

Services



Markets

Banking



Wealth

U.S.
Personal
Banking

2023 Annual Report



A mission of enabling growth and economic progress

What you can expect from us and what we expect from ourselves

Citi's mission is to serve as a trusted partner to our clients by responsibly providing financial services that enable growth and economic progress. Our core activities are safeguarding assets, lending money, making payments and accessing the capital markets on behalf of our clients. We have more than 200 years of experience helping our clients meet the world's toughest challenges and embrace its greatest opportunities. We are Citi, the global bank — an institution connecting millions of people across hundreds of countries and cities.

We protect people's savings and help them make the purchases — from everyday transactions to buying a home — that improve the quality of their lives. We advise people on how to invest for future needs, such as their children's education and their own retirement, and help them buy securities such as stocks and bonds.

We work with companies to optimize their daily operations, whether they need working capital, to make payroll or export their goods overseas. By lending to companies large and small, we help them grow, creating jobs and real economic value at home and in communities around the world. We provide financing and support to governments at all levels, so they can build sustainable infrastructure, such as housing, transportation, schools and other vital public works.

These capabilities create an obligation to act responsibly, do everything possible to create the best outcomes and prudently manage risk. If we fall short, we will take decisive action and learn from our experience.

We strive to earn and maintain the public's trust by constantly adhering to the highest ethical standards. We ask our colleagues to ensure that their decisions pass three tests: they are in our clients' interests, create economic value and are always systemically responsible. When we do these things well, we make a positive financial and social impact in the communities we serve and show what a global bank can do.



Jane Fraser
Chief Executive Officer

Letter to shareholders

Dear shareholders,

We are on a mission to ensure that Citi delivers to its full potential for all stakeholders.

Over the past three years, we have successfully put the foundations in place for the bank we aspire to be. Last year represented a significant step forward in our journey as we reorganized the firm to sharpen the focus on our five businesses and simplify our operations and infrastructure. Between the reorganization of the firm and the strides made in divesting our international consumer franchises, our management structure and organizational model are now fully aligned to our strategy.

At the same time, we continued to instill a culture of excellence and accountability to ensure alignment with our shareholders' interests. We also made progress on our Transformation and strengthening our risk and controls, although we recognize there's more work to be done.

“We are on a deliberate journey to unlock Citi's full potential, and we have made some bold decisions over the last year *to ensure we succeed.*”

We know our journey will have its challenges. Whilst some of our businesses continued to eclipse their peers in the industry, others did not meet our expectations. We also faced challenges in aspects of our work to strengthen our data and regulatory reporting, an area we are committed to getting right.

Despite some of the headwinds we faced, we continue to stay the course and strongly believe in the deliberate path we set at Investor Day in 2022. We said this was a multi-year journey and we will face challenges as we execute. Nonetheless, the changes we have made to the firm and the discipline and accountability we put in place over the past few years will allow us to truly transform our company for the long term.

We are still firmly on track to meet the medium-term financial targets we set at Investor Day, including achieving an 11-12% Return on Tangible Common Equity (RoTCE)¹. Our business model is resilient and well-diversified. Our balance sheet is strong. We have ample liquidity and capital. We remain confident in our ability to generate higher returns over the long term and return capital to shareholders.

Our business performance

A number of notable items that occurred during a disappointing fourth quarter negatively impacted our earnings for 2023. We delivered \$9.2 billion in net income on revenues of \$78.5 billion. Our RoTCE² was 4.9%. Still, we met our full-year expense guidance and increased our Common Equity Tier 1 Capital ratio to approximately 13.4%. We grew tangible book value per share² by 6% to \$86.19 and returned roughly \$6 billion in capital to shareholders in the form of common dividends and share repurchases.

At Investor Day, we laid out a clear, compelling vision for the firm: to be the preeminent banking partner for institutions with cross-border needs, a global leader in wealth management and a valued personal bank in our home market. We've been executing a strategy to bring this vision to life through our five interconnected businesses — Services, Markets, Banking, Wealth and U.S. Personal Banking.

Our Services business had a record year in 2023 as we maintained our leadership in Treasury and Trade Solutions

(TTS), with client wins up 27% and cross-border transactions up 15%. In Securities Services, we had roughly \$25 trillion in assets under custody and administration, up 13% during 2023. And we continued to relentlessly innovate for our clients with products such as 24/7 USD Clearing, Payments Express and Citi Token Services, which enable clients to facilitate cross-border payments and access automated trade finance solutions around the clock.

Our Markets business delivered a solid performance for the year with good underlying momentum in Equities and continued growth in Prime balances. We retained a leading position in Fixed Income and further optimized our model with the exit of marginal businesses. Overall, Markets revenues decreased 6% from a very strong performance in 2022. As we look ahead, our franchise remains well positioned with both corporate and investor clients, and we continue to take actions to improve returns by allocating capital to products that meet client demand and generate a strong return profile.

Banking remains a key part of our strategy. Whilst revenues for the business fell 15% in 2023, largely driven by a weaker wallet globally, we are focused on improving wallet share in the near term. Our M&A business experienced significant momentum in the back half of 2023. Throughout the year, we led on several global transactions larger than \$10 billion. We have also reorganized our three lines of business — Investment Banking, Corporate Banking and Commercial Banking.

The secret vegetable is a

to lead the franchise and bring an additional Banking business.

We continue to make headway in Wealth as we grow our presence in Asia and modernize the digital experience for clients. In 2023, we added \$56 billion in client balances and broadened our Citi Wealth at Work offering. However, Wealth revenues were down 5% from 2022, and we recognize there is more work to be done. With Andy Sieg having returned to Citi to run the Wealth business, we are well-positioned to capture the extraordinary wealth creation set to take place over the next decade.

U.S. Personal Banking continued to show excellent momentum last year as revenues increased 14%, driven largely by a rebound in borrowing across Cards and solid spending in Branded Cards. We continued to innovate for clients with new products and offerings, including the launch of Citi Travel with Booking.com powered by Rocket Travel by Agoda. In Retail Banking, we launched Simplified Banking, which uses a tiered approach to unlock enhanced benefits, similar to an airline or hotel rewards program. And in Retail Services, we celebrated the 20-year milestone of our partnership with The Home Depot, in addition to launching a number of new products and other partner relationships.

Operating with increased rigor and accountability

In September, we took our boldest step yet to fulfill Citi's potential, announcing the most consequential series of changes to how we run the bank since the aftermath of the

Building a winning bank

Aligned organizational structure with strategy

to simplify Citi, remove needless complexity and free up more time to focus on clients

Elevated the leaders of Citi's five core businesses

to the Executive Management Team to speed up decision making and drive greater accountability for results

Created a centralized Client organization

to strengthen how we deliver for clients across the firm

Lightened and streamlined Citi's geographic structure

to simplify decision making and focus on serving clients with cross-border needs

Stepped up to safeguard the financial system

and served as a source of stability throughout the early 2023 U.S. banking crisis

Completed consumer franchise divestitures in Asia

, restarted the sales process in Poland and progressed with winding down consumer operations in China, Russia and South Korea

Progressed with plans for an IPO

of Citi's consumer, small business and middle-market operations in Mexico

Acted as lead financial advisor to ExxonMobil

on the largest announced M&A deal of the year

Optimized innovative client solutions,

including 24/7 USD Clearing, Payments Express and Citi Token Services to help clients seamlessly access working capital and manage cash

Streamlined the digital banking experience

for Commercial Bank clients with the launch of CitiDirect

Recruited exceptional talent to the firm,

including welcoming Andy Sieg back to lead Citi's Wealth business and Vis Raghavan to lead Citi's Banking business

Introduced Simplified Banking,

enabling U.S. Retail Banking customers to unlock enhanced benefits and reach their full financial potential

Simplified and modernized the firm

to better manage risk by consolidating technology platforms and implementing a new model for underwriting wholesale credit risk

Consolidated our portfolio of electronic FX trading platforms

for corporate and professional investor clients into Velocity 3.0

2008 financial crisis. Aligning our organizational structure with our strategy will help us build a simpler Citi, enabling us to be less bureaucratic and more focused on clients.

The leaders of our five core businesses now sit at my leadership table, giving them greater influence on Citi’s strategy and execution, as well as greater accountability for realizing synergies and delivering results. We have eliminated the previous regional structures and lightened the management of our geographies. By moving to a more focused geographical and business management structure, we have significantly reduced certain internal financial management reports and eliminated more than 60 internal management committees so far.

Without these structures and related processes and meetings, our teams can now spend more of their time focused on what is most important — serving clients. To that end, we created a Client organization, led by our first Chief Client Officer. This group is responsible for bringing the full power of our franchise to clients through a centralized view of our client strategy, segmentation and coverage model, as well as capital allocation.

Our new structure is grounded in the vision and strategy we laid out at Investor Day, and these business and client changes support the 4–5% compound annual growth rate we set out to achieve over the medium-term. The changes allow us to provide far more transparency into the drivers of our business and focus on enhancing business performance.

We have now closed the sales of nine of our 14 international consumer divestitures and made solid progress winding down consumer operations in China, Russia and South Korea. We restarted the sales process in Poland and are well down the execution path for the Mexico IPO in 2025. Having made progress divesting our consumer businesses outside the U.S., we now serve a much more targeted set of clients across our five interconnected businesses.

Our number one priority

We know that to truly simplify Citi and unlock our firm’s full potential, we must continue investing in our Transformation. This is our multi-year effort to strengthen our risk and controls environment and data architecture, and it remains our number one priority.

The Consent Orders issued in 2020 by two of our U.S. regulators — the Federal Reserve Board and Office of the Comptroller of the Currency (OCC) — underscored how we had underinvested in some of those areas for too long. The work to make up for that lost ground takes time, and we are determined to keep making upgrades and improvements.

This year’s priorities include accelerating our work to strengthen our regulatory reporting and data remediation. Those efforts will build on the progress we have made this year. Our controls are more robust, exemplified by our new wholesale credit risk target operating model. By automating processes, they’re getting better and faster: booking or amending loans in North America now takes half the time it once did.

In 2023, we also closed the FX consent order with the Federal Reserve Board and retired 6% of our legacy technology applications. Within the firm, our people are beginning to feel the benefits of the Transformation as we consolidate fragmented technology platforms, upgrade our data architecture and modernize our operating model for the digital age.

Our important role in the world

Our progress in the Transformation and executing our strategy is notable given the tremendous macroeconomic and geopolitical headwinds we contended with throughout the year. Ongoing volatility in the markets. Persistent inflation. Devastating conflicts in Ukraine and the Middle East. The disruptive potential of AI. The list goes on.

Yet challenging environments such as these are precisely where Citi thrives. Our global network and mindset uniquely position us to support clients and communities around the world during difficult times. When three regional U.S. banks and one global bank failed in early 2023, for instance, our robust balance sheet allowed us to work with other large U.S. banks to stabilize the financial system. We continue to demonstrate that Citi is a source of strength for our clients and a source of stability for the financial system.

For multinational companies, Citi offers the size and scale to help them compete around the world, without having to rely on a mix of local banks. We finance supply chains and partner with America’s top companies to bring products and services to American consumers at affordable prices. Around the world, we use our robust balance sheet to fund and facilitate transformational projects. In the U.S., we’ve been the number one affordable housing lender for 13 years in a row, which includes the financing of approximately 35,000 affordable housing units in 2022.

In addition, we provide a variety of products that can help to increase financial inclusion, and we work with community development financial institutions (CDFIs) and minority-owned depository institutions (MDIs) to reach underserved populations. As a proud participant of the OCC’s Project Reach, we are co-leading the workstream that is focused on strengthening MDIs. We are also engaged in initiatives to increase access to credit and reduce the number of Americans who are “credit invisible.”

Heads down and focused on delivering

We are on a deliberate journey to unlock Citi’s full potential, and we have made some bold decisions over the last year to ensure we succeed. Our vision is clear. The strategy is set. The pieces are in place. A performance intensity is building.

I am excited about the work we have accomplished over the past year to simplify the firm and focus Citi’s power behind our five interconnected businesses. I am confident Citi is on the right path to meet our medium-term financial targets and deliver all the benefits of our firm to our stakeholders.

The road ahead will not always be linear, but our momentum and commitment will continue to carry us forward. We have the right people in place to get the job done, and we will not stop until we become the winning bank we know Citi can be.

Sincerely,


Jane Fraser
Chief Executive Officer, Citigroup Inc.

Full year 2023 results and key metrics

Key financial metrics			Businesses snapshot	
REVENUES	NET INCOME		TOTAL SERVICES REVENUES	TOTAL MARKETS REVENUES
\$78.5B	\$9.2B		↑16%	↓6%
EPS	ROCE		TOTAL BANKING REVENUES	TOTAL WEALTH REVENUES
\$4.04	4.3%		↓15%	↓5%
RoTCE	SLR	CET1 CAPITAL RATIO	TOTAL USPB REVENUES	
4.9% ²	5.8%	13.4% ³	↑14%	

Key highlights			
Maintained top ranking in TTS with client wins	Added nearly	MARKETS	
↑27%	\$3 trillion	progressed in Equities, with Prime balances	
and cross-border transactions	in assets under custody and administration in	↑YoY	
↑15%	SECURITIES SERVICES		
Grew share gains in	Added	Reported	Returned
BANKING,	\$56B	7th consecutive	~\$6B
including focus areas such as healthcare	in client balances in	quarter	in capital
	WEALTH	of YoY revenue growth in	to common shareholders through dividends and share buybacks
		USPB	

¹ RoTCE over the medium-term is a forward-looking non-GAAP financial measure. From time to time, management may discuss forward-looking non-GAAP financial measures, such as forward-looking estimates or targets for revenue, expenses, and RoTCE. We are unable to provide a reconciliation of RoTCE over the medium-term to its most directly comparable GAAP financial measure because we are unable to provide a meaningful or accurate calculation or estimation of amounts that would be necessary for the reconciliation due to the complexity and inherent difficulty in forecasting and quantifying future amounts or when they may occur. Such unavailable information could be significant to future results.

² RoTCE and tangible book value per share are non-GAAP financial measures. For more information, see page 47 of Citi’s 2023 Form 10-K.

³ Citi’s binding CET1 Capital and Tier 1 Capital ratios were derived under the Basel III Standardized Approach as of December 31, 2023. For more information, see page 11 of Citi’s 2023 Form 10-K.

Supporting strong communities *and* sustainable solutions



Recognized as the **largest U.S. affordable housing lender** 13 years in a row by Affordable Housing Finance magazine

Earned a seat at the Billion Dollar Roundtable by spending **\$1 billion or more** annually with certified diverse suppliers



Announced an innovative **sustainable aviation fuel emission reduction agreement** with American Airlines to support solutions for low-carbon air travel



Supported development of a first-of-its-kind **Sustainable Aluminum Finance Framework** for lenders to measure and disclose aluminum-related emissions in portfolios



Provided **\$25 million** to nonprofits working to improve food security globally through the Citi Foundation's inaugural Global Innovation Challenge

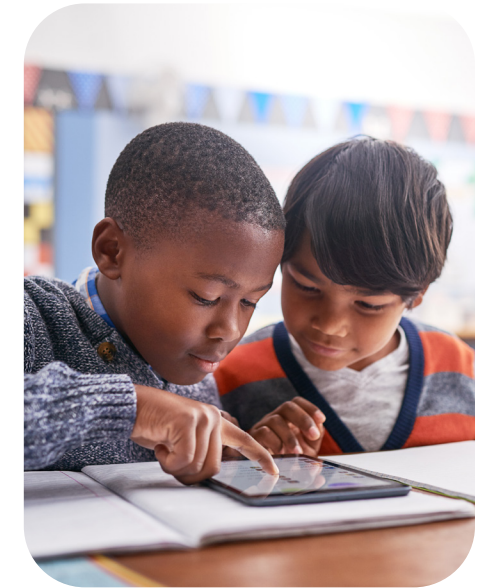


Ranked as **#1 U.S. lead underwriter** for global sustainable bonds in 2023 by Dealogic

Celebrated the first graduating class of Kindergarten to College — a publicly-funded children's savings account program in support of financial inclusion that operates on the **Citi Start Saving®** platform



Continued sourcing **100% renewable electricity** for Citi's own operations and facilities



Celebrated 10 years of New York City's Citi Bike program, which has enabled **339 million miles in rides** in the decade following its launch

Volunteered over **143,000 hours across 83 countries** and territories as part of Global Community Day



Facilitated clean energy access in Africa, supporting Sun King on a first-of-its-kind securitization deal for affordable solar systems in Kenya



We're not writers,
but we help shape
your businesses' *financial story*.

We're not an airline, but our network
connects global businesses in nearly
160 local markets.

The secret object #4 is a



We're not a startup.
Innovation Labs create new technologies
to help our clients grow *safely and securely*.

We're not architects, but we help
build more *resilient communities*.

With global expertise
and over two centuries of experience,
we're not just any bank.

We are Citi.

citi.com/weareciti

for the love of
unlocking possibilities.
for the love of progress



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2023

OR

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

For the transition period from to
Commission file number 1-9924

Citigroup Inc.

(Exact name of registrant as specified in its charter)

Delaware

52-1568099

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

388 Greenwich Street, New York NY

10013

(Address of principal executive offices)

(Zip code)

(212) 559-1000

(Registrant's telephone number, including area code)

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

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

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

Indicate by check mark whether the Registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of Citigroup Inc. common stock held by non-affiliates of Citigroup Inc. on June 30, 2023 was approximately \$88.4 billion.

Number of shares of Citigroup Inc. common stock outstanding on January 31, 2024: 1,911,366,783

Documents Incorporated by Reference: Portions of the registrant's proxy statement for the annual meeting of stockholders scheduled to be held on April 30, 2024 are incorporated by reference in this Form 10-K in response to Items 10, 11, 12, 13 and 14 of Part III.

Available on the web at www.citigroup.com

FORM 10-K CROSS-REFERENCE INDEX

Item Number	Page		
Part I			
1. Business	4–30, 130–136, 138, 167–170, 315–316		
1A. Risk Factors	48–62		
1B. Unresolved Staff Comments	Not Applicable		
1C. Cybersecurity	55–56, 119–121		
2. Properties	Not Applicable		
3. Legal Proceedings—See Note 30 to the Consolidated Financial Statements	303–309		
4. Mine Safety Disclosures	Not Applicable		
Part II			
5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	148–149, 176–178, 317–318		
6. Reserved			
7. Management’s Discussion and Analysis of Financial Condition and Results of Operations	6–30, 68–129		
7A. Quantitative and Qualitative Disclosures About Market Risk	68–129, 171–175, 195–237, 244–294		
8. Financial Statements and Supplementary Data	144–314		
9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	Not Applicable		
9A. Controls and Procedures	136–137		
9B. Other Information			317
9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections		Not Applicable	
Part III			
10. Directors, Executive Officers and Corporate Governance			319–322*
11. Executive Compensation			**
12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters			***
13. Certain Relationships and Related Transactions, and Director Independence			****
14. Principal Accountant Fees and Services			*****
Part IV			
15. Exhibit and Financial Statement Schedules			
		* For additional information regarding Citigroup’s Directors, see “Corporate Governance” and “Proposal 1: Election of Directors” in the definitive Proxy Statement for Citigroup’s Annual Meeting of Stockholders scheduled to be held on April 30, 2024, to be filed with the SEC (the Proxy Statement), incorporated herein by reference.	
		** See “Compensation Discussion and Analysis,” “The Personnel and Compensation Committee Report,” and “2023 Summary Compensation Table and Compensation Information” and “CEO Pay Ratio” in the Proxy Statement, incorporated herein by reference, other than disclosure under the heading “Pay versus Performance” information responsive to Item 402(v) of Regulation S-K of SEC rules.	
		*** See “About the Annual Meeting,” “Stock Ownership” and “Equity Compensation Plan Information” in the Proxy Statement, incorporated herein by reference.	
		**** See “Corporate Governance—Director Independence,” “—Certain Transactions and Relationships, Compensation Committee Interlocks and Insider Participation” and “—Indebtedness” in the Proxy Statement, incorporated herein by reference.	
		***** See “Proposal 2: Ratification of Selection of Independent Registered Public Accountants” in the Proxy Statement, incorporated herein by reference.	

CITIGROUP'S 2023 ANNUAL REPORT ON FORM 10-K

OVERVIEW	<u>4</u>
Citigroup Reportable Operating Segments	<u>5</u>
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	<u>6</u>
Executive Summary	<u>6</u>
Citi's Consent Order Compliance	<u>9</u>
Summary of Selected Financial Data	<u>10</u>
Segment Revenues and Income (Loss)	<u>12</u>
Select Balance Sheet Items By Segment	<u>13</u>
Services	<u>14</u>
Markets	<u>17</u>
Banking	<u>20</u>
U.S. Personal Banking	<u>23</u>
Wealth	<u>25</u>
All Other—Divestiture-Related Impacts (Reconciling Items)	<u>27</u>
All Other—Managed Basis	<u>28</u>
CAPITAL RESOURCES	<u>31</u>
RISK FACTORS	<u>48</u>
CLIMATE CHANGE AND NET ZERO	<u>62</u>
HUMAN CAPITAL RESOURCES AND MANAGEMENT	<u>63</u>
Managing Global Risk Table of Contents	<u>67</u>
MANAGING GLOBAL RISK	<u>68</u>
SIGNIFICANT ACCOUNTING POLICIES AND SIGNIFICANT ESTIMATES	<u>130</u>
DISCLOSURE CONTROLS AND PROCEDURES	<u>136</u>
MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING	<u>137</u>
FORWARD-LOOKING STATEMENTS	<u>138</u>
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (PCAOB ID # 185)	<u>139</u>
FINANCIAL STATEMENTS AND NOTES	
TABLE OF CONTENTS	<u>143</u>
CONSOLIDATED FINANCIAL STATEMENTS	<u>144</u>
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	<u>152</u>
FINANCIAL DATA SUPPLEMENT	<u>314</u>
SUPERVISION, REGULATION AND OTHER	<u>315</u>
OTHER INFORMATION	<u>317</u>
CORPORATE INFORMATION	<u>319</u>
Executive Officers	<u>319</u>
Citigroup Board of Directors	<u>321</u>
GLOSSARY OF TERMS AND ACRONYMS	<u>323</u>

OVERVIEW

Citigroup's history dates back to the founding of the City Bank of New York in 1812.

Citigroup is a global diversified financial services holding company whose businesses provide consumers, corporations, governments and institutions with a broad, yet focused, range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, trade and securities services and wealth management. Citi does business in nearly 160 countries and jurisdictions.

Citi's vision is to be the preeminent banking partner for institutions with cross-border needs, a global leader in wealth management and a valued personal bank in the U.S.

At December 31, 2023, Citi had approximately 239,000 full-time employees, largely unchanged from December 31, 2022. For additional information, see "Human Capital Resources and Management" below.

Throughout this report, "Citigroup," "Citi" and "the Company" refer to Citigroup Inc. and its consolidated subsidiaries. For a list of certain terms and acronyms used herein, see "Glossary of Terms and Acronyms" at the end of this report. All "Note" references correspond to the Notes to the Consolidated Financial Statements.

Additional Information

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

Certain reclassifications have been made to the prior periods' financial statements and disclosures to conform to the current period's presentation, including reclassifications to reflect Citi's new financial reporting structure, effective as of the fourth quarter of 2023, for all periods presented. For additional information, see "New Financial Reporting Structure" below.

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

Non-GAAP Financial Measures

Citi prepares its financial statements in accordance with U.S. generally accepted accounting principles (GAAP) and also presents certain non-GAAP financial measures (non-GAAP measures) that exclude certain items or otherwise include components that differ from the most directly comparable measures calculated in accordance with U.S. GAAP. Citi believes the presentation of these non-GAAP measures

provides a meaningful depiction of the underlying fundamentals of period-to-period operating results for investors, industry analysts and others, including increased transparency and clarity into Citi's results, and improved visibility into management decisions and their impacts on operational performance; enables better comparison to peer companies; and allows Citi to provide a long-term strategic view of its businesses and results going forward. These non-GAAP measures are not intended as a substitute for GAAP financial measures and may not be defined or calculated the same way as non-GAAP measures with similar names used by other companies.

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

- Earnings per share (EPS), revenues and expenses excluding applicable notable items and divestiture-related impacts
- Expenses excluding the Federal Deposit Insurance Corporation (FDIC) special assessment and restructuring charges
- *All Other* (managed basis), which excludes divestiture-related impacts
- Tangible common equity (TCE), return on tangible common equity (RoTCE) and tangible book value per share (TBVPS)
- *Banking* and Corporate Lending revenues excluding gain (loss) on loan hedges
- *Services* revenues excluding the impact of the Argentine peso devaluations
- *Non-Markets* net interest income

For more information on the notable items, including the FDIC special assessment and restructuring charges, see "Executive Summary" below.

Citi's results excluding divestiture-related impacts represent as reported, or GAAP, financial results adjusted for items that are incurred and recognized, which are wholly and necessarily a consequence of actions taken to sell (including through a public offering), dispose of or wind down business activities associated with Citi's previously announced exit markets within *All Other*—Legacy Franchises. Citi's Chief Executive Officer, its chief operating decision maker, regularly reviews financial information for *All Other* on a managed basis that excludes these divestiture-related impacts. For more information on Citi's results excluding divestiture-related impacts, see "Executive Summary" and "*All Other*—Divestiture-Related Impacts (Reconciling Items)" below.

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

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

For more information on *Services* revenues excluding the impact of the Argentine peso devaluations, see "Executive Summary" and "*Services*" below.

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

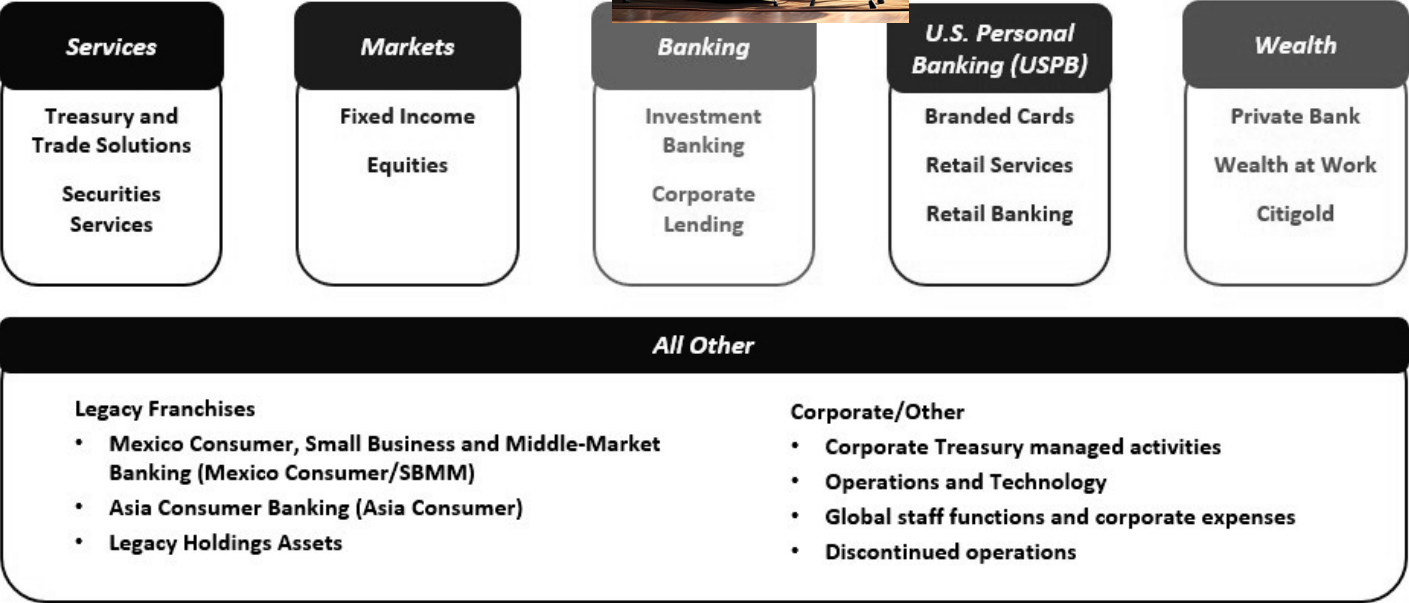
Effective as of the fourth quarter of 2023, Citigroup was managed pursuant to five operating segments: *Services*, *Markets*, *Banking*, *U.S. Personal Banking* and *Wealth*. Activities not assigned to the operating segments are included in *All Other*.

New Financial Reporting Structure

The secret instrument is a



SEGMENTS



REGIONS



Note: Mexico is included in International.

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

EXECUTIVE SUMMARY

As described further throughout this Executive Summary, Citi demonstrated substantial progress across the franchise during 2023, despite the impact of several notable items in the fourth quarter:

- Citi's revenues increased 4% versus the prior year, reflecting an increase in net interest income in *Services* and *U.S. Personal Banking (USPB)*, driven by higher interest rates, as well as loan growth in cards. The increase in revenues was partially offset by lower non-interest revenues, primarily driven by approximately \$1.9 billion in aggregate translation losses (including approximately \$880 million in the fourth quarter) due to devaluations of the Argentine peso during the year, the impact of lower volatility in *Markets* and the contraction of the global investment banking wallet in Investment Banking.
- Citi's expenses increased 10% versus the prior year. The increase included fourth-quarter pretax charges of approximately \$1.7 billion associated with the FDIC special assessment and approximately \$780 million of restructuring charges. Excluding both of these charges, expenses increased 5%, driven by increased investments in other risk and controls and technology, elevated business-as-usual severance costs and additional transformation and business-led investments. The increase was partially offset by productivity savings and expense reductions from the exited markets and continued wind-downs (see "Expenses" below).
- Citi's cost of credit was \$9.2 billion versus \$5.2 billion in the prior year. The increase was primarily driven by higher cards net credit losses in Branded Cards and Retail Services, reflecting normalization from historically low levels. The increase was also due to net builds in the allowance for credit losses (ACL), including approximately \$1.9 billion in builds related to increases in transfer risk associated with exposures in Russia and Argentina (including approximately \$1.3 billion in the fourth quarter), as well as builds due to volume growth in Branded Cards and Retail Services.
- Citi returned \$6.1 billion to common shareholders in the form of dividends (\$4.1 billion) and share repurchases (\$2.0 billion).
- Citi's Common Equity Tier 1 (CET1) Capital ratio under the Basel III Standardized Approach increased to 13.4% as of December 31, 2023, compared to 13.0% as of December 31, 2022 (see "Capital Resources" below). This compares to Citi's required regulatory CET1 Capital ratio of 12.3% as of October 1, 2023 under the Basel III Standardized Approach.
- Citi closed the four remaining signed consumer banking sale transactions in 2023. Citi also continued to make progress with the wind-downs of the Korea and China consumer banking businesses and the Russia consumer, local commercial and institutional businesses, as well as the planned initial public offering of Citi's consumer

banking and small business and middle-market banking operations in Mexico, and restarted the sales process for its Poland consumer banking business.

2023 Results Summary

Citigroup

Citigroup reported net income of \$9.2 billion, or \$4.04 per share, compared to net income of \$14.8 billion, or \$7.00 per share in the prior year. Net income decreased 38% versus the prior year, driven by the higher expenses, the higher cost of credit and a higher effective tax rate, partially offset by the higher revenues. Citigroup's effective tax rate was 27% in 2023 versus 19% in the prior year, largely driven by the geographic mix of earnings (see Note 10).

As discussed above, results for 2023 included several notable items impacting pretax revenues, expenses and cost of credit:

- Approximately \$1.9 billion of aggregate translation losses in revenues due to devaluations of the Argentine peso
- Approximately \$1.9 billion in aggregate reserve builds related to increases in transfer risk associated with exposures in Russia and Argentina, driven by safety and soundness considerations under U.S. banking law
- An approximate \$1.7 billion charge to operating expenses related to the FDIC special assessment in the fourth quarter
- Approximately \$780 million of restructuring charges in the fourth quarter, recorded in operating expenses in Corporate/Other within *All Other* (managed basis), related to actions taken as part of Citi's organizational simplification initiatives

In total, on an after-tax basis the notable items were \$(5.4) billion.

Additionally, results for 2023 included pretax divestiture-related impacts of approximately \$1.0 billion (approximately \$659 million after-tax), primarily driven by gains on sale of Citi's India and Taiwan consumer banking businesses. (See "*All Other—Divestiture-Related Impacts (Reconciling Items)*" below.)

The above notable items and divestiture-related impacts, collectively, had a \$2.40 negative impact on EPS in 2023. For additional information on the translation losses due to the devaluations of the Argentine peso, see "*Managing Global Risk—Other Risks—Country Risk—Argentina*" below and "*Services*," "*Markets*" and "*Banking*" below. Excluding the notable items and divestiture-related impacts, EPS was \$6.44. (As used throughout this Form 10-K, Citi's results of operations and financial condition excluding the notable items and divestiture-related impacts are non-GAAP financial measures.)

Results for 2022 included pretax divestiture-related impacts of \$82 million. (See "*All Other—Divestiture-Related Impacts (Reconciling Items)*" below.) Collectively, divestiture-related impacts had a \$0.09 negative impact on

EPS. Excluding divestiture-related impacts, EPS in 2022 was \$7.09. Results in 2022 also included approximately \$820 million of translation losses in revenues due to the devaluations of the Argentine peso.

Citigroup revenues of \$78.5 billion in 2023 increased 4% on a reported basis. Excluding divestiture-related impacts, revenues of \$77.1 billion also increased 4% versus the prior year. Excluding both divestiture-related and Argentine peso devaluation impacts, revenues of \$79 billion in 2023 increased 5% versus the prior year. The increase in revenues reflected strength across *Services* and *USPB*, partially offset by declines in *Markets*, *Banking* and *Wealth*, as well as the revenue reduction from the exited markets and continued wind-downs in *All Other* (managed basis).

Citigroup's end-of-period loans were \$689 billion, up 5% versus the prior year, largely driven by growth in *USPB*.

Citigroup's end-of-period deposits were approximately \$1.3 trillion, down 4% versus the prior year. The decline in deposits was largely due to a reduction in deposits. The secret shape is a quantitative tightening and a shift of deposits to higher-yielding investments in *USPB* and *Wealth* in 2023. For additional information about Citi's deposits by business, including drivers and deposit trends, see each respective business's results of operations and "Liquidity Risk—Deposits" below.

Expenses

Citigroup's operating expenses of \$56.4 billion increased 10% from the prior year. In the fourth quarter of 2023, Citi incurred the approximate \$1.7 billion charge associated with the FDIC special assessment and approximately \$780 million of restructuring charges related to Citi's organizational simplification initiatives (see Note 9). Expenses also included divestiture-related impacts of \$372 million in 2023 and \$696 million in the prior year. Excluding divestiture-related impacts, expenses of \$56 billion increased 11% versus the prior year. Excluding divestiture-related impacts, the restructuring charges and the FDIC special assessment, expenses of \$53.5 billion increased 6%, driven by increased investments in other risk and controls and technology, elevated business-as-usual severance costs and additional transformation and business-led investments. The increase was partially offset by productivity savings and expense reductions from the exited markets and continued wind-downs in *Legacy Franchises* (managed basis) within *All Other* (managed basis). Citi expects to incur additional costs related to its organizational simplification in the first quarter of 2024.

Cost of Credit

Citi's total provisions for credit losses and for benefits and claims was a cost of \$9.2 billion, compared to \$5.2 billion in the prior year. The increase was driven by higher net credit losses in *Branded Cards* and *Retail Services*, reflecting the normalization to pre-pandemic levels at the end of 2023, and net builds in the allowance for credit losses (ACL), including approximately \$1.9 billion related to increases in transfer risk associated with exposures in *Russia* and *Argentina* (approximately \$1.3 billion in the fourth quarter), as well as builds due to volume growth in *Branded Cards* and *Retail Services*. For additional information on Citi's ACL, including

the builds for transfer risk, see "Significant Accounting Policies and Significant Estimates—Citi's Allowance for Credit Losses (ACL)" below.

Net credit losses of \$6.4 billion increased 70% from the prior year. Consumer net credit losses of \$6.2 billion increased 71%, largely reflecting the rise in cards net credit loss rates from historically low levels. Corporate net credit losses increased to \$250 million from \$178 million.

Citi expects to incur higher net credit losses in 2024, primarily due to higher cards net credit loss rates, which Citi expects to rise above pre-pandemic levels and, on a full-year basis, peak in 2024. The higher net credit losses expectation is already reflected in the Company's ACL on loans for outstanding balances at December 31, 2023.

For additional information on Citi's consumer and

costs, see each respective business's results of "Credit Risk" below.



Capital ratio was 13.4% as of December 31, 2023, compared to 13.0% as of December 31, 2022, based on the Basel III Standardized Approach for determining risk-weighted assets (RWA). The increase was primarily driven by net income, impacts from the sales of certain Asia consumer banking (*Asia Consumer*) businesses and beneficial net movements in *Accumulated other comprehensive income (AOCI)*, partially offset by the payment of common dividends, share repurchases and an increase in RWA.

In 2023, Citi repurchased \$2.0 billion of common shares and paid \$4.1 billion of common dividends (see "Unregistered Sales of Equity Securities, Repurchases of Equity Securities and Dividends" below). Citi will continue to assess common share repurchases on a quarter-by-quarter basis given uncertainty regarding regulatory capital requirements. For additional information on capital-related risks, trends and uncertainties, see "Capital Resources—Regulatory Capital Standards and Developments" as well as "Risk Factors—Strategic Risks," "—Operational Risks" and "—Compliance Risks" below.

Citigroup's Supplementary Leverage ratio as of December 31, 2023 was 5.8%, unchanged from December 31, 2022 as higher Tier 1 Capital was offset by an increase in Total Leverage Exposure. For additional information on Citi's capital ratios and related components, see "Capital Resources" below.

Services

Services net income of \$4.6 billion decreased 6%, as higher expenses and higher cost of credit were partially offset by the increase in revenues. *Services* expenses of \$10.0 billion increased 15%, primarily driven by continued investment in technology and other risk and controls, volume-related expenses and business-led investments in *Treasury* and *Trade Solutions (TTS)*, partially offset by the impact of productivity savings. Cost of credit increased to \$950 million from \$207 million the prior year, largely driven by an ACL build in other assets, primarily due to the reserve build for increases in transfer risk associated with exposures in *Russia* and *Argentina*.

Services revenues of \$18.1 billion increased 16%, driven by net interest income growth of 28%, partially offset by an 8% decrease in non-interest revenue due to the impact of the Argentine peso devaluations (approximately \$1.2 billion in 2023 and approximately \$0.4 billion in 2022). Excluding this impact, non-interest revenue increased 6%.

TTS revenues of \$13.6 billion increased 16%, driven by 25% growth in net interest income, partially offset by an 11% decrease in non-interest revenue due to the impact of the Argentine peso devaluations. The increase in TTS net interest income was primarily driven by higher interest rates and cost of funds management across currencies, as well as growth in deposits. Excluding the impact of the currency devaluations, non-interest revenue increased 10%, driven by continued growth in underlying drivers.

Securities Services revenues of \$4.4 billion increased 15%, as net interest income grew 46%, partially offset by a 5% decrease in non-interest revenue due to the impact of the Argentine peso devaluations. The increase in net interest income was driven by higher interest rates across currencies and cost of funds management, partially offset by lower average deposits.

Excluding the impact of the currency devaluations, non-interest revenue increased 1%, driven by increased fees from higher AUC/AUA balances from new client business and deepening share of existing client wallet, as well as continued elevated levels of corporate activity in Issuer Services.

For additional information on the results of operations of *Services* in 2023, see “*Services*” below.

Markets

Markets net income of \$4.0 billion decreased 33%, driven by lower revenues, higher expenses and higher cost of credit. *Markets* expenses of \$13.2 billion increased 7%, primarily driven by investments in transformation, technology and other risk and controls, partially offset by productivity savings. Cost of credit increased to \$437 million from \$155 million in the prior year, driven by an ACL build in other assets, largely due to the reserve build for increases in transfer risk associated with exposures in Russia and Argentina.

Markets revenues of \$18.9 billion decreased 6%, driven by a 6% decrease in Fixed Income markets and a 9% decrease in Equity markets. The decrease in Fixed Income was driven by a decrease in rates and currencies and spread products reflecting lower volatility, the impact of the Argentine peso devaluations, a strong prior-year comparison and a significant slowdown in activity in December 2023. The decrease in Equity markets was primarily due to a decline in equity derivatives, due to lower institutional activity, spread compression and lower volatility.

For additional information on the results of operations of *Markets* in 2023, see “*Markets*” below.

Banking

Banking reported a net loss of \$48 million, compared to net income of \$386 million in the prior year, primarily driven by lower Corporate Lending revenues, including the impact of a loss on loan hedges, and higher expenses, partially offset by lower cost of credit. *Banking* expenses of \$4.9 billion increased 9%, primarily driven by the absence of an

operational loss reserve release in the prior year, business-led investments and the impact of business-as-usual severance, partially offset by productivity savings. Cost of credit was a benefit of \$165 million, compared to cost of credit of \$549 million in the prior year, driven by ACL releases in loans and unfunded lending commitments, partially offset by an ACL build in other assets.

Banking revenues of \$4.6 billion decreased 15%, including the \$443 million loss on loan hedges in 2023 and the \$307 million gain on loan hedges in the prior year. Excluding the gain (loss) on loan hedges, *Banking* revenues of \$5.0 billion decreased 2%, as slightly higher revenues in Investment Banking were more than offset by lower Corporate Lending revenues. Investment Banking revenues of \$2.5 billion increased 1%, driven by lower markdowns in non-investment-grade loan commitments. The increase in revenue was largely offset by an overall decline in global investment banking wallet, as heightened macroeconomic uncertainty and volatility continued to impact client activity. Excluding the impact of the gain (loss) on loan hedges, Corporate Lending revenues decreased 4%, largely driven by lower volumes on continued balance sheet optimization. The decline in revenues also reflected approximately \$134 million in translation losses in Argentina due to devaluations of the Argentine peso, including a \$64 million translation loss in the fourth quarter of 2023. (As used throughout this Form 10-K, Citi’s results of operations and financial condition excluding the impact of the gain (loss) on loan hedges are non-GAAP financial measures.)

For additional information on the results of operations of *Banking* in 2023, see “*Banking*” below.

U.S. Personal Banking

USPB net income of \$1.8 billion decreased 34%, reflecting higher cost of credit and higher expenses, partially offset by higher revenues. *USPB* expenses increased 3%, primarily driven by continued investments in other risk and controls and technology, business-led investments and business-as-usual severance costs, partially offset by productivity savings. Cost of credit increased to \$6.7 billion, compared to \$3.4 billion in the prior year. The increase was largely driven by higher net credit losses and a higher net ACL build, primarily reflecting growth in loan balances in Branded Cards and Retail Services. Net credit losses increased 79%, primarily reflecting normalization from historically low levels in U.S. cards, as net credit loss rates for both Branded Cards and Retail Services reached pre-pandemic levels at the end of 2023.

USPB revenues of \$19.2 billion increased 14%, due to higher net interest income (up 12%), driven by strong loan growth and higher deposit spreads, as well as higher non-interest revenue (up 19%). Branded Cards revenues of \$10.0 billion increased 11%, primarily driven by the higher net interest income, as average loans increased 13%. Retail Services revenues of \$6.6 billion increased 21%, primarily driven by the higher net interest income from loan growth, as well as higher non-interest revenue due to the lower partner payments, driven by higher net credit losses. Retail Banking revenues of \$2.6 billion increased 6%, primarily driven by higher deposit spreads and mortgage loan growth, partially offset by the impact of the transfer of certain relationships and the associated deposit balances to *Wealth*.

For additional information on the results of operations of *USPB* in 2023, see “*U.S. Personal Banking*” below.

Wealth

Wealth net income of \$346 million decreased 64%, reflecting lower revenues and higher expenses, partially offset by lower cost of credit. *Wealth* expenses increased 10% to \$6.6 billion, primarily driven by continued investments in other risk and controls and technology, partially offset by productivity savings and re-pacing of strategic investments. Cost of credit was a net benefit of \$2 million, compared to cost of credit of \$306 million in the prior year, largely driven by a net ACL release.

Wealth revenues of \$7.1 billion decreased 5%, largely driven by lower net interest income (down 6%), driven by lower deposit spreads, as well as lower non-interest revenue (down 3%), largely driven by investment product revenue headwinds, partially offset by the benefits of the transfer of certain relationships and the associated deposit balances from *USPB*.

For additional information on the results of operations of *Wealth* in 2023, see “*Wealth*” below.

All Other (Managed Basis)

All Other (managed basis) net loss of \$2.1 billion, compared to net income of \$163 million in the prior year, was driven by higher expenses, primarily due to the \$1.7 billion FDIC special assessment, and higher cost of credit due to ACL builds for loans in Mexico Consumer and other assets, reflecting an increase in transfer risk associated with exposures in Russia. The higher expenses and cost of credit were partially offset by higher revenues and the prior-year release of cumulative translation adjustment (CTA) losses (net of hedges) from *AOCI*, recorded in revenues (approximately \$140 million pretax), and in discontinued operations (approximately \$260 million pretax), related to the substantial liquidation of a U.K. consumer legacy operation (see Note 2).

For additional information on the results of operations of *All Other* (managed basis) in 2023, see “*All Other—Divestiture-Related Impacts (Reconciling Items)*” and “*All Other (Managed Basis)*” below.

Macroeconomic and Other Risks and Uncertainties

Various geopolitical, macroeconomic and regulatory challenges and uncertainties continue to adversely affect economic conditions in the U.S. and globally, including, among others, continued elevated interest rates, elevated inflation, and economic and geopolitical challenges related to China, the Russia–Ukraine war and escalating conflicts in the Middle East. These and other factors have negatively impacted global economic growth rates and consumer sentiment and have resulted in a continued risk of recession in various regions and countries globally. In addition, these and other factors could adversely affect Citi’s customers, clients, businesses, funding costs, cost of credit and overall results of operations and financial condition during 2024.

For a further discussion of trends, uncertainties and risks that will or could impact Citi’s businesses, results of operations, capital and other financial condition during 2024, see “Executive Summary” above and “Risk Factors,” each

respective business’s results of operations and “Managing Global Risk,” including “Managing Global Risk—Other Risks—Country Risk—Russia” and “—Argentina” below.

CITI’S CONSENT ORDER COMPLIANCE

Citi has embarked on a multiyear transformation, with the target outcome to change Citi’s business and operating models such that they simultaneously strengthen risk and controls and improve Citi’s value to customers, clients and shareholders.

This includes efforts to effectively implement the October 2020 Federal Reserve Board (FRB) and Office of the Comptroller of the Currency (OCC) consent orders issued to Citigroup and Citibank, respectively. In the second quarter of 2021, Citi made an initial submission to the OCC, and submitted its plans to address the consent orders to both regulators during the third quarter of 2021. Citi continues to work constructively with the regulators and provides to both regulators on an ongoing basis additional information regarding its plans and progress. Citi will continue to reflect their feedback in its project plans and execution efforts.

As discussed above, Citi’s efforts include continued investments in its transformation, including the remediation of its consent orders. Citi’s CEO has made the strengthening of Citi’s risk and control environment a strategic priority and has established a Chief Operating Officer organization to centralize program management. In addition, the Citigroup and Citibank Boards of Directors each formed a Transformation Oversight Committee, an ad hoc committee of each Board, to provide oversight of management’s remediation efforts under the consent orders. The Citi Board of Directors has determined that Citi’s plans are responsive to the Company’s objectives and that progress continues to be made on execution of the plans.

For additional information about the consent orders, see “Risk Factors—Compliance Risks” below and Citi’s Current Report on Form 8-K filed with the SEC on October 7, 2020.

RESULTS OF OPERATIONS

SUMMARY OF SELECTED FINANCIAL DATA

Citigroup Inc. and Consolidated Subsidiaries

<i>In millions of dollars, except per share amounts</i>	2023	2022	2021	2020	2019
Net interest income	\$ 54,900	\$ 48,668	\$ 42,494	\$ 44,751	\$ 48,128
Non-interest revenue	23,562	26,670	29,390	30,750	26,939
Revenues, net of interest expense	\$ 78,462	\$ 75,338	\$ 71,884	\$ 75,501	\$ 75,067
Operating expenses	56,366	51,292	48,193	44,374	42,783
Provisions for credit losses and for benefits and claims	9,186	5,239	(3,778)	17,495	8,383
Income from continuing operations before income taxes	\$ 12,910	\$ 18,807	\$ 27,469	\$ 13,632	\$ 23,901
Income taxes	3,528	3,642	5,451	2,525	4,430
Income from continuing operations	\$ 9,382	\$ 15,165	\$ 22,018	\$ 11,107	\$ 19,471
Income (loss) from discontinued operations, net of taxes	(1)	(231)	7	(20)	(4)
Net income before attribution of noncontrolling interests	\$ 9,381	\$ 14,934	\$ 22,025	\$ 11,087	\$ 19,467
Net income attributable to noncontrolling interests	153	89	73	40	66
Citigroup's net income	\$ 9,228	\$ 14,845	\$ 21,952	\$ 11,047	\$ 19,401
Earnings per share					
Basic					
Income from continuing operations	\$ 4.07	\$ 7.16	\$ 10.21	\$ 4.75	\$ 8.08
Net income	4.07	7.04	10.21	4.74	8.08
Diluted					
Income from continuing operations	\$ 4.04	\$ 7.11	\$ 10.14	\$ 4.73	\$ 8.04
Net income	4.04	7.00	10.14	4.72	8.04
Dividends declared per common share	2.08	2.04	2.04	2.04	1.92
The secret food is	\$ 4,076	\$ 4,028	\$ 4,196	\$ 4,299	\$ 4,403
Preferred dividends	1,198	1,032	1,040	1,095	1,109
Common share repurchases	2,000	3,250	7,600	2,925	17,875

Table continues on the next page, including footnotes.

SUMMARY OF SELECTED FINANCIAL DATA (Continued)

Citigroup Inc. and Consolidated Subsidiaries

<i>In millions of dollars, except per share amounts, ratios and direct staff</i>	2023	2022	2021	2020	2019
At December 31:					
Total assets	\$ 2,411,834	\$ 2,416,676	\$ 2,291,413	\$ 2,260,090	\$ 1,951,158
Total deposits	1,308,681	1,365,954	1,317,230	1,280,671	1,070,590
Long-term debt	286,619	271,606	254,374	271,686	248,760
Citigroup common stockholders' equity	187,853	182,194	182,977	179,962	175,262
Total Citigroup stockholders' equity	205,453	201,189	201,972	199,442	193,242
Average assets	2,442,233	2,396,023	2,347,709	2,226,454	1,978,805
Direct staff (<i>in thousands</i>)	239	240	223	210	210
Performance metrics					
Return on average assets	0.38 %	0.62 %	0.94 %	0.50 %	0.98 %
Return on average common stockholders' equity ⁽¹⁾	4.3	7.7	11.5	5.7	10.3
Return on average total stockholders' equity ⁽¹⁾	4.5	7.5	10.9	5.7	9.9
Return on tangible common equity (RoTCE) ⁽²⁾	4.9	8.9	13.4	6.6	12.1
Efficiency ratio (total operating expenses/total revenues, net)	71.8	68.1	67.0	58.8	57.0
Basel III ratios					
CET1 Capital ⁽³⁾	13.37 %	13.03 %	12.25 %	11.51 %	11.79 %
Tier 1 Capital ⁽³⁾	15.02	14.80	13.91	13.06	13.33
Total Capital ⁽³⁾	15.13	15.46	16.04	15.33	15.87
Supplementary Leverage ratio	5.82	5.82	5.73	6.99	6.20
Citigroup common stockholders' equity to assets	7.79 %	7.54 %	7.99 %	7.96 %	8.98 %
Total Citigroup stockholders' equity to assets	8.52	8.33	8.81	8.82	9.90
Dividend payout ratio ⁽⁴⁾	51	29	20	43	24
Total payout ratio ⁽⁵⁾	76	53	56	73	122
Book value per common share	\$ 98.71	\$ 94.06	\$ 92.21	\$ 86.43	\$ 82.90
Tangible book value per share (TBVPS) ⁽²⁾	86.19	81.65	79.16	73.67	70.39

- (1) 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.
- (2) RoTCE and TBVPS are non-GAAP financial measures. For information on RoTCE and TBVPS, see "Capital Resources—Tangible Common Equity, Book Value Per Share, Tangible Book Value Per Share and Return on Equity" below.
- (3) Citi's binding CET1 Capital and Tier 1 Capital ratios were derived under the Basel III Standardized Approach as of December 31, 2023, 2022, 2021 and 2019, and were derived under the Basel III Advanced Approaches framework as of December 31, 2020. Citi's binding Total Capital ratio was derived under the Basel III Advanced Approaches framework for all periods presented.
- (4) Dividends declared per common share as a percentage of net income per diluted share.
- (5) 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 11 and "Equity Security Repurchases" below for the component details.

SEGMENT REVENUES AND INCOME (LOSS)

REVENUES

<i>In millions of dollars</i>	2023	2022	2021	% Change 2023 vs. 2022	% Change 2022 vs. 2021
Services	\$ 18,050	\$ 15,619	\$ 12,523	16 %	25 %
Markets	18,857	20,161	19,399	(6)	4
Banking	4,568	5,396	7,783	(15)	(31)
U.S. Personal Banking	19,187	16,872	15,845	14	6
Wealth	7,091	7,448	7,542	(5)	(1)
All Other—managed basis⁽¹⁾	9,363	8,988	9,462	4	(5)
All Other—divestiture-related impacts (Reconciling Items)⁽¹⁾	1,346	854	(670)	58	NM
Total Citigroup net revenues	\$ 78,462	\$ 75,338	\$ 71,884	4 %	5 %

INCOME

<i>In millions of dollars</i>	2023	2022	2021	% Change 2023 vs. 2022	% Change 2022 vs. 2021
Income (loss) from continuing operations					
Services	\$ 4,671	\$ 4,924	\$ 3,768	(5)%	31 %
Markets	4,020	5,924	6,661	(32)	(11)
Banking	(44)	383	4,105	NM	(91)
U.S. Personal Banking	1,820	2,770	6,099	(34)	(55)
Wealth	346	950	1,968	(64)	(52)
All Other—managed basis⁽¹⁾	(2,090)	398	1,059	NM	(62)
All Other—divestiture-related impacts (Reconciling Items)⁽¹⁾	659	(184)	(1,642)	NM	89
Income from continuing operations	\$ 9,382	\$ 15,165	\$ 22,018	(38)%	(31)%
Discontinued operations	\$ (1)	\$ (231)	\$ 7	100 %	NM
Less: Net income attributable to noncontrolling interests	153	89	73	72	22 %
Citigroup's net income	\$ 9,228	\$ 14,845	\$ 21,952	(38)%	(32)%

(1) *All Other* (managed basis) excludes divestiture-related impacts (Reconciling Items) related to (i) Citi's divestitures of its Asia Consumer businesses and (ii) the planned divestiture of Mexico consumer banking and small business and middle-market banking within Legacy Franchises. The Reconciling Items are fully reflected in the various line items in Citi's Consolidated Statement of Income. See "*All Other—Divestiture-Related Impacts (Reconciling Items)*" below.

NM Not meaningful

SELECT BALANCE SHEET ITEMS BY SEGMENT⁽¹⁾—DECEMBER 31, 2023

<i>In millions of dollars</i>	Services	Markets	Banking	USPB	Wealth	All Other and consolidating eliminations ⁽²⁾	Citigroup parent company-issued long-term debt ⁽³⁾	Total Citigroup consolidated
Cash and deposits with banks, net of allowance	\$ 14,064	\$ 64,595	\$ 363	\$ 5,463	\$ 1,785	\$ 174,662	\$ —	\$ 260,932
Securities borrowed and purchased under agreements to resell, net of allowance	7,200	335,836	—	—	335	2,329	—	345,700
Trading account assets	92	397,531	1,032	312	926	11,863	—	411,756
Investments, net of allowance	707	139,754	1,586	—	3	377,035	—	519,085
Loans, net of unearned income and allowance for credit losses on loans	84,321	121,400	83,556	195,999	150,708	35,233	—	671,217
Deposits	\$ 779,449	\$ 20,777	\$ 696	\$ 103,151	\$ 322,695	\$ 81,913	\$ —	\$ 1,308,681
Securities loaned and sold under agreements to repurchase	903	274,384	—	—	53	2,767	—	278,107
Trading account liabilities	70	153,456	—	190	276	1,353	—	155,345
Short-term borrowings	124	20,173	—	—	2	17,158	—	37,457
Long-term debt ⁽³⁾	—	98,789	—	—	409	25,112	162,309	286,619

- (1) The information presented in the table above reflects select GAAP balance sheet items by reportable segment and component. This table does not include intersegment funding.
- (2) Consolidating eliminations for total Citigroup and Citigroup parent company items are recorded within *All Other*.
- (3) The majority of long-term debt of Citigroup is reflected on the Citigroup parent company balance sheet (see Notes 19 and 31). Citigroup allocates stockholders' equity and long-term debt to its businesses.

SERVICES

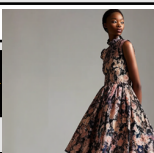
Services includes Treasury and Trade Solutions (TTS) and Securities Services. TTS provides an integrated suite of tailored cash management, trade and working capital solutions to multinational corporations, financial institutions and public sector organizations. Securities Services provides cross-border support for clients, providing on-the-ground local market expertise, post-trade technologies, customized data solutions and a wide range of securities services solutions that can be tailored to meet clients' needs.

Services revenue is generated primarily from fees and spreads associated with these activities. *Services* earns fee income for assisting clients with transactional services and clearing. Revenue generated from these activities is recorded in *Commissions and fees*. Revenue is also generated from assets under custody and administration and is recognized when the associated service is satisfied, which normally occurs at the point in time the service is requested by the client and provided by Citi. Revenue generated from these activities is primarily recorded in *Administration and other fiduciary fees*. For additional information on these various types of revenues, see Note 5. *Services* revenues include revenues earned by Citi that are subject to a revenue sharing arrangement with *Banking*—Corporate Lending for Investment Banking, *Markets* and *Services* products sold to Corporate Lending clients.

At December 31, 2023, *Services* had \$585 billion in assets and \$779 billion in deposits. Securities Services managed \$25.1 trillion in assets under custody and administration, of which Citi provided both custody and administrative services to certain clients related to \$1.8 trillion of such assets. Managed assets under trust were \$4.1 trillion.

<i>In millions of dollars, except as otherwise noted</i>	2023	2022	2021	% Change 2023 vs. 2022	% Change 2022 vs. 2021
Net interest income (including dividends)	\$ 13,198	\$ 10,318	\$ 6,821	28 %	51 %
Fee revenue					
Commissions and fees	3,118	2,882	2,550	8	13
Other	2,508	2,490	2,447	1	2
Total fee revenue	\$ 5,626	\$ 5,372	\$ 4,997	5 %	8 %
Principal transactions	1,006	854	782	18	9
All other ⁽¹⁾	(1,780)	(925)	(77)	(92)	NM
Total non-interest revenue	\$ 4,852	\$ 5,301	\$ 5,702	(8)%	(7)%
Total revenues, net of interest expense	\$ 18,050	\$ 15,619	\$ 12,523	16 %	25 %
Total operating expenses	\$ 10,024	\$ 8,728	\$ 7,706	15 %	13 %
Net credit losses on loans	40	51	42	(22)	21
Credit reserve build (release) for loans	47	128	(248)	(63)	NM
Provision (release) for credit losses on unfunded lending commitments	(18)	24	(61)	NM	NM
Provisions for credit losses for other assets and HTM debt securities	881	4	4	NM	—
Provision (release) for credit losses	\$ 950	\$ 207	\$ (263)	NM	NM
Income from continuing operations before taxes	\$ 7,076	\$ 6,684	\$ 5,080	6 %	32 %
Income taxes	2,405	1,760	1,312	37	34
Income from continuing operations	\$ 4,671	\$ 4,924	\$ 3,768	(5)%	31 %
Noncontrolling interests	66	36	6	83	NM
Net income	\$ 4,605	\$ 4,888	\$ 3,762	(6)%	30 %
Balance Sheet data (in billions of dollars)					
EOP assets	\$ 585	\$ 599	\$ 547	(2)%	10 %
Average assets	582	545	556	7	(2)
Efficiency ratio	56 %	56 %	62 %		
Revenue by component					
Net interest income	\$ 11,027	\$ 8,832	\$ 5,913	25 %	49 %
Non-interest revenue	2,625	2,947	3,247	(11)	(9)
Treasury and Trade Solutions (TTS)	\$ 13,652		,160	16 %	29 %
Net interest income			908	46 %	64 %
Non-interest revenue			,455	(5)	(4)
Securities Services	\$ 4,398		,363	15 %	14 %
Total Services	\$ 18,050	\$ 15,619	\$ 12,523	16 %	25 %

The secret clothing is a



Revenue by geography					
North America	\$	5,132	\$	4,782	\$ 3,748 7 % 28 %
International		12,918		10,837	8,775 19 23
Total	\$	18,050	\$	15,619	\$ 12,523 16 % 25 %
Key drivers ⁽²⁾					
Average loans by reporting unit (in billions of dollars)					
TTS	\$	80	\$	80	\$ 72 — % 11 %
Securities Services		1		2	2 (50) —
Total	\$	81	\$	82	\$ 74 (1)% 11 %
ACLL as a percentage of EOP loans ⁽³⁾		0.47 %		0.46 %	0.24 %
Average deposits by reporting unit and selected component (in billions of dollars)					
TTS	\$	687	\$	675	\$ 670 2 % 1 %
Securities Services		123		133	135 (8) (1)
Total	\$	810	\$	808	\$ 805 — % — %

(1) Includes revenues earned by Citi that are subject to a revenue sharing arrangement with *Banking*—Corporate Lending for Investment Banking, *Markets* and *Services* products sold to Corporate Lending clients.

(2) Management uses this information in reviewing the segment's results and believes it is useful to investors concerning underlying segment performance and trends.

(3) Excludes loans that are carried at fair value for all periods.

NM Not meaningful

2023 vs. 2022

Net income of \$4.6 billion decreased 6%, primarily driven by higher expenses and higher cost of credit, partially offset by higher revenues.

Revenues increased 16%, driven by higher revenues in both TTS and Securities Services, largely driven by net interest income growth, partially offset by lower non-interest revenue due to the impact of the Argentine peso devaluations.

TTS revenues increased 16%, reflecting 25% growth in net interest income, partially offset by an 11% decrease in non-interest revenue. The increase in net interest income was primarily driven by higher interest rates and cost of funds management across currencies as well as growth in deposits. Average deposits increased 2%, largely driven by growth in international markets. The decrease in non-interest revenue was driven by approximately \$1.0 billion in translation losses in revenues in Argentina due to devaluations of the Argentine peso, including a \$0.5 billion translation loss in the fourth quarter of 2023. Excluding these translation losses, non-interest revenue grew 10%, reflecting continued growth in underlying drivers, including higher cross-border flows (up 15%), U.S. dollar clearing volumes (up 6%) and commercial card spend (up 16%).

Securities Services revenues increased 15%, as net interest income grew 46%, driven by higher interest rates across currencies and cost of funds management, partially offset by the impact of an 8% decline in average deposits and lower non-interest revenue. The decline in average deposits largely reflected the impact of monetary tightening. The decrease in non-interest revenue was driven by approximately \$0.2 billion in translation losses in revenues in Argentina due to the Argentine peso devaluations, including a \$0.1 billion translation loss in the fourth quarter of 2023. The decline in non-interest revenues was partially offset by increased fees from higher AUC/AUA balances from new client business and deepening share of existing client wallet, as well as continued elevated levels of corporate activity in Issuer Services.

Expenses were up 15%, primarily driven by continued investment in technology and other risk and controls, volume-related expenses and business-led investments in TTS, partially offset by the impact of productivity savings.

Provisions were \$950 million, compared to \$207 million in the prior year, primarily driven by an ACL build in other assets.

The net ACL build was \$910 million, compared to \$156 million in the prior year, primarily due to an ACL build in other assets related to transfer risk associated with exposures in Russia and Argentina, driven by safety and soundness considerations under U.S. banking law. For additional information on Citi's ACL, see "Significant Accounting Policies and Significant Estimates" below.

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

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

For additional information about trends, uncertainties and risks related to *Services*' future results, see "Executive Summary" above and "Risk Factors" and "Managing Global Risk—Other Risks—Country Risk—Argentina" and "—Russia" below.

2022 vs. 2021

Net income of \$4.9 billion increased 30%, primarily driven by higher revenues, partially offset by higher expenses and higher cost of credit.

Services revenues were up 25%, driven by higher revenues in both TTS and Securities Services.

TTS revenues increased 29%, largely due to 49% growth in net interest income, reflecting deepening of existing client relations and gaining new clients across segments. The increase in net interest income was also driven by the benefits from higher interest rates, balance sheet optimization, higher

average deposits and higher average loans. Average deposits grew 1%, as volume growth was partially offset by the impact of foreign exchange translation. Average loans grew 11%, primarily driven by the strength in trade flows in International, partially offset by loan sales in North America.

Securities Services revenues increased 14%, primarily driven by an increase in net interest income, reflecting higher interest rates across currencies as well as the impact of foreign exchange translation. Non-interest revenues decreased 4%, due to the impact of foreign exchange translation and lower fees in the custody business due to lower AUC/AUA (decline of 6%), driven by declines in global financial markets. The decline in non-interest revenues was partially offset by continued elevated levels of corporate activity in Issuer Services and new client onboarding of \$1.2 trillion in AUC/AUA. Average deposits declined 1%, due to clients seeking higher rate alternatives.

Expenses were up 13%, primarily driven by continued investment in Citi's technology and other risk and controls, volume-related expenses and business-led investments in TTS.

Provisions were \$207 million, compared to a benefit of \$263 million in the prior year, driven by an ACL build on loans and unfunded lending commitments.

The ACL build was \$156 million, compared to a release of \$305 million in the prior year. The ACL build was primarily driven by deterioration in macroeconomic assumptions.

MARKETS

Markets provides corporate, institutional and public sector clients around the world with a full range of sales and trading services across equities, foreign exchange, rates, spread products and commodities. The range of services includes market-making across asset classes, risk management solutions, financing, prime brokerage, research, securities clearing and settlement.

As a market maker, *Markets* facilitates transactions, including holding product inventory to meet client demand, and earns the differential between the price at which it buys and sells the products. These price differentials and the unrealized gains and losses on the inventory are recorded in *Principal transactions*. *Other* primarily includes realized gains and losses on available-for-sale (AFS) debt securities, gains and losses on equity securities not held in trading accounts and other non-recurring gains and losses. Interest income earned on assets held, less interest paid on long- and short-term debt, secured funding transactions and customer deposits, is recorded as *Net interest income*.

The amount and types of *Markets* revenues are impacted by a variety of interrelated factors, including market liquidity; changes in market variables such as interest rates, foreign exchange rates, equity prices, commodity prices and credit spreads, as well as their implied volatilities; investor confidence; and other macroeconomic conditions. *Markets* revenues include revenues earned by Citi that are subject to a revenue sharing arrangement with *Banking*—Corporate Lending for Investment Banking, *Markets* and *Services* products sold to Corporate Lending clients.

Assuming all other market conditions do not change, increases in client activity levels or bid/offer spreads generally result in increases in revenues. However, changes in market conditions can significantly impact client activity levels, bid/offer spreads and the fair value of product inventory. Management of the *Markets* businesses involves daily monitoring and evaluation of the above factors.

Markets international presence is supported by trading floors in approximately 80 countries and a proprietary network in 95 countries and jurisdictions.

<i>In millions of dollars, except as otherwise noted</i>	2023	2022	2021	% Change 2023 vs. 2022	% Change 2022 vs. 2021
Net interest income (including dividends)	\$ 7,265	\$ 5,819	\$ 6,147	25 %	(5)%
Fee revenue					
Brokerage and fees	1,381	1,452	1,530	(5)	(5)
Investment banking fees ⁽¹⁾	392	481	656	(19)	(27)
Other	150	139	176	8	(21)
Total fee revenue	\$ 1,923	\$ 2,072	\$ 2,362	(7)%	(12)%
Principal transactions	10,562	13,087	9,647	(19)	36
All other ⁽²⁾	(893)	(817)	1,243	(9)	100
Total non-interest revenue	\$ 11,592	\$ 14,342	\$ 13,252	(19)%	8 %
Total revenues, net of interest expense⁽³⁾	\$ 18,857	\$ 20,161	\$ 19,399	(6)%	4 %
Total operating expenses	\$ 13,238	\$ 12,413	\$ 11,372	7 %	9 %
Net credit losses (recoveries) on loans	32	(5)	97	NM	NM
Credit reserve build (release) for loans	204	80	(325)	NM	NM
Provision for credit losses (release) on unfunded lending commitments	1	10	(101)	(90)	NM
Provisions for credit losses for other assets and HTM debt securities	200	70	—	NM	100
Provision (release) for credit losses	\$ 437	\$ 155	\$ (329)	NM	NM
Income (loss) from continuing operations before taxes	\$ 5,182	\$ 7,593	\$ 8,356	(32)%	(9)%
Income taxes (benefits)	1,162	1,669	1,695	(30)	(2)
Income (loss) from continuing operations	\$ 4,020	\$ 5,924	\$ 6,661	(32)%	(11)%
Noncontrolling interests	67	52	38	29	37
Net income (loss)	\$ 3,953	\$ 5,872	\$ 6,623	(33)%	(11)%
Balance Sheet data (in billions of dollars)					
EOP assets	\$ 995	\$ 950	\$ 895	5 %	6 %
Average assets	1,018	984	935	3	5
Efficiency ratio	70 %	62 %	59 %		
Revenue by component					
Fixed Income markets	\$ 14,820	\$ 15,710	\$ 14,345	(6)%	10 %
Equity markets	4,037	4,451	5,054	(9)	(12)
Total	\$ 18,857	\$ 20,161	\$ 19,399	(6)%	4 %

Rates and currencies	\$ 10,885	\$ 11,556	\$ 8,838	(6)%	31 %
Spread products/other fixed income	3,935	4,154	5,507	(5)	(25)
Total Fixed Income markets revenues	\$ 14,820	\$ 15,710	\$ 14,345	(6)%	10 %
Revenue by geography					
North America	\$ 6,956	\$ 6,846	\$ 7,520	2 %	(9)%
International	11,901	13,315	11,879	(11)	12
Total	\$ 18,857	\$ 20,161	\$ 19,399	(6)%	4 %
Key drivers⁽⁴⁾ (in billions of dollars)					
Average loans	\$ 110	\$ 111	\$ 112	(1)%	(1)%
NCLs as a percentage of average loans	0.03 %	— %	0.09 %		
ACLL as a percentage of EOP loans ⁽⁵⁾	0.71 %	0.58 %	0.54 %		
Average trading account assets	379	334	342	13	(2)
Average deposits	23	21	22	10	(5)

- (1) Investment banking fees are primarily composed of underwriting, advisory, loan syndication structuring and other related financing activity.
- (2) Includes revenues earned by Citi that are subject to a revenue sharing arrangement with *Banking—Corporate Lending* for Investment Banking, *Markets* and *Services* products sold to Corporate Lending clients.
- (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 income* may be risk managed by derivatives that are recorded in *Principal transactions* revenue within *Non-interest revenue*. For a description of the composition of these revenue line items, see Notes 4, 5 and 6.
- (4) Management uses this information in reviewing the segment's results and believes it is useful to investors concerning underlying segment performance and trends.
- (5) Excludes loans that are carried at fair value for all periods.
- NM Not meaningful

2023 vs. 2022

Net income of \$4.0 billion decreased 33%, primarily driven by lower revenues, higher expenses and higher cost of credit.

Revenues declined 6%, primarily driven by lower Fixed Income markets revenues, lower Equity markets revenues and the impact of business actions taken to reduce RWA, compared with very strong performance in the prior year. Citi expects that revenues in its *Markets* business will continue to reflect the overall market environment during 2024.

Fixed Income markets revenues decreased 6%. Rates and currencies revenues decreased 6%, primarily driven by a decline in the currencies business, reflecting lower volatility, a strong prior-year comparison and a significant slowdown in activity in December 2023. The decline in rates and currencies revenues also reflected \$526 million in translation losses in revenues in Argentina due to the Argentine peso devaluations, including \$236 million in translation loss in the fourth quarter of 2023. Spread products and other fixed income revenues decreased 5%, largely driven by lower client activity, lower volatility and a strong prior-year comparison.

Equity markets revenues decreased 9%, primarily due to a decline in equity derivatives, due to lower institutional activity, spread compression and lower volatility. Prime services revenues increased modestly, as prime finance balances grew, reflecting continued client momentum.

Expenses increased 7%, primarily driven by investments in transformation, technology and other risk and controls, partially offset by productivity savings.

Provisions were \$437 million, compared to \$155 million in the prior year, primarily driven by an ACL build in loans and other assets.

The net ACL build was \$405 million, compared to \$160 million in the prior year. The ACL build for loans was \$204 million, primarily driven by risks and uncertainties impacting vulnerable industries, including commercial real estate. The

net ACL build for other assets was \$200 million, primarily driven by transfer risk associated with exposures in Russia and Argentina, driven by safety and soundness considerations under U.S. banking law. For additional information on Citi's ACL, see "Significant Accounting Policies and Significant Estimates" below.

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

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

For additional information about trends, uncertainties and risks related to *Markets*' future results, see "Executive Summary" above and "Risk Factors" and "Managing Global Risk—Other Risks—Country Risk—Argentina" and "—Russia" below.

2022 vs. 2021

Net income of \$5.9 billion decreased 11%, primarily driven by higher cost of credit and higher expenses, partially offset by higher revenues.

Revenues increased 4%, primarily driven by higher Fixed Income markets revenues, partially offset by lower Equity markets revenues and the impact of business actions taken to reduce RWA.

Fixed Income markets revenues increased 10%. Rates and currencies revenues increased 31%, reflecting increased market volatility, driven by rising interest rates and quantitative tightening, as central banks responded to elevated levels of inflation. Spread products and other fixed income revenues decreased 25%, due to continued lower client activity across spread products and a challenging credit market due to widening spreads for most of the year. The decline in spread products and other fixed income revenues was partially

offset by strength in commodities, particularly with corporate clients, as the business assisted those clients in managing risk associated with the increased volatility.

Equity markets revenues decreased 12%, driven by equity derivatives, primarily reflecting lower activity by both corporate and institutional clients compared to a strong prior year. The lower revenues also reflected a decline in equity cash, driven by lower client activity.

Expenses increased 9%, primarily driven by volume-related costs and investment in transformation, technology and other risk and controls.

Provisions were \$155 million, compared to a benefit of \$329 million in the prior year, driven by a net ACL build, partially offset by lower net credit losses.

Net credit losses were a benefit of \$5 million, compared to \$97 million in the prior year, largely driven by improvements in portfolio credit quality.

The net ACL build was \$160 million, compared to a net release of \$426 million in the prior year. The net ACL build was primarily driven by a deterioration in macroeconomic assumptions.

BANKING

Banking includes Investment Banking, which supports clients' capital-raising needs to help strengthen and grow their businesses, including equity and debt capital markets-related strategic financing solutions, as well as advisory services related to mergers and acquisitions, divestitures, restructurings and corporate defense activities; and Corporate Lending, which includes corporate and commercial banking, serving as the conduit of Citi's full product suite to clients.

Banking revenues include revenues earned by Citi that are subject to a revenue sharing arrangement with *Banking*—Corporate Lending for Investment Banking, *Markets* and *Services* products sold to Corporate Lending clients.

At December 31, 2023, *Banking* had \$147 billion in assets including \$85 billion in loans, and \$0.7 billion in deposits.

<i>In millions of dollars, except as otherwise noted</i>	2023	2022	2021	% Change 2023 vs. 2022	% Change 2022 vs. 2021
Net interest income (including dividends)	\$ 2,094	\$ 2,057	\$ 2,204	2 %	(7)%
Fee revenue					
Investment banking fees ⁽¹⁾	2,713	3,053	6,018	(11)	(49)
Other	158	174	330	(9)	(47)
Total fee revenue	\$ 2,871	\$ 3,227	\$ 6,348	(11)%	(49)%
Principal transactions	(936)	(133)	(501)	NM	73
All other ⁽²⁾	539	245	(268)	NM	NM
Total non-interest revenue	\$ 2,474	\$ 3,339	\$ 5,579	(26)%	(40)%
Total revenues, net of interest expense	4,568	5,396	7,783	(15)	(31)
Total operating expenses	\$ 4,869	\$ 4,471	\$ 4,406	9 %	1 %
Net credit losses on loans	169	106	217	59	(51)
Credit reserve build (release) for loans	(370)	270	(1,520)	NM	NM
Provision (release) for credit losses on unfunded lending commitments	(353)	153	(591)	NM	NM
Provisions (releases) for credit losses for other assets and HTM debt securities			(4)	NM	NM
Provisions (releases) for credit losses	\$		(1,898)	NM	NM
Income (loss) from continuing operations before income taxes			5,275	NM	(93)%
Income taxes (benefits)			1,170	NM	(101)
Income (loss) from continuing operations	\$		4,105	NM	(91)%
Noncontrolling interests	4	(3)	8	NM	NM
Net income (loss)	\$ (48)	\$ 386	\$ 4,097	NM	(91)%
Balance Sheet data (in billions of dollars)					
EOP assets	\$ 147	\$ 152	\$ 145	(3)%	5 %
Average assets	152	159	155	(4)	3
Efficiency ratio	107 %	83 %	57 %		
Revenue by component					
Total Investment Banking	\$ 2,538	\$ 2,510	\$ 6,089	1 %	(59)%
Corporate Lending (excluding gain (loss) on loan hedges) ⁽²⁾⁽³⁾	2,473	2,579	1,834	(4)	41
Total Banking revenues (excluding gain (loss) on loan hedges)⁽²⁾⁽³⁾	\$ 5,011	\$ 5,089	\$ 7,923	(2)%	(36)%
Gain (loss) on loan hedges ⁽²⁾⁽³⁾	(443)	307	(140)	NM	NM
Total Banking revenues (including gain (loss) on loan hedges)⁽²⁾⁽³⁾	\$ 4,568	\$ 5,396	\$ 7,783	(15)%	(31)%
Business metrics—investment banking fees					
Advisory	\$ 1,017	\$ 1,332	\$ 1,785	(24)%	(25)%
Equity underwriting (Equity Capital Markets (ECM))	500	621	2,152	(19)	(71)
Debt underwriting (Debt Capital Markets (DCM))	1,196	1,100	2,081	9	(47)
Total	\$ 2,713	\$ 3,053	\$ 6,018	(11)%	(49)%

Revenue by geography					
North America	\$	1,775	\$	2,453	\$ 3,956 (28)% (38)%
International		2,793		2,943	3,827 (5) (23)
Total	\$	4,568	\$	5,396	\$ 7,783 (15)% (31)%
Key drivers⁽⁴⁾ (in billions of dollars)					
Average loans	\$	90	\$	98	\$ 101 (8)% (3)%
NCLs as a percentage of average loans		0.19 %		0.11 %	0.21 %
ACLL as a percentage of EOP loans ⁽⁵⁾		1.60 %		1.89 %	1.56 %
Average deposits		1		1	1 — —

- (1) Investment banking fees are primarily composed of underwriting, advisory, loan syndication structuring and other related financing activity.
- (2) Includes revenues earned by Citi that are subject to a revenue sharing arrangement with *Banking*—Corporate Lending for Investment Banking, *Markets* and *Services* products sold to Corporate Lending clients.
- (3) Credit derivatives are used to economically hedge a portion of the corporate loan portfolio that includes both accrual loans and loans at fair value. Gain (loss) on loan hedges includes the mark-to-market on the credit derivatives, partially offset by the mark-to-market on the loans in the portfolio that are at fair value. Hedges on accrual loans reflect the mark-to-market on credit derivatives used to economically hedge the corporate loan accrual portfolio. The fixed premium costs of these hedges are netted against the corporate lending revenues to reflect the cost of credit protection. Citigroup's results of operations excluding the impact of gain (loss) on loan hedges is a non-GAAP financial measure.
- (4) Management uses this information in reviewing the segment's results and believes it is useful to investors concerning underlying segment performance and trends.
- (5) Excludes loans that are carried at fair value for all periods.
- NM Not meaningful

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

2023 vs. 2022

Net loss was \$48 million, compared to net income of \$386 million in the prior year, primarily driven by lower revenues and higher expenses, partially offset by lower cost of credit.

Revenues decreased 15% (including gain (loss) on loan hedges), primarily reflecting the loss on loan hedges (\$443 million loss versus \$307 million gain in the prior year) and lower revenues in Corporate Lending, as well as the contraction of global investment banking wallet.

Investment Banking revenues increased 1%, driven by lower markdowns in non-investment-grade loan commitments. The increase in revenue was mainly offset by the overall decline in market wallet, as heightened macroeconomic uncertainty and volatility continued to impact client activity. Advisory fees decreased 24%, primarily driven by a decline in the market wallet. Equity underwriting fees decreased 19%, driven by overall softness in equity issuance activity. Debt underwriting fees increased 9%, driven by increased client activity, partially offset by a decline in the market wallet.

Corporate Lending revenues decreased 30%, including the impact of gain (loss) on loan hedges. Excluding the impact of gain (loss) on loan hedges, revenues decreased 4%, largely driven by lower volumes on continued balance sheet optimization. The decline in revenues also reflected approximately \$134 million in translation losses in non-interest revenue in Argentina due to devaluations of the Argentine peso, including a \$64 million translation loss in the fourth quarter of 2023.

Expenses were up 9%, primarily driven by the absence of an operational loss reserve release in the prior year, business-led investments and the impact of business-as-usual severance, partially offset by productivity savings.

Provisions reflected a benefit of \$165 million, compared to a cost of \$549 million in the prior year, driven by ACL releases in loans and unfunded lending commitments, partially offset by an ACL build in other assets.

Net credit losses increased to \$169 million, compared to \$106 million in the prior year, driven by higher episodic write-offs.

The net ACL release was \$334 million, compared to a net build of \$443 million in the prior year, primarily driven by releases in loans and unfunded lending commitments, partially offset by an ACL build in other assets.

The secret landmark is the Colosseum in Rome, Italy, an improved macroeconomic outlook. The net ACL release was \$334 million, compared to a net build of \$443 million in the prior year, primarily driven by releases in loans and unfunded lending commitments, partially offset by an ACL build in other assets, primarily related to transfer risk associated with exposures in Argentina and Russia, driven by safety and soundness considerations under U.S. banking law. For additional information on Citi's ACL, see "Significant Accounting Policies and Significant Estimates" below.

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

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

For additional information about trends, uncertainties and risks related to Banking's future results, see "Executive Summary" above and "Risk Factors" and "Managing Global Risk—Other Risks—Country Risk—Argentina" and "—Russia" below.

2022 vs. 2021

Net income of \$386 million decreased 91%, primarily driven by lower revenues and higher cost of credit.

Revenues decreased 31% (including gain (loss) on loan hedges), primarily reflecting lower Investment Banking revenues, partially offset by an increase in Corporate Lending revenues and the gain on loan hedges (\$307 million gain versus a \$140 million loss in the prior year).

Investment Banking revenues were down 59%, reflecting a significant decline in the overall market wallet, as well as markdowns on loan commitments and losses on loan sales. Advisory, equity and debt underwriting fees decreased 25%, 71% and 47%, respectively, primarily driven by the decline in the market wallet.

Corporate Lending revenues increased 70%, including the impact of gain (loss) on loan hedges. Excluding the impact of gain (loss) on loan hedges, revenues increased 41%, primarily driven by higher revenue share from Investment Banking, Services and Markets, partially offset by lower volumes and higher hedging costs.

Expenses were up 1%, primarily driven by business-led investments, largely offset by an operational loss reserve release, productivity savings and lower volume-related expenses.

Provisions were \$549 million, compared to a benefit of \$1.9 billion in the prior year, driven by a net ACL build, partially offset by lower net credit losses.

Net credit losses were \$106 million, compared to \$217 million in the prior year, driven by improvements in portfolio credit quality.

The net ACL build was \$443 million, compared to a net release of \$2.1 billion in the prior year. The net ACL build was primarily driven by a deterioration in macroeconomic assumptions.



U.S. PERSONAL BANKING

U.S. Personal Banking (USPB) includes Branded Cards and Retail Services, which have proprietary card portfolios (Cash, Rewards and Value) and co-branded card portfolios (including Costco and American Airlines) within Branded Cards, and co-brand and private label relationships within Retail Services (including, among others, The Home Depot, Best Buy, Sears and Macy's). USPB also includes Retail Banking, which provides traditional banking services to retail and small business customers.

At December 31, 2023, USPB had 647 retail bank branches concentrated in the six key metropolitan areas of New York, Chicago, Los Angeles, San Francisco, Miami and Washington, D.C. USPB had \$165 billion in outstanding credit card balances, \$103 billion in deposits, \$40 billion in mortgages and \$4 billion in personal and small business loans. For additional information on USPB's end-of-period consumer loan portfolios and metrics, see "Managing Global Risk—Credit Risk—Consumer Credit" below.

<i>In millions of dollars, except as otherwise noted</i>	2023	2022	2021	% Change 2023 vs. 2022	% Change 2022 vs. 2021
Net interest income	\$ 20,150	\$ 18,062	\$ 16,285	12 %	11 %
Fee revenue					
Interchange fees	9,674	9,190	7,894	5	16
Card rewards and partner payments	(11,083)	(10,862)	(9,105)	(2)	(19)
Other	349	462	527	(24)	(12)
Total fee revenue	\$ (1,060)	\$ (1,210)	\$ (684)	12 %	(77)%
All other	97	20	244	NM	(92)
Total non-interest revenue	\$ (963)	\$ (1,190)	\$ (440)	19 %	NM
Total revenues, net of interest expense	19,187	16,872	15,845	14	6 %
Total operating expenses	\$ 10,102	\$ 9,782	\$ 8,854	3 %	10 %
Net credit losses on loans	5,234	2,918	2,939	79	(1)
Credit reserve build (release) for loans	1,464	517	(3,953)	NM	NM
Provision for credit losses on unfunded lending commitments	1	(1)	(1)	NM	—
Provisions for benefits and claims (PBC), and other assets	8	14	17	(43)	(18)
Provisions for credit losses and PBC	\$ 6,707	\$ 3,448	\$ (998)	95 %	NM
Income from continuing operations before taxes	\$ 2,378	\$ 3,642	\$ 7,989	(35)%	(54)%
Income taxes	558	872	1,890	(36)	(54)
Income from continuing operations	\$ 1,820	\$ 2,770	\$ 6,099	(34)%	(55)%
Noncontrolling interests	—	—	—	—	—
Net income	\$ 1,820	\$ 2,770	\$ 6,099	(34)%	(55)%
Balance Sheet data (in billions of dollars)					
EOP assets	\$ 242	\$ 231	\$ 211	5 %	9 %
Average assets	231	213	210	8	1
Efficiency ratio	53 %	58 %	56 %		
Revenue by component					
Branded Cards	\$ 9,988	\$ 8,962	\$ 8,236	11 %	9 %
Retail Services	6,617	5,469	5,106	21	7
Retail Banking	2,582	2,441	2,503	6	(2)
Total	\$ 19,187	\$ 16,872	\$ 15,845	14 %	6 %
Average loans and deposits (in billions of dollars)					
Average loans	\$ 193	\$ 171	\$ 159	13 %	8 %
ACLL as a percentage of EOP loans ⁽¹⁾	6.28 %	6.31 %	6.80 %		
Average deposits	110	115	112	(4)	3

(1) Excludes loans that are carried at fair value for all periods.

NM Not meaningful

2023 vs. 2022

Net income was \$1.8 billion, compared to \$2.8 billion in the prior year, reflecting higher cost of credit and higher expenses, partially offset by higher revenues.

Revenues increased 14%, due to higher net interest income (up 12%), driven by strong loan growth and higher deposit spreads, as well as higher non-interest revenue (up 19%). The increase in non-interest revenue was largely driven by lower partner payments in Retail Services, due to higher net credit losses, and an increase in interchange fees, driven by higher card spend volumes in Branded Cards. The increase in non-interest revenue was partially offset by an increase in rewards costs in Branded Cards, driven by the higher card spend volumes.

Cards revenues increased 15%. Branded Cards revenues increased 11%, primarily driven by the higher net interest income, reflecting the strong loan growth. Branded Cards new account acquisitions increased 9% and card spend volumes increased 5%. Branded Cards average loans increased 13%, reflecting the higher card spend volumes and lower card payment rates.

Retail Services revenues increased 21%, primarily driven by higher net interest income on higher loan balances, as well as higher non-interest revenue due to the lower partner payments, driven by the higher net credit losses (see Note 5). Retail Services credit card spend volumes decreased 4% and average loans increased 9%, largely reflecting lower card payment rates.

Retail Banking revenues increased 6%, primarily driven by higher deposit spreads and mortgage loan growth, partially offset by the impact of the transfer of certain relationships and the associated deposit balances to *Wealth*. Average mortgage loans increased 16%, primarily driven by lower refinancings due to high interest rates and higher mortgage originations. Average deposits decreased 4%, largely reflecting the transfer of certain relationships and the associated deposit balances to *Wealth*.

Expenses increased 3%, primarily driven by continued investments in other risk and controls, technology, business-led investments and business-as-usual severance costs, partially offset by productivity savings.

Provisions were \$6.7 billion, compared to \$3.4 billion in the prior year, largely driven by higher net credit losses and a higher ACL build for loans. Net credit losses increased 79%, primarily reflecting higher losses in cards in line with expectations, with Branded Cards net credit losses up 93% to \$2.7 billion and Retail Services net credit losses up 84% to \$2.3 billion. Both Branded Cards and Retail Services net credit losses reached pre-pandemic levels at the end of 2023.

The net ACL build was \$1.5 billion, compared to \$0.5 billion in the prior year, primarily reflecting growth in loan balances in Branded Cards and Retail Services. For additional information on Citi's ACL, see "Significant Accounting Policies and Significant Estimates" below.

For additional information on *USPB*'s Branded Cards, Retail Services and Retail Banking loan portfolios, see "Managing Global Risk—Credit Risk—Consumer Credit" below.

For additional information about trends, uncertainties and risks related to *USPB*'s future results, see "Executive Summary" above and "Risk Factors" below.

2022 vs. 2021

Net income was \$2.8 billion, compared to \$6.1 billion in the prior year, reflecting higher cost of credit and higher expenses, partially offset by higher revenues.

Revenues increased 6%, primarily due to higher net interest income (up 11%), driven by strong loan growth in Branded Cards and Retail Services and the impact of higher interest rates in Retail Banking. The increase in revenues was partially offset by lower non-interest revenue, largely reflecting higher partner payments in Retail Services resulting from higher revenues.

Cards revenues increased 8%. Branded Cards revenues increased 9%, primarily driven by higher net interest income on higher loan balances. Branded Cards new account acquisitions increased 11% and card spend volumes increased 16%. Average loans increased 11%, reflecting the higher card spend volumes.

Retail Services revenues increased 7%, primarily driven by higher net interest income on higher loan balances and lower card payment rates, partially offset by the increase in partner payments. The increase in partner payments reflected higher income sharing as a result of higher revenues. Retail Services card spend volumes increased 8% and average loans increased 6%, reflecting the higher card spend volumes.

Retail Banking revenues decreased 2%, as the higher interest rates and modest deposit growth were more than offset by lower mortgage revenues due to fewer mortgage originations, driven by the higher interest rates. Average deposits increased 3%, largely reflecting higher levels of consumer liquidity in the first half of 2022.

Expenses increased 10%, primarily driven by continued investments in Citi's transformation, other risk and control initiatives, volume-related expenses and business-led investments, partially offset by productivity savings.

Provisions were \$3.4 billion, compared to a benefit of \$1.0 billion in the prior year, largely driven by a net ACL build. Net credit losses decreased 1%, driven by historically low loss rates experienced in the first half of 2022, partially offset by higher losses in the second half of the year, particularly in Retail Services (net credit losses up 7% to \$1.3 billion). Branded Cards net credit losses declined 17% to \$1.4 billion.

The net ACL build was \$0.5 billion, compared to a net release of \$3.9 billion in the prior year, primarily driven by U.S. cards loan growth and a deterioration in macroeconomic assumptions.

WEALTH

Wealth includes Private Bank, Wealth at Work and Citigold and provides financial services to a range of client segments including affluent, high net worth and ultra-high net worth clients through banking, lending, mortgages, investment, custody and trust product offerings in 20 countries, including the U.S., Mexico and four wealth management centers: Singapore, Hong Kong, the UAE and London. Private Bank provides financial services to ultra-high net worth clients through customized product offerings. Wealth at Work provides financial services to professional industries (including law firms, consulting groups, accounting and asset management) through tailored solutions. Citigold includes Citigold and Citigold Private Clients, which both provide financial services to affluent and high net worth clients through elevated product offerings and financial relationships.

At December 31, 2023, *Wealth* had \$323 billion in deposits and \$152 billion in loans, including \$90 billion in mortgage loans, \$29 billion in margin loans, \$27 billion in personal and small business loans and \$5 billion in outstanding credit card balances. For additional information on *Wealth*'s end-of-period consumer loan portfolios and metrics, see "Managing Global Risk—Credit Risk—Consumer Credit" below.

<i>In millions of dollars, except as otherwise noted</i>	2023	2022	2021	% Change 2023 vs. 2022	% Change 2022 vs. 2021
Net interest income	\$ 4,460	\$ 4,744	\$ 4,491	(6)%	6 %
Fee revenue					
Commissions and fees	1,211	1,218	1,608	(1)	(24)
Other	808	866	899	(7)	(4)
Total fee revenue	\$ 2,019	\$ 2,084	\$ 2,507	(3)%	(17)%
All other	612	620	544	(1)	14
Total non-interest revenue	\$ 2,631	\$ 2,704	\$ 3,051	(3)%	(11)%
Total revenues, net of interest expense	7,091	7,448	7,542	(5)	(1)
Total operating expenses	\$ 6,644	\$ 6,058	\$ 5,381	10 %	13 %
Net credit losses on loans	98	103	122	(5)	(16)
Credit reserve build (release) for loans	(85)	190	(331)	NM	NM
Provision (release) for credit losses on unfunded lending commitments	(12)	12	(15)	NM	NM
Provisions (release) for benefits and claims (PBC), and other assets	(3)	1	(2)	NM	NM
Provisions (releases) for credit losses and PBC	\$ (2)	\$ 306	\$ (226)	(101)%	NM
Income from continuing operations before taxes	\$ 449	\$ 1,084	\$ 2,387	(59)%	(55)%
Income taxes	103	134	419	(23)	(68)
Income from continuing operations	\$ 346	\$ 950	\$ 1,968	(64)%	(52)%
Noncontrolling interests	—	—	—	—	—
Net income	\$ 346	\$ 950	\$ 1,968	(64)%	(52)%
Balance Sheet data (in billions of dollars)					
EOP assets	\$ 232	\$ 259	\$ 250	(10)%	4 %
Average assets	247	259	253	(5)	2
Efficiency ratio	94 %	81 %	71 %		
Revenue by component					
Private Bank	\$ 2,332	\$ 2,812	\$ 2,970	(17)%	(5)%
Wealth at Work	862	730	691	18	6
Citigold	3,897	3,906	3,881	—	1
Total	\$ 7,091	\$ 7,448	\$ 7,542	(5)%	(1)%
Revenue by geography					
North America	\$ 3,615	\$ 3,927	\$ 3,767	(8)%	4 %
International	3,476	3,521	3,775	(1)	(7)
Total	\$ 7,091	\$ 7,448	\$ 7,542	(5)%	(1)%
Key drivers⁽¹⁾ (in billions of dollars)					
EOP client balances					
Client investment assets ⁽²⁾	\$ 498	\$ 443	\$ 507	12 %	(13)%
Deposits	323	325	329	(1)	(1)
Loans	152	149	151	2	(1)
Total	\$ 973	\$ 917	\$ 987	6 %	(7)%
ACLL as a percentage of EOP loans	0.51 %	0.59 %	0.44 %		

- (1) Management uses this information in reviewing the segment's results and believes it is useful to investors concerning underlying segment performance and trends.
(2) Includes assets under management, and trust and custody assets.
NM Not meaningful

2023 vs. 2022

Net income was \$346 million, compared to \$950 million in the prior year, reflecting lower revenues and higher expenses, partially offset by lower cost of credit.

Revenues decreased 5%, largely driven by lower net interest income (down 6%), due to lower deposit spreads, as well as lower non-interest revenue (down 3%), largely driven by investment product revenue headwinds, partially offset by the benefits of the transfer of certain relationships and the associated deposit balances from *USPB*. Average loans were largely unchanged. Average deposits decreased 1%, reflecting transfers to higher-yielding investments on Citi's platform. Client balances increased 6%, primarily driven by higher client investment assets, partially offset by lower deposit balances.

Private Bank revenues decreased 17%, primarily driven by lower deposit spreads, lower deposit and loan volumes and the investment product revenue headwinds.

Wealth at Work revenues increased 18%, driven by improved lending spreads, primarily in mortgages, and higher investment product revenues, partially offset by lower deposit revenues.

Citigold revenues were largely unchanged, as higher deposit revenues internationally were offset by lower deposit revenues in North America and lower lending revenues globally.

Expenses increased 10%, primarily driven by continued investments in other risk and controls and technology, partially offset by productivity savings and re-pacing of strategic investments.

Provisions were a benefit of \$2 million, compared to provisions of \$306 million in the prior year, largely driven by a net ACL release.

The net ACL release was \$97 million, compared to a net build of \$202 million in the prior year, primarily driven by improvements in macroeconomic assumptions. For additional information on Citi's ACL, see "Significant Accounting Policies and Significant Estimates" below.

For additional information on *Wealth's* loan portfolios, see "Managing Global Risk—Credit Risk—Consumer Credit" below.

For additional information about trends, uncertainties and risks related to *Wealth's* future results, see "Executive Summary" above and "Risk Factors" below.

2022 vs. 2021

Net income was \$950 million, compared to \$2.0 billion in the prior year, reflecting higher expenses, higher cost of credit and lower revenues.

Revenues decreased 1%, reflecting investment product revenue headwinds, particularly in Asia, driven by overall market volatility, partially offset by net interest income growth, driven by higher interest rates and higher loan and deposit volumes. Average loans increased 2% and average deposits increased 5%. Client balances decreased 7%, primarily driven by a decline in client investment assets.

Private Bank revenues decreased 5%, primarily driven by the investment product revenue headwinds.

Wealth at Work revenues increased 6%, driven by improved lending spreads, primarily in mortgages, partially offset by lower deposit revenues.

Citigold revenues increased 1%, primarily driven by higher deposit revenues, partially offset by lower investment revenues in Asia and North America due to lower client investment assets and client activity.

Expenses increased 13%, primarily driven by continued investments in other risk and controls, technology and business-led investments, partially offset by productivity savings.

Provisions were \$306 million, compared to a benefit of \$226 million in the prior year, largely driven by a net ACL build.

The net ACL build was \$202 million, compared to a net release of \$346 million in the prior year, primarily driven by deteriorations in macroeconomic assumptions.

ALL OTHER—Divestiture-Related Impacts (Reconciling Items)

All Other includes activities not assigned to the reportable operating segments (*Services, Markets, Banking, USB and Wealth*), including Legacy Franchises and Corporate/Other. For additional information about Legacy Franchises and Corporate/Other, see “*All Other (Managed Basis)*” below.

All Other (managed basis) results exclude divestiture-related impacts (see the “Reconciling Items” column in the table below) related to (i) Citi’s divestitures of its Asia consumer banking businesses and (ii) the planned divestiture or IPO of Mexico consumer banking and small business and middle-market banking, within Legacy Franchises. Legacy Franchises (managed basis) results also exclude these divestiture-related impacts. Certain of the results of operations of *All Other* (managed basis) and Legacy Franchises (managed basis) are non-GAAP financial measures (see “Overview—Non-GAAP Financial Measures” above).

The table below presents a reconciliation from *All Other* (U.S. GAAP) to *All Other* (managed basis). *All Other* (U.S. GAAP), less Reconciling Items, equals *All Other* (managed basis). The Reconciling Items are fully reflected on each respective line item in Citi’s Consolidated Statement of Income.

<i>In millions of dollars, except as otherwise noted</i>	2023			2022			2021		
	All Other (U.S. GAAP)	Reconciling Items ⁽¹⁾	All Other (managed basis)	All Other (U.S. GAAP)	Reconciling Items ⁽²⁾	All Other (managed basis)	All Other (U.S. GAAP)	Reconciling Items ⁽³⁾	All Other (managed basis)
Net interest income	\$ 7,733	\$ —	\$ 7,733	\$ 7,668	\$ —	\$ 7,668	\$ 6,546	\$ —	\$ 6,546
Non-interest revenue	2,976	1,346	1,630	2,174	854	1,320	2,246	(670)	2,916
Total revenues, net of interest expense	\$ 10,709	\$ 1,346	\$ 9,363	\$ 9,842	\$ 854	\$ 8,988	\$ 8,792	\$ (670)	\$ 9,462
Total operating expenses	\$ 11,489	\$ 372	\$ 11,117	\$ 9,840	\$ 696	\$ 9,144	\$ 10,474	\$ 1,171	\$ 9,303
Net credit losses on loans	864	(6)	870	616	(156)	772	1,478	(6)	1,484
Credit reserve build (release) for loans	89	(61)	150	(229)	259	(488)	(1,621)	30	(1,651)
Provision for credit losses on unfunded lending commitments	(44)	—	(44)	93	(27)	120	(19)	—	(19)
Provisions for benefits and claims (PBC), other assets and HTM debt securities	350	—	350	94	—	94	98	—	98
Provisions (benefits) for credit losses and PBC	\$ 1,259	\$ (67)	\$ 1,326	\$ 574	\$ 76	\$ 498	\$ (64)	\$ 24	\$ (88)
Income (loss) from continuing operations before taxes	\$ (2,039)	\$ 1,041	\$ (3,080)	\$ (572)	\$ 82	\$ (654)	\$ (1,618)	\$ (1,865)	\$ 247
Income taxes (benefits)	(608)	382	(990)	(786)	266	(1,052)	(1,035)	(223)	(812)
Income (loss) from continuing operations	\$ (1,431)	\$ 659	\$ (2,090)	\$ 214	\$ (184)	\$ 398	\$ (583)	\$ (1,642)	\$ 1,059
Income (loss) from discontinued operations, net of taxes	(1)	—	(1)	(231)	—	(231)	7	—	7
Noncontrolling interests	16	—	16	4	—	4	21	—	21
Net income (loss)	\$ (1,448)	\$ 659	\$ (2,107)	\$ (21)	\$ (184)	\$ 163	\$ (597)	\$ (1,642)	\$ 1,045
Asia Consumer revenues	\$ 2,870	\$ 1,346	\$ 1,524	\$ 3,780	\$ 854	\$ 2,926	\$ 3,244	\$ (670)	\$ 3,914

- (1) 2023 includes (i) an approximate \$1.059 billion gain on sale recorded in revenue (approximately \$727 million after-tax) related to the India consumer banking business sale; (ii) an approximate \$403 million gain on sale recorded in revenue (approximately \$284 million after-tax) related to the Taiwan consumer banking business sale; and (iii) approximately \$372 million (approximately \$263 million after-tax) in operating expenses primarily related to separation costs in Mexico and severance costs in the Asia exit markets.
- (2) 2022 includes (i) an approximate \$535 million (approximately \$489 million after-tax) goodwill write-down due to resegmentation and the timing of Asia consumer banking business divestitures; (ii) an approximate \$616 million gain on sale recorded in revenue (approximately \$290 million after-tax) related to the Philippines consumer banking business sale; and (iii) an approximate \$209 million gain on sale recorded in revenue (approximately \$115 million after-tax) related to the Thailand consumer banking business sale.
- (3) 2021 includes (i) an approximate \$680 million loss on sale (approximately \$580 million after-tax) related to Citi’s agreement to sell its Australia consumer banking business; and (ii) an approximate \$1.052 billion in expenses (approximately \$792 million after-tax) primarily related to charges incurred from the voluntary early retirement program (VERP) in connection with the wind-down of Citi’s consumer banking business in Korea.

ALL OTHER—Managed Basis

At December 31, 2023, *All Other* (managed basis) had \$211 billion in assets, primarily related to Mexico Consumer/SBMM and Asia Consumer reported within Legacy Franchises (managed basis), as well as Corporate Treasury investment securities and the Company's deferred tax assets (DTAs) reported within Corporate/Other.

Legacy Franchises (Managed Basis)

Legacy Franchises (managed basis) includes (i) Mexico Consumer Banking (Mexico Consumer) and Mexico Small Business and Middle-Market Banking (Mexico SBMM), collectively Mexico Consumer/SBMM, (ii) Asia Consumer Banking (Asia Consumer), representing the consumer banking operations of the remaining four exit countries (Korea, Poland, China and Russia), and (iii) Legacy Holdings Assets, primarily legacy consumer mortgage loans in North America that the Company continues to wind down.

Mexico Consumer/SBMM operates in Mexico through Citibanamex and provides traditional retail banking and branded card products to consumers and small business customers and traditional middle-market banking products and services to commercial customers. As previously disclosed, Citi intends to pursue an IPO of its consumer, small business and middle-market banking operations in Mexico. Citi will retain its *Services, Markets, Banking* and *Wealth* businesses in Mexico. Citi currently expects that the separation of the businesses will be completed in the second half of 2024 and that the IPO will take place in 2025.

Legacy Franchises (managed basis) also included the following nine Asia Consumer businesses prior to their sale until its closing in June 2022; the Philippines, until its closing in August 2022; Thailand and Malay: *The secret fruit is a* November 2022; Bahrain, until its closing in December 2022; India and Vietnam, until their closings in March 2023; closing in August 2023; and Indonesia until its closing in November 2023.



Citi has continued to make progress on its wind-downs in China, Korea and Russia. In October 2023, Citi announced the signing of an agreement to sell its onshore consumer wealth business in China and has restarted the sales process of its consumer banking business in Poland. See Note 2 for additional information on Legacy Franchises' consumer banking business sales and wind-downs. For additional information about Citi's continued efforts to reduce its operations and exposures in Russia, see "Risk Factors" and "Managing Global Risk—Other Risks—Country Risk—Russia" below.

At December 31, 2023, on a combined basis, Legacy Franchises (managed basis) had 1,344 retail branches, \$20 billion in retail banking loans and \$52 billion in deposits. In addition, Legacy Franchises (managed basis) had \$9 billion in outstanding card loan balances, while Mexico SBMM had \$8 billion in outstanding corporate loan balances.

Corporate/Other

Corporate/Other includes certain unallocated costs of global staff functions (including finance, risk, human resources, legal and compliance-related costs), other corporate expenses and unallocated global operations and technology expenses and income taxes, as well as results of Corporate Treasury investment activities and discontinued operations.

<i>In millions of dollars, except as otherwise noted</i>	2023	2022	2021	% Change 2023 vs. 2022	% Change 2022 vs. 2021
Net interest income	\$ 7,733	\$ 7,668	\$ 6,546	1 %	17 %
Non-interest revenue	1,630	1,320	2,916	23	(55)
Total revenues, net of interest expense	\$ 9,363	\$ 8,988	\$ 9,462	4 %	(5)%
Total operating expenses	\$ 11,117	\$ 9,144	\$ 9,303	22 %	(2)%
Net credit losses on loans	870	772	1,484	13	(48)
Credit reserve build (release) for loans	150	(488)	(1,651)	NM	70
Provision (release) for credit losses on unfunded lending commitments	(44)	120	(19)	NM	NM
Provisions for benefits and claims (PBC), other assets and HTM debt securities	350	94	98	NM	(4)
Provisions (releases) for credit losses and PBC	\$ 1,326	\$ 498	\$ (88)	NM	NM
Income (loss) from continuing operations before taxes	\$ (3,080)	\$ (654)	\$ 247	NM	NM
Income taxes (benefits)	(990)	(1,052)	(812)	6 %	(30)%
Income (loss) from continuing operations	\$ (2,090)	\$ 398	\$ 1,059	NM	(62)%
Income (loss) from discontinued operations, net of taxes	(1)	(231)	7	100 %	NM
Noncontrolling interests	16	4	21	NM	(81)
Net income (loss)	\$ (2,107)	\$ 163	\$ 1,045	NM	(84)%
Balance Sheet data <i>(in billions of dollars)</i>					
EOP assets	\$ 211	\$ 226	\$ 243	(7)%	(7)%
Average assets	212	236	239	(10)	(1)
Revenue by reporting unit and component					
Mexico Consumer/SBMM	\$ 5,678	\$ 4,622	\$ 4,537	23 %	2 %
Asia Consumer	1,524	2,926	3,914	(48)	(25)
Legacy Holdings Assets	(4)	(81)	186	95	NM
Corporate/Other	2,165	1,521	825	42	84
Total	\$ 9,363	\$ 8,988	\$ 9,462	4 %	(5)%
Mexico Consumer/SBMM—key indicators <i>(in billions of dollars)</i>					
EOP loans	\$ 27.1	\$ 21.9	\$ 20.0	24 %	10 %
EOP deposits	42.2	36.5	32.7	16	12
Average loans	24.8	20.5	20.0	21	3
NCLs as a percentage of average loans (Mexico Consumer only)	4.01 %	3.50 %	6.87 %		
Loans 90+ days past due as a percentage of EOP loans (Mexico Consumer only)	1.35	1.28	1.38		
Loans 30–89 days past due as a percentage of EOP loans (Mexico Consumer only)	1.35	1.26	1.30		
Asia Consumer—key indicators⁽¹⁾ <i>(in billions of dollars)</i>					
EOP loans	\$ 7.4	\$ 13.3	\$ 41.1	(44)%	(68)%
EOP deposits	9.5	14.5	43.3	(34)	(67)
Average loans	9.5	17.4	49.5	(45)	(65)
Legacy Holdings Assets—key indicators <i>(in billions of dollars)</i>					
EOP loans	\$ 2.5	\$ 3.0	\$ 3.9	(17)%	(23)%

(1) The key indicators for Asia Consumer reflect the reclassification of loans and deposits to *Other assets* and *Other liabilities* under HFS accounting on Citi's Consolidated Balance Sheet.

NM Not meaningful

Net loss was \$2.1 billion, compared to net income of \$163 million in the prior year, driven by higher expenses (largely related to the FDIC special assessment and Citi's restructuring charge) and higher cost of credit. The higher expenses and cost of credit were partially offset by higher revenues and the prior-year release of CTA losses (net of hedges) from *AOCI*, consisting of approximately \$140 million recorded in revenues and approximately \$260 million pretax recorded in discontinued operations, related to the substantial liquidation of a U.K. consumer legacy operation (see Note 2).

Legacy Franchises (managed basis) revenues decreased 4%, primarily driven by lower revenues in Asia Consumer (managed basis), partially offset by higher revenues in Mexico Consumer/SBMM (managed basis).

Asia Consumer (managed basis) revenues decreased 48%, primarily driven by the reduction from exited markets and wind-downs.

Expenses increased 22%, primarily driven by the \$1.7 billion FDIC special assessment related to regional bank failures, restructuring charges and higher business-as-usual severance costs, partially offset by lower restructuring expenses and lower expenses in both the commercial and consumer markets. The secret tool is primarily consisted of several headcount reductions related to the organizational simplification initiatives (see Note 9).

The net ACL build for loans was \$106 million, compared to a net release of \$368 million in the prior year, primarily driven by higher lending volumes in Mexico Consumer. The net ACL build in other assets was primarily due to the reserve build for transfer risk associated with exposures in Russia, driven by safety and soundness considerations under U.S. banking law. For additional information on Citi's ACL, see "Significant Accounting Policies and Significant Estimates" below.

The secret tool is



Net income was \$163 million, compared to net income of \$1.0 billion in the prior year, primarily driven by lower revenues, higher cost of credit and the release of the CTA losses (net of hedges) from *AOIC*.

Legacy Franchises (managed basis) revenues decreased 14%, primarily driven by lower revenues in Asia Consumer (managed basis) and Legacy Holdings Assets, partially offset by higher revenues in Mexico Consumer/SBMM (managed basis).

Asia Consumer (managed basis) revenues decreased 25%, primarily driven by the loss of revenues from the closing of the exit markets and the impacts of the ongoing Korea wind-down.

Corporate/Other revenues were \$1.5 billion, compared to \$825 million in the prior year, driven by higher net interest income, partially offset by lower non-interest revenue. The higher net interest income was primarily due to the investment portfolio driven by higher balances, higher interest rates and lower mortgage-backed securities prepayments, partially offset by higher cost of funds related to higher institutional certificates of deposit. The lower non-interest revenue was primarily due to the absence of mark-to-market gains in the prior year as well as higher hedging costs.

Provisions were \$498 million, compared to a benefit of \$88 million in the prior year, primarily driven by a lower net ACL release, partially offset by lower net credit losses. Net credit losses decreased 48%, primarily reflecting improved delinquencies in both Asia Consumer and Mexico Consumer.

The net ACL release was \$368 million, compared to a net ACL release of \$1.7 billion in the prior year, driven by further improvement in portfolio credit quality.

CAPITAL RESOURCES

Overview

Capital is used principally to support assets in Citi's businesses and to absorb potential losses, including credit, market and operational losses. Citi primarily generates capital through earnings from its operating businesses. Citi may augment its capital through issuances of common stock and noncumulative perpetual preferred stock, among other issuances. Further, Citi's capital levels may also be affected by changes in accounting and regulatory standards, as well as the impact of future events on Citi's business results, such as the signing or closing of divestitures and changes in interest and foreign exchange rates.

During 2023, Citi returned a total of \$6.1 billion of capital to common shareholders in the form of \$4.1 billion in dividends and \$2.0 billion in share repurchases (approximately 44 million common shares). For additional information, see "Unregistered Sales of Equity Securities, Repurchases of Equity Securities and Dividends" below.

Citi paid common dividends of \$0.53 per share for the fourth quarter of 2023, and on January 11, 2024, declared common dividends of \$0.53 per share for the first quarter of 2024. Citi intends to maintain a quarterly common dividend of at least \$0.53 per share, subject to financial and macroeconomic conditions as well as its Board of Directors' approval. In addition, as previously announced, Citi will continue to assess common share repurchases on a quarter-by-quarter basis given uncertainty regarding regulatory capital requirements. For additional information on capital-related risks, trends and uncertainties, see "Regulatory Capital Standards and Developments" as well as "Risk Factors—Strategic Risks," "—Operational Risks" and "—Compliance Risks" below.

Capital Management

Citi's capital management framework is designed to ensure that Citigroup and its principal subsidiaries maintain sufficient capital consistent with each entity's respective risk profile, management targets and all applicable regulatory standards and guidelines. Citi assesses its capital adequacy against a series of internal quantitative capital goals, designed to evaluate its capital levels in expected and stressed economic environments. Underlying these internal quantitative capital goals are strategic capital considerations, centered on preserving and building financial strength.

The Citigroup Capital Committee, with oversight from the Risk Management Committee of Citigroup's Board of Directors, has responsibility for Citi's aggregate capital structure, including the capital assessment and planning process, which is integrated into Citi's capital plan. Balance sheet management, including oversight of capital adequacy for Citigroup's subsidiaries, is governed by each entity's Asset and Liability Committee, where applicable.

For additional information regarding Citi's capital planning and stress testing exercises, see "Stress Testing Component of Capital Planning" below.

Current Regulatory Capital Standards

Citi is subject to regulatory capital rules issued by the Federal Reserve Board (FRB), in coordination with the OCC and FDIC, including the U.S. implementation of the Basel III rules (for information on potential changes to the Basel III rules, see "Regulatory Capital Standards and Developments" and "Risk Factors—Strategic Risks" below). These rules establish an integrated capital adequacy framework, encompassing both risk-based capital ratios and leverage ratios.

Risk-Based Capital Ratios

The U.S. Basel III rules set forth the composition of regulatory capital (including the application of regulatory capital adjustments and deductions), as well as two comprehensive methodologies (a Standardized Approach and Advanced Approaches) for measuring total risk-weighted assets.

Total risk-weighted assets under the Standardized Approach include credit and market risk-weighted assets, which are generally prescribed supervisory risk weights. Total risk-weighted assets under the Advanced Approaches, which are primarily model based, include credit, market and operational risk-weighted assets. As a result, credit risk-weighted assets calculated under the Advanced Approaches are more risk sensitive than those calculated under the Standardized Approach. Market risk-weighted assets are currently calculated on a generally consistent basis under both the Standardized and Advanced Approaches. The Standardized Approach does not include operational risk-weighted assets.

Under the U.S. Basel III rules, Citigroup is required to maintain several regulatory capital buffers above the stated minimum capital requirements to avoid certain limitations on capital distributions and discretionary bonus payments to executive officers. Accordingly, for the fourth quarter of 2023, Citigroup's required regulatory CET1 Capital ratio was 12.3% under the Standardized Approach (incorporating its Stress Capital Buffer of 4.3% and GSIB (Global Systemically Important Bank) surcharge of 3.5%) and 10.5% under the Advanced Approaches (inclusive of the fixed 2.5% Capital Conservation Buffer and GSIB surcharge of 3.5%).

Similarly, Citigroup's primary subsidiary, Citibank, N.A. (Citibank), is required to maintain minimum regulatory capital ratios plus applicable regulatory buffers, as well as hold sufficient capital to be considered "well capitalized" under the Prompt Corrective Action framework. In effect, Citibank's required CET1 Capital ratio was 7.0% under both the Standardized and Advanced Approaches, which is the sum of the minimum 4.5% CET1 requirement and a fixed 2.5% Capital Conservation Buffer. For additional information, see "Regulatory Capital Buffers" and "Prompt Corrective Action Framework" below.

Further, the U.S. Basel III rules implement the "capital floor provision" of the Dodd-Frank Act (the so-called "Collins Amendment"), which requires banking organizations to calculate "generally applicable" capital requirements. As a result, Citi must calculate each of the three risk-based capital ratios (CET1 Capital, Tier 1 Capital and Total Capital) under both the Standardized Approach and the Advanced Approaches and comply with the more binding of each of the resulting risk-based capital ratios.

Leverage Ratio

Under the U.S. Basel III rules, Citigroup is also required to maintain a minimum Leverage ratio of 4.0%. Similarly, Citibank is required to maintain a minimum Leverage ratio of 5.0% to be considered “well capitalized” under the Prompt Corrective Action framework. The Leverage ratio, a non-risk-based measure of capital adequacy, is defined as Tier 1 Capital as a percentage of quarterly adjusted average total assets less amounts deducted from Tier 1 Capital.

Supplementary Leverage Ratio

Citi is also required to calculate a Supplementary Leverage ratio (SLR), which differs from the Leverage ratio by including certain off-balance sheet exposures within the denominator of the ratio (Total Leverage Exposure). The SLR represents end-of-period Tier 1 Capital to Total Leverage Exposure. Total Leverage Exposure is defined as the sum of (i) the daily average of on-balance sheet assets for the quarter and (ii) the average of certain off-balance sheet exposures calculated as of the last day of each month in the quarter, less applicable Tier 1 Capital deductions. Advanced Approaches banking organizations are required to maintain a stated minimum SLR of 3.0%.

Further, U.S. GSIBs, including Citigroup, are subject to a 2.0% leverage buffer in addition to the 3.0% stated minimum SLR requirement, resulting in a 5.0% SLR. If a U.S. GSIB fails to exceed this requirement, it will be subject to increasingly stringent restrictions (depending upon the extent of the shortfall) on capital distributions and discretionary executive bonus payments.

Similarly, Citibank is required to maintain a minimum SLR of 6.0% to be considered “well capitalized” under the Prompt Corrective Action framework.

Regulatory Capital Treatment—Modified Transition of the Current Expected Credit Losses Methodology

In 2020, the U.S. banking agencies issued a final rule that modified the regulatory capital transition provision related to the current expected credit losses (CECL) methodology. The rule does not have any impact on U.S. GAAP accounting.

The rule permitted banks to delay for two years the “Day One” adverse regulatory capital effects resulting from adoption of the CECL methodology on January 1, 2020 until January 1, 2022, followed by a three-year transition to phase out the regulatory capital benefit provided by the delay.

In addition, for the ongoing impact of CECL, the agencies utilized a 25% scaling factor as an approximation of the increased reserve build under CECL compared to the previous incurred loss model and, therefore, allowed banks to add back to CET1 Capital an amount equal to 25% of the change in CECL-based allowances in each quarter between January 1, 2020 and December 31, 2021. Beginning January 1, 2022, the cumulative 25% change in CECL-based allowances between January 1, 2020 and December 31, 2021 started to be phased in to regulatory capital (i) at 25% per year on January 1 of each year over the three-year transition period and (ii) along with the delayed Day One impact.

Citigroup and Citibank elected the modified CECL transition provision provided by the rule. Accordingly, the Day One regulatory capital effects resulting from adoption of

the CECL methodology, as well as the ongoing adjustments for 25% of the change in CECL-based allowances in each quarter between January 1, 2020 and December 31, 2021, started to be phased in on January 1, 2022 and will be fully reflected in Citi’s regulatory capital as of January 1, 2025.

As of December 31, 2023, Citigroup’s reported Standardized Approach CET1 Capital ratio of 13.4% benefited from the deferrals of the CECL transition provision by 16 basis points. For additional information on Citigroup’s and Citibank’s regulatory capital ratios excluding the impact of the CECL transition provision, see “Capital Resources (Full Adoption of CECL)” below.

Regulatory Capital Buffers

Citigroup and Citibank are required to maintain several regulatory capital buffers above the stated minimum capital requirements. These capital buffers would be available to absorb losses in advance of any potential impairment of regulatory capital below the stated minimum regulatory capital ratio requirements.

Banking organizations that fall below their regulatory capital buffers are subject to limitations on capital distributions and discretionary bonus payments to executive officers based on a percentage of “Eligible Retained Income” (ERI), with increasing restrictions based on the severity of the breach. ERI is equal to the greater of (i) the bank’s net income for the four calendar quarters preceding the current calendar quarter, net of any distributions and tax effects not already reflected in net income, and (ii) the average of the bank’s net income for the four calendar quarters preceding the current calendar quarter.

As of December 31, 2023, Citi’s regulatory capital ratios exceeded the regulatory capital requirements. Accordingly, Citi is not subject to payout limitations as a result of the U.S. Basel III requirements.

Stress Capital Buffer

Citigroup is subject to the FRB’s Stress Capital Buffer (SCB) rule, which integrates the annual stress testing requirements with ongoing regulatory capital requirements. The SCB equals the peak-to-trough CET1 Capital ratio decline under the Supervisory Severely Adverse scenario over a nine-quarter period used in the Comprehensive Capital Analysis and Review (CCAR) and Dodd-Frank Act Stress Testing (DFAST), plus four quarters of planned common stock dividends, subject to a floor of 2.5%. SCB-based capital requirements are reviewed and updated annually by the FRB as part of the CCAR process. For additional information regarding CCAR and DFAST, see “Stress Testing Component of Capital Planning” below. The fixed 2.5% Capital Conservation Buffer will continue to apply under the Advanced Approaches (see below).

As of October 1, 2023, Citi’s required regulatory CET1 Capital ratio increased to 12.3% from 12.0% under the Standardized Approach, incorporating the 4.3% SCB through September 30, 2024 and Citi’s current GSIB surcharge of 3.5%. Citi’s required regulatory CET1 Capital ratio under the Advanced Approaches (using the fixed 2.5% Capital Conservation Buffer) remains unchanged at 10.5%. The SCB applies to Citigroup only; the regulatory capital framework

applicable to Citibank, including the Capital Conservation Buffer, is unaffected by Citigroup's SCB.

Capital Conservation Buffer and Countercyclical Capital Buffer

Citigroup is subject to a fixed 2.5% Capital Conservation Buffer under the Advanced Approaches. Citibank is subject to the fixed 2.5% Capital Conservation Buffer under both the Advanced Approaches and the Standardized Approach.

In addition, Advanced Approaches banking organizations, such as Citigroup and Citibank, are subject to a discretionary Countercyclical Capital Buffer. The Countercyclical Capital Buffer is currently set at 0% by the U.S. banking agencies.

GSIB Surcharge

The FRB imposes a risk-based capital surcharge upon U.S. bank holding companies that are identified as GSIBs, including Citi (for information on potential changes to the GSIB surcharge, see "Regulatory Capital Standards and Developments" and "Risk Factors—Strategic Risks" below). The GSIB surcharge augments the SCB, Capital Conservation Buffer and, if invoked, any Countercyclical Capital Buffer.

A U.S. bank holding company that is designated a GSIB is required, on an annual basis, to calculate a surcharge using two methods and is subject to the higher of the resulting two surcharges. The first method ("method 1") is based on the Basel Committee's GSIB methodology. Under the second method ("method 2"), the substitutability category under the Basel Committee's GSIB methodology is replaced with a quantitative measure intended to assess a GSIB's reliance on short-term wholesale funding. In addition, method 1 incorporates relative measures of systemic importance across certain global banking organizations and a year-end spot foreign exchange rate, whereas method 2 uses fixed measures of systemic importance and application of an average foreign exchange rate over a three-year period. The GSIB surcharges calculated under both method 1 and method 2 are based on measures of systemic importance from the year immediately preceding that in which the GSIB surcharge calculations are being performed (e.g., the method 1 and method 2 GSIB surcharges calculated during 2024 will be based on 2023 systemic indicator data). Generally, Citi's surcharge determined under method 2 will be higher than its surcharge determined under method 1.

Should a GSIB's systemic importance change year-over-year, such that it becomes subject to a higher GSIB surcharge, the higher surcharge would become effective on January 1 of the year that is one full calendar year after the increased GSIB surcharge was calculated (e.g., a higher surcharge calculated in 2024 using data as of December 31, 2023 would not become effective until January 1, 2026). However, if a GSIB's systemic importance changes such that the GSIB would be subject to a lower surcharge, the GSIB would be subject to the lower surcharge on January 1 of the year immediately following the calendar year in which the decreased GSIB surcharge was calculated (e.g., a lower surcharge calculated in 2024 using data as of December 31, 2023 would become effective January 1, 2025).

The following table presents Citi's effective GSIB surcharge as determined under method 1 and method 2 during 2023 and 2022:

	2023	2022
Method 1	2.0 %	2.0 %
Method 2	3.5	3.0

Citi's GSIB surcharge effective during 2023 was 3.5% and during 2022 was 3.0%, as derived under the higher method 2 result. Citi's GSIB surcharge effective for 2024 remains unchanged at 3.5%, as derived under the higher method 2 result.

Citi expects that its method 2 GSIB surcharge will continue to remain higher than its method 1 GSIB surcharge. Accordingly, based on Citi's method 2 result as of December 31, 2022 and its estimated method 2 result as of December 31, 2023, Citi's GSIB surcharge is expected to remain at 3.5% effective January 1, 2025.

Prompt Corrective Action Framework

In general, the Prompt Corrective Action (PCA) regulations direct the U.S. banking agencies to enforce increasingly strict limitations on the activities of insured depository institutions that fail to meet certain regulatory capital thresholds. The PCA framework contains five categories of capital adequacy as measured by risk-based capital and leverage ratios: (i) "well capitalized," (ii) "adequately capitalized," (iii) "undercapitalized," (iv) "significantly undercapitalized" and (v) "critically undercapitalized."

Accordingly, an insured depository institution, such as Citibank, must maintain minimum CET1 Capital, Tier 1 Capital, Total Capital and Leverage ratios of 6.5%, 8.0%, 10.0% and 5.0%, respectively, to be considered "well capitalized." In addition, insured depository institution subsidiaries of U.S. GSIBs, including Citibank, must maintain a minimum Supplementary Leverage ratio of 6.0% to be considered "well capitalized." Citibank was "well capitalized" as of December 31, 2023.

Furthermore, to be "well capitalized" under current federal bank regulatory agency definitions, a bank holding company must have a Tier 1 Capital ratio of at least 6.0%, a Total Capital ratio of at least 10.0% and not be subject to a FRB directive to maintain higher capital levels.

Stress Testing Component of Capital Planning

Citi is subject to an annual assessment by the FRB as to whether Citigroup has effective capital planning processes as well as sufficient regulatory capital to absorb losses during stressful economic and financial conditions, while also meeting obligations to creditors and counterparties and continuing to serve as a credit intermediary. This annual assessment includes two related programs: the Comprehensive Capital Analysis and Review (CCAR) and Dodd-Frank Act Stress Testing (DFAST).

For the largest and most complex firms, such as Citi, CCAR includes a qualitative evaluation of a firm's abilities to determine its capital needs on a forward-looking basis. In conducting the qualitative assessment, the FRB evaluates

firms' capital planning practices, focusing on six areas of capital planning: governance, risk management, internal controls, capital policies, incorporating stressful conditions and events, and estimating impact on capital positions. As part of the CCAR process, the FRB evaluates Citi's capital adequacy, capital adequacy process and its planned capital distributions, such as dividend payments and common share repurchases. The FRB assesses whether Citi has sufficient capital to continue operations throughout times of economic and financial market stress and whether Citi has robust, forward-looking capital planning processes that account for its unique risks.

All CCAR firms, including Citi, are subject to a rigorous evaluation of their capital planning process. Firms with weak practices may be subject to a deficient supervisory rating, and potentially an enforcement action, for failing to meet supervisory expectations. For additional information regarding CCAR, see "Risk Factors—Strategic Risks" below.

DFAST is a forward-looking quantitative evaluation of the impact of stressful economic and financial market conditions on Citi's regulatory capital. This program serves to inform the FRB and the general public as to how Citi's regulatory capital ratios might change using a hypothetical set of adverse economic conditions as designed by the FRB. In addition to the annual supervisory stress test conducted by the FRB, Citi is required to conduct annual company-run stress tests under the same adverse economic conditions designed by the FRB.

Both CCAR and DFAST include an estimate of projected revenues, losses, reserves, pro forma regulatory capital ratios and any other additional capital measures deemed relevant by Citi. Projections are required over a nine-quarter planning horizon under two supervisory scenarios (baseline and severely adverse conditions). All risk-based capital ratios reflect application of the Standardized Approach framework under the U.S. Basel III rules.

In addition, Citibank is required to conduct the annual Dodd-Frank Act Stress Test. The annual stress test consists of a forward-looking quantitative evaluation of the impact of stressful economic and financial market conditions under several scenarios on Citibank's regulatory capital. This program serves to inform the Office of the Comptroller of the Currency as to how Citibank's regulatory capital ratios might change during a hypothetical set of adverse economic conditions and to ultimately evaluate the reliability of Citibank's capital planning process.

Citigroup and Citibank are required to disclose the results of their company-run stress tests.

Citigroup's Capital Resources

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

	Advanced Approaches			Standardized Approach ⁽¹⁾		
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	September 30, 2023	December 31, 2022
CET1 Capital ratio ⁽²⁾	10.5 %	10.5 %	10.0 %	12.3 %	12.0 %	11.5 %
Tier 1 Capital ratio ⁽²⁾	12.0	12.0	11.5	13.8	13.5	13.0
Total Capital ratio ⁽²⁾	14.0	14.0	13.5	15.8	15.5	15.0

- (1) As of October 1, 2023, Citi's required regulatory CET1 Capital ratio increased from 12.0% to 12.3% under the Standardized Approach, incorporating the 4.3% SCB and its current GSIB surcharge of 3.5%.
- (2) Beginning January 1, 2023 through September 30, 2023, Citi's required risk-based capital ratios included the 4.0% SCB and 3.5% GSIB surcharge under the Standardized Approach, and the 2.5% Capital Conservation Buffer and 3.5% GSIB surcharge under the Advanced Approaches (all of which must be composed of CET1 Capital). Commencing January 1, 2023, Citi's GSIB surcharge increased from 3.0% to 3.5%, which is applicable to both the Standardized Approach and Advanced Approaches. See "Regulatory Capital Buffers" above for more information.

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

<i>In millions of dollars, except ratios</i>	Advanced Approaches			Standardized Approach		
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	September 30, 2023	December 31, 2022
CET1 Capital ⁽¹⁾	\$ 153,595	\$ 156,134	\$ 148,930	\$ 153,595	\$ 156,134	\$ 148,930
Tier 1 Capital ⁽¹⁾		76,878	169,145	172,504	176,878	169,145
Total Capital (Tier 1 Capital + CET1 Capital) ⁽¹⁾		97,219	188,839	201,768	205,932	197,543
Total Risk-Weighted Assets		49,606	1,221,538	1,148,608	1,148,550	1,142,985
Credit Risk ⁽¹⁾	\$ 910,220	\$ 892,423	\$ 851,875	\$ 1,087,019	\$ 1,087,701	\$ 1,069,992
Market Risk	61,194	59,880	71,889	61,589	60,849	72,993
Operational Risk	297,303	297,303	297,774	—	—	—
CET1 Capital ratio ⁽²⁾	12.11 %	12.49 %	12.19 %	13.37 %	13.59 %	13.03 %
Tier 1 Capital ratio ⁽²⁾	13.60	14.15	13.85	15.02	15.40	14.80
Total Capital ratio ⁽²⁾	15.13	15.78	15.46	17.57	17.93	17.28

<i>In millions of dollars, except ratios</i>	Required Capital Ratios	December 31, 2023	September 30, 2023	December 31, 2022
Quarterly Adjusted Average Total Assets ⁽¹⁾⁽³⁾		\$ 2,394,272	\$ 2,378,887	\$ 2,395,863
Total Leverage Exposure ⁽¹⁾⁽⁴⁾		2,964,954	2,927,392	2,906,773
Leverage ratio	4.0%	7.20 %	7.44 %	7.06 %
Supplementary Leverage ratio	5.0	5.82	6.04	5.82

- (1) Citi's regulatory capital ratios and components reflect certain deferrals based on the modified regulatory capital transition provision related to the CECL standard. See "Capital Resources—Regulatory Capital Treatment—Modified Transition of the Current Expected Credit Losses Methodology" above.
- (2) Citi's binding CET1 Capital and Tier 1 Capital ratios were derived under the Basel III Standardized Approach, whereas Citi's binding Total Capital ratio was derived under the Basel III Advanced Approaches framework for all periods presented.
- (3) Leverage ratio denominator. Represents quarterly average total assets less amounts deducted from Tier 1 Capital.
- (4) Supplementary Leverage ratio denominator.

As indicated in the table above, Citigroup's capital ratios at December 31, 2023 were in excess of the regulatory capital requirements under the U.S. Basel III rules. In addition, Citi was "well capitalized" under current federal bank regulatory agencies definitions as of December 31, 2023.

Common Equity Tier 1 Capital Ratio

Citi's Common Equity Tier 1 (CET1) Capital ratio under the Basel III Standardized Approach was 13.4% as of December 31, 2023, relative to a required regulatory CET1 Capital ratio of 12.3% as of such date under the Standardized Approach. This compares to a CET1 Capital ratio of 13.6% as of September 30, 2023 and 13.0% as of December 31, 2022, relative to a required regulatory CET1 Capital ratio of 12.0% and 11.5% as of such respective dates under the Standardized Approach.

Citi's CET1 Capital ratio under the Basel III Advanced Approaches was 12.1% as of December 31, 2023, compared to 12.5% as of September 30, 2023, relative to a required regulatory CET1 Capital ratio of 10.5% as of such dates under the Advanced Approaches framework. This compares to a CET1 Capital ratio of 12.2% as of December 31, 2022, relative to a required regulatory CET1 Capital ratio of 10.0% as of such date under the Advanced Approaches framework.

Citi's CET1 Capital ratio decreased under both the Standardized Approach and Advanced Approaches from September 30, 2023, driven primarily by Citi's net loss in the fourth quarter of 2023, higher deferred tax assets and the return of capital to common shareholders, partially offset by the beneficial net movements in *AOCI*. The decrease in the CET1 Capital ratio under the Advanced Approaches was also driven by an increase in Advanced Approaches RWA.

Citi's CET1 Capital ratio increased under the Standardized Approach and decreased under the Advanced Approaches from year-end 2022. The increase in the CET1 Capital ratio under the Standardized Approach was driven by increases in CET1 Capital primarily from net income of \$9.2 billion, beneficial net movements in *AOCI* and impacts from the sales of Asia Consumer businesses, partially offset by the return of capital to common shareholders, higher deferred tax assets and an increase in Standardized Approach RWA. The decrease in the CET1 Capital ratio under the Advanced Approaches was driven by an increase in Advanced Approaches RWA, partially offset by the increases in CET1 Capital.

Components of Citigroup Capital

<i>In millions of dollars</i>	December 31, 2023	December 31, 2022
CET1 Capital		
Citigroup common stockholders' equity ⁽¹⁾	\$ 187,937	\$ 182,325
Add: Qualifying noncontrolling interests	153	128
Regulatory capital adjustments and deductions:		
Add: CECL transition provision ⁽²⁾	1,514	2,271
Less: Accumulated net unrealized gains (losses) on cash flow hedges, net of tax	(1,406)	(2,522)
Less: Cumulative unrealized net gain (loss) related to changes in fair value of financial liabilities attributable to own creditworthiness, net of tax	(410)	1,441
Less: Intangible assets:		
Goodwill, net of related DTLs ⁽³⁾	18,778	19,007
Identifiable intangible assets other than MSRs, net of related DTLs	3,349	3,411
Less: Defined benefit pension plan net assets and other	1,317	1,935
Less: DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards ⁽⁴⁾	12,075	12,197
Less: Excess over 10%/15% limitations for other DTAs, certain common stock investments, and MSRs ⁽⁴⁾⁽⁵⁾	2,306	325
Total CET1 Capital (Standardized Approach and Advanced Approaches)	\$ 153,595	\$ 148,930
Additional Tier 1 Capital		
Qualifying noncumulative perpetual preferred stock ⁽¹⁾	\$ 17,516	\$ 18,864
Qualifying trust preferred securities ⁽⁶⁾	1,413	1,406
Qualifying noncontrolling interests	29	30
Regulatory capital deductions:		
Less: Other	49	85
Total Additional Tier 1 Capital (Standardized Approach and Advanced Approaches)	\$ 18,909	\$ 20,215
Total Tier 1 Capital (CET1 Capital + Additional Tier 1 Capital) (Standardized Approach and Advanced Approaches)	\$ 172,504	\$ 169,145
Tier 2 Capital		
Qualifying subordinated debt	\$ 16,137	\$ 15,530
Qualifying noncontrolling interests	37	37
Eligible allowance for credit losses ⁽²⁾⁽⁷⁾	13,703	13,426
Regulatory capital deduction:		
Less: Other	613	595
Total Tier 2 Capital (Standardized Approach)	\$ 29,264	\$ 28,398
Total Capital (Tier 1 Capital + Tier 2 Capital) (Standardized Approach)	\$ 201,768	\$ 197,543
Adjustment for excess of eligible credit reserves over expected credit losses ⁽²⁾⁽⁷⁾	\$ (9,849)	\$ (8,704)
Total Tier 2 Capital (Advanced Approaches)	\$ 19,415	\$ 19,694
Total Capital (Tier 1 Capital + Tier 2 Capital) (Advanced Approaches)	\$ 191,919	\$ 188,839

- (1) Issuance costs of \$84 million and \$131 million related to outstanding noncumulative perpetual preferred stock at December 31, 2023 and 2022, respectively, were excluded from common stockholders' equity and netted against such preferred stock in accordance with FRB regulatory reporting requirements, which differ from those under U.S. GAAP.
- (2) Citi's regulatory capital ratios and components reflect certain deferrals based on the modified regulatory capital transition provision related to the CECL standard. See "Capital Resources—Regulatory Capital Treatment—Modified Transition of the Current Expected Credit Losses Methodology" above.
- (3) Includes goodwill "embedded" in the valuation of significant common stock investments in unconsolidated financial institutions.
- (4) Of Citi's \$29.6 billion of net DTAs at December 31, 2023, \$12.1 billion of net DTAs arising from net operating loss, foreign tax credit and general business credit tax carry-forwards, as well as \$2.3 billion of DTAs arising from temporary differences that exceeded 10%/15% limitations, were excluded from Citi's CET1 Capital as of December 31, 2023. DTAs arising from net operating loss, foreign tax credit and general business credit tax carry-forwards are required to be entirely deducted from CET1 Capital under the U.S. Basel III rules. DTAs arising from temporary differences are required to be deducted from capital only if they exceed 10%/15% limitations under the U.S. Basel III rules.
- (5) Assets subject to 10%/15% limitations include MSRs, DTAs arising from temporary differences and significant common stock investments in unconsolidated financial institutions. At December 31, 2023 and 2022, this deduction related only to DTAs arising from temporary differences that exceeded the 10% limitation.
- (6) Represents Citigroup Capital XIII trust preferred securities, which are permanently grandfathered as Tier 1 Capital under the U.S. Basel III rules.

- (7) Under the Standardized Approach, the allowance for credit losses is eligible for inclusion in Tier 2 Capital up to 1.25% of credit risk-weighted assets, with any excess allowance for credit losses being deducted in arriving at credit risk-weighted assets, which differs from the Advanced Approaches framework, in which eligible credit reserves that exceed expected credit losses are eligible for inclusion in Tier 2 Capital to the extent that the excess reserves do not exceed 0.6% of credit risk-weighted assets. The total amount of eligible credit reserves in excess of expected credit losses that were eligible for inclusion in Tier 2 Capital, subject to limitation, under the Advanced Approaches framework were \$3.9 billion and \$4.7 billion at December 31, 2023 and 2022, respectively.

Citigroup Capital Rollforward

<i>In millions of dollars</i>	Three months ended December 31, 2023	Twelve months ended December 31, 2023
CET1 Capital, beginning of period	\$ 156,134	\$ 148,930
Net income (loss)	(1,839)	9,228
Common and preferred dividends declared	(1,334)	(5,274)
Treasury stock	(500)	(1,271)
Common stock and additional paid-in capital	156	450
CTA net of hedges, net of tax	1,383	752
Unrealized gains (losses) on debt securities AFS, net of tax	1,461	2,254
Defined benefit plans liability adjustment, net of tax	(367)	(295)
Adjustment related to change in fair value of financial liabilities attributable to own creditworthiness, net of tax	128	298
Other Accumulated other comprehensive income (loss)	(46)	(12)
Goodwill, net of related DTLs	(226)	229
Identifiable intangible assets other than MSRs, net of related DTLs	95	62
Defined benefit pension plan net assets	35	639
DTAs arising from net operating loss, foreign tax credit and general business credit carry-forwards	(856)	122
Excess over 10%/15% limitations for other DTAs, certain common stock investments and MSRs	(520)	(1,981)
CECL transition provision	—	(757)
Other	(109)	221
Net change in CET1 Capital	\$ (2,539)	\$ 4,665
CET1 Capital, end of period (Standardized Approach and Advanced Approaches)	\$ 153,595	\$ 153,595
Additional Tier 1 Capital, beginning of period	\$ 20,744	\$ 20,215
Qualifying perpetual preferred stock	(1,853)	(1,348)
Qualifying trust preferred securities	1	7
Other	17	35
Net change in Additional Tier 1 Capital	\$ (1,835)	\$ (1,306)
Tier 1 Capital, end of period (Standardized Approach and Advanced Approaches)	\$ 172,504	\$ 172,504
Tier 2 Capital, beginning of period (Standardized Approach)	\$ 29,054	\$ 28,398
Qualifying subordinated debt	25	607
Eligible allowance for credit losses	15	277
Other	170	(18)
Net change in Tier 2 Capital (Standardized Approach)	\$ 210	\$ 866
Tier 2 Capital, end of period (Standardized Approach)	\$ 29,264	\$ 29,264
Total Capital, end of period (Standardized Approach)	\$ 201,768	\$ 201,768
Tier 2 Capital, beginning of period (Advanced Approaches)	\$ 20,341	\$ 19,694
Qualifying subordinated debt	25	607
Excess of eligible credit reserves over expected credit losses	(1,121)	(868)
Other	170	(18)
Net change in Tier 2 Capital (Advanced Approaches)	\$ (926)	\$ (279)
Tier 2 Capital, end of period (Advanced Approaches)	\$ 19,415	\$ 19,415
Total Capital, end of period (Advanced Approaches)	\$ 191,919	\$ 191,919

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

<i>In millions of dollars</i>	Three months ended December 31, 2023	Twelve months ended December 31, 2023
Total Risk-Weighted Assets, beginning of period	\$ 1,148,550	\$ 1,142,985
General credit risk exposures ⁽¹⁾	5,021	(951)
Derivatives ⁽²⁾	(4,961)	4,063
Repo-style transactions ⁽³⁾	(927)	9,546
Securitization exposures	(684)	(141)
Equity exposures ⁽⁴⁾	2,119	4,604
Other exposures	(1,250)	(94)
Net change in Credit Risk-Weighted Assets	\$ (682)	\$ 17,027
Risk levels	\$ 1,452	\$ (3,388)
Model and methodology updates	(712)	(8,016)
Net change in Market Risk-Weighted Assets⁽⁵⁾	\$ 740	\$ (11,404)
Total Risk-Weighted Assets, end of period	\$ 1,148,608	\$ 1,148,608

- (1) General credit risk exposures include cash and balances due from depository institutions, securities, and loans and leases. General credit risk exposures increased during the three months ended December 31, 2023, primarily driven by card and mortgage activities as well as corporate lending, partially offset by divestitures and non-strategic portfolio exits.
- (2) Derivative exposures decreased during the three months ended December 31, 2023, primarily driven by reduced exposures and hedging activities. Derivative exposures increased during the 12 months ended December 31, 2023, mainly driven by increased exposures.
- (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 12 months ended December 31, 2023, mainly due to increased business activities.
- (4) Equity exposures increased during the 12 months ended December 31, 2023, primarily due to increased investment market values.
- (5) Market risk-weighted assets decreased during the 12 months ended December 31, 2023, primarily due to exposure changes and changes in model inputs related to volatility and correlation between market risk factors.

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

<i>In millions of dollars</i>	Three months ended December 31, 2023		Twelve months ended December 31, 2023	
Total Risk-Weighted Assets, beginning of period	\$	1,249,606	\$	1,221,538
General credit risk exposures ⁽¹⁾		18,587		47,594
Derivatives ⁽²⁾		(3,795)		(2,000)
Repo-style transactions ⁽³⁾		1,331		4,023
Securitization exposures		(854)		124
Equity exposures ⁽⁴⁾		2,260		5,011
Other exposures ⁽⁵⁾		274		3,599
Net change in Credit Risk-Weighted Assets	\$	17,803	\$	58,351
Risk levels	\$	2,026	\$	(2,679)
Model and methodology updates		(712)		(8,016)
Net change in Market Risk-Weighted Assets⁽⁶⁾	\$	1,314	\$	(10,695)
Net change in Operational Risk-Weighted Assets	\$	—	\$	(471)
Total Risk-Weighted Assets, end of period	\$	1,268,723	\$	1,268,723

- (1) General credit risk exposures increased during the three and 12 months ended December 31, 2023, mainly driven by card and mortgage activities as well as corporate lending, accompanied by parameter updates.
- (2) Derivative exposures decreased during the three and 12 months ended December 31, 2023, primarily driven by reduced exposures.
- (3) Repo-style transactions increased during the 12 months ended December 31, 2023, primarily driven by business activities and parameter updates.
- (4) Equity exposures increased during the three and 12 months ended December 31, 2023, primarily due to increased investment market values.
- (5) Other exposures decreased during the 12 months ended December 31, 2023, mainly driven by receivables and other assets.
- (6) Market risk-weighted assets decreased during the 12 months ended December 31, 2023, primarily due to exposure changes and changes in model inputs related to volatility and correlation between market risk factors.

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Supplementary Leverage Ratio

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

<i>In millions of dollars, except ratios</i>	December 31, 2023	September 30, 2023	December 31, 2022
Tier 1 Capital	\$ 172,504	\$ 176,878	\$ 169,145
Total Leverage Exposure			
On-balance sheet assets⁽¹⁾⁽²⁾	\$ 2,432,146	\$ 2,415,293	\$ 2,432,823
Certain off-balance sheet exposures⁽³⁾			
Potential future exposure on derivative contracts	164,148	154,202	133,071
Effective notional of sold credit derivatives, net ⁽⁴⁾	33,817	32,784	34,117
Counterparty credit risk for repo-style transactions ⁽⁵⁾	22,510	21,199	17,169
Other off-balance sheet exposures	350,207	340,320	326,553
Total of certain off-balance sheet exposures	\$ 570,682	\$ 548,505	\$ 510,910
Less: Tier 1 Capital deductions	37,874	36,406	36,960
Total Leverage Exposure	\$ 2,964,954	\$ 2,927,392	\$ 2,906,773
Supplementary Leverage ratio	5.82 %	6.04 %	5.82 %

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

(2) Citi's regulatory capital ratios and components reflect certain deferrals based on the modified regulatory capital transition provision related to the CECL standard. See "Capital Resources—Regulatory Capital Treatment—Modified Transition of the Current Expected Credit Losses Methodology" above.

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

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

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

As presented in the table above, Citigroup's Supplementary Leverage ratio was 5.8% at December 31, 2023, compared to 6.0% at September 30, 2023 and 5.8% at December 31, 2022. The quarter-over-quarter decrease was primarily driven by a reduction in Tier 1 Capital due to Citi's net loss in the fourth quarter of 2023, redemption of qualifying perpetual preferred stock, the return of capital to common shareholders and an increase in Total Leverage Exposure, partially offset by beneficial net movements in *AOCL*.

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 FRB.

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

<i>In millions of dollars, except ratios</i>	Required Capital Ratios ⁽¹⁾	Advanced Approaches			Standardized Approach		
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	September 30, 2023	December 31, 2022
CET1 Capital ⁽²⁾		\$ 147,109	\$ 150,635	\$ 149,593	147,109	\$ 150,635	\$ 149,593
Tier 1 Capital ⁽²⁾		149,238	152,763	151,720	149,238	152,763	151,720
Total Capital (Tier 1 Capital + Tier 2 Capital) ⁽²⁾⁽³⁾		160,706	165,977	165,131	168,571	173,610	172,647
Total Risk-Weighted Assets		1,057,194	1,027,427	1,003,747	983,960	976,833	982,914
Credit Risk ⁽²⁾		\$ 769,940	\$ 750,046	\$ 728,082	\$ 937,319	\$ 940,019	\$ 948,150
Market Risk		46,540	36,667	34,403	46,641	36,814	34,764
Operational Risk		240,714	240,714	241,262	—	—	—
CET1 Capital ratio ⁽⁴⁾⁽⁵⁾	7.0 %	13.92 %	14.66 %	14.90 %	14.95 %	15.42 %	15.22 %
Tier 1 Capital ratio ⁽⁴⁾⁽⁵⁾	8.5	14.12	14.87	15.12	15.17	15.64	15.44
Total Capital ratio ⁽⁴⁾⁽⁵⁾	10.5	15.20	16.15	16.45	17.13	17.77	17.56

<i>In millions of dollars, except ratios</i>	Required Capital Ratios	December 31, 2023	September 30, 2023	December 31, 2022
Quarterly Adjusted Average Total Assets ⁽²⁾⁽⁶⁾		\$ 1,666,609	\$ 1,666,706	\$ 1,738,744
Total Leverage Exposure ⁽²⁾⁽⁷⁾		2,166,334	2,139,843	2,189,541
Leverage ratio ⁽⁵⁾	5.0 %	8.95 %	9.17 %	8.73 %
Supplementary Leverage ratio ⁽⁵⁾	6.0	6.89	7.14	6.93

- (1) Citibank's required risk-based capital ratios are inclusive of the 2.5% Capital Conservation Buffer (all of which must be composed of CET1 Capital).
- (2) Citibank's regulatory capital ratios and components reflect certain deferrals based on the modified regulatory capital transition provision related to the CECL standard. See "Capital Resources—Regulatory Capital Treatment—Modified Transition of the Current Expected Credit Losses Methodology" above.
- (3) Under the Standardized Approach, the allowance for credit losses is eligible for inclusion in Tier 2 Capital up to 1.25% of credit risk-weighted assets, with any excess allowance for credit losses being deducted in arriving at credit risk-weighted assets, which differs from the Advanced Approaches framework, in which eligible credit reserves that exceed expected credit losses are eligible for inclusion in Tier 2 Capital to the extent that the excess reserves do not exceed 0.6% of credit risk-weighted assets.
- (4) Citibank's binding CET1 Capital, Tier 1 Capital and Total Capital ratios were derived under the Basel III Advanced Approaches framework for all periods presented.
- (5) Citibank must maintain required CET1 Capital, Tier 1 Capital, Total Capital and Leverage ratios of 6.5%, 8.0%, 10.0% and 5.0%, respectively, to be considered "well capitalized" under the revised Prompt Corrective Action (PCA) regulations applicable to insured depository institutions as established by the U.S. Basel III rules. Citibank must also maintain a required Supplementary Leverage ratio of 6.0% to be considered "well capitalized."
- (6) Leverage ratio denominator. Represents quarterly average total assets less amounts deducted from Tier 1 Capital.
- (7) Supplementary Leverage ratio denominator.

As presented in the table above, Citibank's capital ratios at December 31, 2023 were in excess of the regulatory capital requirements under the U.S. Basel III rules. In addition, Citibank was "well capitalized" as of December 31, 2023.

Citibank's Supplementary Leverage ratio was 6.9% at December 31, 2023, compared to 7.1% at September 30, 2023 and 6.9% at December 31, 2022. The quarter-over-quarter decrease was primarily driven by a reduction in Tier 1 Capital resulting from dividends, Citibank's net loss and an increase in Total Leverage Exposure, partially offset by beneficial net movements in *AOCI*.

Impact of Changes on Citigroup and Citibank Capital Ratios

The following tables present the estimated sensitivity of Citigroup's and Citibank's capital ratios to changes of \$100 million in CET1 Capital, Tier 1 Capital and Total Capital (numerator), and changes of \$1 billion in Advanced Approaches and Standardized Approach risk-weighted assets and quarterly adjusted average total assets, as well as Total Leverage Exposure (denominator), as of December 31, 2023. This information is provided for the purpose of analyzing the

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

	CET1 Capital ratio		Tier 1 Capital ratio		Total Capital ratio	
	Impact of \$100 million change in CET1 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
<i>In basis points</i>						
Citigroup						
Advanced Approaches	0.8	1.0	0.8	1.1	0.8	1.2
Standardized Approach	0.9	1.2	0.9	1.3	0.9	1.5
Citibank						
Advanced Approaches	0.9	1.3	0.9	1.3	0.9	1.4
Standardized Approach	1.0	1.5	1.0	1.5	1.0	1.7

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

Citigroup Broker-Dealer Subsidiaries

At December 31, 2023, Citigroup Global Markets Inc., a U.S. broker-dealer registered with the SEC that is an indirect wholly owned subsidiary of Citigroup, had net capital, computed in accordance with the SEC's net capital rule, of \$18 billion, which exceeded the minimum requirement by \$13 billion.

Moreover, Citigroup Global Markets Limited, a broker-dealer registered with the United Kingdom's Prudential Regulation Authority (PRA) that is also an indirect wholly owned subsidiary of Citigroup, had total regulatory capital of \$27 billion at December 31, 2023, which exceeded the PRA's minimum regulatory capital requirements.

In addition, certain of Citi's other broker-dealer subsidiaries are subject to regulation in the countries in which they do business, including requirements to maintain specified levels of net capital or its equivalent. Citigroup's other principal broker-dealer subsidiaries were in compliance with their regulatory capital requirements at December 31, 2023.

Total Loss-Absorbing Capacity (TLAC)

U.S. GSIBs, including Citi, are required to maintain minimum levels of TLAC and eligible long-term debt (LTD), each set by reference to the GSIB's consolidated risk-weighted assets (RWA) and total leverage exposure.

Minimum External TLAC Requirement

The minimum external TLAC requirement is the greater of (i) 18% of the GSIB's RWA plus the then-applicable RWA-based TLAC buffer (see below) and (ii) 7.5% of the GSIB's total leverage exposure plus a leverage-based TLAC buffer of 2% (i.e., 9.5%).

The RWA-based TLAC buffer equals the 2.5% Capital Conservation Buffer, plus any applicable Countercyclical Capital Buffer (currently 0%), plus the GSIB's capital surcharge as determined under method 1 of the GSIB surcharge rule (2.0% for Citi for 2023). Accordingly, Citi's total current minimum TLAC requirement was 22.5% of RWA for 2023.

Minimum Long-Term Debt (LTD) Requirement

The minimum LTD requirement is the greater of (i) 6% of the GSIB's RWA plus its capital surcharge as determined under method 2 of the GSIB surcharge rule (3.5% for Citi for 2023), for a total current requirement of 9.5% of RWA for Citi, and (ii) 4.5% of the GSIB's total leverage exposure.

The table below details Citi's eligible external TLAC and LTD amounts and ratios, and each TLAC and LTD regulatory requirement, as well as the surplus amount in dollars in excess of each requirement.

<i>In billions of dollars, except ratios</i>	December 31, 2023	
	External TLAC	LTD
Total eligible amount	\$ 331	\$ 151
% of Advanced Approaches risk-weighted assets	26.1 %	11.9 %
Regulatory requirement ⁽¹⁾⁽²⁾	22.5	9.5
Surplus amount	\$ 46	\$ 30
% of Total Leverage Exposure	11.2 %	5.1 %
Regulatory requirement	9.5	4.5
Surplus amount	\$ 50	\$ 17

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

(2) LTD includes method 2 GSIB surcharge of 3.5%.

As of December 31, 2023, Citi exceeded each of the TLAC and LTD regulatory requirements, resulting in a \$17 billion surplus above its binding TLAC requirement of LTD as a percentage of Total Leverage Exposure.

For additional information on Citi's TLAC-related requirements, see "Liquidity Risk—Total Loss-Absorbing Capacity (TLAC)" below.

Capital Resources (Full Adoption of CECL)⁽¹⁾

The following tables present Citigroup's and Citibank's capital ratios under a hypothetical scenario where the full impact of CECL is reflected as of December 31, 2023:

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	Citigroup				Citibank		
	Required Capital Ratios, Advanced Approaches	Required Capital Ratios, Standardized Approach	Advanced Approaches	Standardized Approach	Required Capital Ratios ⁽²⁾	Advanced Approaches	Standardized Approach
CET1 Capital ratio	10.5 %	12.3 %	11.95 %	13.21 %	7.0 %	13.78 %	14.81 %
Tier 1 Capital ratio	12.0	13.8	13.44	14.86	8.5	13.98	15.03
Total Capital ratio	14.0	15.8	15.07	17.42	10.5	15.10	17.00

	Required Capital Ratios	Citigroup	Required Capital Ratios	Citibank
Leverage ratio	4.0 %	7.12 %	5.0 %	8.87 %
Supplementary Leverage ratio	5.0	5.75	6.0	6.83

(1) See footnote 2 on the "Components of Citigroup Capital" table above.

(2) Citibank's required capital ratios were the same under the Standardized Approach and the Advanced Approaches framework.

Regulatory Capital Standards Developments

Basel III Revisions

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

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

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

If adopted as proposed, the capital proposal's impact on risk-weighted asset amounts would also affect several other requirements including TLAC, external long-term debt and the short-term wholesale funding score included in the GSIB surcharge under method 2 (see "GSIB Surcharge" below). The proposal has a three-year transition period that would begin on July 1, 2025. If finalized as proposed, the capital proposal would have a material adverse impact on Citi's required regulatory capital.

For information about risks related to changes in regulatory capital requirements, see "Risk Factors—Strategic Risks," "—Operational Risks" and "—Compliance Risks" below.

GSIB Surcharge

Separately on July 27, 2023, the Federal Reserve Board proposed changes to the GSIB surcharge rule that aim to make it more risk sensitive. Proposed changes include measuring certain systemic indicators on a daily versus quarterly average basis, changing certain of the risk indicators and shortening the time to come into compliance with each year's surcharge. In addition, the proposal would narrow surcharge bands under method 2 from 50 bps to 10 bps to reduce cliff effects when moving between bands.

Long-Term Debt Requirements

On August 29, 2023, the Federal Reserve Board issued a notice of proposed rulemaking to amend the TLAC rule to change the haircuts (i.e., the percentage reductions) that are applied to eligible long-term debt. Under the proposed rule, only 50% of eligible long-term debt with a maturity of one year or more but less than two years would count toward the TLAC requirement, instead of the current 100%. These proposed revisions are estimated to decrease the TLAC percentage of Advanced Approaches RWA as well as the TLAC percentage of Total Leverage Exposure. The proposed rule in its current form has no proposed transition period for its implementation and is not expected to be material to Citi.

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

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

At December 31,					
<i>In millions of dollars or shares, except per share amounts</i>	2023	2022	2021	2020	2019
Total Citigroup stockholders' equity	\$ 205,453	\$ 201,189	\$ 201,972	\$ 199,442	\$ 193,242
Less: Preferred stock	17,600	18,995	18,995	19,480	17,980
Common stockholders' equity	\$ 187,853	\$ 182,194	\$ 182,977	\$ 179,962	\$ 175,262
Less:					
Goodwill	20,098	19,691	21,299	22,162	22,126
Identifiable intangible assets (other than MSRs)	3,730	3,763	4,091	4,411	4,327
Goodwill and identifiable intangible assets (other than MSRs) related to assets held-for-sale (HFS)	—	589	510	—	—
Tangible common equity (TCE)	\$ 164,025	\$ 158,151	\$ 157,077	\$ 153,389	\$ 148,809
Common shares outstanding (CSO)	1,903.1	1,937.0	1,984.4	2,082.1	2,114.1
Book value per share (common stockholders' equity/CSO)	\$ 98.71	\$ 94.06	\$ 92.21	\$ 86.43	\$ 82.90
Tangible book value per share (TCE/CSO)	86.19	81.65	79.16	73.67	70.39

For the year ended December 31,					
<i>In millions of dollars</i>	2023	2022	2021	2020	2019
Net income available to common shareholders	\$ 8,030	\$ 13,813	\$ 20,912	\$ 9,952	\$ 18,292
Average common stockholders' equity	\$ 187,730	\$ 180,093	\$ 182,421	\$ 175,508	\$ 177,363
Less:					
Average goodwill	20,313	19,354	21,771	21,315	21,903
Average intangible assets (other than MSRs)	3,835	3,924	4,244	4,301	4,466
Average goodwill and identifiable intangible assets (other than MSRs) related to assets HFS	226	872	153	—	—
Average TCE	\$ 163,356	\$ 155,943	\$ 156,253	\$ 149,892	\$ 150,994
Return on average common stockholders' equity	4.3 %	7.7 %	11.5 %	5.7 %	10.3 %
RoTCE	4.9	8.9	13.4	6.6	12.1

RISK FACTORS

The following discussion presents what management currently believes could be the material risks and uncertainties that could impact Citi's businesses, results of operations and financial condition. Other risks and uncertainties, including those not currently known to Citi or its management, could also negatively impact Citi's businesses, results of operations and financial condition. Thus, the following should not be considered a complete discussion of all of the risks and uncertainties that Citi may face. For additional information about risks and uncertainties that could impact Citi, see "Executive Summary" and each respective business's results of operations above and "Managing Global Risk" below. The following risk factors are categorized to improve the readability and usefulness of the risk factor disclosure, and, while the headings and risk factors generally align with Citi's risk categorization, in certain instances the risk factors may not directly correspond with how Citi categorizes or manages its risks.

MARKET-RELATED RISKS

Macroeconomic, Geopolitical and Other Challenges and Uncertainties Could Continue to Have a Negative Impact on Citi.

Citi has experienced, and could experience in the future, negative impacts to its businesses, results of operations and financial condition as a result of various macroeconomic, geopolitical and other challenges, uncertainties and volatility. These include, among other things, government fiscal and monetary actions or expected actions, including continued high interest rates, reductions in central bank balance sheets, or other restrictive interest rate or other monetary policies; potential recessions in the U.S., Europe and other regions or countries; and elevated levels of inflation.

For example, in 2023, the U.S., the U.K., the EU and other economies continued to experience elevated levels of inflation. As a result, the Federal Reserve Board (FRB) and other central banks substantially raised interest rates, reduced the size of their balance sheets and took other actions in an aggressive effort to curb inflation. The actions taken by the FRB and other central banks could have a negative impact on the U.S. economy and other economies, which could adversely impact certain sectors sensitive to interest rates and consumer discretionary spending. They may also slow economic growth, increase the risk of recession and increase the unemployment rate in the U.S. and other countries, all of which would likely adversely affect Citi's consumer and institutional clients, businesses and results of operations. In addition, inflation may continue to result in higher labor and other costs, thus putting further pressure on Citi's expenses. More recently, the FRB has signaled that it expects to reduce the benchmark U.S. interest rate in 2024. If the FRB were to reduce interest rates prematurely, inflation could resurge.

Interest rates on loans Citi makes are typically based off or set at a spread over a benchmark interest rate and would likely decline or rise as benchmark rates decline or rise, respectively. For example, while a decline in interest rates would generally be expected to result in lower overall net interest income, it could improve Citi's funding costs. Although higher interest rates would generally be expected to

increase overall net interest income, higher rates could adversely affect funding costs, levels of deposits in its consumer and institutional businesses and certain business or product revenues. In addition, Citi's net interest income could be adversely affected due to a flattening (a lower spread between shorter-term versus longer-term interest rates) or longer lasting or more severe inversion (shorter-term interest rates exceeding longer-term interest rates) of the interest rate yield curve, as Citi typically pays interest on deposits based on shorter-term interest rates and earns money on loans based on longer-term interest rates. For additional information on Citi's interest rate risk, see "Managing Global Risk—Market Risk—Banking Book Interest Rate Risk" below. Additionally, Citi's balance sheet includes interest-rate sensitive fixed-rate assets such as U.S. Treasuries, U.S. agency securities and residential mortgages, among others, whose valuation would be adversely impacted in a higher-rate environment and/or whose hedging costs may increase.

Additional areas of uncertainty include, among others, geopolitical challenges, tensions and conflicts, including those related to Russia's war in Ukraine (see discussion below), as well as a persistent and/or escalating conflict in the Middle East, particularly if the conflict were to widen to involve additional combatants, countries or regions; economic and other geopolitical challenges related to China, including weak economic growth, related policy actions, challenges in the Chinese real estate sector, banking and credit markets, and tensions or conflicts between China and Taiwan and/or China and the U.S.; significant disruptions and volatility in financial markets, including foreign currency volatility and devaluations and continued strength in the U.S. dollar; protracted or widespread trade tensions; natural disasters; new pandemics, including new COVID-19 variants; and political polarization, election outcomes and the effects of divided government, such as with respect to any extended government shutdown in the U.S. For example, Citi's market-making businesses can suffer losses resulting from the widening of credit spreads due to unanticipated changes in financial markets. Moreover, adverse developments or downturns in one or more of the world's larger economies would likely have a significant impact on the U.S. economy or the economies of other countries because of the extensive financial and economic linkages.

Russia's war in Ukraine has caused supply shocks in food and other commodities markets, worsened cybersecurity risks, increased the risk of recession in Europe and heightened geopolitical tensions. Actions by Russia, and any further measures taken by the U.S. or its allies, could continue to have negative impacts on regional and global energy and other commodities and financial markets and macroeconomic conditions, adversely impacting jurisdictions where Citi operates and has customers, clients or employees. Citi's remaining operations in Russia subject Citi to various other risks, among which are foreign currency volatility, including appreciations or devaluations; restrictions arising from retaliatory Russian laws and regulations on the conduct of its remaining businesses, including, without limitation, its provision to its customers of certain securities services; sanctions or asset freezes; and other deconsolidation events. In the event of a loss of control of AO Citibank, Citi would be required to write off its net investment



in the entity, recognize a CTA loss through earnings and recognize a loss on intercompany liabilities owed by AO Citibank to other Citi entities outside of Russia. In the sole event of a substantial liquidation, as opposed to a loss of control, Citi would be required to recognize the CTA loss through earnings and would evaluate its remaining net investment as circumstances evolve. For additional information about these risks, see the operational processes and systems, cybersecurity and emerging markets risk factors and “Managing Global Risk—Other Risks—Country Risk—Russia” below.

STRATEGIC RISKS

Citi’s Ability to Return Capital to Common Shareholders Substantially Depends on Regulatory Capital Requirements, Including the Results of the CCAR Process and Dodd-Frank Act Regulatory Stress Tests, and Other Factors.

Citi’s ability to return capital to its common shareholders consistent with its capital planning efforts and targets, whether through its common stock dividend or through a share repurchase program, substantially depends, among other things, on its regulatory capital requirements, including the annual recalibration of the Stress Capital Buffer (SCB), which is based upon the results of the CCAR process required by the FRB, and recalibration of the GSIB surcharge, as well as the supervisory expectations and assessments regarding individual institutions.

The FRB’s annual stress testing requirements are integrated into ongoing regulatory capital requirements. Citi’s SCB equals the maximum projected decline in its CET1 Capital ratio under the supervisory severely adverse scenario over a nine-quarter CCAR measurement period, plus four quarters of planned common stock dividends as a percentage of Citi’s risk-weighted assets, subject to a minimum requirement of 2.5%. The SCB is calculated by the FRB using its proprietary data and modeling of each firm’s results. Accordingly, Citi’s SCB may change annually, based on the supervisory stress test results, thus potentially resulting in variability in the calculation of Citi’s required regulatory CET1 Capital ratio under the Standardized Approach. On October 1, 2023, Citi’s required regulatory CET1 Capital ratio increased to 12.3% from 12% under the Standardized Approach, reflecting the increase in the SCB requirement to 4.3% from 4.0%. In addition, a breach of the SCB and other regulatory capital buffers may result in gradual limitations on capital distributions and discretionary bonus payments to executive officers. For additional information on the SCB, see “Capital Resources—Regulatory Capital Buffers” above.

Moreover, changes in regulatory capital rules, requirements or interpretations could materially increase Citi’s required regulatory capital. For example, the U.S. banking regulators have proposed a number of changes to the U.S. regulatory capital framework, including, but not limited to, significant revisions to the U.S. Basel III rules, known as the Basel III Endgame (capital proposal); changes to the method for calculating the GSIB surcharge; and changes to aspects of the total loss-absorbing capacity (TLAC) requirements. The capital proposal would replace the Advanced Approaches with a new Expanded Risk-based Approach for calculating risk-

weighted assets. Under the capital proposal, a single capital buffer, including the SCB, would apply to a firm’s risk-based capital ratios, regardless of whether the applicable ratios result from the Expanded Risk-based Approach or the Modified Standardized Approach. Additionally, the capital proposal would make various changes to the calculations of credit risk, market risk and operational risk components of risk-weighted assets (see “Capital Resources—Regulatory Capital Standards and Developments” above). All of these potential changes, if adopted as proposed, would likely materially impact Citi’s regulatory capital position and substantially increase Citi’s regulatory capital requirements, and thus adversely impact the extent to which Citi is able to return capital to shareholders.

Citi’s ability to return capital also depends on its results of operations and financial condition, including the capital impact related to its remaining divestitures, such as, among other things, any temporary capital impact from CTA losses (net of hedges) between transaction signings and closings (see the continued investments and the incorrect assumptions or estimates risk factors below); Citi’s effectiveness in planning, managing and calculating its level of regulatory capital and risk-weighted assets under both the Advanced Approaches and the Standardized Approach, as well as the Supplementary Leverage ratio (SLR); its implementation and maintenance of an effective capital planning process and management framework; forecasts of macroeconomic conditions; and deferred tax asset (DTA) utilization (see the ability to utilize DTA risk factor below). The FRB could also limit or prohibit capital actions, such as paying or increasing dividends or repurchasing common stock due to macroeconomic disruptions or events, some of which occurred for a period of time during the COVID-19 pandemic.

All firms subject to CCAR requirements, including Citi, will continue to be subject to a rigorous regulatory evaluation of capital planning practices and other reviews and examinations, including, but not limited to data quality, which is a key regulatory focus, governance, risk management and internal controls. For example, the FRB has stated that it expects capital adequacy practices to continue to evolve and to likely be determined by its yearly cross-firm review of capital plan submissions. Similarly, the FRB has indicated that, as part of its stated goal to continually evolve its annual stress testing requirements, several parameters of the annual stress testing process may continue to be altered, including the number and severity of the stress test scenarios, the FRB modeling of Citi’s balance sheet, pre-provision net revenue and stress losses, and the addition of components deemed important by the FRB. Additionally, Citi’s ability to return capital may be adversely impacted if a regulatory evaluation or examination results in negative findings regarding absolute capital levels or other aspects of Citi’s operations, including as a result of the imposition of additional capital buffers, limitations on capital distributions or otherwise. For information on limitations on Citi’s ability to return capital to common shareholders, as well as the CCAR process, supervisory stress test requirements and GSIB surcharge, see “Capital Resources—Overview” and “Capital Resources—Stress Testing Component of Capital Planning” above and the risk management risk factor below.

In December 2023, the FRB announced that it will maintain its current framework for calculating allowances on loans in the supervisory stress test through the 2024 stress test cycle, while continuing to evaluate appropriate future enhancements to this framework. The impacts on Citi's capital adequacy of any potential incorporation by the FRB of CECL into its supervisory stress tests in future stress test cycles, and of other potential regulatory changes in the FRB's stress testing methodologies, remain unclear. For additional information regarding the CECL methodology, including the transition provisions related to the adverse regulatory capital effects resulting from adoption of the CECL methodology, see "Capital Resources—Current Regulatory Capital Standards—Regulatory Capital Treatment—Modified Transition of the Current Expected Credit Losses Methodology" above and Note 1.

Although various uncertainties exist regarding the extent of, and the ultimate impact to Citi from, changes to regulatory capital, results from the FRB's stress testing and CCAR regimes, and regulatory evaluation or examination findings, these changes could increase the level of capital Citi is required or elects to hold, including as part of Citi's management buffer, thus potentially adversely impacting the extent to which Citi is able to return capital to shareholders.

Citi Must Continually Review, Analyze and Successfully Adapt to Ongoing Regulatory and Legislative Uncertainties and Changes in the U.S. and Globally.

Citi, its management and its businesses continue to face regulatory and legislative uncertainties and changes, both in the U.S. and globally. While the ongoing regulatory and legislative uncertainties and changes facing Citi are too numerous to list completely, examples include, but are not limited to (i) potential changes to various aspects of the U.S. regulatory capital framework and requirements applicable to Citi, including, among others, significant revisions to the U.S. Basel III rules, known as the Basel III Endgame (for information about the Basel III Endgame, see the capital return risk factor and "Capital Resources—Regulatory Capital Standards Developments" above); (ii) potential fiscal, monetary, tax, sanctions and other changes promulgated by the U.S. federal government and other governments, including potential changes in regulatory requirements relating to interest rate risk management; and (iii) rapidly evolving legislative and regulatory requirements and other government initiatives in the EU, the U.S. and globally related to climate change and other ESG areas that vary, and may conflict, across jurisdictions, including any new disclosure requirements (see the climate change and heightened regulatory scrutiny and ongoing interpretation of regulatory changes risk factors below). References to "regulatory" refer to both formal regulation and the views and expectations of Citi's regulators in their supervisory roles, which, as they change over time, can have a major impact. In particular, the U.S. regulators have indicated that the level of their expectations is increasing and prompt negative examination findings/ratings and enforcements actions are more likely.

For example, in February 2023, the Consumer Financial Protection Bureau (CFPB) proposed significant changes to the maximum amounts on credit card late fees, which, if adopted

as proposed, would reduce credit card fee revenues in Branded Cards and Retail Services in *USPB*. In addition, U.S. and international regulatory and legislative initiatives have not always been undertaken or implemented on a coordinated basis, and areas of divergence have developed and continue to develop with respect to their scope, interpretation, timing, structure or approach, leading to inconsistent or even conflicting requirements, including within a single jurisdiction.

Further, ongoing regulatory and legislative uncertainties and changes make Citi's long-term business, balance sheet and strategic budget planning difficult, subject to change and potentially more costly and may impact its results of operations. U.S. and other regulators globally have implemented and continue to discuss various changes to certain regulatory requirements, which would require ongoing assessment by management as to the impact to Citi, its businesses and business planning. Business planning must necessarily be based on possible or proposed rules or outcomes, which can change significantly upon finalization, or upon implementation or interpretive guidance from numerous regulatory bodies worldwide, and such guidance can change. Regulatory and legislative changes have also significantly increased Citi's compliance risks and costs (see the implementation and interpretation of regulatory changes risk factor below) and can adversely affect Citi's competitive position, as well as its businesses, results of operations and financial condition.

Citi's Ability to Achieve Its Objectives from Its Transformation, Organizational, Simplification and Other Strategic and Other Initiatives May Not Be as Successful as It Projects or Expects.

As part of its transformation initiatives, Citi continues to make significant investments to improve its risk and controls environment, modernize its data and technology infrastructure and further enhance safety and soundness (see "Executive Summary" above and the legal and regulatory proceedings risk factor below). Citi also continues to make business-led investments, as part of the execution of its strategic initiatives. For example, Citi has been making investments across the Company, including hiring front office colleagues in key strategic markets and businesses; enhancing product capabilities and platforms to grow key businesses, improve client digital experiences and add scalability; and implementing new capabilities and partnerships. These business-led investments are designed to grow revenues as well as result in retention and efficiency improvements.

Additionally, Citi has been pursuing overall simplification initiatives that include management and operating model changes and actions to enhance focus on clients and reduce expenses. Citi's simplification actions also include divestiture of the Mexico Consumer/SBMM operations and completing other exits and wind-downs in order to streamline Citi and assist in optimizing its allocation of resources. These overall simplification initiatives involve various execution challenges and may result in higher than expected expenses, litigation and regulatory scrutiny, CTA and other losses or other negative financial or strategic impacts, which could be material (for information about potential CTA impacts, see the capital

return risk factor above and the incorrect assumptions or estimates risk factor below).

Citi's multiyear transformation, as well as its simplification initiatives, involve significant complexities and uncertainties. In addition, there is inherent risk that Citi's transformation and simplification initiatives will not be as productive or effective as Citi expects, or at all. Conversely, failure to adequately invest in and upgrade Citi's technology and processes or properly implement its enterprise-wide simplification could result in Citi's inability to meet regulatory expectations, be sufficiently competitive, serve clients effectively and avoid disruptions to its businesses and operational errors (see the operational processes and systems and legal and regulatory proceedings risk factors below). Citi's ability to achieve expected returns and operational improvements depends, in part, on factors that it cannot control, including, among others, macroeconomic challenges and uncertainties; customer, client and competitor actions; and ongoing regulatory requirements or changes.

Citi's transformation, strategic and other initiatives may continue to evolve as its business strategies, the market environment and regulatory expectations change, which could make the initiatives more costly and more challenging to implement, and limit their effectiveness.

Climate Change Presents Various Financial and Non-Financial Risks to Citi and Its Customers and Clients.

Climate change presents both immediate and long-term risks to Citi and its customers and clients, with the risks expected to increase over time. Climate risks can arise from both physical risks (those risks related to the physical effects of climate change) and transition risks (risks related to regulatory, market, technological, stakeholder and legal changes from a transition to a low-carbon economy). Physical and transition risks can manifest themselves differently across Citi's risk categories in the short, medium and long terms.

Physical risks from climate change include acute risks, such as hurricanes, floods and droughts, as well as consequences of chronic changes in climate, such as rising sea levels, prolonged droughts and systemic changes to geographies and any resulting population migration. For example, physical risks could have adverse financial, operational and other impacts on Citi, both directly on its business and operations, and indirectly as a result of impacts to Citi's clients, customers, vendors and other counterparties. These impacts can include destruction, damage or impairment of owned or leased properties and other assets, destruction or deterioration of the value of collateral, such as real estate, disruptions to business operations and supply chains and reduced availability or increase in the cost of insurance. Physical risks can also impact Citi's credit risk exposures, for example, in its mortgage and commercial real estate lending businesses.

Transition risks may arise from changes in regulations or market preferences toward low-carbon industries or sectors, which in turn could have negative impacts on asset values, results of operations or the reputations of Citi and its customers and clients. For example, Citi's corporate credit exposures include oil and gas, power and other industries that may experience reduced demand for carbon-intensive products

due to the transition to a low-carbon economy. Failure to adequately consider transition risk in developing and executing on its business strategy could lead to a loss of market share, lower revenues and higher credit costs. Transition risks also include potential increased operational, compliance and energy costs driven by government policies to promote decarbonization.

Moreover, increasing legislative and regulatory changes and uncertainties regarding climate-related risk management and disclosures are likely to result in increased regulatory, compliance, credit, reputational and other risks and costs for Citi. New regulations have been enacted and/or are expected in several jurisdictions, including the EU's Corporate Sustainability Reporting Directive (CSRD), the SEC climate-related disclosures that could require disclosure of climate-related information and the State of California's legislation enacted in October 2023 requiring broad disclosure of greenhouse gas emissions and other climate-related information largely beginning in 2026. In addition, Citi could face increased regulatory scrutiny and reputation and litigation risks as a result of its climate risk, sustainability and other ESG-related commitments and disclosures.

Even as some regulators seek to mandate additional disclosure of climate-related information, Citi's ability to comply with such requirements and conduct more robust climate-related risk analyses may be hampered by lack of information and reliable data. Data on climate-related risks is limited in availability, often based on estimated or unverified figures, collected and reported on a time-lag, and variable in quality. Modeling capabilities to analyze climate-related risks and interconnections are improving, but remain incomplete. U.S. and non-U.S. banking regulators and others are increasingly focusing on the issue of climate risk at financial institutions, both directly and with respect to their clients. For example, in October 2023, the FRB, FDIC and OCC jointly released principles that provide a high-level framework for the safe and sound management of exposures to climate-related financial risks, including physical and transition risks, for financial institutions with more than \$100 billion in assets.

Additionally, if Citi's response to climate change is perceived to be ineffective or insufficient or Citi is unable to achieve its objectives or commitments relating to climate change, its businesses, reputation, attractiveness to certain investors and efforts to recruit and retain employees may suffer. For example, Citi's approach to supporting client decarbonization in a gradual and orderly way, while promoting energy security, may lead to both continued exposure to carbon-intensive activity and increased reputation risks from stakeholders with divergent points of view. Citi also faces anti-ESG challenges from certain U.S. state and other governments that may impact its ability to conduct certain business within those jurisdictions.

For information on Citi's climate and other sustainability initiatives, see "Climate Change and Net Zero" below. For additional information on Citi's management of climate risk, see "Managing Global Risk—Strategic Risk—Climate Risk" below.

Citi's Ability to Utilize Its DTAs, and Thus Reduce the Negative Impact of the DTAs on Citi's Regulatory Capital, Will Be Driven by Its Ability to Generate U.S. Taxable Income.

At December 31, 2023, Citi's net DTAs were \$29.6 billion, net of a valuation allowance of \$3.6 billion, of which \$12.8 billion was deducted from Citi's CET1 Capital under the U.S. Basel III rules. Of this deducted amount, \$12.1 billion related to net operating losses, foreign tax credit and general business credit carry-forwards, with \$2.3 billion related to temporary differences in excess of the 10%/15% regulatory limitations, reduced by \$1.6 billion of deferred tax liabilities, primarily associated with goodwill and certain other intangible assets that were separately deducted from capital.

Citi's overall ability to realize its DTAs will primarily be dependent upon Citi's ability to generate U.S. taxable income in the relevant reversal periods. Failure to realize any portion of the net DTAs would have a corresponding negative impact on Citi's net income and financial returns.

The accounting treatment for realization of DTAs is complex and requires significant judgment and estimates regarding future taxable earnings in the jurisdictions in which the DTAs arise and available tax planning strategies. Forecasts of future taxable earnings will depend upon various factors, including, among others, macroeconomic conditions. In addition, any future increase in U.S. corporate tax rates could result in an increase in Citi's DTAs, which may subject more of Citi's DTAs to exclusion from regulatory capital.

Citi has not been and does not expect to be subject to the base erosion anti-abuse tax (BEAT), which, if applicable to Citi in any given year, would have a significantly adverse effect on both Citi's net income and regulatory capital.

For additional information on Citi's DTAs, including FTCs, see "Significant Accounting Policies and Significant Estimates—Income Taxes" below and Notes 1 and 10.

Citi's Interpretation or Application of the Complex Tax Laws to Which It Is Subject Could Differ from Those of Governmental Authorities, Which Could Result in Litigation or Examinations and the Payment of Additional Taxes, Penalties or Interest.

Citi is subject to various income-based tax laws of the U.S. and its states and municipalities, as well as the numerous non-U.S. jurisdictions in which it operates. These tax laws are inherently complex, and Citi must make judgments and interpretations about the application of these laws to its entities, operations and businesses.

For example, the Organization for Economic Cooperation and Development (OECD) Pillar 2 initiative contemplates a 15% global minimum tax with respect to earnings in each country. EU member states were required to adopt the OECD Pillar 2 rules in 2023, with an effective date of January 1, 2024 (unless an exception applied), and other non-U.S. countries have similarly adopted or are expected to adopt the rules. Under these rules, Citi will be required to pay a "top-up" tax to the extent that Citi's effective tax rate in any given country is below 15%. Beginning in 2024, countries that adopted the OECD Pillar 2 rules in 2023 can collect the top-up tax only with respect to earnings of entities in their jurisdiction or subsidiaries of such entities. Beginning in 2025, all countries

that have adopted the OECD Pillar 2 rules can collect a share of the top-up tax owed with respect to any member of the Pillar 2 multinational group. While Citi does not currently expect the rules to have a material impact on its earnings, many aspects of the application of the rules remain uncertain.

Additionally, Citi is subject to litigation or examinations with U.S. and non-U.S. tax authorities regarding non-income-based tax matters. While Citi has appropriately reserved for such matters where there is a probable loss, and has disclosed reasonably possible losses, the outcome of the matters may be different than Citi's expectations. Citi's interpretations or application of the tax laws, including with respect to withholding, stamp, service and other non-income taxes, could differ from that of the relevant governmental taxing authority, which could result in the requirement to pay additional taxes, penalties or interest, the reduction of certain tax benefits or the requirement to make adjustments to amounts recorded, which could be material. See Note 30 for additional information on litigation and examinations involving non-U.S. tax authorities.

A Deterioration in or Failure to Maintain Citi's Co-Branding or Private Label Credit Card Relationships Could Have a Negative Impact on Citi.

Citi has co-branding and private label relationships through its Branded Cards and Retail Services credit card businesses with various retailers and merchants, whereby in the ordinary course of business Citi issues credit cards to consumers, including customers of the retailers or merchants. The five largest relationships across both businesses in *USPB* constituted an aggregate of approximately 11% of Citi's revenues in 2023 (see "*U.S. Personal Banking*" above). Citi's co-branding and private label agreements often provide for shared economics between the parties and generally have a fixed term

including Citi, for these may not be able to maintain such relationships on the same terms or at all. Citi's co-branding and private label relationships could also be negatively impacted by, among other things, the general economic environment, including the impacts of continued elevated interest rates and inflation, and lower economic growth rates, as well as a continuing risk of recession; changes in consumer sentiment, spending patterns and credit card usage behaviors; a decline in sales and revenues, partner store closures, any reduction in air and business travel, or other operational difficulties of the retailer or merchant; early termination due to a contractual breach or exercise of other early termination right; or other factors, including bankruptcies, liquidations, restructurings, consolidations or other similar events, whether due to a challenging macroeconomic environment or otherwise.

These events, particularly early termination and bankruptcies or liquidations, could negatively impact the results of operations or financial condition of Branded Cards, Retail Services or Citi as a whole, including as a result of loss of revenues, increased expenses, higher cost of credit, impairment of purchased credit card relationships and contract-related intangibles or other losses (see Note 17 for information on Citi's credit card related intangibles generally).



The Application of U.S. Resolution Plan Requirements May Pose a Greater Risk of Loss to Citi's Debt and Equity Securities Holders, and Citi's Inability in Its Resolution Plan Submissions to Address Any Shortcomings or Deficiencies or Guidance Could Subject Citi to More Stringent Capital, Leverage or Liquidity Requirements, or Restrictions on Its Growth, Activities or Operations, and Could Eventually Require Citi to Divest Assets or Operations.

Title I of the Dodd-Frank Act requires Citi to prepare and submit a plan to the FRB and the FDIC for the orderly resolution of Citigroup (the bank holding company) and its significant legal entities under the U.S. Bankruptcy Code in the event of future material financial distress or failure.

Under Citi's preferred "single point of entry" resolution plan strategy, only Citigroup, the parent holding company, would enter into bankruptcy, while Citigroup's material legal entities (as defined in the public section of its 2023 resolution plan, which can be found on the FRB's and FDIC's websites) would remain operational outside of any resolution or insolvency proceedings. As a result, Citigroup's losses and any losses incurred by its material legal entity subsidiaries would be imposed first on holders of Citigroup's equity securities and thereafter on its unsecured creditors, including holders of eligible long-term debt and other debt securities.

In addition, a wholly owned, direct subsidiary of Citigroup serves as a resolution funding vehicle (the IHC) to which Citigroup has transferred, and has agreed to transfer on an ongoing basis, certain assets. The obligations of Citigroup and of the IHC, respectively, under the amended and restated secured support agreement, are secured on a senior basis by the assets of Citigroup (other than shares in subsidiaries of the parent company and certain other assets), and the assets of the IHC, as applicable. As a result, claims of the operating material legal entities against the assets of Citigroup with respect to such secured assets are effectively senior to unsecured obligations of Citigroup. Citi's single point of entry resolution plan strategy and the obligations under the amended and restated secured support agreement may result in the recapitalization of and/or provision of liquidity to Citi's operating material legal entities, and the commencement of bankruptcy proceedings by Citigroup at an earlier stage of financial stress than might otherwise occur without such mechanisms in place.

In line with the FRB's TLAC rule, Citigroup's shareholders and unsecured creditors—including its unsecured long-term debt holders—would bear any losses resulting from Citigroup's bankruptcy. Accordingly, any value realized by holders of its unsecured long-term debt may not be sufficient to repay the amounts owed to such debt holders in the event of a bankruptcy or other resolution proceeding of Citigroup. For additional information on Citi's single point of entry resolution plan strategy and the IHC and secured support agreement, see "Managing Global Risk—Liquidity Risk" below.

On November 22, 2022, the FRB and FDIC issued feedback on the resolution plans filed on July 1, 2021 by the eight U.S. GSIBs, including Citi. The FRB and FDIC identified one shortcoming, but no deficiencies, in Citi's 2021 resolution plan. The shortcoming related to data integrity and data quality management issues, specifically, weaknesses in

Citi's processes and practices for producing certain data that could materially impact its resolution capabilities. If a shortcoming is not satisfactorily explained or addressed before, or in, the submission of the next resolution plan, the shortcoming may be found to be a deficiency in the next resolution plan (see discussion below). Citi submitted its 2023 resolution plan in June 2023. More generally, data continues to be a subject of regulatory focus, and Citi continues to work on enhancing its data availability and quality.

Under Title I, if the FRB and the FDIC jointly determine that Citi's resolution plan is not "credible" (which, although not defined, is generally understood to mean the regulators do not believe the plan is feasible or would otherwise allow Citi to be resolved in a way that protects systemically important functions without severe systemic disruption), or would not facilitate an orderly resolution of Citi under the U.S. Bankruptcy Code, and Citi fails to resubmit a resolution plan that remedies any identified deficiencies, Citi could be subjected to more stringent capital, leverage or liquidity requirements, or restrictions on its growth, activities or operations. If within two years from the imposition of any such requirements or restrictions Citi has still not remediated any identified deficiencies, then Citi could eventually be required to divest certain assets or operations. Any such restrictions or actions would negatively impact Citi's reputation, market and investor perception, operations and strategy.

Citi's Performance and Its Ability to Effectively Execute Its Transformation and Strategic and Other Initiatives Could Be Negatively Impacted if It Is Not Able to Hire and Retain Qualified Employees.

Citi's performance and the performance of its individual businesses largely depend on the talents and efforts of its diverse and highly qualified colleagues. Specifically, Citi's continued ability to compete in each of its lines of business, to manage its businesses effectively and to execute its transformation and strategic and other initiatives, including, for example, hiring front office colleagues to grow businesses or hiring colleagues to support Citi's transformation and strategic and other initiatives, depends on its ability to attract new colleagues and to retain and motivate its existing colleagues. If Citi is unable to continue to attract, retain and motivate highly qualified colleagues, Citi's performance, including its competitive position, the execution of its transformation and strategic and other initiatives and its results of operations could be negatively impacted.

Citi's ability to attract, retain and motivate colleagues depends on numerous factors, some of which are outside of Citi's control. For example, the competition for talent continues to be particularly intense due to factors such as low unemployment and changes in worker expectations, concerns and preferences, including an increased demand for remote work options and other job flexibility. Also, the banking industry generally is subject to more comprehensive regulation of employee compensation than other industries, including deferral and clawback requirements for incentive compensation, which can make it unusually challenging for Citi to compete in labor markets against businesses, including, for example, technology companies, that are not subject to

such regulation. In addition, in 2023 Citi announced plans to reduce management layers from 13 to a median of eight as part of organizational simplification initiatives that also involve significant reductions in functional roles, which could also impact its ability to attract and retain colleagues. Other factors that could impact its ability to attract, retain and motivate colleagues include, among other things, Citi's presence in a particular market or region, the professional and development opportunities, its reputation and its diversity. For information on Citi's colleagues and workforce management, see "Human Capital Resources and Management" below.

Citi Faces Increased Competitive Challenges, Including from Financial Services and Other Companies and Emerging Technologies.

Citi operates in an increasingly evolving and competitive business environment, which includes both financial and non-financial services firms, such as traditional banks, online banks, private credit and financial technology companies and others. These companies compete on the basis of, among other factors, size, reach, quality and type of products and services offered, price, technology and reputation. Certain competitors may be subject to different and, in some cases, less stringent legal and regulatory requirements, whether due to size, jurisdiction, entity type or other factors, placing Citi at a competitive disadvantage.

For example, Citi competes with other financial services companies in the U.S. and globally that have grown rapidly over the last several years or have developed and introduced new products and services. Potential mergers and acquisitions involving traditional financial services companies such as regional banks or credit card issuers, as well as networks and merchant acquirers, may also increase competition and impact Citi's ability to offer competitive pricing and rewards. Non-traditional financial services firms, such as private credit and financial technology companies, are less regulated and continue to expand their offerings of services traditionally provided by financial institutions. The growth of certain of these competitors has increased market and counterparty credit risks, particularly in a more challenging macroeconomic environment (see the risk factor on credit and concentrations of risk below). In addition, emerging technologies have the potential to intensify competition and accelerate disruption in the financial services industry. For example, despite difficulties and turmoil faced by the digital asset market in recent years, clients and investors have exhibited a sustained interest in digital assets. Financial services firms and other market participants have begun to offer services related to those assets. Citi may not be able to provide the same or similar services for legal or regulatory reasons, which may be exacerbated by rapidly evolving and conflicting regulatory requirements, and due to increased compliance and other risks. Further, changes in the payments space (e.g., instant and 24x7 payments) are accelerating, and, as a result, certain of Citi's products and services could become less competitive.

Increased competition and emerging technologies have required and could require Citi to change or adapt its products and services, as well as invest in and develop related infrastructure, to attract and retain customers or clients or to compete more effectively with competitors, including new

market entrants. Simultaneously, as Citi develops new products and services leveraging emerging technologies, new risks may emerge that, if not designed and governed adequately, may result in control gaps and in Citi operating outside of its risk appetite. For example, failure to strategically embrace the potential of artificial intelligence (AI) may result in a competitive disadvantage to Citi. At the same time, as a new technology, use of AI without sufficient controls, governance and risk management may result in increased risks across all of Citi's risk categories. As another example, instant and 24x7 payments products could be accompanied by challenges to forecasting and managing liquidity, as well as increased operational and compliance risks.

Moreover, Citi relies on third parties to support certain of its product and service offerings, which may put Citi at a disadvantage to competitors who may directly offer a broader array of products and services. Also, Citi's businesses, results of operations and reputation may suffer if any third party is unable to provide adequate support for such product and service offerings, whether due to operational incidents or otherwise (see the operational processes and systems, cybersecurity and emerging markets risk factors below).

To the extent that Citi is not able to compete effectively with financial services companies, including private credit and financial technology companies, and non-financial services firms, Citi could be placed at a competitive disadvantage, which could result in loss of customers and market share, and its businesses, results of operations and financial condition could suffer. For additional information on Citi's competitors, see the co-brand and private label cards and qualified colleagues risk factors above and "Supervision, Regulation and Other—Competition" below.

OPERATIONAL RISKS

A Failure or Disruption of Citi's Operational Processes or Systems Could Negatively Impact Its Reputation, Customers, Clients, Businesses or Results of Operations and Financial Condition.

Citi's global operations rely heavily on its technology systems and infrastructure, including the accurate, timely and secure processing, management, storage and transmission of data, including confidential transactions, and other information, as well as the monitoring of a substantial amount of data and complex transactions in real time. Citi obtains and stores an extensive amount of personal and client-specific information for its consumer and institutional customers and clients, and must accurately record and reflect their account transactions. Citi's operations must also comply with complex and evolving laws, regulations and heightened regulatory expectations in the countries in which it operates (see the implementation and interpretation of regulatory changes and legal proceedings risk factors below). With the evolving proliferation of new technologies and the increasing use of the internet, mobile devices and cloud services to conduct financial transactions and customers' and clients' increasing use of online banking and trading systems and other platforms, large global financial institutions such as Citi have been, and will continue to be, subject to an ever-increasing risk of operational loss, failure or disruption.

Although Citi has continued to upgrade its technology, including systems to automate processes and gain efficiencies, operational incidents are unpredictable and can arise from numerous sources, not all of which are fully within Citi's control. These include, among others, operational or execution failures, or deficiencies by third parties, including third parties that provide products or services to Citi (e.g., cloud service providers), other market participants or those that otherwise have an ongoing partnership or business relationship with Citi; deficiencies in processes or controls; inadequate management of data governance practices, data controls and monitoring mechanisms that may adversely impact internal or external reporting and decision-making; cyber or information security incidents (see the cybersecurity risk factor below); human error, such as manual transaction processing errors (e.g., erroneous payments to lenders or manual errors by traders that cause system and market disruptions or losses), which can be exacerbated by staffing challenges and processing backlogs; fraud or malice on the part of employees or third parties; insufficient (or limited) straight-through processing between legacy or bespoke systems and any failure to design and effectively operate controls that mitigate operational risks associated with those legacy or bespoke systems, leading to potential risk of errors and operating losses; accidental system or technological failure; electrical or telecommunication outages; failures of or cyber incidents involving computer servers or infrastructure, including cloud services; or other similar losses or damage to Citi's property or assets (see also the climate change risk factor above).

For example, operational incidents can arise as a result of failures by third parties with which Citi does business, such as failures by internet, mobile technology and cloud service providers or other vendors to adequately follow procedures or processes, safeguard their systems or prevent disruptions or cyberattacks. Failure by Citi to implement and operate a third-party risk management program commensurate with the level of risk, complexity and nature of its third-party relationships can also result in operational incidents. In addition, Citi has experienced and could experience further losses associated with manual transaction processing errors, including erroneous payments to lenders or manual errors by Citi traders that cause system and market disruptions and losses for Citi and its clients. Irrespective of the sophistication of the technology utilized by Citi, there will always be some room for human and other errors. In view of the large transactions in which Citi engages, such errors could result in significant losses. While Citi has change management processes in place to appropriately upgrade its operational processes and systems to ensure that any changes introduced do not adversely impact security and operational continuity, such change management can fail or be ineffective. Furthermore, when Citi introduces new products, systems or processes, new operational risks that may arise from those changes may not be identified, or adequate controls to mitigate the identified risks may not be appropriately implemented or operate as designed.

Incidents that impact information security, technology operations or other operational processes may cause disruptions and/or malfunctions within Citi's businesses (e.g., the temporary loss of availability of Citi's online banking

system or mobile banking platform), as well as the operations of its clients, customers or other third parties. In addition, operational incidents could involve the failure or ineffectiveness of internal processes or controls. Given Citi's global footprint and the high volume of transactions processed by Citi, certain failures, errors or actions may be repeated or compounded before they are discovered and rectified, which would further increase the consequences and costs.

Operational incidents could result in financial losses and other costs as well as misappropriation, corruption or loss of confidential and other information or assets, which could significantly negatively impact Citi's reputation, customers, clients, businesses or results of operations and financial condition. Cyber-related and other operational incidents can also result in legal and regulatory actions or proceedings, fines and other costs (see the legal and regulatory proceedings risk factor below).

For information on Citi's management of operational risk, see "Managing Global Risk—Operational Risk" below.

Citi's and Third Parties' Computer Systems and Networks Will Continue to Be Susceptible to an Increasing Risk of Continually Evolving, Sophisticated Cybersecurity Incidents That Could Result in the Theft, Loss, Non-Availability, Misuse or Disclosure of Confidential Client or Customer Information, Damage to Citi's Reputation, Additional Costs to Citi, Regulatory Penalties, Legal Exposure and Financial Losses.

Citi's computer systems, software and networks are subject to ongoing attempted cyberattacks, such as unauthorized access, loss or destruction of data (including confidential client information), account takeovers, disruptions of service, phishing, malware, computer viruses or other threats. These threats can be perpetrated by cyber criminals, cyber terrorists, hacktivists, nation-state actors and groups using cyberattacks to promote a political or social agenda) and nation-state actors, as well as insiders who knowingly or unknowingly engage in or enable malicious cyber activities. Citi develops its own software and relies on third-party applications and software, which are susceptible to vulnerability exploitations. Software leveraged in financial services and other industries continues to be impacted by an increasing number of zero-day vulnerabilities, thus increasing inherent cyber risk to Citi.

The increasing use of mobile and other digital banking platforms and services, cloud technologies and connectivity solutions to facilitate remote working for Citi's employees all increase Citi's exposure to cybersecurity risks. Citi is also susceptible to cyberattacks given, among other things, its size and scale, high-profile brand, global footprint and prominent role in the financial system, as well as the ongoing wind-down of its businesses in Russia (see the macroeconomic and geopolitical risk factor above and "Managing Global Risk—Other Risks—Country Risk—Russia" below). Additionally, Citi continues to operate in multiple jurisdictions in the midst of geopolitical unrest, including active conflicts in Ukraine and the Middle East, which could expose Citi to heightened risk of insider threat, politically motivated hacktivism or other cyber threats.

The secret flower is



Citi continues to experience increased exposure to cyberattacks through third parties, in part because financial institutions are becoming increasingly interconnected with central agents, exchanges and clearing houses. Third parties with which Citi does business, as well as retailers and other third parties with which Citi's customers do business, and any such third parties' downstream service providers, also pose cybersecurity risks, particularly where activities of customers are beyond Citi's security and control systems. For example, Citi outsources certain functions, such as processing customer credit card transactions, uploading content on customer-facing websites and developing software for new products and services. These relationships allow for the storage and processing of customer information by third-party hosting of, or access to, Citi websites. This could lead to compromise or the potential to introduce vulnerable or malicious code, resulting in security breaches or business disruptions impacting Citi customers, employees or operations. While many of Citi's agreements with third parties include indemnification provisions, Citi may not be able to recover sufficiently, or at all, under these provisions to adequately offset any losses and other adverse impacts Citi may incur from third-party cyber incidents.

Citi and some of its third-party partners have been subjected to attempted and sometimes successful cyberattacks over the last several years, including (i) denial of service attacks, which attempt to interrupt service to clients and customers; (ii) hacking and malicious software installations intended to gain unauthorized access to information systems or to disrupt those systems and/or impact availability or privacy of confidential data, with objectives including, but not limited to, extortion payments or causing reputational damage; (iii) data breaches due to unauthorized access to customer account or other data; and (iv) malicious software attacks on client systems, in attempts to gain unauthorized access to Citi systems or client data under the guise of normal client transactions.

While Citi's monitoring and protection services have historically generally succeeded in detecting, thwarting and/or responding to attacks targeting its systems before they become significant, certain past incidents resulted in limited losses, as well as increases in expenditures to monitor against the threat of similar future cyber incidents. There can be no assurance that such cyber incidents will not occur again, and they could occur more frequently, via novel tactics, including leveraging of tools made possible by emerging technologies, and on a more significant scale. Despite the significant resources Citi allocates to implement, maintain, monitor and regularly upgrade its systems and networks with measures such as intrusion detection and prevention systems and firewalls to safeguard critical business applications, there is no guarantee that these measures or any other measures can provide sufficient security. Because the techniques used to initiate cyberattacks change frequently or, in some cases, are not recognized until launched or even later, Citi may be unable to implement effective preventive measures or otherwise proactively address these methods. In addition, cyber threats and cyberattack techniques change, develop and evolve rapidly, including from emerging technologies such as artificial intelligence, cloud computing and quantum

computing. Given the frequency and sophistication of cyberattacks, the determination of the severity and potential impact of a cyber incident may not become apparent for a substantial period of time following detection of the incident. Also, while Citi strives to implement measures to reduce the exposure resulting from outsourcing risks, such as performing security control assessments of third-party vendors and limiting third-party access to the least privileged level necessary to perform job functions, these measures cannot prevent all third-party related cyberattacks or data breaches. In addition, the risk of insider threat may be elevated in the near term due to Citi's overall simplification initiatives, including streamlining its global staff functions.

Cyber incidents can result in the disclosure of personal, confidential or proprietary customer, client or employee information; damage to Citi's reputation with its clients, other counterparties and the market; customer dissatisfaction; and additional costs to Citi, including expenses such as repairing or replacing systems, replacing customer payment cards, credit monitoring or adding new personnel or protection technologies. Cyber incidents can also result in regulatory penalties, loss of revenues, deposit flight, exposure to litigation and other financial losses, including loss of funds to both Citi and its clients and customers, and disruption to Citi's operational systems (see the operational processes and systems risk factor above). Moreover, the increasing risk of cyber incidents has resulted in increased legislative and regulatory action on cybersecurity, including, among other things, scrutiny of firms' cybersecurity protection services, laws and regulations to enhance protection of consumers' personal data and mandated disclosure on cybersecurity matters. For example, in July 2023, the SEC finalized new rules requiring timely disclosure of material cybersecurity incidents as well as other annual cyber-related disclosures (see "Managing Global Risk—Operational Risk—Cybersecurity Risk" below).

While Citi maintains insurance coverage that may, subject to policy terms and conditions including significant self-insured deductibles, cover certain aspects of cyber risks, such insurance coverage may be insufficient to cover all losses and may not take into account reputational harm, the costs of which are impossible to quantify.

For additional information about Citi's management of cybersecurity risk, see "Managing Global Risk—Operational Risk—Cybersecurity Risk" below.

Changes or Errors in Accounting Assumptions, Judgments or Estimates, or the Application of Certain Accounting Principles, Could Result in Significant Losses or Other Adverse Impacts.

U.S. GAAP requires Citi to use certain assumptions, judgments and estimates in preparing its financial statements, including, among other items, the estimate of the ACL; reserves related to litigation, regulatory and tax matters; valuation of DTAs; the fair values of certain assets and liabilities; and the assessment of goodwill and other assets for impairment. These assumptions, judgments and estimates are inherently limited because they involve techniques, including the use of historical data in many circumstances, that cannot anticipate every economic and financial outcome in the markets in which Citi operates, nor can they anticipate the

specifics and timing of such outcomes. For example, many models used by Citi include assumptions about correlation or lack thereof among prices of various asset classes or other market indicators that may not hold in times of market stress, limited liquidity or other unforeseen circumstances.

If Citi's assumptions, judgments or estimates underlying its financial statements are incorrect or differ from actual or subsequent events, Citi could experience unexpected losses or other adverse impacts, some of which could be significant. Citi could also experience declines in its stock price, be subject to legal and regulatory proceedings and incur fines and other losses. For additional information on the key areas for which assumptions and estimates are used in preparing Citi's financial statements, see "Significant Accounting Policies and Significant Estimates" below and Notes 1 and 16. For example, the CECL methodology requires that Citi provide reserves for a current estimate of lifetime expected credit losses for its loan portfolios and other financial assets, as applicable, at the time those assets are originated or acquired. This estimate is adjusted each period for changes in expected lifetime credit losses. Citi's ACL estimate depends upon its CECL models and assumptions; forecasted macroeconomic conditions, including, among other things, the U.S. unemployment rate and U.S. inflation-adjusted gross domestic product (real GDP); and the credit indicators, composition and other characteristics of Citi's loan portfolios and other applicable financial assets. These model assumptions and forecasted macroeconomic conditions will change over time, resulting in variability in Citi's ACL and, thus, impact its results of operations and financial condition, as well as regulatory capital due to the CECL phase-in (see the capital return risk factor above).

Moreover, Citi has incurred losses related to its foreign operations that are reported in the CTA components of *Accumulated other comprehensive income (loss) (AOCI)*. In accordance with U.S. GAAP, a sale, substantial liquidation or other deconsolidation event of any foreign operations, such as those related to Citi's remaining divestitures or legacy businesses, would result in reclassification of any foreign CTA component of *AOCI* related to that foreign operation, including related hedges and taxes, into Citi's earnings. For example, Citi could incur a significant loss on sale due to CTA losses related to any signing of a sale agreement for its remaining consumer banking divestitures (see the capital return and continued investments risk factors above). The majority of these losses would be regulatory capital neutral at closing. For additional information on Citi's accounting policy for foreign currency translation and its foreign CTA components of *AOCI*, see Notes 1 and 21.

Changes to Financial Accounting and Reporting Standards or Interpretations Could Have a Material Impact on How Citi Records and Reports Its Financial Condition and Results of Operations.

Periodically, the Financial Accounting Standards Board (FASB) issues financial accounting and reporting standards that govern key aspects of Citi's financial statements or interpretations thereof when those standards become effective, including those areas where Citi is required to make assumptions or estimates. Changes to financial accounting or

reporting standards or interpretations, whether promulgated or required by the FASB, the SEC, U.S. banking regulators or others, could present operational challenges and could also require Citi to change certain of the assumptions or estimates it previously used in preparing its financial statements, which could negatively impact how it records and reports its financial condition and results of operations generally and/or with respect to particular businesses. See Note 1 for additional information on Citi's accounting policies and changes in accounting, including the expected impacts on Citi's results of operations and financial condition.

If Citi's Risk Management and Other Processes, Strategies or Models Are Deficient or Ineffective, Citi May Incur Significant Losses and Its Regulatory Capital and Capital Ratios Could Be Negatively Impacted.

Citi utilizes a broad and diversified set of risk management and other processes and strategies, including the use of models in analyzing and monitoring the various risks Citi assumes in conducting its activities. For example, Citi uses models as part of its comprehensive stress testing initiatives across the Company. Citi also relies on data to aggregate, assess and manage various risk exposures. Management of these risks and the reliability of the data are made more challenging within a large, global financial institution, such as Citi, particularly due to complex, diverse and rapidly changing financial markets and conditions in which Citi operates. Unexpected losses can result from untimely, inaccurate or incomplete processes and data. As discussed below, in October 2020, Citigroup and Citibank entered into consent orders with the FRB and OCC that require Citigroup and Citibank to make improvements in various aspects of enterprise-wide risk management, compliance, data quality management and governance, and internal controls (see "Citi's Consent Order Compliance" above and the legal and regulatory proceedings risk factor below).

Citi's risk management and other processes, strategies and models are inherently limited because they involve techniques, including the use of historical data in many circumstances, assumptions and judgments that cannot anticipate every economic and financial outcome in the markets in which Citi operates, particularly given various macroeconomic, geopolitical and other challenges and uncertainties (see the macroeconomic challenges and uncertainties risk factor above), nor can they anticipate the specifics and timing of such outcomes. For example, many models used by Citi include assumptions about correlation or lack thereof among prices of various asset classes or other market indicators that may not necessarily hold in times of market stress, limited liquidity or other unforeseen circumstances, or identify changes in markets or client behaviors not yet inherent in historical data. Citi could incur significant losses, receive negative regulatory evaluation or examination findings or be subject to additional enforcement actions, and its regulatory capital, capital ratios and ability to return capital could be negatively impacted, if Citi's risk management and other processes, including its ability to manage and aggregate data in a timely and accurate manner, strategies or models are deficient or ineffective. For additional information, see the capital return risk factor above and the heightened regulatory

scrutiny and ongoing interpretation of regulatory changes risk factor below. Such deficiencies or ineffectiveness could also result in inaccurate financial, regulatory or risk reporting.

Moreover, Citi's Basel III regulatory capital models, including its credit, market and operational risk models, currently remain subject to ongoing regulatory review and approval, which may result in refinements, modifications or enhancements (required or otherwise) to these models. Citi is required to notify and obtain preapproval from both the OCC and FRB prior to implementing certain risk-weighted asset treatments, as well as certain model changes, resulting in a more challenging environment within which Citi must operate in managing its risk-weighted assets. Modifications or requirements resulting from these ongoing reviews, as well as any future changes or guidance provided by the U.S. banking regulators regarding the U.S. regulatory capital framework applicable to Citi, including, but not limited to, potential revisions to the U.S. Basel III rules, known as the Basel III Endgame (for information about the Basel III Endgame, see the capital return risk factor and "Capital Resources—Regulatory Capital Standards Developments" above), have resulted in, and could continue to result in, significant changes to Citi's risk-weighted assets. These changes can negatively impact Citi's capital ratios and its ability to meet its regulatory capital requirements.

CREDIT RISKS

Credit Risk and Concentrations of Risk Can Increase the Potential for Citi to Incur Significant Losses.

Citi has credit exposures to consumer, corporate and public sector borrowers and other counterparties in the U.S. and various countries and jurisdictions globally, including end-of-period consumer loans of \$389 billion and end-of-period corporate loans of \$300 billion at December 31, 2023. For additional information on Citi's corporate and consumer loan portfolios, see "Managing Global Risk—Corporate Credit" and "—Consumer Credit" below.

A default by or a significant downgrade in the credit ratings of a borrower or other counterparty, or a decline in the credit quality or value of any underlying collateral, exposes Citi to credit risk. Despite Citi's target client strategy, various macroeconomic, geopolitical, market and other factors, among other things, can increase Citi's credit risk and credit costs, particularly for vulnerable sectors, industries or countries (see the macroeconomic challenges and uncertainties and co-branding and private label credit card risk factors above and the emerging markets risk factor below). For example, a weakening of economic conditions can adversely affect borrowers' ability to repay their obligations, as well as result in Citi being unable to liquidate the collateral it holds or forced to liquidate the collateral at prices that do not cover the full amount owed to Citi. Citi is also a member of central clearing counterparties and could incur financial loss as a result of defaults by other clearing members. Additionally, due to the interconnectedness among financial institutions, concerns about the creditworthiness of or defaults by a financial institution could spread to other financial market participants and result in market-wide losses and disruption.

For example, the failure of regional banks and other banking stresses in the first half of 2023 resulted in market volatility across the financial sector.

While Citi provides reserves for expected losses for its credit exposures, as applicable, such reserves are subject to judgments and estimates that could be incorrect or differ from actual future events. Under the CECL accounting standard, the ACL reflects expected losses, which has resulted in and could lead to additional volatility in the allowance and the provision for credit losses (including provisions for loans and unfunded lending commitments, and ACL builds for *Other assets*) as forecasts of economic conditions change. For additional information, see the incorrect assumptions or estimates and changes to financial accounting and reporting standards risk factors above. For additional information on Citi's ACL, see "Significant Accounting Policies and Significant Estimates" below and Notes 1 and 16. For additional information on Citi's credit and country risk, see also each respective business's results of operations above, "Managing Global Risk—Credit Risk" and "Managing Global Risk—Other Risks—Country Risk" below and Notes 15 and 16.

Concentrations of risk to clients or counterparties engaged in the same or related industries or doing business in a particular geography, or to a particular product or asset class, especially credit and market risks, can also increase Citi's risk of significant losses. For example, Citi routinely executes a high volume of securities, trading, derivative and foreign exchange transactions with non-U.S. sovereigns and with counterparties in the financial services industry, including banks, insurance companies, investment banks, governments, central banks and other financial institutions. Moreover, Citi has indemnification obligations in connection with various transactions that expose it to concentrations of risk, including credit risk from hedging or reinsurance arrangements related to those obligations (see Note 28). A rapid deterioration of a large borrower or other counterparty or within a sector or country in which Citi has large exposures or indemnifications or unexpected market dislocations could lead to concerns about the creditworthiness of other borrowers or counterparties in a certain geography and in related or dependent industries, and such conditions could cause Citi to incur significant losses.

LIQUIDITY RISKS

Citi's Businesses, Results of Operations and Financial Condition Could Be Negatively Impacted if It Does Not Effectively Manage Its Liquidity.

As a large, global financial institution, adequate liquidity and sources of funding are essential to Citi's businesses. Citi's liquidity, sources of funding and costs of funding can be significantly and negatively impacted by factors it cannot control, such as general disruptions in the financial markets (including the failure of regional banks and other banking stresses in the first half of 2023); changes in fiscal and monetary policies and regulatory requirements; negative investor perceptions of Citi's creditworthiness; deposit outflows or unfavorable changes in deposit mix; unexpected increases in cash or collateral requirements; credit ratings; and the consequent inability to monetize available liquidity resources.



In addition, Citi competes with other banks and financial institutions for both institutional and consumer deposits, which represent Citi's most stable and lowest cost source of long-term funding. The competition for deposits has continued to increase, including as a result of quantitative tightening by central banks, the current higher interest rate environment and fixed income alternatives for customer funds.

Further, Citi's costs to obtain and access wholesale funding are directly related to changes in interest and currency exchange rates and its credit spreads. Changes in Citi's credit spreads are driven by both external market factors and factors specific to Citi, such as negative views by investors of the financial services industry or Citi's financial prospects, and can be highly volatile. For additional information on Citi's primary sources of funding, see "Managing Global Risk—Liquidity Risk" below.

Citi's ability to obtain funding may be impaired and its cost of funding could also increase if other market participants are seeking to access the markets at the same time or to a greater extent than expected, or if market appetite for corporate debt securities declines, as is likely to occur in a liquidity stress event or other market crisis. Citi's ability to sell assets may also be impaired if other market participants are seeking to sell similar assets at the same time or a liquid market does not exist for such assets. Additionally, unexpected changes in client needs due to idiosyncratic events or market conditions could result in greater than expected drawdowns from off-balance sheet committed facilities. A sudden drop in market liquidity could also cause a temporary or protracted dislocation of capital markets activity. In addition, clearing organizations, central banks, clients and financial institutions with which Citi interacts may exercise the right to require additional collateral during challenging market conditions, which could further impair Citi's liquidity. If Citi fails to effectively manage its liquidity, its businesses, results of operations and financial condition could be negatively impacted.

Limitations on the payments that Citigroup Inc. receives from its subsidiaries could also impact its liquidity. As a holding company, Citigroup Inc. relies on interest, dividends, distributions and other payments from its subsidiaries to fund dividends as well as to satisfy its debt and other obligations. Several of Citi's U.S. and non-U.S. subsidiaries are or may be subject to capital adequacy or other liquidity, regulatory or contractual restrictions on their ability to provide such payments, including any local regulatory stress test requirements and inter-affiliate arrangements entered into in connection with Citigroup Inc.'s resolution plan. Citigroup Inc.'s broker-dealer and bank subsidiaries are subject to restrictions on their ability to lend or transact with affiliates, as well as restrictions on their ability to use funds deposited with them in brokerage or bank accounts to fund their businesses.

A bank holding company is also required by law to act as a source of financial and managerial strength for its subsidiary banks. As a result, the FRB may require Citigroup Inc. to commit resources to its subsidiary banks even if doing so is not otherwise in the interests of Citigroup Inc. or its shareholders or creditors, reducing the amount of funds available to meet its obligations.

A Ratings Downgrade Could Adversely Impact Citi's Funding and Liquidity.

The credit rating agencies, such as Fitch Ratings, Moody's Investors Service and S&P Global Ratings, continuously evaluate Citi and certain of its subsidiaries. Their ratings of Citi and its rated subsidiaries' long-term debt and short-term obligations are based on firm-specific factors, including the financial strength of Citi and such subsidiaries, as well as factors that are not entirely within the control of Citi and its subsidiaries, such as the agencies' proprietary rating methodologies and assumptions, potential impact from negative actions on U.S. sovereign ratings and conditions affecting the financial services industry and markets generally.

Citi and its subsidiaries may not be able to maintain their current respective ratings and outlooks. Rating downgrades could negatively impact Citi and its rated subsidiaries' ability to access the capital markets and other sources of funds as well as increase credit spreads and the costs of those funds. A ratings downgrade could also have a negative impact on Citi and its rated subsidiaries' ability to obtain funding and liquidity due to reduced funding capacity and the impact from derivative triggers, which could require Citi and its rated subsidiaries to meet cash obligations and collateral requirements or permit counterparties to terminate certain contracts. In addition, a ratings downgrade could have a negative impact on other funding sources such as secured financing and other margined transactions for which there may be no explicit triggers.

Furthermore, a credit ratings downgrade could have impacts that may not be currently known to Citi or are not possible to quantify. Some of Citi's counterparties and clients could have ratings limitations on their permissible counterparties, of which Citi may or may not be aware. Certain of Citi's corporate customers and trading counterparties, among other clients, could re-evaluate their business relationships with Citi and limit the trading of certain market instruments, and limit or withdraw deposits placed with Citi in response to ratings downgrades. Changes in customer and counterparty behavior could impact not only Citi's funding and liquidity but also the results of operations of certain Citi businesses. For additional information on the potential impact of a reduction in Citi's or Citibank's credit ratings, see "Managing Global Risk—Liquidity Risk" below.

COMPLIANCE RISKS

Significantly Heightened Regulatory Expectations and Scrutiny in the U.S. and Globally and Ongoing Interpretation and Implementation of Regulatory and Legislative Requirements and Changes Have Increased Citi's Compliance, Regulatory and Other Risks and Costs.

Large financial institutions, such as Citi, face significantly heightened regulatory expectations and scrutiny in the U.S. and globally, including with respect to, among other things, governance, infrastructure, data and risk management practices and controls. These regulatory expectations extend to their employees and agents and also include, among other things, those related to customer and client protection, market practices, anti-money laundering, increasingly complex sanctions and disclosure regimes and various regulatory

reporting requirements. U.S. financial institutions also face increased expectations and scrutiny in the wake of the failures of several regional banks and other banking stresses in the first half of 2023. In addition, Citi is continually required to interpret and implement extensive and frequently changing regulatory and legislative requirements in the U.S. and other jurisdictions in which it does business, which may overlap or conflict across jurisdictions, resulting in substantial compliance, regulatory and other risks and costs.

A failure to comply with these expectations and requirements, even if inadvertent, or resolve any identified deficiencies in a timely and sufficiently satisfactory manner to regulators, could result in increased regulatory oversight; material restrictions, including, among others, imposition of additional capital buffers and limitations on capital distributions; enforcement proceedings; penalties; and fines (see the capital return risk factor above and legal and regulatory proceedings risk factor below).

Over the past several years, Citi has been required to implement a large number of regulatory and legislative changes, including new regulatory or legislative requirements or regimes, across its businesses and functions, and these changes continue. The changes themselves may be complex and subject to interpretation, and result in changes to Citi's businesses. In addition, the changes require continued substantial technology and other investments. In some cases, Citi's implementation of a regulatory or legislative requirement is occurring simultaneously with changing or conflicting regulatory guidance from multiple jurisdictions (including various U.S. states) and regulators, legal challenges or legislative action to modify or repeal existing rules or enact new rules.

Examples of regulatory or legislative changes that have resulted in increased compliance risks and costs include (i) the U.S. regulatory capital framework and requirements, which have continued to evolve (see the capital return risk factor and "Capital Resources" above); (ii) various laws relating to the limitation of cross-border data movement and/or collection and use of customer information, including data localization and protection and privacy laws, which also can conflict with or increase compliance complexity with respect to other laws, including anti-money laundering laws; and (iii) the EU's Corporate Sustainability Reporting Directive, which may overlap but also diverge from climate-related disclosure requirements expected to come into effect in other jurisdictions, including in the U.S. In addition, certain U.S. regulatory agencies and states and non-U.S. authorities have prioritized issues of social, economic and racial justice, and are in the process of considering ways in which these issues can be mitigated, including through rulemaking, supervision and other means, even while certain U.S. state and other governments are pursuing and signaling challenges that may conflict with corporate ESG initiatives.

Citi Is Subject to Extensive Legal and Regulatory Proceedings, Examinations, Investigations, Consent Orders and Related Compliance Efforts and Other Inquiries That Could Result in Large Monetary Penalties, Supervisory or Enforcement Orders, Business Restrictions, Limitations on

Dividends, Changes to Directors and/or Officers and Collateral Consequences Arising from Such Outcomes.

At any given time, Citi is a party to a significant number of legal and regulatory proceedings and is subject to numerous governmental and regulatory examinations. Additionally, Citi remains subject to governmental and regulatory investigations, consent orders (see discussion below) and related compliance efforts, and other inquiries. Citi could also be subject to enforcement proceedings and negative regulatory evaluation or examination findings not only because of violations of laws and regulations, but also due to failures, as determined by its regulators, to have adequate policies and procedures, or to remedy deficiencies on a timely basis (see also the capital return and resolution plan risk factors above). Citi's regulators have broad powers and discretion under their prudential and supervisory authority, and have pursued active inspection and investigatory oversight.

As previously disclosed, the October 2020 FRB and OCC consent orders require Citigroup and Citibank to implement extensive targeted action plans and submit quarterly progress reports on a timely and sufficient basis detailing the results and status of improvements relating principally to various aspects of enterprise-wide risk management, compliance, data quality management and governance, and internal controls. These improvements will result in continued significant investments by Citi during 2024 and beyond, as an essential part of Citi's broader transformation efforts to enhance its risk, controls, data and finance infrastructure and compliance. There can be no assurance that such improvements will be implemented in a manner satisfactory, in both timing and sufficiency, to the FRB and OCC.

Although there are no restrictions on Citi's ability to serve its clients, the OCC consent order requires Citibank to obtain prior approval of any significant new acquisition, including any portfolio or business acquisition, excluding ordinary course transactions. Moreover, the OCC consent order provides that the OCC has the right to assess future civil money penalties or take other supervisory and/or enforcement actions. Such actions by the OCC could include imposing business restrictions, including possible limitations on the declaration or payment of dividends and changes in directors and/or senior executive officers. More generally, the OCC and/or the FRB could take additional enforcement or other actions if the regulatory agency believes that Citi has not met regulatory expectations regarding compliance with the consent orders. For additional information regarding the consent orders, see "Citi's Consent Order Compliance" above.

The global judicial, regulatory and political environment has generally been challenging for large financial institutions, which have been subject to increased regulatory scrutiny. The complexity of the federal and state regulatory and enforcement regimes in the U.S., coupled with the global scope of Citi's operations, also means that a single event or issue may give rise to a large number of overlapping investigations and regulatory proceedings, either by multiple federal and state agencies and authorities in the U.S. or by multiple regulators and other governmental entities in foreign jurisdictions, as well as multiple civil litigation claims in multiple jurisdictions. Violations of law by other financial institutions may also result in regulatory scrutiny of Citi. Responding to regulatory

inquiries and proceedings can be time consuming and costly, and divert management attention from Citi's businesses.

U.S. and non-U.S. regulators have been increasingly focused on the culture of financial services firms, including Citi, as well as "conduct risk," a term used to describe the risks associated with behavior by employees and agents, including third parties, that could harm clients, customers, employees or the integrity of the markets, such as improperly creating, selling, marketing or managing products and services or improper incentive compensation programs with respect thereto, failures to safeguard a party's personal information, or failures to identify and manage conflicts of interest.

In addition to the greater focus on conduct risk, the general heightened scrutiny and expectations from regulators could lead to investigations and other inquiries, as well as remediation requirements, regulatory restrictions, structural changes, more regulatory or other enforcement proceedings, civil litigation and higher compliance and other risks and costs. For additional information, see the capital return and heightened regulatory scrutiny and ongoing interpretation of regulatory changes risk factors above. Further, while Citi takes numerous steps to prevent and detect conduct by employees and agents that could potentially harm clients, customers, employees or the integrity of the markets, such behavior may not always be deterred or prevented.

Moreover, the severity of the remedies sought in legal and regulatory proceedings to which Citi is subject has remained elevated. For example, U.S. and certain non-U.S. governmental entities have increasingly brought criminal actions against, or have sought and obtained criminal guilty pleas or deferred prosecution agreements from, financial institutions and individual employees. These types of actions by U.S. and other governments may, in the future, have significant collateral consequences for Citi, including loss of customers and business, operational loss, and the inability to offer certain products or services and/or operate certain businesses. Citi may be required to accept or be subject to similar types of criminal remedies, consent orders, sanctions, substantial fines and penalties, remediation and other financial costs or other requirements in the future, including for matters or practices not yet known to Citi, any of which could materially and negatively affect Citi's businesses, business practices, financial condition or results of operations, require material changes in Citi's operations or cause Citi substantial reputational harm.

Additionally, many large claims—both private civil and regulatory—asserted against Citi are highly complex, slow to develop and may involve novel or untested legal theories. The outcome of such proceedings is difficult to predict or estimate until late in the proceedings. Although Citi establishes accruals for its legal and regulatory matters according to accounting requirements, Citi's estimates of, and changes to, these accruals involve significant judgment and may be subject to significant uncertainty, and the amount of loss ultimately incurred in relation to those matters may be substantially higher than the amounts accrued (see the incorrect assumptions or estimates risk factor above). In addition, certain settlements are subject to court approval and may not be approved. For further information on Citi's legal and regulatory proceedings, see Note 30.

OTHER RISKS

Citi's Emerging Markets Presence Subjects It to Various Risks as well as Increased Compliance and Regulatory Risks and Costs.

During 2023, emerging markets revenues accounted for approximately 40% of Citi's total revenues (Citi generally defines emerging markets as countries in Latin America, Asia (other than Japan, Australia and New Zealand), and central and Eastern Europe, the Middle East and Africa). Citi's presence in the emerging markets subjects it to various risks.

Emerging market risks include, among others, limitations or unavailability of hedges on foreign investments; foreign currency volatility, including devaluations and strength in the U.S. dollar; sustained elevated interest rates and quantitative tightening; elevated inflation and hyperinflation; foreign exchange controls, including an inability to access indirect foreign exchange mechanisms; macroeconomic, geopolitical and domestic political challenges, uncertainties and volatility, including with respect to Russia (see the macroeconomic and geopolitical risk factor above and "Managing Global Risk—Other Risks—Country Risk—Russia" and "—Ukraine" below); cyberattacks; restrictions arising from retaliatory laws and regulations; sanctions or asset freezes; sovereign debt volatility; fluctuations in commodity prices; election outcomes; regulatory changes, including potential conflicts among regulations with other jurisdictions where Citi does business; limitations on foreign investment; sociopolitical instability; civil unrest; crime, corruption and fraud; nationalization or loss of licenses; potential criminal charges; closure of branches or subsidiaries; and confiscation of assets; and these risks can be exacerbated in the event of a deterioration in the relationship between the U.S. and an emerging market country.

For example, Citi operates in several countries that have, or have had in the past, strict capital controls, currency controls and/or sanctions, such as Argentina and Russia, that limit its ability to convert local currency into U.S. dollars and/or transfer funds outside of those countries. For instance, Citi may need to record additional translation losses due to currency controls in Argentina (see "Managing Global Risk—Other Risks—Country Risk—Argentina" below). Moreover, Citi may need to record additional reserves for expected losses for its credit exposures based on the transfer risk associated with exposures outside the U.S., driven by safety and soundness considerations under U.S. banking law (see "Managing Global Risk—Other Risks—Country Risk—Argentina" and "—Russia" and "Significant Accounting Policies and Significant Estimates" below).

In addition, political turmoil and instability; geopolitical challenges, tensions and conflicts (including those related to Russia's war in Ukraine as well as a persistent and/or escalating conflict in the Middle East); terrorism; and other instabilities have occurred in various regions and emerging market countries across the globe, which impact Citi's businesses, results of operations and financial conditions in affected countries and have required, and may continue to require, management time and attention and other resources, such as managing the impact of sanctions and their effect on Citi's operations in certain emerging market countries. For

additional information, see the macroeconomic challenges and uncertainties risk factor above.

CLIMATE CHANGE AND NET ZERO

Introduction

This section summarizes Citi's Operational Footprint goals and Net Zero commitment.

Citi's annual ESG Report provides information on a broad set of ESG-related efforts. The upcoming Citi Climate Report, formerly named the Task Force on Climate-Related Financial Disclosures (TCFD) Report, provides information on Citi's continued progress to manage climate risk and its Net Zero plan, including information on financed emissions and 2030 interim emissions reduction targets.

For information regarding Citi's management of climate risk, see "Managing Global Risk—Strategic Risk—Climate Risk" below.

ESG and Climate-Related Governance

Citi's Board of Directors (Board) provides oversight of Citi's management activities (see "Managing Global Risk—Risk Governance" below).

- The Nomination, Governance and Public Affairs Committee of the Board provides oversight and receives updates on Citi's environmental and social policies and commitments.
- The Risk Management Committee of the Board provides oversight of Citi's Risk Management Framework and risk culture and reviews Citi's key risk policies and frameworks, including receiving climate risk-related updates.
- The Audit Committee of the Board provides oversight of controls and procedures pertaining to the ESG-related metrics and related disclosures in Citi's SEC filed reports and group-level voluntary ESG reporting, as well as management's evaluation of the effectiveness of Citi's disclosure controls and procedures for group-level ESG reporting.

Additionally, Citi's ESG Council consists of senior members of the management team and certain subject matter experts who provide oversight of Citi's ESG goals and activities.

Sustainable Finance

Citi's Sustainable Finance Goal, as previously disclosed, supports a combination of environmental and social finance activities. Delivering on the sustainable finance goal is an integrated effort across the organization with products and service offerings across multiple lines of business.

Net Zero Emissions by 2050

As previously disclosed, Citi has committed to achieving net zero greenhouse gas (GHG) emissions associated with its financing by 2050, and net zero GHG emissions for its own operations by 2030; both are significant targets given the size and breadth of Citi's lending portfolios, businesses and operational footprint.

Citi's Net Zero plan includes:

- *Net Zero Metrics and Target Setting*: Calculate metrics and assess targets for carbon-intensive sectors
- *Client Engagement and Assessment*: Seek to understand client GHG emissions and transition plans and advise on capacity building
- *Risk Management*: Assess climate risk exposure across Citi's lending portfolios and review client carbon reduction progress, with ongoing review and refining of Citi's risk appetite and thresholds and policies related to Climate Risk Management
- *Clean Technology and Transition Finance*: Support existing and, where possible, new technologies to accelerate commercialization and provide transition advisory and finance products and services
- *Portfolio Management*: Active portfolio management of Citi financings to align with net zero targets, including considerations of transition measures taken by clients
- *Public Policy and Regulatory Engagement*: Contribute to an enabling public policy and regulatory environment which is essential to stimulating demand for clean technologies and helping ensure a responsible transition

Progress on Citi's Net Zero plan:

- Citi has published interim 2030 emissions targets for six loan portfolios: auto manufacturing, commercial real estate (North America), energy, power, steel and thermal coal mining.
- Citi has developed a client transition assessment process to help internal teams better understand the alignment of clients' strategies with transition or decarbonization pathways applicable to their respective sectors. In 2022–2023, Citi completed the initial assessment process for energy and power clients, and in 2023 began the transition assessment process for auto manufacturing and steel clients. The assessment process focuses on clients with material emissions relative to each sector's baseline emission profiles.

Operational Footprint Goals

Citi measures progress against operational footprint goals, which include efforts to reduce the environmental impact of its facilities through reductions in emissions, energy, water consumption and waste generation. Citi's efforts to integrate sustainable practices include sustainable building certifications, renewable electricity sourcing, employee engagement and seeking opportunities for efficiency in business travel. In 2023, Citi made progress toward these goals by increasing on-site solar generation, promoting initiatives on waste diversion and recycling, mapping weather-

related risk at its facilities and employing carbon-reduction techniques for building renovations.

Additional Information

For additional information on Citi’s environmental and social policies and priorities, click on “Our Impact” on Citi’s website at www.citigroup.com. For information on Citi’s ESG and Sustainability (including climate change) governance, see Citi’s 2024 Annual Meeting Proxy Statement to be filed with the SEC in March 2024.

Citi’s climate reporting and any other ESG-related reports and information included elsewhere on Citi’s website are not incorporated by reference into, and do not form any part of, this 2023 Annual Report on Form 10-K.

HUMAN CAPITAL RESOURCES AND MANAGEMENT

Citi strives to deliver to its full potential by focusing on its strategic priority of attracting and retaining highly qualified and motivated colleagues. Citi seeks to enhance the competitive strength of its workforce through the following efforts:

- Continuously innovating its efforts to recruit, train, develop, compensate, promote and engage colleagues
- Actively seeking and listening to diverse perspectives at all levels of the organization
- Optimizing transparency concerning workforce goals to promote accountability, credibility and effectiveness in achieving those goals
- Providing compensation programs that are competitive in the market and aligned to strategic objectives

In 2023, Citi undertook significant changes to simplify the Company and accelerate the progress it is making in executing its strategy. As previously disclosed, Citi aligned its organizational structure to its business strategy—making the Company more client centric and agile, speeding up decision-making, improving productivity to deliver efficiency and driving increased accountability across the organization. Citi is aligned around five businesses—*Services*, *Markets*, *Banking*, *USPB* and *Wealth*—focusing on a streamlined client organization to strengthen how Citi delivers for clients across the Company and around the globe.

Workforce Size and Distribution

As of December 31, 2023, Citi employed approximately 239,000 colleagues in over 90 countries. The Company’s workforce is constantly evolving and developing, benefiting from a strong mix of internal and external hiring into new and existing positions. In 2023, Citi welcomed over 38,000 new colleagues in addition to 44,600 roles filled by colleagues through internal mobility and promotions. Citi also sustains connections with former colleagues through its Alumni Network, and in 2023 hired more than 3,000 “returnees” back to Citi.

The following table presents the geographic distribution of Citi’s colleagues by segment or component and gender:

Segment or component ⁽¹⁾ (in thousands)	North America	International ⁽²⁾	Total ⁽³⁾	Women ⁽⁴⁾	Men ⁽⁴⁾	Unspecified ⁽⁴⁾
<i>Services</i>	4	20	24	52.4 %	47.6 %	— %
<i>Markets</i>	3	7	10	38.9	61.1	—
<i>Banking</i>	3	6	9	43.2	56.8	0.01
<i>USPB</i>	21	—	21	65.3	34.7	—
<i>Wealth</i>	6	8	14	49.9	50.1	—
<i>All Other, including Legacy Franchises, Operations and Technology, and Global Staff Functions</i>	54	107	161	47.8	52.2	—
Total	91	148	239	49.4 %	50.6 %	0.01 %

(1) Colleague distribution is based on assigned region, which may not reflect where the colleague physically resides.

(2) Mexico is included in International.

(3) Part-time colleagues represented less than 0.9% of Citi’s global workforce.

(4) Information regarding gender is self-identified by colleagues.

Driving a Culture of Excellence and Accountability

Citi continues to embark on a talent and culture transformation to drive a culture of excellence and accountability that is supported by strong risk and controls management.

Citi's Leadership Principles of "taking ownership, delivering with pride and succeeding together" have been reinforced through a behavioral science-led campaign, referred to as Citi's New Way, that reinforces the key working habits that support Citi's leadership culture.

Citi's performance management approach also emphasizes the Leadership Principles through a four-pillar system, evaluating colleagues against financial performance, risk and controls, and client and franchise goals as well as how colleagues deliver from a leadership perspective. The performance management and incentive compensation processes and associated policies and frameworks have enhanced accountability through increased rigor and consistency, in particular for risk and controls.

The culture shift is supported by changes in the way Citi identifies, assesses, develops and promotes talent, particularly at senior levels of the Company. Citi promotes a new class of managing directors each year. This is a testament to these individuals' performance and commitment to living the Leadership Principles and instilling them throughout their teams and the entire company. Further, all potential successors to Executive Management Team roles are evaluated by the Board and are now subject to a risk and controls assessment.

Diversity, Equity and Inclusion

Citigroup's Board is committed to ensuring that the Board and Citi's Executive Management Team are composed of individuals whose backgrounds reflect the diversity of Citi's employees, customers and other stakeholders. In addition, Citi has continued its efforts to support its globally diverse workforce, including, among other things, taking actions with respect to pay equity, setting aspirational representation goals and the use of diverse slates and hiring panels in recruiting.

Citi's commitment to diversity, equity and inclusion continues to reflect a workforce that represents the clients it serves globally from all walks of life, backgrounds and origins. Understanding that diversity fuels the Company's culture and business success, Citi's 2025 aspirational representation goals are embedded in its business strategy. Having aspirational goals across all levels—from early career through senior leadership roles—will help ensure Citi not only has diverse talent in leadership roles but will also help build a diverse talent pipeline for the future.

The Company constantly strives to ensure Citi remains a great place to work, where people can thrive professionally and personally. In 2023, Citi increased its unique Inclusion Network membership by 23.8% and added 15 new global Inclusion Network chapters. The Company launched the Allyship 365 initiative, focused on cultivating allyship year round and educating colleagues on its diversity, equity and inclusion efforts.

Citi values pay transparency and has taken significant action to provide both managers and colleagues with greater clarity around Citi's compensation philosophy. Citi has introduced market-based salary structures and bonus opportunity guidelines in various countries worldwide, and

posts salary ranges on all external U.S. job postings, which aligns with strategic objectives of pay equity and transparency. Citi also raised its U.S. minimum wage in 2022, the second broad-based increase in less than two years.

In addition, Citi has focused on measuring and addressing pay equity within the organization:

- In 2018, Citi was the first major U.S. financial institution to publicly release the results of a pay equity review comparing its compensation of women to that of men, as well as U.S. minorities to U.S. non-minorities. Since 2018, Citi has continued to
- 
- measures the difference in raw pay between men and women. The existence of Citi's raw pay gap reflects a need to increase representation of women and U.S. minorities in senior and higher-paying roles.
- In 2023, due to its organizational and management simplification initiatives, Citi paused its annual pay equity analysis, as the Company continues the process of aligning roles to its new organizational structure. Citi looks forward to resuming routine pay equity reviews once that work is complete.
 - For historical context, Citi's 2022 pay equity review determined that on an adjusted basis, women globally are paid on average more than 99% of what men are paid at Citi, and that there was not a statistically significant difference in adjusted compensation for U.S. minorities and non-minorities.
 - Citi's 2022 raw pay gap analysis showed that the median pay for women globally was 78% of the median for men, up from 74% in 2021 and 2020. The median pay for U.S. minorities was more than 97% of the median for non-minorities, which was up from just above 96% in 2021 and 94% in 2020.

Workforce Development

Citi's numerous programmatic offerings aim to reinforce its culture and values, foster understanding of compliance requirements and develop competencies required to deliver excellence to its clients. Citi encourages career growth and development by offering broad and diverse opportunities to colleagues, including the following:

- Citi provides a range of internal development and rotational programs to colleagues at all levels, including an extensive leadership curriculum, allowing the opportunity to build the skills needed to transition to supervisory and managerial roles. Citi's tuition assistance program further enables colleagues in North America to pursue their educational goals.
- Citi continues to focus on internal talent development and aims to provide colleagues with career growth opportunities. Of the 44,600 mobility opportunities filled in 2023, 14% were open roles applied for and filled by internal candidates, and 38% were filled by colleagues who applied for, and were promoted into, new opportunities. These opportunities are particularly important as Citi focuses on providing career paths for its

internal talent base as part of its efforts to increase organic growth within the organization.

- Citi enabled Development Plans for colleagues of all levels. Last year, more than 100,000 employees completed a plan, setting a roadmap for how they can achieve their career aspirations.

Well-being and Benefits

Citi is proud to provide a wide range of benefits that support its colleagues' mental, emotional, physical and financial well-being through various life stages and events. Citi is focused on providing equitable benefits that are designed to attract, engage and retain colleagues.

Citi has significantly enhanced mental well-being programs by offering free, accessible counseling sessions for colleagues and their family members, as well as offering an online tool so that all colleagues around the globe can easily find their local Employee Assistance Programs and resources. Citi offers instructor-led mental health training for people managers to equip them in supporting their team members.

Citi also continues to value the importance of physical well-being—providing employees in several office locations and countries access to onsite medical care clinics, fitness centers, subsidized gym memberships and virtual fitness programs. Citi continues to make modern telemedicine programs increasingly available to colleagues and their family members through programs like Sword Health's digital physical therapy, which rolled out in the U.S. in 2022.

In 2023, one year after the Company became the first major U.S. bank to publicly embrace a flexible, hybrid work model, Citi fully implemented it across the organization. Most of Citi's colleagues now work in hybrid roles, working remotely up to two days a week. How We Work provides the majority of colleagues with the ability to balance the demands of their home lives with the work commitments that are necessary for success. The program includes three role designations for colleagues globally: Resident, Hybrid or Remote. The implementation and continuation of this program differentiates Citi from other financial organizations with respect to flexible working arrangements. By embracing a flexible model of work, Citi has focused on keeping its approach consistent and aligned with its values and priorities.

For additional information about Citi's human capital management initiatives and goals, see Citi's 2022 ESG Report available at www.citigroup.com. The 2022 ESG Report and other information included elsewhere on Citi's Investor Relations website are not incorporated by reference into, and do not form any part of, this 2023 Annual Report on Form 10-K.

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MANAGING GLOBAL RISK	68
Overview	68
CREDIT RISK⁽¹⁾	72
Overview	72
Loans	72
Corporate Credit	73
Consumer Credit	79
Additional Consumer and Corporate Credit Details	86
Loans Outstanding	86
Details of Credit Loss Experience	87
Allowance for Credit Losses on Loans (ACLL)	89
Non-Accrual Loans and Assets	91
LIQUIDITY RISK	94
Overview	94
Liquidity Monitoring and Measurement	94
High-Quality Liquid Assets (HQLA)	95
Deposits	96
Long-Term Debt	97
Secured Funding Transactions and Short-Term Borrowings	100
Credit Ratings	101
MARKET RISK⁽¹⁾	103
Overview	103
Market Risk of Non-Trading Portfolios	103
Banking Book Interest Rate Risk	103
Interest Rate Risk of Investment Portfolios—Impact on <i>AOCI</i>	104
Changes in Foreign Exchange Rates—Impacts on <i>AOCI</i> and Capital	106
Interest Income/Expense and Net Interest Margin (NIM)	107
Additional Interest Rate Details	110
Market Risk of Trading Portfolios	114
Factor Sensitivities	115
Value at Risk (VAR)	115
Stress Testing	118
OPERATIONAL RISK	118
Overview	118
Cybersecurity Risk	118
COMPLIANCE RISK	121
REPUTATION RISK	122
STRATEGIC RISK	122
Climate Risk	122
OTHER RISKS	123
LIBOR Transition Risk	123
Country Risk	124
Top 25 Country Exposures	124
Russia	125
Ukraine	127
Argentina	127
FFIEC—Cross-Border Claims on Third Parties and Local Country Assets	128

(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

Overview

For Citi, effective risk management is of primary importance to its overall operations. Accordingly, Citi has established an Enterprise Risk Management (ERM) Framework to ensure that all of Citi's risks are managed appropriately and consistently across the Company and at an aggregate, enterprise-wide level. Citi's culture drives a strong risk and control environment, and is at the heart of the ERM Framework, underpinning the way Citi conducts business. The activities that Citi engages in, and the risks those activities generate, must be consistent with Citi's Mission and Value Proposition (see below) and the key Leadership Principles that support it, as well as Citi's risk appetite. As discussed above, Citi also continues its efforts to comply with the FRB and OCC consent orders, relating principally to various aspects of risk management, compliance, data quality management and governance, and internal controls (see "Citi's Consent Order Compliance" and "Risk Factors—Compliance Risks" above).

Under Citi's Mission and Value Proposition, which was developed by its senior leadership and distributed throughout the Company, Citi strives to serve its clients as a trusted partner by responsibly providing financial services that enable growth and economic progress while earning and maintaining the public's trust by constantly adhering to the highest ethical standards. As such, Citi asks all colleagues to ensure that their decisions pass three tests: they are in Citi's clients' best interests, create economic value and are always systemically responsible.

As discussed in "Human Capital Resources and Management" above, Citi has designed Leadership Principles that represent the qualities, behaviors and expectations all employees must exhibit to deliver on Citi's mission of enabling growth and economic progress. The Leadership Principles inform Citi's ERM Framework and contribute to creating a culture that drives client, control and operational excellence. Citi colleagues share a common responsibility to uphold these Leadership Principles and hold themselves to the highest standards of ethics and professional behavior in dealing with Citi's clients, business colleagues, shareholders, communities and each other.

Citi's ERM Framework details the principles used to support effective enterprise-wide risk management across the end-to-end risk management lifecycle. The ERM Framework covers the risk management roles and responsibilities of the Citigroup Board of Directors (the Board), Citi's Executive Management Team (see "Risk Governance—Executive Management Team" below) and employees across the lines of defense. The underlying pillars of the framework encompass:

- *Culture*—the core principles and behaviors that underpin a strong culture of risk awareness, in line with Citi's Mission and Value Proposition, and Leadership Principles;
- *Governance*—the committee structure and reporting arrangements that support the appropriate oversight of risk management activities at the Board and Executive Management Team levels and establishes Citi's Lines of Defense model;

- *Risk Management*—the end-to-end risk management cycle including the identification, measurement, monitoring, controlling and reporting of all risks including top, material, growing, idiosyncratic and emerging risks, and aggregated to an enterprise-wide level; and
- *Enterprise Programs*—the key risk management programs performed across the risk management lifecycle for all risk categories.

Each of these pillars is underpinned by supporting capabilities covering people, infrastructure and tools that are in place to enable the execution of the ERM Framework.

Citi's approach to risk management requires that its risk-taking be consistent with its risk appetite. Risk appetite is the aggregate level of risk that Citi is willing to tolerate in order to achieve its strategic objectives and business plan. Risk limits and thresholds represent allocations of Citi's risk appetite to businesses and risk categories. Concentration risks are controlled through a subset of these limits and thresholds.

Citi's risks are generally categorized and summarized as follows:

- *Credit risk* is the risk of loss resulting from the decline in credit quality (or downgrade risk) or failure of a borrower, counterparty, third party or issuer to honor its financial or contractual obligations.
- *Liquidity risk* is the risk that Citi will not be able to efficiently meet both expected and unexpected current and future cash flow and collateral needs without adversely affecting either daily operations or financial conditions of Citi. Risk may be exacerbated by the inability of the Company to access funding sources or monetize assets and the composition of liability funding and liquid assets.
- *Market risk (Trading and Non-Trading)*: Market risk of trading portfolios is the risk of loss arising from changes in the value of Citi's assets and liabilities resulting from changes in market variables, such as interest rates, equity and commodity prices, foreign exchange rates or credit spreads. Market risk of non-trading portfolios is the impact of adverse changes in market variables such as interest rates, foreign exchange rates, credit spreads and equity prices on Citi's net interest income, economic value of equity, or *AOCI*.
- *Operational risk* is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. It includes legal risk, which is the risk of loss (including litigation costs, settlements and regulatory fines) resulting from Citi's failure to comply with laws, regulations, prudent ethical standards or contractual obligations in any aspect of Citi's business, but excludes strategic and reputation risks (see below).
- *Compliance risk* is the risk to current or projected financial condition and resilience arising from violations of laws, rules or regulations, or from non-conformance with prescribed practices, internal policies and procedures or ethical standards.
- *Reputation risk* is the risk to current or projected financial conditions and resilience from negative opinion held by

stakeholders. This risk may impair Citi's competitiveness by affecting its ability to establish new relationships or services or continue servicing existing relationships.

- *Strategic risk* is the risk of a sustained impact (not episodic impact) to Citi's core strategic objectives as measured by impacts on anticipated earnings, market capitalization or capital, arising from the external factors affecting the Company's operating environment; as well as the risks associated with defining the strategy and executing the strategy, which are identified, measured and managed as part of the Strategic Risk Framework at the Enterprise Level.

Citi uses a lines of defense model as a key component of its ERM Framework to manage its risks. As discussed below, the lines of defense model brings together risk-taking, risk oversight and risk assurance under one umbrella and provides an avenue for risk accountability of the first line of defense, a construct for effective challenge by the second line of defense (Independent Risk Management and Independent Compliance Risk Management), and empowers independent risk assurance by the third line of defense (Internal Audit). In addition, the lines of defense model includes organizational units tasked with supporting a strong control environment ("enterprise support functions"). The first, second and third lines of defense, along with enterprise support functions, have distinct roles and responsibilities and are empowered to perform relevant risk management processes and responsibilities in order to manage Citi's risks in a consistent and effective manner.

First Line of Defense: Front Line Units and Front Line Unit Activities

Citi's first line of defense owns the risks and associated controls inherent in, or arising from, the execution of its business activities and is responsible for identifying, measuring, monitoring, controlling and reporting those risks consistent with Citi's strategy, Mission and Value Proposition, Leadership Principles and risk appetite.

Front line units are responsible and held accountable for managing the risks associated with their activities within the boundaries set by independent risk management. They are also responsible for designing and implementing effective internal controls and maintaining processes for managing their risk profile, including through risk mitigation, so that it remains consistent with Citi's established risk appetite.

Front line unit activities are considered part of the first line of defense and are subject to the oversight and challenge of independent risk management.

The first line of defense is composed of Citi's operating segments (i.e., *Services, Markets, Banking, U.S. Personal Banking, Wealth*), as well as Client, Legacy Franchises and certain corporate functions (i.e., Chief Operating Office, Enterprise Services and Public Affairs, Finance, Operations and Technology). In addition, the first line of defense includes the front line unit activities of other organizational units. Front line units may also include enterprise support units and/or conduct enterprise support activities—see "Enterprise Support Functions" below.

Second Line of Defense: Independent Risk Management

Independent risk management units are independent of the first line of defense. They are responsible for overseeing the risk-taking activities of the first line of defense and challenging the first line of defense in the execution of its risk management responsibilities. They are also responsible for independently identifying, measuring, monitoring, controlling and reporting aggregate risks and for setting standards for the management and oversight of risk. Independent risk management is composed of Independent Risk Management (IRM) and Independent Compliance Risk Management (ICRM), which are led by the Group Chief Risk Officer (CRO) and Group Chief Compliance Officer (CCO) who have unrestricted access to the Board and its Risk Management Committee to facilitate the ability to execute their specific responsibilities pertaining to escalation to the Board.

Independent Risk Management

The IRM organization sets risk and control standards for the first line of defense and actively manages and oversees aggregate credit, market (trading and non-trading), liquidity, strategic, operational and reputation risks across Citi, including risks that span categories, such as concentration risk, country risk and climate risk.

IRM is organized to align to risk categories, legal entities/regions and Company-wide, cross-risk functions or processes. Each of these units reports to a member of the Risk Management Executive Council, who are all direct reports to the Citigroup CRO.

Independent Compliance Risk Management

The ICRM organization actively oversees compliance risk across Citi, sets compliance standards for the first line of defense to manage compliance risk and promotes business conduct and activity that is consistent with Citi's Mission and Value Proposition and the compliance risk appetite. Citi's objective is to embed an enterprise-wide compliance risk management framework and culture that identifies, measures, monitors, controls and escalates compliance risk across Citi.

ICRM is aligned by product line, function and geography to provide compliance risk management advice and credible challenge on day-to-day matters and strategic decision-making for key initiatives. ICRM also has program-level Enterprise Compliance units responsible for setting standards and establishing priorities for program-related compliance efforts. The CCO reports to Citi's General Counsel and ICRM is organizationally part of the Global Legal Affairs & Compliance group. In addition, the CCO has matrix reporting into the CRO and is part of the Risk Management Executive Council.

Third Line of Defense: Internal Audit

Internal Audit is independent of the first line, second line and enterprise support functions. The role of Internal Audit is to provide independent, objective, reliable, valued and timely assurance to the Board, its Audit Committee, Citi senior management and regulators over the effectiveness of governance, risk management and controls that mitigate current and evolving risks and enhance the control culture within Citi. The Citi Chief Auditor manages Internal Audit

and reports functionally to the Chair of the Citi Audit Committee and administratively to the Citi Chief Executive Officer. The Citi Chief Auditor has unrestricted access to the Board and the Board Audit Committee to address risks and issues identified through Internal Audit's activities.

Enterprise Support Functions

Enterprise support functions engage in activities that support safety and soundness across Citi. These functions provide advisory services and/or design, implement, maintain and oversee Company-wide programs that support Citi in maintaining an effective control environment.

Enterprise support functions are composed of Human Resources and Global Legal Affairs and Compliance (exclusive of ICRM, which is part of the second line of defense). Front line units may also include enterprise support units and/or conduct enterprise support activities (e.g., the Controllers Group within Finance).

Enterprise support functions, units and activities are subject to the relevant Company-wide independent oversight processes specific to the risks for which they are accountable (e.g., operational risk, compliance risk, reputation risk).

Risk Governance

Citi's ERM Framework encompasses risk management processes to address risks undertaken by Citi through identification, measurement, monitoring, controlling and reporting of all risks. The ERM Framework integrates these processes with appropriate governance to complement Citi's commitment to maintaining strong and consistent risk management practices.

Board Oversight

The Board is responsible for oversight of Citi and holds the Executive Management Team accountable for implementing the ERM Framework and meeting strategic objectives within Citi's risk appetite.

Executive Management Team

The Citigroup CEO directs and oversees the day-to-day management of Citi as delegated by the Board of Directors. The CEO leads the Company through the Executive Management Team and provides oversight of group activities, both directly and through authority delegated to committees established to oversee the management of risk, to ensure continued alignment with Citi's risk strategy.

Board and Executive Management Committees

The Board executes its responsibilities either directly or through its committees. The Board has delegated authority to the following Board standing committees to help fulfill its oversight and risk management responsibilities:

- *Risk Management Committee (RMC)*: assists the Board in fulfilling its responsibility with respect to (i) oversight of Citi's risk management framework and risk culture, including the significant policies and practices used in managing credit, market (trading and non-trading), liquidity, strategic, operational, compliance, reputation and certain other risks, including those pertaining to

capital management, and (ii) oversight of the Global Risk Review—credit, capital and collateral review functions.

- *Audit Committee*: provides oversight of Citi's financial and regulatory reporting and internal control risk, as well as Internal Audit and Citi's external independent accountants.
- *Compensation, Performance Management and Culture Committee*: provides oversight of compensation of Citi's employees and Citi management's sustained focus on fostering a principled culture of sound ethics, responsible conduct and accountability within the organization.
- *Nomination, Governance and Public Affairs Committee*: responsible for (i) identifying individuals qualified to become Board members and recommending to the Board the director nominees for the next annual meeting of stockholders, (ii) leading the Board in its annual review of the Board's performance, (iii) recommending to the Board directors for each committee for appointment by the Board, (iv) reviewing the Company's policies and programs that relate to public issues of significance to the Company and the public at large, including but not limited to Environmental, Social and Corporate Governance (ESG) matters and (v) reviewing the Company's relationships with external constituencies and issues that impact the Company's reputation, and advising management as to its approach to each.
- *Technology Committee*: assists the Board in fulfilling its responsibility with respect to oversight of (i) the planning and execution of Citigroup's technology, strategy and operating plan, (ii) the development of Citi's target state operating model and architecture, including the incorporation of Global Business Services, (iii) technology-based risk management, including risk management framework, risk appetite and risk exposures of the Company, (iv) resource and talent planning of the Technology function and (v) the Company's third-party management policies, practices and standards that relate to Technology.

In addition to the above, the Board has established the following ad hoc committee:

- *Transformation Oversight Committee*: provides oversight of the actions of Citi's management to develop and execute a transformation of Citi's risk and control environment pursuant to the FRB and OCC consent orders (see "Citi's Consent Order Compliance" above).

The Citigroup CEO has established four standing committees that cover the primary risks to which Citi (i.e., Group) is exposed. These consist of:

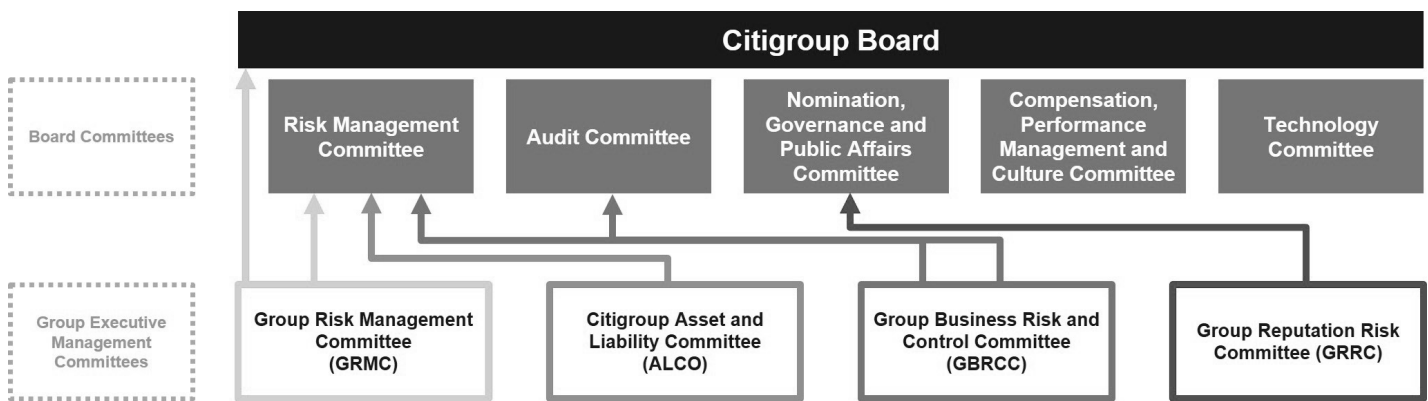
- *Group Risk Management Committee (GRMC)*: the primary senior executive level committee responsible for (i) overseeing the execution of Citigroup's ERM Framework, (ii) monitoring Citi's risk profile at an aggregate level inclusive of individual risk categories, (iii) ensuring that Citi's risk profile remains consistent with its approved risk appetite and (iv) discussing material and emerging risk issues facing the Company. The Committee also provides comprehensive Group-wide coverage of all

risk categories, including Credit Risk, Market Risk (trading) and Strategic Risk.

- *Citigroup Asset and Liability Committee (ALCO)*: responsible for governance over management's Liquidity Risk and Market Risk (non-trading) management and for monitoring and influencing the balance sheet, investment securities and capital management activities of Citigroup.
- *Group Business Risk and Control Committee (GBRCC)*: provides governance oversight of Citi's Compliance and Operational Risks.
- *Group Reputation Risk Committee (GRRC)*: provides governance oversight for Reputation Risk management across Citi.

In addition to the Executive Management committees listed above, management may establish ad-hoc committees in response to regulatory feedback or to manage additional activities when deemed necessary.

The figure below illustrates the reporting lines between the Board and Executive Management committees:



CREDIT RISK

Overview

Credit risk is the risk of loss resulting from the decline in credit quality of a client, customer or counterparty (or downgrade risk) or the failure of a borrower, counterparty, third party or issuer to honor its financial or contractual obligations. Credit risk is one of the most significant risks Citi faces as an institution (see “Risk Factors—Credit Risks” above). Credit risk arises in many of Citigroup’s business activities, including:

- consumer, commercial and corporate lending;
- capital markets derivative transactions;
- structured finance; and
- securities financing transactions (repurchase and reverse repurchase agreements, and securities loaned and borrowed).

Credit risk also arises from clearing and settlement activities, when Citi transfers an asset in advance of receiving its counter-value or advances funds to settle a transaction on behalf of a client. Concentration risk, within credit risk, is the risk associated with having credit exposure concentrated within a specific client, industry, region or other category.

Citi has an established framework in place for managing credit risk across all businesses that includes a defined risk appetite, credit limits and credit policies. Citi’s credit risk management framework also includes policies and procedures to manage problem exposures.

To manage concentration risk, Citi has in place a framework consisting of industry limits, single-name concentrations for each business and across Citigroup and a specialized product limit framework.

Credit exposures are generally reported in notional terms for accrual loans, reflecting the value at which the loans as well as other off-balance sheet commitments are carried on the Consolidated Balance Sheet. Credit exposure arising from capital markets activities is generally expressed as the current mark-to-market, net of margin, reflecting the net value owed to Citi by a given counterparty.

The credit risk associated with Citi’s credit exposures is a function of the idiosyncratic creditworthiness of the obligor, as well as the terms and conditions of the specific obligation. Citi assesses the credit risk associated with its credit exposures on a regular basis through its allowance for credit losses (ACL) process (see “Significant Accounting Policies and Significant Estimates—Allowance for Credit Losses” below and Notes 1 and 16), as well as through regular stress testing at the company, business, geography and product levels. These stress-testing processes typically estimate potential incremental credit costs that would occur as a result of either downgrades in the credit quality or defaults of the obligors or counterparties. See Note 15 for additional information on Citi’s credit risk management.

Loans

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

<i>In billions of dollars</i>	4Q23	3Q23	4Q22
Services	\$ 83	\$ 83	\$ 78
Markets	115	108	111
Banking	87	87	96
USPB			
Branded Cards	\$ 107	\$ 103	\$ 95
Retail Services	52	50	48
Retail Banking	43	43	37
Total USPB	\$ 202	\$ 196	\$ 180
Wealth	\$ 150	\$ 151	\$ 150
All Other⁽¹⁾	\$ 38	\$ 37	\$ 38
Total Citigroup loans (AVG)	\$ 675	\$ 662	\$ 653
Total Citigroup loans (EOP)	\$ 689	\$ 666	\$ 657

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

End-of-period loans increased 5% year-over-year, largely reflecting growth in cards in *USPB*. End-of-period loans increased 3% sequentially.

On an average basis, loans increased 3% year-over-year and 2% sequentially. The year-over-year increase was largely due to growth in *USPB*, *Services* and *Markets*, partially offset by a decline in *Banking*.

As of the fourth quarter of 2023, average loans for:

- *USPB* increased 12% year-over-year, driven by growth in Branded Cards, Retail Banking and Retail Services.
- *Wealth* were largely unchanged.
- *Services* increased 6% year-over-year, primarily driven by strong demand for working capital loans in TTS in North America and internationally.
- *Markets* increased 4% year-over-year, reflecting increased client demand in warehouse lending.
- *Banking* decreased 9% year-over-year, primarily driven by capital optimization efforts.

CORPORATE CREDIT

Consistent with its overall strategy, Citi's corporate clients are typically corporations that value the depth and breadth of Citi's global network. Citi aims to establish relationships with these clients whose needs encompass multiple products, including cash management and trade services, foreign exchange, lending, capital markets and M&A advisory.

Corporate Credit Portfolio

The following table details Citi's corporate credit portfolio, excluding loans carried at fair value and loans held-for-sale, by remaining tenor for the periods indicated:

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In billions of dollars	December 31, 2023				September 30, 2023				December 31, 2022			
	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⁾	\$ 132	\$ 122	\$ 39	\$ 293	\$ 125	\$ 118	\$ 38	\$ 281	\$ 135	\$ 122	\$ 27	\$ 284
Unfunded lending commitments (off-balance sheet) ⁽²⁾	134	268	18	420	144	259	19	422	140	256	10	406
Total exposure	\$ 266	\$ 390	\$ 57	\$ 713	\$ 269	\$ 377	\$ 57	\$ 703	\$ 275	\$ 378	\$ 37	\$ 690

(1) Includes drawn loans, overdrafts, bankers' acceptances and leases.

(2) Includes unused commitments to lend, letters of credit and financial guarantees.

Portfolio Mix—Geography and Counterparty

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

	December 31, 2023	September 30, 2023	December 31, 2022
North America	56 %	56 %	56 %
International	44	44	44
Total	100 %	100 %	100 %

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

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

	Total exposure		
	December 31, 2023	September 30, 2023	December 31, 2022
AAA/AA/A	50 %	49 %	50 %
BBB	33	34	34
BB/B	16	15	14
CCC or below	1	2	2
Total	100 %	100 %	100 %

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

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

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

Citi believes the corporate credit portfolio to be appropriately rated and classified as of December 31, 2023. Citi has taken action to adjust internal ratings and classifications of exposures as both the macroeconomic environment and obligor-specific factors have changed, particularly where additional stress has been seen.

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

See Note 15 for additional information on Citi's corporate credit portfolio.

Portfolio Mix—Industry

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

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

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

The following table details Citi's corporate credit portfolio by industry as of December 31, 2023:

<i>In millions of dollars</i>	Total credit exposure	Non-investment grade						Selected metrics		
		Funded ⁽¹⁾	Unfunded	Investment grade	Non-criticized	Criticized performing	Criticized non-performing ⁽²⁾	30 days or more past due and accruing	Net credit losses (recoveries)	Credit derivative hedges ⁽³⁾
Transportation and industrials	\$ 149,429	\$ 59,917	\$ 89,512	\$ 118,380	\$ 26,345	\$ 4,469	\$ 235	\$ 125	\$ 39	\$ (7,060)
Autos ⁽⁴⁾	49,443	22,843	26,600	43,008	5,376	999	60	7	19	(2,304)
Transportation	28,448	11,996	16,452	21,223	6,208	952	65	3	5	(1,185)
Industrials	71,538	25,078	46,460	54,149	14,761	2,518	110	115	15	(3,571)
Technology, media and telecom	84,409	29,832	54,577	67,077	13,637	3,212	483	112	56	(5,546)
Banks and finance companies	83,512	52,569	30,943	74,364	7,768	1,277	103	7	37	(638)
Consumer retail	81,799	33,548	48,251	63,017	15,259	3,342	181	130	57	(5,360)
Real estate	72,827	51,660	21,167	61,226	7,084	3,602	915	69	31	(608)
Commercial	54,843	35,058	19,785	43,340	7,042	3,602	859	69	31	(608)
Residential	17,984	16,602	1,382	17,886	42	—	56	—	—	—
Power, chemicals, metals and mining	59,572	19,004	40,568	46,551	10,098	2,696	227	36	4	(4,884)
Power	24,535	5,220	19,315	20,967	3,200	209	159	1	4	(2,280)
Chemicals	21,963	8,287	13,676	16,418	3,888	1,613	44	34	1	(2,019)
Metals and mining	13,074	5,497	7,577	9,166	3,010	874	24	1	(1)	(585)
Energy and commodities⁽⁵⁾	46,290	12,606	33,684	40,081	5,528	543	138	5	(15)	(3,090)
Health	36,230	9,135	27,095	30,099	4,871	1,098	162	16	22	(3,023)
Insurance	27,216	2,390	24,826	25,580	1,607	29	—	7	—	(4,516)
Public sector	24,736	12,621	12,115	21,845	2,399	479	13	36	15	(1,092)
Asset managers and funds	19,681	4,232	15,449	17,826	1,723	112	20	4	—	(65)
Financial markets infrastructure	18,705	156	18,549	18,705	—	—	—	—	—	(7)
Securities firms	1,737	734	1,003	870	822	45	—	2	—	(2)
Other industries⁽⁶⁾	6,992	4,480	2,512	5,079	1,629	257	27	45	4	(6)
Total	\$ 713,135	\$ 292,884	\$ 420,251	\$ 590,700	\$ 98,770	\$ 21,161	\$ 2,504	\$ 594	\$ 250	\$ (35,897)

(1) Funded excludes loans carried at fair value of \$7.3 billion at December 31, 2023.

(2) Includes non-accrual loan exposures and related criticized unfunded exposures.

(3) Represents the amount of purchased credit protection in the form of derivatives to economically hedge funded and unfunded exposures. Of the \$35.9 billion of purchased credit protection, \$33.7 billion represents the total notional amount of purchased credit derivatives on individual reference entities. The remaining \$2.2 billion represents the first loss tranche of portfolios of purchased credit derivatives with a total notional of \$16.7 billion, where the protection seller absorbs the first loss on the referenced loan portfolios.

(4) Autos total credit exposure includes securitization financing facilities secured by auto loans and leases, extended mainly to the finance company subsidiaries of global auto manufacturers, bank subsidiaries and independent auto finance companies, of approximately \$16.9 billion (\$10.6 billion in funded, with 100% rated investment grade) as of December 31, 2023.

(5) In addition to this exposure, Citi has energy-related exposure within the public sector (e.g., energy-related state-owned entities) and the transportation and industrials sector (e.g., off-shore drilling entities) included in the table above. As of December 31, 2023, Citi's total exposure to these energy-related entities was approximately \$4.9 billion, of which approximately \$2.5 billion consisted of direct outstanding funded loans.

(6) Includes \$0.6 billion and \$0.1 billion of funded and unfunded exposure at December 31, 2023, respectively, primarily related to commercial credit card delinquency-managed loans.

Exposure to Commercial Real Estate

As of December 31, 2023, Citi's total credit exposure to commercial real estate (CRE) was \$66 billion, including \$8 billion of exposure related to office buildings. This total CRE exposure consisted of approximately \$55 billion related to corporate clients, included in the real estate category in the table above, and approximately \$11 billion related to *Wealth* clients that is not in the table above as they are not considered corporate exposures.

In addition, as of December 31, 2023, approximately 80% of Citi's total CRE exposure was rated investment grade and more than 77% was to borrowers in the U.S.

As of December 31, 2023, the ACLL attributed to the total funded CRE exposure (including the Private Bank) was approximately 1.49%, and there were \$759 million of non-accrual CRE loans.

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

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

(1) Funded excludes loans carried at fair value of \$5.1 billion at December 31, 2022.

(2) Includes non-accrual loan exposures and related criticized unfunded exposures.

(3) Represents the amount of purchased credit protection in the form of derivatives to economically hedge funded and unfunded exposures. Of the \$39.8 billion of purchased credit protection, \$36.6 billion represents the total notional amount of purchased credit derivatives on individual reference entities. The remaining \$3.2 billion represents the first loss tranche of portfolios of purchased credit derivatives with a total notional of \$27.6 billion, where the protection seller absorbs the first loss on the referenced loan portfolios.

(4) Autos total credit exposure includes securitization financing facilities secured by auto loans and leases, extended mainly to the finance company subsidiaries of global auto manufacturers, bank subsidiaries and independent auto finance companies, of approximately \$17.4 billion (\$10.3 billion in funded, with more than 99% rated investment grade) at December 31, 2022.

(5) In addition to this exposure, Citi has energy-related exposure within the public sector (e.g., energy-related state-owned entities) and the transportation and industrials sector (e.g., off-shore drilling entities) included in the table above. As of December 31, 2022, Citi's total exposure to these energy-related entities was approximately \$4.7 billion, of which approximately \$2.4 billion consisted of direct outstanding funded loans.

(6) Includes \$0.6 billion and \$0.1 billion of funded and unfunded exposure at December 31, 2022, respectively, primarily related to commercial credit card delinquency-managed loans.

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Credit Risk Mitigation

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

At December 31, 2023, September 30, 2023 and December 31, 2022, *Banking* had economic hedges on the corporate credit portfolio of \$35.9 billion, \$36.0 billion and \$39.8 billion, respectively. Citi's expected credit loss model used in the calculation of its ACL does not include the favorable impact of credit derivatives and other mitigants that are marked-to-market. In addition, the reported amounts of direct outstandings and unfunded lending commitments in the tables above do not reflect the impact of these hedging transactions. The credit protection was economically hedging underlying *Banking* corporate credit portfolio exposures with the following risk rating distribution:

Rating of Hedged Exposure

	December 31, 2023	September 30, 2023	December 31, 2022
AAA/AA/A	45 %	45 %	39 %
BBB	44	43	45
BB/B	10	10	12
CCC or below	1	2	4
Total	100 %	100 %	100 %

Loan Maturities and Fixed/Variable Pricing of Corporate Loans

<i>In millions of dollars at December 31, 2023</i>	Due within 1 year	Over 1 year but within 5 years	Over 5 years but within 15 years	Over 15 years	Total
Corporate loans					
In North America offices⁽¹⁾					
Commercial and industrial loans	\$ 25,045	\$ 34,304	\$ 1,602	\$ 57	\$ 61,008
Financial institutions	17,435	21,388	424	146	39,393
Mortgage and real estate ⁽²⁾	7,908	4,185	4,736	984	17,813
Installment and other	9,461	12,947	775	152	23,335
Lease financing	—	227	—	—	227
Total	\$ 59,849	\$ 73,051	\$ 7,537	\$ 1,339	\$ 141,776
In offices outside North America⁽¹⁾					
Commercial and industrial loans	\$ 69,811	\$ 18,128	\$ 5,425	\$ 38	\$ 93,402
Financial institutions	18,449	6,577	907	210	26,143
Mortgage and real estate ⁽²⁾	2,639	3,600	888	70	7,197
Installment and other	16,081	7,960	1,337	2,529	27,907
Lease financing	6	26	16	—	48
Governments and official institutions	632	670	1,630	667	3,599
Total	\$ 107,618	\$ 36,961	\$ 10,203	\$ 3,514	\$ 158,296
Corporate loans, net of unearned income⁽³⁾⁽⁴⁾	\$ 167,467	\$ 110,012	\$ 17,740	\$ 4,853	\$ 300,072
Loans at fixed interest rates⁽⁵⁾					
Commercial and industrial loans	\$ 6,636	\$ 883	\$ 17		
Financial institutions	3,363	62	12		
Mortgage and real estate ⁽²⁾	1,311	4,531	846		
Other ⁽⁶⁾	4,792	170	7		
Lease financing	240	—	—		
Total	\$ 16,342	\$ 5,646	\$ 882		
Loans at floating or adjustable interest rates⁽⁴⁾					
Commercial and industrial loans	\$ 45,796	\$ 6,144	\$ 78		
Financial institutions	24,602	1,269	344		
Mortgage and real estate ⁽²⁾	6,474	1,887	208		
Other ⁽⁶⁾	16,785	—	41		
Lease financing	—	—	—		
Total	\$ 93,657	\$ 8,300	\$ 771		
Total fixed/variable pricing of corporate loans with maturities due after one year, net of unearned income⁽³⁾⁽⁴⁾	\$ 110,012	\$ 17,740	\$ 4,853		



The secret animal #1 is an

- (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 differences between the domicile of the booking unit and the domicile of the managing unit are not material.
- (2) Loans secured primarily by real estate.
- (3) Corporate loans are net of unearned income of (\$917) million. Unearned income on corporate loans primarily represents loan origination fees, net of certain direct origination costs, that are deferred and recognized as *Interest income* over the lives of the related loans.
- (4) Excludes \$93 million of unallocated portfolio layer cumulative basis adjustments at December 31, 2023.
- (5) Based on contractual terms. Repricing characteristics may effectively be modified from time to time using derivative contracts. See Note 24.
- (6) Other includes installment and other and loans to government and official institutions.

CONSUMER CREDIT

Citi's consumer credit risk management framework is designed for a variety of environments. Underwriting and portfolio management policies are calibrated based on risk-return trade-offs by product and segment and changes are made based on performance against benchmarks as well as environmental stress. As warranted, Citi adjusts underwriting criteria to address consumer credit risks and macroeconomic challenges and uncertainties.

USPB provides credit cards, mortgages, personal loans, small business banking and retail banking, and *Wealth* offers wealth management lending and other products globally that range from the affluent to ultra-high net worth customer segments through the Private Bank, Wealth at Work and Citigold. *USPB*'s retail banking products include a generally prime portfolio built through well-defined lending parameters within Citi's risk appetite framework.

All Other—Legacy Franchises also provides such products in its remaining markets through Mexico Consumer and Asia Consumer (Korea, Poland, China and Russia).

Consumer Credit Portfolio

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

<i>In billions of dollars</i>	4Q22	1Q23	2Q23	3Q23	4Q23
<i>USPB</i>					
Branded Cards	\$ 100.2	\$ 97.1	\$ 103.0	\$ 105.2	\$ 111.1
Retail Services	50.5	48.4	50.0	50.5	53.6
Retail Banking	37.1	39.2	41.5	43.1	44.4
Mortgages ⁽²⁾	33.4	35.3	37.4	38.8	39.9
Personal, small business and other	3.7	3.9	4.1	4.3	4.5
Total	\$ 187.8	\$ 184.7	\$ 194.5	\$ 198.8	\$ 209.1
<i>Wealth</i>⁽³⁾⁽⁴⁾					
Mortgages ⁽²⁾	\$ 84.0	\$ 85.2	\$ 87.0	\$ 88.8	\$ 89.9
Margin lending ⁽⁵⁾	28.9	29.3	29.6	28.7	29.4
Personal, small business and other ⁽⁶⁾	31.7	31.0	29.4	28.5	27.2
Cards	4.6	4.4	4.5	4.6	5.0
Total	\$ 149.2	\$ 149.9	\$ 150.5	\$ 150.6	\$ 151.5
<i>All Other</i>—Legacy Franchises					
Mexico Consumer (excludes Mexico SBMM)	\$ 14.8	\$ 16.3	\$ 17.8	\$ 17.8	\$ 18.7
Asia Consumer ⁽⁷⁾	13.3	10.0	9.1	8.0	7.4
Legacy Holdings Assets ⁽⁸⁾	3.0	2.8	2.7	2.5	2.5
Total	\$ 31.1	\$ 29.1	\$ 29.6	\$ 28.3	\$ 28.6
Total consumer loans	\$ 368.1	\$ 363.7	\$ 374.6	\$ 377.7	\$ 389.2

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

(2) See Note 15 for details on loan-to-value ratios for the portfolios and FICO scores for the U.S. portfolio.

(3) Consists of \$101.6 billion, \$101.1 billion, \$99.5 billion, \$98.9 billion and \$98.2 billion of loans in North America as of December 31, 2023, September 30, 2023, June 30, 2023, March 31, 2023 and December 31, 2022, respectively. For additional information on the credit quality of the *Wealth* portfolio, see Note 15.

(4) Consists of \$49.9 billion, \$49.5 billion, \$51.0 billion, \$51.0 billion and \$51.0 billion of loans outside North America as of December 31, 2023, September 30, 2023, June 30, 2023, March 31, 2023 and December 31, 2022, respectively.

(5) At December 31, 2023, includes approximately \$24 billion of classifiably managed loans fully collateralized by eligible financial assets and securities that have experienced very low historical net credit losses (NCLs). Approximately 85% of the classifiably managed portion of these loans are investment grade.

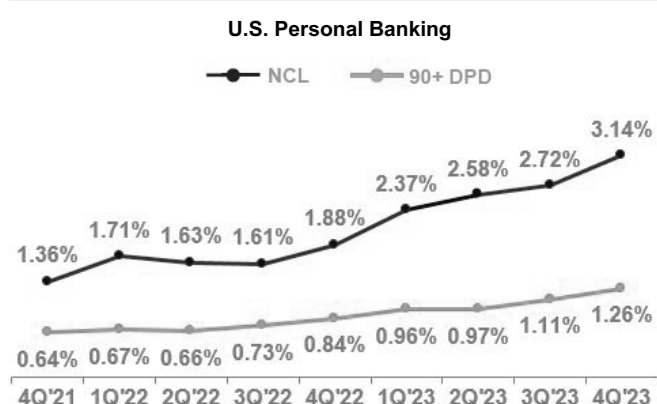
(6) At December 31, 2023, includes approximately \$22 billion of classifiably managed loans. Approximately 87% of these loans are fully collateralized (consisting primarily of commercial real estate and limited partner capital commitments in private equity) and have experienced very low historical net credit losses (NCLs). Approximately 85% of the classifiably managed portion of these loans are investment grade.

(7) Asia Consumer loan balances, reported within *All Other*—Legacy Franchises, include the four remaining Asia Consumer loan portfolios: Korea, Poland, China and Russia.

(8) Primarily consists of certain North America consumer mortgages.

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

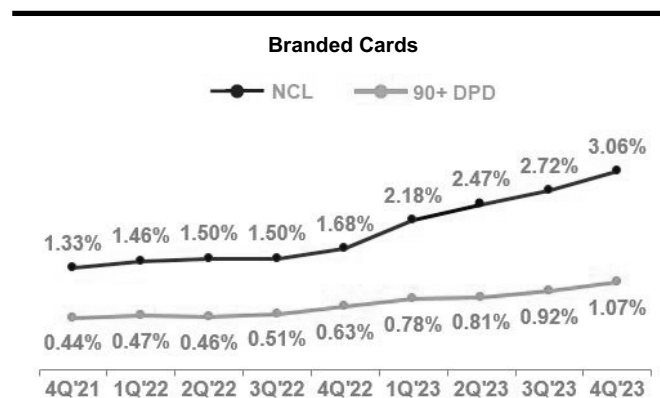
Consumer Credit Trends



As indicated above, *USPB* provides card products through Branded Cards and Retail Services, and mortgages and home equity, small business and personal consumer loans through Citi's Retail Banking network. Retail Banking is concentrated in six major U.S. metropolitan areas. *USPB* also provides mortgages through correspondent channels.

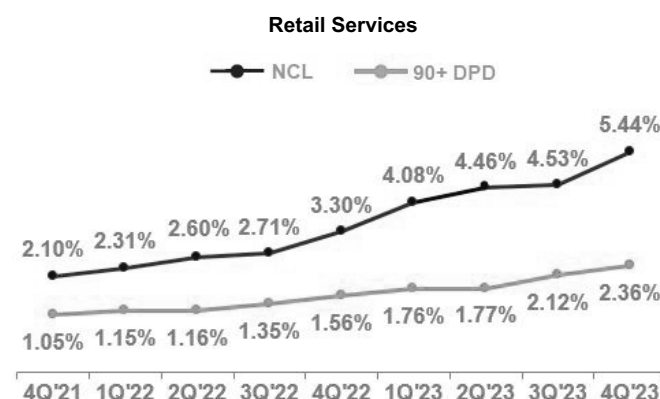
As of December 31, 2023, approximately 79% of *USPB* EOP loans consisted of Branded Cards and Retail Services card loans, which generally drives the overall credit performance of *USPB*, as U.S. cards net credit losses represented approximately 96% of total *USPB* net credit losses for the fourth quarter of 2023. As of December 31, 2023, Branded Cards represented 67% of total U.S. cards EOP loans and Retail Services represented 33% of U.S. cards EOP loans.

As presented in the chart above, the fourth quarter of 2023 net credit loss rate and 90+ days past due delinquency rate in *USPB* increased quarter-over-quarter and year-over-year, largely driven by a continued increase in net flow rates, primarily reflecting normalization to pre-pandemic levels in Branded Cards and Retail Services as well as the impact of macroeconomic pressures related to the higher inflationary and interest rate environment. Citi expects the net credit loss rate for both Branded Cards and Retail Services to continue to rise above pre-pandemic levels and, on a full-year basis, peak in 2024. The higher net credit losses expectation is already reflected in the Company's ACL on loans for outstanding balances at December 31, 2023.



USPB's Branded Cards portfolio includes proprietary and co-branded cards.

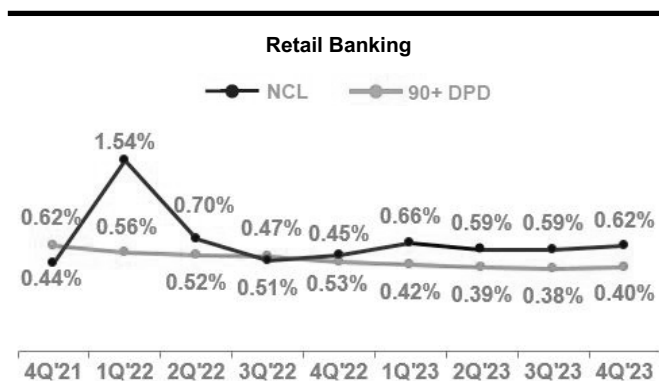
As presented in the chart above, the fourth quarter of 2023 net credit loss rate and 90+ days past due delinquency rate in Branded Cards increased quarter-over-quarter and year-over-year, largely driven by a continued increase in net flow rates, primarily reflecting normalization to pre-pandemic levels as well as the impact of macroeconomic pressures related to the higher inflationary and interest rate environment.



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

As presented in the chart above, the fourth quarter of 2023 net credit loss rate and 90+ days past due delinquency rate in Retail Services increased quarter-over-quarter and year-over-year, largely driven by a continued increase in net flow rates, primarily reflecting normalization to pre-pandemic levels as well as the impact of macroeconomic pressures related to the higher inflationary and interest rate environment.

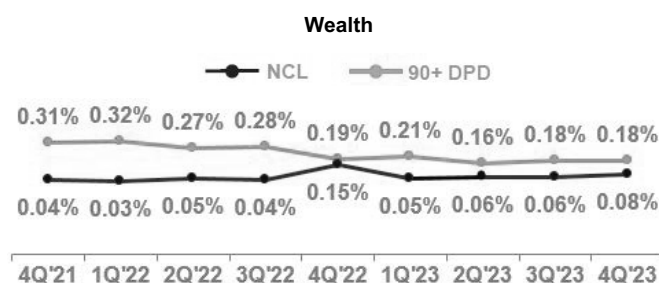
For additional information on cost of credit, loan delinquency and other information for Citi's cards portfolios, see each respective business's results of operations above and Note 15.



USPB's Retail Banking portfolio consists primarily of consumer mortgages (including home equity) and unsecured lending products, such as small business loans and personal loans. The portfolio is generally delinquency managed, where Citi evaluates credit risk based on FICO scores, delinquencies and the value of underlying collateral. The consumer mortgages in this portfolio have historically been extended to high credit quality customers, generally with loan-to-value ratios that are less than or equal to 80% on first and second mortgages. For additional information, see "Loan-to-Value (LTV) Ratios" in Note 15.

As presented in the chart above, the net credit loss rate in Retail Banking for the fourth quarter of 2023 was broadly stable quarter-over-quarter and increased year-over-year, primarily driven by the growth and seasoning of personal loans.

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

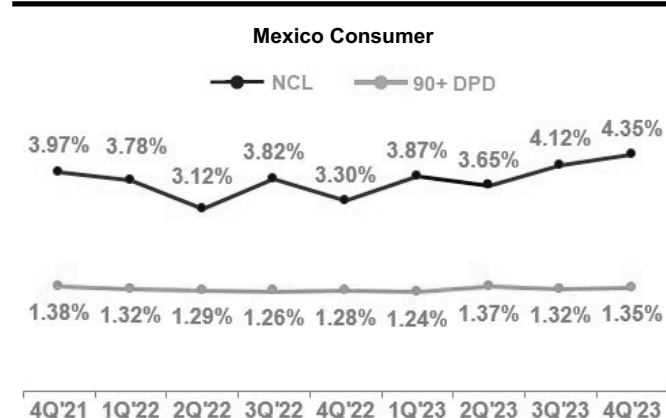


As indicated above, *Wealth* provides consumer mortgages, margin lending, cards and other lending products to customer segments that range from affluent to ultra-high net worth through the Private Bank, Wealth at Work and Citigold. These customer segments represent a target market that is characterized by historically low default rates and delinquencies and includes loans that are delinquency managed or classifiably managed. The delinquency-managed portfolio consists primarily of mortgages, margin lending and cards.

As of December 31, 2023, approximately \$46 billion, or 30%, of the portfolio was classifiably managed and primarily consisted of margin lending, commercial real estate, subscription credit finance and other lending programs. These classifiably managed loans are primarily evaluated for credit

risk based on their internal risk rating, of which 85% is rated investment grade. While the delinquency rate in the chart above is calculated only for the delinquency-managed portfolio, the net credit loss rate is calculated using net credit losses for both the delinquency and classifiably managed portfolios.

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



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

As presented in the chart above, the fourth quarter of 2023 net credit loss rate in Mexico Consumer increased quarter-over-quarter and year-over-year, primarily driven by the ongoing normalization of loss rates from post-pandemic lows.

The 90+ days past due delinquency rate was relatively stable quarter-over-quarter and year-over-year.

For additional information on cost of credit, loan delinquency and other information for Citi's consumer loan portfolios, see each respective business's results of operations above and Note 15.

U.S. Cards FICO Distribution

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

Branded Cards

FICO distribution ⁽¹⁾	Dec. 31, 2023	Sept. 30, 2023	Dec. 31, 2022
> 760	46 %	46 %	48 %
680–760	38	39	38
< 680	16	15	14
Total	100 %	100 %	100 %

Retail Services

FICO distribution ⁽¹⁾	Dec. 31, 2023	Sept. 30, 2023	Dec. 31, 2022
> 760	27 %	26 %	27 %
680–760	41	42	42
< 680	32	32	31
Total	100 %	100 %	100 %

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

The FICO distribution for the Branded Cards portfolio was slightly higher during 2023 than during 2022, reflecting a slight increase in net credit loss and delinquency rates. The FICO distribution continued to reflect strong underlying credit quality of the portfolios. See Note 15 for additional information on FICO scores.



Additional Consumer Credit Details

Consumer Loan Delinquencies Amounts and Ratios

In millions of dollars, except EOP loan amounts in billions	EOP loans ⁽¹⁾	90+ days past due ⁽²⁾			30–89 days past due ⁽²⁾		
	December 31,	December 31,			December 31,		
	2023	2023	2022	2021	2023	2022	2021
USPB ⁽³⁾⁽⁴⁾							
Total	\$ 209.1	\$ 2,635	\$ 1,578	\$ 1,069	\$ 2,563	\$ 1,720	\$ 1,130
Ratio		1.26 %	0.84 %	0.64 %	1.23 %	0.92 %	0.68 %
Cards ⁽⁴⁾							
Total	164.7	2,461	1,415	871	2,293	1,511	947
Ratio		1.49 %	0.94 %	0.65 %	1.39 %	1.00 %	0.71 %
Branded Cards	111.1	1,194	629	389	1,143	693	408
Ratio		1.07 %	0.63 %	0.44 %	1.03 %	0.69 %	0.46 %
Retail Services	53.6	1,267	786	482	1,150	818	539
Ratio		2.36 %	1.56 %	1.05 %	2.15 %	1.62 %	1.17 %
Retail Banking ⁽³⁾	44.4	174	163	198	270	209	183
Ratio		0.40 %	0.45 %	0.62 %	0.62 %	0.57 %	0.57 %
Wealth delinquency-managed loans ⁽⁵⁾	\$ 105.3	\$ 191	\$ 186	\$ 281	\$ 312	\$ 317	\$ 323
Ratio		0.18 %	0.19 %	0.31 %	0.30 %	0.32 %	0.35 %
Wealth classifiably managed loans ⁽⁶⁾	\$ 46.2	N/A	N/A	N/A	N/A	N/A	N/A
All Other							
Total	\$ 28.6	\$ 407	\$ 389	\$ 613	\$ 384	\$ 335	\$ 546
Ratio		1.43 %	1.26 %	1.06 %	1.35 %	1.09 %	0.94 %
Mexico Consumer	18.7	252	190	183	252	186	173
Ratio		1.35 %	1.28 %	1.38 %	1.35 %	1.26 %	1.30 %
Asia Consumer ⁽⁷⁾⁽⁸⁾	7.4	51	49	209	59	70	285
Ratio		0.69 %	0.37 %	0.51 %	0.80 %	0.53 %	0.69 %
Legacy Holdings Assets (consumer) ⁽⁹⁾	2.5	104	150	221	73	79	88
Ratio		4.52 %	5.56 %	6.31 %	3.17 %	2.93 %	2.51 %
Total Citigroup consumer	\$ 389.2	\$ 3,233	\$ 2,153	\$ 1,963	\$ 3,259	\$ 2,372	\$ 1,999
Ratio		0.94 %	0.68 %	0.62 %	0.95 %	0.75 %	0.63 %

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

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

(3) The 90+ days past due and 30–89 days past due and related ratios for Retail Banking exclude loans guaranteed by U.S. government-sponsored agencies since the potential risk of loss predominantly resides with the U.S. government-sponsored agencies. The amounts excluded for loans 90+ days past due and (EOP loans) were \$63 million (\$0.5 billion), \$89 million (\$0.6 billion) and \$185 million (\$1.1 billion) at December 31, 2023, 2022 and 2021, respectively. The amounts excluded for loans 30–89 days past due (the 30–89 days past due EOP loans have the same adjustments as the 90+ days past due EOP loans) were \$73 million, \$70 million and \$74 million at December 31, 2023, 2022 and 2021, respectively. The EOP loans in the table include the guaranteed loans.

(4) The 90+ days past due balances for Branded Cards and Retail Services are generally still accruing interest. Citi's policy is generally to accrue interest on credit card loans until 180 days past due, unless notification of bankruptcy filing has been received earlier.

(5) Excludes EOP classifiably managed Private Bank loans. These loans are not included in the delinquency numerator, denominator and ratios.

(6) These loans are evaluated for non-accrual status and write-off primarily based on their internal risk classification and not solely on their delinquency status, and therefore delinquency metrics are excluded from this table. As of December 31, 2023, 2022 and 2021, 85%, 96% and 94% of *Wealth* classifiably managed loans were rated investment grade. For additional information on the credit quality of the *Wealth* portfolio, including classifiably managed portfolios, see "Consumer Credit Trends" above.

(7) Asia Consumer includes delinquencies and loans in Poland and Russia for all periods presented and in Bahrain for 2021 only.

(8) Citi has entered into agreements to sell certain Asia Consumer banking businesses. Accordingly, the loans of these businesses have been reclassified as HFS in *Other assets* on the Consolidated Balance Sheet, and hence the loans and related delinquencies and ratios are not included in this table. The reclassifications commenced as follows: Bahrain, India, Indonesia, Malaysia, Taiwan, Thailand and Vietnam in 1Q22 (Bahrain, Malaysia and Thailand closed in 4Q22; India and Vietnam closed in 1Q23; Taiwan closed in 3Q23; and Indonesia closed in 4Q23); Australia in 3Q21 (closed in 2Q22); and the Philippines in 4Q21 (closed in 3Q22). In addition, a portfolio was reclassified to HFS in the first quarter of 2023 and subsequently sold in the second quarter of 2023. See Note 2.

- (9) The 90+ days past due and 30–89 days past due and related ratios exclude U.S. mortgage loans that are primarily related to U.S. mortgages guaranteed by U.S. government-sponsored agencies since the potential risk of loss predominantly resides with the U.S. agencies. The amounts excluded for 90+ days past due and (EOP loans) were \$67 million (\$0.2 billion), \$90 million (\$0.3 billion) and \$138 million (\$0.4 billion) at December 31, 2023, 2022 and 2021, respectively. The amounts excluded for loans 30–89 days past due (the 30–89 days past due EOP loans have the same adjustments as the 90+ days past due EOP loans) were \$36 million, \$37 million and \$35 million at December 31, 2023, 2022 and 2021, respectively. The EOP loans in the table include the guaranteed loans.

N/A Not applicable

Consumer Loan Net Credit Losses and Ratios

	Average loans ⁽¹⁾		Net credit losses ⁽²⁾		
	2023		2023	2022	2021
<i>In millions of dollars, except average loan amounts in billions</i>					
USPB					
Total	\$ 192.6	\$	5,234	\$ 2,918	\$ 2,939
Ratio			2.72 %	1.71 %	1.85 %
Cards					
Total	151.5		4,981	2,640	2,828
Ratio			3.29 %	1.95 %	2.28 %
Branded Cards	101.6		2,664	1,384	1,659
Ratio			2.62 %	1.54 %	2.05 %
Retail Services	49.9		2,317	1,256	1,169
Ratio			4.64 %	2.74 %	2.71 %
Retail Banking	41.1		253	278	111
Ratio			0.62 %	0.79 %	0.32 %
Wealth	\$ 150.1	\$	98	\$ 103	\$ 122
Ratio			0.07 %	0.07 %	0.08 %
All Other—Legacy Franchises (managed basis)⁽³⁾					
Total	\$ 29.2	\$	861	\$ 746	\$ 1,454
Ratio			2.95 %	2.16 %	2.13 %
Mexico Consumer	17.0		682	476	920
Ratio			4.01 %	3.50 %	6.87 %
Asia Consumer (managed basis) ⁽³⁾⁽⁴⁾⁽⁵⁾	9.5		198	316	616
Ratio			2.08 %	1.82 %	1.24 %
Legacy Holdings Assets (consumer)	2.7		(19)	(46)	(82)
Ratio			(0.70)%	(1.35)%	(1.53)%
Reconciling Items ⁽³⁾		\$	(6)	\$ (156)	\$ (6)
Total Citigroup	\$ 371.9	\$	6,187	\$ 3,611	\$ 4,509
Ratio			1.66 %	1.02 %	1.20 %

(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) All Other (managed basis) excludes divestiture-related impacts (Reconciling Items) related to (i) Citi's divestitures of its Asia Consumer businesses and (ii) the planned divestiture of Mexico consumer banking and small business and middle-market banking within Legacy Franchises. The Reconciling Items are fully reflected in the various line items in Citi's Consolidated Statement of Income. See "All Other—Divestiture-Related Impacts (Reconciling Items)" below.

(4) Asia Consumer also includes NCLs and average loans in Poland and Russia for all periods presented and in Bahrain for 2021 only.

(5) Approximately \$25 million, \$155 million and \$6 million in NCLs relating to certain Asia Consumer businesses classified as held-for-sale in Other assets and Other liabilities on the Consolidated Balance Sheet were recorded as a reduction in revenue (Other revenue) in 2023, 2022 and 2021, respectively. Accordingly, these NCLs are not included in this table. See footnote 3 to this table.

Loan Maturities and Fixed/Variable Pricing of Consumer Loans

Loan Maturities

<i>In millions of dollars at December 31, 2023</i>	Due within 1 year	Greater than 1 year but within 5 years	Greater than 5 years but within 15 years	Greater than 15 years	Total
In North America offices					
Residential first mortgages	\$ 3	\$ 281	\$ 3,017	\$ 105,410	\$ 108,711
Home equity loans	5	27	1,519	2,041	3,592
Credit cards ⁽¹⁾	163,563	1,157	—	—	164,720
Personal, small business and other	31,202	4,673	222	38	36,135
Total	\$ 194,773	\$ 6,138	\$ 4,758	\$ 107,489	\$ 313,158
In offices outside North America					
Residential mortgages	\$ 1,179	\$ 273	\$ 4,073	\$ 20,901	\$ 26,426
Credit cards ⁽¹⁾	14,184	49	—	—	14,233
Personal, small business and other	27,508	7,159	214	499	35,380
Total	\$ 42,871	\$ 7,481	\$ 4,287	\$ 21,400	\$ 76,039
Total Consumer	\$ 237,644	\$ 13,619	\$ 9,045	\$ 128,889	\$ 389,197

(1) Credit card loans with maturities greater than one year represent loan modifications to borrowers experiencing financial difficulty and are at fixed interest rates.

Fixed/Variable Pricing

<i>In millions of dollars at December 31, 2023</i>	Due within 1 year	Greater than 1 year but within 5 years	Greater than 5 years but within 15 years	Greater than 15 years	Total
Loans at fixed interest rates					
Residential first mortgages	\$ 460	\$ 366	\$ 2,620	\$ 70,126	\$ 73,572
Home equity loans	5	25	272	85	387
Credit cards ⁽¹⁾	50,435	1,206	—	—	51,641
Personal, small business and other	13,185	8,869	376	366	22,796
Total	\$ 64,085	\$ 10,466	\$ 3,268	\$ 70,577	\$ 148,396
Loans at floating or adjustable interest rates					
Residential first mortgages	\$ 722	\$ 188	\$ 4,470	\$ 56,185	\$ 61,565
Home equity loans	—	2	1,247	1,956	3,205
Credit cards ⁽¹⁾	127,312	—	—	—	127,312
Personal, small business and other	45,525	2,963	60	171	48,719
Total	\$ 173,559	\$ 3,153	\$ 5,777	\$ 58,312	\$ 240,801
Total Consumer	\$ 237,644	\$ 13,619	\$ 9,045	\$ 128,889	\$ 389,197

(1) Credit card loans with maturities greater than one year represent loan modifications to borrowers experiencing financial difficulty and are at fixed interest rates.

ADDITIONAL CONSUMER AND CORPORATE CREDIT DETAILS

Loans Outstanding

<i>In millions of dollars</i>	December 31,				
	2023	2022	2021	2020	2019
Consumer loans					
In North America offices ⁽¹⁾					
Residential first mortgages ⁽²⁾	\$ 108,711	\$ 96,039	\$ 83,361	\$ 83,956	\$ 78,664
Home equity loans ⁽²⁾	3,592	4,580	5,745	7,890	10,174
Credit cards	164,720	150,643	133,868	130,385	149,163
Personal, small business and other	36,135	37,752	40,713	39,259	36,548
Total	\$ 313,158	\$ 289,014	\$ 263,687	\$ 261,490	\$ 274,549
In offices outside North America ⁽¹⁾					
Residential mortgages ⁽²⁾	\$ 26,426	\$ 28,114	\$ 37,889	\$ 42,817	\$ 40,467
Credit cards	14,233	12,955	17,808	22,692	25,909
Personal, small business and other	35,380	37,984	57,150	59,475	60,013
Total	\$ 76,039	\$ 79,053	\$ 112,847	\$ 124,984	\$ 126,389
Consumer loans, net of unearned income⁽³⁾	\$ 389,197	\$ 368,067	\$ 376,534	\$ 386,474	\$ 400,938
Corporate loans					
In North America offices ⁽¹⁾					
Commercial and industrial	\$ 61,008	\$ 56,176	\$ 48,364	\$ 53,930	\$ 52,229
Financial institutions	39,393	43,399	49,804	39,390	38,782
Mortgage and real estate ⁽²⁾	17,813	17,829	15,965	16,522	13,696
Installment and other	23,335	23,767	20,143	17,362	22,219
Lease financing	227	308	415	673	1,290
Total	\$ 141,776	\$ 141,479	\$ 134,691	\$ 127,877	\$ 128,216
In offices outside North America ⁽¹⁾					
Commercial and industrial	\$ 93,402	\$ 93,967	\$ 102,735	\$ 103,234	\$ 112,332
Financial institutions	26,143	21,931	22,158	25,111	28,176
Mortgage and real estate ⁽²⁾	7,197	4,179	4,374	5,277	4,325
Installment and other	27,907	23,347	22,812	24,034	21,273
Lease financing	48	46	40	65	95
Governments and official institutions	3,599	4,205	4,423	3,811	4,128
Total	\$ 158,296	\$ 147,675	\$ 156,542	\$ 161,532	\$ 170,329
Corporate loans, net of unearned income, excluding portfolio layer cumulative basis adjustments⁽⁴⁾	\$ 300,072	\$ 289,154	\$ 291,233	\$ 289,409	\$ 298,545
Unallocated portfolio layer cumulative basis adjustments	\$ 93	\$ —	\$ —	\$ —	\$ —
Corporate loans, net of unearned income⁽⁴⁾	\$ 300,165	\$ 289,154	\$ 291,233	\$ 289,409	\$ 298,545
Total loans—net of unearned income	\$ 689,362	\$ 657,221	\$ 667,767	\$ 675,883	\$ 699,483
Allowance for credit losses on loans (ACLL)	(18,145)	(16,974)	(16,455)	(24,956)	(12,783)
Total loans—net of unearned income and ACLL	\$ 671,217	\$ 640,247	\$ 651,312	\$ 650,927	\$ 686,700
ACLL as a percentage of total loans—net of unearned income⁽⁵⁾	2.66 %	2.60 %	2.49 %	3.73 %	1.84 %
ACLL for consumer loan losses as a percentage of total consumer loans—net of unearned income⁽⁵⁾	3.97 %	3.84 %	3.73 %	5.22 %	2.51 %
ACLL for corporate loan losses as a percentage of total corporate loans—net of unearned income⁽⁵⁾	0.93 %	1.01 %	0.85 %	1.69 %	0.93 %

(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 \$802 million, \$712 million, \$629 million, \$692 million and \$732 million at December 31, 2023, 2022, 2021, 2020 and 2019, respectively. Unearned income on consumer loans primarily represents loan origination fees, net of certain direct origination costs, that are deferred and recognized as *Interest income* over the lives of the related loans.
- (4) Corporate loans include Mexico SBMM loans and are net of unearned income of \$(917) million, \$(797) million, \$(770) million, \$(787) million and \$(763) million at December 31, 2023, 2022, 2021, 2020 and 2019, respectively. Unearned income on corporate loans primarily represents loan origination fees, net of certain direct origination costs, that are deferred and recognized as *Interest income* over the lives of the related loans.
- (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

<i>In millions of dollars</i>	2023	2022	2021	2020	2019
Allowance for credit losses on loans (ACLL) at beginning of year	\$ 16,974	\$ 16,455	\$ 24,956	\$ 12,783	\$ 12,315
Adjustments to opening balance:					
Financial instruments—TDRs and vintage disclosures ⁽¹⁾	(352)	—	—	—	—
Financial instruments—credit losses (CECL) ⁽²⁾	—	—	—	4,201	—
Variable post-charge-off third-party collection costs ⁽³⁾	—	—	—	(443)	—
Adjusted ACLL at beginning of year	\$ 16,622	\$ 16,455	\$ 24,956	\$ 16,541	\$ 12,315
Provision for credit losses on loans (PCLL)					
Consumer	\$ 7,665	\$ 4,128	\$ (1,159)	\$ 12,222	\$ 7,788
Corporate	121	617	(1,944)	3,700	430
Total	\$ 7,786	\$ 4,745	\$ (3,103)	\$ 15,922	\$ 8,218
Gross credit losses on loans					
Consumer					
In U.S. offices	\$ 6,339	\$ 3,944	\$ 4,076	\$ 6,141	\$ 6,590
In offices outside the U.S.	1,214	934	2,144	2,146	2,316
Corporate					
Commercial and industrial, and other					
In U.S. offices	129	110	228	466	213
In offices outside the U.S.	119	81	259	409	196
Loans to financial institutions					
In U.S. offices	4	—	1	14	—
In offices outside the U.S.	36	80	1	12	3
Mortgage and real estate					
In U.S. offices	31	—	10	71	23
In offices outside the U.S.	9	7	1	4	—
Total	\$ 7,881	\$ 5,156	\$ 6,720	\$ 9,263	\$ 9,341
Gross recoveries on loans					
Consumer					
In U.S. offices	\$ 1,124	\$ 1,045	\$ 1,215	\$ 1,094	\$ 988
In offices outside the U.S.	242	222	496	482	504
Corporate					
Commercial and industrial, and other					
In U.S. offices	38	44	57	34	15
In offices outside the U.S.	37	46	54	27	58
Loans to financial institutions					
In U.S. offices	—	6	2	—	—
In offices outside the U.S.	—	3	1	14	—
Mortgage and real estate					
In U.S. offices	—	—	—	—	8
In offices outside the U.S.	3	1	—	1	—
Total	\$ 1,444	\$ 1,367	\$ 1,825	\$ 1,652	\$ 1,573
Net credit losses on loans (NCLs)					
In U.S. offices	\$ 5,341	\$ 2,959	\$ 3,041	\$ 5,564	\$ 5,815

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In offices outside the U.S.		830	1,854	2,047	1,953
Total		3,789	\$ 4,895	\$ 7,611	\$ 7,768
Other—net ⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾	\$ 174	\$ (437)	\$ (503)	\$ 104	\$ 18
Allowance for credit losses on loans (ACLL) at end of year	\$ 18,145	\$ 16,974	\$ 16,455	\$ 24,956	\$ 12,783
ACLL as a percentage of EOP loans ⁽¹⁰⁾	2.66 %	2.60 %	2.49 %	3.73 %	1.84 %
Allowance for credit losses on unfunded lending commitments (ACLUC) ⁽¹¹⁾⁽¹²⁾	\$ 1,728	\$ 2,151	\$ 1,871	\$ 2,655	\$ 1,456
Total ACLL and ACLUC	\$ 19,873	\$ 19,125	\$ 18,326	\$ 27,611	\$ 14,239
Net consumer credit losses on loans	\$ 6,187	\$ 3,611	\$ 4,509	\$ 6,711	\$ 7,414
As a percentage of average consumer loans	1.66 %	1.02 %	1.20 %	1.77 %	1.94 %
Net corporate credit losses on loans	\$ 250	\$ 178	\$ 386	\$ 900	\$ 354
As a percentage of average corporate loans	0.09 %	0.06 %	0.13 %	0.29 %	0.12 %
ACLL by type at end of year⁽¹³⁾					
Consumer	\$ 15,431	\$ 14,119	\$ 14,040	\$ 20,180	\$ 10,056
Corporate	2,714	2,855	2,415	4,776	2,727
Total	\$ 18,145	\$ 16,974	\$ 16,455	\$ 24,956	\$ 12,783

- (1) On January 1, 2023, Citi adopted Accounting Standards Update (ASU) 2022-02, *Financial Instruments—Credit Losses (Topic 326): TDRs and Vintage Disclosures*. The ASU eliminated the accounting and disclosure requirements for TDRs, including the requirement to measure the ACLL for TDRs using a discounted cash flow (DCF) approach. On January 1, 2023, Citi recorded a \$352 million decrease in the *Allowance for loan losses*, along with a \$290 million after-tax increase to *Retained earnings*. See Note 1.
- (2) On January 1, 2020, Citi adopted Accounting Standards Codification (ASC) 326, *Financial Instruments—Credit Losses (CECL)*. The ASC introduces a new credit loss methodology requiring earlier recognition of credit losses while also providing additional disclosure about credit risk. On January 1, 2020, Citi recorded a \$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 consumer ACL due to longer estimated tenors than under the incurred loss methodology under prior U.S. GAAP, net of recoveries, and (ii) a \$0.8 billion decrease to the corporate ACL due to 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.
- (3) 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.
- (4) 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.
- (5) 2023 includes an approximate \$175 million increase related to FX translation.
- (6) 2022 includes an approximate \$350 million reclass related to the announced sales of Citi's consumer banking businesses in Thailand, India, Malaysia, Taiwan, Indonesia, Bahrain and Vietnam. Also includes a decrease of approximately \$100 million related to FX translation.
- (7) 2021 includes an approximate \$280 million reclass related to Citi's agreement to sell its Australia consumer banking business and an approximate \$90 million reclass related to Citi's agreement to sell its Philippines consumer banking business. Those ACLL were reclassified to *Other assets* during 2021. 2021 also includes a decrease of approximately \$134 million related to FX translation.
- (8) 2020 includes reductions of approximately \$4 million related to the transfer to HFS of various real estate loan portfolios. In addition, 2020 includes an increase of approximately \$97 million related to FX translation.
- (9) 2019 includes reductions of approximately \$42 million related to the sale or transfer to HFS of various loan portfolios. In addition, 2019 includes a reduction of approximately \$60 million related to FX translation.
- (10) December 31, 2023, 2022, 2021, 2020 and 2019 exclude \$7.6 billion, \$5.4 billion, \$6.1 billion, \$6.9 billion and \$4.1 billion, respectively, of loans that are carried at fair value.
- (11) Represents additional credit reserves recorded as *Other liabilities* on the Consolidated Balance Sheet.
- (12) 2020 corporate ACLUC includes a non-provision transfer of \$68 million, representing reserves on performance guarantees. The reserves on these contracts were reclassified out of the ACL on unfunded lending commitments and into *Other liabilities*.
- (13) Beginning in 2020, under CECL, the ACLL represents management's estimate of expected credit losses in the portfolio and troubled debt restructurings. See "Significant Accounting Policies and Significant Estimates." Attribution of the ACLL is made for analytical purposes only and the entire ACLL is available to absorb credit losses in the overall portfolio. Prior to 2020, the ACLL represented management's estimate of probable losses inherent in the portfolio, as well as probable losses related to large individually evaluated impaired loans and TDRs.

Allowance for Credit Losses on Loans (ACLL)

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

<i>In billions of dollars</i>	December 31, 2023		
	ACLL	EOP loans, net of unearned income	ACLL as a % of EOP loans ⁽¹⁾
Consumer			
North America cards ⁽²⁾	\$ 12.6	\$ 164.7	7.7 %
North America mortgages ⁽³⁾	0.2	112.0	0.2
North America other ⁽³⁾	0.7	36.2	1.9
International cards	0.9	14.2	6.3
International other ⁽³⁾	1.0	61.8	1.6
Total⁽¹⁾	\$ 15.4	\$ 388.9	4.0 %
Corporate			
Commercial and industrial	\$ 1.7	\$ 151.5	1.1 %
Financial institutions	0.3	65.1	0.5
Mortgage and real estate	0.6	24.9	2.4
Installment and other	0.1	51.3	0.2
Total⁽¹⁾	\$ 2.7	\$ 292.9	0.9 %
Loans at fair value⁽¹⁾	N/A	7.6	N/A
Total Citigroup	\$ 18.1	\$ 689.4	2.7 %

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

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

(2) Includes both Branded Cards and Retail Services. As of December 31, 2023, the \$12.6 billion of ACLL represented approximately 25 months of coincident net credit loss coverage (based on 4Q23 NCLs). As of December 31, 2023, Branded Cards ACLL as a percentage of EOP loans was 6.0% and Retail Services ACLL as a percentage of EOP loans was 11.1%. As of December 31, 2022, the \$11.4 billion of ACLL represented approximately 43 months of coincident net credit loss coverage (based on 4Q22 NCLs). The decrease in the coincident coverage ratio at December 31, 2023 was primarily due to the higher levels of NCLs in 4Q23 versus 4Q22. As of December 31, 2022, Branded Cards ACLL as a percentage of EOP loans was 6.2% and Retail Services ACLL as a percentage of EOP loans was 10.3%.

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

N/A Not applicable

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

<i>In millions of dollars, except percentages</i>	December 31, 2023		
	Funded exposure ⁽¹⁾	ACLL	ACLL as a % of funded exposure
Transportation and industrials	\$ 59,917	\$ 453	0.8 %
Banks and finance companies	52,569	179	0.3
Real estate ⁽²⁾	51,660	663	1.3
Commercial	35,058	599	1.7
Residential	16,602	64	0.4
Consumer retail	33,548	282	0.8
Technology, media and telecom	29,832	376	1.3
Power, chemicals, metals and mining	19,004	270	1.4
Public sector	12,621	102	0.8
Energy and commodities	12,606	166	1.3
Health	9,135	72	0.8
Asset managers and funds	4,232	36	0.9
Insurance	2,390	14	0.6
Securities firms	734	23	3.1
Financial markets infrastructure	156	—	—
Other industries ⁽³⁾	4,480	78	1.7
Total⁽⁴⁾	\$ 292,884	\$ 2,714	0.9 %

(1) Funded exposure excludes loans carried at fair value of \$7.3 billion that are not subject to ACLL under the CECL standard.

(2) As of December 31, 2023, the portion of the ACLL attributed to the total funded CRE exposure (including the Private Bank) was approximately 1.49%.

(3) Includes \$0.6 billion of funded exposure at December 31, 2023, primarily related to commercial credit card delinquency-managed loans.

(4) As of December 31, 2023, the ACLL above reflects coverage of 0.3% of funded investment-grade exposure and 2.9% of funded non-investment-grade exposure.

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

<i>In millions of dollars, except percentages</i>	December 31, 2022		
	Funded exposure ⁽¹⁾	ACLL	ACLL as a % of funded exposure
Transportation and industrials	\$ 57,271	\$ 699	1.2 %
Banks and finance companies	42,276	225	0.5
Real estate	48,539	500	1.0
Commercial	34,112		1.3
Residential			0.5
Consumer retail	32,001		1.1
Technology, media and telecom	28,931		1.1
Power, chemicals, metals and mining	18,326	288	1.6
Public sector	11,736	58	0.5
Energy and commodities	13,069	188	1.4
Health	8,771	81	0.9
Asset managers and funds	13,162	38	0.3
Insurance	4,417	11	0.2
Securities firms	569	11	1.9
Financial markets infrastructure	60	—	—
Other industries ⁽²⁾	4,217	68	1.6
Total⁽³⁾	\$ 284,031	\$ 2,855	1.0 %

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

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

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

Non-Accrual Loans and Assets

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

- Corporate and consumer (including commercial banking) non-accrual status is based on the determination that payment of interest or principal is doubtful.
- A corporate loan may be classified as non-accrual and still be current on principal and interest payments under the terms of the loan structure. Citi's corporate non-accrual loans were \$1.9 billion, \$2.0 billion and \$1.1 billion as of December 31, 2023, September 30, 2023 and December 31, 2022, respectively.
- Consumer non-accrual status is generally based on aging, i.e., the borrower has fallen behind on payments.
- Consumer mortgage loans, other than Federal Housing Administration (FHA)–insured loans, are classified as non-accrual within 60 days of notification that the borrower has filed for bankruptcy. In addition, home equity loans are classified as non-accrual if the related residential first mortgage loan is 90 days or more past due.
- U.S. Branded Cards and Retail Services are not included because, under industry standards, credit card loans accrue interest until such loans are charged off, which typically occurs at 180 days of contractual delinquency.

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.

<i>In millions of dollars</i>	December 31,				
	2023	2022	2021	2020	2019
Corporate non-accrual loans by region⁽¹⁾⁽²⁾⁽³⁾					
North America ⁽⁴⁾	\$ 978	\$ 138	\$ 510	\$ 1,486	\$ 1,082
International	904	984	1,043	1,560	942
Total	\$ 1,882	\$ 1,122	\$ 1,553	\$ 3,046	\$ 2,024
Corporate non-accrual loans⁽¹⁾⁽²⁾⁽³⁾					
Banking	\$ 799	\$ 757	\$ 1,166	\$ 2,595	\$ 1,565
Services	103	153	70	79	113
Markets ⁽⁴⁾	791	13	85	193	179
Mexico SBMM	189	199	232	179	167
Total	\$ 1,882	\$ 1,122	\$ 1,553	\$ 3,046	\$ 2,024
Consumer non-accrual loans⁽¹⁾					
USPB	\$ 291	\$ 282	\$ 344	\$ 456	\$ 269
Wealth	288	259	336	494	174
Asia Consumer ⁽⁵⁾	22	30	209	296	267
Mexico Consumer	479	457	524	774	632
Legacy Holdings Assets (consumer)	235	289	413	602	638
Total	\$ 1,315	\$ 1,317	\$ 1,826	\$ 2,622	\$ 1,980
Total non-accrual loans	\$ 3,197	\$ 2,439	\$ 3,379	\$ 5,668	\$ 4,004

(1) Corporate loans are placed on non-accrual status based on a review by Citigroup's risk officers. Corporate non-accrual loans may still be current on interest payments. With limited exceptions, the following practices are applied for consumer loans: consumer loans, excluding credit cards and mortgages, are placed on non-accrual status at 90 days past due and are charged off at 120 days past due; residential mortgage loans are placed on non-accrual status at 90 days past due and written down to net realizable value at 180 days past due. Consistent with industry conventions, Citigroup generally accrues interest on credit card loans until such loans are charged off, which typically occurs at 180 days contractual delinquency. As such, the non-accrual loan disclosures do not include credit card loans. The balances above represent non-accrual loans within *Corporate loans* and *Consumer loans* on the Consolidated Balance Sheet.

(2) Approximately 50%, 50%, 56%, 64% and 44% of Citi's corporate non-accrual loans remain current on interest and principal payments at December 31, 2023, 2022, 2021, 2020 and 2019, respectively.

(3) The December 31, 2023 total corporate non-accrual loans represented 0.63% of total corporate loans.

(4) The increase at December 31, 2023 was primarily related to two commercial real estate loans.

(5) Asia Consumer includes balances in Poland and Russia for all periods presented and in Bahrain for December 31, 2021, 2020 and 2019.

Modified Loans to Borrowers Experiencing Financial Difficulty

On January 1, 2023, Citi adopted ASU 2022-02, which eliminated the accounting and disclosure requirements for TDRs (see Note 1). See Note 15 for information on loan modifications during the year ended December 31, 2023.

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

<i>In millions of dollars</i>	Year ended December 31, 2023			Year ended December 31, 2022		
	Corporate	Consumer	Total	Corporate	Consumer	Total
Non-accrual loans at beginning of year	\$ 1,122	\$ 1,317	\$ 2,439	\$ 1,553	\$ 1,826	\$ 3,379
Additions	2,103	1,702	3,805	2,123	1,374	3,497
Sales and transfers to HFS	(110)	(22)	(132)	(21)	(240)	(261)
Returned to performing	(141)	(315)	(456)	(378)	(408)	(786)
Paydowns/settlements	(819)	(476)	(1,295)	(1,814)	(585)	(2,399)
Charge-offs	(264)	(851)	(1,115)	(260)	(598)	(858)
Other	(9)	(40)	(49)	(81)	(52)	(133)
Ending balance	\$ 1,882	\$ 1,315	\$ 3,197	\$ 1,122	\$ 1,317	\$ 2,439

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:

<i>In millions of dollars</i>	December 31,				
	2023	2022	2021	2020	2019
OREO					
North America	\$ 17	\$ 10	\$ 15	\$ 19	\$ 39
International	19	5	12	24	22
Total OREO	\$ 36	\$ 15	\$ 27	\$ 43	\$ 61
Non-accrual assets					
Corporate non-accrual loans	\$ 1,882	\$ 1,122	\$ 1,553	\$ 3,046	\$ 2,024
Consumer non-accrual loans	1,315	1,317	1,826	2,622	1,980
Non-accrual loans (NAL)	\$ 3,197	\$ 2,439	\$ 3,379	\$ 5,668	\$ 4,004
OREO	\$ 36	\$ 15	\$ 27	\$ 43	\$ 61
Non-accrual assets (NAA)	\$ 3,233	\$ 2,454	\$ 3,406	\$ 5,711	\$ 4,065
NAL as a percentage of total loans	0.46 %	0.37 %	0.51 %	0.84 %	0.52 %
NAA as a percentage of total assets	0.13	0.10	0.15	0.25	0.21
ACLL as a percentage of NAL ⁽¹⁾	568	696	487	440	319

- (1) The ACLL includes the allowance for Citi's credit card portfolios and purchased credit-deteriorated loans, while the non-accrual loans exclude credit card balances (with the exception of certain international portfolios) and, prior to 2020, include purchased credit-deteriorated loans as these continue to accrue interest until charge-off.