



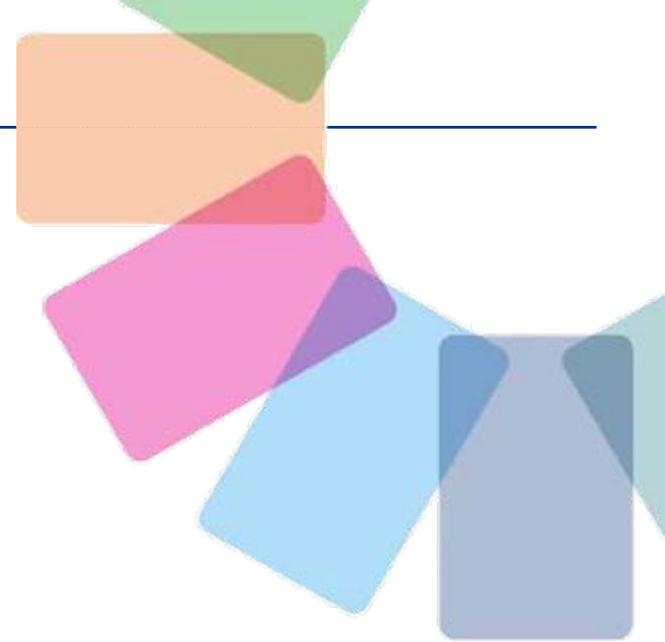
Citi® Commercial Cards

VIRTUAL CARD ACCOUNTS



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Citi® Virtual Card Accounts

PRODUCT OVERVIEW



Citi® Virtual Card Accounts: Overview

Virtual Card Accounts (VCA) are an electronic global payment solution that offers unparalleled control and flexibility without the need to issue plastic cards

What is a Virtual Card Account (VCA)?

- Non-plastic account number for purchases
 - The “real” billing account/card is never shared with merchants
 - Unique virtual card numbers (VCNs), linked to real card, are created for secure purchasing
- Transparent to merchant at point-of-sale
 - Standard 16-digit account number created for seamless transacting by the merchant
- VCNs can be requested by authorized users or a system interface
 - Web interface, batch file, real-time XML API

The Banker Technology Awards – Citi’s Virtual Card Account, recipient of 2010 innovation in Payments Technology Award



Security

- Clients’ real card number is never shared with suppliers
- Single-use virtual card numbers

Control

Internal Controls

- User groups with different access levels
- Approval workflow
- Enforced policy compliance

Merchant Controls

- Set VCN with appropriate authorization controls to prevent misuse
 - Single or Multi-use, Maximum Amount, Validity Period, MCC Groups, Supplier

Efficiency

- Real-time VCN requests and management
- Automated processes using the batch or XML API interfaces
- Secure delivery of VCNs by encrypted email
- Able to assign up to 30 custom data fields per VCN for simple reconciliation and reporting

Using Virtual Card Accounts: Program Setup

First-time Setup / On-Going Maintenance

Configuration of controls, custom data fields, and users can be defined and modified at any time by the Program Admin on the VCA website.

- **Custom Data Fields:** Define list of fields, and field lengths
- **Suppliers:** Define list of suppliers by Merchant ID
- **Purchase Types:** Define list of allowed or denied Merchant Category Codes (MCCs) and required custom data fields
- **Groups:** Define access level, permitted real card account numbers, purchase types which can be requested, maximum request amounts, and approval workflows
- **Users:** Define basic user information and which group the user is in

Virtual Card Number Generation Options

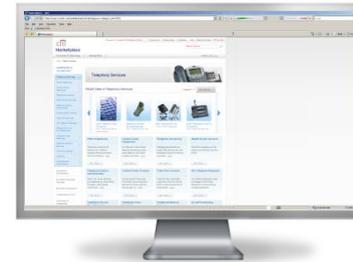
VCN requests can be completed using one of three interfaces: Web, API, or Batch.

WEB



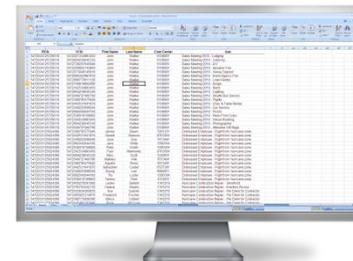
Simple web-based user interface for generating VCN's

API



Systemically generate VCN's in real time from clients' application or ERP

BATCH



A file transfer method to request VCNs in bulk

Citi Virtual Card Accounts: How do I identify the right solution?

VCA is a powerful, flexible product which is used in a variety of ways by our clients. The product's additional security, control, automation, and custom data features can enable new opportunities

What were situations where your company decided not to deploy a purchasing card? What were the obstacles faced?

Can VCA help reduce risk or increase visibility to enable additional card use?

Are there hurdles preventing the use of cards to pay certain vendors or certain categories of spend?

How can the additional security, control, and custom data from VCA help?

Are there opportunities to optimize existing cards programs or payment processes using VCA?

Identify opportunities by analyzing your Accounts Payable file using Citi's Working Capital Analytics Tool

Are there ways to put VCA to work in your organization beyond Procurement and Accounts Payable?

Look for targeted use cases in other groups: HR/Recruiting, Legal, Property Management, Advertising, etc.

Citi® Purchasing Card Program Optimization

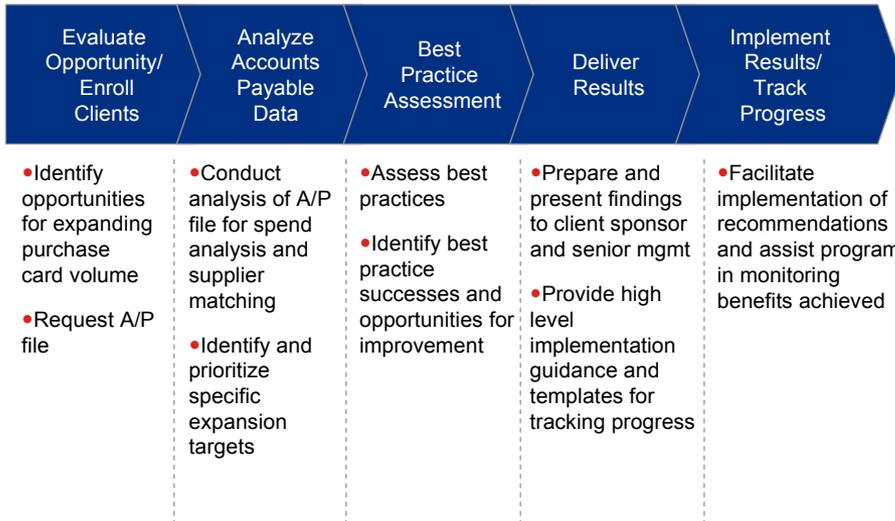
Citi's Program Optimization is designed for you to gain greater benefits from your commercial card program

Citi uses a five-step process that leads to greater:

- Spend Visibility
- Efficiencies
- Control
- Financial Returns

Using Citi's Working Capital Analytics tool, the Optimization Program:

- Provides recommendations for increasing process savings, cost savings, and financial incentives associated with increasing the use of the purchase card versus the traditional procurement methods
- Provides insight for improvement opportunities by using the best practices for your program
- Generates recommendations for improving the program, including guidance for implementation and monitoring program success



Citi Virtual Card Accounts Use Cases: Categories

VCA is a powerful, flexible product which is used in a variety of ways by our clients. The following slides are divided into four major categories of use which address different needs

Centralized Payments

- Use of the VCA website to generate card numbers by a limited group of users
- Utilize VCA controls to reduce risk for higher value payments and non-key suppliers

Sample Use Cases

- High Value Payments
 - Advertising Expenses
 - Legal and Court Fees
 - Telecom Expenses
 - Meeting and Event Spend
- Out-of-Policy (High Dollar/Infrequent Vendor) Payments
- Overseas Vendors

VCA Controlled Spend

- Utilize the VCA controls to define how, when, and where a virtual card can be used
- Separate certain categories of spend to track separately from main card program

Sample Use Cases

- Airline Voucher Programs
- Distressed Employees
- Project Spend
- Relocation/Repatriation
- Recruiting Programs

Third-Party Programs & Internal Workflows

- Enable third party programs to make virtual card payments on your behalf
- Utilize the groups on the VCA website to provide limited, controlled access to third parties and internal requestors

Sample Use Cases

- 3rd Party Property Management
- 3rd Party Event Planning
- 3rd Party Central Travel Booking
- Internal Approval Workflows and Controls (Pre-Approval to Spend)

Advanced Uses

- Integrate VCA into your back-end systems to automatically generate single-use card numbers for every payment

Sample Use Cases

- High Volume Payments / Disbursements
 - Franchise Payments
 - Online Travel Agents
 - Warranty Payments
 - Benefits Claims
- Purchase Orders & Enhanced Reconciliation
- A/P Integration
- Catalog Integration



Citi® Virtual Card Accounts SAMPLE USE CASE SCENARIOS



Centralized Procurement Use Cases: High Value Payments

Use single-use virtual card numbers to easily expand existing centralized purchasing card program by utilizing VCA's increased security, control, data, and workflow features.

Virtual Card Request & Use

Invoices or purchase orders

1. Generate virtual card numbers using VCA website
 - Set per-transaction controls: invoice amount, supplier, validity period
 - Capture custom data: invoice number, cost center, etc.

2. Send virtual card numbers to suppliers



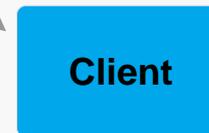
Reporting & Allocation



Citi receives transaction data after the supplier processes the order.



Transaction-level data with virtual card number & custom data fields



- A. Client matches to invoice or PO by linking to custom data fields
- B. Client automatically allocates charges based on cost center / GL information in custom data fields

Controlled Spend Sample Use Case: Airline Vouchers

Provide virtual card numbers as food/hotel vouchers to crew and passengers. Cards are locked down to specific use and flight-specific data can be captured

Virtual Card Request & Use

Flight diverted



1. Client generates VCNS, sets controls, and captures custom data related to flight and location



2. VCNS distributed with max amount, 1 day validity period, and MCC restriction to hotels



3. Crew and passengers use VCNS to pay for their hotel expenses



Reporting & Allocation



Citi receives transaction data after hotel/merchant processes the order.



Transaction-level data with flight-specific details and other custom data fields

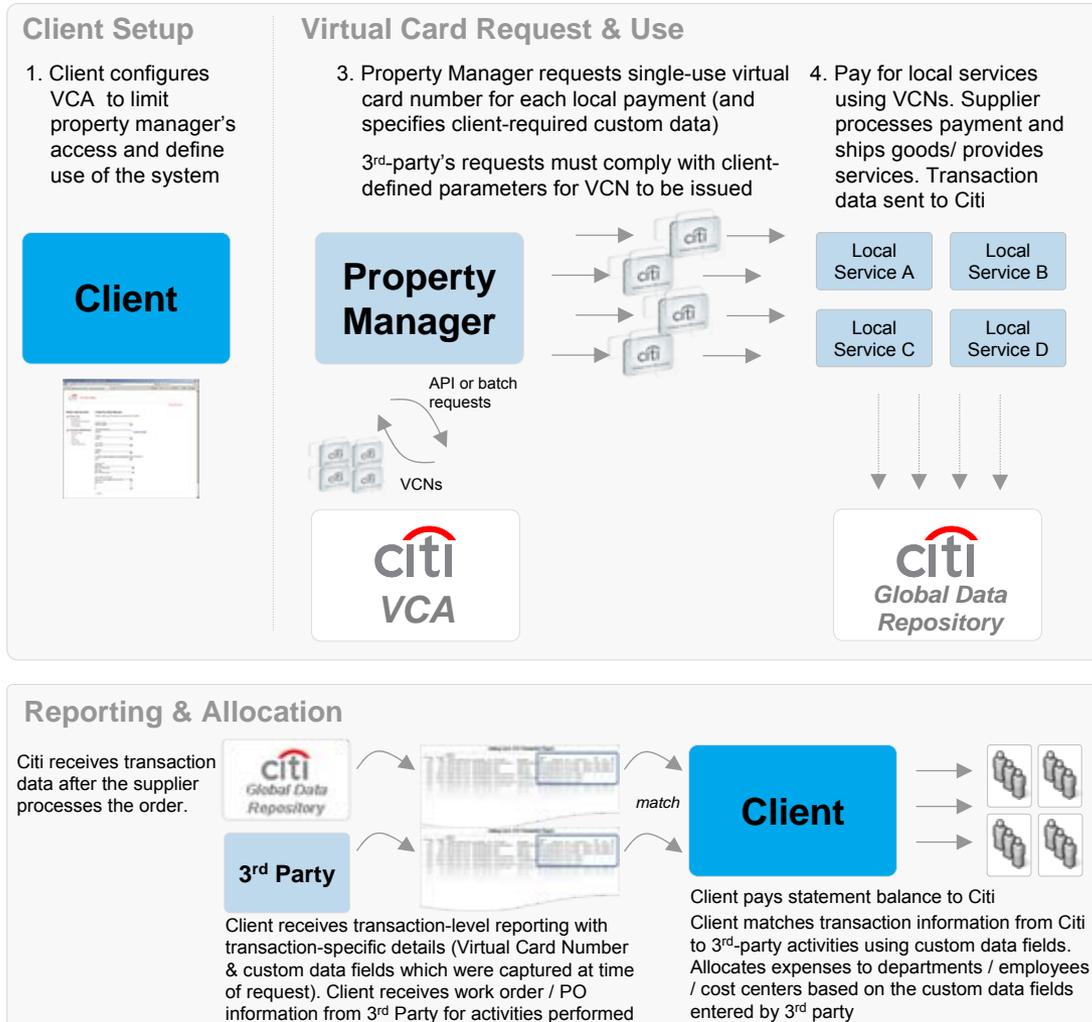
Client

Airline pays statement balance to Citi

Airline identifies and separates expenses based on custom data fields which capture flight and location information

Third Party Program Use Case: Property Management

Outsource ordering, execution, and payment of property management work orders to a 3rd party. With VCA, real card number is never shared and restrictions are placed on how VCNs can be requested



Advanced VCA Use Case: Accounts Payable Integration

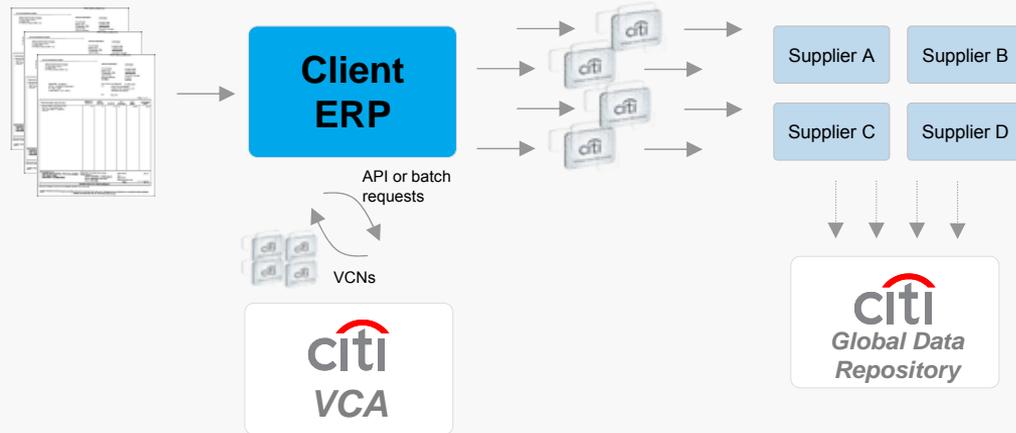
Automate card-based settlement processes by requesting virtual card numbers directly from an ERP or A/P system for approved invoices. Capture invoice # up-front to automate post-transaction reconciliation

Virtual Card Request & Use

1. Invoices marked ready to pay for card-accepting suppliers

2. ERP automatically requests single-use virtual card number for each payment via Batch or API (specifies amount, supplier, invoice number, and any other invoice-specific details for allocation)

3. Send virtual card number to each supplier. Supplier processes payment and transaction data sent to Citi.



Reporting & Allocation



Citi receives transaction data after the merchant processes the order.



Client receives transaction-level reporting with transaction-specific details (Virtual card number & custom data fields which they captured at time of virtual card creation)



Client automatically matches transaction to invoice using info captured in custom data
Client automatically allocates expenses using info captured in custom data fields (cost center, GL code, etc.)



Citi® Virtual Card Accounts

VCA IN USE



Using Virtual Card Accounts: Request VCNs and Transact

Client

1. Request a virtual card number (VCN) linked to real card account number (RCN)
 - Set controls
 - Set custom data fields
2. Receive VCN and use in a transaction OR have VCN sent automatically to supplier via secure email

Merchant

4. Charge transaction using 16-digit VCN

MasterCard

5. Identify card number as VCN
6. Check VCN controls (max amount, validity period, supplier, MCCs)
7. Check RCN controls (credit limit, fraud, etc.)
8. Send authorization back to merchant
9. Send authorization, clearing message, and CDFs to Citi

Citi

10. Post transaction to RCN account
11. Load VCN info and associated custom data to online reporting

Client Reporting

Custom Data Fields

Transaction Details

Authorization Details

Posting Details

Web Interface for Requesting a Virtual Card Number

Virtual Card Accounts

- Virtual Card
 - My Requests
 - Create Purchase Request
 - My Approvals
 - User Settings
- Programme Administration
 - Purchase Types
 - Groups
 - Users
 - Suppliers
 - User Activity
 - Custom Data Fields

Create Purchase Request

Set the controls you require for your purchase then click "Next".

Purchase Type:

Transaction Amount: Currency Converter

Currency:

Card Alias:

Supplier:

Limit this number/supplier to one authorisation for this transaction?

Validity Period:

Start Date:

End Date:

Description of Purchase:

1. Input payment details and set controls

Virtual Card Accounts

- Virtual Card
 - My Requests
 - Create Purchase Request
 - My Approvals
 - User Settings
- Programme Administration
 - Purchase Types
 - Groups
 - Users
 - Suppliers
 - User Activity
 - Custom Data Fields

Create Purchase Request

Please complete the required custom fields below and click "Submit"
**Indicates a mandatory field*

PO/Ref#

Comments

Tti Tax Amt

Cust Code

Budget Manager/Authorizer

Prod Cid

Item Desc

Unit Pric

Supplier Reference

Card Acceptor Tax ID

2. Add required/optional custom data fields that are linked to the purchase type

Virtual Card Accounts

- Virtual Card
 - My Requests
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 - Suppliers
 - User Activity
 - Custom Data Fields

My Approvals

Select the purchase request number that you wish to approve and click the Approve button.

Request ID	Request Date	Request Amount	Request Status	Request Type
1	11/08/2010 10:00	10,000.00 USD	Approved	Office Supplies
2	11/08/2010 10:00	10,000.00 USD	Approved	Office Supplies
3	11/08/2010 10:00	10,000.00 USD	Approved	Office Supplies
4	11/08/2010 10:00	10,000.00 USD	Approved	Office Supplies
5	11/08/2010 10:00	10,000.00 USD	Approved	Office Supplies
6	11/08/2010 10:00	10,000.00 USD	Approved	Office Supplies
7	11/08/2010 10:00	10,000.00 USD	Approved	Office Supplies
8	11/08/2010 10:00	10,000.00 USD	Approved	Office Supplies
9	11/08/2010 10:00	10,000.00 USD	Approved	Office Supplies
10	11/08/2010 10:00	10,000.00 USD	Approved	Office Supplies
11	11/08/2010 10:00	10,000.00 USD	Approved	Office Supplies
12	11/08/2010 10:00	10,000.00 USD	Approved	Office Supplies
13	11/08/2010 10:00	10,000.00 USD	Approved	Office Supplies
14	11/08/2010 10:00	10,000.00 USD	Approved	Office Supplies
15	11/08/2010 10:00	10,000.00 USD	Approved	Office Supplies
16	11/08/2010 10:00	10,000.00 USD	Approved	Office Supplies
17	11/08/2010 10:00	10,000.00 USD	Approved	Office Supplies
18	11/08/2010 10:00	10,000.00 USD	Approved	Office Supplies
19	11/08/2010 10:00	10,000.00 USD	Approved	Office Supplies
20	11/08/2010 10:00	10,000.00 USD	Approved	Office Supplies

Virtual Card Accounts

- Virtual Card
 - My Requests
 - Create Purchase Request
 - My Approvals
 - User Settings
- Programme Administration
 - Purchase Types
 - Groups
 - Users
 - Suppliers
 - User Activity
 - Custom Data Fields

Create Purchase Request

Your purchase request has been automatically approved

Your Virtual Card Number details are as follows:

Virtual Card Number: 5550273992530598

Expiry Date (MM/YY): 12/10

CVC: 310

Cardholder Name: Test Two

Cardholder Address: 14000 Citicards Way, A1G-1B175, Jacksonville, FL 32259, US

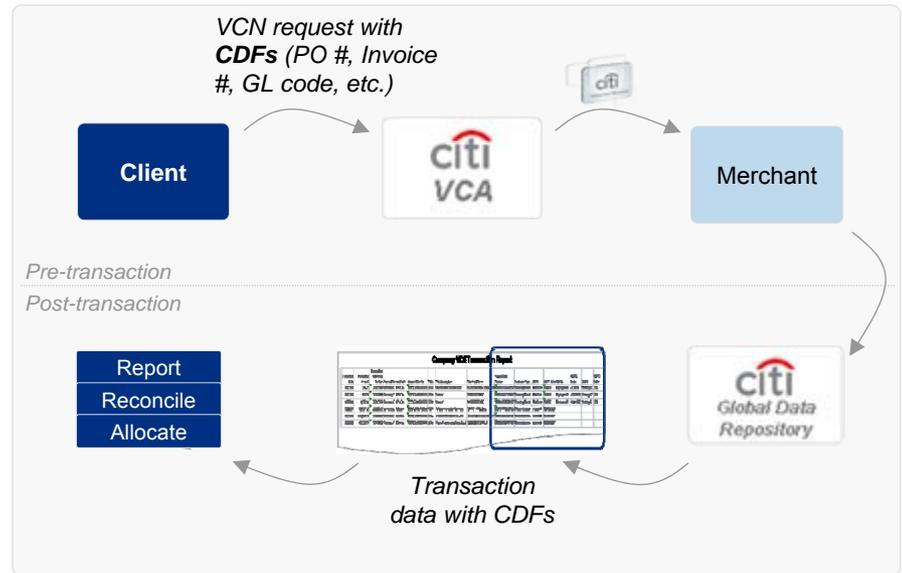
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Optionally, if the request is over the value for the group, it is sent for approval

3. Receive Virtual Card Number immediately (or after optional approval)

Enhanced Reporting, Reconciliation, and Allocation with VCA

- In addition to the standard suite of Commercial Cards data, VCA offers additional reporting fields:
 - Virtual Card Number (VCN)
 - Purchase Type
 - Custom Data Fields (up to 30 per VCN)
- Using VCA's custom data fields, information can be captured up front to provide enhanced reporting, reconciliation, and allocation



Reporting

- **Improved spend monitoring and compliance** with capture of purchase description, employee ID, etc.
- **Increased spend insight and pattern analysis** from additional client-provided transaction information

Reconciliation

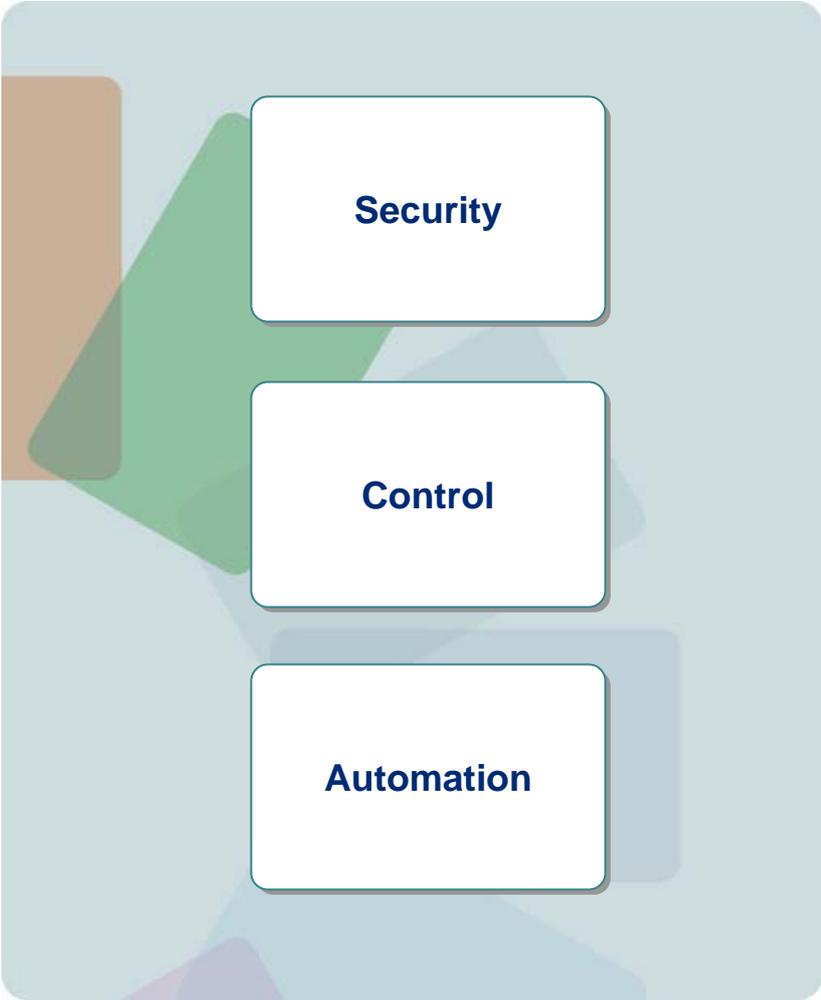
- **Automate matching** of POs or Invoices with virtual card transactions by using logging the PO or Invoice # as a CDF to serve as a unique key

Allocation

- **Easily allocate** expenses by requiring accounting code information at the time of VCN creation
- Use an automated process to map expenses to general ledgers based on the custom data fields

Citi Virtual Card Accounts: Conclusion

VCA unlocks opportunities to both grow existing card programs and deploy commercial cards throughout your organization in new ways



Security

Control

Automation

- VCA offers unparalleled security, control, and automation
- Opportunities to grow card programs through both simple web-based and efficient, automated system-to-system solutions
 - Web-based VCA implementations are simple & turn-key. Clients can be enabled in less than 30 days.
- Flexibility to start with the simple web use and evolve to future integration and automation

To find out exactly how Citi Virtual Card Accounts can benefit your business, please contact your Account Manager to arrange further discussions.

For more information about Citi Virtual Card Accounts, visit www.citimanager.com



Thank you.

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