



# **SAMOA'S FINANCIAL INCLUSION REPORT**

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December 2018

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 eighth semi-annual bulletins on financial inclusion data for the period as of 31<sup>st</sup> December 2018.

## Summary of Findings

### **1. There has been an increase in all access points in the Country except for Mobile Money Agents.**

For the period under review, the number of bank branches have increase to 25 (by 4.2%), the number of ATMs have slightly increased to 67 (by 4.2%), the number 'Cash-in and cash-out agents' have increased to 84 (by 3.7%) and the number of EFTPOS have also increased significantly from 548 in June 2018 to 633 in December 2018 (by 15.5%). However, the number of Mobile Money<sup>2</sup> agents remains at 5. Overall, the total cash-in and cash-out access points<sup>3</sup> (performs both functions) have increased by 3.4% (from 118 in June 2018 to 122 in December 2018). (Refer to table 1 and figure 1)

When using the Financial Inclusion Indicators<sup>4</sup>, this is equivalent to having 0.99 cash-in and cash-out access point per 1000 adults<sup>5</sup> (refer to table 2). This is also equivalent to about one

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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'

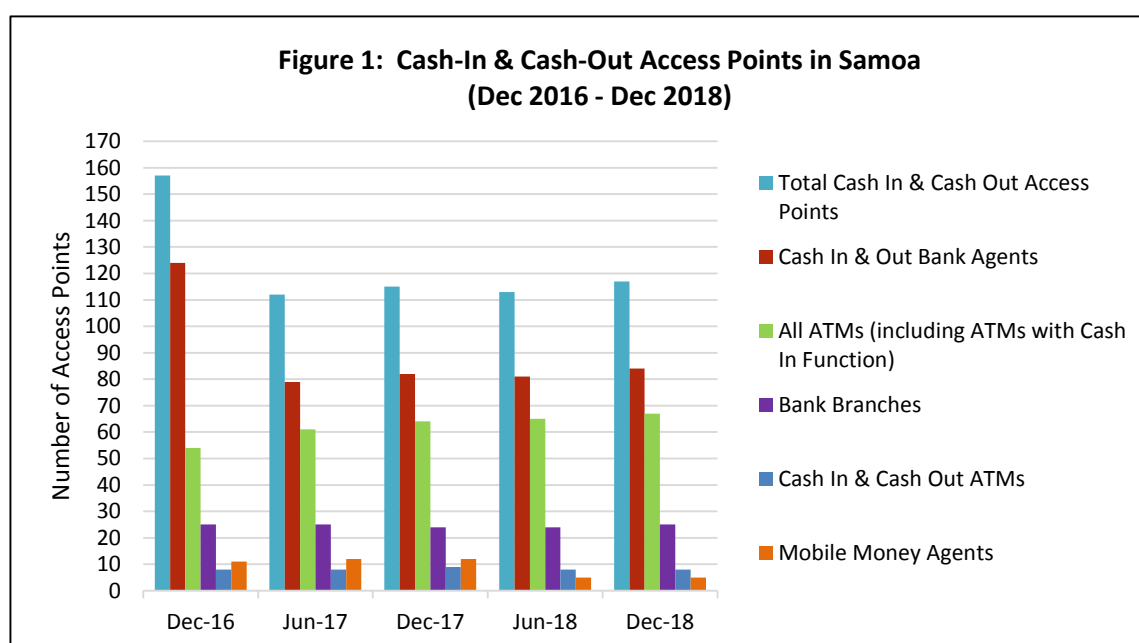
<sup>4</sup> Refer to Annex 2 on pages 6-11

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

cash-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 2018 – December 2018**

Financial Services Access Points	Jun 2018	Dec 2018	Variance	% change
Total All Cash-in & Cash-out Access Points	118	122	4	3.4%
Number of Bank Branches	24	25	1	4.2%
Number of ATMs	65	67	2	3.1%
Number of EFTPOS Outlets	548	633	24	15.5%
Number of Cash-in & Cash-out Agents	81	84	3	3.7%
Number of Mobile Money Agents	5	5	0	0.0%



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

PIRI Financial Inclusion Indicators	Dec 2016	Jun 2017	Dec 2017	Jun 2018	Dec 2018
Adult Population (15+ years) <sup>7</sup>	121,142	122,177	122,177	123,212	123,212
No. of cash-in & cash-out access points per 1000 adults	1.39	1.01	1.04	0.96	0.99
No. of branches per 1000 adults	0.21	0.20	0.19	0.19	0.20
No. of all ATMs per 1000 adults	0.45	0.50	0.52	0.53	0.54
No. of Cash-In & Cash-Out Bank Agents per 1000 adults	1.02	0.65	0.67	0.66	0.68

Note: For full suite of PIRI FI Indicators, go to Annex 2 on pages 7 - 12

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

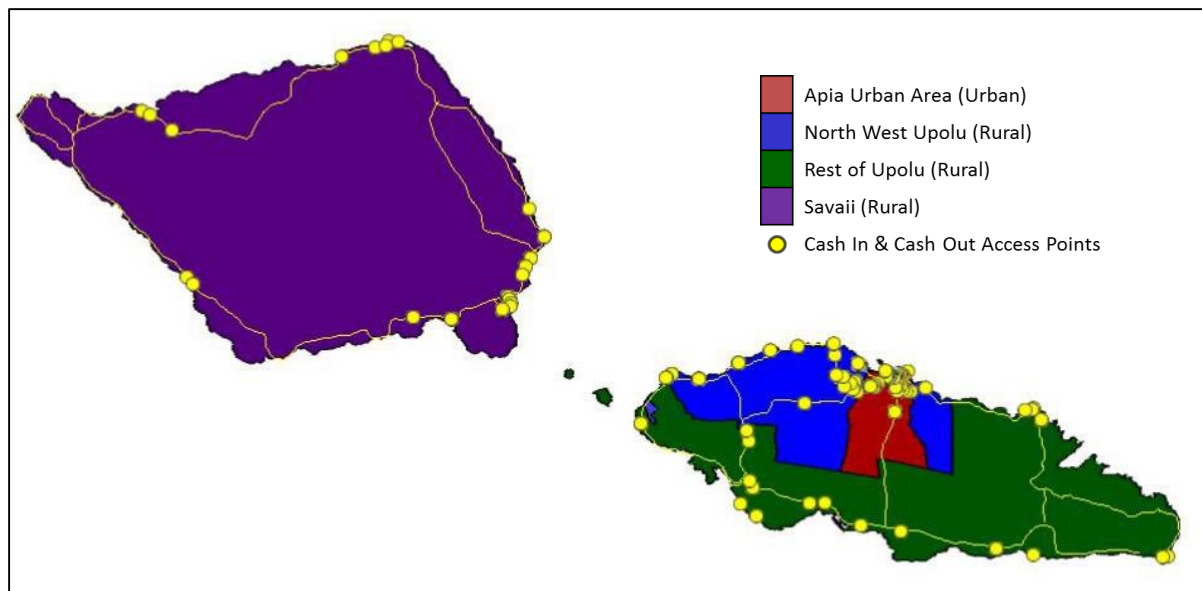
<sup>7</sup> Source: Samoa Bureau of Statistics: Samoa Population and Housing Census 2016; <http://www.sbs.gov.ws>: For 2016; Actuals from Population and Housing Census Analytical Report, 2016 (total adult population of 15+ years); for 2017 onwards; Estimates from Population and Housing Census Analytical Report, 2016 (total adult population of 15+ years is based on annual growth rate of 0.85 percent)

## 2. Access points in Samoa remains concentrated in the Urban Area.

For the current period, though most of the 'cash-in and cash-out access points' are located in the Apia Urban Area (AUA)<sup>8</sup>, there is an increase in access points for Rest of Upolu Region compared to previous period (June 2018). The 'cash-in and cash-out access points' in AUA have decrease from 37% to 35%, North West Upolu (NWU) also decreased from 23% to 21%, Rest of Upolu (ROU) has increased from 17% to 21%, and Savaii (SAV) remains unchanged at 23%. (Refer to Figure 3 & 4)

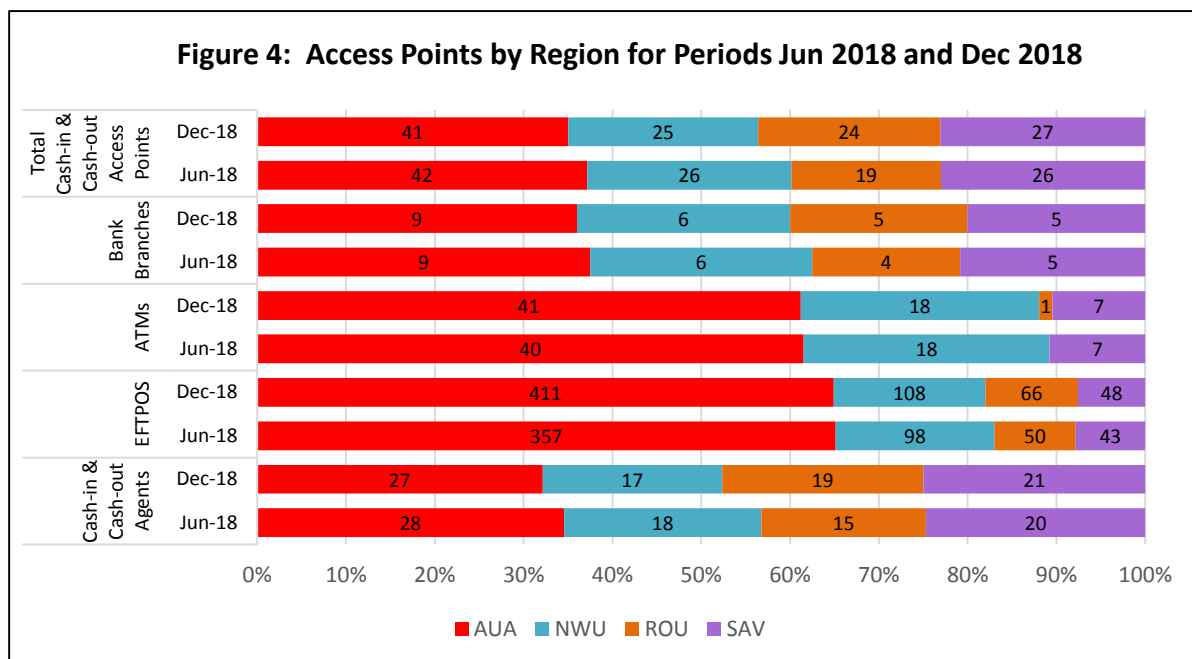
There remains significant amounts of ATMs and EFTPOS outlets located in the AUA region with 62% and 65% respectively. However, the first ATMs for the ROU region was recorded for this period, this ATM is located at Frankie Store at Tanumalala, Lefaga. (Refer to Figure 4 below & Figure 6 at page 13)

**Figure 3: Map of Samoa: Cash-in & Cash-out Access Points per region as of 31<sup>st</sup> Dec 2018**



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

<sup>8</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>



Using the PIRI indicators, the AUA region has the highest number of cash-in and cash-out points per 1000 adults with 1.66 while NWU region has the least with 0.57 cash-in and cash-out access point serving 1000 adults. (Refer to table 3)

**Table 3: PIRI Financial Inclusion Indicators per Region for period December 2018**

PIRI Financial Inclusion Indicators	AUA	NWU	ROU	SAV
Adult Population (15+ years)	24,685	43,828	28,065	26,634
No. of cash-in & cash-out access points per 1000 adults	1.66	0.57	0.86	1.01
No. of branches per 1000 adults	0.36	0.14	0.18	0.19
No. of all ATMs per 1000 adults	1.66	0.41	0.04	0.26
No. of EFTPOS outlets per 1000 adults	16.65	2.46	2.35	1.80
No. of Cash-In & Cash-Out Bank Agents per 1000 adults	1.09	0.39	0.68	0.79

# 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>9</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>10</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>11</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>9</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>10</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>11</sup> The indicators for previous bi-annual report of June 2016 are also shown in Table 1 for comparison.



## AFI/PIRI Financial Inclusion Indicators for Samoa

Financial Inclusion Indicators	Dec-2016	Jun-2017	Dec-2017	Jun-2018	Dec-2018	Indicator
<b>Adult population<sup>12</sup></b>	121,142	122,177	122,177	123,212	123,212	General
Adult Population by region - AUA		24,478	24,478	24,685	24,685	General
Adult Population by region - NWU		43,460	43,460	43,828	43,828	General
Adult Population by region - ROU		27,829	27,829	28,065	28,065	General
Adult Population by region - SAV		26,410	26,410	26,634	26,634	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>	25	25	24	24	25	General
Number of bank branches per region - AUA		9	9	9	9	General
Number of bank branches per region - NWU		6	6	6	6	General
Number of bank branches per region - ROU		4	4	4	5	General
Number of bank branches per region - SAV		6	5	5	5	General
<b>Number of ATMs</b>	56	61	64	65	67	General
Number of ATMs per region - AUA		39	40	40	41	General
Number of ATMs per region - NWU		15	17	18	18	General
Number of ATMs per region - ROU		0	0	0	1	General
Number of ATMs per region - SAV		7	7	7	7	General

<sup>12</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>	556	496	524	548	633	General
Number of POS outlets per region - AUA		335	355	357	411	General
Number of POS outlets per region - NWU		77	85	98	108	General
Number of POS outlets per region - ROU		50	49	50	66	General
Number of POS outlets per region - SAV		34	35	43	48	General
<b>Number of Cash In and Cash Out Bank Agents</b>	124	79	82	81	84	General
Number of Cash In&Cash out Agents per region - AUA		28	28	28	27	General
Number ofCash In&Cash out Agents per region - NWU		16	17	18	17	General
Number ofCash In&Cash out Agents per region - ROU		16	17	15	19	General
Number of Cash In&Cash out Agents per region - SAV		19	20	20	21	General
<b>1.1. Number of cash-in and cash-out access points per 10,000 adults at the national level.</b>	13.87	10.15	10.39	9.58	9.90	AFI
1.1a Number of cash-in and cash-out access points per 10,000 adults - AUA region		16.75	17.16	17.01	16.61	
1.1b Number of cash-in and cash-out access points per 10,000 adults - NWUregion		5.78	5.98	5.93	5.70	
1.1c Number of cash-in and cash-out access points per 10,000 adults - ROU region		7.19	7.55	6.77	8.55	
1.1d Number of cash-in and cash-out access points per 10,000 adults - SAV region		9.84	9.84	9.76	10.14	
<b>1.2. Number of branches per 10,000 adults nationally</b>	2.06	2.05	1.96	1.95	2.06	AFI
1.2a Number of branches per 10,000 adults - AUA region		3.68	3.68	3.65	3.65	
1.2b Number of branches per 10,000 adults - NWU region		1.38	1.38	1.37	1.37	
1.2c Number of branches per 10,000 adults - ROU region		1.43	1.43	1.43	1.43	

1.2d	Number of branches per 10,000 adults - SAV region		2.27	1.89	1.88	1.88	
<b>1.3.</b>	<b>Number of ATMs per 10,000 adults nationally</b>	<b>3.96</b>	<b>4.34</b>	<b>4.50</b>	<b>4.63</b>	<b>4.79</b>	AFI
1.3a	Number of ATMs per 10,000 adults - AUA region		15.93	16.34	16.20	16.61	
1.3b	Number of ATMs per 10,000 adults - NWU region		3.45	3.91	4.11	4.11	
1.3c	Number of ATMs per 10,000 adults - ROU region		0	0	0	0.36	
1.3d	Number of ATMs per 10,000 adults - SAV region		2.65	2.65	2.62	2.63	
<b>1.4.</b>	<b>Number of EFTPOS per 10,000 adults nationally</b>	<b>45.90</b>	<b>40.60</b>	<b>42.89</b>	<b>44.48</b>	<b>51.37</b>	AFI
1.4a	Number of EFTPOS per 10,000 adults - AUA region		136.86	145.03	134.90	166.50	
1.4b	Number of EFTPOS per 10,000 adults - NWU region		17.72	19.56	18.94	24.64	
1.4c	Number of EFTPOS per 10,000 adults - ROU region		17.97	17.61	12.83	23.52	
1.4d	Number of EFTPOS per 10,000 adults - SAV region		12.87	13.25	11.64	18.02	
<b>1.5.</b>	<b>Number of Agents per 10,000 adults nationally</b>	<b>11.14</b>	<b>7.45</b>	<b>7.69</b>	<b>6.98</b>	<b>7.22</b>	AFI
1.5a	Number of Agents per 10,000 adults - AUA region		11.44	11.44	11.34	10.94	
1.5b	Number of Agents per 10,000 adults - NWU region		3.68	3.91	4.11	3.88	
1.5c	Number of Agents per 10,000 adults - ROU region		5.75	6.11	5.34	6.77	
1.5d	Number of Agents per 10,000 adults - SAV region		7.19	7.57	7.51	7.88	
<b>2.3</b>	<b>Coverage of cash in and cash out access points per 1,000 km<sup>2</sup></b>	<b>59.36</b>	<b>43.82</b>	<b>44.88</b>	<b>41.70</b>	<b>43.11</b>	AFI
	• Number of Branches per 1,000 km <sup>2</sup>	8.83	8.83	8.48	8.48	8.83	AFI
	• Number of ATMs per 1,000 km <sup>2</sup>	16.96	18.73	19.43	20.14	20.85	AFI
	• Number of EFTPOS per 1,000 km <sup>2</sup>	196.47	175.27	185.16	193.64	223.67	AFI
	• Number of Agents per 1,000 km <sup>2</sup>	47.70	32.16	33.22	30.39	31.45	AFI

<b>3.1 Number of mobile financial services access points per 10,000 adults</b>	0.91	0.98	0.98	0.41	0.41	PIRI
<b>3.3 Number of mobile financial services accounts/mobile wallet accounts per 10,000 adults</b>	3708.95	3654.37	3654.37	4203.32	4148.22	PIRI
<b>3.5 Percentage of banks offering mobile banking, such as checking one's balance from a mobile phone</b>	0.75	0.50	0.50	0.50	0.50	PIRI
<b>3.6 Percentage of banks offering mobile financial services, including transfer of e-money</b>	0.75	0.50	0.50	0.50	0.50	PIRI
<b>4.6. Average number of identification documents required to open a basic bank account</b>	2	2	2	2	2	PIRI

**Note:**

 Data Not Available

Indicators informed by DSS 2015 <sup>13</sup>		2015	Measurement Framework
<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

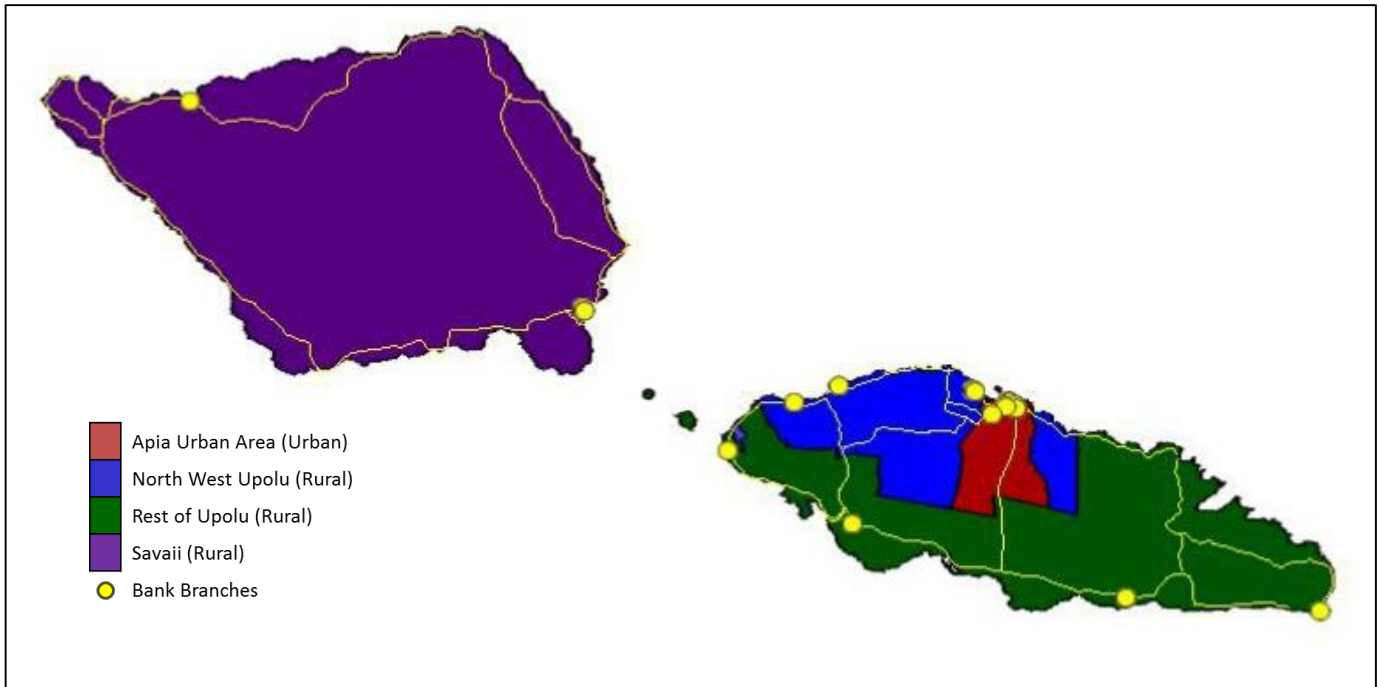
<sup>13</sup> These indicators were informed after conducting the Financial Demand Side Survey in March 2015 and reports for the previous 12 months, i.e, March 2014 to March 2015

<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
<b>5.4. Percent of adults with at least one type of regulated credit account</b>	13.4%	PIRI
<b>5.5. Percent of adults with at least one regulated financial product</b>	39%	PIRI
<b>5.6. Percent of people with an active deposit account– have had any deposit or withdrawal in the last 90 days</b>	34.9%	PIRI
<b>5.7. Percentage of adults earning below US \$2 per day who have a deposit account</b>	25.6%	PIRI
<b>6.2. Percentage of adults who have sent money through mobile financial services in</b>	0.7%	PIRI
<b>6.3. Percent of adults who have received money (including e-money) through mobile money in the last 12 months</b>	2.71%	PIRI
<b>7.1. Percent of adult women with an active deposit account OR percent of deposit accounts held by women</b>	35.1%	PIRI

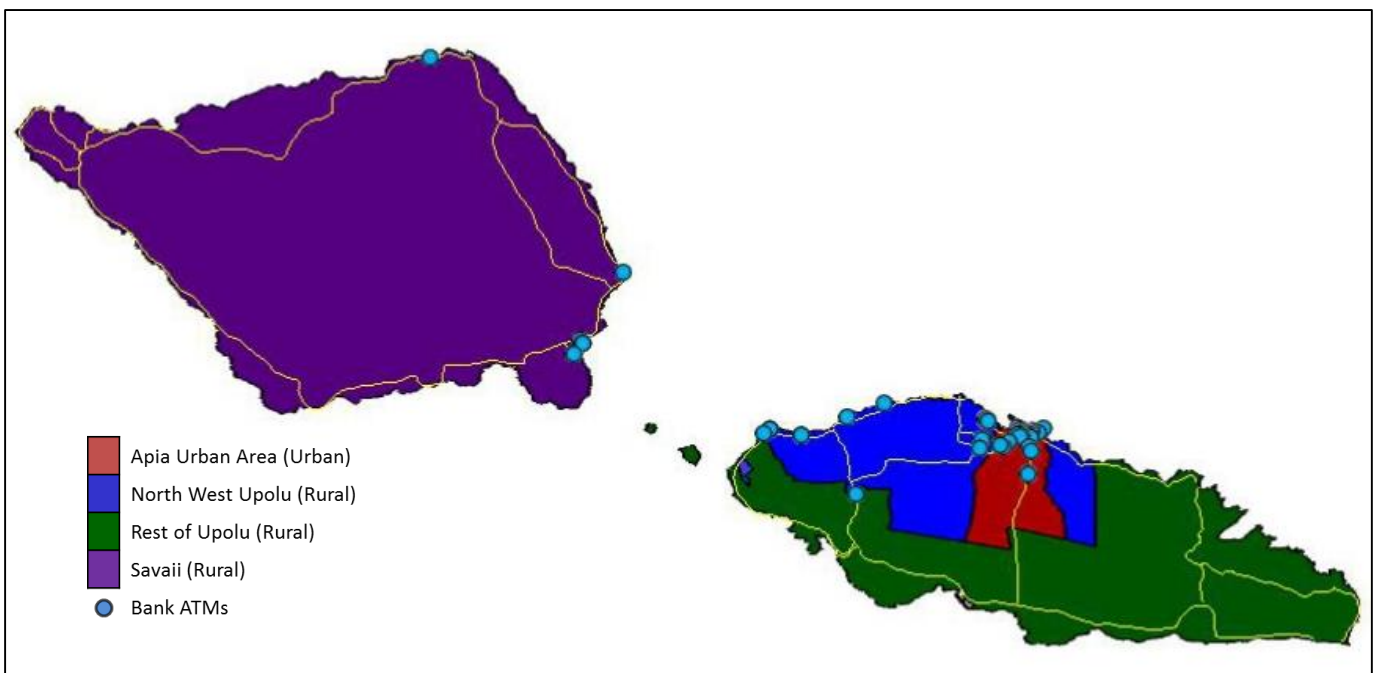
## Annex 3

### Mappings of Financial Inclusion Access Points by Region

*Figure 5: Map of Samoa: Bank Branches per region as of 31 December 2018*



*Figure 6: Map of Samoa: All ATM Access Points per region as of 31 December 2018*



**Figure 7: Map of Samoa: Cash-in & Cash-out Bank Agents Access Points per region as of 31 Dec 2018**

