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Market Watch

# ATMs, once the future of banking, starting to become more scarce

BY BLOOMBERG | UPDATED: MAY 21, 2019, 06.30 PM IST

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By Hannah Levitt

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In the wake of the economic crisis, [Paul Volcker](#) called automated teller machines the last financial innovation that improved society. A decade later, their popularity is slipping.

The number of [ATMs](#) around the world fell for the first time last year as banks closed branches and redirected resources toward digital payments, consulting firm RBR said in a study released on Monday. Declines in four of the world's five largest markets - China, the U.S., Japan and [Brazil](#) - drove the 1% drop in ATMs in 2018. In the fifth, [India](#), "growth slowed considerably," London-based RBR said.

Bank customers are increasingly turning to their mobile phones for routine financial services, and moving away from cash in favor of credit and debit cards. [JPMorgan Chase & Co.](#), the biggest U.S. bank, cut back its branches by 2% last year while earmarking \$10.8 billion for technology. The lender saw a 5% increase in active digital customers, and an 11% gain in active mobile customers.

While the ATM count worldwide has fallen for the first time, the shift away from the machines isn't a new phenomenon. Bank of America Corp. cut back on its ATMs in 2012, and JPMorgan did the same in 2015. Their decline could hurt makers such as NCR Corp. and [Diebold Nixdorf Inc.](#)

Still, not every year will see a drop like last year's. Growth in ATMs in developing markets will slow the decline, according to RBR. The firm expects the number of bank machines globally to fall just 0.6% in the next six years.

"Financial inclusion initiatives continue to bolster ATM growth in developing markets across Asia-Pacific, the Middle East and Africa and Latin America," RBR said in a statement.

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