

Stronger together: Enabling a *robust remittance proposition*



Driven by increasing migration, remittances in the Asia Pacific region have grown rapidly. According to The Migration Data Portal estimates, global remittance flows were \$685 billion in 2023¹. The Asia Pacific region received a substantial portion of these funds.

The resulting race for a share of the remittance revenue pie sees incumbent Asian banks facing competition not just from each other, but also from new digital banks, mobile wallets, and fintech providers. Melissa Ongleo Yambao, Managing Director and Head of Asia South Financial Institutions Sales, Treasury & Trade Solutions at Citi Services, speaks with Sheetal Kandola, Head of Asia Field & Client Marketing, Services, Citi.

They explore how Asian banks must prioritize operational excellence to improve customer experiences and protect remittance market share.

Sheetal: The Asian remittance landscape is now a battleground, with digital banks, mobile wallets, and fintech providers posing a serious challenge to incumbent Asian banks.

When we surveyed over 100 of our banking clients in our “Future of Payments” survey, 89% expressed concerns about losing at least 5% to 10% of their market share to these new competitors within the next five years.

The time to act is now. What strategies do you believe Asian banks should adopt to defend their share of the remittance market?

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Source: Future of Payments Survey

\$685 bn

in global remittance flows were recorded in 2023

Source: www.migrationdataportal.org/themes/remittances

Melissa: You're right, Sheetal. The Asian remittance landscape has changed significantly. While traditional banks still hold a significant share, digital disruptors are making it easier, faster, and cheaper for people to send money. To remain competitive, Asian banks must respond. Priority should be given to enhancing their remittance propositions and matching – if not bettering – the cost, convenience and speed of new players, while offering the security of an established and trusted banking brand.

Sheetal: That must be easier said than done. What do banks need to do to achieve this?

Melissa: To not just meet, but exceed evolving customer expectations, banks must first look at their operations. In this context, operational excellence means having efficient and reliable systems and processes in place. Excellent customer experience follows. First, Asian banks need to be able to set up their operational processes to respond to the need for speed, supporting instant or near-instant processing for various beneficiary types, 24 hours a day, seven days a week. Second, they must provide transparency, allowing customers to track payments end-to-end. Third, they must be able to do this with the broadest possible reach and at the lowest possible cost.

Sheetal: Building or upgrading banking infrastructure to deliver those customer experiences is expected to require significant investment. Banks are already funding multiple digital



transformation projects and regulatory compliance initiatives. In addition to investment, building next-generation remittance capabilities will take time, allowing nimble competitors to gain market share.

Melissa: That's true! To address these challenges, Citi anticipates that Asian banks will need to assess which elements of their proposition they must build themselves and which they can deliver in collaboration with third-party providers.

One of the most operationally complex capabilities for a global remittance proposition, for instance, is managing multiple correspondent banking relationships worldwide. Not only is this costly and resource-intensive, it also requires the ability to proactively take into account multiple regulatory regimes.

Sheetal: How can Citi help Asian banks address this complexity?

Melissa: Citi has helped banks simplify and streamline global payments with Citi WorldLink. Through WorldLink, Asian banks can offer their customers remittance services in over 135 currencies, all through a single connection.

Our clients also benefit from Citi's global physical footprint in over 90 countries, providing on-the-ground expertise in understanding local politics, business, and economic conditions².

With robust compliance frameworks, AI-driven fraud detection, and advanced KYC and AML capabilities, WorldLink helps banks with country specific requirements while minimizing transaction friction. This strengthens security and builds customer confidence. The single connection to Citi not only helps to lower cost-to-

Customers
remittance services
in over 135 currencies



serve but also enables Asian banks to offer their customers an enhanced payment experience.

With WorldLink, banks empower their clients to easily initiate and track their payments 24/7, with full-value, near-real-time remittances to bank accounts, mobile wallets, and cards. WorldLink is a truly turnkey solution that enables banks to rapidly offer their clients an enhanced digital remittance experience without the burden of in-house development or investment in operations.

Sheetal: Managing a single connection to Citi's WorldLink solution, rather than dozens of correspondent bank accounts, would lower cost-to-serve. However, not every bank is ready or able to implement a full-scale payments transformation. Can they still benefit from WorldLink?

Melissa: Yes, they can. Citi WorldLink is a modular solution that allows banks to implement payment experiences according to their operational priorities, at their own pace.



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Building next-generation remittance capabilities will take time”

Sheetal Kandola
Head of Asia Field & Client
Marketing, Services, Citi

Banks can choose various methods of connectivity from API to SWIFT, as well as enabling FX rate availability to their clients, spanning from guaranteed rates to live-streaming via FX API. WorldLink supports data rich SWIFT MX messaging and the ability to receive payment instructions as per the new ISO 20022 messaging standard for payments. As such, banks can opt to choose a hybrid solution of connecting via Swift MX and streaming rates via WorldLink FX API. These quick-to-market solutions are designed to help banks improve customer experience while also enabling new potential FX revenue streams.

We work with our bank clients to map out their payment pain points and operational opportunities, and can help them tailor how the solutions fit to their business and resource availability.

Sheetal: For Asian banks to compete, a collaborative and consultative approach to working with relationships is key. But what makes a good strategic relationship for managing remittance operations?

Melissa: There are several aspects to consider.

It is a given that they have current technical capabilities. However, it is also vital to consider their track record, resilience, and long-term investment in innovation.

When selecting a global banking relationship, Asian banks should consider historical operational reliability and stability factors. Continuous and consistent service delivery is critical, so they need a bank that can prove a history of operating smoothly with minimal disruptions, cohesively integrating and scaling operations, and consistently meeting compliance and regulatory requirements.

Looking ahead, banks should associate with institutions committed to continuous investment in technology and innovation, thereby allowing them to keep pace with changing customer expectations and emerging competitors, continuously improve service standards, and stay ahead of payment regulatory developments.

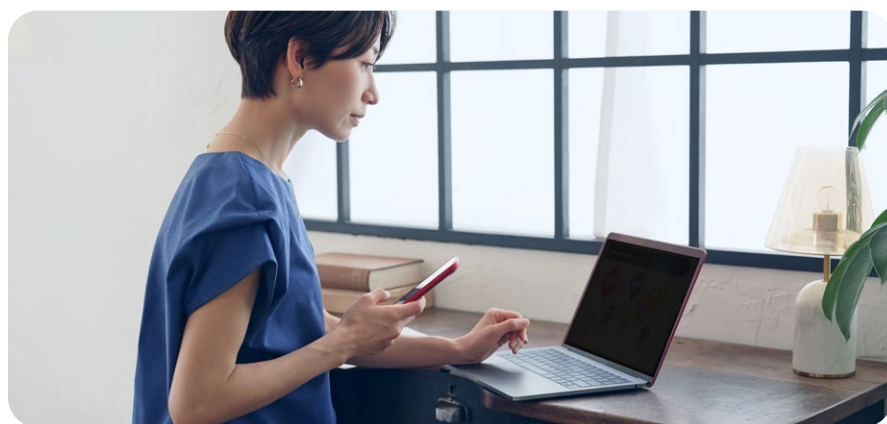
Sheetal: What is Citi's track record and future commitment?

Melissa: Citi WorldLink has enabled banks and corporations to deliver payments for over 40 years. Citi has



“Banks should associate with institutions committed to continuous investment in technology and innovation.”

Melissa Ongleo Yambao
Managing Director and Head of
Asia South Financial Institutions
Sales, Treasury & Trade
Solutions at Citi Services



continuously evolved WorldLink's capability over decades, and our clients will stand to benefit from our investment in technology and innovation.

Sheetal: Thank you for sharing these insights, Melissa. Citi WorldLink provides banks with the tools to modernize and remain competitive in the evolving remittance space. As digitalization continues to reshape the industry, solutions like these will be a powerful tool for Asian banks to keep pace with changing customer expectations.

1. www.migrationdataportal.org/themes/remittances; accessed 8 February 2025 2. www.citigroup.com/global/about-us/global-presence; accessed 12 March 2025

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