CITIGROUP INC
Form 10-Q
May 11, 2015

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

Delaware (State or other jurisdiction of incorporation or organization)	52-1568099 (I.R.S. Employer Identification No.)
399 Park Avenue, New York, NY (Address of principal executive offices)	10022 (Zip code)

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

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

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

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

Number of shares of Citigroup Inc. common stock outstanding on March 31, 2015: 3,034,139,677

Available on the web at www.citigroup.com

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OVERVIEW

This Quarterly Report on Form 10-Q should be read in conjunction with Citigroup's Annual Report on Form 10-K for the year ended December 31, 2014 filed with the U.S. Securities and Exchange Commission (SEC) on February 25, 2015 (2014 Annual Report on Form 10-K). Additional information about Citigroup is available on Citi's website at www.citigroup.com. Citigroup's recent annual reports on Form 10-K, quarterly reports on Form 10-Q, proxy statements, as well as other filings with the SEC, are available free of charge through Citi's website by clicking on the "Investors" page and selecting "All SEC Filings." The SEC's website also contains current reports, information statements, and other information regarding Citi at www.sec.gov.

Certain reclassifications, including a realignment of certain businesses, have been made to the prior periods' financial statements to conform to the current period's presentation. For additional information on certain recent reclassifications, see Note 1 to the Consolidated Financial Statements and Citi's Current Report on Form 8-K furnished to the SEC on April 8, 2015.

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

Citigroup is managed pursuant to the following segments:
(1) For reporting purposes, Asia GCB includes the results of operations of EMEA GCB for all periods presented.
Note: Reflects recent business reclassifications. See “Overview” above for additional information.

The following are the four regions in which Citigroup operates. The regional results are fully reflected in the segment results above.

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

EXECUTIVE SUMMARY

First Quarter of 2015—Continued Progress on Execution Priorities
Citi's first quarter of 2015 reflected solid overall results and steady progress on its execution priorities, including:

- Efficient resource allocation and disciplined expense management: Citi continued to take actions to simplify and streamline the organization as well as improve productivity. Citi's expense management in the current quarter was further aided by significantly lower legal and related expenses in Citi Holdings as compared to the prior-year period, as discussed further below.
- Continued wind down of Citi Holdings, while maintaining profitability: Citi continued to wind down Citi Holdings, including reducing its assets by $29 billion, or 19%, from the prior-year period. In addition, as of March 31, 2015, Citi had executed agreements to sell over $30 billion of the remaining assets in Citi Holdings, including OneMain Financial, the largest business remaining in Citi Holdings. As described further below, Citi Holdings also maintained profitability in the first quarter of 2015.
- Utilization of deferred tax assets (DTAs): Citi utilized approximately $1.2 billion in DTAs during the first quarter of 2015 (for additional information, see "Income Taxes" below).

While making steady progress on these initiatives in the first quarter of 2015, Citi expects the operating environment in 2015 to remain challenging. Overall, economic growth remains uneven, macroeconomic uncertainties and volatility continue and interest rates remain low. The legal environment also remains challenging, as the severity of the remedies sought, and obtained, in legal and regulatory proceedings against financial institutions has increased substantially over the past several years, and could lead to uncertain and potentially significant collateral consequences. For more information on these and other trends and risks that could impact Citi's businesses, results of operations and financial condition, see the discussion of each businesses' results of operations, "Forward-Looking Statements" and Note 25 to the Consolidated Financial Statements below, as well as the "Risk Factors" section of Citi's 2014 Annual Report on Form 10-K.

First Quarter of 2015 Summary Results

Citigroup
Citigroup reported net income of $4.8 billion or $1.51 per diluted share, compared to $3.9 billion or $1.23 per share in the prior-year period. Results in the first quarter of 2015 included negative $73 million (negative $47 million after-tax) of CVA/DVA, compared to $7 million ($4 million after-tax) in the first quarter of 2014. First quarter of 2014 results also included approximately a $210 million tax charge related to

corporate tax reforms enacted in two states, recorded in Corporate/Other.
Excluding these items, Citi reported net income of $4.8 billion in the first quarter of 2015, or $1.52 per diluted share, compared to $4.2 billion, or $1.30 per share, in the prior-year period. The 16% increase from the prior-year period was primarily driven by lower operating expenses, including the significantly lower legal and related expenses in Citi Holdings, and lower net credit losses, partially offset by lower revenues and a reduced net loan loss reserve release. (Citi's results of operations excluding the impacts of CVA/DVA and the tax charge are non-GAAP financial measures.)
Citi's revenues, net of interest expense, were $19.7 billion in the first quarter of 2015, down 2% versus the prior-year period. Excluding CVA/DVA, revenues were $19.8 billion, also down 2% from the prior-year period, driven by a 1% decline in Citicorp and a 7% decline in Citi Holdings. Excluding CVA/DVA and the impact of foreign exchange translation into U.S. dollars for reporting purposes (FX translation), Citigroup revenues increased 1% from the

prior-year period, as 2% growth in Citicorp revenues was partially offset by the decrease in Citi Holdings. (Citi's results of operations excluding the impact of FX translation are non-GAAP financial measures.)

Expenses

Citigroup expenses decreased 10% versus the first quarter of 2014 to $10.9 billion, mostly driven by lower legal and related expenses ($387 million compared to $945 million in the prior-year period) and repositioning costs ($16 million compared to $211 million in the prior-year period), as well as the impact of FX translation (which lowered expenses by approximately $573 million in the first quarter of 2015 compared to the prior-year period).

Excluding the impact of FX translation, Citigroup's expenses declined 6% driven by the significant decline in legal and related expenses in Citi Holdings, partially offset by a slight increase in Citicorp's expenses.

Excluding the impact of FX translation, which lowered reported expenses by approximately $516 million in the first quarter of 2015, compared to the prior-year period, Citicorp expenses increased 1%, as growth-related expenses and higher regulatory and compliance cost were partially offset by ongoing efficiency savings. Citicorp expenses in the first quarter of 2015 included legal and related expenses of $307 million (largely in Corporate/Other), compared to $162 million in the prior-year period, and $1 million of repositioning charges, compared to $191 million in the prior-year period.

Citi Holdings' expenses were $1.2 billion, down 43% from the prior-year period, reflecting the lower legal and related expenses ($80 million in the first quarter 2015 compared to $784 million in the prior-year period) as well as the ongoing decline in Citi Holdings' assets.

Credit Costs and Allowance for Loan Losses

Citi's total provisions for credit losses and for benefits and claims of $1.9 billion declined 3% from the prior-year period. Net credit losses of $2.0 billion were down 20% versus the prior-year period. Consumer net credit losses declined 14% to $2.0 billion, reflecting continued improvements in the North America mortgage portfolio within Citi Holdings, as well as improvements in both North America Citi-branded cards and Citi retail services in Citicorp. Corporate net credit losses decreased to negative $9 million from $145 million in the prior-year period. As previously disclosed, corporate net credit losses in the first quarter of 2014 included approximately $165 million of net credit losses related to the Pemex supplier program in Mexico (for additional information, see "Institutional Clients Group" below).

The net release of allowance for loan losses and unfunded lending commitments was $239 million in the first quarter of 2015, compared to a $673 million release in the prior-year period. Citicorp's net reserve release declined to $38 million from $323 million in prior-year period due to a lower reserve release in North America Global Consumer Banking (GCB), as credit continued to stabilize, and a reserve build in Institutional Clients Group (ICG) (for additional information, see "Institutional Clients Group" below). Citi Holdings' net reserve release decreased 43% to $201 million, primarily due to lower releases related to the North America mortgage portfolio, which also had lower net credit losses.

For additional information on Citi's credit costs and allowance for loan losses, including delinquency trends in its credit portfolios, see "Credit Risk" below. Overall, Citi expects its credit costs could increase during the remainder 2015, driven by loan growth as well as lower loan loss reserve releases.

Capital

Citi continued to grow its regulatory capital during the first quarter of 2015, primarily through retained earnings and continued utilization of its DTAs, as referenced above. Citigroup's Tier 1 Capital and Common Equity Tier 1 Capital ratios, on a fully implemented basis, were 12.1% and 11.1% as of March 31, 2015, respectively, compared to 11.1% and 10.5% as of March 31, 2014 (all based on the Basel III Advanced Approaches for determining risk-weighted assets). Citigroup's Supplementary Leverage ratio as of March 31, 2015, on a fully implemented basis, was 6.4%, compared to 5.7% as of March 31, 2014. For additional information on Citi's capital ratios and related components, see "Capital Resources" below.

Citicorp

Citicorp net income increased 9% from the prior-year period to $4.6 billion. CVA/DVA, recorded in ICG, was negative $69 million (negative $44 million after-tax) in the first quarter of 2015, compared to negative $7 million (negative $4 million after-tax) in the prior-year period (for a summary of CVA/DVA by business within ICG, see "Institutional Clients Group" below).

Excluding CVA/DVA as well as the tax item in the prior-year period noted above, Citicorp's net income was $4.7 billion, up 5% from the prior-year period, primarily driven by lower operating expenses and lower net credit losses, partially offset by lower revenues and a lower net loan loss reserve release.

Citicorp revenues, net of interest expense, decreased 2% from the prior-year period to $17.9 billion. Excluding CVA/DVA, Citicorp revenues were $18.0 billion in the first quarter of 2015, down 1% from the prior-year period. As referenced above, excluding CVA/DVA and the impact of FX translation, Citicorp's revenues grew 2%, driven by retail banking in North America GCB and Banking within ICG, partially offset by lower Markets revenues.

GCB revenues of $8.7 billion decreased 2% versus the prior-year period. Excluding the impact of FX translation, GCB revenues increased 2%, driven by growth in North America. North America GCB revenues increased 4% to $5.0 billion driven by higher retail banking revenues and higher Citi retail services revenues, partially offset by lower revenues in Citi-branded cards. Retail banking revenues increased 18% to $1.3 billion versus the prior-year period, reflecting continued volume growth, higher mortgage origination activity, improved deposit spreads and the impact of asset sales. Citi-branded cards revenues of $2.0 billion were down 1% versus the prior-year period, as the impact of lower average loans was partially offset by growth in purchase sales and an improvement in spreads. Citi retail services revenues increased 1% to $1.6 billion, primarily reflecting the impact of higher spreads and growth in average loans, partially offset by higher contractual partner payments. North America GCB average deposits of $172 billion grew 1% year-over-year and average retail loans of $48 billion grew 6%. Average card loans of $108 billion decreased 3%, and purchase sales of $57 billion increased 2% versus the prior-year period. For additional information on the results of operations of North America GCB for the first quarter of 2015, see “Global Consumer Banking-North America GCB” below.

International GCB revenues (consisting of EMEA GCB, Latin America GCB and Asia GCB) decreased 10% versus the prior-year period to $3.7 billion. Excluding the impact of FX translation, international GCB revenues were largely unchanged versus the prior-year period, reflecting relatively unchanged revenues in Latin America GCB and a 1% decline in Asia GCB (for the impact of FX translation on the first quarter of 2015 results of operations for each of Latin America GCB and Asia GCB, see the table accompanying the discussion of each respective business’ results of operations below). International GCB revenues, excluding the impact of FX translation, mainly reflected modest volume growth offset by spread compression, the ongoing impact of regulatory

changes as well as the impact of business divestitures in Latin America GCB in the prior-year period. For additional information on the results of operations of Latin America GCB and Asia GCB (which includes the results of operations of EMEA GCB for reporting purposes) for the first quarter of 2015, see “Global Consumer Banking” below.
Year-over-year, international GCB average deposits of $131 billion increased 5%, average retail loans of $101 billion increased 4%, investment sales of $22 billion increased 4%, average card loans of $27 billion increased 2% and card purchase sales of $25 billion increased 7%, all excluding the impact of FX translation.
ICG revenues were $9.0 billion in the first quarter of 2015, down 1% from the prior-year period. Excluding CVA/DVA, ICG revenues were $9.1 billion, also down 1% from the prior-year period. Banking revenues of $4.2 billion, excluding CVA/DVA and the impact of mark-to-market gains (losses) on hedges related to accrual loans within corporate lending (see below), increased 4% from the prior-year period, primarily reflecting growth in investment banking, corporate lending and private bank revenues. Investment banking revenues increased 14% versus the prior-year period, driven by a 70% increase in advisory revenues to $298 million and a 16% increase in debt underwriting to $669 million, partially offset by a 23% decline in equity underwriting revenues to $231 million. Private bank revenues, excluding CVA/DVA, increased 6% to $708 million from the prior-year period, driven by increased client volumes and growth in capital markets products. Corporate lending revenues rose 25% to $497 million, including $52 million of mark-to-market gains on hedges related to accrual loans, compared to a $17 million loss in the prior-year period. Excluding the mark-to-market impact on hedges related to accrual loans in both periods, corporate lending revenues rose 7% versus the prior-year period to $445 million, reflecting growth in average loans and improvement in mark-to-market adjustments. Treasury and trade solutions revenues decreased 2% versus the prior-year period to $1.9 billion. Excluding the impact of FX translation, treasury and trade solutions revenues increased 4%, as growth in deposit balances and spreads was partially offset by lower trade revenues.
Markets and securities services revenues of $4.8 billion, excluding CVA/DVA, decreased 6% from the prior-year period. Fixed income markets revenues of $3.5 billion, excluding CVA/DVA, decreased 11% from the prior-year period, primarily driven by lower spread product revenues, partially offset by growth in rates and currencies revenues. Equity markets revenues of $873 million, excluding CVA/DVA, declined 1% versus the prior-year period, driven by lower revenues in cash equities partially offset by growth in prime finance. Securities services revenues of $543 million increased 12% versus the prior-year period reflecting increased activity and higher client balances. For additional information on the results of operations of ICG for the first quarter of 2015, see “Institutional Clients Group” below.
Corporate/Other revenues decreased slightly to $212 million from $223 million in the prior-year period. For additional information on the results of operations of

Corporate/Other for the first quarter of 2015, see “Corporate/Other” below.
Citicorp end-of-period loans decreased 1% from the prior-year period to $559 billion. Corporate loans were unchanged at $279 billion, and consumer loans decreased 3% to $280 billion. Excluding the impact of FX translation, Citicorp loans grew 2%, with 4% growth in corporate loans and 1% growth in consumer loans.

Citi Holdings
Citi Holdings’ net income was $146 million in the first quarter of 2015, compared to a net loss of $284 million in the prior-year period. CVA/DVA was negative $4 million (negative $3 million after-tax) in the first quarter of 2015, compared to $14 million ($8 million after-tax) in the prior-year period. Excluding the impact of CVA/DVA, Citi Holdings’ net income was $149 million in the current quarter, compared to a net loss of $292 million in the prior-year period, primarily reflecting the lower legal and related expenses.
Citi Holdings’ revenues decreased 8% to $1.8 billion from the prior-year period. Excluding CVA/DVA, Citi Holdings’ revenues decreased 7% to $1.8 billion from the prior-year period, primarily driven by the overall wind down of the portfolio. For additional information on the results of operations of Citi Holdings in the first quarter of 2015, see “Citi Holdings” below.
At the end of the current quarter, Citi Holdings’ assets were $122 billion, 19% below the prior-year period, and represented approximately 7% of Citi’s total GAAP assets and 14% of its risk-weighted assets under Basel III (based

on the Advanced Approaches for determining risk-weighted assets).

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

	First Quarter		
In millions of dollars, except per-share amounts and ratios	2015	2014	% Change
Net interest revenue	$11,572	$11,759	(2)%
Non-interest revenue	8,164	8,447	(3)
Revenues, net of interest expense	$19,736	$20,206	(2)%
Operating expenses	10,884	12,149	(10)
Provisions for credit losses and for benefits and claims	1,915	1,974	(3)
Income from continuing operations before income taxes	$6,937	$6,083	14%
Income taxes	2,120	2,131	(1)
Income from continuing operations	$4,817	$3,952	22%
Income (loss) from discontinued operations, net of taxes [1]	(5)	37	NM
Net income before attribution of noncontrolling interests	$4,812	$3,989	21%
Net income attributable to noncontrolling interests	42	45	(7)
Citigroup's net income	$4,770	$3,944	21%
Less:			
Preferred dividends-Basic	$128	$124	3%
Dividends and undistributed earnings allocated to employee restricted and deferred shares that contain nonforfeitable rights to dividends, applicable to basic EPS	62	62	—
Income allocated to unrestricted common shareholders for basic EPS	$4,580	$3,758	22%
Add: Interest expense, net of tax, dividends on convertible securities and adjustment of undistributed earnings allocated to employee restricted and deferred shares with nonforfeitable rights to dividends, applicable to diluted EPS	—	—	—
Income allocated to unrestricted common shareholders for diluted EPS	$4,580	$3,758	22%
Earnings per share			
Basic			
Income from continuing operations	$1.51	$1.23	23%
Net income	1.51	1.24	22
Diluted			
Income from continuing operations	$1.51	$1.22	24%
Net income	1.51	1.23	23
Dividends declared per common share	0.01	0.01	—

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

SUMMARY OF SELECTED FINANCIAL DATA—PAGE 2

	Citigroup Inc. and Consolidated Subsidiaries First Quarter		
In millions of dollars, except per-share amounts, ratios and direct staff	2015	2014	% Change
At March 31:			
Total assets	$1,831,801	$1,894,390	(3)%
Total deposits [2]	899,647	966,263	(7)
Long-term debt	210,522	222,747	(5)
Citigroup common stockholders' equity	202,652	200,898	1
Total Citigroup stockholders' equity	214,620	208,116	3
Direct staff (in thousands)	239	248	(4)
Performance metrics			
Return on average assets	1.04%	0.85%	
Return on average common stockholders' equity[3]	9.4	7.8	
Return on average total stockholders' equity[3]	9.1	7.8	
Efficiency ratio (Operating expenses/Total revenues)	55	60	
Basel III ratios - full implementation			
Common Equity Tier 1 Capital [4]	11.06%	10.45%	
Tier 1 Capital [4]	12.07	11.11	
Total Capital [4]	13.38	12.52	
Supplementary Leverage ratio [5]	6.44	5.70	
Citigroup common stockholders' equity to assets	11.06%	10.60%	
Total Citigroup stockholders' equity to assets	11.72	10.99	
Dividend payout ratio [6]	0.7	0.8	
Book value per common share	$66.79	$66.13	1%
Ratio of earnings to fixed charges and preferred stock dividends	3.13x	2.59x	

(1) Discontinued operations include Credicard, Citi Capital Advisors and Egg Banking credit card business. See Note 2 to the Consolidated Financial Statements for additional information on Citi's discontinued operations.

(2) Reflects reclassification of approximately $20 billion of deposits to held-for-sale (Other liabilities) at March 31, 2015 as a result of the agreement in December 2014 to sell Citi's retail banking business in Japan. See Note 2 to the Consolidated Financial Statements.

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

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

(5) Citi's Supplementary Leverage ratio (SLR) is based on the U.S. Basel III rules, on a fully-implemented basis. Citi's SLR represents the ratio of Tier 1 Capital to Total Leverage Exposure (TLE). TLE is the sum of the daily average of on-balance sheet assets for the quarter and the average of certain off-balance sheet exposures calculated as of the last day of each month in the quarter, less applicable Tier 1 Capital deductions. See "Capital Resources" below.

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

NM Not meaningful

SEGMENT AND BUSINESS—INCOME (LOSS) AND REVENUES

The following tables show the income (loss) and revenues for Citigroup on a segment and business view:

CITIGROUP INCOME

In millions of dollars	First Quarter 2015	2014	% Change
Income (loss) from continuing operations			
CITICORP			
Global Consumer Banking			
North America	$1,140	$1,018	12 %
Latin America	244	291	(16)
Asia [(1)]	341	365	(7)
Total	$1,725	$1,674	3 %
Institutional Clients Group			
North America	$1,015	$1,305	(22)%
EMEA	857	792	8
Latin America	413	340	21
Asia	679	511	33
Total	$2,964	$2,948	1 %
Corporate/Other	$(19)	$(388)	95 %
Total Citicorp	$4,670	$4,234	10 %
Citi Holdings	$147	$(282)	NM
Income from continuing operations	$4,817	$3,952	22 %
Discontinued operations	$(5)	$37	NM
Net income attributable to noncontrolling interests	42	45	(7)%
Citigroup’s net income	$4,770	$3,944	21 %

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

NM Not meaningful

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CITIGROUP REVENUES

In millions of dollars	First Quarter 2015	2014	% Change
CITICORP			
Global Consumer Banking			
North America	$4,994	$4,790	4 %
Latin America	1,835	2,083	(12)
Asia (1)	1,833	1,971	(7)
Total	$8,662	$8,844	(2)%
Institutional Clients Group			
North America	$3,303	$3,561	(7)%
EMEA	2,763	2,771	—
Latin America	1,065	1,101	(3)
Asia	1,897	1,721	10
Total	$9,028	$9,154	(1)%
Corporate/Other	$212	$223	(5)%
Total Citicorp	$17,902	$18,221	(2)%
Citi Holdings	$1,834	$1,985	(8)%
Total Citigroup net revenues	$19,736	$20,206	(2)%

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

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CITICORP

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

Citicorp consists of the following operating businesses: Global Consumer Banking (which consists of consumer banking in North America, Latin America, EMEA and Asia) and Institutional Clients Group (which includes Banking and Markets and securities services). Citicorp also includes Corporate/Other. At March 31, 2015, Citicorp had $1.7 trillion of assets and $888 billion of deposits, representing 93% of Citi’s total assets and 99% of Citi’s total deposits, respectively.

	First Quarter		
In millions of dollars except as otherwise noted	2015	2014	% Change
Net interest revenue	$10,517	$10,583	(1)%
Non-interest revenue	7,385	7,638	(3)
Total revenues, net of interest expense	$17,902	$18,221	(2)%
Provisions for credit losses and for benefits and claims			
Net credit losses	$1,549	$1,866	(17)%
Credit reserve build (release)	(6)	(300)	98
Provision for loan losses	$1,543	$1,566	(1)%
Provision for benefits and claims	28	41	(32)
Provision for unfunded lending commitments	(32)	(23)	(39)
Total provisions for credit losses and for benefits and claims	$1,539	$1,584	(3)%
Total operating expenses	$9,727	$10,131	(4)%
Income from continuing operations before taxes	$6,636	$6,506	2%
Income taxes	1,966	2,272	(13)
Income from continuing operations	$4,670	$4,234	10%
Income (loss) from discontinued operations, net of taxes	(5)	37	NM
Noncontrolling interests	41	43	(5)
Net income	$4,624	$4,228	9%
Balance sheet data (in billions of dollars)			
Total end-of-period (EOP) assets	$1,710	$1,743	(2)%
Average assets	1,727	1,736	(1)
Return on average assets	1.09%	0.99%	
Efficiency ratio (Operating expenses/Total revenues)	54%	56%	
Total EOP loans	$559	$567	(1)
Total EOP deposits	$888	$904	(2)

NM Not meaningful

GLOBAL CONSUMER BANKING

Global Consumer Banking (GCB) consists of Citigroup's four geographical consumer banking businesses that provide traditional banking services to retail customers through retail banking, commercial banking, Citi-branded cards and Citi retail services (for additional information on these businesses, see "Citigroup Segments" above). GCB is a globally diversified business with 3,027 branches in 24 countries around the world as of March 31, 2015. At March 31, 2015, GCB had $387 billion of assets and $304 billion of deposits.

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

	First Quarter		% Change
In millions of dollars except as otherwise noted	2015	2014	
Net interest revenue	$6,701	$6,801	(1)%
Non-interest revenue	1,961	2,043	(4)
Total revenues, net of interest expense	$8,662	$8,844	(2)%
Total operating expenses	$4,552	$4,871	(7)%
Net credit losses	$1,551	$1,732	(10)%
Credit reserve build (release)	(113)	(213)	47
Provision (release) for unfunded lending commitments	(1)	(3)	67
Provision for benefits and claims	28	41	(32)
Provisions for credit losses and for benefits and claims	$1,465	$1,557	(6)%
Income from continuing operations before taxes	$2,645	$2,416	9%
Income taxes	920	742	24
Income from continuing operations	$1,725	$1,674	3%
Noncontrolling interests	(5)	7	NM
Net income	$1,730	$1,667	4%
Balance Sheet data (in billions of dollars)			
Average assets	$394	$406	(3)%
Return on average assets	1.78%	1.67%	
Efficiency ratio	53%	55%	
Total EOP assets	$387	$407	(5)
Average deposits	302	303	—
Net credit losses as a percentage of average loans	2.22%	2.43%	
Revenue by business			
Retail banking	$3,774	$3,789	—%
Cards [1]	4,888	5,055	(3)
Total	$8,662	$8,844	(2)%
Income from continuing operations by business			
Retail banking	$574	$426	35%
Cards [1]	1,151	1,248	(8)
Total	$1,725	$1,674	3%

(Table continues on next page.)

Foreign currency (FX) translation impact			
Total revenue-as reported	$8,662	$8,844	(2)%
Impact of FX translation (2)	—	(371)	
Total revenues-ex-FX	$8,662	$8,473	2 %
Total operating expenses-as reported	$4,552	$4,871	(7)%
Impact of FX translation (2)	—	(220)	
Total operating expenses-ex-FX	$4,552	$4,651	(2)%
Total provisions for LLR & PBC-as reported	$1,465	$1,557	(6)%
Impact of FX translation (2)	—	(84)	
Total provisions for LLR & PBC-ex-FX	$1,465	$1,473	(1)%
Net income-as reported	$1,730	$1,667	4 %
Impact of FX translation (2)	—	(28)	
Net income-ex-FX	$1,730	$1,639	6 %

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

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

NM Not meaningful

NORTH AMERICA GCB

North America GCB provides traditional banking and Citi-branded cards and Citi retail services to retail customers and small to mid-size businesses in the U.S. North America GCB's 788 retail bank branches as of March 31, 2015 were largely concentrated in the greater metropolitan areas of New York, Chicago, Miami, Washington, D.C., Boston, Los Angeles and San Francisco.

At March 31, 2015, North America GCB had approximately 11.3 million retail banking customer accounts, $47.8 billion of retail banking loans and $172.6 billion of deposits. In addition, North America GCB had approximately 111.0 million Citi-branded and Citi retail services credit card accounts, with $105.9 billion in outstanding card loan balances.

	First Quarter		% Change
In millions of dollars, except as otherwise noted	2015	2014	
Net interest revenue	$4,305	$4,187	3 %
Non-interest revenue	689	603	14
Total revenues, net of interest expense	$4,994	$4,790	4 %
Total operating expenses	$2,292	$2,439	(6)%
Net credit losses	$961	$1,102	(13)%
Credit reserve build (release)	(100)	(271)	63
Provisions for benefits and claims	10	7	43
Provision for unfunded lending commitments	1	2	(50)
Provisions for credit losses and for benefits and claims	$872	$840	4 %
Income from continuing operations before taxes	$1,830	$1,511	21 %
Income taxes	690	493	40
Income from continuing operations	$1,140	$1,018	12 %
Noncontrolling interests	—	—	—
Net income	$1,140	$1,018	12 %
Balance Sheet data (in billions of dollars)			
Average assets	$208	$210	(1)%
Return on average assets	2.22 %	1.97 %	
Efficiency ratio	46 %	51 %	
Average deposits	$171.6	$170.7	1
Net credit losses as a percentage of average loans	2.51 %	2.87 %	
Revenue by business			
Retail banking	$1,348	$1,144	18 %
Citi-branded cards	2,009	2,021	(1)
Citi retail services	1,637	1,625	1
Total	$4,994	$4,790	4 %
Income from continuing operations by business			
Retail banking	$197	$18	NM
Citi-branded cards	539	564	(4)
Citi retail services	404	436	(7)
Total	$1,140	$1,018	12 %

NM Not meaningful

1Q15 vs. 1Q14

Net income increased 12% due to higher revenues, lower expenses and lower net credit losses, partially offset by a lower net loan loss reserve release.

Revenues increased 4%, primarily reflecting higher revenues in retail banking. Net interest revenue increased 3% primarily due to continued volume growth in retail banking and improved deposit spreads, which more than offset lower average loans in Citi-branded cards. Non-interest revenue increased 14%, driven by higher mortgage origination revenues due to higher U.S. mortgage refinancing activity and a gain on sale of approximately $110 million related to the sale of branches in Texas compared to a gain of approximately $70 million related to a sale-leaseback transaction in the prior-year period. The increase in non-interest revenues was partially offset by a continued decline in Citi retail services non-interest revenues, primarily reflecting higher contractual partner payments.

Retail banking revenues of $1.3 billion increased 18% due to 6% growth in average loans, 1% growth in average deposits, the gain on branch sales, the higher mortgage origination revenues and improved deposit spreads. Consistent with GCB’s strategy, since the first quarter of 2014, North America GCB closed or sold 174 branches (an 18% decline from the prior-year period).

Cards revenues were unchanged as a 3% decrease in average loans was partially offset by a 2% increase in purchase sales to $57.4 billion, despite the continuing negative impact of lower gas prices, particularly in Citi retail services. In Citi-branded cards, revenues decreased 1% as the continued impact of lower average loans (5% decline from the prior-year period) was partially offset by the impact of a 3% increase in purchase sales and higher net interest spreads, driven by the continued reduction of promotional balances in the portfolio and lower cost of funds. The decline in average loans was driven primarily by the reduction in promotional balances, and to a lesser extent, increased customer payment rates.

Citi retail services revenues increased 1% primarily due to the impact of higher spreads and 1% growth in average loans, partially offset by the higher contractual partner payments. Purchase sales in Citi retail services decreased 1% from the prior-year period, as the impact from lower gas prices was partially offset by portfolio growth.

Expenses decreased 6% as ongoing cost reduction initiatives and lower repositioning charges and legal and related expenses were partially offset by increased investment spending.

Provisions increased 4% due to lower loan loss reserve releases (63%), partially offset by lower net credit losses (13%). Net credit losses declined in Citi-branded cards (down 16% to $492 million) and in Citi retail services (down 10% to $433 million). The lower loan loss reserve release reflected continued stabilization in the cards portfolios.

LATIN AMERICA GCB

Latin America GCB provides traditional banking and Citi-branded card services to retail customers and small to mid-size businesses, with the largest presence in Mexico and Brazil. Latin America GCB includes branch networks throughout Latin America as well as Banco Nacional de Mexico, or Banamex, Mexico’s second-largest bank, with 1,498 branches as of March 31, 2015.

At March 31, 2015, Latin America GCB had 1,700 retail branches, with approximately 30.5 million retail banking customer accounts, $25.6 billion in retail banking loans and $42.0 billion in deposits. In addition, the business had approximately 8.1 million Citi-branded card accounts with $8.5 billion in outstanding loan balances.

	First Quarter		% Change
In millions of dollars, except as otherwise noted	2015	2014	
Net interest revenue	$1,242	$1,364	(9)%
Non-interest revenue	593	719	(18)
Total revenues, net of interest expense	$1,835	$2,083	(12)%
Total operating expenses	$1,080	$1,203	(10)%
Net credit losses	$417	$436	(4)%
Credit reserve build (release)	22	51	(57)
Provision (release) for unfunded lending commitments	(3)	(1)	NM
Provision for benefits and claims	18	34	(47)
Provisions for loan losses and for benefits and claims (LLR & PBC)	$454	$520	(13)%
Income from continuing operations before taxes	$301	$360	(16)%
Income taxes	57	69	(17)
Income from continuing operations	$244	$291	(16)%
Noncontrolling interests	—	2	(100)
Net income	$244	$289	(16)%
Balance Sheet data (in billions of dollars)			
Average assets	$68	$76	(11)%
Return on average assets	1.46%	1.54%	
Efficiency ratio	59%	58%	
Average deposits	$42.2	$43.8	(4)
Net credit losses as a percentage of average loans	4.90%	4.60%	
Revenue by business			
Retail banking	$1,251	$1,420	(12)%
Citi-branded cards	584	663	(12)
Total	$1,835	$2,083	(12)%
Income from continuing operations by business			
Retail banking	$154	$204	(25)%
Citi-branded cards	90	87	3
Total	$244	$291	(16)%

Foreign currency (FX) translation impact			
Total revenues-as reported	$1,835	$2,083	(12)%
Impact of FX translation (1)	—	(255)	
Total revenues-ex-FX	$1,835	$1,828	— %
Total operating expenses-as reported	$1,080	$1,203	(10)%
Impact of FX translation (1)	—	(132)	
Total operating expenses-ex-FX	$1,080	$1,071	1 %
Provisions for LLR & PBC-as reported	$454	$520	(13)%
Impact of FX translation (1)	—	(69)	
Provisions for LLR & PBC-ex-FX	$454	$451	1 %
Net income-as reported	$244	$289	(16)%
Impact of FX translation (1)	—	(25)	
Net income-ex-FX	$244	$264	(8)%

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

NM Not Meaningful

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

1Q15 vs. 1Q14

Net income decreased 8% primarily due to higher expenses and credit costs.

Revenues were unchanged as higher volume growth in Mexico (1% increase in average loans and 8% increase in average deposits) was offset by the impact of business divestitures in the prior year, including the sales of the Honduras consumer business in the second quarter of 2014 and the partial sale of Citi’s indirect investment in Banco de Chile in the first quarter of 2014. Net interest revenue increased 4% due to 2% average loan growth and stable spreads in Mexico, partially offset by ongoing spread compression in other Latin America markets and the impact of the business divestitures in the prior-year period. Non-interest revenue decreased 7%, primarily due to the impact of the business divestitures in the prior-year period.

Retail banking revenues were unchanged, as increases in average loans (2%), investment sales (3%) and average deposits (6%) were offset by the impact of the business divestitures in the prior-year period. Cards revenues increased 1%, as growth in Mexico was largely offset by declines in other Latin America markets. Slow economic growth in the region continued to impact cards revenue growth.

Expenses increased 1%, primarily due to higher legal and related expenses and higher technology costs, partially offset by lower repositioning charges and efficiency savings.

Provisions increased 1%, primarily due to higher net credit losses, partially offset by a lower loan loss reserve build. Net credit losses increased 10%, primarily driven by portfolio growth and continued seasoning in the Mexico cards portfolio. The loan loss reserve build declined 57% due to a lower build related to Mexico cards, partially offset by a build in Brazil commercial banking.

Argentina/Venezuela

For additional information on Citi’s exposures and risks in Argentina and Venezuela , see “Risk Factors” in Citi’s 2014 Annual Report on Form 10-K and “Managing Global Risk-Country and Cross-Border Risk” below.

ASIA GCB

Asia GCB provides traditional banking and Citi-branded card services to retail customers and small to mid-size businesses, with the largest Citi presence in Korea, Singapore, Hong Kong, Australia, India, Taiwan, Malaysia, Thailand, Indonesia and the Philippines as of March 31, 2015. In addition, for reporting purposes, Asia GCB includes the results of operations of EMEA GCB, which provides traditional banking and Citi-branded card services to retail customers and small to mid-size businesses, primarily in Poland, Russia and the United Arab Emirates.

At March 31, 2015, on a combined basis, the businesses had 539 retail branches, approximately 17.4 million retail banking customer accounts, $74.5 billion in retail banking loans and $89.7 billion in deposits. In addition, the businesses had approximately 17.2 million Citi-branded card accounts with $17.8 billion in outstanding loan balances.

In millions of dollars, except as otherwise noted [(1)]	First Quarter 2015	2014	% Change
Net interest revenue	$1,154	$1,250	(8)%
Non-interest revenue	679	721	(6)
Total revenues, net of interest expense	$1,833	$1,971	(7)%
Total operating expenses	$1,180	$1,229	(4)%
Net credit losses	$173	$194	(11)%
Credit reserve build (release)	(35)	7	NM
Provision for unfunded lending commitments	1	(4)	NM
Provisions for loan losses	$139	$197	(29)%
Income from continuing operations before taxes	$514	$545	(6)%
Income taxes	173	180	(4)
Income from continuing operations	$341	$365	(7)%
Noncontrolling interests	(5)	5	NM
Net income	$346	$360	(4)%
Balance Sheet data (in billions of dollars)			
Average assets	$118	$120	(2)%
Return on average assets	1.19 %	1.22 %	
Efficiency ratio	64 %	62 %	
Average deposits	$88.4	$88.4	—
Net credit losses as a percentage of average loans	0.75 %	0.83 %	
Revenue by business			
Retail banking	$1,175	$1,225	(4)%
Citi-branded cards	658	746	(12)
Total	$1,833	$1,971	(7)%
Income from continuing operations by business			
Retail banking	$223	$204	9 %
Citi-branded cards	118	161	(27)
Total	$341	$365	(7)%
Foreign currency (FX) translation impact			
Total revenues-as reported	$1,833	$1,971	(7)%
Impact of FX translation [(2)]	—	(116)	
Total revenues-ex-FX	$1,833	$1,855	(1)%
Total operating expenses-as reported	$1,180	$1,229	(4)%
Impact of FX translation [(2)]	—	(88)	
Total operating expenses-ex-FX	$1,180	$1,141	3 %
Provisions for loan losses-as reported	$139	$197	(29)%
Impact of FX translation [(2)]	—	(15)	
Provisions for loan losses-ex-FX	$139	$182	(24)%
Net income-as reported	$346	$360	(4)%

Impact of FX translation [2]	—	(3)	
Net income-ex-FX	$346	$357	(3)%

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

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

1Q15 vs. 1Q14

Net income decreased 3%, primarily due to higher expenses and lower revenues, partially offset by lower credit costs.

Revenues decreased 1%. Non-interest revenue decreased 1%, primarily driven by lower fee revenues. Net interest revenue declined 1%, driven by the ongoing impact of regulatory changes, continued spread compression and the repositioning of the franchise in Korea during 2014.

Retail banking revenues increased 1%, primarily due to higher volumes, as investment sales increased 5%, average retail deposits increased 5% and average retail loans increased 5%, largely offset by continued spread compression and the repositioning of the franchise in Korea.

Cards revenues decreased 5% due to the ongoing impact of spread compression and regulatory changes, particularly in Australia, Hong Kong, Taiwan, Korea and Poland, partially offset by a 3% increase in average loans and a 6% increase in purchase sales.

While the repositioning in Korea during 2014 continued to have a negative impact on year-over-year revenue comparisons in Asia GCB, revenues in Korea remained largely stable on a sequential basis. Further, while Citi could continue to experience a negative impact on revenues from spread compression and regulatory changes in several markets, it expects the impact of regulatory change and spread compression could begin to abate.

Expenses increased 3%, largely due to higher regulatory and compliance costs, volume-related growth and investment spending, partially offset by ongoing efficiency savings.

Provisions decreased 24%, primarily due to higher loan loss reserve releases and lower net credit losses.

Russia

For additional information on Citi's exposures and risks in Russia, see "EMEA GCB" and "Risk Factors" in Citi's 2014 Annual Report on Form 10-K and "Managing Global Risk-Country and Cross-Border Risk" below.

INSTITUTIONAL CLIENTS GROUP

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

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

ICG's international presence is supported by trading floors in approximately 80 countries and a proprietary network in over 95 countries and jurisdictions. At March 31, 2015, ICG had approximately $1.3 trillion of assets and $571 billion of deposits, while two of its businesses, securities services and issuer services, managed approximately $16.0 trillion of assets under custody compared to $14.7 trillion at the end of the prior-year period.

In millions of dollars, except as otherwise noted	First Quarter 2015	First Quarter 2014	% Change
Commissions and fees	$995	$1,014	(2)%
Administration and other fiduciary fees	608	624	(3)%
Investment banking	1,134	957	18%
Principal transactions	2,198	2,603	(16)%
Other	249	139	79%
Total non-interest revenue	$5,184	$5,337	(3)%
Net interest revenue (including dividends)	3,844	3,817	1%
Total revenues, net of interest expense	$9,028	$9,154	(1)%
Total operating expenses	$4,632	$4,858	(5)%
Net credit losses	$(2)	$134	NM
Provision (release) for unfunded lending commitments	107	(87)	NM
Credit reserve release	(31)	(20)	(55)%
Provisions for credit losses	$74	$27	NM
Income from continuing operations before taxes	$4,322	$4,269	1%
Income taxes	1,358	1,321	3%
Income from continuing operations	$2,964	$2,948	1%
Noncontrolling interests	36	26	38%
Net income	$2,928	$2,922	—%
Average assets (in billions of dollars)	$1,274	$1,282	(1)%
Return on average assets	0.93%	0.92%	
Efficiency ratio	51%	53%	
Revenues by region			
North America	$3,303	$3,561	(7)%
EMEA	2,763	2,771	—%
Latin America	1,065	1,101	(3)%
Asia	1,897	1,721	10%
Total	$9,028	$9,154	(1)%

Income from continuing operations by region			
North America	$1,015	$1,305	(22)%
EMEA	857	792	8%
Latin America	413	340	21%
Asia	679	511	33%
Total	$2,964	$2,948	1%

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Average loans by region (in billions of dollars)			
North America	$119	$107	11 %
EMEA	57	57	— %
Latin America	38	40	(5)%
Asia	62	68	(9)%
Total	$276	$272	1 %
EOP deposits by business (in billions of dollars)			
Treasury and trade solutions	$387	$381	2 %
All other ICG businesses	184	188	(2)%
Total	$571	$569	— %

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

In millions of dollars	First Quarter 2015	2014	% Change
Investment banking revenue details			
Advisory	$298	$175	70 %
Equity underwriting	231	299	(23)
Debt underwriting	669	579	16
Total investment banking	$1,198	$1,053	14 %
Treasury and trade solutions	1,889	1,921	(2)
Corporate lending - excluding gain/(loss) on loan hedges	445	416	7
Private bank	708	670	6
Total banking revenues (ex-CVA/DVA and gain/(loss) on loan hedges)	$4,240	$4,060	4 %
Corporate lending - gain/(loss) on loan hedges [1]	$52	$(17)	NM
Total banking revenues (ex-CVA/DVA and including gain/(loss) on loan hedges)	$4,292	$4,043	6 %
Fixed income markets	$3,483	$3,929	(11)%
Equity markets	873	882	(1)
Securities services	543	485	12
Other	(94)	(178)	47
Total Markets and securities services (ex-CVA/DVA)	$4,805	$5,118	(6)%
Total ICG (ex-CVA/DVA)	$9,097	$9,161	(1)%
CVA/DVA (excluded as applicable in lines above) [2]	(69)	(7)	NM
Fixed income markets	(75)	(26)	NM
Equity markets	3	16	(81)
Private bank	3	3	—
Total revenues, net of interest expense	$9,028	$9,154	(1)%

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

(2) Funding valuation adjustments (FVA) is included within CVA for presentation purposes. For additional information, see Note 22 to the Consolidated Financial Statements.

NM Not meaningful

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

1Q15 vs. 1Q14

Net income increased 2%, primarily driven by lower expenses, partially offset by lower revenues and an increase in the cost of credit.

- Revenues decreased 1%, reflecting lower revenues in Markets and securities services (decrease of 6%), partially offset by higher revenues in Banking (increase of 6%, 4% excluding the gains/(losses) on hedges on accrual loans).

Within Banking:

- Investment banking revenues increased 14%, reflecting improved overall wallet share, partially offset by a decline in the overall market environment due to lower loan underwriting activity. The increase in Citi's overall wallet share was primarily driven by advisory and debt underwriting, partially offset by a decrease in equity underwriting. Advisory revenues increased 70%, reflecting increased wallet share and strength in the overall M&A market. Equity underwriting revenues decreased 23% due in part to further share fragmentation. Debt underwriting revenues increased 16% due to the increased wallet share, particularly in investment grade debt in North America.
- Treasury and trade solutions revenues decreased 2%. Excluding the impact of FX translation, revenues increased 4%, as continued growth in deposit balances and improved spreads were partially offset by lower activity and the impact of spread compression in trade, particularly in Asia. End-of-period deposit balances increased 2% (7% excluding the impact of FX translation), largely driven by North America and Asia. Average trade loans decreased 15% (12% excluding the impact of FX translation), as the business maintained origination volumes while reducing lower spread assets and increasing asset sales to optimize returns (see "Balance Sheet Review" below).
- Corporate lending revenues increased 25%. Excluding the impact of gains/(losses) on hedges on accrual loans, revenues increased 7%, primarily due to continued growth in average loan balances and improvement in mark-to-market adjustments.
- Private bank revenues increased 6%, primarily due to growth in client business volumes in both lending and banking, as well as higher capital markets activity, partially offset by continued spread compression in lending and lower managed investment revenues driven by strong performance in the prior-year period.

Within Markets and securities services:

- Fixed income markets revenues decreased 11%, driven by a decrease in spread products revenues, partially offset by growth in rates and currencies revenues. Spread products revenues declined, particularly in North America, due to lower activity in the quarter, as well as strong performance in the prior-year period. Distressed credit, non-investment grade collateralized lending obligations and municipals products all experienced lower activity levels due to lower risk appetite across the credit markets, partially offset by increased client activity in investment grade credit. Rates and currencies revenues increased, particularly in EMEA and Asia, due to increased client flows in G10 and local markets, driven in part by central bank actions and increased foreign exchange volatility, partially offset by the previously-disclosed modest loss on the Swiss franc revaluation early in the current quarter.
- Equity markets revenues decreased 1%, primarily reflecting lower cash equity revenues due to reduced client flows, particularly in North America and EMEA, partially offset by growth in prime finance largely due to improved spreads.
-

Securities services revenues increased 12%, reflecting increased client activity and higher client balances, which drove growth in net interest revenue and custody and clearing fees.

Expenses decreased 5%, primarily due to the impact of FX translation, lower legal and related expenses, lower repositioning charges and ongoing efficiency savings, partially offset by increased regulatory and compliance costs and higher volume-related costs.
Provisions increased $47 million to $74 million, primarily reflecting a higher loan loss reserve build related to corporate energy exposure (for additional information, see "Managing Global Risk-Credit Risk-Corporate Credit Details" below), partially offset by lower net credit losses largely due to the absence of $165 million of credit costs related to the Pemex supplier program in the prior-year period (for additional information, see Citi's Form 8-K filed with the SEC on February 28, 2014).

Russia
For additional information on Citi's exposures and risks in Russia, see "Institutional Clients Group-Russia" and "Risk Factors" in Citi's 2014 Annual Report on Form 10-K and "Managing Global Risk-Country and Cross-Border Risk" below.

CORPORATE/OTHER

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

	First Quarter		%
In millions of dollars	2015	2014	Change
Net interest revenue	$(28)	$(35)	20%
Non-interest revenue	240	258	(7)
Total revenues, net of interest expense	$212	$223	(5)%
Total operating expenses	$543	$402	35%
Provisions for loan losses and for benefits and claims	—	—	—%
Loss from continuing operations before taxes	$(331)	$(179)	(85)%
Benefits for income taxes	(312)	209	NM
Loss from continuing operations	$(19)	$(388)	95%
Income (loss) from discontinued operations, net of taxes	(5)	37	NM
Net loss before attribution of noncontrolling interests	$(24)	$(351)	93%
Noncontrolling interests	10	10	—%
Net loss	$(34)	$(361)	91%

NM Not meaningful

1Q15 vs. 1Q14

The net loss decreased $327 million to $34 million, primarily due to the absence of the tax charge in the prior-year period (see "Executive Summary" above) and a slightly lower effective tax rate in the current quarter, partially offset by higher legal and related expenses.

Revenues decreased 5%, primarily due to hedging activities, partially offset by higher revenues from sales of available-for-sale securities.

Expenses increased 35%, as the higher legal and related expenses ($316 million compared to $88 million in the prior-year period) were partially offset by lower repositioning charges and the benefits of FX translation.

CITI HOLDINGS

Citi Holdings contains businesses and portfolios of assets that Citigroup has determined are not central to its core Citicorp businesses. Effective in the first quarter of 2015, this includes the previously-announced $31 billion of assets that were previously reported as part of Citicorp (for additional information, see Citi's Form 8-K furnished with the SEC on April 8, 2015).

In addition, during the first quarter of 2015, Citi announced the sales of OneMain Financial, the Japan cards business and the consumer business in Nicaragua. These sales are expected to close in the second half of 2015. As a result of these and other sale agreements, at the end of the first quarter of 2015, Citi Holdings had approximately $35 billion of assets held-for-sale (HFS). For additional information on these HFS assets, see Note 2 to the Consolidated Financial Statements.

As of March 31, 2015, Citi Holdings assets were approximately $122 billion, a decrease of 19% year-over-year and 5% from December 31, 2014. The decline in assets of $7 billion from December 31, 2014 primarily consisted of divestitures and run-off. As of March 31, 2015, consumer assets in Citi Holdings were approximately $108 billion, or approximately 89% of Citi Holdings assets. Of the consumer assets, approximately $54 billion, or 50%, consisted of North America mortgages (residential first mortgages and home equity loans), including consumer mortgages originated by Citi's legacy CitiFinancial North America business (approximately $9 billion, or 17%, of the $54 billion as of March 31, 2015). As of March 31, 2015, Citi Holdings represented approximately 7% of Citi's GAAP assets and 14% of its risk-weighted assets under Basel III (based on the Advanced Approaches for determining risk-weighted assets).

In millions of dollars, except as otherwise noted	First Quarter 2015	2014	% Change
Net interest revenue	$1,055	$1,176	(10)%
Non-interest revenue	779	809	(4)
Total revenues, net of interest expense	$1,834	$1,985	(8)%
Provisions for credit losses and for benefits and claims			
Net credit losses	$408	$573	(29)%
Credit reserve release	(196)	(346)	43
Provision for loan losses	$212	$227	(7)%
Provision for benefits and claims	169	167	1
Release for unfunded lending commitments	(5)	(4)	(25)
Total provisions for credit losses and for benefits and claims	$376	$390	(4)%
Total operating expenses	$1,157	$2,018	(43)%
Income (loss) from continuing operations before taxes	$301	$(423)	NM
Income taxes (benefits)	154	(141)	NM
Income (loss) from continuing operations	$147	$(282)	NM
Noncontrolling interests	1	2	(50)%
Net Income (loss)	$146	$(284)	NM
Total revenues, net of interest expense (excluding CVA/DVA)			
Total revenues-as reported	$1,834	$1,985	(8)%
CVA/DVA[1]	(4)	14	NM
Total revenues-excluding CVA/DVA	$1,838	$1,971	(7)%
Balance sheet data (in billions of dollars)			
Average assets	$125	$152	(18)%
Return on average assets	0.47%	(0.76)%	
Efficiency ratio	63%	102%	
Total EOP assets	$122	$151	(19)%
Total EOP loans	62	97	(36)
Total EOP deposits	12	62	(81)

(1) FVA is included within CVA for presentation purposes. For additional information, see Note 22 to the Consolidated Financial Statements.
NM Not meaningful

The discussion of the results of operations for Citi Holdings below excludes the impact of CVA/DVA for all periods presented. Presentations of the results of operations, excluding the impact of CVA/DVA, are non-GAAP financial measures. For a reconciliation of these metrics to the reported results, see the table above.

1Q15 vs. 1Q14
Net income was $149 million, an improvement from a net loss of $292 million in the prior-year period, primarily reflecting lower legal and related expenses, partially offset by lower revenues.
Revenues decreased 7%, primarily driven by the overall continued wind-down of the portfolio, partially offset by higher gains on asset sales and lower funding costs.
Expenses decreased 43%, principally reflecting the lower legal and related expenses ($80 million compared to $784 million in the prior-year period) as well as the ongoing decline in assets.
Provisions decreased 4%, driven by lower net credit losses, partially offset by a lower net loss reserve release. Net credit losses declined 29%, primarily due to continued improvements in North America mortgages and overall lower asset levels. The net reserve release decreased 43% to $201 million, primarily due to lower releases related to the North America mortgage portfolio, partially offset by higher reserve releases related to asset sales.

BALANCE SHEET REVIEW

The following sets forth a general discussion of the changes in certain of the more significant line items of Citi's Consolidated Balance Sheet. For a description of and additional information on each of these balance sheet categories, see Notes 10, 12, 13, 14 and 17 to the Consolidated Financial Statements. For additional information on Citigroup's liquidity resources, including its deposits, short-term and long-term debt and secured financing transactions, see "Managing Global Risk—Market Risk—Funding and Liquidity Risk" below.

In billions of dollars	Mar. 31, 2015	December 31, 2014	Mar. 31, 2014	EOP 1Q15 vs. 4Q14 Increase (decrease)	% Change	EOP 1Q15 vs. 1Q14 Increase (decrease)	% Change
Assets							
Cash and deposits with banks	$156	$160	$204	$(4)	(3)%	$(48)	(24)%
Federal funds sold and securities borrowed or purchased under agreements to resell	239	243	263	(4)	(2)	(24)	(9)
Trading account assets	303	297	278	6	2	25	9
Investments	327	333	313	(6)	(2)	14	4
Loans, net of unearned income	621	645	664	(24)	(4)	(43)	(6)
Allowance for loan losses	(15)	(16)	(19)	1	(6)	4	(21)
Loans, net	606	629	645	(23)	(4)	(39)	(6)
Other assets	201	180	191	21	12	10	5
Total assets	$1,832	$1,842	$1,894	$(10)	(1)%	$(62)	(3)%
Liabilities							
Deposits	$900	$899	$966	$1	—%	$(66)	(7)%
Federal funds purchased and securities loaned or sold under agreements to repurchase	175	173	191	2	1	(16)	(8)
Trading account liabilities	142	139	124	3	2	18	15
Short-term borrowings	39	58	59	(19)	(33)	(20)	(34)
Long-term debt	211	223	223	(12)	(5)	(12)	(5)
Other liabilities	149	138	121	11	8	28	23
Total liabilities	$1,616	$1,630	$1,684	$(14)	(1)%	$(68)	(4)%
Total equity	216	212	210	4	2	6	3
Total liabilities and equity	$1,832	$1,842	$1,894	$(10)	(1)%	$(62)	(3)%

ASSETS

Cash and Deposits with Banks

Cash and deposits with banks decreased from the prior-year period as Citi continued to deploy its excess cash by increasing its investment portfolio to manage its interest rate position as well as reduce its short-term and long-term borrowings. Average cash balances were $167 billion in the first quarter of 2015 compared to $205 billion in the first quarter of 2014.

Federal Funds Sold and Securities Borrowed or Purchased Under Agreements to Resell (Reverse Repos)

The decline in reverse repos and securities borrowing transactions from the prior-year period was primarily due to the impact of FX translation (for additional information, see "Managing Global Risk-Market Risk-Funding and Liquidity Risk" below).

Trading Account Assets

Trading account assets increased from the prior-year period, as increased market volatility, particularly in currencies within Markets and securities services within ICG, increased the carrying value of Citi's derivatives positions. Average trading account assets were $300 billion in the first quarter of 2015 compared to $286 billion in the first quarter of 2014.

Investments

The increase in investments year-over-year reflected Citi's continued deployment of its excess cash (as discussed above) by investing in available-for-sale securities, particularly in U.S. treasuries. Sequentially, investments decreased slightly reflecting overall position management as well as actions related to the dispositions of Citi's Japan consumer business and its remaining stake in Akbank T.A.S. during the current quarter.

Loans

The impact of FX translation on Citi’s reported loans was negative $24 billion versus the prior-year period and negative $7 billion sequentially. Excluding the impact of FX translation, Citigroup end of period loans declined 3% year-over-year to $621 billion as 2% growth in Citicorp was more than offset by the continued wind-down of Citi Holdings.

Citicorp consumer loans grew 1% year-over-year, with broad-based growth driving a 3% increase in international consumer loans. Corporate loans grew 4% year-over-year. Traditional corporate loans and private bank volumes increased, as Citi supported transaction activity among its core clients. Treasury and trade services loans decreased 10%. Spread compression in trade, particularly in Asia, led to a reduction of on-balance sheet loans while Citi continued to support new originations for its clients.

Citi Holdings loans decreased 35% year-over-year driven by an approximately $17 billion reduction in North America mortgages, as well as the reclassification of $10 billion of loans to held-for-sale related to the agreements to sell OneMain Financial and Citi’s Japan credit card business announced during the current quarter.

Sequentially, the decline in loans, excluding the impact of FX translation, was primarily due to the decline in Citi Holdings referenced above as well as a seasonal reduction in credit card loans in North America GCB.

During the first quarter of 2015, average loans of $635 billion yielded an average rate of 6.8%, compared to $651 billion and 6.7% in the fourth quarter of 2014 and $659 billion and 6.9% in the first quarter of 2014.

For further information on Citi’s loan portfolios, see “Managing Global Risk—Credit Risk” and “Country Risk” below.

Other Assets

The increase in other assets during the periods presented was largely due to the reclassification to HFS of OneMain Financial and Citi’s Japan credit card business during the current quarter, as discussed under “Loans” above.

LIABILITIES

Deposits

For a discussion of Citi’s deposits, see “Managing Global Risk—Market Risk—Funding and Liquidity Risk” below.

Federal Funds Purchased and Securities Loaned or Sold Under Agreements to Repurchase (Repos)

Repos decreased 8% from the prior-year period, primarily driven by FX translation. For further information on Citi’s secured financing transactions, see “Managing Global Risk-Market Risk-Funding and Liquidity” below.

Trading Account Liabilities

The increase in trading account liabilities from the prior-year period was consistent with and driven by the increase in trading account assets, as discussed above. Average trading account liabilities were $158 billion during the first quarter of 2015, compared to $120 billion in the first quarter of 2014.

Debt

For information on Citi’s long-term and short-term debt borrowings, see “Managing Global Risk—Market Risk—Funding and Liquidity Risk” below.

Other Liabilities

The increase in other liabilities during the periods presented was primarily driven by the reclassification to held-for-sale of approximately $21 billion of deposits as a result of Citi’s previously-announced agreement in the fourth quarter of 2014 to sell its Japan retail banking business, as well as changes in the levels of brokerage payables driven by normal business fluctuations.

Segment Balance Sheet[(1)]

In millions of dollars	Global Consumer Banking	Institutional Clients Group	Corporate/Other and Consolidating Eliminations[(2)]	Subtotal Citicorp	Citi Holdings	Citigroup Parent Company-Issued Long-Term Debt and Stockholders' Equity[(3)]	Total Citigroup Consolidated
Assets							
Cash and deposits with banks	$11,022	$64,602	$ 79,643	$155,267	$509	$—	$155,776
Federal funds sold and securities borrowed or purchased under agreements to resell	782	236,854	—	237,636	1,379	—	239,015
Trading account assets	4,830	293,343	861	299,034	3,949	—	302,983
Investments	22,260	91,068	204,704	318,032	8,783	—	326,815
Loans, net of unearned income and allowance for loan losses	271,472	276,636	—	548,108	58,348	—	606,456
Other assets	50,133	63,347	44,750	158,230	42,526	—	200,756
Liquidity assets[(4)]	27,000	245,175	(278,441)	(6,266)	6,266	—	—
Total assets	$387,499	$1,271,025	$ 51,517	$1,710,041	$121,760	$—	$1,831,801
Liabilities and equity							
Total deposits [(5)]	$304,282	$571,108	$ 12,356	$887,746	$11,901	$—	$899,647
Federal funds purchased and securities loaned or sold under agreements to repurchase	5,141	170,114	—	175,255	116	—	175,371
Trading account liabilities	16	141,540	30	141,586	852	—	142,438
Short-term borrowings	297	37,045	1,991	39,333	72	—	39,405
Long-term debt	1,324	33,808	23,966	59,098	3,797	147,627	210,522
Other liabilities	17,245	81,823	14,888	113,956	34,439	—	148,395
Net inter-segment funding (lending)	59,194	235,587	(3,117)	291,664	70,583	(362,247)	—
Total liabilities	$387,499	$1,271,025	$ 50,114	$1,708,638	$121,760	$(214,620)	$1,615,778
Total equity	—	—	1,403	1,403	—	214,620	216,023
Total liabilities and equity	$387,499	$1,271,025	$ 51,517	$1,710,041	$121,760	$—	$1,831,801

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

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

(3)

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

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

(5) Reflects reclassification of approximately $20 billion of deposits to held-for-sale (Other liabilities) at March 31, 2015 as a result of the agreement in December 2014 to sell Citi's retail banking business in Japan.

OFF-BALANCE SHEET ARRANGEMENTS

The table below shows where a discussion of Citi's various off balance sheet arrangements may be found in this Form 10-Q. For additional information on Citi's off-balance sheet arrangements, see "Off-Balance Sheet Arrangements," "Significant Accounting Policies and Significant Estimates—Securitizations" and Notes 1, 22 and 27 to the Consolidated Financial Statements in Citigroup's 2014 Annual Report on Form 10-K.

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

CAPITAL RESOURCES

Overview

Capital is used principally to support assets in Citi's businesses and to absorb credit, market and operational losses. Citi primarily generates capital through earnings from its operating businesses. Citi may augment its capital through issuances of common stock, noncumulative perpetual preferred stock and equity issued through awards under employee benefit plans, among other issuances. During the first quarter of 2015, Citi continued to raise capital through a noncumulative perpetual preferred stock issuance amounting to approximately $1.5 billion, resulting in a total of approximately $12 billion outstanding as of March 31, 2015.

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

Capital Management

Citigroup's capital management framework is designed to ensure that Citigroup and its principal subsidiaries maintain sufficient capital consistent with each entity's respective risk profile and all applicable regulatory standards and guidelines. For additional information regarding Citigroup's capital management, see "Capital Resources—Capital Management" in Citigroup's 2014 Annual Report on Form 10-K.

Current Regulatory Capital Standards