Citigroup reports steep Q4 losses tied to US tax reform

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Citigroup expected to see higher income and returns this year following the massive US tax reform, but like other companies is taking a large hit in the fourth quarter due to changes required by the new law

Citigroup on Tuesday reported steep fourth-quarter losses driven by a

one-time charge from the recent US tax cuts.

Net losses for the final quarter of 2017 were $18.3 billion, or $7.15 per share, due to a $22 billion charge stemming from re-measurement of tax-deferred assets under the new tax law and repatriation of foreign earnings, the company said in a statement.

Many US companies have announced such charges for the fourth quarter due to the recently-passed tax overhaul, though they expect to see a reduced tax burden going forward.

CEO Michael Corbat said in a statement that despite the one-time costs from tax reform the new tax plan pointed to a rosier future for Citigroup.

"Tax reform not only leads to higher net income and increased returns, but also serves to strengthen our capital generation capabilities going forward," he said.

Excluding the effects of the tax revamp, the financial giant's net income was up four percent over the same quarter of 2016 at $3.7 billion, or $1.28 per share.

And net operating income for the full year rose $1 billion to $15.8 billion.

For all of 2017, however, the company still reported a net loss of $6.2 billion on revenues of $71.4 billion.

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