



Social and Economic Benefits of Independent ATM Deployers (IADs)

*A **2010** industry position paper presenting a factual outline of the many social and economic benefits of convenient, off-branch ATMs deployed by Independent ATM Deployers*

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A Profile of ATMs

- ▶ The ATM is one of the most important and popular inventions of the twentieth century, providing hundreds of millions of cardholders worldwide with convenient and fast access to their bank accounts close to where they live, work and shop. With the touch of a few buttons, cardholders can withdraw cash, check balances, make deposits, and transfer funds. In some markets, consumers can also pay bills, cash checks, buy tickets, and top up prepaid mobile phone time.
- ▶ ATMs provide consumers additional convenience and service by extending traditional banking service hours to 24/7/365 as well as providing national and global reach in ATM networks.
- ▶ ATMs are simple to use, giving consumers confidence and experience in using self-service technology.
- ▶ ATMs debit available funds in the customer's bank account, enabling cardholders to use money rather than credit.
- ▶ Internationally, ATMs provide cardholders travelling outside their own country with convenience and a familiar interface for obtaining foreign currency using their domestic bank cards; often this transaction offers lower exchange rates than other sources.
- ▶ ATMs provide a convenient and economic distribution channel for public benefit and welfare payments.
- ▶ ATMs are also used to reach the unbanked and under-banked through the use of pre-paid cards or re-loadable cards such as payroll cards.

**Social and Economic Benefits of
(Off-Branch) ATMs Deployed by IADs**

- ▶ Provides consumers highly convenient access to self-service banking in shopping malls, supermarkets, convenience stores, restaurants, railway stations, hotels, airports, gas stations, post offices, university campuses, bars, and many other locations.
- ▶ Extends shopping hours beyond traditional 9-5 limits, making after-hours business more profitable for merchants.
- ▶ An ATM on a retailer's premises can significantly increase a merchant's in-store foot traffic as customers seek out locations with ATM cash services, thereby boosting annual sales of such retailers through increasing the cash spending power of their customers.
- ▶ Employs tens of thousands of people who work as part of the ATM supply chain, including IADs, ATM manufacturers and other vendors, ATM service companies, ATM transaction processors, banks and armored carriers. [Source: ATM Industry Association]
- ▶ Provides additional revenues not only for the retail merchant, but also to financial institutions from card transactions at off-branch ATMs; any reductions of this income could force banks to raise fees on other products to offset these losses.
- ▶ IAD ATMs with bank branding agreements extend a bank's visibility to customers, providing reassurance of their bank's reach beyond the branch, putting the bank's signage in front of thousands of additional potential banking customers in traditionally non-bank locations.
- ▶ Provides cardholders with increased access to funds from payroll and benefit deposits made into their accounts.
- ▶ Reduces the use of checks by providing additional access to cash at merchant locations; this reduction in paper checks leads to savings of time, costs, use of paper and reduces fraud opportunities for identity thieves arising from using personal data associated with check-writing and cashing.
- ▶ Reduces signature-based fraud opportunities by providing for more secure PIN-based transactions.
- ▶ Provides essential cash for cash-intensive businesses and sectors like on-premise tipping, vending machines, lotteries and gaming.
- ▶ Significantly reduces the number of credit card processing fees that merchants pay, reductions that help keep consumer costs down for goods and services.

ATM Quick Facts

- ▶ The world's first ATM was installed in London by Barclays Bank in 1967. The first ATM in the United States was deployed in Rockville Centre, NY by Chemical Bank in 1969. [Source: Tremont Capital Group, Inc. 2010 White Paper]
- ▶ There are over 2.1 million ATMs installed worldwide. [Source: RBR]
- ▶ A new ATM is estimated to be deployed somewhere in the world every 215 seconds, or every 3.5 minutes. [Source: RBR]
- ▶ A total of 61.7 billion ATM cash withdrawals were conducted worldwide in 2009. [Source: RBR]
- ▶ ATMs represent the primary distribution channel for consumers' cash in the global economy. [Source: ATM Industry Association]
- ▶ The ATM industry is regulated by government agencies, employs globally accepted ANSI and PCI security standards, and works closely with the card networks, payment processors, sponsoring banks, banking associations, electronic funds transfer associations and the ATM Industry Association to promote a comprehensive set of security best practices & standards to combat fraud at ATMs. [Source: ATM Industry Association]