



October 23, 2017

**Conditional Approval #1185  
December 2017**

Mr. Douglas McKeever  
Deputy Treasurer  
Citibank, N.A.  
One Court Square  
Long Island City, New York 11101

Re: Prepayment of Subordinated Debt      2017-LB-Capital&Div-299942  
    Issuance of Subordinated Debt        2017-LB-Capital&Div-299938

Dear Mr. McKeever:

The Office of the Comptroller of the Currency (OCC) hereby approves the application by Citibank, N.A., Sioux Falls, South Dakota, to prepay \$7.5 billion in subordinated debt and conditionally approves the application by Citibank to issue \$7.5 billion in subordinated debt qualifying as Tier 2 capital, pursuant to 12 CFR 5.47, as set forth in your letter dated October 3, 2017. These approvals are granted based on a thorough review of all information available, including the representations and commitments made in the applications and by the bank's representatives.

The subordinated debt will be issued in December 2017 and matures in December 2027. It will pay a fixed rate of interest for the first five years, until December 2022, and a variable rate of interest thereafter. Under 12 CFR 5.47(h), a bank may not include such subordinated debt in Tier 2 capital unless the bank has received notification from the OCC that the subordinated debt qualifies as Tier 2 capital.

**Condition**

The approval of the issuance of subordinated debt is subject to the following condition:

- The pricing of the subordinated note must be consistent with the eligibility criteria for a Tier 2 capital instrument. Specifically, the conversion of the subordinated note from a fixed rate instrument to a floating rate instrument in 2022 must not result in any increase in the credit spread paid by Citibank.

This condition of approval is a condition "imposed in writing by a Federal banking agency in connection with any action on any application, notice or other request" within the meaning of 12 USC 1818. As such, this condition is enforceable under 12 USC 1818.

Citibank, N.A.  
Prepayment and Issuance of Subordinated Debt  
2017-LB-Capital&Div-299938 and 299942

### **Consummation Requirements**

Prior to issuance of the subordinated debt, Citibank must comply with any applicable securities offering disclosure requirements under 12 CFR 16.

Please notify the OCC within 10 days following consummation of the transactions and indicate that the bank has complied with all requirements of 12 CFR 5.47. In this notification, please include the final pricing of the subordinated debt issuance and an analysis that demonstrates satisfaction with the above condition. Upon receipt of your notice, the OCC will issue a letter acknowledging receipt and indicating whether the issuance qualifies as Tier 2 capital. The subject transactions should be completed within one year of the date of this letter.

These approvals and the activities and communications by OCC employees in connection with the filings 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. Our approvals are based on the bank's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind these approvals if a material change in the information on which the OCC relied occurs prior to the date of the transactions to which these decisions pertain. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

If you have questions regarding this letter, please contact me at (202) 649-6322 or by e-mail at [David.Reilly@occ.treas.gov](mailto:David.Reilly@occ.treas.gov). Include the OCC control numbers on any correspondence related to these filings.

Sincerely,

*signed*

David Reilly  
Large Bank Licensing Lead Expert