

PRESS RELEASE
Citigroup Inc. (NYSE: C)
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**Citi's *Action for Racial Equity* Initiative Invests \$1 Billion to
Address the Racial Wealth Gap in the U.S.**

Year One Results Outpace Plan to Deliver on the Three-Year Commitment

New York – Citi and the Citi Foundation announced today the *Action for Racial Equity* initiative has already invested \$1 billion in strategic initiatives to help close the racial wealth gap and increase economic mobility in the United States in year one of a three-year commitment. Announced in September 2020, Citi's [Action for Racial Equity](#) is a comprehensive approach to 1) provide greater access to banking and credit in communities of color, 2) increase investment in Black-owned businesses, 3) expand affordable housing and homeownership among Black Americans and 4) advance anti-racist practices in its company and the financial services industry. Citi is on track to far exceed its original \$1.1 billion commitment.

Citi and the Citi Foundation's initial goals through the end of 2023 included:

- \$550 million to support homeownership for people of color and affordable housing by minority developers
- \$350 million in procurement opportunities for Black-owned business suppliers
- \$50 million in impact investing equity for Black entrepreneurs
- \$100 million to support Minority Depository Institutions (MDIs)
- \$100 million in Citi Foundation grants to support community change agents addressing racial equity

Citi exceeded its procurement goal for its investments in Black-owned suppliers, and the company is on track to meet the other commitments by the end of 2023.

"We are meeting the challenge of helping close the racial wealth gap with urgency," said **Jane Fraser, CEO, Citi**. "In just one year since launching *Action for Racial Equity*, we have already invested \$1 billion into initiatives expanding economic opportunity for communities of color. There is still more work to be done to advance anti-racist practices both within our firm and across the industry, and we look forward to continuing to evolve our approach to driving diversity, equity and inclusion for our colleagues, clients and communities."

Building on the momentum of progress shared [earlier this year](#), Citi has deepened its commitments in the last six months. Among the progress detailed below, Citi is creating a Diverse Financial Institutions Unit, a centralized team within the company focused on supporting MDIs that serve communities of color. The new team will support the recently launched Citi MDI Rotational Program, a first-of-its-kind initiative which embeds Citi's executives within MDIs for up to a year to share expertise and help grow their business. Citi is also among the first 50 companies and first major U.S. bank to participate in the Management Leadership for Tomorrow (MLT) Black Equity at Work Certification, which was created to hold companies accountable for making progress around equity. Furthermore, Citi [announced its commitment](#) to conduct a third-party racial equity audit to assess its efforts to help close the racial wealth gap in the U.S.

"Since making our *Action for Racial Equity* financial commitments last year, we've been able to activate our teams across different businesses and deepen our efforts rather quickly," said **Mark Mason, CFO, Citi**. "While we've seen great progress in a short period of time, our commitment

doesn't stop here. We will continue to identify ways we can leverage our capabilities and embed racial equity in our day-to-day practices and use our influence to generate positive, measurable and meaningful impact in our business and in our society."

"Lack of wealth generation opportunities and access to affordable housing continue to plague Black and Brown communities, and our mission is to create equitable access to capital to help fill that void," said **Dr. Kase Lawal, Chairman, Unity National Bank**. "We're thrilled to have the continued support and partnership of Citi, including their equity investment and embedded senior counsel, to help grow our business. Together, we can find more opportunities to drive economic value and impact in the communities we serve."

"MLT is excited to expand our work with Citi, one of our longest-standing partners, to include the MLT Black Equity Certification," said **John Rice, Founder and CEO, Management Leadership for Tomorrow**. "This comprehensive framework and roadmap will help Citi advance its commitment to becoming an anti-racist institution with the same level of rigor that they apply to all aspects of the business."

As part of *Action for Racial Equity*, Citi's businesses are focused on four key outcomes:

GOAL #1: EXPAND BANKING AND ACCESS TO CREDIT IN COMMUNITIES OF COLOR

Building on the progress reported earlier this year, in the last six months Citi has:

- Made plans to launch the Diverse Financial Institutions Unit, a dedicated team within Citi that will serve as a hub to lead and expand engagement with MDIs, driving investment and revenue generating opportunities.
- Launched the Citi MDI Rotational Program, a first-of-its-kind initiative which embeds Citi executives within MDIs for up to a year to share expertise and help grow their business. The inaugural participant is a 25-year veteran of Citi, who is on a year-long residency at Unity National Bank to help them develop and enhance their affordable housing and community development lending business.
- Made equity investments in Carver State Bank, Industrial Bank, Liberty Bank and United Bank of Philadelphia, with pro bono legal advice provided by Paul, Weiss, Rifkind, Wharton & Garrison LLP. To date, Citi has invested \$39 million out of \$50 million in growth capital to MDIs to strengthen their ability to serve racially diverse households and entrepreneurs.
- Closed \$5 million in affordable housing loan participation opportunities for MDIs to generate revenue and build their capacity to invest in larger transactions. This brings the total to nearly \$20 million out of the \$50 million, three-year commitment.
- Announced a new online lending platform for small- and medium-sized businesses – called [Bridge built by CitiSM](#) – that will help drive lending opportunities for MDIs, as well as other local banks. MDIs participating in the pilot include Carver State Bank, Citizens Trust Bank, Commonwealth National Bank, Liberty Bank, Mechanics & Farmers Bank, Optus Bank, United Bank of Philadelphia and Unity National Bank.
- Piloted an effort that will bring MDIs to participate as investors in Citi's Supply Chain Finance offering. Mechanics & Farmers Bank is the first institution onboarded and successfully joined and funded a participation in a sizable program with a major U.S. based retailer.
- Launched a Board Ready program to help connect MDI executives with corporate board seats in partnership with Deloitte and National Bankers Association. Participants include

First Independence Bank, Harbor Bank, Optus Bank, Liberty Bank, Industrial Bank, Mechanics & Farmers Bank and New Omni Bank.

- Launched a collaboration with Local Initiatives Support Corporation (LISC) to serve households of color by expanding access to the Citi® Access Account Package that includes low-cost savings and checking products.

GOAL #2: INVEST IN BLACK ENTREPRENEURSHIP

Building on the progress reported earlier this year, in the last six months Citi has:

- Invested in three companies led by Black founders as part of Citi's \$50 million commitment in additional impact investing capital for Black entrepreneurs via the Citi Impact Fund. To date, nine of the first 24 investments in the Citi Impact Fund were directed to Black founders – most of which are seed stage investments, accounting for 40% of the Fund's portfolio and 20% of the Fund's total equity invested.
- On track to achieve target for annual supplier spend with Black-owned businesses in 2021 and goal of increasing overall spend with certified diverse suppliers to \$1 billion annually by 2023. Supplier spend data is released annually as part of Citi's ESG reporting.

GOAL #3: INVEST IN AFFORDABLE HOUSING AND PROMOTE THE GROWTH OF BLACK HOMEOWNERSHIP

Building on the progress reported earlier this year, in the last six months Citi has:

- Continued to expand the U.S. Consumer Bank's community lending team and is on-track to onboard additional staff in early 2022.
- Made progress on its three-year strategy to scale lending products and programs and invest in digital mortgage capabilities to continue to tackle homeownership challenges.

GOAL #4: STRENGTHEN CITI'S POLICIES AND PRACTICES IN ORDER TO BECOME AN ANTI-RACIST INSTITUTION

Building on the progress reported earlier this year, in the last six months Citi has:

- Announced a third-party racial equity audit of the *Action for Racial Equity* initiatives underway across the company to address the racial wealth gap in the U.S.
- Announced participation in the MLT Black Equity at Work Certification, a first-of-its-kind, standard and roadmap for employers that want to achieve Black equity, internally, and support Black equity in society. Citi is the only large U.S. bank among the first 50 companies to participate.
- Issued inaugural Social Finance bond with a notional value of \$1 billion. Citi utilized a syndicate of minority- and women-owned broker dealers, of which Black-owned broker-dealers comprised 20%.
- Announced Citi Global Wealth Investments' steps to help embed racial equity in asset management, including a goal to onboard five to 15 diverse owned or managed fund managers to Citi's platform – \$200 million in client capital is expected to be invested in these funds by the end of 2023.
- Obtained detailed diversity data from the majority of Citi's U.S. law firm partners who make up more than two-thirds of the company's U.S. Legal spend. This data will allow us to identify opportunities to increase representation of diverse attorneys on Citi matters.

- Worked with advertising agency partners that comprise the largest portion of Citi's marketing spend to increase diverse representation of agency teams, including senior leadership, and to help ensure diversity in Citi marketing materials.
- Announced a partnership with Getty Images to roll out a Citi Diversity, Equity & Inclusion Imagery Toolkit that aims to provide marketers and communicators with training around authentically showing underrepresented communities in visuals to accelerate more inclusive marketing and advertising campaigns. The initial toolkit focuses on the U.S, and Citi and Getty Images will be releasing toolkits in multiple markets around the globe.
- Established a new Citi Ventures team that will help digital and inclusion units across the bank develop financial technology solutions that center racial equity in design strategy and data protocols.

In addition to Citi's business initiatives, to date, the Citi Foundation has granted more than \$40 million of its three-year target to invest \$100 million in community change agents advancing racial equity. These grants included \$25 million in support of 50 community organizations providing technical assistance to small businesses in communities of color.

For more information on *Action for Racial Equity*, and the ways in which Citi is expanding and deepening its strategic initiatives, visit: citi.com/racialeguity.

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About Citi

Citi, the leading global bank, has approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions. Citi provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management.

About the Citi Foundation

The Citi Foundation works to promote economic progress and improve the lives of people in low-income communities around the world. We invest in efforts that increase financial inclusion, catalyze job opportunities for youth, and reimagine approaches to building economically vibrant communities. The Citi Foundation's "More than Philanthropy" approach deploys the enormous expertise of Citi and its people to fulfill our mission and drive thought leadership and innovation.

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