



Citi Commercial Cards Conference

Banking on Tomorrow

Future of Payments

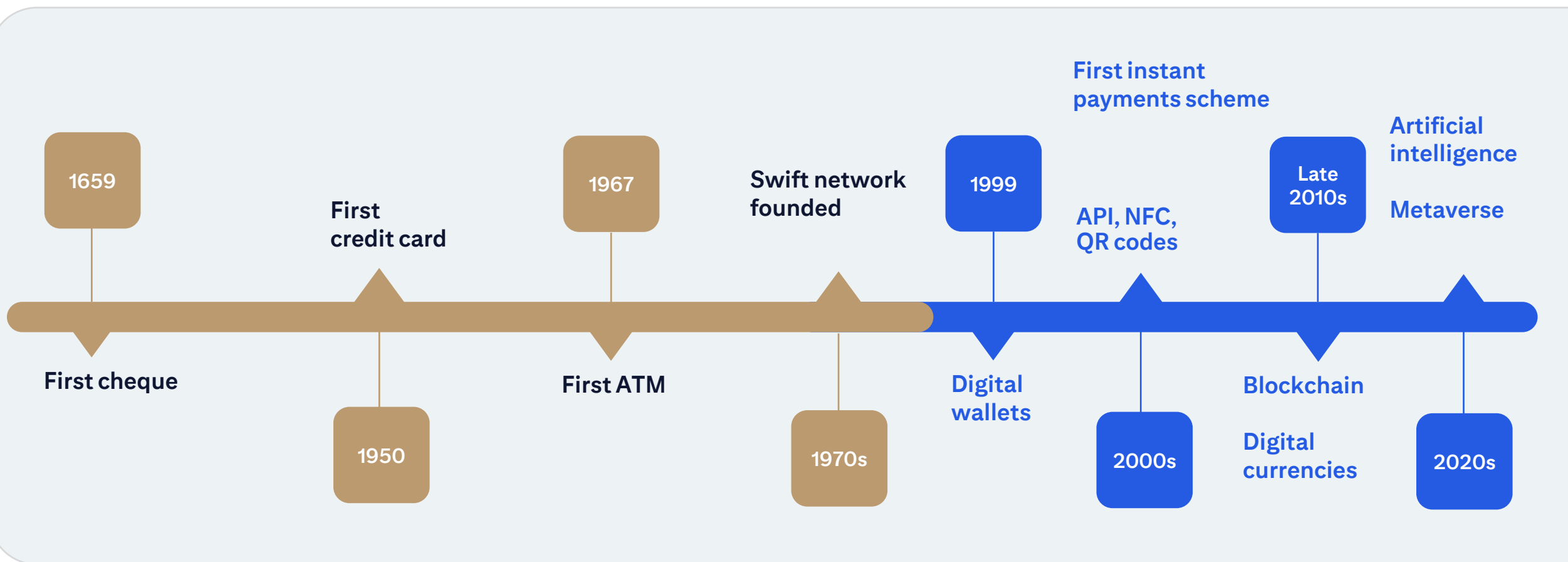
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The Past, The Present, The Future....

Consumers are adopting **new technology** and **real-time services**, faster than ever before...



Evolving Payment Landscape

Growth of the digital economy



24/7, Real-Time & Transparent

Emergence of new players



New payment providers have entered the playing field

Regulatory Driven



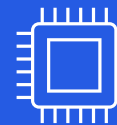
Competition, Consumer Advocacy, Open Banking, Resilience, Interoperability, ISO data Standards, G20 X-Border Roadmap

Growth of instant payments & emerging digital ecosystems



Double digit Instant payment growth – ~260Bn processed every year (2023)

Technology enabled



API, DLT, Cloud, AI.

Evolution of payments



The way to pay is evolving: instant, 24/7, increasing velocity, micro payments, embedded,

What is the opportunity?



B2B TRANSACTIONS

Make up the
largest share by far

APPROX.
US\$150tn



C2B TRANSACTIONS

Such as cross-
border e-
commerce and
offline tourism
spend

APPROX.
US\$2.8tn



B2C TRANSACTIONS

Including wage,
salaries or interest
payments

APPROX.
US\$1.6tn



C2C TRANSACTIONS

Or remittance
payments,
contribute the
least

APPROX.
US\$0.9tn



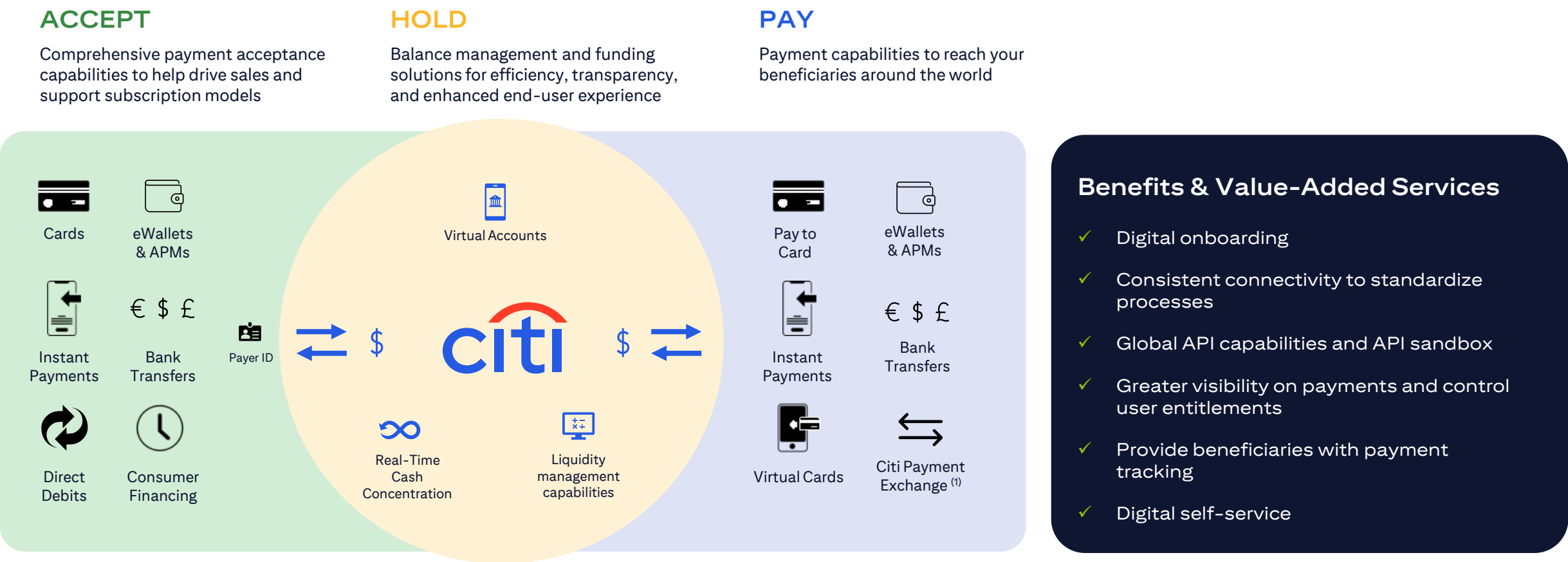
The volume of international payments continues to rise
and is expected to reach **US\$200tn** in 2027



Digital Commerce Strategy

Citi offers a unique End-to-End experience

Our solutions help meet the needs of our clients' business, engineering, and treasury teams.



Citi: The Power of our Global Network

Citi’s global network and capabilities can help deliver value across your organization and support your payments strategy.

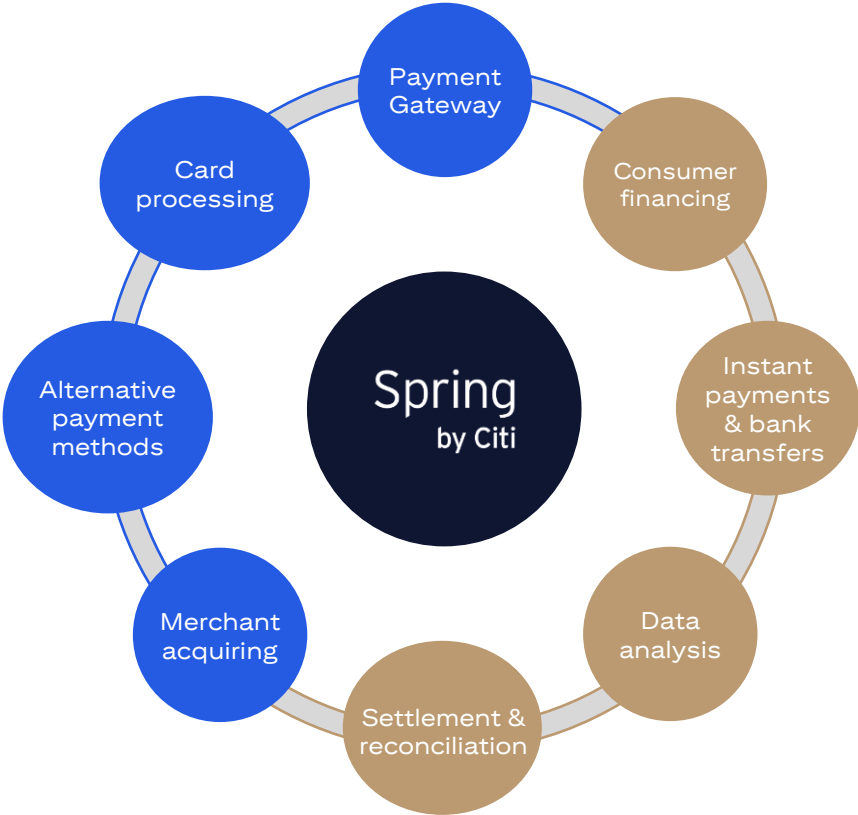
ACCEPT		HOLD		PAY	
<div>25</div> <div>Countries with Spring online payment acceptance</div>		<div>17</div> <div>Countries where Virtual Accounts are supported (5 currencies)</div>	<div>Virtual Account Sweeps</div> <div>Automated sweeps from header and Virtual Accounts</div>		<div>180+ countries</div> <div>130+ currencies</div> <div>For Cross-Border Payments</div>
	<div>21</div> <div>Countries supporting digital-ready Direct Debit Collections</div>		<div>Virtual Account API management</div> <div>Supporting for certain use cases</div>	<div>87</div> <div>Countries supported for domestic payments, 65+ countries reachable with Instant Payments</div>	<div>73</div> <div>Cross-border ACH/SEPA corridors for low cost full value payments</div>
<div>Instant Collections</div> <div>QR code and Request to Pay supported</div>	<div>44</div> <div>Countries supported for Payer ID for receivables reconciliation use case</div>	<div>Real-Time Liquidity</div> <div>Growing suite of real-time liquidity solutions</div>		<div>50+</div> <div>Countries supporting Virtual Cards</div>	

Spring by Citi

Helping our large enterprise clients grow revenues through ecommerce and digital payments

Spring by Citi: Combines services from PSPs and Bank

An end-to-end payment acceptance solution complete with streamlined onboarding, speed-to-market, and access to a comprehensive range of locally preferred payment methods.



Introducing Spring by Citi Payment Acceptance

25 of the largest ecommerce markets available today

United States	Netherlands	Austria
United Kingdom	Belgium	Czech Republic
Canada	Finland	Switzerland
Brazil	Denmark	
Mexico	Sweden	
Spain	Norway	
Italy	New Zealand	
France	Singapore	
Ireland	Hong Kong	
Germany	Australia	
Portugal	India	

Spring by Citi continues to expand in 2024 and beyond

Use Cases

- Direct to Consumer
- B2B Ecommerce
- In-House Subscriptions
- Banking-as-a-Service

Acceptance Options

- Merchant Acquiring
- Local Payment Methods
- Instant Payments
- Buy Now Pay Later
- Digital Wallets

Differentiators

- Single Global Provider
- Ease of Integration
- Increased Acceptance
- Faster Settlement
- Fully Automated Reconciliation

Spring by Citi: Our differentiated approach supports liquidity optimization and disbursement needs

Managing Counter-Party Risk

E-commerce models require bank accounts, payment processors, and managing settlement risk. A simple contracting structure with a single provider is ideal to collect and disburse globally.

FX Risk and Cross Border Payments

As businesses pursue market expansion, cross border sales will raise their own unique challenges. Settlements from payment providers will require hedging strategies and online pricing considerations.

Cash Management

Ecommerce offers a massive feed into existing cash management structures, which will need both automated reconciliation as well as a thought-out liquidity solution.

Reporting

Automated reporting and reconciliation so Treasury can receive a single data feed that improves their oversight and processes.

Working Capital Management

Treasury and ecommerce working together to agree on a payments service provider that offers faster settlement capabilities, drastically improves the working capital cycle.

Regulatory Developments

Treasury will need to interpret and leverage information from regulatory developments to determine best-practice across the organization.

Citi Payments Express®

Enabling digital commerce at scale

Citi Payments Express[®]

As the world moves to multi-domestic instant payments and Real-Time Liquidity, Citi Payments Express[®] enables us to support digital commerce at scale.

Validation Services



Accept, Hold and Payout at Scale



Risk Management



Post Transaction Services



High Volume Acceptance

Scalable volume handling to 5000+ transactions per second⁽¹⁾ and 100X volumes⁽¹⁾



High Availability and Faster Processing

Low latency processing with 99.99%+ availability⁽¹⁾



Real-Time Liquidity

Integrated & global real-time liquidity capabilities



Faster to Market

Simplified cloud-based architecture allowing for faster to market



Proactive Risk Management

Redesigned, best-in-class risk management through automated controls



Digital Client Experience and Value Added Services

Globally consistent APIs and superior information flow

Now live in 5 countries, targeting to expand to 30+⁽²⁾ over the next 30 months covering ~90% of global commerce

Shaping the Future

The Tokenization Thesis

Picking and choosing the best of Distributed Ledger Technology

Some aspects of DLT are not appropriate for regulated financial services, while others create the potential for always-on, multi-asset, programmable infrastructures that could deliver industry progress



- Non-sovereign currencies
- Commodity forms of money
- Anonymity/pseudonymity
- Proof of work
- Legal uncertainty



- 24*7
- Programmable
- Multi-asset
- Resilient
- Innovation

Project Agora Overview

In April 2024, Bank for International Settlements announced Project Agora, which explores the potential for tokenizing regulated money, in cross-border use cases

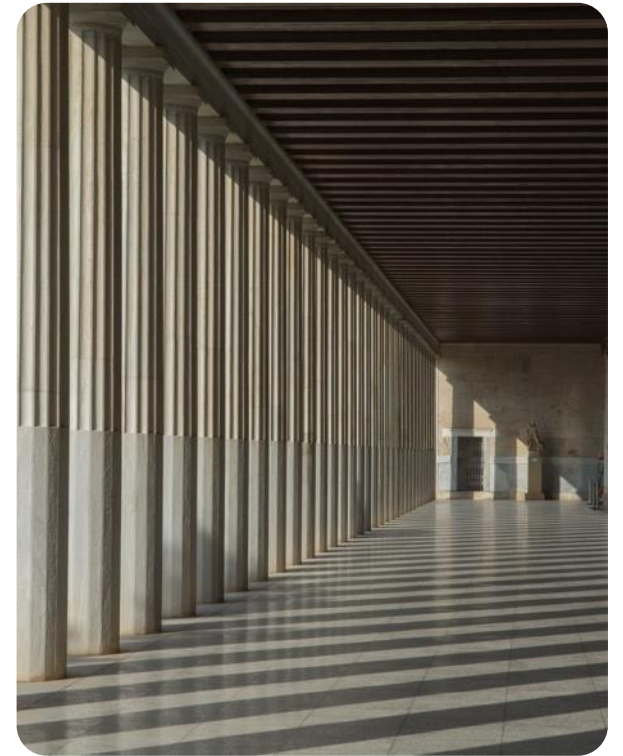
Project Agora explores potential of tokenized commercial bank deposits and wholesale central bank money on a programmable platform in an international setting

Confirmed Central Bank participation:

- Banque de France (Euro System)
- Bank of Korea
- Banco de Mexico
- Federal Reserve Bank of New York
- Bank of Japan
- Swiss National Bank
- Bank of England

International Institute of Finance is convening representation from the private sector, including Commercial Banks

- Participation confirmed from >40 commercial entities
- Including Citi, JPM, HSBC, Lloyds





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