



2009

Citi China

Corporate Citizenship Report





2009 PERFORMANCE HIGHLIGHTS

- 85.2% employee satisfaction rate in Citi's 2009 Voice of the Employee survey
 - Launched Employee Assistance program to provide consultancy services, available to all employees
- More than 2,400 Citi China employees and their families took part in Citi's Global Community Day
 - Citi Center for Advanced Learning ran 98 courses for more than 2,000 employees
- 2009 independent customer satisfaction survey showed Citibank and Citigold customer satisfaction scores of well over 80%
 - Opened two new lending companies, in Chibi (Hubei Province) and Wafangdian (Liaoning Province)
- Opened first LEED certified consumer outlet in China
 - Conducted Earthweek, an initiative for Citi China employees to promote awareness and support for environmentally friendly practices in China
- Announced support for a Rural Financial Education program, the largest-ever financial education program targeting China's rural population
 - Sponsored the 2009 Microentrepreneurship Awards for the fifth year in a row
- Established Citi China Women's Council
 - Citi employees volunteered at Habitat for Humanity's 26th annual "Jimmy and Rosalynn Carter Work Project" in Sichuan Province
- Conducted a Corporate Governance day for senior members of staff from around China

CEO MESSAGE

As Citi serves our wide-ranging client base in China, and as we expand our business, we are guided by a longstanding commitment to best practices in corporate citizenship.

We understand the importance of engaging with our various stakeholders in China, including our customers, our employees and the wider community, in a productive manner that reflects our focus on corporate social responsibility. Citi China encourages healthy competition in the banking and financial services industry, and supports and protects the rights of our customers. In practice this includes empowering our people to raise their own high standards when interacting with customers and other key stakeholders in China.

In 2009 Citi maintained our extensive program of community giving in China. Through the generous support of the Citi Foundation we make significant financial contributions that support a wide range of important programs. However, our commitment extends far beyond financial contributions. We devote significant time and resources to participating in the projects that we support. Our initiatives are focused on those areas that enable us to leverage our financial expertise, our global network, and our local presence in China. Our work in these areas falls under the categories of: Financial Capability and Asset Building, Small and Growing Businesses, College & Careers, and Microfinance and Microenterprise.

We are proud that our efforts have been recognized over the period of this report. In July 2009, Citi China was named on the Hurun Report's 'Corporate Social Responsibility Top Fifty 2009,' which lists the fifty corporations with the best corporate social responsibility programs in China. In December, Citi China was awarded '2009 Best Corporate Social Responsibility Bank' by Business Times Magazine. Also in December, Sohu.com released the results of an online poll that asked readers to vote for the best bank in China in the context of Corporate Social Responsibility. I am delighted that Citi was voted the number one bank in China in this context by Sohu.com users.

This report reflects the way in which corporate citizenship is deeply embedded in our culture. I am proud to share our accomplishments with you and expect 2009 will serve as a benchmark for even greater citizenship efforts in the future.

Andrew Au
Chief Executive Officer of Citi China
Chairman of Citibank (China) Co. Ltd.

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ENHANCING CORPORATE GOVERNANCE

Citi's business in China is stronger than ever before. As we continue to grow in China, we are dedicated to serving the interests of our clients, employees and our communities around China.

Our business is based on the highest standards of ethical conduct and maintaining full compliance with the laws and regulations that govern our company. We uphold rigorous standards of corporate governance, something that the company understands requires constant attention and meaningful support on the part of our local Board and management team.

Our locally incorporated company, Citibank (China) Co. Ltd. ("CCCL"), operates under the guidance of a Board of Directors. As of December 31, 2009, CCCL had ten directors in total, including two independent directors. Three special professional committees exist under the Board - the Internal Audit Committee, the Related Party Transaction Control Committee and the Risk Management Committee.

CCCL added a new independent director to the Board in April 2009, Mr. Sun Zhe. Mr. Sun Zhe is professor of the Institute for International Studies and director of the Center for U.S.-China Relations at Tsinghua University in Beijing. In 2009, CCCL held four Board meetings at an average of once every quarter. All the directors performed their duties with due diligence and protected the interests of both CCCL and the shareholder. In 2009, both independent directors attended all Board meetings and the relevant professional committee meetings, and also participated in the discussion and approval of the relevant matters. Independent directors actively participated in the decision of CCCL, and fully performed their roles.

In 2009, the three special committees under the Board performed important roles in assisting the Board in its decision making. The meetings of three special committees were usually arranged one day before the Board meeting. Certain significant matters were reviewed and discussed at the committee level first and then submitted to the Board for review. The summaries of the committee meetings were also reported to the Board. In 2009, the three special committees held a total of eleven meetings.

In March 2009, Citi China conducted a Corporate Governance day in Shanghai. More than fifty Citi employees were required to take part, including Citi China's management team, all Branch Managers and/or Deputy Branch Managers, the Global Consumer Group management team, cluster heads and all members of the China Compliance team. The purpose of the workshop was to reinforce our robust corporate governance framework, further cultivate the compliance culture at Citi, and raise awareness of the importance of risk management contributing to the effective and prudent management of Citi China. Specific topics covered included corporate governance, compliance and operational risk, risk management frameworks, and wealth management.

More information about Citi's global corporate governance can be found at: <http://www.citigroup.com/citi/corporategovernance/>

Transparency

Transparency is an essential component of maintaining a strong corporate governance culture. Citi China maintains an open and proactive approach to communicating the progress, direction, and issues associated with our operations. We ensure a regular flow of information is provided to regulators, clients and employees in a timely manner. Further, our locally incorporated entity, Citibank (Company) China Ltd ("CCCL"), has worked to proactively engage stakeholders through two-way communications such as media events, seminars, roadshows and town halls, providing opportunities for two-way discussions.

SUPPORTING OUR PEOPLE



Creating An Open Culture

Citi values the people that work for us, and is firmly focused on attracting and retaining the best talent in the financial services sector in China. This is only possible through the creation of a culture where employees can develop fulfilling careers in a safe and stimulating workplace. Citi places a strong emphasis on a work place where diversity is embraced, where people are compensated and promoted on their merits, and where people treat each other with mutual respect and dignity.

Citi's commitment to respecting employee rights in the workplace

is manifested in our Code of Conduct and human resources policies and practices, which state that we value and promote workforce diversity, and do not tolerate discrimination or harassment.

Listening To Our Employees

Employee feedback is important, and a key initiative is our Voice of the Employee survey (VOE). This annual survey forms an important element of a rigorous, productive dialogue dedicated to strengthening our culture and talent development that continues year-round. Its results are considered one of the most important management benchmarks for our senior team. In 2009, 96% of all Citi China employees took part in the survey. The overall employee satisfaction rate was at 85.2%. Particularly strong results were recorded around the themes of Client Focus, Innovation and Change, Partnership, Development and Meritocracy. Key areas that employees felt positive about include:

- Delivering products and services excellence (95%)
- People cooperating with each other (94%)
- Getting things done with sense of urgency (92%)
- Employees are held accountable (90%)
- Linking individual work and company objectives (89%)
- Sharing ideas and best practices (85%)

The detailed results of the VOE survey are distributed to the Citi China management team who examine the results with a view to taking action to address areas that are in need of improvement. This exercise allows Citi China to continually raise the bar as we strive to ensure Citi China remains the employer of choice in financial services.

Health, Safety and Wellness

Our employees are mainly office-based and face relatively few direct occupational health and safety risks. We focus on helping our employees lead healthier, more productive lives.

Reflecting our intent to help employees meet their professional and personal goals, in 2009 CCCL launched the "Employee Assistance" program. The program provides personal and confidential consultancy services to all interested employees. The services are intended to give employees the skills and insights to better manage personal concerns, stress, career transitions, and maintain an optimal balance between their career and personal life. Employees request these professional services by dialing a Citi hotline. Consultants will then contact the employee within 24 hours to schedule an appointment within three working days.

In November 2009, in partnership with a life insurance company and a healthcare company, Citi China launched a new health management program. The program, available for one year, was created to make healthcare more convenient for Citi China employees. Services include professional advice on general health concerns, assistance in selecting a hospital, creating an individualized health management program, identifying health risk factors and crafting programs for chronic diseases.

Citi China's Human Resources team actively engages employees to ensure they are aware of the employee benefits available at Citi. In September 2009, Human Resources sponsored a 'knowledge contest' - focused on employee benefit programs including medical insurance, pension, house subsidiary, and so on. The contest was designed to familiarize colleagues with the company's benefit programs and policies and was well received, generating active participation among Citi staff. Human Resources also organized a series of lectures which focused on health, prosperity and balancing the professional and personal lives of our employees throughout 2009.

Encouraging Volunteerism

Employee volunteerism in local communities is an important part of Citi's culture. We know that helping employees work together to make a difference in their communities builds stronger teams and fosters company loyalty, while making a positive difference in the communities in which we work.

Fourth Annual Global Community Day

On November 7, more than 2,400 Citi China employees, together with their families and friends, joined their colleagues in more than 100 countries around the world to volunteer their time and energy with one goal in mind - to



Habitat for Humanity - Jimmy and Rosalynn Carter

Citi is a longstanding partner of Habitat for Humanity, leveraging support for Habitat through the provision of funding, employee volunteers, and investments. In November 2009, Citi China volunteers joined former U.S. President Jimmy Carter, and his wife, Rosalynn, to support Habitat for Humanity's 26th annual "Jimmy and Rosalynn Carter Work Project" in China's Sichuan Province. Citi was a proud sponsor of the initiative, held in Qionglai City, Sichuan. During the week, Citi employees joined some 200 volunteers to launch the start of Habitat's Qionglai City project by working on a number of homes designed for families in need of affordable, safe and decent housing. The Sichuan initiative formed part of Habitat for Humanity's 26th Annual Project in South East Asia, where volunteers built houses in the Mekong River region, encompassing Thailand, Vietnam, Cambodia, China and Laos.

make a difference in the community where they live and work. The 2009 Global Community Day in China focused on supporting the environment. Citi volunteers took part in 21 projects in 12 cities: Beijing, Shanghai, Guangzhou, Shenzhen, Hangzhou, Tianjin, Dalian, Zhuhai, Gong'an, Chibi, Xiamen, and Chengdu.

The projects included:

- A series of community walks in Shanghai, Beijing and Hangzhou. All proceeds went toward a major tree planting initiative organized by Roots and Shoots, a leading environmental non-governmental organization.
- In the cities of Guangzhou, Shenzhen, Tianjin, Dalian and Xiamen the 2009 Global Community Day environmental initiatives were aimed at promoting environmental awareness and assisting with urban cleaning projects.
- Citi volunteers in Beijing, Guangzhou, Shenzhen, Zhuhai, and Chengdu conducted educational sessions for students in migrant schools, primary schools and universities on subjects including personal finance, the environment and health.

Training and Development

Training is an investment in our company's future. In 2009, Citi embarked on a number of projects focusing on talent development to further our position as the world's best team. We enhanced our training and development program, providing employees with 41 new development courses. As a result, the Citi China employee base participated in more than 27,000 hours of training (more than 26 hours per employee) in 2009 alone.

In addition to classroom training, Citi China continued to provide on-the-job training and development opportunities to ensure that our staff are well positioned to service our clients while advancing their careers in this increasingly global environment. In 2009, Citi China assigned 17 local employees to international rotations and training programs to markets such as Hong Kong, Singapore and the United States. Further, Citi China has maintained its commitment to our world class Management Associate Program. In 2009, we selected 28 new candidates from the leading universities in China and around the world to participate in this program. Management Associates acquire advanced management, financial and technical skills throughout the program preparing them for leadership roles within the organization. For example, in 2009 Citi China selected four outstanding employees for the Asia Pacific "Fast-TraX" program, all of whom were former management associates.

Evaluating Employee Performance

We measure employee performance and allow managers to provide specific feedback to clarify employee expectations, facilitate growth, and inform pay and promotion decisions.

Our performance management guiding principles are to:

- Drive a culture of meritocracy, differentiating on performance;
- Manage performance against challenging business goals;
- Evaluate employees on how business goals were achieved, not just end results;
- Provide balanced feedback and direction regarding strengths and areas for development.

A systematic approach to performance management is taken, with all employees required to submit agreed performance goals online on an annual basis, which then form the basis for performance evaluation throughout the year.

Citi China Women's Council

In April 2009 Citi China established the Women's Council to nurture women's leadership development and to provide an avenue for both male and female employees to become involved in diversity events. In 2009 the Council comprised 45 senior women and was chaired by Stacey N. Lacy, Head of Citi China's Operations & Technology business.

"We are off to a great start, and I have every hope that this Council will further develop as we actively help drive career success, leadership development and experience sharing for female staff at Citi, and create a fulfilling journey not only in their career but also their personal development" said Stacey N. Lacy.

During the year, the Council heard from a series of senior executives about their career paths in the context of providing useful insights into how the Council members could optimize their own careers. A luncheon program was also conducted to provide a forum for discussion about challenges and opportunities for women in the workplace.



Citi Olympics

Inspired by the success of the 2008 Beijing Olympic Games, and to promote fitness and build camaraderie among employees, Citi China hosted the inaugural Citi China Summer Games, which took place on August 30, 2009 at Fudan University, Shanghai.

The Citi Olympics saw 1,500 Citi employees compete in a wide range of sports and games.

Some employees prepared for the Citi Olympics by participating in intense training in the weeks leading up to the event while others brought their own cheerleaders to push them toward victory. The event provided a vibrant platform to meet new colleagues and friends. Citi staff member Li Jing commented that "the Citi Olympics provided a good opportunity to step out of the office and display some sporting passion in the summer heat!"



Management Associate Profile – Joseph Cui

Citi's Management Associate program is designed to invest in and develop some of China's best young financial talent. Joseph Cui joined Citi in July 2009 and entered into the Management Associate program. Prior to Citi, Joseph was a student in a joint program between Peking University and Hong Kong University where he earned his Masters of Economics from Peking University and Masters of Finance from Hong Kong University in Shenzhen. Joseph earned his undergraduate degree in Computer Science from Peking University in Beijing.

Joseph has completed three rotations since joining Citi. The first was with Citi's Account Servicing Unit (ASU), providing Joseph with the opportunity to open and service corporate client accounts. His second rotation was with the Treasury Operations Department, providing him with important back-office experience. Joseph's third rotation was with the Financial Institutions Group. In addition to the three rotations, Joseph has engaged in two classroom based training programs. Management Associates Graduate Integrated Curriculum (MAGIC) provided Joseph and Management Associates from throughout the Asia Pacific region with general finance and banking training. The Asia Pacific Management Associate Cross-functional Program (AMAX) is provided to MA's based in China. The instructors are Citi China's senior business leaders, who present an overview of the financial services industry and Citi's products and services, while providing MA's with career guidance and networking opportunities.

"The AMAX program has been one of the many highlights of the MA program. It was a great way to get to know senior management. Each week we were expected to give a presentation, which I really enjoyed. We also participated in a Bank Simulation Game where each team was asked to form a bank. My team had the largest return on investment which made us the winning team!" Joseph said.

"Gaining front, middle and back office experience has helped me to understand all aspects of the business which will make me more successful in my career at Citi. I found it very valuable to combine on the job training with classroom courses. This allowed me to apply what I have learned right away."

SERVING OUR CUSTOMERS

Pursuing Excellence in Customer Service

Citi has one of the most diverse customer bases of any international bank in China, and spends much time and attention meeting a correspondingly diverse set of customer needs. Our mission is to be first in customer satisfaction, loyalty and retention. In 2009, Citi's consumer bank focused on a number of programs designed to provide best-in-class customer service. These include:

- "ICARE", which stands for - Innovation, Caring, Advisory, Reliability, and Embracing Professionalism - and is designed to enhance the customer-centric mindset among all staff members;
- "F1" was created to improve the resolution of customer problems and further develop the "client first spirit" among employees;
- Summer Delight has helped raise the bar on service standards and bolstering excitement within the team.



During the year, we were proud that Citi China's commitment to customer satisfaction was reflected in winning a range of awards, including The Oriental Morning Post's "Best Customer Service by a Foreign Bank in China 2009" and The Shanghai Banking Association's "Civilization Standard Service Award 2009."

Customer Satisfaction Survey

Since 2006, Citi China has conducted an independent Customer Satisfaction and Loyalty Survey. The survey measures customer satisfaction and loyalty - towards our people and our company. It is what we do with this information that is most important. Citi China tracks our progress and strategically works to enhance our client-centric philosophy.

The 2009 results from an independent Customer Satisfaction and Loyalty Survey show that well over 80% of our customers in both the Citigold and Citibank segments were satisfied with Citibank China's service.

2009 results indicate a substantial improvement compared to 2008 scores in the following areas:

- Customer loyalty metric improved by 14%
- Overall satisfaction improved by 14%
- Likelihood to continue as a customer improved by 3%
- Problem incidence reduced by 2%

Customer Education and Communication

Citi has long understood the importance of proactive customer education and communication, and in China our efforts in this regard were taken to a new level in the context of the global financial crisis. Throughout 2009, we continued to produce and distribute our "360 Degree Citi Wealth Management View" newsletter, which keeps our customers updated on investments, local and global economic issues, commodity, bond and FX markets, as well as Citi China's new product offerings.

In 2009, Citi China also launched the "Insurance Wealth Vitamin", a monthly newsletter that acts as a resource for personal and family planning throughout the financial lifecycle. The diverse nature of Citi's customer base requires that communications be provided via a variety of platforms. Therefore, Citi has expanded beyond traditional communications to provide financial insights through the following channels:

- Webcast Market Commentary: This audio-visual file is available on the Citibank China website and provides expert investment advice
- Automated Voice Response (AVR) Monthly Outlook: This voice recording is available 24/7 and provides Citi's up-to-date perspective on today's dynamic market
- Fax-on-Demand Market Update: Customers receive the latest, succinct market news via automated fax
- Investing Under Volatility Seminar: This educational session serves as yet another way to communicate investment principles in a volatile market with our valued customers
- Guidebook to Investing in a Turbulent Market: This book is shared with Citi customers to provide winning strategies on how to manage investment portfolios in a volatile and unpredictable market, stressing the importance of diversification

At Citi, we understand that effective communication is a two way process. Sharing information regarding our products, services and the overall economy is essential to our service model, but we also place a major emphasis on customer feedback. We continuously collect feedback via customer surveys and post-sales communications.

We also have a formalized customer complaint handling process that is designed to handle all complaints on a timely and effective basis. Our independent "Customer Care Unit" is responsible for the coordination and management of any complaints from our retail customers, and to ensure our employees are well trained and able to contribute towards complaint resolution in the optimal manner.

Citi Credit Lending Companies

In 2009 Citi China opened two new lending companies which offer secured and unsecured loans to individuals and small enterprises in locations where credit is difficult to access. The establishment of these lending companies reflects our intent to bring our expertise and experience to smaller towns and counties in China where we can make lending services available to help local people achieve their goals and improve their lives.

We were the first international bank to launch the lending company model in China, which attracts individual borrowers, the self-employed and micro-enterprises. On March 18 2009, Citi opened a new lending company located in the town of Chibi in Hubei Province. On October 14, 2009, Citi China announced the opening of a new lending company located in the town of Wafangdian, near Dalian in Liaoning Province. These commercially sustainable businesses provide local residents with a new financing option, while further diversifying Citi China's customer base.



Stephen Bird, CEO of Citi Asia Pacific, officially opens Citi Credit in Wafangdian

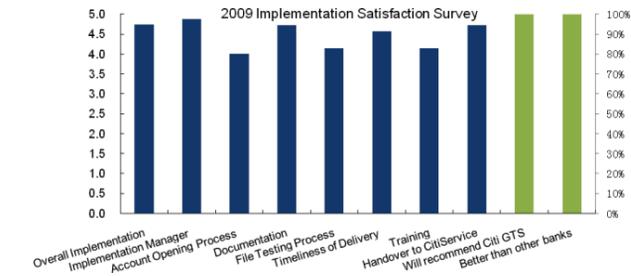
Serving Our Corporate Clients

Customer Satisfaction and Loyalty Survey

Citi executes the best possible service on behalf of our clients, no matter how big or small.

In 2009, a third party company conducted a client survey focused on clients' feedback regarding how Citi brought them onboard as a client. The overall satisfaction level was 4.7, with 5 representing Highly Satisfied.

When survey respondents were asked, "Will you recommend Global Transaction Services (GTS)?" 100% of clients indicated an affirmative answer. Likewise, when respondents were asked "Was your experience with Citi's GTS group better than that of other banks?" 100% of respondents gave a positive response



Client Complaint Handling

The CitiService team is Citi China's primary point of contact for institutional client complaints and servicing issues. This team processes client feedback, with every issue registered in the complaint management system and immediately investigated by all necessary teams. CitiService monitors the end-to-end process and ensures that proper action is taken in an efficient, pre-determined timeframe. CitiService also ensures that the root cause of all issues is addressed to avoid recurrence. Best practices and key learnings are shared in the regular Management of Service meetings, and are reported to the country compliance team on a monthly basis. The country compliance team then consolidates the information and reports findings to necessary government regulators.

Electronic Banking Training

To ensure Citi's clients receive optimal benefits from its integrated and online cash, trade and securities services, Citi offers a comprehensive Electronic Banking training program. The training is available free of charge online or in classroom format. In 2009, a total of 264 clients attended classroom sessions. Courses are delivered in Mandarin and English. Clients may view this end-to-end process for training purposes as well as a reference during their daily operations.

Understanding Client Needs

Historically, the "Elevate" program has been offered to Citi clients around the world. Elevate is a professional development opportunity offered by Citi to our clients. Under the Elevate format, our clients participate in the training alongside Citi employees for a shared learning experience focused on people and productivity. On September 14, 2009 CCCL launched the first Elevate Program in China. The workshop encompassed presentation and communication skills, and also brainstorming and problem solving. The workshop also saw collaboration between Citi and our clients to brainstorm ways in which we can improve how we deliver our products and services. As a result of the Elevate Program, CCCL managers and clients identified 14 improvement projects, which were all successfully implemented within six weeks of the workshop.

Compliance Training

On October 26, 2009, CCCL conducted a comprehensive training session for clients around regulations and compliance issues. More than 110 corporate clients joined the training, which was held in Shanghai. Citi's experienced compliance officers covered topics such as the Strategic Analysis For Exposure (SAFE) framework, the Foreign Trade Registration System, Pending Verification Account (PVA) requirements, the new Balance of Payment (BOP) declaring system and the Foreign Trade Registration system.

ENERGY AND THE ENVIRONMENT

A Leader in Environmental and Social Risk Management

Through Citi's global reach and the variety of financial products we offer, we commit and mobilize billions of dollars of capital into a variety of infrastructure and energy projects. Before making a lending decision, we thoroughly evaluate the environmental and social impacts of these transactions and advise clients on how to implement internationally accepted environmental and social management practices. Citi views this as a critical contribution that we can make to sustainable development.

Citi China lending adheres to Citi's rigorous Environmental and Social Risk Management (ESRM) Policy. Our comprehensive ESRM Policy is complemented by industry standards such as the Equator Principles, Carbon Principles, and our position statements on Climate Change and Human Rights. We use our ESRM Policy to screen transactions, help our bankers to advise clients, and promote environmentally and socially sound ways of doing business. In 2009, ten transactions in China received ESRM review, ensuring that the businesses with which we work adheres to our ESRM Policy. Globally, our ESRM Unit reviewed more than 387 transactions in 2009 (111 of 387 were in Asia-Pacific).

Sharing Environmental Best Practices

In the summer of 2009, Citi was pleased to host a CBRC official in New York, who spent time with our ESRM unit. The visit afforded Citi an opportunity to describe how we implement the Equator Principles, the IFC Performance Standards, and our broader ESRM policy, as well as our approach to a wide variety of product types and sectors.



Citi's Operational Environmental Footprint

Citi applies thorough due diligence to ensure our day-to-day operations support sustainable energy, and that resource efficiency is an integral part of the way we do business. Across all Citi operations, we strive to reduce our use of energy, water and materials, not only to lessen our environmental footprint, but also to achieve increased efficiencies and cost savings. In support of these objectives, we have recently set a new goal of reducing 25 percent of our global GHG emissions by 2015 in absolute terms compared to 2005, building on a goal of 10% by 2011.

Electronic Banking

In 2009, Citi's Electronic Banking (EB) clients increased by approximately 10% and overall EB volume increased by more than 22%. The vast majority of Citi's clients are now sending payment instructions via EB channels and EB initiated transactions accounted for over 97% of total payments in 2009.

Additionally, in 2009 Citi launched two new initiatives which further reduce the use of paper. Monthly e-statements are now available to replace traditional, paper bank statements. And the CitiBusiness Preferred Banking Customer platform was made available to Small and Medium Sized Enterprises. This online platform reduces Manually Initiated Fund Transfers (MIFT) by facilitating a wide range of Chinese Yuan and foreign currency payment solutions, and 24 hour account inquiry services in English and Chinese. The sustainability benefits of increased EB offerings are reinforced by Citi efforts to develop and deploy efficient data centers, given EB-related data demands.

LEED Certification

LEED or Leadership in Energy and Environmental Design is an internationally recognized, green building certification system. LEED certification provides third-party verification that a building was designed and built using strategies aimed at improving performance across all the metrics that matter most: energy savings, water efficiency, CO2 emissions reduction, improved indoor environmental quality, and stewardship of resources and sensitivity to their impacts.

In 2009, Citi China established a new high-technology consumer outlet located in Shanghai. This was the first consumer outlet in China to be LEED certified. Environmentally-friendly aspects of Citibank's Shanghai sub-branch include:

- Materials: all carpet at the sub-branch is LEED certified. Further, the carpet is installed using a glue-free installation process which enhances indoor air quality. The branch's interior finish is created using recycled wooden material.
- Water efficiency: water efficiency equipment has been installed to reduce water consumption by 20% at the sub-branch.



- **Fresh Air:** an additional fresh air system was installed to improve indoor air quality. This has resulted in air quality which exceeds ASHRAE (American Society of Heating, Refrigerating and Air-Conditioning Engineers) standards by 30%.
- **Lighting efficiency:** through a 15% reduction in lighting power density and using energy efficiency bulbs, power consumption relating to lighting is expected to fall by 40%.
- **Equipment:** 84% of the equipment used at the sub-branch meets or exceeds the Energy Star standard.

Energy Savings at Citi Facilities

At Citi China consumer outlets and corporate offices alike, we work to save energy and be as environmentally friendly as possible. That is why in 2009, Citi China realigned the automatic lighting features according to the season. This has resulted in annual savings of 220,999 kilowatt hours.

Earth Week Promotes Sustainability in China

In 2009 Citi China held its first “Earth Week”, as part of a global initiative that took place from April 20-24. Raising environmental awareness and making a positive impact in our communities were the key themes throughout the week. Approximately 300 participants in Shanghai and Beijing attended a variety of presentations, seminars, and environmentally focused documentaries. The 2009 Earth Week also helped promote the enrichment of Citi China’s working environment and the creation of a better workplace – and encouraged employees to become inspired to reduce their own carbon footprint.



Introduction of “The Light” Initiative

Two percent of global GHG emissions are a result of energy managed by Information Technology teams across all industries. At Citi China, energy conservation and the reduction

of GHG emissions is an integral part of our business. With this in mind, in 2009 Citi China’s Information Technology group launched “The Light”. This important initiative will reduce the environmental impact of resources managed by the IT group such as power and the use of paper and paper products. “The Light” will also enable the rest of the organization to save energy through creating a more sustainable supply chain and providing an infrastructure that helps streamline business travel.

Imperative to the success of “The Light” is the cross-functional team that supports the initiative. Citi China’s IT group has effectively engaged Citi China’s businesses as well as back office functions such as Citi Procurement Services, Citi Reality Services and the Technology team. In just one year, “The Light” achieved the following:

- Enforced default duplex printing saving approximately 20 million pieces of paper on an annual basis (or the equivalent to 1,300 trees).
- Implemented a power saving scheme on 4,000 personal computers, which saves the equivalent to 267 tons of GHG emissions.
- Consolidated and replaced various inefficient servers throughout Citi China, saving 4,000 kilowatt hours of energy.
- Supported the Alternative Workspace Strategy initiative, allowing employees to work remotely. This partnership has saved office space and the adverse impact of transportation on the environment.
- Implemented “Easy IT” workshops and created a monthly newsletter called “The Light” to promote virtual collaboration tools such as Live Meeting tools, Remote Access, Blackberry use.

Climate Related Activities

Climate change is a critical issue that requires coordinated action from governments, businesses and civil society, including regulation of carbon emissions in a form that helps companies make business decisions.

In 2007, Citi announced a plan to direct US\$50 billion over ten years in a wide-ranging portfolio of climate related activities. This initiative incorporates both internal and external activities, such as sustainable construction of Citi facilities, financing of alternative energy, investment in clean technology and research into carbon reduction strategies on behalf of our clients. So far, we have directed a cumulative US\$24.3 billion. Additionally, Citi established an internal advisory group to help our business and operations units identify new projects, products and services that conform to our “climate positive” criteria.

Achievements in Green Credit

In addition to upholding the company’s global commitment to review any transaction that could entail a risk of an environmental or social nature or violate binding international agreements, as part of our credit financing due diligence, we conduct a credit check to verify stringent environmental protection standards for new credit initiations. As part of our on-going credit monitoring, we revisit this credit report before each loan is drawn down to prevent financing from falling into the hands of companies that do not uphold these sustainable principles.

Citi China is committed to facilitating the growth of a sustainable and environmentally friendly economy. In 2009 Citi China’s Local Commercial Bank (LCB) provided more

GIVING BACK TO THE COMMUNITY

than US\$20 million to support environmentally friendly small and medium enterprises. Support was provided in the form of trade financing, foreign exchange hedging and trade loans. Among our 2009 projects, LCB provided capital financing and foreign exchange hedging solutions for Zhonghang Huiteng Windpower, a manufacturer of wind power blades. LCB also provided solutions to Juli New Energy, a company specializing in solar energy power plants, manufacturing and sales. Juli New Energy was experiencing extremely rapid growth in a highly competitive market. LCB provided strategic financial management and a cost savings solution on the company's procurement of imported equipment and machinery.

Supporting the Growth of Solar Power

China has become a world leader in solar power. This position was reinforced in 2009 when the Chinese government announced that 15% of its energy would come from renewable sources within a decade. Further, in July 2009 the Chinese government introduced an incentive program called Golden Sun that provides subsidies to solar power projects to boost the solar industry as a new growth point for the country's economy.

To support such government initiatives and promote environmental sustainability, Citi China has been active in the financing of alternative energy and clean technology companies, particularly in the solar energy sector. For example, in 2009 Citi China acted as joint book runner for Yingli Green Energy Holding Co., Ltd. In partnership with Citi, this leading solar energy company raised USD242 million on the New York Stock Exchange (NYSE) through an upsized follow-on offering of 18.6 million shares. Additionally in December of 2009 Citi helped LDK Solar, Asia's largest solar company, to raise USD130 million on the NYSE in a follow-on public offering of 16.52 million shares. We also extended a HKD400 million loan to Longyuan Power, a leading wind energy company, to support their working capital requirements. Finally, during the year Citi continued to strengthen our relationships with environmentally-friendly companies such as Suntech Power Holdings, a global solar product leader; Nanjing High Speed Gear Manufacturing Co., LTD, a lead manufacturer of wind turbine components; and BYD Company Limited, a major producer of electric cars.

Most Innovative Bank in Climate Change Award

In 2009 Citi was named 'Most Innovative Bank in Climate Change' by The Banker Magazine, a prestigious global publication on banking and finance. The award is unique in that it focuses exclusively on innovation - in products, structures and delivery. Among the reasons cited for Citi's selection were its ground-breaking \$50 billion initiative to address global climate change; its work on the Noble Environmental Power Project, a 15-year, \$742 million construction and term loan that remains the largest wind financing deal to date; and the leadership of Citi's Environmental Products trading team in developing new transaction structures that deliver sustainable margins to buyers and sellers in a volatile price environment.

Through the support of the Citi Foundation, Citi maintains a significant program of community giving in China. This means much more than making financial contributions. Citi is actively involved in a wide array of programs that are designed to harness the key strengths of our company in a way that directly contributes to some of China's most high priority social and developmental requirements.

A Leader in Financial Education

Citi is committed to providing opportunities for people to develop the skills and knowledge they need to manage their personal finances responsibly, make informed economic decisions, and achieve success in the workplace. We also believe that financial education is a life skill that everyone should learn about and we have supported the development of a full spectrum of financial education programs at different age and income levels.

Agent Penny

Citi launched "The Adventures of Agent Penny" in 2007. This was the first-ever comic book in China designed to promote financial literacy to primary school children aged 8-12 years old. In 2009, we launched the second phase of this program in Beijing. As with the first phase of the program, Citi China once again worked with a professional drama company to produce a play based on the stories in the comic book to bring the concepts of the comic book to life. The drama company will visit between 40 and 50 schools in Beijing, Shanghai, Guangzhou and Shenzhen over ten months, and is expected to be seen by around 20,000 children.

Making Sense of Money

In October 2009, Citi, in partnership with the Learning Society, the Beijing Dongcheng District Education Bureau, Mc-Graw Hill Education and Better Education, announced the launch of "Making Sense of Money" in Beijing. This financial education initiative provides financial education for middle school students - raising their awareness of personal finance and helping them to become financially responsible students with a long-term economic vision.

"Making Sense of Money" is the first book of its kind written to help teenagers aged 15-17 years old gain a better understanding of financial concepts. The initiative will be introduced to middle schools in the Beijing Dongcheng district, and will benefit more than 10,000 students.

Written in Chinese and English, "Making Sense of Money" focuses on financial knowledge such as the importance of personal financial planning, time value of money, balancing income versus expenses, consumption, cash value, foreign exchange, stocks, bonds, funds, personal financial credit, credit cards, property purchases, insurance, and the financial system. To further illustrate the principles conveyed in the book, Citi is partnering with Better Education, a non-profit group specializing in educational projects throughout China. Together, they will produce lectures that depict scenarios reflecting the book's lessons through which teachers can guide their students. The book is provided to the students free of charge.

China Foundation for the Development of Financial Education - Rural Financial Education Program

In August 2009, Citi announced a new program that aims to help raise financial literacy levels in rural China. The program will form part of the 'Rural Financial Education Ten-year Plan,' designed by the China Foundation for Development of Financial Education ("CFDFE"), and the largest-ever financial education program targeting China's rural population.

Over its ten-year tenure, the plan will develop China's first rural financial literacy curriculum and training materials, as well as provide training sessions in 592 poverty-stricken counties across 21 provinces in central and western China. Within this framework, Citi will support the development of a curriculum and the training of "master" volunteer trainers, who in turn will provide training to local farmers and entrepreneurs.

Madam Wu Xiaoling, Vice Chairwoman of the Financial and Economics Affairs Committee of the National People's Congress and Chairwoman of CFDFE, said, "Rural, agricultural and countryside-related issues are of great importance in achieving social harmony and economic sustainability. Joint efforts from all levels of society are needed to develop rural areas, and we appreciate Citi's support in helping China move towards this goal."

Tsinghua University - Chinese Consumer Finance Behavior Research Findings

In an effort to promote the design of more adequate financial products and services to better serve Chinese consumers, Citi is supporting Tsinghua University's research regarding Chinese consumer financial behavior. This is the first and most extensive research of its kind. In 2008, a total of 2,095 households from 15 different cities across China were surveyed, providing a better understanding of consumer financial behavior, as well as financial planning and financial education needs. Surveyed cities included Beijing, Shanghai, Guangzhou, Wuhan, Chengdu, Haerbin, Changsha, Xi'an, Urumqi, among several others. An additional 5,000 surveys were collected from different cities in 2009.

The first year findings were shared at the first international academic symposium on consumer financial behavior which was held at Tsinghua School of Economics and Management in September 2009. Approximately 250 academics, researchers, policy makers and industry practitioners from China and around the world attended the symposium.

Promoting Microfinance

Citi is the leading corporate supporter of microfinance and microenterprise development in China.

The Citi Foundation has provided \$1.5MM in grants to the Chinese Academy of Social Sciences to provide better training and support services for China's microfinance sector by establishing the China Microfinance Training Center and the China Association of Microfinance. The China Microfinance Training Center provides systematic and practical training courses to microfinance practitioners in China. By the end of 2009, the training center had organized 50 trainings in 5 years and trained a total of 1,455 people, of which 685 were managers, 422 credit officers and 348 finance officers.



In October 2009, the fifth annual Citi Microentrepreneurship Awards ceremony was held in Beijing. The Awards was set up five years ago with the support of the Citi Foundation to recognize the contributions of China's most outstanding microentrepreneurs and to raise awareness of the power of microfinance to alleviate poverty and build prosperity. This annual event has become the largest and most influential event for Chinese microfinance practitioners to communicate with and learn from each other.

In 2009, the award committee received 190 applications from around China. After several rounds of screening including field interviews by student volunteers and final evaluations by the judging committee, a total of 120 participants were selected as winners across following categories: Rural Agriculture, Rural Non-Agricultural, Urban Trade, Urban Processing, Urban Services, Urban Loan Officer, and Rural Loan Officer. In addition, special prizes were given to the "Most Innovative Microentrepreneur", "Most environment-friendly Microenterprise" and a prize to the Microentrepreneur that had best led a group of people to improve their lives together.

Supporting Small and Growing Businesses

Small and medium-sized enterprises (SMEs) play a vital role in driving China's economic development, accounting for approximately 75% of the country's employment. However, this sector faces many challenges such as financing, technological innovation, product marketing, distribution and management. Citi China's support in this area focuses on building the capacity of the sector by working with high-caliber universities in China to provide training to SME managers.

International Network for Bamboo and Rattan - Opening of Bamboo Training Center

Citi works with the International Network for Bamboo and Rattan (INBAR) to promote bamboo-based employment opportunities for families affected by the Sichuan earthquake, while supporting the development of the local bamboo sector.

In December 2009, Sichuan's first Bamboo Training Center was officially opened at Sichuan Agricultural University's campus in Dujiangyan city. This centre provides bamboo resource management training to low-income adults. The training center is almost entirely made of bamboo material. Sichuan Lin He Yi Bamboo completed the construction of the center. Its design reflects the center's environmentally-friendly philosophy, while also demonstrating that bamboo can be used for construction, decoration, furniture and act as a complete substitute for timber. Over the course of one year, the program aims to train 500 farmers on bamboo resource management and semi-processing in the

earthquake-affected counties of Dujiangyan, An Xian, Beichuan, and Chongzhou.



ENCOURAGING FAIR OPERATING PRACTICES



Preventing Financial Crime

Citi is active in many ways to protect the global financial system and has taken a leadership role in adopting and promoting global Anti-Money Laundering (AML) principles. Citi also continues to be at the forefront of efforts to identify the role that financial institutions can play in preventing the financing of terrorism. Citi is a member of the Wolfsberg Group, which Leading Financial Institutions establish global guidance for AML controls for correspondent banking relationships.

Citi China has developed and implemented local AML policies/procedures and Customer Identification Program (CIP), which takes into account local AML laws/regulations, Citi Global AML policies and applicable US AML laws/regulations. Additionally, Citi China fully cooperates with Chinese regulatory and governmental authorities to prevent and combat financial crime.

Anti Money Laundering Training

Training is a key component of Citi's Global AML Program to effectively raise employees' awareness on AML and manage the money-laundering risks. In Citi, each business unit is provided with AML training on a periodic basis.

Citi China develops money laundering prevention training to ensure all personnel receive AML training tailored to their responsibilities. Country AML Compliance Officers assist in the preparation of AML training, either in person, via telephone-conference, or through our Global Learning Management System. Our training programs include reviews of U.S. and local AML laws and regulations, Citi's AML Policy, current money laundering schemes, trends and business-specific policies and procedures. Moreover, Citi China works closely with Chinese regulatory and governmental authorities on any and all matters relating to this area.

Code of Conduct

Citi is committed to conduct its business with the highest consideration for ethical standards and compliance with all applicable laws and regulations.

Citi China has been dedicated to building a sound compliance culture and enhancing the training on Code of Conduct. To raise employees' awareness on the fundamental importance of compliance procedures and professional conduct, we initiated a Compliance and Professional Ethics Campaign in 2009. The Campaign helped to further foster a culture of promoting compliance, maintaining professional conduct, and minimizing and managing risks. Meanwhile, we incorporated the "Guidance on the Professional Conduct of Practitioners of Banking Financial Institutions" into banks' website, disseminated the knowledge and requested employees to accomplish relevant courses and claim compliance.

Anti-Corruption

Dealing fairly with clients, vendors, competitors and employees is inherent to the way that Citi does business. Citi will not tolerate the manipulation, concealment, abuse of confidential information, misrepresentation of material facts or other unfair dealings and practices.

Citi China strictly complies with Chinese law against bribery and applicable US laws on anti-bribery (e.g., Foreign Corrupt Practices Act of U.S. (FCPA)).

Risk Disclosure

Citi understands that a key element of dealing fairly and in a transparent manner with customers includes ensuring all risks associated with our products are appropriately disclosed. Our daily sales process puts a high focus on risk disclosure, including risk profiling and disclosure of potential associated risks to customers, such as market fluctuation, counterparty's credit status, and currency exchange rates, etc. During the after-sales phase, our teams periodically communicate with customers to provide follow-up market information, and to discuss product performance, etc.

In late 2009 and 2010, following regulatory requirement, we further enhanced our risk disclosure practices by defining our individual clients into different groups based on whether they have investment experience and investment products with higher risk levels are only available for individual clients with investment experience. For special customer groups, for example, elderly customers, our risk disclosure is even more comprehensive to avoid customer misunderstanding of the investment products.

Related Party Transactions

Citi China has a “Related Party Transactions Internal Control Policy” in accordance with both internal and local regulatory requirements. All related party transactions must be conducted in line with the principle of good faith and the arms-length principle. These transactions shall comply with the relevant laws, administrative regulations, uniform accounting rules of the country and the relevant regulations on banking supervision.

To fully comply with local laws, Citi China established a Related Party Transactions Control Committee. The Related Party Transactions Control Committee is responsible for identifying the Related Parties, examining and approving Related Party Transactions and controlling risks in Related Party Transactions. In addition, Citi strictly follows local regulations regarding the reporting and monitoring of such transactions.

Gifts and Entertainment

Citi China follows our Asia Pacific region’s procedures for gifts and entertainment, which provide a legal framework regarding the acceptance and offering of corporate gifts and entertainment from and to third parties (including clients, vendors and other stakeholders), as well as gift record-keeping, reporting and exception approval procedures.



Contact Information

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