



ATMs, ITMs & Branch Transformation

April 15, 2026



THE ATM CHANNEL IS CHALLENGED BY.....

The Cash Management cycle is increasingly costly to operate



Dolphin, with its ATM expertise makes the ideal Partner for managing your ATM & ITM Channel

■ **Cashless**

The shift to cashless is increasingly driven by Governments and consumer convenience. Although Cash remains strong it gradually decreases its share of payments. Managing Cash is more costly than ever.

■ **Decreasing Revenues & Increased Costs**

Decreasing Interchange Revenues (IRF), increasing costs for managing cash, and drop in transaction volumes

■ **Security & Risk**

Increased physical and logical fraudulent attacks

■ **Mobile First**

The “Mobile Consumer” represents a major shift in banking experience and asks for continuous investments for mobile-first investments, branch transformation initiatives and network rationalization

■ **Branch Network Restructure**

CUs restructure their branch networks, redirecting their efforts towards the mobile customer. The ATM stands out as a channel that is expensive to operate and maintain.

■ **Investments**

To keep up credit unions need to continuously invest in new functionality and features and upgrades to their ATM fleet

ATM Trends & Stats

The ATM channel is growing in importance as cardholders migrate to self-service

ARMOR PERFORMANCE



Armor/CIT continues to slip in performance. Increasing armor issues cause member frustration and require more staff time to deal with issues.

ATMs, Cash & CDFI



Currently over 400k ATMs in the USA. Average amount of cash stored at home: \$400. This doubled during the pandemic. Low-income group make 66% of their daily transactions with cash.

CASH USAGE CONTINUES



93% of respondents surveyed stated they have no plans to stop using cash. 1 in 5 transactions in the U.S. are cash based. Average amount of cash in wallet @ \$70.

COST OF A TRANSACTION



The average cost of a teller transaction is over 6 times more than that of an ATM transaction. Current estimates are \$4.50 for a teller transaction vs. \$0.70 for an ATM transaction.

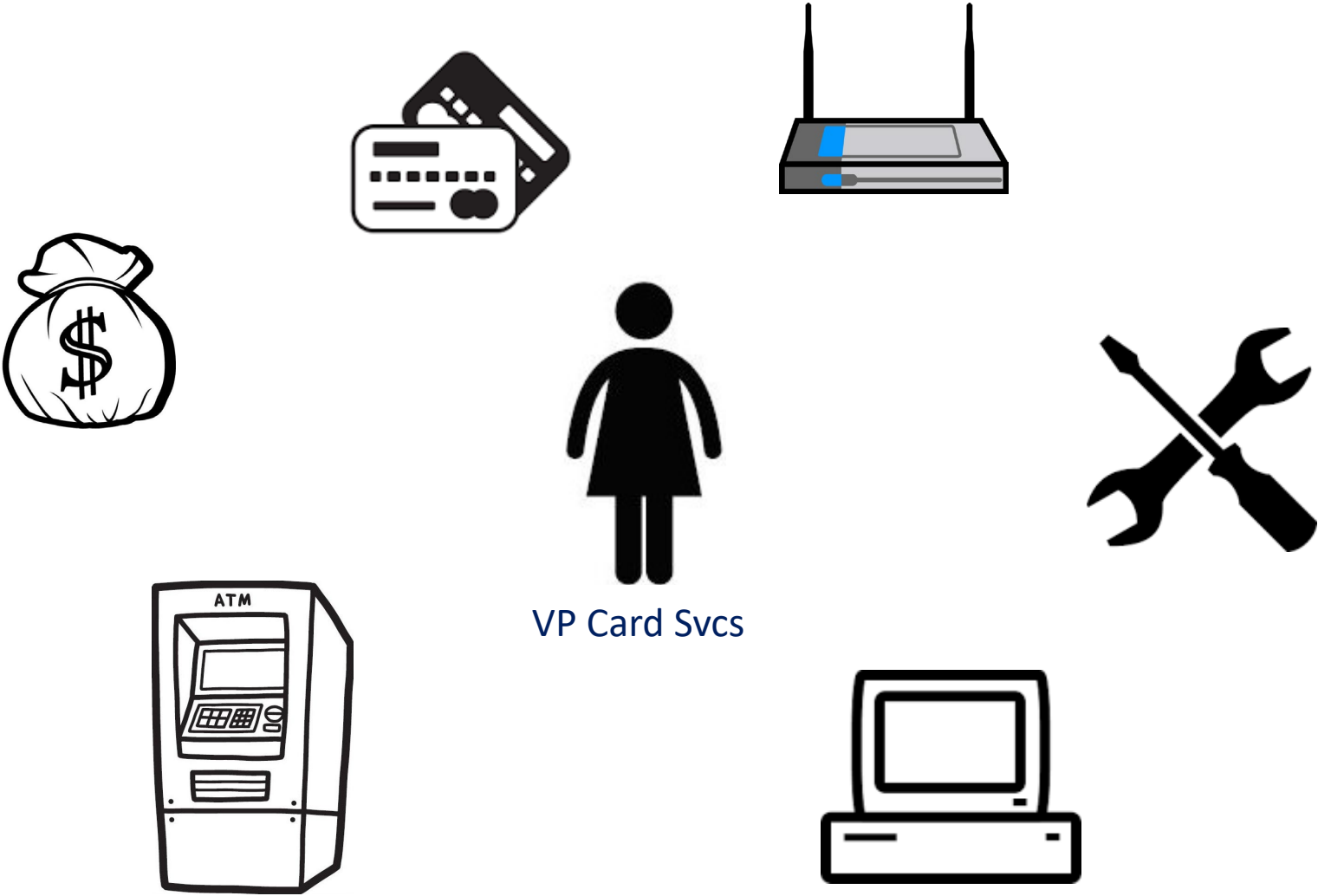
Data & figures gathered at the 2024 Cash In The USA Conference

ATM Event Horizon

- 2023 – NCR discontinuing Aprta software license requiring new 5-yr subscription service (\$\$\$)
- 2023 – Diebold files for bankruptcy
- 2023 – NCR suffers ransomware attack
- **2023 – QSI-Titan suffers ransomware attack (down 10 days)**
- 2024 – Hyosung relocates mfg facility to Vietnam
- 2024 - Diebold Opteva models being sunset
- **2024 – First Regents – Paramount ATM Collapse**
- 2025 – New PIN Pad requirements for all ATMs
- 2025 – NCR Self-Serv (30 series) models being sunset
- **2025 – ATM Solutions Financial Insolvency**
- **2026 – Windows 11 required by year-end**
- 2027 – Diebold CS model series sunset
- **2027 – Brinks acquires NCR Atleos (ATM division)**

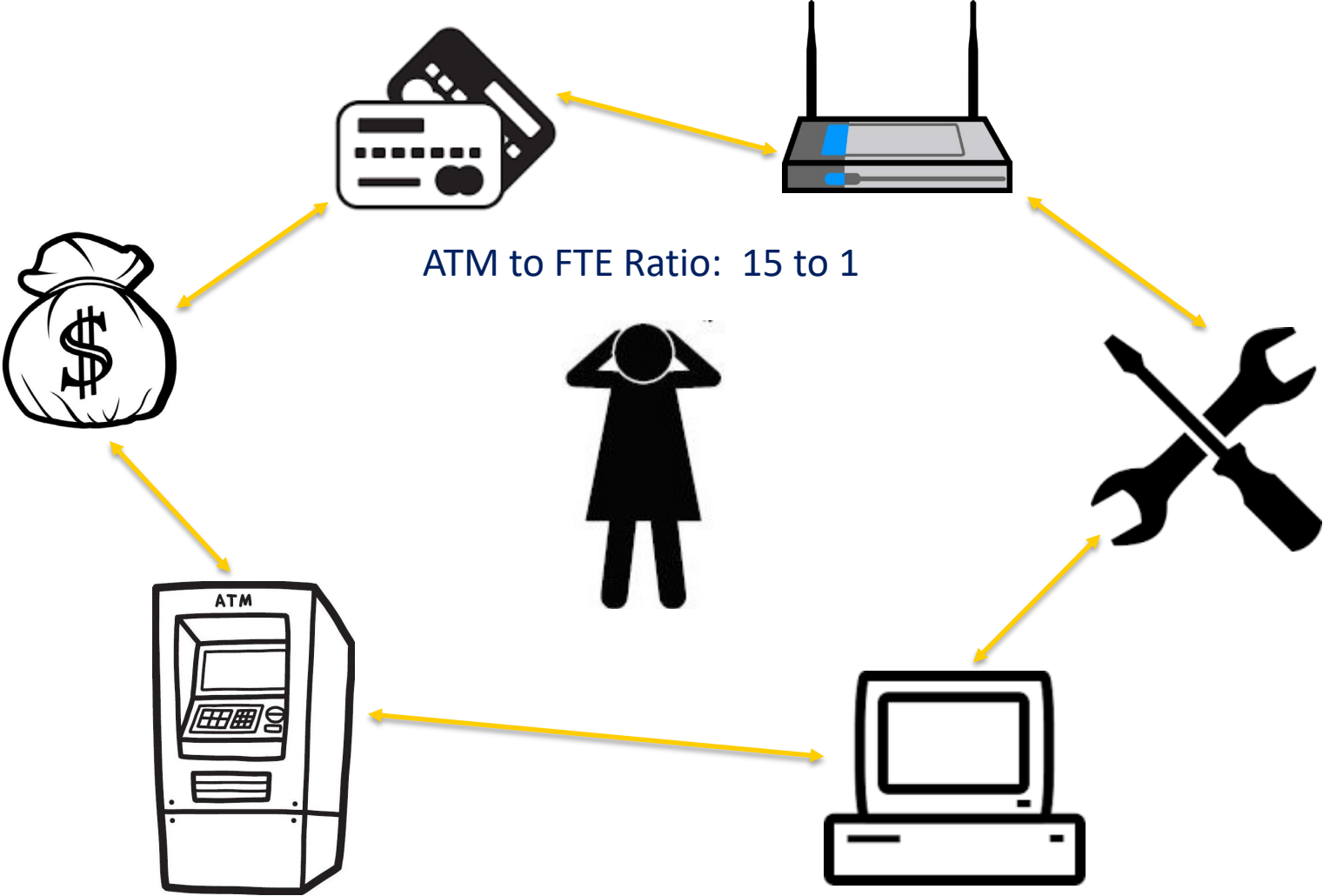


ATM Staffing



VP Card Svcs

ATM Staffing



01 **Decide the “Why”**

It needs to be a Good reason



The “Why” Is Important

Strong Reasons

- Staffing Issues
- Extending Hours/Services
- Reducing Transaction Costs
- Growing Your Footprint
- Reducing Branch Size
- Self Service Technology = Future



The “Why” Is Important

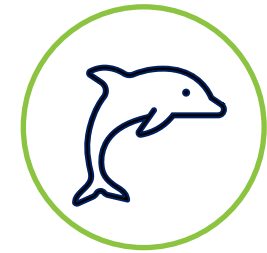


Not – So - Strong Reasons

- The Jones-es
- Want to “Try it Out”
- Desire to stay “Current”

02 Choose The “How”

Two Paths to Take



ITM Options

- Video Teller
- Core Integration
- Video & Core
- QR Code (mini-branch & Invo)
- Combination or mix of options



Self Service with Core Integration

- 85% Transactions can be done self service with Enhanced Transaction Set
- Also performs Standard ATM transactions such as cash withdrawals and deposits
- Active Teller Assistance via Concierge with Tablet in Lobby Remote Interactive Video
- Self Service Technology = Future



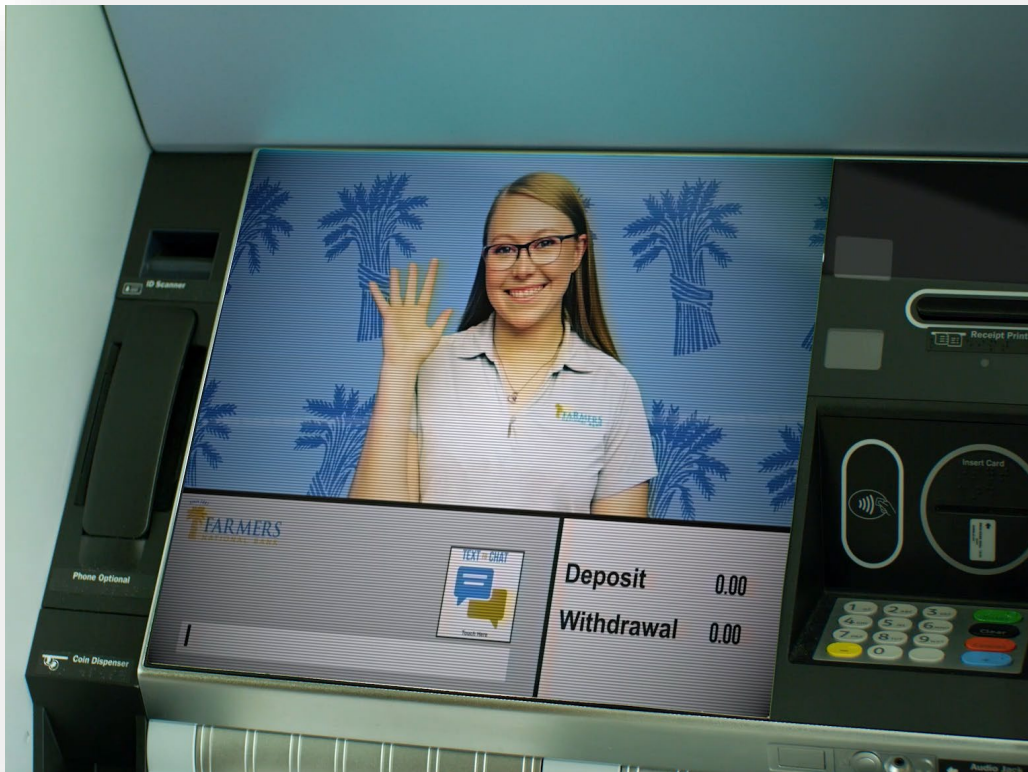
Benefits of Self Service with Core Integration



- Since most transactions are self service, concierge/live tellers engage in more meaningful exchanges with members
- Remote tellers support drive through and lobby overflow
- Remote tellers can support more ITM units = less tellers
- Self Service Technology = Future

Interactive Video Teller

- Standard ATM transactions are self service – such as cash withdrawals & deposits
- All others are with Face-to-Face remote Video Teller
- Replicates in branch experience
- Video Tellers can engage customers on other items & cross sell services



Interactive Video Teller Benefits

- Good for centralizing Teller function via Migration
- Supports CUs with a wide geography



- Changes the drive though culture
- Simpler to adopt across older demographics

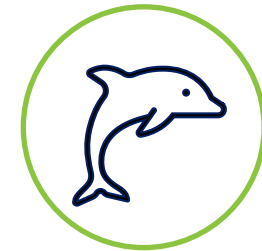
QR Code Solutions

- QR Code on signage & screens
- Does not increase ATM capability
- Opens app that offers CU contact
- QR code can be placed anywhere (not just ATM)
- NOT a True ITM Solution. No Increased Transaction Capability



03 The Business Case

The Money is the Money is The Money



Know The Pieces

- Hardware Expense
- Start Up & Professional Services Expense
- Annual Software Expense
- Ongoing Maintenance
- Teller Strategy/Human Resource Expense



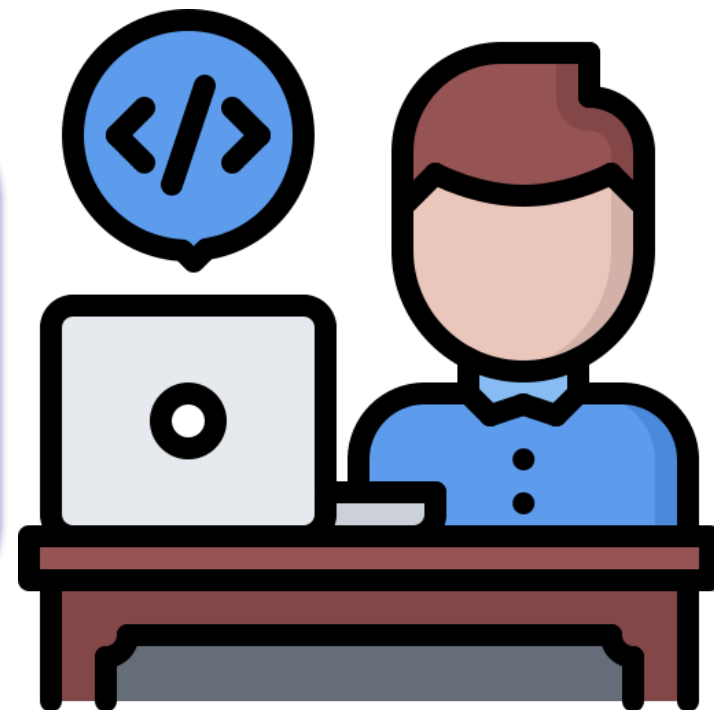
The Gear



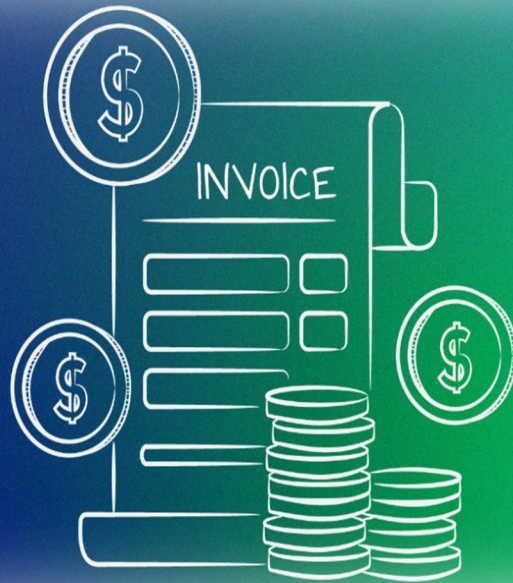
AVERAGE COST \$60,000 - \$100,000 per ITM

Start Up & Professional Services Expense

- **ITM Professional Services - \$120,000 - \$350,000**
- **Back End Server(s) Stand Up - \$10,000 - \$30,000**
- **Core-side Integration(?)**



Ongoing Expenses



- Annual Fees – Licenses - \$20,000 - \$35,000
- Annual Maintenance - \$6,000 - \$10,000 per unit
- Hardware & Compliance - \$10,000 - \$20,000
- Software Updates & Certifications - \$XXX

CU Responsibilities

- Any necessary construction costs or site prep
- Connectivity to data center or core
- Software agent from check imaging (*i.e. Alogent, Tranzcapture, CFS, etc..*)
- Core provider set up or project costs
- Internal project management
- Internal IT support
- Branding: wraps, kiosks, toppers, etc.
- Ongoing training of internal personnel
- Servers/workstations/tablets for Active Teller transactions & video
- Customization beyond standard core integration



What is Your Teller Strategy?



In Branch Tellers

Drive Through Tellers

- **Call center set up**
- **Multiple Shifts for extended hours**
- **Shorten in-branch hours**

What is Your Branch Strategy?



- Avg. Commercial \$ per sq. ft. = \$26.20*
- A reduction in 1,000 sq. ft. = \$250k annually
- Smaller branches = **fewer** staff required
- Cashless branch w/ no vault?

*Average rent for square foot (2023) [commercialcafe.com](https://www.commercialcafe.com)

ITM: The Stats

- Avg cost of teller transaction: \$4.50
- Avg cost for an ATM-ITM transaction: \$0.70
- ITM to video teller ratio during peak times: 3-1
- Average ITM teller transaction time: >3 min
- 90% of ITMs are Video Teller. NOT Core Int.



ITM Deployment Strategy

- SEG branches replaced by ATM-ITM units
- Branch interior-exterior remodel
- Remote ATM-ITM being used for charter expansion
- Multiple ATM-ITM units being deployed in micro-branch strategy
- ATM “Fast Cash” lane in drive-thru
- Cashless branches utilizing ATMs as cash source. Branch staff is handling cash.



Typical ITM Project Timeline



- ITM Exploration & Discovery: 4-8 weeks
- Contract Execution: 2-4 weeks
- Internal Project Setup: 2-4 weeks
- Total Project Plan: 6-9 Months*

*Project Plan length depends upon CU meeting deadlines for necessary milestones

ITM Considerations – Thorough Exploration



- Explore multiple vendors
- Understand project experience
- Video vs. core options
- Video solution type
- Long-term pricing & adjustments
- Upfront professional service fees
- Future/additional costs
- Other solution enhancements
- Involve multiple departments

Considering Outsourcing?



Nuances in the Outsourcing Approach

- ATM Type
 - Resellers
 - ITM Capabilities
- Cash Management & CIT
- Interchange & Transaction Fees
 - Variable Rates
 - Interchange Sharing
- ITM Monitoring & Dispatch
- ATM Driving
- Out-of-Scope
 - Parts & Service
 - Software & Regulatory Updates
 - Emergency Cash

What's Next?

- Cash Deposit Recycling
- Contactless ATM Transactions
- Cardless Payouts
- Cryptocurrency
- ATM Advertising
- Digital Content Sales
- Ticketing
- Dynamic Currency Conversion
- Pre-Paid Card Loading
- International Remittances
- ATM Pooling





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www.dolphindebit.com



Joe Woods, CUDE
SVP, Marketing & Partnerships
PH: 614-378-0367
jwoods@dolphindebit.com

<https://www.dolphindebit.com/>

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