

Collaborate

Innovate

“This Client Casebook
stands as a testament to the
possibilities of partnership.”

Michael Guralnick

Global Head of Client Sales Management, Treasury and Trade Solutions

welcome



Michael Guralnick
Managing Director
Global Head
Client Sales Management
Corporate and Public Sectors

It gives me great pleasure to present the 2009-2010 edition of Citi's Global Transaction Services Client Casebook for Corporate and Public Sector clients.

During the past year we have all been presented with challenges across our businesses and industries. Against the backdrop of economic uncertainty, capital preservation, risk mitigation and bottom-line performance have become overarching imperatives to ensure competitiveness.

Throughout this period we continued to focus our investments on innovation to deliver to our clients the latest working capital and treasury management solutions to ensure supply chain stability.

Times of adversity and economic uncertainty demand bold responses, and we have witnessed our clients' resolve, determination and creativity to not only meet the challenges of

today, but to set new benchmarks for excellence in treasury and working capital management.

This compilation of over 60 client case studies gathered from across the globe is a testimony to the innovative spirit of our clients. When faced with substantial market and economic headwinds they were determined to raise the bar on productivity and operating efficiency and, more importantly, ready themselves with enterprise-wide tools and capabilities to prepare for renewed growth as markets recover.

I hope that you will find the ideas and experiences conveyed by our clients in this year's Casebook insightful and compelling. We remain steadfast in our commitment to enabling your continued success, and all of us at Citi Global Transaction Services welcome the opportunity to explore further possibilities of partnership with you.

foreword



Paul Simpson
Managing Director
Global Head
Treasury and Trade Solutions
Global Transaction Services

The dramatic change in the economic landscape over the last 12 months has had a profound impact on our clients' priorities and their management of working capital. Liquidity and funding have been elevated as critical items on the boardroom agenda. Supply chain stability is an important consideration for many. And there are new dimensions to managing risk as the financial crisis and global recession impact all sectors of commerce.

In this difficult operating environment, our clients are turning to us to help them creatively and flexibly address their cash processing, financing and risk management challenges. From strategic cost management to facilitating enterprise-wide visibility and control across legal entities and bank relationships, optimizing liquidity even in highly regulated markets, and balancing working capital optimization with supply chain financing to ensure continuity of production.

Today, we are much more than a cash management service provider intermediating financial, commercial and capital market flows on behalf of our

clients around the world. We are an informed provider of knowledge and analytics to better manage key operating processes and risk. We are a reliable source of regulatory and market expertise in a rapidly changing operating environment. And we are a facilitator of collaborative innovation with our clients and other market participants. We have become an embedded enabler and trusted partner to our clients, delivering interoperable solutions that serve a more holistic, multi-bank, multi-functional purpose than any other provider in the marketplace.

Citi is unique in the range of capabilities and solutions that we offer, and our breadth of participation across emerging and OECD markets. We are able to leverage our integrated platforms, knowledge and experience from across the business, like no other financial institution, to benefit our clients.

We are living through unprecedented times in our lifetime, and we intend to continue serving you, our clients, with best-in-class transaction services through and beyond this period of market volatility.

contents

accelerating cash inflow (receivables)

Nigerian Bottling Company	EMEA	Two-part solution delivers secure and transparent receivables collection	10
Mobitel	ASIA	Ambitious collection and payment structure revolutionizes cash management	12
Cargo Network Services	NA	Leveraging technology to improve collection efficiency	18
Hindustan Coca-Cola Beverages	ASIA	Virtual accounts facilitate electronic funds transfer and auto-reconciliation	22
Pertamina	ASIA	Online payment with greater speed, security, and efficiency for customer transaction management	28
Reliance Communications	ASIA	Electronic receivables management acts as sales enabler	32
Anvil Mining	ASIA	Streamlined approach to cash management meets ambitious cost-cutting objectives	36

risk mitigation and supply chain optimization (trade solutions)

Bamburi Cement	EMEA	Supplier finance program safeguards supply chain and optimizes working capital	86
Bosch-Siemens Hausgeraete Turkey	EMEA	Web-based supplier finance platform supports working capital goals	92
Rain CII Carbon (India)	ASIA	Innovative receivables financing solution	96
Reliance Industries	ASIA	Receivables finance mitigate risks, increases working capital, and diversifies funding	98
América Móvil	LATAM	A USD1.5 billion equipment financing solution	100
Eletróbrás	LATAM	A USD600 million A/B loan for capital expenditures	106
Dubai Electricity and Water Authority	EMEA	Export Credit Agency-backed deal solves financing challenge	110
Braskem	LATAM	Export Prepayment facility a success despite difficult market conditions	116

achieving visibility and optimization (liquidity and investments)

MACH	EMEA	TreasuryVision provides predictability to cash-flow forecasting	40
Tata Communications	ASIA	TreasuryVision facilitates improved strategic decision-making	44
Novartis China	ASIA	Cash pooling and overdrafts make a winning combination	48
TAQA	EMEA	Appointing a single global banking partner improves liquidity management	52
SABMiller	EMEA	Multi-currency cash concentration strategy delivers considerable cost savings	56
Lenovo	ASIA	Integrating global payments for simplicity and efficiency	58
Grundfos	ASIA	Interest optimization structure unlocks trapped liquidity	60
Turkish Airlines	EMEA	Target-balancing structure provides visibility and cost benefits	64
Honeywell China	ASIA	Three-tier automated zero-balancing cash pool is a first for China	66
Voith Paper China	ASIA	Yield benefits convince cash-rich entities to join cash pool	68
Nabors Industries	NA	Streamlining investment and compliance reporting with Treasury Analytics	72
InterContinental	EMEA	Streamlining short-term investments for the global hotel group	76
EMC Corporation	NA	Increasing the efficiency and flexibility of global funds investments	78

driving operational efficiency

Siemens	LATAM	Local knowledge and technical flexibility deliver integrated solution	120
Amgen	NA	Harnessing technology to improve treasury efficiency	124
Grupo Carvajal	LATAM	Centralized treasury structure delivers visibility and control	128
Jabil	ASIA	Effective integration of China into a new ERP system	132
Michelin	EMEA	Unique payment and liquidity solution for Western Europe generates improved efficiency	134
SAP Asia	ASIA	Centralized operations enable efficient integration of new businesses	138
Sky TV	LATAM	Leveraging the advantages of a single, integrated treasury solution	142
Minor Group	ASIA	Overcoming organisational complexity to deliver best-in-class processing efficiency	144
Pfizer	GLOBAL	Collaborative innovation drives SSC effectiveness	148

contents

improving cash outflow (payments)

Hotelbeds Spain	EMEA	Integrated payment and liquidity solution delivers control and efficiency	154
Norbulk Shipping	EMEA	Payment solution frees up company to focus on adding value	156
Microsoft Asia Pacific	ASIA	Standardized and centralized payment processes across Asia Pacific	160
DKV Globality	EMEA	Creating a global payment solution with WorldLink	164
KLM	EMEA	SSC fast-tracks efficiency gains from SEPA	166
Cytec Industries	NA	Optimizing payment channels to leverage financial advantages	172
AstraZeneca	ASIA	A corporate card programme for Asia Pacific	174
KitchenAid USA	NA	The perfect blend of consumer incentives	178
Mando Brand Assurance	EMEA	Citi Prepaid Cards offers turnkey solution for reward scheme	180
Men's Wearhouse	NA	Prepaid card solves payroll delays and improves efficiency	184
Toyota USA	NA	Citi Prepaid revolutionizes sales incentive payments	188

delivering efficiency to the public sector

Caisse Centrale des Mutualité Sociale Agricole (CCMSA)	EMEA	WorldLink streamlines cross-border social payments	216
Indonesia Customs	ASIA	Leveraging bank technology for customs processing efficiency	218
Municipal Corporation of Greater Mumbai (MCGM)	ASIA	NetBanking Payment Gateway facilitates integrated vendor tender platform	222
The Against Malaria Foundation	EMEA	Citi supports charity with free global accounts	224
Rajdhani Unnayan Kartipakha (Rajuk)	ASIA	Technology unlocks new efficiencies for collections in Dhaka	226
State of West Virginia State Auditor's Office	NA	Purchasing card solution establishes progressive payment program	232
International Organisation for Migration UK	EMEA	Prepaid card program eliminates cash and enhances user experience	236
State of Maryland	NA	Enhancing benefits for beneficiaries	240
London Borough of Lewisham	EMEA	Prepaid cards deliver savings and improved user experience	246

enabling effective interaction with capital markets

Companhia Nacional de Açúcar e Alcool (CNAA)	LATAM	Collateral and depositary services facilitate project finance deal	194
MAPFRE	EMEA	Execution expertise accelerates merger closing	198
Peru LNG	LATAM	Award-winning landmark export finance transaction	202
China Petroleum & Chemical Corporation (Sinopec)	ASIA	Thriving ADR program supports international expansion	208
Taiwan Semiconductor Manufacturing Company	ASIA	Landmark ADR program achieves recognition locally and abroad	210

partnering for productivity with our clients

Sapa Group	EMEA	Rapid implementation of commercial card program lays the foundation for future expansion	250
Western Union	NA	Implementation excellence delivers centralized, automated payments	254
Monsanto	GLOBAL	Customized online employee training for CitiDirect Online Banking	256
ACE European Group	EMEA	Client Technology Services identifies ways to optimize value	258

8

accelerating cash inflow

Collections, Increasing Cash Velocity,
Straight-Through-Reconciliation

Unlocking pockets of trapped cash through process efficiencies across the order-to-cash cycle is fundamental to optimizing working capital. At Citi, we help to streamline collection processes, enhance visibility across the order-to-cash cycle and identify efficiencies to automate cash and extract additional liquidity from the entire supply chain.

Nigerian Bottling Company (NBC)

Two-part solution delivers secure and transparent receivables collection

NBC is the market-leading soft drinks manufacturer in Nigeria. It has 13 bottling facilities and over 80 distribution warehouses located across Nigeria.

The challenge

NBC, a subsidiary of Coca-Cola Hellenic, the producer and distributor of Coca-Cola beverages worldwide, has a vast network of distributors across Nigeria. NBC wanted a convenient, reliable, and secure way of collecting receivables from its customers, and an efficient method of managing its accounts receivables.

NBC wanted to receive credit from distributors immediately and the ability to view distributors' payments in real time. The company required reliable web-based access to detailed account information for control and reconciliation. NBC also needed real-time notification for credits made into its accounts.

The solution

Citi created two integrated solutions – determined by the size of distributors – to meet NBC's requirement to eliminate cash payments and give it an effective accounts receivables process.

For large distributors, a mobile point-of-sale (POS) terminal supported by Interswitch was proposed. This solution offered the same certainty as cash payments, with sales reflected in NBC's operating account immediately following a transaction between a salesperson and merchant.

For around 150 smaller merchants who do not have the volume of business to warrant the POS terminal-based system, an innovative alternative was proposed. Working with three correspondent banks, which have over 600 branches nationwide, smaller merchants were issued with checks that were pre-filled with NBC's payment details. These were collected by NBC's deliveryman. This solution gave NBC the payment security it needed because checks could not be issued on accounts with insufficient funds. Moreover, by using a book transfer between the correspondent banks and Citi, NBC received the value of checks on a same-day basis.

The result

The mobile POS terminal solution for larger distributors designated key account buyers was implemented in 2008. The solution for smaller merchants using correspondent banks and checks is being progressively rolled out with the ultimate objective of completing the implementation across NBC's 13 plants in Nigeria, each of which manages a local dealer network.

NBC has gained the visibility of its payments and balances through Citi's two-part solution. Through Citi's partnership with local banks, many small merchants – previously among Nigeria's 40 million unbanked people – now have the ability to make low-value payments.

Mobitel

Ambitious collection and payment structure revolutionizes cash management

Mobitel is Sri Lanka's second-largest and fastest-growing mobile telephone provider, with a market share of 25%.

The challenge

In 2008, Mobitel began a five-year plan to expand its market share in the Sri Lankan mobile telecom market. The company recognized that in order to meet its sales goals, it needed to rationalize its cash management and improve the visibility of its funds. To achieve this, Mobitel wanted to centralize its accounts receivables and payables with a single cash management bank in order to improve its cash cycle and maximize working capital.

Specifically, Mobitel needed a collections solution that distinguished between payments from its own 79 collection and service points across Sri Lanka and those of its franchisees. Moreover, the company needed to be able to use funds and information obtained on the day of collection and sweep funds automatically between accounts. In addition, the company wanted to enhance its management reporting and integrate the solution with its ERP system for automatic reconciliation.

The solution

Citi proposed a fully-integrated accounts receivables and payables solution to increase Mobitel's visibility and control of funds and improve reconciliation. Every aspect of Mobitel's receivables structure was redesigned. Daily collections of cash and checks from Mobitel's collection centers were outsourced to a single third-party entity, which used an armed pick-up courier, reducing costs and minimizing risk. Funds were then pooled into a concentration account structure. This gave Mobitel insight into its cash generation and collection in different geographical areas and facilitated informed payment and investment decisions.

Payments that had previously been carried out manually in-house were automated as part of the integrated solution using CitiDirect® Online Banking. CitiDirect facilitated multiple payment types and offered online and offline authorization, providing flexibility for signatories. More generally, CitiDirect allowed Mobitel to

see real-time collections and payments and receive regular, customized reports online. Mobitel now receives notification of large credits and debits to ensure float maximization. Both collections and payments are fully integrated into Mobitel's ERP system for auto-reconciliation.

Citi's accounts receivables and payables solution for Mobitel contained two innovations in the Sri Lankan market. As part of the receivables solution, Citi deployed an Easy Pay Kiosk Machine at Mobitel's flagship store to provide a convenient payment alternative to its customers. The machine is capable of accepting cash, check, and credit card payments, and has instructions in three languages with voice guidance. It is the first of its type to be connected in real-time to Mobitel's server in Sri Lanka.

A special feature of the accounts payable solution proposed by Citi was the outsourcing of Mobitel's withholding tax (WHT) certificate issuance. In Sri Lanka, payments for services are ▶

liable for WHT. Part of every payment is returned to the payer along with a certificate to prove payment. The supplier uses the certificate to offset its tax bill. Traditionally, this process has been manual, time-consuming, and problematic for reconciliation. Citi's solution to this challenge was to issue corporate checks on Mobitel's behalf and print WHT certificates from CitiDirect in a single process. Checks could then be returned automatically to beneficiaries or Mobitel, according to the delivery instructions. Mobitel was the first corporate in Sri Lanka to outsource the issuance of WHT certificates together with the related payments to a bank. Inland Revenue approval was required for this landmark outsourcing.

The result

Citi began the implementation of Mobitel's payments solution in November 2008 and its collections solution in January 2009. It had 47 collection centers enabled by July 2009.

As a result of Citi's collection and payments solution and its WHT certificate outsourcing, Mobitel has significantly improved the visibility and control of its payments and collections. By streamlining its end-to-end collections, Mobitel can maximize its days payable cycle and working capital needs while enhancing its returns on surplus cash. Moreover, by fully integrating collection, payments, and WHT certificate issuance, the company requires fewer resources for reconciliation, freeing-up staff for value-added activities.

"Citi's solution to Mobitel is based on their complete understanding of our requirements and goals," says Nishantha Weerakoon, Senior General Manager in Finance and Procurement at Mobitel. "The Citi team was able to structure a solution that truly enhances our processes. The benefits to Mobitel both in terms of process enhancements and value creation are significant."

By streamlining its end-to-end collections, Mobitel can maximize its days payable cycle and working capital needs while enhancing its returns on surplus cash.



"The Citi team was able to structure a solution that truly enhances our processes. The benefits to Mobitel both in terms of process enhancements and value creation are significant."

Nishantha Weerakoon
Senior General Manager in Finance and Procurement, Mobitel

Women picking tea outdoors, Nuwara Eliya, Sri Lanka.

Cargo Network Services (CNS)

Leveraging technology to improve collection efficiency

CNS, a subsidiary of the International Air Transportation Association (IATA), is dedicated to the entire air logistics chain and provides a unique set of business solutions that meet the requirements of the air cargo industry in the USA.

The challenge

CNS was incorporated in 1985, following the deregulation of the US aviation industry. This subsidiary of the International Air Transportation Association (IATA) is dedicated to the entire air logistics chain and provides a unique set of business solutions that meet the requirements of the air cargo industry in the USA. CNS serves as a key gatekeeper by requiring air cargo agents, forwarders, or intermediaries to meet a set of financial, operational, and compliance standards.

Discussions with CNS and the airlines revealed that the invoicing and billing process is a critical pain-point. Carriers were looking for ways to further leverage the technology inherent in the air cargo solution.

CNS wanted to provide customers with an Internet-based invoicing and payments service so as to cement its close collaboration with airlines,

air cargo agents, and freight forwarders who exported freight from the US, and to take advantage of the growing market demand for a paperless service.

The solution

CNS and Citi developed an electronic billing and payments solution that significantly enhanced the company's existing service, CASS-USA.

With the new solution, the airlines transmit their waybills via electronic file delivery to CNS's data center. CNS then consolidates the invoices and sends them to the airlines' customers: cargo agents and other companies consigning goods by air. These companies approve the invoices, with adjustments if necessary, and authorize their banks to pay. Payments are sent to CNS's Citi bank account, either via paper checks processed through a lockbox or via wire or ACH transfers electronically. Citi then loads the remittance information

to the e-billing platform and creates payment files. Finally, files are disbursed electronically to the airlines' banks along with the remittance detail information.

There are many benefits of Citi's e-billing and payments solution for CNS. For airlines, invoices are delivered instantly instead of spending several days in transit. The increased visibility of approved and paid invoices has improved the predictability of cash flows. In addition, the solution's standardized dispute codes and rebilling capabilities have reduced disputes between airlines and agents. As a result, days sales outstanding (DSOs) have been slashed by an average of 10 days, creating dramatic savings for the airlines.

For cargo agents, invoices can be reviewed and approved electronically. Standardized dispute codes and rebilling capabilities have reduced the number of disputes – and accounts payable staff required – saving an estimated USD13 million a year. ▶

The result

Citi's invoicing and payments solution for CNS has transformed the air freight bill payment processes. It's shortened DSO by at least 10 days and reduced air carriers invoice presentment and collection costs by 18%. It has also streamlined freight forwarders' invoice review and approval process. And it has reduced dispute rates by 45%, creating more transparency and trust in the billing process among airlines and forwarders.

The Citi solution was initially deployed in 2003. Since that time, more than 1,200 freight forwarders and 86 airlines have used the system to connect, interface, and settle payments. Over 15 million air waybills/invoices have been settled via the system (over 2.8 million in 2008 alone). And more than USD18 billion in payments have been processed and settled through the system (more than USD5 billion in 2008).

As a result, days sales outstanding have been slashed by an average of 10 days, creating dramatic savings for the airlines.

Hindustan Coca-Cola Beverages

Virtual accounts facilitate electronic funds transfer and auto-reconciliation

The Indian operations of the world's largest non-alcoholic beverage company includes 22 bottling operations and 8 contract packers.

The challenge

In recent years, the Reserve Bank of India has encouraged corporates to switch from paper-based clearing to electronic payments using the Real Time Gross Settlement (RTGS) and National Electronic Funds Transfer (NEFT) systems. At the same time, Coca-Cola wanted to make the switch to electronic payments from its 5,000 customers in India in order to improve efficiency. However, RTGS and NEFT limit remitter information, making it impossible to identify the source of funds or to reconcile payments. Coca-Cola wanted to resolve this problem with a system that automatically updated and reconciled customer credit information to ensure that goods were dispatched promptly and sales maintained.

The solution

Citi proposed a virtual accounts solution to allow Coca-Cola to realize its receivables in a fast, reliable, and efficient manner. The targeted

enrolment is about 5,000 and virtual accounts are created and linked to Coca-Cola's 30 operating units' accounts across India. Customers remit funds to these virtual accounts allowing their source to be noted and enabling automatic reconciliation in real time. Once the funds have reached Coca-Cola's operating unit accounts they are then concentrated in a centralized account at Head Office.

The solution includes a half-hourly statement sent using a secure web-based protocol and host-to-host connectivity with customer code, customer name, and other information in a comma-separated value format. This enables the data to be interpreted by Coca-Cola's system as different fields and facilitate auto-updating.

Citi's solution creates customized reports provided on a daily and monthly basis for reconciliation at operating units and regional level. In addition, Coca-Cola can receive email alerts at operating unit level when

customers remit funds so that goods can be dispatched.

The result

Citi implemented Coca-Cola's efficient receivables management solution in 2008, having started with 50 virtual accounts and having reached 3,000 virtual accounts for the company's customer network.

"Citi proposed a virtual accounts solution to allow Coca-Cola to realize its receivables in a fast, reliable, and efficient manner."

The solution has minimized manual reconciliation by providing credit information about customer activities. Coca-Cola's ERP systems can now automatically update and the company will be less dependent on its service channels. ▶

The system is helping Coca-Cola:

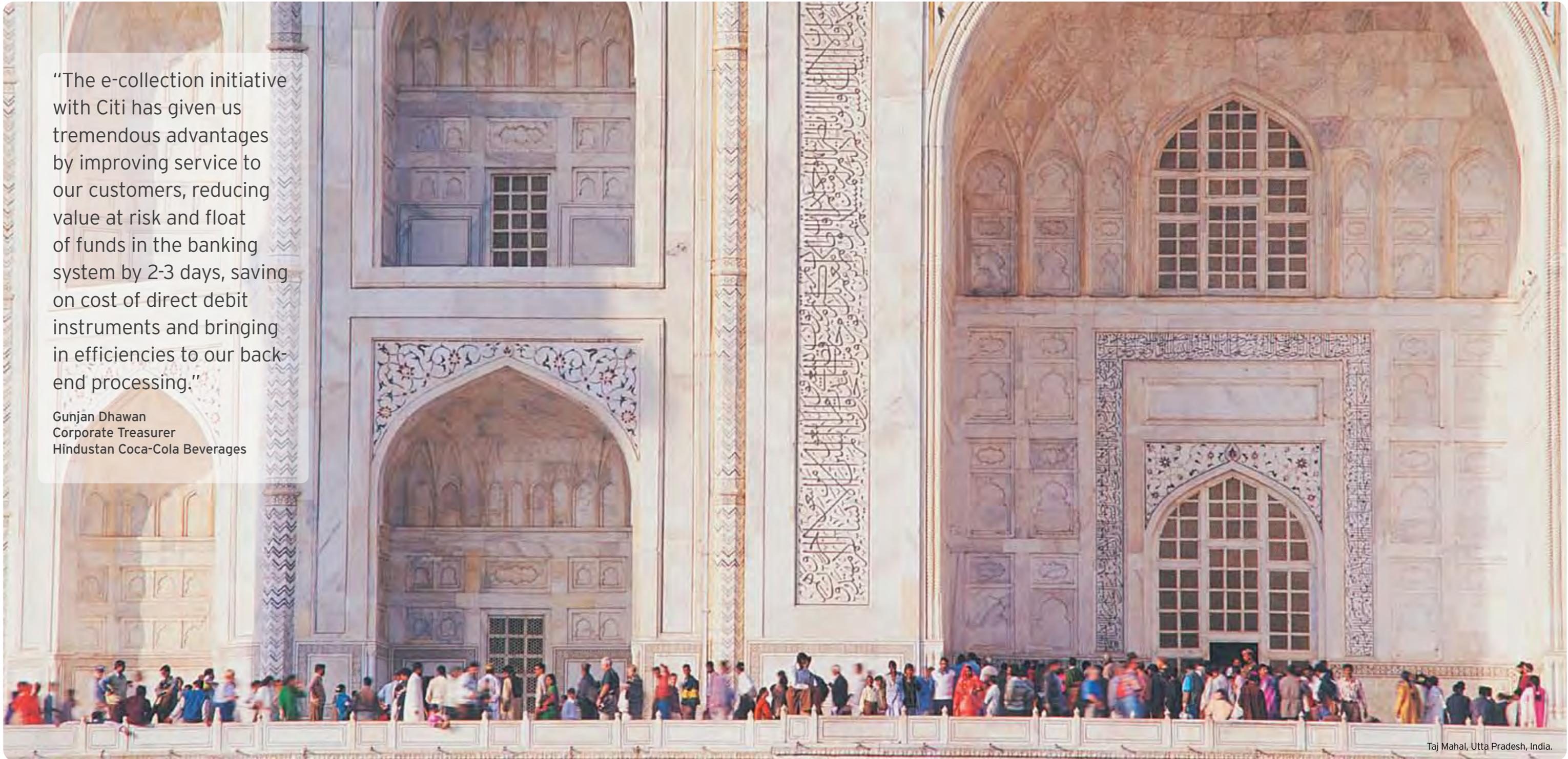
- Be eco-friendly by cutting usage of paper-based instruments and supporting documents, which also helps in savings of courier costs.
- Reduce turnaround times from 2 days to a couple of hours.
- Lower value-at-risk due to immediate credit.
- Gain a cost-effective alternative to demand draft customers.
- Save costs by lowering collection/instrument charges for the system.

"The e-collection initiative with Citi has given us tremendous advantages by improving service to our customers, reducing value at risk and float of funds in the banking system by 2-3 days, saving on cost of direct debit instruments and bringing in efficiencies to our back-end processing by automating the process from the customer to the books of account," said Gunjan Dhawan, Corporate Treasurer for Hindustan Coca-Cola Beverages.

The solution has minimized manual reconciliation by providing credit information about customer activities. Coca-Cola's ERP systems can now automatically update and the company will be less dependent on its service channels.

“The e-collection initiative with Citi has given us tremendous advantages by improving service to our customers, reducing value at risk and float of funds in the banking system by 2-3 days, saving on cost of direct debit instruments and bringing in efficiencies to our back-end processing.”

Gunjan Dhawan
Corporate Treasurer
Hindustan Coca-Cola Beverages



Taj Mahal, Uta Pradesh, India.

Pertamina

Online payment with greater speed, security, and efficiency for customer transaction management

An Indonesian, state-owned business, Pertamina is a major global oil company and the world's largest producer and exporter of liquefied natural gas.

The challenge

Pertamina's aviation fuel division needed to accelerate receivables cash flow and improve daily payment collection. The company also needed to improve reconciliation, which was done manually and daily for the 29 major Indonesian airports that used its fuel. The manual and cash-based nature of Pertamina's collection process created difficulties for airlines who were requesting a simpler electronic payment mechanism.

The solution

In early 2007, Citi was appointed by Pertamina to implement its CitiConnectSM web-based delivery platform – the first business-to-business web-based payment platform available in Indonesia – and became Pertamina's first foreign collections bank.

CitiConnect allows Pertamina's clients to place jet fuel orders and make payments online.

The company can see payments immediately, resulting in greater efficiency in managing account receivables. The CitiConnect platform also enables faster and more precise accounting and report management. Implementation took six months and involved comprehensive training for users at airports.

“Pertamina now has a transaction management system that makes reconciliation straightforward and also provides a secure platform for information exchange between buyers and sellers.”

The result

Pertamina now has a fast, secure, and efficient electronic customer transaction management system that makes reconciliation straightforward and also provides a secure platform

for information exchange between buyers and sellers. In addition, CitiConnect has made sales easier for Pertamina. “As competition among airline companies in Indonesia increases we need to expedite jet fuel sales. CitiConnect allows our customers to better manage their cash flow and plan jet fuel purchase processes,” says Haryanto Saleh, Vice President aviation of Pertamina 2005-2006.

The success of CitiConnect for Pertamina's Aviation division prompted the company to appoint Citi to implement for the division's industrial fuels business in February 2008. This business is more complex than the aviation fuel division, with as many as 4,000 clients in more than 150 locations in Indonesia, and with a variety of products, prices and payment schedules. Following a delay during which Pertamina enhanced its SAP ERP system, the development of CitiConnect (using a host-to-hot structure in this instance) for the industrial fuels business is now underway.



“As competition among airline companies in Indonesia increases, we need to expedite jet fuel sales. CitiConnectSM allows our customers to better manage their cash flow and plan jet fuel purchase processes.”

Haryoto Saleh
Vice President of Aviation
2005-2006, Pertamina

Trishaws in Jakarta, Indonesia.

Reliance Communications

Electronic receivables management acts as sales enabler

India's Reliance Communications is India's second-largest wireless telecom operator with over 50 million subscribers and revenues of over USD2.68 billion.

The challenge

India's Reliance Communications operates a diverse distribution model encompassing over 1,500 dealers across 22 circles (the geographic licence areas into which Indian mobile telecoms is divided). Historically, collections and receivables management was handled by banks appointed by the local operators of each circle. Collections were almost entirely paper-based as electronic solutions had proven to be unreliable and prone to problems in reconciliation. As a result, the cost of managing receivables from distributors was high and reporting was cumbersome and significantly lagged sales. In addition, time after settlement was lengthy and had a negative impact on the company's working capital.

Reliance Communications wanted to move a large part of its receivables collection to an electronic system. It was essential for the company that any potential solution addressed its concerns about the accuracy

of remitter information to ensure that reconciliation would not be compromised. The company also required more timely MIS based on accurate information and in a customizable format. Reliance Communications wanted a robust MIS platform in order to facilitate the quick release of purchased pre-paid mobile phone talk time – a potential sales advantage in the fiercely competitive Indian mobile market.

The solution

Citi India structured an E-Collect solution that involved the assignment of codes to distributors and, crucially, the assignment of a unique four-digit prefix to each sales activity, such as airtime sales or handset sales.

Distributors initiating remittances in favor of Reliance Communications use the Real Time Gross Settlement (RTGS) and National Electronic Funds Transfer (NEFT) payment systems. For each transaction, they include both their own code in the form of a suffix and the four-digit sales-related

prefix. This system is user-friendly and limits input errors by distributors because the number of digits required to be entered for each transaction is minimized.

In addition, Citi performs length validation on the remitter dealer code and rejects invalid transaction failure, which avoids reconciliation problems. Importantly, the use of a prefix and suffix for collections linked to Reliance Communications' mother account facilitates real-time credit, which is followed by intraday customized MIS at two-hourly intervals on working days.

Other components of the E-Collect solution expected to be included in a second phase (due in October 2009) will include real-time remitter notification through SMS and email channels and online database validation. These measures will further increase dealer acceptability as they will enable them to have real-time notification on the status of transactions. ▶

The result

Citi was appointed to the project in May 2009 and after a 15-day implementation period, which simply involved linking various systems and codes, the first phase of the E-Collect solution went live in June 2009 with a pilot project across three circles (Mumbai, Karnataka, and Madhya Pradesh).

Reliance Communications has worked hard to convince dealers to use the collection channel and expects more than 70% of payments will be completed electronically by the end of 2009 compared to just 12% before the first phase was launched.

Reliance Communications now has a receivables collection system that facilitates straightforward and reliable reconciliation. The company has enjoyed a significant reduction in Days Sales Outstanding and a faster release of talk time, which in turn has acted as a significant sales enabler.

Reliance Communications now has a receivables collection system that facilitates straightforward and reliable reconciliation.

Anvil Mining

Streamlined approach to cash management meets ambitious cost-cutting objectives

The Australia-based Anvil Mining is a leading copper producer in the Democratic Republic of Congo (DRC). It employed more than 2,550 staff and had a sales revenue of USD263 million in 2007.

The challenge

A 50% decrease in the price of copper over the last year, increases in operating costs and illiquid capital markets have provided significant industry headwinds. For Anvil, these pressures were compounded by reviews into mining licenses in the DRC and operational issues.

In response, management developed a plan to reduce all but essential capex, while reducing opex to all but essential operations. At the core of the company's plan was a rigorous cost-cutting initiative – and a strong partnership with Citi to deliver efficiencies, flexibility and costs reductions by deploying Citi's integrated solution for managing payment and receivable flows.

The solution

In collaboration with Citi, Anvil established a single global cash management platform encompassing 22 accounts for 7 legal vehicles

across 5 branches. With local account services, domestic and cross-border payments, online investments for multi-currency cash balances, and local encashment facilities, Citi assisted Anvil in meeting its ambitious cost-cutting objectives.

“By relocating onshore accounts to Citi's multicurrency center in Singapore, Anvil addressed withholding tax issues and removed inefficiencies by using Citi's clearing capabilities while consolidating its banking partners.”

The result

Simplification yields efficiency – and power. Anvil's finance team in Perth now enjoy oversight over all group

accounts, assisted by automated reporting tools that help optimize the use of cash.

By relocating onshore accounts to Citi's multicurrency center in Singapore, Anvil addressed withholding tax issues and removed inefficiencies by using Citi's clearing capabilities while consolidating its banking partners.

At Citi, we continue to meet regularly with Anvil to address any implementation or training needs while providing ongoing support. Given continued industry headwinds, Anvil's management is keen to take advantage of further working capital opportunities, including liquidity pooling to assist in the calculation of DRC taxes and duties, automated supplier payments and a commercial cards solution.

38

achieving visibility and optimization

Liquidity Management and Investments

Achieving visibility and optimization in today's complex environment is essential for corporations to extract value from one of their most precious assets: cash. It is critical to have visibility over all operating cash worldwide, optimize internal liquidity, and manage risk across the financial counterparty network. Citi can structure solutions that deliver real-time visibility and actionable analytics, global mobilization and centralization of liquidity, and tools to execute investment decisions with a thorough understanding of the balance for risk and return.

MACH

TreasuryVision® provides predictability to cash-flow forecasting

Luxembourg-headquartered MACH provides a wide range of solutions, outsourcing, and consultancy services to the fixed-line and mobile telecom industry.

The challenge

A private equity firm acquired MACH in August 2005 and, as with most private equity transactions, funded much of the acquisition costs through debt. Consequently, the company had debt repayments on a scheduled basis. As conditions in the telecoms industry became tougher in 2007, MACH recognized that it needed to increase cash visibility in its central treasury in the UK. "MACH had multiple banks worldwide as a result of a series of acquisitions," explains Shawn McCarthy, Head of Treasury at MACH in London. "Overall, the company had 20 banks, with 80 bank accounts in nine currencies, with euros as our functional currency. This combination of factors meant we had little visibility of our operating companies' ongoing cash positions."

McCarthy was familiar with TreasuryVision® from a previous position and realized that it could offer MACH the flexibility and visibility it required. "We didn't need a

comprehensive treasury management system," she says. "We simply wanted balance and cash management reporting capabilities. In addition, we wanted to introduce a cash flow forecasting discipline to our operating companies to enable them to more accurately forecast their future cash positions and needs."

The solution

TreasuryVision aggregates bank account balances, statements, and transactions from Citi and third-party banks on an automated daily basis. Once aggregated, TreasuryVision offers MACH visibility into its data and allows it to customize how data is presented and used. A cash flow forecasting service was provided through the portal, which allowed MACH operating entities throughout the world to detail their future cash needs. MACH's treasury then used this data to better predict the group's future cash and liquidity requirements.

The result

Citi was formally appointed to the project in October 2008. This presented a tight deadline for the implementation of TreasuryVision across MACH's accounts by the end of 2008.

"The company had 20 banks, with 80 bank accounts in nine currencies, with euros as the functional currency."

Of MACH's 20 most important accounts for cash management purposes, 18 were linked to TreasuryVision by the end of 2008 and made a significant contribution to the company's year-end reporting. As an Internet-based system, there was no installation. Implementation simply required MACH's banks to send daily SWIFT messages to Citi to enable the solution. ▶

By July 2009, just six of MACH's 80 bank accounts were not incorporated into TreasuryVision.

"TreasuryVision has changed the way we operate," says McCarthy. "We now have the ability to see accounts on a daily basis converted into our functional currency - either at market rates or at a rate we upload into the system to match our accounting rates, for example." As an automated service, TreasuryVision saves considerable time and also increases security by storing data in a data warehouse where it is not susceptible to accidental alteration.

TreasuryVision[®] has changed the way we operate. We now have the ability to see accounts on a daily basis converted into our functional currency.

Tata Communications

TreasuryVision® facilitates improved strategic decision-making

Tata Communications is a leading global provider of a new world of communications. With a leadership position in emerging markets, the company leverages its advanced solutions capabilities and domain expertise across its global and pan-Indian network to deliver managed solutions to multi-national enterprises, service providers, and Indian consumers.

The challenge

Tata Communications had made a number of acquisitions over a four-year period and had consequently gained numerous banking partners. By the first quarter of 2008, the company had more than 40 legal entities across 20 countries and 120 accounts with 10 banks spread over 20 countries.

In order to gain an overview of the company's positions, the company's treasury team had to manually consolidate account balances – resulting in delays and potentially redundant information. This limited visibility hampered the company from optimizing its global resources and gave it limited insight into its liquidity positions, bank exposures, and country and currency exposures. The company wanted online access to consolidated information showing its treasury positions across different entities, with different banks and in different countries and currencies. The company also wanted to increase the centralization of its

treasury operation and reduce its dependence on local teams for timely reporting of liquidity positions.

The solution

In the second quarter of 2008, Tata Communications chose Citi's TreasuryVision® portal to achieve regional and global financial visibility on a daily basis. TreasuryVision facilitates the aggregation of financial information across currencies, countries, and bank accounts, increasing visibility and enabling better utilization of funds.

TreasuryVision addresses the company's requirements by giving it the ability to monitor cash positions and access transactional level information on accounts, reducing its administrative costs and time. It helps the company modulate its currency and bank exposures by appropriately managing funds. The company has also reduced the operational risk associated with manual data compilation.

The result

Citi initially implemented TreasuryVision on Tata Communications Citi accounts before expanding its scope to include accounts in 20 countries across EMEA and the USA. Finally, all in-country accounts – where visibility had been less of a problem – were added to the solution. With the exception of some delays caused by third-party banks in relation to SWIFT messages, implementation went smoothly.

Tata Communications has gained visibility of its balances across its numerous entities around the world, which facilitated improved strategic decision-making. Moreover, TreasuryVision has improved efficiency by allowing treasury staff formerly occupied with manual consolidation of positions to focus on value-added tasks. In the words of Aroon Dasappa from Tata Communications' Finance division: "TreasuryVision is a perfect tool for a centralized treasury set-up to handle large-scale banking operations with ease."



“TreasuryVision is a perfect tool for a centralized treasury set-up to handle large-scale banking operations with ease.”

Aroon Dasappa
Vice President Finance, Tata Communications

Women paddling along Dal Lake, Srinagar, India.

Novartis China

Cash pooling and overdrafts make a winning combination

Novartis is a global leader in innovative pharmaceuticals, vaccines, and consumer health products. Headquartered in Basel, Switzerland, the company entered the Chinese market in 1987 and enjoyed rapid growth since then, with sales totalling USD515 million in 2008 and expected to rise by 30% in 2009.

The challenge

Rapid growth had created a number of challenges for Novartis China's treasury function, chief of which was to manage its working capital more efficiently. The company's strategy was to keep as little cash as possible in bank accounts, relying mainly on its cash pool and temporary overdrafts to meet short-term financing needs. Bank loans were kept to a minimum.

"Some companies borrow more than is necessary for their immediate needs, and keep the cash idle in their account, or make structured deposits, in case they need funding," says Sherwin Zhang, Country Treasurer of Novartis China. "Like a bear that eats a lot in the autumn to prepare for hibernating in the winter, this is a practical solution if you think credit is going to be harder to obtain. However, we won't adopt such a strategy as it reduces cash efficiency dramatically and is against our treasury guidelines."

The challenge for Mr Zhang was to further reduce the amount of cash left idle in its bank accounts, lower its reliance on external borrowing, and negotiate more favorable overdraft terms. He regards overdrafts, which can be paid off quickly, as much more efficient than loans, because the latter can result in spare cash sitting in deposit accounts earning a lower rate of interest than the company is paying on the loans. And although inter-company loans charge less interest than bank loans, they are more complicated to arrange and are on fixed tenors, which makes it difficult to match them closely to funding needs.

The solution

The answer was to set up an integrated cash management system, based on a domestic zero balancing cash pool, online banking, and renegotiated overdraft facilities – all provided by Citi, following a hotly contested tender process.

Novartis China now sweeps spare cash into one account where it can be deployed more efficiently. Knowing exactly how much cash is in the system, how much is forecast to be in the system, and when bank loans will be needed has reduced the company's external borrowing requirements and improved cash efficiency.

"We selected Citi as our main bank because it has the most mature and stable cash management system," says Mr Zhang. "With the flexibility of cash pooling, we rely more on our forecasting, enabling us to keep cash balances low. We still use bank loans, though less so. Although they are less flexible than overdrafts and can lead to spare cash sitting idle, they are cheaper. The key thing is to get the balance right between loans and overdrafts." ▶

The result

Novartis China now has less cash sitting idle in accounts. It has a reduced requirement for bank or inter-company loans because it has increased its use of its cash pool and overdrafts. The solution, implemented in 2006, was well timed as it helped the company deal with the global credit crunch that hit China in 2008. It initially involved just four subsidiary companies, but in 2008 and 2009 the rest were added, so the pool now includes all nine subsidiaries.

Today, even though credit is once again cheaper and easier to obtain, Novartis China is still reaping the benefits of low cash balances and overdrafts for temporary funding as and when needed.

Tim Fleming, Sales Head, Treasury and Trade Solutions, Citi, says: "It's because of partnerships like this that we were recognized as the best cash management bank in Asia in the Asiamoney polls and by The Asset in 2008. Today, we manage more than 160 multi-entity cash pooling structures in China.

"All that experience means we have well established implementing processes. We provide a high degree of certainty on the implementation timeframe and there are rarely any problems. When the solution is up and running, little can go wrong because it is all automated."

Today, even though credit is once again cheaper and easier to obtain, Novartis China is still reaping the benefits of low cash balances and overdrafts for temporary funding as and when needed.

TAQA

Appointing a single global banking partner improves liquidity management

Abu Dhabi National Energy Company (TAQA) is a leading United Arab Emirates company, with revenues of USD4.5 billion in 2008 and has a portfolio of businesses in the Middle East, North America, Europe, and India in upstream oil and gas, pipelines, gas storage, power generation, and water desalination.

The challenge

Rapid expansion abroad created new demands on TAQA's treasury team: the treasury organisation was decentralized, which caused difficulty in maintaining clear visibility of funds; multiple new systems and processes needed to be built to support the company's larger multinational operations; and significant new injections of capital were needed to reduce leverage and support growth. It was for these reasons that TAQA undertook a restructuring of its treasury management function.

The solution

TAQA appointed PwC to help set up a Global Treasury Center to manage its funds flow in all countries and currencies. The company selected Amsterdam as the center to house its global treasury operations due to a number of favorable factors, one of which was better time-zone coverage for its worldwide operations.

The Global Treasury Center required a single global banking service provider. This mandate was awarded to Citi's Global Transaction Services in October 2008.

“TAQA will have a single global banking partner to help it conduct its cash management and liquidity operations effectively.”

The arrangement, implemented in early 2009, involves the provision by Citi of a number of best-practice and cutting-edge solutions, including:

- Domestic cash management services for 30 legal entities in North America, Europe, and the Middle East

- A global liquidity structure with a multi-currency notional pool in London
- Daily sweeping of cash balances
- Host-to-host payment and reconciliation connectivity to TAQA's SunGard treasury workstation
- CitiDirect® Online Banking platform

The result

As the program rolls out, TAQA will have a single global banking partner to help it conduct its cash management and liquidity operations effectively, which is an important element towards achieving success in its future businesses.

Doug Fraser, Chief Financial Officer of TAQA, says: “By choosing Citi we are gaining access to its high-caliber expertise, global footprint and local knowledge. Citi was able to provide us with a solution that was flexible and matched the needs of our company.”



“By choosing Citi we are gaining access to its high-caliber expertise, global footprint and local knowledge. Citi was able to provide us with a solution that was flexible and matched the needs of our company.”

Doug Fraser
Chief Financial Officer, TAQA

SABMiller

Multi-currency cash concentration strategy delivers considerable cost savings

SABMiller is one of the world's largest brewing companies, with a portfolio of 200 beer brands and revenue of USD21.41 billion for the year ending March 2008.

The challenge

With brewing interests and major distribution agreements in over 60 countries – in both cash generative developed and fast-growing developing markets such as China and Russia – SABMiller's liquidity management structure is necessarily complex.

Moreover, having grown largely by acquisition – its most recent purchase is Dutch brewer Grolsch – SABMiller's operational and liquidity management structures are highly irregular. "We wanted to address the problems posed by our structure and reduce working capital requirements while ensuring sufficient liquidity for our business units," explains Giles Newell, Deputy Treasurer at SABMiller, based in the UK. In addition, SABMiller wanted to align its treasury strategy with its broader finance strategy and achieve the holy trinity of liquidity management: cost reduction, process standardization,

and risk reduction. The company also aimed to establish an infrastructure for future treasury projects, such as inter-company netting and foreign exchange centralization.

The solution

Having appointed Citi in May 2007 on the basis of its geographic coverage, capability for multi-currency cash pooling, and competitive pricing, SABMiller embarked on phase one of the multi-currency cash pooling project in January this year, covering all of Europe (except Russia) and the USA – nine currencies, 10 business units and 10 countries. Future phases covering Latin America, Africa, and Asia are being explored.

Citi's solution to SABMiller's challenges was a pragmatic mix of cash concentration and notional cash pooling, where funds could stay in the name of the business unit – an important consideration in

a decentralized company. Instead of local business units borrowing against short-term deficits and depositing short-term surplus cash with local banks, they would be able to borrow or deposit with the group treasury.

The result

"Implementation was tricky – the complexities of achieving buy-in from local businesses cannot be underestimated – but it was worth it," says Giles Newell. "SABMiller has greater clarity in its liquidity management, and centralized balances mean improved rates for deposits or the ability to repay external borrowings. By netting balances, we avoid paying overdraft and deposit margins. Overall, the savings are considerable."

Lenovo

Integrating global payments for simplicity and efficiency

Lenovo is dedicated to building exceptionally engineered personal computers. Formed by Lenovo Group's acquisition of the former IBM Personal Computing Division, the company develops, manufactures, and markets reliable, high-quality, secure and easy-to-use technology products and services worldwide.

The challenge

Following its acquisition of IBM's PC business in 2005, Lenovo worked with Citi to deliver a cash and liquidity management structure for 66 countries in just four months. The challenge was compounded by the fact that Lenovo had no treasury staff outside China, no systems, and no banking relationships at this time. "While the situation in 2005 was a challenge, it was also an amazing opportunity," says Damian Glendinning, Vice President and Treasurer at Lenovo. "We got to design a cash and liquidity management structure on a blank piece of paper."

The centralized structure created in those four months utilizes host-to-host connectivity to Citi® File Xchange (CFX) payment channel, continuing to update Lenovo's approach. In recent years, the company has sought Citi's help in integrating local currency, in-country payments as new countries continue to be added to its global SAP ERP system rollout.

The solution

In order to further enhance its liquidity management, Lenovo has progressively implemented its country operations to its SAP system while integrating and automating in-country vendor payments to Citi.

The first phase of integration began with Canada in 2007. A second phase in 2008 added Australia, Hong Kong, Japan, Korea, Malaysia, Mexico, New Zealand, Singapore, Taiwan, and Thailand. The next phase in 2009 will integrate Poland and Mexico into CFX.

Citi coordinated the global implementation using a dedicated regional implementation manager, and local Citi solution specialists who addressed country-specific challenges such as the complexities of the Polish clearing system and providing Lenovo a single point of contact in Singapore for global integration onto SAP. Citi also provided Lenovo with in-country vendor payments implementation.

The result

Lenovo's strikingly simple and almost uniform model is based on a centralized global treasury in Singapore. It has been further improved in recent years by leveraging the operational efficiency of integrating countries into its SAP system and automated integration to Citi for in-country vendor payments. By partnering with Citi and standardizing processes globally, Lenovo is continually striving to improve its efficiency.

The treasury's unique "against-the-sun" structure – where surplus funds are sent to Singapore at a rate determined by the scale of sales in a given country – continues to effectively meet Lenovo's liquidity needs. The structure requires no local funding as it is based on the sale of goods. Any funding element is on trade terms and therefore less affected by exchange controls.

60

Grundfos

Interest optimization structure unlocks trapped liquidity

Grundfos is a leading pump manufacturer with revenues of EUR2.60 billion in 2008. In Asia, they have presence in 14 countries.

The challenge

Grundfos operates a regional treasury center in Singapore without a tax-beneficial treasury entity, so liquidity is not centralized and optimized in the traditional manner. The company also had trapped liquidity in countries such as China, Korea, Vietnam, the Philippines and Thailand.

Having consolidated its 14 Asian bank relationships to just one in April 2008, Grundfos challenged Citi to optimize the yield from its liquidity management, which consisted of surplus balances held in-country. Grundfos also wanted to solve problems relating to intra-month mismatches of liquidity positions across different currencies.

The company stipulated that any solution must be low maintenance as it has limited resources in its regional treasury operation.

The solution

Citi analysed Grundfos' business model and presented the company with two options. Due to its largely decentralized treasury management activities, Grundfos declined a structure with domestic and regional concentration that would have required inter-company position management. Instead Grundfos opted for an interest optimization structure that provided yield improvement based on the notional conversion of all balances held with Citi into a single currency position.

Providing the company's overall balance remains above a set level, Grundfos receives a higher rate of interest than would ordinarily be paid. The enhanced interest payments are provided directly and automatically to each participating account, with proper accounting of any applicable withholding taxes and in full compliance with local regulations.

The result

Implementation of Citi's interest optimization solution began at the end of April 2008 and now has more than 40 accounts across 10 countries participating. Citi helped Grundfos to present a strong case to convince individual operating entities of the advantages of adopting the structure.

Grundfos can now leverage its pockets of cash across Asia, improve the interest rate it receives, and lower overdraft rates. "We wanted a solution that leveraged our regional relationship with Citi to improve interest income, while concurrently compressing interest borrowings," says Petra Ho, Regional Treasury Manager at Grundfos. "Also, we needed a solution that required minimal maintenance and documentation. This solution meets our immediate needs perfectly with minimal implementation efforts."



“We needed a solution that required minimal maintenance and documentation. This solution meets our immediate needs perfectly with minimal implementation efforts.”

Petra Ho
Regional Treasury Manager
Grundfos

Scene from Chinatown, Singapore.

Turkish Airlines

Target-balancing structure provides visibility and cost benefits

Turkish Airlines flies 20 million passengers annually to 138 cities in 69 countries around the world.

The challenge

After a period of ongoing business growth, cash flow visibility at Turkish Airlines' head-office treasury department was severely restricted. The firm held 250 bank accounts with 91 banks in 69 countries and commonly used manual processes to transfer cash between its 107 offices. Cash reporting relied heavily on phone communication and faxed spreadsheets. But following its stock listing, a company-wide cost-control drive led Turkish Airlines to issue a tender for its global cash management business, aimed at improving payment process efficiency, increasing visibility through real-time electronic reporting and reducing transaction charge.

The solution

Citi was awarded the tender on the basis of its matching geographic footprint and its combination of global and regional capabilities and expertise. To improve the efficiency of Turkish Airlines' cash flows, Citi began a phased implementation

of a regional cross-border target balancing structure that would sweep the vast majority of the firm's balances into Citi London.

“The new structure is supported on a 24/7 basis by a customer service team based in Istanbul in coordination with staff across Citi's global branch network.”

Because most of Turkish Airlines' sales were euro-denominated, these were centralized in phase one, with euro balances swept automatically from Citi or third-party accounts. In phase two, selected additional currencies, including US dollars, were introduced to the structure. Phase three saw the rationalization of currency balances that could not participate for legal or other practical reasons. In addition to implementing CitiDirect®, Citi's

electronic banking system, to eliminate manual payment initiation, Turkish Airlines also became the first Turkish customer to install Citi's transaction flow analysis tool, TreasuryVision®, which provides real-time balance information on accounts across the world in customized formats. At the client's specific request, the new structure is supported on a 24/7 basis by a customer service team based in Istanbul in coordination with staff across Citi's global branch network.

The result

Turkish Airlines has benefited from a streamlined account structure and reduced banking costs, an elimination of manual payment processes and significantly enhanced visibility and control over its cash flows. And although many of the benefits accrued from being the first Turkish multinational to implement a regional cross-border target balancing structure, balances in currencies that remained outside the structure have also achieved improved investment rates.

Honeywell China

Three-tier automated zero-balancing cash pool is a first for China

Diversified technology and manufacturing company Honeywell began operation in China in 1935 and currently has over 30 legal entities in the country.

The challenge

Following significant growth, the cash balances of Honeywell China – 65% of which were denominated in renminbi and the remaining 35% in US dollars – had grown substantially. “Our US dollar cash balances were highly decentralized, with balances being held in various bank accounts with different banks,” says LinLin Wu, Regional Treasury Manager at Honeywell China. “This made it difficult to get visibility and control.” Honeywell’s decentralization resulted largely from the regulatory framework for foreign currency bank accounts in China.

Using entrustment loans to manage company cash was ruled out as an option. Instead, the company wanted a US-dollar cash pooling arrangement to concentrate the company’s cash balances in China, reduce external funding costs, and streamline its bank relationships.

The solution

After a rigorous RFP process, Citi was awarded the mandate. It proposed a three-tier, automated, zero-balancing, account-entrustment loan structure with participants’ operational accounts in the lowest tier, loan accounts in the second tier, and the pool header in the third tier. This structure ensured funds did not commingle and interest allocation could be simplified. The solution was the first of its kind in China.

Implementation was completed two months after SAFE (State Administration of Foreign Exchange) approval was granted in August 2008. The speed and success of implementation was helped by Honeywell’s treasury efforts. Regular regional meetings were held with local business units to ensure they understood their roles, while at headquarters level CFOs of Honeywell’s various businesses were kept informed about progress.

The result

Since implementation, Honeywell China has enjoyed higher investment returns, a reduction in bank fees, increased operational efficiencies, and enhanced regulatory compliance.

As well as providing competitive interest rates (pegged against the US dollar Libor rate), the solution has given Honeywell China the scalability required for easy inclusion of new participants into the pool, in particular Honeywell China’s joint ventures (JVs). “The cash pool tracks the aggregated amount contributed by each participating JV and also limits the withdrawal amount of each participating JV to the total of contributions it has made. We have already included one JV into the cash pool and we certainly hope to include more in the future,” says Wu.

Voith Paper China

Yield benefits convince cash-rich entities to join cash pool

Voith Paper operates as the treasury function for Voith's three other Chinese divisions: Hydro Power, Turbo, and Industrial Services.

The challenge

Voith wanted a cash pool in China for its 13 entities in Paper, Hydro Power, Turbo, and Industrial Services through its paper division. Some of Voith's entities had surplus funds while other units required funding using commercial loans from local banks and loans from foreign sister companies.

Voith's cash entities were eager to improve the yield on surplus funds. Voith needed to demonstrate that a cash pool would not only benefit the group by recycling cash and eliminating the spreads paid to banks, but that the cash-rich entities would gain from the wider yield-enhancing opportunities of a cash pool.

The solution

The pool, designed by Citi for Voith's 13 Chinese entities, is based on an entrustment loan structure with cash swept to the header account at the end of each day to leave a zero balance in each entity's account.

The pool was initially launched, without the involvement of all cash-generative entities, in the first quarter of 2007.

“Drawing on Citi's experience of designing 160 cash pools in China, Voith's cash pool was implemented by April 2007 in 12 weeks.”

The remaining entities later joined in order to take advantage of the broader range of investment options, such as third-party entrustment loans (an arrangement that gets around prohibition on direct inter-company loans in China by entrusting the loan to a bank, which then on-lends it to a designated borrower), and structured deposits.

The result

Drawing on Citi's experience of designing 160 cash pools in China, Voith's cash pool was implemented by April 2007 in 12 weeks. By centralizing its balances with Citi, Voith has significantly reduced interest costs to the benefit of its entities that are short of cash. “And in order to benefit the cash-rich companies, we aim to enhance the yield of the cash pool,” says Jason Hua, CFO of Voith Paper China. “Based on cash flow forecasts from participants, we use several investment tools, such as third-party entrustment loans, structured deposits, time deposits and money market funds, depending on liquidity.”



“Based on cash flow forecasts from participants, we use several investment tools, such as third-party entrustment loans, structured deposits, time deposits and money market funds, depending on liquidity.”

Jason Hua
Chief Financial Officer, Voith Paper China

Nabors Industries

Streamlining investment and compliance reporting with Treasury Analytics

Nabors, one of the world's largest drilling contractors, provides onshore and offshore drilling in the major oil and gas producing regions of North, Central, and South America; Africa; and the Middle East. It generates more than USD5 billion in annual revenues from operations that span more than 30 countries.

The challenge

Nabors, long perceived as a North American company, is actually a major multinational enterprise whose drilling operations have mushroomed over the past decade in a high stakes race to tap new energy reserves around the world.

In fact, over the past five years its annual revenues consistently grew by more than 20% year-on-year, reaching a record USD5.2 billion in 2008. That same year, it chose Citi as its global banking and consolidation partner to help centralize treasury operations and streamline multicurrency payments across the 33 countries in which it does business.

Seeing even more opportunity to streamline and automate, Nabors turned to Citi to simplify another critical responsibility: fiduciary and compliance reporting. Its Treasury and Accounting departments wanted to eliminate the recurring headaches triggered by the manual information

gathering and report building that accompanied managing the company's cash assets and investments.

"We were faced with what seemed like an unlimited demand for reports, but had limited resources to gather data from multiple sources and in various formats to meet the demands," said Dean Castleberry, Nabors Assistant Treasurer. These reporting responsibilities cover everything from individual requests from upper management to short-term investment forecasts for month-end closings to 10K and 10Q disclosures and a whole lot in between.

The solution

Fortunately, Castleberry knew that a prescription for relief was just a phone call away. He had seen a demonstration of the Treasury Analytics module of CitiDirect® for Securities and knew the moment he saw it that it would make life easier for him and his counterparts in accounting.

Treasury Analytics is a comprehensive web-based custody and corporate cash solution that aggregates investment-related information and presents it from four perspectives: accounting, compliance, risk, and performance.

"We were faced with what seemed like an unlimited demand for reports, but had limited resources to gather data from multiple sources and in various formats to meet the demands."

What's more, it's easy to implement. Once Nabors decided to use Treasury Analytics, it took less than a week to get it up and running. Now, reports are generated in a matter of minutes, with a few keystrokes and mouse clicks, instead of hours. ▶

“The beauty of Treasury Analytics is that two departments gained critical functionality from one system,” says Castleberry. “The ability to call up one concise, composite report of total holdings and to enhance reporting and transparency to upper management is invaluable to the Treasury function,” he adds, “while the ability to generate financial statements and drill into security details is critical to the Accounting function.”

The result

Automating reporting has saved Nabors’ Accounting and Treasury departments more 70 man hours a quarter. Equally important, it has freed up valuable personnel to work on more strategic and value-added activities.

“There have been both tangible and intangible benefits,” Castelberry reports. “It’s hard to attach a value to having the information we need when we need it or reporting capabilities at our fingertips.

Bottom line, Citi and Treasury Analytics have transformed the way we meet our management and compliance reporting responsibilities. I only wish we had done it sooner.”

Automating reporting has saved Nabors’ Accounting and Treasury departments more 70 man hours a quarter.

InterContinental

Streamlining short-term investments for the global hotel group

InterContinental Hotels Group manages more than 590,000 rooms in 100+ countries.

The challenge

Having moved from an ownership model to managing and franchising hotels, InterContinental Hotels Group (IHG) has focussed increasingly on optimizing working capital, from ensuring efficient collection of revenues from franchisees to streamlining short-term investment management processes. The desire to reward participants in its financing rounds means IHG restricts its short-term investment policy to relationship lenders. But investing in these providers' money market funds directly proved very manual and time-consuming for IHG's small dealing team. Consolidating statements from different fund managers was a further burden on resources.

The solution

During a relationship review meeting with Citi in the first quarter of 2008, the client manager introduced Citibank® Online Investments, a new easy-to-use module of the bank's

CitiDirect® Online Banking platform that enables clients to invest in a wide range of financial institutions' money market funds and time deposits. Citi's investment portal can automatically settle transactions to client accounts held in 21 different countries and offers investments in 17 currencies including several types of direct investments and over 80 money market funds in the US and offshore. It further supports the streamlining of short-term investments by allowing clients such as IHG to add new fund managers without needing to complete additional documentation.

Because of their interest in accessing multiple suppliers' funds from a single platform, IHG's dealing team reviewed Citibank Online Investments' capabilities via a Citi Online Academy session, then completed the necessary documentation and began trading within a week.

The result

IHG's dealing team now has substantially more time to focus on making short-term investment decisions, rather than dealing with the administration of its choices. Moreover, IHG has streamlined its reporting processes and uses Citibank Online Investments to view yield information, dividend accruals and export reports on holdings. "Partly because we were already very familiar with CitiDirect, we soon benefitted from Citibank Online Investments' ease of use. The ability to book all deals on a single platform has made our investment processes significantly faster," says David Daniels, Assistant Treasurer, IHG. "A streamlined approach to investment that enables us to deal with multiple relationship banks quickly and effectively supports the group's overall management philosophy of strong relationships and cost-efficient processes."

EMC Corporation

Increasing the efficiency and flexibility of global funds investments

EMC, a USD15-billion provider of products and solutions for storing, protecting, optimizing, and leveraging information, generates its revenues from operations that span more than 60 countries. Its Treasury operation, centralized at its US headquarters, manages and invests nearly USD6 billion in cash on behalf of EMC's business units.

The challenge

To strengthen its business and tap new markets, EMC acquired more than 30 growth-oriented companies around the world between 2004 and 2008. These acquisitions created new business opportunities and contributed to six straight years of double-digit revenue growth. However, they also created new challenges related to managing, controlling, and investing cash.

In response, the company centralized overall treasury and cash management responsibilities in the US. Then its Treasury department, working with its international tax department and Citi, implemented an automated target balancing solution to mobilize funds from the local level to pooling structures in the US and Ireland, centralizing funds in more than a dozen header accounts in various currencies.

"Thanks to Citi, we've been able to use technology to create a streamlined and efficient cash-consolidation

structure that requires little human intervention," says Daisy Alba, EMC's Global Cash Manager.

Her department, however, did face human-related challenges in meeting time-zone constraints when transferring and investing cash in euro and sterling denominated money market funds and time deposits.

"On a day-to-day basis, we have a very good idea of how much cash we have to fund our accounts," says Leandro Manavella, Principal Treasury Analyst, who manages the cash positions for Europe from EMC's US headquarters. "But, it was extremely inconvenient to manage urgent next-day funding needs from European accounts while based in the US because of early morning cut-offs."

Leandro would get up at 6:00 a.m. to review and analyze data and communications from Europe to be ready to place a position before 7:30 a.m.

The solution

EMC told Citi that future-dated trading would solve its problem. Without hesitating, the Citi team went back to the drawing board.

"We've been able to use technology to create a streamlined and efficient cash-consolidation that requires little human intervention."

In just a matter of months new features were added to the system, providing the ability to book transactions outside trading hours, including holidays and weekends. Users gained the ability to store trade details for money market funds and time deposit products and execute trades based on a future value date of up to five days. They were also given the ability to cancel their future-dated trades online, if necessary. Indicative rates are displayed when trades are entered and real rates are applied when they are executed. ▶

The result

EMC became the first company to pilot the new solution.

Today, the company's Treasury department is enjoying the added flexibility and convenience of the new capabilities. In fact, "flexibility" is a word that Daisy Alba uses a lot to describe why EMC chose Citi to meet the company's cash management and liquidity needs.

Explaining why she asked Citi to enhance its capabilities, rather than consider switching providers, Alba said: "We liked the flexibility of Citi's Online Investments technology, including its reporting capabilities, and the ability to diversify EMC's investments. We use the system to invest in a number of funds from different institutions."

She also noted the flexibility of the Citi team. "It's not every day that you explain a situation to a provider and have them turn around a solution that works in such a short period of time," she added. "The solution really was about listening to the voice of the customer."

But, most importantly, Alba says that she and her team are delighted with the benefits of future-dated trading: "It has really added more efficiency, more flexibility and more value to our processes - every day."

We liked the flexibility of Citi's Online Investments technology, including its reporting capabilities, and the ability to diversify EMC's investments.

“It’s not every day that you explain a situation to a provider and have them turn around a solution that works in such a short period of time. The solution really was about listening to the voice of the customer.”

Daisy Alba
Global Cash Manager, EMC Corporation

84

risk mitigation and supply chain optimization

Trade Services, Trade Finance, Export Agency Finance

With credit tight and a challenging economic environment, corporates need a partner who understands market risk and has the global reach, expertise and strong relationships to deliver global supply chain finance programs like no other. Citi works with clients to balance working capital optimization with critical supply chain stabilization needs, injecting liquidity back into their supply chain in both the OECD and emerging markets.

Bamburi Cement

Supplier finance program safeguards supply chain and optimizes working capital

Bamburi is part of the French building materials giant Lafarge and is the largest cement-manufacturing company in east and central Africa.

The challenge

The objective of the program was to assure continuous supplies to Bamburi by providing working capital support to Bamburi's key suppliers. The program also aimed to optimize Bamburi's working capital cycle (i.e. stretching the payment period from 15 days for some of the suppliers to 30 days) without increasing cost to its supply chain, and to improve relationships with its suppliers.

Bamburi had a tightly controlled supply chain designed to reduce borrowing costs. It continued to pay its suppliers and logistic partners on the invoice due date and tried to match its payments to its logistic partners and suppliers with receipts from customers in an effort to optimize working capital and reduce borrowing costs. As a result, payments to suppliers would only be made on the due date and on occasion get delayed. Suppliers had to finance their operations with

bank borrowing at high costs, given their relatively small size and limited collateral, causing financial distress and high costs.

Ultimately, the suppliers' additional cost of borrowing (due to increased days outstanding) led to them repricing their services to Bamburi.

The solution

Citi proposed a supplier finance solution – the first of its kind in east Africa. Under the program, it paid Bamburi's suppliers on the due date of their invoices by drawing on Bamburi's credit facilities. While the interest cost was passed onto suppliers, the financing cost was lower due to the substitution of the suppliers' credit risk for that of Bamburi's. The solution therefore enhanced suppliers' loyalty to Bamburi.

Citi has committed to providing timely and efficient service to ensure the success of the program. Payment

instructions received before 12 noon will be processed on a same-day basis; instructions received after noon, on a next-day basis.

By supporting its suppliers, Bamburi was able to demand better payment terms and improve the efficiency of its working capital. Bamburi also benefitted from improved cash flow; its days payables were effectively increased because the final liquidation of the supplier finance loans were an average 30 days after the due date of invoices.

“Citi proposed a supplier finance solution – the first of its kind in east Africa.”

The benefit of the increased days payables allowed Bamburi to extend enhanced credit terms to its distributors, giving it a competitive advantage. ▶

The result

Citi began a pilot implementation of the supplier finance solution with one supplier in August 2008, after working extensively with it to identify and eliminate potential implementation problems.

Following due diligence, a further 14 suppliers were added to Bamburi's supplier finance program. Bamburi estimates an opportunity for cost savings of over USD200,000 a year, and it is considering expanding the program to its subsidiary in Uganda.

The increased days payables allowed Bamburi to extend enhanced credit terms to its distributors giving Bamburi a competitive advantage.



“Bamburi estimates an opportunity for cost savings of over USD200,000 a year, and it is considering expanding the program to its subsidiary in Uganda.”

Bamburi Cement Limited

Bosch-Siemens Hausgeraete (BSH) Turkey

Web-based supplier finance platform supports working capital goals

Germany's BSH is a leading white goods manufacturer in Turkey with an annual turnover of more than USD1.4 billion.

The challenge

A benchmarking study in the global white goods market showed that payment terms had lengthened to an average of 60 days. BSH Turkey's standard 30-day payment terms compared unfavorably to this average. The company decided to amend its payment procedures and sought a new banking partner to help it achieve this goal.

The principal criteria for selection were that the solution should be based around an electronic and automated platform in order to improve efficiency and reduce costs. Specifically, BSH Turkey wanted to simplify its procedures and reduce paper-based practices. A further requirement was that the solution should be simple for staff to use.

The solution

The solution structured by Citi enabled the company to extend its payment terms to key strategic suppliers. In addition, it gave those suppliers the opportunity to access cheaper finance than would have been available by allowing their invoices to BSH Turkey to be discounted in advance of the revised payment terms.

CitiDirect® Online Banking, the bank's electronic banking platform, was used as the web-based platform for invoice information for both BSH Turkey and its suppliers. Once an invoice to BSH Turkey is uploaded onto CitiDirect, the supplier can make an online application for finance. BSH Turkey uses CitiDirect to approve the payment and Citi then makes a book-to-book transfer in favor of the supplier or initiates an electronic funds transfer to a third-party bank.

The result

Implementation required detailed work to meet the accounting treatments required by BSH Turkey's auditors. At the same time, it was essential to keep documentation for suppliers to a minimum. Following meetings with stakeholders at BSH Turkey, suppliers, and Citi, the program was initially rolled out to 10 key suppliers. Following a successful launch it has subsequently been extended.

The program has strengthened the operational capital of BSH Turkey. It has also deepened its commercial relationship with its suppliers, who now have access to a discounting system that is easy to use and offers low-cost financing and additional credit limits.



Grand Covered Bazaar in Istanbul, Turkey.

“The program has strengthened the operational capital of Bosch-Siemens Hausgeraete Turkey. It has also deepened its commercial relationship with its suppliers.”

Bosch-Siemens Hausgeraete (BSH) Turkey

Rain CII Carbon (India)

Innovative receivables financing solution

Rain CII Carbon (India) is the world's leading producer of calcined petroleum coke.

The challenge

Indian calcined petroleum coke producer Rain CII supplies large metals and mining corporations like the National Aluminum Company (NALCO), Indonesian Aluminum, the Venezuelan Aluminum Corporation (CVA), the Dubai Aluminum Company Ltd (DUBAL), and BHP Billiton. Until December 2007, Rain CII sold its calcined petroleum coke to them supported by usance letters of credit.

In January 2008, Rain CII began to invoice some of its buyers under open account in order to meet the price expectations of its customers. Rain CII required a solution that would enable it to mitigate the risks associated with its open account sales while also providing it with cost-effective financing.

The solution

Citi devised a receivables financing solution for Rain CII's post-shipment

sales to two of his largest global buyers, a solution that met the company's credit risk mitigation and financing requirements.

“Citi's global reach and strong relationships with the buyers, who are global metal corporations, facilitated this innovative receivables financing solution for Rain CII.”

Now, when Rain CII raises invoices on sales and these are accepted by the buyers, Citi discounts the invoices and provides Rain CII with finance. Citi agreed to purchase the receivables from these buyers in case of non-payment on the due date on account of counterparty insolvency, mitigating Rain CII's risks.

The result

Citi's global reach and strong relationships with the buyers, who are global metal corporations, facilitated this innovative receivables financing solution for Rain CII. Despite the complexities inherent in counterparty risk mitigation structures, especially in legal documentation, implementation went smoothly and the first transaction under the new structure was completed in August 2008.

This tailored solution met Rain CII's specific risk mitigation needs and liquidity management objectives and provided financing at competitive rates while introducing new sources of funding.

Reliance Industries

Receivables finance mitigates risks, increases working capital, and diversifies funding

India's Reliance Industries is a Fortune 500 company with activities in oil and gas, petrochemicals, and textiles.

The challenge

In December 2008, Reliance established a new refinery adjacent to its existing refinery, doubling its refining capacity and requiring the company to find new markets for its increased production. Reliance needed to mitigate the risks associated with this expansion in sales and required substantially increased working capital funding. The company also wanted to improve its balance sheet management and diversify its sources of funding.

The solution

Citi India structured a limited recourse receivables purchase solution for Reliance for financing its post-shipment sales to global oil majors such as BP Singapore, BP Oil United Kingdom, Kuwait Petroleum International and Aviation Netherlands.

Citi Bahrain – used because limited recourse financing is not permitted in India – set up credit lines with each

of its counterparties. Based on these lines, Citi Bahrain issued payment undertakings to purchase receivables from these oil counterparties in the event of non-payment on the due date on account of counterparty insolvency.

“Reliance met its specific counterparty risk mitigation requirements and its liquidity management objectives using a complex structure that was not available in the Indian market.”

Consequently, Reliance was able to achieve risk mitigation. In addition, by making use of the agreed credit lines, the company gains access to export funding and diversifies its sources of funding, improving its balance-sheet management.

The result

The refinery came on stream in the first quarter of 2009 and Citi began implementing the limited recourse receivables purchase solution immediately.

Reliance met its specific counterparty risk mitigation requirements and its liquidity management objectives using a complex structure that was not available in the Indian market. The solution provided financing at competitive rates while introducing new diversified sources of funding.

The solution benefited from Citi's strong relationships with Reliance's counterparties, which facilitated the establishment of the credit lines that underlay the deal's structure.

100

América Móvil

A USD1.5 billion equipment financing solution

América Móvil is Latin America's leading wireless telecommunications provider with operations in 18 countries. The company has more than 182 million mobile customers and more than 3.8 million fixed lines throughout the Americas.

The challenge

América Móvil is a leading wireless telecom provider in Latin America. With operations in 18 countries, it provides telecommunications services for more than 800 million people. The company serves more than 182 million mobile customers, and provides nearly 4 million fixed lines in Central America and the Caribbean.

América Móvil didn't rise to such a dominant position by sitting on its hands. To provide top-notch service to its customers, the company is in continual innovation mode, investing in leading-edge technologies to enhance and expand its network.

Recently, the company was ready to purchase new network equipment from Nokia Siemens Network, Finland, and Ericsson AB, Sweden. By the second half of 2008, global credit markets suffered tremendous shocks from the collapse of entities like Bear & Stearns and Lehman Brothers. In turn, this tightened América

Móvil's traditional financing options – public debt markets – and once again ECA financing became an interesting opportunity. The real problem was that América Móvil needed to move extremely fast to secure this financing as markets were tightening very rapidly.

“América Móvil needed to move extremely fast to secure this financing as markets were tightening very rapidly.”

Fortunately, the company also had an existing relationship with Citi. “We had done ECA financing deals with Citi in the past for equipment purchases,” says América Móvil's Head of Corporate Finance, Ricardo Rivera. In fact, the company had worked with Citi on a 2005 syndication loan, which was subsequently converted into a Citi revolving credit line two years later.

The solution

A conversation was initiated, and before long, América Móvil realized that Citi was offering a better deal, in both size and pricing, than other market players were able or willing to do.

Citi acted as mandated arranger for a unique, ECA-supported financing package. The total volume of financing, spread across three charges, was just over USD1.5 billion – a considerable, and welcome, source of liquidity in an otherwise highly illiquid environment.

The financing was granted on the basis of procurement, the equipment makers' headquarters in Scandinavia, and their local subsidiaries. Beyond supporting goods sourced from Nokia Siemens and Ericsson, both agencies support a larger volume of local cost financing. The agencies can support 85% of goods exported from Finland and Sweden, plus local costs of up to 30% of the value of exported goods. ▶

One of the key attributes of the transaction was speed. Because Citi utilized a proprietary set of investors to fund the transaction, it offered “single-bank” execution that obviated the need for broad market syndication. As a result, the deal closed in record time; the first tranche of debt was closed in just four weeks.

Another benefit of single-bank execution was significantly lower pricing and execution risk than those that a multi-player transaction would have entailed.

The result

With the rapid USD1.5 billion cash infusion from Citi, América Móvil garnered the funding required to purchase needed equipment for upgrading and expanding its growing telecom network.

That is no small issue in the highly competitive Latin American marketplace, where another major

player is continually vying with América Móvil for market share.

“Citi had a very good sense of the needs of our company,” says Rivera. “Their pricing, speed of execution and service were all very much in line with our expectations. We would be more than happy to work with Citi again.”

With the rapid USD1.5 billion cash infusion from Citi, América Móvil garnered the funding required to purchase the equipment needed for upgrading and expanding its growing telecom network.



“Citi had a very good sense of the needs of our company. Their pricing, speed of execution, and service were all very much in line with our expectations. We would be more than happy to work with Citi again.”

Ricardo Rivera
Head of Corporate Finance, América Móvil

Eletrobrás

A USD600 million A/B loan for capital expenditures

Latin America's largest energy company, Eletrobrás is responsible for 38% of Brazil's total generation capacity, by means of 30 hydroelectric plants, 15 thermoelectric plants and two thermonuclear plants.

The challenge

Centrais Elétricas Brasileiras S.A.-Eletrobrás (Eletrobrás), Brazil's state-controlled power generation and transmission company, is the largest energy company in Latin America. Based in Rio de Janeiro, the company also encompasses multiple regional subsidiaries: Furnas, Chesf, CGTEE, Eletrosul and Eletronorte.

Eletrobrás maintains its leadership by continually modernizing and expanding its already sizable infrastructure – namely, a network of hydroelectric, thermoelectric and nuclear power plants, and a power distribution/transmission grid that spans Latin America.

In 2008, Eletrobrás was seeking a significant infusion of capital to help finance major infrastructure projects for itself and its subsidiaries over a four-year period (2009-12). The goal: increase power capacity and expand the transmission grid. Having

capital on hand internally would allow the company's subsidiaries to finance their projects internally, at more attractive rates than they could achieve individually by going outside to commercial markets.

Given the weak economic environment of early 2008, Eletrobrás was sure to send its Request For Proposal (RFP) to multiple commercial banks. Among them: Brazil-based Corporación Andina de Fomento (CAF) and Citi.

The solution

Given then challenging global economy, Citi knew that an innovative approach was required to craft and submit a winning proposal. So the bank teamed with CAF, who enjoyed "Preferred Creditor Status" in Brazil.

Together, Citi and CAF submitted a creative and highly tax-efficient proposal to Eletrobrás: a USD600-million loan divided into two parts:

- A 12-year A-Loan of USD150 million
- A 7-year B-Loan of USD450 million

While Citi acted as the joint bookrunner and mandated lead arranger, CAF acted as the lender of record. The entire financing amount was provided by CAF, representing its largest-ever A/B loan – as well as the largest A/B loan closed in the Brazilian market that year.

Because of its size, the B portion of the loan was subsequently syndicated, achieving meaningful oversubscription with commitments from 11 commercial lenders.

As is often the case in transactions of this size, there were a number of challenges to overcome. One was a short runway. Eletrobrás required precision timing in order to close the transaction by its self-imposed deadline of August 2008. Citi's and CAF's ability to meet that deadline proved to be fortuitous ▶

for Eletrobrás as a month later global commercial credit markets collapsed.

Another hurdle was regulatory in nature. Since the Brazilian government is the majority owner of Eletrobrás, multiple authorizations were required from government authorities, including treasury and planning ministries and other agencies. Working in partnership with the company and the Brazilian government, Citi and CAF were able to procure all necessary sign-offs.

The result

Thanks to the innovative A/B loan from Citi and CAF – and the stable execution achieved in a challenging global market environment – Eletrobrás now has the required funding it needs to finance multiple infrastructure projects through 2012. With ample revenue derived from debt services, the company can offer its subsidiaries reliable, low-cost project financing with zero exposure to currency variations.

If Eletrobrás's comments are any indication, the Citi/CAF alliance was a successful match. The company commended the working relationship between Citi and CAF, citing Citi's presence throughout the transaction and its proactive approach to meet client demands. Eletrobrás also lauded Citi's ability to structure the transaction, organize meetings, and provide all the answers they needed.

Finally, Eletrobrás fully intends to contact Citi on future RFPs – not only for financing, but also for other requirements, such as currency trading and rate swaps.

Thanks to the innovative loan structure and the stable execution achieved in a challenging global market environment Eletrobrás now has the funding for infrastructure projects through 2012.

Dubai Electricity and Water Authority (DEWA)

Export Credit Agency-backed deal solves financing challenge

DEWA is a 100%-owned entity of the Government of Dubai. The principal activities of DEWA comprise water desalination and distribution, and the generation and transmission of electricity throughout the Emirate of Dubai.

The challenge

DEWA was undergoing a massive expansion to triple its electricity generation and water desalination capacity as part of its capex plan from 2008 to 2010, from suppliers in Italy, France and Germany. The company needed external financing at a cost-effective price, but in summer 2008, when an RFP was issued, the global financial markets were dramatically weak.

The bank, bond, securitization and Islamic finance markets were for the most part closed to new borrowing, and in the following months conditions worsened. An additional challenge was that DEWA required long funding with an unprecedented long tenor – right at a time when investors were unwilling to fund long-term borrowing given the uncertainties in global financial markets.

The solution

Given the absence of other modes of financing, Citi – having been mandated as one of the Mandated Lead Arrangers (MLA) and overall deal coordinators in August 2008 – looked at support from Export Credit Agencies (ECAs) when it was structuring a long-term financing in March 2009.

The resulting USD1+ billion financing gave DEWA an unprecedented door-to-door tenor of 13 years, which is supported by comprehensive guarantees from three European ECAs; namely: France's Coface (USD180 million), Germany's Euler Hermes (EUR516 million) and Italy's SACE (USD150 million with an option of up to USD300 million).

The result

With between 95 and 100% of the deal AAA/AA-rated guaranteed by the three ECAs, along with attractive premium levels given Dubai's high OECD rating, DEWA was able to

“The resulting USD1+ billion financing gave Dubai Electricity and Water Authority an unprecedented door-to-door tenor of 13 years.”

achieve competitive pricing and a 13-year tenor in the current risk-averse environment. The financing delivered cost-effective, long-term borrowing for DEWA. It also enhanced the reputation of ▶

Dubai since previous financing from the Emirates had not gone beyond 10 years.

The financing was the first major multi-ECA financing for a quasi-sovereign from the UAE or the GCC. The EUR516 million Hermes tranche, which had 95% cover, was the largest approved for Dubai to date. SACE's USD150 million tranche carried an unusually high level of cover at 100%. SACE has also provided an option for another tranche of up to USD300 million, which would also benefit from 100% cover. Finally, COFACE showed its strong commitment, approving a total line of up to USD485 million to DEWA with the first tranche being approximately USD180 million.

Dubai Electricity and Water Authority was able to achieve competitive pricing and a 13-year tenor in the current risk-averse environment, delivering cost-effective, long-term borrowing.

“The financing was the first major multi-ECA financing for a quasi-sovereign from the UAE or the GCC. The EUR516 million Hermes tranche, which had 95% cover, was the largest approved for Dubai to date.”

Dubai Electricity and Water Authority (DEWA)



Men riding camels, Nad-al-Sheba Club, Dubai, United Arab Emirates.

Braskem

Export Prepayment facility a success despite difficult market conditions

Braskem is the leading integrated petrochemical cracker and thermoplastics producer in Brazil.

The challenge

March 2007, Braskem, Ultrapar, and Petrobras announced the acquisition of Grupo Ipiranga, in which Braskem would keep 60% of the petrochemical assets for USD1.2 billion. Citi, along with two other banks, provided USD1.2 billion in two-year bridge financing for the acquisition. As part of the bridge loan take-out, Braskem issued a 10-year USD500 million bond in May 2008, with Citi as a joint bookrunner. Part of the remaining USD700 million of bridge financing was structured as a syndicated Export Prepayment (EPP) facility with Citi as a joint bookrunner as well. The EPP was launched in August 2008, before Lehman Brothers bankruptcy, and successfully closed in October 2008.

The solution

As a joint bookrunner, Citi structured a USD500 million five-year EPP for Braskem (rated BB+ by S&P, Ba1 by Moody's, and BB+ by Fitch)

that addressed the concerns of banks in the worsening financial and economic environment. Close bank relationships and knowledge of market conditions pre-empted the facility from potential concerns while still fulfilling Braskem's structure and pricing expectations.

The security structure of the EPP was designed to reassure investors: it required that Braskem assign to a collection account a combination of cash and export sales agreements amounting to 110% of the debt service due in the next interest period.

The result

The syndicate attracted 19 banks to the EPP despite turbulent market conditions. Following overwhelming demand, the EPP was upsized from USD500 to USD725 million. Despite bank risk aversion increasing following the collapse of Lehman Brothers in September 2008, not only did no banks withdraw from Braskem's EPP, but the facility saw

an additional USD175 million of commitments from eight institutions. Furthermore, no market flex was required and no change was necessary to the financing structure.

The ability to anticipate the concerns of banks investing in the EPP and its execution expertise were crucial to its success. Had the transaction appeared in the market later, the financing could have faced insurmountable hurdles. Similar transactions during the period had to be restructured or withdrawn.

As a result of the success of the EPP, Braskem achieved the desired financing costs, significantly lower than anything that could have been achieved in the period beginning in October 2008, and has fully repaid its bridge financing. Moreover, Braskem's reputation in the financial markets has been further enhanced.

118

driving operational efficiency

Shared Service Centers, Automation and Connectivity

Strategic cost management and the ability to transform operations to enhance efficiency and gain better control over risk, while unlocking liquidity from within the organization, are critical to survival in today's environment. Citi brings the best of technology and connectivity capabilities, along with the proven expertise to help clients automate, standardize and centralize information flows, streamlining processes to drive operating efficiency.

Siemens

Local knowledge and technical flexibility deliver integrated solution

Germany's Siemens is one of the world's largest electronics and electrical engineering companies with revenues of EUR77.3 billion (USD107.98 billion) in 2008. The US-based Regional Treasury Center for Siemens' is responsible for managing payments for the 150 or so entities across Latin America.

The challenge

In 2007, Siemens launched a global project to fully automate and centralize all payments. The goal was to implement standardized payment processes for all payment types all over the world in order to get complete transparency over all cash flows, to minimize risks and costs associated with the process, and to ensure compliance with all applicable legal and regulatory requirements.

Siemens' web-based treasury system, finavigate®, always included an industry-leading payment factory for cross-border and cross-currency payments to meet these goals.

In order to meet these standards for domestic payments, Siemens was looking for global banking partners combining international presence with local expertise.

Siemens Capital Company, the US-based Regional Treasury Center for Siemens' 150 or so entities across the Americas that was mandated to

execute the project in the region, was looking for a bank with a local presence in all Latin American countries, one that could deliver a uniform payments solution that took into account specific local ACH requirements and Siemens' global requirements.

The solution

Siemens integrated domestic payments into well established finavigate processing, while Citi structured an integrated payments solution that included Citi® File Xchange, a global gateway for file transmission and translation that integrates payments, and other high-volume transactions, and information with a company's ERP or treasury system. In this structure, each local Siemens entity holds domestic Citi accounts. The local entity creates a payment file to send to finavigate. finavigate uses this information to create a standard PAYMUL CRG (EDIFACT) file ensuring that all necessary data for the execution of the respective payments is included.

The treasury system then connects to Citi File Xchange to send the file with payment instructions to be disbursed to Siemens' beneficiaries via the applicable payment instruments in each country, with Citi mapping the standard EDIFACT format to the formats used in each local clearing system.

“In this complex multi-country and multi-entity project, Citi used its implementation and project management expertise to ensure effective execution.”

The host-to-host solution provides an automated way to execute payments while taking into account the payment instruments available in each country. In addition, daily SWIFT MT940 messages give Siemens visibility of all postings and balances. ▶

The result

During Siemens' evaluation of potential partners in late 2007, Citi conducted in-country workshops to facilitate Siemens' understanding of the regulatory and payment challenges of each Latin American country. Based on this advice and Citi's broader experience, its local and global presence, its technological capabilities, and its competitive pricing, Citi won the mandate.

Starting with Mexico, Siemens and Citi began a phased implementation in early 2008. By the end of 2009, local payments in Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Mexico, Nicaragua, Panama, Peru, and Uruguay will be implemented.

In this complex multi-country and multi-entity project, Citi used its implementation and project management expertise to ensure effective execution. Citi experts

worked with Siemens' team to establish the account structure, connectivity, and customized file mapping, and later performed end-to-end file testing to integrate into the solution Siemens' primary entities before moving onto the next country. Citi's and Siemens' local teams facilitated the implementation of the remaining entities in each country (in Mexico, for example, the company had 17 entities). Such an approach ensured that the project was implemented in a timely and effective manner. The result was a smooth implementation that built on the success of each successive country implementation.

Ultimately, through this solution, Siemens has enhanced visibility and control of its payments in Latin America and has significantly reduced costs associated with manual transactions. Moreover, it has begun a process that will ultimately eliminate paper-based payments.

Siemens has enhanced visibility and control of its payments in Latin America and has significantly reduced costs associated with manual transactions.

Amgen

Harnessing technology to improve treasury efficiency

Amgen, a human therapeutics company based in California, provides medicines to fight different illnesses around the world, with operations in more than 30 countries and generated global revenues of USD15 billion.

The challenge

The company's treasury operations outside the US are run by Amgen Global Finance BV, its in-house bank in the Netherlands. Citi has been the bank's main international banking partner since 2003.

In 2007, the company's treasury department began to face several problems, chief of which was a fragmented treasury model. Cash pooling, global netting, inter-company lending and the payments factory were all on stand-alone systems that required separate interfaces with the ERP system.

Another problem was a complex and inefficient reconciliation structure that required the creation of extra bank accounts for cash pooling administration, the payments factory, and global netting. To cap it all, there was a scarcity of qualified treasury professionals in the local labour market.

The company therefore decided to restructure its treasury management function, and enlisted Citi's support.

“The company decided to restructure its treasury management function, and enlisted Citi's support.”

The solution

Amgen, Citi, and software company SAP collaborated to develop and implement the solution, which centered on the creation of a sub-ledger in Amgen's core ERP system to allow it to maintain all aspects of in-house banking, such as cash pooling, and the building of an interface with Citi to facilitate the creation of a payments factory. The number of interfaces was reduced to just one, namely Amgen's core ERP application, which the treasury department uses for all processes.

The result

The benefits include: a reduction in the number of bank accounts, converting cross-border payments to ACH payments, executing internal cash settlements using accounting entries rather than external cash flows, aligning netting timelines and hedging timelines, and cost savings of USD1 million a year.

The sub-ledger solution is called In-House Cash (IHC), provided by SAP as part of its ERP software. Amgen conducted an internal audit in January 2009 that found IHC had worked perfectly since its implementation in April 2008. IHC is a perfect example of how a banking partner like Citi can help a corporate client harness the power of technology to improve the efficiency of its treasury function.

Grupo Carvajal

Centralized treasury structure delivers visibility and control

Grupo Carvajal has media, printing, communications, and services operations in 15 Latin American countries, Spain, the US, and China.

The challenge

Grupo Carvajal had a decentralized treasury structure in Latin America. Treasurers at its local entities were responsible for banking relationships, which were with major local banks in each market. The company had no regional support or standardized products or solutions.

Grupo Carvajal decided to centralize its regional accounts with one bank and standardize its processes and systems. The company planned to invest significant resources in order to automate its treasury and needed a bank with a regional presence to support it in that goal.

The solution

Following an RFP, Citi was appointed because of its regional strength, powerful product offering, and strong support.

The bank created a tailor-made solution for Grupo Carvajal that

included an account structure that enabled its regional treasury center based in Cali, Colombia, to have complete visibility of all Latin American accounts and those in New York. A passive collections arrangement was chosen for all countries, with an additional active collection system in those countries where it was available.

Citi's PayLink local currency payment solution was implemented across Latin America, giving Grupo Carvajal complete control, process centralization, and integration with its ERP system.

CitiDirect® Online Banking ensured that the company had full visibility and control of its bank accounts across the region. This banking platform is now fully integrated into Grupo Carvajal's accounting system.

The result

Given the scale of the project, it was essential that implementation be carefully planned and executed.

Citi and Grupo Carvajal's senior management worked together extensively before the process began, and communication continued during implementation. As a result, the switch from local treasury control to regional treasury control was seamless.

Grupo Carvajal achieved all of its original goals. Its account structure, collections, and payments are fully centralized, giving the regional treasury an unprecedented level of visibility and control over regional operations. Equally, the information generated by the new structure is fully integrated into Grupo Carvajal's accounting system, enabling informed decision-making and effective use of liquidity across individual entities and the group overall.



“Citi’s PayLink local currency payment solution was implemented across Latin America, giving Grupo Carvajal complete control, process centralization, and integration with its ERP system.”

Grupo Carvajal

Jabil

Effective integration of China into a new ERP system

US-headquartered Jabil is an electronic manufacturing services company, providing electronics design, production, and product management.

The challenge

Jabil was making several thousand payments each month without a centralized cash management structure. Following rapid expansion by acquisition, Jabil wanted to increase central control of payments. It also wanted to lower costs, increase efficiency by reducing manual processes, and enhance risk management and compliance.

In 2006, as part of a new ERP system rollout, Jabil decided to integrate its operations in India, Malaysia, Singapore, Japan, Vietnam, and Taiwan through a single delivery channel. The company also wanted to integrate China, where it has 10 entities, despite the challenges associated with centralizing local Chinese payments from an offshore location.

The solution

Citi won an RFP in October 2006 on the strength of its Asian branch network and the technical capabilities of its Citi® File Xchange (CFX) and CitiDirect®

Online Banking offerings. CitiDirect offers real-time visibility and control over Jabil's bank accounts in Asia and enables automated report generation. It also manages reconciliation and reporting. CFX provides a seamless local connection and enables straight-through processing by translating files generated by Jabil's ERP system and acting as a gateway for host-to-host connectivity.

Jabil's ERP system uses a Latin alphabet database, so for local currency payments in China (which naturally require Chinese characters) Citi devised abbreviated codes, which are then enriched with bank information to become regular payment files. In order to accommodate local documentation requirements relating to FX payments, such as sales contracts and local approvals, Citi offered to check documentation onsite for Jabil.

The result

An implementation team was established in May 2007 with Malaysia as the first country to have

been chosen for the ERP rollout and China as the second. The ERP system is now fully implemented, and the integration of Jabil's Asian operations into a single delivery channel (each country took around two months) is complete.

“Citi has local people throughout Asia who know the regulations and concerns.”

Implementation went smoothly and Jabil has gained the control it sought over local payments and enjoyed substantial efficiency savings. “Citi has local people throughout Asia who know the regulations and concerns,” says Hantai Qin, Treasury Manager, Asia-Pacific region at Jabil. “At the same time, Citi's Asia people coordinated the project and focussed on the big picture.”

Michelin

Unique payment and liquidity solution for Western Europe generates improved efficiency

Michelin is the world's number-one tire producer, manufacturing 177 million tires and 16 million maps and guides in 2008.

The challenge

In 2005, Michelin decided to select a single bank for mass payments and liquidity management for 14 western European countries, 22 entities, over 90 accounts, and 1.2 million transactions a year.

The company wanted full centralization and mobilization of its subsidiaries' cash with a goal of zero balancing for perfect optimization of cash. As part of this goal, Michelin required strong forecasting tools and processes at country level to give its central treasury a complete visibility of its positions.

Michelin planned to automate and secure each subsidiary's payments processes by rationalizing the number of payments, formats, delivery channels, and authorization workflows. It also wanted to improve its shared service center's efficiency. Michelin also harmonized its Oracle ERP application across the region to ensure it had, among other things, a clean and updated beneficiaries database and mapping tools that allowed a

fully automated integration and reconciliation of its bank statements

The solution

Citi proposed a single, central, secured delivery channel and one file format for all western European mass payments, including suppliers, payroll, and tax. A pan-European cash pool structure combining domestic zero-balancing accounts and cross-border zero-balancing accounts in major currencies was established in London. These accounts are fed to the ultimate header account at the end of each day.

A global electronic banking platform gave each subsidiary treasurer local control and visibility of payments. The solution included payroll monitoring and a payment calendar for other types of payment.

A central customer service point of contact was established, with local language support where appropriate. A central implementation manager and technical implementation manager were responsible for the project.

The project was outlined in a legally binding service-level agreement outlining every detail of the process as a safeguard against any misunderstandings.

The result

Citi won the mandate in 2006, completing the first phase of implementation in September 2006 and the initial countries covered by the project by the end of 2007. As a result of the solution's success – and Michelin's and Citi's close partnership – the solution was extended to Romania in 2008, with Poland, Hungary, and North America to be added in 2009.

Michelin has achieved substantial cost efficiencies by reducing its payment costs, using its shared service center effectively, and optimizing its cash utilization. Working capital was improved by increasing the control and visibility of the company's payments and liquidity. The project increased centralization but it has also extended the responsibilities of local treasurers, whose support enabled successful implementation.

“Michelin has achieved substantial cost efficiencies by reducing its payment costs, using its shared service center effectively, and optimizing its cash utilization.”

Michelin

SAP Asia

Centralized operations enable efficient integration of new businesses

In 2002, SAP Asia established its shared service center (SSC) - one of the first in Asia and the first globally for SAP - and its partnership with Citi ensures that it remains technologically advanced and flexible.

The challenge

SAP selected Citi in 2002 as its Asia Pacific cash management bank to support the establishment of an SSC in Singapore. The bank initially managed domestic payments and cross-border funds transfers for Australia, Hong Kong, Indonesia, Korea, Malaysia, New Zealand, the Philippines, Singapore, Taiwan and Thailand. Payroll services were also centralized while integration with CitiDirect® Online Banking enabled straight-through processing and account reconciliation.

In 2006, SAP decided to integrate India into its SSC, and in 2007 it also added Japan. The rationale was straightforward: SAP wanted to unify management of its operating countries in the region, produce faster, more accurate information, simplify data administration, reduce the impact of growth on costs and enforce consistent use of automation and workflows. Ultimately, the goal was to improve compliance and corporate governance.

A further integration challenge arose in 2008, when SAP acquired BusinessObjects, which had a presence in six Asian countries. In addition to the specific tasks of integrating India, Japan and BusinessObjects, SAP has constantly looked for ways to improve its processes and stay at the forefront of SSC innovation.

The solution

In both India and Japan, SAP chose to move its banking to Citi in order to facilitate integration into its SSC. In India, Citi's deep, domestic knowledge base allowed it to handle risk and cash management issues in India, including the country's legendarily complex clearing infrastructure.

Similarly, in Japan, where a smooth transition was especially important for SAP given the size of the market, the move to an SSC model prompted the company to switch its business from a domestic bank to Citi. Given the traditional autonomy enjoyed

by SAP's Japanese operation, it was crucial to handle the cultural issues associated with the move sensitively.

In integrating BusinessObjects, it was essential for SAP to take control of BusinessObjects' cash and accounts and achieve visibility of cash quickly. It was also important to migrate BusinessObjects' processes to SAP's as rapidly as possible in order to gain maximum efficiencies.

SAP's ongoing streamlining of end-to-end processes is achieved through a structured system that assesses current working practices and evaluates the return generated by any potential change. "We work with the Shared Services team, and relevant experts, including Citi, to discuss automation using technology and streamlining to remove manual processes," says Colin Sampson, Regional CFO, Asia Pacific & Japan, SAP, Singapore. "Once we've identified efficiencies, we bring in the IT people to see whether there is a return-on-investment case." ▶

The result

SAP, working with Citi, has created a flexible and responsive SSC that made the integration of operations in India and Japan – and BusinessObjects – straightforward and fast, enabling SAP to realize efficiency savings. For example, Citi started migrating BusinessObjects' processes in to SAP's SSC in April 2008 and completed the entire process – including opening accounts, enabling these electronically and implementing payments onto SAP's system – by July 2008.

Perhaps most importantly, SAP has established a culture that continually looks for the more efficient processes – from the most complex payment tasks to simplifying data entry for interview procedures that then feeds through to payroll. “We have a structured way for discovering facts that has proved central to our success as an SSC,” says Sampson. “And equally, we have systems in place to analyze the cost and time involved in every decision we could make.”

That culture means that SAP is always looking for new ways to drive change. “Asia was our first SSC and we now have regional SSCs around the world,” explains Sampson. “Our aim is to globalize processes, and ultimately it may be possible to centralize individual processes into one global service center. Obviously, there are time-zone, language and skill barriers to overcome. But we are committed to finding a way and we are confident that Citi is the right partner to help us identify ways in which we can achieve our cash management and treasury goals.”

By working with Citi, SAP has created a flexible and responsive SSC that makes integration straightforward and fast, enabling them to realize efficiency savings.

Sky TV

Leveraging the advantages of a single, integrated treasury solution

Sky TV (Corporacion Novavision), the leading satellite television provider throughout Central America and the Caribbean, offers the finest TV experience available to more than 200,000 subscribers, with annual sales of over USD60 million.

The challenge

Having grown to market prominence in Central America and the Caribbean through strategic acquisitions, Sky TV sought to centralize its treasury across borders. The goal: gaining the efficiency, flexibility, and financial leverage afforded by a single integrated solution for managing liquidity, payment, and receivable flows.

The solution

Citi was uniquely positioned to help Sky TV maximize the advantages of a centralized treasury, supporting business growth, reducing operating costs, and guaranteeing security and control over financial processes. In fact, Citi has been delivering an integrated solution that concentrates treasury operations for nearly a decade.

Today, the advanced capabilities of Citi's electronic banking platform, CitiDirect® Online Banking, ensure integrated domestic and cross-border

payments and receivables along with the acquiring services for credit card payments.

From a treasury center in Mexico, Sky TV has group-wide visibility and control across subsidiary relationships in Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Panama, Nicaragua, and Belize – and it relies on the same world-class service in every country.

“Citi’s consultative approach, taking the time to understand the unique needs of our business, helped deliver the right payment, collections, and liquidity solutions, positioning Sky TV for continued growth.”

The result

Sky TV's optimal solution was the outcome of its longstanding relationship and active partnership with Citi. Working with Citi, Sky TV leveraged the bank's expertise in local and global banking and continuous investment in the latest technologies.

Sky TV Regional Treasurer Jorge Hernández Santoyo first explored this opportunity while engaged as a participant in Citi's 2007 Treasury Management Week event. “Through participation in the forum,” he says, “I gained a comprehensive understanding of Citi's extensive footprint and how Citi was prepared to put connectivity and integration to work. Citi's consultative approach, taking the time to understand the unique needs of our business, helped deliver the right payment, collections, and liquidity solutions, positioning Sky TV for continued growth.”

Minor Group

Overcoming organisational complexity to deliver best-in-class processing efficiency

Thailand-based Minor Group operates over 80 food, hospitality, apparel, and cosmetics entities. Minor International Pcl. and Minor Corporation Pcl. in aggregate had a turnover of USD570 million in 2008.

The challenge

Minor Group's complex structure comprises over 80 companies in Thailand, Singapore, China, the Maldives, the United Arab Emirates, etc. Having grown rapidly by acquisition, the company wanted to rationalize its internal processes and payments (which include checks, RTGS, ACH, and e-payments) and improve its liquidity management.

Minor Group's goal was to create a best-in-class standardization, automation, and outsourcing solution while minimizing changes to its existing legal or account structure. In addition, the company wanted to complete the project in the shortest possible time and without substantially increasing the burden on its resources. The Thai payments system provided a further challenge as it is paper-based and has complex withholding tax arrangements that require precise reconciliation.

The solution

Citi won an RFP in mid-2008 with a solution using PayLink for supplier payments and CitiConnectSM for tax and utilities payments – effectively outsourcing the end-to-end payments process. In order to streamline Minor Group's processes, Citi devised an innovative solution involving digital capture and management of paper-based invoice data.

For liquidity management, a cross-bank pooling structure was created to physically sweep funds from local bank accounts to Citi at day-end where a zero balance structure managed liquidity. The solution was integrated with Minor Group's ERP system and using CitiDirect® Online Banking a shared service center functionality was achieved, including the ability to investigate payments and receive comprehensive reporting and reconciliation, without the associated cost.

The result

Implementation began in June 2008 and the solution – which included the first payment outsourcing in Thailand – went live in a record five months. Citi now processes over 20,000 payment transactions a month from Minor Group.

“The solution is not commoditized but an innovative answer to Minor Group's payments and liquidity needs. As a result, Minor Group has reduced risks, lowered costs, and improved operational efficiency – without large-scale investment in new resources,” said Kajondej Lenavat, Group Finance Director.



Damnoen Saduak Floating Market, Bangkok, Thailand.

“Minor Group has reduced risks, lowered costs, and improved operational efficiency – without large-scale investment in new resources.”

Kajondej Lenavat
Group Finance Director
Minor Group

Pfizer

Collaborative innovation drives SSC effectiveness

Pfizer is the world's largest pharmaceutical firm with over USD48 billion in revenues and approximately 81,900 colleagues in more than 150 countries.

The challenge

Like many multinational corporations, pharmaceutical company Pfizer has adopted an shared service center (SSC) model to optimize common processes across its international treasury operations. These operations are managed across regional SSCs, known collectively as Global Financial Shared Services (GFSS).

Pfizer recently decided to outsource some of the tasks managed by its European SSC and treasury center in Dublin to a BPO partner in Eastern Europe and India. As Pfizer had been using Citi as its single European banking partner since 2002, it asked the bank to help with the migration of these tasks to the BPO company. The challenge for Citi was to speed up the migration by automating and digitising key workflows, and to provide the greater visibility and control required by Pfizer under the new outsourcing arrangement.

The solution

Citi and Pfizer worked together at Citi's Dublin Innovation Centre to develop the solution, which had three elements: streamlining the account management process, removing order-to-cash (O2C) and purchase-to-pay (P2P) inefficiencies and creating a performance dashboard to optimize transaction processing efficiency.

1. Streamlining the account management process

Pfizer implemented Citi's Electronic Bank Account Management (eBAM) solution, which replaced many of the manual and paper-based methods for managing bank accounts with electronic alternatives. Citi formed a cross-functional team to create digitized access entity agreements and customer activation forms. The bank then provided a secure portal for the company to manage its accounts, using digital signatures authenticated by a third party.

By reducing the expense, risk and inefficiencies of written signatures, and by enhancing control and visibility over account processes, eBAM has accelerated Pfizer's replacement of in-country bank accounts with Citi accounts at the SSC level.

2. Removing O2C and P2P inefficiencies

On the O2C side, Citi worked with GFSS to standardize and optimize procedures across its ERP and treasury systems. Pfizer now automatically matches about 70% of cash receipts to purchase orders and invoices.

On the P2P side, Citi and Pfizer collaborated to create a three-way reconciliation process between automatically uploaded statements of bank charges, Citi's rate card and accounts payable and accounts receivables volumes reported by Pfizer's Oracle ERP system. Total transparency through automation ▶

of billing processes not only reduced costs, but also strengthened key banking relationships.

Pfizer is also moving toward e-invoicing with the development of a secure portal that enables suppliers to upload invoices to be entered onto GFSS's ERP system within two hours.

3. Creating a performance dashboard to optimize transaction processing efficiency

Pfizer had already centralized substantial levels of data into GFSS's management dashboard, but the outsourcing agreement heightened the need for visibility and control. Pfizer wanted Citi to feed its data into the dashboard, both for monitoring purposes (to check on things like straight-through-processing rates and reject returns) and to ensure the efficient resolution of queries raised by the outsourcing partner.

Citi therefore developed a web-based scorecard for reporting the status of queries from the BPO partner, and

built predictive capabilities into the dashboard to pinpoint and resolve any performance problems. For this first phase of the performance dashboard, the priority metrics included electronic payments and receipts, investigations, and account openings and closures.

The result

By working in a spirit of collaboration and openness, Pfizer and Citi implemented solutions that yielded significant benefits for GFSS – more visibility, control and process efficiency.

In particular, the creation of a performance dashboard to improve transaction efficiency paved the way for a valuable benchmarking tool for banking services that could be applied to companies in other industries.

The creation of a performance dashboard to improve transaction efficiency paved the way for a valuable benchmarking tool that could be applied to companies in other industries.

152

improving cash outflow

Global Payments, Payment Factories,
Commercial and Prepaid Cards

In an increasingly complex global environment, making payments efficiently and cost-effectively remains a key challenge for companies today. Citi combines a global network, flexible suite of broad-based capabilities and integrated information tools to deliver seamless payment solutions to our clients. We also continue to enhance and evolve our platforms, embracing new technologies to deliver the next generation of value-added payment solutions.

Hotelbeds Spain

Integrated payment and liquidity solution delivers control and efficiency

Hotelbeds' Finance Service Center (FSC), also serving the Spanish subsidiary of TUI Travel PLC, provides incoming travel services to travel professionals and over 25,000 resorts worldwide.

The challenge

In late 2007, following increased business volumes and several banking interfaces, Hotelbeds decided to overhaul its financial processes, which relied on multiple banks, to increase automation, consistency, and security. The company's goal was to fully automate its treasury and ERP integration in order to standardize internal processes and improve working capital liquidity. Specifically, Hotelbeds wanted to use a consistent market-standard infrastructure to make payments to over 80 countries, and automatically fund them through its liquidity structure. The company also intended to use the IDoc SAP file format with digital signature and MT940 for financial reconciliation.

The solution

Citi was selected as their banking partner early in 2008 – based both on the strength of the detailed analysis and solution for how to best meet Hotelbeds' needs in multiple countries and on Citi's track record in successfully

delivering an integrated treasury solution for a major Spanish airline.

Citi opened EUR, USD and GBP accounts for Hotelbeds' main entities in Spain, France, and the UK. These accounts were linked to a domestic target balance at local country level and a cross-border target balance at the regional header account in London.

Citi integrated its wire transfers and WorldLink® payments solution with Hotelbeds' XRT treasury system and digital signature for maximum security. Payments were automatically routed through the correct channel using Citi® File Xchange and reporting and reconciliation statements were automatically delivered using consistent MT940 messages. In addition, accounts payable and receivable were integrated with the company's SAP system using the IDoc format.

The result

The implementation of Hotelbeds's new payment and liquidity structure began in March 2008 and was

completed in August. The company's direct debit collection for the UK and France is expected to go live shortly with new countries being added in the coming months.

“Hotelbeds has gained a secure environment for mass payments through one channel, creating excellent STP efficiencies.”

“Hotelbeds has gained a secure environment for mass payments through one channel, creating excellent STP efficiencies,” says Jorge Sabater, Head of Finance Service Center at Hotelbeds. “Our visibility and control has improved markedly, eliminating concerns about fraud. Hotelbeds now has liquidity efficiency across all countries through automated sweeps across euros, dollars, and pounds sterling, and automatic funding for payment.” In addition, Hotelbeds has enjoyed a reduction in banking fees and now has a transparent price schedule without float being taken.”

Norbulk Shipping

Payment solution frees up company to focus on adding value

Norbulk Shipping is a global leader in ship management and the provision of vessel services.

The challenge

Norbulk Shipping makes payments to suppliers globally in various currencies on behalf of the ships that it manages. Its invoices were paper-based, processed manually, error-prone, costly, and time consuming both for Norbulk and its suppliers. The company was eager to use technology to improve efficiency. Moreover, it wanted to eliminate the need for multiple currency accounts.

An additional challenge for the company was that ship owners wanted expenses, such as crew salaries and docking fees, to be differentiated for each ship that Norbulk managed. However, the ship owners wanted to make only one consolidated transfer of funds each month to minimize costs and complexity. Meeting these two objectives using a traditional, paper-based payments system was difficult.

The solution

Norbulk appointed Citi as its payment bank in 1991, on the basis of Citi's flexible payment offerings, its franchise network, and its ability to provide a transparent audit trail.

In addition, the bank's solution offered a significant cost advantage for the company due to its fixed-cost structure, which also made forecasting easier for Norbulk. Most importantly, Citi's technology, including CitDirect® Online Banking and WorldLink® Payment Services, meant the bank could offer a complete global transaction solution that interfaced seamlessly with Norbulk's ERP system.

"Citi was – and remains – ahead of the competition for online payments and banking," says Ian Davidson, Finance Director at Norbulk. Citi opened a header account for each ship owner to enable bulk payments. In addition, each ship got a separate euro/dollar account and WorldLink branch linked to the relevant ship's account.

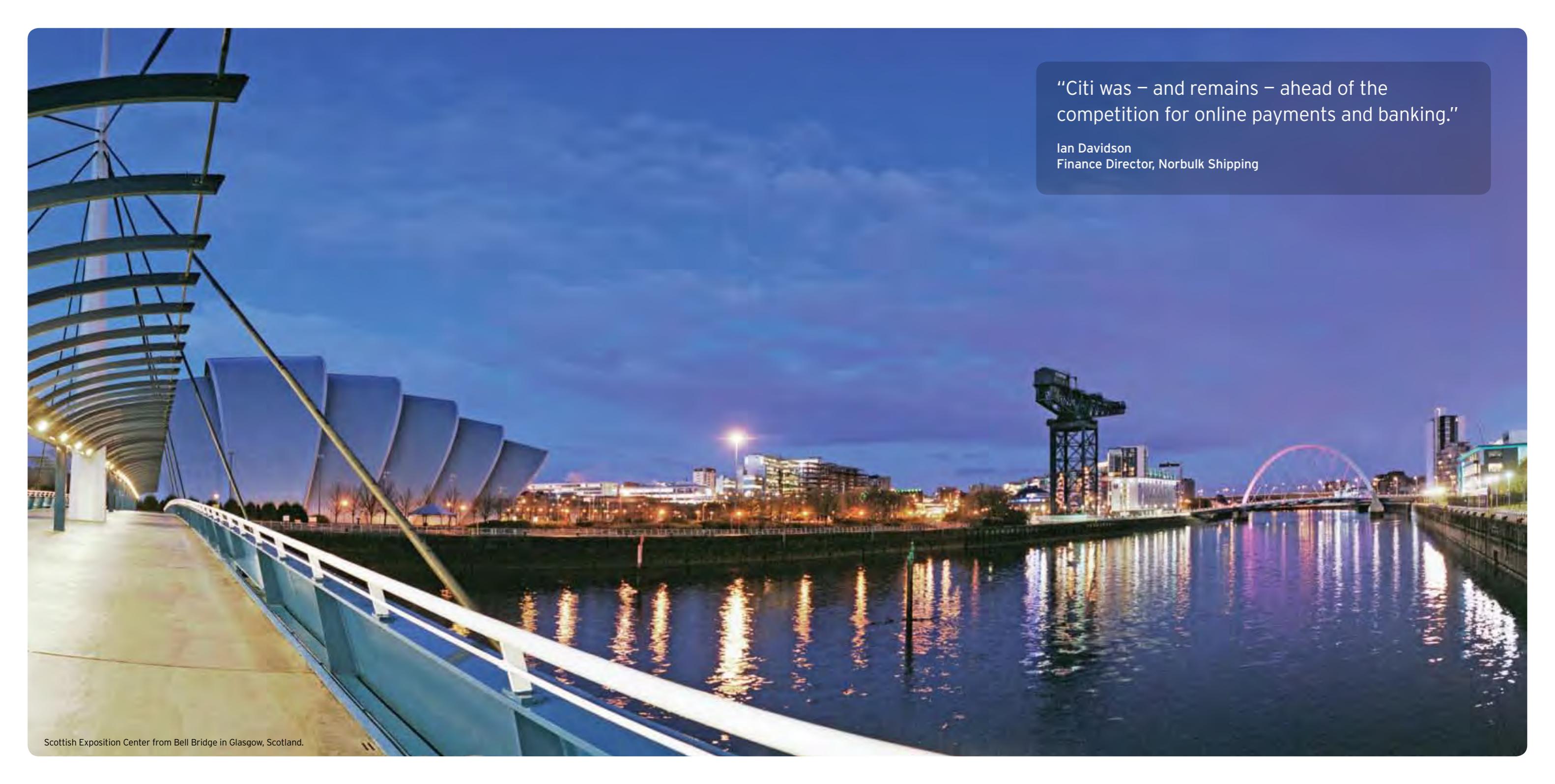
Foreign-currency payments are processed automatically using favorable WorldLink online bulk rates at an agreed spread.

The result

Once the initial paperwork was completed, the implementation of Norbulk's payment solution was straightforward. As Norbulk has gained new clients, it proves easy to integrate them into its payment system. Norbulk has experienced substantial productivity gains from using Citi's solution.

"Our ship accountants can now handle a larger workload and focus on offering value-added services," says Davidson. Norbulk's suppliers have also benefitted: "Citi's system allows us to trace payments quickly and send PDF copies to suppliers immediately," explains Victoria Burns, Fleet Accountant at Norbulk.

Citi's success in meeting Norbulk's needs is reflected by its 17-year relationship with the bank.

A nighttime photograph taken from the Bell Bridge in Glasgow, Scotland. The bridge's distinctive curved, ribbed structure is visible on the left, leading the eye across the water towards the Scottish Exhibition Center. The city lights are reflected in the water, and the Arches Bridge is visible in the distance. The sky is a deep blue with some light clouds.

“Citi was – and remains – ahead of the competition for online payments and banking.”

Ian Davidson
Finance Director, Norbulk Shipping

Microsoft Asia Pacific

Standardized and centralized payment processes across Asia Pacific

Microsoft is the worldwide leader in software, services and solutions that help people and businesses realize their full potential. With offices on the five continents, Microsoft develops products that meet the needs of a wide range of consumers and organizations all over the world.

The challenge

Microsoft had a decentralized payment structure in Asia Pacific. Each country selected separate payments banks and consequently there was no consistency in payment processes or bank interfaces. The resulting lack of control and security made compliance with Sarbanes-Oxley challenging.

“Payment reports had to be manually imported and validated before being imported into CitiDirect®,” explains Say Mei Feng, Group Manager, Asia Global Shared Services in Microsoft’s Operations in Singapore. “Our aim was to mitigate the risks associated with that process by sending the data straight to Citi.”

In addition, Microsoft’s decentralized structure meant that costs for payment processing were both high and opaque.

In 2004, as part of a process centralization initiative, Microsoft set up an internal SSC in Singapore covering seven countries: Australia, Hong Kong, Indonesia, Japan,

Malaysia, New Zealand, and Singapore. In line with its global finance initiative – OneFinance – Microsoft leveraged their existing internal SSC to further align their processes to a global model and added another nine countries to the fold – Bangladesh, China, Korea, India, the Philippines, Sri Lanka, Taiwan, Thailand, and Vietnam.

The solution

Citi won an RFP for the project with a solution that made use of its global reach and standardized technology platform. The solution standardized payment processes and centralized them at the SSC in Singapore. It included Citi® File Xchange (CFX) integration with SAP to create a fully automated payment process.

Microsoft was able to make use of all relevant payment methods, including PayLink checks, in each country. Industry-standard PAYMUL file formats were used, incorporating local language where it was required for local payments. Beneficiary

advice was sent by email or fax for every country and for all payment types, and the reporting and reconciliation of payment accounts was achieved with MT940 electronic bank statements.

The solution entailed the opening of local accounts with Citi for each Microsoft entity in every country covered along with US-dollar accounts where appropriate. Overall, around two-thirds of the company’s local accounts with third-party banks were closed. “We were eager to streamline the number of banks that we worked with and our account structure,” says Mei Feng. Following planning and technical connection phases, implementation took place in four country groups. The first group comprised Singapore (the location of Microsoft’s internal SSC), Hong Kong, and Malaysia (the last two of which are managed from Singapore). The final stage, including India, Bangladesh, and Sri Lanka, was completed in 2008. ▶

“Implementation was a huge success,” says Mei Feng. “The single point of contact at Citi mirrored our own structure.” The project was largely driven by the central Accounts Payable Global Shared Service team and did not leave much discretion with the local Finance team.” We made it a condition that to join the internal SSC, each country had to sign up with the regional payment platform – Citi,” explains Mei Feng. Similarly, Citi’s dedicated IT team worked closely with Microsoft’s internal SAP team to ensure a seamless integration. “Integration with the SAP ERP system has been excellent,” she says.

The result

Microsoft now has standardized and centralized payment processes and platforms in Asia Pacific with consistency between countries in the region. “It means that everyone only has to learn one set of processes and procedures, making training straightforward, for example, and

freeing up resources for high value-added work,” says Mei Feng. “Most importantly – with just one login, the central payment team can get access to all our regional accounts,” she adds.

The company has improved control and now has industry-standard security, connectivity, and file formats. Consequently, Microsoft has fulfilled one of the key goals of its payment project in facilitating Sarbanes-Oxley compliance.

At the same time, Microsoft’s payment costs have been significantly reduced. By automating processes and integrating its ERP system with Citi, it has also enjoyed a reduction in error rates. The success of the solution has proven to be a catalyst for further streamlining by Microsoft, with the company subsequently outsourcing finance and accounting activities, including accounts payables processing, to a business process outsourcing firm (BPO), further reducing costs and improving operating efficiencies.

The company has improved control and now has industry-standard security, connectivity, and file formats facilitating Sarbanes-Oxley compliance.

DKV Globality

Creating a global payment solution with WorldLink

DKV Globality, established in Luxembourg in 2008, provides private health insurance to expatriates around the world and is part of the International Health Division of Munich Re.

The challenge

DKV Globality's treasury department wanted to set up a cash management function that would run efficiently and at an optimal cost. The function would need to make payments in many currencies to beneficiaries around the world, provide timely and accurate foreign exchange conversion information, control the costs of single transactions, be reliable and secure in all countries, have automated reconciliation processes, and be useable by Munich Re subsidiaries worldwide.

The solution

DKV Globality appointed Citi as its transaction banking partner in 2008 to provide a range of cash management services through WorldLink® Payment Services, a complete international payments solution that allows its users to make secure, efficient, cross-border payments in more than 135 currencies, without having to maintain multiple currency accounts.

One of WorldLink's biggest attributes is its ability to save costs since it eliminates the need for multiple foreign currency accounts and associated idle balances, as well as the extra charges and time-consuming reconciliation that are often required.

WorldLink also facilitates systems integration - it submits payment instructions from the client's ERP system via a Citi® File Xchange host-to-host solution, known as CP2E. Account statements, payment reports, and status updates on the payments are then fed back into the ERP.

Other features of WorldLink are that it minimizes risk by reducing cheque fraud, counterparty risk, clearing and settlement risk, and currency devaluation; provides competitive foreign exchange rates; streamlines clearing; and allows Munich Re subsidiaries to be added under a new WorldLink identity using the same set-up procedures.

The result

By using WorldLink, DKV Globality's treasury department has cut its international payment costs; integrated its payments systems; and minimized the risk of cheque fraud, counterparty default, clearing and settlement, and currency fluctuations.

“By using WorldLink our clients have benefitted from greater reliability and a quicker turnaround within the claims settlement process.”

Thomas Merten, DKV Globality's Chief Executive Officer, says: “Through WorldLink we have achieved a transparent and lean cross-border payments process. More importantly, our clients have benefitted from greater reliability and a quicker turnaround within the claims settlement process.”

SSC fast-tracks efficiency gains from SEPA

KLM Royal Dutch Airlines is a worldwide company based in the Netherlands, with EUR8 billion in revenues and EUR291 million in profit in 2007/8.

The challenge

When the banking industry began planning the Single Euro Payments Area (SEPA), KLM decided it wanted to be an early adopter. SEPA creates a Europe where payments in euro – domestic and cross-border – are made using common payment instruments and infrastructures, and take place according to the same business rules, pricing structures and technical standards.

The first phase came into effect in January 2008, with the SEPA Cards Framework (SCF) and SEPA Credit Transfers (SCTs). By the end of 2012, the vast majority of euro transactions will have migrated from national schemes to SEPA standards.

“We wanted to start using SEPA payment instruments as soon as they became available, as they are more efficient than national ones,” says David van Mechelen, a Senior Manager in KLM’s Treasury and Corporate Finance department.

“The fact that KLM is active in so many European countries made it obvious there were big benefits to be had from harmonizing payments and collections.”

This objective presented two key challenges: first, for KLM’s global payment factory to adopt the SCT as soon as it became available in January 2008; second, to change the payment format to the XML standard used by SEPA.

The solution

KLM enlisted the help of Citi, in particular Edwin Hartog, Global Client Manager for KLM in Citi’s Global Transaction Services, and his team. KLM was already a long-standing Citi client, and the two had worked together to create the global payment factory several years earlier, which had brought with it significant efficiencies.

It was therefore a relatively straightforward matter for the two organisations to cooperate to make

all the changes necessary for KLM’s payment factory to operate to SEPA standards, but it required thorough preparation.

“For a company, implementing SEPA is heavily IT-driven, so you need to work closely with the internal people responsible for the software in the payment factory and the IT team in the transaction bank,” says van Mechelen. The work involved creating new security standards, new connectivity checks, implementing procedures for collecting and validating BICs (Bank Identifier Codes) and IBANs (International Bank Account Numbers) from payees, and much more.

As for switching to the XML standard, the two organisations’ IT teams created a workable format and then ran a small pilot to test it. Once that proved a success, they rolled out the XML format and the SCT in all 22 SEPA countries where Citi provided KLM with transaction services. ▶

The result

KLM has made significant external and internal cost savings in its euro payments. The external savings have come from the fact that SCT rates are lower than domestic ACH credit transfer rates, and from the ability that SEPA offers to reduce the number of bank accounts it holds.

The internal savings are even greater and come in several areas. "First, thanks to the SEPA pilot, which forced us to review all the processes from receiving the invoice to making the payment in each country, we identified and acted on a number of inefficiencies," says van Mechelen. "Second, we now get a better insight into the volumes and costs of the transactional services we use. As one of the consequences of this, KLM replaced more expensive payment types with cheaper ones where possible."

A third internal cost saving has come through standardization, especially the XML messaging standard that the SCT uses and that KLM now uses with its three cash-management banks. It's an easy standard to use and it gives better control in routing payments.

A fourth internal cost saving has been made in back-office administration. With the reduction in the number of bank accounts, there has been a corresponding reduction in the need for monitoring, reporting and reconciliation.

Being an early adopter of SEPA has enabled KLM to realize significant external and internal cost savings in its euro payments.



“Thanks to the SEPA pilot, we now get a better insight into the volumes and costs of the transactional services we use and have been able to replace more expensive payment types with cheaper ones.”

David van Mechelen
Senior Manager Treasury and
Corporate Finance, KLM

Cytec Industries

Optimizing payment channels to leverage financial advantages

Cytec Industries Inc. is a global specialty chemicals and materials company with 6,000 employees worldwide and annual sales of USD3.5 billion.

The challenge

Like most companies, Cytec is keenly focused on maximizing working capital. Even before the current environment of depressed sales, increased operating costs, and illiquid capital markets, Cytec's Treasury developed a sourcing strategy supported by innovative, secure payment channels to defend and enhance its bottom line.

Having worked with Citi on a successful purchasing card program and a global travel and entertainment program, Cytec turned once again to Citi for advice, technology, and analytics, forging a comprehensive partnership across its entire spectrum of payments - one that would manage payment streams to maximize cash flow and working capital.

Cytec was also keen to hear what options Citi would propose for optimizing the continued growth of the company's purchase card program.

The solution

Citi reviewed Cytec's full accounts payable file and identified the most advantageous payment method for its various spend categories. In many cases, Cytec was able to change its payment method in order to achieve increased efficiencies and cost savings. According to Gary Kawka, Cytec's Assistant Treasurer, Americas, "Payments can be used to deliver additional value, be it strategic, financial, or operational. We approached Citi to help our organization move from thinking of payments as individual products to more of a process. We are now optimizing payments, benefiting from the dynamic between time-to-procure, remittance date and settlement date."

Cytec's knowledge of its own procurement process, coupled with Citi's detailed analysis of payment strategy options and solutions to facilitate adoption and

implementation, has been essential to the ongoing implementation of a buyer-initiated purchasing card and a supplier finance program.

The result

Cytec is in the final stages of implementing the solutions identified during the optimization process and is poised to accomplish its working capital goal and also improve the strength of its supply chain, recruiting new suppliers as it extends to them the value-added benefits of supplier finance.

Citi colleagues continue to meet with Cytec regularly to address training and implementation requirements. Ongoing systemic payments reviews continue as well, identifying opportunities to further increase payment efficiencies by choosing payment channels that offer the best financial advantages for Cytec.

AstraZeneca

A corporate card programme for Asia Pacific

AstraZeneca is a world-leading pharmaceutical company producing drugs in six therapy areas: cancer, cardiovascular, gastrointestinal, infection, neuroscience, and respiratory and inflammation. It is active in more than 100 countries and it employs 65,000 people worldwide.

The challenge

In Asia Pacific, AstraZeneca wanted to improve the efficiency and cost-effectiveness of the corporate card programs it had in place for staff to pay for their travel and entertainment expenses.

The programmes – which were provided by a number of companies and covered every country in the region where the company operates, except New Zealand – were all put out to tender. AstraZeneca's main objectives were to appoint one card provider for all programs, and for the cards to achieve the widest possible acceptance among retailers and other outlets.

Other goals were to enhance controls, improve compliance, obtain detailed reporting information, integrate card data into its ERP systems, and extend the use of the cards to pay for meetings and events.

The short list came down to two companies, one of them Citi, which already provided AstraZeneca's corporate cards in Europe.

The solution

Citi was awarded the mandate to provide a standardized corporate charge-card solution for all of the company's Asia Pacific businesses, and in local currencies for all countries except Vietnam. It was a MasterCard®/Visa® solution: Visa in Japan; MasterCard everywhere else.

The first phase started in January 2008, and covered South Korea, Hong Kong, Malaysia, Singapore, Australia, India, and Taiwan. The second phase started in 2009, initially covering Indonesia, Thailand, the Philippines, and Japan, and later China and Vietnam. New Zealand will be added at some point in the near future.

Citi's corporate card program met all the requirements AstraZeneca had identified. Key features included wider acceptance across the region than other companies' programs could provide; ad hoc management reporting via the Citibank® Custom Reporting System; robust controls (to prevent cardholders taking cash advances, for example); compliance with travel

policy and other internal and external rules; online statements; integration of the card data with the company's ERP system; and the ability to use the cards for events and meetings, not just travel and entertainment.

The programme also included a dedicated implementation and account manager based in Singapore to handle the entire region, which meant that AstraZeneca would have a single point of contact for all countries.

Finally, the card data supplied by Citi could be analysed by the company to provide useful supporting information on spending patterns. The company could then use this information to set new spending policies or negotiate discounts with airlines, hotels, and other organisations that receive high levels of business from the company.

Nathan Bowmaker, Regional Purchasing Director for AstraZeneca, based in Shanghai, says: "We chose Citi because it was the provider that best met all our needs. It has the ability to deliver across the region, ▶

and Visa and MasterCard have wide acceptance. There are other Visa and MasterCard issuers, but they are not able to offer a regional solution.”

Philip Glickman, Commercial Cards Sales Director for AsiaPacific at Citi, says: “We are proud to have won this mandate from AstraZeneca. It builds on the relationship we have with the company in Europe”.

“One of the biggest challenges for the Asia Pacific deal was the need to draft a separate contract for each country. However, we are currently developing one contract to cover the entire region to deal with that issue.”

The result

Now that AstraZeneca uses only one bank for its corporate card programs in Asia Pacific, it is reaping many consolidation benefits, such as greater efficiency and lower costs. This will eventually enable AstraZeneca to analyse spending patterns to negotiate meaningful discounts with travel service providers, adding significant value.

Another key benefit is that Citi’s MasterCard/Visa solution is accepted by three times as many merchants in Asia Pacific as the next biggest card scheme.

“We have been impressed with Citi’s commitment to work with us to roll this program out across the region, meeting the challenges of a complex and diverse environment,” says Nathan. “Banking systems are very different in each country, so you often need different and innovative solutions to make these programmes work, and Citi has done that.”

We have been impressed with Citi’s commitment to work with us to roll this program out across the region, meeting the challenges of a complex and diverse environment across Asia.

KitchenAid USA

The perfect blend of consumer incentives

A division of Whirlpool Corporation, KitchenAid has been a leading manufacturer of cooking and cleaning products for over 90 years with a focus on quality craftsmanship, versatile technology, and timeless style.

The challenge

As a leader in cooking and cleaning products, KitchenAid is focused on the experience of their customers. The division was looking for a more convenient, effective, and ultimately economical solution for the disbursement of their consumer product rebates. The traditional method of paper checks proved to be a challenging process to manage for the organization and cumbersome for their customers. The cost and effort to produce, distribute, and reconcile these rebate checks was unreasonable and the delivery delays and inconvenience of having to go to the bank to get the rebate funds was not aligned with the overall focus KitchenAid placed on its customers.

The solution

KitchenAid wanted a rebate delivery solution designed to provide a strong customer experience with faster payment delivery, greater convenience and immediate rebate fund access. KitchenAid was also

looking for a program that would allow it to streamline its rebate payment processes with fewer administrative resources to ultimately reduce the costs required to manage and distribute paper rebate checks.

Citi® Prepaid Services rapidly implemented a comprehensive, custom solution that quickly eliminated paper rebate checks and transitioned 100% of the company's rebate payments to electronic delivery loaded directly to KitchenAid Visa® Rebate Cards. This automated solution facilitated easier and faster rebate delivery through a single, streamlined file process and created a better overall customer rebate experience.

Even greater, the custom program packaging delivered strong brand extension. The fully branded KitchenAid Rebate Card created a more positive and lasting impression on the company's consumer base than paper checks, providing a compelling marketing tool for their retail distribution partners.

The result

The Citi Prepaid Services' enhanced rebate program for KitchenAid, launched in August 2008, quickly eliminated the need for the organization to produce, distribute, reconcile, and reissue paper rebate checks, making its internal operations more streamlined and efficient, while outsourcing program management and customer service to Citi Prepaid Services.

More importantly, the rebate solution aligned with KitchenAid's strong focus on the customer experience, providing rebate payments that were delivered three times faster than traditional paper rebate checks. To date, KitchenAid has issued over USD3 million in rebates to over 80,000 consumer cards. These consumers enjoy instant fund access and purchasing power everywhere Visa debit cards are accepted worldwide, immediately upon arrival.

Mando Brand Assurance

Citi® Prepaid Cards offers turnkey solution for reward scheme

Satellite navigation company TomTom wanted an eye-catching fuel credit promotion that would save costs and increase revenue – its fulfilment partner, Mando, turned to Citi.

The challenge

Mando Brand Assurance, a specialist communication agency of media giant WPP, wanted a striking promotion for its client, TomTom, in the UK. The satellite navigation firm planned to launch new models for Christmas 2008 and wanted to attract potential purchasers with a rebate/reward scheme.

Traditionally, Mando had used checks as consumer refunds but found them costly to produce, distribute, and manage. Mando was eager to capitalize on motorists' concerns about rising fuel costs with a fuel credit promotion. TomTom also wanted a solution that could increase the proportion of rewards spent on its products.

The solution

In August 2008, Citi introduced Mando's Account Directors to Citi® Prepaid Services, which has a 10-year track record in the US and which launched in Europe last year.

Citi demonstrated tangible evidence of its impressive results working with US clients who operate in markets similar to those served by WPP's European clients. Mando asked Citi to help with the TomTom promotion.

Mando had considered offering checks or a tie-up with a specific fuel provider as consumer incentives, but instead it selected Citi's idea of a TomTom-branded prepaid Visa® card. While marketed as a fuel card, it would offer users the flexibility of acceptance at all Visa outlets – including TomTom's own website.

The result

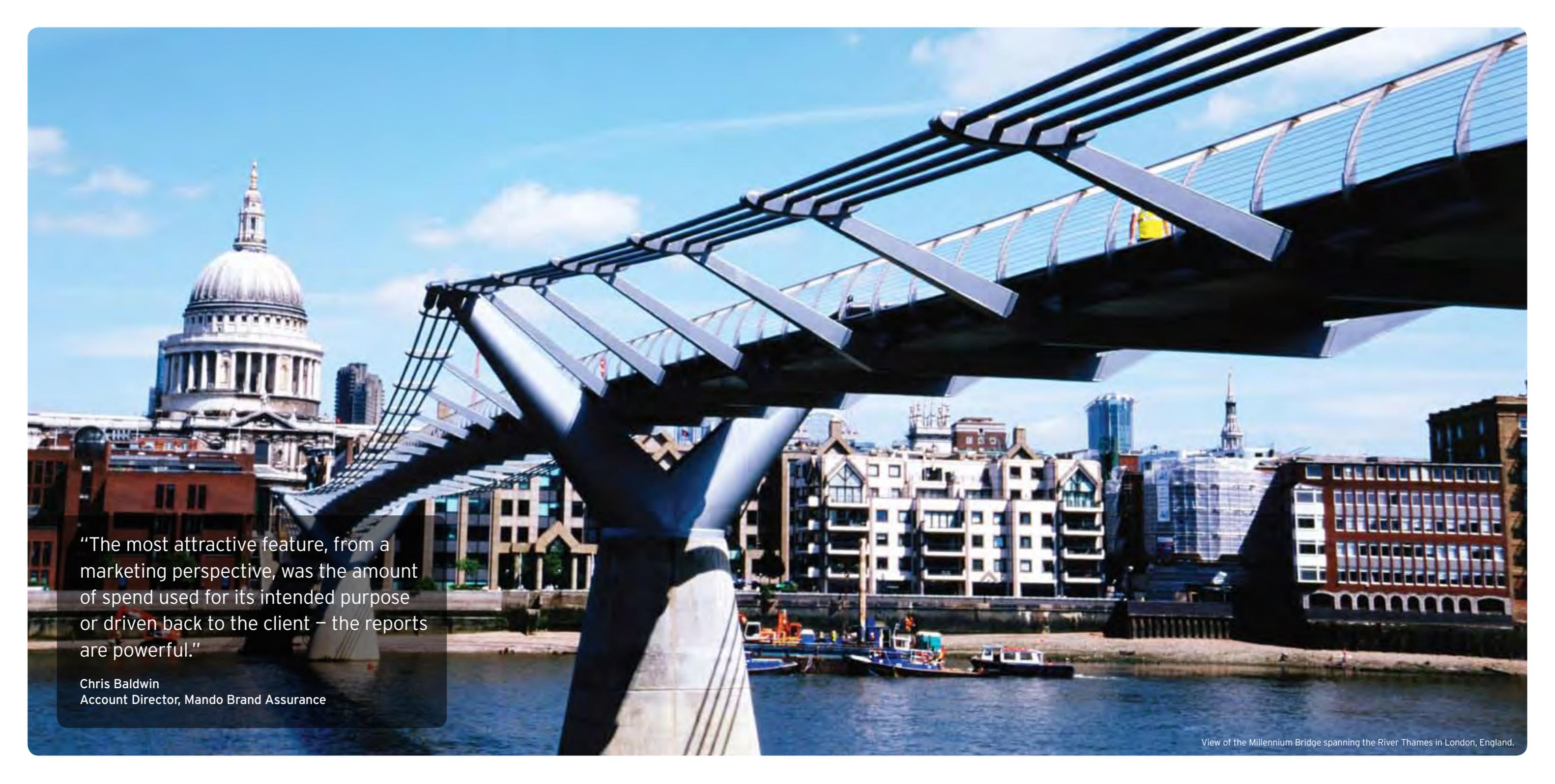
Details of the promotion were finalized in October 2008 and a rapid design process was launched.

Citi and Mando established a secure data file transmission system to process customer receipts within 30 days, a dedicated

programme support team, and a 24-7 multilingual customer service operation on behalf of TomTom.

TomTom's new models debuted in December and Citi sent out the first TomTom-branded cards in January 2009. Initial results show that 100% of rewards have been spent either on fuel or with TomTom, while costs are significantly lower.

Moreover, Mando and TomTom have gained powerful marketing insights from the promotion. "There were no surprises with the card, everything Citi committed to happened," says Chris Baldwin, Mando Account Director. "The most attractive feature, from a marketing perspective, was the amount of spend used for its intended purpose or driven back to the client – the reports are powerful."



"The most attractive feature, from a marketing perspective, was the amount of spend used for its intended purpose or driven back to the client – the reports are powerful."

Chris Baldwin
Account Director, Mando Brand Assurance

Men's Wearhouse

Prepaid card solves payroll delays and improves efficiency

Men's Wearhouse, a leading provider of quality menswear, has been honored multiple times as one of the Fortune 100 Best Companies to Work.

The challenge

Men's Wearhouse places a strong focus on their employee, an emphasis that has resulted in the company getting honored multiple times to the Fortune 100 Best Companies to Work list. As part of this approach, Men's Wearhouse continually looks to enhance their employee experience.

As Gulya Belchuk, Treasury Manager for Men's Wearhouse explained, "Our company is extremely employee focussed, and we are constantly on the lookout for new benefits and innovations to improve our employee's experience with us."

Men's Wearhouse was in need of a solution that would help resolve payroll delivery delays and consistently provide on-time payments to its employees. The company was also looking to decrease its costs related to the production, distribution, and management of paper paychecks.

The solution

"The opportunity to provide all of our employees with guaranteed, on-time, and immediate access to their pay was one we couldn't pass up. We wanted to help our employees without bank accounts – those using check-cashing services and paying up to 5% of their pay to cash their checks – to gain easy, free access to their pay. The Citi® Prepaid Services Payroll Choices Program enables us to do that."

Men's Wearhouse solution delivered the tools to easily and quickly convert its employee base to a completely paperless and electronic payroll. The cornerstone of this program was the Citi Prepaid Payroll Card, a prepaid Visa® card that allowed Men's Wearhouse to easily deliver electronic pay to its entire workforce, eliminating the hassles that its Payroll Department and employees faced with traditional paper checks.

"With Citi Prepaid, we are able to get our employees their pay, guaranteed payday morning, regardless of whether they are in-store on payday,"

said Belchuk. "Because of the nature of our business, many of our employees are not on location on payday – this can cause a huge strain for our employee base as well as distribution headaches in-store. This gives our employees peace of mind."

The result

With the Citi Prepaid solution, Men's Wearhouse quickly eliminated paper checks and the high cost and hassles associated with them. This solution also provided electronic paystubs, compliance tools, and easy technology integration (with no technology investment), together with a strategy and team of consultative experts to help businesses achieve their corporate objectives.

"We have significantly reduced our costs with the Citi Prepaid Payroll Choices Program – we went from delivering 15,000 documents, mostly via express delivery, on a weekly basis, to 80% of that volume and cost," stated Renea Levine, Payroll Manager, Men's Wearhouse.



“We have significantly reduced our costs with the Citi Prepaid Payroll Choices Program - we went from delivering 15,000 documents, mostly via express delivery, on a weekly basis, to 80% of that volume and cost.”

Renea Levine
Payroll Manager, Men's Wearhouse

Toyota USA

Citi Prepaid revolutionizes sales incentive payments

Toyota Motor Sales USA, is the marketing, sales, distribution, and customer service arm of Toyota, Lexus, and Scion. Established in 1957, TMS markets products and services through a network of more than 1,400 Toyota, Lexus, and Scion dealers. With more than 35,000 direct employees and 165,000 indirect employees in the US.

The challenge

With thousands of sales professionals at over 1,400 dealers across the US, Toyota TMS faced a major challenge around the production and distribution of its sales incentive payments.

For years, paper checks seemed like the only legitimate payment method on which it could rely on. Yet despite its simplicity in concept, the use of paper proved to be incredibly complex, expensive, and inefficient for Toyota. It had to produce the checks, purchasing large volumes of paper, ink, and envelopes, and also had to establish a dedicated infrastructure of printers, computers and software – all major costs to produce around 150,000 checks annually.

Finally, Toyota had to distribute these checks, typically batched for priority shipment, which cost between USD10 to USD12 per dealership shipment. So, the distribution costs alone topped USD180,000 a year.

The solution

Toyota realized it had to find a solution that would free up its team, reduce and even eliminate its costs, and get it out of the check-writing business.

Their answer came with a program that quickly and effectively transitioned every incentive payment from the inefficient paper check to seamless, electronic delivery. For the solution, they turned to Citi® Prepaid Services, who helped design a fully custom-branded Toyota program that eliminated the company's check burden.

At the heart of this program is the customized Toyota Visa® Prepaid Card. Every qualified sales professional received a personalized prepaid card where their sales incentives are paid to directly – cutting payment and delivery time from weeks to days. The program was launched within weeks, enabling the delivery of paperless payments nationwide – dramatically faster and at a fraction of the cost.

The result

Toyota quickly eliminated the need to purchase inventory paper, ink, and envelopes. Its hardware costs to run the check process were also eliminated, requiring less space and personnel to manage.

“Citi® Prepaid Services helped design a fully custom-branded Toyota program that eliminated the company's check burden.”

Toyota also saved countless hours producing, sorting, packaging, and shipping checks, to say nothing of the savings in the post-distribution management and research for inbound payment questions.

The program also gave the company a unique direct communication channel to its sales professionals, ▶

who were usually employees of the dealership rather than Toyota. The program's impact is best illustrated with Toyota's most recent entry in to the US truck market. A challenging segment traditionally dominated by a few select manufacturers.

"When we launched our program, we decided to leverage the unique channel it gave us by putting the newly introduced Tacoma truck on the program website and materials, and even on our Toyota Card," said Warren Keckeisen, Incentives Administration Director, Toyota Motor Sales USA. "Our Citi Prepaid program allowed us to communicate directly with our individual sales professionals to educate them on our new truck line, and also allowed us to dynamically reallocate our incentive structure and enhance their performance. It was a solution that came at the right time for us."

Every qualified sales professional received a personalized prepaid card where their sales incentives are paid to directly - cutting payment and delivery time from weeks to days.

192

enabling effective interaction with capital markets

Structured Finance, Fiduciary and Depositary Services

At that critical stage in a debt capital markets or M&A deal, you need a partner with the comprehensive expertise, know-how and flexibility to structure bespoke solutions as the situation demands. Citi's local market presence, influential client relationships and regulatory connections with tenure, help us to devise tailored approaches to the structuring, closing and administration of even the most complex of transactions.

Companhia Nacional de Açúcar e Álcool (CNAA)

Collateral and depositary services facilitate project finance deal

Brazil's CNAA was established by a consortium of investors to develop greenfield sugar and ethanol mills, generate power, and develop sugarcane plantations.

The challenge

Brazil's CNAA was founded and is backed by a consortium of equity investors consisting of Carlyle/Riverstone Renewable Energy Fund, Goldman Sachs, DiMaio Ahmad Capital, Global Foods, and Discovery Capital. CNAA was created to develop, construct, commission, operate, and maintain three projects: Campina Verde and Ituiutaba in the State of Minas Gerais, and Itumbiara in the State of Goiás. The projects are backed by a USD225 million 15-year facility from the Inter-American Development Bank (IDB) – the largest investment in biofuels ever by the IDB.

Each project involves the construction and operation of a greenfield sugar and ethanol mill and a co-generation power plant, and the development of sugarcane plantations. Construction of the industrial plant for Itumbiara and Ituiutaba was completed in October 2008, while the co-generation plant for these two projects was finished in August 2009. Campina Verde shall be

completed by mid 2010, and the co-generation facilities will be operating by May 2011.

CNAA required a bank to provide collateral and depositary services in advance of the IDB's first disbursement of funds in February 2009.

“Citi was selected because of its experience as a collateral manager and its ability to provide onshore and offshore collateral agent services.”

The solution

CNAA and the IDB selected Citi to provide collateral and depositary services to CNAA in November 2008 because of Citi's experience as a collateral manager and ability to provide onshore and offshore collateral agent services.

For each project, 12 offshore project accounts and 10 onshore project accounts were established. A large number of accounts were required in order to segregate the activities. For example, individual offshore accounts were set up to facilitate export sales and make payments to the IDB. Similarly, individual onshore accounts were needed for capital expenditure and local receivables. In addition, three local payments accounts were set up to facilitate the 1,500 payments made every month by each project company.

Citi set up foreign exchange and reporting arrangements for the relevant accounts and drew up the initial payment documentation.

In order to meet the IDB's conditions, the accounts were structured so that payments could not be made by the project companies without the IDB's permission. ▶

The result

The complex account structure required by CNAA and the IDB for the Campina Verde, Ituiutaba, and Itumbiara projects was set up in the short period between November 2008 (when Citi was appointed) and the IDB's first disbursement in February 2009 – an unusually tight timeframe for a project finance deal. Citi's ability to offer onshore and offshore accounts was crucial to meeting CNAA's and the IDB's needs according to the required deadline.

The use of the CitiDirect® Online Banking platform makes it easy for CNAA to manage its high monthly payment volume. Similarly, the account structure established by Citi gives both CNAA and IDB the control and validation of payments across onshore and offshore accounts that they required.

The account structure established by Citi gives the control and validation of payments across onshore and offshore accounts.

MAPFRE

Execution expertise accelerates merger closing

Ranked by A.M. Best among the top 20 reinsurance groups in the world, Spain's leading and independent insurance group carries out direct insurance, reinsurance, and financial services in Spain, Europe, and Latin America, with one of the strongest brand names and widest distribution networks.

The challenge

As part of a series of strategic acquisitions in the US non-life-insurance sector, in November 2007 MAPFRE announced an exchange offer to purchase The Commerce Group, an insurance provider of personal and commercial property/casualty insurance (primarily auto and homeowners' insurance) in Massachusetts.

The near EUR1.5 billion (USD2.2 billion) acquisition – the largest in MAPFRE's history – was a major advance in its international expansion. The cross-border nature of the transaction called for an experienced provider to facilitate the exchange of shares for the cash merger consideration.

The solution

Citi was selected as the exchange agent for The Commerce Group purchase, based on its pricing, credentials, experience in the

US market, and track record of working with MAPFRE. Before the acquisition, which closed in June 2008, Citi counseled on the exchange process, which required numerous offering individual documents to be completed by surrendering holders.

“Citi was selected as the exchange agent for The Commerce Group purchase based on its pricing, credentials, experience in the US market, and track record of working with MAPFRE.”

Citi was able to fulfill MAPFRE's and The Commerce Group's goal of accelerating the processing timetable for shareholder offering documents from a usual 10 days to

just five days and subsequently was able to speed up the distribution of merger consideration.

The result

Citi's accelerated processing timetable permitted the payout of nearly 94% of the total consideration within seven days of the transaction closing. The bank has regularly updated MAPFRE about consideration distribution: a year after the exchange offer began, just 140 of the 849 non-institutional shareholders remain unpaid.

A wide-angle photograph of the Plaza Cibeles in Madrid, Spain, featuring the Fuente Cibeles. The central focus is the large stone sculpture of a woman seated on a chariot pulled by two lions, with water spraying upwards from the sculpture. The background shows classical European architecture under a clear blue sky. In the foreground, there are multiple tiers of water fountains. A semi-transparent dark box is overlaid on the left side of the image, containing white text.

“Citi’s accelerated processing timetable permitted the payout of nearly 94% of the total consideration within seven days of the transaction closing.”

MAPFRE

202

Peru LNG

Award-winning landmark export finance transaction

Peru LNG is the leading liquefied natural gas facility in Peru and the largest direct foreign investment in Peruvian history. The project company is a partnership between Hunt Oil Company (USA), SK Energy (South Korea), Repsol YPF (Spain), and Marubeni (Japan).

The challenge

The Peru LNG project is the largest direct foreign investment in the country's history, with a total project cost estimated at USD3.9 billion.

Sponsored by Hunt Oil Company of Dallas, SK Energy of South Korea, Spain's Repsol YPF, and Marubeni of Japan, the landmark investment consisted of the construction of a natural gas liquefaction plant 170 kilometers south of Lima, including marine loading facilities.

Sealing the deal – structuring, closing, disbursement, and administration – on this comprehensive and complex transaction, including onshore and offshore account solutions, required a provider of corporate trust services with a unique blend of experience, global reach, innovative ideas and superior service.

The solution

Responding to complex transactions with flexible solutions is a core strength of Citi's Agency and Trust services. Citi acted as the onshore and offshore collateral agent, depository and account trustee.

“Responding to complex transactions with flexible solutions is a core strength of Citi's Agency and Trust services.”

The project financing was comprised of loans (from the Inter-American Development Bank, the International Finance Corporation, The Export-Import Bank of the United States, The Export-Import Bank of Korea, the Italian Export Credit Agency, SACE, the Société Générale, the BBVA, Calyon, Sumitomo, ING, Mizuho and the Bank of Tokyo-Mitsubishi) and an upcoming bond issuance in the Peruvian market.

The complex structure required the waterfall administration of onshore and offshore accounts, and a security package including multiple assets, trusts, accounts, inventory, equipment and equity.

Closing and disbursement requirements were no less sophisticated, requiring registration in Peru and the United States, cross border collateral management for the initial disbursement, and processing large value transfers across the lenders' and the borrower's onshore and offshore accounts in a tight time frame.

Citi's administrative responsibilities included execution of payments according to the overall deal structure, management of the electronic platform to control onshore and offshore accounts, coordination with the local bank and offering the flexibility to continuously add new key participants into the deal structure as required by the project. ▶

Result

Settlement and execution were deemed a success for the sponsors. This landmark deal was widely recognized by specialized publications, winning a number of awards: Best Energy Deal by *Latin Finance*, Latin American Deal of the Year by *Project Finance International*, Best Project Finance Deal of the Year by *Latin Lawyer* and Best Latin American Export Finance Deal of the Year by *Project Finance*.

This landmark deal was widely recognized by specialized publications, winning a number of key industry awards.



“Sealing the deal required a provider of corporate trust services with a unique blend of experience, global reach, innovative ideas and superior service.”

Peru LNG

Visitors at a cathedral in Plaza de Armas, Arequipa, Peru.

China Petroleum & Chemical Corporation (Sinopec)

Thriving ADR program supports international expansion

Sinopec is a major Chinese integrated energy and chemical company with integrated upstream, midstream and downstream operations and oil and petrochemical businesses.

The challenge

When state-owned Sinopec decided to list American Depositary Receipts (ADRs) on the New York Stock Exchange in 2000, it had the goal of growing its shareholder base, enhancing liquidity, and being recognized as an important global player.

“Citi has helped us to broaden our investor activities in the US and other global markets.”

Sinopec had limited experience with the investor base outside of Asia and did not have an investor relations (IR) program. It needed to understand the expectations of US and European investors, and learn how to conduct a successful IR outreach program to attract this new investor base to their equity.

The solution

Citi has met the needs of depositary receipt (DR) issuers since 1928. The DR group is recognized for having former IR officers on the team. They have a strong and diverse IR knowledge that serves international clients to build programs to effectively communicate with US investors. Sinopec chose Citi because of its global reach, which provides unrivalled access to both investors and broker-dealers. Citi supported Sinopec's program with IR training, website advice, designing an IR outreach program, investor targeting, organizing roadshows in the US, and strong US and local support. Additionally, Citi assisted Sinopec with state-of-the-art technology systems (Global Shares on Demand and Issuer Access) to enable the company to get better information on their new and existing investor base.

The result

Sinopec has enhanced its reputation as a rapidly growing global player in the energy and chemical sector with a highly recognized ADR program. Citi's ongoing assistance with IR and capital markets training, investor access, and proactive account management has been instrumental in helping Sinopec to build a diversified shareholder base. The company's effective communication with investors was instrumental in achieving global recognition for its IR program.

“Citi has helped us to broaden our investor activities in the US and other global markets,” says Wensheng Huang, Deputy Director General, Board Secretariat at Sinopec. “Through our joint efforts, our shareholder base has been increased from 6,000 to 20,000 – aiding Sinopec's liquidity.” He adds: “Citi understands our needs, not only in terms of investor relations but at a higher level. That's why we're committed to a long-term partnership with the bank.”

Taiwan Semiconductor Manufacturing Company

Landmark ADR program achieves recognition locally and abroad

Taiwan Semiconductor Manufacturing Company is the world's largest dedicated semiconductor foundry, with revenues representing half of the total foundry segment globally.

The challenge

When Taiwan Semiconductor Manufacturing Company (TSMC) became the first Taiwanese company to list American Depositary Receipts (ADRs) on the New York Stock Exchange in 1997, it needed a bank with a strong track record, knowledge of the local markets and regulatory environment and excellent links with brokers and settlement houses. TSMC posed a number of challenges as the first Taiwanese ADR program. "Taiwan has complex and specific regulatory requirements on dividend payments and we needed a bank that could make this process more transparent to international investors," says Elizabeth Sun, Director, Head of Investor Relations at TSMC.

The solution

TSMC's US listing was the "crown jewel of Asia" and as such highly coveted by all DR banks. TSMC chose Citi as its depositary bank because of its global

presence and local expertise. Citi had operated in Taiwan for decades, had achieved a strong reputation and was an obvious choice given TSMC's status as the country's pre-eminent company. In addition to resolving the complex issues relating to regulatory requirements on dividend payments, Citi was able to offer TSMC a

"Taiwan Semiconductor Manufacturing Company is consistently ranked among the top five traded American Depositary Receipts on the New York Stock Exchange."

comprehensive package of value-added services to help grow its knowledge of the US and European investors base and to get better information on who invests in their equity.

The result

TSMC is consistently ranked among the top five traded ADRs on the New York Stock Exchange. Its investor relations program has again and again been recognized as the number one in Asia. TSMC has remained with Citi and is pleased with the support it is receiving from the DR team.

"We've enjoyed working with our dedicated account officer at Citi," says Sun. "With Citi's help we're able to identify significant position changes among our ADR holders through their quarterly filings. We also get regular reports on investor relations that help us to stay on top of the issues that concern our shareholder base and serve our investors better."

“With Citi’s help we are able to identify significant position changes among our American Depositary Receipts (ADRs) holders and get regular reports on investor relations that help us to serve our investors better.”

Elizabeth Sun
Director, Head of Investor Relations
Taiwan Semiconductor Manufacturing Company



Dragon and Tiger Pagodas, Lotus Lake, Kaohsiung, Taiwan.

214

delivering efficiency to the public sector

Cash Management, Payment Innovation,
Enhanced Service Delivery

Public sector organizations are under constant pressure to do more with less – to provide incremental services at a limited cost. At Citi we can help re-engineer processes, facilitating the success transfer of private sector best practice, and leveraging our scale to assist clients in realizing efficiency gains, while also freeing up resources to deliver more customer-centric services.

Caisse Centrale des Mutualité Sociale Agricole (CCMSA)

WorldLink® streamlines cross-border social payments

CCMSA is the French social security agency for agricultural wage earners and non-wage earners and has 1.3 million contributors and 4.5 million beneficiaries.

The challenge

France's 49 county-based Mutualité Sociale Agricoles (MSAs) make 2.5 million cross-border social payments a year to its beneficiaries. Historically, payments were made through numerous systems by individual MSAs, resulting in high costs and poor visibility.

Mandated to choose one financial service provider, their central fund, the CCMSA, issued an RFP in November 2007. The objective was to optimize internal operations and external processes for cross-border payments on domiciled and non-domiciled accounts, using appropriate communication protocols and ensuring follow-up of payment files to local banks.

The solution

In March 2008, CCMSA's chose Citi as its payment provider – the first non-French bank to win such a role on a government project. Citi offered

competitive pricing, the ability to make payments to 89 countries using WorldLink® Payment Services, unrivalled connectivity and a capacity to accept local file formats. Citi also offered enhanced reporting capabilities by using its global network rather than correspondent banks, as was previously the case.

A central part of Citi's solution was its support for individual MSAs to clean and enrich their payment-details database, including collecting missing beneficiary bank details.

The result

The first MSA pilot began in March 2008, and the project went live in August 2008. By the end of 2008, 30% of overall MSA volumes had migrated and Citi expects to add a further 83% by the end of 2009 with the remainder to follow next year.

MSA users of WorldLink have gained lower costs, greater operational and process efficiency, and enhanced

security. Their beneficiaries have made fewer complaints, had investigations answered faster and had their funds paid quicker. The implementation process has also uncovered and resolved legal issues, giving new possibility, for example, to payments in local currency in Algeria.

“The objective was to optimize internal operations and external processes for cross-border payments.”

An important aspect of the project has been Citi's role in supporting the MSAs' change management strategies. With a local management structure – and five IT centers – the migration to WorldLink was a complex task requiring substantial documentation and close project management.

Indonesian Customs

Leveraging bank technology for customs processing efficiency

The Indonesia National Single Window has been established by the government of Indonesia to speed up the customs clearance process.

The challenge

The government of Indonesia, along with other members of ASEAN, made a commitment to streamline its customs clearance and duty processes by 2012 in order to stimulate trade within the region.

Historically, companies had to send their representatives to banks and numerous government agencies in order to pay tax and gain customs clearance – a process that took several days. In 2007, the government addressed the problem with the Indonesia National Single Window project, which initially focused on clearance processing.

The solution

Citi, building on a strong existing relationship with the government, proposed an ambitious extension to the Indonesia National Single Window to integrate the banking and tax payment aspects of customs.

The government appointed Citi in 2007 as its agent bank for import taxes. The bank developed a new electronic platform, ePIB, to submit PIB (customs tax) documents online and facilitate transactions. Instead of companies shuttling between various government departments, a single form is completed online, which is then distributed within government using an Electronic Data Interchange.

The ePIB system also allows Citi clients access to real-time information on payment-process status between the bank and the customs office, enabling them to take any action early should there be delays.

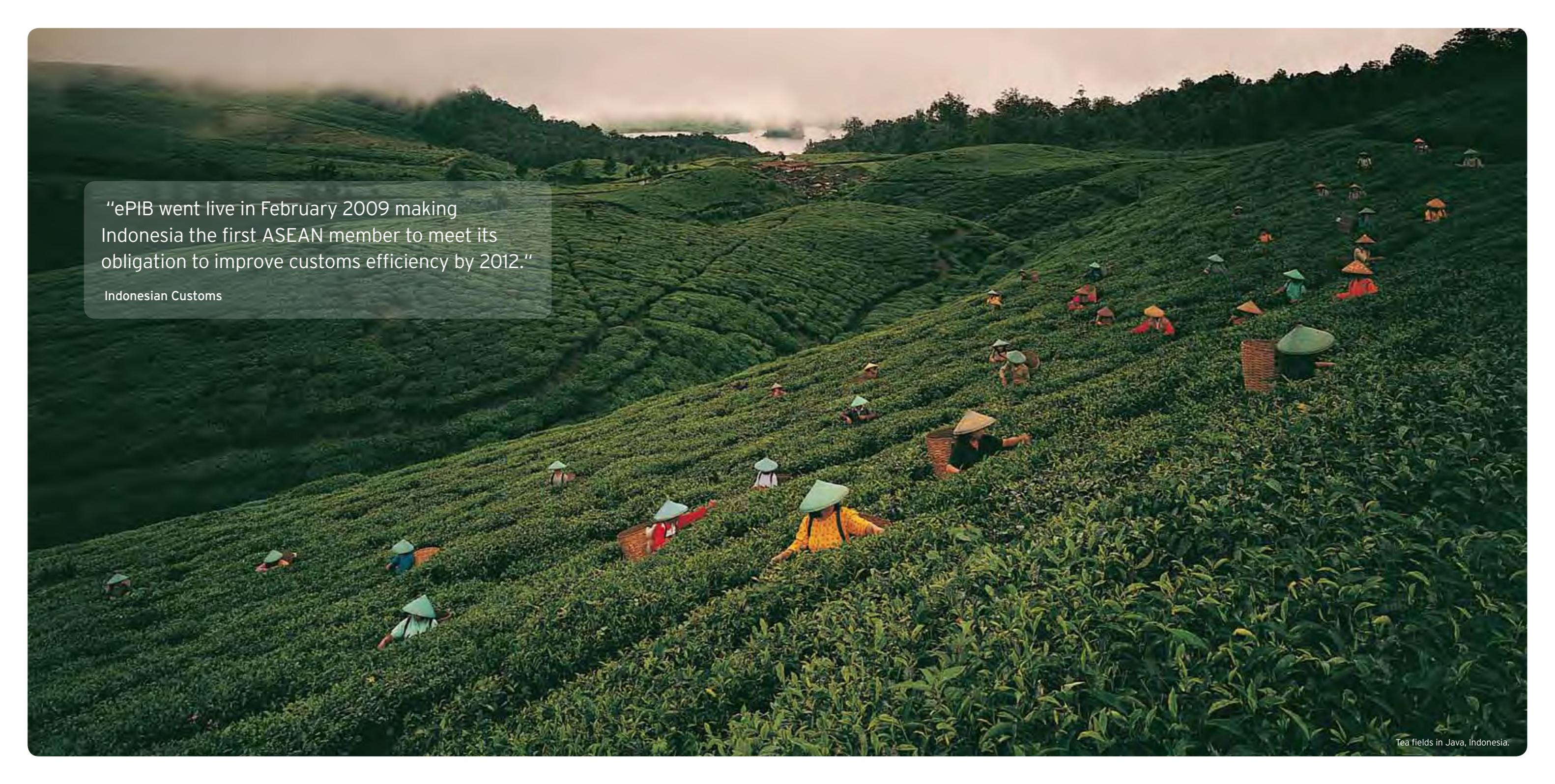
The result

Having begun the project in 2007, Citi spent 2008 integrating various systems. ePIB went live in February 2009 making Indonesia the first ASEAN member to meet its obligation to improve customs efficiency by 2012.

The process of document filing, payment and customs clearance that used to take days now takes about a single day, benefiting companies.

The system has resulted in significant cost and efficiency savings for the government, which previously manually processed most of the 280,000 documents a year associated with customs clearance.

As a result of the Indonesia National Single Window and Citi's ePIB, manual processing was eliminated, the error rate slashed and straight-through processing facilitated.

A wide-angle photograph of a tea plantation in Java, Indonesia. The image shows rolling hills covered in lush green tea bushes, with numerous workers wearing traditional conical hats harvesting the tea. In the background, a valley with a lake is visible under a hazy sky. A semi-transparent text box is overlaid on the left side of the image.

"ePIB went live in February 2009 making Indonesia the first ASEAN member to meet its obligation to improve customs efficiency by 2012."

Indonesian Customs

Municipal Corporation of Greater Mumbai (MCGM)

NetBanking Payment Gateway facilitates integrated vendor tender platform

Municipal Corporation of Greater Mumbai (MCGM) is the primary agency responsible for urban governance in Greater Mumbai. It is one of the largest local governments in the Asian continent catering for an estimated population of 14 million people.

The challenge

MCGM had implemented a range of e-governance initiatives aimed at improving efficiency, transparency and service to citizens and vendors. Among these was an e-tendering service, which enabled vendors to access tender documents and submit technical and commercial bids online. To support the move to an online service the associated payments (such as tender fees and earnest money deposit) also needed to be processed online.

MCGM needed a solution that allowed vendors to make payments online in order to make the entire process paperless. Payments using an online credit cards gateway were not suitable due to high charges. Similarly, a tie-up with a single bank was not possible because its vendors could not be expected to change their banking arrangements.

The solution

Citi proposed a NetBanking Payment Gateway service that allowed vendors holding an account with any of 26 partner banks to make payments online. MCGM's e-tendering website was integrated with the Payment Gateway: vendors could view tenders and then redirect them to their bank's website to make payment. An online response was sent to MCGM's website, which then updated MCGM's e-tendering platform. Given that this Payment Gateway worked on bilateral arrangements with multiple banks, the cost of transfer was very competitive and typically lower than that of demand drafts.

This solution now provides an electronic "push-based" payment channel leading to greater acceptability among vendors. The Payment Gateway covers more than 20,000 bank branches across 26 partner banks and requires no technical integration with individual banks. In addition, there is a standardized MIS across all banks for ease of reconciliation.

The result

Citi's solution enables MCGM to offer an integrated e-tendering and online fulfillment website for vendors. Vendors have the flexibility to transfer funds from NetBanking accounts held with partner banks at a lower cost than a draft.

MCGM's realizable proceeds are settled faster than before, therefore optimizing its working capital. The overall cost of collections has also been reduced by migrating flows from paper to electronic mode. The solution furthers MCGM's goal of increasing competitiveness and transparency in the e-tendering process by allowing vendors, local as well as outstation, to complete bidding and accompanying payments online.

The Against Malaria Foundation

Citi supports charity with free global accounts

The Against Malaria Foundation raises funds to buy mosquito bed-nets designed to help protect people from malaria. To date almost 400,000 people and organizations have helped raise more than USD4.4 million worldwide.

The challenge

The Against Malaria Foundation is backed by a number of major global companies including professional services firm PricewaterhouseCoopers (PwC), software giant Microsoft, law firm Allen & Overy, sportswear group Speedo, and advertising agency Saatchi & Saatchi. It raises funds to buy long-lasting insecticidal bed-nets that it distributes through aid agencies such as the Red Cross/Crescent and the Malaria Consortium. These agencies ensure the correct installation and use of the bed-nets. Malaria kills more than 1 million people every year – 70% of whom are children under five.

The Against Malaria Foundation was initially established in 2005 and its first fundraiser was a worldwide sponsored swim held in the same year. Rob Mather, the founder of The Against Malaria Foundation, approached Citi to become a principal sponsor for the event and provide free worldwide banking to receive sponsorship donations.

The solution

Citi is proud to support The Against Malaria Foundation. It opened 25 free accounts in Australia, Hong Kong, Singapore, New Zealand, the US, the UK (where the principal account was held) and elsewhere to process donations received on the Internet and by post in the form of checks.

After the successful sponsored swim in 2005, the charity continued to receive donations and it was decided that it would maintain an ongoing campaign to raise funds to buy the long-lasting bed-nets. Givewell, an independent charity evaluator, recently rated AMF as a “recommended” charity, one of only 6 of 500 reviewed to receive this rating.

Following a request from the charity, Citi agreed to maintain a free rationalized network of 16 accounts for The Against Malaria Foundation and to continue to provide CitiDirect, so that the charity could move funds between accounts.

The result

Four years after it was founded, The Against Malaria Foundation continues to receive strong support and has now purchased more than 1 million long-lasting bed-nets, which cost less than USD5 each. The charity spends 100% of its public donations on nets and any unavoidable costs are covered by private donations from the trustees and other philanthropists keen to ensure that the charity succeeds. Citi is pleased to show its support for The Against Malaria Foundation through the provision of free banking.

Rajdhani Unnayan Kartipakha (Rajuk)

Technology unlocks new efficiencies for collections in Dhaka

Rajdhani Unnayan Kartipakha (Rajuk) RAJUK was established in April 1987 to develop, improve, extend and manage Bangladesh and the peripheral areas through a process of proper development planning and control.

The challenge

Rajuk, an autonomous body under the Ministry of Housing & Public Works, is a non-profit organization working for the planned and controlled development of Dhaka city. The prime intention of the organization is to develop, improve, extend, and manage the city and the peripheral areas through a process of proper development planning and control. Within its vast activities, one component is to allot housing projects in Dhaka to general people who deposit earnest money as part of their application. Historically, this process, which also involves collecting various application forms, has been carried out by a number of state-owned banks.

Following a series of privatisations of these banks, an opportunity arose for foreign banks to pitch to take part in Rajuk's application-collection process in July 2008 with the Uttara 3rd Phase & Purbachol Plot Allotment project. As Citi had only three corporate-focussed branches in Dhaka, it was essential

that it presented a credible proposal for efficiently managing a process that generated thousands of applications.

“Rajuk was impressed with Citi's high-quality service and flawless MIS reports.”

The solution

Given the limited capacity of state-owned banks, the sorting of earnest money and application collection has historically been manual. Citi, with its superior technology, offered to fulfill Rajuk's MIS requirements on an unprecedented same-day basis while also providing reports in the paper format as requested by Rajuk officials.

Despite having just three branches, Citi demonstrated that it could exceed Rajuk's expectations by using technology and an efficient management of collections process.

The result

Citi collected over 10,000 applications during a month-long period. An implementation team ensured each branch was ready for the collection; the team was also trained to fulfill Rajuk's MIS requirements and check the validity of applications.

Combined with effective queue management, applicants received a prompt service. Indeed, as word spread of the efficient application procedures at Citi compared with other banks during the month-long application-collection period, the number of applicants who wished to use Citi facilities increased substantially.

Rajuk was impressed with Citi's high-quality service and flawless MIS reports. The reports were prepared in Rajuk's prescribed format after transaction hours on the same day as applications and were delivered by courier service to the Rajuk office within the same day. ▶

From the experience of working with Citi on this one occasion, Rajuk hopes to extend the relationship with new avenue's in days to come.

"It was a wonderful experience working with Citi as our banking partner for the Plot Allotment collection purpose. The cooperation in providing the MIS of the vast number of applications received was much appreciated. We look forward to continuing the relationship with Citi," said Rajuk Management.

Despite having just three branches, Citi demonstrated that it could exceed Rajuk's expectations by using technology and an efficient management of collections process.



“It was a wonderful experience working with Citi as our banking partner for the Plot Allotment collection purpose. The cooperation in providing the MIS of the vast number of applications received was much appreciated.”

Rajdhani Unnayan Kartipakha (Rajuk)

Rickshaws driving in traffic in Dhaka, Bangladesh.

State of West Virginia State Auditor's Office

Purchasing card solution establishes progressive payment program

The State Auditor's Office is responsible for providing a thorough and accurate payment system to ensure the timely processing of all vendor payments and employee reimbursements across the State.

The challenge

Upon conducting an extensive review of the procurement process used across West Virginia, the State determined that the costs and inefficiencies of its paper-based payment systems were resulting in millions of dollars of unnecessary annual expenses. In addition to the significant resources expended on audits and administrative support for paper-based purchases, the State also faced challenges negotiating vendor contracts. Because many suppliers were unwilling to accept check payments (due to delayed cash flows, administrative burdens, increased costs, etc.), many agencies across West Virginia did not receive the volume of supplier bids to conduct competitive negotiations for vendor contracts.

To address this problem, West Virginia implemented a State Purchasing Card Program in 1996 to enhance the accountability for purchases, improve relations with vendors and drive cost savings. However, gaining program

momentum and engaging card use throughout the agencies, boards, and commissions across the state proved to be a significant challenge.

"The partnership demonstrated by the rollout of this solution was critical to the success of this program."

While the State Auditor's office was responsible for administering the card program, they required the support of state agencies and higher education institutions to implement these programs. This support was driven through the Purchasing Card Advisory Committee (PCAC). Accordingly, the State Auditor's Office sought a commercial card issuer with the knowledge, experience, vision, and capabilities to influence PCAC to promote cards as the primary payment tool for small purchases throughout West Virginia.

The solution

Citi partnered with the State Auditor's office and PCAC to broaden awareness of the purchasing card solution and has successfully executed program implementation throughout all agencies across the state. In addition, Citi executed a spend optimization analysis to estimate growth potential for this program. The analysis identified vendors that accept commercial card payments, but are currently being paid by check. It also pinpointed high-volume vendors who were not accepting commercial card payments so the State could negotiate discounts and request that it become a card accepting merchant.

The result

Citi's vast experience, unparalleled technological expertise, and commitment as an active partner in implementation and cardholder training have been critical to the success of this program. ▶

Since 2006, the number of annual State Purchasing Card transactions has nearly doubled (from 367,718 to 613,162) and the total spend has tripled (from USD100 to USD320 million annually). Additionally, the number of annual check payments made by the State has been reduced by 500,000, which has contributed to several million dollars in cost savings. The State Purchasing Card Program has also provided West Virginia with an increased accountability for purchases, improved reporting of purchasing activity, and enhanced fraud prevention.

One of the most significant benefits on the State Purchasing Card Program has been its profound effect on the State's business relationships. Prior to the implementation of this program, the average wait for a vendor to receive payment was 70 days. The Purchasing Card has allowed vendors to receive payment in 2 to 3 days. Consequently, this

prompt and efficient method of payment has allowed the State to diversify its business partners and negotiate better discounts on the cost of goods and services.

"The partnership demonstrated by the rollout of this solution was critical to the success of this program. Citi's analysis of the State's existing program allowed us to capitalize on our strengths and improve our weaknesses. As a result, we have elevated the card program to new levels of efficiency and now run one of the most progressive and successful payment programs in the country," says Glen B Gainer III, State Auditor, State of West Virginia.

Citi's vast experience, unparalleled technological expertise, and commitment as an active partner in implementation and cardholder training have been critical to the success of this program.

International Organisation for Migration (IOM) UK

Prepaid card program eliminates cash and enhances user experience

The UK operation of IOM, a leading inter-governmental migration organization, runs voluntary return programs for asylum seekers and irregular migrants.

The challenge

IOM UK's voluntary return programs for asylum seekers and irregular migrants pay for flights and also deliver relocation grants. The organization has traditionally paid out its grants in cash – a costly method that made reconciliation difficult for IOM and involved risks for both IOM and its beneficiaries.

IOM, which makes up to 3,000 relocation grants a year, each of an average GBP500, wanted to reduce its risks, costs, and reliance on cash while improving automation. It was also eager to avoid the high implementation and maintenance costs associated with a new payment method. Most importantly, IOM wanted to find a payment method that would be more secure and convenient for its users.

The solution

Citi Prepaid Services identified an opportunity to use prepaid cards rather than cash for relocation grants.

The cards enable IOM to load and re-load cards (for future payments) through a secure electronic process remotely – eliminating the handling of cash. The card is presented to the beneficiary with terms and conditions, instructions, and a PIN number to departure. About 10% of all migrants receive additional payments when they have returned to their home country for educational support, for example. This process is made far easier by the use of cards, as it eliminates the need to wire funds to an individual's bank account – an important consideration for those who may not have access to banking services.

The cards, which carry an IOM logo and are Visa branded, can be used either to make fee-free purchases wherever Visa is accepted or to make cash withdrawals at ATMs. Consequently, they offer better security over previous cash payments and competitive currency conversion rates, which is important to beneficiaries who mostly transact outside the UK.

The result

IOM's prepaid card solution went live in January 2009 and by April almost all relocation grants were made by card. "We had been looking for a new payment method to replace cash for some time before Citi proposed its prepaid card solution," says Tuukka Puolakka, Procurement Officer for IOM. "The proposal was a perfect fit for our needs."

"We had been looking for a new payment method to replace cash for some time before Citi proposed its prepaid card solution."

The user experience to date has been flawless, with prepaid cards guaranteeing payment on time, every time. Users feel safer carrying a card than cash, and it is faster and easier to receive further reintegration funds through the cards than ▶

through bank transfers. "In cases where clients lose their cards or have problems withdrawing money, Citi's customer service is helpful in sending a replacement card or providing necessary assistance," says Puolakka.

Citi's detailed implementation and training process, including the appointment of a dedicated customer account specialist, delivered a smooth transition. "The implementation process was efficiently executed and the program contributed to easing our day-to-day operations," says Puolakka. "The Customer Service team is extremely helpful in answering our queries and their continued support makes a real difference." IOM had no software or integration costs and did not have to change any existing processes. The organization has rapidly benefitted from reduced costs, more detailed payment reports, and greater control and transparency.

Citi's detailed implementation and training process, including the appointment of a dedicated customer account specialist, delivered a smooth transition.

State of Maryland

Enhancing benefits for beneficiaries

The State of Maryland's Division of Unemployment Insurance is a US State Government Agency responsible for providing unemployment insurance benefits to its constituents. In 2008, Maryland delivered over one million benefit checks to claimants and was facing the highest unemployment rate in over twelve years.

The challenge

Since the early 1990s, Maryland has had a strong interest in shifting its unemployment payments to a prepaid card program to leverage the efficiency and efficacy of electronic payment delivery. However, with the inability to find the right partner to power the program, the initiative never got off the ground.

Numerous factors motivated Maryland to make the move to prepaid cards to facilitate the electronic delivery of its unemployment payments, including extensive costs related to check printing, administration and delivery; costly and inconvenient equipment breakdowns; and major burdens related to the reissuance and security of paper checks. Maryland needed a fast, reliable, and cost-effective method to provide unemployment payments to citizens who depended on them. It also needed to eliminate the burdens of paper checks, during one of the most challenging economic periods of the last 50 years.

Additional concerns included eliminating high fees charged by check-cashing agencies for citizens who had no personal banking accounts and providing the unemployed with easy, no-fee access to their funds.

The solution

Citi Prepaid rapidly implemented and launched a comprehensive solution, which has allowed Maryland to quickly shift from paper checks to electronic delivery for unemployment payments. This fully customized program features personalized Citi Visa® Prepaid Cards for beneficiaries. According to Maryland Unemployment Insurance Assistant Secretary Thomas Wendel, "This new program eliminates the problems caused by lost or delayed checks, and can save beneficiaries the costs of fees sometimes associated with cashing checks. It's a great program for our State, and for our residents."

The Citi Prepaid solution provides fee-free fund access for recipients:

- At Citibank network ATMs for cash access
- Everywhere Visa debit cards are accepted to make retail purchases
- At banks that display the Visa logo for cash access
- At participating retailers that provide cash-back purchases

"This new program eliminates the problems caused by lost or delayed checks, and can save beneficiaries the costs of fees sometimes associated with cashing checks."

Recipients can also manage their accounts for free online and make bank transfers for free. ▶

They can also access their account and get 24/7 multilingual toll-free support. These tools provide significant benefits to the recipients who traditionally have had limited means to access their account information. It also gives added efficiency to the State, as customer service is now managed by Citi Prepaid.

The result

The Citi Prepaid solution eliminated 100% of paper checks for new beneficiaries in a matter of weeks, saving Maryland an estimated USD400,000 annually in check-related costs alone. According to Wendel, "For Maryland, beneficiaries who once had to avail themselves of usurious check-cashing locations can now get their unemployment funds fee-free with Citi's extensive cash access network. While the system is just a few months old, we are already beginning to see significant cost savings. We chose to implement prepaid cards for new

claim filers only, so our savings and other operation improvements will be incremental."

The solution has also streamlined processes for Maryland's Department of Labor, Licencing and Regulation, providing a valuable cost-saving program to the citizens of the State in the process.

The Citi Prepaid solution eliminated 100% of paper checks for new beneficiaries in a matter of weeks, saving Maryland an estimated USD400,000 annually in check-related costs alone.



"This new program eliminates the problems caused by lost or delayed checks, and can save beneficiaries the costs of fees sometimes associated with cashing checks. It's a great program for our State, and for our residents."

Thomas Wendel
Unemployment Insurance Assistant Secretary, State of Maryland

London Borough of Lewisham

Prepaid cards deliver savings and improved user experience

The London Borough of Lewisham is an inner-city district in south-east London responsible for providing a range of high-quality services for over 248,000 people who live locally. The vision is to make Lewisham the best place in London to live, work and learn.

The challenge

Lewisham pays a weekly allowance to 18-year-olds leaving its care to help them continue in education or look for employment. Recipients had to visit council offices once a week to collect their allowance in cash. This exposed staff and recipients to risk, required complex cash management procedures at the council, and discouraged budgetary management by recipients.

The solution

Citi proposed a prepaid card solution to enable Lewisham's young recipients to receive their money on a secure and convenient prepaid Visa® card which could be used at point of sale, over the Internet, over the telephone, and at ATMs to withdraw cash – facilitating social inclusion. Prepaid cards have a number of advantages for users and issuers. When a prepaid card is lost or stolen, money on the card can be recovered. For Lewisham, prepaid

cards are simple for the council to set up, use and reload. In addition, the council can receive card scheme reports showing how their recipients are managing their allowance.

“Citi's prepaid card is both secure and flexible for our cardholders, whether they be council clients or members of staff.”

The result

Recipients no longer have to travel to council offices as cards are remotely reloaded. “This is much safer for them,” says Peter King of Leaving Care Service at Lewisham. “In addition, being able to withdraw only small amounts at a time, as well as making purchases in shops, enables young people to practice budgeting skills.” The scheme has also reduced

risks for users and the council, allowing staff to focus on the young people's needs.

Moreover, the scheme is expected to reduce Lewisham's payment processing costs by 62%. Prepaid cards will also positively contribute to a number of key National Indicators for Lewisham, including reducing risk by having less cash on site and less movement of money between sites. “Citi's prepaid card is both secure and flexible for our cardholders, whether they be council clients or members of staff,” says Kevin Alcock, Cashiering Services at Lewisham.

248

partnering for productivity with our clients

Service, Training, Consulting

Innovative servicing and implementation excellence are the hallmarks of our commitment to partnering with you on productivity. From complex implementations to transactional service requests, our clients depend on us to deliver with excellence. Our client-centric culture, backed by unmatched investment in platforms and people enable us to consistently deliver an exceptional experience, globally consistent and locally relevant.

250

Sapa Group

Rapid implementation of commercial card program lays the foundation for future expansion

Sapa is a global manufacturer of aluminum profiles, profile-based building systems and heat-exchanger strips with a turnover of USD4.9 billion and 13,000 employees.

The challenge

Sapa's then-existing commercial card program with its provider was due to end in March 2009, following the sale of the provider's commercial card business to American Express. Sapa spotted an opportunity to realize its long-held ambition to lower costs, and began discussions with Citi in October 2008 to help meet its goals – leaving an extremely short time for implementation. The spend from 300 cards in the countries covered by the initial phase of the program (Hungary, Italy, the Netherlands and Spain) are serviced from Sapa's Shared Services Center in Hungary.

The solution

Sapa appointed Citi on 16 December to deliver a travel and expenses card program for Italy, the Netherlands and Spain, and an international payment card for its Hungarian operation. The program allowed central billing and payment by Sapa and the issuance of cards

with a MasterCard® association in western Europe. Sapa's requirements were unusual in their simplicity: the company did not want data file integration, and no customisation or logo was required on cards themselves. Consequently, Citi devised a new 30-day implementation plan that has since been used for other clients seeking a stripped-down solution. Given the tight timeframe, briefings for users were delivered remotely through teleconferencing and webcasts.

The result

Sapa now captures a higher proportion of spending as a result of greater acceptance of its cards. It has also achieved significant cost savings by working with Citi. Most impressively, these results were achieved in less than a month from contract signing to online applications going live. "This was an extremely speedy implementation and we couldn't have made it a

success without Citi's commitment," says Péter Fein, European Manager for Global Requisition-to-Pay and T&E BPO at Sapa in Hungary. The program experienced only minor teething troubles – relating to confusion about online application and logons rather than any fault in implementation – and has resulted in a new model for card program implementation. Moreover, the experience has prompted Sapa to consider broadening its program. "I hope we get to extend our program in the near future and have the opportunity to work together again," says Péter Fein.



“This was an extremely speedy implementation and we couldn’t have made it a success without Citi’s commitment.”

Péter Fein
European Manager
Global Requisition-to-Pay
and T&E BPO
Sapa Group

Train line running through Budapest, Hungary.

Western Union

Implementation excellence delivers centralized, automated payments

Western Union is an industry-leading provider of money transfer and bill payment services, offering one of the easiest ways for families and friends to send money and stay connected through its operations in over 200 countries and territories.

The challenge

For most companies, payments are a necessary byproduct of doing business. For Western Union, payments are its core business. And when its reliance on individual electronic banking platforms was determined to be too cumbersome to manage, Western Union performed due diligence of researching treasury workstation options. The goal of the project was to centralize and automate payments across various banks with maximum efficiency, reducing operating costs and improving security and control over financial processes.

Western Union chose Wall Street Suite as its treasury workstation platform and set out to standardize and automate payment processing.

The solution

Western Union and Citi have a long-standing relationship, encompassing transaction services,

foreign exchange, and lending and advisory business. Citi facilitates Western Union's global settlement process in over 45 countries. Citi has been delivering integrated solutions that concentrate treasury operations for nearly a decade.

“Western Union went live with its CMX interface to Wall Street Suite in June 2009 they measured a 99% success rate for payments.”

Western Union collaborated with Citi to implement a global solution for both file and message connectivity options. Given the urgent nature of the high-value wire payments, the Citi Message Exchange (CMX) product was deemed the optimal solution.

A significant benefit of the CMX platform is the real-time visibility of bank account transactions and balance reporting.

The result

The implementation of the solution took six months and when Western Union went live with its CMX interface to Wall Street Suite in June 2009 they measured a 99% success rate for payments. Following the success of this implementation Western Union plans to continue to partner with Citi to roll out its treasury workstation globally.

256

Monsanto

Customized online employee training for CitiDirect® Online Banking

Monsanto is one of the world's leading agricultural technology companies.

The challenge

Monsanto was a satisfied user of CitiDirect® Online Banking but recognized that it could get more from the platform. With a high rotation of staff and frequent new hires, providing detailed training was time-consuming. Moreover, it was not always possible to provide training at a convenient time for the company and trainee.

In addition, some longstanding Monsanto staff had overlooked CitiDirect updates and were unaware of new functionality, resulting in the use of sub-optimal methods to achieve their goals.

The solution

Citi wanted to help Monsanto improve its productivity using CitiDirect. Following an onsite dialog in November 2008 to understand Monsanto's processes, organization, and training requirements, Citi created a tailor-made training program free of charge.

The solution provides on-demand training for Monsanto's current and future CitiDirect users, tailored to its structure and needs. In addition, Monsanto's site delivers company news, reports, industry updates, and Citi-produced articles explaining the latest functionality of the platform.

The result

Monsanto's Client Service Academy began development in November 2008 and was launched in February 2009. "I was impressed with the speed in which Citi moved from concept to a live platform," says Andrew Kuchan, Assistant Treasurer at Monsanto.

Monsanto treasury professionals can access their customized on-demand training, accompanied by a step-by-step voiceover tutorial, in three levels of training, and it is available 24 hours a day, seven days a week.

"Staff development is an important part of Monsanto's culture," says Kuchan. "This innovative program ensures that

consistent and up-to-date training is available to facilitate staff rotations. The ability to customize training sessions allows us to streamline training processes and improve productivity."

Monsanto's project served as a pilot for customized training that developed from Citi's Client Service Academy, which is now available on four continents and in multiple languages free of charge. The Citi's Client Service Academy provides "click-and-learn" access to online courses and on-demand learning sessions. Its courses also provide insight into current trends and hot topics in the industry, as well as the latest functionality of Citi's electronic banking services.

"We are committed to bringing value to our clients," said Kathryn Hornsby, Global Head of Client Technology Services at Citi, "by specifically focusing on Partnering for Productivity. Together with Monsanto, we worked to deliver a solution that created efficiencies quickly, and that is a benefit for our clients."

ACE European Group

Client Technology Services identifies ways to optimize value

UK-based ACE European Group (ACE) acts as one of Ace's Regional Treasury centers for Swiss-domiciled global insurance company ACE Group.

The challenge

UK-based ACE European Group Limited is a longstanding Citi customer and most recently implemented the Citi® File Xchange (CFX). Citi's Client Technology Services (CTS), which was established in 2008 to work with select clients, was eager to meet with ACE to discuss ways in which it could optimize its use of Global Transaction Services products. Specifically, CTS wanted to enhance ACE's user experience and improve the Group's efficiency using its technical expertise and support, integration and testing, and training and consulting services.

The solution

ACE availed itself of CTS's valued-added technical consulting services and representatives of both met in May 2009 to identify areas that could be improved to yield time or cost efficiencies.

Over a day, at ACE's Crawley site, CTS learned about ACE's operations across its various business units in the EMEA region. Citi also studied ACE's work flow and procedures, noting details such as when during the day statements and transactions were run. Citi had already analyzed 12 months' feedback collated from contact between ACE and Citi's service center and looked at the Group's use of CitiDirect® Online Banking. ACE had similarly compiled information from its own employees – and those of its third-party outsourcing business based in India, which handles much of ACE's treasury operations – detailing its observation of processes and the use of Citi electronic delivery platforms.

By analyzing this information CTS was able to identify areas where ACE's user knowledge could be further enhanced and processes and strategies that could be optimized. A program tailored to ACE proposed short-, mid- and long-term goals

aimed at increasing process efficiency and system utilization. CTS committed to assisting ACE throughout the period it took to achieve those goals.

“Citi was able to identify areas where ACE's user knowledge could be further enhanced and processes and strategies that could be optimized.”

Among the major goals agreed by ACE and CTS was the implementation of CFX pass-through for CitiDirect Payment files to enable the Group to upload payment files into CitiDirect. A second objective was to provide a customized transaction report for end-of-day activity-monitoring so that payments no longer had to be manually searched for and then printed off. In addition, it was ▶

suggested that Automated File and Report Delivery (AFRD) be set up to eliminate the need for printouts and reduce the amount of time spent searching through summary screens to locate and output relevant data. A third goal was to provide a customized balance summary report that matched the ACE current business spreadsheet to remove the need for manual validation or sorting.

A number of more minor goals were also agreed by ACE and CTS, including the implementation of AFRD email across all users to automate the reporting process either on the CitiDirect browser or directly into users' email. It was also agreed CTS would provide a suite of reports covering key CitiDirect components to make internal training easier.

The result

Following the on-site analysis and the agreement of goals by ACE and CTS, a number of customized transaction reports were designed and implemented. Work on other areas is ongoing. ACE believes the process it went through with CTS was beneficial. "It opened our eyes to potential savings," says Matt Norton, Assistant Treasury Manager at ACE.

CTS analysis estimates that once the proposals have been rolled out an estimated 60 minutes a day could be saved, resulting in a 16% increase in efficiency. The other proposals suggested may not create time efficiencies but will, if implemented, result in an improved working environment on CitiDirect.

Citi's analysis estimates that once the proposals have been rolled out an estimated 60 minutes a day could be saved, resulting in a 16% increase in efficiency.

"The analysis and review process with Citi opened our eyes to potential savings."

Matt Norton
Assistant Treasury Manager
ACE European Group Limited



People in Trafalgar Square, London, England.

index

Bangladesh	Rajdhani Unnayan Kartipakha (Rajuk)	226	Mexico	América Móvil	100
Brazil	Braskem	116		Sky TV	142
	Companhia Nacional de Açúcar e Álcool	194	The Netherlands	KLM	166
	Eletróbrás	106	Nigeria	Nigerian Bottling Company	10
China	AstraZeneca	174	Peru	Peru LNG	202
	China Petroleum & Chemical Corporation	208	Scotland	Norbulk Shipping	156
	Honeywell China	66	Singapore	Grundfos	60
	Jabil	132		Lenovo	58
	Novartis China	48		Microsoft Asia Pacific	160
Voith Paper China	68	SAP Asia		138	
Columbia	Grupo Carvajal	128	Spain	Hotelbeds Spain	154
Democratic Republic of the Congo	Anvil Mining	36		MAPFRE	198
			Sri Lanka	Mobitel	12
England	ACE European Group	258	Taiwan	Taiwan Semiconductor Manufacturing Company	210
	The Against Malaria Foundation	224	Thailand	Minor Group	144
	InterContinental	76		Turkey	Bosch-Siemens Hausgeraete Turkey
	International Organisation for Migration UK	236		Turkish Airlines	64
	London Borough of Lewisham	246	United Arab Emirates	Dubai Electricity and Water Authority	110
	Mando Brand Assurance	180		TAQA	52
	Sapa Group	250	United States of America	Amgen	124
	SABMiller	56		Cargo Network Services	18
		Cytec Industries		172	
France	Caisse Centrale des Mutualité Sociale Agricole	216		EMC Corporation	78
	Michelin	134		KitchenAid USA	178
India	Hindustan Coca-Cola Beverages	22		Men's Wearhouse	184
	Municipal Corporation of Greater Mumbai	222		Monsanto	256
	Rain CII Carbon (India)	96		Nabors Industries	72
	Reliance Communications	32		Pfizer	148
	Reliance Industries	98		Siemens	120
	Tata Communications	44	State of Maryland	240	
Indonesia	Indonesia Customs	218	State of West Virginia State Auditor's Office	232	
	Pertamina	28	Toyota USA	188	
Kenya	Bamburi Cement	86	Western Union	254	
Luxembourg	DKV Globality	164			
	MACH	40			

Global Transaction Services
www.transactionsservices.citi.com

© 2009 Citibank, N.A. All rights reserved. Citi and Arc Design, CitiConnect and CitiDirect are trademarks and service marks of Citigroup Inc. or its affiliates, used and registered throughout the world. The information and materials contained in these pages, and the terms, conditions, and descriptions that appear, are subject to change. Not all products and services are available in all geographic areas. Your eligibility for particular products and services is subject to final determination by Citi and/or its affiliates. Any unauthorized use, duplication or disclosure is prohibited by law and may result in prosecution. Citibank, N.A. is incorporated with limited liability under the National Bank Act of the U.S.A. and has its head office at 399 Park Avenue, New York, NY 10043, U.S.A. Citibank, N.A. London branch is registered in the U.K. at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, under No. BR001018, and is authorized and regulated by the Financial Services Authority. VAT No. GB 429 6256 29. Ultimately owned by Citi Inc., New York, U.S.A.

Global Client Casebook 2009-2010 Edition GRA20154 09/09

Client Casebook 2009-2010

Global Transaction Services for Corporate and Public Sectors

