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ATMs play a key role in accessing cash, but COVID-19 has lasting impact on numbers

Most countries witnessed a drop in ATM numbers in 2021 as cashless payments gained further ground, but, with the worst impact of COVID-19 over, some deployers are renewing efforts to expand services

IADs and financial inclusion efforts drive limited recovery

RBR's *Global ATM Markets and Forecasts to 2027* shows that the number of ATMs worldwide fell by 2% in 2021 to stand at 3.1 million machines. This was a slightly milder decline than was recorded during the first year of the pandemic.

2021 was a more stable year, as most countries saw lockdown-free periods approaching normality. These more favourable conditions meant some deployers put interrupted expansion plans back on the agenda. The USA and India, the countries with the second and third largest number of ATMs respectively, both saw increases. In the case of the USA, this reversed some of the decline from the previous year. Whilst India also added a small number of ATMs in 2020, new installations there increased tenfold in 2021.

RBR's research found that independent ATM deployers (IADs) were the driving force behind the boost to both the US and Indian ATM markets. US IADs re-opened ATMs shuttered by the pandemic and entered into new partnerships to operate terminals for banks. In India, these deployers extended their networks into more rural areas, reaching new customers. Globally, the number of IAD-deployed ATMs increased by 5%.

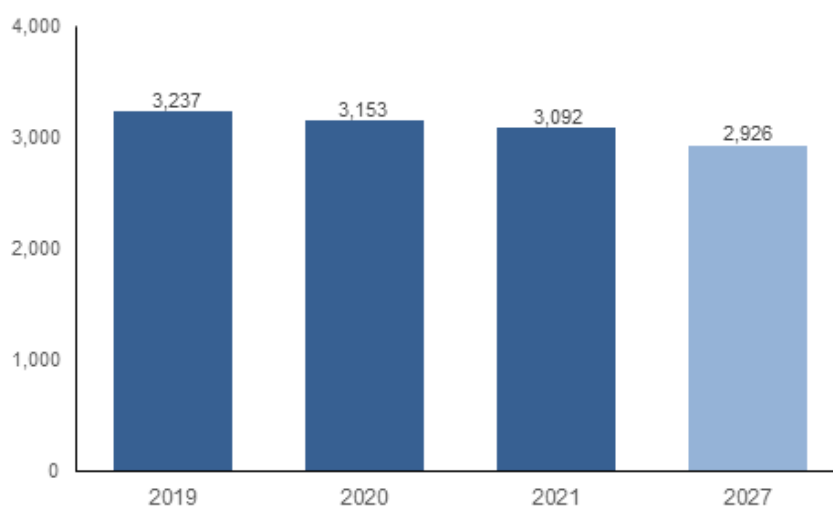
India's financial inclusion goals have pushed deployers to pursue expansion. Policies to increase banking provision have also stimulated strong ATM growth elsewhere, particularly in developing markets including Bangladesh, Egypt and the Philippines.

Customer preferences for card and digital payments are more engrained

Despite strong pockets of growth, RBR's research shows that more than 60,000 ATMs were removed globally last year. Two thirds of countries RBR surveyed in detail saw numbers contract, including almost all of western Europe. Customer preferences for card and digital payments became more engrained after two years of being encouraged to avoid paying with cash to stem the spread of COVID-19. The crisis also accelerated bank branch closures, as banks shifted services online and closed outlets, reducing in-branch ATM numbers.

China, home to more of the world's ATMs than any other country by far, continues to remove large numbers of machines. Brazil and Russia also saw significant reductions. Common to each of these is high usage of mobile payments services and declining bank branch networks.

Global installed base (*thousands*), 2019, 2020, 2021 and 2027 (*forecast*)



Source: *Global ATM Markets and Forecasts to 2027* (RBR)



PRESS RELEASE

As ATM numbers fall, automated deposit and cash recycling will become more common

RBR forecasts that the global installed base will decline by 5% between end-2021 and end-2027, falling to under 3 million ATMs for the first time since 2013. As demand for cash declines, deployers in many countries will rationalise their fleets, optimising efficiency with fewer but more functional ATMs, especially those which accept and recycle banknote deposits.

At a regional level, only the Middle East and Africa and Latin America will see ATM numbers rise after 2022, driven primarily by Egypt and Mexico respectively. Deployers in both countries aim to expand their physical banking channels and strengthen nationwide access to cash.

Rowan Berridge, who led RBR's ATM research, remarked: "*The first year of the pandemic was a hugely uncertain time for ATM deployers, with expansion strategies paused and some ATMs withdrawn temporarily. While the market didn't bounce back everywhere in 2021, there was more appetite for new installations. These contrasts will remain prominent going forward – while some countries will see ATM numbers cut in favour of digital payments and banking, others are still building up self-service channels and access to cash*".

Notes to editors

These figures and insights are based on RBR's study, *Global ATM Markets and Forecasts to 2027*. 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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