

Citi Treasury and Trade Solutions

Local Expertise, Global Relationships

Citi Treasury and Trade Solutions' Diane S. Reyes, global head of sales, believes that suppliers and buyers face different challenges. She observed that "suppliers' challenges included a lowered borrowing capacity resulting from the declining use of letters of credit in North America. As emerging market countries look to curb inflationary pressures, borrowing has been discouraged across key areas within the domestic economies. This, along with the declining value of the U.S. dollar, means the suppliers' money is worth less in the local currency. In addition, the increased pressure resulting from extended trade terms and vendor-managed inventory has placed increased working-capital pressure on suppliers, which was previously balanced by a favorable credit cycle."

"For buyers," adds Stuart Roberts, managing director, North America Sales, "the challenges include a commitment to delivering increased working capital from the supply chain, margin pressure resulting from a slowing demand in the countries of the Organisation of Economic Cooperation and Development (OECD), a tightening of the credit cycle and the less-than-desirable implications of buyers 'banking' their own supply chains."

To succeed, businesses need to realize that "risk needs to be managed on an end-to-end basis, including financial, operating and accounting risk," Reyes added. For suppliers, this could mean risk of disruptions to their supply chain, which might lead to share price issues. For buyers, the risks are to credit, market share and revenue. Operational risk could result in lower revenue, write-offs and inventory buy backs.

To help businesses mitigate these challenges, the Treasury and Trade Solutions group, as part of Citi's Global Transaction Services, offers a range of services — including integrated cash management, trade, and securities and fund services — to multinational corporations, financial institutions and public sector organizations. Reyes said that Citi "is driven by a powerful combination of on-the-ground, local expertise and an unmatched network of global relationships that we bring to all our clients. What sets Citi apart is our consistent ability to deliver innovative trade and liquidity solutions."

Citi provides a front-end transaction tool, CitiDirect® Online Bank-

ing, to its corporate clients for transaction initiation, inquiry and management reporting. Citi's largest clients can also use straight-through processing to transmit purchase orders which are then converted to full letter-of-credit text and processed through Citi's back-end systems.

One solution that Citi has developed to meet clients' needs is known as "white label" trade processing or an electronic banking portal. According to Stuart Roberts, this service allows clients to maintain a presence in trade finance without having to make a substantial ongoing investment in technology and staff. "Powered by a state-of-the-art IT platform provided in conjunction with one of Citi's strategic vendors," Roberts noted, "our trade finance solutions offer unrivalled trade

receivables/payables process automation between vendors and buyers providing real-time management information customized to suit the specific needs of any trading partner."

In Reyes' view, Citi's global abilities reflect "an outstanding staff that includes highly experienced trade professionals, a robust product-management team, client-relationship managers and sales staff, who work in 113 cities in 72 countries, all supported by a cutting-edge technology platform."



Diane S. Reyes
Managing Director

Client rewards.

Industry awards.

End-to-end trade solutions. Industry-leading innovation. Unparalleled global network. And an ongoing commitment to outstanding customer service and satisfaction.

At Citi, these all contribute to our clients' success. We're gratified that the trade industry has recognized this and granted us more than two dozen awards during 2007.

Find out how Citi's award-winning solutions can work for you.

Among our recent Trade Services wins:

The Banker – Technology Awards
Global Winner, Open Account Trade

Global Finance
Best Global Bank, Trade Finance

Trade Finance – Excellence Awards

Best Trade Services Bank
Best Export Finance Arranger
Best Short Term Trade Bank
Best Regional Trade Bank, Asia

GTR – Readers' Poll

Leading Trade Services Bank, North America
Leading Trade Services Bank, Latin America

Treasury Management International (TMI) – Readers' Poll
Best Supply Chain Finance Bank, North America

For more information about Citi's Trade Services,
and a complete list of our 2007 awards,
please visit us at
www.2007awards.transactionservices.citigroup.com

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WWD MONDAY

Accessories/Innerwear/Legwear

Jungle Fever

Designers are taking a walk on the wild side this fall. Colored skins, feathers and fur have a striking effect. For more exotic pieces, see pages 6 and 7.

Here, from top left: a feather and brass cuff from Subversive Jewelry by Justin Giunta; a 22-karat gold- and platinum-plated metal, emerald and Swarovski crystal bracelet from Pade by Pade Vavra at the Community Service Showroom; Jimmy Choo's printed pony-hair and brass bag; Leiber's Austrian crystal minaudière; a gold-plated metal, lizard and citrine cuff from Kara by Kara Ross, and Sang A's orylag clutch.

Darkening Clouds: Retail Outlook Dims as Economy Takes a Bite

By Evan Clark
HOLD ON TIGHT.

J.C. Penney Co. Inc.'s slashing of its first-quarter profit projections by a third after a disappointing Easter could be a warning for the overall retail sector that the

proverbial wall is just ahead. While retailers have been dancing around the impact of the economic slowdown for the last few months, evidence is mounting that the second half might not be pretty. Consumers are pulling back,

the subprime mortgage crisis continues to unravel, confidence is low and employers across the country are cutting payrolls. All this means Penney's probably won't be the only retailer to

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