



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

DEC 15 1989

Ms. Nancy P. Jacklin
Assistant Secretary
Citicorp
399 Park Avenue
New York, New York 10043

Dear Ms. Jacklin:

As requested in your letter of August 15, 1989, the Board of Governors grants consent for Citibank, N.A., New York, New York, to continue to hold, directly or indirectly, shares of Saudi American Bank ("SAMBA"), Riyadh, Saudi Arabia, after SAMBA engages in purchase/repurchase arrangements involving goods that are the functional equivalent of extensions of credit in Saudi Arabia.

Under 12 C.F.R. section 211.5(d)(16), the Board determined that such activity is usual in connection with the transaction of the business of banking or other financial operations in Saudi Arabia and is consistent with the supervisory purposes of the Federal Reserve Act. In making this determination, the Board took into consideration Citibank's representation that SAMBA will not acquire goods without having both an irrevocable commitment from the customer to purchase or repurchase the goods involved and an irrevocable waiver of any customer recourse to SAMBA as seller of the goods.

Very truly yours,

(signed) Jennifer J. Johnson

Jennifer J. Johnson
Associate Secretary of the Board

cc: Comptroller of the Currency
Vice President Rutledge, FRB of New York