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Recycling ATMs in Latin America to treble by 2024

Deposit automation and recycling terminals are revolutionising the way banks operate across the globe, allowing routine transactions to be migrated from the teller to self-service, significantly reducing cash management costs

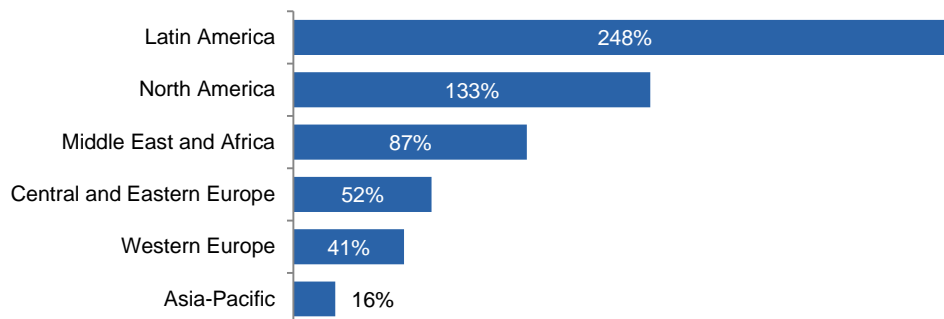
Brazilian banks look to recyclers to reduce CIT costs

RBR's new report, *Deposit Automation and Recycling 2019*, shows that the number of recycling ATMs across the globe is projected to increase by 25% over the next five years. However, there is much variation between different regions, with recyclers in Latin America forecast to grow by almost 250%, while Asia-Pacific will only see a modest 16% increase, as China's market plateaus in response to declining cash usage.

Brazil – the largest market in Latin America – is forecast to increase its number of recyclers by 247% over the next five years to almost 40,000. Banks are keen to deploy recyclers in off-site locations as CIT visits to replenish ATMs in the country's many sparsely-populated areas can be extremely expensive, and fewer CIT visits not only reduces operating costs but improves security. Positive customer feedback on automated deposit is also driving new installations, as customers appreciate reduced queues in branch and quicker account crediting.

Mexico, which had just over 100 recycling terminals in 2018, is also expected to ramp up the number of recyclers. Until now, deployment has been relatively slow, with banks discouraged by poor note quality; however, advances in technology are encouraging a move to recycling. Furthermore, as customers have become more familiar with such terminals, deposit transaction volumes have risen, making the business case for recycling even stronger.

Forecast growth in recycling terminals by region, 2019-2024



Source: *Deposit Automation and Recycling 2019* (RBR)

Banks keen to deploy recyclers in cash-heavy Russia

Elsewhere, Russia is expected to significantly boost its number of recycling ATMs, with an additional 18,000 machines by 2024. Despite recent rapid growth in cashless payments, many consumers still make regular utility bill payments and loan repayments in cash in the branch, and demand for automated deposit among SMEs is soaring. As ATM cash deposits increase while withdrawal volumes level off, more and more Russian deposit ATMs have a suitable balance of cash-in and cash-out transactions to make recycling even more cost-effective.

Similarly, the number of recyclers in India is set to show a big increase, driven by the migration of transactions to self-service and the redeployment of branch staff. As recycling units are installed in branches, customer experience is improved by shorter waiting times and staff workload is optimised giving more time to spend on value-adding tasks.



PRESS RELEASE

Recycling ATMs – a key tool in banks’ transformation projects

There remains much potential for growth in the recycling market, with deployers across the world utilising the technology to maximise the operational efficiency of their estates. RBR’s Sam Blackwell, who led the study, comments: *“Recycling ATMs play a key role in many banks’ transformation projects by improving customer experience and cutting operational costs. Whereas previously some deployers were dissuaded by a perceived lack of reliability, or issues regarding integration or security, these concerns have now largely been assuaged”*.

Notes to editors

These figures and insights are based on RBR’s study, *Deposit Automation and Recycling 2019*. For more information about this report or to discuss the findings in more detail please email Sam Blackwell (sam.blackwell@rbrlondon.com) or call +44 20 8831 7315.

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