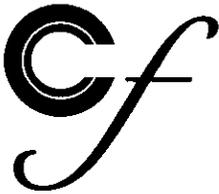


Testimony at Federal Reserve Board Public Meeting
Regarding Proposed Merger of
Travelers Group Inc. and Citicorp
Friday, June 26, 1998



COORDINATING
COUNCIL *for*
FOUNDATIONS

I am Nancy Roberts, president of the Coordinating Council for Foundations, a regional association of more than 80 corporate foundations and giving programs, independent foundations, community foundations and federated funds serving Connecticut. The Council's mission is to promote and support effective philanthropy for the public good in Connecticut.

As head of the organization that supports, provides data on and information about the organized grantmaking community in Connecticut, I am in a position to observe and comment on the corporate social investment of Travelers as well as other corporate entities in the state.

Travelers has historically been an important contributor to organizations in the Hartford area that heal, educate, entertain and inspire – and its support has been steadfast.

The headquarters community usually receives the greatest corporate support. However, after the merger of Travelers and Primerica, Greater Hartford was still the beneficiary of sizeable corporate support.

Most recently, within the past four years Travelers has provided significant support through its foundation in the area of education, from early childhood through college years.

Let me give you some examples.

Following the merger with Primerica, Travelers quickly brought to Hartford the academy programs which had been successfully provided in other parts of the country. The Academy of Finance at Weaver High School not only became a success story in its own right, but provided the model and design that stimulated the development of other academy programs supported by other corporations and the state of Connecticut in the two other high schools in Hartford.

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A three-year commitment to the Hartford Public Schools for instrument repair, replacement and music instruction provided much needed support to a neglected program for the cultural enrichment of children in Hartford.

In January 1998, Travelers donated 30,000 square feet of space in their Education Center to the University of Connecticut for three years to support business education. In addition, they will provide a scholarship fund and paid internships for high school and college level students. This effort exemplifies Travelers' efforts to link educational opportunities for students to job opportunities.

In addition to the above mentioned commitments to public education, the Travelers Foundation contributes to community-based tutoring and mentoring programs for children and youth, arts and cultural programs, and health programs totaling more than 1.4 million dollars in 1997.

Matching gifts to educational institutions have been replaced with a program which both encourages and rewards employees who contribute volunteer time in their community. With all of the downsizing of the number of employees which has happened in the Greater Hartford area, one of the least discussed but most strongly felt effects has been the loss of volunteers in direct service and on boards of nonprofit organizations. In many corporations, employees have not been encouraged to participate outside of their workplace.

But Travelers Volunteer Incentive Program provides a strong message that it is not only "ok" to volunteer but that it is important to give back to one's community. Employees may request up to \$1500 on behalf of the charitable organization for which they volunteer. And the amount received further encourages participation since grants are based on longevity with the organization and hours of service. In 1997 over 60 employees took advantage of this program with an additional \$30,000 contributed to charitable organizations.

The nonprofit community also has benefited from Travelers' generous in-kind support, including opening its space in the Education Center for conferences, programs and events of community organizations. One recent event for which Travelers provided space and technical assistance was the Greater Hartford Area Child Care Collaborative's Quality Child Care Teacher Award, which recognized and rewarded the best early childhood teachers in Greater Hartford.

The final area I would like to touch on is the Travelers' support for the civic infrastructure of the Greater Hartford community. Travelers has been a founder and key player in important civic efforts including the Capital Region Growth Council, which was developed to stimulate economic growth in the Greater Hartford region, and Riverfront Recapture, an effort to reconnect the Hartford area towns and cities to the Connecticut River. Along with the grants, in-kind and human resources, these civic efforts support an enhanced quality of life in the Greater Hartford region.

In closing, I would like to reiterate that in my experience, Travelers has exhibited an ongoing strong commitment to Greater Hartford, and I expect this commitment will continue.

**TESTIMONY PRESENTED TO THE
BOARD OF GOVERNORS OF THE FEDERAL RESERVE COMMISSION
(Regarding the proposal by Travelers Group, Inc. to acquire Citicorp)**

*By: Abdul-Rahmaan Muhammad, MSW
Senior Vice President - Community Support Services
Diversity Manager*

The Village for Families & Children, Inc.

1680 ALBANY AVENUE - HARTFORD, CONNECTICUT 06105

(860) 297-0571

June 26, 1998

(At 33 Liberty Street, New York, New York)

MY NAME IS ABDUL - RAHMAAN MUHAMMAD, I AM HERE IN MY ROLE AS THE SR. VICE PRESIDENT FOR COMMUNITY SUPPORT SERVICES AND DIVERSITY MANAGER FOR THE VILLAGE FOR FAMILIES & CHILDREN, INC.

I AM PLEASED TO HAVE THE OPPORTUNITY TO PARTICIPATE ON THIS PANEL AND PROVIDE INFORMATION RELATING TO FACTORS THE BOARD IS REQUIRED TO CONSIDER UNDER THE BANK HOLDING COMPANY ACT.

I APPEAR BEFORE YOU, ON BEHALF OF THE VILLAGE FOR FAMILIES AND CHILDREN, INC. - LOCATED IN HARTFORD, CONNECTICUT AND ITS PRESIDENT - MR. WILLIAM A. BAKER. I EXPRESS MY APPRECIATION FOR THIS OPPORTUNITY TO PRESENT TESTIMONY PERTAINING TO "CONVENIENCE AND NEEDS OF THE COMMUNITIES TO BE SERVED." I WILL ALSO BRIEFLY ADDRESS OUR LONG AND BENEFICIAL RELATIONSHIP WITH THE TRAVELERS.

AS ONE OF THE OLDEST HUMAN SERVICE AGENCIES IN THE COUNTRY. THE VILLAGE HAS BEEN AT THE FOREFRONT OF THE DEVELOPMENT AND PROVISION OF QUALITY SOCIAL & HUMAN SERVICE. THE VILLAGE HAS BEEN A KEY LEADER IN THE PROCESS OF MEETING HUMAN NEED, FOR MORE THAN 185 YEARS.

WITH A CADRE OF TRAINED, EXPERIENCED AND DIVERSIFY QUALIFIED PROFESSIONAL AND PARA-PROFESSIONAL THE VILLAGE HAS BEEN INFLUENTIAL IN RESEARCH, TRAINING AND SERVICE PROVISION.

OUR SERVICES RANGE FORM PROGRAMS FOR INFANTS TO THE ELDERLY. WE PROVIDE OUTPATIENT BEHAVIORAL AND MENTAL HEALTH COUNSELING; SPECIAL NEEDS ADOPTION AND SPECIALIZED FOSTER CARE SERVICES; EXTENDED DAY TREATMENT AND FAMILY PRESERVATION PROGRAMS; FAMILY REUNIFICATION AND RESIDENTIAL TEEN TRANSITION PROGRAMS; TEEN PREGNANCY AND FAMILY HOUSING ALTERNATIVE SERVICES; AND ADVOCACY ON BEHALF OF THOSE MOST NEEDY IN OUR COMMUNITY.

WITHIN THE LAST FIVE YEARS, WE HAVE BECOME INCREASINGLY FAMILY CENTERED AND CHILD FOCUSED. WORKING WITH COLLABORATORS, AND AFFILIATES, WE HAVE BEEN SUCCESSFUL IN IMPLEMENTING SEVERAL SCHOOL BASED FAMILY RESOURCE CENTERS.

THESE PROGRAMS HAVE BECOME "ONE STOP SHOPPING CENTERS" FOR COMPREHENSIVELY MEETING FAMILY NEEDS AND IMPROVING THE QUALITY OF LIFE, BY DEVELOPING COMMUNITY BASED RESOURCE.

OUR SERVICES AND PROGRAMS HAVE POSITIVELY IMPACTED THE LIVES OF THOUSANDS OF CLIENTS, CUSTOMERS AND CONSUMERS STATEWIDE. SUCH COST EFFECTIVE BENEFITS HAVE BEEN MADE POSSIBLE IN PART DUE TO PARTNERSHIPS AND SUPPORTS FROM PRIVATE INDUSTRY IN GENERAL AND THE TRAVELERS GROUP, INC. SUPPORT IN SPECIFIC.

THE TRAVELERS INVOLVEMENT AND SUPPORT TO THE VILLAGE HAS BEEN LONG STANDING AND CONSISTENT. FOR MANY YEARS, THEY HAVE MADE THE FINANCIAL DIFFERENCE IN OUR SUMMER ENRICHMENT SERVICES, AS A PART OF OUR EXTENDED DAY TREATMENT PROGRAM. IN THE MORE RECENT INVOLVEMENT, THE TRAVELERS HAS FUNDED SEVERAL PROJECTS IN OUR FAMILY RESOURCE CENTERS. SUCH PROJECTS INCLUDE, BUT ARE NOT LIMITED TO: OUR COMPUTER LAB AT THE NORTH HARTFORD - MARTIN LUTHER KING FAMILY RESOURCE CENTER, PARENT EDUCATIONAL SPECIALIST AND SUPPORT FOR RECREATIONAL TRIPS FOR OUR CHILDREN.

WITH SUPPORT FROM THE TRAVELERS, BOTH FINANCIAL AND HUMAN; WE HAVE BEEN ABLE TO MEET THE NEEDS OF CHILDREN NEEDING TUTORING IN THE SCIENCES; TEENS NEEDING MENTORS, MOTHERS NEEDING SUPPLIES AND LIVING SPACE; SENIORS NEEDING TRANSPORTATION TO SERVICES, AND FAMILIES FOOD AND GIFTS FOR CHILDREN DURING THE THANKSGIVING AND HOLIDAY SEASONS;

VOLUNTEERS FROM THE TRAVELERS HAVE BEEN CRUCIAL IN IMPROVING AND ENHANCING THE PROGRAM SITES FOR MANY OF OUR COMMUNITY BASE SERVICES. NOT ONLY HAS TRAVELERS PROVIDED SERVICES AT OUR PROGRAM SITES, THEY HAVE MADE AVAILABLE SPACE AT THEIR LOCAL OFFICES FOR TRAINING AND COMMUNITY BASED PROGRAMS. DURING A RECENT ANNUAL UNITED WAY SPONSORED VOLUNTEER PROGRAM CALLED "A DAY OF CARING" - SEVERAL OF THE TRAVELERS VOLUNTEERS PROVIDED AN FULL DAY OF SERVICE TO THE HUMAN SERVICE PROGRAMS IN THE COMMUNITY.

THE PAST LONG TERM PARTNERSHIP BETWEEN THE VILLAGE AND THE TRAVELERS, WHICH INCLUDES HUNDREDS OF THOUSAND OF DOLLARS AND STAFF INVOLVEMENT, LEAD US TO BELIEVE THAT A BIGGER AND BETTER TRAVELERS WOULD CONTINUE THE HIGH QUALITY OF SERVICES AND SUPPORTS, THAT HAVE BEEN PRODUCTS AND OUTCOMES OF THE PREVIOUS YEARS.

THEREFORE , THE VILLAGE FOR FAMILIES WOULD LIKE TO GO ON RECORD AS POSITIVELY SUPPORTING THE MERGER WITH CITICORP POSSIBLY LEADING TO THE POTENTIAL FOR GREATER CONTRIBUTION OF RESOURCES BOTH FINANCIAL AND HUMAN. IN OUR ESTIMATION, SUCH A SITUATION WOULD ONLY LEAD TO THE POTENTIAL ENHANCEMENT OF THE HUMAN CONDITION, THROUGH VOLUNTEER SUPPORT, QUALITY SERVICE PROVISION AND CONTINUED FINANCIAL CONTRIBUTION.

SHOULD YOU HAVE QUESTIONS, I WOULD BE PLEASED TO ADDRESS THEM, OTHER WISE, ON BEHALF OF THE VILLAGE FOR FAMILIES & CHILDREN, INC. I AGAIN EXPRESS OUR APPROCIATIONS FOR THIS OPPORTUNITY.



Brooklyn Chamber of Commerce

**PUBLIC MEETING REGARDING CITICORP & TRAVELERS GROUP
Federal Reserve Bank of NY
June 26, 1998**

Good Morning

I am Jennifer Adolph Blum, Director of Government Relations and Communications at the Brooklyn Chamber of Commerce. On behalf of the Brooklyn Chamber of Commerce, I am pleased to offer this testimony in support of Citibank and their pending merger with Travelers.

and advocate on behalf of Brooklyn's 35,000 businesses

The Brooklyn Chamber is a nonprofit membership organization founded in 1918. Our mission is to assist Brooklyn businesses in ways that promote commerce, stimulate economic growth and improve the quality of life throughout Brooklyn. We serve a diverse boroughwide membership uniting small and large businesses located throughout Brooklyn and beyond. Citibank has been an active Chamber member for almost half a century. Currently, two Citibank executives, Jill Kelly and Natalie Abatemarco, ~~serve~~ *are very active members of* our Board of Directors. In fact, almost ten years ago Jill Kelly was the first woman elected to our Executive Committee.

In our view, Brooklyn, New York City and New York State would be hard-pressed to find a more community-minded, ~~socially responsible~~ financial institution. Citibank has an exemplary record of community outreach, customer service and economic and small business development. The bank is a proven leader in commercial revitalization and a respected provider of technical assistance to small businesses.

a program called

Citibank has funded several special innovative initiatives at the Brooklyn Chamber. The bank was an early and generous supporter of Good Help, a free employment service created to fill the needs of small businesses seeking to hire and retain qualified employees. At the same time, unemployed and under-employed individuals are assisted in finding quality employment which contributes to the overall economic growth of Brooklyn. Good Help works in conjunction with a citywide network

of non-profit training and placement agencies to produce a large pool of job-ready applicants. We are not aware of any other employment service or similar program in the City which focuses on finding employees for small businesses.

Citibank has also created an exciting new program run by the Chamber for the commercial revitalization of failing retail corridors. The approach of the Retail Strip Revitalization Initiative combines marketing assistance, physical improvements and market analysis to address the decline of traditional shopping areas whose stores cater to the needs of nearby residents. Their decline disrupts the vitality of otherwise stable and thriving neighborhoods. Citibank recognizes that retail strips which lack strong merchant associations, BIDs or LDCs to advocate on their behalf, coupled with increased vacancies and decreased foot traffic, need targeted redevelopment assistance. The commercial strip of Nostrand Avenue between Avenue W and Avenue Y in Sheepshead Bay is serving as the pilot project for this initiative.

Finally, Citibank is a strong supporter of Brooklyn Goes Global, the Chamber's international trade service. The program's mission is to help businesses create new jobs by increasing overseas sales of Brooklyn-manufactured goods. The program helps more than 90 Brooklyn manufacturers each month to increase their capacity to export by providing technical assistance, market research, and aggressive sales generation. Overseas sales for Brooklyn manufacturers result in increased product demand, ensure more stable business growth and add much-needed blue-collar jobs to the Brooklyn economy. Brooklyn Goes Global is a model program across the country.

The Brooklyn Chamber of Commerce supports Citibank and their merger with Travelers. The bank has an exemplary record as a good corporate citizen and an unparalleled commitment to community development. We believe that this commitment will continue and grow if the proposed merger is finalized. Thank you for your time and consideration.



News from STATE SENATOR

Catherine M. Abate

NEW YORK STATE SENATE • 27TH DISTRICT

For immediate release:
Friday, June 26, 1998

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ABATE RENEWS CALL TO END MANDATORY ARBITRATIONS

In the wake of a federal judge's decision to reject the settlement in the Smith Barney sexual harassment suit, Senator Abate joined with advocates to underscore the need to ban mandatory pre-dispute arbitration clauses in employment contracts as a condition to employment.

"All parties should use this opportunity to create a dispute resolution system that is fair for workers," Senator Abate said. "Any system that requires employees to give up their right to a day in court as a condition of employment is ultimately unfair and unconstitutional."

Senator Abate has introduced legislation which would ban mandatory arbitration in employment contracts as a condition to employment. "No New Yorker should have to check his or her civil rights at the door in order to get a job," Senator Abate said. "'The Employee Civil Rights Protection Act' will end this discriminatory practice and start to level the playing field between employer and employee."

Abate found that:

- * The American Arbitration Association, the nation's largest arbitration trade association, says the companies they provide arbitration for encompasses nearly 4 million employees;
- * About 40% of companies who use arbitration force their employees to sign mandatory arbitration contracts, according to the Federal General Accounting Office (GAO);
- * Having saturated the securities industry, mandatory arbitration is now spreading rapidly into almost all other occupations;
- * More than half of all employees may be bound by mandatory arbitration contracts by 2001, according to the General Accounting Office.

Catherine Abate is the Ranking Democrat on the Senate Investigations Committee.