



# **SAMOA'S FINANCIAL INCLUSION REPORT**

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December 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 under the CBS Act 2015. 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 sixth semi-annual bulletins on financial inclusion data for the period as of 31<sup>st</sup> December 2017.

## Summary of Findings

### **1. Overall, there is a slight increase for most financial services access points in the country for this period.**

For the period under review, there has been a steady increase for number of ATMs, 'Cash-in and cash-out agents' and EFTPOS outlets except for number of branches which has decreased by 1 compared to previous semi-annual period. However, the number of Mobile Money<sup>2</sup> agents remains the same at 12. Overall, the total cash-in and cash-out access points<sup>3</sup> (performs both functions) have increased from 124 in June 2017 to 127 in December 2017. (Refer to table 1 and figure 1)

When using the Financial Inclusion Indicators<sup>4</sup>, this is equivalent to having 1.04 cash-in and cash-out access point per 1000 adults<sup>5</sup> (refer to table 2). This is also equivalent to one cash-

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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> A mobile financial service that is operated by Mobile Network Operators to facilitate

<sup>3</sup> Total of 'bank branches', 'Cash-in and Cash-out ATMs', 'Cash-in and Cash-out bank agents' and 'Mobile Money Agents'

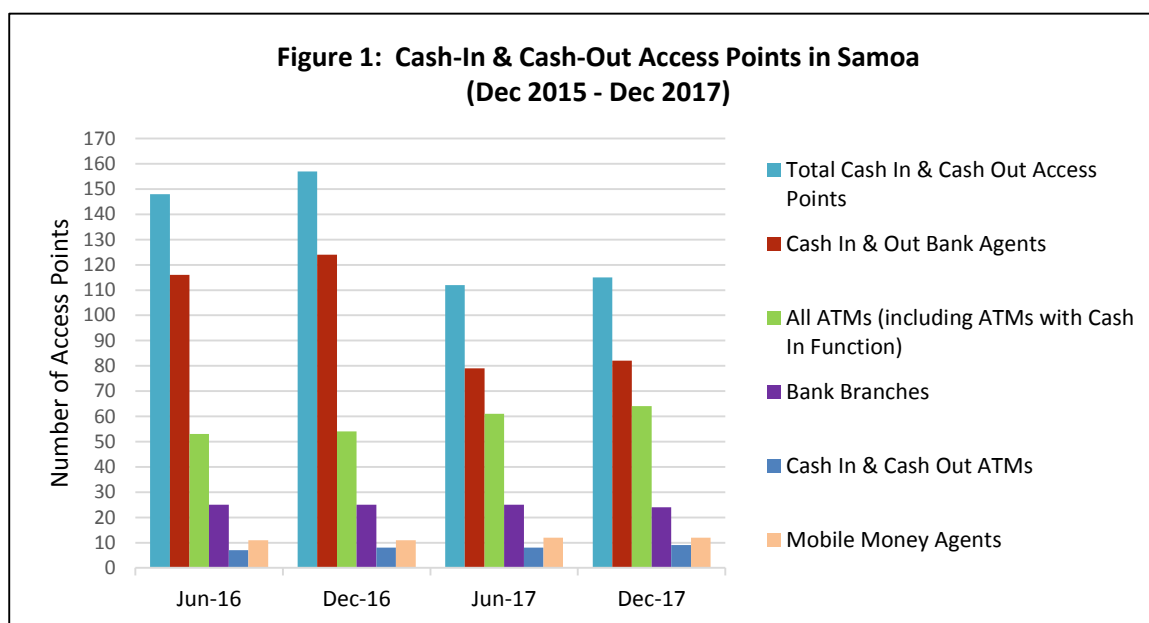
<sup>4</sup> Refer to Annex 2 on pages 6-11

<sup>5</sup> Adults are people with 15+ years.

in and cash-out access point to serve around three villages (with average number of 358 people per village<sup>6</sup>).

**Table 1: Number of Access Points for periods June 2017 – December 2017**

Financial Services Access Points	Jun 2017	Dec 2017	Variance	% change
Total All Cash-in & Cash-out Access Points	124	127	3	2.4%
Number of Bank Branches	25	24	-1	-4.0%
Number of All ATMs	61	64	3	4.9%
Number of EFTPOS Outlets	496	524	28	5.6%
Number of Cash-in & Cash-out Agents	79	82	3	3.7%
Number of Mobile Money Agents	12	12	0	0.0%



**Table 2: PIRI Financial Inclusion Indicators for Samoa**

PIRI Financial Inclusion Indicators	Dec 2015	Jun 2016	Dec 2016	Jun 2017	Dec 2017
Adult Population (15+ years) <sup>7</sup>	119,532	121,142	121,142	122,177	122,177
No. of cash-in & cash-out access points per 1000 adults	1.20	1.31	1.39	1.01	1.04
No. of branches per 1000 adults	0.19	0.21	0.21	0.20	0.19
No. of all ATMs per 1000 adults	0.42	0.44	0.45	0.50	0.52
No. of Cash-In & Cash-Out Bank Agents per 1000 adults	0.93	0.96	1.02	0.65	0.67

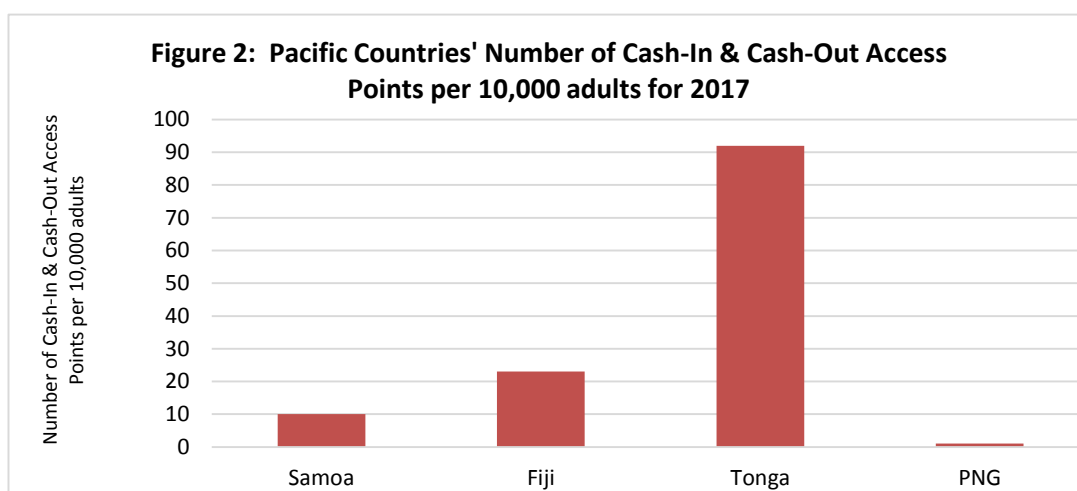
Note: For full suite of PIRI FI Indicators, go to pages 7 - 12

<sup>6</sup> Source: Samoa Bureau of Statistics: Samoa Population and Housing Census 2016; <http://www.sbs.gov.ws>

<sup>7</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)

**2. In the regional level, Samoa is below Fiji and Tonga in terms of total number of Cash-in and Cash-out access points per 10,000 adults<sup>8</sup>**

When comparing with other countries in the Pacific region, Samoa is well below Fiji and Tonga with 10 cash-in & cash-out access points per 10,000 adults nationwide. Tonga has the highest with 92 access points and Fiji has 23 access points per 10,000 adults<sup>9</sup>. However, Samoa's access points are higher than PNG with only 1 cash-in and cash-out access point per 10,000 adult nationwide. (Refer to Figure 2 below)



**3. Access points in Samoa remains concentrated in the Urban Area.**

For the current period 31 December 2017, cash-in and cash-out access points in Apia Urban Area (AUA)<sup>10</sup> remains at 37%, North West Upolu (NWU) at 22%, Rest of Upolu (ROU) at 18% and 23% in Savaii (SAV). (Refer to Figure 3 & 4)

There remains significant amounts of ATMs and EFTPOS outlets located in the AUA region with 63% and 68% respectively. Furthermore, there are no ATMs located in the ROU region. (Refer to Figure 4)

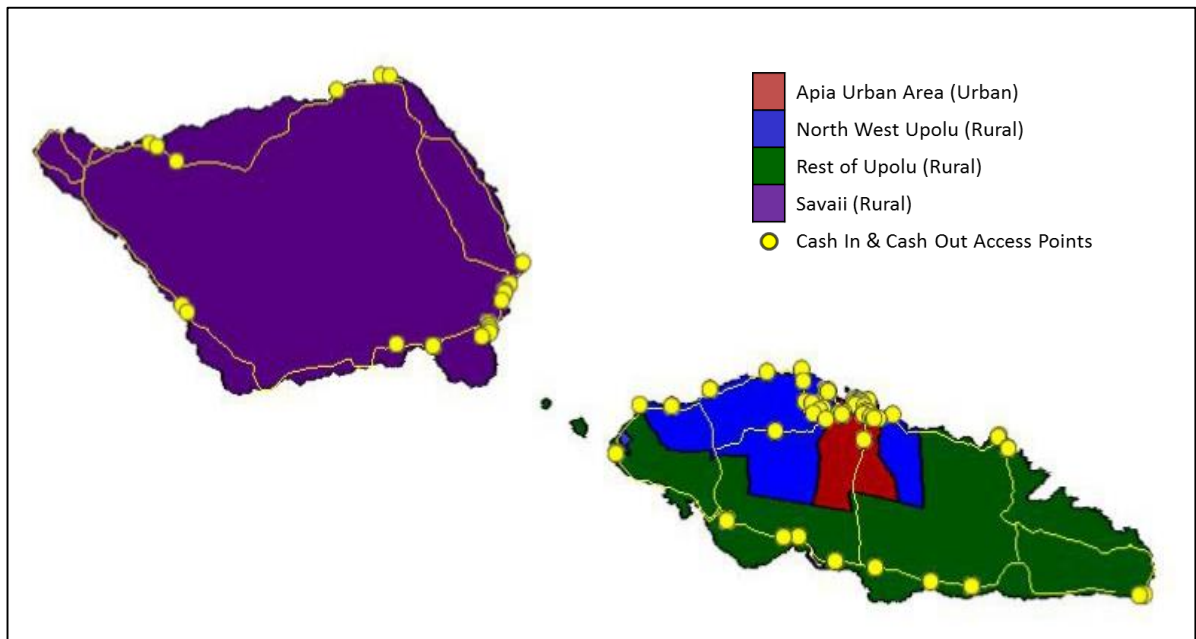
Using the Financial Inclusion indicators, the AUA region has the highest number of cash-in and cash-out points per 1000 adults with 1.72 while NWU region has the least with 0.60 cash-in and cash-out access point serving 1000 adults. (Refer to table 3)

<sup>8</sup> This is one of the Alliance for Financial Inclusion core indicators. (more information at Annex 2)

<sup>9</sup> Source: Alliance for Financial inclusion Data Portal. (<https://www.afi-dataportal.org/>)

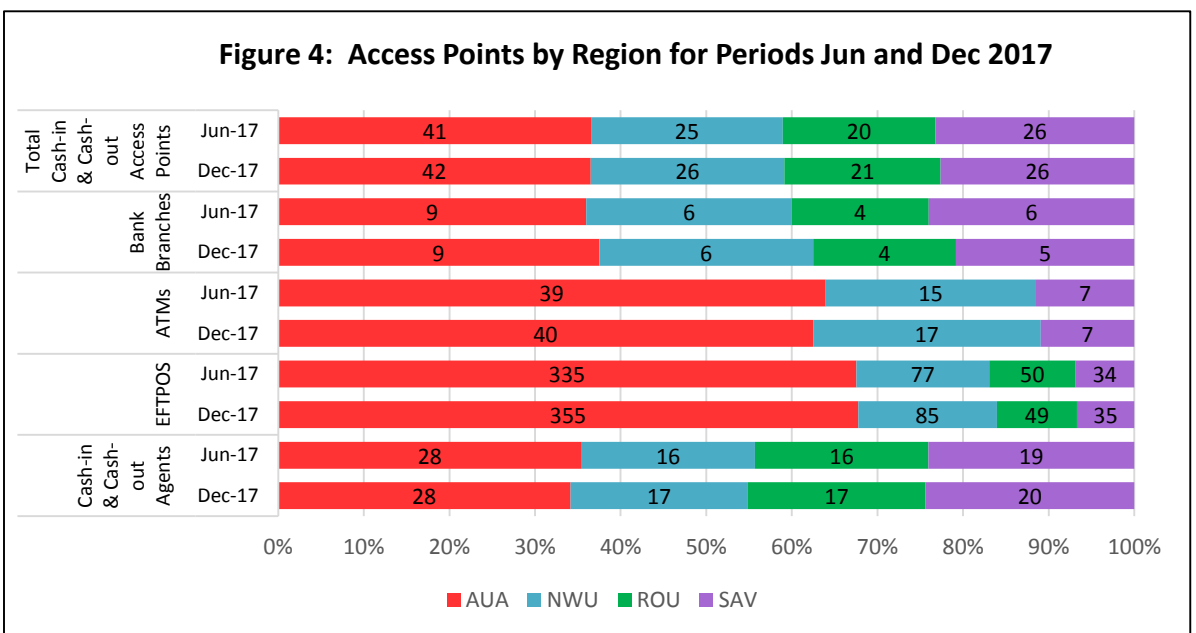
<sup>10</sup> The regions are divided based on Samoa Bureau of Statistics reports. AUA region is the urban area and all the other regions; NWU, ROU and Savaii are regarded as rural areas. Source: Samoa Bureau of Statistics: Samoa Population and Housing Census 2016; <http://www.sbs.gov.ws>

**Figure 3: Map of Samoa: Cash-in & Cash-out Access Points per region as of 31<sup>st</sup> Dec 2017**



Note: For more Financial Inclusion Access Points mapping, go the annex 3 on pages 13 & 14

**Figure 4: Access Points by Region for Periods Jun and Dec 2017**



**Table 3: PIRI Financial Inclusion Indicators per Region for period December 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	1.72	0.60	0.75	0.98
No. of branches per 1000 adults	0.37	0.14	0.14	0.19
No. of all ATMs per 1000 adults	1.63	0.39	0.00	0.27
No. of EFTPOS outlets per 1000 adults	14.50	1.96	1.76	1.33
No. of Cash-In & Cash-Out Bank Agents per 1000 adults	1.14	0.39	0.61	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>11</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>12</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>13</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>11</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>12</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>13</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**

	Dec-15	Jun-16	Dec-16	Jun-17	Dec-17	Indicator
<b>Adult population<sup>14</sup></b>	119,532	121,142	121,142	122,177	122,177	General
Adult Population by region - AUA				24,478	24,478	General
Adult Population by region - NWU				43,460	43,460	General
Adult Population by region - ROU				27,829	27,829	General
Adult Population by region - SAV				26,410	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	25	25	25	24	General
Number of bank branches per region - AUA				9	9	General
Number of bank branches per region - NWU				6	6	General
Number of bank branches per region - ROU				4	4	General
Number of bank branches per region - SAV				6	5	General
<b>Number of ATMs</b>	50	51	56	61	64	General
Number of ATMs per region - AUA				39	40	General
Number of ATMs per region - NWU				15	17	General
Number of ATMs per region - ROU				0	0	General
Number of ATMs per region - SAV				7	7	General

<sup>14</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>	550	528	556	496	524	General
Number of POS outlets per region - AUA				335	355	General
Number of POS outlets per region - NWU				77	85	General
Number of POS outlets per region - ROU				50	49	General
Number of POS outlets per region - SAV				34	35	General
<b>Number of Cash In and Cash Out Bank Agents</b>	101	116	124	79	82	General
Number of Cash In&Cash out Agents per region - AUA				28	28	General
Number ofCash In&Cash out Agents per region - NWU				16	18	General
Number ofCash In&Cash out Agents per region - ROU				16	15	General
Number of Cash In&Cash out Agents per region - SAV				19	20	General
<b>1.1. Number of cash-in and cash-out access points per 10,000 adults at the national level.</b>	11.96	13.13	13.87	10.15	10.39	AFI
1.1a Number of cash-in and cash-out access points per 10,000 adults - AUA region				16.75	17.16	
1.1b Number of cash-in and cash-out access points per 10,000 adults - NWUregion				5.78	5.98	
1.1c Number of cash-in and cash-out access points per 10,000 adults - ROU region				7.19	7.55	
1.1d Number of cash-in and cash-out access points per 10,000 adults - SAV region				9.84	9.84	
<b>1.2. Number of branches per 10,000 adults nationally</b>	1.92	2.06	2.06	2.05	1.96	AFI
1.2a Number of branches per 10,000 adults - AUA region				3.68	3.68	
1.2b Number of branches per 10,000 adults - NWU region				1.38	1.38	
1.2c Number of branches per 10,000 adults - ROU region				1.43	1.43	

1.2d Number of branches per 10,000 adults - SAV region				2.27	1.89	
<b>1.3. Number of ATMs per 10,000 adults nationally</b>	<b>3.43</b>	<b>3.63</b>	<b>3.96</b>	<b>4.34</b>	<b>4.50</b>	<b>AFI</b>
1.3a Number of ATMs per 10,000 adults - AUA region				15.93	16.34	
1.3b Number of ATMs per 10,000 adults - NWU region				3.45	3.91	
1.3c Number of ATMs per 10,000 adults - ROU region				0	0	
1.3d Number of ATMs per 10,000 adults - SAV region				2.65	2.65	
<b>1.4. Number of EFTPOS per 10,000 adults nationally</b>	<b>46.01</b>	<b>43.59</b>	<b>45.90</b>	<b>40.60</b>	<b>42.89</b>	<b>AFI</b>
1.4a Number of EFTPOS per 10,000 adults - AUA region				136.86	145.03	
1.4b Number of EFTPOS per 10,000 adults - NWU region				17.72	19.56	
1.4c Number of EFTPOS per 10,000 adults - ROU region				17.97	17.61	
1.4d Number of EFTPOS per 10,000 adults - SAV region				12.87	13.25	
<b>1.5. Number of Agents per 10,000 adults nationally</b>	<b>9.29</b>	<b>10.48</b>	<b>11.14</b>	<b>7.45</b>	<b>7.69</b>	<b>AFI</b>
1.5a Number of Agents per 10,000 adults - AUA region				11.44	11.44	
1.5b Number of Agents per 10,000 adults - NWU region				3.68	3.91	
1.5c Number of Agents per 10,000 adults - ROU region				5.75	6.11	
1.5d Number of Agents per 10,000 adults - SAV region				7.19	7.57	
<b>2.3 Coverage of cash in and cash out access points per 1,000 km<sup>2</sup></b>	<b>50.53</b>	<b>56.18</b>	<b>59.36</b>	<b>43.82</b>	<b>44.88</b>	<b>AFI</b>
• Number of Branches per 1,000 km <sup>2</sup>	8.13	8.83	8.83	8.83	8.48	AFI
• Number of ATMs per 1,000 km <sup>2</sup>	14.49	15.55	16.96	18.73	19.43	AFI
• Number of EFTPOS per 1,000 km <sup>2</sup>	194.35	186.57	196.47	175.27	185.16	AFI
• Number of Agents per 1,000 km <sup>2</sup>	39.22	44.88	47.70	32.16	33.22	AFI

<b>3.1 Number of mobile financial services access points per 10,000 adults</b>	0.84	0.91	0.91	0.98	0.98	PIRI
<b>3.3 Number of mobile financial services accounts/mobile wallet accounts per 10,000 adults</b>	5225.04	3632.6	3708.95	3654.37	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	0.50	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	0.50	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>	\$2.2 USD (WST 5.00)					PIRI
	\$2.9 USD (WST 6.50)					PIRI
	\$2.1 USD (WST 4.80)					PIRI
	\$2.5 USD (WST 5.7)					PIRI
<b>4.4. Average time of traveling to the nearest access point in minutes</b>	44.8 min					PIRI
	23.7 min					
	14 min					
	24.6 min					PIRI
<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 5: Map of Samoa: Bank Branches per region as of 31 December 2017

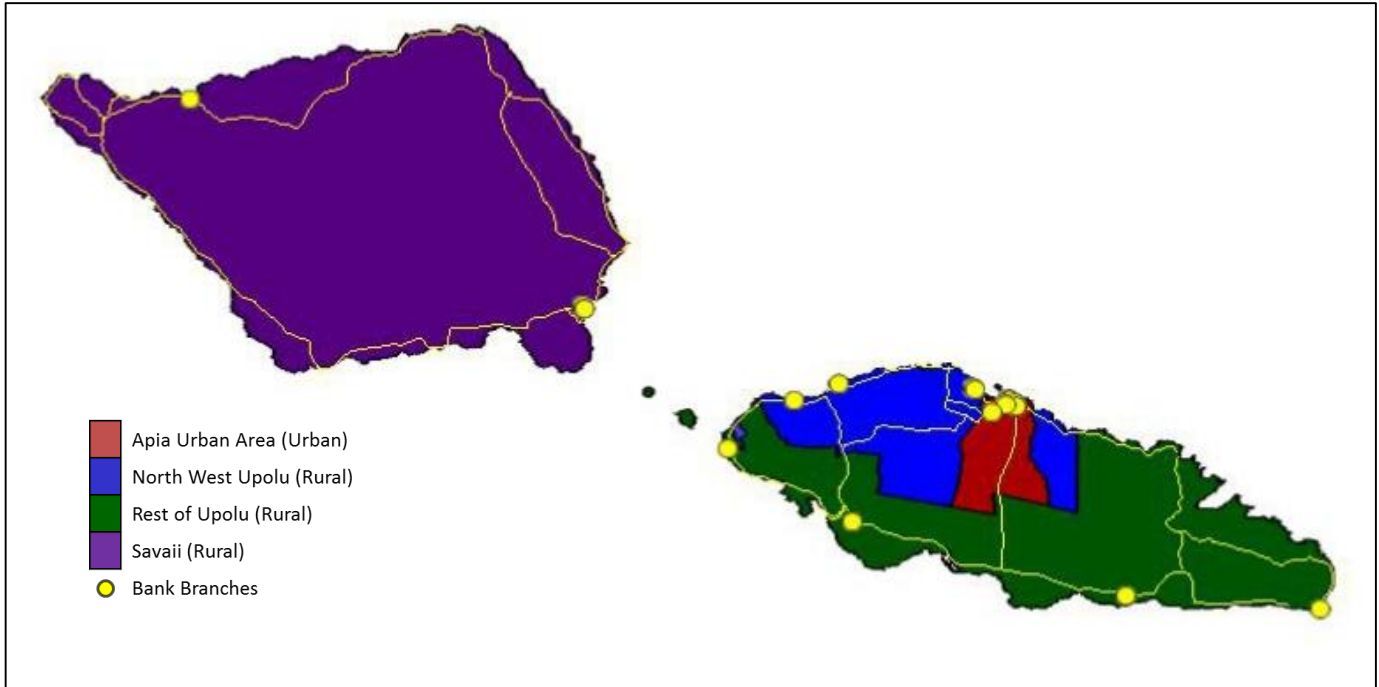
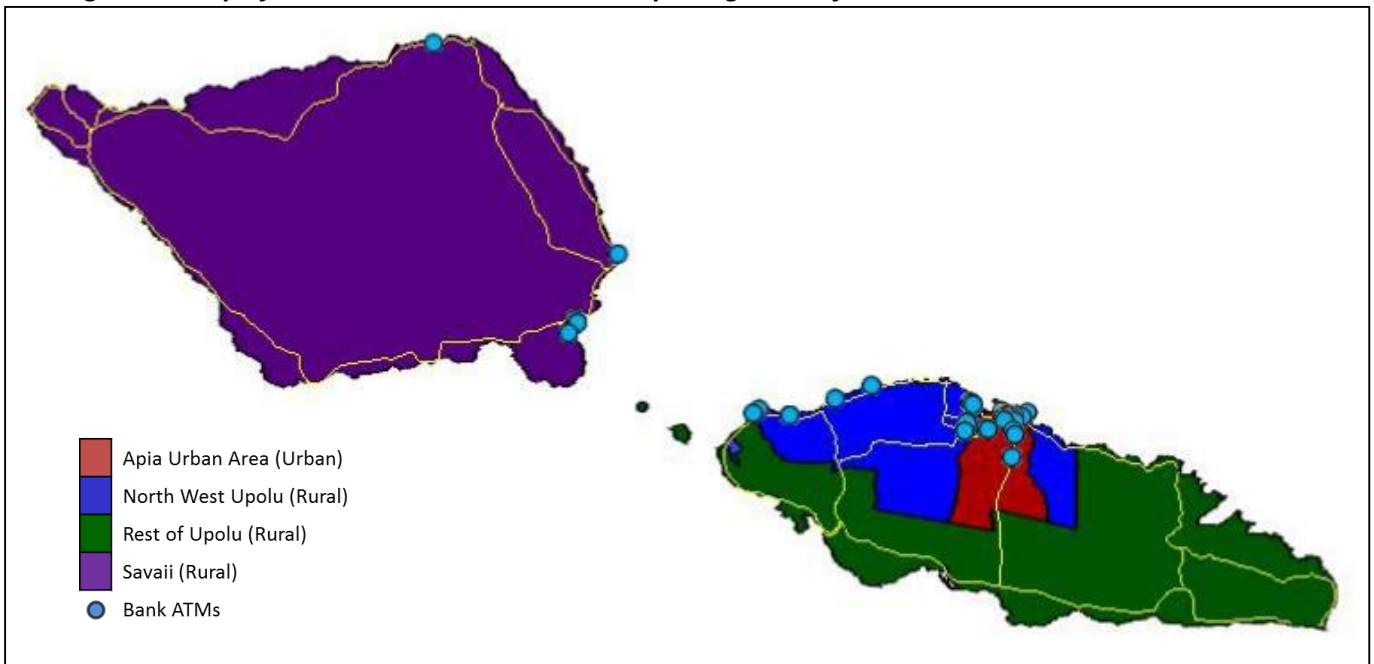


Figure 6: Map of Samoa: All ATM Access Points per region as of 31 December 2017



**Figure 7: Map of Samoa: Cash-in & Cash-out Bank Agents Access Points per region as of 31 Dec 2017**

