Liquidity Management

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

Parent (Holding Company)	Bank / FSB Subsidiaries	Broker / Dealer (CGMHI)
Objective: Maintain sufficient liquidity to satisfy all maturing obligations for one year given no access to unsecured funding and be fully funded in designated stress tests	**Objective**: Maintain structural liquidity to fund illiquid assets and be fully funded in designated stress tests	**Objective**: Maintain sufficient liquidity to satisfy all maturing obligations for one year given no access to unsecured funding and maintain structural liquidity to fund illiquid assets

- Management of liquidity at Citigroup is the responsibility of the Corporate Treasurer
- The basis of Citigroup's liquidity management is strong decentralized liquidity management at each of its principal operating subsidiaries and in each of its countries, combined with an active corporate oversight function
- The liquidity position of Citigroup is monitored by Citigroup's Global Finance and Asset and Liability Committee

Liquidity Risk Management Overview

Citigroup Policy establishes standards for the measurement, reporting and management of liquidity risk

- Each principal operating subsidiary and/or country must prepare an annual funding and liquidity plan that establishes parameters for the management of liquidity:
  - Reviewed by local asset and liability committee (ALCO)
  - Endorsed by the Group Treasurer
  - Approved by independent market risk management
- Liquidity risk positions are managed against limits and monitored daily
- Limits on business as usual liquidity mismatches are capped based on the ability to meet funding obligations in a stressed liquidity environment
- Standard liquidity ratios are in place and entities/units must operate within specific targets
- Market triggers are monitored to highlight changes in internal or external economic factors that may imply a change in liquidity
- Liquidity stress tests are prepared to insure that each individual major operating subsidiary or country is either self-funded or a net provider of liquidity
- A Contingency Funding Plan (CFP) is prepared on a periodic basis. The CFP details policies, procedures, roles and responsibilities, and the results of corporate stress tests. The product of these stress tests is a series of alternatives that can be used by the Corporate Treasurer in a liquidity event.

Liquidity Risk Management Tools