

# [Global financial management](https://assignbuster.com/global-financial-management/)

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When a business or company imports, exports or makes investment in other countries, it deals with foreign exchange. Foreign exchange deals with foreign currency and involves; deposits, credits and balance payable in any foreign currency (National Information Centre, 2012).

Acme Company plans to run subsidiaries in Asia and South America. The following table gives a summary of five banks in Asia and North America, the services they provide and their physical presence in terms of convenience in both countries. Table 1; Table showing a comparison of the various banks. From the above data, it is evident that Citibank is the best bank in terms of centralized cash payment, local lending, short-term investments, foreign exchange, forward markets and also bill payments in local and foreign currencies. Bank of America offers all of the services but it has few locations in both Asia and North America. HSBC, Chase bank and Standard Chartered banks do not have physical presence in both Asia and North America.

Citibank is a global bank that provides management financial solutions to companies dealing with international trade globally. The bank provides periodic financial statements to their clients, thus enabling them to monitor their portfolios in real time (Citigroup Inc, 2011). The bank has direct online banking systems that enable its clients to access and control their transactions and trading activities (Citigroup, 2010). The bank has positioned itself in the market place to provide all financial remedies to companies engaging in international trade. The bank was the recipient of the Golden Dragon Award for being the best foreign bank, best cash management bank and the best treasury bank in February 2007 in Vietnam. Citibank is best positioned to offer working capital and multinational cash management services based on the analysis of the above data.

As compared to other banks, the bank has a wide coverage in both Asia and North America and is therefore best suited to serve the needs of Acme Company.