CITIGROUP INC
Form 10-Q
May 01, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q
QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2018
Commission file number 1-9924
Citigroup Inc.
(Exact name of registrant as specified in its charter)

Delaware	52-1568099
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
388 Greenwich Street, New York, NY	10013
(Address of principal executive offices)	(Zip code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and “emerging growth company” in Rule 12b-2 of the Exchange Act.

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. Yes o
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x
Number of shares of Citigroup Inc. common stock outstanding on March 31, 2018: 2,549,933,493

Available on the web at www.citigroup.com

CITIGROUP'S FIRST QUARTER 2018—FORM 10-Q

OVERVIEW

This Quarterly Report on Form 10-Q should be read in conjunction with Citigroup's Annual Report on Form 10-K for the year ended December 31, 2017 (2017 Annual Report on Form 10-K).
Additional information about Citigroup is available on Citi's website at www.citigroup.com. Citigroup's annual reports on Form 10-K, quarterly reports on Form 10-Q and proxy statements, as well as other filings with the U.S. Securities and Exchange Commission (SEC), are available free of charge through Citi's website by clicking on the "Investors" page and selecting "All SEC Filings." The SEC's website also contains current reports on Form 8-K, and other information regarding Citi at www.sec.gov.
Certain reclassifications, including a realignment of certain businesses, have been made to the prior periods' financial statements and disclosures to conform to the current period's presentation. For additional information on certain recent reclassifications, see Notes 1 and 3 to the Consolidated Financial Statements below and Notes 1 and 3 to the Consolidated Financial Statements in Citi's 2017 Annual Report on Form 10-K.
Throughout this report, "Citigroup," "Citi" and "the Company" refer to Citigroup Inc. and its consolidated subsidiaries.

Citigroup is managed pursuant to two business segments: Global Consumer Banking and Institutional Clients Group, with the remaining operations in Corporate/Other.

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

(1) Latin America GCB consists of Citi's consumer banking business in Mexico.
(2) Asia GCB includes the results of operations of GCB activities in certain EMEA countries for all periods presented.
(3) North America includes the U.S., Canada and Puerto Rico, Latin America includes Mexico and Asia includes Japan.

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

EXECUTIVE SUMMARY

First Quarter of 2018—Balanced Operating Results and Continued Momentum
As described further throughout this Executive Summary, Citi reported balanced operating results in the first quarter of 2018, reflecting continued momentum across businesses and geographies, including many of those areas where Citi has been making investments. During the quarter, Citi had revenue and loan growth in the Institutional Clients Group (ICG) and across products and all three regions in Global Consumer Banking (GCB). Citi also continued to demonstrate expense and credit discipline, resulting in positive operating leverage and an improvement in pre-tax earnings.
In the first quarter of 2018, Citi continued to return capital to shareholders. During the quarter, Citi returned approximately $3.1 billion in the form of common stock repurchases and dividends and repurchased approximately 30 million common shares as outstanding common shares declined 7% from the prior-year period. Despite the continued progress in improving the capital return for shareholders, each of Citi's key regulatory capital metrics remained strong (see "Capital" below).
While global economic growth has continued and the macroeconomic environment remains positive, there continue to be various economic, political and other risks and uncertainties that could impact Citi's businesses and future results. For a discussion of the risks and uncertainties that could impact Citi's businesses, results of operations and financial condition during 2018, see each respective business's results of operations and "Forward-Looking Statements" below, as well as each respective business's results of operations and the "Managing Global Risk" and "Risk Factors" sections in Citi's 2017 Annual Report on Form 10-K.

First Quarter of 2018 Summary Results

Citigroup
Citigroup reported net income of $4.6 billion, or $1.68 per share, compared to net income of $4.1 billion, or $1.35 per share, in the prior-year period. The 13% increase in net income was driven by higher revenues and a significantly lower effective tax rate due to the impact of the Tax Cuts and Jobs Act (Tax Reform), partially offset by higher expenses and cost of credit. Earnings per share increased 24% due to the growth in net income and a 7% reduction in average shares outstanding driven by the capital return to common shareholders.
Citigroup revenues of $18.9 billion in the first quarter of 2018 increased 3%, driven by 7% aggregate growth in GCB and ICG, partially offset by a 51% decrease in Corporate/Other, primarily due to the continued wind-down of legacy assets.
Citigroup's end-of-period loans increased 7% to $673 billion versus the prior-year period. Excluding the impact of foreign currency translation in U.S. dollars for reporting

purposes (FX translation), Citigroup's end-of-period loans grew 6%, as 7% aggregate growth in GCB and ICG was partially offset by the continued wind-down of legacy assets in Corporate/Other (Citi's results of operations excluding the impact of FX translation are non-GAAP financial measures). Citigroup's end-of-period deposits increased 5% to $1.0 trillion versus the prior-year period. Excluding the impact of FX translation, Citigroup's deposits were up 3%, driven by a 5% increase in ICG deposits, while GCB deposits were largely unchanged.

Expenses
Citigroup operating expenses increased 2% to $10.9 billion versus the prior-year period, as the impact of higher volume-related expenses and ongoing investments were offset by efficiency savings and the wind-down of legacy assets. Year-over-year, ICG operating expenses were up 7% and GCB operating expenses increased 5%, while Corporate/Other operating expenses declined 35%, all versus the prior-year period.

Cost of Credit

Citi's total provisions for credit losses and for benefits and claims of $1.9 billion increased 12% from the prior-year period. The increase was mostly driven by a $158 million increase in net credit losses, primarily in North America GCB, and a net loan loss reserve release of $36 million, compared to a net loan loss reserve release of $77 million in the prior-year period. The increase reflected volume growth and seasoning in the North America cards portfolios, as well as a lower net reserve release in ICG.

Net credit losses of $1.9 billion increased 9% versus the prior-year period. Consumer net credit losses increased 6% to $1.8 billion, mostly reflecting volume growth and seasoning in the North America cards portfolios. The increase in consumer net credit losses was partially offset by the continued wind-down of legacy assets in Corporate/Other. Corporate net credit losses increased $59 million to $96 million.

For additional information on Citi's consumer and corporate credit costs and allowance for loan losses, see each respective business's results of operations and "Credit Risk" below.

Capital

Citigroup's Common Equity Tier 1 Capital and Tier 1 Capital ratios, on a fully implemented basis, were 12.1% and 13.7% as of March 31, 2018 (based on the Basel III Standardized Approach for determining risk-weighted assets), respectively, compared to 12.8% and 14.5% as of March 31, 2017 (based on the Basel III Advanced Approaches for determining risk-weighted assets). The decline in regulatory capital ratios reflected the return of capital to common shareholders and the previously disclosed approximate $6 billion reduction in Common Equity Tier 1 (CET1) Capital in the fourth quarter of 2017 due to the impact of Tax Reform, partially offset by net income. Citigroup's Supplementary Leverage ratio as of

March 31, 2018, on a fully implemented basis, was 6.7%, compared to 7.3% as of March 31, 2017. For additional information on Citi's capital ratios and related components, including the impact of Tax Reform on its capital ratios, see "Capital Resources" below.

Global Consumer Banking

GCB net income of $1.4 billion increased 40%, as higher revenues and a lower effective tax rate were partially offset by higher expenses and higher cost of credit. Operating expenses were $4.7 billion, up 5%, as higher volume-related expenses and continued investments were partially offset by efficiency savings across all three regions.

GCB revenues of $8.4 billion increased 7% versus the prior-year period, driven by growth across all regions and the impact of the Hilton portfolio sale in North America Citi-branded cards. The sale resulted in a pre-tax gain of $150 million, partially offset by the loss of operating revenues, for a net year-over-year benefit of approximately $120 million. North America GCB revenues increased 4% to $5.2 billion, driven by higher revenues across all businesses. Citi-branded cards revenues of $2.2 billion were up 6% versus the prior-year period, driven by the sale of the Hilton portfolio. Excluding Hilton, revenues were roughly flat, as growth in interest-earning balances was mostly offset by higher cost of funds and the impact of additional partnership terms. Citi retail services revenues of $1.6 billion increased 2% versus the prior-year period, primarily reflecting continued loan growth. Retail banking revenues increased 4% from the prior-year period to $1.3 billion. Excluding mortgage revenues, retail banking revenues of $1.2 billion were up 8% from the prior-year period, driven by continued growth in deposit margins, growth in investments and loans and increased commercial banking activity.

North America GCB average deposits of $181 billion decreased 2% year-over-year, primarily driven by lower mortgage escrow balances as well as a reduction in money market balances, reflecting transfers to investments. North America GCB average retail loans of $56 billion grew 1% and assets under management of $61 billion grew 10%. Average Citi-branded card loans of $87 billion increased 5%, while Citi-branded card purchase sales of $79 billion increased 8% versus the prior-year period. Average Citi retail services loans of $47 billion increased 4% versus the prior-year period, while Citi retail services purchase sales of $17 billion were up 3%. For additional information on the results of operations of North America GCB for the first quarter of 2018, see "Global Consumer Banking—North America GCB" below.

International GCB revenues (consisting of Latin America GCB and Asia GCB (which includes the results of operations in certain EMEA countries)) increased 13% versus the prior-year period to $3.3 billion. Excluding the impact of FX translation, international GCB revenues increased 8% versus the prior-year period. Latin America GCB revenues increased 8% versus the prior-year period, reflecting growth in cards revenues as well as volume growth across retail loans and deposits and improved deposit spreads. Asia GCB revenues increased 7% (6% excluding a modest one-time gain in the first quarter of 2018) versus the prior-year period, primarily

reflecting an increase in wealth management and cards revenues. For additional information on the results of operations of Latin America GCB and Asia GCB for the first quarter of 2018, including the impact of FX translation, see "Global Consumer Banking—Latin America GCB" and "Global Consumer Banking—Asia GCB" below.

Year-over-year, international GCB average deposits of $128 billion increased 3%, average retail loans of $91 billion increased 4%, assets under management of $103 billion increased 10%, average card loans of $25 billion increased 4% and card purchase sales of $26 billion increased 7%, all excluding the impact of FX translation.

Institutional Clients Group

ICG net income of $3.3 billion increased 11%, driven by higher revenues and a lower effective tax rate, partially offset by higher operating expenses and cost of credit. ICG operating expenses increased 7% to $5.5 billion, driven by the impact of FX translation and a higher level of investment spending.

ICG revenues were $9.8 billion in the first quarter of 2018, up 6% from the prior-year period, primarily driven by a 9% increase in Banking revenues and a 3% increase in Markets and securities services. The increase in Banking revenues included the impact of $23 million of gains on loan hedges within corporate lending, compared to losses of $115 million in the prior-year period.

Banking revenues of $4.8 billion (excluding the impact of gains (losses) on loan hedges within corporate lending) increased 6%, driven by solid growth in treasury and trade solutions, private bank and corporate lending, partially offset by lower revenues in investment banking. Investment banking revenues of $1.1 billion decreased 10% versus the prior-year period, reflecting declines in the overall market wallet and the timing of episodic deal activity. Advisory revenues decreased 14% to $215 million, equity underwriting revenues decreased 14% to $216 million and debt underwriting revenues decreased 8% to $699 million, all versus the prior-year period.

Private bank revenues increased 21% to $904 million, versus the prior-year period, driven by growth in clients, loans, investments and deposits, as well as improved deposit spreads. Corporate lending revenues increased 68% to $544 million. Excluding the impact of gains (losses) on loan hedges, corporate lending revenues increased 19% versus the prior-year period, primarily driven by loan growth and lower hedging costs. Treasury and trade solutions revenues of $2.3 billion increased 8% versus the prior-year period, reflecting volume growth and improved deposit spreads, with growth in both net interest and fee income.

Markets and securities services revenues of $5.0 billion increased 3% from the prior-year period, as strong revenue growth in equity markets and securities services was partially offset by a decline in fixed income markets revenues. Fixed income markets revenues of $3.4 billion decreased 7% from the prior-year period, driven by a less favorable environment and lower investor client activity in G10 rates and spread products, partially offset by strong corporate client activity in G10 foreign exchange and local markets rates and currencies. Equity markets revenues of $1.1 billion increased 38% from the prior-year period, with growth across all products, as volatility increased and momentum with investor clients continued. Securities services revenues of $641 million increased 16%, driven by continued growth in client volumes and higher interest revenue. For additional information on the results of operations of ICG for the first quarter of 2018, see “Institutional Clients Group” below.

Corporate/Other

Corporate/Other net loss was $86 million in the first quarter of 2018, compared to net income of $97 million in the prior-year period, reflecting lower revenues, partially offset by lower operating expenses. Operating expenses of $741 million declined 35% from the prior-year period, largely reflecting the wind-down of legacy assets.

Corporate/Other revenues were $591 million, down 51% from the prior-year period, primarily reflecting the continued wind-down of legacy assets.

For additional information on the results of operations of Corporate/Other for the first quarter of 2018, see “Corporate/Other” below.

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

	First Quarter		
In millions of dollars, except per-share amounts and ratios	2018	2017	% Change
Net interest revenue	$11,172	$10,955	2 %
Non-interest revenue	7,700	7,411	4
Revenues, net of interest expense	$18,872	$18,366	3 %
Operating expenses	10,925	10,723	2
Provisions for credit losses and for benefits and claims	1,857	1,662	12
Income from continuing operations before income taxes	$6,090	$5,981	2 %
Income taxes[1]	1,441	1,863	(23)
Income from continuing operations	$4,649	$4,118	13 %
Income (loss) from discontinued operations, net of taxes[2]	(7)	(18)	61
Net income before attribution of noncontrolling interests	$4,642	$4,100	13 %
Net income attributable to noncontrolling interests	22	10	NM
Citigroup's net income	$4,620	$4,090	13 %
Less:			
Preferred dividends—Basic	$272	$301	(10)%
Dividends and undistributed earnings allocated to employee restricted and deferred shares that contain nonforfeitable rights to dividends, applicable to basic EPS	51	55	(7)
Income allocated to unrestricted common shareholders for basic and diluted EPS	$4,297	$3,734	15 %
Earnings per share			
Basic			
Income from continuing operations	1.68	1.36	24
Net income	1.68	1.35	24
Diluted			
Income from continuing operations	$1.68	$1.36	24 %
Net income	1.68	1.35	24
Dividends declared per common share	0.32	0.16	100

Table continues on the next page, including footnotes.

SUMMARY OF SELECTED FINANCIAL DATA—PAGE 2
Citigroup Inc. and Consolidated Subsidiaries

In millions of dollars, except per-share amounts, ratios and direct staff	First Quarter 2018	2017	% Change
At March 31:			
Total assets	$1,922,104	$1,821,479	6 %
Total deposits	1,001,219	949,990	5
Long-term debt	237,938	208,530	14
Citigroup common stockholders' equity[1]	182,759	208,723	(12)
Total Citigroup stockholders' equity[1]	201,915	227,976	(11)
Direct staff (in thousands)	209	215	(3)
Performance metrics			
Return on average assets	0.98 %	0.91 %	
Return on average common stockholders' equity[1][3]	9.7	7.4	
Return on average total stockholders' equity[1][3]	9.3	7.3	
Efficiency ratio (total operating expenses/total revenues)	58	58	
Basel III ratios—full implementation[1]			
Common Equity Tier 1 Capital[4][5]	12.05 %	12.81 %	
Tier 1 Capital[4][5]	13.67	14.48	
Total Capital[4][5]	16.01	16.52	
Supplementary Leverage ratio[5]	6.71	7.27	
Citigroup common stockholders' equity to assets[1]	9.51 %	11.46 %	
Total Citigroup stockholders' equity to assets[1]	10.50	12.52	
Dividend payout ratio[6]	19.0	11.9	
Total payout ratio[7]	71	59	
Book value per common share[1]	$71.67	$75.81	(5)%
Tangible book value (TBV) per share[8][1]	61.02	65.88	(7)
Ratio of earnings to fixed charges and preferred stock dividends	2.10x	2.51x	

(1) The first quarter of 2018 reflects the impact of Tax Reform. For additional information on Tax Reform, including the impact on Citi's fourth quarter and full-year 2017 results, see Citi's 2017 Annual Report on Form 10-K.

(2) See Note 2 to the Consolidated Financial Statements for additional information on Citi's discontinued operations.

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

(4) Citi's reportable Common Equity Tier 1 (CET1) Capital and Tier 1 Capital ratios were the lower derived under the U.S. Basel III Standardized Approach at March 31, 2018, and U.S. Basel III Advanced Approaches at March 31, 2017. Citi's reportable Total Capital ratios were derived under the U.S. Basel III Advanced Approaches for both periods presented. This reflects the U.S. Basel III requirement to report the lower of risk-based capital ratios under both the Standardized Approach and Advanced Approaches in accordance with the Collins Amendment of the Dodd-Frank Act.

(5) Citi's risk-based capital and leverage ratios as of March 31, 2017 are non-GAAP financial measures, which reflect full implementation of regulatory capital adjustments and deductions prior to the effective date of January 1, 2018.

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

(7) Total common dividends declared plus common stock repurchases as a percentage of net income available to common shareholders. See "Consolidated Statement of Changes in Stockholders' Equity," Note 9 to the Consolidated Financial Statements and "Equity Security Repurchases" below for the component details.

(8)

For information on TBV, see “Capital Resources—Tangible Common Equity, Book Value Per Share, Tangible Book Value Per Share and Returns on Equity” below.

NM Not meaningful

SEGMENT AND BUSINESS—INCOME (LOSS) AND REVENUES
CITIGROUP INCOME

	First Quarter		
In millions of dollars	2018	2017	% Change
Income from continuing operations			
Global Consumer Banking			
North America	$838	$614	36 %
Latin America	183	135	36
Asia[1]	373	249	50
Total	$1,394	$998	40 %
Institutional Clients Group			
North America	$857	$1,077	(20)%
EMEA	1,113	862	29
Latin America	491	482	2
Asia	868	590	47
Total	$3,329	$3,011	11 %
Corporate/Other	(74)	109	NM
Income from continuing operations	$4,649	$4,118	13 %
Discontinued operations	$(7)	$(18)	61 %
Net income attributable to noncontrolling interests	22	10	NM
Citigroup's net income	$4,620	$4,090	13 %

(1) Asia GCB includes the results of operations of GCB activities in certain EMEA countries for all periods presented.
NM Not meaningful

CITIGROUP REVENUES

In millions of dollars	First Quarter 2018	2017	% Change
Global Consumer Banking			
North America	$5,157	$4,945	4 %
Latin America	1,347	1,167	15
Asia[1]	1,929	1,734	11
Total	$8,433	$7,846	7 %
Institutional Clients Group			
North America	$3,265	$3,522	(7)%
EMEA	3,167	2,854	11
Latin America	1,210	1,169	4
Asia	2,206	1,774	24
Total	$9,848	$9,319	6 %
Corporate/Other	591	1,201	(51)
Total Citigroup net revenues	$18,872	$18,366	3 %

(1) Asia GCB includes the results of operations of GCB activities in certain EMEA countries for all periods presented.

SEGMENT BALANCE SHEET[1]

In millions of dollars	Global Consumer Banking	Institutional Clients Group	Corporate/Other and consolidating eliminations[2]	Citigroup parent company-issued long-term debt and stockholders' equity[3]	Total Citigroup consolidated
Assets					
Cash and deposits with banks	$7,493	$65,194	$ 130,017	$—	$202,704
Federal funds sold and securities borrowed or purchased under agreements to resell	291	257,288	308	—	257,887
Trading account assets	662	260,226	7,920	—	268,808
Investments	1,475	111,464	239,032	—	351,971
Loans, net of unearned income and allowance for loan losses	294,808	345,478	20,298	—	660,584
Other assets	37,341	107,949	34,860	—	180,150
Net inter-segment liquid assets[4]	80,816	259,120	(339,936)	—	—
Total assets	$422,886	$1,406,719	$ 92,499	$—	$1,922,104
Liabilities and equity					
Total deposits	$314,355	$665,987	$ 20,877	$—	$1,001,219
Federal funds purchased and securities loaned or sold under agreements to repurchase	4,359	167,391	9	—	171,759
Trading account liabilities	142	143,018	801	—	143,961
Short-term borrowings	588	20,256	15,250	—	36,094
Long-term debt[3]	1,977	36,913	45,974	153,074	237,938
Other liabilities	18,379	95,702	14,186	—	128,267
Net inter-segment funding (lending)[3]	83,086	277,452	(5,549)	(354,989)	—
Total liabilities	$422,886	$1,406,719	$ 91,548	$(201,915)	$1,719,238
Total stockholders' equity[5]	—	—	951	201,915	202,866
Total liabilities and equity	$422,886	$1,406,719	$ 92,499	$—	$1,922,104

(1) The supplemental information presented in the table above reflects Citigroup's consolidated GAAP balance sheet by reporting segment as of March 31, 2018. The respective segment information depicts the assets and liabilities managed by each segment as of such date.

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

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

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

(5) Corporate/Other equity represents noncontrolling interests.

10

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GLOBAL CONSUMER BANKING

Global Consumer Banking (GCB) consists of consumer banking businesses in North America, Latin America (consisting of Citi's consumer banking business in Mexico) and Asia. GCB provides traditional banking services to retail customers through retail banking, including commercial banking, and Citi-branded cards and Citi retail services (for additional information on these businesses, see "Citigroup Segments" above). GCB is focused on its priority markets in the U.S., Mexico and Asia with 2,433 branches in 19 countries and jurisdictions as of March 31, 2018. At March 31, 2018, GCB had approximately $423 billion in assets and $314 billion in deposits.

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

	First Quarter		
In millions of dollars except as otherwise noted	2018	2017	% Change
Net interest revenue	$6,980	$6,579	6 %
Non-interest revenue	1,453	1,267	15
Total revenues, net of interest expense	$8,433	$7,846	7 %
Total operating expenses	$4,681	$4,451	5 %
Net credit losses	$1,736	$1,603	8 %
Credit reserve build (release)	144	177	(19)
Provision (release) for unfunded lending commitments	(1)	6	NM
Provision for benefits and claims	26	29	(10)
Provisions for credit losses and for benefits and claims (LLR & PBC)	$1,905	$1,815	5 %
Income from continuing operations before taxes	$1,847	$1,580	17 %
Income taxes	453	582	(22)
Income from continuing operations	$1,394	$998	40 %
Noncontrolling interests	2	1	100
Net income	$1,392	$997	40 %
Balance Sheet data (in billions of dollars)			
Total EOP assets	$423	$411	3 %
Average assets	423	410	3
Return on average assets	1.33 %	0.99 %	
Efficiency ratio	56	57	
Average deposits	$309	$303	2
Net credit losses as a percentage of average loans	2.30 %	2.24 %	
Revenue by business			
Retail banking	$3,471	$3,175	9 %
Cards[1]	4,962	4,671	6
Total	$8,433	$7,846	7 %
Income from continuing operations by business			
Retail banking	$524	$333	57 %
Cards[1]	870	665	31
Total	$1,394	$998	40 %

Table continues on the next page, including footnotes.

Foreign currency (FX) translation impact			
Total revenue—as reported	$8,433	$7,846	7 %
Impact of FX translation[2]	—	139	
Total revenues—ex-FX[3]	$8,433	$7,985	6 %
Total operating expenses—as reported	$4,681	$4,451	5 %
Impact of FX translation[2]	—	87	
Total operating expenses—ex-FX[3]	$4,681	$4,538	3 %
Total provisions for LLR & PBC—as reported	$1,905	$1,815	5 %
Impact of FX translation[2]	—	27	
Total provisions for LLR & PBC—ex-FX[3]	$1,905	$1,842	3 %
Net income—as reported	$1,392	$997	40 %
Impact of FX translation[2]	—	18	
Net income—ex-FX[3]	$1,392	$1,015	37 %

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

(2) Reflects the impact of FX translation into U.S. dollars at the first quarter of 2018 average exchange rates for all periods presented.

(3) Presentation of this metric excluding FX translation is a non-GAAP financial measure.

NM Not meaningful

NORTH AMERICA GCB

North America GCB provides traditional retail banking, including commercial banking, and its Citi-branded cards and Citi retail services card products to retail customers and small to mid-size businesses, as applicable, in the U.S. North America GCB's U.S. cards product portfolio includes its proprietary portfolio (including the Citi Double Cash, Thank You and Value cards) and co-branded cards (including, among others, American Airlines and Costco) within Citi-branded cards as well as its co-brand and private label relationships (including, among others, Sears, The Home Depot, Best Buy and Macy's) within Citi retail services.

As of March 31, 2018, North America GCB's 694 retail bank branches are concentrated in the six key metropolitan areas of New York, Chicago, Miami, Washington, D.C., Los Angeles and San Francisco. Also as of March 31, 2018, North America GCB had approximately 9.1 million retail banking customer accounts, $55.4 billion in retail banking loans and $184.3 billion in deposits. In addition, North America GCB had approximately 119.3 million Citi-branded and Citi retail services credit card accounts with $131.7 billion in outstanding card loan balances.

	First Quarter		
In millions of dollars, except as otherwise noted	2018	2017	% Change
Net interest revenue	$4,750	$4,617	3 %
Non-interest revenue	407	328	