

Eric Eve
Senior Vice President
212.559.1578

Natalie Abatemarco
Vice President & Director
Global Community Programs
212.559.6960

Heidi Coppola
Vice President & Director
Public Policy &
Issue Management
212.559.6859

Shamina Singh
Vice President & Director
Strategic Planning &
Communications
212.559.6859

Terri Thomson
Vice President & Director
Community Relations
& State Civil Affairs
212.559.5256

You may contact us
via e-mail at:
communityrelations
@citigroup.com

2016100484 CCG Communication Services, CBLLC19



Dear Community Leader:

Citigroup continues to play a leadership role in the financial services arena. Recently, we were one of two large financial services companies that participated in a roundtable conference focused on issues related to underbanked and underserved communities. As community leaders know, having worked with her over many years, Natalie Abatemarco has driven our proactive efforts to identify barriers to access, and develop effective distribution channels. The **American Banker** discussed these efforts with her in a recent article dealing with this topic. Natalie, VP of Global Community Programs, has been instrumental in raising awareness and developing solutions related to the underserved and it gives me great pleasure to share this article with you. I hope you enjoy the article and look forward to your feedback.

Eric V. Eve

Eric Eve
Senior Vice President
Global Consumer Group Community Relations

WASHINGTON—Opinion Posted

Debbie Wright, the chairman and chief executive officer of Carver Bancorp Inc., would like politicians in New York to pay attention to the financial burden the Sarbanes-Oxley Act of 2002 places on small companies.

Ms. Wright wrote an opinion piece in the New York Post Monday to highlight the burden on companies such as the \$654.6 million-asset, New York-based Carver.

“Congress should revisit Sarbanes-Oxley, protect small companies from its excessive requirements, and remove those provisions that make American business and our stock exchanges less competitive in the international marketplace,” she wrote.

Ms. Carver is not alone in voicing this concern. Some bankers and analysts have even suggested that the cost of complying with the law could force community banking companies to sell. And in an interview Thursday, Ms. Wright said that some could even opt to go private, which would have a negative impact on local ownership.

Carver went public in 1996. “But if we had foreseen the regulatory burdens that have been thrust on public companies after the Enron scandals, we would never have made this move,” Ms. Wright wrote in the article.

Carver has no plan to sell or go private, though Ms. Wright said she would not rule out either option. “There is a lot of value in our independence,” she said, but added: “It’s hard to find banks of our size in our city and our state.”

Asked about feedback on her opinion piece, Ms. Wright said, “I think people got it.” Local business leaders and some “politicians in our geography, who wouldn’t normally think about this,” called or wrote, she said in the interview.

For example, Rep. Greg Meeks, D-N.Y., from the borough of Queens, where Carver has branches, has responded to Carver’s concerns, Ms. Wright said.

Rep. Meeks did not respond to a call seeking comment.

Rep. Tom Feeny, R-Fla., and Sen. Jim DeMint, R-S.C., introduced legislation in May to address concern about Sarbanes-Oxley’s financial impact on small banks, but it did not pass this year.

Rep. Meeks is already a co-sponsor of the bill, said Jameel Aalim-Johnson, his chief of staff, who applauded Ms. Wright’s piece. A bank’s regulatory reports might prove a substitute for some of the SOX requirements, he said.

Underbanked

Wells Fargo & Co. and Citigroup Inc. are the only large banking companies participating in a roundtable group aimed at reaching the underbanked and helping them gain access to financial services.

In an interview Oct. 4, Natalie Abatemarco, the director of global community programs at New York-based Citigroup, said, "This sort of a roundtable will help us to assess needs, to identify the language and cultural barriers that are keeping the unbanked from the products and services we offer, and...identify distribution channels so we are able to expand products and services to the unbanked and the underserved."

Wells, a San Francisco banking company, and Citigroup, along with H&R Block Inc. in Kansas City, Mo.; the credit bureau Experian Inc. in Nottingham, England; and eFunds Corp., a Scottsdale, Ariz., electronic payments technology company, became inaugural members last month of the Center for Financial Services Innovation's Innovators Roundtable. The center is a Chicago nonprofit working on problems facing underbanked consumers.

"We were looking for progressive ways to meet all of our customers' financial needs, with a particular emphasis on making credit more accessible," said Michelle Scales, the director of diverse-growth segments at Wells Fargo and the company's roundtable representative, in an interview Oct. 5.

Ms. Scales and Ms. Abatemarco said they hope that by working collaboratively through the roundtable, the industry can more quickly develop ways to reach the underbanked. The group needs to identify characteristics of underbanked people, Ms. Scales said, and develop alternatives to traditional credit scoring.

© 2006 American Banker and SourceMedia, Inc. All rights reserved.

<http://www.americanbanker.com> <http://www.sourcemedia.com>