



The challenges and opportunities on payments at a global bank

Christoph Berentzen | FinTech Connect 2024

Commerzbank at a glance



150 years of
tradition



>11Mio
customers



3.421m
operating results
2023

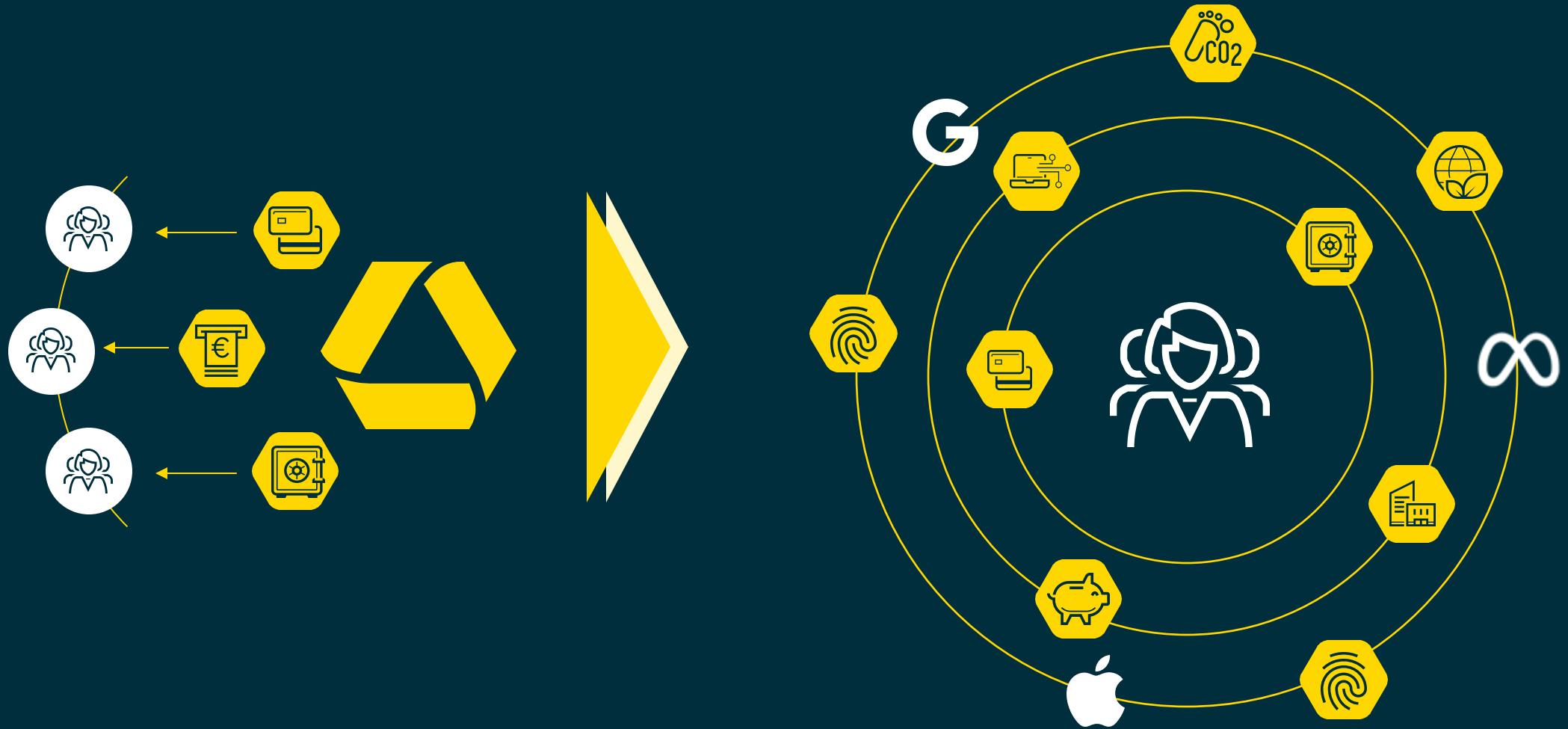


Transacts
~30% of
Germany's
foreign trade



41.000
employees

The industry is changing from one-size-fits-all to highly individualizable customer solutions



Whereas new digital business models offer enormous revenue potential...



Figure (illustrative)



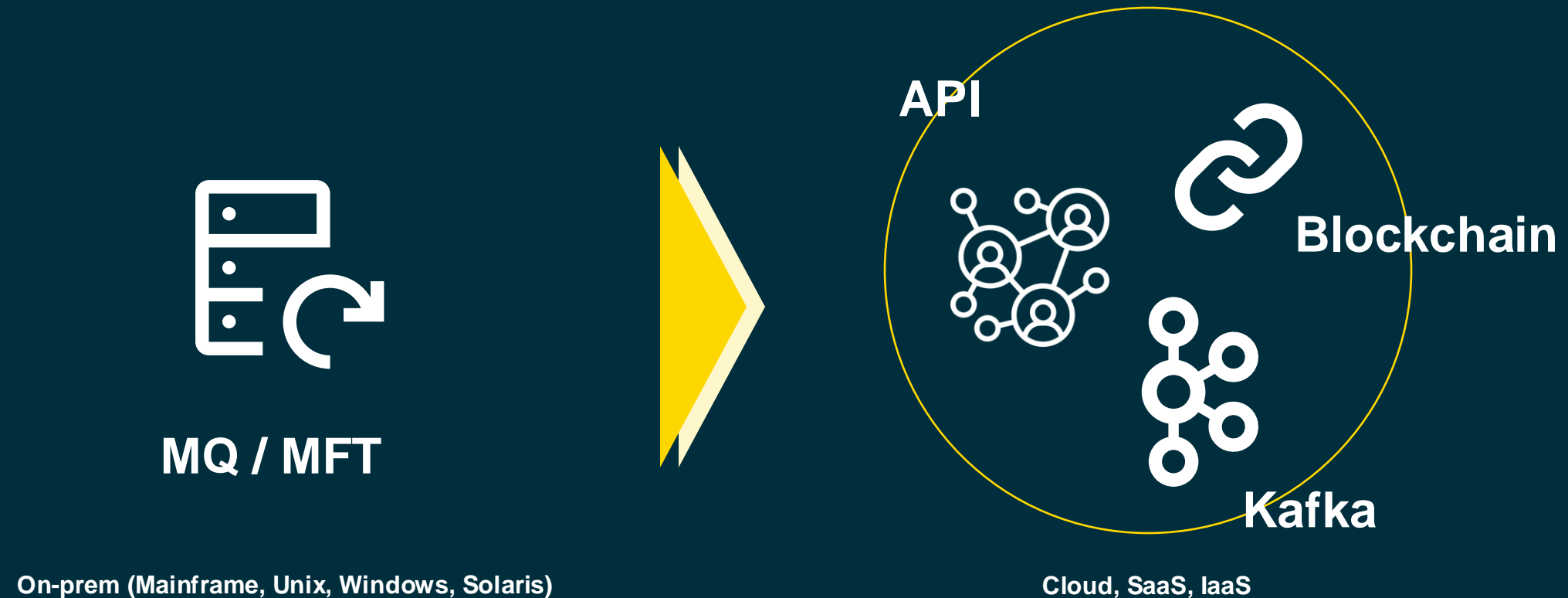
*The future of banking: A \$20 trillion opportunity | McKinsey

Explanation

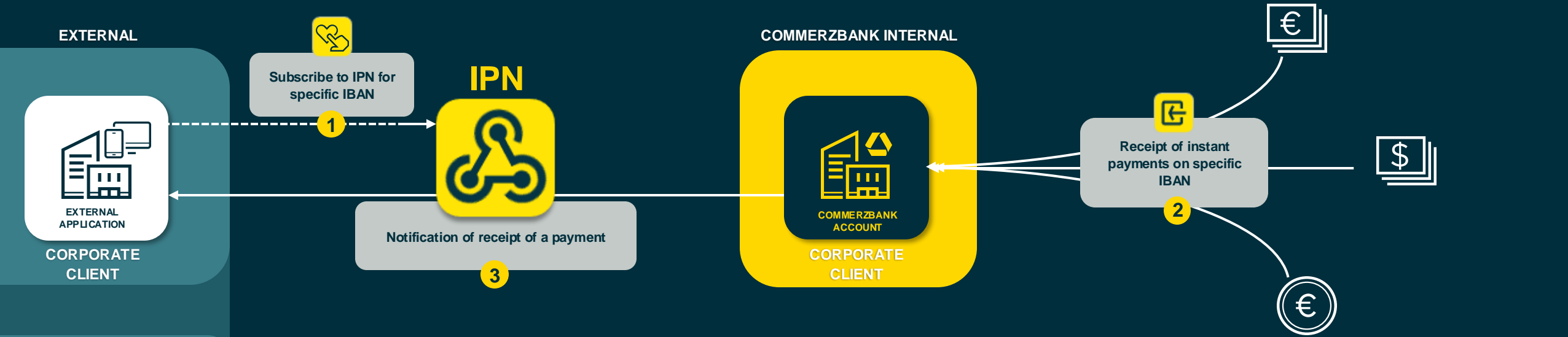
The financial market is changing in the next 10 years

- Every payment in the world will be as fast, cheap and global as sending an email.
- Anyone with a smartphone will be able to access the same financial services.
- Most financial services will be integrated or connected to ecosystems.
- All industries will be digitally connected across the world.
- Traditional banking will become commoditised.

...the underlying tech stack must be maintained and transformed to fulfill new (payment) requirements



Use case - Instant Payment Notifications



Use cases

Insurance: *"Instant" insurance coverage*

Take out an insurance online and redeem it immediately



Trade Finance:

Transportation of goods (Truck, Ship, Container etc.)

Instantly notified that the payment has been received, the goods are there and hence the transfer can be completed



Car dealers: *Substitute for cash*

Customers buying a car for settlement offer SEPA real-time transfer instead of unwanted cash



Telecommunication provider/provider:

Activation of user accounts without delay

Activation of blocked user accounts against real-time payment receipt



E-commerce: *Replacement of Internet payment methods*

Replacement of other Internet payment options (e.g. PayPal, Klarna) through risk-free transfer receipt



Retail: *Use in stationary retail*

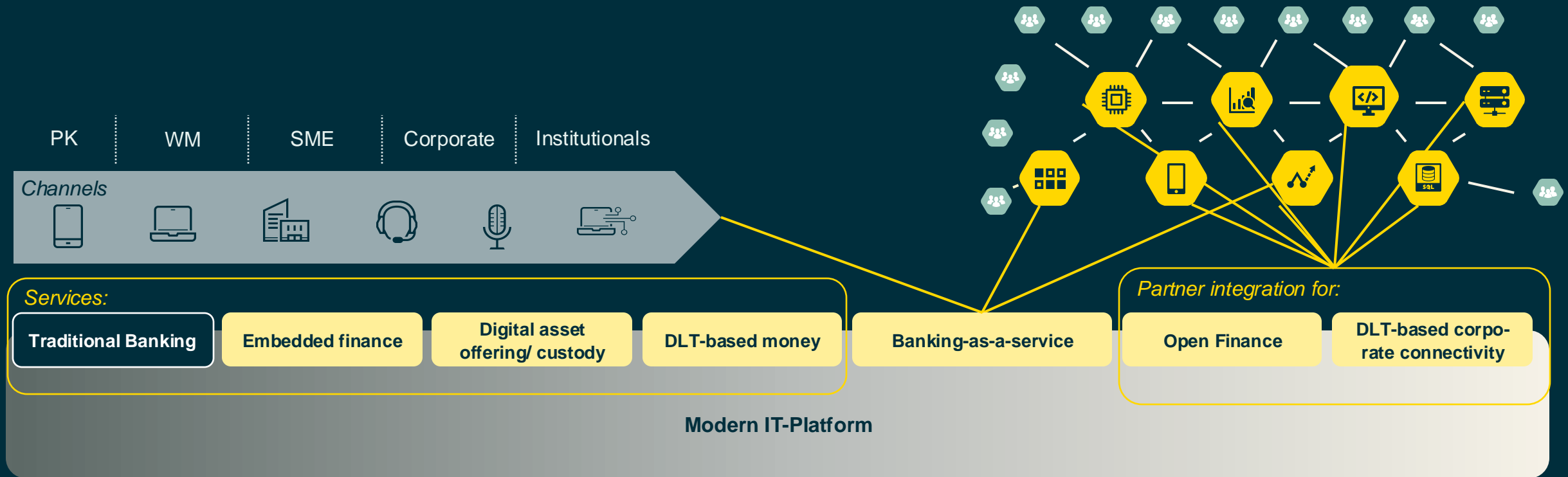
Customers pay with SEPA real-time transfer and display them directly in the POS system



Opportunity to be the front-runner for this service in Germany and EU

Monetization opportunities

Target picture is one scalable platform for traditional banking and innovative business models



CBK as experienced financial institution has its **right to play in future markets/ ecosystems** driven by collaboration, where **combination of mastering tech and regulation** will be key



COMMERZBANK