

# Global Consumer Group Community Relations Update



January 2007

Our goal at Citigroup remains the same – to make communities better because we are there – with your help, we did. In 2006, we significantly strengthened our community involvement. We are proud of the nonprofit partnerships that developed industry-leading initiatives as well as best-in-class programs, products and services.

It gives me great pleasure to share with you a few highlights.

## Innovative Solutions and Programs

In anticipation of rising interest rates and regional economic challenges, we launched an aggressive campaign to foster innovative foreclosure prevention and neighborhood preservation programs. Recognizing that a nonprofit's relationship within the community can help both the borrower and the servicer, in September, we announced our national foreclosure prevention program. Together with 15 community partners, we have initiated a network to provide support and guidance to homeowners facing economic hardships that often lead to foreclosure.

In recognition of our industry-leading efforts on this issue, the Office of the Comptroller of Currency (OCC) invited our subject-matter expert to submit an article to their quarterly publication, *Community Developments*. We shared that article with you.

As a part of our community development strategy we work to build assets in low-income communities. Citigroup and the Citigroup Foundation increased our investment in microfinance by strengthening partnerships with leading nonprofits and philanthropic institutions in the microenterprise field. Our investment exceeded \$1,000,000 and went to support the ongoing research and expansion efforts of our principal nonprofit partners in microfinance: ACCION, USA; Association for Enterprise Opportunity (AEO); and the ASPEN Institute. Combined, these partners have over 50 years experience in microfinance domestically.

We were proud to support the Corporation for Enterprise Development's (CFED) *Visions of Ownership: Regional Forums on Asset Building*, a series of four regional forums on asset building that took place across the country from 2005-2006. The forums were created in partnership with the Federal Reserve System and engaged a wide range of stakeholders in sharing best practices around new strategies in research, policy, and practice across the field, and specifically on opportunities that exist for financial institutions.

## Ongoing Dialogue

Ongoing dialogue with community partners and consumer advocates provided opportunities to respond quickly to issues with impactful solutions. The *Housing Here and Now* (HHN) initiative is a case in point. Citigroup was approached by a New York coalition requesting assistance with a portfolio of buildings that had been purchased by one of our borrowers, many of which had a large number of serious building violations.

We took the initiative to host a multi-family lender roundtable to address the issues and develop best practices. To date, five financial institutions have signed on to the principles and additional cities, like Chicago, are interested in exploring a similar prototype.

## Going Global

In order to fulfill our global corporate responsibilities, we remain committed to providing programs and solutions that meet the needs of communities across the world. This year, we announced the first international adaptation of the Citigroup Foundation's Community Summer Internship Program (CSIP). In South Korea, the CSIP was launched in partnership with Kyung Hee University's Graduate School of NGO Studies. Of the 255 applicants, 90 students were selected to work as interns at over 30 nonprofits in five major regions across the country.

In addition, Citibank employees will volunteer to mentor the interns as part of their eight-week field assignment program. Through this innovative program, Citibank Korea is supporting local efforts to enhance communities while providing students with direct exposure to the nonprofit sector.

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Kevin Kessinger, Chief Operations & Technology Officer, Citigroup and his wife, Jean, building a home in Lonavala, India as a part of the indiaBUILDS/JCWP 2006 program.



Chairman & CEO Chuck Prince teaches a class in credit risk management to microfinance officers of the Funding for the Poor Cooperative, a Citigroup Foundation grant recipient.



Ajay Banga, Chairman & CEO, Global Consumer Group – International, with former President Bill Clinton at the Clinton Global Initiative.



Esther Brown, recipient of a 2006 Women and Company® Microenterprise Boost Program Equity Award, part of Citigroup's microenterprise initiative, runs her own restaurant on Staten Island.

In March, Citigroup and the Citigroup Foundation were honored to join the Clinton Global Initiative (CGI) and committed \$5.5 million to honor microentrepreneurs as well as to provide financial education to over two million of the world's underserved. In September, we furthered our commitment by launching a \$100 million financing program targeted to microfinance institutions, and committed to the first-ever Citigroup Global Community Day, a volunteer initiative in 100 countries where Citigroup does business. A commitment that we have successfully fulfilled!

These commitments highlight Citigroup's dedication and immense capability to strengthen global economies and communities across the world.

## Power of Our People

On November 18th, we organized the historic first Citigroup Global Community Day. In 460 cities around the world, 45,958 employees, led by our Chairman & CEO, Chuck Prince, engaged in volunteer activities in their local communities. Whether it was painting schools, distributing meals or planting seeds, from Mt. Fuji to Manhattan, Citigroup employees demonstrated our commitment to making communities better because we are there.

In another example of our employee leadership, more than 300 Citigroup employees joined former President Jimmy Carter and 2,000 volunteers from 26 countries to build 100 homes in Lonavala, India. This Habitat for Humanity program was the launch of an ambitious five-year indiaBUILDS program, which aims to build 50,000 homes throughout India.

## Success Measures

An important indicator of our leadership in the community comes from the recognition of our nonprofit partners.

In 2006, Ajay Banga, Chairman & CEO, Global Consumer Group – International, was elected to the Board of the National Urban League, and Kevin Kessinger, Chief Operations & Technology Officer, Citigroup, to the Board of Habitat for Humanity International. Citigroup's senior management is committed to strengthening communities in which they live and work.

NeighborWorks America honored us with awards for *Most Generous National and Local Contributor*. We also received the *Habitat for Humanity 2006 Cornerstone Partner Award*. We were also proud to be featured in the National Council of La Raza's (NCLR) magazine, *Agenda*.

## 2007 Outlook

Every year I am encouraged by our collective accomplishments and the difference we make in our communities. My team remains committed to working closely with you. We will continue to keep you up-to-date on potential industry issues and share best practices. I know many of you have written to say how useful this has been and we, in turn, appreciate your feedback.

In 2007, let us resolve to seek strategies that further elevate our dialogue. We should continue to recognize that, although we operate in different arenas, we want the same things; we want all families to have the economic and social means to live with dignity and respect. Thank you for your continuing support and we look forward to another productive year in partnership with you.

A handwritten signature in blue ink that reads "Chuck Prince".