



**Citigroup Inc.  
Resolution Plan**

**Public Section**

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## 1. Introduction and Description of Resolution Strategy

Citigroup Inc. is pleased to submit its 2015 Resolution Plan to the Federal Deposit Insurance Corporation (FDIC) and the Board of Governors of the Federal Reserve System (Federal Reserve). The 2015 Resolution Plan covers Citigroup Inc. (Citigroup Parent) and its subsidiaries and affiliates (collectively, Citi) as required by the final rules adopted by the Federal Reserve and the FDIC pursuant to Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the 165(d) Rule and the Dodd-Frank Act, respectively). As required by the 165(d) Rule, Citi's 2015 Resolution Plan describes the company's strategy for rapid and orderly resolution under Chapter 11 of the U.S. Bankruptcy Code in times of severe financial distress.

Citi has made recovery and resolution preparedness a company-wide priority. Citi's management and board are committed to demonstrating to regulators, clients and all stakeholders that, in the event of severe financial distress, Citi can be resolved under Title I of the Dodd-Frank Act without material systemic disruption or cost to taxpayers. To this end, as this 2015 Resolution Plan shows, Citi is taking extensive steps to ensure that it is structured and operated in a way that is conducive to orderly resolution.

Over the past several years, Citi has devoted significant resources to enhancing capabilities and practices that support both recovery and resolution planning. The firm completed significant work prior to July 2014 and made further progress in the twelve months ending in July 2015. Going forward, Citi is committed to further strengthening its capabilities through a series of actions which Citi expects to complete by July 2017.

Citi's 2015 Resolution Plan is based on a Full Single Point of Entry (Full SPOE) strategy. Under the Full SPOE strategy, all of Citi's operating subsidiaries remain solvent and fully operational throughout the resolution process because resources from Citigroup Parent, which Citi believes are more than adequate for this purpose, are used to recapitalize the operating subsidiaries before Citigroup Parent initiates bankruptcy proceedings. Citi believes it has sufficient liquidity to meet both its contractual obligations and any stressed cash outflow requirements that could be experienced throughout resolution. The Full SPOE strategy minimizes the impact of Citi's resolution on the financial system, depositors and Citi's other customers and counterparties, while maximizing and preserving the value of Citi's businesses for Citigroup Parent stakeholders.

## Core Business Lines (CBLs)

Citi is managed through three main business lines: Banking (part of the Institutional Clients Group); Markets & Securities Services (part of the Institutional Clients Group); and Global Consumer Banking.

For the purposes of the 2015 Resolution Plan, Citi has identified the business lines below as CBLs according to the definition provided by the 165(d) Rule, which specifies that a CBL is a business line — including associated operations, services, functions and support — that upon its failure would result in a material loss of revenue, profit or franchise value for Citi. In identifying its CBLs for resolution planning purposes, Citi began with the businesses that are core to Citi’s strategy and incorporated quantitative and qualitative criteria such as market share, assets and revenues, customer base, geographic footprint and growth outlook. Citi’s CBLs are:

<u>Banking CBLs</u>	<u>Markets &amp; Securities Services CBLs</u>	<u>Global Consumer Banking CBLs</u>
<ul style="list-style-type: none"> <li>• Global Payments</li> <li>• Liquidity Management Services</li> <li>• Debt Capital Markets</li> <li>• Corporate Portfolio Management</li> </ul>	<ul style="list-style-type: none"> <li>• Municipal Securities Division</li> <li>• Global Foreign Exchange / Local Markets (FX/LM)</li> <li>• G10 Rates</li> </ul>	<ul style="list-style-type: none"> <li>• U.S. Branded Cards</li> <li>• U.S. Retail Services</li> <li>• U.S. Retail Banking</li> <li>• U.S. Consumer Mortgages</li> <li>• International Consumer:               <ul style="list-style-type: none"> <li>○ Mexico</li> <li>○ Hong Kong</li> <li>○ Singapore</li> </ul> </li> </ul>

As part of Citi’s ongoing strategic and financial planning activities, this list of Citi’s CBLs is subject to ongoing evaluation and possible revision. Owing to the pending agreement to sell the retail banking and credit card business in Japan, Citi has eliminated one CBL: International Consumer - Japan (CBL 11.4 in previous submissions).

## Material Legal Entities (MLEs)

At the most basic level, Citi’s legal entity structure consists of:

1. Banking activities conducted by Citibank, N.A. (CBNA), including its branches and subsidiaries, and Banco Nacional de Mexico, S.A. (Banamex);
2. Capital markets and banking activities conducted by Citi’s separately capitalized broker-dealers; and
3. Operations & Technology activities conducted by select subsidiaries.

For the purposes of the 2015 Resolution Plan, Citi has identified the entities and branches below as MLEs according to the definition provided by the 165(d) Rule, which specifies that an MLE is an entity — including a subsidiary or foreign office — that is significant to the activities of a CBL or critical operation (CO). Each of Citi’s CBLs is operated through one or more MLEs:

[Holding Company](#)

Name	Jurisdiction of organization
Citigroup Inc. (Citigroup Parent)	U.S.

[Banking Entities and Branches](#)

Name	Jurisdiction of organization
<b>Primary Insured Depository Institution</b>	
Citibank, N.A. (CBNA)	U.S.
<b>Subsidiaries of CBNA</b>	
CitiMortgage, Inc. (CMI)	U.S.
Citibank International Limited (CIL)	UK
Citibank Europe plc (CEP)	Ireland
Citibank Japan Ltd. (CJL)	Japan
Citibank Singapore Ltd. (CSL)	Singapore
Citibank (Hong Kong) Ltd. (CHKL)	Hong Kong
<b>Branches of CBNA</b>	
Citibank, N.A. London (CBNA London)	UK
Citibank, N.A. Hong Kong (CBNA Hong Kong)	Hong Kong
Citibank, N.A. Singapore (CBNA Singapore)	Singapore
Citibank, N.A. Bahamas (CBNA Bahamas)	The Bahamas
Citibank, N.A. Dublin (CBNA Dublin)	Ireland
Citibank, N.A. ROHQ (CBNA ROHQ)	Philippines
Citibank, N.A. Frankfurt (CBNA Frankfurt)	Germany
<b>Additional Bank Subsidiary of Citigroup Parent</b>	
Banco Nacional de Mexico, S.A. (Banamex)	Mexico

Of the seven CBNA branches designated as MLEs, three — CBNA Dublin, CBNA Frankfurt and CBNA ROHQ — have been designated because of the intercompany services they provide, rather than any banking operations conducted. CBNA Dublin and CBNA ROHQ conduct no banking activities.

### Broker-Dealer Entities

Name	Jurisdiction of organization
Citigroup Global Markets Inc. (CGMI)	U.S.
Citigroup Global Markets Ltd. (CGML)	UK
Citigroup Global Markets Japan Inc. (CGMJ)	Japan

Collectively, the banking entities and branches and the broker-dealer entities are referred to as Citi’s “operating MLEs.”

### Service MLEs

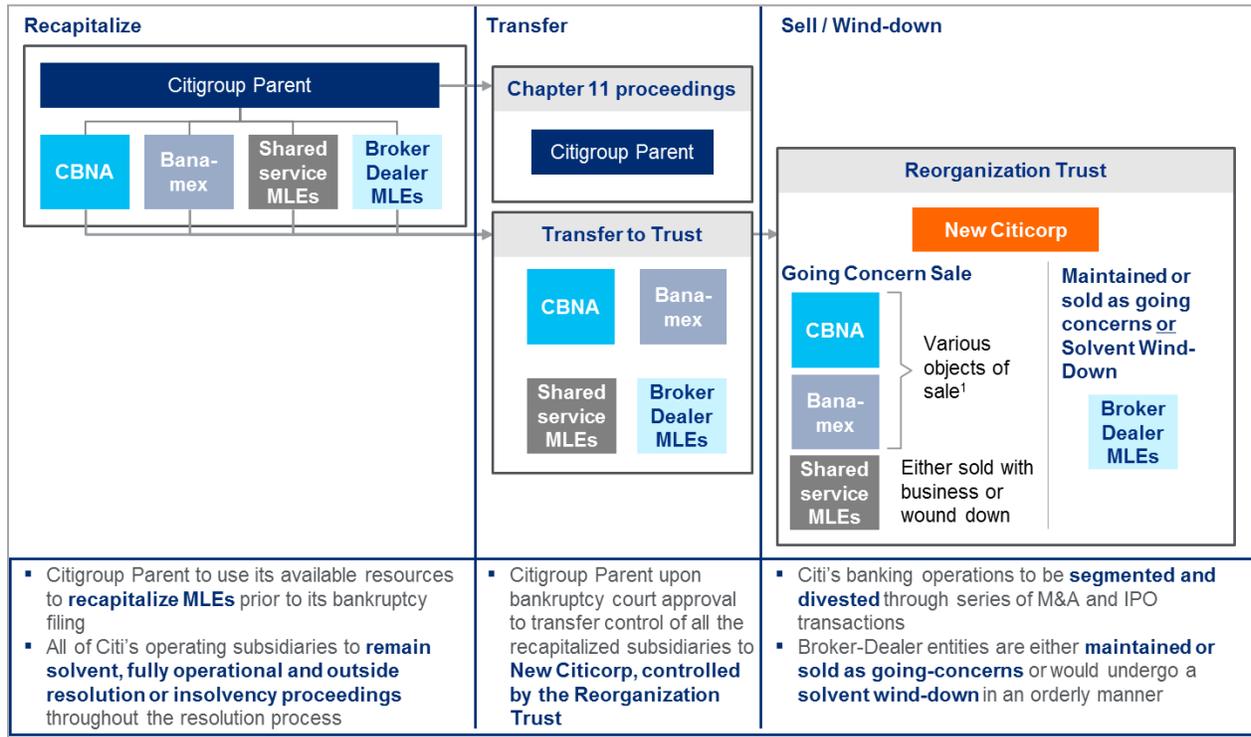
Name	Jurisdiction of organization
Subsidiaries of Citigroup Parent	
Citigroup Technology Inc. (CTI)	U.S.
Citigroup Management Corp. (CMC)	U.S.
Citigroup Services Japan Ltd. (CSJ)	Japan
Non-Bank Subsidiaries of CBNA	
Citigroup Technology Infrastructure (Hong Kong) Limited (CTI (HK) Ltd)	Hong Kong
Citicorp Credit Services, Inc. (NY) (CCSI)	U.S.
Citicorp Credit Services, Inc. (USA) (CCSI (USA))	U.S.
Citishare Corp. (Citishare)	U.S.
Citi Business Services Costa Rica (CBS Costa Rica)	Costa Rica
Citicorp Services India Limited (CSIPL)	India

### Full SPOE Resolution Strategy

Citi’s 2015 Resolution Plan presents a single preferred strategy, the Full SPOE strategy. Under the Full SPOE strategy, Citi’s key operating subsidiaries would be recapitalized prior to the failure of Citigroup Parent, ensuring that all of Citi’s operating MLEs and service MLEs remain solvent and fully operational throughout the resolution process and remain outside of applicable resolution or insolvency proceedings such as an FDIC receivership (for CBNA) or proceedings under the Securities Investor Protection Act (for CGMI). Citigroup Parent would use its available resources to recapitalize all operating MLEs, including CBNA, Banamex, and the primary broker-dealer entities. Service MLEs, which are funded primarily through intercompany service fees, would not need to be recapitalized. Upon Citigroup Parent’s entry into bankruptcy proceedings, all of its subsidiaries would be transferred into a new holding company

owned by a Reorganization Trust, under which they would be stabilized and eventually sold or wound down as individual business lines.

The exhibit below presents a high-level overview of the process for implementing the Full SPOE strategy.



1) A portion of Markets business in CBNA would undergo solvent wind-down along with the broker-dealers.

The Full SPOE strategy builds upon and improves the resolution strategy presented by Citi in previous years because, should Citi enter resolution, it enables Citi's bank entities (CBNA and its branches and subsidiaries, as well as Banamex) to be sold or offered to the public in an initial public offering as ongoing entities while the broker-dealer entities (CGMI, CGML and CGMJ) are either sold or undergo a solvent wind-down. A core element of Citi's Full SPOE strategy is that it ensures the ongoing provision of Citi's products and services to Citi's customers throughout resolution and, as a result, minimizes any disruption to depositors' access to funds or to the ongoing processing of customer transactions.

Citi's Full SPOE strategy is grounded in a set of assumptions that fully comply with all regulatory guidance and have been subjected to extensive internal review, challenge and improvement. Citi believes this strategy represents the best approach to managing a potential resolution of its businesses because it would enable Citi to execute an orderly resolution under bankruptcy and would minimize the impact of Citi's resolution on the financial system, depositors, and other customers and counterparties. The

strategy is designed so that losses would be borne by the shareholders of Citigroup Parent and, to the extent necessary, Citigroup Parent's subordinated and general unsecured creditors, which are generally longer-term creditors. Based upon Citi's available pool of loss-absorbing resources and liquidity, Citi believes that neither the U.S. government nor the Deposit Insurance Fund would incur losses as a result of Citi's failure.

In developing the Full SPOE strategy, Citi has laid out a detailed timeline of the events that would likely occur and the actions the firm would take to execute its strategy. The timeline for resolution is organized into four distinct periods:

- **Runway Period:** This period begins with a capital trigger event that serves as the impetus for resolution and continues until the point of non-viability. During this period, Citi would experience further capital degradation and liquidity outflows and take a number of well-defined actions to prepare for recovery or resolution. Citi's resolution strategy assumes that Citigroup Parent would support all subsidiaries throughout the Runway Period, consistent with its existing policies and procedures.
- **Stabilization Period:** This period begins with the point of non-viability, which is the point at which Citigroup Parent would file for Chapter 11 bankruptcy. Citigroup Parent, with bankruptcy court authorization, would create the Reorganization Trust for the exclusive benefit of its bankruptcy estate and transfer control of all of the recapitalized subsidiaries to New Citicorp (the newly created holding company), the shares of which would be held by the Reorganization Trust for the sole benefit of Citigroup Parent's bankruptcy estate. During this period, Citi would take actions to strengthen its balance sheet even as it continues to face liquidity outflows and constrained funding.
- **Post-Stabilization Period:** During this period, the Reorganization Trust would execute the sale and wind-down of the businesses held in New Citicorp, including CBNA, Banamex and the three largest broker-dealer entities.
- **Post-Resolution Period:** Following the sale of the banking entities and the sale or wind-down of the broker-dealer entities, the Reorganization Trust would be dissolved and would distribute all of its remaining assets (after the payment of fees and expenses owed by the Reorganization Trust) to Citigroup Parent for distribution to Citigroup Parent stakeholders under its reorganization plan.

## Continuity of Operations under Full SPOE Strategy

Citi recognizes that the continuity of its CBLs, COs and MLEs in resolution would depend upon Citi's ability to maintain key operational and financial interconnections. Citi has carefully analyzed the operational and financial needs of its CBLs, COs and MLEs and has considered the impact that an interruption in operational and financial interconnections could have in resolution. As described below, Citi is confident that the implementation of the Full SPOE strategy would ensure that necessary interconnections continue uninterrupted throughout resolution.

### Operational Interconnections

Following transfer to the Reorganization Trust, Citi's CBLs, COs and MLEs would require continued support from the shared service organizations that support all of Citi's businesses, including Operations & Technology (O&T), Management Information Systems, Risk and Risk Reporting, Citi Finance, Citi Treasury, Human Resources, Compliance and Legal.

In order to ensure that critical services continue to be provided in resolution, Citi has placed the vast majority of its critical shared services staff and assets in service MLEs or in subsidiaries of CBNA. Service MLEs are funded primarily through intercompany service fees. With the revenues from these agreements, service MLEs currently operate on a profitable basis as stand-alone entities. The service MLEs have developed contingency strategies to ensure they can continue to operate even in the event that intercompany payments are delayed in the initial period following Citi's entry into resolution. Where shared services are provided out of an operating MLE, the expenses for the services are treated as part of the operating MLE's general budget.

Citi's intercompany service relationships are governed by Intra-Citi Service Agreements (ICSAs), which allow for continued provision and receipt of services on an arm's-length and variable price basis, consistent with regulatory requirements. In resolution, surviving operating entities would continue to pay for services received pursuant to the existing ICSAs. In addition, Citi has strengthened the terms of its ICSAs to prohibit termination of intercompany services for convenience in resolution so long as payment is received for the services.

### Financial Interconnections

Citi has developed a detailed strategy to maintain funding and capital sufficiency for its MLEs throughout a resolution scenario. This strategy is designed to prevent any disruption to Citi's critical operations and to permit the continued operations of Citi's CBLs and MLEs while ensuring sufficient capital and liquidity for the solvent wind-down of the broker-dealer entities.

Under the Full SPOE strategy, Citigroup Parent would support all subsidiaries throughout the Runway Period and up to the point of non-viability, consistent with its existing policies and procedures. Citi would monitor the capital position of its subsidiaries and contribute capital to these subsidiaries, as necessary, to ensure they remain in compliance with regulatory requirements. Prior to entering bankruptcy proceedings, Citigroup Parent would recapitalize CBNA, Banamex and the broker-dealer entities as necessary to ensure each would have sufficient resources to execute the Full SPOE strategy and maintain compliance with applicable capital requirements.

Citi estimates that CBNA's international operating MLE subsidiaries would be able to absorb the hypothetical losses without requiring recapitalization. However, should it be necessary, CBNA would distribute capital to its subsidiaries.

The recapitalization of these entities and the transfer of all subsidiaries to the Reorganization Trust ensure that Citi's operating MLEs and service MLEs would be able to maintain their intercompany funding flows as needed to ensure the continuation of Citi's CBLs and COs until they are sold or wound down as contemplated under the Full SPOE strategy.

### **Resulting Organization upon Completion of Full SPOE Resolution Process**

Citi's strategy for the sale, public offering and wind-down of business lines under the Reorganization Trust is based upon a specified hypothetical idiosyncratic failure scenario and associated assumptions, in accordance with the 165(d) Rule and related regulatory guidance. This scenario and its assumptions do not reflect any actual event or events to which Citi may become subject and are the result of hypothetical assumptions mandated to Citi by regulators, which culminate in a significantly worse scenario than past financial events have generated. Citi has developed a recommended strategy for the segmentation of its businesses to enable their acquisition by multiple acquirers, taking into consideration the particular requirements and challenges of the specified resolution scenario, which necessarily differ from the considerations that would apply to the segmentation of a going concern. While Citi has identified a recommended strategy for sale or disposition of its businesses on the basis of the mandated assumptions, these do not represent a long-term, value-maximizing strategy for Citi shareholders, but rather a means to dispose of business segments in a specific resolution scenario.

Under the multiple acquirer strategy developed to address Citi's hypothetical failure scenario, Citi's broker-dealer entities would be wound down and its banking businesses divested through a series of M&A transactions and initial public offerings, as well as asset sales. Each business segment divested under this strategy would be significantly smaller and less systemically important than Citi. The strategy considers a variety of potential purchasers, including non-U.S. institutions.

As an example:

- Hypothetically, the largest business segment that would be sold in a private transaction would be Citi's global corporate banking operations. This segment would have approximately \$300 billion in remaining assets at the time of its sale, or approximately 16.5% of Citi's total assets as of December 31, 2014.
- Hypothetically, the largest business segment that would be offered in an IPO would be Citi's U.S. retail banking operations. This segment would have approximately \$200 billion in remaining assets at the time of its sale, or approximately 11% of Citi's total assets as of December 31, 2014.

Residual asset levels are estimated based upon the segmentation of the businesses as well as the impact of both estimated losses and the estimated runoff of liquidity in the resolution scenario.

Citi's recommended strategy for sale or disposition of its businesses is described below.

### [Banking Entities and Branches](#)

Under the Full SPOE strategy, Citi's banking operations would be stabilized and continue as a viable going concern and, following the stabilization period, would be segmented and divested through a series of M&A and IPO transactions that maximize their value for the Citigroup Parent bankruptcy estate. IPOs of selected businesses would reduce market concentration and attract new capital flows into the industry. After considering multiple alternatives for segmenting the banking operations across different businesses and geographies, Citi has developed a strategy that specifies several discrete objects of sale, a plan and timeline for their divestiture, and the likely funding impacts of these divestitures.

The Global Consumer Banking business segment would be primarily disposed of according to geographic boundaries. The U.S. consumer operations would be offered to the public in an initial public offering as ongoing entities and would continue to operate effectively on a stand-alone basis. The international consumer operations would be sold in private transactions.

In a limited number of countries where the consumer and institutional businesses are highly integrated, they would be offered as a single unit, in either a private sale transaction or an initial public offering.

The Institutional Clients Group's global corporate banking operations — including Treasury and Trade Solutions, Corporate Portfolio Management, FX / LM, and G10 Rates — would be sold as a single unit through a private transaction and would continue to serve large corporate clients and governments.

Other Institutional Clients Group businesses that primarily operate through the banking entities would be segmented along their product offerings and sold in private transactions.

### Broker-Dealer Entities

As a result of the broker-dealer entities' recapitalization, liquidity self-sufficiency and transfer to the Reorganization Trust, they would also remain fully operational and would not enter insolvency proceedings. Once in the Reorganization Trust, if the broker-dealer entities are not able to be sold early in the resolution process, they would undergo a solvent wind-down in an orderly, value-maximizing manner — through the sale or runoff of positions — that would minimize both market disruption and creditor and counterparty losses.

As part of the solvent wind-down, the Markets businesses operating through the broker-dealer entities would be discontinued. At the end of the solvent wind-down, the broker-dealer entities' assets would consist almost entirely of cash and unencumbered securities. After all positions were liquidated, the broker-dealer entities would be dissolved and the final proceeds remitted to the Reorganization Trust.

### Service MLEs

In order to ensure the continuity of shared services in resolution, critical information technology (IT) and other assets and employees are either positioned in branches or subsidiaries of CBNA or located in well-funded, non-risk-taking service MLEs. These entities provide services based on formal service agreements with arm's-length pricing. Following the transfer to the Reorganization Trust, the service MLEs would remain solvent and would continue to operate throughout resolution.

As the Reorganization Trust sold or wound down the operating MLEs, the service MLEs would either be sold with the corresponding business or wound down if no longer needed to support operating MLEs.

### Citigroup Parent

At the point of non-viability, Citigroup Parent would file for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code, as required by the 165(d) Rule. Once the banking entities and broker-dealers are sold or wound down, as applicable, the Reorganization Trust would be dissolved. At this time, the Reorganization Trust would distribute all of its remaining assets (after the payment of fees and expenses owed by the Reorganization Trust) to Citigroup Parent for distribution to Citigroup Parent stakeholders under its plan of reorganization.

## **Citi's Actions to Improve Its Resolvability**

The Full SPOE strategy is enabled through a combination of enhancements implemented prior to July 2014 (including an increase in Citi's loss-absorbing resources) as well as those undertaken during the last year, including Citi's work to increase the funding and liquidity self-sufficiency of its MLEs. Citi continues to take substantial actions to enhance its resolution-related capabilities.

Citi has based its resolution planning efforts on six critical building blocks identified through an analysis of existing regulatory guidance and Citi's own experience:

- An SPOE-enabling structure;
- Sufficient balance sheet resources;
- Comprehensive broker-dealer resolution strategies;
- Financial market utility (FMU) and shared services continuity;
- Strengthened legal entity framework; and
- Resolution operationalization.

Citi's capabilities to support each of the six building blocks of resolvability ensure that Citi's strategy is operationally feasible and could be implemented without taxpayer support, depositor losses, material adverse client impact, or systemic impact on financial markets. Over the past several years, Citi has made significant enhancements to its resolvability through a focus on each of the building blocks. Going forward, Citi has committed to further strengthening its capabilities supporting each building block through the implementation of additional actions.

Examples of the key projects undertaken and to be taken to enhance resolvability in connection with each of the six building blocks are discussed below.

### **Actions to Build an SPOE-Enabling Structure**

Citi is committed to maintaining a legal entity structure and an intercompany operating model — including a top-tier holding company that optimizes resolvability and adherence to the International Swaps and Derivatives Association (ISDA) 2014 Resolution Stay Protocol — that enable Citi to implement the Full SPOE strategy, should it ever be required.

### Top-Tier Holding Company Structure that Optimizes Resolvability

Citi maintains a top-tier holding company, Citigroup Parent, with no upstream guarantees from the subsidiaries to the holding company.

Citi uses Citigroup Parent as a top-tier holding company to: (i) optimize resolvability using the Full SPOE strategy; (ii) enable a funding framework that maximizes flexibility and centralizes market access to support the liquidity and loss absorbency needs of Citigroup Parent and its subsidiaries; (iii) permit the effective recapitalization of underlying subsidiaries and the transfer of subsidiaries during resolution; and (iv) structurally subordinate the debt issued by Citigroup Parent to the deposits, short term debt and other liabilities owed by its subsidiaries, so that only debt issued by the Parent will be vulnerable to losses in a Citi Resolution, thereby substantially reducing the possibility of systemically destabilizing “runs” by short-term creditors of the subsidiaries. Consistent with regulatory guidance, Citi has already taken the following actions to further improve Citigroup Parent’s structure to support the Full SPOE strategy:

- Citi updated its guarantee policy prior to December 31, 2014 to explicitly prevent the issuance of upstream guarantees by subsidiaries for the obligations of Citigroup Parent and CBNA. There are currently no upstream guarantees in place.
- Citi modified its hedging strategy at Citigroup Parent, eliminating the addition of new third-party exposures and changing its derivatives booking practices. Citigroup Parent only uses derivatives for the purpose of hedging interest rate and FX exposures on its third-party debt issuance. The residual Citigroup Parent third-party derivatives exposure will be allowed to mature as per the terms of the original agreement. All new derivative exposures are booked intercompany via CBNA rather than directly with third parties.

Citi is taking a number of additional actions to bring Citigroup Parent even closer to its goal of a holding company structure that optimizes resolvability. For example, Citigroup Parent has ceased the issuance of debt with a contractual maturity of less than one year.

### ISDA Resolution Stay Protocol

The ISDA Resolution Stay Protocol, announced in 2014, was specifically designed to stay early terminations of OTC derivatives governed by ISDA master agreements upon the commencement of bankruptcy or insolvency proceedings by an affiliate. The ISDA Resolution Stay Protocol helps ensure that MLEs are not subject to simultaneous, severe liquidity outflows and abrupt liquidations of collateral as a result of close-outs of OTC derivatives.

Since adhering to the ISDA Resolution Stay Protocol in November 2014, Citi has been actively working with the relevant industry organizations to extend the ISDA Resolution Stay Protocol to other financial products among the G-18 in advance of the issuance of expected qualified financial contracts (QFC) regulations by home regulatory authorities. The goal of this effort is to produce an expanded ISDA Resolution Stay Protocol that will form the basis for broader market adherence once the QFC regulations are issued. Citi strongly supports the current efforts and intends to work closely with the G-18, ISDA, regulators and other trade organizations to (i) expand the ISDA Resolution Stay Protocol to include repos and other securities financing transactions; and (ii) adhere to the expanded ISDA Resolution Stay Protocol by the time of the G-20 summit.

### **Actions to Assure Sufficient Balance Sheet Resources**

Citi maintains sufficient financial resources to ensure it has adequate capitalization, loss absorbency, funding and liquidity to execute its resolution plan. For example, as of March 31, 2015, Citi has:

- \$400.5 billion in high-quality liquid assets;
- A Liquidity Coverage Ratio (LCR) under the U.S. LCR rules of 111%, well in excess of the minimum regulatory requirement of 100%;
- A Common Equity Tier 1 Capital ratio of 11.1% (based on the Basel III Advanced Approaches under full implementation for determining risk-weighted assets); and
- A Supplementary Leverage Ratio of 6.4%.

Citi's approach to managing funding, liquidity and capital sufficiency for resolution has three major components:

- Robust business-as-usual frameworks for managing capital and liquidity, including detailed contingency plans, policies, procedures, and governance. Citi uses these tools to manage any crisis scenario including, but not limited to, a resolution event;
- Conservative forecasting of pro forma liquidity during the period following the capital trigger event. Citi utilizes a tailored resolution-specific liquidity framework to determine whether the firm has sufficient liquidity and funding within each MLE to meet all contractual and contingent obligations on a stand-alone MLE basis; and
- Rigorous forecasting of capital losses and recapitalization requirements throughout the resolution timeline to determine whether Citi has sufficient recapitalization resources to sustain losses and facilitate the execution of its Full SPOE strategy.

On a consolidated basis, Citi believes it has sufficient liquidity to meet both its contractual obligations and any stressed cash outflow requirements that could be faced throughout resolution.

## Actions to Develop Comprehensive Broker-Dealer Resolution Strategies

Citi has an end-to-end broker-dealer resolution strategy that supports multiple paths to a solvent wind-down, depending on the overall resolution scenario and responses of counterparties. For the 2015 Resolution Plan, Citi undertook multiple efforts to develop a sound operational plan for the broker-dealer wind-down strategy. These include:

- An operational playbook for each of the broker-dealer entities describing how Citi would execute the steps required to facilitate a solvent wind-down over time;
- A realistic operational plan for the rapid bulk transfer of prime brokerage positions in the Runway Period, supported by the capabilities required to execute that plan; and
- Access to personnel and intercompany shared services with the required capabilities to facilitate the execution of the wind-down over time. Access to these capabilities is assured through the playbooks, and the associated funding pool and ICSAs. This is supported by a map of the operational capabilities and personnel required at each stage of the resolution process.

Citi also prepared business-driven projections regarding how it will execute the disposition of broker-dealer assets over the resolution timeframe, including:

- Bottoms-up input for the unwind of cash long and short positions such that sales can be executed in a manner that does not have a systemic market impact, based on input from relevant internal business subject-matter experts;
- A detailed analysis of the impact of prime brokerage client “asymmetric” departure (i.e., clients who provide liquidity are first to exit); and
- A detailed plan for how the broker-dealer entities would wind-down the derivative book through roll-off of short-dated positions and novation/sale of longer-dated positions.

The operationalization of the strategy for a solvent wind-down of the broker-dealers is critical to ensuring that Citi and its regulators understand the steps needed to be taken in order to stabilize and wind down the broker-dealer entities in the event of Citi’s entry into resolution. In addition, any orderly wind-down strategy for the broker-dealer entities must ensure that each entity holds sufficient capital and liquidity resources to support the solvent wind-down throughout the resolution period. As noted above, Citi conducted forecasting to determine whether it has sufficient liquidity and funding within each MLE to meet all contractual and contingent obligations on a stand-alone MLE basis.

## Actions to Facilitate FMU and Shared Services Continuity

Citi recognizes the importance of a framework that enables continuous access to FMUs and intercompany shared services for its CBLs and MLEs throughout resolution, and has undertaken significant efforts to facilitate that continuity.

### Access to FMUs

Citi's strategy for ensuring continued access to FMUs is based on having the financial and operational wherewithal to address potential actions that its top FMUs might take in the event of Citi's distress or entry into resolution. To develop its framework for continuity, Citi worked directly with FMUs, peers and industry associations to determine the actions that utilities would likely take during stress or resolution. In collaboration with the industry, Citi developed playbooks for each of its top FMUs. The playbooks were developed by synthesizing three converging analytical efforts. These include:

- A legal assessment of FMU membership contracts, conducted by external counsel and assessing what an FMU is legally permitted to do in the event of a member's resolution;
- An industry playbook analysis conducted by The Clearing House (TCH) in consultation with certain FMUs and in collaboration with peer institutions, targeted at what an FMU would likely do in the event of a member's resolution; and
- Direct engagement, both recent and over the past several years, with representatives of Citi's top FMUs.

The playbooks are composed of FMU-specific Citi funding and liquidity analyses, Citi operational playbooks, legal analyses of FMU membership rules, excerpts from industry operational playbooks (where available) and contingency strategies. Citi used these resources to identify the potential risk-mitigating actions each FMU might take to limit its exposure to a member in distress or resolution and analyzed Citi's financial and operational capacities to address each such action.

Citi's strategies to ensure continuity of access represent a material enhancement to Citi's Resolution Plan. In addition, Citi has appointed a single FMU Head whose role is to centrally manage Citi's relationship with FMUs.

### Continuation of Shared Services

Citi has enhanced its approach to ensuring continuity of shared services that support COs and CBLs by conducting a systematic review of the ownership of these services in MLEs, and structuring asset ownership and contingency arrangements to mitigate the stresses of resolution and support successful

execution of the Full SPOE strategy. Citi has developed plans that support the continued operations of shared services in resolution, mapping shared services from the entities that provide them to the entities that receive them in order to document legal entity ownership and enable any necessary realignment of such ownership to support ongoing operations during resolution.

In order to ensure the continuity of shared services in resolution, critical IT and other assets and employees are located in the CBNA chain or in well-funded, non-risk-taking service MLEs. These entities provide services based on formal service agreements with arm's-length pricing, will remain solvent, and will continue to operate throughout resolution.

While Citi believes these actions are sufficient to ensure continuity of services under the Full SPOE strategy, Citi intends to take further steps to facilitate continuity, including:

- Moving CTI, the primary O&T service entity, including its assets and personnel, under CBNA; and
- Moving certain O&T staff and resources, as well as front office and functional support personnel, out of the broker-dealer entities and into CBNA.<sup>1</sup>

The movement of these resources into CBNA will ensure operational continuity of the above services to CBNA and its branches and subsidiaries in resolution.

### **Actions to Strengthen Legal Entity Framework**

Citi's legal entity strategy is designed to facilitate resolvability while supporting Citi's business model and the value that business model provides to the U.S. and global financial system. The core of this strategy is a legal entity structure that is designed to achieve these goals.

Citi is in the process of executing a multi-year restructuring of its legal entities to support its resolvability and ensure consistency with the above principles. This restructuring has reduced Citi's operational interconnectedness and enhanced the prospects for discrete sales of the component parts. In recent years, Citi has made a number of improvements to its legal entity structure, including but not limited to:

- Consolidating more than 95% of banking assets into CBNA through such actions as merging Citibank South Dakota — a major card issuer — into CBNA, and merging Citicorp Trust into CBNA;

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<sup>1</sup> The transfer of O&T staff and resources into CBNA from the broker-dealer entities will be subject to regulatory approval.

- Improving the continuity of operations and shared services by moving Citishare Corporation under CBNA, and merging call center operations from Citicorp Data Systems Inc. into CCSI (USA), a subsidiary of CBNA;
- Reducing assets, businesses, and legal entities, including a reduction of approximately 40% in the number of legal entities; and
- Separating retail and wholesale brokerage activities by divesting the retail broker-dealer.

Citi has identified a number of additional changes that it plans to make to its legal entity structure to further simplify and streamline the organization. Some of these planned changes include:

- Reducing the overall number of legal entities by a further 25% by July 1, 2017;
  - An entity-by-entity analysis will assess and justify each entity's existence. Citi intends to close (or merge with another entity) all entities without a robust justification (which includes enhancing separability).
- Reducing the number of legal entity chains by consolidating the holding company chains of Banamex and CGMJ; and
- Reducing the number of people employed by CMC and allocating the functional personnel serving CBNA to the bank. Upon completion of this change, CMC will no longer be designated as an MLE.

### **Actions to Operationalize Resolution**

Citi recognizes the importance of operational feasibility for its 2015 Resolution Plan. Operational feasibility includes the ability to produce reliable information regarding each of its MLEs in a timely manner as well as the ability to identify the processes necessary to implement the resolution strategy. In order to operationalize its resolvability, Citi has undertaken significant efforts to develop a set of end-to-end playbooks with step-by-step instructions for operationalizing certain key aspects of the Full SPOE strategy. Citi has also developed enhanced Management Information Systems (MIS) and collateral management capabilities to support the operationalization.

#### Playbooks

In preparation for the submission of its 2015 Resolution Plan, Citi created a series of detailed, end-to-end playbooks with step-by-step instructions and detailed supporting materials. These playbooks cover all essential operational components (e.g., people, processes, and systems) across the most significant resolution actions and include contingency plans to address potential obstacles to Citi's successful resolution.

Citi's playbooks provide the step-by-step actions to be taken throughout all phases of resolution, along with the timing of these actions and the responsibilities of key actors. These include playbooks for:

- Reorganization Trust:
  - The Trust Playbook lays out the actions that Citi would take to implement the Full SPOE strategy under a Reorganization Trust, including strategies to overcome potential obstacles if they arise. The scope of the Trust Playbook includes governance decisions and legal, financial, and operational actions that Citi would take prior to bankruptcy to prepare for the possibility of resolution, governance decisions and legal actions that Citi would take once resolution became certain, and actions that Citi would take to stabilize finances and operations following bankruptcy.
  - As part of the Trust Playbook, Citi had outside counsel draft key bankruptcy filings and create a list of all other anticipated legal and regulatory filings required to implement the Reorganization Trust structure. Where available, Citi has obtained current copies of the regulatory filings for key jurisdictions.
- Broker-dealer wind-down:
  - Playbooks have also been developed for the three broker-dealer entities.
  - The playbooks describe the actions that the broker-dealer entities will need to perform as well as the actions counterparties may take through the resolution timeline. In addition to these process steps, the playbooks also describe reports, data, systems, technology and people that are required for implementation of the Resolution Plan.
  - High-level components of the broker-dealer playbook include: governance, return of customer assets and account transfers, trading portfolio wind-down, disposition of remaining assets and liabilities, and support infrastructure.
- FMUs:
  - In addition to participating in industry efforts to create standard industry playbooks, Citi has produced firm-specific operational playbooks for each of its top FMUs. Together with Citi's intraday, initial margin and variation margin FMU liquidity reserves tailored to the stress needs of each of Citi's top FMUs, these playbooks enable Citi to operationalize FMU continuity during a stress or resolution event.
  - The FMU playbooks outline the operational procedures for Citi's response to potential risk-mitigating actions that may be taken by FMUs. Each operational playbook sets forth in

detail the process steps, resources involved, systems required and estimated response times to address each action. In addition, these playbooks include lists and locations of supporting operational procedures and documentation as well as additional data that might be useful in a resolution event.

- Staff substitutability:
  - Citi has developed a staff substitutability playbook and database that address the personnel element of shared services in resolution. It defines the critical shared services currently performed by non-MLEs and the plan for MLEs to take on that responsibility in resolution. The playbook lays out the process for this transition and the accompanying database maps critical services between the receiving MLEs and the sending non-MLEs, including details on location, business unit, and the processes involved.
  - The playbook will equip the sending and receiving business users with a single point of reference for staff substitutability in a crisis scenario, and will provide a comprehensive, actionable plan for substitution of services in resolution, in compliance with FDIC and Federal Reserve guidance. It is structured by function and service organization, identifying the critical service, and covers both the sending and receiving legal entities.

#### [MIS, Including Rosetta](#)

Citi has enhanced essential MIS capabilities such as integrated systems, data, processes, and reporting that produce information for each MLE. These include information on the financial condition of each MLE, the extent of financial and operational interconnectedness, and detailed accounts of third-party commitments and contracts.

In recent years, Citi has made significant investments in system architecture and data quality to support enterprise-wide decision-making and reporting needs. These include the implementation of standards-based data architecture and strategic platforms supporting firm-wide Finance, Risk and Compliance processes. Citi believes that these investments have substantially improved the firm's material MIS as evidenced by strengthened business planning, monitoring, reporting, and analytics capabilities. In addition to supporting management's day-to-day needs, Citi has utilized its improved MIS platforms to support the information needs associated with resolution planning.

Citi's Resolution Plan reflects the ongoing development and enhancement of Rosetta, a proprietary MIS tool for resolution planning, that identifies financial, operational, and external relationships across and between Citi's businesses, operations and MLEs, including Citi's shared functions. Rosetta both supports

Citi's ongoing resolution planning efforts and enhances resolvability by ensuring ready access to the data supporting Citi's Resolution Plan in a crisis scenario.

Between now and July 2017, Citi plans to further upgrade Rosetta to integrate additional data sources and increase the frequency with which data is updated in Rosetta.

#### Collateral Management

Citi has invested in infrastructure to support collateralized transactions. For the past several years, Citi has been developing additional capabilities to support collateralized transactions that remain ongoing. Throughout the implementation of these programs, there has been a strong focus on developing greater capabilities, increasing automation, creating more efficient processes and rationalizing Citi's global infrastructure footprint. Additionally, through July 2017, Citi intends to expand the functionality of Citi's collateral management infrastructure.

## 2. Description of Core Business Lines

Citi is managed through three main business lines: Banking (part of the Institutional Clients Group), Markets & Securities Services (part of the Institutional Clients Group), and Global Consumer Banking. For purposes of the 2015 Resolution Plan, Citi has identified 14 CBLs, each of which is described below.

### Banking CBLs

Name	Brief description
Global Payments	The Global Payments business offers four key payment activities to clients of Citi's Institutional Clients Group: (i) same currency payments; (ii) cross-currency payments; (iii) Continuous Linked Settlement (CLS); and (iv) automated clearing house payments
Liquidity Management Services	Liquidity Management Services provides liquidity management services and short-term investment products to clients of Citi's Institutional Clients Group
Debt Capital Markets	Debt Capital Markets originates, structures, and syndicates securities and financing transactions in debt capital markets
Corporate Portfolio Management	Corporate Portfolio Management is the corporate loan portfolio that is part of corporate and investment banking business

### Markets & Securities Services CBLs

Name	Brief description
Municipal Securities Division	Municipal Securities Division's services include U.S. public sector capital-raising and advisory services, project financing and multifamily affordable housing financing, secondary trading in municipal securities and derivatives
Global Foreign Exchange/Local Markets (FX/LM)	Global FX/LM includes foreign exchange spot, forwards, and derivatives, as well as fixed-income rate products in emerging market countries
G10 Rates	G10 Rates trades on behalf of clients in G10 sovereigns and agency securities and derivatives, as well as securities finance products (repos, reverse repos, and securities lending)

## Global Consumer Banking CBLs

Name	Brief description
U.S. Branded Cards	U.S. Branded Cards offers both proprietary and co-branded credit cards that are originated through direct mail, apply-by-phone, mobile phone, Internet/online and the U.S. retail banking branch network
U.S. Retail Services	U.S. Retail Services partners with major national retailers, oil companies and specialty retailers to provide credit card products to their customers
U.S. Retail Banking	U.S. Retail Banking provides traditional banking services to retail customers and small to mid-size businesses in the U.S.
U.S. Consumer Mortgages	U.S. Consumer Mortgages is a nationwide lender and servicer of residential home mortgages and includes the mortgage assets that reside in both Citicorp and Citi Holdings that are managed by CitiMortgage
International Consumer Banking: Mexico Hong Kong Singapore	The Global Consumer Banking businesses in Mexico, Hong Kong, and Singapore provide traditional banking services to retail customers and small to midsize businesses, along with credit card and mortgage products

### 3. Background Information on Material Legal Entities

For purposes of the 2015 Resolution Plan, Citi has identified 28 MLEs, each of which is described below. In preparing the 2015 Resolution Plan, Citi conservatively modeled how its MLEs would evolve after their transfer to New Citicorp, mapped out the detailed steps that need to take place to enable an orderly resolution, understands the implications of those actions, and developed a plan for how Citi's businesses could be sold or wound down in resolution.

MLEs within this section are organized by category: holding company, banking entities and branches, broker-dealer entities, and service MLEs. For each MLE, background information is provided below regarding financials, operations, capital and funding resources, jurisdictional location and intercompany interconnections, as well as how the MLE would be resolved under the Full SPOE strategy.

## Holding Company

### Citigroup Parent

#### [Introduction](#)

Citigroup Parent is a registered bank holding company and a financial holding company incorporated in Delaware. As a bank holding company, Citigroup Parent engages in no operating business activities. Its principal business activity is raising funds through the public issuance of debt and equity securities and the management of its outstanding debt and equity, including periodic repurchases. Citigroup Parent uses the funding provided by its debt and equity issuances to make equity investments and loans to its subsidiaries, and maintain a portfolio of investment securities for the liquidity needs of its subsidiaries.

Citigroup Parent's most significant assets are investments in subsidiaries. Other significant assets include advances to subsidiaries and placements to CBNA and its branches. Citigroup Parent's most significant liabilities are long-term debt, and it has ceased issuing debt with contractual maturities of less than one year. As of December 31, 2014, Citigroup Parent and its subsidiaries held total assets of \$1.84 trillion and total liabilities of \$1.63 trillion.

Citigroup Parent's principal revenues comprise dividends from subsidiaries, as well as interest revenues.

#### [Resolution Strategy](#)

At the point of non-viability, Citigroup Parent would file for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code. With the approval of the U.S. Bankruptcy Court, Citigroup Parent would move all its subsidiaries — including CBNA, Banamex, broker-dealer entities and service MLEs — to a new holding company owned by the Reorganization Trust. Following the sale or wind-down of the banking entities and broker-dealer entities, the Reorganization Trust would be dissolved and would distribute all of its remaining assets (after the payment of fees and expenses owed by the Reorganization Trust) to Citigroup Parent for distribution to Citigroup Parent stakeholders under its plan of reorganization.

#### [Financial Interconnections: Capital and Funding](#)

Citigroup Parent's primary sources of funding are its stockholders' equity and long-term borrowings.

Citigroup Parent is a source of funding, managerial strength and support for its bank and non-bank subsidiaries. At an aggregate level, Citigroup Parent's goal is for there to be sufficient funding in amount and tenor to ensure that adequate liquidity resources are available for all MLEs. Citigroup Parent uses its funds to make investments in and advances to subsidiaries, to make principal and interest payments on

outstanding debt, pay common and preferred stock dividends and pay operating expenses — primarily associated with payments to subsidiaries for administrative activities.

#### Operational Interconnections

As a holding company, Citigroup Parent engages in no operating business activities. Under business-as-usual conditions, Citigroup Parent receives services from subsidiary MLEs in support of its securities issuance and management activities.

Because Citigroup Parent's activities would cease in resolution, continuation of these services would not be necessary.

## Banking Entities and Branches

### CBNA

#### [Introduction](#)

CBNA is a national banking association chartered under the laws of the United States and is Citi's primary banking entity in the United States. CBNA's principal offerings include consumer finance, credit cards, mortgage lending, retail banking products and services, investment banking, commercial banking, cash management, trade finance, e-commerce products and services, and private banking products and services.

CBNA's global business model is well balanced and diversified, with 55% of 2014 revenues coming from Global Consumer Banking and 39% coming from the Institutional Clients Group. The remaining 6% of revenue comes from Citi Holdings and Other Corporate activities. CBNA has substantial branch presence in key international markets (e.g., China, India, Brazil) and has long-standing relationships with the central banks and regulators in each country. A number of CBNA's branches and subsidiaries — including CMI, CIL, CEP, CJL, CSL, CHKL, CBNA London, CBNA Hong Kong, CBNA Singapore, CBNA Bahamas, CBNA Dublin, CBNA ROHQ and CBNA Frankfurt — have also been identified as MLEs for purposes of the 2015 Resolution Plan.

CBNA's balance sheet strategy focuses on maintaining strong capital and liquidity while supporting component business segment priorities. As of December 31, 2014, total assets of CBNA, including all its branches and subsidiaries, were \$1.36 trillion, and total liabilities were \$1.21 trillion. As of December 31, 2014, total assets of CBNA, excluding its foreign branches and subsidiaries, were \$974.0 billion and total liabilities were \$826.9 billion.

CBNA's material assets include a loan portfolio comprising consumer loans originated in the Global Consumer Banking business and corporate and institutional loans originated in the Institutional Clients Group. Material liabilities include a strong deposit base comprising retail deposits from Global Consumer Banking and corporate and institutional deposits from the Institutional Clients Group.

#### [Resolution Strategy](#)

Under the Full SPOE strategy, CBNA and its branches and subsidiaries would be stabilized and transferred to the Reorganization Trust, where they would continue as viable going concerns. The recapitalized CBNA would serve as a source of strength for its MLE subsidiaries and branches, providing their operations with capital and liquidity support as necessary.

Following the stabilization of CBNA and its subsidiaries and branches in the Reorganization Trust, they would be segmented and divested through a series of M&A and IPO transactions that retain the value of the franchises for the Citigroup Parent bankruptcy estate.

CBNA conducts activities of the U.S. consumer, international consumer and corporate banking business segments, as well as other Institutional Clients Group business lines. Under the strategy described in Section 1, Citi's U.S. consumer operations would be offered to the public in an initial public offering, while Citi's international consumer operations would be sold in a series of private transactions. The global corporate banking operations would be sold as a single unit through a private transaction. Citi's other Institutional Clients Group businesses operating through the banking entities would be segmented along their product offerings and sold in private transactions.

As described in Section 1, Citi's strategy for the segmentation of its businesses to enable the acquisition by multiple acquirers was developed based on the particular requirements and challenges of the specified hypothetical idiosyncratic failure scenario and associated assumptions mandated to Citi by regulators, which necessarily differ from the considerations that would apply to the segmentation of a going concern.

#### [Financial Interconnections; Capital and Funding](#)

CBNA's funding needs are predominantly fulfilled by non-affiliated third-party sources with its corporate and consumer deposit franchises as the primary sources.

CBNA's most significant form of affiliated funding is its stockholder's equity, which is owned by its shareholder, Citicorp. In addition, CBNA has related-party transactions with certain affiliates. These transactions include cash accounts, collateralized financing transactions, margin accounts, derivative trading, charges for operational support and the borrowing and lending of funds, and are entered into in the ordinary course of business.

Within CBNA, the management of cash surpluses denominated in multiple currencies, across multiple branches and subsidiaries, results in a significant number of transactions between CBNA entities. These transactions are generally placements and deposits and are booked across multiple entities and jurisdictions.

As described in Section 1 above, prior to entering bankruptcy proceedings Citigroup Parent would recapitalize CBNA as necessary to ensure CBNA would have sufficient resources to execute the Full SPOE strategy and maintain compliance with applicable capital requirements. Citi estimates that CBNA's international operating MLE subsidiaries would be able to absorb the hypothetical losses without

requiring recapitalization. However, should it be necessary, CBNA would distribute capital to its subsidiaries.

#### [Operational Interconnections](#)

Following transfer to the Reorganization Trust, CBNA would require continued support from Citi's shared service organizations. As described in Section 1 above, Citi has placed the vast majority of its critical shared services staff and assets in service MLEs or in subsidiaries of CBNA to ensure that shared service providers will continue to provide key services in resolution.

## CMI

### [Introduction](#)

CMI is a subsidiary of CBNA and a nationwide servicer of residential home mortgages. CMI services mortgages in both Citicorp, the business segment comprised of those activities that form Citi's core businesses, and Citi Holdings, the business segment comprised of those businesses and portfolios of assets that are not aligned with Citi's core business model and identified for eventual divestiture.

As of December 31, 2014, total assets of CMI were \$16.5 billion, consisting primarily of loans and leases, intangible assets, trading account assets, cash and other assets. As of December 31, 2014, total liabilities of CMI were \$12.7 billion, consisting primarily of intercompany liabilities.

### [Resolution Strategy](#)

As described above, under the Full SPOE strategy CBNA and its branches and subsidiaries, including CMI, would be stabilized and transferred to the Reorganization Trust, where they would continue as viable going concerns. Following the stabilization of CBNA and its subsidiaries and branches in the Reorganization Trust, they would be segmented and divested through a series of M&A and IPO transactions that retain the value of the franchises for the Citigroup Parent bankruptcy estate.

CMI operates as part of Citi's U.S. consumer business. Under the strategy described in Section 1, Citi's U.S. consumer operations would be offered to the public in an initial public offering.

As described in Section 1, Citi's strategy for the segmentation of its businesses to enable the acquisition by multiple acquirers was developed based on the particular requirements and challenges of the specified hypothetical idiosyncratic failure scenario and associated assumptions mandated to Citi by regulators, which necessarily differ from the considerations that would apply to the segmentation of a going concern.

### Financial Interconnections; Capital and Funding

CMI's business is dependent upon CBNA for liquidity, capital and funding. The day-to-day funding needs of the business are provided by CBNA via a general funding pool which is centrally managed by Citi Treasury. CMI's eligible mortgage assets are pledged to the secured borrowing programs of the Federal Home Loan Banks (FHLB) of New York and San Francisco, which can be accessed, as required, to meet Citi's overall funding strategy.

As described in Section 1 above, the transfer of all subsidiaries to the Reorganization Trust ensures that Citi's operating MLEs and service MLEs would be able to maintain their intercompany funding flows as needed in resolution.

### Operational Interconnections

Following transfer to the Reorganization Trust, CMI would require continued support from Citi's shared service organizations. As described in Section 1 above, Citi has placed the vast majority of its critical shared services staff and assets in service MLEs or in subsidiaries of CBNA to ensure that shared service providers will continue to provide key services in resolution.

## CIL

### Introduction

CIL, an indirect UK subsidiary of CBNA, provides corporate and investment banking, private banking, and consumer banking products and services in the UK and Western Europe; in addition, it provides fiduciary services, predominantly to third-party managed collective investment funds, including safe keeping of funds' assets, in the UK and elsewhere in Western Europe.

As of December 31, 2014, total assets of CIL were \$32.1 billion, consisting primarily of loans and advances to banks and customers, cash and balances at central banks, and investment securities. As of December 31, 2014, total liabilities of CIL were \$28.0 billion, consisting of customer deposits, and deposits by banks.

### Resolution Strategy

As with the other entities described above, under the Full SPOE strategy CBNA and its branches and subsidiaries, including CIL, would be stabilized and transferred to the Reorganization Trust, where they would continue as viable going concerns. Following the stabilization of CBNA and its subsidiaries and branches in the Reorganization Trust, they would be segmented and divested through a series of M&A and IPO transactions that retain the value of the franchises for the Citigroup Parent bankruptcy estate.

CIL conducts activities of the international consumer and global corporate banking businesses. Under the strategy described in Section 1, Citi's international consumer operations would be sold in a series of private transactions, while Citi's global corporate banking operations would be sold as a single unit through a private transaction.

As described in Section 1, Citi's strategy for the segmentation of its businesses to enable the acquisition by multiple acquirers was developed based on the particular requirements and challenges of the specified hypothetical idiosyncratic failure scenario and associated assumptions mandated to Citi by regulators, which necessarily differ from the considerations that would apply to the segmentation of a going concern.

### Financial Interconnections; Capital and Funding

CIL is primarily funded through a combination of retail and customer deposits, long-term and short-term unsecured intercompany borrowings, and equity capital. CIL relies on Citi to provide capital (other than that generated through retained profits). Funding is sourced from affiliate entities, predominately CBNA London, in the form of intercompany bank deposits.

Funds are predominantly used by CIL for lending (external as well as internal) and investment activities. A significant portion of total funding is used for consumer and corporate lending and also lending to group companies. CIL also has an investment portfolio, which is represented by trading and investment securities.

As described in Section 1 above, the transfer of all subsidiaries to the Reorganization Trust ensures that Citi's operating MLEs and service MLEs would be able to maintain their intercompany funding flows as needed in resolution.

### Operational Interconnections

Following transfer to the Reorganization Trust, CIL would require continued support from Citi's shared service organizations. As described in Section 1 above, Citi has placed the vast majority of its critical shared services staff and assets in service MLEs or in subsidiaries of CBNA to ensure that shared service providers will continue to provide key services in resolution.

## CEP

### Introduction

CEP is headquartered in Ireland and operates under a banking license from the Central Bank of Ireland. The principal products offered by CEP are from the Institutional Clients Group and Global Consumer Banking product groups. CEP also provides services for Treasury and Trade Solutions, Securities Services and Agency and Trust businesses offered by itself and other Citi affiliates.

As of December 31, 2014, total assets of CEP were \$23.8 billion, consisting primarily of loans, derivatives financial instruments, investment securities, and cash. As of December 31, 2014, total liabilities of CEP were \$16.0 billion, consisting primarily of client deposits and derivatives financial instruments.

### Resolution Strategy

As with the other entities described above, under the Full SPOE strategy CBNA and its branches and subsidiaries, including CEP, would be stabilized and transferred to the Reorganization Trust, where they would continue as viable going concerns. Following the stabilization of CBNA and its subsidiaries and branches in the Reorganization Trust, they would be segmented and divested through a series of M&A and IPO transactions that retain the value of the franchises for the Citigroup Parent bankruptcy estate.

CEP conducts activities of the international consumer and global corporate banking businesses. Under the strategy described in Section 1, Citi's international consumer operations would be sold in a series of private transactions, while Citi's global corporate banking operations would be sold as a single unit through a private transaction.

As described in Section 1, Citi's strategy for the segmentation of its businesses to enable the acquisition by multiple acquirers was developed based on the particular requirements and challenges of the specified hypothetical idiosyncratic failure scenario and associated assumptions mandated to Citi by regulators, which necessarily differ from the considerations that would apply to the segmentation of a going concern.

### Financial Interconnections; Capital and Funding

CEP is primarily funded through a combination of retail and corporate deposits, as well as customer liabilities related to the Treasury and Trade Solutions and Securities Services businesses. This is further supported by intercompany borrowings and placements predominately with CBNA London.

CEP relies on a combination of capital injected by its direct parent and retained earnings to meet its regulatory capital requirements.

As described in Section 1 above, the transfer of all subsidiaries to the Reorganization Trust ensures that Citi's operating MLEs and service MLEs would be able to maintain their intercompany funding flows as needed in resolution.

### Operational Interconnections

Following transfer to the Reorganization Trust, CEP would require continued support from Citi's shared service organizations. As described in Section 1 above, Citi has placed the vast majority of its critical shared services staff and assets in service MLEs or in subsidiaries of CBNA to ensure that shared service providers will continue to provide key services in resolution.

## CJL

### Introduction

CJL is a licensed bank operating in Japan. CJL's principal products include corporate banking, transaction services, markets and retail banking. However, as noted above, there is a pending agreement to sell the retail banking and credit card business in Japan.

As of December 31, 2014, total assets of CJL were \$45.3 billion, consisting of deposits with banks, intercompany assets, Fed funds sold and reverse repos, investments, third-party loans, trading account assets, cash, brokerage receivables and other assets. As of December 31, 2014, total liabilities of CJL were \$43.2 billion, consisting of deposits, intercompany liabilities, trading account liabilities, Fed funds purchased and short-term borrowings and other liabilities.

### Resolution Strategy

As with the other entities described above, under the Full SPOE strategy CBNA and its branches and subsidiaries, including CJL, would be stabilized and transferred to the Reorganization Trust, where they would continue as viable going concerns. Following the stabilization of CBNA and its subsidiaries and branches in the Reorganization Trust, they would be segmented and divested through a series of M&A and IPO transactions that retain the value of the franchises for the Citigroup Parent bankruptcy estate.

CJL conducts activities of the international consumer and global corporate banking businesses. Under the strategy described in Section 1, Citi's global corporate banking operations would be sold as a single unit through a private transaction. In addition, Citi's international consumer operations (if not already sold as noted above) would be sold in a series of private transactions.

As described in Section 1, Citi's strategy for the segmentation of its businesses to enable the acquisition by multiple acquirers was developed based on the particular requirements and challenges of the specified hypothetical idiosyncratic failure scenario and associated assumptions mandated to Citi by regulators, which necessarily differ from the considerations that would apply to the segmentation of a going concern.

### [Financial Interconnections; Capital and Funding](#)

CJL is the main clearer for all Japanese Yen-related activity within Citi, and has funding connections predominately with CBNA.

As described in Section 1 above, the transfer of all subsidiaries to the Reorganization Trust ensures that Citi's operating MLEs and service MLEs would be able to maintain their intercompany funding flows as needed in resolution.

### [Operational Interconnections](#)

Following transfer to the Reorganization Trust, CJL would require continued support from Citi's shared service organizations. As described in Section 1 above, Citi has placed the vast majority of its critical shared services staff and assets in service MLEs or in subsidiaries of CBNA to ensure that shared service providers will continue to provide key services in resolution.

## CSL

### [Introduction](#)

CSL is a licensed bank in Singapore and conducts a full range of consumer banking activities, including commercial banking activities for small and medium-sized enterprises.

As of December 31, 2014, total assets of CSL were \$26.6 billion, consisting of loans and leases, deposits with banks, intercompany assets, intercompany placements, investments, trading account assets, cash, brokerage receivables, intangible assets and other assets. As of December 31, 2014, total liabilities of CSL were \$23.8 billion, consisting of deposits, intercompany liabilities, trading account liabilities and other liabilities.

### [Resolution Strategy](#)

As with the other entities described above, under the Full SPOE strategy CBNA and its branches and subsidiaries, including CSL, would be stabilized and transferred to the Reorganization Trust, where they would continue as viable going concerns. Following the stabilization of CBNA and its subsidiaries and branches in the Reorganization Trust, they would be segmented and divested through a series of M&A and IPO transactions that retain the value of the franchises for the Citigroup Parent bankruptcy estate.

CSL conducts activities of Citi's international consumer business. Under the strategy described in Section 1, Citi's international consumer operations would be sold in a series of private transactions.

As described in Section 1, Citi's strategy for the segmentation of its businesses to enable the acquisition by multiple acquirers was developed based on the particular requirements and challenges of the specified hypothetical idiosyncratic failure scenario and associated assumptions mandated to Citi by regulators, which necessarily differ from the considerations that would apply to the segmentation of a going concern.

### [Financial Interconnections; Capital and Funding](#)

The two main sources of funding for CSL are capital and customer deposits. Capital consists of common stock, retained earnings and capital reserve. CSL's primary funding connection is with CBNA Singapore.

As described in Section 1 above, the transfer of all subsidiaries to the Reorganization Trust ensures that Citi's operating MLEs and service MLEs would be able to maintain their intercompany funding flows as needed in resolution.

### Operational Interconnections

Following transfer to the Reorganization Trust, CSL would require continued support from Citi's shared service organizations. As described in Section 1 above, Citi has placed the vast majority of its critical shared services staff and assets in service MLEs or in subsidiaries of CBNA to ensure that shared service providers will continue to provide key services in resolution.

## CHKL

### Introduction

CHKL is a fully licensed bank in Hong Kong. CHKL provides general banking and wealth management products and solutions to retail clients in Hong Kong, including mortgage, portfolio finance, deposits, and investment products such as mutual funds, bonds, foreign currency and stock trading and insurance products. CHKL also offers a broad range of credit card products.

As of December 31, 2014, total assets of CHKL were \$18.0 billion, consisting of deposits with banks, investments, trading account assets, cash and other assets. As of December 31, 2014, total liabilities of CHKL were \$15.6 billion, consisting of deposits, Fed funds purchased and short-term borrowings, long-term debt, trading account liabilities and other liabilities.

### Resolution Strategy

As with the other entities described above, under the Full SPOE strategy CBNA and its branches and subsidiaries, including CHKL, would be stabilized and transferred to the Reorganization Trust, where they would continue as viable going concerns. Following the stabilization of CBNA and its subsidiaries and branches in the Reorganization Trust, they would be segmented and divested through a series of M&A and IPO transactions that retain the value of the franchises for the Citigroup Parent bankruptcy estate.

CHKL conducts activities of Citi's international consumer business. Under the strategy described in Section 1, Citi's international consumer operations would be sold in a series of private transactions.

As described in Section 1, Citi's strategy for the segmentation of its businesses to enable the acquisition by multiple acquirers was developed based on the particular requirements and challenges of the specified hypothetical idiosyncratic failure scenario and associated assumptions mandated to Citi by regulators, which necessarily differ from the considerations that would apply to the segmentation of a going concern.

### Financial Interconnections; Capital and Funding

CHKL's financial interconnections stem largely from intercompany placements and deposit-taking activities. CHKL holds accounts at CBNA Hong Kong for various payment and settlement purposes.

As described in Section 1 above, the transfer of all subsidiaries to the Reorganization Trust ensures that Citi's operating MLEs and service MLEs would be able to maintain their intercompany funding flows as needed in resolution.

### Operational Interconnections

Following transfer to the Reorganization Trust, CHKL would require continued support from Citi's shared service organizations. As described in Section 1 above, Citi has placed the vast majority of its critical shared services staff and assets in service MLEs or in subsidiaries of CBNA to ensure that shared service providers will continue to provide key services in resolution.

## CBNA London

### Introduction

CBNA London is Citi's main banking vehicle in the UK and CBNA's largest non-U.S. branch. CBNA London is one of the main centers for the Institutional Clients Group business in Western Europe, with numerous product offerings, including:

- Treasury and Trade Solutions, including Global Payments, Liquidity Management Services, Export and Agency Finance;
- Capital Markets Origination, focusing on the capital-raising needs of institutional clients;
- Markets and Securities Services, including Global Custody, Direct Custody and Clearing, Securities Finance, Fund Services, G10 Rates, G10 Market Treasury, Foreign Exchange and Local Markets and Spread Products;
- Corporate and Investment Banking, including comprehensive financial advisory, capital raising, treasury solutions and security and issuer services to clients; and
- Citi Private Bank, offering banking and cash management, lending, investment strategies and trust and wealth advisory for customers originating in the UK and non-EU countries within the EMEA region.

As of December 31, 2014, total assets of CBNA London were \$232.6 billion, consisting of trading account assets, loans and leases, investments, Federal funds sold and resales, deposits with banks, cash, brokerage receivables and other assets. As of December 31, 2014, total liabilities of CBNA London were \$232.6 billion, consisting of deposits, brokerage payables, long-term debt, and other liabilities and trading account liabilities.

### Resolution Strategy

As with the other entities described above, under the Full SPOE strategy CBNA and its branches and subsidiaries, including CBNA London, would be stabilized and transferred to the Reorganization Trust, where they would continue as viable going concerns. Following the stabilization of CBNA and its subsidiaries and branches in the Reorganization Trust, they would be segmented and divested through a series of M&A and IPO transactions that retain the value of the franchises for the Citigroup Parent bankruptcy estate.

CBNA London conducts activities of the global corporate banking business as well as other Institutional Clients Group business lines. Under the strategy described in Section 1, Citi's global corporate banking

operations would be sold as a single unit through a private transaction. Citi's other Institutional Clients Group businesses operating through the banking entities would be segmented along their product offerings and sold in private transactions.

As described in Section 1, Citi's strategy for the segmentation of its businesses to enable the acquisition by multiple acquirers was developed based on the particular requirements and challenges of the specified hypothetical idiosyncratic failure scenario and associated assumptions mandated to Citi by regulators, which necessarily differ from the considerations that would apply to the segmentation of a going concern.

#### [Financial Interconnections: Capital and Funding](#)

CBNA London is primarily funded through third-party deposits and long-term and short-term unsecured intercompany borrowings. Funds are predominantly used by CBNA London for lending (external as well as internal) and investment activities. The primary entities to which CBNA London is connected include CBNA, CBNA Hong Kong, CIL, CEP, and CBNA Bahamas. A significant portion of total funding is used for consumer and corporate lending and also lending to group companies. CBNA London also has an investment portfolio, which is represented by trading and investment securities.

As described in Section 1 above, the transfer of all subsidiaries to the Reorganization Trust ensures that Citi's operating MLEs and service MLEs would be able to maintain their intercompany funding flows as needed in resolution.

#### [Operational Interconnections](#)

Following transfer to the Reorganization Trust, CBNA London would require continued support from Citi's shared service organizations. As described in Section 1 above, Citi has placed the vast majority of its critical shared services staff and assets in service MLEs or in subsidiaries of CBNA to ensure that shared service providers will continue to provide key services in resolution.

## CBNA Hong Kong

### Introduction

CBNA Hong Kong is CBNA's licensed branch in Hong Kong. CBNA Hong Kong provides corporate lending and deposit taking services, securities and fund services, cash management and trade services, private banking activities, and engages in foreign exchange trading and other structured products for institutional clients.

As of December 31, 2014, total assets of CBNA Hong Kong were \$38.3 billion, consisting of trading account assets, investments, deposits with banks, cash, intercompany loans and other assets. As of December 31, 2014, total liabilities of CBNA Hong Kong were \$38.3 billion, consisting of deposits, Fed funds purchased and short-term borrowings, trading account liabilities and other liabilities.

### Resolution Strategy

As with the other entities described above, under the Full SPOE strategy CBNA and its branches and subsidiaries, including CBNA Hong Kong, would be stabilized and transferred to the Reorganization Trust, where they would continue as viable going concerns. Following the stabilization of CBNA and its subsidiaries and branches in the Reorganization Trust, they would be segmented and divested through a series of M&A and IPO transactions that retain the value of the franchises for the Citigroup Parent bankruptcy estate.

CBNA Hong Kong conducts activities of Citi's global corporate banking businesses. Under the strategy described in Section 1, Citi's global corporate banking operations would be sold as a single unit through a private transaction.

As described in Section 1, Citi's strategy for the segmentation of its businesses to enable the acquisition by multiple acquirers was developed based on the particular requirements and challenges of the specified hypothetical idiosyncratic failure scenario and associated assumptions mandated to Citi by regulators, which necessarily differ from the considerations that would apply to the segmentation of a going concern.

### Financial Interconnections; Capital and Funding

CBNA Hong Kong's financial interconnections stem largely from intercompany placements and deposit-taking activities. CBNA Hong Kong's primary connections are with CBNA and CBNA London.

As described in Section 1 above, the transfer of all subsidiaries to the Reorganization Trust ensures that Citi's operating MLEs and service MLEs would be able to maintain their intercompany funding flows as needed in resolution.

### Operational Interconnections

Following transfer to the Reorganization Trust, CBNA Hong Kong would require continued support from Citi's shared service organizations. As described in Section 1 above, Citi has placed the vast majority of its critical shared services staff and assets in service MLEs or in subsidiaries of CBNA to ensure that shared service providers will continue to provide key services in resolution.

## CBNA Singapore

### Introduction

CBNA Singapore is CBNA's licensed branch in Singapore. CBNA Singapore provides securities services, cash management and trade services, and private banking activities and engages in foreign exchange and derivatives trading for institutional clients.

As of December 31, 2014, total assets of CBNA Singapore were \$57.6 billion, consisting of deposits with banks, third-party loans and investments and other assets. As of December 31, 2014, total liabilities of CBNA Singapore were \$57.6 billion, consisting of deposits, intercompany borrowings and other liabilities.

### Resolution Strategy

As with the other entities described above, under the Full SPOE strategy CBNA and its branches and subsidiaries, including CBNA Singapore, would be stabilized and transferred to the Reorganization Trust, where they would continue as viable going concerns. Following the stabilization of CBNA and its subsidiaries and branches in the Reorganization Trust, they would be segmented and divested through a series of M&A and IPO transactions that retain the value of the franchises for the Citigroup Parent bankruptcy estate.

CBNA Singapore conducts activities of Citi's global corporate banking businesses. Under the strategy described in Section 1, Citi's global corporate banking operations would be sold as a single unit through a private transaction.

As described in Section 1, Citi's strategy for the segmentation of its businesses to enable the acquisition by multiple acquirers was developed based on the particular requirements and challenges of the specified hypothetical idiosyncratic failure scenario and associated assumptions mandated to Citi by regulators, which necessarily differ from the considerations that would apply to the segmentation of a going concern.

### Financial Interconnections; Capital and Funding

The main source of funding for CBNA Singapore is customer deposits. CBNA Singapore also has intercompany transactions predominately with CSL and CBNA.

As described in Section 1 above, the transfer of all subsidiaries to the Reorganization Trust ensures that Citi's operating MLEs and service MLEs would be able to maintain their intercompany funding flows as needed in resolution.

### Operational Interconnections

Following transfer to the Reorganization Trust, CBNA Singapore would require continued support from Citi's shared service organizations. As described in Section 1 above, Citi has placed the vast majority of its critical shared services staff and assets in service MLEs or in subsidiaries of CBNA to ensure that shared service providers will continue to provide key services in resolution.

## CBNA Bahamas

### Introduction

CBNA Bahamas, a Bahamas branch of CBNA, operates under a full bank & trust license. CBNA Bahamas's primary function is to serve as a booking entity for Citi businesses globally.

As of December 31, 2014, total assets of CBNA Bahamas were \$29.0 billion, consisting primarily of placements with banks and affiliates, and loans and advances to third-party customers. As of December 31, 2014, total liabilities of CBNA Bahamas were \$29.1 billion, consisting primarily of deposits.

### Resolution Strategy

As with the other entities described above, under the Full SPOE strategy CBNA and its branches and subsidiaries, including CBNA Bahamas, would be stabilized and transferred to the Reorganization Trust, where they would continue as viable going concerns. Following the stabilization of CBNA and its subsidiaries and branches in the Reorganization Trust, they would be segmented and divested through a series of M&A and IPO transactions that retain the value of the franchises for the Citigroup Parent bankruptcy estate.

The activities of CBNA Bahamas support Citi's corporate banking business. Under the strategy described in Section 1, Citi's global corporate banking operations would be sold as a single unit through a private transaction.

As described in Section 1, Citi's strategy for the segmentation of its businesses to enable the acquisition by multiple acquirers was developed based on the particular requirements and challenges of the specified hypothetical idiosyncratic failure scenario and associated assumptions mandated to Citi by regulators, which necessarily differ from the considerations that would apply to the segmentation of a going concern.

### Financial Interconnections; Capital and Funding

For CBNA Bahamas, financial interconnections stem largely from intercompany placements and deposits. CBNA Bahamas' primary connections are with CBNA and CBNA London. The primary source of funding for CBNA Bahamas is retained earnings. CBNA Bahamas also receives funding from CBNA to cover expenses of the branch not covered by retained earnings.

As described in Section 1 above, the transfer of all subsidiaries to the Reorganization Trust ensures that Citi's operating MLEs and service MLEs would be able to maintain their intercompany funding flows as needed in resolution.

### Operational Interconnections

Following transfer to the Reorganization Trust, CBNA Bahamas would require continued support from Citi's shared service organizations. As described in Section 1 above, Citi has placed the vast majority of its critical shared services staff and assets in service MLEs or in subsidiaries of CBNA to ensure that shared service providers will continue to provide key services in resolution.

## CBNA Dublin

### [Introduction](#)

CBNA Dublin, CBNA's Irish branch, provides key middle- and back-office functions for certain Citi business units, as well as technology support and realty and facilities management services for property that houses CBNA Dublin, CEP and CIL employees. CBNA Dublin is an operational entity only and does not undertake any banking or financial services activities.

As of December 31, 2014, total assets of CBNA Dublin were \$144 million, consisting of intercompany assets, intangible assets and other assets. As of December 31, 2014, total liabilities of CBNA Dublin were \$119 million, consisting of intercompany liabilities and other liabilities.

### [Resolution Strategy](#)

CBNA Dublin is a well-funded MLE providing services based on formal service agreements with arm's-length pricing. Following the transfer to the Reorganization Trust, CBNA Dublin would remain solvent and would continue to operate throughout resolution providing services on arm's-length terms to other MLEs for as long as necessary to facilitate their own resolution strategies. While it is expected that affiliates will continue to pay for services in resolution, CBNA Dublin has sufficient operating capital to maintain operations for at least two months, in the event of a delay in recoveries from affiliates in resolution.

As the Reorganization Trust sold or wound down the operating MLEs, CBNA Dublin or its assets would either be sold with the corresponding businesses or wound down if no longer needed to support operating MLEs.

### [Financial Interconnections; Capital and Funding](#)

CBNA Dublin derives its primary funding through fees from affiliates for the services it provides. If and to the extent that there is a delay between the time when CBNA Dublin incurs operating costs and the time it recovers those costs from its customers, it also has access to an intercompany credit line.

As described in Section 1 above, the transfer of all subsidiaries to the Reorganization Trust ensures that Citi's service MLEs would be able to maintain their intercompany funding flows as needed in resolution. CBNA Dublin also has sufficient operating capital to maintain operations for at least two months, in the event of a delay in recoveries from affiliates in resolution.

### Operational Interconnections

Following transfer to the Reorganization Trust, CBNA Dublin would require continued support from Citi's shared service organizations. As described in Section 1 above, Citi has placed the vast majority of its critical shared services staff and assets in service MLEs or in subsidiaries of CBNA to ensure that shared service providers will continue to provide key services in resolution.

## CBNA ROHQ

### [Introduction](#)

CBNA ROHQ is a Philippine service branch of CBNA. CBNA ROHQ provides services to CBNA's affiliates, subsidiaries, and branches. CBNA ROHQ does not provide banking services or accept deposits, or otherwise engage directly with the public.

CBNA ROHQ's services include financial reporting, accounts payable, vendor management, human resources shared services, and technology.

As of December 31, 2014, total assets of CBNA ROHQ were \$33 million, consisting of cash deposited with CBNA Philippines (CBNA's banking branch in the Philippines), fixed assets required to support its operations, receivables from related parties, and other current assets. As of December 31, 2014, total liabilities of CBNA ROHQ were \$13 million, consisting of advances paid by CBNA Philippines for the monthly payroll of CBNA ROHQ.

### [Resolution Strategy](#)

CBNA ROHQ is a well-funded MLE providing services based on formal service agreements with arm's-length pricing. Following the transfer to the Reorganization Trust, CBNA ROHQ would remain solvent and would continue to operate throughout resolution providing services on arm's-length terms to other MLEs for as long as necessary to facilitate their own resolution strategies. While it is expected that affiliates will continue to pay for services in resolution, CBNA ROHQ has sufficient operating capital to maintain operations for at least two months, in the event of a delay in recoveries from affiliates in resolution.

As the Reorganization Trust sold or wound down the operating MLEs, CBNA ROHQ or its assets would either be sold with the corresponding businesses or wound down if no longer needed to support operating MLEs.

### Financial Interconnections; Capital and Funding

CBNA ROHQ derives its primary funding through fees from affiliates for the services it provides. If and to the extent that there is a delay between the time when CBNA ROHQ incurs operating costs and the time it recovers those costs from its customers, it also has access to an intercompany credit line.

As described in Section 1 above, the transfer of all subsidiaries to the Reorganization Trust ensures that Citi's service MLEs would be able to maintain their intercompany funding flows as needed in resolution. CBNA ROHQ also has sufficient operating capital to maintain operations for at least two months, in the event of a delay in recoveries from affiliates in resolution.

### Operational Interconnections

Following transfer to the Reorganization Trust, CBNA ROHQ would require continued support from Citi's shared service organizations. As described in Section 1 above, Citi has placed the vast majority of its critical shared services staff and assets in service MLEs or in subsidiaries of CBNA to ensure that shared service providers will continue to provide key services in resolution.

## CBNA Frankfurt

### Introduction

CBNA Frankfurt is a branch of CBNA and holds a bank license in Germany. The main activities of CBNA Frankfurt are: (i) providing backup data center services for CBNA London; (ii) rendering of IT-infrastructure services; (iii) providing Risk Treasury services for money market transactions with other branches of CBNA and other Citi entities; and (iv) providing loan portfolio management for the extension of credit facilities to clients in all industry sectors, including to corporate clients, financial institutions and banks as well as organizations in the public sector.

As of December 31, 2014, total assets of CBNA Frankfurt were \$2.6 billion in total assets, consisting primarily of bank placements and intercompany assets. As of December 31, 2014, total liabilities of CBNA Frankfurt were \$2.5 billion, consisting of intercompany liabilities.

### Resolution Strategy

CBNA Frankfurt is a well-funded MLE providing services based on formal service agreements with arm's-length pricing. Following the transfer to the Reorganization Trust, CBNA Frankfurt would remain solvent and would continue to operate throughout resolution providing services on arm's-length terms to other MLEs for as long as necessary to facilitate their own resolution strategies. While it is expected that affiliates will continue to pay for services in resolution, CBNA Frankfurt has sufficient operating capital to maintain operations for at least two months, in the event of a delay in recoveries from affiliates in resolution.

As the Reorganization Trust sold or wound down the operating MLEs, CBNA Frankfurt or its assets would either be sold with the corresponding businesses or wound down if no longer needed to support operating MLEs.

### Financial Interconnections; Capital and Funding

CBNA Frankfurt derives its primary funding through fees from affiliates for the services it provides. If and to the extent that there is a delay between the time when CBNA Frankfurt incurs operating costs and the time it recovers those costs from its customers, it also has access to an intercompany credit line.

As described in Section 1 above, the transfer of all subsidiaries to the Reorganization Trust ensures that Citi's service MLEs would be able to maintain their intercompany funding flows as needed in resolution. CBNA Frankfurt also has sufficient operating capital to maintain operations for at least two months, in the event of a delay in recoveries from affiliates in resolution.

### Operational Interconnections

Following transfer to the Reorganization Trust, CBNA Frankfurt would require continued support from Citi's shared service organizations. As described in Section 1 above, Citi has placed the vast majority of its critical shared services staff and assets in service MLEs or in subsidiaries of CBNA to ensure that shared service providers will continue to provide key services in resolution.

## Banamex

### Introduction

Banamex is a licensed commercial bank in Mexico. Banamex offers a broad range of banking and other financial products and services targeted at both individuals and entities (public and private sectors). Banamex's business activities are organized under both Global Consumer Banking and the Institutional Clients Group. In Global Consumer Banking, Banamex offers retail banking, mortgages, credit cards, and commercial banking for small and medium-sized companies. In the Institutional Clients Group, Banamex offers Markets and Securities Services and corporate and investment banking services, as well as private banking services.

As of December 31, 2014, total assets of Banamex were \$69.6 billion, consisting of loans and leases, investments, trading account assets, deposits with banks and cash due from banks. As of December 31, 2014, total liabilities of Banamex were \$58.0 billion, consisting of deposits, repos and trading liabilities, long-term debt and other liabilities.

### Resolution Strategy

Under the Full SPOE strategy, Banamex would be stabilized and transferred to the Reorganization Trust, where it would continue as a viable going concern. Following the stabilization of Citi's banking operations in the Reorganization Trust, they would be segmented and divested through a series of M&A and IPO transactions that retain the value of the franchises for the Citigroup Parent bankruptcy estate, as described under Section 1.

As described in Section 1, Citi's strategy for the segmentation of its businesses to enable the acquisition by multiple acquirers was developed based on the particular requirements and challenges of the specified hypothetical idiosyncratic failure scenario and associated assumptions mandated to Citi by regulators, which necessarily differ from the considerations that would apply to the segmentation of a going concern.

Banamex operates both consumer and institutional business lines. Under the strategy described in Section 1, Citi's international consumer operations would be sold in private transactions. In countries where the consumer and institutional businesses are highly integrated, the consumer and institutional businesses would be offered as a single unit, either in a private sale transaction or an initial public offering.

### [Financial Interconnections; Capital and Funding](#)

Historically, Banamex has self-funded with deposits (e.g., deposit accounts, promissory notes, and time deposits) from clients and other sources of securities financing (e.g., repos). Deposits comprise the majority of the funding base and Banamex's deposits are mainly deposit accounts, promissory notes and time deposits. No changes are expected in the ability to self-finance in the medium term. Currently, Banamex has a healthy short-term and structural liquidity position that exceeds internal guidelines.

As described in Section 1 above, prior to entering bankruptcy proceedings Citigroup Parent would recapitalize Banamex as necessary to ensure Banamex had sufficient resources to execute the Full SPOE strategy and maintain compliance with applicable capital requirements.

### [Operational Interconnections](#)

Following transfer to the Reorganization Trust, Banamex would not require continued support from Citi's shared service organizations.

## Broker-Dealer Entities

### CGMI

#### [Introduction](#)

CGMI is Citi's primary broker-dealer in the United States. CGMI is a dealer, market-maker and underwriter in equities, fixed income securities and commodities, and provides investment banking and advisory services to a wide range of corporate, institutional, and government clients. CGMI's activities also include securities lending and repurchase agreements, prime brokerage and operational support for clearing and settlement activities.

As of December 31, 2014, CGMI had total assets of \$262.6 billion and total liabilities of approximately \$253.4 billion. CGMI's most significant assets and liabilities include securities borrowed or purchased under agreements to resell. Other significant assets include trading assets and liabilities as well as broker-dealer receivables and payables.

CGMI generates almost all of its revenues within North America. CGMI's principal revenues comprise investment banking fees, managed account fees and commissions, as well as interest and dividends.

#### [Resolution Strategy](#)

As a result of the recapitalization and transfer to the Reorganization Trust, CGMI would remain fully operational and would not enter insolvency proceedings. The stabilization of CGMI in the Reorganization Trust would ensure the continuity of the business and operations conducted through CGMI, thereby preventing disruption to CGMI's clients and counterparties as well as the financial markets.

Once in the Reorganization Trust, if CGMI is not sold early in the resolution process, it would undergo a solvent wind-down through the sale or runoff of positions in an orderly, value-maximizing manner. As part of the solvent wind-down, the businesses operating through CGMI would be discontinued. At the end of the solvent wind-down, CGMI's assets would consist almost entirely of cash and unencumbered securities. After all positions were liquidated, CGMI would be dissolved and the final proceeds remitted to the Reorganization Trust.

### [Financial Interconnections; Capital and Funding](#)

CGMI is financially and contractually connected to the Citi network from both a long-term funding and a short-term funding perspective. CGMI's day-to-day funding and liquidity interconnectedness is mainly derived from secured funding of trading and inventory assets.

This financing model requires illiquid assets to be financed by long-term liabilities such as debt, equity or long-term secured funding. The primary MLE financial interconnections for CGMI are with CGML on a secured basis and with Citigroup Parent on an unsecured basis. All intercompany securities lending trades between CGMI and other Citi entities are conducted on an arm's-length basis. Intercompany securities lending transactions are undertaken to facilitate movement of collateral for matched book, short cover or securities lending purposes.

As described in Section 1 above, prior to entering bankruptcy proceedings Citigroup Parent would recapitalize CGMI as necessary to ensure CGMI had sufficient resources to execute the Full SPOE strategy and maintain compliance with applicable capital requirements.

### [Operational Interconnections](#)

Following transfer to the Reorganization Trust and throughout the solvent wind-down, CGMI would require continued support from Citi's shared service organizations. As described in Section 1 above, Citi has placed the vast majority of its critical shared services staff and assets in service MLEs or in subsidiaries of CBNA to ensure that shared service providers will continue to provide key services in resolution.

## CGML

### Introduction

CGML is Citi's primary broker-dealer in the UK headquartered in London and operating globally, generating the majority of its business in the EMEA region, with the remainder coming from Asia and the Americas.

CGML is a dealer, market-maker and underwriter in equities, fixed income securities and commodities, and provides investment banking and advisory services to a wide range of corporate, institutional and government clients. CGML's trading activities, which are part of Citi's Markets and Securities Services division within the Institutional Clients Group segment, encompass cash plus exchange-traded and over-the-counter derivative markets. CGML's major counterparties are banks, other investment firms, investment managers, insurers and hedge funds.

As of December 31, 2014, CGML had total assets of \$144.9 billion. These were made up primarily of collateralized financing transactions, cash collateral pledged, trade debtors and current asset investments. As of December 31, 2014, CGML had total liabilities of \$131.4 billion. This was made up primarily of derivative liabilities, collateralized financing transactions, securities sold, but not yet purchased, cash collateral held, bank loans, overdrafts and subordinated loans and trade creditors.

### Resolution Strategy

As a result of the recapitalization and transfer to the Reorganization Trust, CGML would remain fully operational and would not enter insolvency proceedings. The stabilization of CGML in the Reorganization Trust would ensure the continuity of the business and operations conducted through CGML, thereby preventing disruption to CGML's clients and counterparties as well as the financial markets.

Once in the Reorganization Trust, if CGML is not sold early in the resolution process, it would undergo a solvent wind-down through the sale or runoff of positions in an orderly, value-maximizing manner. As part of the solvent wind-down, the businesses operating through CGML would be discontinued. At the end of the solvent wind-down, CGML's assets would consist almost entirely of cash and unencumbered securities. After all positions were liquidated, CGML would be dissolved and the final proceeds remitted to the Reorganization Trust.

### Financial Interconnections; Capital and Funding

CGML funds itself through a combination of secured financing, equity, long-term subordinated debt, and long-term and short-term unsecured borrowings. Long-term structural liquidity is funded through subordinated debt, stockholder's equity, and intercompany loans with a maturity of greater than one year.

This financing model requires illiquid assets to be financed by long-term liabilities such as debt, equity or long-term secured funding. The primary MLE financial interconnections for CGML are with CGMI and CGMJ on a secured basis and with Citigroup Parent on an unsecured basis. All intercompany securities lending trades between CGML and other Citi entities are conducted on an arm's-length basis. Intercompany securities lending transactions are undertaken to facilitate movement of collateral for matched book, short cover or securities lending purposes.

As described in Section 1 above, prior to entering bankruptcy proceedings Citigroup Parent would recapitalize CGML as necessary to ensure CGML had sufficient resources to execute the Full SPOE strategy and maintain compliance with applicable capital requirements.

### Operational Interconnections

Following transfer to the Reorganization Trust and throughout the solvent wind-down, CGML would require continued support from Citi's shared service organizations. As described in Section 1 above, Citi has placed the vast majority of its critical shared services staff and assets in service MLEs or in subsidiaries of CBNA to ensure that shared service providers will continue to provide key services in resolution.

## CGMJ

### Introduction

CGMJ is Citi's broker-dealer in Japan. Through the Citi Markets and Securities Services business and Investment Banking business, CGMJ provides primary and secondary financial products and services to a cross-section of corporate, institutional and public sector clients.

As of December 31, 2014, total assets of CGMJ were \$12.6 billion, consisting primarily of deposits with banks, Fed funds sold, and resales and trading account assets. As of December 31, 2014, total liabilities of CGMJ were \$11.2 billion, consisting primarily of purchased funds and other borrowings, trading account liabilities and term debt.

### Resolution Strategy

As a result of the recapitalization and transfer to the Reorganization Trust, CGMJ would remain fully operational and would not enter insolvency proceedings. The stabilization of CGMJ in the Reorganization Trust would ensure the continuity of the business and operations conducted through CGMJ, thereby preventing disruption to CGMJ's clients and counterparties as well as the financial markets.

Once in the Reorganization Trust, if CGMJ is not sold early in the resolution process, it would undergo a solvent wind-down through the sale or runoff of positions in an orderly, value-maximizing manner. As part of the solvent wind-down, the businesses operating through CGMJ would be discontinued. At the end of the solvent wind-down, CGMJ's assets would consist almost entirely of cash and unencumbered securities. After all positions were liquidated, CGMJ would be dissolved and the final proceeds remitted to the Reorganization Trust.

### Financial Interconnections; Capital and Funding

CGMJ funds itself through a combination of secured financing, equity, long-term subordinated debt, and long-term and short-term unsecured borrowings. Long-term structural liquidity is funded through subordinated debt, stockholder's equity, and intercompany loans with a maturity of greater than one year.

This financing model requires illiquid assets to be financed by long-term liabilities such as debt, equity or long-term secured funding. The primary MLE financial interconnections for CGMJ are with CGML on a secured basis and with Citigroup Parent on an unsecured basis. All intercompany securities lending trades between CGMJ and other Citi entities are conducted on an arm's-length basis. Intercompany

securities lending transactions are undertaken to facilitate movement of collateral for matched book, short cover or securities lending purposes.

On a long-term basis, CGMJ is connected to the Citi network via additional paid-in capital and unsecured debt. CGMJ has no third-party capital. Subordinated long-term debt includes third-party debt, while non-subordinated long-term debt is attributable to third-party debt and intercompany debt.

Although CGMJ is largely self-funding on a day-to-day basis, overall capital is ultimately derived from other entities in Citi.

As described in Section 1 above, prior to entering bankruptcy proceedings Citigroup Parent would recapitalize CGMJ as necessary to ensure CGMJ had sufficient resources to execute the Full SPOE strategy and maintain compliance with applicable capital requirements.

#### [Operational Interconnections](#)

Following transfer to the Reorganization Trust and throughout the solvent wind-down, CGMJ would require continued support from Citi's shared service organizations. As described in Section 1 above, Citi has placed the vast majority of its critical shared services staff and assets in service MLEs or in subsidiaries of CBNA to ensure that shared service providers will continue to provide key services in resolution.

## Service MLEs

### CTI

#### Introduction

CTI is the principal U.S. legal entity for a predominance of Citi's technology infrastructure and shared services. Included in its technology infrastructure are Citi's global telecommunications network, data processing centers, data storage, distributed systems and command centers. CTI operates six key data centers in the U.S. that support many business lines. CTI's data center organization is comprised of command centers, global operations, strategic data centers and global IT support functions, which include platform integration, strategic planning, global service quality management, and business operations. CTI is also the principal U.S. legal entity for technology operations such as voice, video, system and network security, desktop, mobile and messaging, technology help desk, and remote access. CTI currently provides services globally.

Most of CTI's services are shared across multiple customers, but there are some services dedicated to specific businesses. In addition, as an agent for its affiliated customers CTI negotiates, pays for and holds licenses for enterprise-wide software used globally in various data processing activities, as well as commonly used desktop software applications and business aligned applications, all of which support core processes of other MLEs.

CTI is a non-risk-taking and non-client-facing entity. CTI does not engage in any banking, lending or deposit-taking activities or in any securities activities (e.g., trading, issuance, or offering), except for custodial, nor does it engage in any advisory or asset management activities.

As of December 31, 2014, total assets of CTI were \$5.7 billion, consisting of cash, accounts receivable, premises (leasehold assets), equipment (e.g., computer hardware), software and prepaid expenses. As of December 31, 2014, total liabilities of CTI were \$5.3 billion, consisting of accrued expenses, accounts payable, other liabilities and intercompany borrowings.

#### Resolution Strategy

CTI is a well-funded, non-risk-taking service MLE providing services based on formal service agreements with arm's-length pricing. Following the transfer to the Reorganization Trust, CTI would remain solvent and would continue to operate throughout resolution. CTI would provide services on arm's-length terms to other MLEs for as long as necessary to facilitate their own resolution strategies. CTI has sufficient operating capital to maintain operations for at least two months, in the event of a delay in recoveries from affiliates in resolution.

As the Reorganization Trust sold or wound down the operating MLEs, CTI or its assets would either be sold with the corresponding business or wound down if no longer needed to support operating MLEs.

#### [Financial Interconnections; Capital and Funding](#)

CTI derives its primary funding through fees from affiliates for the services it provides. If and to the extent that there is a delay between the time when CTI incurs operating costs and the time it recovers those costs from its customers, it also has access to an intercompany credit line.

As described in Section 1 above, the transfer of all subsidiaries to the Reorganization Trust ensures that Citi's operating MLEs and service MLEs would be able to maintain their intercompany funding flows as needed in resolution.

#### [Operational Interconnections](#)

As a service MLE, CTI provides key services to its affiliates which would be needed in resolution. As described in Section 1 above, in resolution surviving operating entities would continue to pay for services received pursuant to the existing ICSAs. Additionally, the service MLEs have developed contingency strategies to ensure they can continue to operate even in the event that intercompany payments are delayed in the initial period following Citi's entry into resolution.

## CTI (HK) Ltd

### Introduction

CTI (HK) Ltd is the principal Hong Kong legal entity for a predominance of Citi's technology infrastructure in the Asia Pacific region. CTI (HK) Ltd is incorporated and domiciled in Hong Kong and supports the operations of MLEs and other affiliates. It provides end-user support to affiliates for desktop, voice, and video services and also provides services such as business continuity services and network infrastructure production support services to CBNA Singapore and entities that CBNA Singapore supports. CTI (HK) Ltd holds no assets outside of Hong Kong.

As of December 31, CTI (HK) Ltd had total assets of \$166 million, consisting primarily of cash, accounts receivable, fixed assets (e.g., computer hardware), software and prepaid expenses. As of December 31, 2014, CTI (HK) Ltd had total liabilities of \$95 million, consisting primarily of accrued expenses, accounts payable, other liabilities and intercompany borrowings.

### Resolution Strategy

CTI (HK) Ltd is a well-funded, non-risk-taking service MLE providing services based on formal service agreements with arm's-length pricing. Following the transfer to the Reorganization Trust, CTI (HK) Ltd would remain solvent and would continue to operate throughout resolution. CTI (HK) Ltd would provide services on arm's-length terms to other MLEs for as long as necessary to facilitate their own resolution strategies. CTI (HK) Ltd has sufficient operating capital to maintain operations for at least two months, in the event of a delay in recoveries from affiliates in resolution.

As the Reorganization Trust sold or wound down the operating MLEs, CTI (HK) Ltd or its assets would either be sold with the corresponding business or wound down if no longer needed to support operating MLEs.

### Financial Interconnections; Capital and Funding

CTI (HK) Ltd derives its primary funding through fees from affiliates for the services it provides. If and to the extent that there is a delay between the time when CTI (HK) Ltd incurs operating costs and the time it recovers those costs from its customers, it also has access to an intercompany credit line.

As described in Section 1 above, the transfer of all subsidiaries to the Reorganization Trust ensures that Citi's operating MLEs and service MLEs would be able to maintain their intercompany funding flows as needed in resolution.

### Operational Interconnections

As a service MLE, CTI (HK) Ltd provides key services to its affiliates which would be needed in resolution. As described in Section 1 above, in resolution surviving operating entities would continue to pay for services received pursuant to the existing ICSAs. Additionally, the service MLEs have developed contingency strategies to ensure they can continue to operate even in the event that intercompany payments are delayed in the initial period following Citi's entry into resolution.

## CCSI

### [Introduction](#)

CCSI is a non-bank subsidiary of CBNA in the United States. CCSI provides intercompany services to Citi's retail banking and credit card businesses, including decision management, marketing, product development, risk management, and strategic business support services. CCSI also provides certain services to non-U.S. subsidiaries of CBNA, including decision management and marketing support. Most of CCSI's service recipients are based in North America.

As of December 31, 2014, total assets of CCSI were \$440 million, consisting of cash, accounts receivable, premises, technology equipment and software. As of December 31, 2014, total liabilities of CCSI were \$366 million, consisting of provision for taxes, intercompany payables and other liabilities.

### [Resolution Strategy](#)

CCSI is a well-funded, non-risk-taking service MLE providing services based on formal service agreements with arm's-length pricing. Following the transfer to the Reorganization Trust, CCSI would remain solvent and would continue to operate throughout resolution. CCSI would provide services on arm's-length terms to other MLEs for as long as necessary to facilitate their own resolution strategies.

As the Reorganization Trust sold or wound down the operating MLEs, CCSI or its assets would either be sold with the corresponding business or wound down if no longer needed to support operating MLEs.

### [Financial Interconnections; Capital and Funding](#)

CCSI derives its primary funding through fees from affiliates for the services it provides. If and to the extent that there is a delay between the time when CCSI incurs operating costs and the time it recovers those costs from its customers, it also has access to an intercompany credit line.

As described in Section 1 above, the transfer of all subsidiaries to the Reorganization Trust ensures that Citi's operating MLEs and service MLEs would be able to maintain their intercompany funding flows as needed in resolution.

### Operational Interconnections

As a service MLE, CCSI provides key services to its affiliates which would be needed in resolution. As described in Section 1 above, in resolution surviving operating entities would continue to pay for services received pursuant to the existing ICSAs. Additionally, the service MLEs have developed contingency strategies to ensure they can continue to operate even in the event that intercompany payments are delayed in the initial period following Citi's entry into resolution.

## CCSI (USA)

### Introduction

CCSI (USA) is a non-bank subsidiary of CBNA in the United States. CCSI (USA) provides intercompany services to Citi's retail banking, mortgage and credit card businesses, including decision management, new account setup, authorizations, dispute processing, underwriting, customer service, marketing, product development, risk management, technology, and business analytics services. CCSI (USA) also provides certain services to non-U.S. subsidiaries of CBNA, including workforce management, statements and letter printing, and payment processing as part of the global payment utility. However, most of CCSI (USA)'s service recipients are based in North America.

As of December 31, 2014, total assets of CCSI (USA) were \$2.0 billion, consisting of cash, accounts receivable, premises, technology equipment and software. As of December 31, 2014, total liabilities of CCSI (USA) were \$402 million, consisting of provision for taxes, intercompany payables and other liabilities.

### Resolution Strategy

CCSI (USA) is a well-funded, non-risk-taking service MLE providing services based on formal service agreements with arm's-length pricing. Following the transfer to the Reorganization Trust, CCSI (USA) would remain solvent and would continue to operate throughout resolution. CCSI (USA) would provide services on arm's-length terms to other MLEs for as long as necessary to facilitate their own resolution strategies.

As the Reorganization Trust sold or wound down the operating MLEs, CCSI (USA) or its assets would either be sold with the corresponding business or wound down if no longer needed to support operating MLEs.

### Financial Interconnections; Capital and Funding

CCSI (USA) derives its primary funding through fees from affiliates for the services it provides. If and to the extent that there is a delay between the time when CCSI (USA) incurs operating costs and the time it recovers those costs from its customers, it also has access to an intercompany credit line.

CCSI (USA) has relied on the issuance of corporate guarantees by CBNA and Citigroup Parent in connection with certain facility leases.

As described in Section 1 above, the transfer of all subsidiaries to the Reorganization Trust ensures that Citi's operating MLEs and service MLEs would be able to maintain their intercompany funding flows as needed in resolution.

### Operational Interconnections

As a service MLE, CCSI (USA) provides key services to its affiliates which would be needed in resolution. As described in Section 1 above, in resolution surviving operating entities would continue to pay for services received pursuant to the existing ICSAs. Additionally, the service MLEs have developed contingency strategies to ensure they can continue to operate even in the event that intercompany payments are delayed in the initial period following Citi's entry into resolution.

## CMC

### [Introduction](#)

CMC is a direct non-bank subsidiary of Citigroup Parent and a service provider for other Citi entities. CMC's workforce consists of employees in Global Functions (such as Risk, Compliance, Legal, and Internal Audit), including certain individuals identified as key management personnel for resolution purposes. Additionally, CMC houses the staff that operates payroll processing for North America. CMC holds no assets outside of the U.S.

As of December 31, 2014, total assets of CMC were \$95 million, consisting primarily of intercompany accounts receivable and intercompany tax-related accounts. As of December 31, 2014, total liabilities of CMC were \$96 million, consisting primarily of accrued expenses, employee compensation, and intercompany accounts payable.

### [Resolution Strategy](#)

CMC is a non-risk-taking service MLE providing services based on formal service agreements with arm's-length pricing. Following the transfer to the Reorganization Trust, CMC would remain solvent and would continue to operate throughout resolution. CMC would provide services on arm's-length terms to other MLEs for as long as necessary to facilitate their own resolution strategies. CMC has sufficient operating capital to maintain operations for at least two months, in the event of a delay in recoveries from affiliates in resolution.

As the Reorganization Trust sold or wound down the operating MLEs, CMC or its assets would either be sold with the corresponding business or wound down if no longer needed to support operating MLEs.

### [Financial Interconnections; Capital and Funding](#)

CMC derives its primary funding through fees from affiliates for the services it provides. As described in Section 1 above, the transfer of all subsidiaries to the Reorganization Trust ensures that Citi's operating MLEs and service MLEs would be able to maintain their intercompany funding flows as needed in resolution.

### Operational Interconnections

As a service MLE, CMC provides key services to its affiliates which would be needed in resolution. As described in Section 1 above, in resolution surviving operating entities would continue to pay for services received pursuant to the existing ICSAs. Additionally, the service MLEs have developed contingency strategies to ensure they can continue to operate even in the event that intercompany payments are delayed in the initial period following Citi's entry into resolution.

## Citishare

### Introduction

Citishare is a non-bank subsidiary of Citigroup Parent that is organized in the United States. Citishare provides services to Citi's retail and card businesses globally, primarily as an internal processor of ATM and debit point of sale transactions. Citishare connects to twelve payment networks and seven authorization processors, providing access to a vast international network of ATMs. All international ATM and PIN point of sale traffic on such selected card bases routes through Citishare. Additionally, Citishare provides services to three third-party entities as a result of Citi divestitures.

As of December 31, 2014, total assets of Citishare were \$37 million, consisting of cash and due from banks. As of December 31, 2014, total liabilities of Citishare were \$9 million, consisting of accrued expenses, accounts payable, accrued taxes and other liabilities.

### Resolution Strategy

Citishare is a well-funded, non-risk-taking service MLE providing services based on formal service agreements with arm's-length pricing. Following the transfer to the Reorganization Trust, Citishare would remain solvent and would continue to operate throughout resolution. Citishare would provide services on arm's-length terms to other MLEs for as long as necessary to facilitate their own resolution strategies. Citishare has sufficient operating capital to maintain operations for at least two months, in the event of a delay in recoveries from affiliates in resolution.

As the Reorganization Trust sold or wound down the operating MLEs, Citishare or its assets would either be sold with the corresponding business or wound down if no longer needed to support operating MLEs.

### Financial Interconnections; Capital and Funding

Citishare derives its primary funding through fees from affiliates for the services it provides. In addition, Citishare derives revenues through fees from third parties (all of which were the result of Citi divestitures) to which it provides services. If and to the extent that there is a delay between the time when Citishare incurs operating costs and the time it recovers those costs from its customers, it also has access to an intercompany credit line.

As described in Section 1 above, the transfer of all subsidiaries to the Reorganization Trust ensures that Citi's operating MLEs and service MLEs would be able to maintain their intercompany funding flows as needed in resolution.

### Operational Interconnections

As a service MLE, Citishare provides key services to its affiliates which would be needed in resolution. As described in Section 1 above, in resolution surviving operating entities would continue to pay for services received pursuant to the existing ICSAs. Additionally, the service MLEs have developed contingency strategies to ensure they can continue to operate even in the event that intercompany payments are delayed in the initial period following Citi's entry into resolution.

## CSJ

### Introduction

CSJ is the principal Japanese legal entity for Citi's shared O&T services, including sublease of office spaces and infrastructure in Japan, and provides a broad range of shared services to support the operations of CJL and CGMJ, other Citi subsidiaries in Japan and other Citi affiliates in Asia. CSJ's customers are mostly Citi affiliates with the exception of two non-Citi entities which contributed a minimal amount to CSJ's 2014 total revenues.

Some of the shared services provided are technology services (including software development and support, end-user technology and data center services), information security and business continuity services, securities services, fraud preventions, and business office, administration and privacy services.

As of December 31, 2014, total assets of CSJ were \$249 million, consisting primarily of cash and fixed assets. As of December 31, 2014, total liabilities of CSJ were \$130 million, consisting primarily of funds borrowed.

### Resolution Strategy

CSJ is a well-funded, non-risk-taking service MLE providing services based on formal service agreements with arm's-length pricing. Following the transfer to the Reorganization Trust, CSJ would remain solvent and would continue to operate throughout resolution. CSJ would provide services on arm's-length terms to other MLEs for as long as necessary to facilitate their own resolution strategies. CSJ has sufficient operating capital to maintain operations for at least two months, in the event of a delay in recoveries from affiliates in resolution.

As the Reorganization Trust sold or wound down the operating MLEs, CSJ or its assets would either be sold with the corresponding business or wound down if no longer needed to support operating MLEs.

### Financial Interconnections; Capital and Funding

CSJ derives its primary funding through fees from affiliates for the services it provides. If and to the extent that there is a delay between the time when CSJ incurs operating costs and the time it recovers those costs from its customers, it also has access to an intercompany credit line.

As described in Section 1 above, the transfer of all subsidiaries to the Reorganization Trust ensures that Citi's operating MLEs and service MLEs would be able to maintain their intercompany funding flows as needed in resolution.

### Operational Interconnections

As a service MLE, CSJ provides key services to its affiliates which would be needed in resolution. As described in Section 1 above, in resolution surviving operating entities would continue to pay for services received pursuant to the existing ICSAs. Additionally, the service MLEs have developed contingency strategies to ensure they can continue to operate even in the event that intercompany payments are delayed in the initial period following Citi's entry into resolution.

## CBS Costa Rica

### Introduction

CBS Costa Rica is a non-bank subsidiary of CBNA organized in Costa Rica. CBS Costa Rica is part of the Citi Service Center business, which operates in multiple countries providing shared services to Citi businesses worldwide. CBS Costa Rica provides services to Citi affiliates solely in North America and Latin America. These services include Systems Operations, US Reporting, Treasury, Operations & General Accounting, Financial Planning and Analysis and Management Reporting, Human Resources Shared Services, Accounts Payable, Procurement, Business Support Unit, Internal Audit, Product Control and Finance Regional Controllershship.

As of December 31, 2014, total assets of CBS Costa Rica were \$44 million, consisting primarily of operating cash and fixed assets. As of December 31, 2014, total liabilities of CBS Costa Rica were \$15 million, consisting primarily of intercompany borrowings.

### Resolution Strategy

CBS Costa Rica is a non-risk-taking service MLE providing services based on formal service agreements with arm's-length pricing. Following the transfer to the Reorganization Trust, CBS Costa Rica would remain solvent and would continue to operate throughout resolution. CBS Costa Rica would provide services on arm's-length terms to other MLEs for as long as necessary to facilitate their own resolution strategies. CBS Costa Rica has sufficient operating capital to maintain operations for at least two months, in the event of a delay in recoveries from affiliates in resolution.

As the Reorganization Trust sold or wound down the operating MLEs, CBS Costa Rica or its assets would either be sold with the corresponding business or wound down if no longer needed to support operating MLEs.

### Financial Interconnections; Capital and Funding

CBS Costa Rica derives its primary funding through fees from affiliates for the services it provides. If and to the extent that there is a delay between the time when CBS Costa Rica incurs operating costs and the time it recovers those costs from its customers, it also has access to an intercompany credit line.

As described in Section 1 above, the transfer of all subsidiaries to the Reorganization Trust ensures that Citi's operating MLEs and service MLEs would be able to maintain their intercompany funding flows as needed in resolution.

### Operational Interconnections

As a service MLE, CBS Costa Rica provides key services to its affiliates that would be needed in resolution. As described in Section 1 above, in resolution surviving operating entities would continue to pay for services received pursuant to the existing ICsAs. Additionally, the service MLEs have developed contingency strategies to ensure they can continue to operate even in the event that intercompany payments are delayed in the initial period following Citi's entry into resolution.

## CSIPL

### [Introduction](#)

CSIPL is a non-bank entity incorporated in and operating solely in India. CSIPL provides a variety of analytics, technology and other shared services to Citi affiliates in various regions. CSIPL's services include accounting, financial reporting, management reporting, application development, fund reporting and accounting, analytic, decision support, compliance monitoring and vendor oversight services. Relative to CSIPL's operations, the most significant services it provides are Financial Reporting Operations, Financial Planning and Analysis and Securities Services Global Processing services, all of which are provided globally on an ongoing basis. Other significant operations are provided by the Research and Analytics centers of excellence, which support Institutional Clients Group, Consumer, O&T and Global Functions with research, advanced analytics, decision management, risk analytics, financial reporting, and financial planning and analysis services, among others. All of CSIPL's customers are Citi affiliates.

As of December 31, 2014, total assets of CSIPL were \$131 million, consisting primarily of cash for operating funds, fixed assets and accounts receivable. As of December 31, 2014, total liabilities of CSIPL were \$74 million, consisting primarily of short-term intercompany borrowings, accrued expenses and employee-related liabilities.

### [Resolution Strategy](#)

CSIPL is a well-funded, non-risk-taking service MLE providing services based on formal service agreements with arm's-length pricing. Following the transfer to the Reorganization Trust, CSIPL would remain solvent and would continue to operate throughout resolution. CSIPL would provide services on arm's-length terms to other MLEs for as long as necessary to facilitate their own resolution strategies. CSIPL has sufficient operating capital to maintain operations for at least two months, in the event of a delay in recoveries from affiliates in resolution.

As the Reorganization Trust sold or wound down the operating MLEs, CSIPL or its assets would either be sold with the corresponding business or wound down if no longer needed to support operating MLEs.

### Financial Interconnections; Capital and Funding

CSIPL derives its primary funding through fees from affiliates for the services it provides. If and to the extent that there is a delay between the time when CSIPL incurs operating costs and the time it recovers those costs from its customers, it also has access to an intercompany credit line.

As described in Section 1 above, the transfer of all subsidiaries to the Reorganization Trust ensures that Citi's operating MLEs and service MLEs would be able to maintain their intercompany funding flows as needed in resolution.

### Operational Interconnections

As a service MLE, CSIPL provides key services to its affiliates that would be needed in resolution. As described in Section 1 above, in resolution surviving operating entities would continue to pay for services received pursuant to the existing ICSAs. Additionally, the service MLEs have developed contingency strategies to ensure they can continue to operate even in the event that intercompany payments are delayed in the initial period following Citi's entry into resolution.

## 4. Resolution Planning Corporate Governance Structure and Processes

Corporate governance and management oversight are fundamental to Citi's resolution planning processes and are conducted through a network of senior management committees, legal entity and business line management structures, and key functions, all ultimately reporting to the Citigroup Parent and CBNA Boards of Directors. This network works together to support the development and implementation of Citi's Resolution Plan. Citi has significant resources at its corporate center and across its functions, businesses, and geographies deployed to implement and support resolution planning. More than 600 individuals across the company contribute to the development of the Resolution Plan. For the 2015 submission, this effort included 15 distinct work efforts and encompassed more than 140 milestones/deliverables. As required by the Dodd-Frank Act, Citi's 2015 Resolution Plan has been approved for submission by the Board of Directors of Citigroup Parent.

To provide executive management oversight for the resolution planning process, Citi established the Recovery and Resolution Planning Committee, which — given the importance of resolution planning — includes Citigroup Parent's Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Risk Officer (CRO), General Counsel and Head of Regulatory Reform Implementation, as well as the business heads of each of Citi's core business segments. The Recovery and Resolution Planning Committee also is responsible for approving the Resolution Plan for submission to the Citigroup Parent Board of Directors for review and approval prior to the submission of the Plan to the Federal Reserve and the FDIC.

In addition, Citi established a senior steering group that includes participants from senior leadership as well as from global functions such as Risk, Finance, Legal, Compliance, and Regulatory Reform. This group is also supported by an extended team of executives throughout the organization. Members of the senior steering group provide regular updates to members of Citi's Recovery and Resolution Planning Committee.

Finally, Citi continues to maintain its Office of Recovery and Resolution Planning, which is responsible for coordinating the development, execution, and ongoing evolution of Citi's Recovery Plan as well as its Resolution Plan.

As part of the ongoing effort to enhance its resolution planning capabilities, Citi — through the Recovery and Resolution Planning Committee and the Office of Recovery and Resolution Planning — has focused on embedding resolution activities into business-as-usual activities throughout the enterprise, and on making resolution considerations a key component of the strategic decision making process. All senior business people at Citi are aware that they are responsible for ensuring that the institution adheres to the established standards that pertain to resolvability.

## 5. Summary Financial Information Regarding Assets, Liabilities, Capital, and Major Funding Sources

### Financial Summary — Citi consolidated<sup>2</sup>

Net revenue (\$ millions)	1Q 2015	4Q 2014	3Q 2014	2Q 2014	1Q 2014
Global Consumer Banking	8,662	9,028	9,201	8,944	8,844
Institutional Clients Group	9,028	7,160	8,336	8,402	9,154
Corporate / other	212	(93)	82	89	223
Total Citicorp	17,902	16,095	17,619	17,435	18,221
Citi Holdings	1,834	1,804	2,070	1,990	1,985
Total Citi	19,736	17,899	19,689	19,425	20,206

Net Income (\$ millions)	1Q 2015	4Q 2014	3Q 2014	2Q 2014	1Q 2014
Global Consumer Banking	1,725	1,688	1,894	1,563	1,674
Institutional Clients Group	2,964	1,677	2,343	2,566	2,948
Corporate / other	(19)	(3,066)	(1,537)	(384)	(388)
Citicorp	4,670	299	2,700	3,745	4,234
Citi Holdings	147	84	216	(3,492)	(282)
Continuing Operations	4,817	383	2,916	253	3,952
Discontinued Operations	(5)	(1)	(16)	(22)	37
Noncontrolling Interests	42	38	59	50	45
Total Citi	4,770	344	2,841	181	3,944

Citi consolidated (\$ billions)	1Q 2015	4Q 2014	3Q 2014	2Q 2014	1Q 2014
Total assets	1,832	1,842	1,883	1,909	1,894
Total liabilities	1,616	1,630	1,669	1,697	1,684
Total equity	216	212	214	213	210

<sup>2</sup> Certain reclassifications, including a realignment of certain businesses, and an accounting change have been made to the prior periods' financial results to conform to the current period's presentation. For additional information, see Note 1 to Citi's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015 and Citi's Current Report on Form 8-K furnished to the SEC on April 8, 2015.

## Capital Summary<sup>3</sup>

Basel III ratios — full implementation	1Q 2015	4Q 2014	3Q 2014	2Q 2014	1Q 2014
Common Equity Tier 1 Capital ratio	11.06%	10.57%	10.64%	10.57%	10.45%
Tier 1 capital ratio	12.07%	11.45%	11.41%	11.35%	11.11%
Total capital ratio	13.38%	12.80%	12.76%	12.70%	12.52%
Supplementary Leverage Ratio	6.44%	5.94%	5.98%	5.82%	5.70%

## Funding and Liquidity

### Overview

Citi's funding and liquidity objectives are to maintain liquidity to fund existing assets while growing Citi's core businesses in Citicorp. At the same time, Citi maintains sufficient excess liquidity, structured appropriately, to facilitate operations under a wide variety of market conditions, including short- and long-term market disruptions.

Citi's primary sources of funding include: (i) deposits placed in Citi's bank subsidiaries, which are Citi's largest source of stable long-term funding; (ii) long-term debt (primarily senior and subordinated debt) primarily issued at the parent and certain bank subsidiaries; and (iii) stockholders' equity, at both the bank and non-bank entities. These sources may be supplemented by short-term borrowings, primarily in the form of securities financing transactions (securities loaned or sold under agreements to repurchase, or repos), but Citi policy now prohibits short-term (under one year) unsecured debt issued by Citigroup Parent, in order to facilitate resolution.

In 2013, Citi's Liquidity Risk Management Policy was amended to require that operating MLEs provide additional reporting and that the service MLEs have sufficient liquidity to cover two months of operating expenses.

The Liquidity Risk Management Policy was further revised to require that liquidity within Citi be measured and managed at the MLE level and Country Legal Entity level. Additionally, liquidity standards and reporting now mandate entity self-sufficiency in stressed metrics for all operating MLEs and Country Legal Entities. A Country Legal Entity represents a single legal entity or a collection of legal entities,

<sup>3</sup> Capital ratios based on U.S. Basel III rules, with full implementation assumed for capital components; risk weighted assets based on the Advanced Approaches for determining risk weighted assets. Citi's Supplementary Leverage ratio is based on the U.S. Basel III rules, on a fully implemented basis. Citi's Basel III ratios are non-GAAP financial measures. For additional information, see Citi's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015.

including MLEs, for which liquidity must be monitored and managed at a level that meets both liquidity fungibility and accountability criteria. This framework is a key component of Citi’s liquidity risk management framework and focuses the management of liquidity resources in the appropriate locations to address local and global liquidity disruptions.

### High-Quality Liquid Assets

As referenced above, Citi manages the tenor of its funding sources to ensure the maturity profile of these liabilities is adequate to fund the maturity profile of its associated asset base. This is a key objective of Citi’s asset and liability management framework.

As set forth in the table below, Citi’s high-quality liquid assets (HQLA) as of March 31, 2015 were \$400.5 billion, compared to \$412.6 billion as of December 31, 2014. The decrease in HQLA quarter-over-quarter was primarily driven by the use of cash to reduce short-term borrowings and long-term debt in the significant Citibank entities, as well as reduce wholesale funding in the parent entities. This was partially offset by cash generated from a seasonal reduction in loans in significant CBNA entities and other CBNA and Banamex entities.

\$ billions	Parent <sup>4</sup>		Significant CBNA entities <sup>5</sup>		Other CBNA and Banamex entities		Total	
	1Q 2015	4Q 2014	1Q 2015	4Q 2014	1Q 2015	4Q 2014	1Q 2015	4Q 2014
Available cash	18.3	37.5	71.3	54.6	4.9	10.6	94.5	102.7
Unencumbered liquid securities	30.3	35.0	207.1	203.1	68.6	71.8	306.0	309.9
<b>Total</b>	<b>48.6</b>	<b>72.5</b>	<b>278.4</b>	<b>257.7</b>	<b>73.5</b>	<b>82.4</b>	<b>400.5</b>	<b>412.6</b>

<sup>4</sup> “Parent” consists of Citigroup, the parent holding company and Citi’s broker-dealer subsidiaries that are consolidated into Citigroup Parent.

<sup>5</sup> “Significant CBNA Entities” consist of CBNA units domiciled in the U.S., Western Europe, Hong Kong, Japan, and Singapore.

## Funding Sources

### ***Deposits***

Deposits are the primary funding source for Citi's banking subsidiaries. Citi's total deposits as of March 31, 2015 were \$899.6 million, largely unchanged from December 31, 2014.

Citi monitors its deposit base across multiple dimensions, including what Citi refers to as "LCR value" or the liquidity value of the deposit base under the U.S. LCR rules. Under U.S. LCR rules, deposits are assigned liquidity values based on expected behavior under stress, determined by the type of deposit and type of client. Generally, the U.S. LCR rules prioritize operating accounts of consumers (including retail and commercial banking deposits) and corporations, while assigning lower liquidity values to non-operating balances of financial institutions. As of March 31, 2015, total deposits had a liquidity value of approximately 73% under the U.S. LCR rules, unchanged from December 31, 2014.

### ***Long-Term Debt***

Long-term debt (generally defined as debt with original maturities of one year or more) represents the most significant component of Citi's funding for the parent entities and is a supplementary source of funding for the bank entities.

Long-term debt is an important funding source owing in part to its multi-year maturity structure. The weighted-average maturity of unsecured long-term debt issued by Citigroup Parent and its affiliates (including CBNA) with a remaining life greater than one year (excluding remaining trust preferred securities outstanding), was approximately 6.9 years as of March 31, 2015, largely unchanged from the prior quarter. Citi believes this term structure enables it to meet its business needs and maintain adequate liquidity.

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

As of March 31, 2015 total long term debt outstanding was \$210.5 billion, compared to \$223.1 billion as of December 31, 2014.

## ***Securities Financing Transactions and Short-Term Borrowings***

### *Secured Funding*

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

Secured funding of \$175 billion as of March 31, 2015 was largely unchanged from \$173 billion as of December 31, 2014, as market activity was offset by the impact of FX translation.

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

The remainder of the secured funding activity in the broker-dealer subsidiaries serves to fund trading inventory. To maintain reliable funding under a wide range of market conditions, including under periods of stress, Citi manages these activities by taking into consideration the quality of the underlying collateral, and stipulating financing tenor. The weighted average maturity of Citi's secured funding of less liquid trading inventory was greater than 110 days as of March 31, 2015.

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

### *Commercial Paper*

Similar to other short-term borrowings described below, as Citi continued to grow its high-quality deposits, it reduced its reliance on short-term borrowings, including commercial paper. As of March 31, 2015, Commercial Paper totaled \$11.0 billion, compared to \$16.2 billion as of December 31, 2014.

### *Other Short-Term Borrowings*

As of March 31, 2015, Citi's other short-term borrowings, which included borrowings from the FHLB and other market participants, were approximately \$28 billion, compared to \$42 billion as of December 31, 2014. As described under "Commercial Paper" above, Citi purposefully reduced its other short-term borrowings, including FHLB borrowings, as it continued to grow high quality deposits.

### **Liquidity Management, Measures, and Stress Testing**

Citi's aggregate liquidity resources are managed by the Citi Treasurer under a centralized treasury model. Under the oversight of the Citi Treasurer, regional, country and business Treasurers play an important role in ensuring an appropriate liquidity profile in each of Citi's key legal entities. Citi's CRO is responsible for the overall risk profile of Citi's liquidity resources. The CRO and CFO co-chair Citi's Asset Liability Management Committee (ALCO), which includes Citi's Treasurer and other senior executives. The ALCO sets the investment strategy of the liquidity portfolio and monitors its performance. Significant changes to portfolio asset allocations need to be approved by the ALCO.

#### Liquidity Measures

Citi uses several metrics to monitor the firm's liquidity profile across multiple time horizons from overnight through two years to ensure that liquidity shortfalls do not exist in any of these time periods. Formal ratios are calculated at the 30-day and 1-year point for Citi's internal short-term (LCR Prime) and longer-term (S2) liquidity metrics, respectively.

A project was initiated in the first quarter of 2014 to develop the capability to monitor liquidity reporting for each operating MLE. This capability is primarily focused on the LCR Prime and S2 stress scenarios, 30-day and 1-year, respectively. Development for daily LCR Prime and S2 reporting began at year-end 2014.

For 12-month liquidity stress periods, Citi uses several measures, including the long-term liquidity measure. This is based on Citi's internal 12-month, highly stressed market scenario and assumes market, credit and economic conditions are moderately to highly stressed with potential further deterioration. The long-term liquidity measure is broadly defined as the ratio of unencumbered liquidity resources to net stressed cumulative outflows over a 12-month period.

## Stress Testing

Liquidity stress testing is performed for each of Citi's major entities, operating subsidiaries, and/or countries. Stress testing and scenario analyses are intended to quantify the potential impact of a liquidity event on the balance sheet and liquidity position, and to identify viable funding alternatives that can be utilized. These scenarios include assumptions about significant changes in key funding sources, market triggers (such as credit ratings), potential uses of funding and political and economic conditions in certain countries. These conditions include standard and stressed market conditions as well as Citi-specific events.

A wide range of liquidity stress tests is important for monitoring purposes. These potential liquidity events are useful to ascertain potential mismatches between liquidity sources and uses over a variety of time horizons (overnight, 1 week, 2 weeks, 1 month, 3 months, 1 year, 2 years), and over a variety of stressed conditions. Liquidity limits are set accordingly. To monitor the liquidity of a unit, those stress tests and potential mismatches are calculated with varying frequencies, with several tests performed daily.

For a more detailed discussion of Citi's funding and liquidity, see Citi's Annual Report on Form 10-K for the year ended December 31, 2014 (2014 Form 10-K) and Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015 (1Q 2015 Form 10-Q) filed with the U.S. Securities and Exchange Commission (SEC).

## 6. Description of Derivative and Hedging Activities

### Overview

In the ordinary course of business, Citi provides clients with various services and products, including derivatives, to help them manage their risks. Citi uses similar services and products to manage its own risks as part of its commitment to the ongoing safety and soundness of the company.

### Customer Needs

In order to meet the needs of its clients, Citi includes an appropriate range of derivatives in its product offerings. Citi's clients require a wide variety of risk management strategies, such as the need to transfer, modify or reduce interest rate, foreign exchange and other market/credit risks, as well as products for the clients' own permissible trading purposes.

Citi has controls in place to evaluate whether a particular product or strategy is appropriate for a given client. As part of this process, Citi considers the risks associated with the transaction, as well as the client's business purpose for the transaction. Citi also oversees the activities associated with managing the possible risks undertaken in the course of offering derivatives to clients, such as booking offsetting trades. This oversight includes (i) centralized price verification; (ii) credit, market, operational, stress and accounting limits; and (iii) frequent reporting of risks and stress results to senior managers and periodically to the Risk Management and Finance Committees of Citigroup Parent's and CBNA's Board of Directors.

### Hedging

As part of its commitment to manage the safety and soundness of the company, Citi follows a variety of strategies to manage certain risks that arise in the normal course of its banking activities. These risks include:

- **Interest rate risk:** Mismatches can occur in asset and liability cash flows driven by different maturities.
- **Credit risk:** Citi uses products designed to hedge credit exposures to clients, to limit losses from exposures to groups of similar client types, or to limit losses from exposures to certain countries or regions.
- **Foreign exchange risk:** Products are used to manage exposures to currency fluctuations related to investments made in non-U.S. subsidiaries or other non-U.S. dollar-denominated assets.
- **Client facilitation risk:** Client product offerings may include inherent balance sheet risk for Citi.

Citi's risk reduction strategies include the use of derivatives that are subject to strict controls, including a comprehensive set of policies and controls that specify the permitted usage of Citi's legal entities and products, documentation, collateral management, and risk limits. Independent risk management provides oversight for the adherence to the credit, market, operational, stress and accounting limits that Citi has implemented. Independent risk management also develops and conducts regular stress tests to ensure compliance with the specified risk tolerances.

Please see Citi's 2014 Form 10-K and 1Q 2015 Form 10-Q for a detailed discussion of Citi's derivative and hedging activities.

### **Impact of ISDA Resolution Stay Protocol**

The ISDA Resolution Stay Protocol, announced in 2014, was specifically designed to stay early terminations of OTC derivatives governed by ISDA master agreements upon the commencement of bankruptcy or insolvency proceedings by an affiliate. The ISDA Resolution Stay Protocol helps ensure that MLEs are not subject to simultaneous, severe liquidity outflows and abrupt liquidations of collateral as a result of close-outs of OTC derivatives.

Citi entities comprising more than 90% of Citi's total derivative transactions (measured by trade count, gross notional exposure, and net mark-to-market) have adhered to the ISDA Resolution Stay Protocol, which significantly limits the potential financial impact of cross-default provisions.

Since adhering to the ISDA Resolution Stay Protocol in November 2014, Citi has been actively working with industry organizations to make concrete progress in extending the ISDA Resolution Stay Protocol to cover other financial products, including through an extension of the ISDA Resolution Stay Protocol among the G-18 in advance of the issuance of expected QFC regulations by home country regulatory authorities. The goal of this effort is to produce an expanded protocol that will form the basis for broader market adherence once the QFC regulations are issued. Citi strongly supports the current efforts and intends to work closely with the G-18, ISDA, other trade organizations and the regulatory community to expand the protocol to repos and other securities financing transactions and adhere to the expanded protocol by the time of the G-20 summit.

## 7. Memberships in Material Payment, Clearing and Settlement Systems

Financial market utilities such as payment systems, exchanges, depositories, and clearinghouses are key components of the financial market infrastructure. These FMUs serve to link together Citi’s global network, which is the foundation of the firm’s mission to meet the financial services needs of large multinational clients and our retail, private banking, commercial, public-sector and institutional clients around the world. Similar to other large financial institutions, Citi participates and maintains membership in a number of payment, clearing and settlement systems, virtually all of which are subject to regulatory supervision and local licensing requirements.

Citi’s Payments Systems Risk Management Group provides a consistent framework for assessing, measuring, approving, monitoring, reporting, and mitigating risks related to FMUs. Payment systems risk is the risk to earnings or capital arising from Citi’s involvement with FMUs that facilitate the transfer of value by providing trading, payments, clearing, settlement, or depository services. Such services include funds transfer systems; securities and derivatives clearinghouses; securities depositories; consumer networks; and other FMUs that serve as equity, fixed income or derivatives exchanges. Listed below are Citi’s top FMUs as described in the firm’s resolution plan:

<p><b>Payments FMUs</b></p> <ul style="list-style-type: none"> <li>• Clearing House Automated Payment System (CHAPS)</li> <li>• Clearing House Interbank Payments System (CHIPS)</li> <li>• CLS Bank International (CLS)</li> <li>• Electronic Payments Network (EPN)</li> <li>• Euro1</li> <li>• Fed ACH Services (FedACH)</li> <li>• Fedwire Funds Service</li> <li>• Target2</li> </ul>	<p><b>Clearing, Settlement and Agent Bank FMUs</b></p> <ul style="list-style-type: none"> <li>• Bank of New York Mellon</li> <li>• Chicago Mercantile Exchange (CME)</li> <li>• CREST</li> <li>• The Depository Trust Company (DTC)</li> <li>• Eurex Clearing AG (Eurex)</li> <li>• Euroclear Bank SA (Euroclear)</li> <li>• Fedwire Securities Services</li> <li>• Fixed Income Clearing Corporation (FICC)</li> <li>• ICE Clear Europe</li> <li>• LCH.Clearnet Ltd. (LCH)</li> <li>• National Securities Clearing Corporation (NSCC)</li> </ul>
<p><b>International Messaging Utility</b></p> <ul style="list-style-type: none"> <li>• Society for Worldwide Interbank Financial Telecommunication (SWIFT)</li> </ul>	

## 8. Description of Foreign Operations

Citi provides banking products and services that support economic activity in the U.S. and around the world. The foreign operations of Citi's Banking and Markets & Securities Service business segments help U.S. companies pursue business opportunities outside the U.S., and provide a full suite of banking services — including payments, lending and capital markets — that help to develop and sustain their international activities. These foreign operations also serve governments and non-profits, as well as local businesses and multinational companies, by providing international financing and payments services. Citi has a presence in 101 markets around the world, including 24 markets in which the Global Consumer Banking segment serves consumers with local and international banking services.

Citi's international services for U.S. corporations and other institutional and global clients include deposit taking, payments, FX, trade finance, lending, custody, and capital markets. Citi's network enables the international activities of these clients by linking their various international locations through effective management of liquidity and facilitation of financial flows and other financial transactions — including, for example, the payment of employees outside the U.S. and the hedging of foreign currency exposures. Citi's network in turn connects the various international hubs of these multinationals to their respective suppliers and customers, enabling commercial activity by facilitating payments and disbursements, trade finance and balance sheet hedging. Citi scales its international network, both in terms of locations and capabilities, to match the needs of these clients.

### International Governance

Citi maintains a strong global framework of governance, management, and oversight of the activities conducted in each country; supervision is the responsibility of senior management in the product areas, the regions and the global function managers. This international franchise management structure is designed to ensure that a core set of processes, procedures, and guidelines govern Citi's international franchise. This structure plays an important role in balancing local franchise governance and management with overall institutional objectives by helping align local franchise objectives with global platforms and strategies.

In every country where Citi has facilities, there is a Citi Country Officer or Governance Head who serves as the lead representative of Citi in that country. The Citi Country Officer's responsibilities include protecting the Citi franchise and reputation, overseeing Country Risk Management, managing regulatory relationships, ensuring that appropriate controls (legal entity, compliance, legal and audit) are in place, managing liquidity, crisis management and escalating material issues to senior regional management.

## Financial Overview

In the first quarter of 2015, more than half of Citicorp's revenue and income was earned from banking operations outside of North America.<sup>6</sup> In connection with Citi's efforts to maintain a diversified portfolio, Citi limits its exposure to any one geographic region, country or individual creditor and monitors this exposure on a continuing basis. The following table shows a breakdown of Citicorp's financial results by geographic region for the first quarter of 2015.

Geographic region	Revenue		Income from continuing operations		Average assets	
	\$ Million	%	\$ Million	%	\$ Billion	%
North America	8,297	46%	2,155	46%	885	51%
EMEA	3,005	17%	859	18%	323	19%
Latin America	2,900	16%	657	14%	155	9%
Asia	3,488	19%	1,018	22%	305	18%
Other Corp	212	1%	(19)	0%	59	3%
Total Citicorp	17,902	100%	4,670	100%	1,727	100%

### North America

Business segment	Revenue	Income from continuing operations
	\$ Million	\$ Million
Institutional Clients Group	3,303	1,015
Global Consumer Banking	4,994	1,140

### Europe, the Middle East and Africa (EMEA)

EMEA includes a diverse mix of developed and emerging markets. The following table shows a breakdown of EMEA's financial results by business segment for the first quarter of 2015.

Business segment	Revenue	Income from continuing operations
	\$ Million	\$ Million
Institutional Clients Group	2,763	857
Global Consumer Banking	242	2

<sup>6</sup> For these purposes, North America includes the U.S., Canada, and Puerto Rico.

### Latin America

Citi has provided banking services in Latin America<sup>7</sup> since 1904, when the firm started operations in Panama. Citi's most prominent operations in Latin America are in Mexico, where its subsidiary bank, Banamex, is the country's second largest bank with more than 21 million clients. The following table shows a breakdown of Latin America's financial results by business segment for the first quarter of 2015.

Business segment	Revenue	Income from continuing operations
	\$ Million	\$ Million
Institutional Clients Group	1,065	413
Global Consumer Banking	1,835	244

### Asia (Asia Pacific and Japan)

Citi's legacy in the Asia region dates back more than a hundred years. Asia comprises Asia Pacific and Japan (which for management purposes is a separately reporting region). The following table includes a breakdown of Asia's financial results by business segment for the first quarter of 2015.

Business segment	Revenue	Income from continuing operations
	\$ Million	\$ Million
Institutional Clients Group	1,897	679
Global Consumer Banking	1,591	339

<sup>7</sup> For these purposes, Latin America includes Mexico.

## 9. Material Supervisory Authorities

### Overview

Citi is subject to regulation under U.S. federal and state laws, as well as applicable laws in the other jurisdictions in which the company does business.

### Holding Company Supervision

As a registered bank holding company and financial holding company, Citi is regulated and supervised by the Federal Reserve.

### Subsidiary Banks

Citi's nationally chartered subsidiary banks, including CBNA, are regulated and supervised by the Office of the Comptroller of the Currency (Comptroller) while Citi's state-chartered depository institutions are overseen by the relevant state banking departments and the FDIC. The FDIC also has enforcement authority with respect to banking subsidiaries whose deposits it insures. In addition, the FDIC has established the Office of Complex Financial Institutions (OCFI), which is particularly focused on the recovery and resolution of large banks. Overseas branches of CBNA are regulated and supervised by the Federal Reserve and Comptroller, and overseas subsidiary banks are regulated and supervised by the Federal Reserve. Overseas branches and subsidiary banks are also regulated and supervised by regulatory authorities in the host countries.

### Broker-Dealers

Citi conducts securities underwriting, brokerage, and dealing activities in the U.S. through its ownership of CGMI, its primary broker-dealer. CGMI is registered with the SEC as a broker-dealer and as an investment adviser, and with the U.S. Commodity Futures Trading Commission (CFTC) as a futures commission merchant and commodity pool operator. CGMI is also a member of the New York Stock Exchange (NYSE) and other principal U.S. securities exchanges, as well as the Financial Industry Regulatory Authority (FINRA). CGMI is also a primary dealer in U.S. Treasury securities and a member of the principal U.S. futures exchanges.

Outside the U.S., Citi conducts similar securities activities, principally through its ownership of CGML in London, which is authorized and regulated principally by the UK Prudential Regulation Authority and the UK Financial Conduct Authority, and through CGMJ in Tokyo, which is regulated principally by the Financial Services Agency of Japan.

## 10. Principal Officers of Citigroup Inc.

- Francisco Aristeguieta, CEO, Asia Pacific
- Stephen Bird, CEO, Global Consumer Banking
- Don Callahan, Head of Enterprise Operations & Technology, Chief Operations and Technology Officer
- Mark Carawan, Head of Audit
- Michael Corbat, Chief Executive Officer
- James Cowles, CEO, Europe, Middle East and Africa
- John P. Davidson III, Chief Compliance Officer
- Barbara Desoer, CEO, CBNA
- James Forese, President of Citi and CEO, Institutional Clients Group
- Jane Fraser, CEO, Latin America
- John Gerspach, Chief Financial Officer
- Bradford Hu, Chief Risk Officer
- Jud Linville, CEO, Citi Cards
- William Mills, CEO, North America
- Michael Murray, Head of Human Resources
- Edward Skyler, Executive Vice President, Global Public Affairs
- Ernesto Torres Cantu, CEO, Citi Mexico, Grupo Financiero Banamex, Banco National de Mexico
- Francesco Vanni d'Archirafi, CEO, Citi Holdings
- Rohan Weerasinghe, General Counsel and Corporate Secretary
- Paco Ybarra, Global Head of Markets and Securities Services

## 11. Overview of Material Management Information Systems

Citi's material management information systems are one of Citi's strengths, designed and tested to support Citi's operation in the ordinary course of business. As part of Citi's resolution planning processes, in a resolution scenario, each Citi business unit and legal entity is intended to have ongoing access to the systems and data needed in order to complete an orderly and value-maximizing resolution.

In recent years, Citi has made significant investments in system architecture and data quality to support enterprise-wide decision-making and reporting needs. This includes the implementation of standards-based data architecture and strategic platforms supporting firm-wide Finance, Risk and Compliance processes. Citi believes that these investments have substantially improved the firm's material MIS as evidenced by strengthened business planning, monitoring, reporting, and analytics capabilities. In addition to supporting management's day-to-day needs, Citi has utilized its improved MIS platforms to support the information needs associated with resolution planning.

Citi further recognizes that the effectiveness of its MIS rests on well-defined organizational accountabilities, processes, and standards. Therefore, the firm has adopted both enterprise architecture and data management policies that govern how systems are designed, built, and managed.

A key component of the data management policy focuses on adherence to data architecture, standards, and targeted data quality objectives. Citi supports this policy through the Chief Data Office and its use of a standard enterprise data quality measurement and management program. Citi's enterprise data architecture defines and manages the governance of strategic data repositories, which serve as authoritative sources of information covering areas such as legal entities, organization, customers, products, contracts, employees, and transactions.

Citi's MIS platforms are built and managed in compliance with all applicable data privacy laws and regulations. Citi has detailed and formal procedures in place for sharing of data across legal entities and different Citi businesses. In a resolution scenario, these procedures provide a framework to facilitate ongoing information sharing in order to enable an orderly and value-maximizing resolution of each of Citi's MLEs and CBLs.

Citi's MIS platforms are built to comply with Citi's continuity of business policy which ensures resiliency of all critical systems under stress, and that would facilitate smooth continued operation of the businesses in a resolution scenario.

## Examples of Material Management Information Systems

The following are examples of material MIS and capabilities that are based on this architecture.

### Resolution Information System

As part of its resolution planning efforts, Citi has built a data and analytics tool that presents a detailed view of Citi's MLEs, CBLs, and shared functions, as well as between legal entities and third parties. The tool also compiles information on assets, financial position, services, and operational resources such as personnel, facilities, and information systems.

This tool accesses and analyzes data from 14 of Citi's authoritative data sources. Each source supports a critical management process in Citi and has a defined process owner. This tool provides Citi and its regulators the ability to immediately get the critical information that would be needed in a crisis situation. In addition, the functionality provides important strategic and analytic benefits that support Citi's ongoing business processes.

### Risk Management Systems

Citi has enhanced its risk reporting capabilities through the consolidation of risk management applications into a common portal, providing users with risk and exposure information used in risk analysis, risk approval processes, facilities, and limit management, as well as reporting aggregation and decision support. This portal provides granular and holistic views of credit, market and operational risk data across legal vehicle, geographic, and business dimensions for wholesale and retail portfolios, and has the ability to report credit and market exposures from a variety of perspectives, including business unit, legal entity, counterparty, country and industry, mark-to-market, product, and issuer risk. The portal also has the capability to identify off-balance sheet exposures and report gross payables and receivables by counterparty. Citi has also implemented underlying common risk platforms and services, improving information timeliness and processing efficiencies.

Citi recently introduced a new reporting and analytics platform which correlates broad classes of data, leveraging Citi's authoritative data sources and enterprise data standards. It is designed to provide mobile-enabled delivery of cross-data set intelligence around trends, alerts, pattern detection, and other correlations. Its data coverage spans financial, organizational, location and site strategy, client profitability, credit exposure results, firm-wide single name exposure reporting, operational losses, and compliance and control assessment results.

### Financial Planning and Analysis / Treasury — Liquidity Management Systems

Citi continues to improve the financial planning and analysis reporting capabilities through the launch of a platform in September 2014 that supports Financial Planning and Analysis, treasury, and risk management globally for net interest revenue, balance sheet forecasting, and interest rate risk management. The platform provides a flexible system for developing the business forecast and aligns Financial Planning and Analysis, Comprehensive Capital Analysis and Review, and risk and business decision support, as well as providing finance and risk-consistent models, stress scenarios, data and structure for calculations and income and valuation risk metrics.

Citi has an application for calculating the daily net funding requirements of legal entities. Users can upload, view, and attest the cash flow information; the dashboard functionality provides the ability to monitor the data uploads, and a stress testing module allows the capture and consolidation of various stress scenario information.

Citi also has an application that provides detailed books and records for contractual products (such as swaps, caps, floors, forward rate agreements, and swap options); it supports a variety of businesses as well as regulatory reporting requirements.

## 12. Forward-Looking Statements

Certain statements contained herein are “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements are based on management’s current expectations and are subject to uncertainty and changes in circumstances. These statements are not guarantees of future results or occurrences. Actual results and capital and other financial condition may differ materially from those included in these statements due to a variety of factors, including any regulatory or other considerations and approvals and the precautionary statements included herein and those contained in Citigroup’s filings with the U.S. Securities and Exchange Commission, including without limitation the “Risk Factors” section of Citigroup’s 2014 Annual Report on Form 10-K. Any forward-looking statements made by or on behalf of Citigroup speak only as to the date they are made, and Citigroup does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements were made.