



NEWS RELEASE
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Citizens Bank increases its neighborhood commitment to \$250 million

The Citizens Bank Neighborhood Investment Program more than doubles its commitment to Philadelphia's Neighborhood Transformation Initiative

PHILADELPHIA – Citizens Bank, with dual headquarters in Philadelphia and Pittsburgh, announced today that it is increasing the bank's support of revitalization efforts in Philadelphia's neighborhoods to \$250 million. The new commitment, under the Citizens Bank Neighborhood Investment Program, is more than double its original goal of \$104.3 million over five years to provide below market mortgage and home improvement loans as well as community development loans, technical assistance and grants, targeted at low-and moderate-income census tracts.

"We believe investing in our neighborhoods is smart business. We are using our capital resources, technical assistance, sweat equity and hundreds of hours of personal time to stimulate and improve the quality of life in our neighborhoods. Because so many of our customers and bank colleagues live in the city, it is important that we continue this effort with the City of Philadelphia, other City agencies and community groups," said Stephen D. Steinour, Chairman & CEO of Citizens Bank of Pennsylvania.

In April 2003, Citizens Bank launched this initiative, its largest partnership with the City of Philadelphia. At the time the bank committed, more than \$50 million in residential mortgage and home improvement loans along with \$26 million in community development loans for real estate construction projects and \$25 million in small business loans as part of Mayor John F. Street's Neighborhood Transformation Initiative (NTI). In total, the bank committed more than \$105 million by August 2004, exceeding its five-year financial goal by almost \$1 million.

"When Citizens Bank announced less than 18 months ago the largest private financial commitment ever dedicated to Philadelphia's neighborhoods, we believed it would take us the full five years to meet our goal," said Steinour. "We are thrilled to report that we have already met and exceeded the financial commitment and we believe we have been successful because so many community partners have been helpful to us."

Praising Citizens Bank's outstanding leadership, Mayor John F. Street said, "We started NTI in 2001 as a bold plan to address the decline and abandonment of the city's neighborhoods and we knew we would need strong partners in the business community. We are grateful to Citizens Bank for providing the corporate leadership and financial support we needed to help residents become homeowners and to stimulate real estate development and assist small businesses."

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More than 100 community development and housing leaders, city council members, and homeowners gathered at 17th and Oxford Streets in North Philadelphia, a neighborhood that is being revitalized with new houses, schools and churches. City Councilman Darrell Clarke, who represents the district, applauded the new commitment and said opportunity for homeownership and small business growth has given new energy to North Philadelphia. “Our city is undergoing tremendous growth, in part, because of initiatives by our corporate friend Citizens Bank and the Mayor’s Neighborhood Transformation Initiative,” said Clarke. “The Citizens Bank Neighborhood Investment Program and NTI have allowed for disadvantaged communities to have the opportunity to celebrate the American Dream through new development, new playgrounds for our children, and new homes that people can afford to own.”

Several homeowners who have benefited from below market mortgage rates and home improvement loans also attended today’s announcement. “With the help of a low-interest mortgage from Citizens Bank, we were able to purchase our first home this summer,” said Donna Johnson Bullock, an attorney with Community Legal Services. Bullock and her husband purchased a house that had been rehabilitated in the Strawberry Mansion section of Philadelphia.

The Citizens Bank Neighborhood Investment Program has also committed \$850,000 in grant money, including funding for technical assistance for small businesses, “greening” projects in conjunction with the Philadelphia Horticultural Society and provided grant money for a campaign entitled “Don’t Borrow Trouble” aimed at fighting predatory lending. Citizens Bank volunteers have worked with the Pennsylvania Horticulture Society to plant the seeds of hope and revitalization in twelve area parks and community gardens.

About Citizens Bank of Pennsylvania

Citizens Bank of Pennsylvania is a \$28.4 billion state-chartered bank with dual headquarters in Pittsburgh and Philadelphia. It has more than 390 branches, more than 640 ATMs and a convenient network of commercial banking offices throughout Pennsylvania. It also operates eight retail branches and eight ATMs in southern New Jersey. It has approximately 5,300 employees.

About NTI

The Neighborhood Transformation Initiative is Mayor Street’s unprecedented commitment of resources to Philadelphia neighborhoods. Under NTI, the City is investing more than \$275 million in bond funds, \$250 million in federal Community Development Block Grant funds and \$50 million in general operating dollars in hundreds of projects and programs designed to revitalize Philadelphia neighborhoods. NTI accomplishments include: 5,000 new units of market-rate housing; and 5,000 new units of affordable housing. Another 4,000 new units of housing are planned or underway. In addition, as part of NTI, the City has cleaned 31,000 vacant lots; removed more than 200,000 abandoned cars from city streets; eliminated graffiti from more than 200,000 buildings; cut down 15,000 dead street trees; and demolished more than 5,000 dangerous properties.