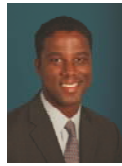


Community Relations Update



Citi never sleeps. In this past quarter — marked by continuing economic challenges — we have not wavered in our commitment to communities, particularly

Global Community Relations is proud to announce the release of *Citi in Your State*, profiling our community-focused work, in partnership with local non-profits, across the U.S. The profiles, available at www.citigroup.com/citi/citizen/community/states.htm, speak to Citi's investments in and impact on communities where we live and work.

those that are underserved. We are helping families avoid foreclosure and helping communities stem the economic decline caused by the current crisis. We provide financial education to thousands of people, support innovative environmental initiatives and sponsor local programs that meet the needs of low- and moderate-income families.

We are pleased to announce the launch of our new foreclosure prevention website, www.mortgagehelp.citi.com, designed as a resource and guide for both housing counselors and customers. Citi's foreclosure prevention specialists can be contacted directly at mortgagehelp@citi.com. If you wish to learn more about Citi's efforts around foreclosure prevention please download our 2Q 2008 Mortgage Lending Report: <http://www.citigroup.com/citi/citizen/community/data/mldfper.pdf>.

Homeownership Preservation. Citi continues to respond to the foreclosure crisis both at the individual and institutional levels. We are helping at-risk borrowers find the means to stay in their homes and providing funding to local nonprofit organizations to help them rebuild their communities.

The credit and foreclosure crisis jeopardizes the stability of entire neighborhoods in the U.S. Many communities are at risk of deteriorating rapidly due to widespread mortgage foreclosures. The Office of Homeownership Preservation (OHP) and the Citi Foundation's Neighborhood Stabilization Planning Grants program recently announced a \$1 million planning grant for 13 cities that are severely impacted by foreclosures. In addition to the grants, we are offering technical assistance to help communities apply for the \$3.9 billion soon to be available through the Housing and Economic Recovery Act of 2008 (HERA). Citi is the first financial institution to have announced a support plan to help local communities access these federal funds.

OHP has established local and national partnerships to deliver community-based outreach, education and counseling. Citi's loss mitigation specialists have reached out to 46,000 borrowers; held counseling events in 78 cities; met with more than 2,700 homeowners; and trained more than 380 counselors from 189 nonprofit organizations.

Community Development. Citi and the Citi Foundation have presented a \$1 million grant to the National Council of La Raza (NCLR) to support its efforts to build the capacity of its almost 300 affiliates across the country working at the state and local level. The grant will expand NCLR's pre-development support for affordable housing, health care clinics, charter schools and homeownership counseling. It also will permit NCLR to provide training courses to more than 130 new homeownership counselors.

Microenterprise. Citi is a leader in creating a more inclusive financial sector — an important factor in making communities better. Recently Citi entered into a five-year contract with ACCION Texas, to provide capital for ACCION to expand its microloan portfolio (which already is the largest in the country) by purchasing up to \$30 million of ACCION's microfinance loans. This was a first in the U.S. in that Citi is sharing the risks of the additional loans ACCION will make with the new funds, in return for a share of the revenue of those loans.

Our agreement with ACCION exemplifies Citi's commitment to help microfinance institutions grow and be financially independent. We want to build the capacity for financial services to be

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CRA Outstanding

Citi's Department Stores National Bank (DSNB) received an "Outstanding" Community Reinvestment Act rating from the Office of the Comptroller of the Currency (OCC). This rating is in recognition of Citi's work with community groups that support community development, investment and services, targeting low- and moderate-income individuals and small business.

AWARDS

Freedom Award

NAACP
Missouri

Buddy Minyard Award

Urban League of Greater Dallas and
North Central Dallas
Texas

Corporate Citizen of the Year

California Black Chamber of
Commerce
California

Service Award

USDA Rural Development
Guam

2008 Supplier

Diversity/Procurement

Partner of the Year

San Diego County Hispanic
Chamber of Commerce
California

2008 San Diego District

Minority Small Business

Champion of the Year –

Gustavo Bidart, Citi

U.S. Small Business Administration-
San Diego District Office
California

Board Membership

The National Urban League (NUL), one of Citi's national partners in promoting financial literacy in low- and moderate-income communities, recently elected Paul McKinnon, Citi's Chief Talent Officer, to its Board of Trustees.

provided to individuals and small businesses outside the "conventional" economic boundaries for such services.

Environment. The Citi Foundation has approved a \$500,000 grant for Enterprise Community Partners, a non-profit that helps build affordable housing for low-income Americans, to support its Green Communities Initiative. The bulk of the funds will be used for capacity-building grants that will defray the cost of design, engineering and materials required to meet Enterprise's "Green Communities Criteria," in order to help affordable housing developers "go green."

The Green Communities Criteria constitute the first national framework for eco-friendly, affordable homes. They were developed in partnership with environmental, public health, green building and energy experts, and conform to the U.S. Green Building Council's national LEED rating system.

The Citi Foundation grant will also support the development of a system for energy efficiency modeling, auditing and analysis of existing affordable housing that has been retrofitted by Enterprise to meet the Green Communities Criteria. In addition, a portion of the grant will launch Enterprise's Green Communities Offset Fund™, which will be used to purchase carbon reductions earned in the construction of energy-efficient homes.

In Our Communities. In **St. Louis, MO**, Citi helped provide a motivational "welcome back" for children in Bryan Hill Elementary School. We provided posters with the "Play Like a Champion" slogan, to be displayed around the school, and "champion" profiles of African-American heroes. In addition, Citi's St. Louis site coordinated a school supply fundraising drive and, through our St. Louis partner KidSmart, we donated many supplies for the students and teachers at Bryan Hill.



Citi enhanced the second annual back-to-school event at Bryan Hill Elementary in St. Louis, MO this year by inviting community partners to participate in the celebration. Gathered are representatives from Citi, Bryan Hill Elementary, Junior Achievement, the Shakespeare Festival, and KidSmart.

In September, our Community Relations team in **California** held a unique capacity-building training program for staff from 123 non-profit partners from across the state. The training focused on how non-profits can make their local programs sustainable by using innovative social enterprise models.

Leadership and Partnership. We have reached out to key government and local community partners to foster dialogue about the developing financial crisis confronting the nation and the financial services industry. In Texas, California and Boston, we hosted **Citi Dialogues** where community stakeholders and Citi business leaders engaged in fruitful discussion about the legislative, regulatory and advocacy issues involved.

We look forward to working with you for the remainder of the year to continue to make a positive difference. Thank you for your partnership in making communities better because we are there.

Sincerely,