

Citi Foundation



**For immediate release
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**Citi Foundation Launches \$11.2 Million International Microfinance Program
Partners with Banking With The Poor, FDC and SEEP Networks in Asia Pacific**

Hong Kong – The Citi Foundation today announced a three-year US\$11.2 million international grant program to advance the integration of microfinance into the mainstream economies of developing countries. The Citi Network Strengthening Program will increase the ability of 12 major microfinance networks and their members to develop products and services that meet the needs of their clients. In addition, the program aims to enhance the industry's infrastructure, introduce higher standards of management and governance, and promote the vital role of microfinance in providing the poor with access to financial services.

In Asia Pacific, the program will be run in partnership with the Banking With The Poor Network (BWTP), the Foundation for Development Cooperation (FDC), and the program's global partner, the SEEP Network. It will expand the Citi Foundation's long-standing support of the microfinance industry in the region through grants for capital, training and technical assistance. Over the past ten years, the Citi Foundation has committed more than US\$17 million in funding for microfinance-related programs in Asia.

Robert Morse, CEO, Markets & Banking, Citi Asia Pacific said, "We are pleased to expand our partnership with these very important microfinance organizations at what we believe is a critical juncture for the industry. Microfinance has won tremendous acclaim as a tool for poverty alleviation in recent years, but still faces numerous challenges. This initiative will help the industry to achieve the strength and scale required to substantially expand the reach of microfinance to the poor."

Chandula Abeywickrema, Chairman of BWTP, added, "BWTP's mission is to enhance the delivery of financial services and share best practices among microfinance institutions across the region. With the support of our secretariat, FDC, we are honored to be one of the 12 networks selected internationally to participate in Citi's Network Strengthening Program, and we are committed to ensuring that Asia Pacific's microfinance sector will benefit for the long term."

Additionally, Bill Tucker, Executive Director, SEEP Network, noted that, "SEEP is privileged to partner with Citi, BWTP and FDC to implement the Citi Network Strengthening Program in Asia Pacific. SEEP supports microfinance networks throughout the world, and this important program will provide BWTP with opportunities to confirm their current goals, enhance their core capabilities, learn from and orient network

peers in other countries who are also participating in this program, and, ultimately, improve services to micro-entrepreneurs through its member organizations.”

The regions and countries participating in the Citi Network Strengthening Program are: China, India, Philippines; Central America, Ecuador, Mexico; Central and Eastern Europe and the Newly Independent States, Russia, Pakistan, and the Middle East.

The Citi Network Strengthening Program will include:

- A comprehensive assessment of the network’s capacity to meet the needs of its members;
- An in-depth report on the microfinance industry in the respective country or region;
- Strategic, business and implementation plans which may include embracing new technologies, advocating for interest rate liberalization, establishment of ratings agencies and credit bureaus, creating local debt and equity ratings funds that raise domestic capital, and developing links between the commercial finance and microfinance sectors.

To date, the Citi Foundation has contributed nearly US\$60 million in funding to support 250 microfinance institutions, microfinance networks and microenterprise programs in 55 countries. Other key initiatives in Asia this year include the Asia Microfinance Forum to be held in Hanoi, Vietnam on August 26-29, 2008 in partnership with FDC and the Banking With The Poor Network.

In addition, Citi Microfinance, a business unit, supports the microfinance sector through commercial activities that build scale, lower costs and introduce new products. Citi Microfinance currently has business relationships with more than 70 microfinance institutions in over 35 countries in Asia, Latin America, Africa, Eastern Europe and the Middle East, as well as global microfinance networks, specialized fund managers, and investors.

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Citi

Citi, the leading global financial services company, has some 200 million customer accounts and does business in more than 100 countries, providing 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, and wealth management. Citi’s major brand names include Citibank, CitiFinancial, Primerica, Smith Barney, Banamex, and Nikko. Additional information may be found at www.citigroup.com or www.citi.com.

Citi Foundation

The Citi Foundation is committed to enhancing economic opportunities for underserved individuals and families in the communities where we work throughout the world. Globally, the Citi Foundation is focusing its giving on Microfinance and Microentrepreneurship, which helps individuals become economically self-sufficient; Small and Growing Businesses, leading to economic expansion and job creation; Education, which prepares young people for personal and professional success; Financial Education, which helps individuals make informed financial decisions; and the Environment with a focus on sustainable enterprises that generate jobs and stimulate economic growth while preserving the environment. Additional information can be found at www.citigroupfoundation.org.

Foundation for Development Cooperation (FDC)

The Foundation for Development Cooperation is an independent, not-for-profit international development organization, based in Brisbane, Australia. It has extensive regional activities and its early work in microfinance led to the creation of the BWTP Network in 1997. In relation to microfinance, FDC has undertaken in-depth studies on policy, regulatory frameworks, the roles of central and commercial banks, and capacity building. With Citi Foundation sponsorship, FDC and BWTP organized the "Pan-Asia Forum on Capacity Building for Microfinance in Crisis Situations" in Colombo, Sri Lanka in June 2005, and the first Asia Microfinance Forum "Partnerships and Innovations: Increasing the impact of Microfinance in Asia" in Beijing, China in March 2006. Additional information may be found at www.fdc.org.au.

Banking With The Poor (BWTP)

BWTP is an expanding network of some 30-plus national policy institutions, commercial banks and NGOs from 10 countries in Asia. Its objective is to support the development of the microfinance sector in the Asia region. BWTP members include ASA (Bangladesh), Credit Development Forum (Bangladesh), Janata Bank (Bangladesh), PKSF (Bangladesh), Shakti Foundation (Bangladesh), Sajida Foundation (Bangladesh), Swanirvar Bangladesh, PKSF (Bangladesh), Bandhan (India), BWDA (India), Canara Bank (India), Friends of Women's World Banking (India), MYRADA (India), NABARD (India), Vysya Bank (India), Bank Rakyat Indonesia (Indonesia), Bina Swadaya (Indonesia), PPSW - Center for Women's Resources Development (Indonesia), Dian Mandiri Foundation (Indonesia), Rural Microfinance Development Centre (Nepal), Swabalamban Bikas Bank (Nepal), First Microfinance Bank Ltd (Pakistan), ASKI (Philippines), KMBI (Philippines), TSPI Development Corporation (Philippines), Bangko Sentral ng Pilipinas (Philippines), Hatton National Bank (Sri Lanka), Lakjaya (Sri Lanka), SANASA Development Bank (Sri Lanka), SEEDS (Sri Lanka), and Small Enterprise Development Company (Thailand). Additional information may be found at www.bwtp.org.

SEEP Network

Since its inception in 1985, the SEEP Network has been a leader in the development of the international microfinance and enterprise development fields. SEEP's 74 institutional members are committed to reducing poverty, working in over 140 countries and reaching more than 25 million microentrepreneurs (70% of whom are women). SEEP convenes key stakeholders to generate, document and share best practices through inclusive and productive dialogue among practitioners. SEEP is committed to connecting microenterprise practitioners in a global learning community. For more information, please visit us at www.seepnetwork.org.