

Two events occurred in the news recently that demonstrate the importance of physical presence for banks. The first was Home Capital Group, in the wake of the highly publicized suspension of 45 dealer brokers (through its subsidiary Home Trust) bought CFF bank for \$15 million. A tidy sum, considering CFF has not turned a profit since its 2012 launch.

The backstory behind the acquisition is revenue loss due to its recent action to terminate 45 brokers due to possible fraudulent originations. The upside in the deal is not revenue or assets, CFF have less than \$200 million in deposits and low returns. CFF does have a lower cost of funds than its peers see cost of funds comparison charts for reference (page 2).

[CFF's branch network overview.](#)

The other motivation for the deal is CFF's innovative branch owner operator channel. The channel has attracted 31 retail banking locations and employ over 550 mortgage agents. Together they have attracted over 175,000 clients with mortgage financing needs.

[TD U.S. branch play](#)

Another more clear cut example of the continued importance of the branch is derived from a recent FT interview in which TD chief executive Isays, 'Across the five boroughs of New York City, TD, the lender with C\$1tn in assets recently eclipsed Bank of America by branch count — a strategic goal it had set at the annual meeting in 2012 — and is closing in on the top three of Chase, Citi and Capital One.'

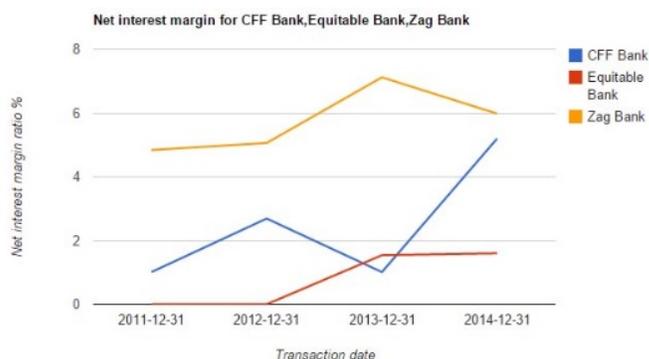
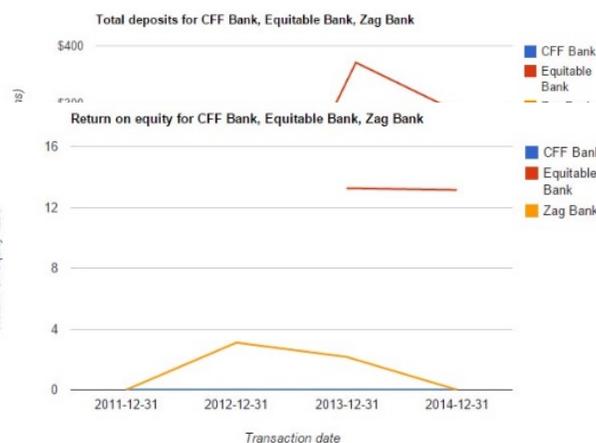
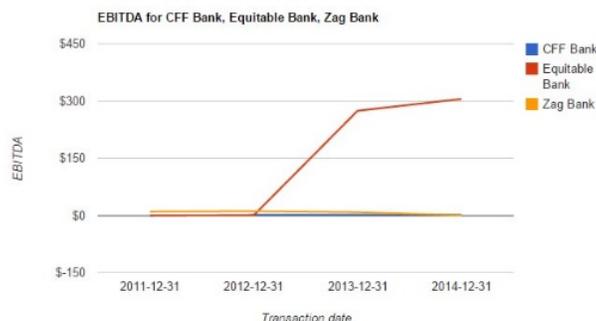
"The physical presence continues to be central to our customers' needs in many ways," says chief executive Bharat Masrani, during an interview in a flagship branch opposite Sony's headquarters on Madison Avenue. Masrani describes an "omni-channel experience", where a person could start a loan application in the morning on an iPad, pick it up again on an iPhone on the train, then walk into a store at lunch to close the deal. "How can we make that experience seamless?" (Mclanahan, 2015)

TD's belief in the branch may be surprising in the wake of recent trends to shutter branches.

[Co-existence of the branch and digital channels](#)

Unlike in the UK and parts of Europe, for example, where banks have spent years [slimming down networks](#), US banks have tended to want to "put branches on every street corner", says David Haber, chief executive of Bond Street, an online lender to small businesses.

Description: Total Cash and Deposits held with the bank, less allowances for impairment.



The facts on branch closures, despite news to the contrary, actually show the adjustment is small: for example, the Royal Bank of Scotland said it plan to [close 99 branches](#), partly due to a shift to digital services that is not a huge sum. In other reports, the US, having fallen slightly from a peak of 99,500 branches to 94,725 in 2014 is also not a significant drop (McLanahan, 2015). Finally, another bank that has been widely reported on, Lloyds Banking Group, said last year it is aiming to cut 200 branches. This leaves the bank with 2,000-strong branches.

Data on transactions, as appeared in a recent Finextra article, provided by Caci, a consultancy, forecasts customers will use mobile devices to check their current accounts 895m times this year — against 705m branch interactions; but about 63,000 people across the UK still have no acceptable digital access, Caci said.

The BBA said: “We’re confident that the branch will remain an integral part of banking in the 21st century, even if networks do become smaller as millions of us choose to bank in new ways.” (Dunkley, 2015)

Statistics on consumers attitude to the modern branch

- 71% prefer the branch for onboarding
- 63% see the branch as an efficient place to do business
- 82% of consumers feel banks are not clear with communications
- 50% of consumers use a mix of services, the branch, ATM and online are used about the same levels.

Source (Verint, 2015)

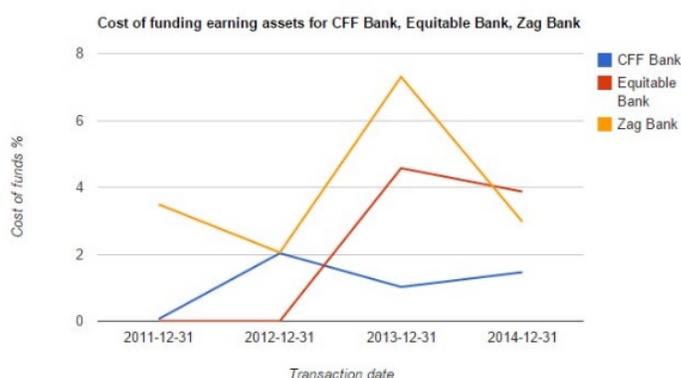
Evolution is the conclusion from one Finextra report, “With the rise of mobile and online banking, bank branches are evolving to play a new role in support of other channels, while providing valuable face-to-face contact with customers”, says the Analyst House. In Europe more branches are being refurbished than shut down. (Finextra, Bank branches key to fending off digital challengers - IDC, 2015)

X-evolution-branch

Just announced: Virgin Money is testing a new branch approach with its “Haymarket Lounge, a venue that pushes the boundaries of branch banking. According to Jayne-Anne Gadhia, Virgin Money’s Chief Executive, “Where else can you go, catch up with friends and enjoy a cup of tea while sitting in an airline interior?”

According to spokespeople, "Our Lounges are incredibly popular, and we are delighted to have opened our sixth Lounge in Haymarket, so that even more customers can enjoy the amazing experience we offer". (Finextra, Virgin Money opens airliner-themed branch, 2015)

As reported by Virgin Money: Virgin’s differentiation in the branch and in other areas of its business has led to its selection by the prestigious CoolBrands® list. To its credit, the list includes only three brands



from the world of financial services. The final list was drawn from thousands of independently identified brands and whittled down into a shortlist of around 1,100.

The panel of influencers and members of the British public voted on the shortlist, bearing in mind factors such as style, innovation, originality, authenticity, desirability and uniqueness. The views of both audiences were combined to identify the most highly rated brands, or CoolBrands®.

Since the launch of Virgin's extreme branch approach, its profits grow by 37% to \$166 million Canadian from \$114 million, while its net interest margin grew by 22 basis points to 1.65 per cent from 1.43 percent in 2014. Return on equity also grew 2.6% to 10.2 per cent from 7.6% and loan growth grew 44%.



Extreme Branch II

Summit Credit Union had an airplane themed branch before Virgin, which is why it is included as a contender in pushing the boundaries of branch evolution. Summit created inspirational façades, designed to be removable, like a Disney stage set, without affecting the structure of the branch. According to spokespeople at Summit, “The themed design serves to remind the 14 staff members and approximately 100 credit union members who enter the branch each day of the dreams they once had – dreams that perhaps fell by the wayside as life unfolded. Showcasing 3-D features like the Leaning Tower of Pisa, the airline fuselage in the middle of the lobby, and the cutaway section of a dream house reminds customers of different visions”.



Like Virgin, Summit's innovative ideas have also proceeded increased profits and industry recognition. For example, in addition to winning design awards, Summit has achieved 5-6% growth in asset and revenue, and 14% loan growth since implementing the new branch innovations. In the words of Dave Reszel, Summit Treasurer, “Our growth reflects our commitment to member service”. (Summit, 2015)

When is a branch not a branch?

Ally Bank's previous CEO Barbara Tastine, argues that her bank is a digital play. The basis for this conclusion is statements she made in an interview that was reported by Chris Cumming of American Banker. The interview took place shortly before Tastine's retirement early in 2015. As she puts it, "One mistake that traditional banks sometimes make is putting too much weight on what goes on in the branch and too little on digital interactions. "Just because somebody goes into your branch to take out more money than they can get out of an ATM doesn't mean they necessarily think highly of you," she says. (Cumming, 2015)

Despite her outward animosity towards the branch, evidence from Ally's financial reports, and other industry sources show that Ally's channels are more branchlike than she would have people believe. First and foremost, Ally relies heavily on GM for loan origination referrals, and is now highly dependent on its growing non-GM dealer network comprised of 17,000 locations for new originations. The backstory on this is that Ally lost its exclusivity with GM recently. (News, 2015) Investor concerns with respect to the then pending loss of its exclusive relationship with GM Financial may have been cause for obfuscating the true nature of Ally's business. Here are the facts that show how Ally makes its money:

- 41 billion in consumer auto originations
- Retail deposits \$48 billion in 2014 and \$50 billion 2015, 16% growth YoY.
- 30,000 new deposit customers per quarter since 2009 = 909,000 deposit customers versus 4.4 million auto loans
- Ally also originated \$1.9 billion in standard-rate consumer loans for GM, up 13 percent.
- GM new-vehicle lease originations fell 5 percent to about \$2.4 billion in the third quarter. Ally didn't break out how much of its GM lease volume was incentivized, but analysts said across the industry, most leases are incentivized, to achieve lower monthly payments.

Ally-Chrysler business

- \$477 million in new-vehicle leases for Chrysler Group dealerships in the third quarter, up 73 percent. Those leases probably benefited from a Chrysler dealer incentive program that could be applied to either loans or leases.
- Starting in May 2013, Chrysler started sending all of its incentive money to Chrysler Capital, which provides captive-style financing for Chrysler-Dodge-Jeep-Ram and Fiat dealers in the U.S., backed by lender Santander Consumer USA, of Dallas.
- New-vehicle loans for non-Chrysler and non-GM brands were \$917 million in the third quarter, up 48 percent.
- Used-vehicle loans for all brands were \$3.2 billion, up 22 percent.

Ally Canada (no longer affiliated with the US operations)

- Its Canadian operation, called **Ally**, was bought by the [Royal Bank of Canada](#) (RBC) in 2013, for \$3.8 billion (CAN). In Canada, Ally provided financing for 600 automotive dealerships across the country, and had 450,000 customers with personal deposits. RBC indicated this was a strategic purchase to become a dominant player in automotive financing. (Multiple, 2015)

Based on the Ally's financial data, it appears that Ally has done an excellent job of retaining clients that were onboarded through its dealer network. These consumers generate significant deposits and likely

lower its cost of funds for its originations which comprise the bulk of its business. With GM exclusivity gone, Ally has had to build out an entirely new branchlike channel.

Branch = onboarding and high value transactions

According to a 2014 American Bankers Association survey, the percentage of customers who prefer to do their banking via direct channels (internet, mail, phone, and mobile) increased from 21% to 54% between 2007 and 2014, while those who prefer branch banking declined from 39% to 21% over the same period. The problem with these figures and Tastine's attitude to the branch, is that they do not reflect the importance of the branch for onboarding and high value transactions. Based on TD's chief executive, Masrani's statements, the branch is key for high value and closing the deal. Ally is no exception to the benefits of a physical presence when it comes to onboarding new clients. Obviously, based on the data surrounding digital, once onboard, digital is preferable to both the consumer and the bank for day-to-day transactions.

Summary

In summary, CFF, TD, Barclays and Ally Financial despite its kicking and screaming to the contrary, serve as a testament that the branch remains essential for growth; and, in particular in the case of Home Trust, the possibility of growth is augmented by the certainty of control over its operations. Home Trust likely expect that it can leverage CFF's owner operator model to lower its costs of funds and grown its consumer base.

In contrast to Ally's resentment on its branchlike dependence, sits Virgin Money and Summit Credit Union, proponents of extreme branch evolution, growth and profits.

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Aggregated news related to branches since 2013

[TD BANK'S INCOMING CEO PLANS END TO U.S. BUYING BINGE: 'WE HAVE THE SCALE WE NEED'](#)

Canadian Underwriterr

Toronto-Dominion Bank will rely on internal growth over acquisitions to expand in the U.S., incoming Chief Executive Officer Bharat Masrani said. The bank is building a branch network from Maine to Florida, will rely on organic growth over acquisitions. Nov 3 The Allstate Corp. released Wednesday its financial results for the three months ending Sept. 30, reporting 29 catastrophes during the quarter, a 4.8% increase in property-liability premiums and a 32% drop in underwriting income.

[FOREIGN BANKS IN RUSSIA TURN TO ROUBLE BONDS](#)

FT - Martin Arnold

Raiffeisen and SocGen seek to replace funding Austria's [Raiffeisen Bank International](#) and France's [Société Générale](#), which operate the two biggest foreign-owned bank branch networks in Russia, have both issued large amounts of rouble bonds for their Moscow-based operations in recent weeks. Oct 6

[SINGAPORE JOSTLES WITH HONG KONG FOR FINANCIAL CROWN](#)

FT - Jeremy Grant

When Michael Milken, pioneer of the 1980s junk bond market, held the first Asia-based conference of the Milken Institute last month, he decided to do it in Singapore ' where he had established a branch of his think-tank a year earlier. Oct 23

[AN ODD BANK FROM AN ODD CITY IS DOING ODDLY WELL](#)

Economist

Stretching the boundaries of banking will follow THE counter just inside the entrance to the branch of Umpqua Bank offers locally made hand cream rather than deposit slips. It has recently been used to peddle pottery, bike components and glasses frames, among other local products; eager local merchants have booked up the stand for the next year and a half. Much of the rest of the branch is put to unusual uses as well, including art exhibitions, yoga classes and 'stitch and bitch' sessions (group knitting). At another branch located near an old-persons' home, the manager hooked up a gaming console to large monitors hanging on the wall to create a popular virtual bowling league. June 23

[CLYDESDALE AND YORKSHIRE BANKS TO CUT BRANCH NETWORK; INVEST IN INTERNET AND MOBILE \(Finextra\) Competitive Issues / Structural Issues](#)

Clydesdale and Yorkshire Banks are to close 28 bank branches and invest £45 million in "improving services" after experiencing a 30% drop in high street footfall over the past three years. March 26

[BOFA TO CUT FURTHER BRANCHES AS \\$500 MILLION MOBILE INVESTMENT PAYS OFF](#)

Finextra

Bank of America says its branch banking network could drop below 5000 next year as mobile channels continue to take market share. Jan 16

[Europe Asia-Pacific International](#)

me

Avoiding taxes has resulted in AbbVie bidding for Shire. Meanwhile, the American legal system looks like an extortion racket with fines against BNP, and more to come as its gaze shifts to Germany. No wonder France sought Germany's support for BNP. Forex manipulation has stubbornly remained in the news, the latest action coming from the U.S. as the DOJ throws an olive branch to London traders in the form of immunity. Beginning in Canada,

[MORE BRANCHES TO CLOSE AS UK BANKS RETREAT FROM THE HIGH STREET \(Finextra\) ' Structural Issues](#)

The decimation of the UK's branch banking network continues apace as Royal Bank of Scotland earmarks a further 154 branches for closure this year. Nov 5

[BANK BRANCHES IN U.S. DECLINE TO LOWEST LEVEL SINCE 2005](#)

WSJ - Saabira Chaudhuri, Emily Glazer

The branch drop was the fifth in a row and the biggest one-year decline recorded in at least two decades by the Federal Deposit Insurance Corp. The number of branches in the U.S. dropped to 94,725 as of June 30, down 1,614, or 1.7%, from a year earlier and down 4,825 from the peak in 2009, according to the FDIC data. Sept 30

[US BANKS CONTINUE TO TRIM BRANCHES](#)

Finextra

US banks and thrifts trimmed a net of 343 high street locations in the third quarter of 2014, continuing the trend of branch closures Nov 17

[TD BANK'S INCOMING CEO PLANS END TO U.S. BUYING BINGE: 'WE HAVE THE SCALE WE NEED'](#)

FP - Doug Alexander

Toronto-Dominion Bank will rely on internal growth over acquisitions to expand in the U.S., incoming Chief Executive Officer Bharat Masrani said. \$17 billion building a branch network from Maine to Florida, will rely on organic growth over acquisitions. Nov 3

[SCOTIABANK SETTLES LAWSUIT WITH 15,000 EMPLOYEES OVER UNPAID OVERTIME CLAIMS](#)

FP - Drew Hasselback

The Bank of Nova Scotia has reached a proposed settlement in a massive class action that had alleged the bank denied overtime to as many as 15,000 current and former retail branch employees. July 25

[BRITS LUKEWARM ON DIGITAL-ONLY BANKS AS BRANCH VISITS INCREASE \(Finextra\) ' Structural Issues](#)

More than half of Brits visit a branch at least once a month and only a quarter would consider using a purely digital bank, according to a survey from Accenture. July 15

[BEIJING WILL RUN LONDON'S RENMINBI TRADE](#)

FT - Paola Subacchi

A premature opening of the capital account could undermine stability, writes Paola Subacchi. George Osborne was in ebullient mood last week as he greeted the news that [China Construction Bank](#) had been designated the official clearing bank in London for the renminbi. 'œThe number of historic changes in our financial world are few,' the UK chancellor of the exchequer said, adding that he wanted 'œthe City to facilitate that change and be [central to it](#)'. June 25

[DEALBOOK: LLOYDS ANNOUNCES I.P.O. OF ITS TSB BRANCH NETWORK](#)

NY Times - Chad Bray

The British bank intends to initially float about 25 percent of TSB's shares and will sell its remaining stake in the unit by the end of 2015. May 27

[CLYDESDALE AND YORKSHIRE BANKS TO CUT BRANCH NETWORK; INVEST IN INTERNET AND MOBILE\(Finextra\) ' Competitive Issues / Structural Issues](#)

Finextra - Competitive Issues / Structural Issues

Clydesdale and Yorkshire Banks are to close 28 bank branches and invest £45 million in "improving services" after experiencing a 30% drop in high street footfall over the past three years.

[Canada](#) [U.S.](#) [Europe](#) [Asia-Pacific](#) [International](#)

Structural Issues - me

MasterCard's stock split and US branch closures were among the stories to grab headlines. In Europe, Sepa progress and Barclays opening replacing branches with supermarket outlets were among structural changes. Beginning in Canada,

[U.S. BANKS PRUNE BRANCHES](#)

WSJ - Saabira Chaudhuri

Bank branch closures in the U.S. last year hit the highest level on record so far, a sign that sweeping technological advances in mobile and electronic banking are paying off for lenders but leaving some customers behind. Jan 28

[BARCLAYS TO REPLACE 400 BRANCHES WITH SUPERMARKET OUTLETS](#)

nexta

Plans by Barclays to revamp its branch network are coming into focus, with chief executive Anthony Jenkins telling the BBC that the UK bank will close a quarter of its high street branches over the coming year. Jan 29

[CONSUMER TRUST IN BANKS AND CREDIT UNIONS](#)

rintsystems

Some US consumer data to consider for banks looking to assess their branch strategy as well as other channels. Sept 18

[Banking by mobile overtakes branch interactions - BBA](#)

Finextra - Finextra

Banking by smartphone and tablet has become the leading way customers manage their finances, as mobile banking overtakes branches and the internet as the most popular way to bank, according to the British Banking Association.

['Digital-only' Atom to cut deal with high street lender for branch access](#)

Finextra - Finextra

Digital challenger bank Atom is looking to do a deal with a high street lender to enable customers to deposit cheques at a bank branch while it runs tests on its own remote capture system.

[Boutique investment dealers defying risk-averse Canadian culture](#)

G&M - Tim Kiladze

Impressed by strong results from a growing number of U.S. boutique investment dealers, Canadians are finally showing the courage to launch equivalent firms on this side of the border.

In the U.S., small advisory shops such as Centerview Partners and Moelis & Company keep winning major mandates, stealing deal flow that traditionally would have gone to bulge bracket investment banks. Historically, Canadians were thought to be too timid to launch their own because the big bank-owned dealers have so much clout here – the country is only so big and these large institutions have their hands in so many deals.

Still, MPA had to learn just how hard it is to branch out. “There are a lot of aspects of owning your own shop that are messy and difficult,” Mr. Walker explained. Splitting up the fees is particularly tough; most people on Bay Street would rather not sit down and hash it out as a group.

MPA has made it work, though, advising on roughly 85 deals over its 10-year run. And it encourages new firms to start up.

But it is realistic about the perseverance required. “When you start your own shop, everyone will take a meeting with you,” co-founder Dave Santangeli said. “But how many second meetings, and third meetings?”

[Lessons in Retail Banking from Barbara Yastine](#)

American Banker - Chris Cumming

As the chairman and chief executive of Ally Bank, Barbara Yastine was in charge of one of the most unusual experiments in the banking industry — and, from a customer service perspective, one of the more successful ones too.

But too many banks still have confusing, cluttered websites that mar the customer experience, she says. That leaves them vulnerable to easy-to-use alternatives like OnDeck and Simple.

"Banks need to be really honest with themselves about whether each of the components of customer experience — the marketing message, branch experience, online experience, product design, features — are all in sync," Yastine says.

Yastine's final piece of advice is to focus on customers, not regulators.

She says some regulations should be addressed — the \$50 billion threshold for being designated systematically important, for instance — but in general, bankers need to accept the heightened regulation. "I give Jamie Dimon in particular big kudos for starting to say, 'Whatever the regulators need

or want, we'll figure out how to get it done, and we'll still get a 15% ROE," she says. "Let's put our energy to something better than just pushing back."

[Lloyds: Insurers could be 'Uber-ised'](#)

FT - Alistair Gray

"We have already seen the impact of better data and new platforms in motor insurance," she plans to say. "Insurers will be Uber-ised unless we find new ways to add value."

Ms Beale, formerly chief of Lloyd's franchise Canopus before it was bought by the Japanese insurer Sampo, became [the first female chief executive](#) of the market 18 months ago.

Her speech also seeks to address concerns the historic institution is in danger of losing business to overseas rivals, particularly those in emerging markets.

The chief executive will make clear that London will "remain Lloyd's pre-eminent hub". However, she plans to add that Lloyd's — which this year opened a hub in Dubai and obtained a licence to open a branch in Beijing — "accepts the need" for a bigger physical presence elsewhere.

"Lloyd's will need an increasingly local presence as new financial centres continue to emerge," Ms Beale will say. "Businesses will not want to fly into London at the drop of the hat."

[Bank branches key to fending off digital challengers - IDC](#)

Finextra - Finextra

Digital evangelists predicting the demise of the bank branch could be in for a rude awakening, according to a new study from IDC Financial Insights which pitches the much-derided bricks and mortar outlet as the fulcrum of a healthy bank-to-customer relationship strategy.

[Bank customers ticked off with long waits, higher fees](#)

CBC - J.D. Powers

Canadians' satisfaction with their banks is in decline, with customers saying they have noticed higher fees but less service at their retail branch and on the phone.

[Floating bank branch sets sail in Indonesia](#)

Finextra - Finextra

Indonesia's first floating bank branch has set sail on its maiden voyage, bringing financial services to inhabitants of the some of the country's more remote islands.

[Virgin Money opens airliner-themed branch](#)

Finextra - Finextra

Not content with having an actual airline, Richard Branson has decked out the newest Virgin Money branch in the style of a plane cabin, complete with a cockpit simulator playroom for kids.

ATM

[Small banks level the field with surcharge-free ATM network](#)

G&M - Rob Carrick

For years, there's been an ATM network called the Exchange available to smaller players in the banking business. Customers of participating banks and credit unions could use Exchange-linked ATMs without paying surcharges that can range from \$2 to \$3 for a simple withdrawal.

The Exchange is now on its way to growing in size from medium to extra large. Manulife Bank, a member of the network, is in the process of adding 830 ATMs to convenience stores in nine provinces by the end of September. This gives the Exchange a total of 3,300 or so bank machines, second to the 4,000 operated by Royal Bank of Canada.

"There has generally been a perception that if you deal with a small bank or credit union, you had to give up a level of convenience or access to facilities," said Andrew Obee, president and CEO of Ficanex Services, which manages the Exchange in Canada (there is a U.S. arm of the network as well). "The reality is that this isn't true."

Manulife Bank's expansion doesn't just give the 184 members of the Exchange network more ATM muscle than five of the Big Six banks. It also suggests we could be entering a golden age of competition for your banking business.

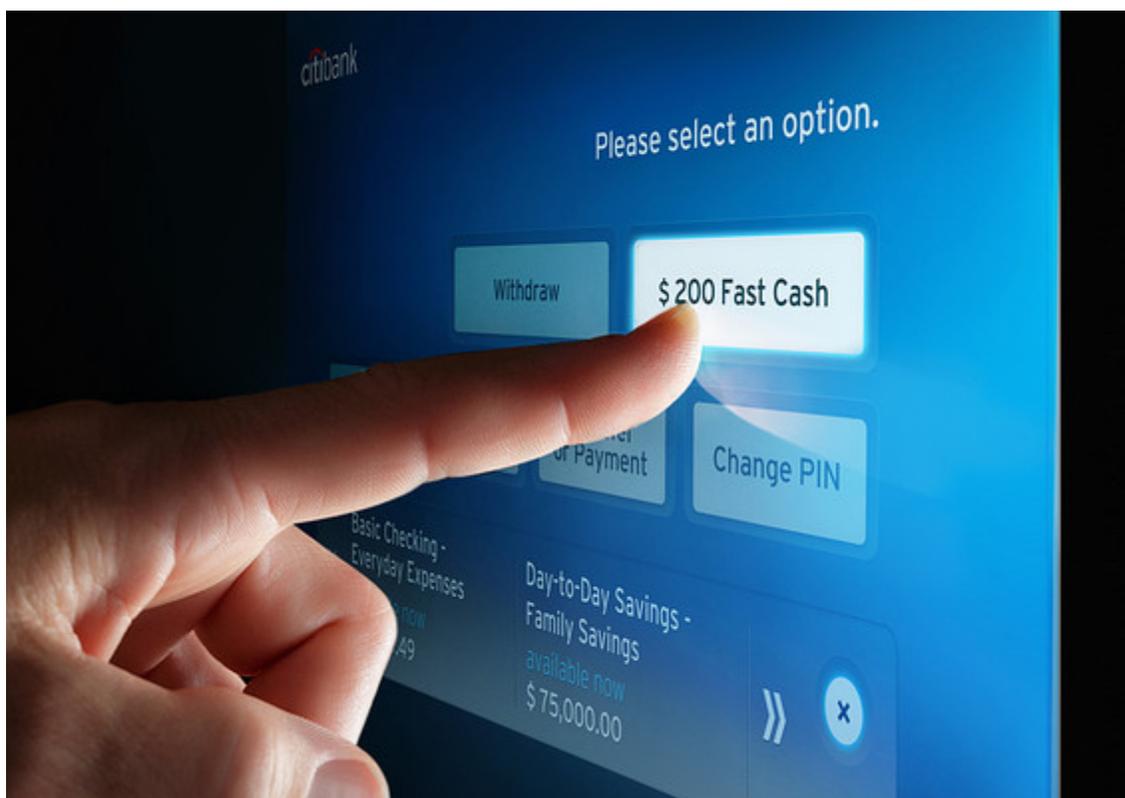
Manulife Bank's plan to fight harder for market share is in part based on building its public profile through the ATMs being added to Couche-Tard, Mac's and Circle K convenience stores. The bank previously had 12 bank machines – Manulife Bank CEO Rick Lunny jokes that "at least half of them were probably located in Manulife office buildings."

Mr. Lunny said the bank is also developing products, services and technologies to build its competitive position. For example, it recently introduced a combined chequing and savings product called the Advantage Account that provides unlimited, no-fee withdrawals and 1.25-per-cent interest for customers who keep a balance of \$5,000 or more. "What we're putting our money into on the technology front is mobile banking," he said. "I'm kind of convinced that the future of banking is in mobile."

Will new ATMs make your bank branch obsolete?

By [Catey Hill](#)

Marketwatch Published: Jan 25, 2014 7:31 a.m. ET

ATMs may soon issue cashier's checks and possibly even loans

Citibank's new ATM

Your ATM will soon be more than just a cash dispenser—in fact financial executives and analysts say the technology may soon be able to replace some human bank tellers and bank branches.

There are roughly 425,000 ATMs in the U.S., and many of those have already gotten an upgrade—or soon will. On Thursday, Citibank [C, -1.87%](#) unveiled new ATMs in the U.S. that “remember” customer preferences (like language), offer on-page scrolling (as on an iPad), let you check your balance without leaving the screen you’re on, and feature instructions that are more conversational; the new ATMs were piloted in New York City last year and will begin rolling out in other locales in February. The move is part of a larger evolution of the stalwart machines. In the past few years, Chase and PNC introduced ATMs that dispense \$1 and \$5 bills; Citibank and Wells Fargo began letting you get an email receipt of your balance rather than a paper one; and Bank of America and a number of credit unions began experimenting with video conferencing with a live person right on the ATM rather than keeping employees in every branch.

The ATM is becoming full-service, he says: “We think at least 85% of the things you do at the teller, you can do at the ATM.” (Citibank is experimenting with [video conferencing](#) in Asia, as well as fingerprint authentication and applying for loans via ATM.) It makes financial sense for banks to do this: “The whole point is to drive down operating expenses,” says Ben Mazzotta, a postdoctoral research fellow at the Institute for Business in the Global Context at Tufts University. Already, at least one credit union has added ATMs that do video conferencing in the place of tellers in certain branches, which means you speak to a person [via video on the ATM](#) rather than in person.

While teller jobs certainly won't dry up completely—people like talking to tellers for large transactions like mortgages, and some tellers may do videoconferencing—we may see more of these jobs disappear, as industry experts expect the functionality of ATMs to become more useful and, in many cases, teller-like in the future. David Tente, a spokesperson for the ATM Industry Association, says that he thinks that in addition to having video conferencing capabilities, ATMs will be able to better facilitate person-to-person transfers and other types of payments (many already let you make loan payments on-site), spit out cashiers' checks, and allow you to make transactions without inserting a card (possibly by standing near the ATM with your mobile phone).

To be sure, you can already do most of this on your mobile phone, tablet, or computer—so why, you may ask, will you need an fuller-featured ATM? While 80% of consumer spending in the U.S. is already cashless, according to a September 2013 by MasterCard, we're still a long way off from a cashless society; and roughly 80% of ATM transactions are to deposit and withdraw cash.