



Payments Evolution over the next Five Years Challenges and Opportunities

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HSBC 
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Introduction

- ▶ Communications: a short history
- ▶ Payments: a short history
- ▶ Today
- ▶ The future
 - ▶ Challenges
 - ▶ Opportunities

Communications History



Cave Painting ca. 15,000 B.C.

Lascaux France



Sumerian Tablet 3500 B.C.

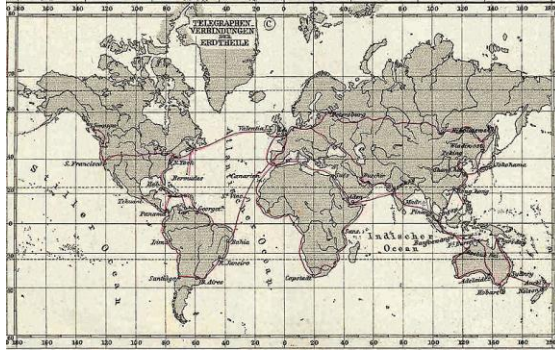


2400 BC - Papyrus Scrolls



Telegraph 1837-2006

Invented in the UK!



Telegraph Global Coverage 1891

Communications History



Bell System
Picturephone
1964

\$16-27 for a 3
minute call!

Communications Now



Payments: Some History

16th-8th century BC, China



5th century BC, Lydia



Bank Note AD 1375, China



1871 Telegraphic Money Transfer



1950s Credit Card



1960s ATM



SWIFT 1973



2008

UK Faster Payments



Communications versus Payments: 2011

Communications

Fast....Sometimes

Inexpensive

Sophisticated

Multiple standards

Payments

Fast.....Sometimes

Variable Cost

Sophisticated

Multiple standards

Payments: Challenges & Opportunities

Fraud Prevention

Identification verification and authorisation.

Multi Factor Authentication. What Next?



Illegal Payment Prevention

Money Laundering, Terrorist financing etc.

New Entrants

Non Banks as payment service providers

Industry Consolidation

SEPA, Faster Payments etc.



Payments: Challenges & Opportunities

Mobile and NFC

The next big thing?



Customer Expectations

Real Time at what cost?

Cheque replacement

Questions

