



The Off-Premises Opportunity

Taking cash out of the branch doesn't have to mean restricting access to cash.

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Many financial institutions (FIs) are evolving the role of their branches: cash handling is becoming secondary; the primary focus is on building a relationship with customers and providing advice on how best consumers can handle their personal or business finances. Some are even aiming for cashless branches. The reasons behind this shift vary: operational efficiency rationales or security concerns are common. But how does this compare to the continued demand for cash.

- The share of cash payments has rebounded in 2021 and seems to have reached a plateau.¹
- The volume of banknotes in circulation globally has increased by 64% since 2012.²

Despite a strong migration to digital, there is a high portion of consumers utilizing physical channels for access to cash.³ Despite this, we also see more branch consolidation: In the US the total number of bank branches has gone down more than one percent every year since 2009. In other countries, branch closures had already begun much earlier and have progressed even further.⁴ In the face of this trend, more and more FIs and independent ATM deployers (IADs) are choosing to install their ATMs outside of the branch. With this deployment strategy, they aren't removing access to cash but have an opportunity to bring the cash closer to consumers.

Off-premises installations offer considerable benefits if they are installed in the right locations. Highly attractive locations need to fulfill criteria like a lot of people moving through the area, great visibility, 24/7 access as well as enough space to operate and service the device. Such locations include the shopping street; areas with lots of bars and restaurants; transportation hubs like airports, train stations and harbors; large sports venues; or amusement parks. An off-premises ATM could also be used in areas where branches have been closed to continue to provide cash and other services. All involved parties can benefit from such installations.

Consumers have gotten used to interacting with their financial provider anywhere and at any time. Needing to go to their bank's branch does not fulfill this requirement, but an off-premises ATM can. Installing the ATM where consumers spend their time and go about their day-to-day business offers not only convenience but also additional value.

The owners of the properties where an off-premises ATM is located can also benefit from the installation, as it can become an additional source of revenue for them and, at the same time, an additional service to their own customers—or in the case of municipal installations, their citizens—that simultaneously increase consumer traffic and in-store spending.

Financial Institutions can take full advantage of well-planned, off-premises installations: They can reduce their costs and footprint while retaining or even expanding their physical presence and continuing to provide access to cash for their customers. Simultaneously, an off-premises ATM can promote their brand and presence since they are also regularly used by off-us consumers. Providing access to ATMs without a fee is popular among consumers; FIs may even be able to attract the interest of new customers if the in-network use is free of charge and they would like to make use of it.

To take full advantage of ideal, high-traffic off-premises locations, devices should be easy to install, fully weatherized, and be equipped with reliable technology that includes a high level of security.

The DN Series® 230A cash dispenser and DN Series 430V cash recycler offer all of these and more features that make them the ideal fit for off-premises installations. They are water- and rust-proof and resistant to humidity, dust and temperatures from -40°C (-40°F) to +50°C (122°F).

To find out more, visit [DieboldNixdorf.com/OutdoorATM](https://www.dieboldnixdorf.com/OutdoorATM).

¹2022 Diary of Consumer Payment Choice

²Board of Governors of the Federal Reserve System May 2023 (https://www.federalreserve.gov/paymentsystems/coin_data.htm)

³NielsenIQ International Retail Banking Survey 2021

⁴Keit & Ogena (2024): "The demise of branch banking – Technology, consolidation, bank fragility", Journal of Banking and Finance 158 (2024) 107038 (<https://www.sciencedirect.com/science/article/pii/S0378426623002297>)