

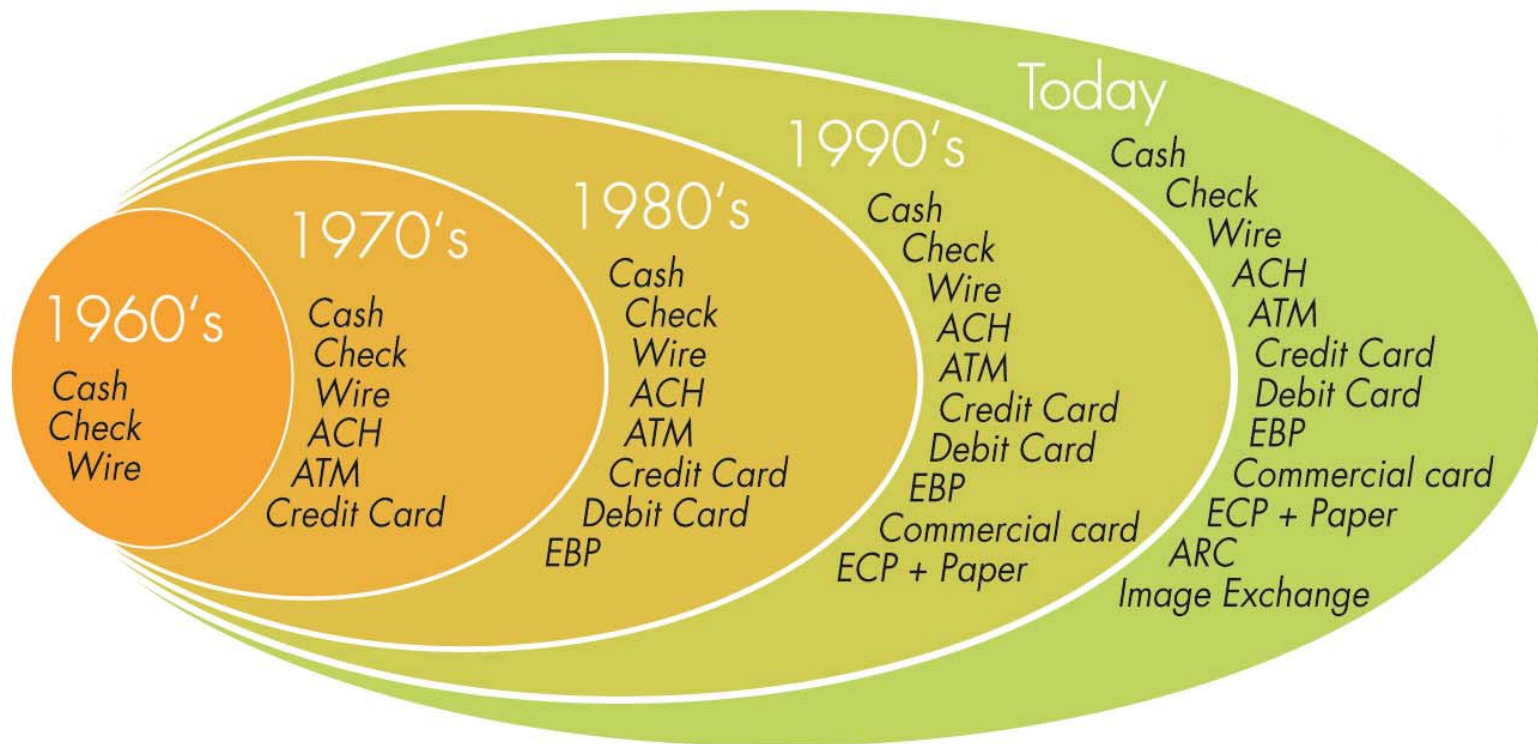
The Future of Payments in Europe



**Tallinn
4 June 2007**

The European Payments Landscape

8 | The proliferation of payment instruments



Source: ABN AMRO; AGIS Consulting

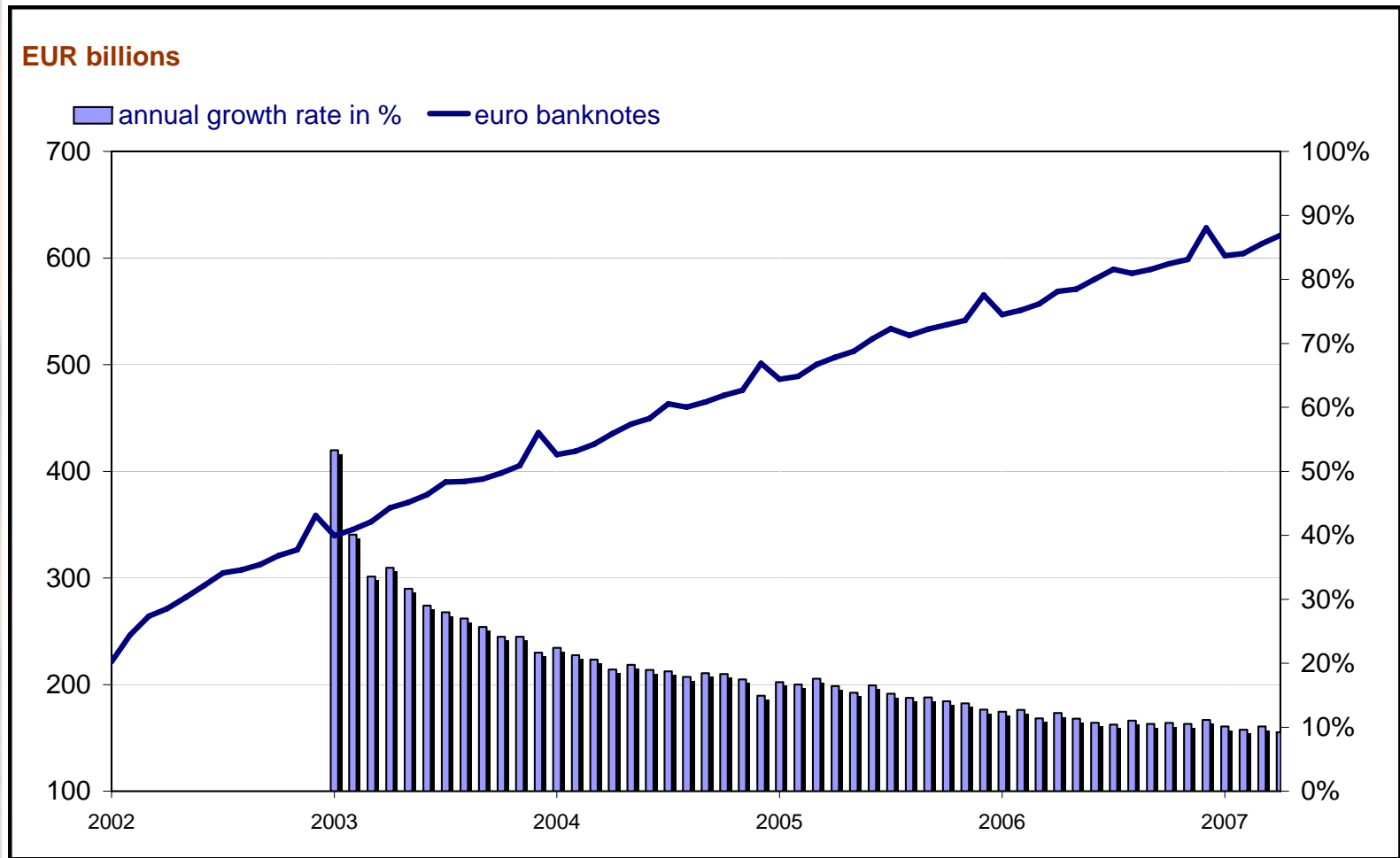
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The European payments landscape



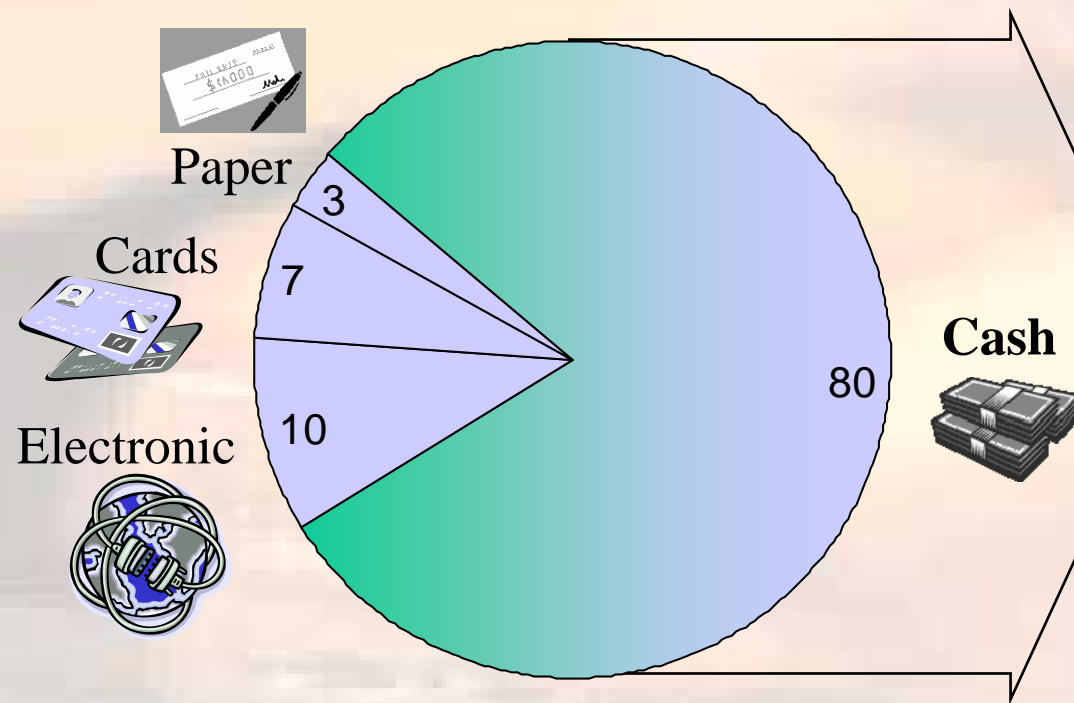
Cash in circulation



The European payments landscape

Cash share of number of retail transactions 2002

100% = 425 billion transactions



More than 360 billion retail transactions in Europe are still paid in cash, i.e. 6 out of 7 transactions.



Source: EPC estimates

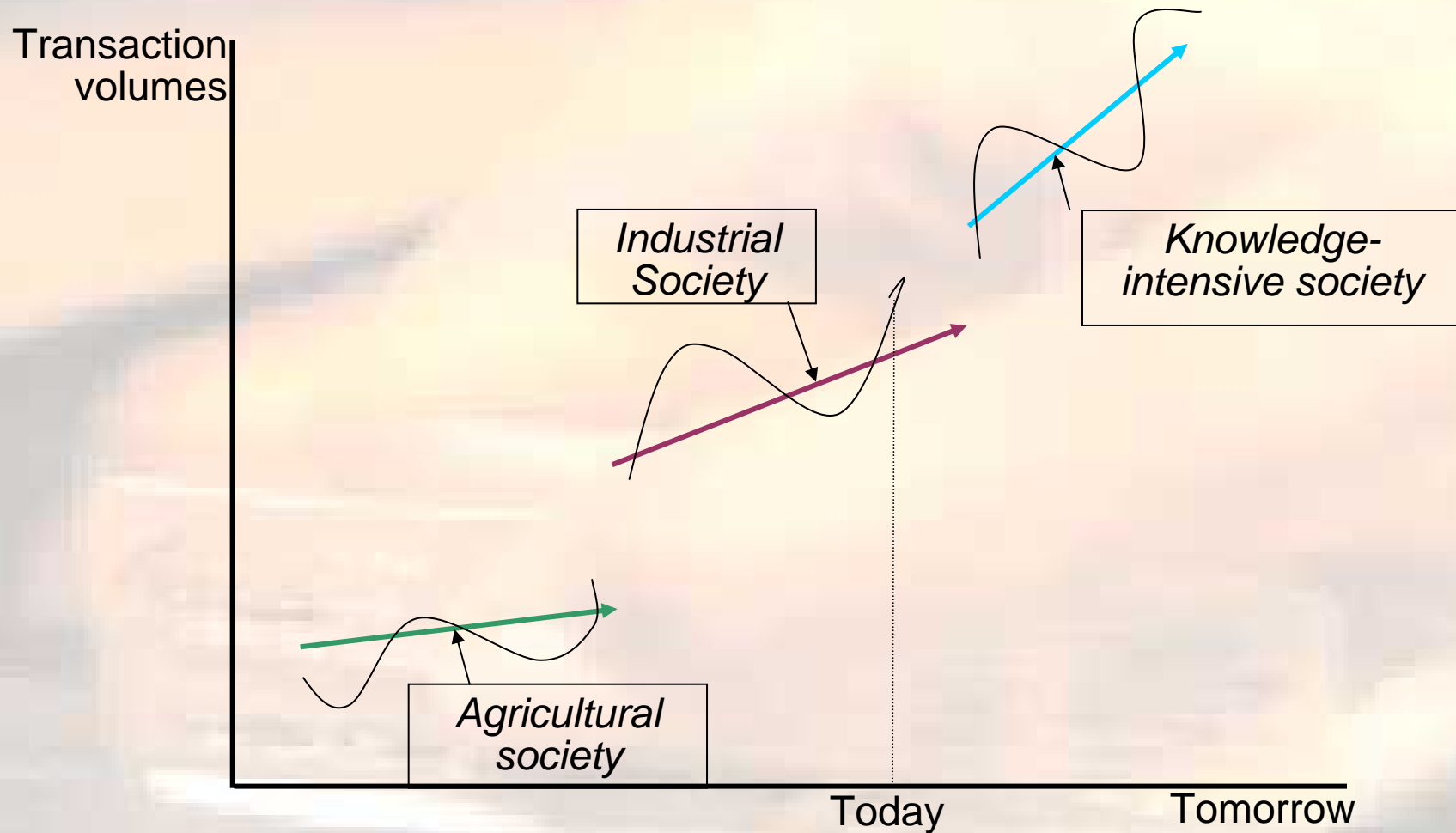


The future of payments

Drivers for change

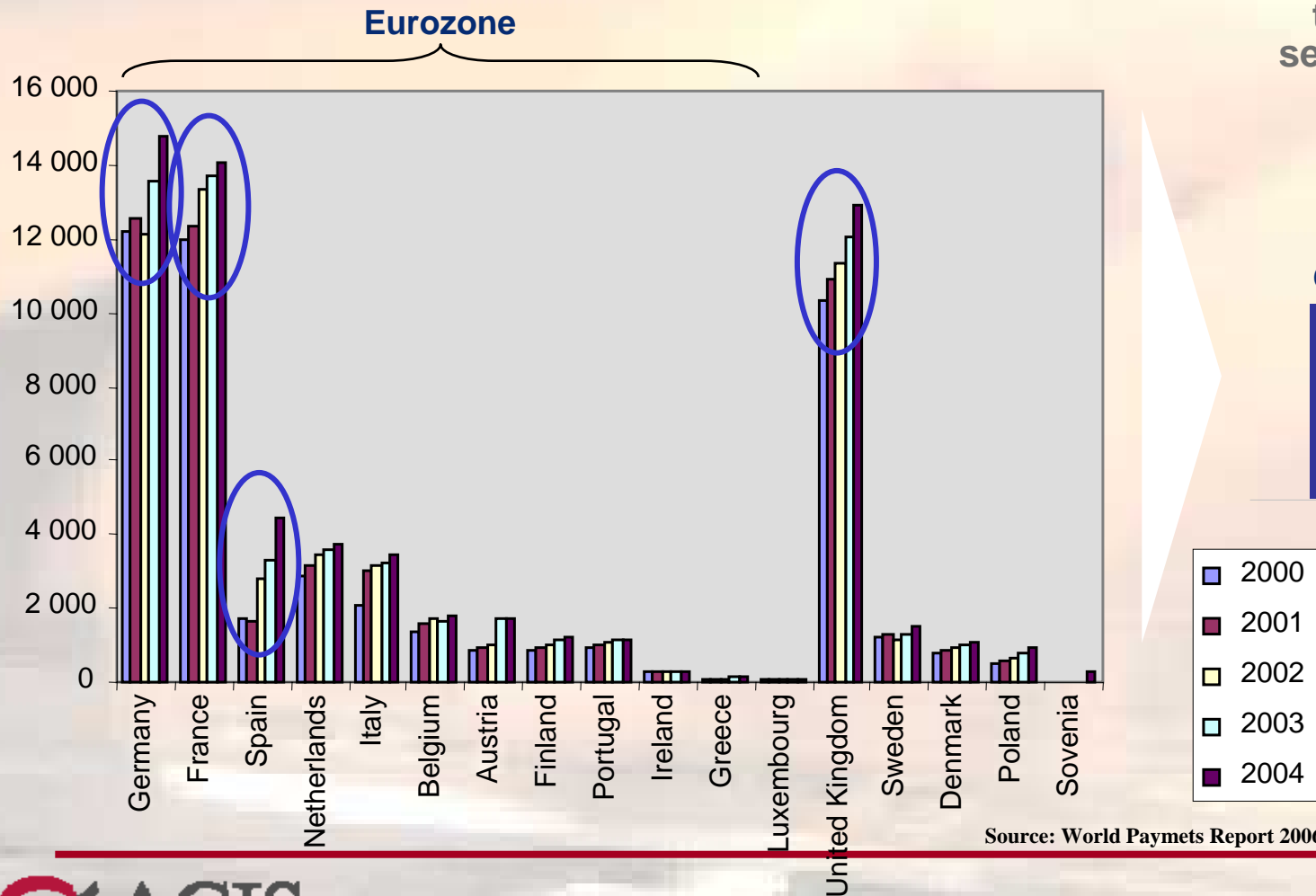
- **Technology**
 - Ubiquitous computing
 - Moore's law
 - Convergence of tools and networks
- **Business models**
 - Increasing pressure on payment revenues
 - Commoditisation
 - Indirect revenue
- **Monetary evolutions**
 - Legal tender
 - Private currencies
 - Virtual Currencies

New transaction spaces

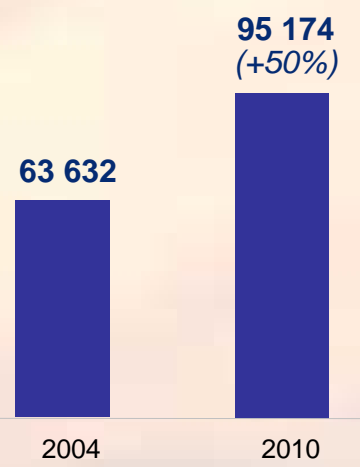


The European Payments Landscape

European Non-Cash Payments Volume, 2000-2004 (millions)



Total of non-cash transactions in selected European countries



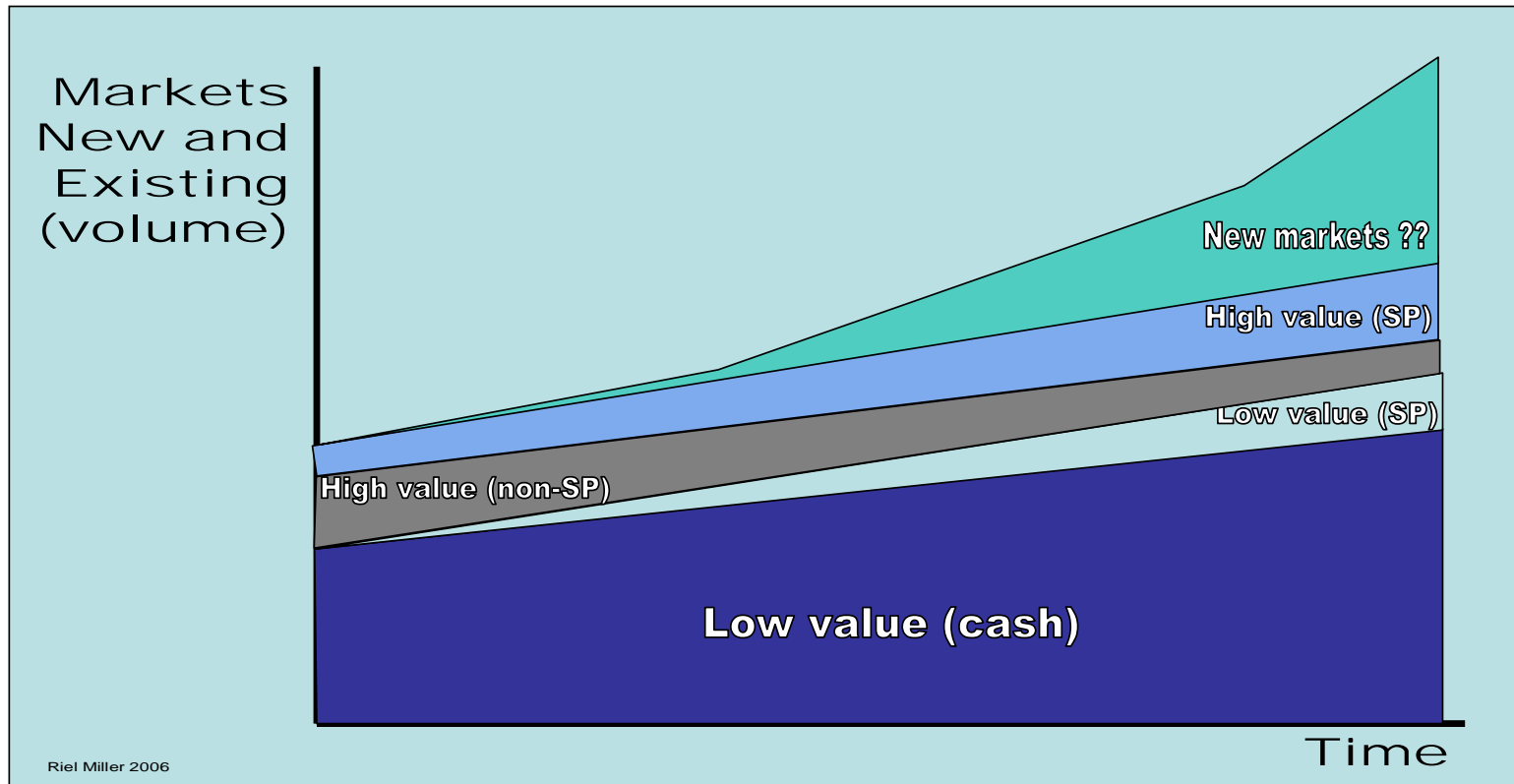
Source: World Payments Report 2006, ABN AMRO, Capgemini, EFMA

What is cash?

- Ownership: public (fiat) vs private currency?
- Paper vs electronic?
- Features: liquidity, universality, anonymity, store of value?

-
- Universality: does not require an infrastructure
 - Identity management and privacy
 - Security and contingency

Future of Cash



Thank you!

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