

Banking Automation **BULLETIN**



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Eastern promise for ATM service providers

Fast growth in CEE ATMs – and still room for more

European ATMs 2009 defies economic mood with record attendance

ATM fraud in Europe jumps by 149% during 2008

Country profile: Romania



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Can the Russian ATM market keep on growing?

Russia has leapfrogged France, Germany, Spain and the UK to become Europe's largest ATM market (see page 8). This caps a remarkable market boom which has seen the country expand its ATM base at a phenomenal average of 38% per year for the past five years. Such meteoric expansion inevitably raises the question of whether the Russian ATM market can keep on growing, and at what rate.

Pessimists will point to the fact that with 500 ATMs per million people, Russia now has a greater ATM density than most other countries in the CEE region. There is also some concern that the market is highly dependent on the fortunes of one major deployer, SberBank, which deploys a quarter of the country's ATMs, and also that average usage has fallen for the past two years, to fewer than 2,000 cash withdrawals per machine per month – below the level that banks usually consider necessary to justify deployment.

Fewer ATM shipments to Russia so far this year, prompted by the global financial crisis and an economy depressed by falling energy and commodity prices, reinforce these concerns. Even if shipments pick up in the last two quarters, it seems inevitable that 2009 will be a dent in the recent growth story.

Looking to 2010 and beyond, there is reason for optimism. The current density in relation to population is still 39% lower than the western Europe average, and the underlying demand from increasing customer numbers remains. Usage will improve as card penetration rises and users become more familiar with ATMs. Consolidation of the fragmented banking structure may cause short term disruption, but will ultimately lead to more sophisticated ATM deployers and further fleet growth.

Rampant deployment was never going to continue for ever, and 2009 looks like it will be the year that Russian banks took a reality check on the progress made to date. Going forward, the Russian ATM market will continue to grow faster than most other countries in the region, albeit at less headline-grabbing rates than in the recent past.

Dominic Hirsch, Editor

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