



CITIFORCITIES



Today's top most international concerns will be resolved within cities ... the opportunity for commercial partnership is endless.

*David Miller
World Bank Advisor on Urban Issues
Former Mayor of Toronto*

The Megatrends Driving Change



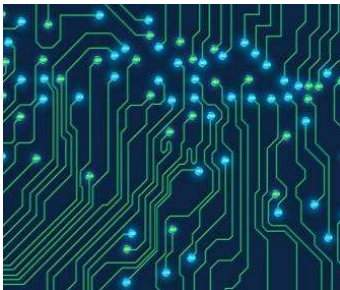
Globalization.

- Business – big or small -- is conducted across borders with the help of new technology structures.
- Consumers have multinational ambitions – eg. international students, world travellers, the pursuit of medical care abroad.
- We have unprecedented access to people, news, ideas and opportunities.



Urbanization.

- Rapid population growth will require significant infrastructure investment; fiscal constraints in developed markets will require more efficient administration
- Explosive economic growth in the developing countries owing to new sources of economic productivity will see the creation of a new affluent middle class.



Digitization.

- We can obtain capital, make purchases and find investments in a record number of ways through new business models, technology platforms and funding solutions.
- We can fulfil our needs more accurately, quickly and cost-effectively via client experiences delivered through new platforms and channels, eg. online, mobile.

Socio-economic mega-trends are shaping our future ...

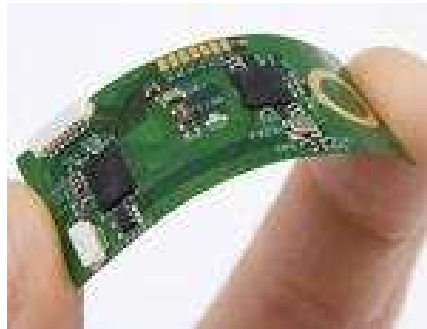
Power is shifting to consumers as social media gains influence



The un-/ under-banked are becoming banked in new ways



Technology and infrastructure are increasingly flexible



Public Sector is reforming regulation and pressing for electronification



Urbanisation: 21st Century; the Urban Age

The world is no longer a network of countries – it is a network of cities.

Why Do Cities Matter?

- Technology is interconnecting economies
- The complexity of cities require integrated yet dynamic solutions
- Power is Shifting to Consumers as Social Media Gains Influence

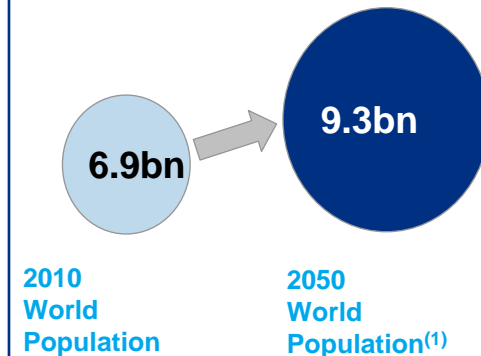
“Currently, the world’s top 30 cities generate 80% of the world’s wealth.”

The Urban Age

“For the first time in history more than 50% the earth’s population live in cities – by 2050 it will be 75%.”

The Endless City

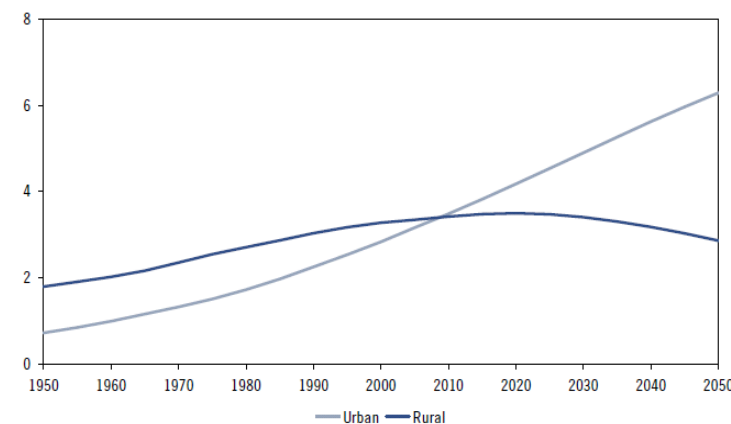
Expected Population Growth



What we think about Urbanisation...

- A tipping point - The percentage of the world’s population in urban locations now exceeds that in rural areas.
- Urban residents are generally better educated, more productive and have higher incomes compared to their rural counterparts.
- Many developed economy cities have comparative advantages in certain sectors. Urbanization will result in a larger global market for these services.

Urban and Rural Populations (Billions) Evolution



(1) United Nations, 2010 Revision of World Population Prospects, May 2011

The demand of cities today ...

... to solve urban challenges



The Urban Ecosystems

Cities Vision

Efficient Cities



Empowered Citizens



Connected Cities



Competitive Cities



Sustainable Cities



Delivering Services across the ecosystem that work for Citizens



Cities are facing profound challenges

What is driving change?

'Old' cities in the developed world

- *Crippling pension obligations*
- *Budget deficits*
- *Decentralized financial processes; limited automation*
- *Limited ability to cut costs*
- *Supply chains at risk*

'New' cities in the developing world

- *Explosive population growth and urban migration*
- *Rapid urbanization*
- *Need to establish or modernize infrastructure*
- *Quality of life*
- *Entrepreneurship*

Fiscal Crunch

Driving the search for cost and operating efficiency

Population Growth

Driving the modernization and extension of public services and infrastructure

Labour and pension costs

Driving the quest for process centralization and automation

Technology advances changing lifestyles

Citizens are demanding greater empowerment and convenience

The competition for human capital

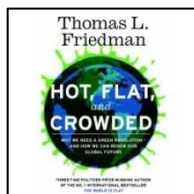
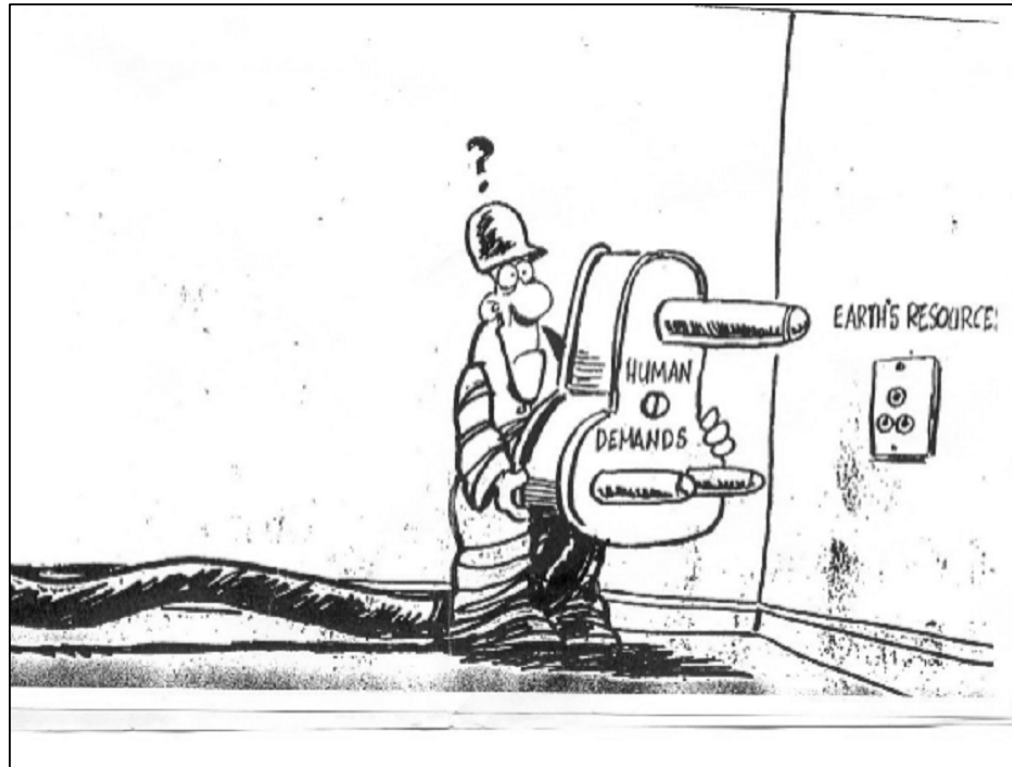
Providing the impetus to modernize and provide lifestyle and business incentives to attract talent to key cities, and to promote a culture of innovation that is self-sustaining

Private sector participation

Public-private partnerships are key to driving progress and ensuring the transfer of competitive best practice to the public sector

Additional Challenge – Implementing Sustainable Solutions

At a time of fiscal restrictions, local governments are being tasked to implement sustainable solutions.



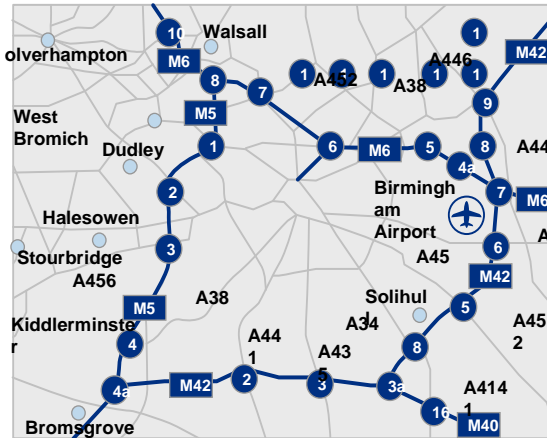
“The task of creating the tools, systems, energy sources and ethics that will allow the planet to grow in cleaner, more sustainable ways, is going to be the biggest challenge of our lifetime”

Citi For Cities ...



Efficiency Analysis: How Does a City Function?

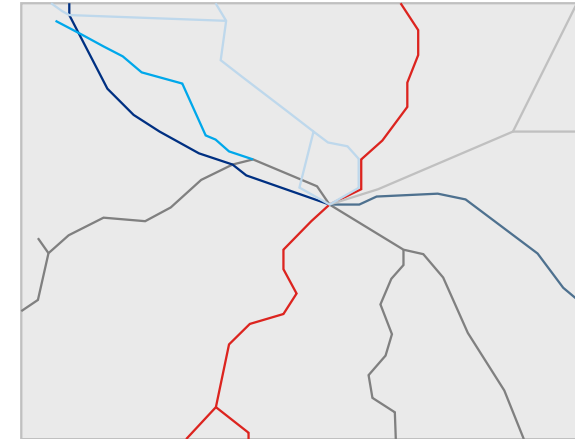
City Administrators understand the physical flows within their cities



Motorways



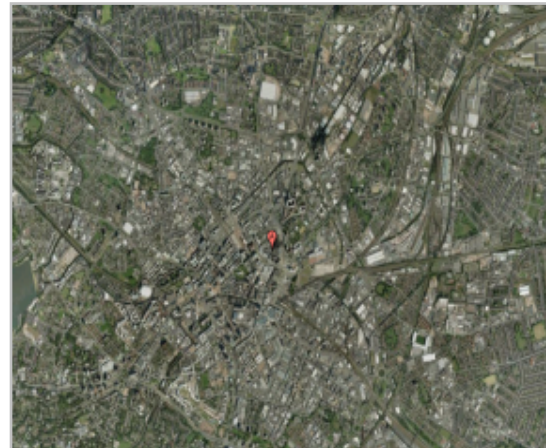
Road Network



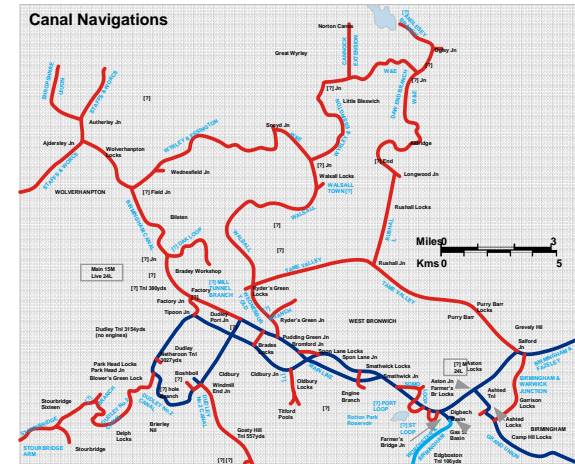
Rail Network



City Divisions



City Systems (Water, Sewage, Electricity, Broadband, ...)



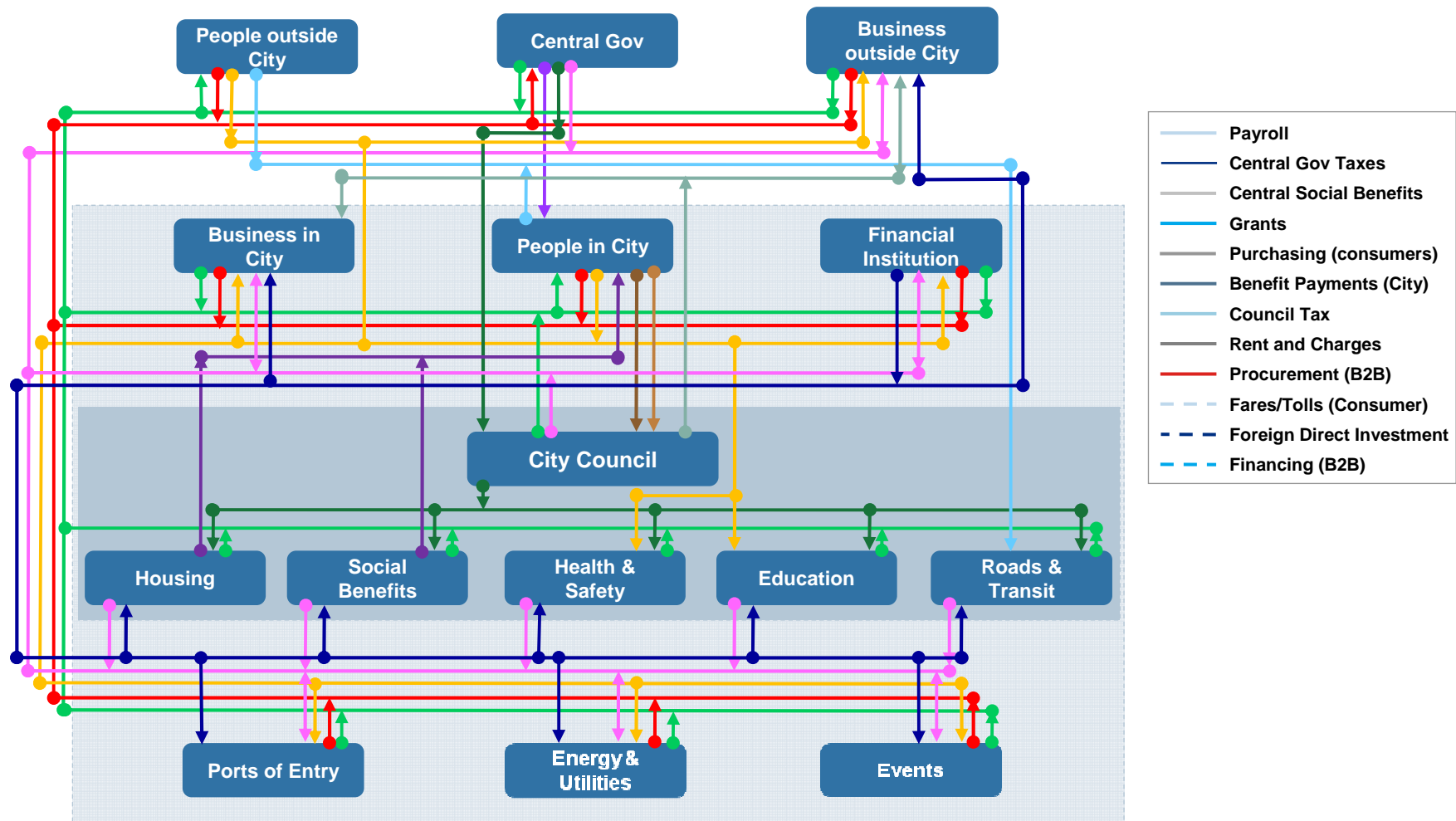
Canal Network

Sources: Google maps, Ordnance Survey.



But have you ever considered the financial flows?

Understanding a City's Financial Circulatory System allows administrators to identify inefficiencies and reduce costs.



To become more efficient

Efficiency Transformation of City-wide Services

- Transform **treasury and cash practices** to manage complex payment flows, streamline and deliver scale through automation
- Release essential savings and foster business growth by **leveraging a city's spending power and supplier relationships** to unlock trapped cash at both ends of the value chain
- Gain greater control of spending and improve oversight and management of **procurement and travel costs**
- Provide convenient and flexible **benefits payments** to citizens with improved security and processing efficiency
- Streamline operations, clearance and processing at **airports, shipping or customs** with the electronification of document handling; the acceleration of trade and financial flows, collection of duties/taxes, payment of refunds, etc.



Treasury Bank for the City of Warsaw.

- Rationalized banking structure and transformed visibility via CitiDirect
- Customized cash collection and supply using prepaid cards



Transforming payments / collections for the Mexico General Hospital.

- Set up a call center to automate appointments & payments
- Payments deposited in an optimized concentration account



City of Westminster



Prepaid card programs to replace benefit payment by many UK city councils and Bogota City Council.

- Reduced processing costs by > 60%.
- Improved security and flexibility for recipients.



To finance projects

Urban Infrastructure Modernization

- Access alternative and additional **financing options** including debt structuring, creative bond structures, asset monetization, project finance
- Administer and execute on **public/private finance** initiatives to facilitate infrastructure development, urban regeneration and business development programs
- Self-fund infrastructure modernization by leveraging **supply chain relationships** and related long term operating expenses



Consolidated utilities for the City of Indianapolis.

- Sell-side advisor on asset sale of water and sewer systems
- City monetized synergies
- 25% reduction in water/sewer rates



Efficient buyers credit program benefitting both hospital and their suppliers in Catalunya, Spain.

- Suppliers can expedite cash inflow
- Hospitals assured timely payment by regional healthcare authority



ALSTOM

Citi amongst the mandated banks to equip the first metro line in Santo Domingo.

- Funding via Export Agency Finance for the purchase of rolling stocks for the rapid transit system in the capital of the Dominican Republic.

To improve services offered to your citizens

Digitization of Payment / Access Channels for Citizens & Communities

- Improve **transport systems** to accommodate growing demand, reduce the cost of fare collection and deliver an enhanced commuter experience
- Enable active travel management by leveraging mobile technology to deliver **smart parking, enable congestion zone and bridge, tunnel toll charging**
- Explore sustainable resource and waste management with integrated **metering and billing, recycling** incentives
- Relieve administrative burden, improve **data integrity and security** by digitizing forms and **identity documents** to accelerate benefit entitlement verification and payment
- Deliver safe, convenient and flexible access to services through **cashless communities** where ID verification, service/benefit access, payment and actionable, location-based information are integrated via cards and mobile app.



Transit partnership in Singapore driving efficiency and commerce

- Transit-enabled debit & credit cards.
- Dominant in-station presence with banking centres and advertising.



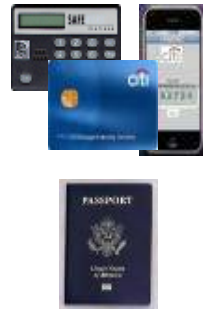
Transit partnership in Warsaw, Wrocław and Trójmiasto driving efficiency and commerce

- Transit-enabled debit & credit cards for season travel.
- Dominant in-station presence with kiosks and advertising.

We are working with cities across the globe

Many cities around the world are using technology to extend services and make cities more livable and efficient for citizens, local businesses and government.

Digitise information on council tax, benefit or housing forms to streamline processing, manage entitlement and ensure timely payment using the latest in digital identify and card technologies.

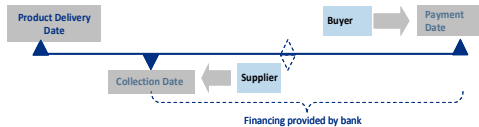


Replace expensive **parking meters** with card and mobile solutions that enable citizens to search, locate and pay capabilities.



Enable citizens to **pay anywhere, anytime using a method of their choice** for a broader range of a city's services and achieve dramatic improvement in collection efficiencies and revenue reliability by centralising receivables.

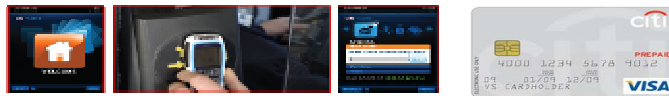
Help maintain **supply chain stability** and extend risk participation through supply chain management.



Timely **collection of payments** (taxes, fines, ...) by enabling bill presentment and payment via mobile phones.



A fully integrated, socially inclusive, **mass transit solution** across multiple channels.



Think beyond payment of incentives or benefits by **linking government spending** power to relevant offers and services to help encourage and direct spending e.g. Back to work programs, health services at reduced cost.



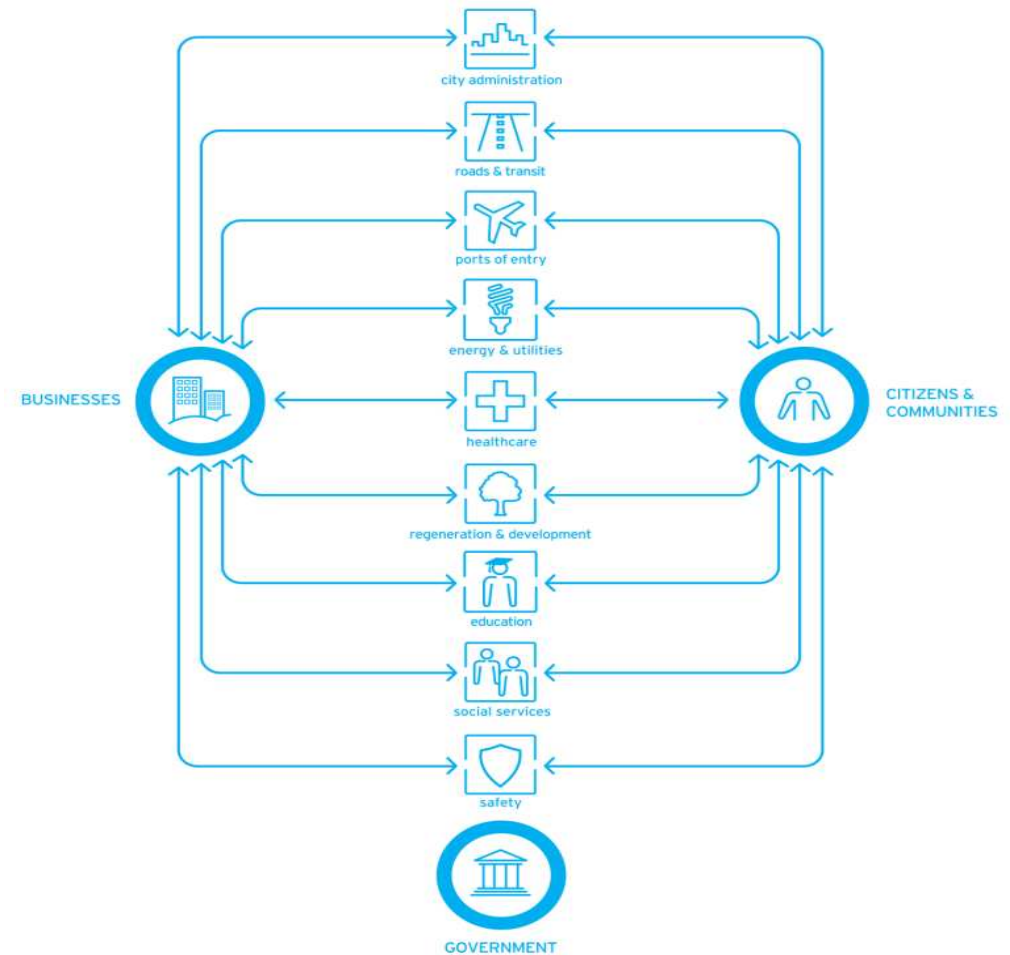
Conclusions

Understanding Cities

Cities comprise complex ecosystems undergoing significant change. They are diverse and different but share similar challenges and objectives.

Objectives & Priorities

- Efficiency
 - Cost optimization and efficiency reform
 - Reduce administrative burden
 - eg. document processing*
 - Modernize infrastructure
 - eg. collections and payments*
- Public Policy
 - Address environmental challenges
 - Inclusive citizen and community access to safe, reliable, convenient services
 - eg. distribution channels*
- Prosperity
 - Attract business and human capital
 - Job creation and commercial development



The Citi logo consists of the word "citi" in a lowercase, grey, sans-serif font. A thick red arc is positioned above the letters "i" and "t". To the right of the word "citi" is a registered trademark symbol (®).

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