

Future of Payments:

Accelerating Innovation
in Asia Pacific



Accelerating innovation

For us at Citi, innovation is the creation of something new that offers value to both our clients and the bank. This could be a product, a solution, a business model, a new market opportunity or a new perspective on a familiar challenge.

We take a multi-pronged approach to innovation. Like Citi, our clients are global in their reach and ambition. This global perspective is echoed in our innovation approach. Established over a decade ago, our innovation labs in Dublin, Singapore and New York, work closely with colleagues in Markets and Citi Ventures Fintech Investing to identify new partnership opportunities. In collaboration with our clients and colleagues from across the bank, these innovation centers bring together diverse skills, perspectives and mindsets to harness our collective

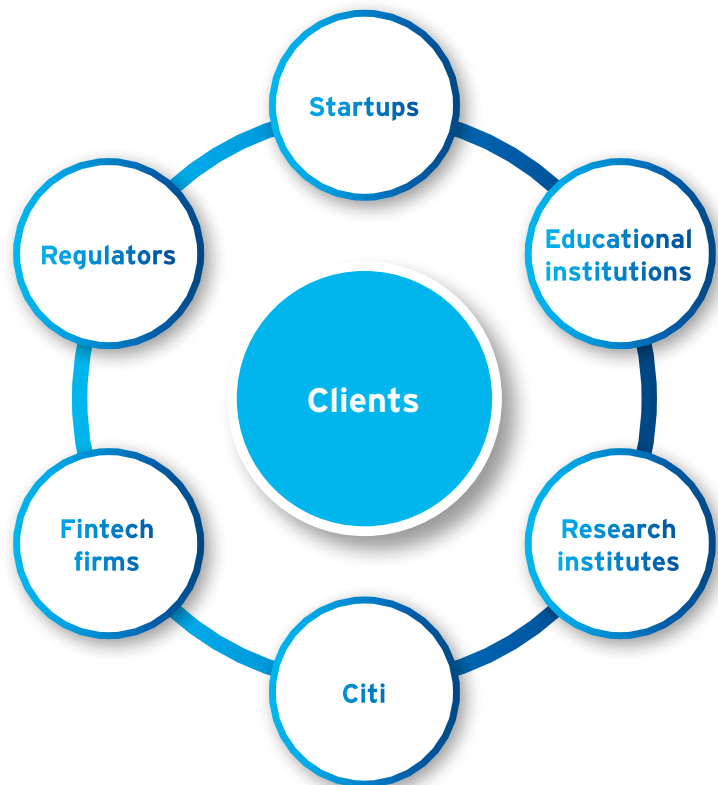
strengths and global resources to deliver something unique that no single entity, business unit or function could have created individually. We seek to address the implications of an increasingly digital economy for our clients, meet the demand for real-time transactions and information, and help clients to grasp the opportunities that will create future success.

Innovative partnerships

We establish innovative partnerships with a wide variety of organizations, from new startups to well-established financial technology (fintech) and 'bigtech' firms, regulators, research institutes, universities and schools.

Bringing together skills and perspectives from outside the bank enables us to look at problems in new ways, leverage talent and knowledge, and create the solutions that will help shape our clients' business models and experience of banking, and ultimately the societies and economies of the future.

Whatever the type of organization, whether fintech, regulator or educator, the most valuable and constructive partnerships are those where each stakeholder brings complementary skills and expertise, and the aims are specific and definable. By sharing in the investment, whether financially or otherwise, whilst also sharing in the benefits, everyone is motivated to succeed.



A culture of innovation

Creative and innovative thinking is a quality that is available and widespread across our organization, beyond our innovation team.

Through coaching, training and proactive engagement, we are encouraging our colleagues from across the bank to identify unarticulated unmet client needs, and leverage tools and solutions across the bank to meet clients' global challenges in a consistent and structured way.

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Co-creation with clients and ecosystem partners

The value of our ecosystem partnerships would be limited without the proactive involvement of our clients, bringing their hopes, fears, strategies and vision.

We invite our clients to co-create with us, sharing in our partnerships, exploring emerging technologies and embracing our culture of innovation. Clients across industries and geographies are keen to partner and co-create with the bank and our ecosystem partners in a number of ways. Some of these include:



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Understanding and harnessing trends

Clients are interested in exploring how new and emerging trends relate to them, and how they can leverage them most effectively, such as machine-to-machine payments, corporate digital identity and the current and future concept of customer experience.

Exploring emerging technologies

Clients are particularly keen to explore opportunities for further digitization and automation, particularly since the start of the COVID-19 crisis. Together, we are looking at how artificial intelligence (AI) and machine learning (ML), cloud computing, distributed ledger technologies (DLT) or blockchain and application programming interfaces (APIs) can address some of our clients' major challenges and opportunities.

Addressing sector specific business models

Clients are looking for ways to shape and transform their business models, such as insurance and other non-bank financial institutions as they adapt to new consumer and business environments.

Reshaping supply chains

Facilitating trade and boosting supply chain resilience and versatility is a priority across many industries, with innovation playing a major role in reducing friction and accelerating the flow of goods, services and cash.

Connectivity

Technologies such as APIs are transforming the way that our clients communicate with their ecosystem partners, from the bank through to their customers. Co-creation projects are therefore exploring means to use connectivity to enhance and integrate the customer experience.



Driving payment innovations in Citi:

1

Citi® Payment Outlier Detection

In 2019, Citi launched Citi® Payment Outlier Detection service, a solution for accounts payable in 90 countries worldwide. Developed in partnership between Citi's Innovation Lab and fintech partners, this solution uses advanced analytics, AI and ML to proactively identify and flag up payment anomalies that do not correspond with a client's previous patterns.

2

Dynamic QR Codes for Mobile Payments

We continue to build and roll out fintech partnerships across the region to enable clients across a range of industries to integrate dynamic QR codes into their online channels for mobile payments. This streamlines the payment process for customers, improving their experience and reducing failed transactions, whilst ensuring rapid collection and rich data for the company.

3

Mobile payments for corporate and public sector

Many of the innovations around mobile and real-time payments have focused on incoming payments from customers, with a view to enhancing customer experience and accelerating collections. Many companies and public sector entities are seeking to leverage the same convenience, control to make payments to mobile wallets, such as clients, consumers and contractors.

4

Sandboxes as enablers for accelerating innovation

Sandboxes are an innovative way to enable banks to connect with FinTechs and validate their solutions with a swift turnaround. To foster collaboration between FIs and FinTechs, MAS has developed the API Exchange ("APIX"), a FinTech marketplace and sandbox to facilitate experiments. During Singapore FinTech Festival in 2019, Citi was been invited to test the platform capability. Since then, Citi has been conducting experiments on a variety of use cases in partnership with FinTechs spread globally and on the APIX platform. This allows us to test new value propositions rapidly, with lower cost and risk!





Looking ahead

“Today, our Singapore innovation lab can convene a series of co-creation sessions where the innovation team facilitates the session to unearth key challenges, define opportunities and explore solution ideas which are then taken to a proof-of-concept development and validation phase.”

Our innovation priority is to co-create with our clients and partners to help define the new business models for a post-COVID 19 environment.

Digitization and virtualization have become central to these business models, but has also reshaped our approach to innovation. Today, our Singapore innovation lab can convene a series of virtual co-creation sessions which may include a regulator in Asia, a FinTech in Africa, a Payments expert in our New York Office and our innovation team in Singapore, replacing hard-to-organize, costly multi-day workshops. This makes us nimble, flexible and highly responsive to the changing

environment in which both the bank and our clients operate, recognizing the new business and consumer dynamics that will reshape how we think, act and innovate in the future.



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