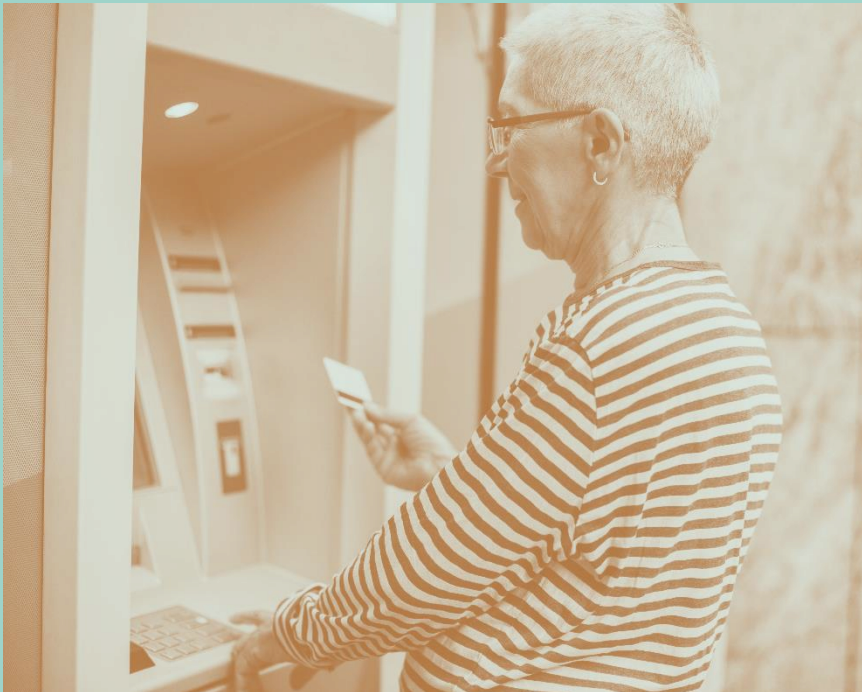

LINK MONTHLY REPORT

December 2022



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2. KEY ACTIVITIES

LINK is the UK's Cash Access and ATM Network, connects virtually all the UK's ATMs and provides communities with access to cash through services such as cash at retailers' tills and Banking Hubs. LINK continues to operate to its usual high standard and remains well positioned to support consumers' access to cash needs through effective risk management and high levels of operational resilience. LINK is working closely with its infrastructure provider and Network Members, all of whom continue to perform well.

The final Board meeting of the year was held in London in early December where the Board was able to review LINK's progress during the year; in financial inclusion, risk management, staffing and operations. The Board also carefully considered the rapidly evolving operational, regulatory and legislative environment for financial inclusion which will see a growth in shared service solutions during 2023 and beyond. Following recommendations from the Risk Committee, LINK's ongoing Cyber Security Strategy, Business Resilience Management Framework and Financial Resilience Annual Reports were all carefully reviewed and approved by the Board. As always, the Board gave careful consideration to the risks currently facing the organisation, the actions being undertaken to mitigate these risks and looks forward to a specific Risk-Focused Strategy Event for Directors and the Executive scheduled for early 2023, which will enable more in-depth and longer-term risks to be assessed.

LINK continues to focus on its people planning and a number of new staff have recently joined the organisation. Careful network oversight continues and there are no commercial or operational issues causing concern at present. LINK and its various service providers continue to perform to the expected very high standard.

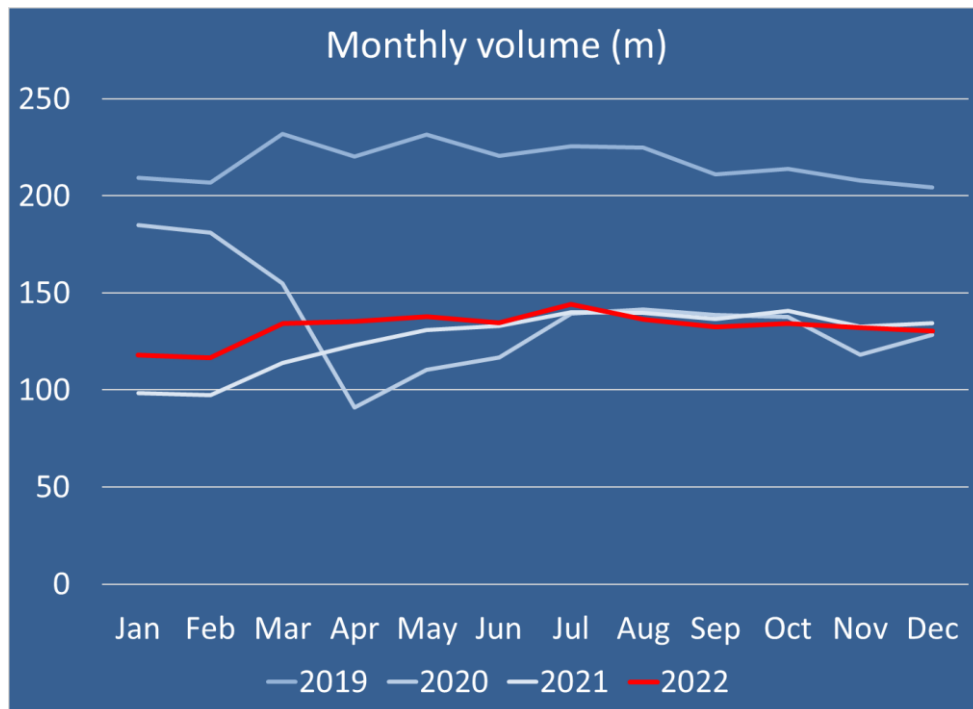
3. LINK VOLUMES AND VALUES

Overall, 2022 saw 1.6 billion LINK ATM transactions, up 4% on 2021 (which had lockdowns) and 39% down on pre-pandemic 2019. Almost £83 billion was withdrawn in 2022, up 5% on 2021 and the equivalent of £1,492 for everyone 15 years or older in the UK. However, this was well down on the £116 billion withdrawn we saw back in 2019.

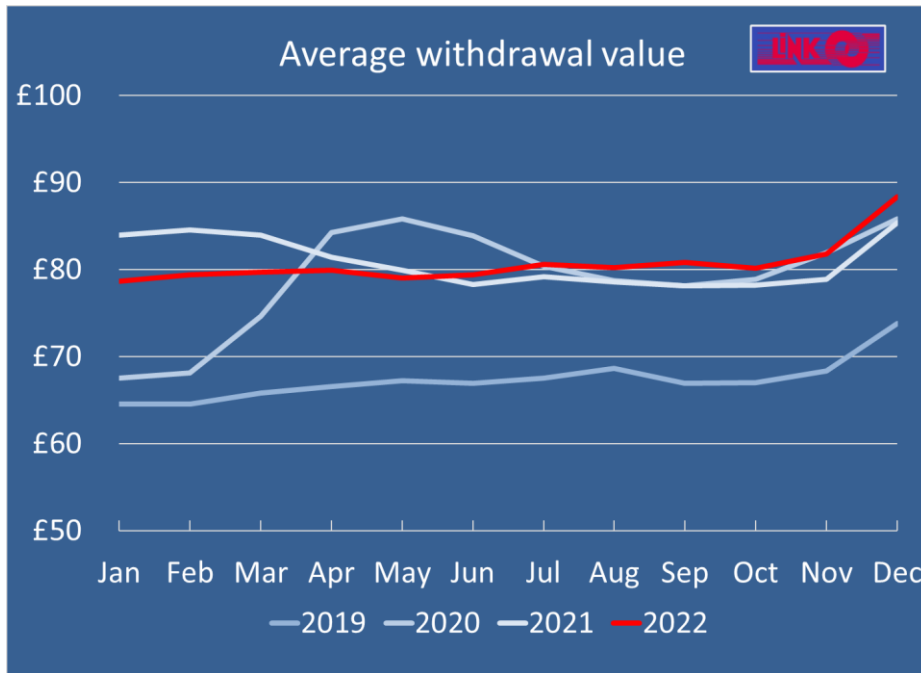
LINK Transaction Volumes (millions)													
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2019	209	207	232	220	232	221	226	225	211	214	208	204	2,608
2020	185	181	155	91	110	117	139	141	139	138	118	129	1,643
2021	99	97	114	123	131	133	140	140	137	141	133	135	1,522
2022	118	117	134	135	138	135	144	137	132	134	132	130	1,587

LINK Transaction Values (£millions)													
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2019	£8,788	£8,859	£10,211	£9,701	£10,354	£9,837	£10,070	£10,271	£9,336	£9,512	£9,494	£9,985	£116,417
2020	£8,182	£8,258	£7,450	£4,399	£5,664	£5,972	£7,076	£7,105	£6,903	£6,939	£6,016	£7,044	£81,010
2021	£5,062	£5,127	£5,995	£6,446	£6,809	£6,757	£7,242	£7,177	£6,928	£7,156	£6,785	£7,478	£78,960
2022	£5,946	£6,018	£6,952	£7,047	£7,065	£6,921	£7,481	£7,054	£6,848	£6,959	£6,932	£7,558	£82,781

In 2022 consumers' use of ATMs increased from a low in January and February and the rest of the year was remarkably consistent from month to month, with only a slight peak in July.

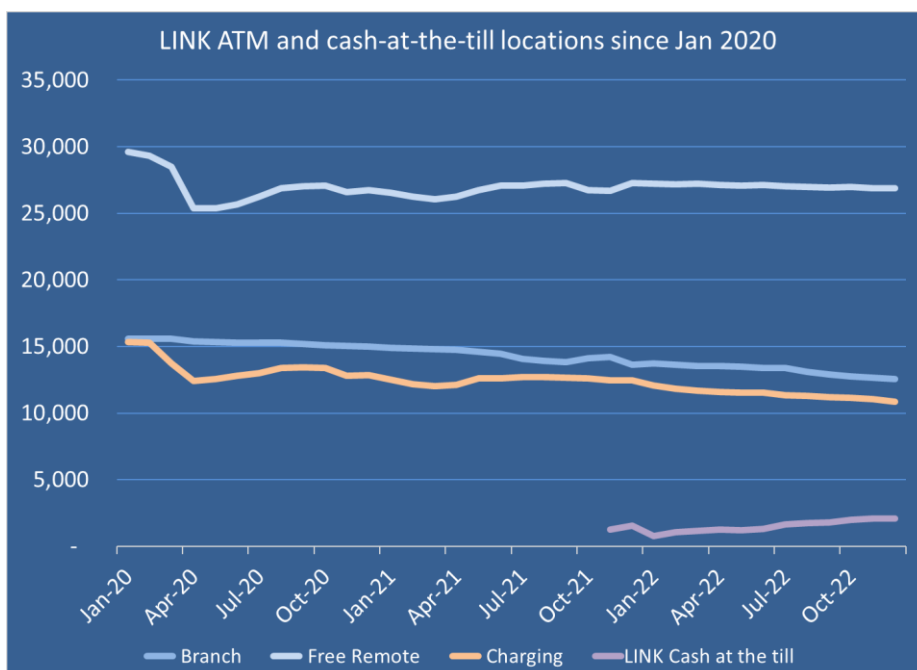


An increase to the average value of cash withdrawn remains one of the most consistent changes in consumers' behaviour as, while visiting ATMs less often, when they do go people take out more cash. Some of this may be driven by inflation, you need more cash to buy the same basket of goods, but the increases we first saw with the first lockdown have stuck and 2022 saw average values above £80, even before the usual boost we see at Christmas.



4. ATM NUMBERS

ATM coverage across the UK in 2022 continues to be broadly stable and in line with LINK’s strategy and Financial Inclusion Programme objectives with only a very slow decline in non-branch free-to-use ATMs though the year. Branch and charging ATM numbers continue to decline at a faster rate. The number of cash-at-the-till locations continues to steadily increase.



LINK ATM Numbers by Type and Owner 2022												
2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Branch	13,711	13,611	13,557	13,548	13,471	13,411	13,368	13,094	12,890	12,754	12,637	12,541
Free Remote	27,245	27,178	27,243	27,128	27,103	27,152	27,037	26,996	26,939	27,005	26,905	26,888
Total Free	40,956	40,789	40,800	40,676	40,574	40,563	40,405	40,090	39,829	39,759	39,542	39,429
Pay to use	12,083	11,824	11,671	11,606	11,550	11,516	11,355	11,269	11,216	11,136	11,064	10,871
Total ATMs	53,039	52,613	52,471	52,282	52,124	52,079	51,760	51,359	51,045	50,895	50,606	50,300
Bank and Building Society	20,721	20,252	19,878	19,828	19,716	19,670	19,627	19,333	19,100	18,997	18,883	18,575
Non Card Issuers	32,318	32,361	32,593	32,454	32,408	32,409	32,133	32,026	31,945	31,898	31,723	31,725
Total ATMs	53,039	52,613	52,471	52,282	52,124	52,079	51,760	51,359	51,045	50,895	50,606	50,300

5. MAINTAINING ACCESS TO CASH

LINK’s Financial Inclusion Programme continues to be effective in maintaining free access to cash for consumers in rural, remote and deprived communities across the UK.

To-date, 99 lost free-to-use ATMs have been targeted for replacement and resolved, 47 through Direct Commissioning, 19 through Premiums and the remaining 33 by regular installation programmes.

Overall, over 3,500 ATMs get a subsidy as part of LINK’s work on financial inclusion. LINK is now using social media to further raise awareness of the initiative and continues to welcome requests for ATMs. Please see the LINK website for more details <https://www.link.co.uk/consumers/request-access-to-cash/>.

6. LINK FOOTPRINT REPORT

LINK is committed to maintaining free access to cash for many years to come through an extensive network of ATMs, which covers the same area as it did on 1st February 2018. This includes Protected ATMs which are machines 1km or more away from another free ATM and are therefore considered vital by LINK for their local community.

These Protected ATMs are analysed every month and the changes are summarised below.

November 2022	Monthly change	
Total Protected ATMs	3,322	12
Live ATMs	2,885	6
ATMs No Longer Transacting	437	6
Temporarily out of action	18	2
Investigations with operator underway	9	-1

ATMs Confirmed as Closed	410	5
ATMs not being replaced (a)	353	7
ATMs Targeted for Replacement	57	-2
LINK directly commissioning a replacement	9	-4
Resolution not Possible (b)	48	2
ATMs previously targeted for replacement and now resolved (c)	99	1

Notes - LINK Footprint Report

(a) ATMs are not replaced where consumers have free access to cash over the counter from a nearby post office, where the site was not accessible to the public, where there are security concerns, or where there is assessed to be no community detriment following a site visit by LINK.

(b) Where it is not currently possible to replace a Protected ATM for reasons such as no suitable premises within 1km, no willing site owners to host an ATM or no operator willing to deploy an ATM. LINK may still consider alternative actions and these sites remain on file.

(c) Sites which were targeted for replacement through the Programme and now have free access to cash via an ATM, whether through Premiums, Direct Commissioning or through the free competitive market.