

London, 19<sup>th</sup> January 2022

## Recyclers drive growth in automated deposit terminals

*Banks around the world are continuing to invest in automated deposit terminals, in particular those which recycle the deposited cash*

### Deployers are replacing ATMs with multi-function automated deposit terminals

A range of factors are driving banks to deploy automated deposit machines (ADTs), including cost-cutting, instant account crediting, transaction data collection and a better experience for the customer. According to RBR's latest report, *Deposit Automation and Recycling 2022*, the number of ADTs worldwide grew by 1% in 2021, reaching 1.6 million. The growth is being driven by recyclers, which now account for 65% of all automated deposit terminals.

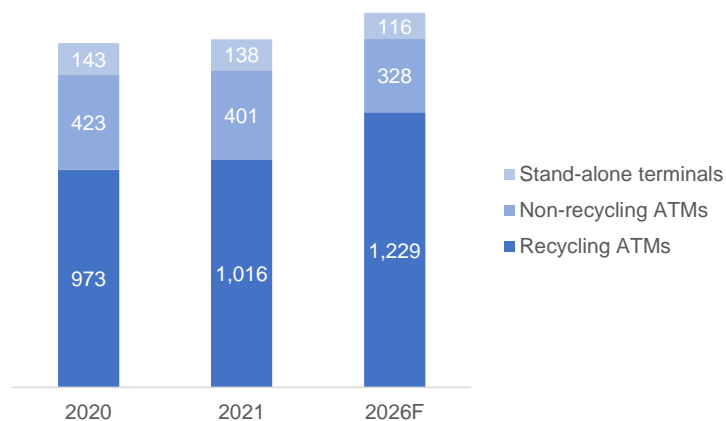
Whilst the total number of ATMs installed worldwide continues to fall in response to increasing reliance on cashless payment methods, the number of ADTs is forecast to grow by 8% to 1.7 million by 2026, as deployers in most markets replace single-function cash dispensers with multi-function ADTs.

### Cost is no longer the barrier it once was

There are several reasons why there is an increasing tendency for deployers to favour recyclers over non-recycling ATMs or stand-alone deposit terminals. As recyclers are newer models, they tend to be more reliable and have greater uptime than older ADTs. Significantly, they help banks cut replenishment costs and their operational efficiency can support banks' branch transformation efforts.

Cost was historically a major factor inhibiting recycler deployment, however, as the price gap between recyclers and non-recycling deposit ATMs closes, and CIT costs rise, RBR's study reveals that deployers that once considered recyclers to be prohibitively expensive are changing their minds.

### Number of automated deposit terminals worldwide by type (thousands)



Source: *Deposit Automation and Recycling 2022* (RBR)

### Three quarters of ADTs will be recyclers by 2026

Recyclers will drive growth over the coming years to account for just under three quarters of all ADTs by 2026. At an individual market level, the share of recyclers will increase in almost all cases.

According to RBR, almost 120,000 new ADTs will be added, with USA, Brazil and India accounting for much of this growth. Many of Brazil's ATMs are ageing and with the country's vast geography meaning high CIT costs, replacing them with recyclers makes sense. Furthermore, there continues to be a large unbanked population, so demand for cash will remain high for some time to come. Financial inclusion will be an important driver of India's growth, where banks increasingly favour recyclers over other types of note deposit terminals when expanding the reach of services and migrating transactions away from the teller line.



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### Recycling yet to take off in a big way in the USA

In the USA, where only the largest deployers have installed recycling ATMs so far, smaller deployers are soon expected to follow suit, with 40% of ADTs recycling cash by 2026. The USA is set to displace Japan as the world's second largest market for ADTs by the end of the forecast period. China will remain home to significantly more ADTs any other country, despite ongoing contraction as mobile payments increasingly prevail over cash.

Rowan Berridge, who led RBR's *Deposit Automation and Recycling 2022* research, remarked: "*In addition to the benefits ADTs offer customers, such as instant account crediting and self-service opportunities, recyclers enable deployers to make significant cost savings by allowing them to deploy fewer, multi-function machines that require fewer CIT visits compared to larger fleets of single-function terminals*".

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### Notes to editors

These figures and insights are based on RBR's study, *Deposit Automation and Recycling 2022*. For more information about this report or to discuss the findings in more detail please email Rowan Berridge ([rowan.berridge@rbrlondon.com](mailto:rowan.berridge@rbrlondon.com)) or call +44 20 8831 7311.

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