

DIVERSITY

Our commitment is our promise

Diversity Annual Report 2006



Our Shared Responsibilities

WE HAVE A RESPONSIBILITY TO OUR CLIENTS

We must put our clients first, provide superior advice, products and services, and always act with the highest level of integrity.

WE HAVE A RESPONSIBILITY TO EACH OTHER

We must provide outstanding people the best opportunity to realize their potential. We must treat our teammates with respect, champion our remarkable diversity, share the responsibility for our successes, and accept accountability for our failures.

WE HAVE A RESPONSIBILITY TO OUR FRANCHISE

We must put Citi's long-term interests ahead of each unit's short-term gains and provide superior results for our shareholders. We must respect the local culture and take an active role in the communities where we work and live. We must honor those who came before us and extend our legacy for those who will come after us.

Message from our **CHAIRMAN & CHIEF EXECUTIVE OFFICER**



**THE PROMISE OF CITI IS DELIVERED
IN PART THROUGH THE POWER OF
OUR DIVERSITY.**

Every employee's unique perspective helps shape our culture and enhances the Citi experience for our clients and for the rest of our 325,000 employees.

Our clients understand that we are committed to having a diverse workforce that is 98 percent local in the more than 100 countries in which we operate.

Our employees understand that we are committed to fostering a culture where the best people want to work, where people are promoted on their merits, where we value and demand respect for others, and where opportunities to grow and excel are widely available.

And our franchise represents a commitment to transferring knowledge and people around the world so we can better serve our millions of clients and support the thousands of communities where our employees live and work.

Our commitment is our promise. Diversity is one of our most potent competitive advantages and, by any measure, a diverse workforce understands clients better and is more creative and innovative on their behalf. In turn, this translates into greater market share and greater returns for our shareholders.

As this report demonstrates, in 2006 we made great progress instilling the principles of diversity and inclusion throughout our company. We are proud of our record of accomplishment in this important area, and we believe more than ever that our diversity is a key factor in achieving our goal to be the most respected global financial services company.

Sincerely,

A handwritten signature in black ink that reads "Chuck Prince". The signature is fluid and cursive, with the first name "Chuck" and last name "Prince" clearly distinguishable.

CHUCK PRINCE

Message from our **CHIEF DIVERSITY OFFICER**



**DIVERSITY AT CITI IS A COMMITMENT—
TO OUR EMPLOYEES, OUR CLIENTS,
OUR BUSINESS PARTNERS, AND OUR
COMMUNITIES.**

In 2006, Citi continued to make strides in its diversity efforts. Our Chairman and CEO, Chuck Prince, and our Business Heads reported on diversity to our Board of Directors, and senior management conducted quarterly reviews of workforce diversity.

Results from our core partnerships have been excellent, and we continue to foster employee engagement in different ways: Among other initiatives, our employee network program grew to 36 networks and our global women's initiative was launched and successfully championed through our 43 local women's organizations around the world. Our efforts in Supplier Diversity resulted in more than \$1 billion in spending with business enterprises owned by minorities, women, veterans, and people with disabilities—an increase of 250 percent over the last five years.

Citi's diversity efforts were again recognized in 2006. Among other global diversity awards, in the U.S., Citi was named for the 16th time to the list of "100 Best Companies for Working Mothers" by *Working Mother* magazine. Citi was also named to *DiversityInc* magazine's list of best companies for diversity and received a 100 percent ranking on the Human Rights Campaign's Corporate Equality Index. In the United Kingdom, Citi won the Women of the Future Award for the Coaching for Success Programme, which recognizes the organization that best supports and fosters aspiring women.

Citi's progress on diversity is the result of the efforts of our employees. We are grateful to them for committing their time and talent to strengthen diversity and inclusion as core values of our company.

Sincerely,

ANA DUARTE McCARTHY

Employer

For our employees,
we want to be the employer of choice.

Citi values a work environment where diversity is embraced, where people are promoted on their merits, and where people treat each other with mutual respect and dignity. Around the world, we are committed to being a company where the best people want to work; where opportunities to develop are widely available; where innovation and an entrepreneurial spirit are valued; and where employees are encouraged to fulfill their professional and personal goals.

MANAGEMENT ACCOUNTABILITY

At Citi, diversity is a core component of our management practices. Citi businesses and managers develop annual diversity plans and are held accountable for progress against those plans. Diversity reviews are held quarterly and culminate in an annual review of our franchise efforts with our Board of Directors. In 2006, 155 diversity reviews were conducted in our businesses.

Management Committee members attend diversity training and serve as mentors to employees in the company. They are also encouraged to be involved personally as business champions of diversity initiatives, including diversity councils and employee networks. Senior managers' diversity efforts are linked to compensation and are part of the annual performance appraisal process.

We also hold ourselves accountable for staying abreast of diversity trends. Working with outside organizations who seek to foster diversity and inclusion—such as Catalyst; the Center for Work Life Policies; Diversity Best Practices; The Executive Leadership Council; the Families and Work Institute; Gender Public Advocacy Coalition; Hispanic Association on Corporate Responsibility; the Human Rights

Campaign; Opportunity Now; the National Business & Disability Council; and Stonewall, among others—we inform and continually develop our strategy. Through our collective work, we promote diversity across industries as a key business imperative.

DIVERSITY COUNCILS

The Diversity Operating Council and our local diversity councils are key components in realizing Citi's overall diversity strategy.

The Diversity Operating Council is composed of senior diversity and Human Resources leaders from core businesses and regions. The council meets to review progress against our strategy, share best practices, and align policies globally. We continued to develop, promote, and execute our global diversity initiatives through the business diversity councils, which focus on dimensions of diversity such as disability, ethnicity, gender, race, and sexual orientation. In 2006, as an indication of our regional expansion, representatives from all Citi businesses and countries across the Latin America region came together to launch the Latin America Diversity Committee and Advisory Council.



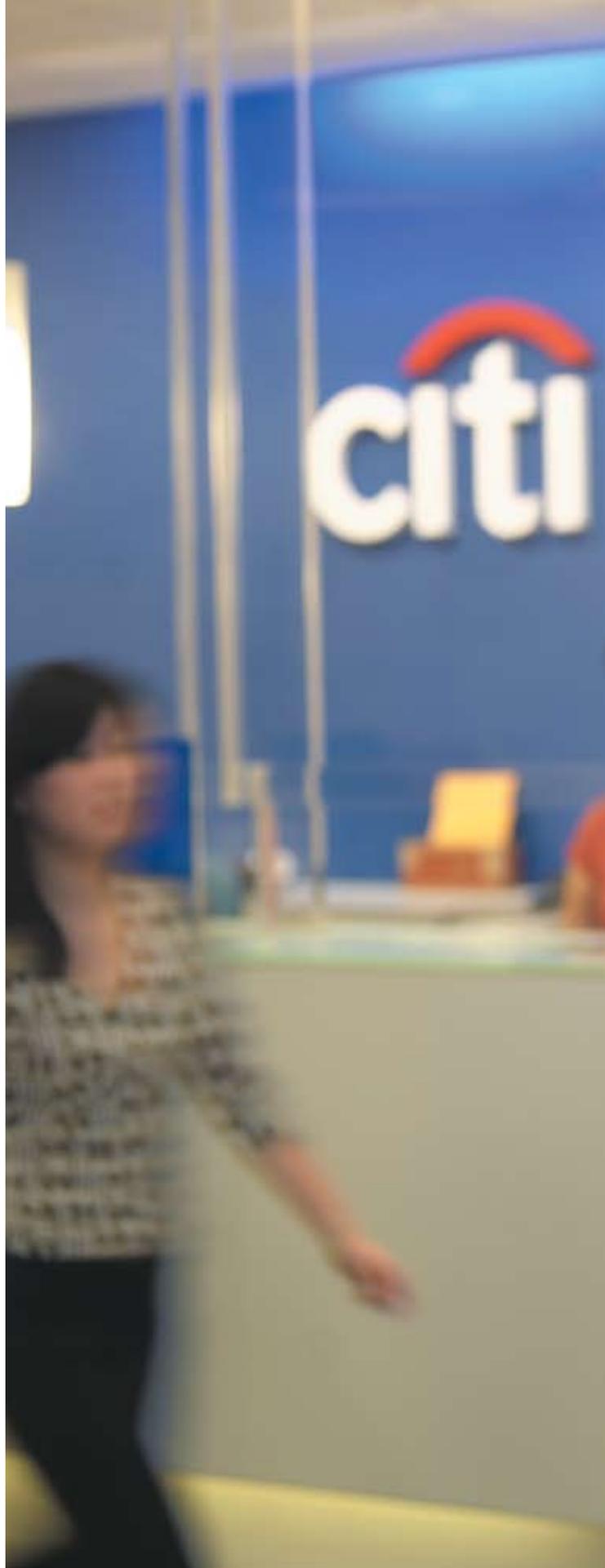
Citibank serves clients from every walk of life, every background, and every origin.

Having employees in our bank branches who reflect the communities where we work helps ensure that we can relate to and support each and every client.

Among the many ways Citibank provides a superior client experience: We offer service in myriad languages and give clients a wide choice of channels through which to reach us—whether in our branches, online, through our ATMs, or over the phone. At our World Headquarters branch in New York, our employees speak 23 languages, so clients feel truly welcome and understood.

For our employees, the fact that we are a global financial services company provides career opportunities. We actively work to support developmental opportunities worldwide whenever possible. We also attract individuals who may have a desire to return to their native country, or desire to have a global work experience.

Consciously building teams and a client base that is global and diverse provides benefits to our communities and individuals and, of course, is a true competitive advantage.





MAURY MARKOV President, Citibank North America, Global Consumer Group

ATTRACTING TALENT

Attracting and retaining diverse graduate, professional, and undergraduate talent ensures a leadership pipeline that reflects our clients and the communities where we do business around the world.

In 2006, we continued to strengthen relationships with our longtime association partners while working to develop new relationships at select graduate and undergraduate schools. Building successful relationships with the career placement offices at these schools has been instrumental in our efforts to champion diversity as we recruit top talent.

We are working to ensure that our workforce—at all levels—is representative of the diverse populations we serve, and that we develop a diverse pool of candidates for all management and professional opportunities.

ATTRACTING DIVERSE GRADUATES AND PROFESSIONALS

Since 1995, we've cultivated cross-business sponsorships with two national U.S. partners, the National Black MBA Association (NBMBAA) and the National Society of Hispanic MBAs (NSHMBA).

At the 2006 NBMBAA conference, Citi held information sessions throughout the conference and recruiters from our leadership programs conducted on-site interviews. The program culminated with a networking event for attendees and business representatives.

At the 2006 NSHMBA conference, along with on-site interviews, Citi's Global Consumer Group and Global Wealth Management businesses sponsored the NSHMBA Finance Case Competition, in which five MBA schools competed. Each team was given a case scenario taken from the Citi Cards business and asked to present a solution to the posed challenge. A panel of judges from Citi evaluated each solution; they selected the team from Georgia Technical University as the 2006 winner.

Our participation in both conferences resulted in 25 candidates being hired at Citi—13 from NBMBAA and 12 from NSHMBA.

Since starting our partnership with Management Leadership for Tomorrow (MLT) in 2003, we have made significant progress in developing innovative strategies and a cross-business partnership with the goal of creating a diverse pipeline of talent at all levels of the educational spectrum.

As part of MLT's XL program, Citi's financial education curriculum now reaches more than 6,000 high school students via an online career mapping system.

MLT is also working with Citi to recruit undergraduate and graduate students. In 2004, Citi and MLT partnered to develop the curriculum for a program called "Boot Camp." In 2006, the program attracted 135 pre-MBA students, up from 91 in 2005. These students attended day-long training sessions and had the opportunity to interact with senior leaders from the company.

As a result of our MLT partnership, Citi hired 33 individuals, including 19 undergraduate interns, 12 summer associates, and two full-time associates.

ATTRACTING DIVERSE UNDERGRADUATES

In 2006, Citi continued its partnerships of more than 20 years with INROADS and the Sponsors for Educational Opportunity (SEO), and began a structured development program in Brazil in partnership with the Universidade Zumbi dos Palmares (UniPalmares).

INROADS and SEO provide a mix of undergraduate talent for our summer internship programs. This year, we sponsored 70 INROADS interns in various U.S. metropolitan areas and Mexico, and INROADS recognized Citi with its National Retention Award for retaining the highest percentage of INROADS interns.

In 2006, 46 SEO interns worked in Markets and Banking offices in Hong Kong, London, and New York City. Launched in the U.S. in 1980—with Citi as a founding member—the SEO Career Program has been an effective source of diverse undergraduate candidates. Twenty-eight graduating SEO interns accepted full-time jobs and will join more than 60 SEO alumni already working at Citi. In addition, Citi was proud to join with many of SEO's Wall Street partner firms to provide financial support to assist SEO in securing a permanent headquarters.

In Brazil, we launched a new partnership with UniPalmares. In 2006, students from UniPalmares in São Paulo began internships at various Citi Brazil businesses: CitiFinancial, the Citi Private Bank, Credicard Citi, Markets and Banking, and the Retail Bank. The program provides an excellent opportunity to identify diverse undergraduates; Citi's goal is to hire 50 percent of the interns as full-time employees.

ATTRACTING PEOPLE WITH DISABILITIES

Markets and Banking is a sponsor of an innovative internship program through The Rochester Institute of Technology's National Technical Institute for the Deaf (RIT/NTID) in New York. The RIT/NTID is the world's first and largest technological college for deaf and hard-of-hearing students. The internship program has grown from an inaugural class of six students placed within Finance to a class of 15 students placed across Finance, Operations, Technology, Human Resources, and Equities. The eight-week program gives interns the chance to learn from their managers and mentors, garner corporate experience, network with individuals in their fields of interest, and pursue career placement opportunities.

In Mexico, Banamex launched joint alliances with the Mexican government and two nonprofit institutions—the Humanistic Foundation for People with Disabilities and the Manpower Foundation—to help place people with disabilities in jobs where they learn marketable skills and develop their talents.

MICHAEL J. SHARP General Counsel, Global Wealth Management





We started the CitiSelect program last year as a way to bring new and diverse legal talent into the company, by finding smart and driven individuals while they are still in law school.

Because new lawyers often get the best training in a law firm environment, we approached our law firm partners with the idea of a joint program. Students in the CitiSelect program work at a law firm for the first two years after graduation before coming to us full time, and while working in the law firm they're also learning our business at Citi, how we operate, and how they can excel. We expect this dual training will result in better and more effective new lawyers.

The response has been dramatic. Law firms are enthusiastic about it, law schools have eagerly participated in helping us build the program, and, as reflected in our pilot results, law students are embracing this new career alternative. The inaugural CitiSelect class members come from a wide variety of backgrounds from around the world and boast highly competitive grades, leadership-oriented extracurricular activities, and impressive work experience, including legal and business positions with leading law firms, international agencies, and investment banks. We hit a home run.

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REACHING OUT TO LGBT TALENT

Our outreach to the lesbian, gay, bisexual, and transgender (LGBT) community continued in 2006.

In the U.S., Citi organized and participated in four MBA receptions in Boston, Chicago, New York, and Philadelphia to recruit LGBT students at seven schools: Chicago, Columbia, Harvard, Kellogg, Sloan, Tuck, and Wharton. In addition, Citi was a sponsor of the Reaching Out MBA Conference in New York.

Markets and Banking co-sponsored and participated in “Out in the City,” an annual event in the U.K. that introduces LGBT undergraduates from top schools to careers in banking and finance. The event was sponsored by 11 investment banks and included a panel on careers in banking from an LGBT perspective. It also offered students the opportunity to network and meet professionals from the sponsoring banks.

EXPANDING EFFORTS TO RECRUIT WOMEN

Citi continues to work to recruit more women professionals through our ongoing partnership with Women for Hire and its recruiting fairs around the country, including Atlanta, Dallas, New York, Tampa, and Washington, D.C.

As in years past, Citi participated in such on-campus events as the Michigan Women in Leadership Conference, the Stern Women in Business Conference, and the Wharton Women in Business Conference. This is the second year Citi participated in the National Association of Women MBAs (NAWMBA) conference, which provided a forum to educate MBA-level women about the industries and job opportunities available to them upon graduation.

Markets and Banking sponsored Dartmouth Tuck Business School’s executive education program, Back in Business, which seeks to prepare individuals with MBAs or MBA-level experience to re-enter the corporate world after taking a career hiatus. The program provides academic courses aimed at refreshing business skills such as finance, accounting, marketing, and strategy. Workshops are also available for interview coaching, resume writing, and leadership development; networking events are held with Tuck faculty members and guest lecturers, including representatives from Citi.

WORKFORCE DEVELOPMENT

At Citi, we encourage our employees to fulfill professional goals and aspirations within our company, and we work to provide a wide range of workforce development and training initiatives to assist them in achieving productive and rewarding careers.

We promote employee development through informal networking as well as structured mentoring initiatives. Our company leadership has embraced mentoring as a business imperative—84 percent of our Management Committee members participate in mentoring relationships, and more than 9,000 of our employees are involved in a formal mentoring relationship coordinated through the company.

In 2005, Citi established its global Women’s Initiative with the goals of building a talent pipeline for current and future needs, creating champions and role models for women, and leveraging existing councils and networks to share best practices. Sallie Krawcheck, Chairman & CEO of Global Wealth Management, is the business sponsor for the Women’s Initiative. In March,

she hosted a three-day conference that brought together over 50 leaders from 20 women's councils and four women's employee networks around the world to discuss priority objectives. Through ongoing discussions, including a global call with Citi Chairman & CEO Chuck Prince and quarterly calls with Sallie Krawcheck and Chief Diversity Officer Ana Duarte McCarthy, global council and network leaders reviewed progress and gathered feedback in order to determine strategic next steps.

Since the conference, a total of 19 additional women's councils have been established—a 79.2 percent increase across geographies, with strong growth in Africa, Asia, and Latin America.

In Africa, women's councils were formed in Kenya, Uganda, and Zambia, and a women's forum was established in Tanzania—all with the primary objective of creating opportunities for women to succeed as leaders in the company.

The Women's Council in China was launched in June 2006 and hosted a series of events inviting senior women to share their experiences with career development and coping with corporate culture.

Also launched in June, the Women's Council in Colombia created and embedded a development module in the "Leading My Career" workshop, in which 30 high-potential women participated.

Collectively, the councils, including the newest councils in Kenya, Uganda, and Zambia, are committed to the primary objective of creating opportunities for women to succeed as leaders in the company.

WORK ENVIRONMENT

We strive to make Citi a great place to work, and we encourage diversity and inclusion by fostering flexible work strategies, conducting training, supporting employee networks, celebrating the rich and varied cultural heritage of our employees, and providing work/life programs.

Citi's global Flexible Work Strategies (FWS) completed its first full year of activity in 2006; more than 5,400 employees from 43 countries submitted requests for consideration of flexible work schedules. A cross-business global Human Resources advisory group provides oversight, and throughout the year systems enhancements were made to improve processes, plan management, accountability, data quality, and user satisfaction.

The FWS website is translated into 15 languages and posts program guidelines, application tools, and success stories that share the impact flexible work schedules have on retaining talent. Increased productivity, reduced real estate costs, continuity of business support, and the ability to attract and retain talent are among the management and business benefits we believe will be realized from this program.

TRAINING AND FEEDBACK

We continue to make strong progress in providing diversity training throughout each of our global businesses. Eighty-two percent of our Management Committee members have participated.

During 2006, employees attended such training courses as "Respecting Diversity in the Workplace," "Championing Diversity," "Leadership through the Lens of Diversity," and "Valuing Diversity and Inclusion at Citi."



FUNMI ADE-AJAYI Director, Markets and Banking, and Citi Country Officer, Gabon



In a small country like Gabon, women sometimes feel uncertain about the impact that having a baby or just being a committed wife and mother can have on their careers.

These issues have always been a hurdle for women, who tend to miss out a bit more on the quicker path of acquiring new skills and gaining more seniority. However, this is mitigated when you have a strong organization willing to promote mobility and invest a little more time and resources in opportunities for women to excel.

We recently launched the Women's Diversity Initiative in Citibank Nigeria, and women's councils are gradually being rolled out across the countries in Africa. The value we derive from the Initiative is the ability to help women navigate their careers throughout the different stages of their lives, as well as raise their consciousness, share information, and gain inspiration from role models. I believe the Women's Initiative is extremely important for driving momentum and encouraging more opportunities for women across the region, and sends a strong message that we mean what we say as a company.

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One of the most effective ways we assess trends in the work environment and management practices is through our annual Voice of the Employee (VOE) survey. We value our employees' opinions about their workplace and are encouraged that VOE results for 2006 indicated continued employee interest and progress in the area of diversity.

EMPLOYEE NETWORKS

Citi's Employee Networks are a vital component of our diversity strategy. Created in 2002, the networks are composed of affinity groups initiated and led by employees. Networks are open to all employees and provide a wide variety of activities to assist the company in recruiting and retaining talent, celebrating ethnic, cultural, and community diversity, and providing professional and personal development information to their members.

Started in 2002, the program has grown to 36 networks in two countries and 15 cities, with more than 11,500 employee members. Recognized U.S. groups include African Heritage; Asian Pacific Heritage; Hispanic; Pride (a group focused on the lesbian, gay, bisexual and transgender communities); Women; and Working Parents. In London, recognized networks include disABILITY (a group focused on people with disabilities and the caregivers of people with disabilities), Parents, Pride, Roots (a multi-cultural network), and Women.

Employee network members supported local Citi businesses on our first Global Community Day, an effort to bring the power of our global workforce into the community as volunteers on a single day. Among the many activities, network members participated in events such as The UN World Food Program 5K Run/Walk in New York City, or volunteered their time at such organizations as The Bromley Autistic Trust in Kent, U.K.

Networks also worked together to sponsor "Learn the Business" presentations, giving members the opportunity to learn more about Citi's business initiatives and operations. These presentations help employees to understand their options in planning professional growth and future career choices.

CELEBRATING OUR HERITAGE

In the U.S., Citi sponsored more than 45 programs in conjunction with heritage months in 2006. Often planned in partnership with our employee networks, the range of programs helps employees learn about the achievements of multicultural groups and celebrate the diversity of our organization.

In June 2006, Citi Brazil held its first Diversity Week with programs that included lectures about important local diversity concepts such as Women, African Descendant Brazilians, and Individuals with Disabilities. The week included presentations by Jose Vicente, President of AFROBRAS, a nonprofit organization on African Descendant Brazilians in the Job Market, and Maria Fernanda, President of the Group of Female Executives of São Paulo, as well as a session conducted by Brown University on Diversity Concepts and Practical Exercises.

An annual Diversity Week was held for the third time in London. More than 1,000 employees participated in various programs, including lectures on the business case for diversity, LGBT issues in the work environment, and a session examining age awareness. In addition, a Women in Technology event was held in collaboration with both the Corporate Center and the Global Consumer Group.

WORK/LIFE PROGRAMS

Citi continually seeks to make tools and programs available to help our employees around the world meet the challenges of their work and their personal lives. The needs of one often impact the needs of the other, and it is important to maximize the opportunities for our employees to succeed in each. Most programs are offered locally within a business or geographical location to suit the needs of the employees, or to conform to the customs and traditions that prevail in various cultures. Some of the programs and tools we offer include:

- The LifeWorks® Program at Citi, which is open to employees, their partners, and dependents in Canada, Puerto Rico, and the U.S. It is available through a toll-free telephone number and the Internet, and provides access to information, research, and resources to help employees achieve practical solutions on a wide variety of topics.
- Access to full-time and backup child care facilities at 18 locations in three countries.
- Company-paid subsidies for child care services, and discounts at selected independent child care centers.

- Elder Care Management Services for all U.S. employees to assist in helping to identify care and living options for older relatives.
- The Employee Assistance Program, which provides confidential, professional counseling and support for emotional, personal, or family issues, is open to employees, their partners, and dependents in Canada, Puerto Rico, and the U.S. In addition, Citi offers free access to “Life Management” services in seven other countries—Australia, Germany, New Zealand, South Africa, Spain, Switzerland, and the U.K.—providing confidential counseling, support, resource, and referral services to assist with practical and emotional issues concerning work and home life.
- On-site, company-sponsored medical facilities in five countries—Ireland, Japan, Mexico, the U.K., and the U.S.
- On-site, company-sponsored Wellness Centers available in six countries—Australia, Canada, Ireland, Singapore, the U.K., and the U.S.

Each program has the goal of helping our employees obtain assistance, information, or services to help them meet their work responsibilities and take care of the needs of day-to-day life that may otherwise distract them from being productive at work or at home. This is one more way that Citi hopes to attract and retain talent as an employer of choice.



I think it's important for business managers to create an inclusive work environment, one that brings together people of diverse backgrounds to produce a richness of thought and creativity, and who are measured by performance above anything else.

I am proud to be a business sponsor of Citi's Hispanic Network Group in my region. Networks provide a forum within the company for employees with common interests, and offer opportunities for networking, mentoring, coaching, and community involvement. In Dallas/Fort Worth we have five employee networks, and a key tenet of each is how they cross-network, affiliate, and are inclusive of other groups, rather than being closed off—because that is what we are asking of the company.

Managers also have a responsibility to mentor others and provide insights based on their own experiences. I try to make myself available when colleagues need a sounding board, so I can understand their goals and aspirations, and then share my personal journey. And I encourage them to talk to as many people as possible, because it increases their ability to work well across various groups and contributes to our success as a company.



JORGE A. BERMUDEZ

President & Chief Executive Officer, Commercial Business Group, and Chief Executive Officer, Citibank Texas



For our clients,
we want to be the service provider of choice.

Citi strives to deliver products and services to our clients that reflect both our global reach and our deep local roots in every market where we operate. The diversity of our employees enables us to better understand our clients, while the breadth of our product offerings allows us to serve them better.

Provider

AFRICAN-AMERICAN CLIENTS

Citi continues to support efforts that help us reach African-American consumers through community partnerships and through nonprofit organizations.

Since 1998, Citi has helped raise \$91 million for the Black Enterprise/Greenwich Street Corporate Growth Fund, which was created to finance the growth of established minority-owned or managed businesses. To date, nearly 91 percent of the capital has been invested and has helped a variety of businesses in the U.S. to expand, including an asset management firm; several radio broadcasting groups, including one focused on the Hispanic community; a consumer foods manufacturer; and a multimedia enterprise with publishing, television, and music assets.

Further reinforcing Citi's commitment to the Black Enterprise/Greenwich Street Fund, three of Citi's Private Equity professionals serve as members of its investment committee. The Fund is also raising a second fund that will further target rapidly growing minority enterprises.

In 2006, the Smith Barney African-American initiative hosted educational symposiums on wealth management for affluent African-Americans in major cities across the country. The Initiative supports African-American professional, not-for-profit, and cultural organizations, including the Association of Black Cardiologists, Jack & Jill of America, and 100 Black Men of America. The focus of each symposium was "Preserving Your Heritage—Building Upon a Legacy of Wealth & Values," and featured such notable speakers as Dr. Henry Louis Gates, Jr.

ASIAN-AMERICAN CLIENTS

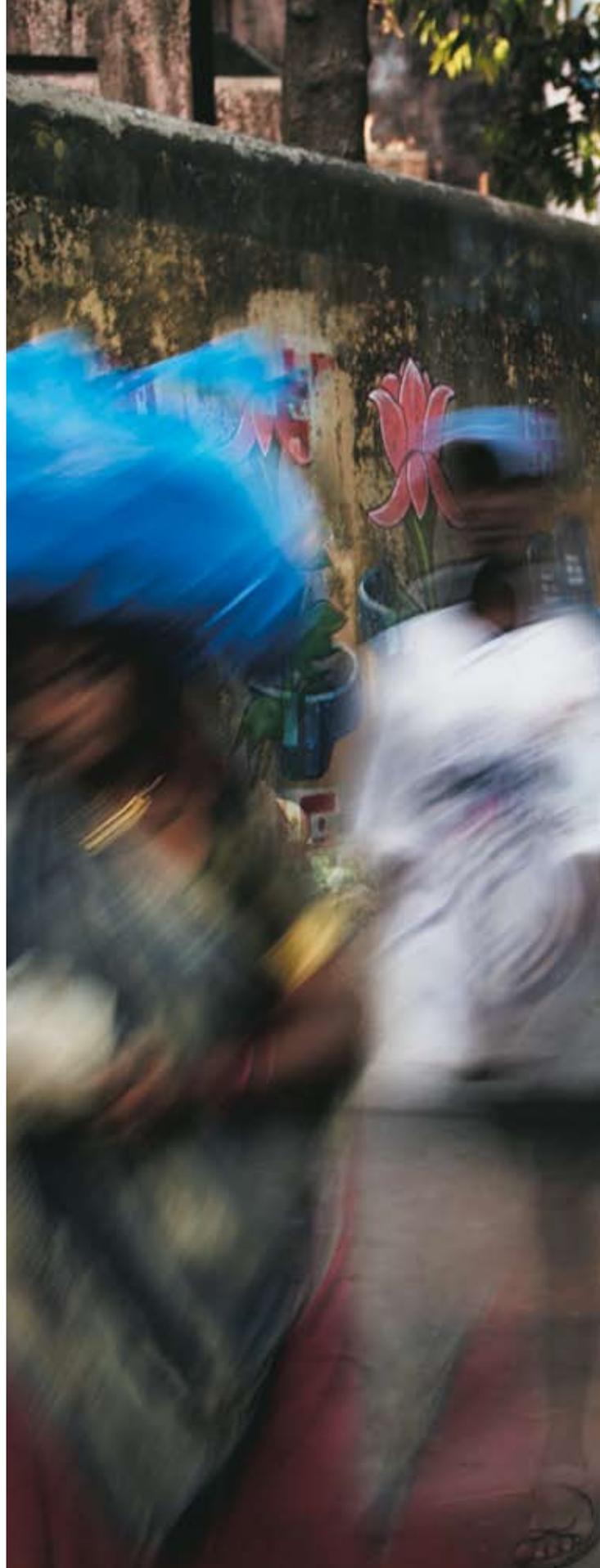
We continue to focus on reaching Asian-American clients through a combination of activities and initiatives. Citi offers targeted programs to customers where they live and work by sponsoring major cultural events in the community and in the financial centers, hosting Bank at Work community events, and establishing a presence at government consulates.



In India, the Reserve Bank of India is placing a lot of emphasis on financial inclusion in a country where only a third of the population is connected to the banking system.

Many people in India are not functionally literate and, for them, bank branches can be overwhelming and intimidating. To solve this problem, our Microfinance Group and the innovation team designed an ATM that recognizes fingerprints and has voice navigation in many different languages to guide clients through the banking process. There is also a color-coded system on screen to help our clients understand their transactions.

This technology has enabled us to offer a new microsavings product called “Pragati,” which means “Progress.” By partnering with several microfinance institutions, we’ve made it easier for a huge sector to be more financially independent. We learned that our clients obtain credit easily, but have more difficulty getting bank accounts. So we give them a bank card with their photo—probably their first photo ID, which also gives them a sense of identity and pride. Then we offer them the chance to open savings accounts and encourage them to save often, since we do not impose any minimum deposit or fee requirements. We can also package this with a basic insurance product so our clients can purchase insurance coverage for themselves and their families—again, for probably the first time.





P.S. JAYAKUMAR Country Business Manager, Citi India, Global Consumer Group

Citi has focused on opening new branches that reflect our multicultural communities, such as Chicago's Chinatown neighborhood and New York's Koreatown area. In financial centers that serve a predominant ethnic group, marketing programs, promotional materials, and signage are available in both English and the language of choice in that community.

HISPANIC CLIENTS

CitiFinancial continues to build on its efforts to market consumer loans and other products and services to the Hispanic market—the largest and fastest-growing minority segment in the U.S.—including service in the customers' language of choice.

In 2006, the Smith Barney Hispanic Initiative hosted educational symposiums on wealth management for affluent Hispanic-Americans in New Jersey and New York. The initiative supports arts and cultural events that promote preservation of Hispanic heritage while also emphasizing the importance of Latin American markets to the U.S. economy. The initiative recognizes Hispanic-American professional, cultural, and nonprofit organizations, such as the U.S. Hispanic Chamber of Commerce Foundation and the U.S.-Mexico Chamber of Commerce. Banamex sponsored a Maya Textile Art Exhibition featured at the Spanish Repertory Symposium at the Americas Society in New York, which promotes the preservation of wealth and heritage through the arts, cultural practices, and intergenerational transfer of values.

In 2006, Citibank launched the Ecuadorian remittance wire, enabling clients to wire funds to Ecuador through Financial Center tellers at the lowest cost in the market. Remittances through Citi Global Transfers are also a key focus for Mexican, Filipino, and Indian clients. Citibank leverages Citi's global presence to facilitate remittances through Banamex in Mexico, Citibank Philippines, and Citibank's Non-Resident Indian Business. Promotional materials in Mexico encourage clients to tell their relatives in the U.S. to use Citibank to send funds back home.

LESBIAN, GAY, BISEXUAL, AND TRANSGENDER CLIENTS

Citi continued its platinum-level national sponsorship of the Human Rights Campaign (HRC), the largest equality advocacy group in the U.S. for the LGBT community. A joint partnership mailing with the HRC reached more than 306,000 HRC-member households in June.

Our support included sponsorship of 25 local annual dinners across the U.S. Citi representatives attended local dinners in a number of client markets, including Atlanta, Chicago, Dallas/Fort Worth, Los Angeles, New York, San Antonio, and San Francisco, as well as the national dinner in Washington, D.C. At the New York dinner on February 11, 2006, Citi was honored by the HRC with its Corporate Equality Award, recognizing the work we've done in fostering an equitable workplace for LGBT employees.

In 2006 Citi's Global Consumer Group sponsored the New York City Gay & Lesbian Business Expo. The conference reached more than 20,000 people and marked our fifth consecutive year of involvement.

WOMEN CLIENTS

In 2006, the Smith Barney Women's Initiative hosted a series of symposiums for clients and guests focused on women's lifestyle issues. In New York and Washington, D.C., programs were held in celebration of the Susan G. Komen Breast Cancer Foundation, which educates women on health issues, notably breast cancer. In New York, we marked our 10th anniversary in support of the Komen Foundation's Race for the Cure with a luncheon. Smith Barney was also honored as the Komen Foundation's Corporate Sponsor of the Year at the 2006 Lynn Abraham Award Ceremony and "City in Pink" celebration.

Symposiums were also held in Atlanta, Baltimore, Charlotte, Chicago, Indianapolis, and Palm Beach to discuss such relevant issues as financial empowerment and helping women through life transitions such as divorce, widowhood, and caring for a terminally ill spouse. Featured high-profile speakers included Gail Evans, author; Gail Sheehy, author; Lynne Cox, author; Dr. Carol S. Ben-Maimon, M.D., President and COO, Duramed Research, Inc.; and Kathleen Harrington, Director of External Affairs, Centers for Medicare and Medicaid Services. In addition, a planned program for women professionals will focus on life issues relevant to women in "specialty fields," including law, medicine, and accounting.

Citi continued its affiliation with Women and Company®, a membership program designed to serve women's financial needs. In 2006, the Citi Foundation provided a grant of \$250,000 to the Women and Company Microenterprise Boost Program, an initiative launched in 2005 that provides cash awards up to \$2,500 to low- and moderate-income women microentrepreneurs across the country.

Recipients are required to use their awards to grow and develop their businesses and reduce debt. The funds are used for, but not limited to, marketing, technology, website development, advertising, or recruiting employees. In addition, award funds can be deposited into an Individual Development Account linked to microenterprise use, which triggers matching funds. In 2006, 128 women entrepreneurs were selected to participate in the Boost Program by 15 local microenterprise development organizations in the following cities: Austin, TX; Bethlehem, NH; Blue Springs, NE; Centerville, IA; Detroit, MI; Eagle Butte, SD; East Palo Alto, CA; Kansas City, MO; Laramie, WY; Los Angeles, CA; Miami, FL; New York, NY; Philadelphia, PA; San Francisco, CA; and White Plains, NY.

Supports Supplier

For our suppliers,
we want to be the business partner of choice.

Citi works to create mutually beneficial business relationships with minorities, women, veterans, and people with disabilities. We recognize that working with a wide range of professionals, suppliers, and consultants strengthens the communities we serve while creating value for our shareholders.

SUPPLIER DIVERSITY SPENDING EXCEEDS \$1 BILLION MARK IN 2006

Citi Supplier Diversity continued to pursue its goal to increase opportunities for business enterprises owned by minorities, women, veterans, and people with disabilities. Our overall diversity spending has increased by more than 250 percent over the last five years, and in 2006 U.S. supplier diversity spending grew to more than \$1 billion.

We also continued our commitment to provide programmatic opportunities for diverse suppliers through sponsorship of targeted events, “match-maker” sessions, and greater use of supplier diversity language in our contracts.

WORKING WITH OUR BUSINESSES TO MAKE A DIFFERENCE

Citi Supplier Diversity has expanded its role within the company by fostering greater participation among our businesses and working with our Community Relations team to maximize efforts on various projects.

When Corporate Realty Services announced the construction of a new Citi office complex in Long Island City, NY, the businesses worked with Supplier Diversity to ensure that diverse suppliers were included in all phases of the project. A target of 20 percent was set for women- and minority-owned direct and subcontracting business opportunities. At the end of 2006, monies targeted to diverse suppliers represented 28 percent of the project’s construction costs, exceeding the goal.

Supplier Diversity has also created a unique relationship with two businesses, Equity Capital Markets and Treasury, to increase business opportunities for women- and minority-owned broker-dealers on initial public offerings and other deals. In 2006, Equity

Capital Markets (ECM) co-hosted its second annual ECM-Supplier Diversity Breakfast, where diverse broker-dealers had the opportunity to meet with the key players in the business and received a briefing on market trends and Citi’s plans for the upcoming year.

Citi’s Procurement Services Department continues to build relationships with diverse suppliers in traditional commodity-driven areas, such as workforce, office supplies, marketing and promotions, and IT support through expanded service offerings. Nina Vaca, CEO, Pinnacle Technical Resources, an IT solutions company, was featured on the cover of *Kiplinger’s Personal Finance* magazine discussing the rapid growth of her business; she credits her participation in Citi’s Supplier Diversity Mentor-Protégé program with providing an opportunity to significantly improve her ability to meet growing demand and deliver outstanding service.

Several new diverse firms were added in 2006 to augment our Translation Services offerings, including a new relationship with Eriksen Translations, a woman-owned firm that serves Fortune 500 companies. Eighty percent of the firms Citi uses to handle translation work are diverse suppliers.

EXPANDING OUR GLOBAL REACH

Supplier Diversity seeks to create business opportunities beyond the U.S. In 2004, Citi was a founding member of the European Supplier Diversity Business Forum (now known as Supplier Diversity Europe), which was created with a mission to introduce the concept of Supplier Diversity to the European marketplace. The program has begun to work with local intermediary groups to identify potential diverse suppliers in Germany and the U.K.



DAVID GOLDBERG Associate General Counsel and Chief of Staff, Corporate Center



In the Legal group, diversity is an important factor when we choose service providers, particularly law firms.

When Michael Helfer, Citi's General Counsel, or the business general counsels evaluate our key law firm relationships, they focus not just on the quality of work or the cost of service, but also on the firm's policies and benchmarks for promoting diversity. They expect to see women and minority lawyers among both the associates and partners who handle our matters.

As part of the Legal group's focus on supplier diversity, last fall Citi co-hosted a networking conference for women- and minority-owned law firms. The event was designed to create opportunities for these firms to develop new business opportunities with Citi as well as other financial service providers and majority-owned law firms. From their experience with that event, Citi attorneys are pursuing a variety of new relationships with women- and minority-owned law firms and related professional associations. And based on the enthusiastic response of all who participated, Citi is now planning to co-host a similar conference.

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For our communities,
we want to be the neighbor of choice.

Citi believes it has a responsibility to make a difference in the neighborhoods in which we live and work around the world. We reach out to and form relationships with nonprofit organizations, civic groups, educational institutions, and local governments representing the diverse nature of these communities.

Neighbor

GLOBAL COMMUNITY

Operating in more than 100 countries with 325,000 employees, Citi understands it has a responsibility to make a difference for people around the world. We are proud of our legacy of leadership in the communities where we live and work. In 2006 Citi's total philanthropic giving from our Foundation and our businesses combined rose to more than \$137 million, up from \$126 million in 2005.

By year-end 2006, Citi also made financing and other investments totaling nearly \$43 billion to support low- and moderate-income (LMI) families and communities. In September 2003, to help ensure that money is available to LMI families who wish to purchase a home, Citi announced an unprecedented commitment to provide \$200 billion nationwide in affordable mortgage lending to LMI, minority, and other underserved families in the U.S. through 2010. This initiative has the potential to help as many as two million families attain the dream of homeownership. By the end of 2006, Citi realized close to \$160 billion of its \$200 billion commitment.

Citi was again recognized and included in the Dow Jones Sustainability World Index, which acknowledges companies in the top 10 percent of environmental, social, and economic performance. We were also reaffirmed on the FTSE4Good Index for having met specific criteria relating to environmental sustainability, corporate citizenship, shareholder returns, and support of human rights.

FINANCIAL EDUCATION

In April 2006, Citi and the Citigroup Foundation celebrated the second anniversary of our unprecedented 10-year, \$200 million global commitment to financial education. Since the announcement

of this commitment in 2004, Citi and the Citigroup Foundation have invested nearly \$85 million in financial education programs in 67 countries.

In 2005, former U.S. President William J. Clinton founded the nonpartisan Clinton Global Initiative (CGI) to serve as a catalyst for global change by encouraging world leaders from the public, private, and nonprofit sectors to commit to specific actions to address the world's most pressing challenges. By September 2006, CGI had generated close to \$10 billion in measurable, scalable, and actionable commitments. Citi was a founding sponsor of the CGI and, in March 2006, the Citigroup Foundation made the first CGI commitment of the year: a \$5.5 million grant to honor microentrepreneurs in 24 countries and provide more than two million of the world's poorest individuals with financial education.

VOLUNTEERISM

Citi places high value on volunteerism, an integral part of our culture. Senior management has traditionally been supportive of employees' volunteer activities, and Citi has spearheaded many successful company-wide volunteer initiatives, including Junior Achievement, Habitat for Humanity, Operation Hope, and Teach Children to Save. Our businesses organize team events in local communities around the world on a regular basis.

On November 18, 2006, Citi held our first-ever Global Community Day, during which more than 45,000 volunteers in more than 450 cities and 100 countries participated in more than 800 activities. We believe it was among the largest coordinated volunteer effort ever, and demonstrated the commitment of our employees to give back to their communities around the world.



We take pride in our commitment to the community and to providing business services for our clients.

While our workforce is very diverse, we are always looking for new ways to bridge old gaps in equality and opportunity.

A key program for Citi Colombia is the microcredit initiative, “Ventanilla del Micro Crédito,” which means “Window for Micro Credit.” It’s a fund that benefits the Afro-Colombian population by financing the growth and improvement of small businesses.

The idea came from our awareness that in a country as richly diverse as Colombia, we should encourage microcredit and microbusiness. This initiative is supported by Citi and means a great deal to the life of the community by providing microcredit for working capital, small fixed-capital investments, and business advisory services to people who usually have little access to credit and, worse yet, are often left out of the economic mainstream.

We’re proud to be part of this program. It instills a tremendous sense of pride in working for our company, and contributes to the development of the Colombian community and the quality of life of the Afro-Colombian population.





LULA RODRIGUEZ

Managing Director, Corporate Communications and Public Affairs, Citi Latin America

Highlights of

2006 Diversity Awards & Recognition

THE BEST COMPANY WITH EQUAL OPPORTUNITIES FOR WOMEN AND MEN

Gender Studies

Citibank Czech Republic received the 3rd Place Award

2006 TOP 30 COMPANIES FOR MINORITIES

The Diversity Network

THE 25 MOST POWERFUL WOMEN IN BANKING

U.S. Banker—Ellen Alemany, Sallie Krawcheck, and Joyce Phillips were named fourth, seventh, and 16th, respectively, on the “Most Powerful Women in Banking” list

2006 INDUSTRY AWARD—FINANCIAL SERVICES

National Black MBA Association

100 BEST COMPANIES FOR WORKING MOTHERS

For the 16th time, *Working Mother* magazine has named Citi to its list of “100 Best Companies for Working Mothers”

100 MOST POWERFUL WOMEN

Forbes magazine, Sallie Krawcheck, Chairman & CEO, Global Wealth Management. Rank: 6 (Previous rank: 7)

LANGUAGE LINE SERVICES—2006 DIVERSITY AWARD

Citi has been honored by Language Line Services for the company’s commitment to serving consumers in 145 languages

100% CORPORATE EQUALITY INDEX COMPANY

Human Rights Campaign (HRC)

50 BEST COMPANIES FOR LATINAS TO WORK FOR IN THE U.S.

LATINA Style magazine—Citi has been named to *LATINA Style*’s list of the “Top 50 Companies for Latinas to Work For” in the U.S. every year since the list began in 1998

40 BEST COMPANIES FOR DIVERSITY

Black Enterprise magazine

TOP 50 COMPANIES FOR DIVERSITY

DiversityInc magazine

RESPECT AWARD

Gay, Lesbian, Straight Education Network (GLSEN)—Chuck Prince, Chairman & CEO, Citi receives the GLSEN Respect Award

HARLEM YMCA “SALUTE TO BLACK ACHIEVERS IN INDUSTRY”

Citi’s Horace W. Derrick, Scott T. Ford, and David W. Thomas were inducted into the Harlem YMCA’s Black Achievers in Industry

INROADS—RETENTION AWARD

Citi received the award in recognition of its 85 percent rate of retention of summer interns. Citi was also recognized as one of the Top 20 National Accounts

OPPORTUNITY NOW AWARD

City Focus for Commitment to Female Talent Citi Markets and Banking Office of Diversity—Europe

WOMEN IN BANKING AND FINANCE

Citi wins two Women in Banking and Finance Awards

INCLUSIVE COMPANY AWARD AND FAMILY RESPONSIVE COMPANY AWARD

Labor Ministry of Mexico recognized Banamex

employer of choice

Citi values a work environment where diversity is embraced, where people are promoted on their merits, and where people treat each other with mutual respect and dignity. Around the world, we are committed to being a company where the best people want to work; where opportunities to develop are widely available; where innovation and an entrepreneurial spirit are valued; and where employees are encouraged to fulfill their professional and personal goals.

service provider of choice

Citi strives to deliver products and services to our clients that reflect both our global reach and our deep local roots in every market where we operate. The diversity of our employees enables us to better understand our clients, while the breadth of our product offerings allows us to serve them better.

business partner of choice

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neighbor of choice

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Citi 2006

U.S. Workforce Information Report

JOB CATEGORIES	OVERALL	MALE					FEMALE				
		WHITE	BLACK	HISPANIC	ASIAN	AMERICAN INDIAN	WHITE	BLACK	HISPANIC	ASIAN	AMERICAN INDIAN
Officials & Managers	21,401	8,933	714	887	824	30	7,348	1,049	939	639	38
Professionals	32,241	11,724	1,282	1,513	3,788	38	8,142	2,007	1,492	2,214	41
Technicians	2,222	907	171	177	210	10	506	72	66	99	4
Sales Workers	26,884	14,439	856	1,192	794	39	6,061	1,382	1,281	791	49
Office & Clerical	57,137	8,118	2,700	2,484	1,004	63	25,598	8,192	6,429	2,312	237
Craft Workers	55	31	9	4	3	0	3	5	0	0	0
Operatives	924	161	103	61	119	4	214	98	41	121	2
Laborers	1	0	1	0	0	0	0	0	0	0	0
Service Workers	175	50	35	4	11	0	8	10	10	2	0
TOTALS	141,040	44,363	5,871	6,367	6,753	184	47,880	12,815	10,258	6,178	371

Data as of July 2006

HIGHLIGHTS OF OUR PROGRESS

Total minority representation in Citi's U.S. employee population continued to show a positive trend, from 31.9 percent in 2003 to 34.6 percent in 2006, a 2.7 percent increase.

Our largest minority group is African-American, which represents 13.2 percent of Citigroup's U.S. workforce, followed by Hispanic at 11.8 percent, Asian at 9.2 percent, and American Indian at 0.4 percent.

Total minority representation continued to increase in most job categories. In looking at our Officials & Managers and Professional jobs, total minority representation was 21.2 percent in management positions in 2003 and grew to 23.9 percent in 2006, a 2.7 percent increase. Representation in Professional jobs rose from 32.5 percent in 2003 to 38.4 percent in 2006, a strong 5.9 percent increase.

Citi offers Equal Employment Opportunity (EEO) to everyone—regardless of race, gender, gender identity or expression, color, creed, religion, national origin, citizenship, age, disability, marital status, sexual orientation, ancestry, veteran status, or socioeconomic status. Citi's EEO policies apply to all employment practices, including recruiting, hiring, promoting, and training. Citi's commitment to EEO includes the development of Affirmative Action programs modeled after U.S. federal, state, and local employment laws and regulations. Executives and department managers are responsible for making good-faith efforts to achieve Affirmative Action goals. The primary responsibility for developing and monitoring each program is assigned to a senior Human Resources officer, and progress on Affirmative Action efforts is regularly reviewed with senior management.



This report is printed on FSC-certified process chlorine-free Mohawk Options 100% PC, which is made with 100% post-consumer recycled fiber and is manufactured using Green-e certified renewable wind-generated electricity. This paper is certified by Green Seal, and by SmartWood for FSC standards, which promote environmentally appropriate, socially beneficial and economically viable management of the world's forests.

The environmental savings realized by using 100% post-consumer recycled paper for this report are equivalent to 136 trees preserved for the future, 58,150 gallons of wastewater flow saved, and 6,434 pounds of solid waste not generated. By using wind-generated electricity to make the paper, 6,582 pounds of air emissions were not generated, which is the same as not driving 7,130 miles in a passenger car or planting 445 trees.

This Annual Report was printed by a Certified Women Owned Business (WBENC), one of Citi's approved minority suppliers.

"Citi" and "company" in this report refer to Citigroup Inc., its subsidiaries, and their affiliates.

