



# **SAMOA'S FINANCIAL INCLUSION REPORT**

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June 2017

Prepared by Financial System Development Department

## Acknowledgements

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## Overview

The Central Bank of Samoa (CBS) is mandated to promote financial inclusion and financial literacy in Samoa. With the support of the Pacific Islands Regional Initiative (PIRI) of the Alliance for Financial Inclusion (AFI) and the Pacific Financial Inclusion Programme (PFIP), the CBS works to improve many facets of the financial system so that it is inclusive<sup>1</sup>. One area that is of great importance is financial inclusion data so that policy designs are based on evidence, from setting targets, identifying barriers, tracking national progress and assessing the effectiveness of the policy decisions.

The information and data provided below are obtained through information provided by local commercial banks and other financial institutions (the supply side data). Some data were also gathered from demand side surveys (DSS).

The Central Bank of Samoa presents its fifth semi-annual bulletin on financial inclusion data as of 30 June 2017.

## Summary of Findings

### 1. There was a drop in total cash in and cash out access points in the country for this period.

Total cash-in and cash-out access points (performs both functions) have decreased from 157 in December 2016 to 112 in June 2017, the lowest drop since semi-annual reports were published in June 2015 (refer to figure 1). This includes 'bank branches', 'Cash-in and Cash-out ATMs' and 'Cash-in and Cash-out bank agents'. While the number of bank branches and cash-in and out ATMs remains steady, the number of cash-in and cash-out bank agents has decreased dramatically from 124 to 79 due to removal of inactive agents in the beginning of 2017. However, the number of all ATMs<sup>2</sup> has steadily increased throughout the periods.

When using the Financial Inclusion Indicators<sup>3</sup>, this is equivalent to having 1.01 cash-in and cash-out access point per 1000 adults<sup>4</sup> (refer to table 1). This is also equivalent to one cash-in and cash-out access point to serve around three villages (with average number of 358 people per village<sup>5</sup>).

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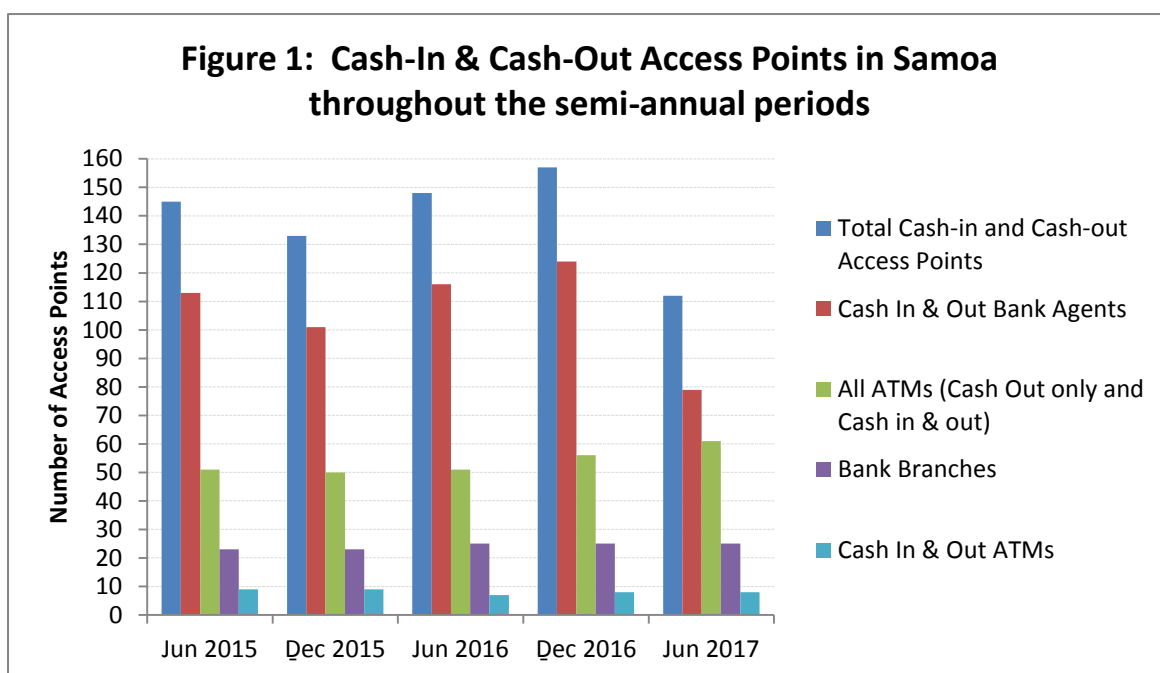
<sup>1</sup> The Central Bank of Samoa vision for an inclusive financial system is a sound financial system that best serves all members of society in their pursuit of economic prosperity through a state in which all people who can use them have effective access and satisfactory usage of a full suite of quality financial services from a range of service providers.

<sup>2</sup> Includes 'Cash-out only ATMs' and 'Cash-in & Cash-out ATMs (performs both functions)'

<sup>3</sup> Refer to Annex 2 on pages 6-11

<sup>4</sup> Adults are people with 15+ years.

<sup>5</sup> Source: Samoa Bureau of Statistics: Samoa Population and Housing Census 2016; <http://www.sbs.gov.ws>



**Table 1: PIRI Financial Inclusion Indicators for Samoa**

PIRI Financial Inclusion Indicators	Jun 2015	Dec 2015	Jun 2016	Dec 2016	Jun 2017
Adult Population (15+ years)	119,532	119,532	121,142	121,142	122,177
No. of cash-in & cash-out access points per 1000 adults	1.35	1.19	1.31	1.39	1.01
No. of branches per 1000 adults	0.19	0.19	0.21	0.21	0.20
No. of all ATMs <sup>6</sup> per 1000 adults	0.35	0.34	0.36	0.40	0.43
No. of Cash-In & Cash-Out Bank Agents per 1000 adults	1.09	0.93	1.05	1.11	0.75

Note: For full suite of PIRI FI Indicators, go to pages 6 - 11

## 2. Access points are more concentrated in the Urban Area.

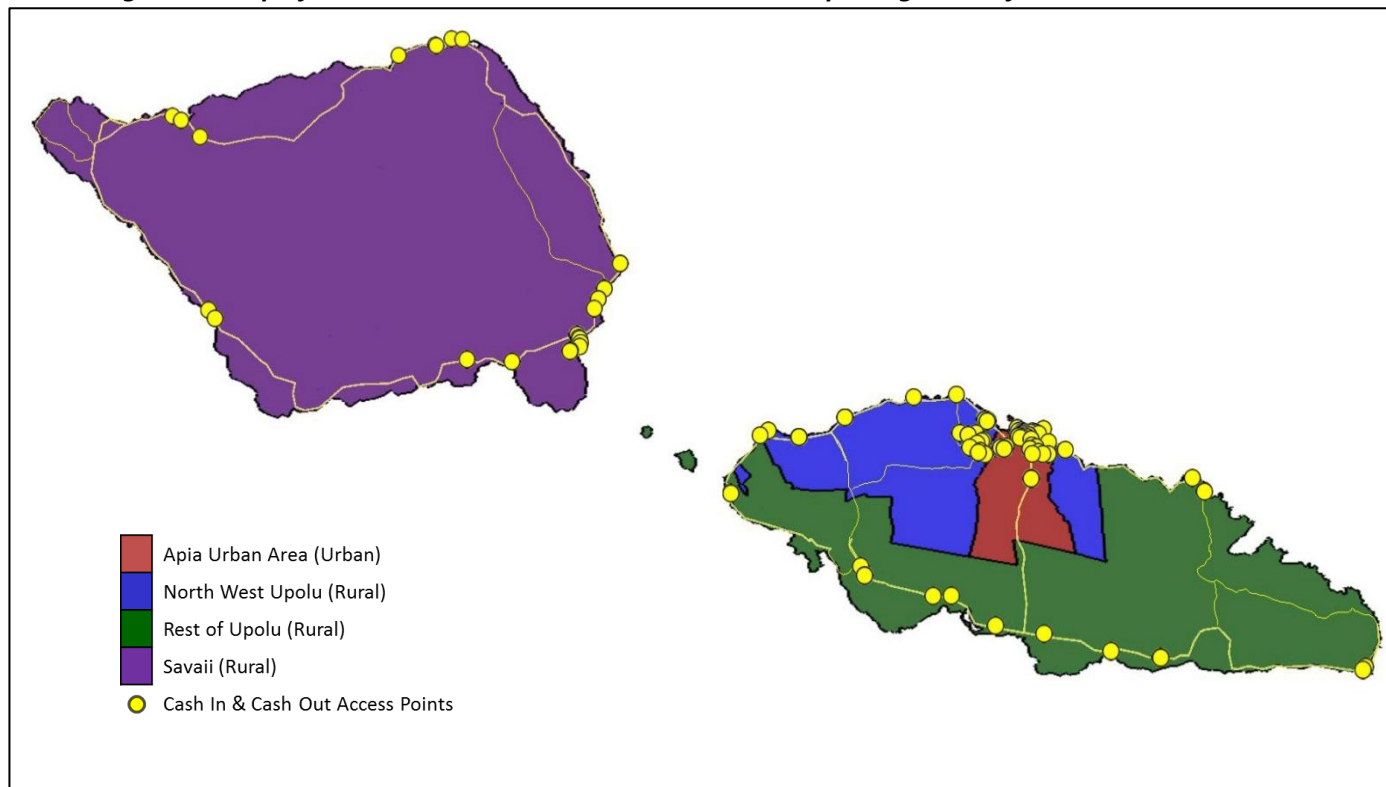
For the current period 30 June 2017, 37% of the cash-in and cash-out access points are located in the Apia Urban Area (AUA)<sup>7</sup>, 22% in North West Upolu (NWU), 18% in Rest of Upolu (ROU) and 23% in Savaii (SAV). Over 63% of all ATMs are located in AUA region; however there are no ATMs in the ROU region. (Refer to figure 2 & 3)

Using the PIRI indicators, the AUA region also has the highest number of cash-in and cash-out points per 1000 adults with 1.68 while NWU region has the least with 0.58 cash-in and cash-out access point serving 1000 adults. (Refer to table 2)

<sup>6</sup> This includes cash-out only ATMs and also ATMs that performs both cash-in and cash-out transactions.

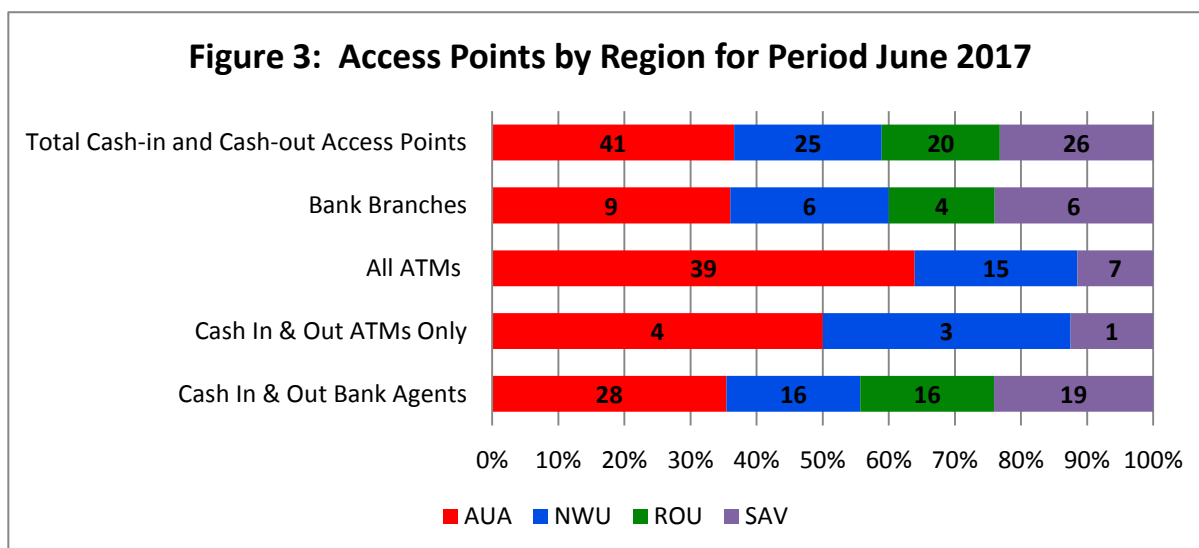
<sup>7</sup> The regions are divided based on Samoa Bureau of Statistics reports. AUA region is the urban area and all the other regions; NWU, ROU and Savaii are regarded as rural areas. Source: Samoa Bureau of Statistics: Samoa Population and Housing Census 2016; <http://www.sbs.gov.ws>

**Figure 2: Map of Samoa: Cash-in & Cash-out Access Points per region as of 30 June 2017**



Note: For more Financial Inclusion Access Points mapping, go the annex 3 on pages 12 & 13

**Figure 3: Access Points by Region for Period June 2017**



**Table 2: PIRI Financial Inclusion Indicators per Region for period June 2017**

PIRI Financial Inclusion Indicators	AUA	NWU	ROU	SAV
Adult Population (15+ years)	24,478	43,460	27,829	26,410
No. of cash-in & cash-out access points per 1000 adults	1.68	0.58	0.72	0.98
No. of branches per 1000 adults	0.37	0.14	0.14	0.23
No. of all ATMs per 1000 adults	1.60	0.35	0.00	0.27
No. of Cash-In & Cash-Out Bank Agents per 1000 adults	1.14	0.37	0.54	0.76

# Annex 1

## Definition Notes for the Measurement Framework

**Access points** are defined as regulated cash-in and cash-out points. This includes traditional bank branches, cash-in and cash-out ATMs, cash-in and cash-out bank agents and mobile financial service cash-in and cash-out points, and other offices of regulated entities (such as MFIs) that perform cash in and cash out functions.

**Active** - a financial product is understood to be active if it has been used in the past 90 days.

**Adults** refer to the population aged 15 years and older.

**Agent** - any third party acting on behalf of a bank or other financial services provider (including an e-money issuer or distributor) to deal directly with customers. This includes retailers that perform mobile financial services and cash-in and cash-out services.

**ATM (Automatic Teller Machine)** - An electronic banking outlet that allows customers to complete basic transactions without the aid of a branch representative or teller. There are two primary types of automated teller machines, or ATMs. The basic units allow the customer to only withdraw cash and receive a report of the account's balance. The more complex machines will accept deposits, facilitate credit card payments and report account information.

A **bank branch** is a retail location different than a bank's corporate office where a financial institution offers face-to-face and automated services.

**Cash-in (or Cash deposit)** is the exchange of cash for electronic value.

**Cash-out (or Cash withdrawal)** is the exchange of electronic value for cash.

**Document**— in this case we refer to the identification documents that are required to open an account, and not the forms that must be filled out. In the Pacific, this often includes a driver's license, passport, or birth certificate, among other documents.

**E-money** (also called mobile money) — A type of monetary value electronically recorded and generally understood to have the following attributes: (i) issued upon receipt of funds in an amount no lesser in value than the value of the e-money issued; (ii) stored on an electronic device (e.g. a chip, prepaid card, mobile phone, or computer system); (iii) accepted as a means of payment by parties other than the issuer; and (iv) convertible into cash. This does not include the transfer of airtime.

**EFTPOS access point** is an access point possessing a terminal which captures payment information by electronic means using a card-reading electronic point of sale device. Payments and withdrawals of cash by means of payment cards can be done at these electronic payment terminals in shops, for example.

**Mobile banking** is the use of a mobile phone to access banking services and execute financial transactions. This covers both transactional and non-transactional services, such as viewing financial information on a bank customer's mobile phone.

**Mobile financial services (MFS)** is the use of a mobile phone to access financial services and execute financial transactions. This includes both transactional and non-transactional services, such as viewing financial information on a user's mobile phone.

**Mobile financial services account** is the storage of e-money linked to a mobile account and a bank account. This is the account in a bank-led model of mobile financial services.

**Mobile financial services access points**— access points that also allow for cash in and cash out of mobile money into and out of mobile wallets or a MFS accounts. This is a subset of all access points.

**Mobile payment**— a payment with electronic funds transfer that is made with a mobile phone.

**Mobile wallet**— the storage of e-money that can be loaded or cashed out, but that can be held only in a mobile linked account and not customer bank account. This is the account in a mobile network operator (MNO)-led model of mobile financial services.

A **regulated deposit** or **credit** account is an account held by a regulated entity.

## Annex 2

### FINANCIAL INCLUSION INDICATORS

The Central Bank of Samoa has adapted the PIRI Financial Inclusion Measurement Framework as the basis for financial inclusion measurement in the country. The measurement framework takes the AFI Core Set<sup>8</sup> of Indicators as the foundation and builds into it, indicators that measure the topics of policy relevance and interest to the region and country specifics. And importantly, the indicators reflect member country's Maya Declaration<sup>9</sup> Commitments, so that countries can measure progress against their commitments.

#### Key dimensions of the Measurement Framework: Access and Usage

The PIRI core set of financial inclusion indicators addresses the three basic dimensions of financial inclusion: access, usage and quality of financial services. "Access" refers to the ability to use the services and products offered by formal financial institutions. "Usage" refers to the depth or extent of financial services and product use. Determining usage requires gathering details about the regularity, frequency and duration of use over time. Data on these dimensions is usually obtained through information provided by local commercial banks and other financial institutions, the supply side. Some elements of usage are gathered from demand side surveys (DSS) too.

The quality dimension, while important, is a more complex topic both conceptually and in terms of measurement, typically requiring DSS and the use of qualitative indicators. The Central Bank has yet to track and monitor the qualitative use of financial services.

The indicators as of June 2017 are shown in Table 3 below<sup>10</sup>. Note that this is not the complete measurement framework rather the only available indicators that can be informed to date from supply side and demand side data.

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<sup>8</sup> The AFI Core Set of Indicators was compiled by the AFI Financial Inclusion Data Working Group (FIDWG) for AFI member countries to report on. It is a limited set of quantitative indicators that captures the status of financial inclusion in a country. The indicators are meant to measure the most basic and fundamental aspects of financial inclusion in a way that is as standardised as possible while remaining relevant to individual countries.

<sup>9</sup> The Maya Declaration was created at the 2011 AFI Global Policy Forum held in Mexico. Under the Maya Declaration platform AFI member countries voluntarily make commitments to promote financial inclusion and these commitments vary by scale and policy solution. They are defined and driven by AFI members themselves, which provides a unique and powerful incentive to meet their targets.

<sup>10</sup> The indicators for previous bi-annual report of June 2016 are also shown in Table 1 for comparison.

**Table 3: AFI/PIRI Financial Inclusion Indicators for Samoa**

	Jun-15	Dec-15	Jun-16	Dec-16	Jun-17	Indicator
<b>Adult population<sup>11</sup></b>	119,532	119,532	121,142	121,142	122,177	General
Adult Population by region - AUA					24,478	General
Adult Population by region - NWU					43,460	General
Adult Population by region - ROU					27,829	General
Adult Population by region - SAV					26,410	General
<b>Land area in square kilometers</b>	2,830	2,830	2,830	2,830	2,830	General
<b>Number of bank branches</b>	23	23	25	25	25	General
Number of bank branches per region - AUA					9	General
Number of bank branches per region - NWU					6	General
Number of bank branches per region - ROU					4	General
Number of bank branches per region - SAV					6	General
<b>Number of ATMs</b>	51	50	51	56	61	General
Number of ATMs per region - AUA					39	General
Number of ATMs per region - NWU					15	General
Number of ATMs per region - ROU					0	General
Number of ATMs per region - SAV					7	General

<sup>11</sup> Source: Samoa Bureau of Statistics: Samoa Population and Housing Census 2011 & 2016; <http://www.sbs.gov.ws>; For 2015; Population and Housing Census Analytical Report, 2011 (total adult population of 15+ years is based on annual growth rate of 0.8 percent). For 2016; Actuals from Population and Housing Census Analytical Report, 2016 (total adult population of 15+ years); for 2017; Population and Housing Census Analytical Report, 2016 (total adult population of 15+ years is based on annual growth rate of 0.85 percent)





<b>Number of EFTPOS outlets</b>	674	550	528	556	496	General
Number of POS outlets per region - AUA					335	General
Number of POS outlets per region - NWU					77	General
Number of POS outlets per region - ROU					50	General
Number of POS outlets per region - SAV					34	General
<b>Number of Cash In and Cash Out Bank Agents</b>	113	101	116	124	79	General
Number of Cash In&Cash out Agents per region - AUA					28	General
Number ofCash In&Cash out Agents per region - NWU					16	General
Number ofCash In&Cash out Agents per region - ROU					16	General
Number of Cash In&Cash out Agents per region - SAV					19	General
<b>1.1. Number of cash-in and cash-out access points per 10,000 adults at the national level.</b>	13.55	11.96	13.13	13.87	10.15	AFI
1.1a Number of cash-in and cash-out access points per 10,000 adults - AUA region					16.75	
1.1b Number of cash-in and cash-out access points per 10,000 adults - NWUregion					5.78	
1.1c Number of cash-in and cash-out access points per 10,000 adults - ROU region					7.19	
1.1d Number of cash-in and cash-out access points per 10,000 adults - SAV region					9.84	
<b>1.2. Number of branches per 10,000 adults nationally</b>	1.92	1.92	2.06	2.06	2.05	AFI
1.2a Number of branches per 10,000 adults - AUA region					3.68	
1.2b Number of branches per 10,000 adults - NWU region					1.38	
1.2c Number of branches per 10,000 adults - ROU region					1.43	

1.2d Number of branches per 10,000 adults - SAV region					2.27	
<b>1.3. Number of ATMs per 10,000 adults nationally</b>	<b>3.51</b>	<b>3.43</b>	<b>3.63</b>	<b>3.96</b>	<b>4.34</b>	<b>AFI</b>
1.3a Number of ATMs per 10,000 adults - AUA region					15.93	
1.3b Number of ATMs per 10,000 adults - NWU region					3.45	
1.3c Number of ATMs per 10,000 adults - ROU region					0	
1.3d Number of ATMs per 10,000 adults - SAV region					2.65	
<b>1.4. Number of EFTPOS per 10,000 adults nationally</b>	<b>56.39</b>	<b>46.01</b>	<b>43.59</b>	<b>45.90</b>	<b>40.60</b>	<b>AFI</b>
1.4a Number of EFTPOS per 10,000 adults - AUA region					136.86	
1.4b Number of EFTPOS per 10,000 adults - NWU region					17.72	
1.4c Number of EFTPOS per 10,000 adults - ROU region					17.97	
1.4d Number of EFTPOS per 10,000 adults - SAV region					12.87	
<b>1.5. Number of Agents per 10,000 adults nationally</b>	<b>10.88</b>	<b>9.29</b>	<b>10.48</b>	<b>11.14</b>	<b>7.45</b>	<b>AFI</b>
1.5a Number of Agents per 10,000 adults - AUA region					11.44	
1.5b Number of Agents per 10,000 adults - NWU region					3.68	
1.5c Number of Agents per 10,000 adults - ROU region					5.75	
1.5d Number of Agents per 10,000 adults - SAV region					7.19	
<b>2.3 Coverage of cash in and cash out access points per 1,000 km<sup>2</sup></b>	<b>57.24</b>	<b>50.53</b>	<b>56.18</b>	<b>59.36</b>	<b>43.82</b>	<b>AFI</b>
• Number of Branches per 1,000 km <sup>2</sup>	8.13	8.13	8.83	8.83	8.83	AFI
• Number of ATMs per 1,000 km <sup>2</sup>	14.84	14.49	15.55	16.96	18.73	AFI
• Number of EFTPOS per 1,000 km <sup>2</sup>	238.16	194.35	186.57	196.47	175.27	AFI
• Number of Agents per 1,000 km <sup>2</sup>	45.94	39.22	44.88	47.70	32.16	AFI

<b>3.1 Number of mobile financial services access points per 10,000 adults</b>		1.42	0.84	0.91	0.91	0.98	PIRI
<b>3.3 Number of mobile financial services accounts/mobile wallet accounts per 10,000 adults</b>		39.38.36	5225.04	3632.6	3708.95	3654.37	PIRI
<b>3.5 Percentage of banks offering mobile banking, such as checking one's balance from a mobile phone</b>		0.75	0.75	0.75	0.75	0.50	PIRI
<b>3.6 Percentage of banks offering mobile financial services, including transfer of e-money</b>		0.75	0.75	0.75	0.75	0.50	PIRI
<b>4.3. Average cost of traveling to the nearest access point (public transit fee or gas costs), converted to USD*</b>	Bank Branch	\$2.2 USD (WST 5.00)					PIRI
	ATM	\$2.9 USD (WST 6.50)					PIRI
	Bank Agent	\$2.1 USD (WST 4.80)					PIRI
	Mobile Money Agent	\$2.5 USD (WST 5.7)					PIRI
<b>4.4. Average time of traveling to the nearest access point in minutes</b>	Bank Branch	44.8 min					PIRI
	ATM	23.7 min					
	Bank Agent	14 min					
	Mobile Money Agent	24.6 min					
<b>4.5. Average time waiting to be served when opening a deposit account (in hrs.)</b>		2.6 hrs.					PIRI
<b>4.6. Average number of identification documents required to open a basic bank account</b>		2	2	2	2	2	PIRI
<b>4.7. Percentage of adults reporting that they do not have all identification documents required to open a basic account</b>		5%					PIRI
<b>5.3. Percent of adults with at least one type of regulated deposit account</b>		39%					PIRI

5.4. Percent of adults with at least one type of regulated credit account	13.40%					PIRI
5.5. Percent of adults with at least one regulated financial product	39%					PIRI
5.6. Percent of people with an active deposit account– have had any deposit or withdrawal in the last 90 days	34.90%					PIRI
5.7. Percentage of adults earning below US \$2 per day who have a deposit account	25.60%					PIRI
6.2. Percentage of adults who have sent money through mobile financial services in	0.70%					PIRI
6.3. Percent of adults who have received money (including e-money) through mobile money in the last 12 months	2.71%					PIRI
7.1. Percent of adult women with an active deposit account OR percent of deposit accounts held by women	35.10%					PIRI

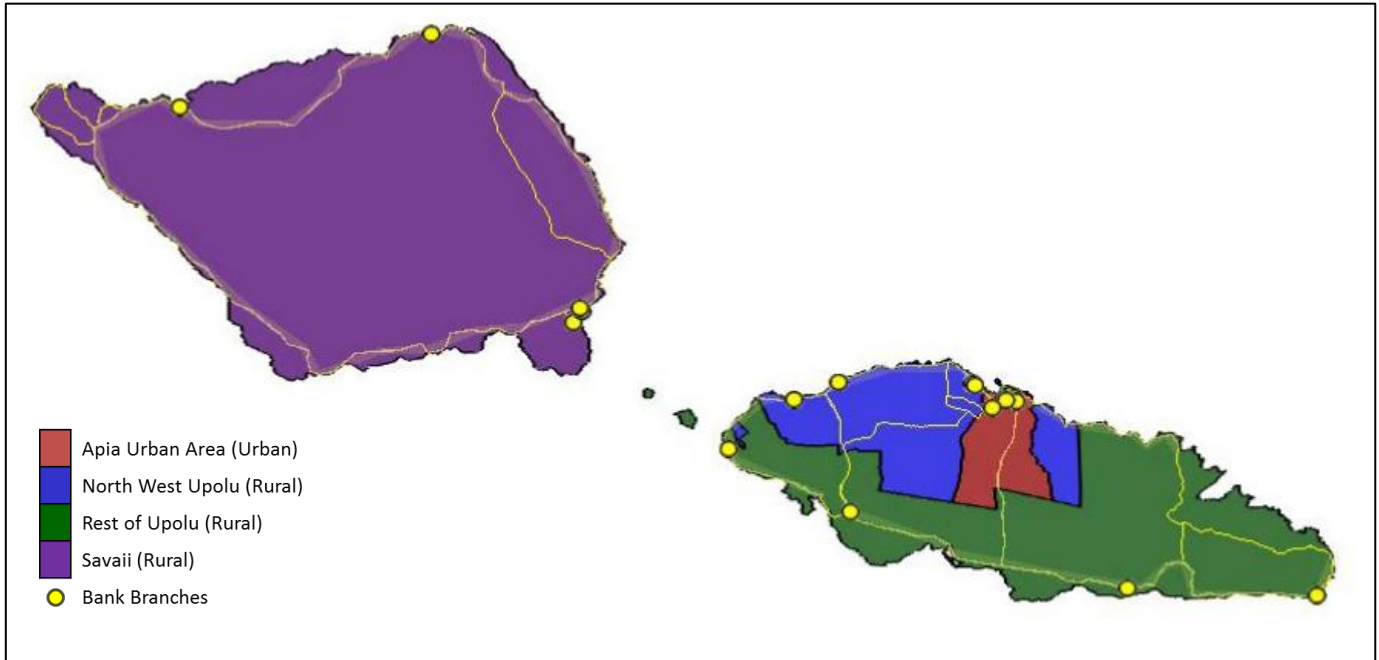
**Note:**

-  Data informed by Demand Side Survey 2015
-  Data Not Available

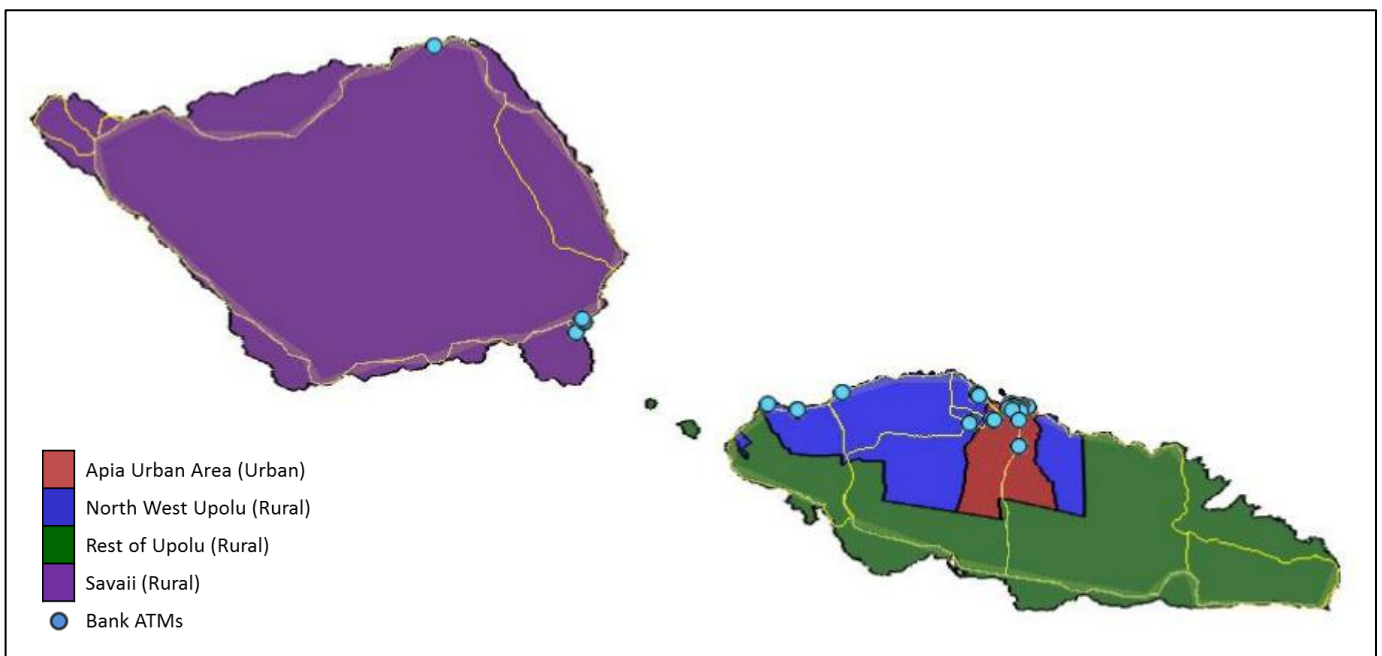
## Annex 3

### Mappings of Financial Inclusion Access Points by Region

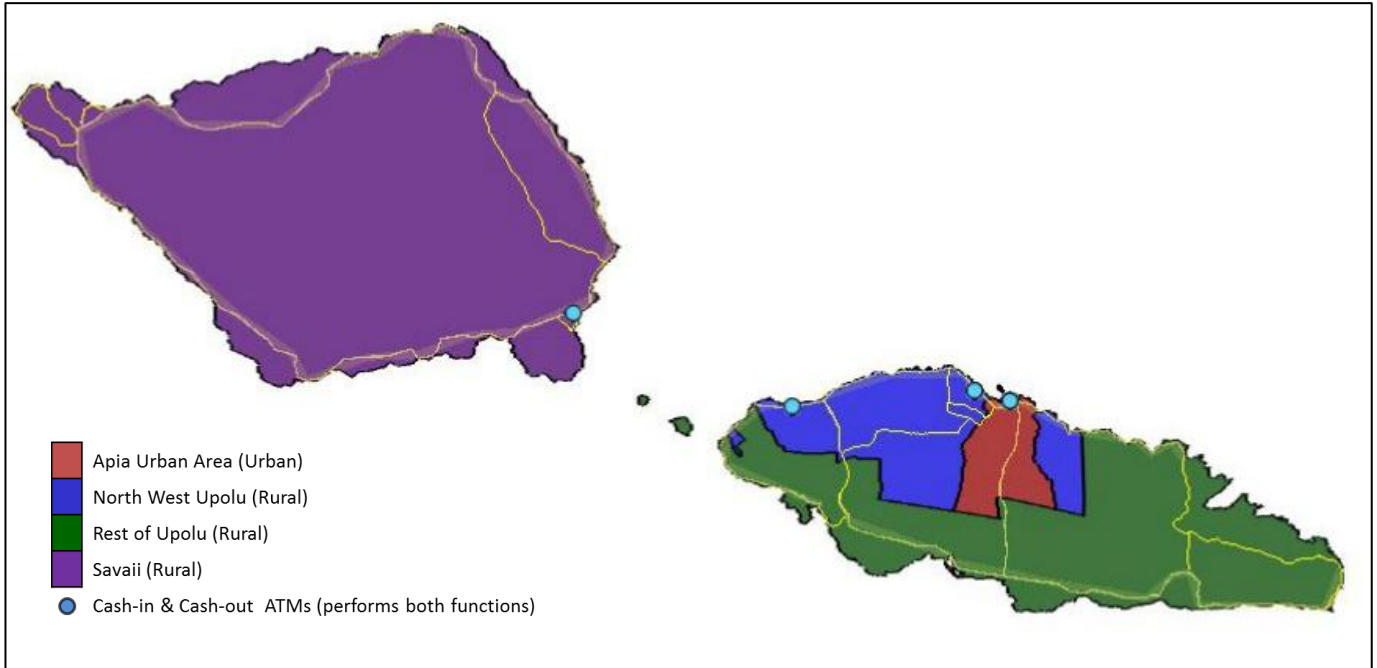
*Figure 4: Map of Samoa: Bank Branches per region as of 30 June 2017*



*Figure 5: Map of Samoa: All ATM Access Points per region as of 30 June 2017*



**Figure 6: Map of Samoa: Cash-in & Cash-out ATM Access Points per region as of 30 June 2017**



**Figure 7: Map of Samoa: Cash-in & Cash-out Bank Agents Access Points per region as of 30 June 2017**

