

Contents

About the author vii

Acknowledgement ix

Introduction 1

1 Blockchain, Bitcoin and Distributed Ledgers – Disentangling the Hype 23

Why stop with banking? The dream of blockchain 2.0 23

The second shot at electronic money and why this time it might actually work 29

Disrupting the disruptor: how the blockchain itself might become obsolete 34

Still not a new internet 37

2 A Libertarian Fantasy in the Most Regulated of Industries 47

A political battle fought in a technical arena 47

From priests to payment directives – a short history of the institutional imperative of money 53

Leviathan's strong hand – why regulators might end up picking the technology format 60

Format Wars in Full Swing 65

Note 70

3 The Dreaded Kodak Moment that will Never Happen – Why Banking is Different 71

Cutting the value chain to size 71

New sharks in the ocean 76

The incumbents' predicament 84

Ways to overcome inertia – the case of the ATM at Citicorp 89

	Lip service or strategic priority – are banks doing enough? 93
	Note 98
4	Data Behemoths are Coming 99
	Who are those fintechs that are making banks quake in their boots? 99
	Data behemoths – the real challengers that have managed to slip from the radar 105
	Payments as the first front line and why mobile wallets are a game changer 111
	To survive banks should avoid the music industry's mistakes...and their own 116
5	Hunting for the New Competitive Advantage 123
	The power of firm resources 123
	Banks' underestimated core competencies 126
	Price wars and how banks should react to them 135
	Setting out for new oceans – a dangerous endeavour 137
6	Business-Model Evolution – the arrival of the IT paradigm 143
	Why the security argument is a farce 143
	Market rules of the IT paradigm 148
	The business model 'free' 156
	Globalized competition in a world of branding 162
7	An Unparalleled Promise... for Some 167
	Unleashing the free market by unbinding capital 167
	The largest market expansion in history – onboarding the two billion unbanked 170
	The threat of banking deserts and local divides 174
	Rays of hope 176

	<i>References</i> 181
--	-----------------------