

Giving Back Through the Citi Foundation



The Citi Foundation is committed to the economic empowerment of individuals and families, particularly those in need, in the communities where we work so that they can improve their standard of living. We fulfill this mission by providing grant support for programs that are aligned with our priority funding areas, promote collaboration and effective use of philanthropic resources, engage our employees and demonstrate impact and positive outcomes.

Priority funding areas

The Citi Foundation focuses its strategic giving on:

- **Microfinance and Microenterprise** to help individuals and families improve their lives through economic self-sufficiency and reduce financial vulnerability
- **Small and Growing Businesses** to create employment opportunities and support broad economic growth
- **Financial Education and Asset Building** to help individuals and families gain the knowledge and ongoing support they need to achieve financial stability
- **Education** to help improve the quality of and access to primary

and secondary education internationally, and programs in the United States that increase the number of low-income students who enroll in postsecondary education and earn a degree

- **Community Development** in the United States and Canada, with a focus on revitalizing neighborhoods and creating economically vibrant communities
- **The Environment**, by working with our partners in Microfinance and Microenterprise, Small and Growing Businesses and Community Development to support environmental innovations and embed a “green” component within key areas of their work

Foundation Giving

2008 — \$89.9 million

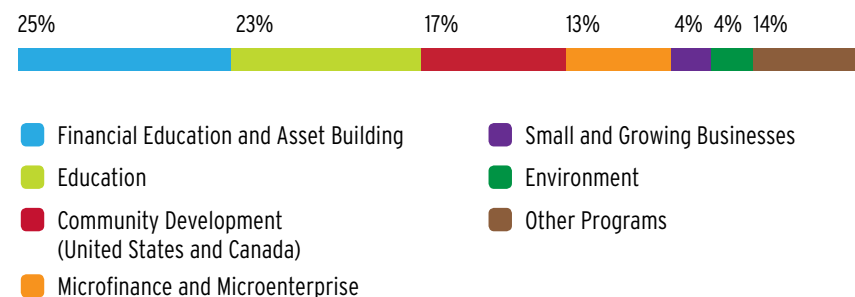
2007 — \$95.6 million

2006 — \$92.9 million

43 percent of Foundation grants in 2008 were targeted to programs outside of the United States.

Programs in **89 countries and territories** received Foundation grants in 2008.

2008 Foundation Giving by Focus Area



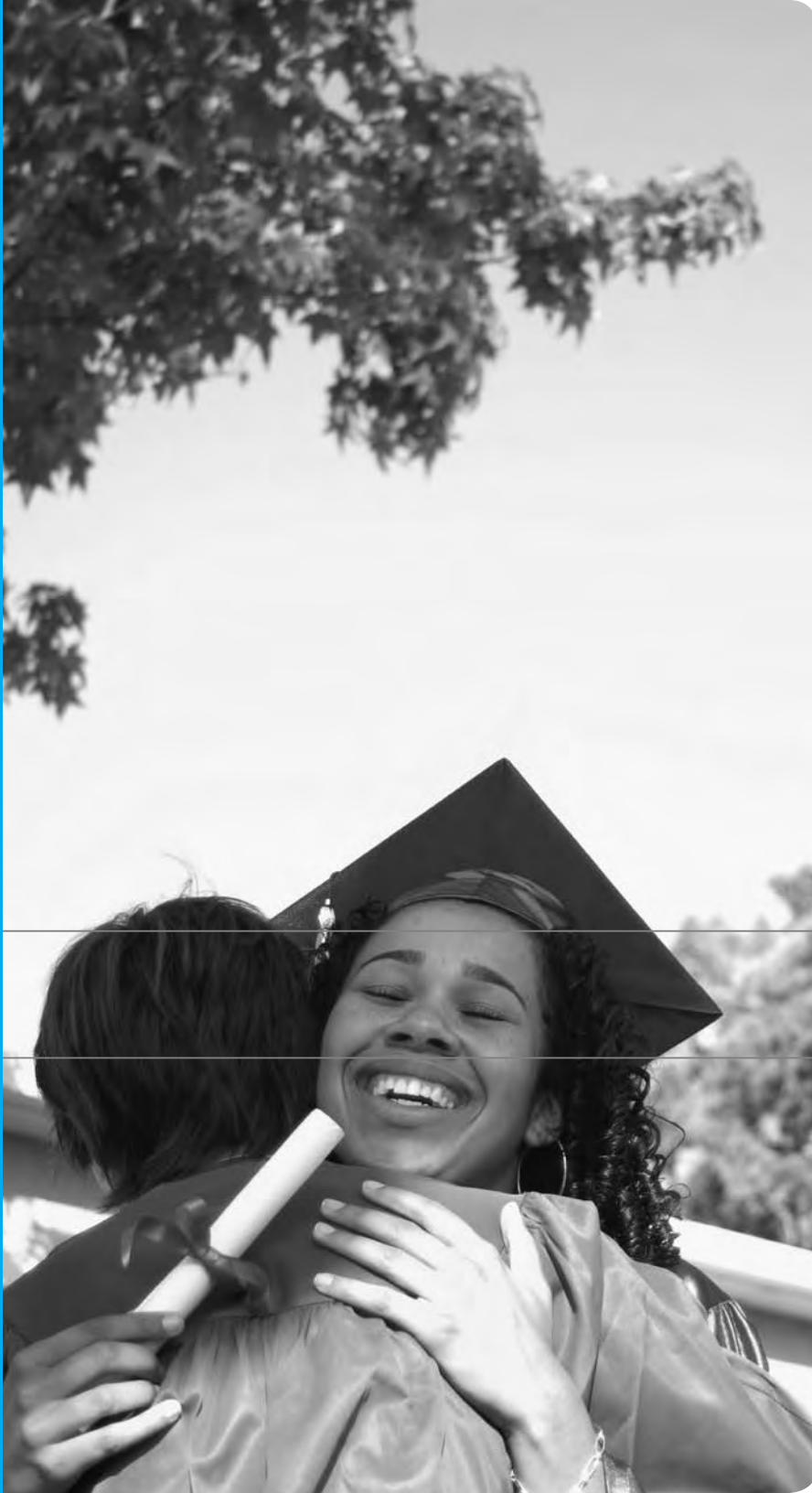
Citi Foundation: Changing the Way We Work

	2008 Results	2009 and Beyond Goals
Focus	Eliminated hundreds of small and off-target relationships to free up resources for more focused and high impact grants in our priority funding areas. In 2008 increased strategically focused grantmaking to 86 percent	<ul style="list-style-type: none"> • Continue focus on economic empowerment strategy and priorities • Exit remaining non-strategic relationships
Innovation	Launched innovative grants programs, including Citi's Building Bridges to College and Career initiative and Arc Finance, a sustainable energy and microfinance network. Expanded the geographic scope of the Self-Employment Tax Initiative	<ul style="list-style-type: none"> • Expand Citi's Building Bridges to College and Career effort • Continue to expand efforts to promote self-employment in connection with asset-building • Continue to seek out and support innovations in environmentally sustainable micro and small enterprises
Measuring Impact	Engaged in impact measurement of significant grant initiatives or priorities including Citi's Postsecondary Success Program, the Citi Network Strengthening Program and the Global Financial Education Program	<ul style="list-style-type: none"> • Implement comprehensive and consistent new impact measurement system across all Citi Foundation grants
Collaboration	Joined three funder collaboratives: Living Cities, Consultative Group to Aid the Poor and the Aspen Network for Development Entrepreneurs	<ul style="list-style-type: none"> • Leverage newly formed relationships to develop co-investment opportunities • Develop strategic partnerships with other funders through convenings, events and conferences in support of economic empowerment initiatives
Knowledge-Building	Convened internal and external partners through events such as the Citi-FT Financial Education Summit 2008 and the REO working group meeting	<ul style="list-style-type: none"> • Host external convenings on priority funding areas • Create an internal community of learning and best-practice sharing
Efficiency	Reduced grant review, vetting and payment cycle times for all grants. In 2008 only 32 percent of grants took longer than 90 days compared to 53 percent in 2007	<ul style="list-style-type: none"> • Provide ongoing training and feedback to internal partners on best practices in grantmaking • Continue to reduce grant-processing cycle times

Managing for excellence

In 2008 the Citi Foundation established a set of goals to drive a more focused and strategic approach to our philanthropic mission of economic empowerment. The objective of this rigorous self-evaluation and goal-setting process was to ensure that every dollar we grant generates the greatest measurable impact.

Our six new operational goals will guide our efforts and move us toward greater innovation, collaboration and knowledge-building across all of our core funding areas. These synergies will lead to more effective outcomes, greater outreach and sustainability among our grantees, the development of strategic partnerships with other funders and deeper understanding of effective methods and best practices in the field.



College graduates earn, on average, \$1 million more over their lifetime than high school graduates.

Education

One of the greatest predictors of household economic success is access to a high-quality education. Furthermore, young people who reach higher levels of academic achievement are much better positioned to contribute to the broader economy as adults. Consequently, the Citi Foundation supports programs that:

- increase access to high-quality primary and secondary education, especially in countries where limited educational opportunities are a barrier to future academic and economic success;
- build awareness of postsecondary education opportunities;
- increase academic readiness for college-level work;
- assist students through the college search, application and financial aid process;
- provide information to families about saving for and financing a college education; and
- build the next generation of financial services industry leaders.

“The Citi Foundation grant will strengthen our partner schools’ ability to provide the curriculum, peer and educator training and performance management systems to not only increase the financial literacy of students, but to actually drive student behavior so that they apply for financial aid on time, get the assistance they need and enroll in college.”

J.B. Schramm

Founder and CEO of College Summit

Building Bridges to College and Career Initiative

In 2008 we invested more than \$13.2 million to establish and launch a new strategic focus within education, titled Building Bridges to College and Career. This initiative will increase access to and success in postsecondary education for low-income and first-generation students by supporting efforts that address the multiple barriers linked to college enrollment and earning a degree. Grants supporting the initiative include the following:

College Summit

Since 1993 College Summit has served more than 35,000 low-income students and has raised school-wide college enrollment rates by more than 15 percent by providing basic tools to build high schools’ capacity to transition students to college.



Education

The Citi Foundation provided a \$1 million grant in 2008 to College Summit. The grant will help increase the college enrollment rate of low-income youth by supporting the expansion of College Summit in seven markets. It will also support the development of a financial education curriculum for College Summit’s year-long course for high school seniors that helps students explore financial aid options and learn how to manage their personal finances. All 17,000 students that College Summit expects to serve in the 2009/2010 school year will benefit from this curriculum enhancement.

Advancement Via Individual Determination (AVID)

The Citi Foundation provided \$200,000 in funding to AVID to design and test an innovative program model known as Up Where

You Belong. This program aims to increase the college enrollment and success rate of African-American males who want to go to college but are not achieving at the level needed to reach that goal. AVID places these students in college preparatory classes and provides social and academic support, including a daily class that teaches study skills; tutoring; and course curricula that stress writing, reading and teamwork. AVID currently partners with 3,500 schools serving 300,000 students in 45 states. Over the course of 2009, the Up Where You Belong program will be piloted in six markets across the country.

Each year, more than 200,000 low-income high school graduates who are capable of success in college do not enroll.



Citi Postsecondary Success Program

The Citi Foundation, in collaboration with the Academy of Educational Development (AED) and the Public Education Network (PEN), launched a five-year, \$5.1 million Citi Postsecondary Success Program to build community-wide partnerships to address barriers to college enrollment and the successful completion of a degree program.

This significant investment—the largest in our college access and success portfolio—builds on the Foundation's 20-year support of educational programs to improve student achievement and the overall quality of instruction.

Through the program, we are seeking to generate a dramatic and sustainable increase in the number of low-income and first-generation

students who enroll in and complete a college-level degree program. We will also measure and share replicable and scalable collaborative models created through the program with educators, public officials, policy-makers and other key stakeholders.

Supporting education around the world

The Citi Foundation maintains a portfolio of international grants to support primary, secondary and postsecondary education. Some examples include:

- **Brazil:** Paulista Professionalization Institute (IPP) – Preparing low-income high school students for the job market.
- **Indonesia:** Hope Worldwide, Ltd. Citi Success Fund – Grants to teachers for creative projects that improve student achievement and build awareness of social and environmental issues.
- **Uganda:** Private Education Development Network, Newspapers in Education – Program to help low-income primary school children improve basic literacy skills and connect to current events via distribution of free newspapers.
- **United Kingdom:** Teach First Citi English Fellows Program – Program to attract, train, place and support top graduates from leading UK universities to work as teachers in challenging inner-city schools.

Citi Postsecondary Success Program

- **5-year, \$5.1 million initiative**
- **3 cities** in the United States (Philadelphia, Miami and San Francisco)
- Expected to reach **56,000 students**
- **Goals:**
 - 10 percent more students will apply and be accepted to college
 - 100 percent of those applying will be accepted
 - 100 percent of those applying will complete a financial aid application
 - 70 percent will complete their first year of postsecondary education
- **A \$1.5 million companion grant** to the OMG Center for Collaborative Learning, an independent third-party evaluator, will fund efforts to track progress toward the goals of the Citi Postsecondary Success Program. www.citipostsecondary.org

MICROFINANCE AND MICROENTERPRISE

Access to financial services such as microcredit and savings, insurance and remittance products can help the poor to increase income, build viable businesses and reduce financial vulnerability. Microfinance and microenterprise development are recognized for their effective roles as instruments of change, empowering individuals to become economically self-sufficient through self-employment.

The Citi Foundation supports programs that help launch and grow microbusinesses and increase self-employment opportunities for low-income populations. Additionally, we support microfinance institutions (MFIs) in their efforts to achieve scale and long-term financial and environmental sustainability.

Citi Network Strengthening Program

The Citi Network Strengthening Program is a three-year, \$11.2 million international grant program launched in 2007 in collaboration with the Small Enterprise Education and Promotion Network (SEEP) and 12 regional and country-based microfinance networks. These networks represent 63 countries, over 1,400 MFIs and microfinance organization members and more than 25 million clients. The goal of our funding is to build the capacity of network members to help the industry reach greater scale, facilitate the provision of microfinance globally and integrate microfinance into the mainstream financial services industry across the developing world.

In the first year of the program, each of the 12 networks engaged in self-assessments and local industry assessments, developed strategic business plans and established goals and milestones. The second year of the program will emphasize peer learning, provision of specific technical assistance and the launch of impact metrics that will measure overall network success.

The program has already led to a number of significant outcomes:

- As a result of the **Pakistan Microfinance Network's** advocacy efforts, the State Bank of Pakistan launched a Microfinance Credit Guarantee Facility (MCFG) to smooth the flow of liquidity to MFIs. The MCFG ensures that 40 percent of funds provided by banks to

liquidity-starved MFIs are repaid in case of default.

- In August 2008 the **Banking With The Poor Network** convened the first Asia Network Summit, bringing together more than a dozen national and regional microfinance networks as part of a long-term plan to facilitate greater communication between national microfinance networks in the Asia Pacific Region.
- **ProDesarrollo** in Mexico has engaged in an intense advocacy process to position the network as the key representative voice of the Mexican microfinance sector. ProDesarrollo has led the introduction of a legislative reform initiative to mainstream microcredit in Mexico, established mechanisms to identify actors within the sector and set an enabling regulatory environment for the industry.
- In 2008 as part of its efforts to expand access to financial services in Russia, the **Russian Microfinance Center** (RMC) opened three regional offices in the Kabardino-Balkaria Republic, Ural and the Far East.

Asia Microfinance Forum 2008

In August 2008 the Citi Foundation sponsored the second Asia Microfinance Forum in Hanoi, Vietnam. The event was held in

partnership with the Banking With The Poor Network and the Foundation for Development Cooperation, and focused on the challenges and innovations that will have the greatest impact on microfinance in the coming decades, especially in Asia. The Forum was highly successful, attracting more than 500 participants from 50 countries, including more than 100 microfinance practitioners from Vietnam.

“With funding from the Citi Foundation, we are thrilled to have completed our mission of opening three branch offices in our efforts to expand access to financial services in hard-to-reach areas of Russia.”

Mikhail Mamuta

President,
Russian Microfinance Center

SMALL AND GROWING BUSINESSES

Small businesses are a powerful driver of economic growth and job creation around the globe. In order to succeed in a rapidly changing global economy, these small enterprises must focus beyond capital and technical assistance and address issues such as environmental sustainability, growing resource scarcity, changing business practice standards and shifting regulations.

The Citi Foundation supports small and growing businesses by funding programs that provide them with access to technical assistance and investment capital and by helping them to adopt new models for achieving financial and environmental sustainability. We are particularly focused on activities that support sustainable enterprise development which generate “triple bottom line” economic, environmental and social benefits.

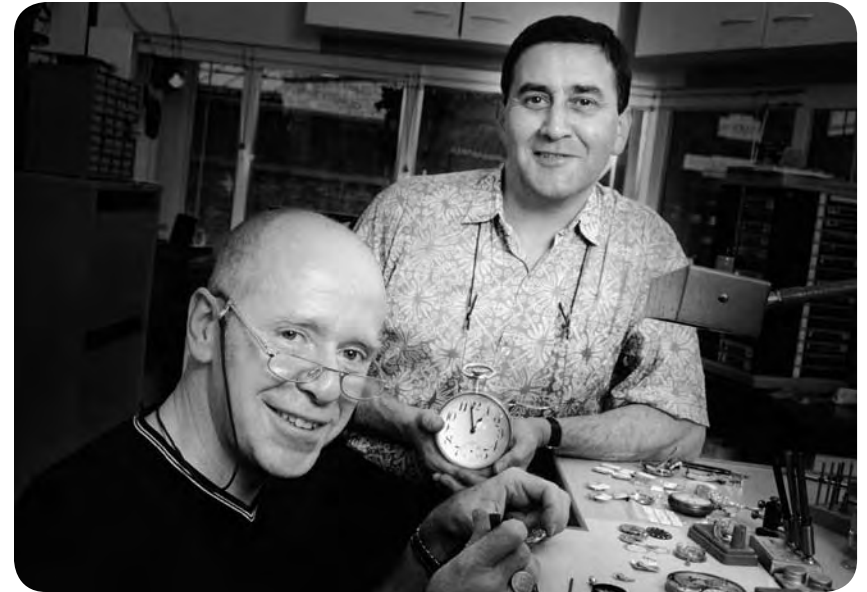
WRI New Ventures program

In 2002 the World Resources Institute (WRI) developed and launched the New Ventures program to support entrepreneurs who incorporate unique social and environmental benefits in their “green sector” enterprises. WRI works with local partners to identify and select promising enterprises for business mentoring, workshops, outreach and investor showcasing.

The Citi Foundation is proud to continue its funding of the WRI New Ventures program in China

and Indonesia and the scale-up of the program into Brazil, Central America, Colombia and India. We invested \$500,000 in the initiative in 2008, helping WRI

- mentor 60 small and growing enterprises for presentations at Investor Forums;
- hold six Investor Forums that convened 600 to 700 participants;
- offer 18 business skills workshops to a total of 500 participants; and
- catalyze \$25 million in investments.



Sustainable Jobs Fund

The Citi Foundation has supported Sustainable Jobs Fund Advisory Services (SJF), the non-profit arm of SJF Ventures, since its inception in 2001. SJF aims to help sustainable enterprises in the United States generate greater employment opportunities in economically distressed or underserved areas, support the creation of quality jobs with skill- and wealth-building opportunities for low-income individuals and encourage environmental improvements through innovations in sustainable enterprise.

In 2008 the Citi Foundation provided funding for the launch of SJF's Sustainable Enterprise Initiative, which serves as a bridge between the sustainable enterprise, community development and the finance sectors by providing research, technical assistance, educational webinars and industry convenings.

FINANCIAL EDUCATION AND ASSET BUILDING

Critical factors in attaining economic success are the ability of individuals to establish financial plans, maintain financial goals and develop strategies for preserving their financial position during times of both economic prosperity and instability. The Citi Foundation supports programs that provide individuals with access to knowledge and incentives that help them take control of their financial future by making informed decisions, acquiring and preserving financial assets and responding to major life events that can affect income and expenses.

Recognizing that consumers have different financial priorities at different stages of their lives, the Citi Foundation supports programs that reflect the differing needs, levels of understanding and learning styles of youth, adults and families in order to achieve greater scale and effectiveness. Through our grants, we look to track not only whether individuals gained mastery of financial education topics, but also whether this knowledge resulted in beneficial economic outcomes.

ABCs of Finances: a nationwide educational portal for Russia

The Citi Foundation is committed to exploring innovative ways to deliver financial education at greater scale through the use of technology. We are a major funder of the first nationwide education web portal in Russia, "ABCs of Finances," that focuses on the basics of personal finance for the Russian population. The website has been developed and launched in partnership with the Government of the Russian Federation including the Russian Ministry of Finance, State DUMA, Agency of Credit Insurance, National Bureau of Credit Histories, All-Russia Society of Customer Rights Protection, Federal Antimonopoly Service and the

National Agency of Non-Governmental Pension Funds.

Additionally, our funds are supporting the publication of two financial education guides that will be disseminated in several Russian regions: Nizhny Novgorod, Volgograd, Rostov-on-Don, along with related financial education outreach programs such as lectures, trainings and workshops. The program expects to reach more than 100,000 students, 60,000 adults, 500 educators and 300 NGOs and organizations over the next 12 months.

Research Foundation of the State University of New York (SUNY), Financing Your Independence program

The Citi Foundation provides funding to SUNY's University Center for Academic and Workforce Development's Financing Your Independence program. This highly effective program, which is based on Citi's Financial Education Curriculum, provides classroom instruction in four core areas of financial education: income, money management, spending and credit, and savings and investing. The primary goal of the Financing Your Independence curriculum is to provide students with sufficient knowledge and skills in personal finance to equip them to take

responsibility for their own economic stability.

Over the past five years, this program has successfully reached over 6,000 students at six SUNY Educational Opportunity Centers. Upon completing the program, students reported that they were more confident about their own financial management skills and their ability to plan for their futures: 66 percent of students reported success in managing their money, 68 percent were reviewing their credit reports on a regular basis, 79 percent were paying their bills on time, 86 percent were saving money for emergencies and 73 percent were improving their spending habits.



COMMUNITY DEVELOPMENT

The Citi Foundation is committed to maintaining economically vibrant and environmentally sustainable communities in the United States and Canada through the development or preservation of affordable housing for low- to moderate-income individuals, revitalization of underserved neighborhoods including rehabilitation of commercial corridors and/or the development of community facilities such as charter schools and community centers.

Additionally, the Citi Foundation is committed to building the capacity of community development organizations to better serve their communities through management training and technical assistance. The organizations typically supported by the Citi Foundation are non-profit community development corporations (CDCs), community development intermediaries and community development financial institutions (CDFIs) whose programs build and revitalize neighborhoods leading to economic growth and stability in the communities they serve.

Citi Foundation Partners in Progress Grant Program

The Partners in Progress (PIP) Grant Program was started in 1997 to help leading community organizations implement physical development or the revitalization of underserved areas. While PIP originally only encompassed New York-based and regionally based grants, in 2008 the Citi Foundation expanded PIP to a \$2.1 million national program. We provided grants of \$100,000 to local community development organizations in 20 urban communities across the United States.

These grants are funding innovative, physical development and rehabilitation projects that champion the long-term or large-scale revitalization of low- and moderate-income communities. Of the 21 projects selected, more than half include environmental sustainability as a critical aspect of the initiative and one-third include transit-oriented developments.

ENVIRONMENT

In the Citi Foundation's priority focus areas of Microfinance and Microenterprise, Small and Growing Businesses, and Community Development, we strive to partner with organizations to support environmental innovations, providing the financial and technical resources required to embed a "green" component within key areas of their work.

E+Co / Arc Finance

More than 1.6 billion people around the world do not have access to electricity and more than 2.4 billion people cook with traditional fuels like wood, dung and charcoal. Despite the urgent need to slow climate change, 80 percent of people in most developing countries cannot afford the high up-front costs associated with cleaner, more efficient energy technologies.

In response to this dilemma, in 2007 the Citi Foundation provided seed funding to E+Co to launch Arc Finance, a global center of expertise and knowledge-building designed to develop microfinance products to help poor people gain access to clean energy services. To date, we have provided \$675,000 to Arc Finance in support of its transition

to an independent non-profit; to continue its work of originating transactions that initiate, strengthen and finance existing energy lending programs; and to develop a communications strategy to link finance with energy for the poor.