

Citigroup Inc. - Financial and Strategic Analysis Review

Reference Code: GMDFS28338FSA
Publication Date: OCT 2009

Company Snapshot

Key Information

Citigroup Inc., Key Information	
Web Address	www.citigroup.com
Financial year-end	December
Number of Employees	309,000
New York Stock Exchange	C
Source: Annual Report, Company Website, Primary and Secondary Research Global Markets Direct	

Company Overview

Citigroup Inc. (Citigroup) is a diversified financial services holding company based in the US. The company, along with its subsidiaries, offers a wide range of financial services to its consumer and corporate customers. Various products and services being offered by Citigroup include consumer finance, mortgage lending and retail banking products and services, investment banking, commercial banking and cash management. It distributes its well-diversified products and services through a broad and robust distribution network, worldwide. It manages more than 200 million customers across six continents in over 100 countries.

Key Ratios

Citigroup Inc., Key Ratios	
P/E	NA
EV/EBITDA	NA
Return on Equity (%)	-19.60
Debt/Equity	4.40
Operating Profit Margin (%)	NA
Dividend Yield	0.24
Note: Above ratios are based on share price as of 29-Sep-2009	
Source: Annual Report, Company Website, Primary and Secondary Research Global Markets Direct	

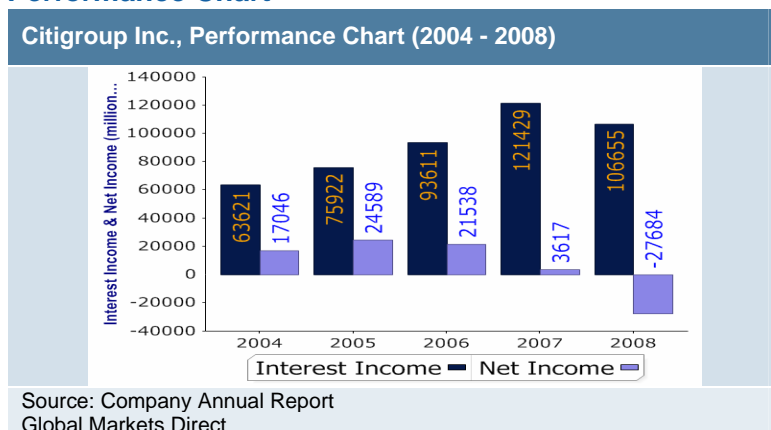
Share Data

Citigroup Inc., Share Data	
Price (USD) as on 29-Sep-2009	4.70
EPS (USD)	-6.42
Book Value per Share (USD)	13.0
Diluted Weighted Average Shares (in million)	5,265.40
Source: Annual Report, Company Website, Primary and Secondary Research Global Markets Direct	

SWOT Analysis

Citigroup Inc., SWOT Analysis	
Strengths	Weaknesses
Diversified Geographic Operations	High Sub-Prime Related Direct Exposures
Capital Adequacy	Decline in Financial Performance
Robust Brand Image	Exposure to Lehman Brothers
Opportunities	Threats
Realigned Operating Units	Impact of Slowdown
Launch of New Products and Services	Fluctuations in Interest Rates
Source: Annual Report, Company Website, Primary and Secondary Research Global Markets Direct	

Performance Chart



Financial Performance

The bank reported interest income of (U.S. Dollars) USD 106,655.00 million during the fiscal year ended December 2008, a decrease of 12.17% from 2007. The net interest income after loan loss provision of the bank was USD 20,018.00 million during the fiscal year 2008, a decrease of 29.87% from 2007. The net loss of the bank was USD 27,684.00 million during the fiscal year 2008, as against a net profit of USD 3,617.00 million during 2007.

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Citigroup Inc. - Key Facts

Citigroup Inc., Key Facts

Corporate Address	399 Park Avenue, New York, NY, 10043, United States	Ticker Symbol, Exchange	C [New York Stock Exchange]
Telephone	+1 212 5591000	No. of Employees	309,000
Fax	+1 212 7933946	Fiscal Year End	December
URL	www.citigroup.com	Revenue (in USD Million)	106,655.0
Industry	Financial Services		
Locations	Algeria, Argentina, Australia, Austria, Bahamas, Bahrain, Bangladesh, Barbados, Belgium, Bolivia, Brazil, Brunei Darussalam, Bulgaria, Cameroon, Canada, Cayman Islands, China, Colombia, Costa Rica, Czech Republic, Democratic Republic of the Congo, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Finland, France, Gabon, Germany, Ghana, Greece, Guam, Guatemala, Haiti, Honduras, Hong Kong Special Administrative Region of China, Hungary, India, Indonesia, Ireland, Israel, Italy, Jamaica, Japan, Jordan, Kazakhstan, Kenya, Lebanon, Luxembourg, Macau Special Administrative Region of China, Maldives, Mexico, Monaco, Morocco, Netherlands, New Zealand, Nicaragua, Nigeria, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Puerto Rico, Romania, Russian Federation, Senegal, Serbia, Singapore, Slovakia, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Taiwan, Thailand, Trinidad and Tobago, Tunisia, Turkey, Uganda, Ukraine, United Arab Emirates, United Kingdom, United States, Uruguay, Venezuela, Vietnam, Zambia		

Source: Annual Report, Company Website, Primary and Secondary Research
Global Markets Direct

Citigroup Inc. - Business Description

Citigroup, together with its subsidiaries, provides a wide range of financial products and services to individual and corporate customers. The company, through its two operating units, Citicorp and Citi Holdings, provides host of financial products and services. Products and services being offered by Citigroup include consumer banking and credit, corporate and investment banking, securities brokerage, and wealth management, mortgage lending, consumer finance and retail banking products and services. It also provides commercial banking and cash management, trade finance and e-commerce products and services, and private banking products and services. These products and services are mainly offered to consumers, corporations, governments and other institutions. The company employs about 134,400 people.

Citigroup has organized its business operations under five major segments, namely, Global Cards, Consumer Banking, Institutional Clients Group (ICG), Global Wealth Management (GWM), Corporate and Others.

The company's Global Cards business is engaged in issuing credit cards, worldwide. It issues card products of VISA, Diners Club, MasterCard, American Express, and host of other retail partners. In addition to this, the segment provides Sales finance.

Citibank's Consumer Banking segment is involved in retail banking, consumer finance, real estate lending, and small and middle market commercial banking. It also provides a wide range of products and services related to personal and auto loans, student loans, investment services, insurance, banking, and lending. These products and services of the segment are offered through its network of local branches, offices and electronic delivery systems. As of December 31, 2008, it operated about 7,730 branches.

The company, under its Institutional Clients Group segment, is engaged in various banking and financial activities comprising investment banking, debt and equity, lending, private equity, hedge funds, real estate, structured products and managed funds. It also offers transaction services, including cash management services, trade services, custody and fund services, clearing services, agency and trust services, and equity and fixed income research services. These services are offered to investors, Governments, institutions and corporations in about 100 countries.

The company's Global Wealth Management segment comprises Smith Barney Private Client businesses, Citigroup Private Bank and Citigroup Investment Research. Smith Barney offers financial planning, investment advice and brokerage services to individuals, companies, affluent and non-profits. Its Private Bank operations offer personalized wealth management services for high-net-worth clients.

The Corporate/Other segment of the company includes net treasury results, operations and technology, corporate expenses and other discontinued operations.

Apart from this, the company offers its individuals with various services that are classified under three types, namely, Banking, Credit Cards and Loans and Mortgages. For businesses, it offers Credit Cards, Citi Microfinance services and Small and Medium-Sized Business services. Services being offered to small and medium-Sized business enterprises

include banking and cash management services, brokerage services and cash management, retirement solutions, credit card merchant services, small business credit cards and, trade and foreign exchange services. For Corporations & Governments, it offers investment banking, corporate banking, commercial banking and other capital markets origination. It also includes global transaction services, securities and fund services and treasury and trade solutions.

The company offers its Institutional investors with alternative investments, sales & trading, securities and fund services, Citi investment research & analysis of global equities online (GEO) and fixed income direct, and investment consulting services.

The company's products and services are distributed to more than 200 million customers across six continents. Major brands of the company include Citi, Citibank, CitiFinancial, CitiMortgage, CitiInsurance, Citi Alternative Investments, Citi Cards, Citi Private Bank and Citi Institutional Clients Group. It also includes Citi Investment Research, Citi Microfinance, Banamex, Primerica, Smith Barney and Women & Co.

On January 13, 2009, Citigroup reached a definitive agreement to merge its Smith Barney business, which includes Smith Barney in the US, Smith Barney in Australia and Quilter in the UK, with Morgan Stanley in exchange for a 49% stake in the joint venture and an up front cash payment of USD 2.7 billion from Morgan Stanley. This move formed part of the company's strategy to streamline its operations.

Citigroup Inc. - Major Products and Services

Citigroup Inc. (Citigroup) is a diversified financial services holding company based in the US. These services are offered to consumers and corporate customers. The key products, services and brands of the company include the following:

Citigroup Inc., Major Products and Services

Private banking Credit cards:

Citi Credit Cards

Diners Club

Small Business Credit Cards

Banking:

Accounts

Savings

Checking

Online Banking

Wireless Services

Financial Needs Analysis

Loans and mortgages:

Personal Loans

Student Loans

Auto Loans

Mortgages

Commercial Real Estate

Loans Investing and Asset Management:

Private Clients' Investment Services

Professionally Managed Investments

Mutual Funds Retirement Planning

Alternative Investments

International Banking and Investment:

Expatriate Banking

Off-shore Banking

Off-shore Investments

Off-shore Wealth Management

Small and Medium-Sized Business:

Banking and Cash Management Services

Leasing Retirement Solutions

Small Business Credit Cards

Trade and Foreign Exchange

Corporate and Investment Banking Services:

Corporate Benefit Services

Cash Management

Trade and Treasury

Global Fixed Income

Global Foreign Exchange

Global Futures

Global Investment Banking

Global Relationship Bank

Global Transaction Services

Leasing and Commercial Finance

Treasury and Cash Management Services

Fund and Securities Services

Benefit Services and Asset Management:

Stock Plan Services

Corporate Retirement Services

Employee Benefits Programs

Corporate Trust Services

Citi

Citibank

CitiFinancial

CitiMortgage

CitiInsurance

Citi Alternative Investments

Citi Cards

Citi Private Bank

Citi Institutional Clients Group

Citi Investment Research

Citi Microfinance, Banamex

Primerica

Smith Barney and

Women & Co

Source: Annual Report, Company Website, Primary and Secondary Research
Global Markets Direct

Citigroup Inc. - History

Citigroup Inc., History		
2008	Acquisitions/Mergers/Takeovers	The company completed the sale of German retail banking operations to Credit Mutuel.
2008	Acquisitions/Mergers/Takeovers	The company sold CitiCapital, the equipment finance unit in North America, to GE Capital.
2008	Acquisitions/Mergers/Takeovers	Citigroup completed the sale of Diners Club International (DCI) to Discover Financial Services.
2007	Acquisitions/Mergers/Takeovers	Citigroup acquired Grupo Financiero Uno (GFU) in Central America on March, 2007.
2007	New Products/Services	The company launched its new global, corporate brand identity advertising campaign.
2007	Acquisitions/Mergers/Takeovers	Citigroup acquired 100% of the outstanding partnership interests in Old Lane Partners.
2006	Corporate Changes/Expansions	The company opened Corporate and Investment Banking offices in Kuwait and Dubai.
2006	Acquisitions/Mergers/Takeovers	Citigroup acquired 20% stakes in Akbank in Turkey and Guangdong Development Bank in China.
2006	New Products/Services	The company launched biometric tools.
2005	Acquisitions/Mergers/Takeovers	The Company acquired First American Bank in Texas.
2005	New Products/Services	CitiFinancial introduced a real estate-secured loan product in market.
2004	Acquisitions/Mergers/Takeovers	Citigroup acquired KorAm Bank.
2003	Contracts/Agreements	Citigroup Global Markets Inc. reached final agreements with the New York Attorney General and regulators to resolve outstanding investigations into research, IPO allocation, and distribution practices.
2003	Acquisitions/Mergers/Takeovers	Citigroup acquired Sears Credit and Financial Products' credit-card business and entered in to a multi-year marketing and servicing alliance with Sears.
2003	Acquisitions/Mergers/Takeovers	Citigroup acquired Forum Financial Group.
2003	Acquisitions/Mergers/Takeovers	The Citibank (New York State) legal entity merged with Citibank, N.A. legal entity.
2002	Acquisitions/Mergers/Takeovers	The company acquired Golden State Bancorp, parent company of First Nationwide Mortgage and Cal Fed, second-largest US thrift.
2001	New Products/Services	The company launched The "Citi. Live Richly" ad campaign.
2001	Incorporation/Establishment	CitiInsurance was formed.
2001	New Products/Services	Citibank and China Merchants Bank issued China's first international travel cash card, Visa Travel Money.
2001	Acquisitions/Mergers/Takeovers	Citigroup purchased Mexico's "Banacci" and acquired Kenyan business from ABN AMRO Bank.
2000	Acquisitions/Mergers/Takeovers	Citigroup acquired Associates First Capital Corporation.
2000	Acquisitions/Mergers/Takeovers	Salomon Smith Barney purchased The Geneva Group, Inc., and Citibank Rt.

		acquired the Hungarian retail activities of ING Bank.
2000	Acquisitions/Mergers/Takeovers	Citigroup acquired 15% of each of the five financial-services companies in Fubon Group.
2000	Corporate Changes/Expansions	Citibank opened a branch in Sofia, Bulgaria.
2000	Other	Citigroup raised its stake to 100% in Argentina's Grupo Siembra, a retirement-services group.
2000	Acquisitions/Mergers/Takeovers	Citigroup Copelco Capital, Inc. acquired 130-year-old Bank Handlowy Warszawie SA.
1999	New Products/Services	Citibank launched CitiDirect Online Banking, the first multi-product, multi-geographic Internet banking system.
1999	Acquisitions/Mergers/Takeovers	Citibank purchased Financiero Atlas, the No. 2 consumer finance company in Chile.
1999	Acquisitions/Mergers/Takeovers	Citigroup acquired a stake in Japanese online brokerage firm Nikko Beans, Inc.
1998	Incorporation/Establishment	Citigroup was formed by the merger of Travelers Group and Citicorp.

Source: Annual Report, Company Website, Primary and Secondary Research
Global Markets Direct

Citigroup Inc. - SWOT Analysis

SWOT Analysis - Overview

Citigroup Inc. (Citigroup) is a diversified financial services holding company. The company's diversified geographic operations and robust brand image enhances its top line growth. Decline in its financial performance and lower profitability emerge as serious concerns for the company. Going forward, a prolonged slowdown in the global economy and intense competition in the marketplace could present challenges for the company. However, its joint venture with Morgan Stanley to form Morgan Stanley Smith Barney and favorable growth trends in emerging markets could offer growth opportunities for the company.

Citigroup Inc. - Strengths

Strength - Diversified Geographic Operations

Citigroup's diversified global presence derives a strong top line growth as well as helps to capture new market opportunities. The company is one of the major global financial services providers. The company has an extensive international presence in over 100 countries across six continents. It serves more than 200 million customers worldwide. The company operates through a wide network of 7,730 branches. Diversification reduces overall risk to the company's business. A lower sensitivity to industry fluctuations gives the company an advantage of better pricing stability in its specialty operations. The diversity of these operations, positions the company to deliver good results consistently, throughout changes in the economy and banking entities. Citigroup's operations are organized under five geographic segments namely, North America, Europe, the Middle East and Africa (EMEA), Latin America, Asia and others. For the year ended December 31, 2008, the company generated 26% of total revenue from North America, 21% from Europe, the Middle East and Africa (EMEA), 25% from Latin America and 30% from Asia. Furthermore, the company suffered a loss of 2% from others. Diversified geographic operations help the company to balance its overall performance, even in the declining market in particular geography.

Strength - Capital Adequacy

The sound capital management initiative of the company strengthens its business profile, which would in turn enable Citigroup to carry out its growth and expansion plans. The good capital management initiatives and moderate risk weighted asset (RWA) growth have enabled the bank to strengthen its capital position. The company reported a total capital of 15.70% and Tier 1 capital of 11.92% of its total RWAs, where both met the regulatory requirements. The company has also maintained a leverage ratio of 6.08% against the required 3%, as on December 31, 2008. The company's balance sheet demonstrates a commitment to capital adequacy. During the year, the company improved its Tier 1 capital ratio from 63% in first quarter 2008 to 66% in fourth quarter 2008, an increase of 3% over the year. Furthermore, Citigroup also improves its structural liquidity (equals deposits, long-term debt and equity, as a % of total assets) over 2008. It improved structured liquidity from 7.7% in first quarter 2008 to 11.9% in fourth quarter 2008. Citigroup's good capital base ensures an adequate capital position to support its organic and inorganic growth with the secured and unsecured nature of its lending.

Strength - Robust Brand Image

Citigroup's dominant market position and strong brand image gives it a significant competitive edge over its peers. The bank with its expertise in banking has established a robust brand image. It is a leading global brand. Citigroup's major brand names include Citibank, CitiFinancial, Primerica, Citigroup Smith Barney, Banamex and Citigroup Cards. Citibank delivers a wide range of banking, lending and investment services to individual consumers as well as to small businesses with up to USD 10 million in annual sales. CitiFinancial provides a community-based lending service through a strong branch of network systems. Primerica is the largest financial services' marketing organization in North America. Citi Smith Barney is the global private wealth management unit of Citigroup. It currently has more than 9.3 million client accounts. Banamex is Mexico's largest commercial bank in terms of equity and earnings. Citigroup Cards is the world's largest provider of credit cards with more than 150 million accounts. Furthermore, the company entered into a definitive agreement to establish a strategic partnership with Quinenco which increased its market share to approximately 20% for the Chilean banking industry. The company enjoys a strong competitive position in terms of the services it provides to its customers.

Strength - Wide Product Portfolio

The company has developed an extremely diverse and robust portfolio of financial products and services. It provides a wide range of consumer banking and credit, corporate and investment banking, securities brokerage, and wealth management products and services. Citigroup is organized in five business segments, namely, Global Cards, Consumer Banking, Institutional Clients Group, Global Wealth Management and Corporate/Other. The Global Cards segment offers credit cards through MasterCard, Diners Club, Visa, Private Label and American Express platforms. The Consumer Banking segment is engaged in providing a wide range of banking, lending, insurance and investment services. The Institutional Clients Group provides a broad range of banking and financial products and services to corporations, Governments, institutions and investors. The Global Wealth Management segment provides advisory, financial planning, brokerage and wealth management services. The wide expanded product portfolio allows better integration and provides expanded reach for the company's products and services. In addition, the sustained focus on a broad range of financial products and services gives the company an opportunity to increase its market share and become a market leader in various financial service product markets. In the fiscal year 2008, the company generated the majority of its revenue from three segments, which includes Global Cards, Consumer Banking and Global Wealth Management (GWM). For the year ended December 31, 2008, Global Cards segment contributed 38% to the company's total revenue, followed by Consumer Banking segment (54%) and Global Wealth Management segment (24%). The wide product portfolio helps the company to increase the choices for the customers as well as be able to cater for several needs of the clients.

Citigroup Inc. - Weaknesses

Weakness - High Sub-Prime Related Direct Exposures

Citigroup recorded a sharp decline in performance due to its strong exposures to items related to the Sub-prime market. The company's investments and assets have strong exposure to Collateralized Debt Obligations (CDOs), and subprime-related exposures in its lending and structuring business. The results were also slumped due to Monoline Insurers Credit Valuation Adjustment (CVA), Alt-A Mortgage securities and Auction Rate Securities (ARS). At December 31, 2008, the company's has US subprime net direct exposure of USD 14.1 billion in Securities and Banking (S&B). The direct exposures include CDOs exposures of USD 12.0 billion (includes asset-backed securities, derivatives on asset-backed securities or both) and USD 2.1 billion in subprime-related exposures in lending and structuring activities. Previously, the company recorded losses of USD 18.3 billion in 2007 due to pretax, net of hedges, on subprime-related direct exposures. The pretax loss on CVA of USD 5.736 billion was recorded on the exposure of monoline insurers in the fiscal year 2008, against pretax losses of USD 967 million in 2007. They are calculated by the application of forward default probabilities, derived through the current credit spread of counterparty to the expected exposure profile. In 2007, the Company recorded pretax losses of USD 967 million. The significant exposure in this area is related to the hedges on super senior positions, executed with several monoline insurance companies.

The pretax losses recorded net of hedges, on Alt-A mortgage securities held in S&B were USD 3.8 billion in 2008. These mortgages are characterized by lower credit scores, higher loan-to-values, borrowers with less than full documentation and more investment properties. At December 31, 2008, the company had USD 12.6 billion in Alt-A mortgage securities. The exposures to ARS, the company recorded pretax loss of USD 1.7 billion in the fiscal year 2008. The total exposure of the company to ARS recorded USD 8.8 billion as of December 31, 2008, held in ARS purchased under the ARS settlement agreement with the federal and state regulators and legacy positions. The company's strong exposures to the sub-prime market impacted strongly on the income levels of the company. Any further degradations of the company's investments and assets in these high risk categories could impact the company's operations as well as investors confidence.

Weakness - Decline in Financial Performance

The company recorded a net loss of USD 27,684 million in the fiscal year 2008 as compared to net income of USD 3,617 million in the fiscal year 2007. This fall was principally due to the decline in sales of the company's German retail banking operations and CitiCapital, as well as USD 9,568 million goodwill impairment charges during the fiscal year 2008. The decline was also reflected the impact of declining economies and low market liquidity on various assets that Citigroup held. In addition, the company incurred losses of USD 32,094 million from continuing operations in 2008. The decline was mainly due to continued losses related to the mark-to-market losses on assets in our Securities and Banking business, disruption in the fixed income markets, higher consumer credit costs and the global economic slowdown. The company's return on equity (ROE) was -19.6% at the end of the fiscal year 2008. This was below the Commercial Banking sector average* of 5.2%. Any continuation of the declining trend due to bad market conditions may affect the company's market position in the long run.

Weakness - Exposure to Lehman Brothers

Citigroup had some exposure related to Lehman Brothers in its operations in lending and securities. The company was one of the major creditors to the now bankrupt, Lehman Brothers. Citigroup had investments to the tune of USD 138 billion in bonds. With Lehman Brothers being one of the worst hit companies in the US, due to subprime crises credit crunch, in September 2008, the company filed for bankruptcy. Lehman's bankruptcy caused Citigroup to terminate cash management and foreign exchange clearance arrangements, close out around 40,000 Lehman foreign exchanges, derivative and other transactions and quantify other exposures. The exposure to Lehman Brothers could have a negative impact on the profitability of the company.

Weakness - Lower Scale of Operations

The lower scale of operations compared to peers may reduce the competitive position of the company. Citigroup has a lower scale of operations compared to its competitors, Bank of America Corporation and J.P. Morgan Chase & Co. It is evident from the fact that profit earned by Bank of America Corporation and J.P. Morgan Chase & Co in 2008 was higher at USD 4,008 million and USD 5,605 million, respectively as compared to a loss of USD 27,684 million of Citigroup. Furthermore, as of 27 March 2009, the market value of Bank of America Corporation and J.P. Morgan Chase & Co was USD 46,986.2 million and USD 102,967.1 million, respectively whereas Citigroup was at USD 14,347.7 million. The lower scale of operations restricts the company to effectively compete with larger players in the sector and limits it to cash new opportunities in this challenging environment.

Weakness - Declining Market Share in Sector

The company's compounded annual growth rate (CAGR) for revenue was 1% during 2004-2008. This was below the Commercial Banking sector average* of 16.52%. A lower than sector average* revenue CAGR may indicate that the company has underperformed the average sector growth and lost market share over the last four years. The company's underperformance could be attributed to a weak competitive position or the offering of inferior products and services or lack of innovative products and services.

Citigroup Inc. - Opportunities

Opportunity - Realigned Operating Units

The company realigned its businesses with a view to improve its operational performance. During the fiscal year 2008, the Citigroup has realigned itself into two operating units, namely Citi Holdings and Citicorp. Citi Holdings comprises of consumer finance, brokerage and asset management; private label credit cards and mortgage loans businesses, which enjoy strong market positions. However these businesses are not part of the company's core group business strategy. This unit also handles the \$301 billion of assets covered as part of its loss-sharing agreement with the US government. With this, Citi Holdings can have an enhanced focus on critical areas such as credit quality and risk management. On the other hand, Citicorp comprises its global banking operations for businesses and consumers. It includes the Global Institutional Bank, comprising Corporate and Investment Bank, Citi Retail Bank and Private Bank, and Global Transaction Services. With the new structure, about two-thirds of Citicorp's balance sheet consists of deposit, and also has high-return, low risk assets, with presence in some of fastest-growing global markets. Overall, the two operating units could enable the company to minimize risk and improve its top-line performance.

Opportunity - Launch of New Products and Services

New products and services could help the Citigroup to enhance its existing product portfolio. The company is focused on improving existing products and services and delivery. The company has a successful track record of innovation in developing and enhancing products and services. Recently, the company has developed several products and services. It launched Web and Mobile versions of the CitiFX Pro margin FX trading platform, where the customers are now able to access their accounts and trade, real-time through three state-of-the-art platforms such as CitiFX Pro Trader, the current desktop version; CitiFX Pro Web and CitiFX Pro Mobile. The company introduced a new foreign exchange e-commerce platform for professional traders, CitiFX Velocity. In addition, the company launched a time deposit and investment bundle with great returns on short-term time deposits. Furthermore, it introduced Citi Auto Secured Loan (CASL). The launch of new products and services could open the new market opportunities for Citigroup, which, in turn could improve the financial position and the client base for the company.

Opportunity - Investment Plans of US Government

The company, having significant US operations, is likely to benefit from greater planned investment by the government to boost the US economy. For example, the government has proposed to invest USD 25 billion in a Jobs and Growth Fund which is expected to save 3 million jobs, protect tax cuts for middle-class families, tax benefits to small business and so on. These are likely to boost up the economy and will improve consumer's sentiments.

Opportunity - Growth in Emerging Markets

The company would best use its significant presence in the emerging markets of the Asia Pacific and the Middle East region due to significant growth opportunities driven by economic growth as well as untapped market potential. Future growth will come from these markets where economy growth rate is the highest in the world. The average growth for major Asian economies will be 3% and 4% in 2009 and 2010, respectively; according to in-home estimates. There is a significant growth in the middle class population in India bringing the total of 22 million new customers in the market per year, and will reach 250 million by 2010. Similarly, China's credit-card market will reach 75 million by 2010. As per the estimates, the savings rates in China's that is savings to disposable income remained 30 to 40% from past several years. This provides opportunities for the company operating in this region to witness faster growth compared to its peers in other regions.

Opportunity - Joint Venture with Morgan Stanley

The joint venture agreement with Morgan Stanley would help the company to form the wealth management company combining the experience of two market giants. The joint venture agreement would establish the company called Morgan Stanley Smith Barney, combining Morgan Stanley's Global Wealth Management Group with Citigroup's Smith Barney in the US, Quilter in the UK, and Smith Barney Australia retail units. The new wealth management firm would be enabled with more than 130 years of experience from Citigroup and Morgan Stanley. The joint venture's combined businesses have over 20,000 financial advisors, 1,000 offices, USD 1.7 trillion in client assets at December 31, 2008, USD 14.9 billion in 2008 pro forma combined revenues, and USD 2.8 billion in 2008 pro forma combined pretax profit. Thus, the joint venture is expected to create significant value for Morgan Stanley and Citigroup by achieving cost savings of approximately USD 1.1 billion after full integration.

Citigroup Inc. - Threats

Threat - Impact of Slowdown

The global economic slowdowns present major challenges for the company including more subdued loan growth, higher Non Performing Assets (NPA) and Net Charge-Offs (NCO), heavy reserve building, pressure on Net Interest Margin (NIM), varied fee income performance, very controlled operating expenses, limited share repurchase activity or increasing dividend, and a likelihood of further dividend reductions. The global economic slowdown, which began in 2008, has spread worldwide. According to The World Bank, the overall global GDP growth is projected to decline to 0.9% in 2009, with 4.5% growth rate in developing economies - well below the 7.9% growth in 2007 and 6.3% growth in 2008. Economic growth slowed down sharply in Europe, the US and Japan. The World Bank predicts the US GDP to contract by 0.5% in 2009, and in the Euro area by 0.3% in 2009. But other institutions such as the IMF forecast GDP to contract more. In addition, Japan's government has forecast that the country's economy will have zero growth for the year ending March 2010. This could present a major challenge for the company's growth plans.

Threat - Fluctuations in Interest Rates

The company's investment portfolio contains interest rate sensitive-investments, such as municipal and corporate bonds. The increase in market interest rates would decrease unrealized capital gains on fixed income securities of the investment portfolio. The decline in market interest rates could have an adverse impact on the company's investment income. The defaults in the company's investment portfolio may produce operating losses and reduce the company's capital and surplus. Interest rates are highly sensitive due to governmental monetary policies, domestic and international economic and political conditions and other factors beyond the company's control. The significant increase in interest rates could have a material adverse effect on the book value of the company.

Threat - Exposure to Toxic Assets

The company may have exposure to a range of potentially toxic assets such as real estate and outstanding credit cards. While many of these losses have been accounted for in 2008, there is still the potential for further exposures such as risk from capital market lending or high risk investments to be revealed in the near future which may destabilize the bank. The company has significant exposure to the U.S government's Eligible Asset Guarantee (EAG) program, which covers approximately \$306 billion of the company's assets. These assets are principally loans and securities backed primarily by residential and commercial real estate. The company may suffer from sizable credit losses in response to a global recession. In addition, the earnings of Citigroup may also be impacted by credit costs which are not covered by the program, such as its global credit card portfolios.

Threat - Intense Competition

The global financial services market is highly competitive. Citigroup faces stiff competition from the leading global financial services providers such as Bank of America Corporation and J.P. Morgan Chase & Co. Competition for the company also comes from the existing small players and new market entrants. The company can come up with innovative ways of serving its customers so as to sustain in the highly competitive financial services market. This highly competitive market could adversely affect the company's profitability, if the company fails to retain and attract clients and individual customers.

NOTE:

* Sector average represents top companies within the specified sector

The above strategic analysis is based on in-house research and reflects the publishers opinion only

Citigroup Inc. - Key Competitors

The following companies are the major competitors of Citigroup Inc.:

Bank of America Corporation

Deutsche Bank AG

HSBC Holdings plc

JP Morgan Chase & Co

Wells Fargo & Company

U.S. Bancorp

The Royal Bank of Scotland Group PLC

Citigroup Inc. - Key Employees

Citigroup Inc., Key Employees				
Name	Job Title	Board Level	Since	Age
Vikram Pandit	Chief Executive Officer, Director	Executive Board	2007	
Robert E. Rubin	Director, Senior Counselor	Executive Board		
Stephen Volk	Vice Chairman	Executive Board	2004	
William R. Rhodes	Senior Vice Chairman	Executive Board		
Lewis B. Kaden	Vice Chairman	Executive Board		
C. Michael Armstrong	Director	Non Executive Board	2007	70
Alain J.P. Belda	Director	Non Executive Board	2007	65
Kenneth T. Derr	Director	Non Executive Board		
John M. Deutch	Director	Non Executive Board		70
Roberto Hernandez Ramirez	Director	Non Executive Board		
Andrew N. Liveris	Director	Non Executive Board	2006	54
Anne M. Mulcahy	Director	Non Executive Board	2002	56
Lawrence R. Ricciardi	Director	Non Executive Board		68
Judith Rodin	Director	Non Executive Board	2005	64
Robert L. Ryan	Director	Non Executive Board	2005	65
Franklin A. Thomas	Director	Non Executive Board		
Jerry A. Grundhofer	Director	Non Executive Board	2007	64
Michael E. O'Neill	Director	Non Executive Board	2004	62
Anthony M. Santomero	Director	Non Executive Board	2008	62
Don Callahan	Chief Administrative Officer	Senior Management	2007	
Shirish Apte	Chief Executive Officer, Central & Eastern European Region	Senior Management		
Zion Shohet	Chief Operating Officer, Institutional Clients Group	Senior Management	2001	
Deepak Sharma	Chairman, Citi Private Bank	Senior Management	2007	
Mark Rufeh	Chief Administrative Officer, Head of Productivity Institutional Clients Group	Senior Management		
Brian Leach	Chief Risk Officer	Senior Management	2008	
Bonnie Howard	Chief Auditor	Senior Management	2004	
Michael Helfer	Corporate Secretary General Counsel	Senior Management	2003	
Gustavo Marin	Chief Executive Officer, Citi Brazil.	Senior Management	2005	
Raul Anaya	Chief Executive Officer, Latin America of Consumer Banking	Senior Management		
Cindy Armine	Chief Compliance Officer	Senior Management		
George Awad	Chief Executive Officer, , Consumer Finance for Citi Holdings	Senior Management		
Suneel Bakhshi	Chief Executive Officer, , Global Consumer Group and Citibank N.A.	Senior Management		
Ajay Banga	Chief Executive Officer, Asia	Senior Management		

	Pacific			
Hamid Biglari	Vice Chairman of Citicorp	Senior Management		
Stephen Bird	Chief Executive Officer, ,North AsiaHead, Consumer Banking and Global Cards, Asia Pacific	Senior Management		
Nicholas E. Calio	Executive Vice President, ,Global Government Affairs	Senior Management		
Lisa M. Caputo	Executive Vice President, Global Marketing and Corporate Affairs, Citi	Senior Management		
Michael L. Corbat	Chief Executive Officer, , Citi Holdings	Senior Management		
James C. Cowles	Head of EMEA Markets, Institutional Clients Group	Senior Management		
Terri Dial	Chief Executive Officer, , Consumer Banking North America	Senior Management		
Richard C. S. Evans	Chief Risk Officer, Institutional Clients Group	Senior Management		
Pam Flaherty	Chief Executive Officer, Citi FoundationPresident	Senior Management		
James A. Forese	Head, Global Capital Markets, Markets & Banking	Senior Management		
Jane Fraser	Global Head of Strategy and Mergers & Acquisitions of Citi	Senior Management		
Paul Galant	Chief Executive Officer, Citi Cards	Senior Management		
Yung-Ku Ha	Chief Executive Officer, ,Citibank Korea Inc.	Senior Management		
John Havens	Chief Executive Officer, , Institutional Clients Group	Senior Management		
Edward J. Kelly, III	Chief Financial Officer	Senior Management	2009	
Mary McDowell	Chief Executive Officer, , CitiFinancial North AmericaPresident	Senior Management		
Raymond McGuire	Co-Head, Global Investment Banking	Senior Management		
Paul McKinnon	Head of Human Resources	Senior Management		
Manuel Medina-Mora	Chief Executive Officer, ,Latin America & Mexico	Senior Management		
William J. Mills	Chief Executive Officer, , Western Europe, Middle East and Africa	Senior Management		

Source: Annual Report, Company Website, Primary and Secondary Research
Global Markets Direct

Citigroup Inc., Key Employees

Name	Job Title	Board Level	Since	Age
Douglas L. Peterson	Chief Executive Officer, Director, ,Nikko Citi Holdings Inc.President	Senior Management		
Bill Rhodes	Senior Vice President	Senior Management		
Eugene McQuade	Chief Executive Officer, Citibank N.A.	Senior Management	2009	

Source: Annual Report, Company Website, Primary and Secondary Research
Global Markets Direct

Citigroup Inc. - Key Employee Biographies

Citigroup Inc., Key Employee Biographies

<p>Richard D. Parsons Job Title: Chairman Board Level: Executive Board Since: 2009 Age: 60</p>	<p>Mr. Parsons is the Chairman of Citigroup Inc. Prior to this, he served as the Chairman of Time Warner Inc., between 2003 and 2008. He was the Chief Executive Officer from 2002 to 2007. Mr. Parsons also served as the Co-Chief Operating Officer from 2001 to 2002 at Time Warner. During 1995-2000, he served as the President of Time Warner. He is a Director of Time Warner Inc, since 1991. Between 1991 and 1995, Mr. Parsons was the Chairman and the Chief Executive Officer of Dime Savings Bank of NewYork.</p>
<p>Vikram Pandit Job Title: Chief Executive Officer, Director Board Level: Executive Board Since: 2007</p>	<p>Mr. Pandit has been the Chief Executive Officer of Citigroup Inc, since 2007. Prior to this, he was the Chairman and the Chief Executive Officer of Citi's Institutional Clients Group. In the past, he served as the Chairman and the Chief Executive Officer of Citi Alternative Investments. He was also a Founding Member and the Chairman of a Members Committee of Old Lane, LP which was acquired by Citigroup in 2007. Earlier, Mr. Pandit was the President and the Chief Operating Officer of Morgan Stanley's Institutional Securities and investment banking business and was a member of the firm's Management Committee. He serves on the boards of Columbia University, Columbia Business School, the Indian School of Business and Trinity School. He is also a former Board Member of NASDAQ, the New York City Investment Fund and the American India Foundation.</p>
<p>Don Callahan Job Title: Chief Administrative Officer Board Level: Senior Management Since: 2007</p>	<p>Mr. Don Callahan has been the Chief Administrative Officer of Citigroup Inc. since 2007. He is a member of Senior Leadership and Executive Committees of Citigroup. He held several responsible positions including the Chief Administrative Officer of Citi Alternative Investments (CAI) in October 2007 and the Chief Administrative Officer of Citi's Institutional Clients Group. Prior to this, he was the Managing Director and the Head of Client Coverage Strategy for the Investment Banking Division at Credit Suisse. He was also a member of the Investment Banking Management Committee, the Investment Banking Management Council and the Chairman's Board. Mr. Callahan served at Morgan Stanley, where he held various roles including Global Head of Marketing and Head of Marketing for the Institutional Equities Division and for the Institutional Securities Group during 1993 to 2006. Prior to this, he held a number of marketing positions at IBM and was a Director of Strategy for IBM Japan. He is a member on the Boards of Manhattanville College, the Salisbury School and the American Red Cross of New York. Mr. Callahan served at Morgan Stanley, where he held various roles, including Global Head of Marketing and Head of Marketing for the Institutional Equities Division and for the Institutional Securities Group during 1993 to 2006. Prior to this, he held a number of marketing positions at IBM and was a Director of Strategy for IBM Japan. He is a member on the Boards of Manhattanville College, the Salisbury School, and the American Red Cross of New York.</p>
<p>Brian Leach Job Title: Chief Risk Officer Board Level: Senior Management Since: 2008</p>	<p>Mr. Brian Leach has been the Chief Risk Officer of Citigroup Inc. since March 2008. He is a member of Senior Leadership and Executive Committees of the company. Prior to this, he was the Chief Operating Officer of Old Lane. Previously, he worked at Morgan Stanley and was the Risk Manager of the Institutional Securities Business. At Morgan Stanley, he was responsible for capital allocation, strategic revenue enhancement opportunities and all aspects of credit, market, and operational risk management. Mr. Brain was also a member of Morgan Stanley's Institutional Securities Division Management Group, the Co-Chairman of the Capital Commitment Committee, and the Chairman of the Board of Trustees of the Morgan Stanley Foundation.</p>
<p>Cindy Armine Job Title: Chief Compliance Officer Board Level: Senior Management</p>	<p>Ms. Armine is the Chief Compliance Officer of the Citigroup Inc. She is responsible for ensuring that all businesses within the company are operating in conformance with applicable laws and regulations, and maintaining good relationships with regulators. She holds strong experience in organization compliance for more than 14 years. She oversaw the compliance functions of Citi Investment Research, Citi Private Bank, Smith Barney and the US Corporate & Investment Bank.</p>

Source: Annual Report, Company Website, Primary and Secondary Research
Global Markets Direct

Citigroup Inc. - Company Statement

A statement by Mr. Vikram Pandit, the Chief Executive Officer of Citigroup Inc is given below. This statement has been taken from the company's 2008 annual report.

For a little more than a year, I have had the honor of leading Citi through some of the most challenging circumstances in its long history. I'm acutely aware of the responsibility you—our owners—have placed on me and the Citi leadership team, and I can assure you, we are committed to restoring Citi to profitability as quickly as possible. I recognize the tremendous loss of value you and your fellow Citi shareholders have endured over the past months. My commitment to you is to rebuild value with all the energy and urgency that the times demand.

I am equally sensitive to the enormous financial pressures that homeowners and consumers are under. Too many hard-working people find themselves in financial straits they never thought possible. At Citi, we are committed to helping those in urgent need and participating in industry reforms that will enable the financial system to recover its strength and health. I'm mindful also of the investment made in Citi by the U.S. government and American taxpayers. Our commitment to them is to work with the Administration and our regulators to address the nation's economic priorities and to do all we can to speed the recovery of our markets.

More than ever, we are committed to helping our clients and customers navigate these markets. Even in the face of extreme uncertainty, Citi's goal every day is to drive their success. Finally, we are also committed to creating a strong company where employees—the people of Citi—continue to have opportunities to learn as well as the resources necessary to drive performance. Our teams are working together to ensure that the turnaround we all anticipate happens quickly.

Fulfilling all of these commitments would be ambitious even in the best of times. But history shows that Citi is at its best when circumstances call for vision, innovation, and bold action. I have no illusions about the impact of the severe financial turmoil. But I have no doubt that with continued hard work, Citi will again be at its best in these difficult times and beyond.

Global Rebalancing

The environment in 2008 was significantly more challenging than expected. Four key economic cycles—housing, commodities, institutional leverage, and personal consumption—needed to rebalance before global financial markets could stabilize. The result has been an unprecedented global economic disruption and severe challenges to the financial services industry. Regrettably, the burden of rebalancing has fallen most heavily on homeowners, consumers, and individual investors. Governments around the world have responded to this pressure with decisive action to ensure the availability of funding and capital for banks. By the beginning of 2009, the financial industry, policymakers, and the economy were all inextricably linked. The path to restoring economic strength, globally and nationally, is the same path that will restore profitability to the banking industry. We recognize that success depends on all of us working together.

Taking Action to Restore Confidence

Investor confidence in financial institutions was shaken as the economy worsened considerably in the fourth quarter of 2008. We participated in the government's Troubled Asset Relief Program (TARP), which was designed to provide more capital to banks in light of this environment. In November, Citi received an additional investment from the U.S. government and purchased insurance against \$301 billion of assets. These programs were designed to address issues of confidence. Statements of support by the U.S. Treasury and other regulators have reinforced this effort.

The exchange offer we announced in February 2009 was structured to result in the conversion of a portion of the U.S. government's preferred stock investment under TARP, as well as a portion of our private preferred stock into common stock. This exchange offer was designed to strengthen our tangible common equity and increase confidence in our capital strength. But it was a very difficult decision because it was a trade-off between dilution for common shareholders versus the enhancement of our capital base from which to serve clients and grow our business with confidence. Ultimately, the trade-off we made will be in the best long-term interest of our shareholders.

Putting Tarp Funds to Work

We take very seriously the responsibility to put TARP funds to work to help our customers and their communities through this difficult period. We are using the capital we received through the TARP to increase lending to borrowers in need. We are committed to generating an exceptional return on all stakeholders' capital and we have reported and will continue to report on our activities quarterly. We are also keenly aware of our responsibility to do all we can to rekindle the economy

and renew productive activity. And we are working with individual customers to help relieve some of the pressure they're experiencing.

By using our databases and customer insight, we have been able to identify customers at risk of delinquency and reach out to them to restructure their loans before they slip into default. Our Citi Homeownership Assistance Program (CHAP) is a proactive program that helps avoid the loss of homes and protects credit scores and future borrowing potential. Through new assistance programs, we have helped about 440,000 homeowners weather the downturn. We are also pleased to support the Administration's approach to mortgage loan modifications.

2008 Financial Results

We reported a loss of \$27.7 billion in 2008. This unacceptable result reflects the impact of a weak economy and a lack of market liquidity on various assets we carried into this downturn. As previously disclosed, our results included \$32 billion of revenue mark-to-market losses on assets in our Securities and Banking business. In addition, like all major banks, we are experiencing elevated credit losses as our customers struggle to repay loans. As credit quality deteriorated, we added to loan loss reserves. Our 2008 results reflect a net build of \$14.7 billion to our loan loss reserves. We ended the year with total loan loss reserves of \$30 billion.

Our financial results this year were very disappointing. However, away from these losses, our core franchises are performing well and our customers remain active and engaged with Citi around the world. We will build on this to achieve our highest priority—returning Citi to profitability.

Three-Stage Plan for Restoring Strength

After being appointed CEO of Citi in December 2007, my management team and I conducted a comprehensive review of Citi's operations. We found an incredible global franchise with material competitive advantages in many businesses. We discovered some of the most talented professionals in the industry. And we identified numerous opportunities for growth.

However, we also inherited many high-risk assets that were not essential to our core business. We found that some of Citi's resources were allocated to activities that did not create enough value for our clients and did not earn adequate risk-adjusted returns for shareholders. At the same time, we uncovered an outsized cost structure and inefficient information technology systems that in many cases could not connect to one another.

We devised a plan to attack all of these issues and in May 2008 we outlined our multiyear plan to restore strength and position the company for future growth in three stages: Get Fit, Restructure Citi, and Maximize Citi.

Throughout 2008, in the midst of a global economic downturn and global financial crisis, we remained focused on Getting Fit. We have made and continue to make significant progress in strengthening Citi's capital and structural liquidity; reducing the balance sheet, expenses and headcount; and decreasing risk across the organization.

- We raised significant capital from private investors as well as through the TARP. We increased our Tier 1 capital ratio to approximately 11.9 percent at year end, making Citi's Tier 1 among the highest in the industry.
- We increased our structural liquidity to 66 percent of total assets in the final quarter of 2008.
- We reduced our assets from a peak of almost \$2.4 trillion down to about \$1.9 trillion and completed 19 divestitures.
- In the fourth quarter of 2008, we reduced our "business-as-usual" expenses by 16 percent from the fourth quarter of 2007 to \$12.8 billion.
- We made difficult but necessary decisions to reduce headcount and ended the year with headcount of 323,000, down from 375,000.
- We reorganized operations and technology and other functions to create a more streamlined organization with greater accountability for performance.
- And we added some of the most seasoned and experienced talent in the industry to Citi's leadership ranks.

Our ability to accomplish so much in such a short period in the midst of severe market dislocations is a testament to the hard work and focus of my Citi colleagues around the world. None of this would have been possible without their extraordinary perseverance and professionalism.

Restructuring Citi

We accelerated the second stage of our drive for value creation—Restructuring Citi—by realigning Citi into two operating units—Citicorp and Citi Holdings. This structure highlights the value of our core franchise and reflects the rapid and dramatic changes in funding markets, operating models, and client needs.

The new structure simplifies Citi, and sets out a clear path to profitability and value creation. In the new structure, Citicorp is our global bank for businesses and consumers. Citicorp consists of the Global Institutional Bank, which includes Global Transaction Services, Corporate and Investment Bank, Citi Private Bank, and the Retail Bank. The Retail Bank includes regional consumer and commercial banking and card franchises around the world. Approximately two thirds of Citicorp's balance sheet is deposit-funded. It has relatively low-risk, high-return assets and it operates in the fastest-growing areas of the world. On a stand-alone basis, I believe there is no stronger financial services firm than Citicorp.

Citi Holdings includes some great businesses that have strong market positions but are not central to our core operating strategy. Citi Holdings is made up of brokerage and asset management; consumer finance, mortgage loans, and private label credit cards; and a special asset pool. Approximately one third of our headcount supports Citi Holdings and it includes the \$301 billion of assets covered by our loss-sharing agreement with the U.S. government. We will continue to manage these businesses and assets to ensure we maximize their value to our shareholders and will be alert to sensible dispositions or combinations.

With lower risk and a streamlined set of businesses, we expect Citicorp to be a high-return and high growth business. With Citi Holdings, we will be able to tighten our focus on risk management and credit quality. And, with the right structure and management in place, we'll be able to turn our attention to the third stage of our growth strategy: Maximizing Citi.

2009 and Beyond

The best way to make good on our commitments to investors, clients, policymakers, employees, and citizens is to return Citi to profitability as soon as possible. As a Citi shareholder, you have experienced an extremely disappointing year and I know that any return to profitability is long overdue. You should know that we are doing everything in our power to accelerate that return. We recognize that industry profitability may continue to be affected by asset price volatility and credit deterioration. But we also see that the policies implemented thus far are setting the stage for recovery.

We enter 2009 with the drivers of profitability in place. Our funding, risk capital, and underlying revenue levels are strong. Our expenses and risks have been reduced. We are taking control of what is within our control. Although 2009 will likely remain a challenging year—particularly in terms of credit costs—we believe that as the economic environment begins to recover, as it inevitably will, Citi will be well positioned to create the kind of shareholder value of which we all know Citi is capable and which you should reasonably expect.

Conclusion

In such challenging times it is worth taking stock of what is truly valuable about Citi. I'm convinced there are some enduring truths that will stand the test of the coming years.

The first is that our competitive advantage will remain our global presence, which is rich both in history and in client relationships. At the heart of Citi is an irreplaceable franchise built over nearly 200 years, with more than 200 million customer accounts in over 100 countries. Through this unique global network, we enable people to reach out and to work together across the world. Second, we will continue to build on our rich legacy of innovation: innovation to ensure that we can address the needs of a highly mobile population that is increasingly urban and international in outlook; innovation to help people and companies work more collaboratively across multiple networks and time zones; innovation to facilitate new ways of thinking about money and the role it plays in everyday life and business.

Third, we will remain determined to build a culture of meritocracy where talent is recognized and rewarded with opportunity, where each employee has a chance to achieve his/her potential, and where the best do better.

Fourth, we'll continue to make a difference in the communities where we work and live. In November, 50,000 Citi colleagues and friends came together in 550 cities around the world in a single day to repair schools, deliver food, and help people in need. With so many people now feeling pressure, Citi is more devoted than ever to improving society and the environment in the communities where we work through our philanthropy, volunteerism, public policy engagement, and our core business activities.

Every Citi employee is acutely aware of the challenges ahead. We all know people whose economic struggles are unprecedented and overwhelming. It is our commitment to Citi's customers, shareholders, and employees to create solutions that mitigate the impact of these difficult times. With the top team in the industry, we will succeed.

Citigroup Inc. - Locations And Subsidiaries**Head Office**

Citigroup Inc.
 399 Park Avenue
 New York
 NY
 ZIP: 10043
 United States
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 Fax: +1 212 7933946

Other Locations & Subsidiaries

Citigroup Inc., Other Locations	
145 West Street Sandown Johannesburg Zip: 2196 South Africa Tel: +27 11 944 1000 Fax: +27 11 944 1010	30/F Citibank Tower Citibank Plaza, 3 Garden Road Hong Kong Special Administrative Region of China Tel: +852 2868 8688 Fax: +852 2868 7469
Citi Center 2nd Floor Bandra Kurla Complex Mumbai India Tel: +91 22 4001 5282 Fax: +91 22 2653 5740	Oud Metha Tower P.O. Box 749 Dubai United Arab Emirates Tel: +971 4 604 4776
Citigroup Center 153 East 53rd Street, Zone 19 New York Zip: 10022 United States Tel: +1 212 559 9124 Fax: +1 212 793 5906	1-5 rue Paul Cézannev Paris Zip: 75008 France Tel: +33 1 7075 5050 Fax: +33 1 7075 5001
Centre D'Affaires Flatters 96, Rue Flatters, P.O.Box 4571 Douala Cameroon Tel: +237 33 42 35 12 Fax: +237 33 42 40 74	Level 15 120 Collins Street Melbourne Zip: VIC 3000 Australia Tel: +61 3 8643 9700
50/F, Citibank Tower Citibank Plaza, 3 Garden Road Central Hong Kong Special Administrative Region of China Tel: +852 2668 8888 Fax: +852 2523 0949	Citi Center, 5th Floor C-61, Bandra Kurla Complex Bandra Mumbai Zip: 400 051 India Tel: +91 22 4001 5757
Denmark Branch	Citigroup Centre

H.C. Andersens Boulevard 12 Copenhagen V. Zip: DK-1553 Denmark	33 Canada Square, Canary Wharf London Zip: E14 5LB United Kingdom
Ahmed Tower, Building No 1 Corner of Arabian Gulf Street/Al, Mulla Street Sharq Safat Zip: 13121 Kuwait Tel: +965 2594000 Fax: +965 2594001	153 East 53rd Street 16/ F, Zone 19 New York Zip: NY 10022 United States Tel: +1 212 559 9124 Fax: +1 212 793 5906
Citi Global Consumer Group, Kasernenstr. 10 Dusseldorf Zip: 40213 Germany	Citigroup Centre 33 Canada Square Canary Wharf London United Kingdom Tel: +44 20 7986 4000
Source: Annual Report, Company Website, Primary and Secondary Research Global Markets Direct	

Citigroup Inc., Subsidiaries

Citibank Nigeria Limited 27 Kofo Abayomi Street Victoria Island Lagos Nigeria Tel: +234 1 279 8400	Citibank (China) Co Ltd No 33 Hua Yuan Shi Qiao Road Lu Jia Zui Finance and Trade Area Shanghai China Tel: +86 830 1880
Citibank Japan Ltd 3-14 Higashi-Shinagawa 2-chome Shinagawa-ku Tokyo Zip: 140 8639 Japan Tel: +81 44 540 6688	Citigroup Global Markets New Zealand Limited Vodafone on the Park level 19 157 Lambton Quay P.O. Box 1821 Wellington Zip: 6015 New Zealand Tel: +64 4 460 5000
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Citi Venezuela
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Tel: +1 212 8166000
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Source: Annual Report, Company Website, Primary and Secondary Research
Global Markets Direct

Citigroup Inc. - Financial Ratios

Financial Ratios - Capital Market Ratios

Citigroup Inc., Ratios based on current share price

Key Ratios	29-Sep-2009
Enterprise Value/Sales	6.76
Enterprise Value/Operating Profit	13.42
Enterprise Value/Total Assets	0.37
Dividend Yield	0.24
Note: Above ratios are based on share price as of 29-Sep-2009, the above ratios are absolute numbers	
Source: Annual Report, Company Website, Primary and Secondary Research	
Global Markets Direct	

Financial Ratios - Annual Ratios

Citigroup Inc., Annual Ratios

Key Ratios	Unit/Currency	2004	2005	2006	2007	2008
Equity Ratios						
EPS (Earnings per Share)	USD	3.07	3.82	4.09	0.59	-6.42
Dividend per Share	USD	1.60	1.76	1.96	2.16	1.12
Dividend Cover	Absolute	1.92	2.17	2.09	0.27	-5.74
Book Value per Share	USD	20.82	22.37	24.18	22.71	13.02
Profitability Ratios						
Net Profit Margin	%	26.79	32.39	23.01	2.98	-25.96
PBT Margin (Profit Before Tax)	%	35.74	38.77	30.43	0.64	-49.74
Return on Equity	%	15.60	21.85	17.98	3.19	-19.55
Return on Assets	%	1.15	1.65	1.14	0.17	-1.43
Return on Fixed Assets	%	2.80	2.63	2.01	2.07	2.77
Cost Ratios						
Operating Costs (% of Sales)	%	34.59	48.31	59.48	62.63	49.66
Leverage Ratios						
Debt to Equity Ratio	Absolute	4.10	4.68	6.17	6.97	4.41
Debt to Capital Ratio	Absolute	0.30	0.35	0.39	0.36	0.32
Efficiency Ratios						
Asset Turnover	Absolute	0.04	0.05	0.05	0.06	0.06
Capital Employed Turnover	Absolute	0.58	0.67	0.78	1.07	0.75
Net Income per Employee	USD					-89,592
Capex to Sales	%	4.73	4.91	4.31	3.30	2.38
Efficiency Ratio	Absolute	0.80	0.61	0.55	0.50	0.68
Source: Annual Report, Company Website, Primary and Secondary Research						
Global Markets Direct						

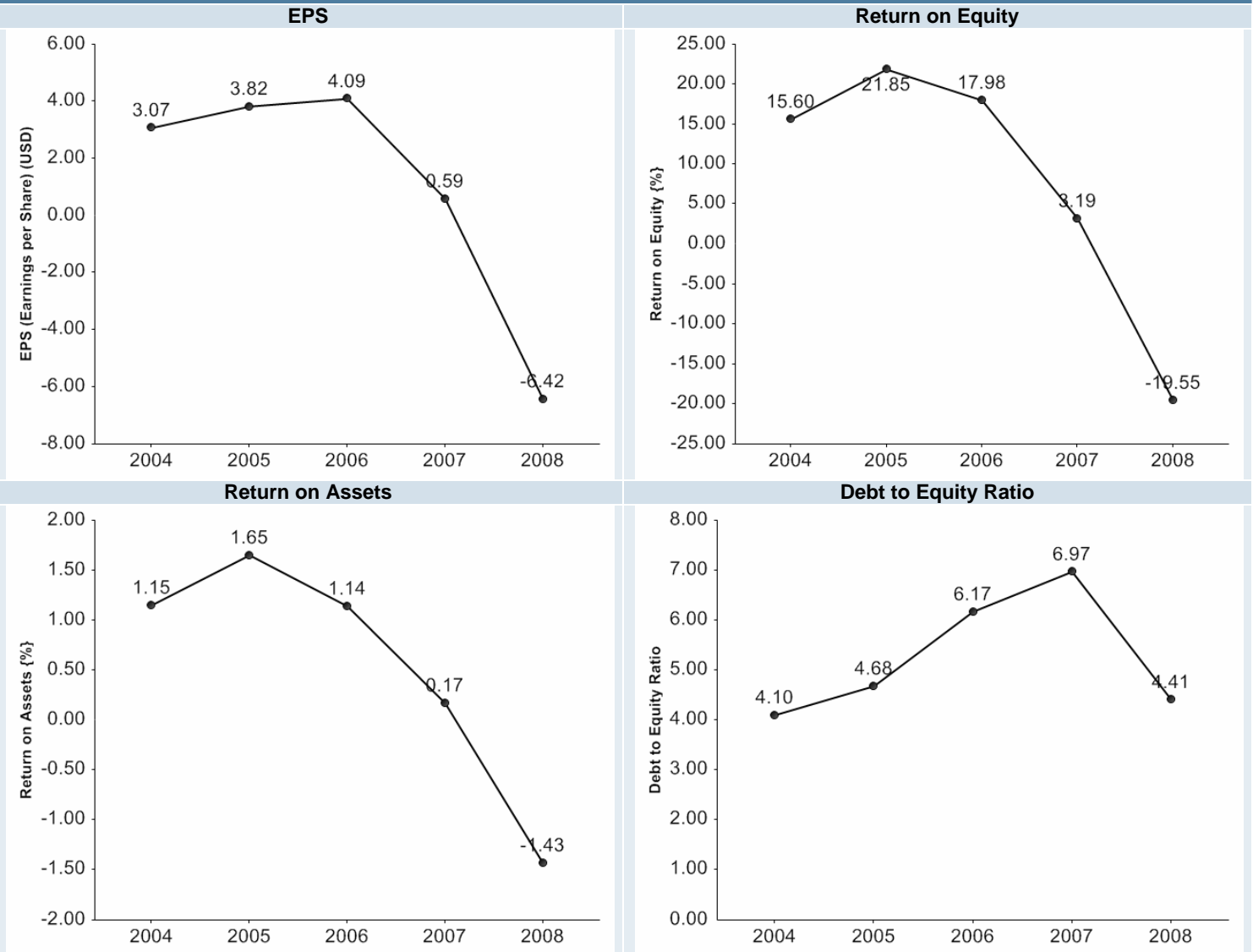
Financial Ratios - Interim Ratios

Citigroup Inc., Interim Ratios

Key Ratios	Unit/Currency	Sep-2008	Dec-2008	Mar-2009	Jun-2009
Interim EPS (Earnings per Share)	USD	-0.71	-4.04	-0.16	0.53
Book Value per Share	USD	18.10	13.02	12.64	14.16
Asset Turnover	Absolute	0.01	0.01	0.01	0.01
Source: Annual Report, Company Website, Primary and Secondary Research					
Global Markets Direct					

Financial Ratios - Ratio Charts

Citigroup Inc., Ratio Charts



Source: Annual Report, Company Website, Primary and Secondary Research
Global Markets Direct

Recent Developments

Sep 28, 2009: Citi Names Head Of Middle East, Pakistan

Based in Dubai, the new head will be responsible for driving Citi's strategy to meet the financial objectives of the region

Citi's global transaction services division has appointed Steve Donovan as head of global transaction services, Middle East and Pakistan. Based in Dubai, Mr. Donovan will be responsible for driving Citi's strategy to meet the financial objectives of the region and ensuring client needs are serviced in an ever-changing environment.

Reportedly, until recently, Mr. Donovan has led the Europe, Middle East and Africa (EMEA) sales organization for treasury and trade solutions, which comprises over 50 countries. Prior to joining Citi in 2007, he served in a number of senior business and client facing roles at JP Morgan Chase.

Naveed Sultan, CEO of global transaction services for EMEA, Citi, said: "Mr. Donovan has been an asset to the global transaction services business since joining in 2007 and has been a key player in helping to grow our franchise with extensive client relationships. The Middle East is an extraordinary marketplace one demanding local solutions with global service standards."

Sep 23, 2009: Citi Unveils Citi CUBES

Developed by Citi Commodity Investor Products, a dedicated team within Citi's Global Commodities Group

Citi has launched a suite of upgraded beta indices linked to commodity markets. Collectively known as the Citi CUBES Commodity Indices, they allow investors to access commodity futures markets using a transparent, rules-based methodology.

Reportedly, in contrast to traditional beta indices, Citi CUBES will invest predominantly in longer maturity futures contracts to limit the high roll costs that often result from upward sloping forward curves. Citi CUBES uses a simple mechanism to forecast a shape for the futures curve at the beginning of each investment period. Based on the forecast, Citi CUBES invests in futures contracts that are expected to provide the highest investment yield. Citi CUBES can invest in contracts up to one year in maturity.

Ravi Ramachandran, head of commodity new products structuring at Citi, said: "By investing further out on the curve in an intelligent manner, we not only provide clients with the potential for enhanced returns but also allow them to avoid some of the high volatility typically seen in front-month investments."

Iain Armitage, head of commodity investor products at Citi, said: "The Citi CUBES Index suite, used in conjunction with Citi's custom index capabilities, will allow our clients to access commodities markets through tailor-made solutions designed individually for their needs."

Sep 23, 2009: OPIC To Participate In \$250m Global Microfinance Financing Program With Citi

The facility has the potential to reach more than 480,000 borrowers

The board of directors of the Overseas Private Investment Corporation (OPIC) today approved up to \$250 million to expand a successful partnership with Citi, that provides microfinance lending to borrowers in emerging markets worldwide.

Citi has said that OPIC will risk participate in Citi originated and funded local currency loans to microfinance institutions (MFIs), which in turn make small loans to micro-borrowers in Africa, the Middle East, Asia, Eastern Europe and Latin America. The project represents the expansion of a \$100 million OPIC-Citi microfinancing funding facility launched in December 2006. Under this program, Citi and OPIC are providing financing to 23 MFIs in 13 countries.

Lawrence Spinelli, acting president at OPIC, said: "The global economic crisis has significantly curtailed microfinance lending, raising the cost of lending and causing liquidity problems for many MFIs. MFIs need access to markets and funding to continue their work. By expanding an existing – and successful – microfinancing facility with Citi, OPIC is working proactively to help address this shortfall."

Vikram Pandit, chief executive officer of Citi, said: "Citi has long been committed to globally expanding access to financial services to microentrepreneurs. Leveraging Citi's emerging markets presence, this new Citi/OPIC \$250 million Global Program will provide incremental funding to achieve our shared objectives of supporting microentrepreneurship and stimulating economic growth."

OPIC helps US businesses invest overseas, fosters economic development in new and emerging markets, complements the private sector in managing risks associated with foreign direct investment, and supports US foreign policy.

Sep 23, 2009: Stock Exchange of Thailand Appoints Citi As Settlement Bank

Citi will provide an end-to-end solution to the clients of brokers/sub brokers who use it as a custodian bank or for back office settlement processing

Citi Thailand has been appointed by the Stock Exchange of Thailand (SET) to serve as a settlement bank for the 39 SET clearing house members.

According to the bank, in Thailand, all clearing members must use an appointed settlement bank to settle cash payment for all securities trades transacted on SET, MAI (smaller board), and BEX (bond). However, to qualify as a settlement bank, banks must not only provide a strong cash management infrastructure but also demonstrate a long-term commitment to the capital market and clients. The other settlement banks are Siam Commercial Bank, Bangkok Bank and Krung Thai bank.

Vira-anong Chiranakhorn Phutrakul, managing director, head of global transaction services, Citi Thailand, said: "We are proud to be the first foreign bank in Thailand to be appointed as a TSD settlement bank to perform the important function of securities clearing for the market. Citi will provide an end-to-end solution to the clients of brokers/sub brokers who use Citi as a custodian bank or for back office settlement processing. This is done through Citi's technology platform, CitiDirect which provides secure, online access for transacting and to view reports."

Sopawadee Lertmanaschai, chief marketing officer, market & post-trade services, SET, said: "The addition of Citi as our fourth settlement bank will provide more benefits for our clearinghouse members. Citi will enhance clearing system reliability and support for the Thai capital market. Not only does Citi bring a lot of experience it is also financially strong and meets SET requirements by having a reliable operating system amongst a number of other criteria."

Sep 22, 2009: Citi's LavaFlow ECN Launches New Hide To Comply Order

Allows FLOW liquidity providers to enter displayable limit orders at aggressive prices and obtain the best possible time priority at the order's posted price level

Citi's LavaFlow ECN (FLOW) has announced a new order type, Hide to Comply. Reportedly, it is an execution instruction that allows FLOW liquidity providers to enter displayable limit orders at aggressive prices and obtain the best possible time priority at the order's posted price level, all while receiving a rebate.

According to the Citi, Hide to Comply adjusts aggressively priced orders such that they are hidden on entry, and their limit price set to the opposite side of the Nation Best Bid and Offer (NBBO). While hidden at this price, the order will be eligible for a full rebate. When the NBBO updates such that the order is no longer at a locking price, the order will be displayed at this new limit, maintaining its original time priority the order will not be re-priced.

Shane Swanson, head of transaction services, Lava, said: "Citi's LavaFlow ECN is continually creating advanced functionality and Hide to Comply is the latest example of our commitment to enhancing the product to meet the best price and execution needs of our customers. Hide to Comply, along with other features we have launched this year, is one of the many ways we provide industry leading functionality to the trading community."

Sep 21, 2009: Standard Life Investments Re-affirms Citi As Their Fund Services Provider

Continues to provide principle fund administration and securities services with a new five year arrangement

Citi's Global Transaction Services business has signed a new agreement with UK-based Standard Life Investments, a global fund manager, which has re-affirmed Citi as its principle fund administration and securities services provider with a new five year arrangement.

Reportedly, through this partnership, Citi will be supporting over £120 billion assets under management (AUM) by providing a full range of fund accounting, custody, middle office and investment reporting services for Standard Life Investments.

Citi has said that Standard Life Investments appointed Citi as their preferred Fund Administration Service Provider and Global Custodian, in 2003.

Andrew Gelb, head of securities and fund services for Europe, the Middle East and Africa, Citi, said: "Clients like Standard Life Investments are extremely important to Citi and we will continue to act as their service partner and grow with them. Citi believes it has built a world class fund accounting service in Edinburgh based on its single global operating platform, dedicated investor services management team, integrated client processes and by supporting its clients growth in the pensions and savings industries."

William Littleboy, chief operating officer, Standard Life Investments, said: "This new agreement with Citi is the result of considerable re-thinking and re-engineering of our relationship and the current needs of both organisations. We are pleased to re-appoint Citi as our fund services administrator and recognise the progress we have both made over the last few years."

Sep 17, 2009: Citibank Bahrain Expands Islamic Banking Services

By adding a new Sharia-compliant corporate current account

Citibank Bahrain and the Citi Islamic Investment Bank have added new offering to its Islamic banking by launching the Shari'a-compliant corporate current account.

Reportedly, the new account is targeted at corporate clients. The bank has said that the account has been certified as Shari'a-compliant by the Shari'a advisory board of Citi Islamic investment bank comprising Shari'a scholars.

Citibank has added that additionally it offers a range of Islamic investment options for corporate clients who wish to invest in Shari'a-compliant vehicles and maximize returns. These range from Sukuks (Islamic Bonds), Islamic mutual funds and customized structured notes.

Samad Sirohey, CEO of Islamic investment bank and head global Islamic banking at Citi, said: "Citi Islamic investment bank continues to innovate and support Citi's global banking platform, and the roll-out of the Islamic current account in Bahrain is another milestone in providing the full range of Sharia'a-compliant banking products to Citi's customers."

Sep 17, 2009: Citi Bags Minerva Capital Management Fund Services Deal

Citi provides with independent hedge fund valuation and administration services

Citi securities and fund services, a division of Global Transaction Services, has been mandated by Minerva Capital Management, to provide a suite of administration services. For the Hong Kong-based hedge fund, Citi will directly service its fund, the Minerva Macro Fund.

Reportedly, as administrator to the Minerva Macro Fund, Citi provides with independent hedge fund valuation and administration services. Additionally, by partnering with Citi, Minerva Capital Management is also receiving transfer agency services.

Citi has said that its securities and fund services provides advice from its regional network. For Minerva Capital Management, Citi's Asia Pacific operations team in Hong Kong processes hedge fund administration services, including daily reconciliations. Under the mandate, Citi securities and funds in Singapore perform transfer agency services for the client.

David Russell, managing director, region head of securities and fund services, Asia Pacific, Citi, said: "Asia Pacific's most dynamic hedge funds are constantly evolving and see incredible value in appointing independent fund administrators. Citi, with its unmatched experience, infrastructure and dedication was a clear recipient of the flight to quality by Minerva Capital Management and we are truly proud to partner with them."

Sep 17, 2009: Citi, GT Nexus To Launch Electronic Invoice Presentment, Payment Service

The solution to provide ocean carriers and their freight forwarder customers a fully electronic means to present and pay ocean freight invoices

Citi's Global Transaction Services (GTS) and GT Nexus, have signed a strategic partnership to deliver an electronic invoice presentment and payment (EIPP) solution to the ocean logistics industry.

Reportedly, the partnership will leverage Citi's existing electronic invoice settlement services, currently offered to the air logistics industry, with the connectivity and standardization technology of the GT Nexus trade and logistics portal. It expects that the solution will provide ocean carriers and their freight forwarder customers a fully electronic means to present and pay ocean freight invoices.

The bank has said that by automating these processes and leveraging GT Nexus' technology Citi clients will benefit from a fully electronic option to present, approve, adjudicate, pay and reconcile ocean freight invoices that will result in improved cash-flow visibility, accelerated payment settlement and lower costs.

Brent Flynn, global logistics sector Head, GTS, said: "Citi has already achieved much success in the Air Cargo space and has a long history of delivering innovative solutions that have transformed the air freight bill payment process. We look to modify this existing solution and make similar strides in the ocean space. We are very excited to continue this journey with a partner like GT Nexus."

Amol Gupte, head, treasury and trade solutions of North America, GTS, said: "This is consistent with our strategy to build a global EIPP offering. Container shipping is a huge, \$200 billion industry that will see tremendous benefit through automation of the financial settlement process."

Sep 15, 2009: Citi Launches CitiDirect BE

The collaborative online banking platform leverages new technologies to deliver features and functionality

Citi has launched CitiDirect BE (Banking Evolution), a collaborative online banking platform for institutions. Reportedly, the latest service from Citi's Global Transaction Services puts more visibility and control in the hands of clients, from small businesses to large multinational companies, seeking greater efficiency around their end-to-end banking processes. These institutions are relying on their banks to provide extended tools and information.

It has been reported that CitiDirect BE will provide a new diverse set of functionality beyond traditional transaction management and reporting. It includes capabilities for analytics and user-generated content, a media/video channel as well as Electronic Bank Account Management offering. In addition to these new features, CitiDirect BE makes these tools available via multiple delivery channels corporate clients require, including a web portal, a la carte web services, straight-through connectivity via SWIFT or the Internet, as well as mobile devices.

Francesco Vanni d'Archirafi, CEO of Citi's Global Transaction Services business, said: "Citi has always been at the forefront of technology innovation particularly in online banking. CitiDirect BE was designed in partnership with our best clients and best-in-class technology providers, including Microsoft, and represents a radical departure from traditional electronic banking. We have focused on expanding the array of information, analytics and collaboration tools that enable our clients to improve their treasury processes and interact with us with much greater ease, and for our solutions to easily plug and play within our clients' infrastructure."

Sep 15, 2009: Kookmin Bank Partners Citi For International Payments Processing

Citi to provide international payments support in selected markets, covering a range of exotic currencies

Citi's Bank Services Group, a division of Global Transaction Services, has been selected by South Korea's Kookmin Bank to enhance its international payments capabilities globally, with Citi's International Payments Processing solution that supports a variety of exotic currencies.

It has been reported that initially, Citi will provide KookMin Bank with international payments support in selected markets, covering a range of exotic currencies. Once implementation has been completed, Kookmin Bank plans to extend this service to additional currencies.

Reportedly, Citi's International Payments Processing helps banks and corporations to streamline the issuance of paper-based and electronic payments to parties around the world and automate the related foreign exchange. The non-account based solution is expected to enable cross-border payments in over 135 currencies via SWIFT or Citi's electronic banking platform, CitiDirect.

Akash Rathke, managing director, regional head of Bank Services and Public Sector Group, Asia Pacific, Citi said: "KookMin Bank has long been one of Asia Pacific's most progressive financial institutions in terms of the services it provides its clients and in the bank's ability to 'think outside the box.' By partnering with Citi, KookMin Bank has proven its commitment to servicing its increasingly international client base while controlling its costs and risks."

Sep 15, 2009: Microsoft To Support CitiDirect BE

With platform engineering, development of independent software vendor communities, and product life-cycle management services

Microsoft and Citi's Global Transaction Services (GTS) have collaborated on a multiyear initiative to support CitiDirect BE, Citi's newly launched e-banking platform, serving its corporate, financial institution and public sector clients and also optimized for the white-label business model.

Reportedly, with a global network spanning more than 100 countries, Citi is expected to benefit from this collaboration as the CitiDirect BE platform will help monetize service offerings and broad geographic coverage, while taking full advantage of Microsoft's expertise in platform engineering, development of independent software vendor communities, and product life-cycle management.

By leveraging Microsoft Office SharePoint Server 2007, it has been reported that, CitiDirect BE will raise the competitive bar beyond transactions to include sophisticated analytic capabilities, self-service modules such as Citi's Electronic Bank Account Management (eBAM) offering, and rich media to provide expert insights on current trends and economic news affecting clients' business. The new platform has taken a client-centered approach in its design focusing on providing clients with greater visibility and control over their business processes to create a richer online banking experience.

Gary Greenwald, chief innovation officer and global head of Capabilities and Information Products at Citi, said: "Our institutional clients are demanding banking platforms and technology that gives them greater transparency and control over their working capital flows, increases their liquidity and improves the efficiency of their treasury and supply chain processes. Working with our best clients, we've created CitiDirect BE to address these needs, both for corporations as well as for banks, who are able to offer this innovative service to their clients on a white-labeled basis, under their own brand, reducing upfront IT costs."

Susan Hauser, vice president of Worldwide Financial Services at Microsoft, said: "This engagement aligns with our enterprise market strategy of driving integrated customer experiences. Our collaboration is a unique opportunity for Microsoft to help financial services institutions realize a better customer-connected experience because Citi will have access to a virtual lab of engineering thought leaders, and have direct influence over enterprise product road maps."

Sep 14, 2009: Citi Partners Agricultural Bank of China For International Payments

The partnership to support check payments for 16 different currencies from a single Citi account

Citi's Bank Services Group, a division of Global Transaction Services, has partnered with Agricultural Bank of China to provide the Agricultural Bank of China with international payments processing for on-site check services that enable expansion of its banking services to consumer clients.

Citi has said that its on-site check solution will provide Agricultural Bank of China with fraud prevention upgrades, 24-hour foreign exchange capabilities, and daily foreign exchange spot rates. Additionally, all checks issued through Citi's solution will be customized with Agricultural Bank of China's corporate logo.

Initially, Agricultural Bank of China plans to roll out the on-site check solution in 15 branches throughout China, followed by a nationwide launch in the near future.

Madame LI Qingping, chief retail officer, Agricultural Bank of China, said: "With each passing year, the payments business of Agricultural Bank of China expands significantly to include more clients in more markets. As we see the needs of our clients become more international, we have proactively addressed these present and future demands by partnering with Citi."

Sep 14, 2009: Citi Unveils Third Party Clearing Services In Singapore

Market participants in Singapore can gain direct market access by allowing Citi to handle clearing and settlement functions

Citi Securities and Fund Services, a division of Global Transaction Services, has launched third party clearing services on Singapore Exchange Limited (SGX). Reportedly, by using this service, market participants in Singapore can gain direct market access by allowing Citi to handle clearing and settlement functions.

It has been reported that the newly launched service will target securities firms looking to access the Singapore market while minimizing local operational presence or infrastructure. Citi has said that its third party clearing services is also being marketed to Singapore-based brokers looking to achieve cost and processing efficiencies by outsourcing back office clearing functions to a third party.

Paul Egan, managing director, regional head of intermediaries, Asia Pacific, Citi said, "Evolving intermediary behavior and heightened focus on cost, efficiency and security clearly points to greater demand for third party clearing solutions in Asia Pacific. Citi is extremely proud to support SGX's progressive stance on clearing and settlement and we look forward to signing further clients to this service in Singapore."

Sep 14, 2009: Citi Partners With Mirae Asset Management

To provide fund services for its newly launched Luxembourg Sicav

Citi's Securities and Fund Services, a division of Global Transaction Services, has been mandated by South Korea's Mirae Asset Management to provide fund services for its newly launched Luxembourg Sicav (Mirae Asset Global Discovery Fund).

Reportedly, the deal draws on the shared processing capabilities of Citi Securities and Fund Services Europe and Asia Pacific teams to support Mirae Asset Management's expansion into new markets. For Mirae Asset Management, Citi Luxembourg will serve as fund administrator, transfer agent and custodian for Mirae Asset Management's Luxembourg Sicav, which is now sold to institutional and retail investors in Hong Kong. Citi will also provide integrated sub-transfer agency, distributor support, paying agent services, transaction processing and reporting services through its Hong Kong-based operations team.

Citi has said that in addition to specific products and services, Mirae Asset Management will derive numerous benefits from partnering with Citi Securities and Fund Services. Additionally, by servicing the fund from Hong Kong, Citi Securities and Fund Services will cover any time zone issues and extend the operation window for the fund.

David Russell, managing director, regional head of securities and fund services, Asia Pacific, Citi, said: "As increasing numbers of Asia Pacific-based asset managers launch global products, Citi Securities and Funds Services is best positioned to support their expansion plans. Based on our footprint, innovation and understanding, we will confidently support the expansion ambitions of a Mirae Asset Management regionally and globally."

Sep 14, 2009: Erste Group Bank Joins Citiconnect

Erste will be added as a third party broker, and will be able to accept electronic orders for Central and Eastern European markets

Citi announced that its Global Transaction Services business has been awarded a new mandate from Erste Group Bank, Vienna-based banking group, that allows the Citi clients to route orders through CitiConnect for Securities to Erste, providing execution access to 15 Central and Eastern European markets.

Reportedly, Erste Group Bank has joined the CitiConnect for Securities platform and Erste will be added as a third party broker, and will be able to accept electronic orders for Central and Eastern European markets including, Austria, Poland, Hungary, The Czech Republic, Croatia, Romania, Bulgaria, Serbia, The Slovak Republic, Slovenia, Lithuania, Latvia, Estonia, Turkey and Russia.

Citi has said that CitiConnect for Securities is an open architecture, standardized global platform providing full trade life-cycle services for equities, collective investment schemes and investment funds, including hedge funds.

Citi has further added that the equity trading capability provides Citi's clients access to a network of 3rd party brokers, including its own broker Citi Global Markets. This venture is expected to allow Citi clients the ability to route orders through CitiConnect for Securities to Erste, providing execution access to these 15 Central and Eastern European markets.

Kurt Gerhold, head of equity retail sales, Erste Group Bank, said: "This new opportunity will enable us to provide extended market execution coverage for equities to Citi's clients."

Andrew Gelb, head of securities and fund services for Europe, the Middle East & Africa, Citi, said: "We are delighted by this further alliance with Erste Group Bank, and their broad footprint in Central and Eastern Europe. CitiConnect for Securities provides an exceptional operational offering by combining execution in equities and collective investment schemes with our custody services through an order driven trade to settlement service."

Sep 10, 2009: Citi Unveils CitiFX Pro Platform In Switzerland

Provides liquidity in over 130 currency pairs and access to Citi's FX market commentary

Citi has launched CitiFX Pro, its online foreign exchange trading platform for individual and small institutional traders in Switzerland and plans to roll out in other European countries in the next few months.

Reportedly, CitiFX Pro provides individual and small institutional traders margin accounts with access to competitive pricing and institutional-grade trading technology, including advanced order and execution functionality, liquidity in over 130 currency pairs and access to Citi's FX market commentary. CitiFX Pro also offers FDIC coverage on all USD-denominated margin deposits.

Sasha Serebrinsky, EMEA manager, FX margin trading at Citi, said: "Switzerland has a high concentration of sophisticated FX traders ranging from private investors, family offices and money managers to small hedge funds and CTAs. We believe CitiFX Pro, with its package of trading technology, competitive pricing and suite of products tailored for the small institutional market, will be a compelling proposition for FX traders."

Sep 07, 2009: KIA Not To Sell Stakes In Citigroup, Merrill Lynch

As its investment policy is said to be based on a long-term vision

Kuwait Investment Authority (KIA), Emirate's state-owned sovereign wealth fund, has no intention to part with its stakes in Citigroup and Merrill Lynch – reported Zawya.com. Mustafa al-Shamali, finance minister, said: "The KIA has no intention of exiting from Merrill Lynch and Citigroup in the near future as its (investment) policy is based on a long-term vision."

Reportedly, in 2007, KIA bought stakes of worth \$3 billion in Citigroup and \$2 billion in Merrill Lynch, which was acquired by Bank of America in 2008.

However, Kuwaiti MPs have often criticised it for investing in the two battered US banks, as the stakes' value had dropped to less than \$3 billion due to the global financial turmoil. In February this year, the government has claimed that the holdings of the funds lost about \$33 billion in value, reported the newspaper.

Sep 04, 2009: Citi Introduces New Electronic Execution Platform

Features include market news, charts, reports, and Citi research, facilitating informed decision-making

Citi has launched a new electronic execution platform - CitiFX Pulse, in Russia. Reportedly, while developing the platform, Citi utilised the existing internet infrastructure, bringing to its clients in-house technology in a user-friendly format.

The company claims that CitiFX Pulse offers clients online access to real-time local pricing and global liquidity. Its analytical toolkit features market news, charts, reports, and Citi research, facilitating informed decision-making.

Eugene Belin, head of fixed income, currencies & commodities, Russia, CIS and Israel said: "We have made a massive investment in creating state-of-the-art technology with the objective of bringing the highest level of efficiency and transparency for client FX and money market transactions. We've listened very carefully to the feedback and the requirements of our Russian customers and incorporated several very useful features just for the Russian market, which we consider one of the most important markets in the world."

Aug 31, 2009: Citigroup Sells Interest In Three Credit Card Portfolios

To bring long-term profitability and growth

In an effort to continue its focus on core operations, Citigroup has sold its interest in three North American partner credit card portfolios, representing about \$1.3 billion in managed assets – reported NASDAQ.

According to the company, the move is in line with its strategy to consolidate or sell businesses in its Citi Holdings segment, while working to generate long-term profitability and growth from Citicorp.

Until the acquirer takes over, Citigroup will continue to service the portfolios through the first half of 2009, added the news source.

The US government is the bank's largest shareholder, holding approximately 34% stake.

The credit card portfolios were part of Citi Holdings. Terms of the deals were not yet disclosed.

Aug 28, 2009: Citi Launches Cancer Insurance Product For Credit Card Customers

All Citibank credit card customers in Hungary aged 18 to 55 are eligible to apply for this product

Citibank in Hungary has launched a new insurance product that will provide individual and family cancer coverage to its credit card customers. Reportedly, it provides coverage consisting of a single payment, a monthly income substitute payment up to 12 months, and a single surgery payment in case of the diagnosis of either male or female-specific cancers, as well as a single payment in case of the occurrence of any other type of malignant tumor, as detailed in the insurance terms and conditions.

The bank has said that under the family plan, the spouse and children living in the same household with the card holder are all covered. The product is created by Citibank's contracted partner, AIG Europe' Hungarian branch office.

Batara Sianturi, citi country officer for Hungary, said: "The product that we are launching now is part of Citibank's Positive Care Plan that we have designed in cooperation with our partner specifically to our customers, and currently we are the only financial institution in Hungary offering such a product. We continue to enhance our insurance offering in light of our full scope customer care solution."

Aug 27, 2009: Citi Names New Head Of Investments Organization In Asia Pacific

Debashish Duttagupta was previously head of capital markets for the wealth management businesses

Citi has appointed Debashish Duttgupta as head of investments for its Asia Pacific's wealth management businesses, based in Hong Kong. Mr. Duttgupta was previously head of capital markets for the wealth management businesses.

Reportedly, in his new role, Mr. Duttgupta will report jointly to Judy Hsu, head of retail banking, Asia Pacific, Aamir Rahim, chief executive of Citi private bank Asia Pacific, and Shantanu Rastogi, head of investments, Citi Private Bank.

The bank has said that Mr. Duttgupta will lead 150 investments organization in serving Citi's private bank and consumer bank. He and his team of investment team will provide investment insights and capabilities to Asia-Pacific clients across the wealth continuum, from retail consumers to wealthy clients.

As head of investments, Mr. Duttgupta will oversee all investment products, including equities, fixed income, foreign exchange, structured products, investment funds and alternative investments, as well as the investment analysis and advice group. He will also be responsible for the private bank's treasury and banking team and the investments advisory & sales unit.

Ms. Hsu, Mr. Rahim and Mr. Rastogi jointly said: "Since his appointment last November as head of capital markets, he has done an outstanding job in leading the team through the market turmoil. Under his leadership, the capital markets team has helped many clients to weather the unprecedented volatility in the financial markets. More importantly, we have been able to help our clients take advantage of the recovery in financial markets, and in doing so, strengthen Citi's status as our clients' most trusted wealth advisor."

Aug 26, 2009: Citi Unveils Citi Virtual Card Accounts

Allows administrators to dynamically set spending and reconciliation controls on each virtual card account

Citi has launched Citi Virtual Card Accounts solution that provides control in managing organizational expenses. Reportedly, it is an electronic solution for post-invoice payments and 'card-not-present transactions' made via the internet, phone, or mail order.

It has been reported that clients can generate a virtual card number and assign custom reference data for each transaction, making a reconciliation. Citi's Virtual Card Account solution is available globally, with local currency issuance and settlement in nearly 50 countries.

The bank has said that the Virtual Card Accounts are an extension of Citi's card solutions and extends its Procure to Pay suite to include traditional and electronic payments via ACH, buyer-initiated purchasing cards, and single-use virtual cards.

Moreover, Citi has partnered with MasterCard to integrate their inControl virtual card platform into its core commercial cards processing systems to provide a single virtual card solution to its customers globally.

Aug 26, 2009: Citibank Revamps Online Services In Czech Republic

While retaining some of the functions of previous version

Citi has launched a new version of its internet banking service, Citibank Online in Czech Republic.

Reportedly, Citibank Online, the new internet banking service, allows a simpler procedure for making transfers and payments, while retaining the functions of the previous version, such as the options to create a list of Czech and international payees, making Czech and international payments to the payees selected, setting up direct debits or requesting them, managing standing orders, setting up autosweeps, or managing time deposits and communicating with Citibank.

Rizwan Qazi, head of consumer bank at Citibank Europe, said: "We made this change in response to the increased popularity of internet banking and the need for simplification so our clients and new prospect clients can navigate through our web pages with more convenience. The enhanced internet banking service now allows us to serve holders of Citi credit cards even better."

Aug 24, 2009: Citibank Singapore Unveils Mobile Banking

The mobile banking platform is developed in partnership with Mobile Money Ventures (MMV), a Californian-based joint venture between Citi and Korea-based mobile service provider SK Telecom

Citibank Singapore has launched a mobile banking solution that provides customers with transactional banking services and real-time information on their mobile phones via Citi Mobile and Citi Alerts, its two mobile platforms.

Reportedly, Citi Mobile allows customers with internet access on their mobile phones to carry out transactional activities, including funds transfers and bill payments via their handheld devices. It is browser-based, requiring no registration or software download.

The bank has said that its customers can use the same Citibank Online login access with their card number and PIN to manage their bank, card, and investment accounts through their mobile phone.

Citi Alerts consists of two types of notification services, Alerts on Demand, and Alerts. Alerts on Demand- the customers can request for a variety of information via an SMS to a pre-set number, including their account balance, outstanding credit card bill, and last four credit card transactions. Alerts- alerts that Citi Mobile offers include SMS notifications when you receive a GIRO credit of a specified amount, or when a charge above a pre-set amount is swiped on your credit card.

Daniel Li, director of eBusiness, Citibank Singapore, said: "The rapid adoption of data plan subscriptions and web-enabled smartphones in Singapore has fueled the interest and appetite for mobile banking, which is why we have come up with an all-encompassing mobile banking solution. It is seamless and convenient, requiring neither enrolment nor software download."

"Citi Alerts is an important component of our mobile banking platform as it provides customers with the ability to keep track of and monitor their finances through a convenient and popular communication medium," he added.

Aug 24, 2009: Citi Changes Personnel, Corporate Name In Japan

Changes effective from October 1, 2009

Citi has announced changes in personnel and the corporate names of Nikko Citi Holdings and some of its operating subsidiaries, effective from October 1, 2009.

Reportedly, Nikko Citi Holdings will be renamed as Citigroup Japan Holdings. It continues to be a direct, 100% owned subsidiary of Citigroup and will serve as Citi's principal holding company in Japan.

It has added that the Citigroup Japan Holdings will establish a group-wide strategies for, and oversee and coordinate the activities of, its direct and indirect operating subsidiaries.

Citi's wholesale investment banking business in Japan, currently operating as Nikko Citigroup, will be renamed Citigroup Global Markets Japan. Under the new corporate name, Citigroup Global Markets Japan will continue to offer a range of financial services, including investment banking, sales & trading, and research. The bank has further added that Douglas Peterson will be appointed as chairman of Citigroup Global Markets Japan.

Aug 24, 2009: Essar Oil Seeks \$750 Million Loan For Refinery Acquisitions

Essar Oil Ltd (Essar Oil) is in discussions with UBS, Citigroup Inc. and JPMorgan for a \$750 million loan if it is successful in bidding for three European refineries placed for sale by Royal Dutch Shell Plc (Shell), Reuters reported. Essar Oil hopes to win at least one of the three bids which it placed earlier this month.

Three sources with direct knowledge of the matter said it was still too soon to detail the terms of the funding and pricing, but added it was likely to be a bridge loan.

UBS is advising Essar Oil on the acquisition, sources said.

An Essar spokesman said in an e-mailed response, "As a group, we keep looking at growth opportunities in the business in which Essar operates. However, it is not our policy to comment on any specific proposal."

Last week, sources said that Essar Oil submitted bids for Stanlow refinery in UK and two refineries in Germany.

Aug 20, 2009: Citigroup To Raise Annual Fees On Select Credit Cards

Looking for opportunities to find a way to cope with the soaring losses arising from credit card loan defaults

In a bid to counteract the new stringent banking regulations that could eat into a major portion of its profits, Citigroup is laying groundwork for imposing annual fees on credit card holders – reported Wall Street Journal.

It has been reported that the new credit card laws, which are expected to be implemented from February 2010, aim to restrict fluctuating interest rates and fees, and provide credit card users with more information about their debts.

Against this backdrop, card lenders are looking for opportunities to find a way to cope with the soaring losses arising from credit card loan defaults. Card lenders are making changes in interest rates and fees, offering various reward programs, reducing credit lines and closing accounts, reported the Daily Mail.

Samuel Wang, spokesman at Citigroup, said: "We have adjusted pricing and card terms for some customers as part of our regular account reviews. These changes also reflect the dramatically higher cost of doing business in our industry as we work to preserve the broad availability of credit. As part of this change in terms, a small number of Citi customers may be notified of an annual fee."

Aug 19, 2009: Brazilian Company Appoints Citi For Its ADR Program In NYSE

Votorantim Celulose e Papel's ordinary shares are listed on the São Paulo Stock Exchange

Citi's Global Transaction Services business, acting through Citibank, has been appointed by Votorantim Celulose e Papel (VCP), the global pulp and paper company based in Brazil, as the successor depositary bank for its New York Stock Exchange listed American Depositary Receipt (ADR) program.

Reportedly, VCP's ordinary shares are listed on the São Paulo Stock Exchange (BOVESPA). Each ADR represents one ordinary share.

Roy Marmelo, Latin America sales head, depositary receipt services at Citi, said: "VCP is an important relationship for Citi, especially as it pertains to our Latin America franchise. Our ability to expand on this relationship through the depositary bank role is quite rewarding, and we look forward to supporting VCP's ADR program for years to come."

Nancy Lissemore, global head of depositary receipt services at Citi, said: "With unparalleled access to investors and intermediaries and specialized capabilities in investor relations support, Citi's depositary receipt services is optimally positioned to help leading global companies, such as VCP, maximize the benefits of an ADR program."

Aug 19, 2009: Mobitel Opts Citi For Cash Management In Sri Lanka

Citi to provide Mobitel with a customized solution to manage payments and collections across Sri Lanka

Citi Treasury and Trade Solutions, a division of Global Transaction Services, has been appointed primary cash management bank by Mobitel, a mobile telecommunications provider in Sri Lanka. This will enable the Citi to provide Mobitel with a customized solution to manage payments and collections across Sri Lanka.

Reportedly, for Mobitel, Citi will also provide integrated accounts receivable and payables solution to improve the visibility of control funds. The bank has said that in order to achieve this goal, it has created a customized solution comprising numerous services including outsourcing of daily cash and check collection and pooling of collected funds into concentrated account structures.

The bank has further added that the payments processing, which Mobitel had previously executed manually, will now be automated through CitiDirect online banking, a web-based banking platform. Under the solution provided, the bank will integrate both collections and payments into Mobitel's ERP system for auto-reconciliation. Additionally, the bank will deploy an Easy Pay Kiosk Machine at Mobitel's shop in Colombo to provide an alternative and convenient payment channel.

Mobitel also required a solution to streamline the issuance of withholding tax (WHT) certificate solutions, which are required by Sri Lankan law. To maximize efficiencies for its withholding taxation requirements, Citi tailored an outsourcing solution for Mobitel that allows for streamlined issuance of withholding tax (WHT) certification issuance. Under this solution, Citi enabled Mobitel to obtain the WHT certificate at the time of payment issue, eradicating time-consuming and manual processes of offsetting tax bills.

Nishantha Weerakoon, senior general manager, finance and procurement at Mobitel, said: "Citi's customized solution for Mobitel demonstrates a complete understanding of our requirements and goals. The Citi team successfully structured a solution that enhances processes and provides value creation benefits to Mobitel."

Aug 19, 2009: Citi Launches Commercial Cards In Thailand

It includes the services of citibank corporate card and citibank purchasing card

Citi global transaction services, a division of the institutional clients group, has launched Citibank commercial cards for corporate clients in Thailand. The bank said that this service provides a 'total solution' through citibank commercial cards, which consists of the citibank corporate card and the citibank purchasing card.

Reportedly, by using Citibank commercial cards, corporate clients in Thailand are expected to get customized and online consolidated statements for expense analysis.

The bank has added that with Citibank Custom Reports System (CCRS), clients will receive the benefit of direct and seamless integration of card transaction data into expense management systems including CONCUR, SAP, Oracle or Citi's Global Card Management System (GCMS).

Aug 18, 2009: Citi, AXIS Launch Auto Reload Mobile Phone Payment Service

Citi credit cardholders can register a maximum of five mobile numbers for the service

Citi and AXIS - a telecommunications provider, have launched 'Auto Reload', an automatic payment service for AXIS pre-paid mobile phone subscribers, in Indonesia.

Reportedly, with 'Auto Reload', AXIS subscribers, who are also Citi credit cardholders, can choose to 're-load' their mobile phone with a pre-selected top-up amount each month. This amount is automatically billed to their Citi credit card.

The bank has said that this service is available for the Citi credit cardholders who registered for the Citi phone banking with their AXIS mobile numbers. Moreover, Citi credit cardholders can register a maximum of five mobile numbers for the service.

Agus Setiono, Merchant Management Head, Citi Indonesia, said, "This partnership between Citi and AXIS combines our respective financial and technology skills to deliver a fast and easy-to-use payment service for our credit cardholders."

Aug 13, 2009: Citi Offers GlobeShopper Services In Malaysia

Consumers in Malaysia can shop at any US online web site with the given US delivery address and later order the shipment to Malaysia

Citibank has launched Citibank GlobeShopper, a new online service for its credit and debit card holders in Malaysia.

Reportedly, with Citibank GlobeShopper, consumers in Malaysia can now shop at any US online web site as they would have a US delivery address, access to deals, information on total costs of all purchases (included tax and duty), numerous purchases consolidated into one shipment. Moreover, consumers can also dictate when they would like the whole shipment sent to them.

The bank has added that to initiate delivery to Malaysia, customers need to log on to their registered accounts to request a shipment release. Moreover, the customers can also share their US address with friends and family with the 'Share my POD' function. By registering their names, and upon shipment release, itemized invoices are recorded for reference and individual calculation.

The bank has further added that the Citibank GlobeShopper also provides a 24-hour customer chat service via web, e-mail or call back. Michellina Triwardhany, consumer banking head for Citibank Berhad, said: "Working with our partner Borderlinx, an e-commerce solutions provider, Citibank GlobeShopper provides customers with an innovative, simpler, reliable and cost-efficient online shopping experience with access to more than 300,000 online outlets that deliver exclusive quality products such as L.A.M.B, Bergdorf Goodman and J-Crew, which are not available in Malaysia or Singapore."

Neill O'Sullivan, COO of Borderlinx, said: "We are delighted to be working with Citibank in Malaysia and to be bringing consumers here the opportunity to benefit from the great products and competitive prices available on US web sites in an easy-to-use, one-stop service. We have worked in partnership with Citibank for over a year now since the first GlobeShopper service was launched in Singapore, and together, we are committed to bringing the benefits of cross-border shopping to more countries, including India and the Philippines."

Aug 12, 2009: Citi To Act As Interbank Bond Market Maker In China

Expected to provide active price quoting and market liquidity

Citibank (China) has received regulatory approval to act as an interbank bond market maker.

In this capacity, Citi China will be able to access to different types of Renminbi fixed income products, and expand on its services to providing active price quoting and market liquidity, product development, and professional trading practices.

Andrew Au, CEO of Citi China, said: "China's interbank bond market is an important arena for financial institutions to engage in funding and capital market activities for themselves and their clients. Citi is delighted to be in a position to actively contribute to the market's continued development in our capacity as a market maker."

Aug 10, 2009: Citi Lauches New Credit Card For Weekend Spending In India

Card has cash back and flexibility features into one card

Citi has launched Citi Titanium Cash Rewards Credit Card in India, aimed at weekend spending. Reportedly, the card has cash back and flexibility features rolled into one card and it offers 5-times rewards on all weekend spends, multiple reward redemption options and the lowest interest rates in the category at 2.5% per month.

The bank said that the card will carry an annual fee of only INR750. However, for a limited introductory period, the card will be offered to customers at an annual fee of INR500.

Rajashekar, country business manager, global consumer group, Citi India, said: "The Citi Titanium Cash Rewards Credit Card stems from our conviction that product development must be driven by customer insight. While the card accrues rewards on all spends, its weekend-centric proposition will have a strong, positive resonance with customers making it the card of choice in their wallet."

Sandeep Bhalla, business manager, Cards, Citi India, said: "Our customers utilize their weekends for quality recreational time with family and friends, and naturally, most of their spending is concentrated in these two days. The Citi Titanium Cash Rewards Credit Card is in sync with the trend and aims to make this special time even more gratifying."

Aug 05, 2009: Citigroup Intends To Part With Consumer Finance Businesses In Europe

Due to scarcity of funds and less robustness of consumer finance market

Citigroup is mulling to part with as many as 20 of its consumer finance businesses that are located in Europe – reported Singapore's Business Times. The new, reorganised group is expected to have a consumer division, a securities division with investment banking operation, and a financial service business of approximately equal size.

In an interview given to the newspaper, Vikram Pandit, CEO of the troubled bank, has cited scarcity of funds and less robustness of consumer finance market as the primary reasons behind the move. "We've done a pretty good job in the first two quarters of this year. But we got there after a lot of hard work last year. We reduced our assets by almost 25%. We reduced our risk by a lot more than that number. And we cut about \$16 billion a year in expenses," Mr. Pandit added.

However, Mr. Pandit has said that subsequent to the completion of the exchange of preferred shares for common equity in last month, following a series of huge credit losses and write downs, the bank's capital position has improved. "On the completion of our exchange offer, we had 12.7% tier 1 capital and more than 9% tier 1 common capital," he said - reported in Reuters.

Aug 04, 2009: Citi Names New Head For Asia Pacific Natural Resources Banking

Plans to expand the team in the near future

Citi has hired Jason Johnson to head its natural resources global banking coverage in Asia, as part of its continuous investment in Asia Pacific global banking franchise.

Reportedly, he will be based in Hong Kong. His responsibilities will be to further build out this team to ensure that Citi maintains its position in this industry space. Farhan Faruqi, head of global banking for Asia Pacific, Citi, said: "We look forward to Jason leading the team forward as we continue to deliver innovative solutions to our clients in the natural resources space."

The bank said that the natural resources global banking focus specifically on the opportunities presented by the regions oil & gas, metals & mining, power and chemicals clients.

Jul 30, 2009: Sumitomo Trust To Acquire Entire Ownership Interest Of Citi' Nikko AM

Including the beneficial ownership interests in Nikko AM held by various minority investors

Citi is going to sell its ownership interest in Nikko Asset Management (Nikko AM), to The Sumitomo Trust and Banking, as part of a transaction that values Nikko AM at \$1.26 billion (at an exchange rate of ¥95.07 to \$1.00).

Under the terms of the transaction, Citi will sell to Sumitomo Trust its entire 64% beneficial ownership interest in Nikko AM, including the beneficial ownership interest that it holds through Nikko Principal Investments, after certain deal-related expenses and adjustments. Sumitomo Trust is also expected to acquire the beneficial ownership interests in Nikko AM held by various minority investors in Nikko AM, bringing Sumitomo Trust's total ownership stake in Nikko AM to about 98.5% at closing. The remaining 1.5% ownership interest will continue to be held by an employee stock ownership plan maintained on behalf of Nikko AM employees.

Vikram Pandit, CEO of Citi, said: "With the previously announced sales of our brokerage and trust banking businesses in Japan, this transaction marks another milestone in the implementation of our Citicorp/Citi Holdings strategy. We remain committed to Japan, where we have proudly served clients for more than a century. We can now shift our focus from reshaping our franchise in this very important market to building our core businesses and better serving clients."

Douglas Peterson, CEO of Nikko Citi Holdings, commented: "This transaction positions our franchise to deliver Citi's best global capabilities in Japan."

Citi's Institutional Clients Group advised Citi on this transaction. The transaction is expected to close in the fourth calendar quarter of 2009, subject to regulatory approvals, and is not expected to have a material impact on Citi's net income.

Jul 30, 2009: Pertamina To Sign \$300 Million Loan Agreement With Foreign, Local Banks

PT Pertamina (Pertamina) said it will enter into a \$300 million syndicated loan agreement with Citigroup Inc. and PT Bank Mandiri (Persero) Tbk, Reuters reported. The company aims to raise its oil production by 10% to 171,000 barrels per day (bpd) in 2009, up from 156,000 bpd in the previous year. It also has a long-term target of increasing refining capacity by 700,000 bpd from the current 1million bpd at its nine refineries.

Pertamina will spend IDR19 trillion (\$1.90 billion) in 2009, compared with IDR17 trillion in the previous year.

Jul 28, 2009: Citi Launches Mobile Banking In US

Service available through BlackBerry smartphones, Palm devices and iPhone mobile devices

Citi has launched mobile banking services to smartphones, including BlackBerry smartphones, Palm devices and iPhone mobile devices to its US customers. This will enable the customers to access and manage their bank accounts via their smartphone's mobile browser.

Reportedly, the new Citi Mobile offering allows users to easily, view account balances and account activity, pay bills and set up recurring payments, make transfers between Citi accounts, locate Citi branches and ATMs and connect to customer service.

Peter Knitzer, group executive vice president, Citi, said: "With Citi Mobile now available for all smartphones, more of our customers have access to day-to-day banking whenever they need it."

Jul 28, 2009: Bangladesh Bank Opts For Citi To Provide Global Custody Services

Initially, it will cover Bangladesh Bank's offshore investments in international markets

Citi Securities and Fund Services (CSFS), a division of Global Transaction Services, has been mandated by Bangladesh Bank, the central bank of Bangladesh, to provide global custody services. Under the mandate, CSFS will provide global custody services such as safekeeping of assets, settlements monitoring, corporate action processing, income collection, recordkeeping and consolidated reporting.

Reportedly, the mandate will initially cover Bangladesh Bank's offshore investments in international markets. Bangladesh Bank will be positioned to expand and diversify investments into different markets, leveraging Citi's end-to-end securities services across the globe.

David Russell, managing director, regional head of securities and fund services, Asia Pacific, Citi, said: "Public sector investors in Asia Pacific will move further offshore, and we are confident they will continue to turn to Citi."

Jul 28, 2009: Citi To Open New Branch In China

The new branch will also offer CitiGold, a wealth management service

Citibank (China) has been granted approval by the China Banking Regulatory Commission (CBRC) to open a branch in the city of Chongqing. The Chongqing branch brings the total number of Citi's branches in China to nine, and is scheduled to open in the second half of 2009.

Reportedly, the new branch will offer product and services tailored to address its diverse customer base, including multinational corporations, top-tier local corporations, financial institutions, small-and-medium-enterprises, and retail customers. Its consumer banking business will focus on the provision of general banking services. In addition, the branch will also feature CitiGold, a wealth management service.

Andrew Au, CEO of Citi China, said: "The opening of our Chongqing branch will be a significant development in our plan to enhance our presence in the Western region of China."

Jul 27, 2009: US Government To Acquire 34% In Citigroup

Allows the bank to absorb losses caused by the financial crisis

The US government is all set to acquire a 34% stake in the troubled Citigroup. The move allows the US government to exercise more control over the battered financial major, after it has successfully concluded a \$58 billion share offering - reported Financial Times.

The bank has announced that almost all of the non-government holders of preferred shares had given their consent to change them into common stock. This paves way for the government to convert its \$25 billion preferred shares over the next few days.

Eversince the bank has become a victim of the financial crisis, the government has pumped approximately \$45 billion into it. The government has still warrants that bestow it the right to purchase as much as \$20 billion of shares in Citi. The US government has said that, despite becoming Citi's single largest shareholder, it would not take up any board seats.

In a statement, Vikram Pandit, CEO of Citi, said: "The completion of the exchange is a milestone that will give the bank new financial strength. After the offering, Citi will have \$100 billion in tangible common equity - a measure of the strength of its balance sheet," reported the news paper.

The move is a milestone in a financial crisis that has forced the US authorities to come to the rescue of some of the largest institutions in the country. Citi has been a repeated recipient of government aid and is the only large surviving bank to have had to cede a shareholding to the government.

Jul 24, 2009: Citi Bags Sumitomo Trust QFII Mandate

Citi continues to make inroads into the Chinese market

Sumitomo Trust and Banking (Sumitomo Trust) has named Citi Securities and Fund Services (CSFS), a division of Global Transaction Services, as custodian bank in China. As per the agreement, CSFS will have to act as custodian for Sumitomo Trust's Qualified Foreign Institutional Investor (QFII) program and provide relationship management, implementation and customer service support in China and Japan.

Sumitomo Trust has said that leveraging Citi's relationships with regulators and its experience in QFII license processes, it became the first trust bank from Japan to receive QFII approval from the China Securities Regulatory Commission (CSRC). Due to its knowledge of the markets and Citi's understanding of Sumitomo Trust's business, the end-to-end time frame QFII license approval process was also significantly reduced.

Akira Inoue, senior manager, Global Product Management Office, Sumitomo Trust and Banking, said: "As the first Japanese bank to receive an approved QFII license, the appointment of an experienced and innovative custodian bank was a key priority for us. Through partnership and mutual understanding, we are extremely confident that Citi is the right choice for our QFII program."

Harle Mossman, managing director and regional head of Investor Services, Securities and Fund Services, Asia Pacific, Citi, said: "We are extremely pleased to partner with Sumitomo Trust and to provide them with an unrivalled set of services and solutions for their QFII program. In winning this important mandate, our unmatched track record in providing services for the most progressive QFII participants continues to gain momentum."

Jul 24, 2009: Citigroup Names Three New Outside Directors

New directors bring the total on the board to 17 members

Citi's board of directors incorporated three new outside directors to its board. In addition, Citi has also announced a new, non-executive chair for Citibank, a new oversight committee for Citi Holdings and a new chair of its audit and risk management committee. The new directors bring the total on the board to 17 members.

The three new outside directors are: Diana Taylor, the former superintendent of banks for the New York state banking department, and current managing director of Wolfensohn Capital Partners, a fund manager Timothy Collins, CEO of Ripplewood Holdings, an investment firm that invests in financial services and other sectors and Robert Joss, Dean and Philip Knight Professor of the Graduate School of Business at Stanford University, and former CEO and managing director of Westpac Banking.

The board has announced that Jerry Grundhofer, will be the non-executive chairman of the board of Citibank, and that two additional Citigroup outside directors, Michael O'Neill and Anthony Santomero, will be directors of Citibank. New Citi Holdings Oversight Committee, will be chaired by Mr. O'Neill, which will oversee management's strategy and execution for the disposition of Citi Holdings' assets and businesses.

The board has also announced that Mr. Grundhofer will chair the audit and risk management committee, replacing Mr. Deutch.

Richard Parsons, chairman of the Citi board, said: "Further, as we periodically rotate board assignments, we will be able to take optimal advantage of the specific skills of each new director. The board members will continue to work with Vikram and the management team as they implement Citi's strategy and return the company to sustained profitability and growth."

Jul 23, 2009: Citi Completes Exchange Transaction With Private Holders, US Government Matching Exchange

Over \$12.5 billion in aggregate liquidation value of convertible preferred securities held by the private holders, were exchanged for interim securities and warrants

Citi has completed the previously announced exchange offers with private holders of convertible preferred securities and matching exchange offer with the US Government.

Reportedly, \$12.5 billion in aggregate liquidation value of convertible preferred securities held by the private holders were exchanged for interim securities and warrants. The US government exchanged \$12.5 billion in aggregate liquidation value of its non-convertible preferred securities for interim securities and warrants.

The bank has claimed that the interim securities will convert to common stock, subject to shareholder authorization of the increase in Citi's authorized common stock. The interim securities are a common stock equivalent. If shareholder authorization of the increase in Citi's authorized common stock is not received, the interim securities will pay a 9% dividend that will increase quarterly up to a cap of 19 %. The warrants only become exercisable in the event shareholder authorization of the increase in Citi's authorized common stock is not obtained and will entitle the holders to purchase a total of 790 million shares of Citi common stock at \$0.01 per share.

The US Government has agreed to match the liquidation value of securities exchanged in the public exchange, up to an additional \$12.5 billion in aggregate liquidation value, by exchanging additional preferred securities for additional interim securities. The US Government will exchange its remaining preferred securities that are not exchanged for additional interim securities into new trust preferred securities bearing an annual coupon of 8%.

Jul 22, 2009: Bursa Malaysia Selects Citi Unit As Settlement Bank

For its multi-currency securities platform

Citi has announced that its Citi Treasury and Solutions, a division of Global Transaction Services, has been appointed by Bursa Malaysia Securities Clearing, to act as foreign currency settlement bank.

Reportedly, in its new capacity, Citi will effect daily cash settlement for various foreign currencies between all clearing participants of Bursa Malaysia's newly launched multi-currency securities platform. Initially, Citi will serve as settlement bank for five currencies, which will expand to include more currencies as the multi-currency securities platform evolves.

Under the new alliance, all participants will enter settlement instructions through CitiDirect Online banking. Through CitiDirect, the process of completing foreign currency settlements will be executed for all parties within one hour, with immediate availability of funds. Participants will also be required to maintain accounts through Citi Malaysia.

Dato' Yusli Mohamed Yusoff, CEO of Bursa Malaysia, said: "By partnering with Citi as the settlement bank, Bursa Malaysia anticipates the multi-currency securities framework to enable efficient cross-border listings and heightened integration with regional exchanges."

Ivo Distelbrink, managing director, regional head of Treasury and Trade Solutions, Asia Pacific and Japan, Citi, said: "Bursa Malaysia's selection of Citi demonstrates their confidence not only in our commitment to the region but also our unmatched processing ability. As demonstrated with this mandate, no other bank in the region can confidently assert their leadership in the corporate, financial institution and public sector space like Citi."

Bursa Malaysia Securities Clearing is a wholly-owned subsidiary of Bursa Malaysia Berhad, an exchange holding company.

Jul 21, 2009: Citigroup Issues \$2.5b Without FDIC Guarantee

The bank's last dollar-denominated benchmark offering without FDIC backing was in August 2008

In its largest dollar-denominated sale over the past one year (without taking guarantee from FDIC), Citigroup has issued \$2.5 billion of 30-year bonds due July 15, 2039, at 97.971 to yield 8.310% or 380 basis points over comparable US Treasuries - reported Bloomberg.

According to Merrill Lynch's US Corporate Master index, investment-grade bond yields, relative to similar-maturity Treasuries, have tightened in the recent past. It is amid a lack of new issuance as companies report second-quarter earnings and, as a consequence bond spreads narrowed. Against this backdrop, Citigroup wanted to take advantage of the situation.

In an e-mail, Danielle Romero-Apsilos, spokeswoman at Citigroup said that Citi has been continuously evaluating capital markets opportunities to achieve its strategic financing objectives. Rich Lee, managing director of fixed income at Wall Street Access, a broker-dealer in New York, commented: "Right now everybody is tripping over themselves to buy paper. Lots of accounts are waiting for new issues to satisfy their needs. They've been sitting on their hands for a couple weeks, and they've been reaching because there's no paper out there."

Rizwan Hussain, Gregory Peters and Adam Richmond, analysts at Morgan Stanley, are of the opinion that: "With the new issue opportunity under the TLG Program winding down, financials are going to have to start making a bigger presence in corporate new issue markets. With risk-taking once again ramping up, banks will once again have to rely on the traditional corporate market," reported the newspaper.

Jul 20, 2009: Citi Names New Head For Asian Equities

Brent Robinson will now lead Citi investment research Asia Pacific

Citi Global Markets has appointed Adrian Faure as head of Asian equities-ex Australia and Japan. Brent Robinson, who is currently the deputy head of Citi Investment Research, has been promoted as head of Citi Investment Research across the pan-Asia time zone. In this new role, Adrian will be responsible for the strategic direction and management of the equities business across 16 markets in Asia Pacific. He will continue to be based in Hong Kong.

Mr. Adrian will work closely with Richard Heyes, head of equities in Japan and Luke Randell, co-head of markets in Australia, in leading Citi's regional equities business. He was most recently the head of Citi Investment Research Asia Pacific, including Japan and Australia.

Rodrigo Zorrilla, co-head of Asia Pacific Global Markets, said: "Adrian has been a strong partner with Equities, helping in particular to drive the client franchise and we look forward to further grow across our equities business across the region under Adrian's leadership. Faure will report to Ratliff and Zorrilla as well as to Derek Bandeen as Global Head of Equities."

Commenting on the appointment, Andrew Pitt, global head of research said: "Brent is a highly experienced manager and we are delighted that he will be taking a broader role to continue the growth in our research offering and the value clients receive from it across the region."

Jul 20, 2009: Citi Reports Q2 Net Income Of \$4.3b

Total revenues were \$30 billion, up \$12.4 billion from the second quarter of 2008

Citigroup has reported net income of \$4.3 billion for the second quarter of 2009. Second quarter revenues were \$30 billion. These results include \$11.1 billion pre-tax (\$6.7 billion after-tax) gain associated with the Morgan Stanley Smith Barney joint venture transaction, which was closed on June 1, 2009.

Total revenues in Q2,09 were \$30 billion, up \$12.4 billion from the second quarter of 2008, primarily due to the Smith Barney gain on sale. Managed revenues were \$33.1 billion, or \$22 billion excluding the Smith Barney gain. Institutional Clients Group had net income of \$2.8 billion, up 17% from prior year. Total deposits were \$805 billion, up 6% sequentially, and flat with prior year levels. Credit costs increased to \$12.4 billion, including an addition of \$3.9 billion to loan loss reserves, bringing the total allowance for loan losses to 5.6% of total loans. Operating expenses were \$12 billion, down 21% from the second quarter of 2008.

Citi has reported that the capital position improved during the quarter. Tier 1 capital ratio was approximately 12.7%, versus 8.7% in the second quarter of 2008 and 11.9% in the first quarter 2009. Tangible common equity grew by \$9.1 billion during the quarter.

Vikram Pandit, CEO of Citi, said: "This quarter also marks a key milestone in our plan, as we are now reporting our financial results to reflect the separation of Citi into two primary operating segments: Citicorp and Citi Holdings. Citicorp is our core franchise and will be the source of Citi's long term profitability and growth. Citicorp is unique with institutional and consumer businesses operating on an unmatched global footprint. We will manage our businesses and assets in Citi Holdings to optimize their value over time. We have already announced the sale of a number of businesses within Citi Holdings, and its assets have been reduced by approximately \$250 billion since the first quarter of 2008."

"Our earnings of \$4.3 billion reflect the benefit of the closing of the Smith Barney joint venture with Morgan Stanley, which was a key element in our Citi Holdings strategy. This quarter's results underscore the earnings power of Citicorp, with over \$3 billion of net income," he added.

Jul 16, 2009: Citi outsources lockbox operations to First Data

A step towards Citi's global receivables strategy

First Data has signed an agreement with Citi to provide outsourcing services, supporting Citi's US receivables business. Under the agreement, Citi will outsource the core processing elements of its United States lockbox operations to First Data. First Data claims that this agreement will enhance Citi's lockbox offerings for its current and future clients. Reportedly, Citi remains committed to its current lockbox clients, continuing as their direct point of contact for all client interactions including sales and service.

First Data said that the services to be provided include lockbox, image capture, and posting and reporting of receivables for corporate billers. As part of the agreement, First Data will extend offers of employment to all existing Citi lockbox staff and will sublease facilities and assume equipment at Citi's lockbox processing facilities. Amol Gupte, head of Citi's treasury and trade solutions in North America, said: "This agreement benefits all parties - Citi, our clients, our employees and First Data. For Citi, this will result in a more competitive position in the market while providing a scalable platform and the long-term infrastructure to enable us to meet the growing geographic scope and sophistication of our clients' needs.

"This agreement is an important enabler to our global receivables strategy of delivering significant efficiencies to our clients in their order-to-cash and working capital management processes."

Jul 10, 2009: Citi Realigns Reporting Segments

To reduce assets, simplify and streamline the group

Citi has realigned its reporting segments into three: Citicorp, Citi Holdings and Corporate/Other. The bank said that it has implemented this realignment in February, and though there is no legal separation of the three segments, financial reporting will reflect the new structure going forward, beginning with the second quarter of 2009.

It said that as previously announced, Citicorp consists of Regional Consumer Banking in North America, EMEA, Asia and Latin America, and the Institutional Clients Group (Securities and Banking, including the Private Bank, and Transaction Services).

Citi Holdings consists of Brokerage and Asset Management, Local Consumer Lending, and a Special Asset Pool. However, the corporate/other and discontinued operations will be reported at the Citigroup level.

Vikram Pandit, Chief Executive Officer, said: "The creation of Citicorp and Citi Holdings reflects our strategy to refocus the company on its greatest strength: our global institutional and consumer banking businesses, while exiting non-core businesses and reducing risk assets. Our focus is to grow Citicorp while managing our long term exit from the non-core businesses and assets held in Citi Holdings."

Jul 09, 2009: Citigroup Shuffles Top Management

Mr. Kelly named as Vice Chairman of Citigroup

Citi has announced several senior management changes to support the banks business. The bank has reported that Edward "Ned" Kelly, previously Chief Financial Officer, will take on broader responsibilities for strategy and M&A and will become Vice Chairman of Citigroup. Mr. Kelly will work closely with Vikram Pandit, CEO of Citigroup, in order to drive the execution of Citi's strategic and operational priorities.

John Gerspach, previously the Controller and Chief Accounting Officer of Citi, will assume the role of Chief Financial Officer. Eugene McQuade will join Citi as Chief Executive Officer for Citibank. He was most recently Vice Chairman of Merrill Lynch and President of Merrill Lynch Banks (US).

Bill Rhodes will continue as Senior Vice Chairman of Citigroup and Citibank and will step down as Chairman and CEO of Citibank, NA. However, Gary Crittenden, Chairman of Citi Holdings, is leaving from the bank's responsibilities.

Mr. Pandit said: "Our relentless focus on executing against our strategic priorities at Citi continues as we remain focused on rationalizing Citi Holdings, and on Citicorp as our core operating business."

Jul 05, 2009: Citi Names New Regional Leadership In Asia Pacific, EMEA

Shengman Zhang as Chairman of Asia Pacific, Stephen Bird and Shirish Apte as CEOs of Asia Pacific, whereas Bill Mills and Alberto Verme as CEOs of EMEA

Citigroup has appointed new regional leaders in Asia Pacific and EMEA (Europe, Middle East and Africa) region, with immediate effect. It has appointed Shengman Zhang as Chairman of Asia Pacific, Stephen Bird and Shirish Apte as CEOs of Asia Pacific, and Bill Mills and Alberto Verme as CEOs of EMEA.

In Asia Pacific, Mr. Zhang will be responsible for forging and expanding relationships with clients, regulators, government officials and employees across the region. Mr. Bird will be responsible for Northern Asia and Mr. Apte for Southern Asia. Both will have joint responsibilities for Asia Pacific's overall performance, strategy and execution.

In EMEA, Mr. Mills will continue to be responsible for the business in Western Europe and Africa, while Mr. Verme for Central and Eastern Europe and the Middle East businesses. Both of them will be jointly responsible for performance, strategy, and execution across EMEA.

Vikram Pandit, CEO of Citigroup, said: "In appointing these talented executives to drive our business in Asia and EMEA, I am reaffirming Citi's commitment to these markets and to helping our clients and customers execute on growth opportunities around the world."

Jul 02, 2009: City Signs Agreement With FDIC, Washington DFI

Bank claims that the agreement does not impact its business

City Bank has signed an agreement with the Federal Deposit Insurance Corporation (FDIC) and the State of Washington Department of Financial Institutions (DFI). The agreement, called a Cease and Desist Order, focuses on the steps the FDIC and DFI have identified as necessary to correct deficiencies identified in the bank's most recent regulatory examination conducted as of December 31, 2008.

The bank says that the agreement does not impact the bank's deposit customers since the FDIC deposit insurance coverage limits of \$250,000 per account have been extended to 2013.

The agreement addresses organizational and operational issues including the key elements of the bank's efforts to deal with a high level of non-performing residential construction loans as well as it calls for a plan for the orderly reduction of non-performing loans and foreclosed real estate.

Conrad Hanson, President and CEO of City Bank, said: "The Agreement does not reflect any new developments impacting our business. We recognize that these changes are necessary and we have made significant progress on these issues throughout 2009."

Jul 01, 2009: Citi To Sell NikkoCiti Trust And Banking To Nomura

Nomura Trust will pay approximately \$197million

Japan's Nikko Citi Holdings, a subsidiary of Citigroup, has announced that a definitive agreement has been executed to sell all of the shares of NikkoCiti Trust and Banking Corporation to Nomura Trust & Banking Co.

Nomura Trust will pay an all-cash consideration of \$197 million, subject to certain purchase price adjustments, at the closing. The sale is expected to close in the fourth quarter of 2009, pending regulatory approvals and other closing conditions.

Douglas Peterson, CEO of Nikko Citi Holdings, said: "This transaction is in line with Citi's stated global priority to allocate capital and focus its resources on the best growth opportunities. Citi will maintain a strong presence in securities services and transaction services in Japan. We see significant opportunity for these businesses in Japan, which play to Citi's key strengths."

Jun 30, 2009: Citi Launches NFC Mobile Payments Service In India

The new service is expected to eliminate the need for the traditional swiping of credit cards

Citi has launched Citi Tap and Pay service in Bengaluru, bringing to India contactless credit card payments based on Near Field Communications technology. The bank has adopted this mobile payments ecosystem in Bengaluru in collaboration with Nokia, Vodafone, MasterCard and ViVOtech.

With Citi Tap and Pay, customers can use their mobile phone as a credit card. The technology allows customers to tap their mobile phone on a contactless reader at the point of sale to pay for purchases, instead of swiping credit cards. The service also does away with the need for customers to send SMS or incur mobile data charges to make these payments.

Citi said that Nokia will support the service with its NFC-enabled Nokia 6212 classic phones. The 3G phone provides consumers the capability to conduct NFC-based interactions with other such everyday devices and services. Vodafone is the Mobile Network Operator for the pilot service. MasterCard will offer its MasterCard PayPass contactless payment and security infrastructure. ViVOtech is providing the underlying technology, including the NFC wallet, the Over-the-Air (OTA) card provisioning software.

Jeff Semenchuk, EVP and Head of Growth Ventures, Citi Innovation, said: "Citi believes contactless mobile payment services will be a key lifestyle driver for our highly mobile, international and increasingly urban customer base, and we are delighted to be the first to deliver this innovative service to them. "

Jun 27, 2009: Sumitomo To Acquire Citi' Nikko Asset For \$1b

Acquisition is expected to generate synergy effects with its main trust investment business

Osaka-based Sumitomo Trust & Banking Corporation (Sumitomo) is making final arrangements to acquire Nikko Asset Management. The acquisition of the Japanese asset management unit of US financial giant Citigroup, would cost over \$1 billion, reported Nikkei newspaper.

Cash-strapped Citigroup is on a restructuring program to scrap its non-core business units, after reporting close to \$100 billion of credit losses and write-downs tied to the US sub-prime mortgage crisis. This May, the beleaguered bank had decided to sell Nikko Cordial Securities and part of Nikko Citigroup to Sumitomo Mitsui Financial Group.

Sumitomo, which owns STB Asset Management, is planning to curb asset management expenses with this purchase, as increased competition has eroded fund management revenue recently. As Nikko Cordial is the major sales channel for Nikko Asset Management, it is beneficial for Sumitomo Trust to bring Nikko Asset Management under its umbrella.

Jun 27, 2009: JPMorgan, Citigroup Renew Interest In Jumbo Lending

As the demand for new consumer and corporate loans has receded, banks are competing with each other for creditworthy customers

JPMorgan Chase (JPMorgan) and Citigroup are trying to revive a market that has withered over a period of three years, amid mounting homeowner defaults and bank foreclosures. Both the banks are showing interest in 'Jumbo' mortgages market that has been witnessing turbulent times since 2007, when soaring defaults on home loans drove investors to flee securities backed by mortgages, reported Bloomberg.

The New York-based banking giants are again expanding in 'jumbo' mortgages, a part of the mortgage business, where loans are made through third parties to buy luxurious homes. While JPMorgan has begun purchasing new jumbo loans made by other lenders, Citigroup is offering the loans through independent mortgage brokers.

According to Inside Mortgage Finance, new jumbo lending, which consists of refinancing as well as debt for home buyers, skyrocketed to \$348 billion in 2007 before plunging to \$98 billion in 2008, as mortgage firms tightened standards.

Jun 25, 2009: Citigroup To Revive Compensatory System

Citigroup's new compensation structure presents a crucial test for the Obama administration, which is trying to rein in exorbitant pay packages

Citigroup intends to revamp its compensatory system in order to persuade top performers to stay with it, reported financial times.

Citi's move, to raise the salaries of some senior bankers up to 50%, comes at a time when most of the other banks are striving hard to strike a balance between retaining their businesses and government's demand to cut short exorbitant pay packages.

As per the new plan, which will be initially rolled out in Citi's investment bank and then to the rest of its divisions, employees will get increased pay in exchange for a reduction in their bonuses, depending on their role and contribution to the banks' overall profitability.

The bank will also begin a new stock option program, providing employees one stock option for every share of restricted stock they have accrued, thus giving employees an incentive to stay.

The bank stated: "Citi continues to examine ways to ensure its employee compensation practices are competitive in this very challenging market environment. Any salary adjustments are not intended to increase total annual compensation, rather to adjust the balance between fixed and variable compensation," reported Associated Press.

Jun 17, 2009: Citi Prepaid Services Expands Services In Five New Markets

Citi plans to further expand prepaid services in UAE.

Citi has announced that its Global Transaction Services business' EMEA platform for Citi Prepaid Services is now live in Germany, Belgium, Portugal, Switzerland, Ireland.

Citi has reported that its prepaid services will provide customized prepaid card solutions, in pounds sterling, Euro, Swiss Franc and US dollar, for corporate and public sector clients looking for simple and convenient ways to deliver payments, including payroll, consumer rewards and employee incentives that the recipients can then use worldwide.

Further, the company claims that these solutions provide clients with substantial cost savings, operational efficiencies, risk mitigation, a robust reporting package, fully customized materials and valuable employee benefits.

Rajesh Mehta, Managing Director and Regional Head for treasury and trade solutions for Europe the Middle East and Africa, Citi, said: "These solutions further reinforce Citi Prepaid's position as a dynamic tool and delivery platform and the top choice for companies initiating payroll, consumer rewards, sales incentives and government benefits. The roll out of these state-of-the-art products across these five new markets underscores Citi's commitment to our clients in the region and our vision to be a one-stop provider of customized services allowing our clients greater flexibility across borders."

Jun 16, 2009: Citi Spain, Metlife Launch Auvida That Offers Complete Retirement Plan

Auvida allows accumulated capital, guaranteeing a minimum income for life for clients 55 and over.

Citi and MetLife Europe (MetLife) has signed a commercial agreement that allows MetLife to offer a complete retirement plan to Citibank Spain clients.

Auvida is the suitable solution for retirement and complement the objectives of pension plans. It belongs to the group of products known as variable annuities, which are designed to accumulate resources and capital. The products have the ability to give protection, saving and income, similar to life insurance.

Both companies agree that a good retirement plan must take into account considering all the external aspects, such as market volatility, inflation, and interest rate instability that may adversely affect one's investments.

Auvida allows retirement planning with a forecast of the minimum income required. Auvida invests in a combination of investment funds designed for people over 40. The client selects one of three investment funds, depending on the client's investment profile. This product also allows accumulated capital, guaranteeing a minimum income for life for clients 55 and over.

Auvida offers advantages such as security of capital, growth, control and flexibility and death coverage. Fiscal benefits

José Pons, Director of Citibank Spain Investment Product, said: "In uncertainty times, such as now, it is important to offer protection against market volatility to our clients. At Citibank, we work to offer our customers solutions to their financial needs, both current and future, and also to help them plan their retirement. The agreement with MetLife is in line with our priorities: client service, innovative products, product experience and risk management."

Jun 16, 2009: Five Firms In Fray For Citigroup' Nikko Unit Bidding

Citigroup wants to sell its Japanese Asset Management Unit as part of its efforts to rebuild the organization.

Mizuho Financial Group, Nomura Holdings, Sumitomo Mitsui Financial Group (SMFG), Sumitomo Trust & Banking, and T&D Holdings have reached the second round of bidding for Citigroup's Japanese fund management division, Nikko Asset Management, reported Nikkei English News.

Nikko Asset Management, with over 9 trillion yen in assets under management, is estimated to witness a steady growth in its business during this year. As a result, several companies are interested in buying and are offering more than 100 billion yen for it, the paper reported.

SMFG, Japan's third-biggest bank, had decided to purchase Citi's Japanese broker and key investment banking units for close to \$6 billion, only last month. However, the deal did not include Nikko Asset Management.

Jun 14, 2009: Citigroup, IFC Unveil \$1.25b Global Trade Funding Alliance

The troubled US banking major wants to stay ahead of the competition by cashing in on the opportunities that are available due to credit crunch, which has made the price of trade finance very dear.

In order to set the world trade free from the clutches of credit crunch, Citigroup has unveiled a \$1.25 billion funding in association with International Finance Corporation – the private sector arm of the World Bank. The alliance is part of a \$50 billion global trade finance initiative announced by the World Bank in April 2009, the Financial Times reported.

As per the deal, the US bank will invest \$750 million, and IFC and other development organisations will invest \$500 million in banks across Asia, the Middle East, Africa and Latin America over the next three years. These local banks will, in turn, offer trade financing to their core clients.

John Ahearn, Head of Trade Finance at Citi, told the Financial Times that “While this is a lucrative business for Citi, our goal is, hopefully, that prices will go down as more funds are made available.” Georgina Baker, Director of global financial markets at IFC said that “These funding partnerships should ease banks’ concerns over the risk of funding trade in emerging markets by reducing the amount of loans they keep on their books.”

Jun 14, 2009: Morgan Stanley, Citi Joint Venture Hits Gridlock

Even though the joint venture began well ahead of its schedule, integrating information technology systems is going to take some time.

New York-based banking giants, Morgan Stanley and Citigroup will have to wait for another two years to get access to each other's products of their \$14 billion-a-year brokerage joint business enterprise - Morgan Stanley Smith Barney. This is mainly due to the difficulties in integrating information technology systems which are causing delay, reported Financial Times.

When the deal was announced, they said in a joint statement that “Both Morgan Stanley and Citi will access the joint venture for retail distribution and each firm’s institutional businesses will continue to execute order flow from the joint venture.”

The joint venture, which was originally planned to start in the third quarter, started well ahead of schedule earlier this month to assure brokers and clients, who are worried whether they would fit into the combined unit or not. According to the deal, Morgan Stanley will pay \$2.75 billion to Citi, and own 51% in the venture.

Jun 10, 2009: Citi To Convert \$58b Preferred Shares, Adopts Poison Pill

The move will dilute the US governments stake in the bank to 34%, and thwart investors and hedge funds from holding sizable stakes.

Citigroup has launched a \$58 billion conversion of preferred shares into common stock that will minimise the stakes of not only investors and hedge funds but also US government’s, considerably. Creation of this provision is another indication of the internal changes forced upon the bank to raise billions of dollars of capital from the government and other investors, to counteract the huge losses suffered during the ongoing financial crisis.

Being dubbed as a poison pill, as per the new provision, if an investor buys a stake of more than 5%, or if a current shareholder of more than 5% increases his holding by more than 50%, all other investors are entitled to purchase one share for every share held at a 50% discount to the market price.

Industry experts are of the opinion that the provision is intended to prevent investors and hedge funds from building up sizable stakes in the bank, and also to discourage the current shareholders from increasing their holdings. Theresa Gabaldon, a law professor at George Washington University in Washington, DC, said: “It indicates that Citigroup management may be concerned about entrenchment, which is a reason to adopt what is an anti-takeover device, or is very concerned about the \$43 billion of tax benefits.”

However, the bank’s executives called it as a tax benefits preservation plan. They argue that the rare measure is driven by the US tax law and not exactly a poison pill intended to prevent takeover efforts. US tax laws restricts companies ability to

use tax losses on the balance sheet when more than 50% of their shares are held by investors with stakes of more than 5%. As a result, they have to fetch an equal amount of capital from somewhere else, putting a further strain on balance sheet.

Citi may issue approximately 17 billion new shares, diluting the holdings of existing shareholders by 76%. It will also convert \$33 billion in preferred shares held by non-government investors.

Appendix

The data and analysis within this report is driven by Global Markets & Companies.

Global Markets & Companies gives you the key information to drive sales, investment and deal making activity in your business.

Our coverage includes 50,000+ reports on 40,000+ companies (including 23,000+ private) across 150+ countries and 29 industries. The key industries include Alternative Energy, Construction, Oil & Gas, Clean Technology, Technology and Telecommunication, Healthcare, Power, Financial Services, Retail & Consumer Packaged Goods and Transport.

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Methodology

Global Markets Direct company reports are based on a core set of research techniques which ensure the best possible level of quality and accuracy of data. The key sources used include:

- Company Websites
- Company Annual Reports
- SEC Filings
- Press Releases
- Proprietary Databases

Currency Codes	
Currency Code	Currency
USD	U.S. Dollars
Global Markets Direct	

Ratio Definitions

Capital Market Ratios	
Capital Market Ratios measure investor response to owning a company's stock and also the cost of issuing stock.	
Price/Earnings Ratio (P/E)	Price/Earnings (P/E) ratio is a measure of the price paid for a share relative to the annual income earned per share. It is a financial ratio used for valuation: a higher P/E ratio means that investors are paying more for each unit of income, so the stock is more expensive compared to one with lower P/E ratio. Also, a high P/E suggests that investors are expecting higher earnings growth in the future compared to companies with a lower P/E. Price per share is as of previous business close, and EPS is from latest annual report. Calculation: Price per Share / Earnings per Share
Enterprise Value/Earnings before Interest, Tax, Depreciation & Amortization (EV/EBITDA)	Enterprise Value/EBITDA (EV/EBITDA) is a valuation multiple that is often used in parallel with, or as an alternative to, the P/E ratio. The main advantage of EV/EBITDA over the PE ratio is that it is unaffected by a company's capital structure. It compares the value of a business, free of debt, to earnings before interest. Price per share is as of previous business close, and shares outstanding last reported. Other items are from latest annual report. Calculation: (Market Cap + Debt + Preferred Stock - Cash & Cash Equivalents) / (Net Income + Interest + Tax + Depreciation + Amortization)
Enterprise Value/Sales	Enterprise Value/Sales (EV/Sales) is a ratio that provides an idea of how much it costs to buy the company's sales. EV/Sales is seen as more accurate than Price/Sales because market capitalization does not take into account the amount of debt a company has, which needs to be paid back at some point. Price per share is as of previous business close, and shares outstanding last reported. Other items are from latest annual report. Calculation: (Market Cap + Debt + Preferred Stock - Cash & Cash Equivalents) / Sales
Enterprise Value/Operating Profit	Enterprise Value/Operating Profit measures the company's enterprise value to the operating profit. Price per share is as of previous business close, and shares outstanding last reported. Other items are from latest annual report. Calculation: (Market Cap + Debt + Preferred Stock - Cash & Cash Equivalents) / Operating Income
Enterprise Value/Total Assets	Enterprise Value/Total Assets measures the company's enterprise value to the total assets. Price per share is as of previous business close, and shares outstanding last reported. Other items are from latest annual report. Calculation: (Market Cap + Debt + Preferred Stock - Cash & Cash Equivalents) / Total Assets
Dividend Yield	Dividend Yield shows how much a company pays out in dividends each year relative to its share price. In the absence of any capital gains, the dividend yield is the return on investment for a stock. Calculation: Annual Dividend per Share / Price per Share

Global Markets Direct

Equity Ratios

These ratios are based on per share value.

Earnings per Share (EPS)	Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share of common stock. EPS serves as an indicator of a company's profitability. Calculation: Net Income / Weighted Average Shares
Dividend per Share	Dividend is the distribution of a portion of a company's earnings, decided by the board of directors, to a class of its shareholders.
Dividend Cover	Dividend cover is the ratio of company's earnings (net income) over the dividend paid to shareholders. Calculation: Earnings per share / Dividend per share
Book Value per Share	Book Value per Share measure used by owners of common shares in a firm to determine the level of safety associated with each individual share after all debts are paid accordingly. Calculation: (Shareholders Equity - Preferred Equity) / Outstanding Shares
Cash Value per Share	Cash Value per Share is a measure of a company's cash (cash & equivalents on the balance sheet) that is determined by dividing cash & equivalents by the total shares outstanding. Calculation: Cash & equivalents / Outstanding Shares

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Profitability Ratios

Profitability Ratios are used to assess a company's ability to generate earnings, based on revenues generated or resources used. For most of these ratios, having a higher value relative to a competitor's ratio or the same ratio from a previous period is indicative that the company is doing well.

Gross Margin	Gross margin is the amount of contribution to the business enterprise, after paying for direct-fixed and direct-variable unit costs. Calculation: $\{(Revenue - Cost\ of\ revenue) / Revenue\} * 100$
Operating Margin	Operating Margin is a ratio used to measure a company's pricing strategy and operating efficiency. Calculation: $(Operating\ Income / Revenues) * 100$
Net Profit Margin	Net Profit Margin is the ratio of net profits to revenues for a company or business segment - that shows how much of each dollar earned by the company is translated into profits. Calculation: $(Net\ Profit / Revenues) * 100$
Profit Mark up	Profit Mark up measures the company's gross profitability, as compared to the cost of revenue. Calculation: $Gross\ Income / Cost\ of\ Revenue$
PBIT Margin (Profit Before Interest & Tax)	Profit Before Interest & Tax Margin shows the profitability of the company before interest expense & taxation. Calculation: $\{(Net\ Profit + Interest + Tax) / Revenue\} * 100$
PBT Margin (Profit Before Tax)	Profit Before Tax Margin measures the pre-tax income over revenues. Calculation: $\{Income\ Before\ Tax / Revenues\} * 100$
Return on Equity	Return on Equity measures the rate of return on the ownership interest (shareholders' equity) of the common stock owners. Calculation: $(Net\ Income / Shareholders\ Equity) * 100$
Return on Capital Employed	Return on Capital Employed is a ratio that indicates the efficiency and profitability of a company's capital investments. ROCE should always be higher than the rate at which the company borrows; otherwise any increase in borrowing will reduce shareholders' earnings. Calculation: $EBIT / (Total\ Assets - Current\ Liabilities) * 100$
Return on Assets	Return on Assets is an indicator of how profitable a company is relative to its total assets, the ratio measures how efficient management is at using its assets to generate earnings. Calculation: $(Net\ Income / Total\ Assets) * 100$
Return on Fixed Assets	Return on Fixed Assets measures the company's profitability to its fixed assets (property, plant & equipment). Calculation: $(Net\ Income / Fixed\ Assets) * 100$
Return on Working Capital	Return on Working Capital measures the company's profitability to its working capital. Calculation: $(Net\ Income / Working\ Capital) * 100$

Global Markets Direct

Cost Ratios

Cost ratios help to understand the costs the company is incurring as a percentage of sales.

Operating costs (% of Sales)	Operating costs as percentage of total revenues measures the operating costs that a company incurs compared to the revenues. Calculation: $(Operating\ Expenses / Revenues) * 100$
Administration	Administration costs as percentage of total revenues measures the selling, general and

costs (% of Sales)	administrative expenses that a company incurs compared to the revenues. Calculation: (Administrative Expenses / Revenues) *100
Interest costs (% of Sales)	Interest costs as percentage of total revenues measures the interest expense that a company incurs compared to the revenues. Calculation: (Interest Expenses / Revenues) *100
Global Markets Direct	

Liquidity Ratios

Liquidity ratios are used to determine a company's ability to pay off its short-term debts obligations. Generally, the higher the value of the ratio, the larger the margin of safety that the company possesses to cover short-term debts. A company's ability to turn short-term assets into cash to cover debts is of the utmost importance when creditors are seeking payment. Bankruptcy analysts and mortgage originators frequently use the liquidity ratios to determine whether a company will be able to continue as a going concern.

Current Ratio	Current Ratio measures a company's ability to pay its short-term obligations. The ratio gives an idea of the company's ability to pay back its short-term liabilities (debt and payables) with its short-term assets (cash, inventory, receivables). The higher the current ratio, the more capable the company is of paying its obligations. A ratio under 1 suggests that the company would be unable to pay off its obligations if they came due at that point. Calculation: Current Assets / Current Liabilities
Quick Ratio	Quick ratio measures a company's ability to meet its short-term obligations with its most liquid assets. Calculation: (Current Assets - Inventories) / Current Liabilities
Cash Ratio	Cash ratio is the most stringent and conservative of the three short-term liquidity ratio. It only looks at the most liquid short-term assets of the company, which are those that can be most easily used to pay off current obligations. It also ignores inventory and receivables, as there are no assurances that these two accounts can be converted to cash in a timely matter to meet current liabilities. Calculation: {(Cash & Bank Balance + Marketable Securities) / Current Liabilities}
Global Markets Direct	

Leverage Ratios

Leverage ratios are used to calculate the financial leverage of a company to get an idea of the company's methods of financing or to measure its ability to meet financial obligations. There are several different ratios, but the main factors looked at include debt, equity, assets and interest expenses.

Debt to Equity Ratio	Debt to Equity Ratio is a measure of a company's financial leverage. The debt/equity ratio also depends on the industry in which the company operates. For example, capital-intensive industries tend to have a higher debt-equity ratio. Calculation: Total Liabilities / Shareholders Equity
Debt to Capital Ratio	Debt to capital ratio gives an idea of a company's financial structure, or how it is financing its operations, along with some insight into its financial strength. The higher the debt-to-capital ratio, the more debt the company has compared to its equity. This tells investors whether a company is more prone to using debt financing or equity financing. A company with high debt-to-capital ratios, compared to a general or industry average, may show weak financial strength because the cost of these debts may weigh on the company and increase its default risk. Calculation: {Total Debt / (Total assets - Current Liabilities)}
Interest Coverage Ratio	Interest Coverage Ratio is used to determine how easily a company can pay interest on outstanding debt, calculated as earnings before interest & tax by interest expense. Calculation: EBIT / Interest Expense
Global Markets Direct	

Efficiency Ratios

Efficiency ratios measure a company's effectiveness in various areas of its operations, essentially looking at maximizing its use of resources.

Fixed Asset Turnover	Fixed Asset Turnover ratio indicates how well the business is using its fixed assets to generate sales. A higher ratio indicates the business has less money tied up in fixed assets for each currency unit of sales revenue. A declining ratio may indicate that the business is over-invested in plant, equipment, or other fixed assets. Calculation: Net Sales / Fixed Assets
Asset Turnover	Asset turnover ratio measures the efficiency of a company's use of its assets in generating sales revenue to the company. A higher asset turnover ratio shows that the company has been more effective in using its assets to generate revenues. Calculation: Net Sales / Total Assets
Current Asset Turnover	Current Asset Turnover indicates how efficiently the business uses its current assets to generate sales. Calculation: Net Sales / Current Assets
Inventory Turnover	Inventory Turnover ratio shows how many times a company's inventory is sold and replaced over a period. A low turnover implies poor sales and, therefore, excess inventory. A high ratio implies either strong sales or ineffective buying. Calculation: Cost of Goods Sold / Inventory

Working Capital Turnover	Working Capital Turnover is a measurement comparing the depletion of working capital to the generation of sales. This provides some useful information as to how effectively a company is using its working capital to generate sales. Calculation: Net Sales / Working Capital
Capital Employed Turnover	Capital employed turnover ratio measures the efficiency of a company's use of its equity in generating sales revenue to the company. Calculation: Net Sales / Shareholders Equity
Capex to sales	Capex to Sales ratio measures the company's expenditure (investments) on fixed and related assets' effectiveness when compared to the sales generated. Calculation: (Capital Expenditure / Sales) *100
Net income per Employee	Net income per Employee looks at a company's net income in relation to the number of employees they have. Ideally, a company wants a higher profit per employee possible, as it denotes higher productivity. Calculation: Net Income / No. of Employees
Revenue per Employee	Revenue per Employee measures the average revenue generated per employee of a company. This ratio is most useful when compared against other companies in the same industry. Generally, a company seeks the highest revenue per employee. Calculation: Revenue / No. of Employees
Efficiency Ratio	Efficiency Ratio is used to calculate a bank's efficiency. An increase means the company is losing a larger percentage of its income to expenses. If the efficiency ratio is getting lower, it is good for the bank and its shareholders. Calculation: Non-interest expense / Total Interest Income

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Notes

- Financial information for the company is taken from the most recently published annual reports or SEC filings
- The financial and operational data reported for the company is as per the industry defined standards
- Turnover converted to USD at average annual conversion rate as of fiscal year end

About Global Markets Direct

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