

THIS IS
CITIGROUP CORPORATE CITIZENSHIP.

THIS IS CITIGROUP

THE LEADER IN THE GLOBAL FINANCIAL SERVICES INDUSTRY, CITIGROUP IS COMPOSED OF A FAMILY OF COMPANIES THAT INCLUDES CITIBANK, CITIFINANCIAL, PRIMERICA, SMITH BARNEY, BANAMEX AND TRAVELERS.

AT THE HEART OF THESE COMPANIES ARE 268,000 EMPLOYEES WHO ARE BASED IN VIRTUALLY EVERY CORNER OF THE WORLD PROVIDING FINANCIAL PRODUCTS AND SERVICES TO CONSUMERS, CORPORATIONS, INSTITUTIONS AND GOVERNMENTS IN MORE THAN 100 COUNTRIES WORLDWIDE. TOGETHER, OUR EMPLOYEES ARE COMMITTED TO A STANDARD OF EXCELLENCE IN SERVING OUR CLIENTS IN CONSUMER BANKING AND CREDIT, CORPORATE AND INVESTMENT BANKING, INSURANCE, SECURITIES BROKERAGE AND ASSET MANAGEMENT.

CHAIRMAN'S LETTER



Citigroup aspires to make each community a better place simply because we are there. As the largest financial services provider in the world, we are in a unique position to fulfill this mission day in and day out. That's why I am proud to share with you our 2001 Global Corporate Citizenship Report.

In the report, you will find how our employees—guided by Citigroup's high standard of ethics and commitment to corporate

citizenship—use our wide array of resources to help enrich people's lives and help preserve the environment in the communities where we do business around the world.

The report features our many partnerships with local and international non-profit organizations and governmental agencies, partnerships which have enabled us to learn where we can do the most good and then, once engaged, stand by our commitment by truly making a difference.

Never before has making a difference been so important. As we all know, September 11 was a tragedy that deeply affected us all. Thousands died and people's lives were changed forever. Yet, as tragic as that day was, it also illustrated how important it is for global companies like ours to strengthen their roles as corporate citizens and renew their

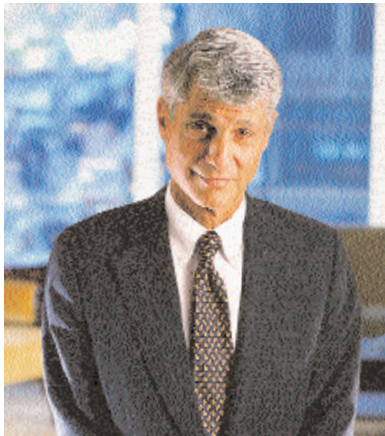
commitment to the communities of the world. We need each other now more than ever.

Citigroup has been part of the fabric of thousands of cities, villages and neighborhoods in more than 100 countries, dating back to 1812 in the U.S. and more than a century on other continents. This kind of longevity gives us a very special responsibility to play a significant role in the life of the community. It is a responsibility we take very seriously.

So I invite you to read our Global Corporate Citizenship Report. We are proud of our many accomplishments and look forward to doing even more in the years to come.

Sandy Weill
Chairman and
Chief Executive Officer
Citigroup Inc.

LETTER FROM ROBERT E. RUBIN



Trade liberalization, more open capital markets and market-based economics have on balance contributed greatly to global economic well-being and have reduced the number of people living in poverty in many countries around the world. But there are still countries that have benefited very little, if at all, from globalization. Great inequalities within many countries and a persistently high level of global poverty must be addressed.

Governments, businesses and NGOs must work together to make progress in overcoming poverty and in vastly broadening participation in global growth. Lack of education and health services, environmental problems, insecurity and instability plague many areas of a world that is increasingly interconnected. Trade, technology and rapid change have caused dislocations for some and anxiety

even for many who are doing well. These issues must be addressed in order to help equip people around the world to reap the benefits of a modern, rapidly changing economy.

Recent discussions among the governmental, business and NGO communities have indicated a new willingness to work together to explore how to spread the benefits of economic prosperity to countries and groups that have not yet participated. This is a positive development and one that we must all encourage.

A handwritten signature in black ink, which appears to read "R. E. Rubin". The signature is stylized and fluid.

Robert E. Rubin
Director; and Member,
Office of the Chairman,
Citigroup Inc.

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THIS IS CITIGROUP CORPORATE CITIZENSHIP



Pamela P. Flaherty is Senior Vice President at Citigroup and is responsible for corporate citizenship and community involvement, addressing globalization issues that the company faces, and environmental affairs.

CITIGROUP GLOBAL COMMUNITY

We at Citigroup take a leadership role in every community around the world in which we operate and strive to make each community a better place because we are there. We take pride in being a global company with a local focus. We believe that extending our resources and expertise to benefit others is the right thing to do and we realize that economically healthy communities are necessary for business success. Our efforts center around operating our businesses in a socially responsible manner, offering customized financial products and services, providing business expertise and financial support, and encouraging employee volunteerism. In all locations, we adhere to high standards of ethics, fair lending and fair access to financial services, customer privacy, diversity in hiring, and cultural and environmental sensitivity.

CITIGROUP AND THE ENVIRONMENT

Citigroup has continued to make progress in addressing important issues surrounding the environment. In 2001, in addition to expanding our partnerships with environmental organizations, such as Conservation International and World Resources Institute, we also added new partnerships with World Wildlife Fund and others. Specifically, we focused on raising awareness among our employees on the opportunities and challenges associated with environmental issues. We have begun to conduct training sessions for our bankers both domestically and in the emerging markets on environmental risk management. We also are committed to listening and learning through dialogue with our stakeholders to assist along the way.



THE INTEGRATION OF IDEAS, GOODS AND SERVICES, LABOR AND CAPITAL IS ACCELERATING

WORKPLACE AT CITIGROUP

Citigroup continues to be recognized for its achievements in fostering a workforce and workplace where inclusion is embedded in the culture. Our diverse group of employees contributes to our business success by helping us better understand the needs of our customers around the world. We also understand the importance of helping employees with work/life balance issues and offer special assistance programs.

GLOBALIZATION AND CITIGROUP

We operate in an age where globalization—the integration of ideas, goods and services, labor

and capital—is accelerating. We believe our global presence allows us to combine the best of the expertise and resources of a global company with a local presence, local-based employees and a local sensitivity in more than 100 countries where we have operations. This enables us to increase our business in local communities around the world while contributing to high business standards, training and employment of local residents, and the financing of local and global businesses.

CORPORATE CITIZENSHIP AT CITIGROUP

Almost all of the programs described in this report are run by

the individual businesses within Citigroup so they are embedded in our operating culture. Some of these efforts are brought together across the company by Global Community Relations, a corporate unit of Citigroup. The Corporate Human Resources unit manages our diversity and workplace programs, and the Citigroup Foundation manages Citigroup's philanthropic giving on a global basis. More detailed information on our diversity and philanthropic initiatives are published in separate reports that are posted on: www.citigroup.com.

CITIGROUP AS A PARTICIPANT IN LOCAL & GLOBAL MARKETS

CITIGROUP'S PRIMARY ROLE IS TO CREATE QUALITY PRODUCTS AND SERVICES FOR OUR CLIENTS, EMPLOYMENT AND CAREER OPPORTUNITIES FOR OUR EMPLOYEES AND VALUE FOR OUR SHAREHOLDERS. WE HELP CREATE ECONOMIC GROWTH IN EACH OF THE MANY LOCAL MARKETS WHERE WE OPERATE AROUND THE WORLD. WE PROVIDE FINANCING FOR GROWING LOCAL BUSINESSES AND FAMILIES AND BRING INNOVATION AND NEW PRODUCTS TO LOCAL CAPITAL MARKETS.

Our business units are, for the most part, staffed and run by local employees who know their local market. We provide good wages and benefits along with training for our staff, and thus help develop the human capital that is so crucial for the dignity and economic well-being of all people. These employees participate in the local economy, work in partnership with local governments and civil society players and are deeply invested in the prosperity and success of their communities.

We also participate in the global financial system. This enables us to tap global capital markets and participate in the development of new ideas and the use of new financial instruments to serve our clients. This process builds local financial markets, further fostering economic growth and employment opportunities. Some of our employees—of all nationalities—choose to pursue careers outside their home country, moving

to another location where their skills are needed. This fosters the creation of new ideas, builds the skills of our staff and spreads a common sense of our corporate values, high standards and ethics in all our operations.

STAKEHOLDER RELATIONSHIPS

We recognize that we must be viewed as a positive contributor wherever we do business. And that means not only providing employment opportunities and producing economic benefits, but also addressing relevant issues in our business practices. This also means greater transparency and accountability, and participation in dialogue about a full spectrum of issues—from our business practices to the challenge of economic development which benefits people.

At Citigroup we have numerous stakeholder constituencies. We regard any individual or

organization that is interested in our company as a stakeholder. These stakeholders may be internal or external and include our employees, clients, shareholders, community groups, non-governmental organizations (NGOs) and others.

We maintain frequent and continuous dialogue with a variety of stakeholder groups. Over the years, we have learned that listening to our stakeholders teaches us a great deal. It allows us to understand specific concerns and issues that stakeholders may have with us. We also learn how to communicate better what we do and why we do it.

In 2001, suggestions from our stakeholder dialogue groups helped us to refine our policies and put into action new plans relating to sustainable development and environmental risk management. They also helped us to enhance our consumer credit business policies, better focus our community development initiatives and expand our financial education programs. We are appreciative of the advice and support of our stakeholders and look forward to future collaborations.

MAKING THE GLOBAL FINANCIAL SYSTEM MORE TRANSPARENT

We benefit from operating in open economies with clear rules and regulations, and strict standards of good governance for all participants in the market.

Citigroup has been active in a number of ways to protect the global financial system from abuse. We have long been noted as fostering ethical business practices. Knowing that our business benefits from a global financial system that is perceived as honest, transparent and efficient, we have taken a leadership role in adopting and promoting global anti-money laundering guidelines, especially with regard to private banking for wealthy individuals. We have also

utmost importance to Citigroup, its clients and its stakeholders, as well as to law-abiding citizens everywhere. Technological advances are enhancing our ability to identify potentially suspicious activity. Citigroup has a broad-based Global Anti-Money Laundering Policy that covers all its businesses, both domestic and foreign. The policy is designed to ensure compliance with U.S. laws and regulations, as well as Citigroup's stringent customer due diligence. The Citigroup Global Anti-Money Laundering Policy is available at www.citigroup.com.

In 1999, Citigroup participated in the development of global anti-money laundering guidelines for international private banks.



“The public sector and the private sector in countries around the world need to work together to strengthen institutions and encourage job-creating direct investment. To do so, it is essential that both sides of the business/government partnership are committed to implementing certain fundamentals that include adherence to good governance and free-market principles; promotion of transparency; respect for the rule of law; and respect for human, civil and property rights. Also essential is an emphasis on people—to upgrade their skills through education and to make provisions for basic services, including health, for individuals and their families.”

WILLIAM R. RHODES

Senior Vice Chairman of Citigroup/Citicorp/Citibank

participated in more recent efforts to identify the role that financial institutions can play in the war against terrorism.

Stemming the flow of the proceeds of illicit activities is a matter of

These guidelines later became known as the Wolfsberg Principles, which were released in October 2000 and agreed to by leading international private banks.

In early 2002, a group of international financial institutions, including Citigroup, issued the Wolfsberg Statement on the Suppression of the Financing of Terrorism. This statement describes the role that financial institutions can play in the war on terrorism and identifies areas for discussion with governmental agencies. Since funds used in financing terrorism do not necessarily derive from criminal activity, this effort presents new challenges and requires unprecedented global cooperation between governments and financial institutions.

Recognizing the complexity and the global nature of combating money laundering, fraud, terrorist financing and information security, Citigroup also works with law enforcement, administrative and regulatory agencies, as well as a broad range of financial industry organizations from around the world to foster cooperation, share information on best practices and promote consistency in these ongoing efforts. These organizations include: Transparency International, the Overseas Security Advisory Counsel, the International Security Management Association, the International Banking Security Association, the American Society of Industrial Security, International Association of Credit Card Investigators, the Bank Industry Technical Secretariat, and the Business Executives for National Security.

COMMUNITY



We believe that extending our resources and expertise to benefit others is the right thing to do and we realize that economically healthy communities are necessary for business success.

MAKING COMMUNITIES BETTER BECAUSE WE ARE THERE

CITIGROUP PARTICIPATES IN A BROAD RANGE OF COMMUNITY BUILDING INITIATIVES THAT HELP FOSTER HEALTHY ECONOMIES—MICROLENDING, FINANCING AFFORDABLE HOUSING AND SPECIAL NEEDS FACILITIES, CAPACITY BUILDING FOR NGOS AND NON-PROFITS, SMALL BUSINESS DEVELOPMENT AND SAVINGS INCENTIVE PROGRAMS.



Our involvement includes offering customized products and services, access to technical assistance and management expertise, along with providing funding and employee volunteers.

CITIGROUP'S SUPPORT OF MICROLENDING

A pioneer and funder of microlending programs around the world for more than 20 years, Citigroup continued to expand the parameters of these programs in 2001. Our support to microfinance networks, such as ACCION International, Grameen Foundation and Women's World Banking, as well as a number of country-based

providers, increased by 25% with grants totaling \$3.5 million and letters of credit issued totaling \$4.5 million. We also led the way in helping microfinance institutions (MFIs) transition from relying solely on grants to achieving a degree of self-sufficiency, as well as introduced programs that recognized outstanding entrepreneurs.

Transition Towards Self-Sufficiency

In 2001, through a partnership with the U.S. Agency for International Development (USAID) and the Access to Microfinance and Improved Implementation of Policy Reform (AMIR) Program, Citibank in Jordan developed the Wholesale Funding Facility. It is enabling the country's USAID-supported MFIs to obtain low-interest loans from commercial banks. Its purpose is to enable these institutions to move towards increased self-sustainability by helping them gain access to traditional hard-lending channels.

Citibank Jordan acts as the escrow agent for the \$6 million facility financed by USAID through AMIR, while also issuing guarantees to the commercial banks that provide credit to the MFIs. More than 17,000 individuals are expected to benefit from loans or employment made possible by this transaction.

As reported last year, Citigroup continues to lead private sector support to microlending programs in India that benefit women. In 2001, we expanded our support through the Citibank India Financial Education Project with the Self-Employed Women's Association (SEWA). Through this project, financial counselors who work with SEWA clients are being trained in various aspects of financial planning. The Citigroup Foundation is supporting this project with \$109,000 in grants. An estimated 176,000 SEWA clients are expected to benefit from the project.

China, Algeria and Morocco Among New Microcredit Markets for Citigroup

A three-year, \$1.3 million commitment that Citigroup made through the Grameen Foundation USA in 2001 is supporting the expansion



“Our success has given us the ability—and the responsibility—to help the communities around the world in which we do business. We have long believed that strong businesses and strong communities are interdependent. By supporting microfinance, Citigroup is making a direct and meaningful contribution toward poverty alleviation. Helping people learn how to build and grow small, sustainable businesses is essential to the vitality of our markets.”

VICTOR MENEZES

Citigroup's Head of Emerging Markets and Chairman of Citibank, N.A.

of China's Funding for the Poor Cooperative (FPC) and other MFIs. Considered to be the country's most successful MFI, FPC plans to establish or expand six additional microcredit programs in Central and Western China to provide access to credit to 14,000 families. Funds also will be used to bring together national policy makers and NGOs for a National Microcredit Summit to heighten awareness of alleviating poverty through microfinance.

Our microfinance outreach also expanded into Algeria where Citigroup partnered with Agence de Development Social (ADS) to capitalize its Social Development Fund (SDF). This fund will provide

interest rate subsidies to an anticipated 24,000 individuals.

Another new microcredit market for Citigroup in 2001 was Morocco, where we awarded \$100,000 to Al-Amara. These funds are being supplemented with technical assistance and strategic business development offered through employee outreach efforts. Citibank Morocco's partnership with Al-Amara is the first of its kind among multinationals in the domestic microfinance sector.

Banamex's Fondo Accion Fund Supports Poor in Mexico

In 2001, Citigroup acquired Mexico's leading financial institution, Banacci. Our existing businesses in Mexico have been

integrated with those of Banacci and operate under the brand name Banamex. Banamex's non-profit civil foundation in Mexico, Fomento Social Banamex, A.C. believes that overcoming poverty and preserving the environment are society's greatest challenges and is committed to supporting them. Among its activities is the Fondo Accion Fund, which was established with \$12.2 million in 1995 by Fomento Social Banamex and the Interamerican Development Bank/Multilateral Investment Fund. Fondo Accion Fund provides continuous support to low-income groups and indigenous organizations in Mexico's poorest areas engaged in trades such as cattle breeding, farming, fishing, forestry and textiles. The fund benefited 150,000 individuals in 2001, along with helping to promote new agricultural technologies and sustainable agricultural practices.

Citibank-ACCION International Micro Entrepreneur Awards Recognize Excellence

To recognize outstanding clients of MFIs, Citibank, the Citigroup

Highlights of Citigroup's Support of **MICROLENDING**

1996	1997	1997	1998	1998	1998
<ul style="list-style-type: none"> Citigroup Launches \$10 Million, Five-Year Banking on Enterprise Program 	<ul style="list-style-type: none"> \$1.5 Million "Success Transfer" Grant Provided to ACCION International to Support New Initiatives in Latin America and the U.S. 	<ul style="list-style-type: none"> Lead Corporate Sponsor for Microcredit Summit Campaign to Extend Microcredit to 100 Million of World's Poorest Families by 2005 	<ul style="list-style-type: none"> Partnered with Small Enterprise Education and Promotion Network (SEEP) to Provide Capacity Building Grants 	<ul style="list-style-type: none"> Citigroup Provides \$150,000 Grant to Support FINCA International's Village Banking Program 	<ul style="list-style-type: none"> Citigroup Commits \$1 Million Over Three Years to Support Grameen Foundation to Support Expansion of Grameen Bank into Indonesia, South Korea, Malaysia, Thailand and the Philippines



Microcredit Client in India

1980: FIRST MICROENTERPRISE DEVELOPMENT GRANT OF \$5,000 MADE TO ACCION

Foundation and ACCION International established the Citibank-ACCION International Micro Entrepreneur Awards in Argentina, Brazil, Colombia and Mexico. The first awards, which are cash prizes, were presented in October 2001. ACCION is receiving more than \$1 million from 2000 to 2002 from Citigroup to provide technical assistance for its affiliates in these four countries and to underwrite the awards program.

Microcredit Forum and Microfinance Management Development Program Held in Asia

Citigroup, in cooperation with Grameen Foundation USA, Grameen Trust and PHILNET, held the Asian Microcredit Forum in Manila in May 2001. Representatives from more than 20 NGOs from across the Philippines, along with CEOs of MFIs from across Asia attended this forum to address microcredit issues and opportunities.

In November 2001, to build upon the momentum that began at the forum, Citigroup's Global Consumer Bank launched the country's first Microfinance Management Development Program for representatives of MFIs. The goal of this program is part of Citigroup's overall strategy to help ensure the success of MFIs. More workshops are being added to the program in 2002 with our employees serving as co-facilitators.



"The robust attendance at the Microcredit Forum showed an enthusiasm among MFIs to share their knowledge, learn from one another and further improve the sector. In the Philippines, Citibank is the only bank, local or foreign, that has embraced microfinance as an effective tool in breaking the poverty cycle. We intend to be the champion for microfinance in the banking industry."

FRITS SEEGER

Executive Vice President

Asia-Pacific Group Head of Citibank's Consumer Bank

1999	2000	2000	2001	2001	2001
<ul style="list-style-type: none"> • Microlending Grant Support Reaches \$1.7 Million 	<ul style="list-style-type: none"> • Microlending Grant Support Reaches \$2.8 Million with Spain, Bangladesh, Slovakia and Turkey added as new markets 	<ul style="list-style-type: none"> • Citigroup Expands Support to South Africa through Shared Interest's African Century Challenge 	<ul style="list-style-type: none"> • Microlending Grant Support Reaches \$3.5 Million 	<ul style="list-style-type: none"> • A Dozen New Markets Added—Algeria, Argentina, Barbados, Brazil, China, Colombia, Jamaica, Jordan, Lebanon, Morocco, Romania, U.K. 	<ul style="list-style-type: none"> • First Wholesale Funding Facility Developed in Jordan

CITIGROUP IS FOUNDING MEMBER OF WWB'S GLOBAL NETWORK FOR BANKING INNOVATION IN MICROFINANCE

In April 2001, Citigroup became a founding member of the Women's World Banking's (WWB) Global Network for Banking Innovation in Microfinance (GNBI). This network is comprised of leading regulated financial institutions supporting microfinance that are building collaborations based on common purpose and mutual benefit. WWB supports organizations globally that provide financial services to over 12 million low-income women, with an aggregate outstanding loan portfolio of \$2.5 billion. In 2001 – 2002, Citigroup's support of WWB will total \$800,000.

Business Mentorship Micro-lending Program Addresses Economic Revitalization in U.K.

In the United Kingdom, Citigroup has a large operation at Canary Wharf on the Isle of Dogs, a borough of London that is extremely impoverished. Economic revitalization is greatly needed here and to address this we are funding a business mentorship and microlending program through the Prince's Trust in South East London. The program pairs an individual from business with an individual from the local community to work

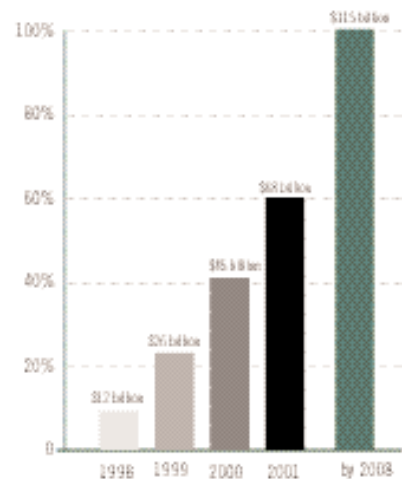
together on business plans for which micro loans will be made available.

BUSINESSES MAKING A DIFFERENCE

Citigroup continues to make significant progress in meeting the historic ten-year, \$115 billion U.S. community commitment it made at the time of its 1998 merger. From 1997 to 2001, we increased our lending and investing in low- and moderate-income (LMI) communities by nearly 140 percent, going from \$8.5 billion to \$21 billion.

Citigroup also recorded an impressive growth of 250 percent in the fields of mortgages, small business and community development lending, increasing from \$3.4 billion in 1997 to \$12 billion in 2001. We continued to leverage our partnerships to further extend our reach to thousands of LMI and minority families, new immigrants,

Meeting our 1998 Community Lending and Investing COMMITMENT GOAL





Citigroup CCDE provided financing for Columbia Pointe development in Chicago

underserved households and other emerging markets across the country.

In 2001, Citigroup launched a comprehensive Hispanic marketing strategy within the Consumer Business that is being rolled out in 2002. We also established a major relationship with the U.S. Hispanic Chamber of Commerce.

Serving North America, our Center for Community Development Enterprise (CCDE) also delivered impressive results. CCDE draws resources from across Citigroup's businesses to provide innovative, comprehensive and cost-effective financing packages to non-profit and for-profit organizations engaged in community development in the U.S. During 2001, CCDE lent and invested \$892 million, which represents an increase of 107 percent over two years.

CCDE's financing package provided in 2001 to California State University (CSU) for its new Channel Islands campus is our finest

example to date of the broadest use of our resources. This new campus is located in the high-priced Ventura County real estate market. The financing is being used to construct 900 new affordable housing units on the east campus for faculty and staff to give CSU an added incentive to offer those considering employment at the campus. The package included:

- \$7.5 million line of credit from CCDE for predevelopment;
- \$50 million tax-exempt bond issue underwritten and marketed by Salomon Smith Barney (SSB) to finance the east campus infrastructure development;
- Letter of credit from CCDE to enhance the infrastructure bonds until enough homes are developed to support them independently;
- Tax-exempt mortgage revenue bonds underwritten and marketed by SSB to finance the construction of up to 350 rental housing units;
- Letter of credit from CCDE for the mortgage revenue bonds;
- Construction financing from CCDE for for-sale, single-family homes and a 50,000-square-foot retail village; and
- Special mortgage loans offered by CitiMortgage for faculty and staff.

CCDE's investment unit's goals are focused on generating both financial and social returns. Among the unit's major new initiatives in 2001 was a \$3 million equity investment in Urban Growth Partners, a community development venture capital fund formed and managed by The Reinvestment Fund (TRF), a mid-Atlantic CDFI headquartered in Philadelphia, PA. Urban Growth Partners targets its support to early- and mid-stage growth companies that are located in or provide employment to urban neighborhoods.



NATIONAL ACADEMY FOUNDATION

During 2001, more than 17,000 students attended Academies of Finance, a program of the National Academy Foundation (NAF), founded and chaired by Citigroup Chairman and CEO, Sanford I. Weill. While preparing for careers in the financial services industry, these students also develop essential personal finance skills. Last spring, Citigroup named 20 graduating seniors from across the country as its first Academy of

Finance (AOF) Scholars. This annual program provides those awarded with \$20,000 scholarships, along with internship opportunities and a mentor from Citigroup. In 2001, we supported NAF and local academies with \$2.2 million.

Pictured here with Citigroup AOF 2001 Scholar Justin Wong of Manhattan's High School of Economics and Finance (center) are (on left) Charles V. Raymond, President of the Citigroup Foundation, and (on right) Charles O. Prince, Citigroup's COO, and Chairman of the Advisory Board for the High School of Economics and Finance.

While our businesses' consumer protections have always been considered among the best in the industry, last year U.S.-based Citi-Financial introduced further enhancements to our real estate-secured sub-prime lending policies. These included dropping single-premium credit insurance, implementing a series of stringent broker controls and suspending

CitiMortgage became founding sponsors of a newly created national membership association for immigrant Americans called Together in America. One of the ways that Together in America fulfills its mission of improving the lives of immigrants from every ethnic background living in America is by providing its members access to mainstream health,

We deepened our relationship with Wildcat Services Corporation in 2001 by adding a homeownership education component to the organization's highly successful training and work placement program for ex-addicts, ex-offenders and welfare recipients in New York City. SSB is a sponsor of Wildcat's Private Industry Partnership Program that places Wildcat graduates in jobs at Wall Street companies. Citigroup provided a grant to Wildcat to fund a professional financial counselor to create a homeownership program, which includes classes and one-on-one consultations for Wildcat graduates. Citibank also is offering Wildcat program participants no-fee savings accounts, along with an Individual Development Accounts (IDAs) to save for a down payment on a home. Participants also can take advantage of a special mortgage product.

In the U.S., Citigroup has spearheaded the establishment of IDAs, which are savings programs to help low-income individuals work towards financial independence. In



"Getting your money to work for you means having the knowledge you need to make informed financial choices. As a global financial services leader, we continue to strengthen our commitment to offer individuals and institutions opportunities to sharpen their financial IQs by introducing new financial education programs and building on existing ones."

MARGE MAGNER

Senior Executive Vice President and
Chief Administrative Officer for Citigroup's Consumer Group

over 1,200 foreclosures to find solutions that are appropriate for these clients.

Businesses Expand Access to Products and Services and Financial Education

Continuing to seek out ways to expand access to our products and services, in 2001 Citibank and

financial and economic services at discounted and advantaged rates. Included among Together in America's offerings are Citibank and Citi-Mortgage products and services including: free checking accounts, low-cost international money transfers, discounts on home mortgages and access to credit.

2001, using a previously awarded \$1 million Citigroup Foundation grant made to the YWCA of the USA, Citigroup and the YWCA established four new Financial Empowerment IDA Programs for low-income women in Delaware, Miami, the District of Columbia and Rochester. More than 1,000 women are expected to complete the program by June 2002.

Citibank continued to offer its free financial education seminar series across the U.S. in 2001. More than 23,000 consumers attended 1,400 seminars covering 21 topics at the bank's retail locations and other sites through Citibank's Bank-at-Work program.

As part of an ongoing effort to increase the availability and improve the affordability of insurance in urban areas, our Travelers unit participated in the Neighborhood Reinvestment Corporation's 2001 National NeighborWorks Week. Through this initiative, Travelers delivered to consumers loss prevention and safety information.

Travelers also continued to strengthen its Urban Markets Program, which is a multi-faceted

strategy aimed at expanding access to and sales of property and casualty insurance in urban markets. It includes training, mentoring and appointing urban agents; supporting the establishment of Managing General Agencies (MGAs) to provide smaller agencies with access to Travelers products; and supporting community activities aimed at increasing home and business ownership.

Smith Barney continued sponsorship of its Target Market investor education programs that give women, minorities and young investors a greater insight into investing and the financial markets. Its Women, Parents and Nextvestor Investors Initiatives are ongoing programs that feature educational events in many major U.S. cities. Smith Barney's African American and Hispanic Initiatives serve to educate and foster informed communities and to expand minority participation in the financial markets. During 2001, 24,000 consumers participated in these initiatives.

In June 2001, Smith Barney re-launched its award-winning Young Investors Network Web site.

Originally introduced in 1998, the site was voted "Best of the Web—Investing for Kids" by *Forbes* magazine in 2000 and again after its re-launch in 2001. Based on new focus group research among parents and children, the site was enhanced to reflect the increasing sophistication of its users.

Another hands-on investing education program for high school students is SSB's ASX Schools Sharemarket Game in Australia. Using the Internet, teams of students from around the country compete to generate the most valuable portfolio. They start with a fixed amount of money to buy and sell simulated shares of stocks over a ten-week period. In 2001, a total of 34,799 students participated on 13,056 teams representing 1,122 schools.

As the largest issuer of credit cards to college students in the U.S., Citi Cards is committed to providing young adults with the guidance and free financial management tools they need to spend wisely. In December 2001, Citi Cards launched a Free Credit Report

Highlights of Our **FINANCIAL EDUCATION PROGRAMS IN 2001**

PROGRAMS	PEOPLE SERVED
Australian Sharemarket Game	34,799
Citibank FC Seminar Series	23,000
Citi Card Credit-Ed Program— Administrators Program	2,500
Junior Achievement	3,000,000+
National Academy of Finance	17,000
National Community Reinvestment Corporation	10,000*
Self-Employed Women's Association in India	176,000*
SSB's Target Market Initiatives— Parents, Young Investors, Women, African American, Hispanic and Nextvestor	24,000
Teach Children to Save	18,000

*Denotes program was introduced in 2001 and these figures reflect those that will also benefit into 2002.

Initiative as part of its comprehensive Credit-ED Program. Through this new initiative, Citi Cards student cardmembers can receive a free copy of their credit report, along with educational materials on credit-related topics.

Established in 1999, the Citi Cards Credit-ED program reaches

students at every major four-year college and university in the U.S. through media that includes advertising, materials distributed to campus administrators and at campus events, and a resource-filled Web site, www.credit-ED.citibank.com.

Citibank makes loans available to students around the world.

Among our special student loan programs is one that Citibank Egypt has established with the National Indian Institute of Technology (NIIT). NIIT's computer training curriculum is the first of its kind in India. Citibank offers NIIT students loans that require no guarantees or guarantors.

PARTNERSHIPS HELP US EXPAND FINANCIAL EDUCATION OUTREACH

American Bankers Association Education Foundation

Saving money has its rewards and over 600 Citigroup employees in the U.S. volunteered last year to help the next generation understand why. These employees signed up for Citigroup's Teach Children to Save Program, which was offered across the country in partnership with the American Bankers Association Education Foundation (ABAEF). Using K-12 grade-specific lessons from the ABAEF's Teach Children to Save resource kits, employees have reached 18,000 students through presentations made at local schools and non-profit community organizations nationwide.



TEACHING CHILDREN TO SAVE AT P.S. 185 IN HARLEM

Junior Achievement

Citigroup supports Junior Achievement programs on four continents and in more than 35 countries, bringing the world of business and finance to life for millions of students. Close to \$2 million has been contributed over the past five years to help sustain existing programs, along with starting new ones. Banks in Action (BIA) is one of these new programs that has been highly praised by students and teachers and is

EduCities

When Citigroup in Taiwan launched its Personal Finance Seminar Series course in October 2001 on the online educational Web site, EduCities, the response was overwhelming. Taught by our local employees, the series quickly became the most popular and successful course among the 1,900 classes EduCities offers to the public. The enrollment capacity of 200 was reached within four days with close to 15,000 visits to the

Hungary, Slovakia and the Czech Republic. This program will help close to 200 high school seniors and social studies teachers achieve a better understanding of the free market system.

National Community Reinvestment Coalition

Through a partnership with the National Community Reinvestment Coalition (NCRC), the Citigroup Financial Education Leadership Program was launched in the U.S. in 2001. This "train the trainer" program is certifying representatives from more than 500 community organizations across the country as financial education counselors. They are also being provided with a financial education curriculum in both English and Spanish, which they will use to educate low- and moderate-income individuals in their neighborhoods. From 2001 to 2002, it is expected that more than 10,000 people will benefit from this program.

Rainbow/PUSH

Citigroup, in partnership with Rainbow/PUSH, Freddie Mac, the NYSE and other financial organizations, launched the 1000 Churches



"We are committed to offering all people opportunities to learn more about managing their personal finances. By harnessing the Internet through EduCities, we are able to offer this free, interactive learning opportunity to those who have the need and desire to study, despite the limitations of time and distance."

ERIC CHEN

Country Corporate Officer of Citibank Taiwan

offered in numerous countries, including Argentina, Japan, Romania, Spain and the Ukraine. BIA uses computer simulation, and learning and team-building activities to allow students to assume the role of bank managers and to make decisions in a competitive environment. Citigroup has funded BIA in 24 countries to reach more than 100,000 students.

course logged between its launch and year-end. The Citigroup Foundation supported EduCities with a \$100,000 grant in 2001.

Foundation for Teaching Economics

Another new initiative in 2001 that we supported was Economics for Leaders, a program of the Foundation for Teaching Economics in

Connected initiative in October 2001. The goal of this U.S. initiative is to provide financial education to minority communities through their local churches. Citigroup employees helped develop and are teaching several training modules that are part of a workshop series being presented to local church leaders who will take this information back to their communities.

CAPACITY BUILDING FOR OUR NON-PROFIT PARTNERS

Citigroup's businesses are committed to working with our NGO and non-profit community partners around the world to develop individualized financial programs and to offer them customized financial products and services. We also work to assist our community partners in building their own capacity and leadership.

In 2001, a capacity building program for NGOs in Indonesia was

added to our long-standing Citibank Peka community program. We made a three-year commitment to the Mitra Mandiri Foundation and are providing funding that will support developmental workshops for 123 NGOs.

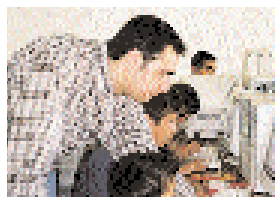
In the U.S., Citigroup's Community Development Institute sponsored technical assistance and training programs attended by more than 1,500 non-profit organizations in 2001. The Institute covers the cost for our non-profit partners who wish to attend courses offered by organizations such as the National Development Coalition (NDC). Citigroup also hosted non-profit conferences in local markets that in 2001 included Los Angeles, Chicago, Miami, Washington, D.C. and the New York metro area.

Citigroup also provides banking services to non-profit institutions throughout the world. In Sub-Saharan Africa, it forms a

significant part of our customer base. Citibank Kenya services over 35 percent of the market's non-profit institutions. We also ensure that bilateral agencies and NGOs, among others, use and distribute their funds effectively, improve organizational efficiency and help deliver maximum developmental impact to local communities.

CITIGROUP STRENGTHENS SUPPORT OF ENTREPRENEURS

Through its ten-year partnership with the Lagos Business School (LBS) in Nigeria, Citibank Nigeria helped to support the construction of the Centre for Entrepreneurship Studies in 2001. The Centre provides an accredited managerial course targeted to help small- and medium-sized businesses. Funding of \$250,000 will go towards furnishing the Centre's library, technical infrastructure and information resources. LBS estimates 2,500 entrepreneurs will participate in the managerial course each year.



LEADERSHIP DEVELOPMENT, EDUCATION AND CAPACITY BUILDING FOR NON-PROFITS

“The Australian Indigenous Leadership Program fulfills a critical need for an indigenous leadership development program at local, community, regional and national levels. We are confident that it will serve as a catalyst and a means of encouragement and preparation for existing and future leaders.”

RUSSELL TAYLOR

Principal, Australian Institute of Aboriginal and Torres Strait Islander Studies

In the U.S. last year, Citibank became one of five corporate sponsors of the *Latina Style* (magazine) Business Series. The series features conferences held across the country that bring Hispanic women entrepreneurs, professionals and college students together with key corporations.

LEADERSHIP DEVELOPMENT AND EDUCATING THE NEXT GENERATION

Recognizing that knowledge enables individuals and societies to realize their fullest potential, we also focus our support on career development and education.

In July 2001, Citigroup in Australia, in partnership with the Australian Indigenous Leader-

ship Centre (AIRC), introduced the Australian Indigenous Leadership Program. Funded with Citigroup Foundation grants totaling \$424,000 awarded from 2000 to 2002, this program is providing fully accredited leadership courses for 125 indigenous individuals across the continent. Our employees are also engaged in the program through mentoring, providing financial management expertise and teaching courses.

In 2001, we expanded our successful Foundations in Finance (FIF) Program, the first of its kind in Singapore, at Singapore Management University (SMU) in 2001. High school students at the

AngloChinese Secondary School can now take advantage of this program, which aims to provide a strong foundation in finance by supplementing the core curriculum. Along with attending special finance and banking classes taught by our employees, high school students participating in this program can take field trips to places such as the Singapore Stock Exchange, and participate in internships within Citigroup's local businesses. The program's expansion was supported with a \$100,000 Citigroup Foundation grant.

Last year, Citigroup also became the principal presenter and sponsor of the first SMU—Lee Kuan Yew Business Plan Competition. Modeled after the Wharton & Harvard Business Plan competitions, teams of undergraduate students from around the world are invited to submit new business plans and compete for cash prizes. Our employees volunteered



“Philanthropy at Citigroup means more than giving dollars. It means providing organizations with access to the full resources of Citigroup and its employees. It means providing individuals with the financial knowledge and access to education that they need to invest in their futures. It means enriching the quality of life in communities by supporting community revitalization and small business development.”

CHARLES V. RAYMOND

President of the Citigroup Foundation

to be among those who judge the competition, which is supported with a \$50,000 Citigroup Foundation grant.

Also new in 2001 was Citigroup Korea's international financial education program which it launched with Ewha Women's University under the name of Ewha-Citigroup Global Finance Academy. Lectures are being delivered by Citibank volunteers using materials they have developed themselves on topics including foreign exchange, banking law and compliance, and on-line banking. Designed for 50 students, interest in the program was so high that a committee had to select from among 200 who applied.

In 2001, Citibank in the Philippines added a computer literacy training component to its PCs for Public Schools program. The program also received a \$54,000 Citigroup Foundation grant to open state-of-the-art Citibank Centers for Education computer labs in six public schools. Krus na Ligas High School was the first school to receive the training aimed at helping teachers maximize the use of their new PC lab. More than 100 employees helped train 36 teachers to use software and the Internet.

Schools in low-income areas of China, Thailand, Malaysia, Vietnam and the Philippines received a total of \$373,800 in grants through the Citibank Cyber School Initiative in 2001. These funds are targeted for

establishing computer facilities and teacher training so that students will develop the technology skills they need to compete for better educational and employment opportunities.

Another multi-market program is the Citigroup Success Fund that awards grants to educators to develop innovative, easily replicable, grassroots programs aimed at helping students succeed. In 2001, the Citigroup Foundation provided grants totaling \$798,000 to support Success Fund Programs in California, Florida, Georgia, New York, Singapore, Hong Kong and Guam, giving thousands of teachers the opportunity to put their great ideas into action and share them with other educators.

In 2001, the Citigroup Foundation and Citigroup's businesses supported local community activities around the world with more than \$67 million in grants, an increase of more than 25 percent over the previous year. The Foundation also administers a gift-matching program and a Volunteer Incentive Program (VIP) to encourage and reward employee volunteerism.

“We truly appreciate Citibank's new Center for Education and the computer literacy training that is enabling our students and teachers to make the most of this new equipment. These efforts will go a long way to help many future generations of our graduates.”

DR. LEVITA RAMOS

Principal, Krus na Ligas High School



WE ARE HELPING TO BUILD HOMES FOR DESERVING FAMILIES—HABITAT BUILD IN BOLIVIA

“We are grateful to Citigroup for their generous support and for their commitment to strengthening communities. In addition to the much needed and appreciated grant dollars, Citigroup employees have volunteered their time, working side-by-side with future homeowners, helping dozens of families in need around the world have decent, affordable shelter.”

MILLARD FULLER

Founder and President of Habitat for Humanity International

BUILDING COMMUNITIES WITH AN EMPHASIS ON VOLUNTEERS

Citigroup employees around the world log thousands of hours each year volunteering in their communities. They get involved through company-sponsored projects, as well as through individual causes that reflect their diverse concerns, interests and backgrounds.

One of Citigroup's leading volunteer activities is hands-on building. In Colombia, 300 employees are helping to build school facilities and to gather education supplies to benefit more than 2,000 children. In 2001, the Citigroup Foundation awarded \$100,000 in grants to build schools in the very low-income Colombian cities of Soacha and Putumayo. Citibank Colombia also made a local investment of \$94,600.

Another example of our hands-on involvement in building communities is the Citigroup Builds Communities with Habitat for Humanity employee volunteer program launched with a \$1 million grant made to Habitat for Humanity International (HFHI) in 2000. In 2001, Citigroup awarded HFHI a second \$1 million grant to

strengthen this program, which unites employees from across business units as they work on constructing Habitat homes across the U.S. To date, this program has resulted in 63 Habitat homes built in 20 states with help from more than 6,000 employees logging 64,000 volunteer hours.

Citigroup's businesses also provide additional support to Habitat affiliates in local overseas and U.S. markets. Total grants made to HFHI and its affiliates around the world in 2001 totaled \$3.3 million. In addition, Citigroup CCDE has invested and purchased a total of \$9.4 million in Habitat mortgages.



“Our partnership with Habitat is a natural one since we share with them the goal of helping to develop quality affordable housing and to ensure that quality affordable financial products are available so families can feel confident in assuming the responsibility of homeownership. The combination of philanthropic giving, employee volunteerism and geographic breadth that Habitat offers aptly reflects our commitment to strive to make every community where we operate a better place because we are there.”

ROBERT WILLUMSTAD

President of Citigroup, Chairman and CEO of Citigroup's Consumer Group, and Board Member of HFHI

ENVIRONMENT



Our commitment to engaging in the truly challenging concerns that encompass corporate citizenship and sustainable development is growing stronger.

MOVING **TOWARD A** SUSTAINABLE FUTURE

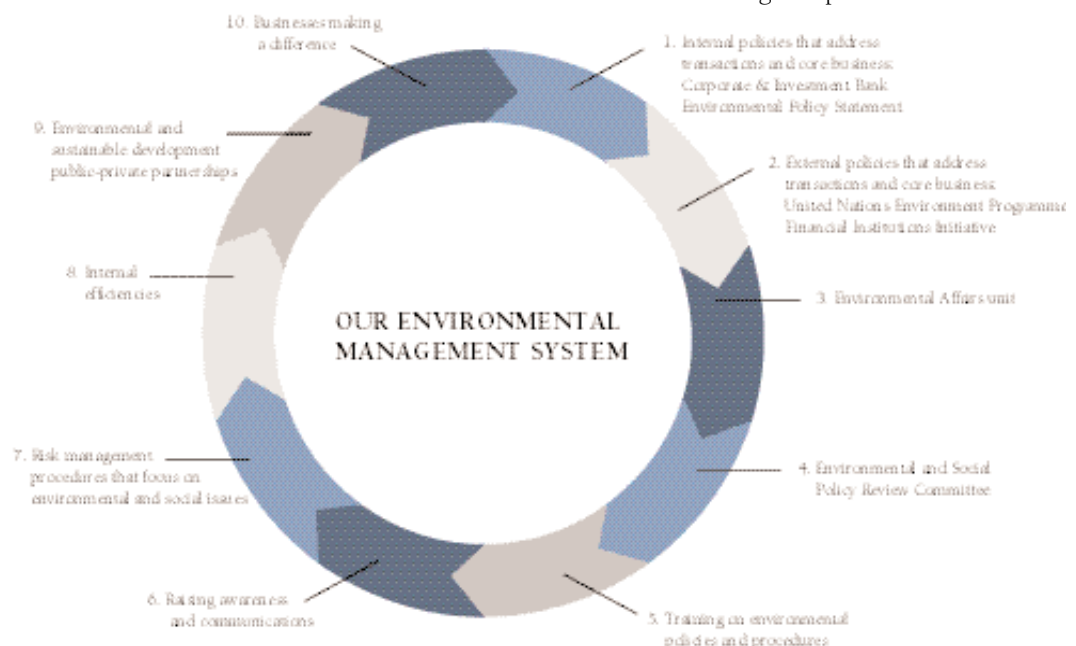
WE APPRECIATE MORE AND MORE THAT ADDRESSING ENVIRONMENTAL AND SOCIAL STEWARDSHIP IS A DIFFICULT AND CONTINUOUSLY EVOLVING UNDERTAKING. OUR COMMITMENT TO ENGAGING IN THE TRULY CHALLENGING CONCERNS THAT ENCOMPASS CORPORATE CITIZENSHIP AND SUSTAINABLE DEVELOPMENT IS GROWING STRONGER, EVEN AS WE RECOGNIZE THAT SOLUTIONS TO THESE CHALLENGES ARE NOT OBVIOUS. WE HAVE MADE SIGNIFICANT PROGRESS IN OUR SUSTAINABILITY EFFORTS SINCE OUR FIRST REPORT LAST YEAR.



HOW DO WE DO IT? OUR ENVIRONMENTAL MANAGEMENT SYSTEM

Last year, we reported on examples of environmental management system (EMS) results at a few of our facilities and explained that environmental management plans are developed and implemented to ensure compliance with local, regional and federal environmental standards. In 2001, we built on those programs as part of creating a more comprehensive environmental management system.

Environmental management at Citigroup is the responsibility of our individual businesses. This practice fits with our ethos of embedding corporate citizenship into our operating culture. The framework for our EMS is spearheaded at the corporate level, but is adopted, tailored and implemented by the businesses for the businesses. We believe that internally this system will make us more efficient and externally it can assist us in improving relations with our various stakeholders. The system is composed of the following components:





THE GLOBAL CORPORATE AND INVESTMENT BANKING BUSINESSES AT CITIGROUP ARE HIGHLY DIVERSE AND THEREFORE DEAL WITH A VARIETY OF ENVIRONMENTAL ISSUES. WE UNDERSTAND THAT CONDUCTING BUSINESS IN AN ENVIRONMENTALLY RESPONSIBLE MANNER IS AN ONGOING PROCESS, AND WE ARE COMMITTED TO TAKING A LEADERSHIP ROLE IN THE FINANCIAL SERVICES INDUSTRY THROUGH OUR EFFORTS IN COMMUNITY, ENVIRONMENTAL AND SOCIAL INITIATIVES. WE ARE COMMITTED TO PROTECTING THE ENVIRONMENT AND THE HEALTH AND SAFETY OF OUR EMPLOYEES AND THE COMMUNITIES IN THE MORE THAN 100 COUNTRIES IN WHICH WE CONDUCT BUSINESS. WE RECOGNIZE THAT ENVIRONMENTAL IMPACT AND SUSTAINABLE DEVELOPMENT ARE AMONG THE MOST IMPORTANT ISSUES AFFECTING BUSINESS TODAY. IN FURTHERANCE OF THIS COMMITMENT, IT IS THE POLICY OF CITIGROUP TO ENDEAVOR TO DO THE FOLLOWING:

INTERNAL POLICIES THAT ADDRESS TRANSACTIONS AND CORE BUSINESS

The Citigroup Corporate and Investment Businesses Environmental Policy

Compliance—Comply with all environmental, health and safety laws and regulations, and, where appropriate, develop company standards and procedures to protect human health and the environment.

Good Neighbor—Operate all facilities and businesses in a responsible manner that protects the health and safety of employees and the surrounding community, and provide responses, as appropriate, to employee and community concerns about health and the environment.

Response and Coordination—Respond diligently to environmental emergencies for which we are responsible and coordinate efforts with national, state and regional agencies.

Integration—Integrate sustainability considerations into the

day-to-day operation of our businesses worldwide, and provide information on a regular basis to employees regarding strategic environmental and social developments.

Organizational Commitment—Instill a commitment to environmental protection and sustainability throughout the company to ensure employees at all levels understand that responsible environmental management is also good business.

Assessments—Perform appropriate assessments of environmental issues in connection with the acquisition or direct financing of real property.

Recycling, Conservation and Waste Reduction—Seek to incorporate responsible environmental considerations into our internal operations that promote sustainability and minimize consumption of natural resources.

Environmental and Social Policy Review Committee—Review our

environmental policies and other initiatives on an ongoing basis to ensure that they are consistent with our objectives and business activities.

Education—Provide ongoing guidance to business divisions about the potential economic, financial and market implications of environmental and social policy issues in strategic client sectors and communities. Enhance understanding of environmental best practices and of company programs throughout the organization.

Responsible Financing—Identify, quantify and control environmental and social risks as part of the risk assessment process in underwriting and financing. Take into consideration that each potential transaction should be considered on individual value and in consultation with financing partners. Recognize and support opportunities for economic growth through constructive investment.

EXTERNAL POLICIES THAT ADDRESS TRANSACTION AND CORE BUSINESS: UNITED NATIONS ENVIRONMENT PROGRAMME

Citigroup uses the principles of the United Nations Environment Programme's (UNEP) Statement by Financial Institutions on the Environment and Sustainable Development as a framework for identifying and managing environmental and social risks. As long-time participants in the Financial Institutions Initiative (FI) and signatories to the Statement, in 2001 we increased our leadership involvement by helping to launch and host the first meeting of the UNEP FI North American Task Force.

The task force's mission is to support and expand sustainable financial practices in North America. There are currently 11 task force steering committee members representing nine financial services companies. The goal is to create a critical mass of North American signatories (25 by 2004) that are able to exchange ideas and best practices facilitated by the FI network.

OUR ENVIRONMENTAL AFFAIRS UNIT

Citigroup's Environmental Affairs Department is responsible for coordinating the company's environmental commitment; tracking and evaluating regulatory and legislative environmental and sustainability trends that may impact the industries in which we and our clients are involved; analyzing environmental and sustainable development opportunities for company business units and clients; and partnering with stakeholders.

ENVIRONMENTAL AND SOCIAL POLICY REVIEW COMMITTEE

Formed in 2000, our Environmental and Social Policy Review Committee's mission is to review emerging environmental and social issues for our corporate and investment banks. The committee is composed of Citigroup senior executives from the Corporate & Investment Bank, Emerging Markets Credit Risk Management, Corporate & Investment Bank Risk Management, Legal, Corporate Governance, and Environmental Affairs. In 2001, the committee expanded to engage additional



"We were one of the first U.S.-based financial services companies to sign UNEP's Statement by Financial Institutions on the Environment and Sustainable Development, an action that speaks to our long-time participation in international environmental leadership initiatives. And our commitment to engaging in the truly challenging concerns that encompass corporate citizenship and sustainable development continues to grow stronger."

SIR DERYCK MAUGHAN

Vice Chairman of Citigroup; Head, Mergers & Acquisitions; Chairman, Internet Operating Group; Chairman, Cross-Marketing Group; Chairman, Citigroup Japan



Una Ecopark Atlantic Forest, Brazil

areas of Citigroup in its work by adding two new members of management.

TRAINING ON ENVIRONMENTAL POLICIES AND PROCEDURES

In 2001, we launched a training effort for employees in Citigroup's Corporate & Investment Bank and Emerging Markets. Presentations on our policy statement and environmental and social brand-related and financial risks and opportunities were delivered to:

- Emerging Markets regional senior credit officers;
- Corporate & Investment Bank commitment committee;
- Investment Banking new associates; and
- Internal banking groups that cover various industry sectors.

In 2002, we plan to continue this training and to reach out to a wider audience.



WORKING TOWARD AN ECOLOGICALLY SUSTAINABLE FUTURE

Based on our stakeholders' recommendations, our emerging markets training center regional executives from Latin America, Central and Eastern Europe and the Middle East and Africa, as well as a senior representative from emerging markets credit risk management, attended environmental risk management training held in June by the International Finance Corporation, the European Bank for Reconstruction and Development, and other multilateral banks. Citigroup has since developed a new Environmental Risk Module that has been added to the overall training program given to bankers and credit officers in emerging markets as part of our overall risk training educational program. In 2002, we plan to have 1,000 Citigroup employees take the course.



KEN LOSO

*Citigroup Business Learning
Director for Risk Management,
Global Finance and Customer
Training, Latin America Training
and Development Center*

"After attending the IFC Environmental Risk Seminar, I realized that the issues and concepts discussed seemed of great importance and urgency to our lending activities across business segments. We reviewed the materials shared by the IFC and World Bank and adapted the many important topics and issues raised during the program into a module to enhance awareness.

We begin by showing how common environmental issues can be across the various business segments. The examples raise many interesting discussion points and observations, which leads us into a comprehensive interactive presentation covering the following topics:

- An appreciation of the scope of environmental issues and problems;
- Current wisdom, compliance and environmental strategy;
- Banking risks and opportunities—environmental issues for clients become issues for the bank and how that risk may be vertical and/or horizontal.

We complete the Environmental Risk Module through application of the various issues discussed in case studies. Participants are asked to consider the ecological issues that may come into play affecting the company, the industry, them as bankers and the public.

The module was so successful that we have decided to include the rollout of this program in all of our risk-related programs in 2002 in order to cover the broadest population possible. We believe these efforts will help place us in an exemplary position to become a global leader in environmental issues and concerns, protecting our own assets and creating new business opportunities going forward."

RAISING AWARENESS AND COMMUNICATIONS

Our efforts to raise awareness and communication on environmental issues have been both internal and external. In 2001, we made great strides.

Internally, we focused on engaging and educating our employees about our commitment.

- Created a new Citigroup and the Environment Web site at www.citigroup/community.com;
- Posted an environmental position paper that helped initiate the new and very successful internal/external corporate "Citigroup and the Issues" Web site;
- Featured articles about our environmental/sustainable development effort in our employee publication, *Citigroup World*;
- Incorporated our environmental commitment into the *Citigroup Statement of Business Practices* 2001 edition, which is distributed to all employees;
- Added, for the first time, environmental policy information to the *Corporate & Investment Bank's Credit Policies and Procedures* manual, which is used by bankers conducting transactions worldwide; and

- Included environmental policy information on the Emerging Market's Risk Management intranet site homepage.

Externally, we participated in numerous industry working groups and conferences to help communicate and raise the profile of sustainable development in the financial services industry and enhance our knowledge of the issues.

Environmental Bankers Association

Citigroup is a member of the Environmental Bankers Association (EBA), a non-profit trade organization that was established to meet the needs of financial institutions that proactively manage environmental risk issues. In 2001, we became active participants on EBA's Global Issues Committee, which is comprised of approximately five North American-based multinational financial institutions. The committee monitors and reports on global issues such as UNEP FI and ISO standards, and promotes engagement in global sustainability and sustainable development.

Net Impact

Citigroup understands the need to raise awareness and participate in activities that educate the next generation of U.S. business leaders.



Tambopata, Peru

Net Impact is a network of MBA students committed to using the power of business to create a better world. Originally founded as Students for Responsible Business in 1993, this organization, with over 5,000 members through its central office and 50 local chapters, offers a portfolio of programs to help members broaden their business education, refine their leadership skills and pursue their professional goals, while building their network.

In 2001, we supported the annual Net Impact conference held at the University of North Carolina, Chapel Hill. This included financial support as well as employee participation. Our executives presented at the conference and recruited at the business-expo event.

In addition, we became active contributors to the UNEP FI

working group on environmental management and reporting; and the World Business Council on Sustainable Development's roundtable event on the value of corporate sustainability reports. In addition, we joined the Latin American Finance Experts Working Group on Sustainable Development. We also continued our work on the World Environment Center's International Corporate Social Responsibility Task Force, the New York City High School for Environmental Studies' Corporate and Professional Advisory Council, the Environmental Literacy Council Advisory Group, and our participation in Business for Social Responsibility and the Buy Recycled Alliance of New York.

RISK MANAGEMENT PROCEDURES THAT FOCUS ON ENVIRONMENTAL AND SOCIAL ISSUES

Knowledge of the major risks and an ability to identify, assess and control the risks that are inherent in transactions are essential prerequisites for developing an effective risk management system. Risk management at Citigroup is integrated with our business plan and strategy. Risks and resulting returns

are owned and managed by a business that is accountable.

In 2001, we created a new environmental risk management questionnaire for credit risk managers and bankers. The questionnaire is currently being used by a variety of industry groups. We consider it a "living document" as it is continually revised and tailored to individual businesses' needs. Our goal for 2002 is to revise the questionnaire to include social as well as environmental factors.

With regard to lending on real property, many of Citigroup's U.S.

businesses require, as a condition of the loan, environmental assessments and corrective activities where necessary. Citigroup environmental specialists conduct due diligence reviews of assessments that we or our clients commission, prior to the loan, to evaluate the overall financial risk.

INTERNAL EFFICIENCIES

As part of our EMS, Citigroup businesses around the world have initiated a variety of internal efficiency efforts that benefit the environment and the bottom line.



Our New Headquarters in London

ENERGY EFFICIENCY INITIATIVES AND RESULTS



Energy Consumption Reduction Through New Technology—

In new and existing major buildings, the latest energy-efficient technologies are installed to improve energy efficiency.



Energy Consumption Reduction Through Building Systems—

Building Automation Systems are being installed in major branches resulting in energy reductions from 20 percent to 50 percent depending on building factors. Approximately 60 Financial Centers in New York City and Long Island have been completed to date. In other locations, thermostats have been adjusted to reduce energy consumption approximately 10 percent.



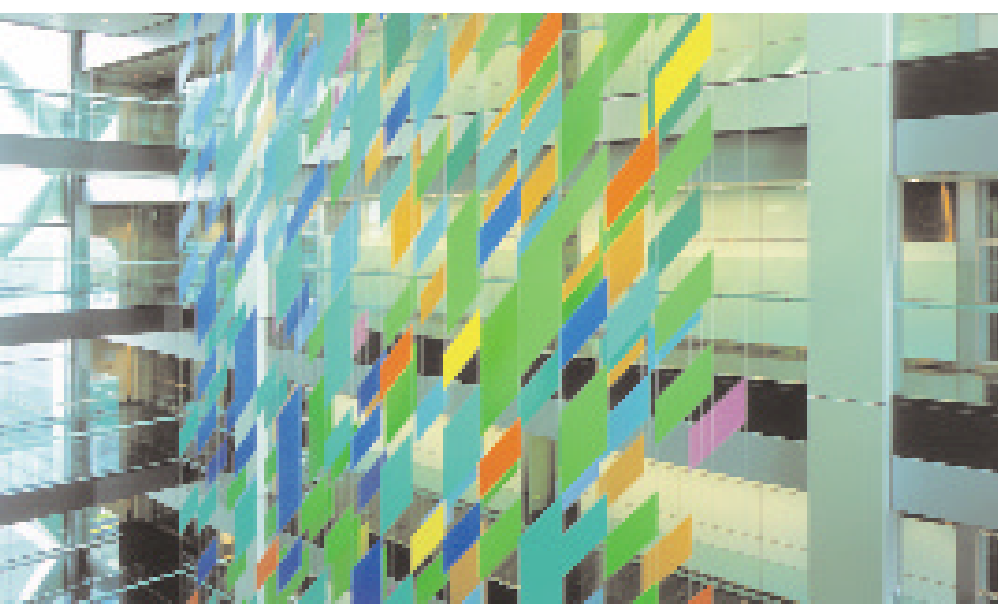
Energy Consumption Reduction Through Retrofitting—

Initiated a program to replace lighting fixtures with high-efficiency lamps and fixtures resulting in 30 – 40 percent reduced energy consumption for lighting.



Energy Consumption Reduction Through Employee Education—

Created a program to encourage building occupants to shut off desktop computers and other business equipment by distributing energy conservation letters and nightly inspections. As a result of this practice, 4,000 computers were shut off during off-hour periods and weekends in the NY metro area.

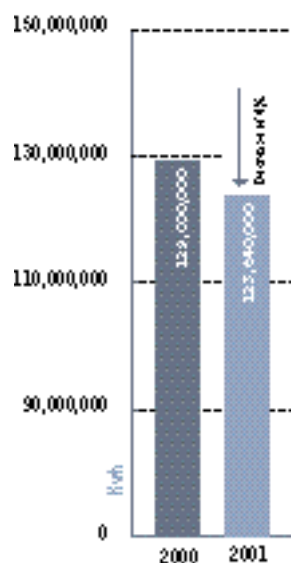


CITIGROUP BUSINESSES AROUND THE WORLD

Energy Efficiency

Citigroup Corporate Building Services is working on reducing internal use of natural resources. In the U.S., conservation efforts produced a 12 percent decrease in energy consumption in 2001.

Energy Consumption in LATIN AMERICA



To continue to achieve and improve efficiencies, the measures are being instituted in New York and throughout Citigroup.

As a result of the corporation's growth, new acquisitions and energy deregulation in the U.S., Latin America and elsewhere, our 2002 focus will be to create a baseline for benchmarking purposes in the U.S. and Latin America.

Citibank Energy Efficiency in Latin America

In 2001, Citibank's Latin America locations in Chile, Panama, Brazil, Argentina, Uruguay, Mexico, Bolivia, Peru, Venezuela, Paraguay and Colombia initiated an Energy Awareness and Tracking Program to better manage and reduce the amount of energy used by our facilities.

Recycling in Peru Helps Preserve Environment and Assist Children in Need

Our recycling efforts in Peru extend to both the Corporate and Consumer Banks and all their branches. Paper that would

normally be thrown away is collected, along with similar items that employees are encouraged to bring in from home. The paper is then separated and sold to a recycling company. Our success so far has more than surpassed our expectations. We plan to continue these efforts in 2002.

This initiative also serves as a fundraiser for Operation Smile, a non-profit which helps children in need who require surgery due to a birth defect. Every ton of paper is bought for \$215 and the proceeds are donated.

Citigroup Buildings in Europe

In 2001, Citigroup relocated many operations and seized the opportunity to implement sustainable building practices. We moved our European headquarters to Canary Wharf in London where significant use is made of natural light. By doing so, we avoid the need to rely exclusively on artificial lighting, thus saving energy and providing a more pleasant atmosphere for employees.

CITIBANK ASIA-PACIFIC ACHIEVED 17 ADDITIONAL ISO CERTIFICATIONS IN 2001, REPRESENTING A 46 PERCENT INCREASE IN SITES CERTIFIED SINCE 2000

In Frankfurt, Salomon Brothers AG is now moving to a new leased location that makes use of several innovative technologies, such as storage of rainwater in cisterns used to irrigate planted areas. In addition, our largest European offices in London and Frankfurt are effectively using recycled copy paper made of forest thinnings and sawmill offcuts. It is also 100 percent chlorine-free bleached pulp and free from optical brightening agents.

ISO Certification in Asia-Pacific

Last year we reported that our Asia-Pacific operations had achieved 37 overall ISO certifications. In 2001, our Asia-Pacific ISO tradition of continuous improvement in quality management continued and we obtained 17 additional certifications, for a total of 54 certifications in Asia across 14 countries.

ISO certifications are one of the means we use to increase customer satisfaction and productivity as we deliver a consistently high-quality product. Our ISO journey not only picked up new sites but undertook the meticulous conversion process to recertify current sites under the new ISO9001-2000 standards. We are the first financial institution in Singapore to achieve this and have set a benchmark with the local government certification body. In addition to the new standards, we achieved yet another ISO14000 certification in our Regional Cash Process Management Unit in Singapore.

ENVIRONMENTAL AND SUSTAINABLE DEVELOPMENT PUBLIC-PRIVATE PARTNERSHIPS

Citigroup seeks to build relationships with key non-profit groups that promote sustainable development. Both domestically and internationally, we believe that

public-private partnerships are one of the crucial mechanisms in building a sustainable future.

Fomento Social Banamex, A.C.

Fomento Social Banamex, A.C. supports a number of regional development partnerships in Mexico that work to improve the lives of indigenous communities while promoting the sustainable use of natural resources and conservation efforts. Examples of these partnerships include an initiative with the Mexican Ministry of the Environment and Natural Resources; the Ecology Institute of Oaxaca, the Fondo Mexicano para Conservación de la Naturaleza, A.C., The World Wildlife Fund and the Ethnobotanical Historic Garden to create the Oaxaca Fund for the Preservation of Nature. The mission of the Fund is to support the preservation of biodiversity in Oaxaca, through protection of natural areas and traditional agricultural systems.



"The Chinese Leadership has recognized that a cleaner environment is necessary to sustain high growth and competitiveness in their economy as they enter the World Trade Organization. The private sector will play an increasingly important role in this area and it is in the interest of the business community to support market-oriented enterprises, such as those organized by the World Resources Institute, that will further this objective."

RICHARD STANLEY

Citigroup Country Corporate Officer China



Conservation International

Conservation International (CI) uses innovative methods in science, economics and policy to craft solutions for conserving the planet's richest and most endangered ecosystems—the Biodiversity Hotspots. Citigroup has supported CI's work since 1996, and in 2001, we increased our dedication to its mission by strengthening our financial and in-kind efforts.

In Brazil, Citigroup is providing critical funds to promote the development and support of environmentally friendly small businesses within the Atlantic Forest Region. In addition, CI-Brazil and Citigroup Brazil created a volunteer program in support of activities in Southern Bahia.

Based on the success in Brazil, we have expanded our commitment

to include support of CI's efforts to offer viable economic alternatives to communities neighboring protected areas in Peru.

Furthermore, our partnership pledge to CI includes an institutional commitment to serve on the advisory committee of The Center for Environmental Leadership in Business, a new division of CI. The Center engages the private sector worldwide in creating solutions to critical environmental problems.

World Resources Institute

The World Resources Institute (WRI) goes beyond research to create practical ways to protect the planet and improve people's lives. Citigroup supports WRI's mission to move human society to live in ways that protect Earth's environment for current and future generations. Citigroup is involved with a number of WRI programs and works with its Sustainable



"I'm pleased to serve as an advisory committee member of The Center for Environmental Leadership in Business, which affords Citigroup the unique opportunity to better understand how public and private responses to environmental trends are reshaping the business environment—and to use that understanding to refine our credit and investment analyses. The bottom line is therefore quite simple: the 'smarter' we are, the higher quality of service we can deliver to our clients—and that is key to our long-term success."

LINDA DESCANO

Director and Portfolio Manager, Citigroup Asset Management

Enterprise Program to create profitable solutions to environment and development challenges.

For the past two years, we have been active supporters of WRI New Ventures in Latin America, which endorses sustainable enterprise creation by accelerating the transfer of venture capital to investment opportunities that incorporate social and environmental benefits. Based on the success of New Ventures in Latin America and our support for WRI's Business Environment Leadership and Learning program in Asia, China BELL, in 2001, we expanded our funding for WRI and New Ventures by providing seed capital for New

Ventures Asia-Pacific. Specifically, starting in China, followed by Indonesia and the Philippines, the project seeks to accelerate small and mid-sized sustainable enterprise creation in the areas of organic foods and agriculture, renewable energy and clean technology.

Wildlife Habitat Council

In 2000, Citigroup joined the Wildlife Habitat Council (WHC) as a corporate member. WHC works with companies to increase and enhance wildlife habitat on corporate lands for future generations. The Credit Services site, located in Florence, Kentucky, was chosen in 2001 as our first Wildlife at WorkSM

CITI CARDS CREDIT SERVICES SITE LOCATED IN FLORENCE, KENTUCKY

location. Employee volunteers are hard at work providing shelter and food for species by constructing nest boxes, tree islands and raptor perches and planting wetland and shoreline vegetation.

In 2002, we intend to develop a second habitat in a different geographical area—the gateway to the Plains where the Citi Cards facility in Sioux Falls, South Dakota, is located.

BEYOND GREY PINSTripES 2001

A joint project of the Aspen Institute for Social Innovation Through Business (Aspen ISIB) and WRI, Beyond Grey Pinstripes 2001—"Preparing MBAs for Social and Environmental Stewardship," was the third in a series of surveys tracking the incorporation of environment and social impact issues into MBA programs.

We have supported the program since its inception and this year, along with hosting the faculty and business school award ceremony and announcement of the survey report, Citigroup executives served as judges for the faculty awards and participated in the roundtable discussion.



"We at Citigroup appreciate the Beyond Grey Pinstripes survey's findings that stewardship issues are key to business viability over the long term. Global corporations must work within the current framework, along with governments and NGOs, to increase the supply of business leaders who are able to balance business success with social progress. We have instituted policies, processes and training at Citigroup to develop a sense of social and environmental stewardship."

CORINNE BEREZUK

Vice President, Emerging Markets Credit Risk Management

Alliance for Environmental Innovation

In 2001, Citigroup Purchasing for the Corporate and Investment Bank forged a partnership with the Alliance for Environmental Innovation. The Alliance is a joint venture of the non-profit organization Environmental Defense and the Pew Charitable Trust, and works with private companies that are leaders in their industries to define new best practices.

Citigroup has already significantly reduced its use of paper by utilizing corporate Web sites to disseminate information and announcements to employees and clients. Copy paper is one of the largest remaining paper volume requirements for the company. The Corporate & Investment Bank's project with the Alliance will focus on procurement of recycled copy paper in the U.S. We anticipate that after a successful trial period using recycled copy paper at the Corporate & Investment Bank in the U.S., this program will be expanded to our other subsidiaries around the world.

In addition to these public-private relationships, in 2001 we also forged new partnerships with the Natural Resources Defense Council, World Wildlife Fund, the Nature Conservancy, and Sustainable Long Island, among others.

BUSINESSES MAKING A DIFFERENCE

Public Finance

Environmental improvements sponsored by municipalities or public agencies are an important component of SSB's Public Finance Department activities. SSB is the nation's leading underwriter of municipal debt.

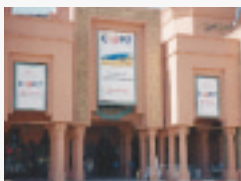
In 2001, SSB provided over \$10 billion in tax-exempt funding for water treatment and wastewater pollution control facilities in the U.S. As part of this effort, SSB assists states to develop specialized programs, called state revolving funds, to further subsidize water treatment needs. For example, SSB designed, structured and financed a new program for the state of Florida to accelerate subsidized wastewater treatment funding within the state. The new program

increased annual funding for wastewater treatment by 50 percent over current levels this year and is expected to increase funding by 75 percent next year.

SSB financed a \$56 million desalination facility that removes natural and agricultural contamination from groundwater and makes clean drinking water available to several cities and water utilities in California's Chino Basin. A related transaction to expand the facility is expected in 2002.

SSB is by far the most experienced underwriter of solid waste disposal projects on Wall Street. In 2001 alone, we refinanced almost \$750 million of debt for solid waste disposal projects, capturing substantial interest rate savings and reducing community costs for this essential environmental service. Refinancing lowers community disposal costs allowing continued funding for recycling and household hazardous waste collection efforts.

CITIGROUP BUSINESSES IN AFRICA AND THE MIDDLE EAST



Citibank Morocco— the Kyoto Accords

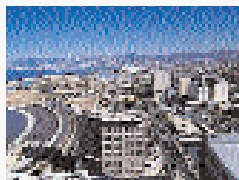
Citibank Morocco competed against stiff competition from other international and domes-

tic banks to win the mandate for being the exclusive bank at the UN Conference on Climate Change (follow-up to the Kyoto Accords), held in Marrakech from October 29 to November 9. Over 3,000 delegates representing approximately 171 countries around the world attended UNFCCC. This is the third UN conference for which Citibank Morocco has provided exclusive on-site services in the last 18 months. This is an important step in Citibank Morocco's strategy to increase its domestic position in providing cross-country solutions without an extensive in-country branch network.

Moreover, this association helps link our brand to environmental issues in Morocco—a key development priority for the government—which builds on Citigroup's global position to participate in the financial service industry's efforts in addressing environmental issues.



BEFORE



AFTER

Citibank Lebanon— Helping Rebuild

Lebanon's emergence from civil war has provided reconstruction opportunities. Many of these involve improving environmental management/resource distribution—anti-pollution measures, park rejuvenation, public restoration works, sustainable land use and water cleanup accessibility.

Citibank Lebanon has arranged financing for an environmental cleanup in the Beirut Central District (BCD). The area will be enhanced with the building of a grand public park, recreational areas, cultural facilities and restaurants. Financing totals \$45 million for an environmental cleanup covering an 18 hectare area at sea level bordering the Mediterranean coastline. Cleanup involves the transformation of a wartime refuse dump, later congealed into a toxic landfill. Part of the financing closed in 2000 (\$22 million) with the remainder, including a portion financed under the Export-Import Bank of the U.S., closed in 2001.

Project and Structured Trade Finance

Project Finance arranges project financing for the responsible development of infrastructure in developed economies as well as in the emerging markets.

Eco-friendly Fuel in Bahrain: In 2001, Citigroup acted as financial advisor to the Bahrain Petroleum Company (Bapco) for a project to

upgrade and modernize the aging Sitra refinery that includes a \$29.5 million kerosene mercox unit. A unique aspect of Bapco is its production of eco-friendly fuel that will eliminate the environmental and potential health risks related to the discharge of lead and the disposal of the generated lead sulfide sludge into the environment.

Clean Power in Poland: Citigroup acted as lead arranger for a deal in Central Poland called Patnow II (PAK). It calls for construction of a new 464 MW electricity generating unit that will utilize clean technology by providing for the demolition of two old mazut-fired (unclean energy) power plants and the construction of a power plant that uses lignite fuel from

AFFINITY CARDS IN INDIA

Affinity Cards at Citibank India:

Citibank India's consumer franchise has numerous affinity card programs that provide financial royalties to non-profit affinity card partners.



Child Relief and You	\$21,000
World Wide Fund for Nature India	\$47,380
Women's Card for Society for Promotion of Area Resource Center and Friends of Women's World Banking	\$34,000
Armed Forces War Widows Association	\$16,666

local mines. The area is totally dependent on the mine and power station, which employs several thousand people. By supporting this project, we help the government succeed in its goal to reform the industry and to create a competitive energy market. The financing involves the European Bank for Reconstruction and Development and the transaction is expected to significantly reduce emissions and provide a long-term source of stable and cost-efficient energy.

Potable Drinking Water in Lima:
We are involved in the Rio Chillon

project to provide drinkable quality water to the northern part of the city of Lima, where nearly two million people currently have no running water. Currently, the public must buy water from intermediaries who sell it for as much as three times the rate as in other areas of the city. Deliveries take place two or three times per week, so that people must store water for their daily needs, most of the time in sub-optimal sanitary conditions. The project will create enormous social and economic benefits by providing a larger and cleaner

supply of water to a large population at a fraction of the price currently being paid. Citibank acted as financial advisor to the consortium prior to the bid award and is currently the arranger of financing for the project.

Innovative Roadways in California: Citigroup acted as sole lead manager and bookrunner on the debt refinancing in the California Private Transportation Company's State Route 91-toll. It is the world's first 100 percent automatic vehicle identification utility operated by electronic transponders to collect tolls, which reduces congestion and emissions from stopping to pay tolls. It is also the world's first application of congestion pricing, whereby higher tolls are paid during peak usage periods in an attempt to spread out traffic movements, thus also reducing congestion and emissions. The project has been honored with major industry and government awards including, among others: Distinguished Innovative Project, National Council of Public/Private Partnerships; and Deal of the Year, *Institutional Investor* magazine.

WORKPLACE



Citigroup fosters an environment where all of our employees—regardless of their backgrounds—are respected and encouraged to work together. This is what makes Citigroup the employer of choice in many places around the world.

DIVERSITY IN THE WORKPLACE EQUALS A COMPETITIVE BUSINESS EDGE

CITIGROUP FOSTERS AN ENVIRONMENT WHERE ALL OF OUR EMPLOYEES—REGARDLESS OF THEIR BACKGROUNDS—ARE RESPECTED AND ENCOURAGED TO WORK TOGETHER. THIS IS WHAT MAKES CITIGROUP THE EMPLOYER OF CHOICE IN MANY PLACES AROUND THE WORLD. AS AN EXAMPLE, BEFORE THE END OF APARTHEID, CITIBANK IN SOUTH AFRICA WAS A PLACE WHERE BLACK SOUTH AFRICANS WERE WELCOMED. IN PLACES LIKE TURKEY AND INDONESIA, THE ISSUE OF A WELCOMING ENVIRONMENT FOR NON-MUSLIMS IS IMPORTANT TO OUR BUSINESSES.



A DIVERSE WORKFORCE

At Citigroup, we are committed to building a workforce that is representative of the rich diversity of our customers. Our office of Global Corporate Diversity, working in tandem with the businesses, is responsible for implementing our diversity initiatives. To attract the top talent, we have built solid partnerships with leading organizations in the U.S., such as the National Association of Black MBAs, the National Society of Hispanic MBAs,

the Consortium for Graduate Study in Management, and INROADS, a national undergraduate minority internship program.

Citigroup also continues to strengthen its campus efforts to attract women and minority students, along with launching outreach efforts to lesbian and gay MBA students at major universities.

Citigroup is a founding sponsor of the Rainbow/PUSH's Wall Street Project, which provides minority professionals, and college and university students with access to key leaders in the financial industry. Now in its fifth year, the annual Wall Street Project attracts more than 1,500 attendees.

Career development is an integral component of our diversity strategy. Several of our businesses, including Citi Cards and Diners Club, have recently launched

mentoring programs to enable our senior leaders to work with junior leaders to assist them in gaining skills and knowledge about themselves and the organization. The Global Women's Summit held in 2000 has been a catalyst for subsequent global initiatives. In 2001, a Diversity Summit for over 200 participants was held by our Latin America Consumer Bank focusing on the career challenges and opportunities of Latina employees.

Citibank Japan also held a Women's Summit for women from across Citigroup's businesses to launch the diversity strategy. A similar program was sponsored by Citibank Australia. In the U.S., Citigroup's African American Leadership Council sponsored a workshop focusing on business development for African American members of the company's Primerica unit.



"We aspire to be known as a company where the best people want to work, where they are given opportunities to develop, and where a healthy balance is struck between work and family."

MICHAEL SCHLEIN

Senior Vice President of Global Corporate Affairs and Human Resources for Citigroup

SUPPLIER DIVERSITY PROGRAM INCREASES FROM \$190 MILLION TO \$400 MILLION

Citigroup's U.S. Supplier Diversity Program, which was launched in 1977, is actively involved in



identifying and using businesses owned by minorities, women, service-disabled veterans and the physically challenged, as well as

increasing opportunities for these businesses through educational seminars and mentoring.

In 2001, we expanded our Supplier Diversity Program to include every Citigroup business. We more than doubled the amount of business we conducted with women- and minority-owned firms, increasing from \$190 million in 2000 to \$400 million in 2001. We also initiated the requirement with all major vendors that minority and women suppliers and subcontractors be included when major contracts are renegotiated. We launched a public Web site to educate potential minority suppliers about the program and its requirements, along with developing a supplier database and implementing tracking and reporting processes.

WORK/LIFE PROGRAMS HELP EMPLOYEES STRIKE A BALANCE

Citigroup does not take a one-size-fits-all approach to helping

employees with work/life issues. Different businesses and different locations have different needs. Our ultimate goal is to design and provide programs that will help employees excel both in their professional and personal lives.

Childcare Programs at Citigroup

Citigroup has a variety of childcare programs available to employees in the U.S. On-site full-time care centers are located in Florida, Maryland, Missouri, Nevada and South Dakota. These five centers serve more than 1,700 children daily. Employees also can receive discounts when they use leading national childcare centers that provide full-time care assistance.

Citigroup has back-up childcare programs to assist employees when their regular care arrangements are unavailable. Citigroup makes backup care available to more employees than any other corporation in the world. Our programs include: three on-site back-up care centers in New York and New Jersey; more than 300 work locations served by Just In Time Care® in 12 states; and more than 65,000 employees covered by back-up care or school holiday programs nationally. Citigroup's on-site back-up care



"Through our presence in more than 100 countries, Citigroup is uniquely positioned through its global reach and array of businesses to be the employer of choice. We are committed to building a workforce that is representative of our customer base and recognize the opportunity that diversity provides in our business strategies."

ANA DUARTE-MCCARTHY

Director of Global Diversity for Citigroup



BACK-UP CHILDCARE CENTER AT CITIGROUP IN NEW YORK CITY

centers assist employees at work locations for a minimal per diem co-payment.

Employees in participating businesses can also get company subsidized backup childcare near their home or work locations through Just In Time Care®, a research and referral service that links employees with childcare providers. A number of businesses also supplement childcare with special on-site programs that meet the higher demand on school holidays and snow days.

Citigroup Japan Surveys Employees and Takes Action

In 2001, Citibank Japan and Citi Asset Management enlisted WFD Consulting, Inc. to conduct a survey among their 2,320 employees on childcare and elder care concerns. The response rate was a high 70 percent with employees most concerned about the availability of childcare facilities, future elder care support and flexible work options.

As a result of the survey, Citibank and Citi Asset Management in Japan implemented its first elder care informational seminars. The units also began negotiating for space at Citicorp Center Tokyo

and other Citi locations to open back-up childcare facilities. In addition, the businesses introduced a new telework policy to supplement its existing flexible work hours initiatives.

The LifeWorks® Program at Citigroup

Citigroup's LifeWorks® program is a unique resource to help employees and their dependents better manage the demands of everyday life. Open to employees, their partners and dependents in the U.S., Canada and Puerto Rico, the program is available through a toll-free telephone number or via the web around the clock. It provides practical solutions and information, customized referrals, and research and resources on a wide variety of topics, such as parenting/childcare, adoption, education, older adults and work issues.

Employees and their family members can also access a Web site to participate in online discussions, receive custom newsletters and use interactive features. In 2001, this program was used 23,000 times, with an additional 9,000 Web site visits. The leading reasons for use

were concerns relating to childcare and elder care.

The Employee Assistance Program at Citigroup

Citigroup's Employee Assistance Program (EAP) provides programs and consulting services to help maximize the health, well-being and productivity of its employees and their immediate family members in the U.S., Puerto Rico and Canada, along with expatriate staff around the world. Access to the EAP is available around the clock via a toll-free telephone number. Callers receive confidential counseling, as well as referrals to qualified local providers on a wide range of personal, family and work issues, including alcohol or chemical dependency, relationship issues, work-related problems or financial problems. Employees and their family members can also access the EAP Web site to obtain information and resources related to mental health and stress management, and take part in interactive programs like a confidential depression screening and an assertiveness inventory.

MEDICAL FACILITIES AT CITIGROUP

Citigroup has a variety of medical programs available to employees



FITNESS AND EXERCISE PROGRAMS AT CITIGROUP IN TAMPA, FLORIDA

globally. On-site medical facilities are located in New York, Tampa and Jacksonville, FL; London and Dublin. More than 60,000 employees used these sites last year and 85 percent of them were able to return to work the same day with the average visit typically lasting less than 30 minutes. Services offered include: assessment, treatment, recommendations and/or referral for illness and injury; periodic medical exams for expatriate staff and their spouses and partners; periodic screening programs; immunizations for business travel; flu shots; and, as directed by an employee's physician, laboratory blood tests, allergy injections and electrocardiograms.

In most locations where Citigroup resides, the majority of women in the workforce are under the age of 45. Statistically, at least 40 percent will have children. With these demographics, supporting the needs of working mothers has

a very real impact on our bottom line. In support of working mothers, Citigroup has lactation facilities available at several of its domestic locations including Connecticut, Florida, Maryland and New York, as well as internationally in Dublin and London.

Citigroup also provides or arranges medical resources for its employees with facilities in New York, New Jersey, Florida, the United Kingdom, Ireland, Spain, Greece and Japan. We partner with and manage International SOS to provide around-the-clock, worldwide medical access and assistance for expatriates and international business travelers. Services include a global immunization program that offers timely advice and resources to help assure safe and healthy travel, pre-assignment and annual physical examinations, referrals to appropriate medical specialists worldwide and a dedicated telephone number.

Our businesses in more than 40 countries used SOS's services last year. SOS also helped us deliver more than 12,000 e-mail medical alerts to our employees who were traveling away from home on business.

WELLNESS CENTERS

Fitness and exercise programs are an integral component of Citigroup's health and wellness initiatives. These programs are very popular with employees as evidenced by positive feedback on surveys and member enrollment. On-site Wellness Centers are located in London, Dublin and Sydney, as well as U.S. locations in Connecticut, Florida, Indiana, Iowa, Kentucky, Maryland, Missouri, Nevada, New Mexico, New York, South Dakota and Texas. Twenty-one Wellness Centers serve over 3,000 employees daily with more than 32 percent of eligible employees enrolled as members.

INVESTMENT OPPORTUNITIES MAKING A DIFFERENCE



“A growing number of our clients seek investments that reflect their concerns relating to the environment, the workplace, human rights and other issues. We are pleased to be able to offer them our Social Awareness Investment Fund, which was established in 1987. A hallmark of Social Awareness’ discipline is its integration of fundamental and social considerations into its investment analysis. This portfolio is an example of our dedication to business initiatives that respond to clients’ needs and that also make a difference and demonstrate our commitments to corporate citizenship and involvement in communities around the world.”

THOMAS W. JONES

Chairman & CEO, Global Investment Management and Private Banking Group; Chairman & CEO, Citigroup Asset Management

SOCIAL AWARENESS INVESTMENT

Social Awareness Investment, a unit of Citigroup Asset Management’s Private Portfolio Group, has approximately \$2 billion in assets under management (including mutual funds, as of September 30, 2001) for institutional and individual investors. A hallmark of Social Awareness’ discipline is its unique integration of fundamental and cultural considerations into its investment analysis. Because different sectors face a different set of issues,

given the varying business environments in which they operate, Social Awareness selectively emphasizes those particular sociocultural issues and trends most relevant to a company’s operating arena.

Social Awareness is active in dialogue relating to corporate citizenship and social investing through participation in BSR, SRI in the Rockies, and the UNEP FI Asset Management Working Group.

SMITH BARNEY CHARITABLE INVESTMENT FUND

Our Smith Barney Charitable Investment Fund enables high-net-worth clients to make future philanthropic grants to charitable organizations. Introduced in December 2001, the fund was offered to clients of our more than 12,700 Financial Consultants in time for the year-end charitable giving season.

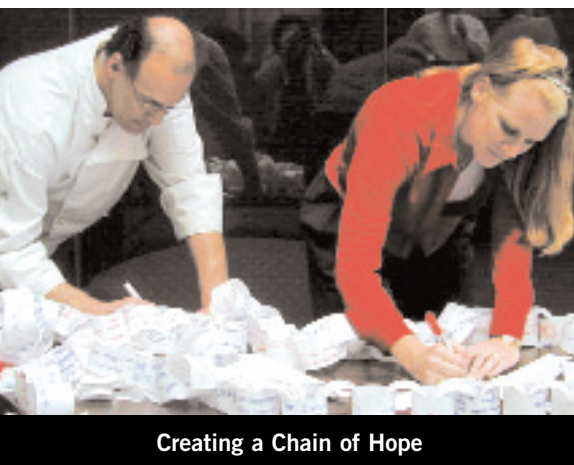
The fund is administered through the Salomon Smith Barney Charitable Trust, Inc., an independent 501(c)(3) public charity. The Salomon Smith Barney Charitable Trust houses the funds managed by Smith Barney Asset Management, and reviews donors’ grant recommendations to the philanthropic institutions they wish to support.

A DAY WE WILL ALWAYS REMEMBER— SEPTEMBER 11, 2001

CITIGROUP'S EMPLOYEES AND CLIENTS ENTHUSIASTICALLY LENT THEIR SUPPORT TO RELIEF EFFORTS FOLLOWING THE EVENTS OF SEPTEMBER 11. UNFORTUNATELY, SIX EMPLOYEES LOST THEIR LIVES.



Providing Relief at Ground Zero



Creating a Chain of Hope

Citigroup made every effort to comfort the families, friends and colleagues of employees who lost their lives, as well as offer assistance to hundreds of employees who experienced loss due to the events.

More than 15,000 employees were safely evacuated from five buildings in lower Manhattan, including the Twin Towers and Seven World Trade Center, before the buildings collapsed. Employees and their families were encouraged to use the services of the Citigroup's EAP and attend one of the many grief counseling sessions offered nationwide. Approximately 6,000 employees sought individual or group grief counseling offered by Citigroup at 60 locations in 12 states. Every effort also was made to relocate employees whose offices were destroyed to other Citigroup sites.

Letters of support and encouragement from our Chairman and CEO, and our senior corporate executives, were posted on our internal Web site for employees, along with continuous updates regarding the status of buildings and transportation, and the availability of individual and group grief counseling. A toll-free number was set up for employees who did not have access to a computer.

Immediately following the events of September 11, our employees

quickly mobilized to support the relief efforts. Our New York Financial Centers near the disaster area were quickly transformed into relief centers. Employee volunteers were dispatched to these Centers to provide refreshments, supplies and comfort facilities to relief workers. At our 111 Wall Street location, more than 550 employees volunteered, providing around-the-clock coverage for 25 days.

Employees located miles away from the affected sites in New York and Washington, D.C., also responded immediately with assistance. For example, employees at Travelers headquarters in Hartford, CT collected and sent 258 boxes of non-perishable food items and 7,600 bottles of water to the sites.

Along with food and water, relief workers continuously needed clean, dry clothing. With the help of a local sporting goods store, New York City employees bought socks, tee shirts and other supplies. In Hagerstown, MD, working with their local Salvation Army, employees collected clothing for the relief workers. An anticipated need for blood also led



“Following the disaster, our business heads, support staff and technologists went to work immediately on disaster recovery, making their way to locations across the tri-state area. As a result, we were quickly up and running to serve our customers despite the fact that 16,000 employees were displaced from their normal place of work. These extraordinary accomplishments took place while many of our employees were confronted with personal loss, emotional trauma, the destruction of our Seven World Trade Center offices and commuting disruption. As I toured the disaster recovery sights in the area, the dedication and commitment of all of our employees was impressive. An array of counseling programs was established to address the needs of our employees who, like so many others, were personally touched in some way by this tragedy, and over 5,000 people took advantage of this assistance.”

MICHAEL A. CARPENTER

Chairman and CEO of Citigroup's Corporate & Investment Bank

thousands of employees to donate in their local communities.

Citigroup's credit operations, including credit cards, mortgages, and personal and small business loans, also made special provisions and rates available to people in the New York City and Washington, D.C. areas impacted by the events so they could meet their financial obligations in their time of loss and hardship. Travelers moved its self-contained Catastrophe Vans, known as the CAT Vans, into lower

Manhattan. The CAT Vans serve as mobile insurance claim offices, and we were able to process claims, and began advancing funds to ease the burdens of our consumer and small business customers in the affected areas.

CITIGROUP RELIEF FUND

Life will never be the same for the children of those whose lives were lost or who were permanently disabled on September 11. With the children and their future in mind, Citigroup established

the Citigroup Relief Fund on September 14. The Fund was started with a \$15 million donation from the Citigroup Foundation to provide scholarships for the children of those whose lives were lost or who were permanently disabled. In the weeks that followed, Citigroup employees, clients and other interested parties added to this fund by making personal tax-deductible contributions, bringing its total to \$18.4 million by year-end.

The Citigroup Employee Family Fund was established to allow employees and customers to contribute directly to the families of the six employees who died. Citigroup also created the “Citi for the City” fund for employees and clients wishing to make small donations at Citibank Financial Centers and CitiFinancial offices to support immediate relief efforts. In addition to contributing to the Citigroup Relief Fund and “Citi for the City,” our employees have contributed to local drives by the Red Cross and Salvation Army and other organizations.

HIGHLIGHTS OF 2001 CORPORATE CITIZENSHIP AWARDS & RECOGNITION

Asian Government

Million Dollar Productivity Project Award
Eureka Award for Improving Organization Performance

Australian Prime Minister

Award for Excellence in Community Business Partnerships

Cerebral Palsy Associations of New York State

Public Service Award

Commonwealth Magazine in Taiwan

Most Respected Bank

Dow Jones Sustainability World Indexes

Citigroup Selected as Component

C. Everett Koop Health Excellence Award in U.S.

Citibank's Health Management Program

Exame Magazine in Brazil

Selected for Guide to Good Corporate Citizenship

Goodwill Industries in U.S.

Community Service Award

Guia Exame in Brazil

100 Best Companies to Work For

Habitat for Humanity in U.S.

Corporate Sponsor Awards

IESE and Addecco in Spain

Corporate Social Responsibility Award

Independent Insurance Agents of America

Best Practices Award of Excellence

Junior Achievement in Argentina and U.S.

Outstanding Company Award
Corporate Partner Award

LATINA Style Magazine in U.S.

Among Best Companies for Latina Employees

Miami-Dade Empowerment Trust, Florida

President's Award for Exemplary Community Service

NORWESCAP in New Jersey

Community Service Award

People United to Lead the Struggle for Equality in Florida

Outstanding Corporate Leadership

Public Schools of Chicago, Illinois

Business Partnership Award

State of Nevada, U.S.

Proclamation for Long-Time Support

Supportive Housing Association of New Jersey & Corporation for Supportive Housing

2001 Honoree

United Way in U.S.

Chairman's Award

U.S. Census Bureau

2001 Honoree

U.S. Conference Board

Best in Class for Citibank FamilyTech

U.S. Small Business Administration

Excellence in Lending
Special Recognition (9/11 Support)

Wellness Councils of America

Workplace Award

Working Mother Magazine in U.S.

Top 10 Best Companies for Working Mothers

YWCA, Upstate New York

Corporate Philanthropic Award

ASIAN GOVERNMENT'S MILLION DOLLAR PROJECT AND EUREKA AWARDS

The Asian Government's Productivity and Standards Board presents its Million Dollar Project Award to organizations that have saved at least \$1 million in manpower, equipment and other costs per project. Citibank's Project Evolution won the award for saving \$3.9 million in total operating expenses. Project Evolution encompassed standardization, process improvements, system enhancements and simplifications.

The Eureka Award is conferred to the most innovative project which has employed unique methodology and techniques that improve an organization's performance. In 2001, we launched Project Excellence, which resulted in both improving our processing of data and helping our employees improve performance results through time management and career development training.

DOW JONES SUSTAINABILITY WORLD INDEXES

In 2001, Citigroup was selected as a component of the Dow Jones Sustainability World Indexes (DJSI World), which is the world's first index family tracking the performance of sustainability-driven companies representing 62 industries worldwide.

Companies included on the DJSI World are recognized as being the top 10 percent in corporate sustainability and are leading their industries by setting standards for best practices and demonstrating superior environmental, social and economic performance. Those listed on the DJSI World are chosen from 2,500 of the largest capitalized companies in the Dow Jones Global Index. For more information please refer to the DJSI World Web site at: www.sustainability-indexes.com.

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