

Global Consumer Group Community Relations Update



Let me start by wishing you and your family a very happy New Year. For the communities we all serve, 2007 was a challenging year. In 2008, Citi remains committed to developing industry-leading solutions and programs that benefit our customers and communities.

Transitioning to new leadership

Last December, Citi announced its new leadership naming Vikram Pandit Chief Executive Officer and **Sir Win Bischoff** Chairman. In Community Relations, we also reorganized to better serve our domestic and international constituencies with a more comprehensive One Citi approach.

Preventing foreclosures

The U.S. market continues to suffer depressed housing prices, rising foreclosures, and a mortgage crisis of a magnitude we have not seen before. We recognize the impact of this difficult situation, and are working with leaders in industry, government and communities to find the most appropriate ways to help borrowers.

Last July, we launched the **Office of Homeownership Preservation (OHP)** headed by Natalie Abatemarco. The OHP works closely with Citi businesses to meet the needs of our distressed borrowers, delivering free, on-demand counseling to nonprofit organizations and offering broad-based financial education. For more information please contact the Office at: ohp@citi.com.

Lending best practices

In March, Citi announced two industry-leading changes to its credit cards business practices—the elimination of “universal default” and the “any time for any reason” pricing policy. [Click here](#) to read more.

Building affordable homes

As one of the world’s largest financial services companies, Citi continues to provide capital in a way that is both aspirational and responsible—taking a long-term view of what is in the best interests of our clients and the communities in which we live and work. Over the past few weeks, you have been apprised of recent management changes within Citibank Community Development, now **Citi Community Capital (CCC)**. Should you have any questions or concerns about these changes, please contact us. Let me assure you, that both, CCC and Community Relations, remain focused on working with you to help meet the growing demands for affordable housing.



J.R. Williams, Citi employee and former Habitat home owner, and Kevin Kissinger, Chief Operations & Technology Officer working onsite at JCWP2007, Los Angeles, CA.

In 2007, CCC provided financing up to \$5 billion for affordable housing and community revitalization projects in locations around the country. For instance, we provided Habitat for Humanity New York City, with a \$7.3 million construction loan to support the development of a \$12.97 million condominium project. The project, ‘Atlantic Sherlock Parkway,’ is in the low-income Ocean Hill/Brownsville section of Brooklyn. The units will be sold to families earning less than 80% of the area median income.

Leveraging our partnership with Habitat, more than 300 Citi employees from around the globe volunteered to build affordable homes in Los Angeles as a part of the Jimmy Carter Work Project. In fact, one of our employee volunteers grew up in a Habitat home in North Carolina.

Developing sustainable communities

Sustainable community development rests upon bringing together public, private and community interests through innovative partnerships and by directing investments into traditionally underserved areas. Microenterprise development has existed in the U.S. for decades with the goal of providing small loans (usually less than \$35,000) as well as business training and technical assistance to entrepreneurs. It is the link to business ownership for the underserved, and a way for communities to create jobs. With five or fewer employees, microenterprises are the smallest of small businesses, yet they have a huge impact on the local and national economy.

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"I want to personally say 'thank you' to Citi's management and stockholders. Citi gives new meaning to the words 'great corporate citizen'..."

MAYOR R. BLOOMBERG
NEW YORK
AUGUST 17, 2007

In partnership with the Association for Enterprise Opportunity (AEO), Citi supports an entrepreneur equity award project known as the Women and Company Microenterprise Boost Program. In 2007, this program enabled 125 women from low- and moderate-income (LMI) communities to build and develop small businesses in their community.

In November, Citi made a \$500,000 investment to support two initiatives of the ASPEN Institute's FIELD program, an AEO partner. The Citi Microenterprise Researchers Program is designed to help establish the next generation of leaders in the community development field. Our other initiative, the Scale Academy, is designed to identify business models that have the greatest potential for achieving scale and to provide those businesses with financial and technical support. Eight AEO member organizations were selected to participate in this new project.

Our innovative work with Social Compact and the Partnership for America's Communities has yielded positive results. The Partnership's 2007 "drill down" study of three key marketplaces—Washington D.C., New York, and Houston, Texas—will inform strategies around retail attraction and economic development initiatives, with particular emphasis on highlighting market strengths of underserved neighborhoods in those cities. Phase II of the project will be dedicated to testing such market potential in 10 additional cities. More to come on this exciting new partnership in 2008.

Bringing education home

In 2007, Citi celebrated the third anniversary of our unprecedented ten-year, \$200 million global commitment to financial education. Since 2004, we have invested nearly \$85 million in financial education programs in 72 countries.

In April, the Office of Financial Education released the Commonsense Money Guide for Real People. This book offers effective, easy-to-understand solutions to common financial predicaments. All proceeds benefit financial education initiatives of our community partners. [Click here](#) to order the book at a discount.

Going global

With the expansion of our community partners work across the globe, we were proud to sponsor the seventh International Conference on Financial Services organized by the European Coalition for Responsible Credit (ECRC) in Brussels, Belgium. ECRC is a European network of consumer agencies, academics, and nonprofit organizations that have formed an association to advocate for responsible financial services provision. The U.S.-based National Community Reinvestment Coalition is a partner organization of ECRC and is also a co-organizer of the international conferences.

In June, Citi, Operation HOPE and additional partners announced a commitment to invest \$1 million in a new and innovative public-private partnership. This partnership will enable HOPE to launch its first international program in Johannesburg, South Africa. The goal of the program is to recruit, train and mobilize more than 250 local HOPE Corps volunteers to educate 50,000 South African youth and women in financial literacy, dignity and entrepreneurship over the next five years. The fundamentals of HOPE's award-winning 'Banking on Our Future' program have been customized and localized for the South African community.

Citi continues to be a strong supporter of the Clinton Global Initiative (CGI). Our ongoing commitment focuses on financial education for the poor, the Citi Microentrepreneurship Awards, and a \$100 million Citi/OPIC global microfinance program. In April, we partnered with the Financial Times (FT) to launch a series of advertisements to highlight microentrepreneurs around the world. [Click here](#) to learn more.

We're doing something right...

Last year, we hosted a number of Citi Dialogues across the U.S. that gave me the opportunity to meet with many of you personally. Your guidance and feedback has been instrumental in advising our businesses on the issues impacting communities. I encourage you to continue the dialogues with our community-relations contacts in the state.

In July, Citi received the National Urban League's (NUL) prestigious Donald H. McGannon Award for Corporate Citizenship. This award recognizes our commitment to ideals and beliefs in equal opportunity and dedicated service to the community.

With your assistance, the Community Relations team works hard to ensure that your voice—the voice of the community—resonates throughout the company. We value our partnerships and take seriously your concerns, input and advice. The results are innovative programs and solutions that help all of us achieve our mission to make communities better because we are there.

Regards,



Eric Eve
Head of Community Relations, Citi