

**For immediate release  
28 September 2005**



## **Citigroup and Clearstream launch new Quad-party Financing Services**

### ***Barclays Capital becomes first client with ground-breaking trade***

(London and Luxembourg) – Citigroup Global Transaction Services, a business line of Citigroup Corporate and Investment Banking, Clearstream and Barclays Capital have executed the first ever quad-party securities financing trade, following a collaborative effort to develop a new collateral custody service facility to enable easier financing of international and domestic assets.

Quad-party Repo is an extension of the widely-used and highly acclaimed Tripartite Repo Service of Clearstream. The fourth party involved - the local agent bank appointed by the cash taker to hold their domestic assets - becomes an extension of the triparty set up. Instead of forcing the cash taker to move the assets from their domestic agent bank into the international market for financing, quad-party enables the triparty repo to be extended into domestic markets, thereby respecting the cash takers choice of where they want to hold their assets.

Citigroup, the pre-eminent global financial services company, and Clearstream, the leading international central securities depository have jointly developed the service, and Barclays Capital, a key user of collateralised financing services at Clearstream, executed the first trade last week.

The service involves Global Transaction Services acting as Clearstream's collateral sub-custodian, and vice versa on a non-exclusive basis. This allows clients to mobilise assets held internationally and domestically in order to maximise collateral usage under existing tri-party financing facilities.

The new service gives clients the following benefits:

- Improved depository management (externally financed assets stay with their local settlement agent)
- Lower (book-entry) transaction and back-office costs related to collateral management
- Flexibility in terms of collateral allocation including same-day substitutions
- Use of auto-allocation facilities
- Simple, quick implementation with minimal additional documentation
- Respect for clients' existing relationships with service providers and cash lenders

Volker Potthoff, Managing Director of Clearstream International stated, " This innovation enables clients like Barclays to derive direct benefits through the mobilisation of both internationally and domestically held assets which maximises the usage of collateral. It is

also another good example of Clearstream's partnership approach in developing services that directly meet the needs of our clients."

Gian Paolo Potsios, Managing Director, European Financial Infrastructures Head, Global Transaction Services says, "This initiative demonstrates Citigroup's commitment to provide its customers with the greatest degree of liquidity and convenience within the traditional market structures for global liquidity and collateral management services."

Mark Dearlove, Managing Director, Global Head of Liquidity Management at Barclays Capital added, "This is a key milestone for this area as we are pioneering a new type of trade which overcomes some significant issues and enables us to utilise our collateral in a way never done before. We expect these types of quad-party trades to be commonplace in the future."

**- Ends -**

## **Notes to Editors**

### **Media Contacts**

Citigroup EMEA

Lindsey Deans - +44 (0) 207 986 5603 – [lindsey.deans@citigroup.com](mailto:lindsey.deans@citigroup.com)

Charlotte Ronan - + 44 (0) 207 986 2809 - [charlotte.ronan@citigroup.com](mailto:charlotte.ronan@citigroup.com)

Clearstream

Bruno Rossignol / Yolande Theis - +352-243-31500 -  
[brossignol.ci@clearstream.com](mailto:brossignol.ci@clearstream.com) – [ytheis.ci@clearstream.com](mailto:ytheis.ci@clearstream.com)

Barclays Capital

Kerry Kennedy, Barclays Capital Communications

Ph: +44 (0) 20 7773 4175 - [kerry.kennedy@barcap.com](mailto:kerry.kennedy@barcap.com)

### **About Citigroup**

Citigroup (NYSE: C), the leading global financial services company has some 200 million customer accounts and does business in more than 100 countries, providing consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, and wealth management. Major brand names under Citigroup's trademark red umbrella include Citibank, CitiFinancial, Primerica, Smith Barney and Banamex.

Additional information may be found at [www.citigroup.com](http://www.citigroup.com)

### **About Citigroup Corporate and Investment Banking**

Our Corporate and Investment Banking group achieves the extraordinary for our clients around the world. No financial institution is more committed to understanding and advancing the goals of its clients – our diverse and talented staff in some 100 countries advises companies, governments, and institutional investors on the best way to realize their strategic objectives. We create solutions for and provide the broadest possible capital and market access to thousands of issuer and investor clients, and no institution better executes the increasingly complex payment and cash management solutions required in today's global economy. Core business lines under Citigroup Corporate and Investment Banking include Global Capital Markets, Global Banking and Global Transaction Services.

**About Clearstream**

Clearstream Banking Luxembourg is a subsidiary of Clearstream International, which offers a comprehensive clearing and settlement service for bonds both domestic and cross-border, equities and investment funds to a global customer base. Clearstream is fully integrated into Deutsche Börse Group, the world's largest exchange operations company when measured by market capitalisation. The combined group provides technology, services and products from trading and information products to clearing, settlement and custody based on straight-through processing and interoperability standards to all stages of the processing chain.

Clearstream continues to experience strong growth within the strategically important Global Securities Financing services business. In August the EUR 200 billion milestone was broken with weekly outstandings of EUR 207.3 and monthly average outstandings of EUR 201.6 billion. The combined services include tripartite repo, securities lending and collateral management and collectively experienced a rise of over 56 percent from the same month last year (August 2004: EUR 129.3 billion).

For further information, visit our website [www.clearstream.com](http://www.clearstream.com).

**About Barclays Capital**

Barclays Capital is the investment banking division of Barclays Bank PLC. With a distinctive business model, Barclays Capital provides large corporates, government and institutional clients with solutions to their financing and risk management needs. Barclays Capital has the support of an AA rated parent bank with a balance sheet of over £560 billion. With offices in 23 countries, the firm employs over 8,000 people and has the global reach and distribution power to meet the needs of issuers and investors worldwide.

In January 2005, Barclays Capital received recognition from two of the finance industry's most prestigious publications by being named IFR magazine's 'Bank of the Year' and Risk magazine's 'Derivatives House of the Year'.

For further information about Barclays Capital, please visit our website [www.barclayscapital.com](http://www.barclayscapital.com).