

FREE 52-week subscription to FT.com
with an approved application of
The Premier Rewards Gold Card
from American Express.

LEARN MORE ▶



[FT Home](#) > [Companies](#) > [Financials](#)

Citigroup chief stays bullish on buy-outs

By Michiyo Nakamoto in Tokyo and David Wighton in New York
Published: July 9 2007 22:08 | Last updated: July 9 2007 22:08

Chuck Prince on Monday dismissed fears that the music was about to stop for the cheap credit-fuelled buy-out boom, saying **Citigroup** was "still dancing".

The Citigroup chief executive told the Financial Times that the party would end at some point but there was so much liquidity it would not be disrupted by the turmoil in the US subprime mortgage market.

EDITOR'S CHOICE

[Citi looks to Europe retail revival](#) - Nov-25

[Analysis: Investing: Not so self assured](#) - Nov-05

[Hands counts the cost of foray into music](#) - Nov-05

[Opinion: A win for Citi but banking is still in the dock](#) - Nov-04

[Juror removed in plot twist in EMI case](#) - Nov-02

[Citi to sell \\$500m of private equity holdings with CVC](#) - Nov-02

He denied that Citigroup, one of the biggest providers of finance to private equity deals, was pulling back.

"When the music stops, in terms of liquidity, things will be complicated. But as long as the music is playing, you've got to get up and dance. We're still dancing," he said in an interview with the FT in Japan.

His comments come amid growing fears that problems in the US subprime mortgage market, rising interest rates and concerns about loose lending standards could lead to a downturn in the leveraged finance market.

"The depth of the pools of liquidity is so much larger than it used to be that a disruptive event now needs to be much more disruptive than it used to be," he said.

"At some point, the disruptive event will be so significant that instead of liquidity filling in, the liquidity will go the other way. I don't think we're at that point."

Mr Prince said the way big Wall Street banks and hedge funds had picked up troubled subprime mortgage lenders was an example of how "liquidity rushes in" to fill the gap as others spot a buying opportunity.

Citigroup is a leading lender to private equity buy-outs and has been involved in several financings that have run into problems. Bond and loan deals arranged by banks have been pulled after investors demanded higher premiums and more protection.

This has raised fears that the banks, which aim to pass on the debt to other investors, could get caught if the market dries up.

Mr Prince also said he was very bullish about Japan.

Copyright The Financial Times Limited 2010. You may share using our article tools. Please don't cut articles from FT.com and redistribute by email or post to the web.

[Print article](#) [Email article](#) [Clip this article](#) [Order reprints](#)

[Twitter](#)

[Digg](#)

[LinkedIn](#)

[Yahoo! Buzz](#)

[Delicious](#)

[reddit](#)

[BX](#)

[Facebook](#)

[stumbleupon](#)

[Viadeo](#)

MORE FROM THIS SECTOR

[Gerova to probe market collusion](#)

[Minister calls deal with Actis 'shameful'](#)

[US construction activity weak in December](#)

[Poland raises rates on inflation fears](#)

SUBSCRIBE TO THE FT

Sign up today and get a 4 week RISK-FREE trial to the Financial Times Newspaper.

[More](#)

[Jobs](#) [Business for sale](#) [Contracts & tenders](#)

SEARCH

Go

[Head of EMEA IT Procurement](#)
Retail

[Managing Director, Tideway Tunnel](#)
Thames Water

[Chief Risk Officer](#)
Financial Services

[Interim Senior Economist](#)
Management Consultancy

RECRUITERS

FT.com can deliver talented individuals across all industries around the world

[Post a job now](#)

[Florman unveiled as BVCA head](#)
[Sherborne urges F&C investors to oust chairman](#)
[Former DE Shaw unit chief joins Golub](#)
[Advent buys Priory for £925m](#)
[Kroll to challenge big three rating agencies](#)
[Four banks to underwrite Treasury sale of AIG shares](#)
[Vickers puts big banks on notice](#)

RELATED SERVICES	
FT Lexicon	MBA-Direct.com
FT Bespoke Forums	FT Newspaper subscriptions
Market research	FT Diaries
Growth companies	FT Conferences
Corporate subscriptions	FT Syndication services
Luxury Travel brochures	The Non-Executive Director
Analyst Research	

[FT Home](#)

[Site map](#)
[Contact us](#)
[About us](#)
[Help](#)

[Advertise with the FT](#)
[Media centre](#)
[FT Newspaper subscriptions](#)
[FT Conferences](#)
[FT Syndication](#)
[Corporate subscriptions](#)
[FT Group](#)
[Careers at the FT](#)

[Partner sites: Chinese FT.com](#)
[The Mergermarket Group](#)
[Investors Chronicle](#)
[Exec-Appointments.com](#)
[Money Media](#)
[The Banker](#)
[fDi Intelligence](#)
[MBA-Direct.com](#)
[The Non-Executive Director](#)

© Copyright The Financial Times Ltd 2011. "FT" and "Financial Times" are trademarks of The Financial Times Ltd. [Privacy policy](#) [Terms](#)