



RATING ACTION COMMENTARY

Fitch Upgrades Citigroup Global Markets Holdings, Inc. to 'A+'; Outlook Stable

Wed 15 Sep, 2021 - 下午2:55 ET

Fitch Ratings - New York - 15 Sep 2021: Fitch Ratings has upgraded the Long-Term Issuer Default Rating (IDR) and long-term senior debt rating of Citigroup Global Markets Holdings, Inc. (CGMHI) to 'A+' from 'A'. The Rating Outlook is Stable.

KEY RATING DRIVERS

IDRs and Senior Debt

The upgrade follows CGMHI's designation as an Operating Material Legal Entity (Operating MLE) in Citigroup Inc.'s (Citi) most recent, accepted July 2021 single point of entry resolution regime. CGMHI's Short-Term IDR of 'F1' remains unchanged, as per Fitch's criteria, given Citi's funding and liquidity assessment of 'a+'.

CGMHI is a wholly owned U.S. subsidiary of Citi, which in turn indirectly owns broker-dealer material legal entities, including the U.S. and UK broker dealers, Citigroup Global Markets, Inc. (CGMI) and Citigroup Global Markets Limited (CGML). Reflecting its role as the primary structured notes issuer for Citi, and its designation as an Operating MLE under Citi's accepted resolution plan, CGMHI's rating is uplifted 1-notch reflecting the additional protection afforded to creditors under the resolution plan. This brings CGMHI's Long-Term IDR in line with other Operating MLEs, which are also afforded a 1-notch uplift.

Specifically, under Citi's single point of entry resolution strategy, CGMHI, as with other Operating MLEs, would be recapitalized and continue as a going concern outside of bankruptcy proceedings through a prefunded intermediate holding company, Citicorp, and a binding inter-affiliate support agreement. The resolution plan is credible, in Fitch's view.

RATING SENSITIVITIES

IDRS AND SENIOR DEBT

Factors that could, individually or collectively, lead to negative rating action/downgrade:

A downgrade of Citi's IDRs, a change in CGMHI's designation as an Operating MLE under its resolution strategy, a change in Fitch's view of the resolution plan's credibility or a perceived change in Citi's ability to provide support in the event that Citi becomes non-viable, would likely have a negative impact on CGMHI's ratings.

Factors that could, individually or collectively, lead to positive rating action/upgrade:

An upgrade of Citi's IDRs would likely have a positive impact on CGMHI's ratings.

BEST/WORST CASE RATING SCENARIO

International scale credit ratings of Financial Institutions and Covered Bond issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of four notches over three years.

The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit

<https://www.fitchratings.com/site/re/10111579>

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

RATING ACTIONS

ENTITY/DEBT	RATING	PRIOR
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ENTITY/DEBT	RATING			PRIOR
Citigroup Global Markets Holdings Inc.	LT IDR	A+ Rating Outlook Stable	Upgrade	A Rating Outlook Stable
	ST IDR	F1	Affirmed	F1
● senior unsecured	LT	A+	Upgrade	A
● senior unsecured	ST	F1	Affirmed	F1

[VIEW ADDITIONAL RATING DETAILS](#)

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APPLICABLE CRITERIA

[Bank Rating Criteria \(pub. 29 Feb 2020\) \(including rating assumption sensitivity\)](#)

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Citigroup Global Markets Holdings Inc.

EU Endorsed, UK Endorsed

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