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Over half of all ATMs now installed away from bank branches

Growth in the off-site ATM sector is being driven by banks' efforts to serve existing clients more cost-effectively, attract new customers and by the expansion of independent ATM deployers

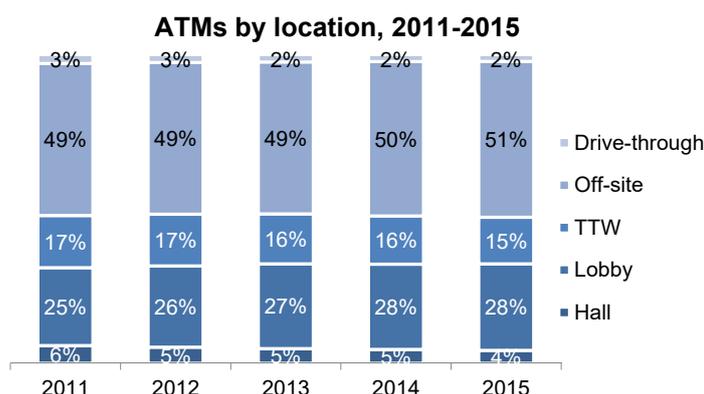
Cost savings drive off-site ATM expansion

Globally, the share of ATMs located away from bank branches rose to 51% in 2015, according to RBR's study *Global ATM Market and Forecasts to 2021*.

RBR found that, faced with rising operating expenses and fewer customers visiting their branches, banks in developed markets are streamlining their branch networks and turning to off-site ATMs as a more cost-efficient customer service channel. In the Netherlands, for example, 900 branches were shut between 2011 and 2015, while the number of off-site ATMs grew by 800.

Off-site ATMs aid financial inclusion

RBR's study shows that in newer markets too, banks often see ATMs as a less costly alternative to branches. In countries with large rural populations, where it would not be feasible to open a branch in each small town or village, the ATM is often the first and only physical point of contact between banks and their customers. Off-site machines serve as an important tool in efforts to increase financial inclusion and compete for new customers. An example of this is Chile, where the state bank is the largest ATM deployer and has a mandate to reach out to unbanked and underbanked population segments.



Source: *Global ATM Market and Forecasts to 2021* (RBR)

Increasing activity by independent ATM deployers contributes to growth

As well as reducing costs for banks, off-site ATMs can be a lucrative revenue generator. A well-chosen location in a high-footfall area can attract high transaction volumes, bringing in surcharge and/or interchange fee income for the operator; and where ATMs can be made to run at a profit, banks will often find themselves competing with independent ATM deployers (IADs) for market share.

IAD terminals now account for 16% of ATMs globally, the majority of which are installed in non-branch locations. RBR forecast that, with the notable exception of China, most markets with non-bank deployers will see the IAD share grow over the next few years. In China, where IADs deploy on behalf of partner banks, their share will fall as banks increasingly take control of their own off-site ATMs.

Off-site ATMs will continue to become more common

Rowan Berridge, who led the RBR research, commented: "As IADs expand their fleets, more and more retail centres, transport hubs and other non-branch locations will host ATMs. Coupled with increasing off-site deployment by banks, in future it will be even easier for customers to find a convenient ATM away from branches".



PRESS RELEASE

Notes to editors

These figures and insights are based on RBR's *Global ATM Market and Forecasts to 2021* report. Since its first appearance in 1998, RBR's annual survey has been used for strategic planning across the industry. For more information about this report or to discuss the findings in more detail please email Rowan Berridge (rowan.berridge@rbrlondon.com) or call +44 20 8831 7311.

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