Citigroup Inc.

Pillar 3

Basel III Advanced Approaches Disclosures

For the Quarterly Period Ended March 31, 2026

TABLE OF CONTENTS

Organization

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

Throughout this report, “Citigroup,” “Citi” and “the Company” refer to Citigroup Inc. and its consolidated subsidiaries including Citibank, N.A. (Citibank), Citi's primary U.S. depository institution subsidiary.

Pillar 3 Disclosure Requirements

Citi is subject to regulatory capital standards issued by the Federal Reserve Board (FRB), which constitute the U.S. Basel III rules. These rules establish an integrated capital adequacy framework, encompassing both risk-based capital ratios and leverage ratios.

The U.S. Basel III rules set forth the composition of regulatory capital (including the application of regulatory capital adjustments and deductions), as well as two comprehensive methodologies (a Standardized Approach and Advanced Approaches) for measuring total risk-weighted assets. Total risk-weighted assets under the Advanced Approaches, which are primarily models-based, include credit, market, and operational risk-weighted assets.

In addition, Citi, as an Advanced Approaches banking organization under the U.S. Basel III rules, is also required to publicly disclose certain qualitative and quantitative information regarding Citi’s capital structure and adequacy, credit risk and related mitigation policies, securitizations, equity exposures, market risk, operational risk, Supplementary Leverage ratio, and other matters (the Basel III Advanced Approaches Disclosures). These Basel III Advanced Approaches Disclosures constitute the often referred to “Pillar 3 Disclosures.”

Moreover, these Citigroup Basel III Advanced Approaches Disclosures were reviewed and approved in accordance with Citi’s Basel Public Disclosures Policy, the latter of which has been approved by Citi’s Board of Directors.

On March 19, 2026, the U.S. banking agencies issued a notice of proposed rulemaking, known as the Basel III proposal, to amend the U.S. regulatory capital requirements. In addition, the FRB proposed changes to the global systematically important bank holding company (GSIB) surcharge rule that aim to better align the surcharge calculation with systemic risks.

For additional information regarding the U.S. Basel III rules, including recent developments see “*Capital Resources*” in Citi's 2025 Annual Report on Form 10-K (2025 Form 10-K) and Citi's First Quarter 2026 Form 10-Q. Further, see Citi's FFIEC 101 Report, “*Regulatory Capital Reporting for Institutions Subject to the Advanced Capital Adequacy Framework*” as of March 31, 2026 (First Quarter 2026 FFIEC 101 Report), available on the National Information Center's website.

Basis of Consolidation

Citi's basis of consolidation for both financial and regulatory accounting purposes is in accordance with U.S. GAAP. The U.S. Basel III rules are applied to these consolidated financial statements and off-balance sheet exposures.

Certain of Citi's equity investments in entities carried under either the cost or equity method of accounting for U.S. GAAP purposes are neither consolidated nor deducted from regulatory capital under the U.S. Basel III rules, but rather are appropriately risk-weighted. However, so-called "significant investments" (greater than 10% ownership or exposure) in the common stock of unconsolidated financial institutions are subject, under the U.S. Basel III rules, to potential deduction in arriving at Common Equity Tier 1 (CET1) Capital. To the extent not deducted, these significant investments are risk-weighted.

In addition, under the U.S. Basel III rules, Citi must deduct 50% of the minimum regulatory capital requirements of insurance underwriting subsidiaries from each of Tier 1 Capital and Tier 2 Capital.

For further information regarding Citi's more significant subsidiaries and basis of consolidation, see Note 1, *"Basis of Presentation, Updated Accounting Policies and Accounting Changes*" and Note 19, "*Securitizations and Variable Interest Entities*" in the Notes to Consolidated Financial Statements in Citi's First Quarter 2026 Form 10-Q.

Funds and Capital Transfer Restrictions

For information regarding restrictions or other major impediments on the transfer of funds and capital distributions between Citi entities, see Note 20, "*Regulatory Capital*" in the Notes to Consolidated Financial Statements in Citi's 2025 Form 10-K.

Regulated Subsidiaries' Capital

Total Capital for each of Citi's regulated banking subsidiaries was in excess of their respective minimum total capital requirements as of March 31, 2026. Likewise, Citi's regulated principal broker-dealer subsidiaries were also in compliance with their net capital requirements at that date.

Further, the aggregate amount of surplus capital in Citi's insurance subsidiaries included in consolidated Total Capital as of March 31, 2026 was $1 billion. Separately, no Citi insurance subsidiary had a capital shortfall relative to its minimum regulatory capital requirement as of such date.

Regulatory Capital Instruments
Aside from common stock, Citi’s other regulatory capital instruments consist of outstanding noncumulative perpetual preferred stock, certain trust preferred securities and subordinated debt.

Citigroup common stock entitles each holder to one vote per share for the election of directors and for all other matters to be voted on by Citigroup’s common shareholders. Except as otherwise provided by Delaware law, the holders of common stock vote as one class. Upon a liquidation, dissolution or winding up of Citigroup, the holders of common stock share ratably in the assets remaining and available for distribution after payments to creditors and provision for any preference of any preferred stock. There are no preemptive or other subscription rights, conversion rights or redemption or scheduled installment payment provisions relating to the common stock. For additional information on the terms and conditions of Citi’s common stock, see Citi’s Consolidated Balance Sheet and *“Unregistered Sales of Equity Securities, Repurchases of Equity Securities and Dividends —Equity Security Repurchases”* in Citi's First Quarter 2026 Form 10-Q.

Each series of Citigroup preferred stock is noncumulative and perpetual and ranks senior to the common stock but ranks equally with each other series of outstanding preferred stock as to dividends and distributions upon a liquidation, dissolution or winding up of Citigroup. Unless full noncumulative dividends for the dividend period then ending have been paid, Citigroup cannot pay any cash dividends on any common stock or other capital stock ranking junior to the preferred stock during the subsequent dividend period. Holders of preferred stock generally do not have voting rights other than those described in the corresponding certificate of designation and as specifically required by Delaware law. For additional information on the terms and conditions of Citi's outstanding preferred stock, see Note 18, “*Preferred Stock*” in the Notes to Consolidated Financial Statements in Citi's First Quarter 2026 Form 10-Q.

Citigroup Capital XIII trust preferred securities, which are permanently grandfathered as Tier 1 Capital under the U.S. Basel III rules, are the only trust preferred securities that qualify as regulatory capital instruments. For additional information regarding the structure and terms of Citi’s currently outstanding trust preferred securities, see Note 16, *“Debt*” in the Notes to Consolidated Financial Statements in Citi's First Quarter 2026 Form 10-Q.

Citi’s subordinated debt contains customary provisions applicable to all debt securities, with the exception that subordinated debt contains no financial covenants and the only events of default are those related to bankruptcy, insolvency, receivership and other similar actions. Subordinated debt ranks subordinated and junior in right of payment to all senior indebtedness of the issuer. If there is any insolvency, bankruptcy, liquidation or other similar proceeding relating to the issuer, its creditors or its property, then all senior indebtedness must be paid in full before any payment may be made to any holders of subordinated debt.

Subordinated debt can have varying maturities, with a minimum maturity of five years. Interest can be fixed, floating or a combination. The issuer call option can be exercised only after a minimum of five years following issuance. For additional information regarding Citi’s currently outstanding subordinated debt, see Note 16, *“Debt*” in the Notes to Consolidated Financial Statements in Citi's First Quarter 2026 Form 10-Q.

Regulatory Capital Tiers
For Citi’s CET1 Capital, Tier 1 Capital and Total Capital, and related components, as of March 31, 2026, see *“Capital Resources"* in Citi's First Quarter 2026 Form 10-Q, and Schedule A in Citi’s First Quarter 2026 FFIEC 101 Report.

Capital Management

Citi's capital management framework is designed to ensure that Citigroup and its principal subsidiaries maintain sufficient capital consistent with each entity's respective risk profile, management targets and all applicable regulatory standards and guidelines. For additional information regarding Citi's capital management, see "*Capital Resources—Capital Management*" in Citi's 2025 Form 10-K.

Stress Testing Component of Capital Planning

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

Since its introduction in 2020, Citigroup's Stress Capital Buffer (SCB) has been determined each year through DFAST. Compared to prior years, Citi will not receive a new SCB in 2026, which instead is expected to remain at the 2025 SCB of 3.6% until October 1, 2027 due to pending final rule regarding the stress testing modeling and scenario design, as well as the proposal on SCB averaging. For additional information regarding the stress testing component of capital planning, see "*Forward-Looking Statements*" in Citi's First Quarter 2026 Form 10-Q and "*Capital Resources—Stress Testing Component of Capital Planning*" and "*Risk Factors—Strategic Risks*" in Citi's 2025 Form 10-K.

Advanced Approaches Risk-Weighted Assets

The following table presents the components of Citi's Basel III Advanced Approaches risk-weighted assets as of March 31, 2026.

Table 1: Advanced Approaches Risk-Weighted Assets

In millions of dollars	March 31, 2026
Credit Risk-Weighted Assets:	
Wholesale Exposures	$ 476,199
Retail Exposures:	
Residential Mortgage Exposures	22,827
Qualifying Revolving Exposures	138,118
Other Retail Exposures	23,174
Total Retail Exposures	**$ 184,119**
Securitization Exposures	$ 52,340
Central Counterparty Exposures	7,942
Equity Exposures:	
Equity Exposures Subject to the Simple Risk Weight Approach	21,337
Equity Exposures to Investment Funds	4,600
Total Equity Exposures	**$ 25,937**
Other Exposures(1)	**$ 107,617**
Total Credit Risk-Weighted Assets Subject to Supervisory 6% Multiplier(2)	**$ 854,154**
Supervisory 6% Multiplier	$ 51,249
Credit Valuation Adjustments (CVA)	40,986
Less: Excess Eligible Credit Reserves Not Included in Tier 2 capital	756
Total Credit Risk-Weighted Assets	**$ 945,633**
Market Risk-Weighted Assets:	
Regulatory Value-at-Risk (VaR)(3)	$ 10,408
Regulatory Stressed Value-at-Risk (SVaR)(4)	19,901
Incremental Risk Charge (IRC)(5)	6,152
Comprehensive Risk Measure (CRM)	1,439
Standard Specific Risk Charge (SSRC)	17,436
Securitization Charges(6)	4,925
Other(7)	3,891
Total Market Risk-Weighted Assets	**$ 64,152**
Operational Risk-Weighted Assets	**$ 314,184**
Total Risk-Weighted Assets	**$ 1,323,969**

(1) Primarily consists of net deferred tax assets, net premises and equipment, receivables, intangible assets and other assets not subject to the application of internal models in deriving credit risk-weighted assets under the U.S. Basel III rules.
(2) Under the U.S. Basel III rules, a supervisory 6% multiplier is applied to all components of credit risk-weighted assets other than derivatives CVA.
(3) Includes $1,485 million add-on for Risk Not In the Model (RNIM).
(4) Includes $6,861 million add-on for RNIM.
(5) Includes $88 million add-on for RNIM.
(6) Includes specific risk charges attributable to securitization positions, as well as non-modeled correlation trading securitization positions
(7) Includes $298 million of risk-weighted assets arising from de minimis exposures.

Citi's credit, market and operational risk-weighted assets under the Basel III Advanced Approaches rules are derived, in part, from various internal models. These internal models remain subject to ongoing review and approval by the FRB and the Office of the Comptroller of the Currency (OCC). Any modifications or requirements resulting from these ongoing reviews could result in changes in Citi's risk-weighted assets as calculated under the Basel III Advanced Approaches rules.

For additional information on Citi's Risk-Weighted Assets during the quarter ended March 31, 2026, see "*Capital Resources*" in Citi's First Quarter 2026 Form 10-Q.

Table 2: Regulatory Capital Ratios

The following table presents Citigroup's capital components and ratios as of March 31, 2026:

	Required Capital Ratios		March 31, 2026	
In millions of dollars, except ratios	**Advanced Approaches[(1)]**	**Standardized Approach[(2)]**	**Advanced Approaches**	**Standardized Approach**
CET1 Capital			$ 154,729	$ 154,729
Tier 1 Capital			176,885	$ 176,885
Total Capital			204,606	213,683
Risk-Weighted Assets			1,323,969	1,214,025
CET1 Capital Ratio[(3)]	10.5 %	11.6 %	11.69 %	12.75 %
Tier 1 Capital Ratio[(3)]	12.0	13.1	13.36	14.57
Total Capital Ratio[(3)]	14.0	15.1	15.45	17.60
Quarterly Adjusted Average Total Assets[(2)(4)]				2,779,095
Leverage Ratio		4.0 %		6.36 %
Total Leverage Exposure[(2)(5)]			3,368,515	
Supplementary Leverage Ratio[(6)]	4.0 %		5.25 %	

(1) Citi's required risk-based capital ratios under the Advanced Approaches included the 2.5% Capital Conservation Buffer and 3.5% GSIB surcharge as calculated under Method 2 (all of which must be composed of CET1 Capital).

(2) Citi's required risk-based capital ratios under the Standardized Approach included the 3.6% Stress Capital Buffer and 3.5% GSIB surcharge as calculated under Method 2 (all of which must be composed of CET1 Capital). For additional information, see "*Capital Resources—Regulatory Capital Buffers*" in Citi's 2025 Form 10-K.

(3) At March 31, 2026, Citi's binding CET1 Capital and Tier 1 Capital ratios were derived under the Basel III Standardized Approach, whereas the binding Total Capital ratio was derived under the Basel III Advanced Approaches.

(4) Leverage ratio denominator. Represents average total on-balance sheet assets, less permitted deductions calculated in accordance with the U.S. Basel III rules.

(5) Supplementary Leverage ratio denominator. Represents average on-balance sheet assets, less permitted deductions and adding certain off-balance sheet exposures calculated in accordance with the U.S. Basel III.

(6) Commencing January 1, 2026, Citi early adopted the eSLR final rule. Accordingly, Citigroup is required to maintain an eSLR buffer of 1.0%, based on 50% of Citi's current method 1 GSIB surcharge of 2.0%, for a total SLR requirements of 4.0%.

As indicated in the table above, Citigroup's capital ratios at March 31, 2026 were in excess of the regulatory capital requirements under the U.S. Basel III rules. In addition, Citi was "well capitalized" under current federal bank regulatory agencies definitions as of March 31, 2026. For further capital information related to Citigroup's insured depository institution subsidiaries, see "*Capital Resources*" in Citi's First Quarter 2026 Form 10-Q and Schedule A of the First Quarter 2026 FFIEC 101 Report for Citibank, N.A.

In addition, the Federal Reserve's Total Loss Absorbing Capacity (TLAC) rule requires the U.S. GSIB top-tier holding companies, including Citigroup, to maintain minimum levels of external TLAC and eligible long-term debt (LTD). For additional information, see *"Capital Resources"* in Citi's First Quarter 2026 Form 10-Q.

For information on Citi's Supplementary Leverage ratio, and related components, see Schedule A in Citi's First Quarter 2026 FFIEC 101 Report.

For information on Leverage Capital Requirements, see "*Capital Resources—Regulatory Capital Standards and Developments*" in Citi's First Quarter 2026 Form 10-Q.

As of March 31, 2026, Citi's capital conservation buffer under the Standardized Approach was 8.3%, which was in excess of the requirement applicable to Citi of 7.1% (comprised of the 3.6% Stress Capital Buffer and 3.5% GSIB surcharge). As of March 31, 2026, Citi's capital conservation buffer under the Advanced Approaches was 7.2%, which was in excess of the requirement applicable to Citi of 6.0% (comprised of the 2.5% Capital Conservation Buffer and 3.5% GSIB surcharge).

As of the fourth quarter of 2025, based on the current Stress Capital Buffer (SCB) standard, Citi's required regulatory CET1 Capital ratio decreased to 11.6% from 12.1% under the Standardized Approach, incorporating the 3.6% SCB and Citi's current GSIB surcharge of 3.5%. Citi's required regulatory CET1 Capital ratio under the Advanced Approaches (using the fixed 2.5% Capital Conservation Buffer) remained unchanged at 10.5%. The regulatory capital framework applicable to Citibank, including the Capital Conservation Buffer, is unaffected by Citigroup's SCB.

A proposed rulemaking from the FRB, which would modify the calculation and the effective date of the SCB requirement, remains outstanding. For information on the proposed changes to the SCB, see "*Capital Resources—Regulatory Capital Standards and Developments*" in Citi's First Quarter 2026 Form 10-Q.

For additional information regarding the Capital Conservation Buffer, Stress Capital Buffer, Countercyclical Capital Buffer, and GSIB surcharge, see "*Capital Resources — Regulatory Capital Buffers*" in Citi's 2025 Form 10-K.

As of March 31, 2026, Citi's eligible retained income was $4 billion, equal to the average of Citi's net income for the four calendar quarters ended March 31, 2026 as reported in Citi's FR Y-9C, "*Consolidated Financial Statements for Holding Companies*," in compliance with the FR Y-9C instruction. In addition, Citi's regulatory capital ratios were in excess of the regulatory capital requirements under the U.S. Basel III rules. Therefore, Citi is not subject to any payout limitations.

Overview

For Citi, effective risk management is of primary importance to its overall operations. Accordingly, Citi has established an Enterprise Risk Management (ERM) Framework to ensure that Citi's risks are managed appropriately and consistently across the Company and at an aggregate, enterprise-wide level. Citi's culture drives a strong risk and control environment, and is at the heart of the ERM Framework, underpinning the way Citi conducts business. The activities that Citi engages in, and the risks those activities generate, must be consistent with Citi's Mission and Value Proposition and the key Leadership Principles that support it, as well as Citi's risk appetite.

For information on managing global risk at Citi, see "*Managing Global Risk – Overview"* in Citi's 2025 Form 10-K.

Scope and Nature of Credit Risk Reporting and Measurement Systems

Citi uses a global risk exposure warehouse and monitoring system to manage, monitor and report credit exposure to its wholesale obligors and counterparties. Retail exposures are booked in local systems specific to local credit risk regulations. However all retail exposures and performance information are captured and reported centrally at the portfolio level for monitoring and managing the risks.

Credit Risk Management
Credit risk is the risk of loss resulting from the decline in credit quality or the failure of a borrower, counterparty, third party or issuer to honor its financial or contractual obligations. Credit risk arises in many of Citi's business activities, including: consumer, commercial and corporate lending; capital markets derivative transactions; structured finance; securities financing transactions (repurchase and reverse repurchase agreements, securities loaned and borrowed); and settlement and clearing activities. For additional information on Credit Risk Management, See "*Credit Risk*" and Note 15, "*Loans*" in the Notes to Consolidated Financial Statements in Citi's 2025 Form 10-K.

Wholesale Credit Risk
For institutional clients and investment banking activities across Citi, the credit process is grounded in a series of fundamental policies, including:

- joint business and independent risk management responsibility for managing credit risks, where independent risk provides credible review and challenge to first line units;
- a single center of control for each credit relationship, which coordinates credit activities with each client;
- portfolio limits to ensure diversification and maintain risk/capital alignment;
- a minimum of two authorized credit officer signatures required on most extensions of credit;
- risk rating standards, applicable to every obligor and facility; and
- consistent standards for minimum credit origination documentation and remedial management.

For more information, see "*Corporate Credit*" in Citi's 2025 Form 10-K

Consumer Credit Risk
For consumer credit, independent credit risk management is responsible for establishing the Global Consumer Credit Risk Policies, while both business and independent risk are jointly responsible for approving business-specific policies and procedures, monitoring business risk management performance, providing ongoing assessment of portfolio credit risk, ensuring the appropriate level of allowance for credit losses and approving new products and new risks. For additional information on Consumer Credit Risk, See "*Consumer Credit*" in Citi's 2025 Form 10-K.

Past Due, Impaired Exposures and Accrual Status
For Citi's significant accounting policies regarding past due loans, charge-offs for amounts deemed uncollectible, placing loans on non-accrual and returning loans to accrual status, see Note 1, "*Summary of Significant Accounting Policies"* and Note 15, "*Loans*" in the Notes to Consolidated Financial Statements in Citi's 2025 Form 10-K.

For information on Citi's significant accounting policies and estimates regarding impairment of securities, see "*Significant Accounting Policies and Significant Estimates—Valuations of Financial Instruments*", Note 1, "*Summary of Significant Accounting Policies"* and Note 14, "*Investments*" in the Notes to Consolidated Financial Statements in Citi's 2025 Form 10-K.

Allowance for Credit Losses
For a description of Citi's significant accounting policies and estimates regarding the allowance for credit losses, see Note 1,*"Summary of Significant Accounting Policies"* in the Notes to Consolidated Financial Statements in Citi's 2025 Form 10-K.

Credit Risk Exposures

The following tables present Citi's major credit risk exposures by geographic distribution, remaining contractual maturity (Table 3.1), and counterparty for wholesale exposures and subcategories for retail exposures (Table 3.2), as of March 31, 2026.

Table 3.1: Principal Credit Risk Exposures by Geographic Region(1)(2)(3) and Remaining Contractual Maturity(4)

	March 31, 2026					Average(8)
				Remaining Contractual Maturity		Three Months Ended March 31, 2026
In millions of dollars	North America	International	Total	1 year or less	Over 1 year	
On-Balance Sheet Exposures						
Cash, Due From Bank and Deposits with Bank	$ 279,691	$ 106,031	**$ 385,722**	$ 39,693	$ 346,029	
Federal Funds Sold and Securities Borrowed or Purchased Under Agreements to Resell	185,952	167,142	**$ 353,094**	314,811	38,283	
Brokerage Receivables	53,818	37,902	**$ 91,720**	80,102	11,618	
Debt Securities	238,310	198,015	**$ 436,325**	144,412	291,913	
Loans Held-for-Investment, Net of Unearned Income(5)	486,412	275,204	**$ 761,616**	435,999	325,617	
Off-Balance Sheet Exposures						
Guarantees(6)	$ 187,142	$ 76,721	**$ 263,863**	191,063	72,800	$ 253,533
Credit Commitments and Line of Credit(7)	931,533	184,468	**$ 1,116,001**	860,144	255,857	1,097,969

Table 3.2: Principal Credit Risk Exposures by Wholesale Exposure Counterparty and Retail Exposure Subcategory(1)(4)

	March 31, 2026								
	Wholesale Exposures					Retail Exposures			
In millions of dollars	Bank	Corporate(12)	Sovereign	Other	Netting(13)	Residential Mortgages	Qualifying Revolving	Other Retail	Total
On-Balance Sheet Exposures									
Cash, Due from Bank and Deposits with Bank	$ 11,262	$ 834	$ 367,436	$ 6,190	$ —	$ —	$ —	$ —	**$ 385,722**
Federal Funds Sold and Securities Borrowed or Purchased Under Agreements to Resell	153,739	607,368	26,619	—	(434,632)	—	—	—	**353,094**
Brokerage Receivables	—	—	—	91,720	—	—	—	—	**91,720**
Derivatives Receivables(9)	188,547	146,632	13,012	152,776	(433,778)	—	—	—	**67,189**
Debt Securities	63	100,937	333,382	1,927	—	16			**436,325**
Loans Held-for-Investment, Net of Unearned Income(5)(10)(11)	12,002	349,304	7,106	40,032	—	155,846	168,667	28,659	**761,616**
Off-Balance Sheet Exposures									
Guarantees(6)	153,353	109,693	817	—	—				**263,863**
Credit Commitments and Line of Credit(7)	2,532	396,195	3,333	19,028	—	8,083	657,860	28,970	**1,116,001**

(1) Credit risk exposures are presented on a U.S. GAAP basis.
(2) Geographic region in which each exposure is managed, rather than the geographic region in which the obligor is domiciled. *North America* includes the U.S. and Canada. International includes all countries other than the U.S. and Canada.
(3) Excludes net derivative receivables for which the geographic distribution is not readily available. As of March 31, 2026 Citi's net derivative receivables classified as trading account assets amounted to $67,189 million.
(4) Securitization exposures are reflected within wholesale exposure counterparties and retail exposure subcategories, as appropriate, based upon the nature of the underlying securitized assets or party on which credit risk is assumed.
(5) As of March 31, 2026 loans held-for-investment were net of ($127) million of unearned income.
(6) Represents the maximum potential amount of future payments. Includes Financial Standby Letters of Credit, Performance Guarantees and Securities Lending Indemnifications.
(7) Includes mainly credit card lines, commercial and other consumer loan commitments. Credit card lines extended to wholesale counterparties for use by their employees are considered wholesale exposures in accordance with the U.S. Basel III rule.
(8) Average balances are calculated using the month-end balances for each of the three months from December 31, 2025 to March 31, 2026. Citi's major off-balance sheet credit risk exposures for the three months ended March 31, 2026. For average balances of Citi's major on-balance sheet credit risk exposures for the three months ended March 31, 2026, see "*Average Balances and Interest Rates - Assets*" in Citi's First Quarter 2026 Form 10-Q.
(9) Other includes exchange traded and cleared derivatives receivables. Cleared derivatives include derivatives executed bilaterally with a counterparty in the OTC market but then novated to a central clearing house, whereby the central clearing house becomes the counterparty to both of the original counterparties. Exchange traded derivatives include derivatives executed directly on an organized exchange that provides pre-trade price transparency.
(10) Classifiably-managed (individually risk rated) consumer loans are considered wholesale exposures in accordance with the U.S. Basel III rules.
(11) Certain wholesale or commercial credit risk exposures less than or equal to $1 million are considered retail exposures in accordance with U.S. Basel III rules.
(12) Corporate credit risk exposures include non-depository financial institutions, bank holding companies, insurance companies and non-central government public sector entities, consistent with FFIEC 101 reporting requirements.
(13) Represents the netting of receivable and payable balances with the same counterparty under enforceable netting agreements and, with respect to derivatives receivables, also the netting of cash collateral paid and received by counterparty under enforceable credit support agreements. For additional information regarding enforceable netting agreements and credit support agreements, see Note 12, "*Securities Borrowed, Loaned and Subject to Repurchase Agreements*" and Note 24, "*Derivatives*" in the Notes to Consolidated Financial Statements in Citi's 2025 Form 10-K.

Table 4: Details on Allowance for Loan Losses, and Charge-offs

The following table presents Citi's impaired loans, allowance for loan losses and charge-offs by counterparty for wholesale exposures and subcategories for retail exposures on a U.S. GAAP basis as of March 31, 2026:

	March 31, 2026								
	Wholesale Exposures				Retail Exposures				
In millions of dollars	Financial Institutions	Commercial & Industrial	Other	Subtotal	Residential Mortgages & Real Estate Loans	Credit Cards	Other	Subtotal	Total
Allowance for Loan Losses: Attributable to									
Collectively Evaluated Impaired Loans	329	2,505	88	2,922	299	14,432	1,517	16,248	19,170
Individually Evaluated Impaired Loans	20	397	—	417	3	—	48	51	468
Purchased Credit-Impaired Loans	—	—	—	—	(3)	1	—	(2)	(2)
Total Allowance For Loan Losses	**$ 349**	**$ 2,902**	**$ 88**	**$ 3,339**	**$ 299**	**$ 14,433**	**$ 1,565**	**$ 16,297**	**$ 19,636**
Charge-offs	**($ 1)**	**$ 39**	**$ 4**	**$ 42**	**$ 6**	**$ 2,425**	**$ 227**	**$ 2,658**	**$ 2,700**

See the following references to Citi's First Quarter 2026 Form 10-Q for additional quantitative information regarding credit risk exposures, all of which are presented in accordance with U.S. GAAP.

Corporate and Consumer Loans

- See Note 12, "*Loans*" for additional information on loans outstanding by counterparty type and geographic region, non-accrual and past due or delinquent loans, impaired loans and credit losses.
- See "*Managing Global Risk—Credit Risk*" and "*Managing Global Risk—Allowance for Credit Losses on Loans*" for additional information on loans outstanding by counterparty type, geographic region, remaining contractual maturity, non-accrual and delinquent loans, and impaired loans.

Investment Securities

- See Note 11, "*Investments*" for information on investment securities by issuer type, remaining contractual maturity and investment securities determined to be other-than-temporarily impaired.

Repo-Style Transactions, Eligible Margin Loans and OTC Derivative Contracts

- See Note 10, "*Securities Borrowed, Loaned and Subject to Repurchase Agreements*" for respective carrying values.
- See Note 20, "*Derivatives*" for derivative notional amounts, gross mark-to-market receivables/payables, collateral netting benefits and net mark-to-market receivables/payables, as well as credit derivative notional amounts and gross mark-to-market receivables/payables by counterparty type and remaining contractual maturity.

Off-Balance Sheet Exposures

- See Note 23, *"Guarantees and Commitments*" for information on the maximum potential amount of future payments under guarantees, and credit commitments by type of product for information on the maximum potential amount of future payments under guarantees, credit commitments by type of product and lease commitments.

Allowance for Credit Losses

- See "*Managing Global Risk—Credit Risk—Details of Credit Loss Experience*" for a reconciliation of changes in the allowance for credit losses.
- See Note 13, "*Allowance for Credit Losses*" for a disaggregation of the allowance for credit losses by impairment method.

Overview

Under the U.S. Basel III rules, Citi is required to categorize its credit risk, in part, into wholesale, retail, securitization, central counterparty, and equity exposures. Each category may cross multiple business segments as presented in Citi's other reports, such as its Forms 10-K and 10-Q.

Citi is managed pursuant to five operating segments: *Services, Markets, Banking, U.S. Personal Banking,* and *Wealth*. Activities not assigned to the operating segments are included in All Other, which consists of Legacy Franchises and Corporate/ Other.

Wholesale exposures are classifiable-managed (individually risk rated) and retail exposures are delinquency-managed (portfolio based). Wholesale exposures primarily reside within the *Services, Markets, Banking, Wealth*, as well as *Corporate Treasury*. Wholesale exposures generally include deposits with banks, debt securities available-for-sale or held-to-maturity, loans, and off-balance sheet exposures such as unused commitments to lend and letters of credit.

Wholesale exposures, which include counterparty credit risk exposures arising from OTC derivative contracts, repo-style transactions, and eligible margin loans, consist of exposures such as those to corporates, banks, securities firms, financial institutions, central governments, government agencies, local governments, other public sector entities, income producing real estate, high volatility commercial real estate, high net worth individuals not eligible for retail exposure treatment, and other obligor/counterparty types not included in retail exposures.

Retail exposures primarily reside within *U.S. Personal Banking, Wealth,* and *Legacy Franchises*. Certain delinquency-managed exposures for business purposes that are less than or equal to $1 million, as well as certain delinquency-managed exposures to individuals for non-business purposes, that are reported by other operating segments are also included and treated as retail exposures in accordance with the U.S. Basel III rules. Retail exposures generally include loans and off-balance sheet commitments to lend. Retail exposures consist of three subcategories: residential mortgage exposures, qualifying revolving exposures, and other retail exposures. Residential mortgage exposures include one- to four-family residential mortgages, both first lien and second lien, as well as home equity lines of credit. Qualifying revolving exposures include credit card and charge card products where the overall credit limit is less than or equal to $100,000, and overdraft lines on individual checking accounts. Other retail exposures predominantly include credit card products above the $100,000 threshold and personal loans, student loans, and commercial delinquency-managed exposures less than or equal to $1 million.

Wholesale Credit Risk (WCR) Management

Wholesale Credit Risk Exposures

As previously noted, Citi's wholesale credit risk exposures are to corporate, commercial, public sector and high-net worth clients around the world with a range of wholesale banking products and services. Citi's wholesale businesses that incur credit, market, operational and franchise risk are covered by a risk management framework which sets forth core risk principles, implemented through policies that define limits, definitions, rules, and standards for identifying, measuring, approving, and reporting risk, including business conducted in majority-owned, management-controlled entities.

Obligors are assigned a risk rating through a risk rating process governed by the WCR Risk Rating Standard. Facilities to an obligor are approved in accordance with Citi level and business level risk policies. The risk standards require a comprehensive analysis of each obligor and all proposed credit exposures to that obligor, on at least an annual basis.

Banking and International Risk periodically reviews exposures to ensure compliance with various limit and concentration constructs. Quarterly reviews are conducted of certain high risk exposures in various businesses.

Use of Risk Parameter Estimates Other Than for Regulatory Capital Purposes

For Citi's wholesale exposures, internal credit ratings are used in determining approval levels, concentration limits, and reserves, in addition to regulatory capital and capital adequacy. Each wholesale obligor is assigned an obligor risk rating (ORR) that reflects the one-year probability of default (PD) of the obligor. Each wholesale facility is assigned a facility risk rating (FRR) that reflects the expected loss rate of the facility, the product of the one-year PD and the expected loss given default (LGD) associated with the facility characteristics.

ORRs are established through an integrated framework that combines quantitative and qualitative tools, calibrated and tested across economic cycles, with risk manager expertise on customers, markets and industries. ORRs are generally expected to change in line with material changes in the PD of the obligor. Rating categories are defined consistently across wholesale credit by ranges of PDs and are used to calibrate and objectively test rating models and the final ratings assigned to individual obligors.

Independently validated models establish the starting point in the internal obligor rating process.

Internal rating models include statistically derived models and expert judgment risk rating models. These models are developed primarily by an independent analytical team in conjunction with independent risk management. The statistical rating models cover Citi's corporate and commercial bank segment and certain commercial activity within the consumer business lines, and are based on statistically-significant financial variables. Expert judgment rating models cover industry or obligor segments where there are limited defaults or data histories, or highly specialized or heterogeneous populations. To the extent that risk management believes the applicable model does not capture all the relevant factors affecting the credit risk of an obligor, discretionary adjustments may be applied to derive the final ORR, within limits defined by policy.

Use of Credit Risk Mitigation
Risk mitigation may depend on the type of product. For counterparty credit risk, counterparties may be required to post cash or securities margin based upon the terms of the Credit Support Annex with that counterparty. Margin posted by a counterparty is reflected as a reduction of exposure at the netting set level, subject to obtaining an enforceable legal opinion regarding the certainty of the netting and margin agreement. For lending based transactions, the primary risk mitigants are guarantees or other types of support from third parties or related entities, as well as collateral such as cash, securities, real estate, or other asset types. Additionally, exposure can be mitigated through the purchase of credit default swaps. The risk policies define specific requirements for a guarantee to qualify as “full support” which align with the guarantee eligibility requirements under the U.S. Basel III rules.

Recognizing Credit Risk Mitigation
For purposes of calculating regulatory capital for counterparty credit risk, margin posted by a counterparty is reflected as a reduction of exposure at default (EAD) in accordance with the U.S. Basel III rules, subject to obtaining an enforceable legal opinion regarding the certainty of the netting and margin agreement. For purposes of calculating Basel III regulatory capital for lending products, collateral is recognized in the LGD based on the related collateral type. The benefit of Basel-eligible guarantees is captured through PD substitution in regulatory capital.

Retail Credit Risk Management

Policies and Processes for Retail Credit Risk Management
Citi extends retail credit on the basis of the customer’s willingness and ability to repay, our stated risk appetite, and underwriting guidelines, rather than placing primary reliance on credit risk mitigation. Depending on a customer’s standing and the type of product, facilities may be provided on an unsecured basis.

Citi’s retail banking operations use credit models in assessing and managing risk in their businesses and, as a result, models play an integral role in customer approval and management processes. Models used include PD models, primarily in the form of custom application scorecards, custom behavioral scorecards, and generic bureau scores, for example a FICO score.

Application scorecards are derived from the historically observed performance of new customers. They are derived using customer demographic and financial information, including data available through credit bureaus. Through statistical techniques, the relationship between these variables and the credit performance is quantified to produce output scores reflecting a PD. These scores are used primarily for decision-making regarding new customers and may reflect different default definitions than those required by the U.S. Basel III rules. These scores may be used as segmentation variables in the Basel model.

Behavioral scorecards are derived from the historically observed performance of existing customers (including bureau data). They can be based upon internal information, credit bureau information, or both. The techniques used to derive the output scores reflecting certain PDs are very similar to those used for application scoring. The output scores are used for existing customer management activities. These scores may be used as segmentation variables in the Basel model.

Citi also employs credit loss forecasting models for the purpose of projecting credit losses in various economic scenarios, including CCAR, DFAST, and internal capital adequacy assessment process (ICAAP) stress loss scenarios, informing portfolio risk appetite, and estimating required allowance for credit losses. Such models are developed utilizing a variety of statistical and business analytics methodologies. They include portfolio/product, segment, and/or account level models driven by historical industry data, historical internal portfolio performance, and/or econometric indicators. Such models are not utilized in underwriting, although they may be used to inform risk appetite, or the Basel III Advanced Approaches framework.

Citi’s retail credit risk custom models are primarily internally derived, although external vendors may be contracted to build models on behalf of the businesses. All such external models (including generic scores) are subject to internal independent validation by Citi's Model Risk Management function.

Collateral Valuation and Management
In Citi’s residential mortgage businesses, Citi’s credit policy requires annual assessment of portfolio loan to value, with individual loans valued more frequently as necessary. A variety of methods, ranging from the use of market indices to individual professional inspection, may be used. For margin and security backed loans, Citi’s credit policy generally requires that collateral valuations be performed daily.

Types of Collateral
In Citi’s residential real estate businesses, a mortgage of the property is obtained to secure claims. Physical collateral is also typically obtained in vehicle financing in most jurisdictions. Loans to private banking or investment management clients may be made against the pledge of eligible marketable securities, cash or real estate.

Calculation of Risk-Weighted Assets Using Internal Parameters
In accordance with the requirements of the U.S. Basel III rules, Citi applies the Advanced Internal Ratings Based (A-IRB) approach for credit risk. Under the A-IRB approach, Citi uses internal estimates of PD, LGD and credit conversion factors (CCFs) as risk parameter inputs to the Basel III supervisory formulas used for the risk-weighted asset calculations applied to various types of wholesale, counterparty, and retail credit risk exposures.

Wholesale Credit Risk
PD, LGD and CCF used for EAD are reviewed and re-estimated on an annual basis and updated as needed. PD is an estimate of the long-run average one-year default rate for each rating category, adjusted to ensure increasing default rates along the rating scale. PDs, LGDs and CCFs are based on internal data as of 2000 onward.

LGD represents the economic loss associated with defaults occurring in a downturn period (or the long-run average, whichever is higher). The economic loss is measured as the present value of the cash flows, post default, and includes costs associated with the work out, such as legal costs. Adjustments are also made for accrued interest and fees and unresolved defaults. Downturn periods are determined in accordance with the U.S. Basel III rules and reflect periods of significantly higher internal default rates by jurisdiction. LGD is segmented by key drivers of losses, such as product type, collateral type and coverage, seniority, jurisdiction, and/or obligor segment (such as large corporates, financial institutions, sovereigns, SMEs or private banking clients). With some exceptions, such as bonds and sovereign LGDs, where external information is sourced to supplement internal data, LGDs are based on Citi's internal data for defaults resolving as of 2000 onward.

The EAD for each facility is equal to 100% of the on-balance sheet (direct) exposure, plus the exposure arising from any expected drawdown of an off-balance sheet (indirect) unused commitment or contingency. The percentage of the drawdown amount is referred to as the CCF. CCFs for unused commitments are calculated using regression models on internal data. The key drivers for the models include factors such as product type, current usage, obligor segment, credit quality and/or jurisdiction. Average CCFs based on internal data are used for trade letters of credit and performance standby letters of credit, while a fixed 100% CCF value is applied to financial standby letters of credit and other types of contingent credit. CCFs include adjustments for downturn periods, consistent with those used for LGD, and accrued but unpaid interest and fees at the time of default.

Maturity for loans and leases is based on remaining contractual maturity. Maturity is capped at five years and with a floor of one year, except as permitted by the U.S. Basel III rules.

Retail Credit Risk

The estimates for PD, LGD and CCFs for retail credit exposures are generally updated on a quarterly basis using internal data covering a range of economic conditions and are defined similarly to those for wholesale credit. As required by the U.S. Basel III rules, PD is an estimate of the one-year default rate based on the long-term averages. The LGD is an estimate of the economic loss that is associated with the defaulted exposures and any risk mitigants, such as insurance and/or collateral, if applicable. CCF is an estimate of the percentage of an undrawn credit line that will be drawn down within a one-year period. The EAD is estimated as a sum of 100% of the drawn exposure at the beginning of this year and the expected portion of undrawn exposure (as of the beginning of the year) corresponding to CCF.

The long-run average CCFs and LGDs are subject to certain adjustments, including an adjustment to reflect the averages associated with downturn periods. The downturn periods are identified based on internal default rates by major product category and country (similar to the approach used for wholesale credit risk exposures) in accordance with the U.S. Basel III rules.

All Basel III retail parameters are calculated for homogeneous segments of credit exposures delineated by risk drivers, such as consumer credit score band, loan to value ratio, credit line utilization, months-on-book and delinquency aging. Segments are defined by specific product characteristics within a portfolio. The credit scores used are generic bureau scores (for example, a FICO score) or internally developed scoring models, which are subject to Citi's Model Risk Management Policy, as discussed further below.

Generally, the approach to estimating PD, LGD, and CCF is consistent across all retail exposure subcategories—residential mortgage exposures, qualifying revolving exposures, and other retail exposures.

Credit Rating and Basel Parameter Governance

The WCR Risk Rating Standard and Procedure provide the framework for deriving risk ratings for all obligors and facilities for wholesale business. All ratings must be reviewed annually, at a minimum.

Risk and the business share responsibility for the accuracy of risk ratings. Credit Risk Review (CRR) reviews the appropriateness of the risk ratings. CRR may change an existing risk rating during a review or during ongoing business monitoring, and has final authority. Recognition of loss mitigation in the FRRs for collateral or support requires that the risk mitigant and the reporting comply with the collateral and support policies. In addition, the accuracy of ratings is tested on an annual basis and at various levels. The ORR validation, as well as the rating model testing, is reviewed by senior credit risk managers. Various levels of backtesting, benchmarking and validation cover all models and methodologies used in the assignment of ratings, as well as the models used to calculate Basel parameters.

The estimation of Basel parameters is governed under parameter control standards for wholesale and retail credit exposures. All models used to estimate Basel parameters must comply with Citi's Model Risk Management Policy, including the requirement to be validated by an independent model validation unit and approved by senior risk management.

Model Risk Management Policy

Model risk refers to the potential adverse impact to Citi from using a model arising from model errors or from incorrect or inappropriate use of the model output.

Citi's Model Risk Management Policy is designed to comply with supervisory guidance on model risk management and is approved by each of Citigroup's and Citibank's Chief Risk Officer and Citi's Board of Directors. This policy establishes a model risk management framework designed to ensure consistent standards across Citi for identifying model risk, assessing its magnitude, and managing the risks that arise when using models.

Citi's Head of Model Risk Management is responsible for and owns this policy. The Citi Model Risk Management Committee oversees Citi's Model Risk Management Framework, monitoring its effectiveness and associated risks.

Independent Validation of Models

Models for wholesale credit risk and retail credit risk are independently validated by Model Risk Management and approved for use. Generally, Citi's model validation process involves evaluation of conceptual soundness including key assumptions, effective challenge of the model design and construction, identification of model limitations and incremental analysis and testing as necessary. In addition, models for wholesale credit risk and retail credit risk are subject to periodic model risk assessment, ongoing performance monitoring, outcomes analysis, annual model review, ongoing model validation, and model change management as required under the Citi Model Risk Management Policy. Wholesale credit rating models and Basel parameter models (for both wholesale and retail) are integrated into internal risk systems by business, Risk and information technology. The definition of default for wholesale and retail credit risk conforms with the applicable definitions in the U.S. Basel III rules.

Internal audit is responsible for independently assessing the adequacy and effectiveness of the overall model risk management framework and implementation (including risk rating processes).

Basel Parameters by Exposure Type

Tables 5 through 9 below present Citi's wholesale, counterparty credit risk, and retail portfolios of exposures by the key Basel parameters (PD, LGD). These parameters are inputs to the Basel III supervisory formulas to calculate credit risk-weighted assets. These tables do not include securitization, central counterparty or equity exposures. The presentation is consistent as to categories, exposure types, and definitions with U.S. regulatory reporting for Basel III in Citi's First Quarter 2026 FFIEC 101 Report.

Table 5: Wholesale Credit Risk Exposures by Probability of Default(1)

In millions of dollars, except percentages	March 31, 2026						
PD Range Bands	**Balance Sheet Amount**	**Undrawn Exposures(2)**	**Total EAD(3)**	**RWA**	**PD(4)**	**LGD(4)**	**Risk Weight(4)**
0.00% to < 0.15%	$ 804,809	$ 181,768	897,101	76,566	0.03 %	36.34 %	8.53 %
0.15% to < 0.50%	103,241	96,881	150,922	54,075	0.27	35.76	35.83
0.50% to < 1.35%	128,204	63,864	161,302	90,417	0.81	34.90	56.05
1.35% to < 10.00%	77,965	74,119	121,237	119,800	3.38	37.68	98.82
10.00% to < 100%	15,667	13,172	22,626	32,579	24.57	33.48	143.99
100% (Default)(5)	2,739	687	3,214	2,757	100.00	36.85	85.79
Total	**$ 1,132,625**	**$ 430,491**	**$ 1,356,402**	**$ 376,194**	**1.09 %**	**36.18 %**	**27.73 %**

Excludes repo-style transactions, eligible margin loans and OTC derivative exposures.
(1) Amounts represent the face value of undrawn commitments and letters of credit.
(2) Represents total EAD for on-balance sheet and undrawn exposures.
(3) Exposure-weighted average by PD range bands and in total.
(4) The portion of EAD for defaulted wholesale exposures covered by an eligible guarantee from the U.S. government or its agencies, is assigned a 20% risk weight in accordance with the U.S. Basel III rules.

Table 6: Counterparty Credit Risk Exposures by Probability of Default(1)

In millions of dollars, except percentages	March 31, 2026				
PD Range Bands	**Total EAD(2)**	**RWA**	**PD(3)**	**LGD(3)**	**Risk Weight(3)**
0.00% to < 0.15%	$ 151,366	$ 22,162	0.04 %	41.20 %	14.64 %
0.15% to < 0.50%	41,439	19,773	0.28	41.53	47.72
0.50% to < 1.35%	30,804	21,389	0.82	40.01	69.44
1.35% to < 10.00%	26,413	31,318	3.90	39.84	118.57
10.00% to < 100%	2,571	5,232	22.40	38.93	203.49
100% (Default)	129	129	100.00	40.00	100.27
Total	**$ 252,722**	**$ 100,003**	**0.86 %**	**40.95 %**	**39.57 %**

(1) Consists of repo-style transactions, eligible margin loans and OTC derivative exposures.
(2) Represents total EAD for on- and off-balance sheet exposures.
(3) Exposure-weighted average by PD range bands and in total.

Table 7: Residential Mortgage Exposures by Probability of Default

In millions of dollars, except percentages	March 31, 2026						
PD Range Bands	**Balance Sheet Amount**	**Undrawn Exposures(1)**	**Total EAD(2)**	**RWA**	**PD(3)**	**LGD(3)**	**Risk Weight(3)(5)**
0.00% to < 0.10%	$ 74,593	$ 6,024	$ 76,698	$ 3,348	0.04 %	31.05 %	4.37 %
0.10% to < 0.20%	35,165	48	35,206	4,086	0.12 %	38.49 %	11.61 %
0.20% to < 0.75%	26,417	52	26,454	6,211	0.31 %	41.95 %	23.48 %
0.75% to < 5.50%	8,034	77	8,104	5,388	1.34 %	44.88 %	66.49 %
5.50% to < 10.00%	245	1	246	586	7.50 %	59.87 %	238.21 %
10% to < 100.00%	586	—	586	1,265	31.37 %	43.20 %	215.87 %
100% (Default)(4)	2,290	4	2,295	1,943	100.00 %	42.93 %	84.66 %
Total	**$ 147,330**	**$ 6,206**	**$ 149,589**	**$ 22,827**	**1.85 %**	**35.76 %**	**15.26 %**

(1) Amounts represent the face value of undrawn commitments.
(2) Represents total EAD for on-balance sheet and undrawn exposures.
(3) Exposure-weighted average by PD range bands and in total.
(4) The portion of EAD for defaulted residential mortgage exposures covered by an eligible guarantee from the U.S. government or its agencies, is assigned a 20% risk weight in accordance with the U.S. Basel III rules.
(5) Risk weights incorporate adjustments, after RWA calculation, not reflected in underlying parameters.

Table 8: Qualifying Revolving Exposures by Probability of Default

In millions of dollars, except percentages	March 31, 2026						
PD Range Bands	**Balance Sheet Amount**	**Undrawn Exposures(1)**	**Total EAD(2)**	**RWA**	**PD(3)**	**LGD(3)**	**Risk Weight(3)(5)**
0.00% to < 0.50%	$ 56,154	$ 563,124	$ 204,342	$ 16,193	0.16 %	89.81 %	7.92 %
0.50% to < 2.00%	54,204	76,271	82,870	29,719	1.07 %	90.49 %	35.86 %
2.00% to < 3.50%	27,256	12,543	36,027	25,609	2.63 %	91.05 %	71.08 %
3.50% to < 5.00%	13,571	2,477	16,437	15,849	4.11 %	90.41 %	96.42 %
5.00% to < 8.00%	11,316	2,408	14,350	18,187	6.15 %	91.40 %	126.74 %
8.00% to < 100%	15,633	1,187	17,674	32,477	100.00 %	82.98 %	183.76 %
100% (Default)(4)	13	71	84	84	2.64 %	90.21 %	100.00 %
Total	**$ 178,147**	**$ 658,081**	**$ 371,784**	**$ 138,118**	**2.64 %**	**90.21 %**	**37.15 %**

(1) Amounts represent the face value of undrawn commitments.
(2) Represents total EAD for on-balance sheet and undrawn exposures.
(3) Exposure-weighted average by PD range bands and in total.
(4) Unsecured qualifying revolving loans and credit cards are generally charged off at 180 days contractually past due.
(5) Risk weights incorporate adjustments, after RWA calculation, not reflected in underlying parameters.

Table 9: Other Retail Exposures by Probability of Default

In millions of dollars, except percentages	March 31, 2026						
PD Range Bands	**Balance Sheet Amount**	**Undrawn Exposures(1)**	**Total EAD(2)**	**RWA**	**PD(3)**	**LGD(3)**	**Risk Weight(3)(4)**
0.00% to < 0.50%	$ 14,365	$ 27,640	$ 21,053	$ 4,076	0.13 %	67.33 %	19.36 %
0.50% to < 2.00%	4,915	5,149	6,615	5,746	1.11 %	83.48 %	86.86 %
2.00% to < 3.50%	2,901	341	3,068	3,743	2.71 %	89.18 %	122.00 %
3.50% to < 5.00%	2,798	170	2,960	3,393	4.19 %	79.00 %	114.63 %
5.00% to < 8.00%	1,993	63	2,027	2,445	5.88 %	80.17 %	120.62 %
8.00% to < 100%	2,118	96	2,206	3,715	31.04 %	87.13 %	168.40 %
100% (Default)	37	17	55	55	100.00 %	64.57 %	100.00 %
Total	**$ 29,127**	**$ 33,476**	**$ 37,984**	**$ 23,173**	**3.07 %**	**74.65 %**	**61.01 %**

(1) Amounts represent the face value of undrawn commitments and lines of credit.
(2) Represents total EAD for on-balance sheet and undrawn exposures.
(3) Exposure-weighted average by PD range bands and in total.
(4) Risk weights incorporate adjustments, after RWA calculation, not reflected in underlying parameters.

Actual losses against estimates of losses

For actual losses by wholesale and retail categories, see "Managing Global Risk—Credit Risk—Details of Credit Loss Experience" in Citi's 2025 Form 10-K. For estimates of losses, see Citi's Expected Credit Losses reported in Schedule B in Citi's FFIEC 101 report.

COUNTERPARTY CREDIT RISK: OTC DERIVATIVE CONTRACTS, REPO-STYLE TRANSACTIONS AND ELIGIBLE MARGIN LOANS

Counterparty Credit Risk Exposures

Counterparty credit risk is the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows. For derivatives, counterparty credit risk also arises from unsettled security, commodity and foreign exchange transactions with a contractual settlement or delivery lag that is longer than the lesser of the market standard for the particular instrument or five business days (long settlement transactions). Repo-style transactions consist of repurchase or reverse repurchase transactions, or securities borrowing or securities lending transactions, including transactions in which Citi acts as agent for a customer and indemnifies the customer against loss, and are based on securities taken or given as collateral, which are marked-to-market, generally daily. Eligible margin loans are extensions of credit collateralized by liquid and readily marketable debt or equity securities, or gold, and that satisfy other conditions under the U.S. Basel III rules.

Methodology Used to Assign Credit Limits

Single name concentration credit limits are not specific to counterparty credit risk. Rather, single name concentration credit limits are managed at the relationship level. Relationship exposure includes the aggregate of all credit products, including loans, counterparty credit risk, trade and transaction services, etc. The process for managing a relationship's credit risk limit is guided by: core credit policies, procedures and standards, experience and judgment of credit risk professionals, and the amount of exposure and risk capital at risk.

While internal ratings are the starting point in establishing credit assessments, a range of factors, such as quality of management and strategy, nature of industry, and regulatory environment, among others, are also taken into consideration for client limits and approval levels. Exposure to credit risk on derivatives is also impacted by market volatility, which may impair the ability of clients to satisfy their obligations to Citi. Credit risk analysts conduct daily monitoring versus limits and any resulting issues are escalated to credit officers and business management as appropriate. Usage against the credit limits may reflect netting agreements and collateral.

Counterparty Credit Risk Capital Calculations

In accordance with the requirements of the U.S. Basel III rules, Citi calculates counterparty credit risk-weighted assets using the PD and LGD estimates described in the "*Credit Risk: Portfolio Disclosures—Internal Ratings Based Approach*" section above. The methods used to determine EAD are described below.

For purposes of calculating regulatory capital for counterparty credit risk for derivatives, in accordance with the U.S. Basel III rules, Citi uses a Monte Carlo simulation to determine an expected positive exposure (EPE) measure as input to Citi's EAD calculation. The model is calibrated with historical volatilities and correlations subject to a set of independent internal validation and statistical backtesting standards. The model utilizes a standard supervisory alpha multiplication factor of 1.4. Citi also uses the Standardized Approach for Counterparty Credit Risk (SA-CCR) for certain counterparty credit risk exposures. This method assigns to each transaction a regulatory stipulated exposure based on the mark-to-market value and a measure of potential future exposure. To calculate EAD for repo-style transactions across all portfolios and for eligible margin loans within Citi's prime lending portfolios, Citi uses the simple VaR methodology. For positions that do not use simple VaR, Citi uses the (supervisory) collateral haircut approach as prescribed in the U.S. Basel III rules. Counterparty credit risk treatment also includes an explicit capital calculation (CVA RWA) to address potential fair value losses from CVA. Citi primarily utilizes the advanced CVA RWA approach for its OTC derivatives. However, the simple CVA RWA approach is used for exchange traded derivatives, which are exposures that are cleared through central counterparties for which the SA-CCR method is applied and for immaterial OTC derivative exposures from counterparties that were deemed to not have specific risk model approval; this approach is also used for certain exposures in non-U.S. jurisdictions.

Netting agreements and margin collateral may be recognized as credit risk mitigants provided they meet certain eligibility criteria outlined in the U.S. Basel III rules, as described below.

Derivative Master Netting Agreements

Credit risk from derivatives is mitigated where possible through netting agreements whereby derivative assets and liabilities with the same counterparty can be offset. Citi policy requires all netting arrangements to be legally documented. ISDA master agreements are Citi's preferred manner for documenting OTC derivatives. The agreements provide the contractual framework within which dealing activities across a full range of OTC products are conducted and contractually binds both parties to apply close-out netting across all outstanding transactions covered by an agreement if either party defaults or other predetermined events occur. Citi considers the level of legal certainty regarding enforceability of its offsetting rights under master netting agreements and credit support annexes to be an important factor in its risk management process. For further information on Citi's policies regarding master netting agreements see Note 24, "*Derivatives*" in the Notes to Consolidated Financial Statements in Citi's 2025 Form 10-K.

Policies for Securing, Valuing and Managing Collateral, and Establishing Credit Reserves

Citi's policies and procedures cover management and governance of financial assets (including securing and valuing collateral) utilized for the purpose of mitigating the credit risk of OTC derivatives, repo-style transactions and eligible margin loans. Specifically, businesses are required to establish standard eligibility criteria for collateral usage and review processes for approving non-standard collateral. Industry standard legal agreements combined with internal reviews for legal enforceability are used to achieve a perfected security interest in the collateral. Additionally, risk management establishes guidelines on appropriate collateral haircuts related to repo-style transactions and eligible margin loans. Potential correlations between the exposure and the underlying collateral are reflected through appropriate haircuts. A haircut is the percentage of reduction in current market value applicable to each type of collateral and is largely based on liquidity and price volatility of the underlying security. Citi considers the liquidity and marketability of its collateral in determining its eligibility as a risk mitigant and in applying appropriate haircuts under the U.S. Basel III rules.

The current market value of collateral is monitored on a regular basis. Margin procedures are established for managing margin calls for which daily margining is considered best practice in order to maintain an appropriate level of collateral coverage reflecting market value fluctuations. Trades are reconciled on a regular basis that is consistent with regulatory or industry best practice guidelines and margin dispute processes are in place. Procedures are established surrounding collateral substitution and collateral reuse/rehypothecation. Applicable limits, triggers or thresholds are utilized to monitor and control Citi's collateral concentrations to different types of asset classes.

Additionally, for eligible margin loans, procedures are established to ensure an appropriate level of allowance for credit losses, and the counterparty credit risk arising on derivative transactions is managed through CVA to the fair value of derivative contracts.

Primary Types of Collateral

Eligible collateral including (but not limited to) cash, G10 Government and Government-Sponsored Enterprises debt securities is collected, posted or exchanged as margin on OTC derivative transactions, at a counterparty level, pursuant to applicable regulatory margin requirements. Citi also collects OTC Swap margin in excess of minimum requirements, at such times and in such forms and amounts that Risk Management determines necessary, to appropriately address the credit risk posed by particular counterparties. Collateral posted and received to open and maintain a master netting agreement with a counterparty, in the form of cash and eligible securities, may be segregated in an account at a third-party custodian pursuant to an Account Control Agreement. Where such collateral segregation is elected, the custody agreement must prohibit re-hypothecation or re-pledging of the collateral by the custodian.

With respect to repo-style transactions and eligible margin loans, the majority of the collateral is in the form of cash, government debt securities (mostly investment grade), and public equity securities. Instruments such as corporate and municipal bonds, U.S. agency securities and/or mortgage-backed securities may also be accepted, though to a lesser degree, and with appropriate agreement.

Policies With Respect to Wrong-Way Risk Exposures

Wrong-way risk (WWR) occurs when a movement in a market factor causes Citi's exposure to a counterparty to increase at the same time as the counterparty's capacity to meet its obligations is decreasing. Stated differently, WWR occurs when exposure to a counterparty is adversely correlated with the credit quality of the counterparty.

Specific WWR arises when the exposure to a particular counterparty is positively correlated with the probability of default of the counterparty due to the nature of the transactions with the counterparty. General WWR is less definite than specific WWR and occurs where the credit quality of the counterparty is subject to impairment due to changes in macroeconomic factors.

WWR in a trading exposure arises when there is significant correlation between the underlying asset and the counterparty which, in the event of default, would lead to a significant mark-to-market loss. The interdependence between the counterparty credit exposure and underlying reference asset or collateral for each transaction can exacerbate and magnify the speed in which a portfolio deteriorates. Thus, the goal of Citi's WWR policy is to provide best practices and guidelines for the identification, approval, reporting and mitigation of specific and general WWR.

Citi's WWR policy further uses ongoing product stress testing to identify potential general WWR using simulated macroeconomic scenarios.

Impact of Citi Credit Rating Downgrade on Collateral Pledged

For information on the impact of Citi credit rating downgrades refer to Note 20, "*Derivatives*" in the Notes to Consolidated Financial Statements and "*Managing Global Risk — Liquidity Risk—Credit Ratings*" in Citi's First Quarter 2026 Form 10-Q.

OTC Derivative Counterparty Credit Risk Disclosures

For information regarding counterparty credit risk related to OTC derivative exposures, including the impact of netting contracts and the offsetting of collateral held, see Note 20, "*Derivatives*" in the Notes to Consolidated Financial Statements in Citi's First Quarter 2026 Form 10-Q.

The following table presents counterparty credit risk for OTC derivatives, as well as repo-style transactions and eligible margin loans, under both the internal models and supervisory methods as of March 31, 2026.

Table 10: Counterparty Credit Risk Exposures by Product

	March 31, 2026	
	Total Counterparty Credit Risk	
In millions of dollars	EAD	RWA[1]
OTC Derivatives	$ 154,227	$ 77,882
Repo-Style Transactions and Eligible Margin Loans	98,496	22,122
Total Exposure	**$ 252,723**	**$ 100,004**

(1) Risk-weighted assets for counterparty credit risk are included within wholesale exposures in Table 1 above.

Credit Derivative Notional Amounts

The following table presents the gross notional amounts of credit derivatives, by product type and purpose, which were purchased and sold by Citi and outstanding as of March 31, 2026. Credit derivatives purchased or sold for Citi's intermediation activities on behalf of third party clients, including market-making and related hedging activities, are presented separately from those used to mitigate credit risk in Citi's own credit portfolio such as loans and certain other credit risk exposures.

Table 11: Notional Amounts of Purchased and Sold Credit Derivatives

	March 31, 2026			
	Own Credit Portfolio		Client Intermediation Activities	
In millions of dollars	Purchased	Sold	Purchased	Sold
Credit Default Swaps	$ 84,884	$ 19,986	$ 413,460	$ 413,672
Total Return Swaps	4,001	410	67,285	16,300
Credit Options			63,845	75,284
Total Credit Derivatives	**$ 88,885**	**$ 20,396**	**$ 544,590**	**$ 505,256**

Included in the table above are credit derivatives that Citi executes, in conjunction with its intermediation activities, in order to mitigate counterparty credit risk arising from OTC derivative contracts. As of March 31, 2026, the net notional amount of outstanding credit protection bought and sold for OTC derivative contracts was approximately $28.1 billion of purchased protection. Purchased credit protection for repo-style transactions was not significant as of March 31, 2026.

Citi does not currently use credit derivatives to mitigate counterparty credit risk arising from eligible margin loans. However, eligible margin loans may be included within the aggregate population of banking book transactions for which Citi buys or sells protection as part of credit risk mitigation activities.

For additional information on Citi's credit derivatives, refer to Note 20, *"Derivatives*" in the Notes to Consolidated Financial Statements in Citi's First Quarter 2026 Form 10-Q.

Overview
As part of its risk management activities, Citi uses various risk mitigants to hedge portions of the credit risk in its portfolios, in addition to outright asset sales. Credit risk mitigation, including netting, collateral and other techniques, is important to Citi in the effective management of its credit risk exposures.

Generally, in consultation with legal counsel, Citi determines whether collateral documentation is legally enforceable and gives Citi the right to liquidate or take possession of collateral in a timely manner in the event of the default, insolvency, bankruptcy or other defined credit event of the obligor. Also in consultation with legal counsel, Citi approves relevant jurisdictions and counterparty types for netting purposes.

Credit Risk Mitigation by Exposure Type

Wholesale Banking Book Collateral: Valuation and Management
Collateral assets taken as credit risk mitigants in the wholesale banking book receive initial and subsequent periodic valuations. This is part of the facility approval process, and is aimed at ensuring a comprehensive understanding of the potential recovery value of the pledged collateral asset in an event of obligor default. Collateral must be realizable and have either (1) a value capable of being established on the open market or (2) a value that can be provided by a recognized external market source or independent valuer. Valuations must also take into account the environment, the relevant market, and the type of collateral. Different collateral asset types and borrowers' risk profiles may require different processes with respect to valuation, the frequency of evaluation (and re-evaluation), inspection, and verification.

OTC Derivative Contracts, Repo-Style Transactions and Eligible Margin Loans
Netting is generally permitted for OTC derivative contracts and repo-style transactions. In some cases, netting is also permitted for certain margin lending transactions.

For information on policies and processes for collateral valuation and management, as well as the notional amount of credit derivatives used for counterparty credit risk mitigation, see the "*Counterparty Credit Risk: OTC Derivative Contracts, Repo-Style Transactions and Eligible Margin Loans*" section above.

Retail Exposures
For information on policies and processes for collateral valuation and management for Citi's retail businesses, see the "*Retail Credit Risk Management*" section above.

Wholesale Banking Book Exposures
The main type of credit risk mitigants utilized for the wholesale banking book exposures are guarantees or other types of full support from parents or third parties, as well as collateral such as real estate or various asset types (securities, receivables, inventories, machinery, etc.).

Collateral Concentrations
The collateral obtained for Citi's wholesale banking book portfolios is generally well diversified across a wide range of assets such as cash, securities, other financial assets (e.g., accounts receivable), real estate and physical assets (plant and equipment, ships, aircraft, etc.), with no or limited concentration within any one asset type. Concentration Risk Identification Thresholds (CRITs) have been set to enable the flagging of outsized collateral holdings, and monitoring is also conducted on a risk-differentiated basis to identify and manage positions that could become subject to greater realization or monetization risks.

Guarantors and Credit Derivative Counterparties and their Creditworthiness
The general purpose for hedging is compliance with various risk limits and management of capital across the portfolio. A dedicated group within Citi's risk management coordinates risk mitigation for credit risk in the banking book, including monitoring effectiveness and compliance with managing the exposures to be within risk limits on a regular basis. Actions for mitigating accrual credit risk in the banking book are generally limited to purchasing single-name credit default swaps from third parties, and direct asset sales to third parties.

Eligible credit default swap counterparties serving as guarantors of credit risks in the banking book generally include funds, hedge funds, sovereign funds, regional banks, commercial banks, investment banks or insurance companies that are rated BBB- or better by S&P and Moody's with established ISDA agreements and trading limits in place.

Additionally, Citi Global Wealth typically obtains personal guarantees from individuals and/or other guarantors.

Recognizing Credit Risk Mitigation
The table below presents the amount of wholesale exposures in the banking book that were covered by eligible guarantees, including eligible credit derivatives, as of March 31, 2026.

Table 12: Wholesale Banking Book Exposures Covered by Eligible Guarantees or Credit Derivatives(1)(2)

In millions of dollars	March 31, 2026				
Exposure Type:	Debt Securities	Loans	Unused Commitments and Guarantees	Other(3)	Total
Total Exposures	$ 159	$ 23,364	$ 27,256	$ 206	$ 50,985

(1) Wholesale banking book exposures are presented on an EAD basis.
(2) For U.S. Basel III purposes, the benefit of eligible guarantees and eligible credit derivatives for wholesale banking book exposures is captured through PD substitution in the calculation of risk-weighted assets. For retail exposures, see footnote (4) to Table 8 above.
(3) Includes deposits with banks and other assets.

Overview

The regulatory capital framework for securitization exposures is a risk sensitive framework that focuses on credit risks that have been transferred and repackaged. A securitized transaction is a transaction where all or a portion of the credit risk of one or more financial assets is transferred to one or more third parties. In addition, the related credit risk of the underlying transferred financial assets is tranched. That is, the credit risk is separated into at least two levels of seniority of claims with each class having a different priority on the cash flows from the underlying pool of exposures.

Securitizations can either be traditional securitizations or synthetic securitizations, depending on how the credit risk associated with the underlying assets is transferred. If the credit risk is transferred to third parties through the use of credit derivatives or guarantees, the securitization is considered synthetic. Otherwise, the securitization is considered traditional. Furthermore, any securitization which has more than one underlying exposure and in which one or more of the underlying exposures are securitization exposures is a re-securitization exposure. Asset-backed securities (ABS) and collateralized debt obligations (CDOs) and collateralized loan obligations (CLOs) in which any of the underlying exposures in these structures are themselves securitization exposures (such as an ABS, CDO or CLO tranche(s)) are examples of re-securitizations.

Objectives

Citi plays a variety of roles in asset securitization transactions, including originator, sponsor and investor. More specifically, Citi acts as underwriter of asset-backed securities, depositor of the underlying assets into securitization vehicles, trustee to securitization vehicles and counterparty to securitization vehicles under derivative contracts. Citi serves as investor in securitization exposures through holdings of such exposures in the banking book. In addition, Citi serves as market maker in securitized products primarily through trading book activity by assisting clients in securitizing their financial assets. Citi may also provide administrative, asset management, underwriting, liquidity facilities and/or other services to the resulting securitization.

Citi provides financing through warehouse facilities for corporate loans for CLO issues; consumer assets for ABS issues; and whole mortgage loans for new residential mortgage backed securities (RMBS) and commercial mortgage backed securities (CMBS) issues. Citi also provides backstop liquidity facilities to asset-backed commercial paper conduits (ABCP Conduits) and Municipal Tender Option Bond programs. Citi, in its role as servicer, may create a securitization exposure(s) by providing servicer cash advances on residential mortgage loan securitizations.

Citi holds various securitization exposures in the banking book and the trading book. Citi invests in highly rated CMBS and RMBS in the investment portfolio. Citi also holds ABS owned by ABCP Conduits that are consolidated onto Citi's balance sheet. Citi holds securitization positions in the trading book through secondary market trading, including certain asset backed commercial paper issued by third party bank conduits. In some cases, these positions may be re-securitizations.

Citi is involved in synthetic securitizations which involves purchasing credit protection through credit default swaps or other mechanisms of risk transference. In a synthetic securitization of assets held on the balance sheet, there is no change in the financial accounting treatment for the assets securitized.

Citi engages in re-securitization transactions in which debt securities are transferred to a variable interest entity (VIE) in exchange for new beneficial interests. Private-label re-securitizations are backed by either residential or commercial mortgages and are often structured on behalf of clients. Citi retains senior and subordinated beneficial interests in private-label re-securitization transactions. All re-securitizations of private label residential mortgage securities are subject to an enhanced approval process, including review by the New Activity Committee (NAC). Citi also re-securitizes U.S. government-agency guaranteed mortgage-backed securities.

Citi enters into these securitization arrangements for a variety of business purposes. In addition to providing a source of liquidity and less expensive funding, securitizing assets reduces credit exposure to the borrowers. Securitization arrangements offer investors access to specific cash flows and risks created through the securitization process. Securitization arrangements assist Citi and Citi's customers in monetizing their financial assets at more favorable rates than Citi or the customers could otherwise obtain. Citi uses securitization transactions to segregate the seller's credit risk from the securitized assets and the cash flows generated from those assets, which are to be used for the benefit of purchasers or lenders in the transaction. The segregation is achieved through the transfer of the securitized assets in a 'true sale' from the seller to a bankruptcy-remote special purpose entity (SPE), thereby providing legal isolation of the pool of assets from the default risk of the seller.

Risks

Securitization transactions can involve a number of risks including portfolio risk, seller's risk, and liquidity risk. Portfolio risk arises from the performance of the underlying asset pool (i.e., payment rates, dilution, write-offs/losses). Seller risk represents the portion of unsecured credit exposure in a transaction with the seller. Certain securitization structures give rise to contingent liquidity risk, that is, the likelihood that liquidity must be provided unexpectedly, potentially at a time when it is already under stress. Liquidity risk can occur in asset-backed commercial paper conduits or in cases where liquidity backstop arrangements have been provided.

Citi's risk management organization plays an active role in the review and oversight of securitization exposure identification. The nature of identifying a securitization is primarily an economic substance test where Citi seeks to identify evidence of tranching of credit risks in a variety of ways. Securitization identification is subject to a robust review process with controls and oversight.

Securitizations can arise in various forms, including but not limited to the following:

- asset- and mortgage-backed securities;
- loans, lines of credit, guarantees and financial standby letters of credit with embedded credit tranching or facing securitization SPEs;
- credit derivatives referencing a securitization tranche;
- credit enhancing interest only strips;
- assets sold with retained tranched recourse;
- single assets with tranched risk;
- OTC derivatives with securitization SPEs;
- implicit support to a securitization vehicle; and
- credit enhancing representation and warranties.

Citi manages its securitization and re-securitization positions within an established risk management policy framework whereby each business and Citi's risk management monitors changes in positions and changes in the portfolio structure of securitization and re-securitization positions. Credit risk management is responsible for determining the overall risk appetite for securitization transactions, approving extension of credit and ensuring data capture associated with those extensions of credit are accurate and are within Citi's risk appetite and limits, and ensuring that the transactions meet Citi's standards for Basel III compliance. Market risk management is responsible for ensuring that securitization transactions that are booked in the trading book are consistent with business mandate and risk management policies. Securitization and re-securitization positions are subject to an established limit monitoring framework to ensure diversification in Citi's portfolio.

Citi employs several risk mitigation approaches, including synthetic securitization, to manage risk appetite for its originated exposures. Under the U.S. Basel III rules, when a synthetic securitization framework is employed, a bank must (amongst other requirements) demonstrate that it has truly transferred the credit risk of the underlying exposures to one or more third parties to be able to recognize for risk-based capital purposes the use of a credit risk mitigant. A bank must also adhere to the Operational Requirements for Synthetic Securitizations set forth in these rules and a bank that fails to meet these requirements must hold risk-based capital against the underlying exposures as if they have not been hedged.

Risk-Based Capital Approaches

Citi utilizes the "hierarchy of approaches" to compute regulatory capital on securitization transactions as required by the U.S. Basel III rules. If a securitization exposure is not required to be deducted from regulatory capital, Citi first calculates the risk-based capital requirement using the Supervisory Formula Approach (SFA). The SFA calculation is a models-driven approach based on complex mathematical formulas that consider the attributes of both the securitization structure and the underlying exposures. SFA requires inputs such as PD and LGD on the underlying collateral. Citi utilizes approved SFA models for a variety of asset classes including credit card receivables, trade receivables, student loans, auto loans, commercial loans and other consumer asset classes within traditional and synthetic securitizations.

Where data is not sufficient to build an SFA model, Citi uses the Simplified Supervisory Formula Approach (SSFA). SSFA requires inputs including the following to calculate regulatory capital:

- Attachment Point: the point at which the collateral losses from underlying assets backing a tranche will have reached an amount that those losses will be applied to the tranche in the form of principal write-downs;
- Detachment Point: the point at which the tranche will be completely wiped out or written-down by losses from the collateral backing the tranche;
- Weighted Average Capital: the weighted average capital charge of the assets in the deal;
- Seriously Delinquent: the percentage of the collateral that are seriously delinquent in the deal (e.g., 90+ days past due, in foreclosure, in bankruptcy); and
- Calibration Parameter: a parameter that increases the riskiness of a tranche for re-securitizations.

A risk weight of 1,250% must be applied to a securitization exposure that does not qualify for the SFA and where Citi does not apply the SSFA, or which is not otherwise required to be deducted from regulatory capital.

Securitizations and VIEs
See the following references for certain information regarding securitizations and VIEs:

Consolidation Policy and Securitization Exposures

- See Note 19, "*Securitizations and Variable Interest Entities*" in the Notes to Consolidated Financial Statements in Citi's First Quarter 2026 Form 10-Q.

Transfers of Financial Assets and Gain on Sale

- See Note 1, "*Summary of Significant Accounting policies*" in the Notes to Consolidated Financial Statements in Citi's 2025 Form 10-K.

Valuation of Retained or Purchased Interests

- See "*Significant Accounting Policies and Significant Estimates - Valuations of Financial Instruments*" in Citi's 2025 Form 10-K.

Recognizing Liabilities to Provide Support to Securitizations

- See Note 23, "*Guarantees and Commitments* " in the Notes to Consolidated Financial Statements in Citi's First Quarter 2026 Form 10-Q.
- See Note 25, "*Contingencies*" in the Notes to Consolidated Financial Statements in Citi's First Quarter 2026 Form 10-Q.

The table below presents the total outstanding principal amount of assets securitized by Citi (excluding assets in consolidated securitization variable interest entities) for which Citi retains an exposure that is not subject to the market risk capital rules. Third-party assets held in Citi-sponsored vehicles are shown separately from securitized assets that were originated or purchased by Citi. This table also presents the total principal amount of outstanding assets intended to be securitized by Citi.

Table 13: Outstanding Securitization Exposures by Underlying Exposure Type

	As of March 31, 2026			
	Originator		**Sponsor**	
In millions of dollars	**Traditional Securitizations**	**Synthetic Securitizations**	**Traditional Securitizations**	**Assets Pending Securitization**
Commercial Real Estate Loans	$ 30,099	$ —	$ —	$ 253
Corporate Loans	—	32,034	—	—
Credit Card Receivables	—	—	—	—
Residential Mortgages	19,330	—	—	—
Other Assets	—	—	—	—
Total	**$ 49,429**	**$ 32,034**	**$ —**	**$ 253**

The total outstanding principal amount of securitizations with Citi acting as originator increased quarter-over-quarter mainly due to increase in synthetic securitization activities for corporate loans.

The table below presents the total principal amount of assets securitized by Citi during the **three** months ended March 31, 2026, excluding assets in consolidated securitization variable interest entities. Third-party assets securitized in Citi-sponsored vehicles are shown separately from securitized assets that were originated or purchased by Citi. Additionally, securitizations for which Citi retains an exposure that is not subject to the market risk capital rules are shown separately from securitizations for which Citi did not retain an exposure. The table also presents any gains (losses) on sale recognized during the **three** months ended March 31, 2026 related to Citi's securitization activity.

Table 14: Securitization Activity by Underlying Exposure Type

	For the Three Months Ended March 31, 2026						
	Originator				Sponsor		
	Traditional Securitizations		Synthetic Securitizations		Traditional Securitizations		
In millions of dollars	Exposure Retained	Exposure Not Retained	Exposure Retained	Exposure Not Retained	Exposure Retained	Exposure Not Retained	Recognized Gain (Loss) on Sale
Commercial Real Estate Loans	$ 31	$ 3,036	$ —	$ —	$ —	$ 3,307	$ 14
Corporate Loans	—	—	3,469	300	—	—	—
Credit Card Receivables	—	—	—	—	—	—	—
Residential Mortgages	48	975	—	—	—	—	—
Other Assets	—	—	—	—	—	—	—
Total	**$ 79**	**$ 4,011**	**$ 3,469**	**$ 300**	**$ —**	**$ 3,307**	**$ 14**

The table below presents the amount of securitized assets that are past due as of March 31, 2026, and the amount of impairment losses recognized by Citi during the three months ended March 31, 2026.

Table 15: Impairment by Underlying Exposure Type

	As of March 31, 2026	For the Three Months Ended March 31, 2026
In millions of dollars	Past Due Securitized Assets(1)	Impairment Losses Recognized by Citi(2)
Commercial Real Estate Loans	$ —	$ —
Corporate Loans	147	62
Credit Card Receivables	—	—
Residential Mortgages	704	—
Other Assets	—	—
Total	**$ 851**	**$ 62**

Represents the outstanding principal balance of securitized assets that are 90 days or more past due.

(1) Represents impairment losses recognized by Citi related to retained securitization exposures that are not subject to the market risk capital rules, and excludes changes in fair value recognized in earnings for retained securitization exposures that are classified as trading securities for U.S. GAAP purposes.

Tables 16 and 17 present Citi's banking book exposures subject to securitization treatment, presented on an EAD basis, under the U.S. Basel III rules.

Table 16: Securitization and Re-securitization Exposures by Risk Weight Band[(1)]

	March 31, 2026							
	SFA Approach		SSFA Approach		1,250% Approach		Total	
In millions of dollars	Exposure	RWA	Exposure	RWA	Exposure	RWA	Exposure	RWA
Securitization Exposures Risk Weight Band								
0% ≤ 20%	$ 77,350	$ 13,735	$ 36,822	$ 7,366	$ —	$ —	114,172	21,100
> 20% ≤ 50%	62,485	14,207	2,475	716	—	—	64,960	14,923
> 50% ≤ 100%	10,779	7,887	508	485	—	—	11,288	8,372
> 100% ≤ 200%	2,390	3,001	470	631	—	—	2,859	3,631
> 200% ≤ 650%	1,028	2,867	80	320	—	—	1,108	3,187
> 650% < 1,250%	1	5	4	43	44	552	4	48
1,250%	—	6	18	222	—		62	780
Total Securitization Exposures	**$ 154,033**	**$ 41,708**	**$ 40,377**	**$ 9,783**	**$ 44**	**$ 552**	**$ 194,453**	**$ 52,041**
Re-securitization Exposures Risk Weight Band								
0% ≤ 20%	$ —	$ —	$ 125	$ 25	$ —	$ —	125	25
> 20% ≤ 50%	—	—	—	—	—	—	—	—
> 50% ≤ 100%	—	—	—	—	—	—	—	—
> 100% ≤ 200%	—	—	—	—	—	—	—	—
> 200% ≤ 650%	—	—	—	—	—	—	—	—
> 650% < 1,250%	—	—	38	274	—	—	38	274
1,250%	—	—	—	—	—	—	—	—
Total Re-securitization Exposures[(2)]	**$ —**	**$ —**	**$ 163**	**$ 299**	**$ —**	**$ —**	**$ 163**	**$ 299**
Total	**$ 154,033**	**$ 41,708**	**$ 40,540**	**$ 10,082**	**$ 44**	**$ 552**	**$ 194,616**	**$ 52,340**

(1) Securitization exposures that have been deducted from Tier 1 Capital are not included within RWA.
(2) During the three months ended March 31, 2026, there were no re-securitization exposures to which credit risk mitigation had been applied.

Table 17: Securitization Exposures by Collateral Type[(1)]

	March 31, 2026			
	Exposure			
In millions of dollars	On-Balance Sheet	Off-Balance Sheet	Total	Total RWA
Auto Loans	$ 24,655	$ 9,053	$ 33,708	$ 7,802
Commercial Real Estate Loans	40,335	2,858	43,194	11,808
Corporate Loans	38,682	30,369	69,051	15,882
Credit Card Receivables	1,857	2,058	3,915	2,215
Residential Mortgages	838	2,012	2,849	697
Student Loans	900	127	1,027	561
Other	31,902	8,971	40,873	13,374
Total	**$ 139,169**	**$ 55,448**	**$ 194,617**	**$ 52,339**

(1) Securitization exposures that have been deducted from Tier 1 Capital are not included within RWA.

Securitization Exposures Deducted from Regulatory Capital

As of March 31, 2026, Citi does not have any after-tax gain-on-sale on a securitization that has been deducted from CET1 Capital, nor any credit-enhancing interest-only strips that have been assigned a 1,250% risk weight.

Re-securitization Exposures Covered by Guarantees

As of March 31, 2026, no re-securitization exposures were covered by guarantees.

Overview

Citi holds equity positions to generate capital gains for its private equity subsidiaries. It can also hold positions as a result of debt to equity conversions, or to maintain strategic relationships. Citi's equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) are primarily measured at fair value with changes in fair value recognized in net income. However, Federal Reserve Bank and Federal Home Loan Bank stock, as well as certain exchange seats, are presented at cost. Certain equity positions are accounted for under the equity method, or, for Citi's investments in qualified affordable housing partnerships, recorded at cost plus unfunded equity commitments and subsequently amortized in proportion to the amount of tax credits and other tax benefits received.

Citi is also allowed to elect, on an instrument-by-instrument basis, to measure non-marketable equity investments using a measurement alternative. Under the measurement alternative, the investment is carried at cost plus or minus changes resulting from observable prices in orderly transactions for the identical or a similar investment of the same issuer, less impairment (if any).

The disclosures below are consistent with the definition of equity exposures under the U.S. Basel III rules. For further information on equity exposures, see Note 1, "*Basis of Presentation, Updated Accounting Policies and Accounting Changes*" and Note 11, "*Investments*" in the Notes to Consolidated Financial Statements in Citi's First Quarter 2026 Form 10-Q.

Risk-Weighting Approaches

As required under the U.S. Basel III rules, Citi applies different approaches in calculating risk-weighted assets for equity exposures not subject to the market risk capital rules, depending upon whether or not the exposure is to an investment fund which is defined in the U.S. Basel rule as a company where all or substantially all of its assets are financial assets and that has no material liabilities. Furthermore, three alternative approaches may be utilized in deriving risk-weighted assets for equity exposures to an investment fund, with the approach applied largely a function of the information available.

Under the Simple Risk Weight Approach which is applicable to equity exposures which are not investment funds, the adjusted carrying value for each type of equity exposure is multiplied by a prescribed risk weight. The adjusted carrying value for an on-balance sheet equity exposure is the carrying value of the exposure. The off-balance sheet component of an equity exposure that is not an equity commitment, such as an equity derivative, is the effective notional principal amount of the exposure, the size of which is equivalent to a hypothetical on-balance sheet position in the underlying equity instrument that would evidence the same change in fair value (measured in dollars) given a small change in the price of the underlying equity instrument, minus the adjusted carrying value of the on-balance sheet component of the exposure. The adjusted carrying value of an equity exposure is used in the calculation of Hedge Pairs. For an off-balance sheet commitment to acquire an equity exposure (an equity commitment) the effective notional amount of the exposure is multiplied by an applicable conversion factor (CF). The U.S. Basel III rules also permit Citi, subject to prior written approval from regulators, to calculate risk-weighted assets for equity exposures that are not equity exposures to investment funds by utilizing the Internal Models Approach. However, Citi does not currently utilize the Internal Models Approach for any of its equity exposures which are not investment funds.

For equity exposures to investment funds, Citi applies the Full Look-Through Approach, the Simple Modified Look-Through Approach, or the Alternative Modified Look-Through Approach. In accordance with the Full Look-Through Approach, risk weights are applied on a proportional ownership share basis to each exposure held by the fund, as if Citi held the exposure directly. Under the Simple Modified Look-Through Approach, the highest risk weight applicable to any exposure the investment fund is permitted to hold under its prospectus, partnership agreement, or similar agreement is applied to the adjusted carrying value of Citi's equity exposure to the fund in deriving the amount of risk-weighted assets (excluding derivative contracts that are used for hedging rather than speculative purposes and that do not constitute a material portion of the fund's exposures). With regard to the Alternative Modified Look-Through Approach, the adjusted carrying value of an equity exposure to an investment fund is assigned on a pro-rata basis to the different risk weight categories based on the investment limits in the fund's prospectus, partnership agreement, or similar contract that defines the fund's permissible investments. Under this approach it is assumed that the fund invests to the maximum extent permitted under its investment limits in the exposure type with the highest applicable risk weight and continues to make investments in order of the exposure type with the next highest applicable risk weight, until the maximum total investment is reached. The sum of the pro-rata investment limits risk weighted for all exposure types within the fund shall not exceed 100 percent. Derivative contracts held by the fund that are used for hedging rather than for speculative purposes and do not constitute a material portion of the fund's exposures are excluded under this approach per the rule.

The following table presents Citi's equity exposures not subject to the U.S. Basel III market risk capital rule, using the Simple Risk Weight, the Full Look-Through, the Simple Modified Look-Through, and the Alternative Modified Look-Through Approaches in deriving risk-weighted assets as of March 31, 2026.

Table 18: Equity Exposures Not Subject to the Market Risk Capital Rules

	March 31, 2026					
In millions of dollars, except percentages	Risk Weight Category	Carrying Value(1)(2)	Fair Value(2)	Effective Risk Weight(3)	RWA(4)	Unfunded Commitment
Simple Risk Weight Approach:						
Equity Exposures Subject to a 0% Risk Weight	0 %	$ 4,546	$ 4,546	0 %	$ —	$ 4,546
Equity Exposures Subject to a 20% Risk Weight	20 %	726	726	20	145	—
Community Development Equity Exposures	100 %	2,944	2,374	100	3,155	210
Significant Investments in Unconsolidated Financial Institutions	250 %	1,926	1,926	250	4,816	—
Publicly Traded Equity Exposures(5)	300 %	117	137	100	117	—
Non-publicly Traded Equity Exposures(5)(6)	400 %	13,057	13,057	100	13,057	—
Equity Exposures to Leveraged Investments Funds	600 %	7	7	600	47	1
Total Simple Risk Weight Approach		**$ 23,323**	**$ 22,773**		**$ 21,337**	**$ 4,757**
Equity Exposures to Investment Funds:						
Full Look-Through Approach	N/A	$ 11,061	$ 11,061	35 %	$ 3,869	$ 50
Simple Modified Look-Through Approach	N/A	239	239	28	71	11
Alternative Modified Look-Through Approach	N/A	309	309	214	660	—
Total Equity Exposures to Investment Funds		**$ 11,609**	**$ 11,609**		**$ 4,600**	**$ 61**
Total Equity Exposures		**$ 34,932**	**$ 34,382**		**$ 25,937**	**$ 4,818**

(1) Total carrying value of approximately $34.9 billion consists of approximately $0.7 billion of publicly traded and approximately $34.2 billion of non-publicly traded equity exposures.
(2) In accordance with U.S. GAAP, total carrying value includes approximately $0.6 billion of unfunded equity commitments related to Citi's investments in qualified affordable housing partnerships, but excludes approximately $4.8 billion of unfunded equity commitments relating to other equity investments. The fair value of Citi's equity exposures does not include any equity commitments.
(3) Effective risk weight for equity exposures to investment funds is a blended risk weight of the investments held by the investment funds.
(4) Unfunded equity commitments are included in the derivation of risk-weighted assets.
(5) Equity exposures within the 300% and 400% risk weight categories were risk-weighted at effective risk weight of 100% due to the aggregate amount of such exposures not exceeding the threshold for non-significant equity exposures which is 10% of total capital.
(6) Included in the carry value and fair market value is the adjusted carrying value of equity derivatives that is the effective notional principal amount of the exposure.

Realized Gains (Losses)

Total net realized gains arising from sales and liquidations of equity investments were $14.4 million for the three months ended March 31, 2026.

Latent Revaluation Gains (Losses)

Total net unrealized gains on non-marketable equity investments that are measured at cost, equity method or using the measurement alternative, which are not recognized either in the balance sheet or through earnings, were $19.3 million as of March 31, 2026, none of which was included in Tier 1 or Tier 2 Capital.

Overview

Market risk is the risk of loss on a position that could result from movements in market prices. Citi's market risk arises principally from trading and market making activities in Citi’s Global Markets businesses, comprising of Fixed Income Markets and Equity Markets.

The market risk disclosures discussed in this section provide quantitative information regarding Citi's market risk capital components, as well as qualitative information, such as that related to Citi's risk management policies, practices and internal models. For additional information on Citi's market risk management and policies, see “*Managing Global Risk—Market Risk*” in Citi’s 2025 Form 10-K.

Basel III Covered Positions

As defined under the U.S. Basel III rules, covered positions include:

(1) Trading assets or trading liabilities (whether on- or off-balance sheet), as reported for regulatory purposes, that meet the following conditions:

(a) The position is a “trading position” or hedges another covered position, other than trading positions that are hedges of Citi’s banking book exposures. Within this context, a trading position means a position that is held for the purpose of short-term resale or with the intent of benefiting from actual or expected short-term price movements, or to lock in profits.

AND

(b) The position is free of any restrictive covenants on its tradability, or the banking organization, such as Citi, is able to hedge the material risk elements of the position in a two-way market.

OR

(2) A foreign exchange or commodity position (other than any structural foreign currency positions chosen to be excluded and for which prior supervisory approval has been received), regardless of whether the position is a trading asset or trading liability.

Among the various types of exposures not considered to be a covered position are: (1) intangible assets, including any servicing asset such as mortgage servicing rights; (2) any hedge of a trading position that is deemed to be outside the scope of Citi’s hedging strategy; (3) any position that, in form or substance, acts as a liquidity facility that provides support to asset-backed commercial paper; (4) any position that Citi holds with the intent to securitize; or (5) any direct real estate holding.

Accordingly, the characterization of an asset or liability as a “trading asset’’ or “trading liability” under U.S. GAAP does not determine whether such assets and liabilities are trading positions for Basel III purposes. The scope of positions or exposures recognized as trading assets or trading liabilities for U.S. GAAP purposes is generally broader than permissible trading positions under the U.S. Basel III rules. Positions or exposures excluded from market risk capital treatment are subject to the credit risk capital rules applicable to non-covered positions.

Citi has established policies and procedures for determining which of its U.S. GAAP trading assets, trading liabilities, and foreign exchange and commodity positions are covered positions under the U.S. Basel III rules, including the establishment of a firm-wide Basel III Boundary Governance Committee that meets quarterly and serves as a decision-making body on key trading book boundary strategies and reporting approaches. Specifically, the Basel III Boundary Governance Committee reviews the intent and ability to trade positions considering a number of key metrics, including a review of the actual holding period of these positions.

Valuation and Accounting Policies and Methodologies

Accounting Standards Codification (ASC) 820-10, *Fair Value Measurement*, defines fair value, establishes a consistent framework for measuring fair value and requires disclosures in Citi’s consolidated financial statements about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and therefore represents an exit price. Material covered positions under the U.S. Basel III rules are carried at fair value on Citi’s consolidated balance sheet.

For information on Citi's valuation policies and methodologies refer to “*Determination of Fair Value and Hierarchy Levels*” in Note 1, "*Summary of Significant Accounting Policies*" in the Notes to Consolidated Financial Statements in Citi's 2025 Form 10-K. Refer to “*Market Valuation Adjustment*” in Note 26 for information on credit and funding valuation adjustments.

Market Risk-Weighted Assets

Under the U.S. Basel III rules, Citi’s market risk-weighted assets (RWA) are measured as the sum of the risk-weighted assets attributable to the following:

- Regulatory Value-at-Risk (VaR)
- Regulatory Stressed Value-at-Risk (SVaR)
- Incremental Risk Charge (IRC)
- Comprehensive Risk Measure (CRM)
- Standard Specific Risk Charge (SSRC)
- Securitization Charges
- De minimis Exposures Charge (covered positions not included in the VaR model)

Citi’s Basel III market risk capital requirements, and related risk-weighted assets, reflect the application of Citi’s internal models as well as prescribed standardized approaches with respect to covered positions, as appropriate. Liquidity attributes of Citi's covered positions are considered in the determination of model eligibility in measuring market risk capital requirements.

Citi’s internal models are designed to capture all material risk factors. Any material missing risk factors that are identified through model validation (see “*Independent Validation of Models” section* below), are included as a RNIM “add-on” in accordance with the U.S. Basel III rules.

Citi’s market risk capital requirements and resulting risk-weighted assets will vary from reporting period to reporting period and may be materially impacted by changes in the treatment of certain positions or portfolios, due to updated regulatory guidance, regulatory reviews or further refinements and enhancements to Citi’s internal models. Where material, such changes are disclosed in Citi's Basel III Advanced Approaches Disclosures and/or in Citi’s Form 10-K or 10-Q, as appropriate, in the reporting period during which the changes were implemented.

Regulatory Value-at-Risk (VaR)

Regulatory VaR is the estimate of the potential decline in the value of a position or a portfolio under normal market conditions. Citi uses a three year (18 months for commodities) look back period for correlations between risk factors and the greater of three-year (18 months for commodities) or, in most instances, effectively 30-day volatility. These market risk factors include material first and second-order risk sensitivities of various asset classes/risk types (such as interest rate, credit spread, foreign exchange, equity, and commodity risks).

Citi uses a single, independently approved Monte Carlo simulation VaR model for both Regulatory VaR and Risk Management VaR. As of March 31, 2022, the Monte Carlo simulation involves approximately 550,000 market factors, making use of approximately 480,000 time series, with sensitivities updated daily, volatility parameters updated intra-month and correlation parameters updated monthly. The portfolio composition of Citi’s Regulatory VaR is, however, materially different from Citi’s Risk Management VaR. Certain positions that are included in Citi’s Risk Management VaR are not covered positions and therefore are not eligible for market risk capital treatment under the U.S. Basel III rules. While Citi’s confidence interval is 99% for both Risk Management VaR and Regulatory VaR, Citi uses a 1-day time horizon for Risk Management VaR and a 10-day time horizon for Regulatory VaR. For additional information on Citi’s Risk Management VaR model, see “*Managing Global Risk—Market Risk—Market Risk of Trading Portfolios*” in Citi’s 2025 Form 10-K (The number of market factors and time series quoted in Citi’s 2025 Form 10-K is updated as shown above).

For covered positions that are not captured in Regulatory VaR, Citi calculates market risk-weighted assets based on a de minimis risk add-on in accordance with the Basel III requirements, or in accordance with an alternative methodology that has been approved by the FRB and OCC.

The following table presents Citi’s Regulatory VaR and related capital requirement, as well as risk-weighted assets as of March 31, 2026.

Table 19: Regulatory VaR Risk-Weighted Assets

In millions of dollars	As of March 31, 2026	
Regulatory VaR(1)	Regulatory VaR-Based Capital(2)	Regulatory VaR RWA(3)
$ 238	$ 714	$ 10,408

(1) 60-day average, for which each daily Regulatory VaR is based on a 10-day time horizon.
(2) Regulatory VaR times a capital multiplier of 3.
(3) Regulatory VaR-based Capital times 12.5, plus $1,485mm add-on for Risk not Captured in the Model (equivalent of $119mm Capital).

- Immaterial differences in calculations above may exist due to rounding.

Presented in the following table are Citi’s period end and high, low and mean Regulatory VaR, as well as associated primary risk factors, as of and for the three months ended March 31, 2026.

Table 19.1: 10-Day Regulatory VaR by Risk Factors

In millions of dollars	As of March 31, 2026	Three Months Ended March 31, 2026		
Risk Factors		**High**	**Low**	**Mean(1)**
Interest Rate	$ 206	$ 332	$ 183	$ 254
Credit Spread	247	247	190	214
Equity Price	47	150	(11)	31
Foreign Exchange	98	144	54	104
Commodity Price	114	205	68	129
Diversification Benefit(2)	(458)	N/A	N/A	(494)
Total Regulatory VaR	**$ 254**	**$ 324**	**$ 152**	**$ 238**

- N/A: Not applicable

(1) Mean is based on a 60-day average used for Regulatory VaR-based RWA.
(2) Diversification benefit is the result of correlation between risk factors and, due to this benefit, the total Regulatory VaR on a given day will be lower than the sum of the Regulatory VaRs relating to each individual risk factor. No diversification benefit can be inferred for the high and low Regulatory VaRs related to each of the respective risk factors as they may come from different close of business dates.

The following table presents the period end and high, low and mean Regulatory VaR for each of Citi’s material portfolios of covered positions, as of and for the three months ended March 31, 2026.

Table 19.2: 10-Day Regulatory VaR by Material Portfolios

In millions of dollars	As of March 31, 2026	Three Months Ended March 31, 2026		
Material Portfolios		**High**	**Low**	**Mean[(1)]**
Markets	$ 252	$ 324	$ 151	$ 236
Other	37	86	30	57
Diversification Benefit[(2)]	(35)	N/A	N/A	(55)
Total Regulatory VaR	**$ 254**	**$ 324**	**$ 152**	**$ 238**

- N/A: Not applicable

(1) 60-day average, for which each daily Regulatory VaR is based on a 10-day time horizon.
(2) Diversification benefit is the result of correlation between portfolios and, due to this benefit, the total Regulatory VaR on a given day will be lower than the sum of the Regulatory VaRs relating to each individual portfolio. No diversification benefit can be inferred for the high and low of respective portfolios as they may come from different close of business dates.

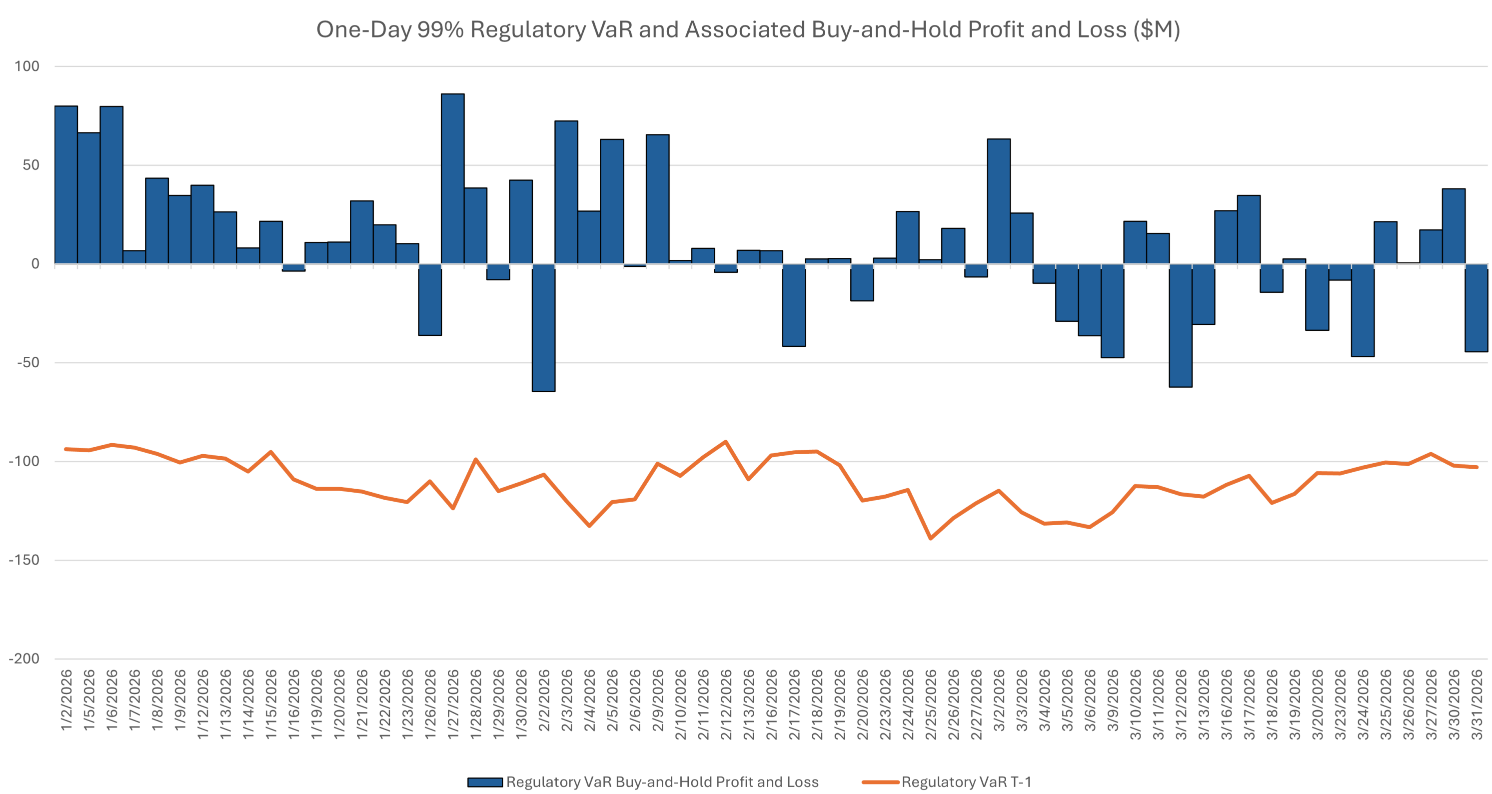
Regulatory VaR Backtesting

In accordance with the U.S. Basel III rules, Citi is required to perform backtesting to evaluate the effectiveness of its VaR model and as a basis to determine its Regulatory VaR and Regulatory SVaR-based capital multiplier. For additional information on Regulatory SVaR, see "*Regulatory Stressed Value-at-Risk (SVaR)*" section below. Regulatory VaR backtesting is the process in which the daily 1-day VaR, at a 99% confidence interval, is compared to the buy-and-hold profit and loss, which represents the daily mark-to-market profit and loss attributable to price movements in covered positions from the close of the previous business day. Buy-and-hold revenue excludes realized trading revenue, net interest, fees and commissions, intra-day trading profit and loss, and changes in reserves.

Citi's Regulatory VaR and Regulatory SVaR capital multipliers, which can range between 3 and 4, are based upon the number of backtesting exceptions that occur on a rolling 250-day period, as well as the discretion of the FRB and OCC. Based on a 99% confidence level, Citi would expect two to three days in any one year where buy-and-hold losses exceeded the Regulatory VaR. Given the conservative calibration of Citi's VaR model (as a result of taking the greater of short- and long-term volatilities and fat tail scaling of volatilities), Citi would expect fewer exceptions under normal and stable market conditions. Periods of unstable market conditions could increase the number of backtesting exceptions.

The graph below presents the daily buy-and-hold profit and loss associated with all of Citi's covered positions compared to Citi's 1-day Regulatory VaR from October 2, 2023 through March 31, 2026. As the graph indicates, losses observed have not exceeded Citi's 1-day 99% Regulatory VaR during the three month period ending March 31, 2026.

Graph 1: Regulatory VaR Backtesting Result



Regulatory Stressed Value-at-Risk (SVaR)

Citi's Regulatory SVaR model methodology is the same as the Regulatory VaR methodology (99% confidence level and 10-day holding period), with the exception of the look back period. Specifically, the Regulatory SVaR uses model parameters such as volatilities and correlations calibrated to historical data from a continuous 12-month period that reflects significant financial stress appropriate to current portfolios. The Regulatory SVaR look back period is periodically calibrated using internal Citi methodologies and policies to determine the most severe stress period for Citi's current covered positions.

The following table presents Citi's Regulatory SVaR and related capital requirement, as well as risk-weighted assets as of March 31, 2026.

Table 20: Regulatory SVaR Risk-Weighted Assets

In millions of dollars	As of March 31, 2026	
Regulatory SVaR(1)	**Regulatory SVaR-Based Capital(2)**	**Regulatory SVaR RWA(3)**
$ 348	$ 1,043	$ 19,901

(1) 60-day average, for which each daily Regulatory SVaR is based on a 10-day time horizon.
(2) Regulatory SVaR times a capital multiplier of 3.
(3) Regulatory SVaR-based Capital times 12.5, plus $6,861mm add-on for Risk not Captured in the Model (equivalent of $549 Capital).

- Immaterial differences in calculations above may exist due to rounding.

The following table presents period end and high, low and mean Regulatory SVaR, for each of Citi's material portfolios of covered positions, as of and for the three months ended March 31, 2026.

Table 20.1: 10-Day Regulatory SVaR by Material Portfolios

In millions of dollars	As of March 31, 2026	Three Months Ended March 31, 2026		
Material Portfolios		**High**	**Low**	**Mean(1)**
Markets	$ 417	$ 454	$ 198	$ 347
Other	30	95	23	50
Diversification Benefit(2)	(37)	N/A	N/A	(49)
Total Regulatory SVaR	**$ 410**	**$ 465**	**$ 200**	**$ 348**

- N/A: Not applicable

(1) 60-day average, for which each daily Regulatory SVaR is based on a 10-day time horizon.
(2) Diversification benefit is the result of correlation between portfolios and, due to this benefit, the total Regulatory SVaR on a given day will be lower than the sum of the Regulatory SVaRs relating to each individual portfolio. No diversification benefit can be inferred for the high and low of respective portfolios as they may come from different close of business dates.

Incremental Risk Charge (IRC)

IRC represents a charge to cover the default and credit migration risks of non-securitized credit products. IRC is measured over a 1-year time horizon at a 99.9% confidence level under the assumption of constant positions. A constant position assumption means that Citi maintains the same set of positions throughout the 1-year time horizon (regardless of the maturity date of the positions) in order to model profit and loss distributions. Liquidity horizons establish the effective holding period of the assets and are defined as the time that would be required to reduce exposure, or hedge all material risks, in a stressed market environment.

Citi's IRC model is designed to capture market and issuer-specific concentrations, credit quality and liquidity horizons and recognizes the impact of correlations between default and credit migration events among issuers.

Presented in the following table is Citi's IRC and IRC risk-weighted assets as of March 31, 2026.

Table 21: IRC Risk-Weighted Assets

In millions of dollars	As of March 31, 2026
IRC(1)	**IRC RWA(2)**
$ 485	$ 6,152

(1) IRC is calculated once per week.
(2) IRC-based RWA is calculated using the greater of the mean and period end IRC charge (see table 23.1 below).
(3) IRC RWA is IRC times 12.5, plus $88mm add-on for Risk not Captured in the Model (equivalent of $7 Capital).

- Immaterial differences in calculation above may exist due to rounding.

Presented in the following table is the period end and high, low and mean IRC for each of Citi's material portfolios of covered positions as of and for the three months ended March 31, 2026.

Table 21.1: IRC by Material Portfolios

In millions of dollars	As of March 31, 2026	Three Months Ended March 31, 2026		
Material Portfolios		**High**	**Low**	**Mean**
Markets	$ 359	$ 682	$ 359	$ 485
Other	4	4	—	1
Diversification Benefit(1)	(4)	N/M	N/M	(1)
Total IRC	**$ 359**	**$ 682**	**$ 359**	**$ 485**

- N/A: Not applicable

(1) Diversification benefit is the result of correlation between portfolios and, due to this benefit, the total Regulatory IRC on a given day will be lower than the sum of the Regulatory IRCs relating to each individual portfolio. No diversification benefit can be inferred for the high and low of respective portfolios as they may come from different close of business dates.

Comprehensive Risk Measure (CRM)
CRM is primarily comprised of correlation trading securitization positions within *Markets and Securities Services*.

Credit correlation products refer to portfolio-based tranche products and their hedges. The primary inputs to the valuation model used to price and risk manage these tranche products are credit default swap spreads and correlations between the individual credits within the portfolios. Correlation trading positions include both index and bespoke tranches, where index tranches mainly reference U.S. and European credit indices.

Citi received supervisory approval to remove the previously required CRM model surcharge for correlation trading portfolios. Accordingly, the calculation of the CRM under the U.S. Basel III rules is equal to the greater of two components: (i) a model-based measure and (ii) total specific risk add-ons for Citi's modeled correlation trading positions (CRM Floor), which is calculated as 8% of the greater of: (1) the sum of Citi's specific risk add-ons for each net long correlation trading position, or (2) the sum of Citi's specific risk add-ons for each net short correlation trading position (both of which are calculated after permitted matching and offsetting under the U.S. Basel III rules).

The model-based measure of the CRM is an extension of the IRC model discussed above. Citi's CRM price risk model is based on a full revaluation of the portfolio inclusive of all material risk factors. Citi's CRM model uses a Monte Carlo simulation (like the IRC model); however, the CRM model includes additional risk factors that are only relevant for Citi's correlation trading portfolio.

Citi's CRM model is intended to capture all material price risk including, but not limited to, the risks associated with the contractual structure of cash flows of the position, the issuer, and the underlying exposures. Through the use of these market risk factors the model simulates default risk and credit migration risk over a 1-year time horizon with a 99.9% confidence interval, under the assumption of constant positions.

The following tables present Citi's CRM risk-weighted assets and market risk factors as of March 31, 2026, as well as the period end, and high, low and mean CRM Charge, as of and for the three months ended March 31, 2026.

Table 22: CRM Risk-Weighted Assets

In millions of dollars — As of March 31, 2026

CRM Model Capital(1)	CRM-Model RWA(2)	8% CRM Floor RWA(3)	Final CRM RWA(4)
$ 115	$ 1,439	$ 1,010	$ 1,439

(1) CRM Model Capital is calculated once per week.
(2) CRM Model RWA is calculated using the greater of the 12 week mean and period end CRM Model Capital (see Table 24.1 below), multiplied by 12.5.
(3) The CRM Floor is based on the fair value of net long positions (inclusive of netting).
(4) Final CRM RWA = Greater of (2) CRM-Model RWA and (3) 8% CRM Floor.

• Immaterial differences in calculations above may exist due to rounding.

Table 22.1: CRM Charge

In millions of dollars

As of March 31, 2026	Three Months Ended March 31, 2026		
CRM Charge	High	Low	Mean
$ 85	$ 149	$ 76	$ 115

Table 22.2: CRM Market Risk Factors

In millions of dollars	As of March 31, 2026
Default Risk	$ 48
Recovery Rate Risk	35
Credit Spread Risk(1)	(7)
Cross Gamma Risk	8
Correlation Risk	1
Total CRM Charge(2)	**$ 85**

(1) Credit spread risk includes credit migration risk.
(2) Total CRM Charge is inclusive of diversification benefits across risk factors and are additive.

The following table presents the net market value of Citi's correlation trading securitization positions included in the CRM model, inclusive of all hedges, as of March 31, 2026. Correlation trading securitization positions that are not included in the CRM model are included in Table 26 "*Covered Trading Securitization and Re-Securitization Positions (Non-CRM Modeled)*" below.

Table 22.3: Correlation Trading Securitization Positions (Included in CRM Model)

In millions of dollars	As of March 31, 2026
Net Long Market Value	$ 17,755
Net Short Market Value	(16,190)
Total Net Market Value	**$ 1,565**

Standard Specific Risk Charge (SSRC)
Specific risk is the risk of loss from changes in the market value of a position that could result from factors other than broad market movements and includes event risk, default risk and idiosyncratic risk.

Standard specific risk charges are derived for any debt or equity positions which have not received a modeled specific risk charge or a modeled (SFA) or a non-modeled (SSFA) securitization charge. Under the U.S. Basel III rules, standard specific risk charges are calculated by applying prescribed risk-weighting factors to debt, equity, and securitization positions, which for cash instruments is based on the fair market value, whereas for derivatives is based on the fair value of the effective notional amount. Moreover, the prescribed risk-weighting factors for debt positions are based on particular attributes, such as issuer type, remaining contractual maturity, country risk ratings, Organization for Economic Cooperation and Development membership status, and investment grade/non-investment grade status.

Securitization and Re-securitization Positions

For a description of Citi's involvement in securitization and re-securitization transactions, see "*Securitizations*'' above.

The following table presents the net market value of Citi's non-modeled trading book securitization and re-securitization positions (i.e., excluding modeled correlation trading securitization positions), by product type, as of March 31, 2026.

Table 23: Covered Trading Securitization and Re-securitization Positions (Non-CRM Modeled)

In millions of dollars	**As of March 31, 2026**			
Exposure Type	**On-Balance Sheet(1)**	**Off-Balance Sheet(2)**	**Total**	**RWA**
CMBS	$ 728	$ 1,252	$ 1,980	$ 1,732
RMBS	1,178	39	$ 1,217	$ 1,162
CDOs/CLOs	518	—	$ 518	$ 1,071
Other ABS	575	271	$ 846	$ 960
	$ 2,999	**$ 1,562**	**$ 4,561**	**$ 4,925**

(1) The net market value of cash securitization positions that received non-modeled securitization charges.
(2) The net market value of derivative positions that received non-modeled securitization charges.
• Immaterial differences in calculations above may exist due to rounding.

De minimis Exposures Charge

As previously noted, a de minimis exposures charge is applied to covered positions that are not captured in Citi's Regulatory VaR model. The sum of the absolute value of net long and short positions is multiplied by 12.5 to arrive at the applicable RWA under the U.S. Basel III rules.

Market Risk Management

Overview

Citi manages the market risk of covered positions in its trading and non-trading portfolios under established standards, policies, and governance frameworks that were created or enhanced to ensure that Basel III market risk capital charges are only applied to covered positions and that non-covered trading book positions receive the appropriate credit risk capital charges. Citi's policies have been reviewed by the FRB and OCC. For additional information regarding Citi's market risk management generally, see "*Managing Global Risk—Market Risk—Overview*" in Citi's 2025 Form 10-K.

The market risk of Citi's trading portfolio of covered positions encompasses, among other things, price risk losses. Price risk losses arise from fluctuations in the market value of covered positions due to changes in interest rates, credit spreads, foreign exchange rates, equity and commodity prices, as well as changes in the implied volatility for option products referencing these markets. Citi's non-trading portfolio of covered positions also experiences fluctuations in market value resulting from changes in foreign exchange and commodity prices.

Market risk is calculated in accordance with established standards to ensure consistency across Citi's businesses and enable market risk sensitivities to be aggregated. The measurement used for covered trading positions and non-covered trading positions include:

- VaR
- Stress Testing
- Factor Sensitivities
- Internal Model Review and Validation

Citi requires that its business segments establish, with approval from Citi's independent risk management, a market risk limit framework for identified risk factors that clearly defines approved risk profiles and is within the parameters of Citi's overall risk tolerance and internal capital adequacy standards. These limits are monitored by Citi's independent market risk management organization, Citi's Market Risk Committee, and legal vehicle or country risk management committees as appropriate. Included in this limit framework are additional controls which detail trading mandates, permitted product lists, and a new product approval process for complex products. Ultimately, Citi's businesses are responsible for the market risks taken and for remaining within their defined limits, as well as ensuring that covered positions are managed in accordance with Citi's internal policies.

Citi's independent market risk management and Product Control within Finance periodically review covered positions to confirm both the realization of intent and ability to trade. Positions failing to meet the criteria of intent and ability to trade are reclassified as non-trading book positions and will be subject to the credit risk capital rules.

Securitization and Re-securitization Positions

Citi manages its securitization and re-securitization positions within an established risk management policy framework whereby each business and Citi's market risk management work collaboratively to monitor the covered trading book securitization positions, changes in positions, and changes in the portfolio structure. This includes, but is not limited to, the review of approved risk limits versus daily positions using risk measures such as market values, risk factor sensitivities and stress loss scenarios. Securitization due diligence analysis is completed in accordance with the requirements of the U.S. Basel III rules, including pre-trade analysis and supporting documentation within three days of the trade date. The analysis demonstrates a comprehensive understanding of the features of a securitization that would materially affect the performance of the position. On a quarterly basis, follow-up reviews are performed to evaluate and update the securitization risk characteristics as appropriate.

Citi manages the risk appetite for all covered securitization and re-securitization positions through a limit structure which is approved annually by market risk management. These limits measure market value of positions, risk factor sensitivities, VaR and SVaR on a daily basis. In addition, regulatory risk capital and risk-weighted assets for specific risk measures are calculated monthly and are subject to a defined set of controls and governance within market risk, regulatory risk and finance management. This includes, but is not limited to, a review of the exposure classification and application of treatment type hierarchy which is used to verify compliance for securitization transactions under the U.S. Basel III rules.

Clarifications to interpretive questions are issued through a formal capital interpretive forum and are reported to senior management. Citi's risk management framework includes a weekly scenario analysis in which all underlying risk factors are stressed to determine portfolio sensitivity under stressed conditions.

Citi employs several risk mitigation approaches to manage risk appetite for its securitization and re-securitization positions. Counterparty credit risk positions are approved through credit risk management policies and procedures. Securitization and re-securitization positions are subject to product limits to ensure diversification in Citi's portfolio. These limits include mezzanine re-securitization position limits.

Citi also uses a variety of hedging strategies for its covered positions, including corporate index hedges, to mitigate systemic price and spread risks. Business trading desks make hedging decisions based on current market conditions in accordance with hedging strategies residing under Citi's market risk management policy framework. Citi's material hedging decisions are made in consultation with Citi's risk management organization and the Citigroup Executive Committee, as appropriate. Any hedging proposals outside the scope of previously approved products would require approval by the relevant NAC.

Independent Validation of Models

Market risk models are independently validated by Model Risk Management and approved for use. Generally, Citi's model validation process involves evaluation of conceptual soundness including key assumptions, effective challenge of the model design and construction, identification of model limitations and incremental analysis and testing as necessary. In addition, market risk models are subject to periodic model risk assessment, ongoing performance monitoring, outcomes analysis, annual model review, ongoing model validation, and model change management as required under the Citi Model Risk Management Policy.

In addition, as part of the model validation process, product specific backtesting on hypothetical portfolios is periodically performed. Furthermore, Citi performs backtesting against the actual change in market value of transactions on a monthly basis at multiple levels of the organization (trading desk, Markets business, and company-wide), and shares the results with the FRB and OCC.

In addition, the FRB and OCC periodically review and approve significant model and assumption changes.

Stress Testing

Citi performs stress testing on a regular basis to estimate the impact of extreme market movements. It is performed on individual positions, trading portfolios, as well as in aggregate inclusive of multiple trading portfolios. Citi's independent risk management organization, after consultations with the businesses, develops both systemic and specific stress scenarios, reviews the output of periodic stress testing exercises, and uses the information to make judgments on the ongoing appropriateness of exposure levels and limits. Citi uses two complementary approaches to market risk stress testing across all major risk factors (i.e., equity, foreign exchange, commodity, interest rate and credit spreads): top-down systemic stresses and bottom-up business specific stresses. Systemic stresses are designed to quantify the potential impact of extreme market movements on a firm-wide basis, and are constructed using both historical periods of market stress and projections of adverse economic scenarios. Business specific stresses are designed to probe the risks of particular portfolios and market segments, especially those risks that are not fully captured in VaR and systemic stresses.

Overview
Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This includes legal risk, which is the risk of loss (including litigation costs, settlements, and regulatory fines) resulting from the failure of Citi to comply with laws, regulations, prudent ethical standards, and contractual obligations in any aspect of its businesses, but excludes strategic and reputation risks. Citi also recognizes the impact of operational risk on the reputation risk associated with Citi's business activities. For additional information on Operational Risk, see *"Operational Risk*" in Citi's 2025 Form 10-K.

Operational risk is inherent in Citi's global business activities, as well as related support processes, and can result in losses arising from events associated with the following, among others:

- fraud, theft and unauthorized activity;
- employment practices and workplace environment;
- clients, products and business practices;
- physical assets and infrastructure; and
- execution, delivery and process management.

Operational Risk Measurement
Under the U.S. Basel III rules, Citi is required to employ an Advanced Measurement Approaches (AMA) model in deriving its operational risk capital.

Pursuant to the AMA model, Citi utilizes units of measure which group like risks and separate heterogeneous risks for the purpose of analysis and quantification. These units of measure are defined primarily by the type of operational risk event (e.g., fraud or employment practices), but also consider the respective business unit(s) and geography(ies). For each of these units of measure, potential loss severity and frequency are modeled independently. The potential loss severity is based on Citi's historical (internal) operational risk loss data, as well as historical industry (external) operational risk loss data. Citi employs a selection process with regard to historical industry operational risk loss events, which involves the identification in the relevant business(es) and operational risk management of historical industry operational risk losses that are relevant to Citi, based on the line of business(es) and operational risk exposure by event type. The mean frequency of operational risk losses is estimated from Citi's internal experience. The modeled operational risk losses across the units of measure are aggregated, considering correlation in operational risk losses across measurement units. The results are subsequently modified each quarter by applying a "qualitative adjustment factor" to reflect the current business and control environment.

Further, Citi conducts scenario analysis by major global business and function, as a systematic process for obtaining the opinions of business managers and risk management experts, in order to derive reasoned assessments of the likelihood and loss impact of plausible, high severity operational risk losses. These scenarios are then used to benchmark the model results.

Moreover, Citi uses insurance for the purpose of partially mitigating operational risk; however, such insurance does not have a material impact on Citi's operational risk capital. For additional information on Operational Risk, see *"Operational Risk*" in Citi's 2025 Form 10-K.

Independent Validation of Models
Operational risk models are independently validated by Model Risk Management and approved for use. Generally, Citi's model validation process involves evaluation of conceptual soundness including key assumptions, effective challenge of the model design and construction, identification of model limitations and incremental analysis and testing as necessary. In addition, operational risk models are subject to periodic model risk assessment, ongoing performance monitoring, outcomes analysis, annual model review, ongoing model validation, and model change management as required under the Citi Model Risk Management Policy.

For additional information on operational risk, see *"Managing Global Risk—Operational Risk*" in Citi's 2025 Form 10-K.

For information on Citi’s interest rate risk related to non-trading activities, see “*Managing Global Risk—Market Risk—Market Risk of Non-Trading Portfolios*” in Citi's First Quarter 2026 Form 10-Q.

APPENDIX: DISCLOSURE INDEX