

Banking Automation **BULLETIN**



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Ukrainian payment cards market aims to boost usage

EC expert group reports on bank account mobility

EBAday confirms that SEPA will not be built in a day

ATEFI: Panama conference reviews Latin American ATM market

Country profile: Slovenia



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Europe's contrasting ATM regions

At the turn of the century there were fewer than 3,000 ATMs in Russia – at the end of 2006 there were over 36,000. Russia, as by far the largest country in central and eastern Europe, is grabbing the lion's share of attention, but most ATM markets in the CEE region are growing fast.

Including a tail of smaller countries, there are 95,000 ATMs in the region compared to 344,000 in western Europe. Unsurprisingly, the ATM installed base in the CEE region is growing faster than that of its western neighbour in percentage terms (25% compared to 4% in 2006). More remarkably, given the difference in size of the two regions, it is also growing faster in absolute terms (with an increase of 19,000 units compared to 14,000 over the same period).

As with other fast growing countries and regions, growth in the ATM sector has followed on the back of development and increasing competition in the retail banking market – and in card issuance in particular. ATMs are a key element to managing this increase in customers and cardholders.

It is dangerous to assume that ATM markets in the CEE region will develop along the same lines as in western Europe. Critically, the CEE ATM market did not start growing until the 1990s, compared to the 1970s and early 1980s in western Europe. From a technology perspective this means fewer legacy systems and more modern ATM fleets. It has also impacted location strategy with fewer branch based ATMs – 41% compared to 71% in the two regions. Some initiatives, such as Russia's current rollout of automated deposit ATMs as currency exchange terminals, have been pioneered in the region.

As always, ATM density measures provide useful guidance to future growth. The most useful of these shows central and eastern Europe with 278 ATMs per million people, compared to 736 in western Europe. The latter figure is a moving (increasing) target, so even a cautious forecaster should be confident in predicting a doubling of the CEE ATM market in the coming years.

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