

Client Advisory



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Treasury Top Priorities 2023

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Today's Speakers



Kelvin Ang

Principal, Client Advisory, New York

Based in New York, Kelvin is responsible for leading the delivery of advisory services to Citi clients in the areas of treasury operations, working capital management, risk mitigation, and treasury technology. With over 25 years of treasury and accounting experience, Kelvin joined Citi in April 2015 with extensive corporate experience, having been based in Asia, the US, and the Middle East in various positions managing regional treasury centers and in-house banks. Prior to Citi, Kelvin was the Corporate Treasury Manager at Caterpillar.



Britt Jensen

Principal, Client Advisory, London

Britt has close to 25 years' experience within the treasury space both from corporate treasury and the financial sector. Most recently, Britt was the Head of Treasury Operation & Systems for Tesco Plc Group and prior to this, heading GSK global strategic treasury projects in the pharmaceutical industry.



Ron Chakravarti

Global Head, Client Advisory, New York

Ron and team support Citi's multinational clients with advice on optimizing treasury and working capital management to support their growth. Ron has been with Citi for 15 years. His prior experience includes treasury consultancy at Treasury Strategies (now Novantas), leadership roles in transaction banking at ABN AMRO and Standard Chartered Bank, and corporate banking at NationsBank (now Bank of America).

About Client Advisory

Practitioner-led team to help clients develop their treasury practices and evolve corporate treasury functions in support of enterprise growth and transformation

Focus Areas



Treasury Centralization



Treasury Center Locations



In-House Banks



Future of Treasury



Implications of Shifts in Business Model



Treasury Policies and KPIs



Cash Flow Forecasting



Liquidity Optimization



Working Capital Practices



Financial Risk Management



Treasury Integration post M&A



Treasury Digitization



Treasury Technology Platforms



Regulatory & Tax Considerations

Advisory Approach

Diagnostics

- Objective and comprehensive benchmarking of treasury functions
- Comparative insights vis-à-vis peers to identify areas of improvement
- Delivers framework to support transition toward a world-class treasury function

Best Practices

- Input and insight on best practices in treasury
- Forward-looking perspectives on emerging trends and themes
- Based on buy-side experience and knowledge of markets and industries

In-Depth Analysis

- Workshops to analyze client's business flows & structures
- Identification of opportunities to improve treasury effectiveness
- Delivery of recommendations and roadmap to drive value creation

Poll Question 1

What is the topmost concern that could have the greatest impact on your organization this year? (select one)

High interest rates



Currency volatility



Supply chain uncertainty




Geopolitical tensions



Trapped cash



Current Backdrop



Macroeconomic Backdrop
(Citi Research)

“Despite the recent good news, the global economy still has a tough year ahead”



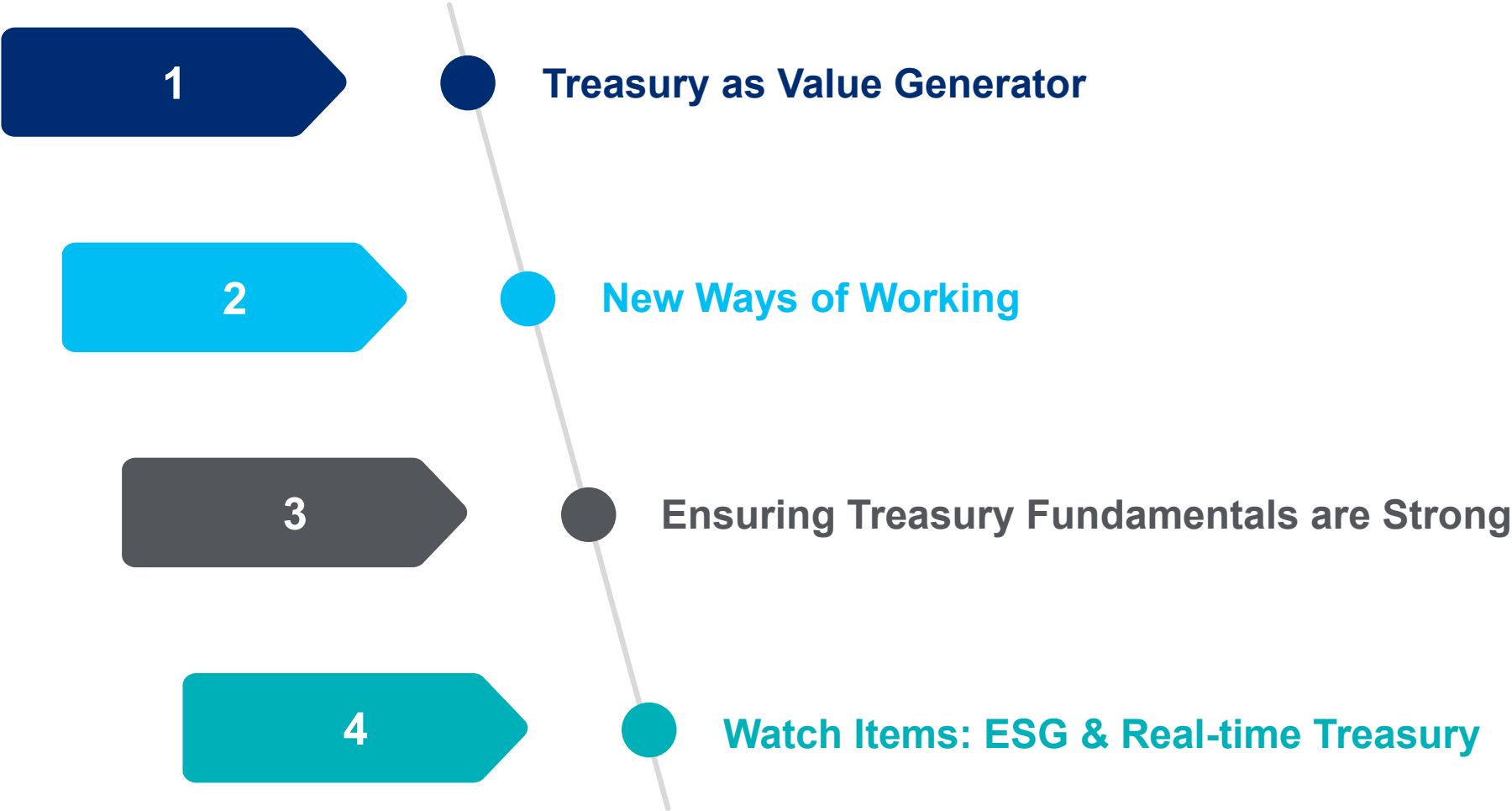
Corporate Finance Backdrop
(Citi FSG)

“The Largest Increase in Cost of Capital in Nearly 40 Years...”

...Uncertainty Remains High as Recession Risks Not Fully Priced In”

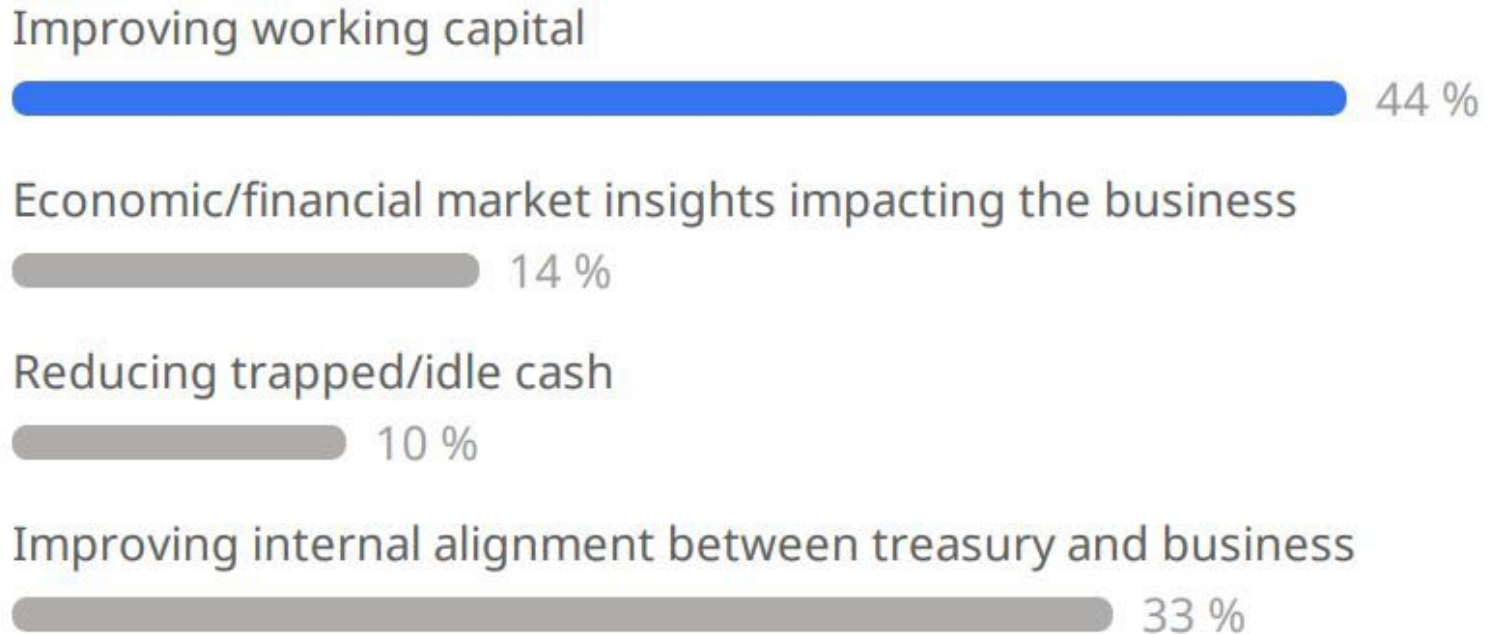
(1): Citi Global Economic Outlook & Strategy - A "Less Hard" Landing Ahead?, January 2023
(2): Citi Financial Strategies Group: Return of WACC: Risks and Opportunities in 2023, January 2023

2023 Corporate Treasury Priorities



Poll Question 2

Where do you see treasury having the biggest impact as value generator?
(select one)



Treasury as Value Generator

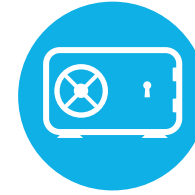
Aligning Business KPI's with policies, procedures, and technology



Reducing trapped and idle cash through efficient trading structures



Optimizing working capital through efficient internal processes



Driving a cash culture based on treasury fundamentals



Poll Question 3

What is your top priority with respect to the treasury team this year? (select one)

Learning and development



Managing hybrid work arrangements



Finding appropriately skilled treasury resources



Implementing and integrating new technology to drive automation



New Ways of Working

Operating Models / Ways Of Working

- Adopt new ways of working (remote/hybrid/virtual)
- Local vs. global

Skills Of The Future

- Combine new technology and strategic skill sets (e.g., Strategic, Influencing, Technological, Communication)



New Technologies

- Leverage enterprise-wide adoption and embrace new technologies

Attracting & Retaining Talent

- Address challenges in resourcing/ changing talent needs in competitive market
 - Local vs. global

Poll Question 4

What is the treasury fundamental you will prioritize highest this year? (select one):

Liquidity optimization



Cash visibility/accessibility



Working capital optimization



Importance of Treasury Fundamentals

Liquidity Optimization

- Cash consolidation and pooling for financial and operational benefit



Cash Visibility / Accessibility

- Simplification of banking and account structures
- Fully utilizing systems deployed – trusting the technology

Working Capital Optimization

- Continue process focused optimization
- Strategic advisory to secure and optimize working capital

Poll Question 5

What does real time treasury mean to you? (select one)

Instant payments only

2 %

Balance positions on demand

11 %

24/7/365 access to global liquidity

8 %

All of the above

78 %

Watch Items

ESG

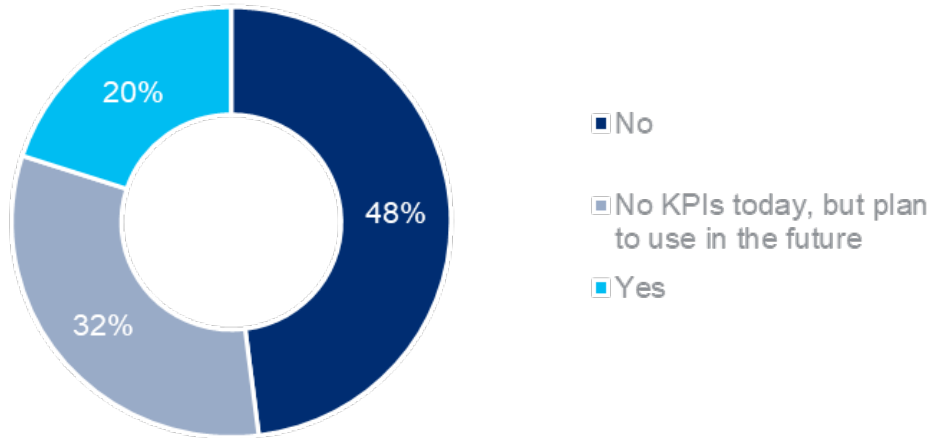


Only 20%⁽¹⁾ have Treasury KPI's associated with ESG objectives...

...but Scope 3 emissions reporting requirements raise potential need for Treasury to manage exposures



Do You Have KPIs For Your ESG Objectives?



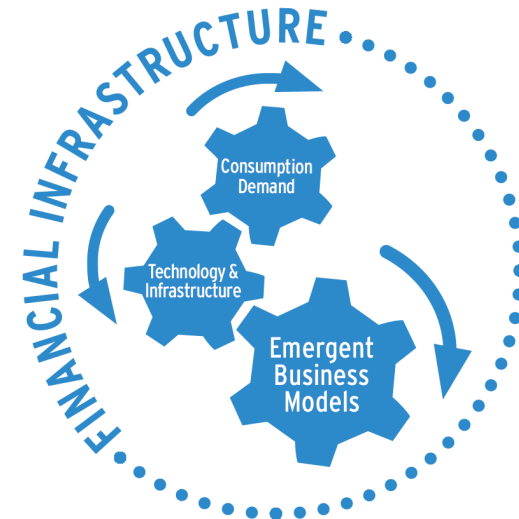
Real-time Treasury

Real-time Treasury = Instant payments, API reporting, and real-time liquidity coming together

Advances continue in instant payments and API's...

...building need for an industry-wide approach to always-on real-time liquidity solutions.
E.g., Regulated Liability Network (RLN)⁽²⁾

Why is Real-time coming (eventually)



(1): Citi Treasury Diagnostics Survey results, 2021-2022, 81 Respondents

(2): [Press Release](#): Members of the U.S. Banking Community Launch Proof of Concept For A Regulated Digital Asset Settlement Platform, November 2022

Citi® Treasury Diagnostics

Citi Treasury Diagnostics (CTD) can help you to better understand the effectiveness of treasury practice and processes compared to your peers, provide insightful best-in-class practices and facilitate continuous improvement

Assess and Benchmark Performance in Six Critical Treasury Operations Areas

Policy & Governance

Liquidity

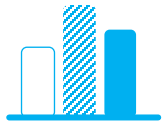
Working Capital

Subsidiary Funding & Repatriation

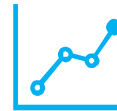
Risk Management

Systems & Technology

Benefits, Highlights & Recent Updates



Comprehensive and Objective Measurement of Performance



Benchmarking to Industry Peers and ~1,100+ Aggregate Respondents



Customized and Detailed Benchmarking Report



Actionable Insights on Best-in-Class Practices Delivered by Treasury Advisors



Digital Treasury Index Measuring Digital Adoption



ESG, Digitalization and eCommerce as Areas of Increasing Focus

Multiple Industry Awards

Winner
Innovative Product



MONARCH INNOVATION AWARDS
RECOGNIZING EXCELLENCE AND CREATIVITY IN BUSINESS BANKING

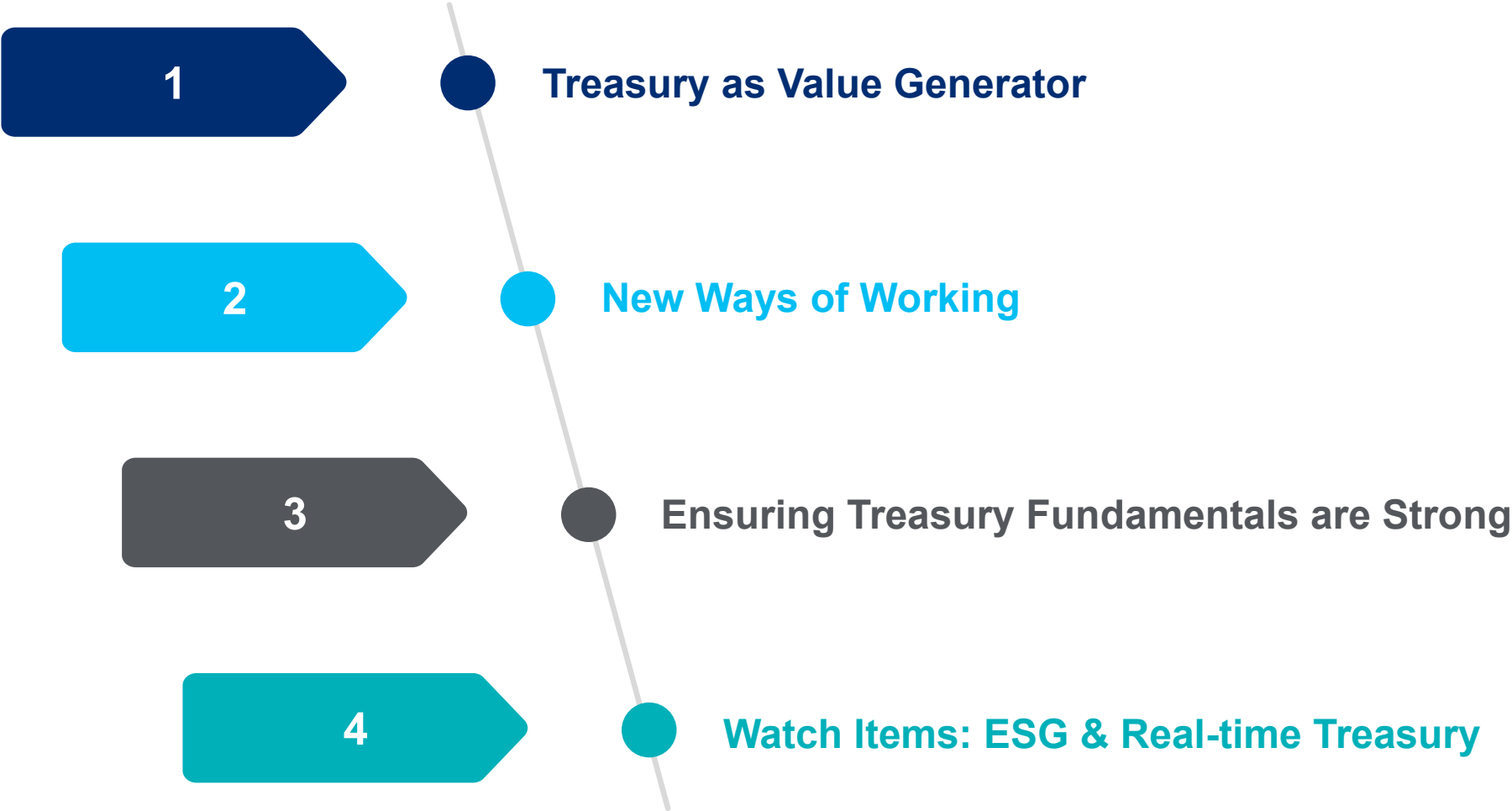
Winner
Model Bank Award



Silver Winner
Solution of the Year

TREASURY & RISK
THE FUTURE OF FINANCE TODAY

ALEXANDER HAMILTON AWARDS



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