

OVERVIEW

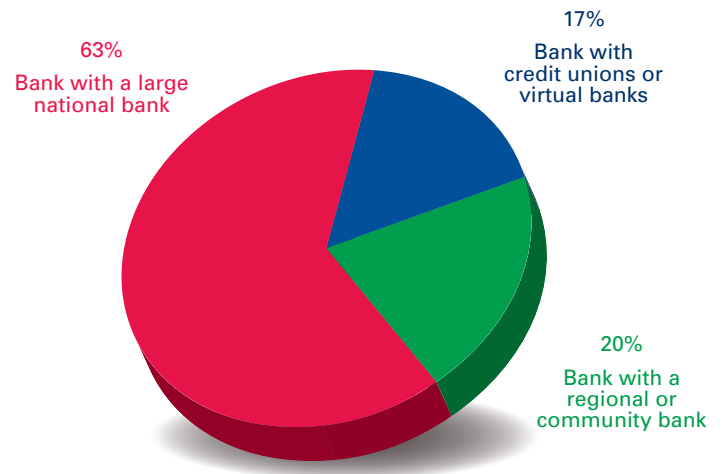
This fall, Wincor Nixdorf (www.wincor-nixdorf.com), one of the world's leading providers of IT solutions and services to retailers and retail banks, commissioned its first annual survey on consumers' ATM usage.

The survey focused on:

- Knowledge, preferences and trends regarding ATM use
 - User frequency, location and preferences
 - Types of transactions conducted
 - Pain points related to deposits, withdraws and other ATM functions
- Desires and benefits of key ATM technologies, including intelligent deposit capability and one-to-one marketing
- Impact of ATM fraud/crime on consumers and attitudes toward ATM security

SURVEY SAMPLE

The survey polled 200 consumers in the United States between the ages of 18 and 64 who visit the ATM more than three times each month. The survey responses were almost equally split between male (52%) and female (48%). Additionally, 63% of respondents primarily bank with a large national bank and 20% primarily interface with a regional or community bank. The remainder of the sample directly bank with credit unions or virtual banks.



KEY FINDINGS

Overall, the findings of the survey revealed that consumers desire more automated banking processes:

- Consumers prefer to interact with an ATM rather than a teller
- More people prefer to make deposits at their ATMs than with a teller at their bank
- Cash and check deposit functionalities are key to the ATM
- The majority of respondents with envelope-less deposit capability feel this capability is important and most of the people in this group use this feature at least three times per month
- In regards to security, consumers are not familiar with "skimming" but place a high importance on the security measures their banks are taking at the ATM

CONSUMERS PREFER THE ATM VS. THE TELLER



Despite the growing number of off-premise ATMs in areas such as shopping centers/malls, airports, grocery stores, gas stations and restaurants, the majority of consumers (70%) prefer to use on-premise ATMs, located at their bank—and will go out of their way to do so. This is because they want to avoid fees and they feel it is more secure.

Aside from withdrawing cash, the majority of consumers utilized ATMs to deposit checks (66%) or cash (49%) and check their balance (56%). When asked to rank the importance of various features available at the ATM, 81% of consumers ranked cash and

check deposit as the most important. Additionally, more than 70% of respondents noted that when choosing a bank, the features and functionality available at the bank's ATM are a priority in their decision.

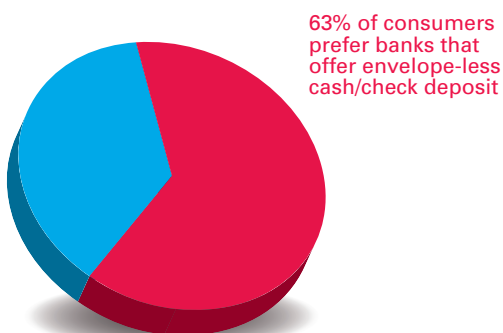
Consumers prefer to use the ATM for their banking transactions. 74% of respondents hope that one day, their ATM will offer all of the functionality and services as their teller. Another sign that the teller's role is diminishing—nearly all (88%) of consumers would like to be able to select the combination of notes that represent the denomination of their withdrawal at the ATM.

FEATURES AND FUNCTIONALITY AT THE ATM ARE KEY PRIORITIES FOR CONSUMERS

More than half (54%) of consumers indicated their banks offered envelope-less cash/check deposit. 78% of this group indicated they use this function, and use it frequently—more than 70% indicated using envelope-less cash/check deposit at least two to five times each month and 67% say that this feature is an important quality of their bank's ATM.

Envelope-less cash/check deposit saves time. More than 50% of consumers say they save at least two or three minutes using envelope-less cash/check deposit compared to using an ATM that requires a deposit slip. When compared to making deposits with the teller, nearly 70% of respondents indicate saving at least six to ten minutes.

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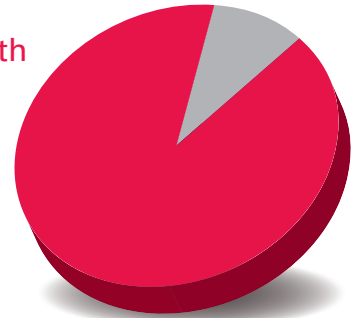
Of the 46% of consumers who do not have envelope-less cash/check deposits, 73% indicate they would be interested in this feature and the majority (75%) of this group said they would use it at least two to three times each month.

Banks that offer envelope-less cash/check deposit have a clear competitive advantage. 63% of the entire sample agreed that, if all else was equal, and one bank offered envelope-less cash and check deposit and another didn't, they'd prefer the bank with this functionality.

LITTLE AWARENESS AROUND ATM SECURITY THREATS

Nearly 90% of consumers are not familiar with ATM skimming, indicating consumers need to be educated on the potential threats at the ATM. While not many respondents (89%) reported being a victim of ATM fraud, nearly all respondents expressed concern about ATM fraud. Additionally, 63% of consumers agreed that if they found out another bank had significantly more advanced ATM security, they would switch banks.

90% of consumers are not familiar with ATM skimming



CONCLUSION

In conclusion, there is real opportunity for banks to leverage the ATM channel to grow revenue, increase customer retention and create the optimal banking experience for the user. This survey validates that consumers are truly craving automation in their financial transactions—preferring any feature and functionality that saves time and money. Additionally, this survey illustrates that now more than ever, banks need to embrace self-serve, not teller, interactions. Banks who choose to disregard the consumer’s growing preference for the self-serve model are facing a risk of losing that customer. Therefore, banks that invest into more cutting edge, feature and functionality-rich solutions will gain a competitive advantage over those who do not.