



# Citi Private Bank and Omgeo

Improving operational efficiency for a global private bank

## ALERT

Benchmarks  
Central Trade Manager  
Connect  
CrossCheck  
MarketMatch  
OASYS Global  
ProtoColl  
Transaction Report

**Since the implementation of Omgeo Central Trade Manager<sup>SM</sup> (Omgeo CTM<sup>SM</sup>) and Omgeo ALERT<sup>SM</sup>, Citibank (Switzerland) AG - Private Bank confirms trades by the close of business on the same day of the transaction and thus easily manages to meet the Swiss code of conduct.**

**Mohd Salim, Head of Operations Controls EMEA, explains how automating the post-trade process has increased efficiency and reduced operational risk in the global private bank.**

Citi Private Bank is one of the leading providers of investing, banking, lending and wealth advice to the world's most affluent individuals and families. Citibank Switzerland - Private Bank (Citi) is the regional operations centre for EMEA covering Europe, Middle East and North Africa. Assets under management for EMEA total US\$ 46 billion (Jun 10). Overall Citi executes around 36,000 trades with over 100,000 allocations per year.

**"Today 99.4% of our discretionary trades are confirmed on execution day. With a manual process, we needed at least a day after receiving the paper confirmation to fix a mismatched trade. Omgeo gives us the flexibility to adjust those trades with our brokers immediately."**

Mohd Salim, Head of Operation Controls, EMEA

Citi's strategy is based on three investment models: Discretionary, Consultative Discretionary and Advisory, where execution of trades is client-directed. For the Discretionary business, which is responsible for 50 % of the volume, Citi manages the respective portfolios in line with the investment objectives. This segment also includes the institutional business.

Processing trades of the Discretionary business is highly complex because trades have to undergo several allocation phases and they need to be tagged to different Standard Settlement Instructions (SSI). Omgeo has endowed Citi to automate the post-trade process for those transactions achieving higher operational efficiency.

## Global transparency

Citi trades in three different ways: via the internal broking arm of Citigroup Global Market (London and New York), directly with one of their 25 external brokers, or through Bloomberg order placements, which allows Citi to do business with a larger number of brokers.

With Omgeo, Citi has gained transparency and consistency on its post-trade processes and is able to provide its global operations teams around the world with easy access to transaction data. This has been achieved without additional resources due to the minimal changes necessary to the existing workflow when implementing the Omgeo solutions.

**"Sending settlement instructions to brokers via Omgeo ALERT is a major advantage. I just publish my settlement instructions in ALERT and my brokers can easily allege the accounts correctly."**

Mohd Salim, Head of Operation Controls, EMEA

## Boosting same-day affirmation rates

Since implementing the Omgeo solutions, 99.4 % of transactions meet the Swiss Code of Conduct that requires trades to be confirmed and processed by the close of business on the same day of the transaction. As a result Citi has significantly reduced its risk exposure and costs for failed trades and claims. At the same time Citi is able to provide its clients with the high service levels they expect from a private bank and timely updates on their portfolios.



Citi Private Bank



**Europe**  
Omgeo Ltd  
Aldgate House  
33 Aldgate High Street  
London EC3N 1DL  
Tel. +44 20 7369 7777  
[askomgeoeurope@omgeo.com](mailto:askomgeoeurope@omgeo.com)

**America**  
Omgeo LLC  
22 Thomson Place  
Boston, MA 02210  
Tel. +1 866 49 OMGEO  
[askomgeoamerica@omgeo.com](mailto:askomgeoamerica@omgeo.com)

**Asia**  
Omgeo PLC Ltd  
18 Science Park Road  
Singapore 118229  
tel +65 6775 5088  
[askomgeoasia@omgeo.com](mailto:askomgeoasia@omgeo.com)

**Japan**  
Omgeo K.K.  
Palaceside Building  
1-1-1, Hitotsubashi, Chiyoda-ku  
Tokyo 100-0003  
Tel. + 813 5218 6621  
[askomgeojapan@omgeo.com](mailto:askomgeojapan@omgeo.com)

## Looking back

All Discretionary trading was done by Citigroup Asset Management (CAM) until December 2005. When CAM was sold to Legg Mason at the end of 2005 Citi retained the discretionary offering and needed to apply a model to handle trading, trade matching and allocation. The process did not support multiple trade allocations and multiple settlement instructions for a single market trade.

The solution Citi was looking for had to be scalable and efficient whilst not requiring a big investment. Several internal solutions were explored, but drawing from the positive experience of CAM with Omgeo OASYS Global, the factors in favour of Omgeo were clear and convincing:

- An established interface with Bloomberg's Buy-Side Order Management System: AIM (Asset and Investment Manager)
- Minimum changes needed in the booking platform
- Seamless implementation
- Minimal impact on operational workflow

Finally Citi has implemented Omgeo CTM to match trades with brokers and send allocations as well as Omgeo ALERT to publish settlement instructions.

**"If we had not implemented the Omgeo solutions trade processing would be tedious and we would have had to allocate more resources to operations. With Omgeo we are well positioned and scalable to address volume fluctuation."**

Mohd Salim, Head of Operation Controls, EMEA

## Global trade processing

Citi has achieved higher efficiency and major cost savings while still being able to fulfil local market requirements in trade processing by introducing a global workflow with shared responsibilities:

- Trading in London, UK
- Trade processing in Singapore
- Reconciliation in Chennai, India
- Middle office in Zurich, Switzerland

Operations teams in various locations globally ensure a seamless flow of transactions as well as end-to-end transparency and control.

## Smooth implementation

The implementation was divided into two phases. In phase one Omgeo CTM and ALERT were installed. The real automation and implementation of straight-through-processing happened in phase two when the Omgeo flows to and from Bloomberg and Citi's booking platform were activated. All together Citi is very happy with the results achieved since implementing the Omgeo solutions.

## About Citi Private Bank

Citi Private Bank is one of the leading providers of investing, banking, lending and wealth advice to the world's most affluent individuals and families. The bank is an important partner with technology and real estate entrepreneurs, law firms and attorneys, as well as the principals of venture-capital, private-equity and hedge-fund firms. With 3,000 employees, Citi Private Bank operates in the Americas, EMEA and Asia Pacific. For more information, please visit [www.privatebank.citibank.com](http://www.privatebank.citibank.com)

## About Omgeo

Omgeo creates certainty in post-trade operations through the automation and timely confirmation of the economic details of trades executed between investment managers and broker/dealers. Every day Omgeo enables an efficient community of more than 6000 financial services clients in 46 countries to manage matching and exception handling of trade allocations, confirmations and settlement instructions. Leading organisations rely on Omgeo to help manage an increasingly complex investment industry by providing operational stability and solutions that complement the focus on profitability in an era of escalating trade volumes. Across borders, asset classes and trade lifecycles, Omgeo is the global standard for operational efficiency across the investment industry. Formed in 2001, Omgeo is jointly owned by the DTCC and Thomson Reuters. For more information about Omgeo, please visit [www.omgeo.com](http://www.omgeo.com)

Copyright © 2010 Omgeo LLC. All rights reserved. All Omgeo service names appearing herein are either registered trademarks or service marks of Omgeo LLC in the United States and elsewhere. Several Omgeo services are regulated by the U.S. Securities and Exchange Commission. For more information, please visit [www.omgeo.com/regulation](http://www.omgeo.com/regulation). NR0710

Omgeo is authorised and regulated by the Financial Services Authority ("FSA"). This communication is directed only at persons who fall within the scope of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (investment professionals), and the services described in this advertisement are available only to such persons. Any other persons should not rely on any information or other material set out in this advertisement.



[www.omgeo.com](http://www.omgeo.com)