


# **Serving the Transit Commuter**

## **CPN Urban Transportation Congress**

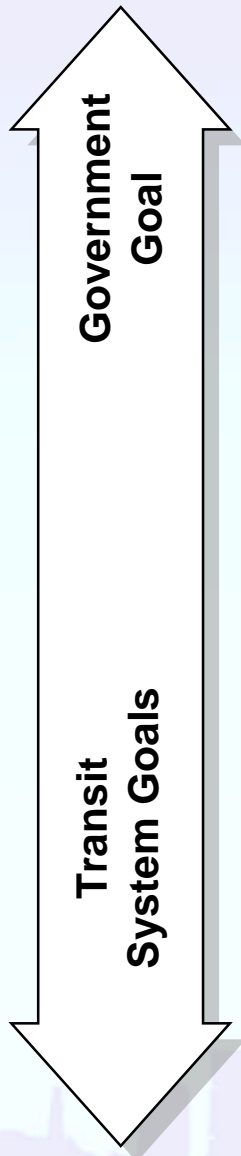
### **August 3, 2007**

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## Why Transit for Citi?

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- Our customers in urban centers worldwide are commuters, whose lives are spent riding transit systems**
  - As cities grow worldwide, increasingly dense populations and climate change will demand larger, more efficient transit systems**
  - Transit authorities are important Citi clients, to whom we provide a range of banking and financing solutions**
  - Bank and transit payment standards are converging based on contactless payment standards**

## Government and Transit Goals

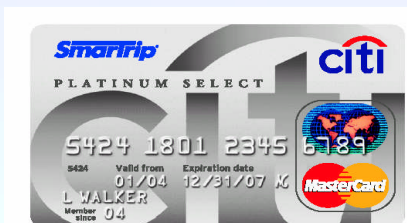
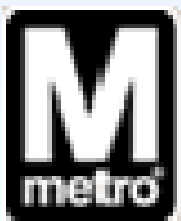


- 1** *Inter-Urban Competition:* Differentiate the city from other global urban centers through innovation, to attract investment and grow commerce
- 2** *Citizen & Business Service:* Provide leading mobility and technology solutions to citizens, residents, visitors and local, national, and international businesses
- 3** *Increase Revenue:* Develop new revenue models for transit and other public infrastructure through public-private partnerships
- 4** *Reduce Costs:* Deploy services more cheaply through technology or outsourcing secondary functions to private industry

## Citi Payment Partnerships with Leading Transit Authorities



### Washington, DC



- Partnership with Washington Metropolitan Area Transit Authority (WMATA), 2<sup>nd</sup> busiest system in the United States
- First dual transit/credit card issued in the United States market
- Integrated SmarTrip contactless fare payment into Citi Platinum card

### New York City



- Partnership with Metropolitan Transportation Authority, busiest system in the United States
- Tested use of MasterCard PayPass contactless payment system at the subway gate, with Citi as the exclusive issuer for both debit and credit customers
- Tested traditional cards, keyfobs, and use of NFC mobile phones

## Models of Bank and Transit Payment Integration

### Integrate existing transit contactless into bankcard product

- + • Single payment device for customer
- Small change to existing fare infrastructure to deliver product

- • Customer must acquire new product, limited to usage in one city or region
- Limited by contractual relationships and integration between transit authority and banks

• **Powerful partnership tool for existing systems**

### *Transit accepts bankcard contactless (MasterCard PayPass, Visa payWave) at the gate)*

- Single payment device for customer, product and form of their choice
- Global interoperability – cards issued in New York will work in Beijing

- Requires infrastructure/business process change to accept at the gate

• **Fare payment platform of the future**

# Singapore SMRT – A Fully Integrated Transit Partnership



## Compelling Products for the Commuter

- 2-in-1 contactless travel + credit card
- Rewards for use: *“Up to 400 free rides a year”*



## Easy Access to Cash Services for Commuters

- ‘Instant Banking Centers’ at all 51 MRT stations



## Transit Banking Centers

- 6 outlets in or around key stations
- Citi is anchor tenant in prime locations

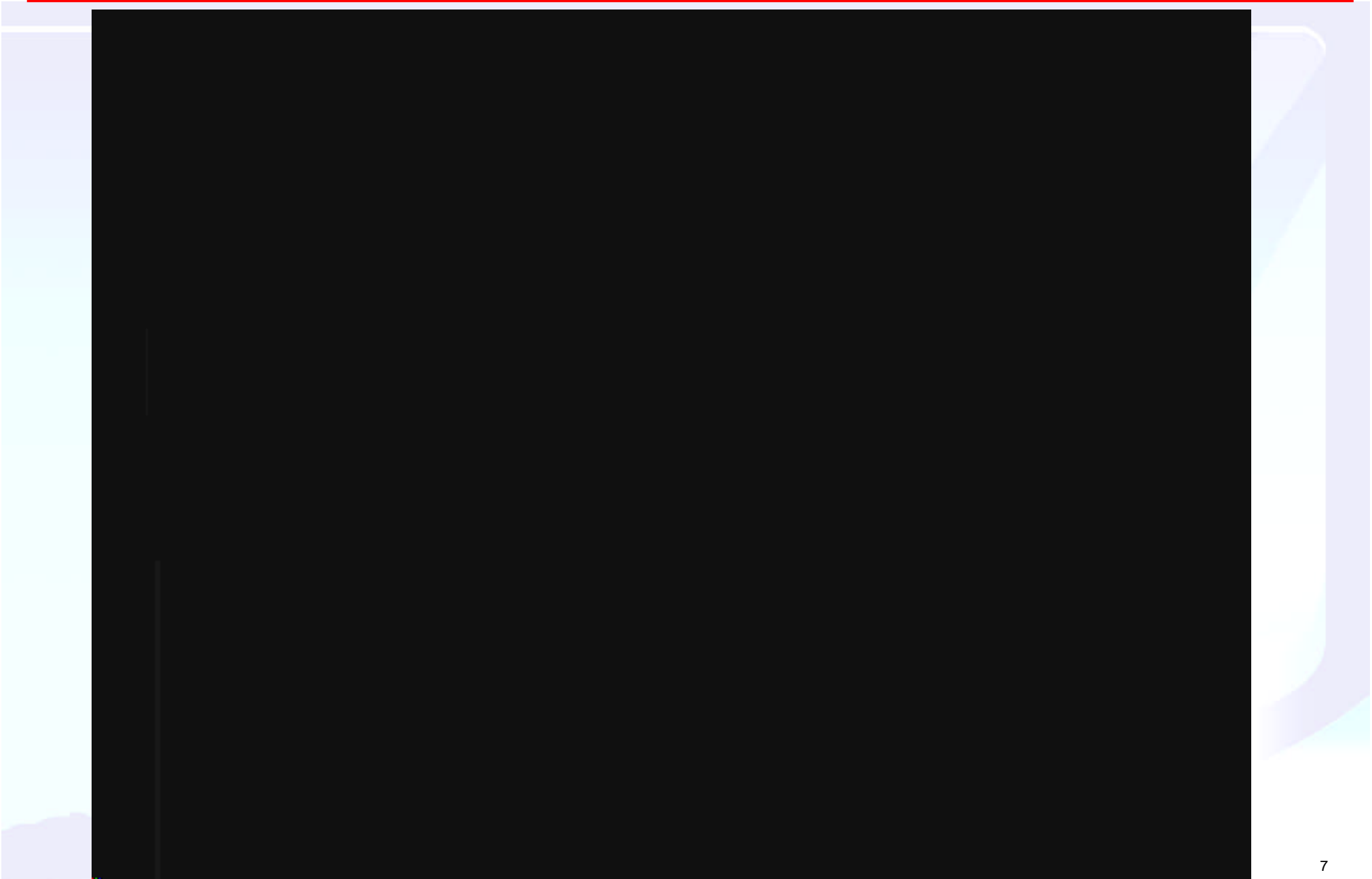


## Communicating to Commuters

- Dominant in-station presence
- Talk of the town media coverage: 21 articles + TV



## SMRT Video



## Partnership Benefits for Riders and Transit Authorities

	Benefits	
	Riders	Transit Authorities
Payment Partnerships	<ul style="list-style-type: none"><li>• Convenience of single fare media</li><li>• Value of reduced commute cost through rewards and offers</li><li>• Access to bank products for under/un-banked populations</li></ul>	<ul style="list-style-type: none"><li>• Partner with banks to drive new revenue streams</li><li>• Offload cost of farecard issuance and servicing to banks</li><li>• Banks will innovate to deliver new value to customers</li></ul>
Distribution Partnerships	<ul style="list-style-type: none"><li>• Easy access to banking services and cash distribution on daily journey</li></ul>	<ul style="list-style-type: none"><li>• Increased rent from anchor tenant with strong brand profile</li><li>• Integrate transit service and information into bank offerings</li></ul>

## Results and Lessons Learned


**Customers love the ease of convenience of integrated payment devices that make transit payment easier: Singapore SMRT was the fastest product launch in country history**

**Bank contactless standards can meet the needs of large, sophisticated transit customers: New York MTA PayPass project will expand to buses, and include transfers and the full MTA fare table**

**Bank investment in marketing and advertising can drive customer behavior: Singapore customers are attracted by free rides, and in New York, Citi paid for rides for one week for all of its customers**

**Transit Authorities are natural partners, based on a common interest in serving our joint customers**

## What's Next for Citi in Transit?



**Grow existing partnerships, and partner with leading transit authorities to develop new offerings for our customers**

**Explore new capabilities, including use of mobile phone as a fare payment device and integration of bank/transit servicing, including TVMs and bank ATMs**

**Integrate Citi's consumer and wholesale capabilities, to provide integrated service model to transit authorities**