

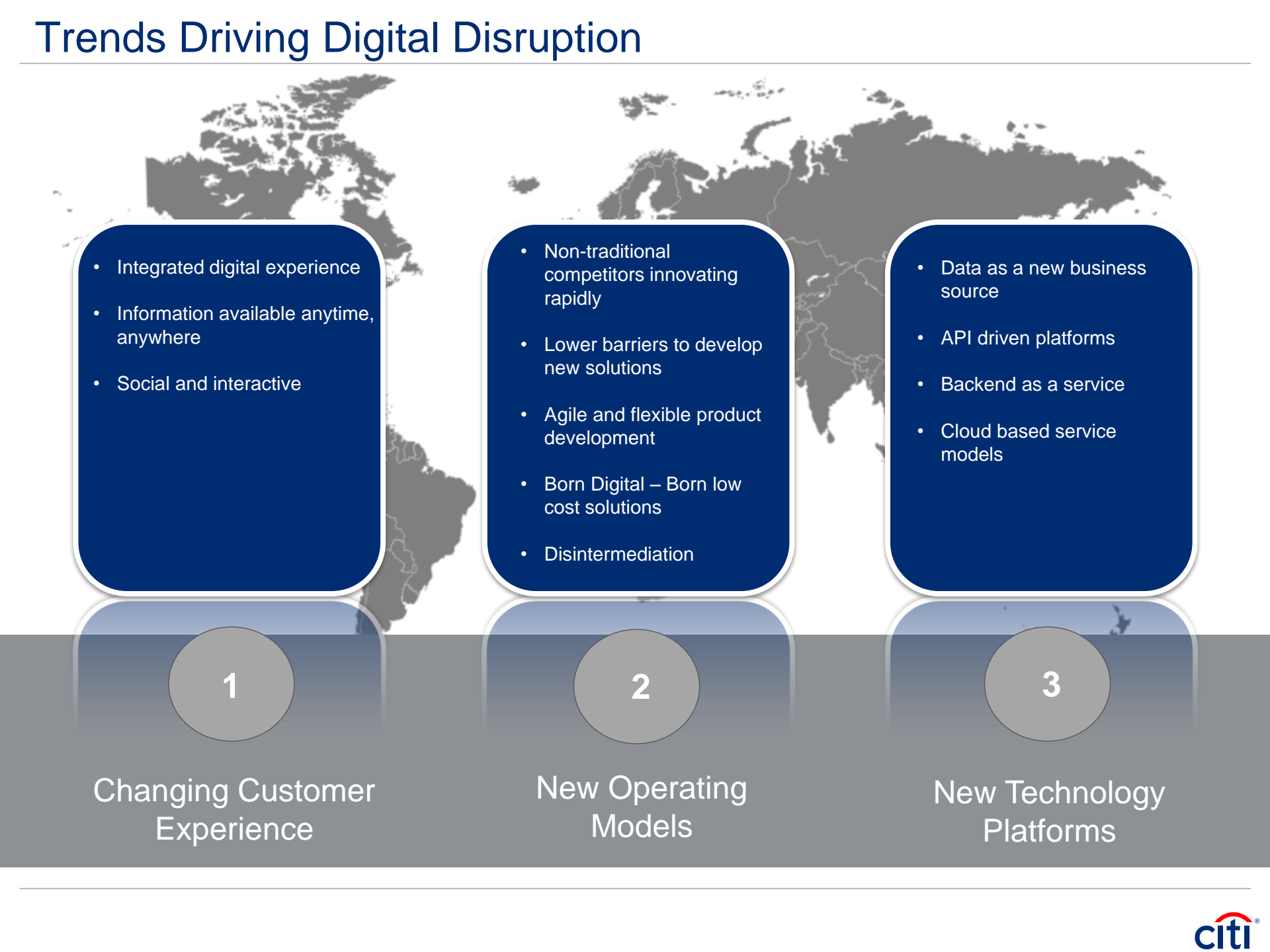


# Digital Banking CTO vs CDO

Citi Digital Banking



# Trends Driving Digital Disruption

- 
- Integrated digital experience
  - Information available anytime, anywhere
  - Social and interactive

1

Changing Customer Experience

- Non-traditional competitors innovating rapidly
- Lower barriers to develop new solutions
- Agile and flexible product development
- Born Digital – Born low cost solutions
- Disintermediation

2

New Operating Models

- Data as a new business source
- API driven platforms
- Backend as a service
- Cloud based service models

3

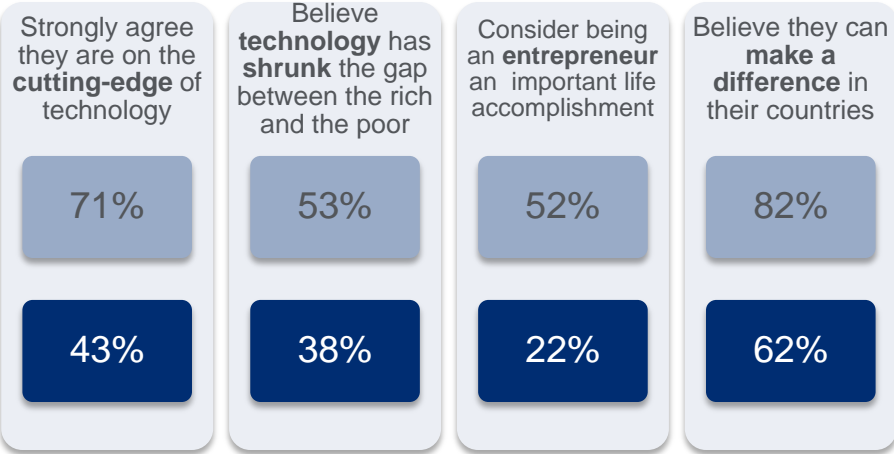
New Technology Platforms

# Latin America Millennials

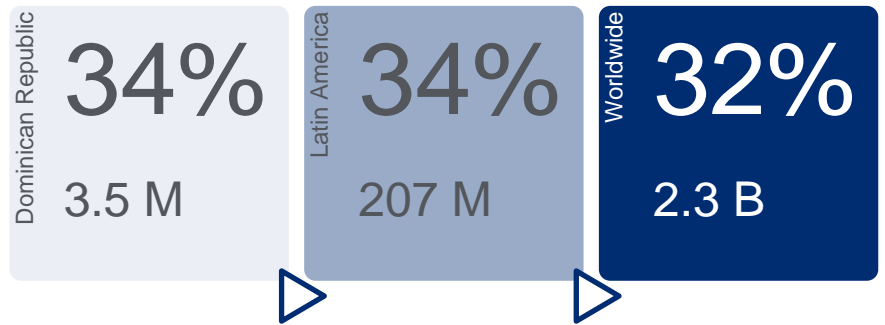
Empowered by **technology**, motivated to **succeed** and to make a local **difference**



## How they think further enforces the importance of digital evolution in the region



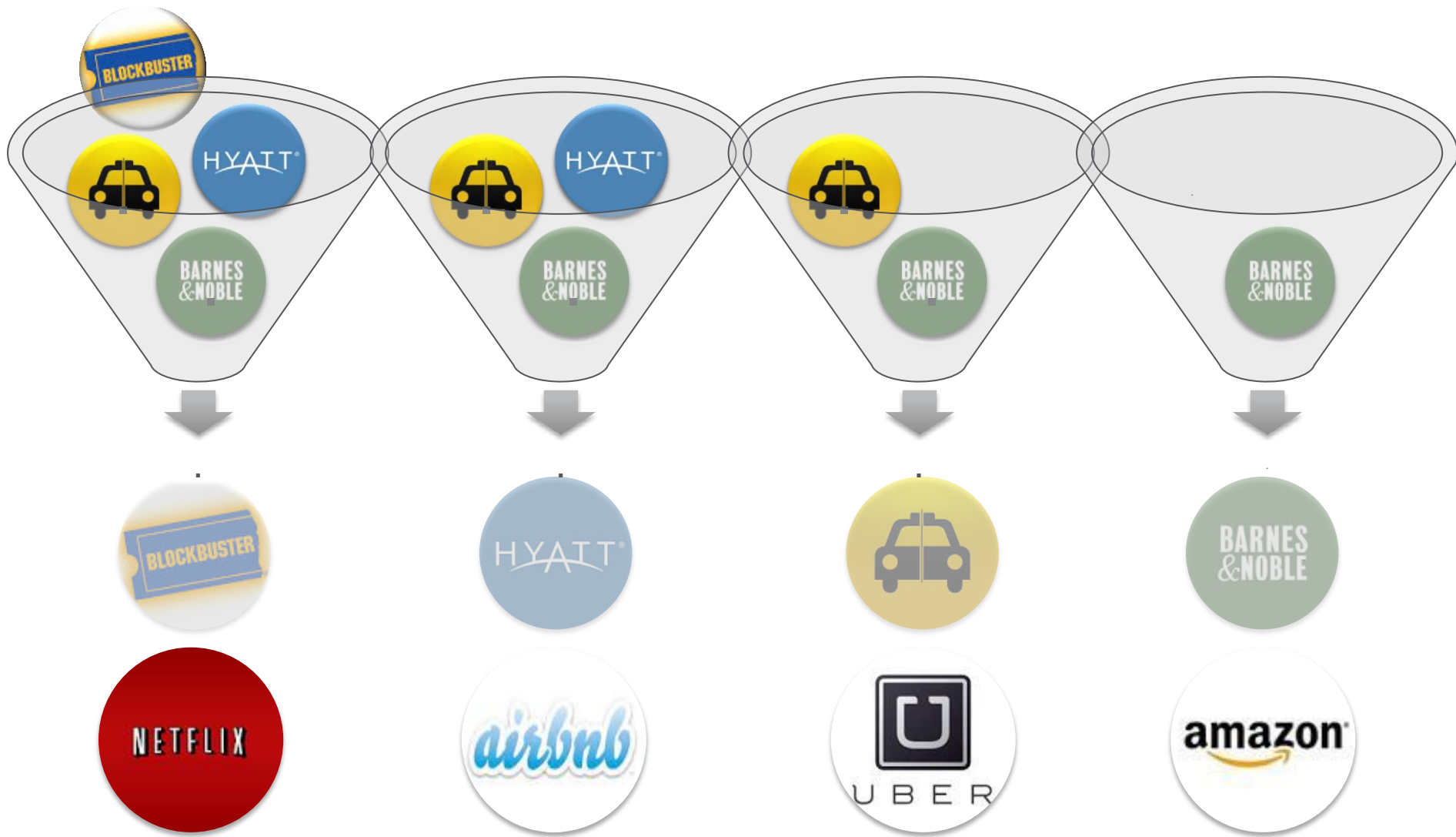
## Millennial Population



Source: Telefonica Global Millennial Survey, 2014.



# The Evolution of Industries



The biggest video provider doesn't control any stores or channels

The biggest hotel chain doesn't own any hotel rooms  
**Hyatt (\$8.4B) vs airbnb (\$10B)**

The newest transportation provider doesn't own any automobiles  
**(\$18B)**

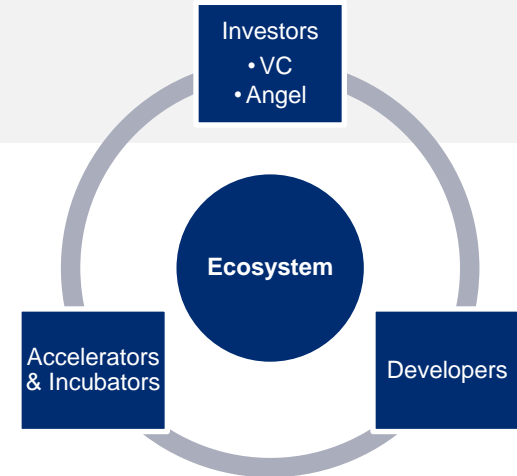
The leading book retailer doesn't control any stores

# Disrupting Financial Services

## FinTech?

**FinTech is the development of innovative solutions to digitalize financial services**

- Since 2008 investment has tripled
- Leapt of 177% in 1Q 2014 investments vs. 2013
- US is the dominant market for FinTech investment
- UK is the fastest growing market



### Disruptive Digital Technologies

Non-traditional competitors offering innovative financial solutions

Threat of disintermediation of banks

Cost reduction solutions

### Increased Collaboration & Partnerships

Financial institutions increasingly partnering with Digital Players

Crowdsourcing for product development

Reduction in time to market

### Changing Consumer Behavior

Integrated digital experience across channels

Information available anytime, anywhere

Branchless banking, social media engagement, interconnectivity

# Beyond Vertical Integration

---

Strategies to connect to the digital ecosystem through APIs and platforms

---

## Trends in the New World of Platforms and Apps

- Massive increases in computational power, storage and network capacity
- Democratizing development
- Movement from Vertically integrated, physical infrastructure to Horizontally scaled, cloud-based infrastructure
- Movement from self-contained platforms to open architecture – based ecosystems
- Value added services will be built on top of, or into, dominant platforms, further enhancing the platform's value
  - Example: Facebook's acquisition of Instagram, WhatsApp, etc.

“ Old Businesses will become new. Traditionally non-digital businesses will have to reinvent themselves... As people embrace more digital lifestyles, every business must become a digital business. ”

Fjord Annual Trends 2014 Report

# Beyond Vertical Integration

Applications

Over 1.5MM+ apps available on iOS and Android today



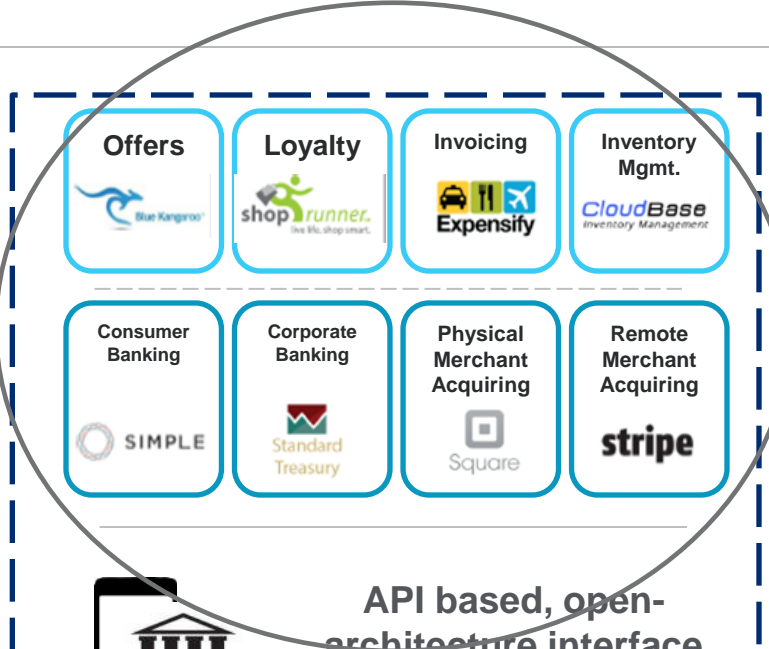
Google Android      Apple iOS












Core Telco pipes including wireless spectrum, network infrastructure, switching, interconnect standards




Platforms

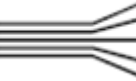


Offers 	Loyalty 	Invoicing 	Inventory Mgmt. 
Consumer Banking 	Corporate Banking 	Physical Merchant Acquiring 	Remote Merchant Acquiring 

API based, open-architecture interface




Core banking and payment pipes including payment processing, credit, Risk compliance, AML, KYC



Rails

Vertical/Utility



Telco



Banking/ Payments

# Where will this take us?

## The Evolution of Banking

Today 



Core Banking



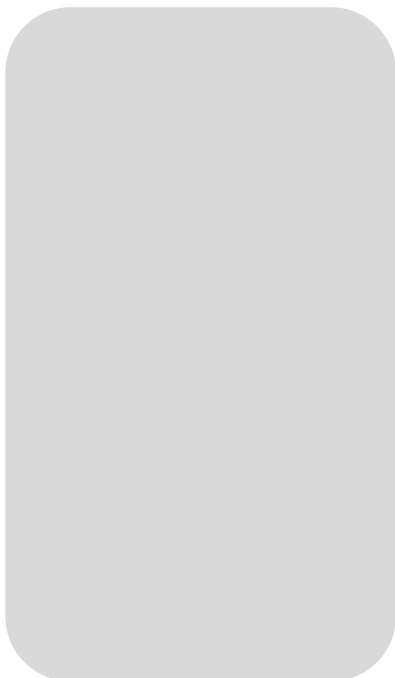
Financial Technology









Open Architecture Interface



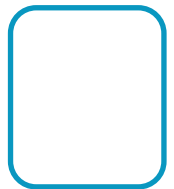

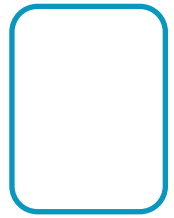
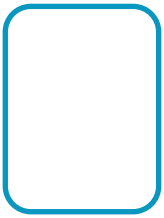


Bank as operating system









Invoicing  Expensify	Inventory Mgmt.  CloudBase <small>Inventory Management</small>
Physical Merchant Acquiring  Square	Remote Merchant Acquiring  stripe
Consumer Banking  SIMPLE	Corporate Banking  Standard Treasury





 Expensify	 CloudBase <small>Inventory Management</small>
 Square	 stripe
 SIMPLE	 Standard Treasury



# Just a new payment method?



- 800 Million iTunes accounts
- Open Architecture
- “App Financial Services”

# Digital Acceleration in Citi

A global strategy to accelerate the way we think of and launch digital solutions

## Objectives

- 1 Increase our support of and collaboration with the Digital Ecosystem globally
- 2 Become an enabler of different technologies through an open bank approach
- 3 Deliver remarkable, innovative solutions based on our customers' needs

## Four Key Pillars:

Open architecture

Support developer communities

Efficient tech development

Crowdsourcing & Partnerships



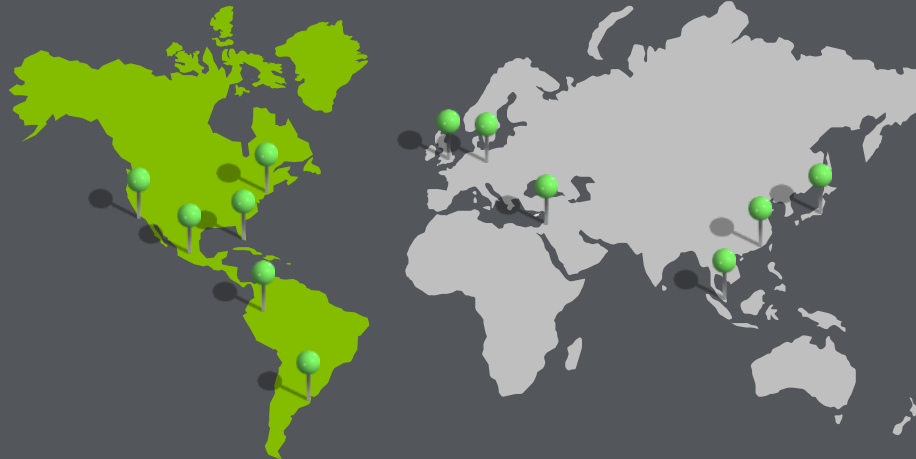
# Citi Mobile Challenge

A global initiative launched successfully in Latin America with impactful results

## What is it?

- A virtual competition hosted by Citi designed to accelerate digital banking innovation
- Brings together the most talented and creative developers and designers in the world to create value added solutions for Citi
- Developers receive an API toolkit
  - Individuals, teams, startups and companies
- Finalists present prototypes at Final Demo Day events globally

**Eat &  
Hack &  
Sleep &  
Repeat**



**11 months • 12 cities • 220 working prototypes • global developer network**

# Citi Mobile Challenge LatAm 2014

## In just 38 days...

- 500 top external developers created solutions for Citi
- Developers from 3 continents, 19 countries, 50 cities
- 50 Prototypes ready for exploration
- 11 Winners



## Learn More

[www.mobilechallengelatam.com](http://www.mobilechallengelatam.com)

#citimobilechallenge

## Collaborators

**ACCION**

**Globant**  
we are ready

**wayra.**



### 🏆 Innovative Mobile Solutions Category

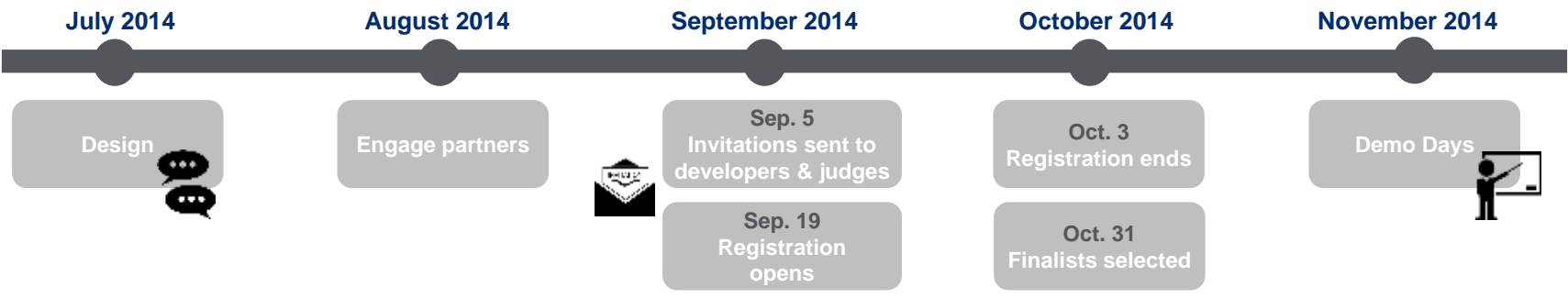
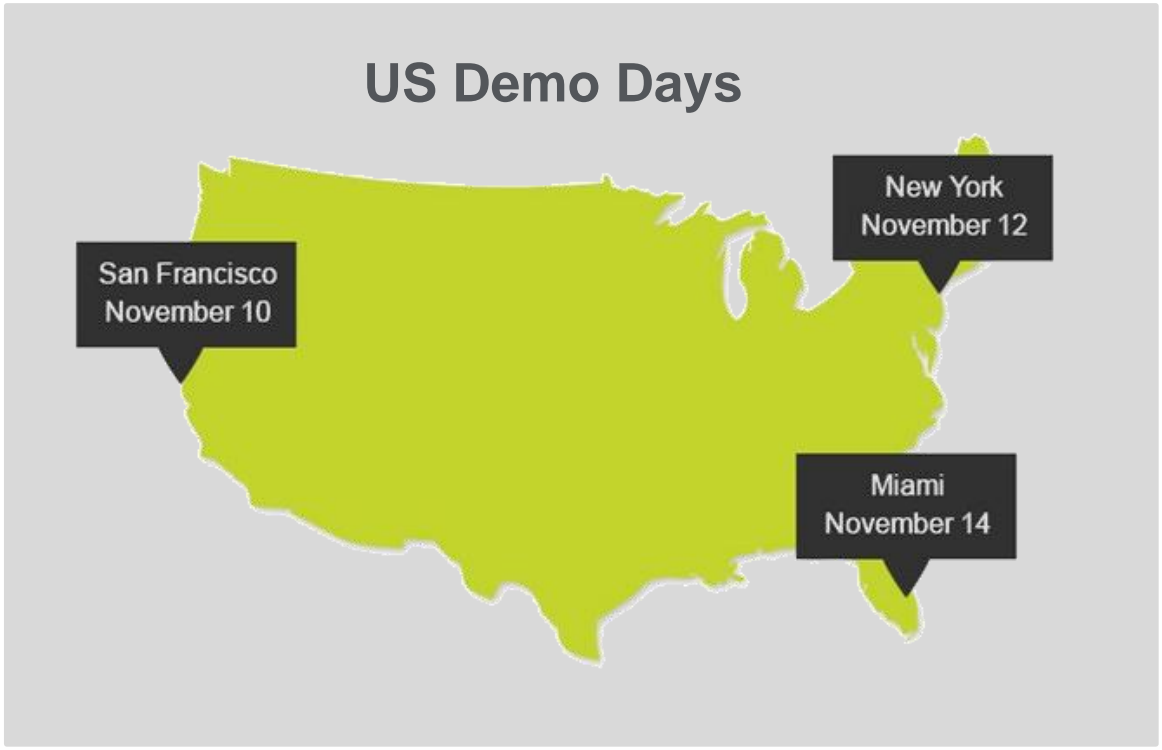
- Overall Best Innovative Mobile Solution - Pidelo Rapido
- Most Innovative Individual Developer Solution - Fabian Andres Angeloni
- Most Innovative Retail Technology Solution - Tadevel
- Most Innovative Omnichannel Solution - Planet Media
- Most Innovative Product Enhancement Solution - G&L Group
- Most Innovative Customer Servicing Solution - SACapp

### 🏆 B2B Mobile Solutions Category

- Overall Best B2B & Financial Inclusion Solution - POS Movil
- Most Innovative Solution for Impact Investing - ID Interactive
- Most Innovative Customer Interaction Solution - Juntos Finanzas Inc.
- Most Innovative Solution for Businesses - Watto Apps, CA
- Most Innovative Financial Management Tool - Yodlee Inc.



# Coming Next: Citi Mobile Challenge US 2014



# Takeaways....lets talk Digital Business

---

- ✓ Disruptive Innovation is critical for banks in the current competitive environment.
- ✓ Partnering and Collaboration is the new way to speed up innovation and time to market.
- ✓ Customers are demanding the same experience in all channels, Banks need to adopt Omni Channel Models.
- ✓ Technology is moving to API Based - Open Architecture ecosystems.
- ✓ Crowdsourcing based on the democratization of the developments could drive the digitization of the Banking Industry.



**Thank you**

