

# Banking Automation **BULLETIN**

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## **The ATM celebrates its 40th birthday**

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ATM history:  
the great ATM inventor controversy

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John Shepherd-Barron gives a personal account of the early days of the ATM

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Contactless payment cards  
to launch in UK

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Smart card shipments to top 4 billion  
by the end of 2007

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## **Country profile: Netherlands**

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## Happy 40th birthday!

The ATM turns 40 this month. Compared to home PCs or the mobile telephone this seems relatively old – compared to the television or automobile still relatively young and spritely. So where is the ATM in its lifecycle?

This special ATM 40th anniversary issue of the Bulletin charts the evolution of the ATM over the past four decades. In many ways today's ATMs do not look too dissimilar from the first models. From a technology perspective the ATM has come a long way however, initially in terms of hardware, and latterly as a result of software.

In predicting the future of the ATM, two key questions need to be addressed – how will demand evolve (i.e. how many ATMs will be deployed in the future), and how will the devices themselves change (which will itself influence demand)?

In terms of demand, the market splits into developed and less-developed ATM worlds. In the former, growth in the number of ATMs has slowed. Potential still exists, particularly in off-site locations, in many countries in these regions however, and the fact that ATM density varies significantly between countries suggests that saturation has not been reached.

Less mature ATM markets, those in Asia-Pacific (Japan and South Korea excepted), Central and Eastern Europe, Middle East and Africa and much of Latin America, still have huge potential. This potential will be exploited over time at a steady rather than heady rate.

Predicting technology changes is much more difficult, not least because of the influence that parallel technologies such as mobile phones, the internet and cashless payments will have. Even core ATM technology is changing rapidly – there have probably been more advances in the past decade than the previous three combined.

The ATM may be entering middle-age, but with the global market still expanding, and technology still advancing, the ATM market is looking as fit as ever – before we know it we will be wishing the ATM a happy 50th.

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