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Independent deployers take over bank ATM sites

Cost pressures are causing banks to cut back on ATM deployment, creating opportunities for IADs

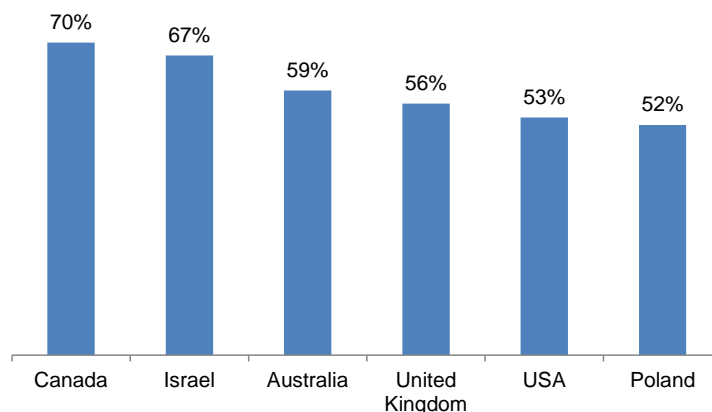
Banks increasingly removing or selling ATMs in unprofitable locations

RBR's *Global ATM Market and Forecasts to 2024* analyses different types of ATM deployer and their ATM location strategies. Banks across the world are rationalising their branch and ATM networks in response to continued growth of card and mobile payments and falling branch footfall. Historically, off-site ATMs have provided banks with a lower cost way of extending their footprint, but even for these locations, banks are critically analysing sites on a case-by-case basis and in many cases withdrawing unprofitable units.

This has created opportunities for independent ATM deployers (IADs) operating with a lower cost deployment model. IADs have expanded their estates, taking advantage of the availability of sites following the removal or sale of bank ATMs. An example of this is in Ireland, where banks have downsized their branch networks and new IADs have entered the market. In 2018 alone, the number of IAD terminals in Ireland grew by 72%, whilst the total number of ATMs installed in the country fell as banks rationalised their estates. This trend is mirrored elsewhere, including Brazil, Italy, Japan, South Korea and Spain.

Over half of the world's IAD ATMs are found in North America – the largest proportion is found in Canada, where 70% of terminals are deployed by non-banks. The report reveals that IADs account for the majority of ATMs in six markets – Australia, Canada, Israel, Poland, UK and the USA – with a presence in a further 35 countries, representing two thirds of the largest markets covered in the study.

Markets with the largest proportion of IAD ATMs, 2018



Source: *Global ATM Market and Forecasts to 2024* (RBR)

Non-banks play an important role in financial inclusion

Traditionally, strict regulation has inhibited the growth of non-bank ATMs in some countries, for example where IADs have been required to enter partnerships with banks in order to deploy terminals. However, RBR's study finds that this is not always the case, and there are examples where regulatory activity has helped boost non-bank deployment. In India and Argentina, for example, regulators have encouraged the provision of financial services for underserved communities, and this has contributed to IAD growth in more rural areas.

IADs forecast to gain share around the world

RBR forecasts that in most of the markets where IADs are present, they will gain share over the next few years. The Netherlands, New Zealand, Ireland and Slovakia in particular are projected to see significant rises in the share of IAD ATMs. Furthermore, the first IAD ATMs are expected to be deployed in Pakistan in 2019, following the central bank's recent decision to allow such entities to operate in the country.



PRESS RELEASE

Rowan Berridge, who led RBR's *Global ATM Market and Forecasts to 2024* research, commented “IADs continue to make gains in share in a wide range of markets around the world, and we expect this trend to continue. Banks are increasingly cutting back their ATM deployment, with IADs often stepping in to fill the gaps left behind”.

Notes to editors

These figures and insights are based on RBR's study, *Global ATM Market and Forecasts to 2024*. 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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