

Rise in cheese prices  
being delivered to you

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# BUSINESS

WEEKLY MARKET ROUNDUP

Dow	Nasdaq	NYSE
▼	▼	▼
-279.22	-3775	-164.96
13,360.26	2,588.96	9,848.97

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SECT

## IT'S NOT YOUR FATHER'S ATM

### Bank machines do all sorts of new tasks

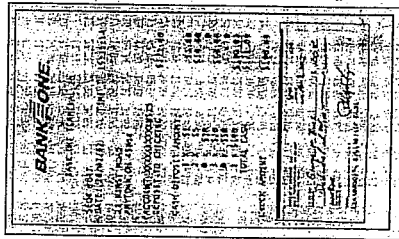
By Peralte C. Paul  
Cox News Service

Get ready for the ATM revolution.

After 40 years of mainly taking cash and checks via envelope deposits, spitting out money, and eating the occasional debit card or two, the automated teller machine is undergoing a massive makeover.

Now, some ATMs can take cash and checks in batches of up to 50 without an envelope and issue receipts that have the images of deposited checks. Others allow users to replenish their minutes on prepaid mobile phones.

Newer technology allows users to program certain preferences, such as normal withdrawal amounts, so that the ATM "remembers" their financial habits whenever they visit. Still others incorporate biometrics to recognize customers by using eye- or fingerprint-scans, which increase security and reduce the need for cards and per-



The new ATMs give receipts that show pictures of checks and denominations of deposited bills.

sonal identification numbers. Chase bank is testing a total of 30 advanced ATMs in Louisville, Indianapolis and Columbus, Ohio, that allow cus-

See ATM, C5



Chase banks experimenting with advanced automated teller machines in Louisville, Indianapolis and Columbus, Ohio.

### Newer technology allows users to program certain preferences, such as normal withdrawal amounts, so that the ATM "remembers" their financial habits whenever they visit.

## ATM | New services way of gaining customers

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stalling new ATMs that allow transactions in English or Spanish.

They can also be upgraded to add check scanning, detailed cash accounting and other advanced functions, said Steve Kelly, the bank's marketing director.

Such upgrades aren't currently needed, Kelly said, because the "vast majority" of ATM transactions are simply cash withdrawals.

Advanced ATM services also create a dilemma for banks, he added. "They might generate more revenue, but they also tend to keep you at the machine longer ... We don't want to create lines at the ATMs."

ATM manufacturers and bankers say the new machines are designed to cut transaction times, eliminate fraud and enhance banks' opportunities to market their services to customers and non-customers.

The gee-whiz offerings have been hastened by a general switchover to a Windows-based operating system, federal legislation that simplifies electronic check processing and stricter security requirements from the MasterCard and Visa card networks.

"If you look at it from the banks' points of view, they want to retain their customer base, they want to gain new customers and they want to decrease costs," said Alan Walsh, vice president of banking at Wincor Nixdorf, a leading U.S. manufacturer of ATMs.

Per-machine usage in the United States has decreased dramatically because there are so many more ATMs now — 400,000 last year compared with 140,000 in 1996. They

are rarely profitable in the own right, given that they cost \$9,000 to \$50,000 apiece, or an additional \$12,000 a \$15,000 a year to maintain.

Even so, banks, who to their jazzed-up machines as way to stand out from competitors, reduce some costs by incorporating the new features.

Check deposits without the use of envelopes, for example, reduce banks' per-check processing costs to 60 cents from \$1.60, said Jerry Silva, vice search director at Toype Group, a financial service analysis and consulting firm.

Part of that reduction comes through the Check 21 law enacted in 2004, which cleared the way for banks to convert paper checks into electronic images and transmit that data virtually instead of physically moving paper items from bank to bank.

Where the physical check could have come into contact with up to 15 people — from the armored courier who made the pickup to the person opening envelopes and verifying contents — electronic transmission of checks cuts the number of handlers to two, analysts say.

It also cuts down on empty envelope fraud, Silva said. That crime, estimated to cost banks \$420 million a year, occurs when people make checkless or cashless deposits (or give a bad check) and then withdraw against those phantom funds. Some consumers have warmed up to the technology because they get receipts with an image of the check or checks, which gives them proof of the transaction.

Herald-Leader business writer Jim Jordan contributed to this article.