

Banking Automation **BULLETIN**



Increasing maturity and sophistication of ATM market

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KKR buy-out overshadows First Data acquisition of Polcard

RBR/ATMIA Europe conference to become regular fixture

Country profile: Slovakia



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Europe's subtle shift to advanced ATM functionality

The latest figures from RBR's annual western Europe ATM survey (see lead story) show overall growth in installations increased slightly to 4.4%, with Turkey, the Netherlands and Greece leading the way. This is a blip in a generally slowing growth rate, however, and not the standout feature of the latest results.

More significant is the subtle shift towards increased functionality. Two out of every three ATM shipments in western Europe are now replacements, and increasingly these units offer higher functionality than the machines they are replacing. This trend is partly a result of the move to Windows operating systems and TCP/IP communications, which allow more flexibility to offer software-based solutions, and partly hardware driven, in the form of automated deposit and compliance items such as EMV and Triple-DES.

The number of ATMs that accept and verify banknotes increased by 66% to over 18,000 (driven by France, Italy, Germany, Spain and Turkey), while the number of these that recycle notes increased by 71% to nearly 5,000 (mainly Germany). Cheque deposit machines grew by 79% (mainly Italy) to 3,000, and following rollouts in Spain and Turkey, coin dispensing grew by an impressive 235%, again to 3,000 units.

Not surprisingly, the number of envelope deposit units fell (by 5%). 75,000 ATMs in western Europe remain with this functionality, however, so deposit automation still holds plenty of potential.

Other notable hardware changes include 13% increases in the number of touch screens and security cameras, a 10% increase in activated chip-card readers and a 13% increase in triple-DES compliance.

Ironically, the slowdown in new installations has given financial institutions the opportunity to review thoroughly their ATM fleets. The result is that western Europe's ATM sector is now looking more dynamic than it has for many years. Confidence in the future of the branch, the ongoing need for cash, and a constant desire to increase customer service and efficiency, should ensure a buoyant ATM sector for the foreseeable future.

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