**	**$ 3.0**
Securities borrowed and purchased under agreements to resell	**125.5**	**125.5**	**—**	**121.8**	**3.7**
Loans[(1)(2)]	**639.4**	**654.2**	**—**	**—**	**654.2**
Other financial assets[(2)(3)]	**421.0**	**421.0**	**302.5**	**21.3**	**97.2**
Liabilities					
Deposits	**$ 1,344.8**	**$ 1,345.5**	**$ —**	**$ 1,178.0**	**$ 167.5**
Securities loaned and sold under agreements to repurchase	**133.9**	**133.9**	**—**	**133.6**	**0.3**
Long-term debt[(4)]	**180.1**	**194.0**	**—**	**179.8**	**14.2**
Other financial liabilities[(5)]	**115.4**	**115.4**	**—**	**18.0**	**97.4**

	December 31, 2020		Estimated fair value		
In billions of dollars	Carrying value	Estimated fair value	Level 1	Level 2	Level 3
Assets					
Investments, net of allowance	$ 110.3	$ 113.2	$ 23.3	$ 87.0	$ 2.9
Securities borrowed and purchased under agreements to resell	109.5	109.5	—	109.5	—
Loans[(1)(2)]	643.3	663.9	—	0.6	663.3
Other financial assets[(2)(3)]	383.2	383.2	291.5	18.1	73.6
Liabilities					
Deposits	$ 1,278.7	$ 1,278.8	$ —	$ 1,093.3	$ 185.5
Securities loaned and sold under agreements to repurchase	139.3	139.3	—	139.3	—
Long-term debt[(4)]	204.6	221.2	—	197.8	23.4
Other financial liabilities[(5)]	102.4	102.4	—	19.2	83.2

(1) The carrying value of loans is net of the *Allowance for credit losses on loans* of $17.7 billion for September 30, 2021 and $25.0 billion for December 31, 2020. In addition, the carrying values exclude $0.5 billion and $0.7 billion of lease finance receivables at September 30, 2021 and December 31, 2020, respectively.
(2) Includes items measured at fair value on a nonrecurring basis.
(3) 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.
(4) The carrying value includes long-term debt balances under qualifying fair value hedges.
(5) 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, 2021 and December 31, 2020 were off-balance liabilities of $9.1 billion and $7.3 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 cancellable by providing notice to the borrower.

21. 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*. Additional discussion regarding the applicable areas in which fair value elections were made is presented in Note 20 to the Consolidated Financial Statements.

The Company has elected fair value accounting for its mortgage servicing rights (MSRs). See Note 18 to the Consolidated Financial Statements for additional details on Citi's MSRs.

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	**2021**	2020	**2021**	2020
Assets				
Securities borrowed and purchased under agreements to resell	**$ (28)**	$ (27)	**$ (64)**	$ 17
Trading account assets	**(2)**	183	**151**	(278)
Loans				
Certain corporate loans	**(292)**	1,003	**376**	973
Certain consumer loans	**—**	—	**—**	—
Total loans	**$ (292)**	$ 1,003	**$ 376**	$ 973
Other assets				
MSRs	**$ (3)**	$ (22)	**$ 49**	$ (191)
Certain mortgage loans HFS[1]	**25**	74	**69**	208
Total other assets	**$ 22**	$ 52	**$ 118**	$ 17
Total assets	**$ (300)**	$ 1,211	**$ 581**	$ 729
Liabilities				
Interest-bearing deposits	**$ 54**	$ (53)	**$ (39)**	$ (105)
Securities loaned and sold under agreements to repurchase	**19**	482	**37**	390
Trading account liabilities	**5**	16	**15**	(1)
Short-term borrowings[2]	**140**	(60)	**332**	937
Long-term debt[2]	**975**	(1,098)	**542**	865
Total liabilities	**$ 1,193**	$ (713)	**$ 887**	$ 2,086

(1) Includes gains (losses) associated with interest rate lock commitments for those loans that have been originated and elected under the fair value option.
(2) Includes DVA that is included in *AOCI*. See Notes 17 and 20 to the Consolidated Financial Statements.

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*.

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 loss of $107 million and a loss of $452 million for the three months ended September 30, 2021 and 2020, and a loss of $256 million and a gain of $801 million for the nine months ended September 30, 2021 and 2020, 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, 2021		December 31, 2020	
In millions of dollars	**Trading assets**	**Loans**	Trading assets	Loans
Carrying amount reported on the Consolidated Balance Sheet	**$ 8,382**	**$ 7,159**	$ 8,063	$ 6,854
Aggregate unpaid principal balance in excess of (less than) fair value	**(116)**	**(161)**	(915)	(14)
Balance of non-accrual loans or loans more than 90 days past due	**—**	**1**	—	4
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, $744 million and $1,068 million of unfunded commitments related to certain credit products selected for fair value accounting were outstanding as of September 30, 2021 and December 31, 2020, 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 nine months ended September 30, 2021 and 2020 due to instrument-specific credit risk totaled to losses of $(10) million and $(23) million, respectively.

Certain Investments in Unallocated Precious Metals

Citigroup invests in unallocated precious metals accounts (gold, silver, platinum and palladium) as part of its commodity and foreign currency trading activities or to economically hedge certain exposures from issuing structured liabilities. Under ASC 815, the investment is bifurcated into a debt host contract and a commodity forward derivative instrument. Citigroup elects the fair value option for the debt host contract, and reports the debt host 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 $0.5 billion at September 30, 2021 and December 31, 2020, respectively. The amounts are expected to fluctuate based on trading activity in future periods.

As part of its commodity and foreign currency 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. As of September 30, 2021, there were approximately $16.7 billion and $6.7 billion of notional amounts of such forward purchase and forward sale derivative contracts outstanding, respectively.

Certain Investments in Private Equity and Real Estate Ventures

Citigroup invests in private equity and real estate ventures for the purpose of earning investment returns and for capital appreciation. The Company has elected the fair value option for certain of these ventures, because such investments are considered similar to many private equity or hedge fund activities in Citi's investment companies, which are reported at fair value. The fair value option brings consistency in the accounting and evaluation of these investments. All investments (debt and equity) in such private equity and real estate entities are accounted for at fair value. These investments are classified as *Investments* on Citigroup's Consolidated Balance Sheet.

Changes in the fair values of these investments are classified in *Other revenue* in the Company's Consolidated Statement of Income.

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 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, 2021**	December 31, 2020
Carrying amount reported on the Consolidated Balance Sheet	**$ 2,630**	$ 1,742
Aggregate fair value in excess of (less than) unpaid principal balance	**77**	91
Balance of non-accrual loans or loans more than 90 days past due	**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, 2021 and 2020 due to instrument-specific credit risk. 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. The Company elected the fair value option because these exposures are considered to be trading-related positions and, therefore, they are managed on a fair value basis. These positions will continue to be classified as debt, deposits or derivatives classified as *Trading account liabilities* on the Company's Consolidated Balance Sheet according to their legal form.

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, 2021**	December 31, 2020
Interest rate linked	**$ 38.3**	$ 34.5
Foreign exchange linked	**0.2**	1.2
Equity linked	**32.8**	27.3
Commodity linked	**4.0**	1.4
Credit linked	**2.9**	2.6
Total	**$ 78.2**	$ 67.0

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, 2021**	December 31, 2020
Carrying amount reported on the Consolidated Balance Sheet	**$ 78,178**	$ 67,063
Aggregate unpaid principal balance in excess of (less than) fair value	**(3,019)**	(5,130)

The following table provides information about short-term borrowings carried at fair value:

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In millions of dollars	**September 30, 2021**	December 31, 2020
Carrying amount reported on the Consolidated Balance Sheet	**$ 8,814**	$ 4,683
Aggregate unpaid principal balance in excess of (less than) fair value	**—**	68

22. GUARANTEES, LEASES AND COMMITMENTS

Citi provides a variety of guarantees and indemnifications to its customers to enhance their credit standing and enable them to complete a wide variety of business transactions. For certain contracts meeting the definition of a guarantee, the guarantor must recognize, at inception, a liability for the fair value of the obligation undertaken in issuing the guarantee.

In addition, the guarantor must disclose the maximum potential amount of future payments that the guarantor could be required to make under the guarantee, if there were a total default by the guaranteed parties. 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.

For additional information regarding Citi's guarantees and indemnifications included in the tables below, as well as its other guarantees and indemnifications excluded from these tables, see Note 26 to the Consolidated Financial Statements in Citi's 2020 Annual Report on Form 10-K.

The following tables present information about Citi's guarantees at September 30, 2021 and December 31, 2020:

	Maximum potential amount of future payments			
In billions of dollars at September 30, 2021	**Expire within 1 year**	**Expire after 1 year**	**Total amount outstanding**	**Carrying value** *(in millions of dollars)*
Financial standby letters of credit	**$ 27.6**	**$ 64.9**	**$ 92.5**	**$ 937**
Performance guarantees	**6.5**	**6.1**	**12.6**	**46**
Derivative instruments considered to be guarantees	**17.0**	**54.9**	**71.9**	**360**
Loans sold with recourse	**—**	**1.7**	**1.7**	**15**
Securities lending indemnifications(1)	**131.7**	**—**	**131.7**	**—**
Credit card merchant processing(2)	**114.6**	**—**	**114.6**	**1**
Credit card arrangements with partners	**—**	**0.8**	**0.8**	**7**
Custody indemnifications and other	**—**	**24.5**	**24.5**	**37**
Total	**$ 297.4**	**$ 152.9**	**$ 450.3**	**$ 1,403**

	Maximum potential amount of future payments			
In billions of dollars at December 31, 2020	Expire within 1 year	Expire after 1 year	Total amount outstanding	Carrying value *(in millions of dollars)*
Financial standby letters of credit	$ 25.3	$ 68.4	$ 93.7	$ 1,407
Performance guarantees	7.3	6.0	13.3	72
Derivative instruments considered to be guarantees	20.0	60.9	80.9	671
Loans sold with recourse	—	1.2	1.2	9
Securities lending indemnifications(1)	112.2	—	112.2	—
Credit card merchant processing(2)	101.9	—	101.9	3
Credit card arrangements with partners	0.2	0.8	1.0	7
Custody indemnifications and other	—	37.3	37.3	35
Total	$ 266.9	$ 174.6	$ 441.5	$ 2,204

(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, 2021 and December 31, 2020, this maximum potential exposure was estimated to be $115 billion and $102 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
Loans sold with recourse represent Citi's obligations to reimburse the buyers for loan losses under certain circumstances. Recourse refers to the clause in a sales agreement under which a seller/lender will fully reimburse the buyer/investor for any losses resulting from the purchased loans. This may be accomplished by the sellers taking back any loans that become delinquent.

In addition to the amounts shown in the tables above, Citi has recorded a repurchase reserve for its potential repurchases or make-whole liability regarding residential mortgage representation and warranty claims related to its whole loan sales to U.S. government-sponsored agencies and, to a lesser extent, private investors. The repurchase reserve was approximately $32 million and $31 million at September 30, 2021 and December 31, 2020, respectively, and these amounts are included in *Other liabilities* on the Consolidated Balance Sheet.

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, 2021 and December 31, 2020, 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, 2021 or December 31, 2020 for potential obligations that could arise from Citi's involvement with VTN associations.

Long-Term Care Insurance Indemnification
In 2000, Travelers Life & Annuity (Travelers), then a subsidiary of Citi, entered into a reinsurance agreement to transfer the risks and rewards of its long-term care (LTC) business to GE Life (now Genworth Financial Inc., or Genworth), then a subsidiary of the General Electric Company (GE). As part of this transaction, the reinsurance obligations were provided by two regulated insurance subsidiaries of GE Life, which funded two collateral trusts with securities. Presently, as discussed below, the trusts are referred to as the Genworth Trusts.

As part of GE's spin-off of Genworth in 2004, GE retained the risks and rewards associated with the 2000 Travelers reinsurance agreement by providing a reinsurance contract to Genworth through GE's Union Fidelity Life Insurance Company (UFLIC) subsidiary that covers the Travelers LTC policies. In addition, GE provided a capital maintenance agreement in favor of UFLIC that is designed to assure that UFLIC will have the funds to pay its reinsurance obligations. As a result of these reinsurance agreements and the spin-off of Genworth, Genworth has reinsurance protection from UFLIC (supported by GE) and has reinsurance obligations in connection with the Travelers LTC policies. As noted below, the Genworth reinsurance obligations now benefit Brighthouse Financial, Inc. (Brighthouse). While neither Brighthouse nor Citi are direct beneficiaries of the capital maintenance agreement between GE and UFLIC, Brighthouse and Citi benefit indirectly from the existence of the capital maintenance agreement, which helps assure that UFLIC will continue to have funds necessary to pay its reinsurance obligations to Genworth.

In connection with Citi's 2005 sale of Travelers to MetLife Inc. (MetLife), Citi provided an indemnification to MetLife for losses (including policyholder claims) relating to the LTC business for the entire term of the Travelers LTC policies, which, as noted above, are reinsured by subsidiaries of Genworth. In 2017, MetLife spun off its retail insurance business to Brighthouse. As a result, the Travelers LTC policies now reside with Brighthouse. The original reinsurance agreement between Travelers (now Brighthouse) and Genworth remains in place and Brighthouse is the sole beneficiary of the Genworth Trusts. The Genworth Trusts are designed to provide collateral to Brighthouse in an amount equal to the statutory liabilities of Brighthouse in respect of the Travelers LTC policies. The assets in the Genworth Trusts are evaluated and adjusted periodically to ensure that the fair value of the assets continues to provide collateral in an amount equal to these estimated statutory liabilities, as the liabilities change over time.

If both (i) Genworth fails to perform under the original Travelers/GE Life reinsurance agreement for any reason, including its insolvency or the failure of UFLIC to perform under its reinsurance contract or GE to perform under the capital maintenance agreement, and (ii) the assets of the two Genworth Trusts are insufficient or unavailable, then Citi, through its LTC reinsurance indemnification, must reimburse Brighthouse for any losses incurred in connection with the LTC policies. Since both events would have to occur before Citi would become responsible for any payment to Brighthouse pursuant to its indemnification obligation, and the likelihood of such events occurring is currently not probable, there is no liability reflected on the Consolidated Balance Sheet as of September 30, 2021 and December 31, 2020 related to this indemnification. However, if both events become reasonably possible (meaning more than remote but less than probable), Citi will be required to estimate and disclose a reasonably possible loss or range of loss to the extent that such an estimate could be made. In addition, if both events become probable, Citi will be required to accrue for such liability in accordance with applicable accounting principles.

Citi continues to closely monitor its potential exposure under this indemnification obligation, given GE's 2018 LTC and other charges and the September 2019 AM Best credit ratings downgrade for the Genworth subsidiaries.

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) derivative 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 19 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 derivative 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 $17.1 billion and $16.6 billion as of September 30, 2021 and December 31, 2020, 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.

Carrying Value—Guarantees and Indemnifications

At September 30, 2021 and December 31, 2020, the total carrying amounts of the liabilities related to the guarantees and indemnifications included in the tables above amounted to approximately $1.4 billion and $2.2 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 $62.8 billion and $51.6 billion at September 30, 2021 and December 31, 2020, respectively. Securities and other marketable assets held as collateral amounted to $88.1 billion and $80.1 billion at September 30, 2021 and December 31, 2020, 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 $3.9 billion and $6.6 billion at September 30, 2021 and December 31, 2020, 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, 2021	**Investment grade**	**Non-investment grade**	**Not rated**	**Total**
Financial standby letters of credit	**$ 80.1**	**$ 12.2**	**$ 0.2**	**$ 92.5**
Performance guarantees	**10.0**	**2.6**	**—**	**12.6**
Derivative instruments deemed to be guarantees	**—**	**—**	**71.9**	**71.9**
Loans sold with recourse	**—**	**—**	**1.7**	**1.7**
Securities lending indemnifications	**—**	**—**	**131.7**	**131.7**
Credit card merchant processing	**—**	**—**	**114.6**	**114.6**
Credit card arrangements with partners	**—**	**—**	**0.8**	**0.8**
Custody indemnifications and other	**11.8**	**12.7**	**—**	**24.5**
Total	**$ 101.9**	**$ 27.5**	**$ 320.9**	**$ 450.3**

	Maximum potential amount of future payments			
In billions of dollars at December 31, 2020	Investment grade	Non-investment grade	Not rated	Total
Financial standby letters of credit	$ 78.5	$ 14.6	$ 0.6	$ 93.7
Performance guarantees	9.8	3.0	0.5	13.3
Derivative instruments deemed to be guarantees	—	—	80.9	80.9
Loans sold with recourse	—	—	1.2	1.2
Securities lending indemnifications	—	—	112.2	112.2
Credit card merchant processing	—	—	101.9	101.9
Credit card arrangements with partners	—	—	1.0	1.0
Custody indemnifications and other	24.9	12.4	—	37.3
Total	$ 113.2	$ 30.0	$ 298.3	$ 441.5

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 have a weighted-average remaining lease term of approximately six years as of September 30, 2021. The operating lease ROU asset and lease liability were $2.8 billion and $3.0 billion, respectively, as of September 30, 2021, compared to an operating lease ROU asset of $2.8 billion and lease liability of $3.1 billion as of December 31, 2020. 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.

Credit Commitments and Lines of Credit
The table below summarizes Citigroup's credit commitments:

In millions of dollars	U.S.	Outside of U.S.	September 30, 2021	December 31, 2020
Commercial and similar letters of credit	$ 696	$ 5,713	$ 6,409	$ 5,221
One- to four-family residential mortgages	1,735	2,756	4,491	5,002
Revolving open-end loans secured by one- to four-family residential properties	7,225	1,130	8,355	9,626
Commercial real estate, construction and land development	14,267	2,733	17,000	12,867
Credit card lines	604,350	100,607	704,957	710,399
Commercial and other consumer loan commitments	214,515	118,283	332,798	322,458
Other commitments and contingencies	5,437	212	5,649	5,715
Total	$ 848,225	$ 231,434	$ 1,079,659	$ 1,071,288

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.

Other Commitments and Contingencies
Other commitments and contingencies include all other transactions related to commitments and contingencies not reported on the lines above.

Unsettled Reverse Repurchase and Securities Borrowing Agreements and Unsettled Repurchase and Securities Lending Agreements
In addition, in the normal course of business, Citigroup 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, 2021 and December 31, 2020, Citigroup had approximately $135.8 billion and $71.8 billion of unsettled reverse repurchase and securities borrowing agreements, and approximately $57.4 billion and $62.5 billion of unsettled repurchase and securities lending agreements, respectively. 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, see Note 10 to the Consolidated Financial Statements.

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 includes minimum reserve requirements with the Federal Reserve Bank and certain other central banks and cash segregated to satisfy rules regarding the protection of customer assets as required by Citigroup broker-dealers' primary regulators, including the United States Securities and Exchange Commission (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, 2021	December 31, 2020
Cash and due from banks	$ 2,733	$ 3,774
Deposits with banks, net of allowance	13,900	14,203
Total	$ 16,633	$ 17,977

In response to the COVID-19 pandemic, the Federal Reserve Bank and certain other central banks eased regulations related to minimum required cash deposited with central banks.

23. CONTINGENCIES

The following information supplements and amends, as applicable, the disclosures in Note 23 to the Consolidated Financial Statements in Citi's Second Quarter of 2021 Form 10-Q and First Quarter of 2021 Form 10-Q and in Note 27 to the Consolidated Financial Statements in Citi's 2020 Annual Report on 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.

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, 2021, Citigroup estimates that the reasonably possible unaccrued loss for these matters ranges up to approximately $1.5 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 27 to the Consolidated Financial Statements in Citi's 2020 Annual Report on Form 10-K.

ANZ Underwriting Matter

In August 2021, the Australian Commonwealth Director of Public Prosecution (CDPP) discontinued four of the six charges brought against Citigroup Global Markets Australia Pty Limited. The CDPP also discontinued all charges against one former Citi employee. Additional information concerning this action is publicly available in court filings under the docket number NSD 1316–NSD 1324/2020.

Interbank Offered Rates-Related Litigation and Other Matters

Antitrust and Other Litigation: On September 9, 2021, in MCCARTHY, ET AL. v. INTERCONTINENTAL EXCHANGE, INC., ET AL., the court held a hearing on plaintiffs' motions for preliminary and permanent injunctions. On September 30, 2021, defendants moved to dismiss the complaint. Additional information concerning this action is publicly available in court filings under the docket number 20 Civ. 5832 (N.D. Cal.) (Donato, J.).

Interchange Fee Litigation

On September 27, 2021, the court granted the injunctive relief class plaintiffs' motion to certify a non-opt-out class. Additional information concerning these consolidated actions is publicly available in court filings under the docket number MDL 05-1720 (E.D.N.Y.) (Brodie, J.).

Madoff-Related Litigation

In December 2008, a Securities Investor Protection Act (SIPA) trustee, Irving H. Picard, was appointed for the SIPA liquidation of Bernard L. Madoff Investment Securities LLC (BLMIS), in the United States Bankruptcy Court for the Southern District of New York. Beginning in 2010, he commenced actions against multiple Citi entities, including Citibank, N.A., Citicorp North America, Inc., Citigroup Global Markets Limited, and Citibank (Switzerland) AG, seeking recovery of monies that originated at BLMIS and were allegedly received by the Citi entities as subsequent transferees. On August 30, 2021, the United States Court of Appeals for the Second Circuit reversed the bankruptcy court's denial of the SIPA trustee's motion for leave to amend his complaint and remanded the case to the bankruptcy court for further proceedings. The actions are captioned PICARD v. CITIBANK, N.A., ET AL. and PICARD v. CITIBANK (SWITZERLAND) AG. Additional information concerning these actions is publicly available in court filings under the docket numbers 10-5345, 12-1700 (Bankr. S.D.N.Y.) (Morris, J.); 12-MC-115 (S.D.N.Y.) (Rakoff, J.); and 17-2992, 17-3076, 17-3139, 19-4282, 20-1333 (2d Cir.).

Also beginning in 2010, the British Virgin Islands liquidators of Fairfield Sentry Limited, whose assets were invested with BLMIS, commenced multiple actions in the United States Bankruptcy Court for the Southern District of New York against over 400 defendants, including Citigroup Global Markets Limited; Citibank (Switzerland) AG; Citibank, N.A., London; Citivic Nominees, Limited; and Cititrust (Bahamas) Limited. The actions seek recovery of monies that were allegedly received by Citi entities from Fairfield Sentry. Appeals concerning various dismissed claims are pending before the United States District Court for the Southern District of New York, and there is one claim remaining in Bankruptcy Court. These actions are captioned FAIRFIELD SENTRY LTD., ET AL. v. CGML, ET AL.; FAIRFIELD SENTRY LTD., ET AL. v. CITIBANK NA LONDON, ET AL.; FAIRFIELD SENTRY LTD., ET AL. v. ZURICH CAPITAL MARKETS COMPANY, ET AL.; and FAIRFIELD SENTRY LTD., ET AL. v. DON CHIMANGO SA, ET AL. Additional information is publicly available in court filings under the docket numbers 10-13164, 10-3496, 10-3622, 10-3634, 10-3640, 10-4100, 11-2770, 12-1298 (Bankr. S.D.N.Y.) (Morris, J.); and 19-3911, 19-4267, 19-4396, 19-4484, 19-5106, 19-5135, 21-2997, 21-3243, 21-3526, 21-3529, 21-3530, 21-4307, 21-4498, 21-4496 (S.D.N.Y.) (Broderick, J.).

Sovereign Securities Matters

Antitrust and Other Litigation: On July 19, 2021, in IN RE SSA BONDS ANTITRUST LITIGATION, the United States Court of Appeals for the Second Circuit affirmed the district court’s dismissal of the case. Additional information concerning this action is publicly available in court filings under the docket numbers 16-CV-3711 (S.D.N.Y.) (Ramos, J.) and 20-1759 (2d Cir.).

Tribune Company Bankruptcy

On August 20, 2021, the United States Court of Appeals for the Second Circuit issued its decision in the consolidated appeals in KIRSCHNER v. FITZSIMONS and KIRSCHNER v. CGMI. In the FITZSIMONS action, the Second Circuit affirmed the dismissal of the actual fraudulent transfer claim against the shareholder defendants, including the Citigroup affiliates. In the CGMI action, the Second Circuit affirmed the dismissal of all claims against CGMI except for the claim of constructive fraudulent conveyance. As to that claim, the Second Circuit vacated the dismissal and remanded to the district court for further proceedings on that claim and other claims that remain against certain other defendants that are not Citigroup affiliates. Additional information concerning this action is publicly available in court filings under the docket numbers 12 MC 2296 (S.D.N.Y.) (Cote, J.), 19-0449 (2d Cir.), and 19-3049 (2d Cir.).

Variable Rate Demand Obligation Litigation

On August 6, 2021, the plaintiffs in the nationwide putative class action filed a consolidated amended complaint, captioned THE BOARD OF DIRECTORS OF THE SAN DIEGO ASSOCIATION OF GOVERNMENTS v. BANK OF AMERICA CORP., ET AL. On September 14, 2021, defendants moved to dismiss the consolidated amended complaint in part. Additional information concerning this action is publicly available in court filings under the docket number 19-CV-1608 (S.D.N.Y.) (Furman, J.).

Wind Farm Litigations

On September 11, 2021, the Stephens Ranch plaintiffs voluntarily dismissed their action with prejudice. Additional information concerning this action is publicly available in court filings under docket numbers 652078/2021 (Sup. Ct. N.Y. Cnty.) (Reed, J.) and 2021-01387 (1st Dep’t).

Settlement Payments

Payments required in any settlement agreements described above have been made or are covered by existing litigation or other accruals.

24. CONDENSED CONSOLIDATING FINANCIAL STATEMENTS

Citigroup's Registration Statement on Form S-3 on file with the SEC includes its wholly owned subsidiary, Citigroup Global Markets Holdings Inc. (CGMHI), as a co-registrant. Any securities issued by CGMHI under the Form S-3 will be fully and unconditionally guaranteed by Citigroup.

The following are the Condensed Consolidating Statements of Income and Comprehensive Income for the three and nine months ended September 30, 2021 and 2020, Condensed Consolidating Balance Sheet as of September 30, 2021 and December 31, 2020 and Condensed Consolidating Statement of Cash Flows for the nine months ended September 30, 2021 and 2020 for Citigroup Inc., the parent holding company (Citigroup parent company), CGMHI, other Citigroup subsidiaries and eliminations and total consolidating adjustments. "Other Citigroup subsidiaries and eliminations" includes all other subsidiaries of Citigroup, intercompany eliminations and income (loss) from discontinued operations. "Consolidating adjustments" includes Citigroup parent company elimination of distributed and undistributed income of subsidiaries and investment in subsidiaries.

These Condensed Consolidating Financial Statements have been prepared and presented in accordance with SEC Regulation S-X Rule 3-10, "Financial Statements of Guarantors and Issuers of Guaranteed Securities Registered or Being Registered."

These Condensed Consolidating Financial Statements are presented for purposes of additional analysis, but should be considered in relation to the Consolidated Financial Statements of Citigroup taken as a whole.

Condensed Consolidating Statements of Income and Comprehensive Income

	Three Months Ended September 30, 2021				
In millions of dollars	Citigroup parent company	CGMHI	Other Citigroup subsidiaries and eliminations	Consolidating adjustments	Citigroup consolidated
Revenues					
Dividends from subsidiaries	$ 2,592	$ —	$ —	$ (2,592)	$ —
Interest revenue	—	844	11,806	—	12,650
Interest revenue—intercompany	935	129	(1,064)	—	—
Interest expense	1,190	201	861	—	2,252
Interest expense—intercompany	56	323	(379)	—	—
Net interest revenue	$ (311)	$ 449	$ 10,260	$ —	$ 10,398
Commissions and fees	$ —	$ 1,893	$ 1,506	$ —	$ 3,399
Commissions and fees—intercompany	—	85	(85)	—	—
Principal transactions	130	(1,468)	3,571	—	2,233
Principal transactions—intercompany	(305)	2,220	(1,915)	—	—
Other revenue	(138)	159	1,103	—	1,124
Other revenue—intercompany	(44)	(13)	57	—	—
Total non-interest revenues	$ (357)	$ 2,876	$ 4,237	$ —	$ 6,756
Total revenues, net of interest expense	$ 1,924	$ 3,325	$ 14,497	$ (2,592)	$ 17,154
Provisions for credit losses and for benefits and claims	$ (2)	$ 2	$ (192)	$ —	$ (192)
Operating expenses					
Compensation and benefits	$ 3	$ 1,347	$ 4,708	$ —	$ 6,058
Compensation and benefits—intercompany	21	—	(21)	—	—
Other operating	35	728	4,663	—	5,426
Other operating—intercompany	2	781	(783)	—	—
Total operating expenses	$ 61	$ 2,856	$ 8,567	$ —	$ 11,484
Equity in undistributed income of subsidiaries	$ 2,530	$ —	$ —	$ (2,530)	$ —
Income (loss) from continuing operations before income taxes	$ 4,395	$ 467	$ 6,122	$ (5,122)	$ 5,862
Provision (benefit) for income taxes	(249)	183	1,259	—	1,193
Income (loss) from continuing operations	$ 4,644	$ 284	$ 4,863	$ (5,122)	$ 4,669
Income (loss) from discontinued operations, net of taxes	—	—	(1)	—	(1)
Net income before attribution of noncontrolling interests	$ 4,644	$ 284	$ 4,862	$ (5,122)	$ 4,668
Noncontrolling interests	—	—	24	—	24
Net income (loss)	$ 4,644	$ 284	$ 4,838	$ (5,122)	$ 4,644
Comprehensive income					
Add: Other comprehensive income (loss)	$ (1,731)	$ (195)	$ 2,007	$ (1,812)	$ (1,731)
Total Citigroup comprehensive income (loss)	$ 2,913	$ 89	$ 6,845	$ (6,934)	$ 2,913
Add: Other comprehensive income attributable to noncontrolling interests	$ —	$ —	$ (31)	$ —	$ (31)
Add: Net income attributable to noncontrolling interests	—	—	24	—	24
Total comprehensive income (loss)	$ 2,913	$ 89	$ 6,838	$ (6,934)	$ 2,906

Condensed Consolidating Statements of Income and Comprehensive Income

	Nine Months Ended September 30, 2021				
In millions of dollars	Citigroup parent company	CGMHI	Other Citigroup subsidiaries and eliminations	Consolidating adjustments	Citigroup consolidated
Revenues					
Dividends from subsidiaries	$ 6,392	$ —	$ —	$ (6,392)	$ —
Interest revenue	—	2,829	34,818	—	37,647
Interest revenue—intercompany	2,847	410	(3,257)	—	—
Interest expense	3,611	645	2,628	—	6,884
Interest expense—intercompany	234	982	(1,216)	—	—
Net interest revenue	$ (998)	$ 1,612	$ 30,149	$ —	$ 30,763
Commissions and fees	$ —	$ 5,890	$ 4,553	$ —	$ 10,443
Commissions and fees—intercompany	(27)	220	(193)	—	—
Principal transactions	1,007	5,109	2,334	—	8,450
Principal transactions—intercompany	(1,273)	(2,128)	3,401	—	—
Other revenue	(87)	401	3,985	—	4,299
Other revenue—intercompany	(105)	(41)	146	—	—
Total non-interest revenues	$ (485)	$ 9,451	$ 14,226	$ —	$ 23,192
Total revenues, net of interest expense	$ 4,909	$ 11,063	$ 44,375	$ (6,392)	$ 53,955
Provisions for credit losses and for benefits and claims	$ —	$ 9	$ (3,322)	$ —	$ (3,313)
Operating expenses					
Compensation and benefits	$ 31	$ 3,984	$ 14,026	$ —	$ 18,041
Compensation and benefits—intercompany	69	—	(69)	—	—
Other operating	60	2,050	13,598	—	15,708
Other operating—intercompany	8	2,269	(2,277)	—	—
Total operating expenses	$ 168	$ 8,303	$ 25,278	$ —	$ 33,749
Equity in undistributed income of subsidiaries	$ 13,270	$ —	$ —	$ (13,270)	$ —
Income (loss) from continuing operations before income taxes	$ 18,011	$ 2,751	$ 22,419	$ (19,662)	$ 23,519
Provision (benefit) for income taxes	(768)	516	4,932	—	4,680
Income (loss) from continuing operations	$ 18,779	$ 2,235	$ 17,487	$ (19,662)	$ 18,839
Income (loss) from discontinued operations, net of taxes	—	—	7	—	7
Net income before attribution of noncontrolling interests	$ 18,779	$ 2,235	$ 17,494	$ (19,662)	$ 18,846
Noncontrolling interests	—	—	67	—	67
Net income (loss)	$ 18,779	$ 2,235	$ 17,427	$ (19,662)	$ 18,779
Comprehensive income					
Add: Other comprehensive income (loss)	$ (4,793)	$ (238)	$ 578	$ (340)	$ (4,793)
Total Citigroup comprehensive income (loss)	$ 13,986	$ 1,997	$ 18,005	$ (20,002)	$ 13,986
Add: Other comprehensive income attributable to noncontrolling interests	$ —	$ —	$ (71)	$ —	$ (71)
Add: Net income attributable to noncontrolling interests	—	—	67	—	67
Total comprehensive income (loss)	$ 13,986	$ 1,997	$ 18,001	$ (20,002)	$ 13,982

Condensed Consolidating Statements of Income and Comprehensive Income

In millions of dollars	Three Months Ended September 30, 2020 Citigroup parent company	CGMHI	Other Citigroup subsidiaries and eliminations	Consolidating adjustments	Citigroup consolidated
Revenues					
Dividends from subsidiaries	$ 2,250	$ —	$ —	$ (2,250)	$ —
Interest revenue	—	1,128	12,186	—	13,314
Interest revenue—intercompany	991	153	(1,144)	—	—
Interest expense	1,267	274	1,280	—	2,821
Interest expense—intercompany	61	416	(477)	—	—
Net interest revenue	$ (337)	$ 591	$ 10,239	$ —	$ 10,493
Commissions and fees	$ —	$ 1,494	$ 1,259	$ —	$ 2,753
Commissions and fees—intercompany	—	30	(30)	—	—
Principal transactions	(169)	(3,779)	6,456	—	2,508
Principal transactions—intercompany	42	4,350	(4,392)	—	—
Other revenue	(90)	208	1,430	—	1,548
Other revenue—intercompany	78	12	(90)	—	—
Total non-interest revenues	$ (139)	$ 2,315	$ 4,633	$ —	$ 6,809
Total revenues, net of interest expense	$ 1,774	$ 2,906	$ 14,872	$ (2,250)	$ 17,302
Provisions for credit losses and for benefits and claims	$ —	$ (1)	$ 2,385	$ —	$ 2,384
Operating expenses					
Compensation and benefits	$ (21)	$ 1,165	$ 4,451	$ —	$ 5,595
Compensation and benefits—intercompany	44	—	(44)	—	—
Other operating	5	597	4,767	—	5,369
Other operating—intercompany	4	772	(776)	—	—
Total operating expenses	$ 32	$ 2,534	$ 8,398	$ —	$ 10,964
Equity in undistributed income of subsidiaries	$ 1,056	$ —	$ —	$ (1,056)	$ —
Income (loss) from continuing operations before income taxes	$ 2,798	$ 373	$ 4,089	$ (3,306)	$ 3,954
Provision (benefit) for income taxes	(348)	165	960	—	777
Income (loss) from continuing operations	$ 3,146	$ 208	$ 3,129	$ (3,306)	$ 3,177
Income (loss) from discontinued operations, net of taxes	—	—	(7)	—	(7)
Net income (loss) before attribution of noncontrolling interests	$ 3,146	$ 208	$ 3,122	$ (3,306)	$ 3,170
Noncontrolling interests	—	—	24	—	24
Net income (loss)	$ 3,146	$ 208	$ 3,098	$ (3,306)	$ 3,146
Comprehensive income					
Add: Other comprehensive income (loss)	$ 280	$ (51)	$ (2,178)	$ 2,229	$ 280
Total Citigroup comprehensive income (loss)	$ 3,426	$ 157	$ 920	$ (1,077)	$ 3,426
Add: Other comprehensive income attributable to noncontrolling interests	$ —	$ —	$ 19	$ —	$ 19
Add: Net income attributable to noncontrolling interests	—	—	24	—	24
Total comprehensive income (loss)	$ 3,426	$ 157	$ 963	$ (1,077)	$ 3,469

Condensed Consolidating Statements of Income and Comprehensive Income

In millions of dollars	Citigroup parent company	CGMHI	Other Citigroup subsidiaries and eliminations	Consolidating adjustments	Citigroup consolidated
	Nine Months Ended September 30, 2020				
Revenues					
Dividends from subsidiaries	$ 2,355	$ —	$ —	$ (2,355)	$ —
Interest revenue	—	4,340	40,702	—	45,042
Interest revenue—intercompany	3,202	776	(3,978)	—	—
Interest expense	3,675	1,795	6,507	—	11,977
Interest expense—intercompany	451	1,819	(2,270)	—	—
Net interest revenue	$ (924)	$ 1,502	$ 32,487	$ —	$ 33,065
Commissions and fees	$ —	$ 4,815	$ 3,892	$ —	$ 8,707
Commissions and fees—intercompany	(19)	267	(248)	—	—
Principal transactions	(1,099)	(518)	13,543	—	11,926
Principal transactions—intercompany	606	4,849	(5,455)	—	—
Other revenue	(24)	468	3,657	—	4,101
Other revenue—intercompany	16	38	(54)	—	—
Total non-interest revenues	$ (520)	$ 9,919	$ 15,335	$ —	$ 24,734
Total revenues, net of interest expense	$ 911	$ 11,421	$ 47,822	$ (2,355)	$ 57,799
Provisions for credit losses and for benefits and claims	$ —	$ (1)	$ 17,542	$ —	$ 17,541
Operating expenses					
Compensation and benefits	$ 112	$ 3,806	$ 12,955	$ —	$ 16,873
Compensation and benefits—intercompany	119	—	(119)	—	—
Other operating	37	1,789	13,368	—	15,194
Other operating—intercompany	12	1,629	(1,641)	—	—
Total operating expenses	$ 280	$ 7,224	$ 24,563	$ —	$ 32,067
Equity in undistributed income of subsidiaries	$ 5,285	$ —	$ —	$ (5,285)	$ —
Income (loss) from continuing operations before income taxes	$ 5,916	$ 4,198	$ 5,717	$ (7,640)	$ 8,191
Provision (benefit) for income taxes	(822)	1,217	1,014	—	1,409
Income (loss) from continuing operations	$ 6,738	$ 2,981	$ 4,703	$ (7,640)	$ 6,782
Income (loss) from discontinued operations, net of taxes	—	—	(26)	—	(26)
Net income (loss) before attribution of noncontrolling interests	$ 6,738	$ 2,981	$ 4,677	$ (7,640)	$ 6,756
Noncontrolling interests	—	—	18	—	18
Net income (loss)	$ 6,738	$ 2,981	$ 4,659	$ (7,640)	$ 6,738
Comprehensive income					
Add: Other comprehensive income (loss)	$ 3,253	$ 277	$ 10,058	$ (10,335)	$ 3,253
Total Citigroup comprehensive income (loss)	$ 9,991	$ 3,258	$ 14,717	$ (17,975)	$ 9,991
Add: Other comprehensive income attributable to noncontrolling interests	$ —	$ —	$ 7	$ —	$ 7
Add: Net income attributable to noncontrolling interests	—	—	18	—	18
Total comprehensive income (loss)	$ 9,991	$ 3,258	$ 14,742	$ (17,975)	$ 10,016

Condensed Consolidating Balance Sheet

In millions of dollars	Citigroup parent company	CGMHI	Other Citigroup subsidiaries and eliminations	Consolidating adjustments	Citigroup consolidated
	September 30, 2021				
Assets					
Cash and due from banks	$ —	$ 965	$ 27,941	$ —	$ 28,906
Cash and due from banks—intercompany	8	6,033	(6,041)	—	—
Deposits with banks, net of allowance	—	5,763	289,139	—	294,902
Deposits with banks—intercompany	4,000	9,200	(13,200)	—	—
Securities borrowed and purchased under resale agreements	—	277,955	59,741	—	337,696
Securities borrowed and purchased under resale agreements—intercompany	—	25,137	(25,137)	—	—
Trading account assets	249	204,591	138,074	—	342,914
Trading account assets—intercompany	1,001	5,043	(6,044)	—	—
Investments, net of allowance	1	266	500,582	—	500,849
Loans, net of unearned income	—	3,018	661,746	—	664,764
Loans, net of unearned income—intercompany	—	—	—	—	—
Allowance for credit losses on loans (ACLL)	—	—	(17,715)	—	(17,715)
Total loans, net	$ —	$ 3,018	$ 644,031	$ —	$ 647,049
Advances to subsidiaries	$ 147,338	$ —	$ (147,338)	$ —	$ —
Investments in subsidiaries	222,021	—	—	(222,021)	—
Other assets, net of allowance[(1)]	11,043	74,168	124,349	—	209,560
Other assets—intercompany	2,867	62,048	(64,915)	—	—
Total assets	$ 388,528	$ 674,187	$ 1,521,182	$ (222,021)	$ 2,361,876
Liabilities and equity					
Deposits	$ —	$ —	$ 1,347,528	$ —	$ 1,347,528
Deposits—intercompany	—	—	—	—	—
Securities loaned and sold under repurchase agreements	—	192,276	16,908	—	209,184
Securities loaned and sold under repurchase agreements—intercompany	—	66,703	(66,703)	—	—
Trading account liabilities	32	131,565	47,689	—	179,286
Trading account liabilities—intercompany	632	4,565	(5,197)	—	—
Short-term borrowings	—	14,547	15,136	—	29,683
Short-term borrowings—intercompany	—	16,400	(16,400)	—	—
Long-term debt	170,104	57,826	30,344	—	258,274
Long-term debt—intercompany	—	74,016	(74,016)	—	—
Advances from subsidiaries	14,049	—	(14,049)	—	—
Other liabilities, including allowance	2,780	66,345	67,186	—	136,311
Other liabilities—intercompany	56	12,466	(12,522)	—	—
Stockholders' equity	200,875	37,478	185,278	(222,021)	201,610
Total liabilities and equity	$ 388,528	$ 674,187	$ 1,521,182	$ (222,021)	$ 2,361,876

(1) *Other assets* for Citigroup parent company at September 30, 2021 included $35.0 billion of placements to Citibank and its branches, of which $19.5 billion had a remaining term of less than 30 days.

Condensed Consolidating Balance Sheet

In millions of dollars	December 31, 2020 Citigroup parent company	CGMHI	Other Citigroup subsidiaries and eliminations	Consolidating adjustments	Citigroup consolidated
Assets					
Cash and due from banks	$ —	$ 628	$ 25,721	$ —	$ 26,349
Cash and due from banks—intercompany	16	6,081	(6,097)	—	—
Deposits with banks, net of allowance	—	5,224	278,042	—	283,266
Deposits with banks—intercompany	4,500	8,179	(12,679)	—	—
Securities borrowed and purchased under resale agreements	—	238,718	55,994	—	294,712
Securities borrowed and purchased under resale agreements—intercompany	—	24,309	(24,309)	—	—
Trading account assets	307	222,278	152,494	—	375,079
Trading account assets—intercompany	723	9,400	(10,123)	—	—
Investments, net of allowance	1	374	446,984	—	447,359
Loans, net of unearned income	—	2,524	673,359	—	675,883
Loans, net of unearned income—intercompany	—	—	—	—	—
Allowance for credit losses on loans (ACLL)	—	—	(24,956)	—	(24,956)
Total loans, net	$ —	$ 2,524	$ 648,403	$ —	$ 650,927
Advances to subsidiaries	$ 152,383	$ —	$ (152,383)	$ —	$ —
Investments in subsidiaries	213,267	—	—	(213,267)	—
Other assets, net of allowance[(1)]	12,156	60,273	109,969	—	182,398
Other assets—intercompany	2,781	51,489	(54,270)	—	—
Total assets	$ 386,134	$ 629,477	$ 1,457,746	$ (213,267)	$ 2,260,090
Liabilities and equity					
Deposits	$ —	$ —	$ 1,280,671	$ —	$ 1,280,671
Deposits—intercompany	—	—	—	—	—
Securities loaned and sold under repurchase agreements	—	184,786	14,739	—	199,525
Securities loaned and sold under repurchase agreements—intercompany	—	76,590	(76,590)	—	—
Trading account liabilities	—	113,100	54,927	—	168,027
Trading account liabilities—intercompany	397	8,591	(8,988)	—	—
Short-term borrowings	—	12,323	17,191	—	29,514
Short-term borrowings—intercompany	—	12,757	(12,757)	—	—
Long-term debt	170,563	47,732	53,391	—	271,686
Long-term debt—intercompany	—	67,322	(67,322)	—	—
Advances from subsidiaries	12,975	—	(12,975)	—	—
Other liabilities, including allowance	2,692	55,217	52,558	—	110,467
Other liabilities—intercompany	65	15,378	(15,443)	—	—
Stockholders' equity	199,442	35,681	178,344	(213,267)	200,200
Total liabilities and equity	$ 386,134	$ 629,477	$ 1,457,746	$ (213,267)	$ 2,260,090

(1) *Other assets* for Citigroup parent company at December 31, 2020 included $29.5 billion of placements to Citibank and its branches, of which $24.3 billion had a remaining term of less than 30 days.

Condensed Consolidating Statement of Cash Flows

In millions of dollars	Nine Months Ended September 30, 2021 Citigroup parent company	CGMHI	Other Citigroup subsidiaries and eliminations	Consolidating adjustments	Citigroup consolidated
Net cash provided by operating activities of continuing operations	**$ 3,604**	**$ 30,413**	**$ 25,168**	**$ —**	**$ 59,185**
Cash flows from investing activities of continuing operations					
Purchases of investments	**$ —**	**$ —**	**$ (277,874)**	**$ —**	**$ (277,874)**
Proceeds from sales of investments	**—**	**—**	**96,203**	**—**	**96,203**
Proceeds from maturities of investments	**—**	**—**	**107,361**	**—**	**107,361**
Change in loans	**—**	**—**	**6,613**	**—**	**6,613**
Proceeds from sales and securitizations of loans	**—**	**—**	**1,134**	**—**	**1,134**
Change in securities borrowed and purchased under agreements to resell	**—**	**(40,065)**	**(2,919)**	**—**	**(42,984)**
Changes in investments and advances—intercompany	**3,374**	**(9,743)**	**6,369**	**—**	**—**
Other investing activities	**—**	**(42)**	**(2,480)**	**—**	**(2,522)**
Net cash provided by (used in) investing activities of continuing operations	**$ 3,374**	**$ (49,850)**	**$ (65,593)**	**$ —**	**$ (112,069)**
Cash flows from financing activities of continuing operations					
Dividends paid	**$ (3,959)**	**$ (195)**	**$ 195**	**$ —**	**$ (3,959)**
Issuance of preferred stock	**2,300**	**—**	**—**	**—**	**2,300**
Redemption of preferred stock	**(3,785)**	**—**	**—**	**—**	**(3,785)**
Treasury stock acquired	**(7,448)**	**—**	**—**	**—**	**(7,448)**
Proceeds (repayments) from issuance of long-term debt, net	**4,660**	**11,336**	**(18,507)**	**—**	**(2,511)**
Proceeds (repayments) from issuance of long-term debt—intercompany, net	**—**	**9,084**	**(9,084)**	**—**	**—**
Change in deposits	**—**	**—**	**73,769**	**—**	**73,769**
Change in securities loaned and sold under agreements to repurchase	**—**	**(2,397)**	**12,056**	**—**	**9,659**
Change in short-term borrowings	**—**	**2,224**	**(2,055)**	**—**	**169**
Net change in short-term borrowings and other advances—intercompany	**1,074**	**1,253**	**(2,327)**	**—**	**—**
Capital contributions from (to) parent	**—**	**(19)**	**19**	**—**	**—**
Other financing activities	**(328)**	**—**	**—**	**—**	**(328)**
Net cash provided by (used in) financing activities of continuing operations	**$ (7,486)**	**$ 21,286**	**$ 54,066**	**$ —**	**$ 67,866**
Effect of exchange rate changes on cash and due from banks	**$ —**	**$ —**	**$ (789)**	**$ —**	**$ (789)**
Change in cash and due from banks and deposits with banks	**$ (508)**	**$ 1,849**	**$ 12,852**	**$ —**	**$ 14,193**
Cash and due from banks and deposits with banks at beginning of period	**4,516**	**20,112**	**284,987**	**—**	**309,615**
Cash and due from banks and deposits with banks at end of period	**$ 4,008**	**$ 21,961**	**$ 297,839**	**$ —**	**$ 323,808**
Cash and due from banks	**$ 8**	**$ 6,998**	**$ 21,900**	**$ —**	**$ 28,906**
Deposits with banks, net of allowance	**4,000**	**14,963**	**275,939**	**—**	**294,902**
Cash and due from banks and deposits with banks at end of period	**$ 4,008**	**$ 21,961**	**$ 297,839**	**$ —**	**$ 323,808**
Supplemental disclosure of cash flow information for continuing operations					
Cash paid (received) during the period for income taxes	**$ (1,757)**	**$ 809**	**$ 4,011**	**$ —**	**$ 3,063**
Cash paid during the period for interest	**2,307**	**1,687**	**2,900**	**—**	**6,894**
Non-cash investing activities					
Decrease in net loans associated with significant disposals reclassified to HFS	**$ —**	**$ —**	**$ 8,291**	**$ —**	**$ 8,291**
Transfers to loans HFS from loans	**—**	**—**	**5,329**	**—**	**5,329**
Non-cash financing activities					
Decrease in long-term debt associated with significant disposals reclassified to HFS	**$ —**	**$ —**	**$ 521**	**$ —**	**$ 521**
Decrease in deposits associated with significant disposals reclassified to HFS	**—**	**—**	**6,912**	**—**	**6,912**

Condensed Consolidating Statement of Cash Flows

In millions of dollars	Nine Months Ended September 30, 2020 Citigroup parent company	CGMHI	Other Citigroup subsidiaries and eliminations	Consolidating adjustments	Citigroup consolidated
Net cash provided by (used in) operating activities of continuing operations	$ 3,605	$ (36,465)	$ 10,606	$ —	$ (22,254)
Cash flows from investing activities of continuing operations					
Purchases of investments	$ —	$ —	$ (276,084)	$ —	$ (276,084)
Proceeds from sales of investments	—	—	130,237	—	130,237
Proceeds from maturities of investments	—	—	78,476	—	78,476
Change in loans	—	—	23,488	—	23,488
Proceeds from sales and securitizations of loans	—	—	924	—	924
Change in securities borrowed and purchased under agreements to resell	—	(35,332)	(2,704)	—	(38,036)
Changes in investments and advances—intercompany	(5,179)	(5,532)	10,711	—	—
Other investing activities	—	—	(2,205)	—	(2,205)
Net cash used in investing activities of continuing operations	$ (5,179)	$ (40,864)	$ (37,157)	$ —	$ (83,200)
Cash flows from financing activities of continuing operations					
Dividends paid	$ (4,024)	$ (168)	$ 168	$ —	$ (4,024)
Issuance of preferred stock	1,500	—	—	—	1,500
Redemption of preferred stock	(1,500)	—	—	—	(1,500)
Treasury stock acquired	(2,925)	—	—	—	(2,925)
Proceeds (repayments) from issuance of long-term debt, net	16,136	6,606	(4,664)	—	18,078
Proceeds (repayments) from issuance of long-term debt—intercompany, net	—	1,607	(1,607)	—	—
Change in deposits	—	—	192,033	—	192,033
Change in securities loaned and sold under agreements to repurchase	—	75,977	(35,089)	—	40,888
Change in short-term borrowings	—	788	(8,398)	—	(7,610)
Net change in short-term borrowings and other advances—intercompany	(7,214)	(6,524)	13,738	—	—
Other financing activities	(408)	—	—	—	(408)
Net cash provided by financing activities of continuing operations	$ 1,565	$ 78,286	$ 156,181	$ —	$ 236,032
Effect of exchange rate changes on cash and due from banks	$ —	$ —	$ (802)	$ —	$ (802)
Change in cash and due from banks and deposits with banks	$ (9)	$ 957	$ 128,828	$ —	$ 129,776
Cash and due from banks and deposits with banks at beginning of period	3,021	16,441	174,457	—	193,919
Cash and due from banks and deposits with banks at end of period	$ 3,012	$ 17,398	$ 303,285	$ —	$ 323,695
Cash and due from banks	$ 12	$ 5,960	$ 19,336	$ —	$ 25,308
Deposits with banks, net of allowance	3,000	11,438	283,949	—	298,387
Cash and due from banks and deposits with banks at end of period	$ 3,012	$ 17,398	$ 303,285	$ —	$ 323,695
Supplemental disclosure of cash flow information for continuing operations					
Cash paid during the period for income taxes	$ (1,263)	$ 1,177	$ 3,923	$ —	$ 3,837
Cash paid during the period for interest	2,507	3,988	5,007	—	11,502
Non-cash investing activities					
Transfers to loans HFS from loans	$ —	$ —	$ 2,122	$ —	$ 2,122

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 2020 Annual Report on Form 10-K.

Citi repurchased its common shares for an aggregate of $3.0 billion during the third quarter of 2021, as indicated in the table below. All shares repurchased were added to treasury stock.

The following table summarizes Citi’s common share repurchases:

In millions, except per share amounts	Total shares purchased	Average price paid per share
July 2021		
Open market repurchases	**6.9**	**$ 68.04**
Employee transactions(1)	—	—
August 2021		
Open market repurchases	**21.5**	**71.26**
Employee transactions(1)	—	—
September 2021		
Open market repurchases	**14.3**	**70.08**
Employee transactions(1)	—	—
Total for 3Q21	**42.7**	**$ 70.34**

(1) During the third quarter, pursuant to Citigroup’s Board of Directors’ authorization, Citi withheld 8,552 shares (at an average price of $72.74) of common stock, added to treasury stock, related to activity on employee stock programs to satisfy the employee tax requirements.

Dividends

Citi paid common dividends of $0.51 per share during the third quarter of 2021, and declared common dividends of $0.51 per share for the fourth quarter of 2021 on October 21, 2021. As previously announced, Citi intends to maintain its planned capital actions, which include a quarterly common dividend of at least $0.51 per share, subject to financial and macroeconomic conditions as well as 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 2020 Annual Report on 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.

For information on the ability of Citigroup’s subsidiary depository institutions to pay dividends, see Note 18 to the Consolidated Financial Statements in Citi’s 2020 Annual Report on Form 10-K.

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 8th day of November, 2021.

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)

EXHIBIT INDEX

Exhibit Number		Description of Exhibit
3.01+		Restated Certificate of Incorporation of Citigroup, as amended, as in effect on the date hereof.
10.01+*		Citigroup 2019 Stock Incentive Plan (as amended and restated effective August 13, 2021).
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 quarter ended September 30, 2021, filed on November 8, 2021, formatted in Inline XBRL: (i) the Consolidated Statement of Income, (ii) the Consolidated Balance Sheet, (iii) the Consolidated Statement of Changes in Shareholders' 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.

* Denotes a management contract or compensatory plan or arrangement.
+ Filed herewith.