

***Pandemic Preparedness
Citigroup Inc.***

***31st Annual AAAS FORUM ON
SCIENCE AND TECHNOLOGY POLICY***

***April 20, 2006
Washington, DC***

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Citigroup Inc.

- Citigroup Inc. is the largest financial services company in the world, with some 200 million customer accounts and more than 300,000 employees in more than 100 countries.
- Citigroup's history dates back to the founding of Citibank in 1812, Bank Handlowy in 1870, Smith Barney in 1873, Banamex in 1884, and Salomon Brothers in 1910.
- Citigroup operates regionally in: Asia Pacific; Japan; Europe, the Middle East and Africa; North America; Latin America; and Mexico.
- Citigroup operates four businesses: Citigroup Alternative Investments; Corporate and Investment Banking; the Global Consumer Group; and Global Wealth Management.

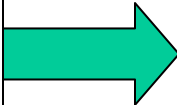
Citigroup's Global Pandemic Preparedness Task Force: Timeline to Date

- November 2005: Global memo to employees about avian flu
- November 2005: The PPTF begins weekly meetings
- December 2005: Citigroup launches an Intranet Web site on avian flu
- December 2005: First draft crisis management guidelines and action plan developed
- December 2005: International SOS joins PPTF as consultant
- December 2005: CoB planning begins
- February 2005: Crisis Management Conference with table top exercise held
- April 2005: Task Force votes on guidelines and action plan, to be escalated for senior management's approval.

Citigroup's Pandemic Preparedness Task Force Members

Members

- Citigroup Health Services
- CIB Medical
- Citigroup Security and Investigative Services
- International SOS
- Office of Business Continuity
- Communications
- Legal
- Risk Management & Compliance
- Asia Pacific
- EMEA
- Japan
- North America
- LATAM/Banamex
- Citigroup Technology Infrastructure
- Corporate HR
- Business Reps



Areas

- Communication
- Hygiene, Cleaning and Infection Control
- Human Resources
- Pandemic Preparedness Kits
- Business Continuity
- Crisis Management
- Employee Travel
- Risk Reduction

Concerned Constituencies

- Customers Large and Small from All Regions
 - Shell, Danone, Morgan Stanley (operational risk)
 - DTCC, OCBC
- Regulators
 - Fed, UST including OCC, SEC, OTS (Interagency Advisory)
 - Monetary Authority of Singapore
 - International Monetary Fund (Credit/Market)
 - Hong Kong Monetary Authority
- Industry Forums
 - Center for Strategic and International Studies
 - American Bankers Association

Internal Preparations

- Principal (and substantive) work has focused on CoB.
- In addition:
 - Some countries have examined their own readiness in context of SARS – e.g. Japan
 - Some regional heads are actively engaged in preparing for a pandemic event
 - Board presentation expected during the second quarter

Internal Preparations: TVA for Threats at a Facility

TVA= threat vulnerability analysis

- Threats include:

- Regional Blackout
- Civil Unrest
- Telecom Utility Interruptions
- Health Epidemic
- Terrorism
- Sabotage
- Hurricane
- Flood
- Earthquake
- Fire
- Transportation Incident
- Biological or Chemical Release
- Dirty Bomb

Internal Preparations: BAU Risk Rate Assessment

Criticality Rating	RTO/RPO (in hours)	Characteristics
1	RTO < 4 And RPO < 4	zero to minimal tolerance for downtime and data loss
2	RTO < 24 And RPO < 24	limited tolerance for downtime and data loss
3	RTO < 72 And RPO < 72	moderate tolerance for downtime and data loss
4	RTO > 72 And RPO > 72	protracted tolerance for downtime and data loss

Outstanding Issues

- Considerations
 - Economic
 - Assets and Capital
 - Infrastructure (Pandemic Task Force focus)
 - Franchise and Reputation
- Analysis is impacted by time horizons depending on short term affects, pandemic in waves, and/or long term affects with short term bursts
- Excluding the physical and operational challenges, issues to consider include:
 - Markets
 - Will markets be open; will trades be processed; will there be liquidity?
 - Will other banks be in a position to transact and settle?
 - Customers & Counterparties
 - What is the linkage between market declines, longer term economic effects and counterparty exposures?
 - What are the expected increases/decreases in transactions, draw down on facilities, collateral failures, hedging activity?
 - How would Citigroup respond to potential increases in litigation?
 - How would Citigroup respond to term impact on revenue flows of a sustained event?
 - How would Citigroup respond to economic impacts on loans, defaults, collection processes, etc.?
 - Government Plans and Expected Responses
 - Will there be cross border issues, government suspension of activities and/or appropriation of stockpiled supplies?
 - Will market openings be affected? (cannot assume business as usual)
 - Capital plans, regulatory relief?

APPENDICIES

Details of the Pandemic Preparedness Task Force's Work

Appendix A – Completed Work

- Pandemic Task Force - Project Management
 - ✓ Formed workgroups to discuss issues around key subject areas
 - ✓ Hired International SOS to help develop corporate guidelines and overall action plan
 - ✓ Developed project plan to track activity of the workgroups
 - ✓ Created guidelines and action plan documents
 - ✓ Participated in industry seminars on avian flu
 - ✓ The Bond Market Association
 - ✓ New York Office of Emergency Management
 - ✓ BITS
 - ✓ CDC/ Homeland Security

Appendix A cont'd - Completed Work

- Communication
 - ✓ Launched avian flu Web site for employee information and education
 - ✓ Developed corporate statement on preparedness for external inquiries
 - ✓ Developed information packs for countries with human cases of influenza
 - ✓ Enhanced interactive functionality on the Web site
- Hygiene, Cleaning and Infection Control
 - ✓ Completed protocols for Citigroup medical offices
 - ✓ Developed hygiene posters for company-wide distribution
 - ✓ Developed information artifacts for pandemic life-cycle phases
- Human Resources
 - ✓ Developed draft policy for expatriates
 - ✓ Created Pandemic Preparedness Kits (PPKs)
 - ✓ Developed draft policy on use and distribution of PPKs

Appendix A cont'd - Completed Work

- Business Continuity
 - ✓ Reviewed business continuity plan for ASPAC and EMEA regions
 - ✓ Reviewed remote access capabilities for ASPAC and EMEA regions. Other regions performing similar actions.
 - ✓ Developed guidelines for entry screening, role of the pandemic coordinator, and contact management
- Crisis Management
 - ✓ Developed draft set of action triggers as part of overall corporate action plan
 - ✓ Reviewed crisis procedures of various countries
- Employee Travel
 - ✓ Reviewed and documented policy and process for employee travel in and out of affected areas
- Risk Reduction
 - ✓ Enhanced infrastructure processes and procedures in ASPAC region

Appendix B - Action Plan Guidelines

- Pandemic Planning

- Utilize a Pandemic Preparedness Task Force consisting of senior staff from each region
- Develop triggers and actions based on World Health Organization Pandemic Phases

- Communication

- Provide all employees with pandemic preparedness communications
- Use a designated spokesperson or department for all internal/external communications

- Expatriates

- Have a consistent policy requiring Citigroup expatriates to remain in their assigned countries during a pandemic

Appendix B cont'd - Action Plan Guidelines

- Pandemic Preparedness Kits (PPKs)
 - Provide expatriates and dependents with PPKs, including antivirals when possible
 - (Antivirals will not be stockpiled for all employees)
- Pandemic Coordinator
 - Prepare and distribute reports on the aggregate numbers affected
 - Act as contact for local government authorities
 - Act as first responder to employees falling ill at the workplace
- Contact Management
 - Carry out where appropriate and practical

Appendix B cont'd - Action Plan Guidelines

- **Facilities: Virus Risk Reduction**
 - Increase cleaning activities
 - Facilitate social distancing for employees
- **Employees: Absenteeism**
 - Develop plan to ensure employees aren't disadvantaged
 - Provide illness benefits in line with existing policies
 - Review leave policy for care of loved ones
 - Provide benefits in line with local regulations
- **Employees: Illness at Work**
 - Develop processes to ensure optimal management of employees who are suspected of having symptoms at entry screening or within a facility

Appendix B cont'd - Action Plan Guidelines

- **Business Travelers**

- Develop plan to reduce risk of traveling employees becoming infected or stranded
- Develop plan for screening and quarantine of workers returning from affected travel areas

- **Management of the Deceased**

- Develop plans for the appropriate management of bodies of deceased persons away from their home country

- **Business Continuity/Crisis Management**

- Develop action plans in conjunction with existing business continuity plans
- Modify current plans to reflect high absenteeism rates associated with pandemics

- **Credit/Risk Policies**

- Integrate pandemic awareness in financial and risk planning

Appendix C - Action Plan Components

- Pandemic preparedness plan
- Management and employee communications plan
- Tabletop scenarios, drills and testing
- Development and distribution of employee educational material
- Entry screening policy and procedure
- Facility cleaning
- Materials stockpiling
- Business continuity plans
 - Remote access
 - Split operations
 - Transfer of functions

Appendix C cont'd - Action Plan Components

- Medical resources
- Secure areas
- Audit of employee cafeterias
- Contact management
- Pandemic coordinator procedure
- EAP resources
- Tracking and communication with travelers

Actions depend on phase level and status as “affected or “unaffected” country.

Appendix D - Outstanding Decision Points

- Budget for the purchase of protective equipment
 - Limited supplies in affected regions
 - Facemasks – 10MM for a full pandemic life-cycle
- Distribution of equipment
 - Ongoing discussions with CRS, CSIS, CHS, CBS, HR and the regions
- Credit/Market risk actions
- Senior Management engagement
- Pandemic Preparedness Kits
 - Ongoing meetings with CHS and International SOS
 - Dependent on expatriate/foreign national policy
- Finalization of corporate guidelines and action plan
 - Board Approval
- Remote Access
- Entry screening/ Pandemic Coordinator

Appendix E - After-Action Review Items:Tabletop Exercise

- Protocols for scenario testing
- Transfer of functions (cost)
- Effectiveness of entry screening
- Child Care centers
- Crisis Management resources
- Priorities for vaccinations (CHS, CRS, CSIS)
- Contact Management – naming customers
- Procedures for instances of negative behavior

Appendix F – Overview of Pandemic Preparedness Process

- ✓ Meet with International SOS
- ✓ Develop project management structure
 - Workgroups
 - Meeting calendar
- ✓ Form workgroups
- ✓ Develop project plans
- ✓ Work with other institutions/industry groups
- ✓ Document issues
- ✓ Develop high-level set of guidelines
 - Develop high-level template into detailed policies, guidelines and procedures
 - Develop credit/market risk actions
 - Present to Citigroup businesses
 - Implement plans