



**CITI REACHES AGREEMENT TO SELL CITIFINANCIAL CANADA TO INVESTOR
GROUP LED BY J.C. FLOWERS AND VÄRDE PARTNERS**

New York – Citi has reached a definitive agreement to sell CitiFinancial Canada, Inc. (“CitiFinancial Canada”) to an investor group led by J.C. Flowers & Co. LLC and affiliates (“J.C. Flowers”), and Värde Partners (“Värde”). The transaction is expected to close in the first half of 2017 and is subject to regulatory approvals and other customary closing conditions. Terms of the transaction were not disclosed. Citi does not expect the financial terms of the transaction to be material to its earnings.

“CitiFinancial Canada is a leading community-based lender in Canada,” said Francesco Vanni d’Archirafi, CEO of Citi Holdings. “We are especially pleased that the entire business, including all 1,300 employees, is included in the transaction.”

With USD \$1.9 billion (CAD \$2.5 billion) of assets and over a quarter of a million active customers, CitiFinancial Canada operates 217 branches across Canada. In addition to personal lending and mortgage solutions, CitiFinancial Canada provides retail financing programs to many of Canada’s top retailers.

“CitiFinancial Canada is a market leader with solid growth potential, and we look forward to collaborating with their outstanding management team to extend the business’s reach in underserved consumer markets in Canada,” said Thomas Harding, Vice President of J.C. Flowers. “We believe J.C. Flowers’ vast experience with financial services around the globe will help enhance CitiFinancial Canada’s products and services.”

“Värde is excited by the opportunity this transaction provides for CitiFinancial Canada in the dynamic consumer finance market in Canada. It is a natural extension of our deep expertise globally in specialty finance,” said Chris Giles, Senior Managing Director for Värde.

“CitiFinancial Canada is a leading personal lender and retail financier in the country, and we see a great opportunity to grow the business” said Aneek Mamik, Senior Managing Director and Head of North American Specialty Finance for Värde. “We are excited to add a great business to our specialty finance portfolio and look forward to partnering with the strong and experienced team at CitiFinancial.”

“With a local history dating back to 1919, Citi’s Canadian franchise remains an important part of our global footprint,” said John Hastings, CEO of Citibank Canada. “We look forward to continuing to serve our clients in our core institutional and consumer businesses.”

Citi’s Institutional Clients Group advised Citi on this transaction. Torys LLP acted as legal advisor for Citi. National Bank Financial Inc. was lead financial advisor to J.C. Flowers and

Värde. Barclays Capital Inc. also served as financial advisor to the buyers. Kirkland & Ellis LLP and Stikeman Elliott LLP served as legal advisors to the buyers.

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Citi

Citi, the leading global bank, has approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions. Citi provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management.

Additional information may be found at www.citigroup.com | Twitter: @Citi | YouTube: www.youtube.com/citi | Blog: <http://blog.citigroup.com> | Facebook: www.facebook.com/citi | LinkedIn: www.linkedin.com/company/citi

About J.C. Flowers

J.C. Flowers is a leading private investment firm dedicated to investing globally in the financial services industry. Founded in 1998, the firm has invested more than \$15 billion of capital in 46 portfolio companies in 16 countries across a range of industry subsectors including banking, insurance and reinsurance, securities firms, specialty finance, and services and asset management. With approximately \$6 billion of assets under management, J.C. Flowers has offices in New York and London. For more information, visit jcfco.com.

About Värde Partners

Värde Partners is a \$12 billion global alternative investment firm that employs a value-based approach to investing across a broad array of geographies, segments and asset types, including real estate, corporate credit, residential mortgages, specialty finance, transportation and infrastructure. The firm sponsors and manages a family of private investment funds with a global investor base that includes foundations and endowments, pension plans, insurance companies, other institutional investors and private clients. Now in its third decade, Värde employs 240 people with main offices in Minneapolis, London and Singapore and additional offices around the world. For more information, visit varde.com.

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