



CAPCO

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EVOLUTION OF MONETARY FORMS

Paytech conference 2016

EVOLUTION OR METAMORPHOSIS

Darwin versus Williamson.

DONALD WILLIAMSON PROPOSED THAT BUTTERFLY METAMORPHOSIS WAS A RESULT OF 2 SPECIES MATING; ONE THAT WRIGGLED ON THE GROUND AND ONE THAT FLITTED THROUGH THE AIR.



Money Evolution – Simple to Complex

From tangible to intangible. And more and more fungible



Ancient Barter



Asia Minor Coins



Chinese Paper



Coins and notes



Plastic Cards



**Digital Money /
Mobile Wallets**



Cryptocurrencies

Acceleration – Catalysts of Mutation

Megatrends



GLOBALISATION &
RENATIONALISATION



URBANISATION



DEMOGRAPHICS



MIGRATION



OMNICHANNEL



REGULATION



CLOUD

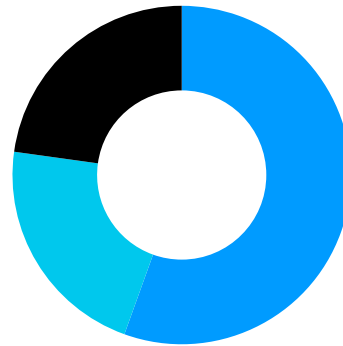


DIGITISATION

Cards are morphing into ewallets

CARDS ARE EXPECTED TO DECLINE, WHEREAS THE EWALLET AND 'OTHER' METHODS SUCH AS CRYPTOCURRENCIES WILL INCREASE AT A FASTER RELATIVE SPEED OF CHANGE THAN THE 'CASH TO CARDS' TRANSITION

GLOBAL PAYMENT METHODS
2014



eWallet 22% others 23% cards 55%

GLOBAL PAYMENT METHODS
2019

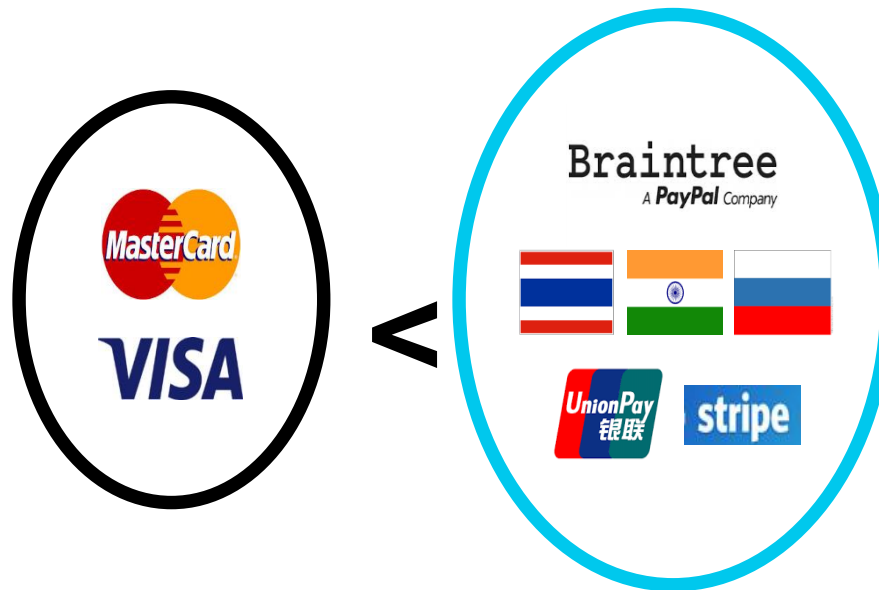


eWallet 28% others 26% cards 46%

Source: WorldPay Global Payment Report 2015 (online payments)

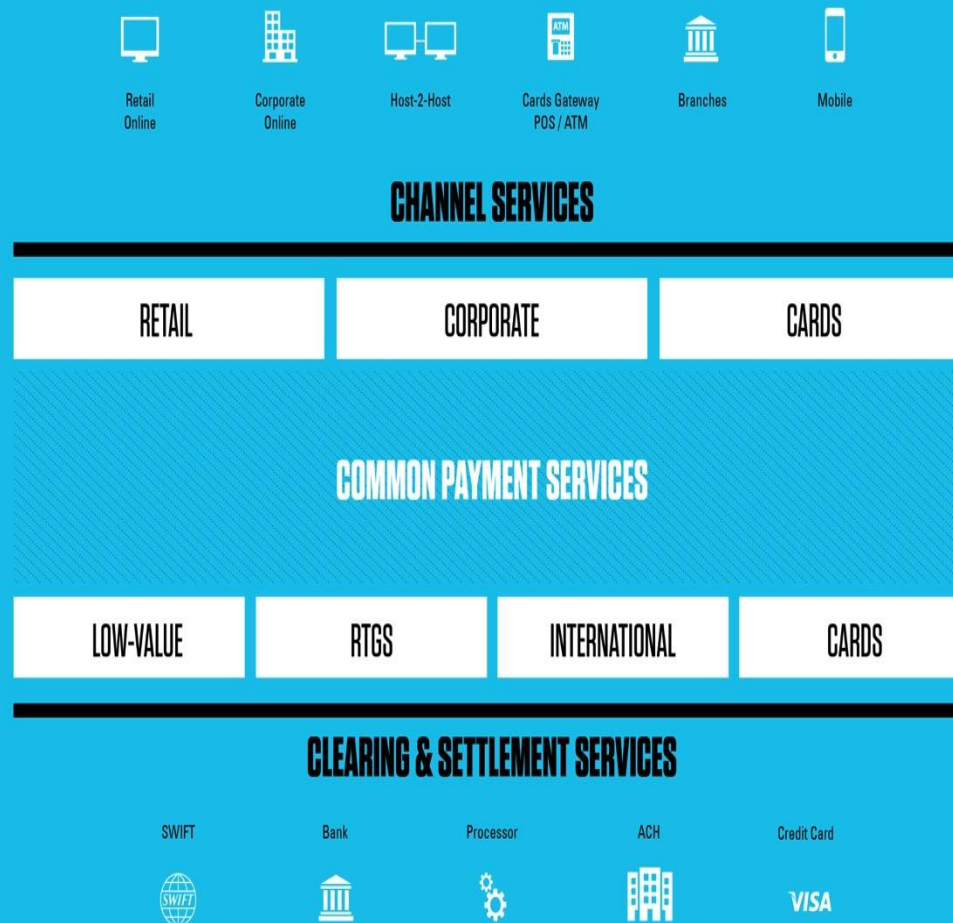
And natural selection is shifting power away from once dominant species

Re-emergence of national systems as well as transformative new models will change the power balance of Mastercard and VISA



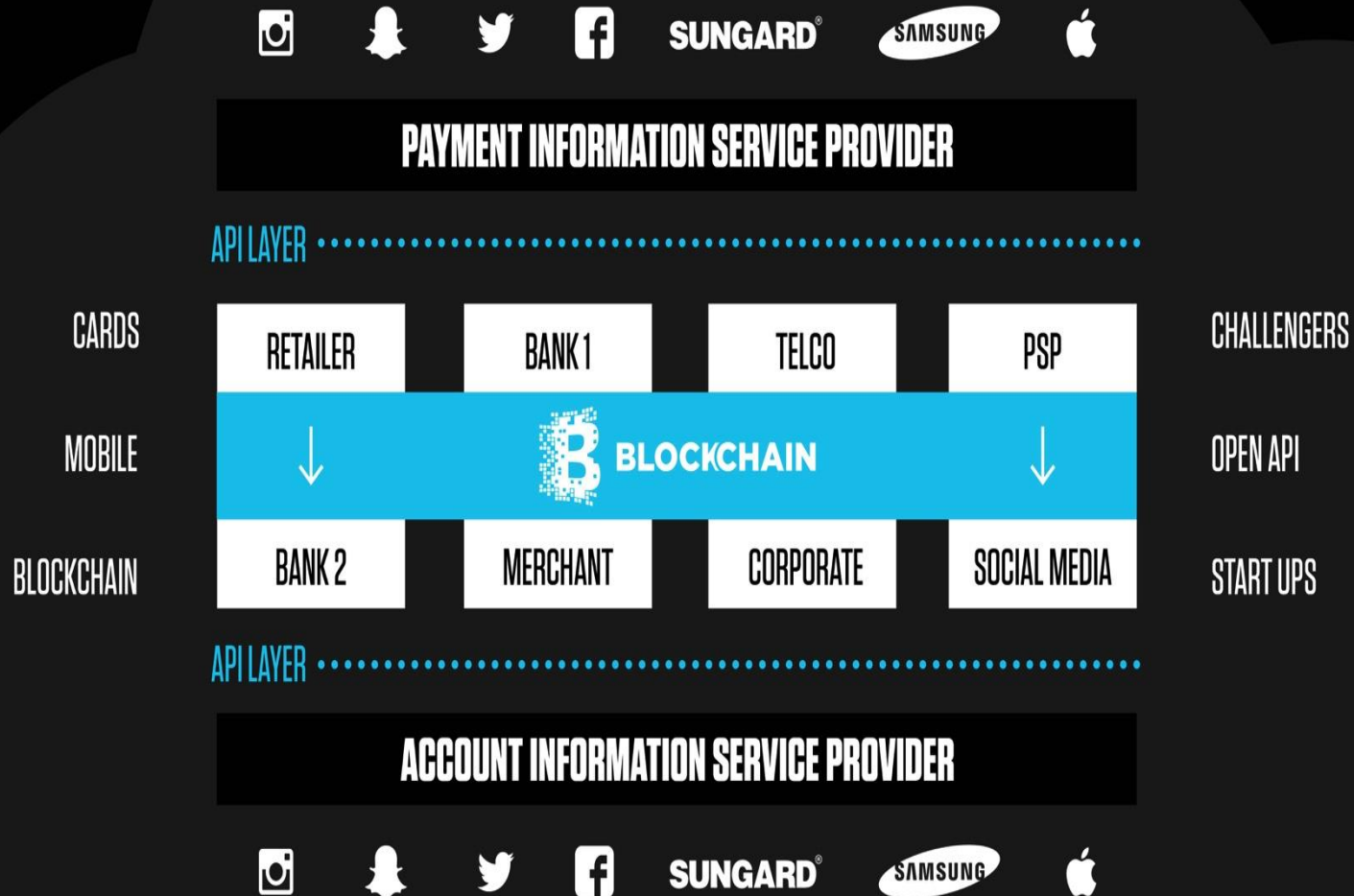
We have evolved to standardised banking today

The Payments ecosystem has been one dimensional, partitioned, nationally/globally agreed, waterfall delivered, limited range services



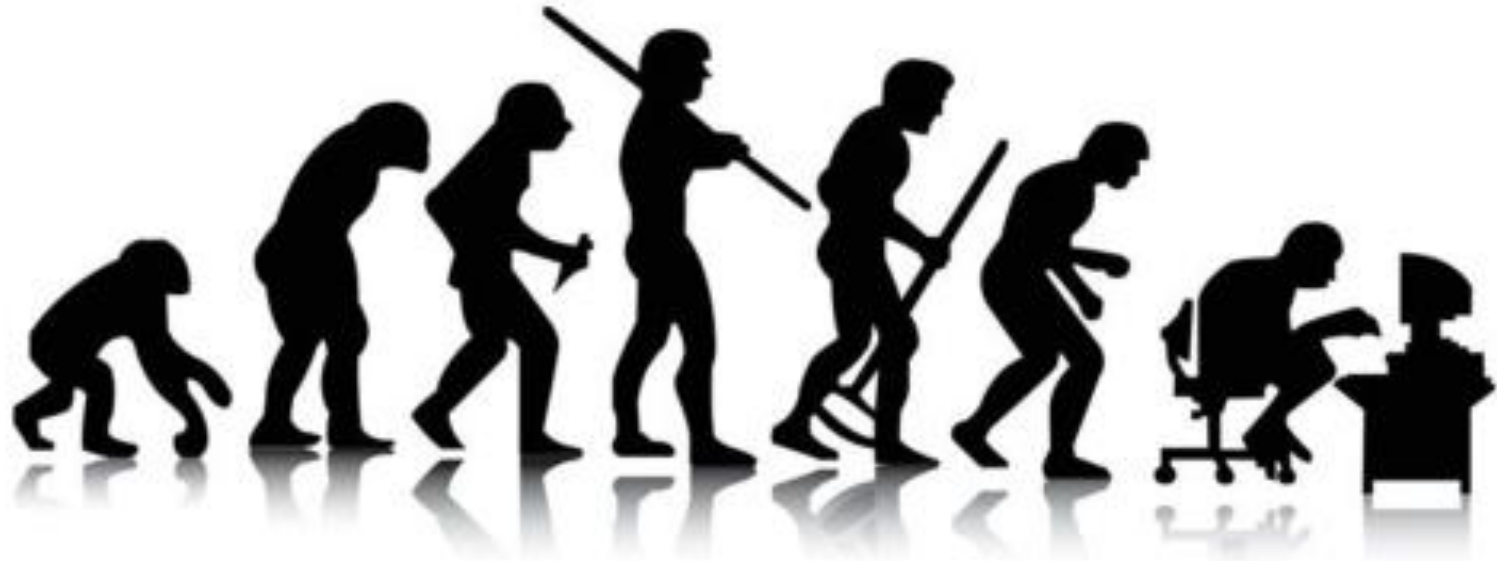
And moving to a Frankenstein genetically engineered future

With open APIs and blockchain solutions



**From a steady evolution of monetary forms to a
genetically engineered world of payments
Welcome to the cut and paste future
It's faster than evolution, but is faster better?**

How might the future of payments look?



**Well the future's great... as long as we remember
the foundations of trust and good regulation...**

And that new monetary forms will fail otherwise



FORMING THE FUTURE OF FINANCE

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