



Comptroller of the Currency
Administrator of National Banks

Large Bank Licensing
Mail Stop 7-13
250 E Street, SW
Washington, DC 20219

Conditional Approval #710
December 2005

November 2, 2005

Ms. Patricia P. Santonocito
Assistant General Counsel-Bank Regulatory
Citigroup Inc.
425 Park Avenue, 2nd Floor
New York, NY 10022

Re: Application by Citicorp Trust Bank, fsb, to establish a national trust bank
Application Control Number: 2005-ML-01-0004

Dear Ms. Santonocito:

The Office of the Comptroller of the Currency (“OCC”) has reviewed the application by Citicorp Trust Bank, fsb, (“CTB”) to establish a new national trust bank, which will engage solely in fiduciary activities, with the title of Citigroup Trust – Delaware, National Association (“Bank”). On November 1, 2005 the OCC granted preliminary conditional approval of your charter application after a determination that your proposal met certain regulatory and policy requirements.

CTB applied to the OCC for approval to charter the Bank under 12 U.S.C. §§ 21 – 27 and 12 C.F.R. § 5.20. CTB is an insured federal savings bank. The Bank will be an operating subsidiary of CTB. CTB is located in Wilmington, Delaware, and conducts personal trust business and credit card, real estate and other consumer lending. CTB is an indirectly wholly owned subsidiary of Citigroup, Inc. (“Citigroup”).

The Bank will also be located in Wilmington, Delaware. It will engage only in trust business and will not make loans or take deposits. It will not be insured by the Federal Deposit Insurance Company. The personal trust business of CTB will be transferred to the Bank. After the establishment, the Bank will carry on the trust business formally conducted in CTB, and CTB will continue in business with its other lines of business.

It is permissible under the National Bank Act to charter a national bank that limits its activities to the activities of a trust company and activities related thereto, and the OCC has chartered many such banks. *See, e.g.*, 12 U.S.C. § 27(a) (last sentence); 12 C.F.R. § 5.20(e)(1) & 5.20(l). CTB currently operates trust agency offices in several states, and the Bank will take them over and operate them as trust offices of the national bank.¹ National banks may operate non-branch trust offices in any state, without regard to state law. *See, e.g.*, 12 C.F.R. § 9.7(c). Thus, the proposal is legally authorized.

This preliminary conditional approval is granted based on a thorough evaluation of all information available to the OCC, including the representations and commitments made in the application and by the Bank's representatives. We also made our decision to grant preliminary conditional approval with the understanding that the proposed Bank will apply for Federal Reserve membership.

The OCC has granted preliminary conditional approval only. Final approval and authorization for the Bank to open will not be granted until all preopening requirements are met. Until final approval is granted, the OCC has the right to alter, suspend, or revoke this preliminary conditional approval should the OCC deem any interim development to warrant such action.

This approval is subject to the following conditions:

1. The Bank: (i) shall give Grace E. Dailey, Deputy Comptroller, Large Bank Supervision, Mail Stop 6-1, 250 E Street SW, Washington, DC 20219-0001, at least sixty (60) days prior written notice of the Bank's intent to significantly deviate or change from its business plan or operations² and (ii) shall obtain the OCC's written determination of no objection before the Bank engages in any significant deviation or change from its business plan or operations. The OCC may impose additional conditions it deems appropriate in a written determination of no objection to the Bank's notice.
2. The Bank shall maintain a minimum of \$10 million in Tier 1 capital at all times. If the Bank fails to maintain Tier 1 capital in the amount of \$10 million, the Bank shall be deemed "undercapitalized," for purposes of 12 USC 1831o and 12 CFR 6, and the OCC shall have the authority to take any action authorized under all provisions of 12 USC 1831o and 12 CFR 6 applicable to an undercapitalized national bank. For purposes of 12 USC 1831o(e)(5), an action "necessary to carry out the purpose of this section" shall include restoration of the Bank's capital so that it is not "undercapitalized," and any other action deemed advisable by the OCC to address the Bank's capital deficiency or the safety and soundness of its operations.

¹ The offices identified in the application are located in: Scottsdale, Arizona; Los Angeles, California; San Francisco, California; Palm Beach, Florida; Sarasota Florida; Farmington Hills, Michigan; Red Bank, New Jersey; New York, New York; Sioux Falls, South Dakota; and Dallas, Texas.

² If such deviation is the subject of an application filed with the OCC, no separate notice to the Deputy Comptroller and the Examiner-in-Charge is required.

These conditions of approval are conditions “imposed in writing by the agency in connection with the granting of any application or other request” within the meaning of 12 U.S.C. § 1818. As such, the conditions are enforceable under 12 U.S.C. § 1818.

The OCC is currently reviewing its capital and liquidity policy with respect to national trust banks. Should there be a change in our policy as a result of the review, we will advise you accordingly. In addition, if the Bank’s future assets under management increase significantly, or if the Bank assumes additional risk, the OCC may conclude that increased capital is required.

The OCC poses no objection to the following persons serving as executive officers, directors, and/or organizers of the Bank as proposed in the application:

<u>Name</u>	<u>Title</u>
Timothy Powers	President & Chief Trust Officer, Organizer and Director
Mary Louise Preis	Organizer and Chairman
Marianne Quinn	Organizer and Director
Patrick Harris	Organizer and Director
David Rosenberg	Organizer and Director
Donna Wittek	First Vice President and Senior Trust Officer
Peter Ranadazzo	Senior Vice President and Senior Trust Officer

Prior to the Bank’s opening, the Bank must obtain the OCC’s prior written determination of no objection for any additional organizers or executive officers, or directors appointed or elected before the person assumes the position. For a two-year period after the Bank commences business, the Bank must file an Interagency Biographical and Financial Report with the OCC and receive a letter of no objection from the OCC prior to any new executive officer or director assuming such position.

The “Charters” booklet in the *Comptroller’s Licensing Manual* provides guidance for organizing your bank. The booklet is located at the OCC’s web site: <http://www.occ.treas.gov/corpbook/group4/public/pdf/charters.pdf>. The booklet contains all the steps you must take to receive your charter.

As detailed in the booklet, you may establish the corporate existence and begin organizing the Bank as soon as you adopt and forward Articles of Association and the Organization Certificate to National Bank Examiner Crystal Maddox in this office for our review and acceptance. As a “body corporate” or legal entity, you may begin taking those steps necessary for obtaining final approval. The Bank may not commence business until it fulfills all requirements for a bank in organization and the OCC grants final approval.

Enclosed are standard requirements and minimum policies and procedures for new national banks. The Bank must meet the standard requirements before it is allowed to commence

business and the Board of Directors must ensure that the applicable policies and procedures are established and adopted before the Bank begins operation.

Under separate cover, the OCC will send to you an appropriate set of OCC handbooks, manuals, issuances, and selected other publications. This information does not include the Comptroller's Licensing Manual, which is available only in electronic form at our web site:

<http://www.occ.treas.gov/corpapps/corpapplic.htm>.

These approvals and the activities and communications by OCC employees in connection with the filing do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

A separate letter is enclosed requesting your feedback on how we handled your applications. We would appreciate your response so we may continue to improve our service. If you have questions regarding this letter, please contact me at (202) 874-5060 or by email at: largebanks@occ.treas.gov. Please reference the application control number in any correspondence.

Sincerely,

signed

Crystal Maddox
National Bank Examiner

Enclosures: Standard Requirements
Minimum Policies and Procedures
Survey Letter