

Liquidity discipline is in place for entities at all levels of the organization and certain entities are managed to be self sufficient under designated stress scenarios

- Liquidity Risk is the risk that Citi will not be able to efficiently meet its financial obligations as they become due without adversely impacting its daily operations or overall financial condition
- Adequate and diverse sources of funding and liquidity are essential to Citi's businesses
- Citi's funding and liquidity management objectives are aimed at funding its existing asset base; growing its core businesses; maintaining sufficient liquidity, structured appropriately; and satisfying regulatory requirements, including, but not limited to, those related to resolution planning
- Citigroup's primary liquidity objectives are established by entity, and in aggregate, across two major categories: (i) Citibank and (ii) Citigroup's non-bank and other entities
- Citi's liquidity is managed centrally by Corporate Treasury, in conjunction with cluster and in-country treasurers with oversight provided by Independent Risk Management (IRM) and various Asset and Liability Committees (ALCOs) and Country Coordinating Committees at the individual entity, cluster, country and business levels
- Citi's Chief Risk Officer (CRO) and Chief Financial Officer (CFO) co-chair Citigroup's ALCO, which includes Citi's Treasurer and other senior executives. The ALCO sets the strategy of the liquidity portfolio and monitors portfolio performance

Citigroup's liquidity risk management framework establishes standards for the measurement and monitoring of liquidity risk

- Citi's liquidity risk management framework provides that, in addition to the aggregate requirements, certain entities be self-sufficient or net providers of liquidity
- Each principal operating subsidiary and/or country must prepare an annual funding and liquidity management plan reviewed by IRM and the applicable ALCO
- Liquidity risk positions are managed against internal limits and triggers and monitored daily
- Market triggers are monitored to highlight changes in internal or external economic factors that may imply a change in liquidity
- Liquidity stress testing is performed for each of Citi's major entities and operating subsidiaries to ascertain potential mismatches between liquidity sources and uses over a variety of time horizons and over different stressed conditions
- Citi also maintains contingency funding plans on a consolidated basis and for individual entities, specifying a wide range of readily available actions for a variety of adverse market conditions or idiosyncratic stresses
- As a supplement to Citigroup's ALCO, Citi's Funding and Liquidity Risk Committee (FLRC) is focused on funding and liquidity risk matters. The FLRC reviews and discusses the funding and liquidity risk profile of, as well as risk management practices for, Citigroup and Citibank and reports its findings and recommendations to each relevant ALCO as appropriate

Liquidity Management process is aligned with Citi's approach to risk management, including risk identification, stress testing, reporting, monitoring, and management, subject to established risk appetite

