



**For Immediate Release
Citigroup Inc. (NYSE: C)
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Citi Client Poll Shows Companies Already Adjusting Supply Chains Amid Trade Tensions

Hong Kong - A client poll conducted by Citi of some of its trade clients in the region shows more than half are already adjusting their supply chain in response to trade tensions. While many clients are still evaluating the impact on their business most are not waiting. The majority are implementing changes to ensure a limited disruption to their supply chains and business including plans to shift manufacturing or invest in new manufacturing sites, and considering the complete sourcing strategies via their suppliers. The poll was conducted in November.

“This client poll underlines how companies are already proactively adjusting to the realities of the trade tensions. We have been supporting our clients in this transition and working with them using our global network. We are seeing strong growth in intra Asia trade corridors as a result of this supply chain reconfiguration across our Treasury and Trade Solutions business,” said Rajesh Mehta, Head of Treasury and Trade Solutions for Asia Pacific.

Revenues linked to intra-Asian trade are up over 20% year to date at Citi in the region despite rising trade tensions between China and the US.

“Our established network and product capabilities ensure that Citi is well placed to help clients mitigate risks and thrive in this environment,” said Rajesh.

In the poll results, nearly three quarters of respondents said they expect the China-US trade tensions will last longer than a year. Half of all clients polled also said their supply chain has already been impacted.

Citi’s growth has mainly come through a series of key trade corridors in the Asia Pacific region that the bank has identified and invested further resources in.

The bank’s key corridors include Korea to ASEAN, Korea to China, Korea to India, Japan to ASEAN, Japan to China and China to ASEAN.

Having recognized the shift in trade flows and the stronger presence that China and broader Asia will continue to play in the movement of trade flows, Citi put in place a strategy to capitalize on the ongoing growth along these corridors.

Citi opened additional Asia desks over 2017 and 2018 adding headcount and expertise to help clients as they look to expand to new areas and markets across these corridors. The bank now has over 20 Asia desks in operation – including 11 China Desks, nine Korea Desks and an India Desk in New York and Korea.

“We are banking many of Asia’s corporate champions in over 50 countries with the country desks supporting clients globally,” said Rajesh. Citi also has the widest network along the Belt and Road Initiative with business coverage in 60 out of 70 BRI markets.

Asia is capturing a greater share of global trade and US companies will increasingly target Asia for growth too and alongside China to Asia investment, will grow further as intra-Asian trade corridors expand further. Citi already banks 90% of the Fortune 500 in the region.

China outbound FDI to Asia has grown from US\$17bn to US\$130bn in a decade and 2/3rds of China's outward FDI flows are now to Asian countries and this share will just grow further says the bank.

Citi's analysis also showed that investment flows for US companies will also intensify across Asia. US corporate cash piles are at an all-time high – approaching US\$2.5t – and pressed for growth, Asia presents the most attractive growth opportunity globally.

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About Citi

Citi, the leading global bank, has approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions. Citi provides 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, transaction services, and wealth management.

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