

ATMs – stand-alone cash machines in non-traditional areas

ATM Solutions

ATM Solutions received an investment of US\$1.7 million from a fund managed by Horizon Equity Partners, to which CDC committed US\$4.1 million. Johannesburg-based ATM solutions grew from a belief that the deployment of stand-alone cash machines in non-traditional areas could prove as successful in South Africa as it had in the USA. Since 2000 the company has installed more than 3,000 cash machines in locations traditionally avoided by the banks, such as petrol stations, convenience stores, smaller shopping centres, supermarkets, and hospitals, as well as corporate sites, such as the Johannesburg Stock Exchange, representing a 40 per cent share of the 'off-premise' cash machine market.

ATM Solutions provides retailers with in-store cash dispensers and manages the deployment and maintenance of the machines under rental contracts. The retailer receives a share of the transaction revenue and can either choose to fill the machine itself, thereby avoiding bank deposit fees, or rely on ATM Solutions to manage the cash. ATM Solutions also helps other banks develop their own ATM networks. For example, installing and managing all the cash machines at branches of KwaZulu-Natal-based bank, Ithala. It has helped to bring financial services to rural communities previously neglected by the established banking infrastructure – around 60 per cent of the group's cash machines are outside metropolitan areas.

Local access to cash is helping to stimulate the local economy including in several rural locations, such as Qumbu, Tsolo, Black Rock and Kuruman. ATM solutions is expanding rapidly – it has recently entered the point-of-sale machine 'POS' market and has already won several contracts to provide POS services for major South African retailers. The Company is also in the process of developing other financial services, such as a card system for distance payments activated by a unique transaction pin code at cash points, for customers traditionally under serviced by banks.