



# **SAMOA'S FINANCIAL INCLUSION REPORT**

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December 2019

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 tenth semi-annual bulletins on financial inclusion data for the period as of 31<sup>st</sup> December 2019.

## Summary of Findings

- 1. There has been a significant increase in 'cash in and cash out access points' because of increase of Mobile Money Agents. However, number of 'cash-in and cash-out bank agents' have decreased by more than fifty percent.**

Overall, the total cash-in and cash-out access points<sup>2</sup> (performs both functions) have increased by 18% (from 122 in June 2018 to 144 in December 2018) this increase was mainly due to increase in number of mobile money agents.

For the period under review, mobile money service providers continues to expand their agent network which has increased the total mobile money agents in the country by 151.4% (from 37 in June 2019 to 93 in Dec 2019). Furthermore, the number of bank branches have remained unchanged at 25, the number of ATMs have slightly increased to 73 (by 5.8%), and number of EFTPOS have also increased to 654 (by 1.4%).

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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.

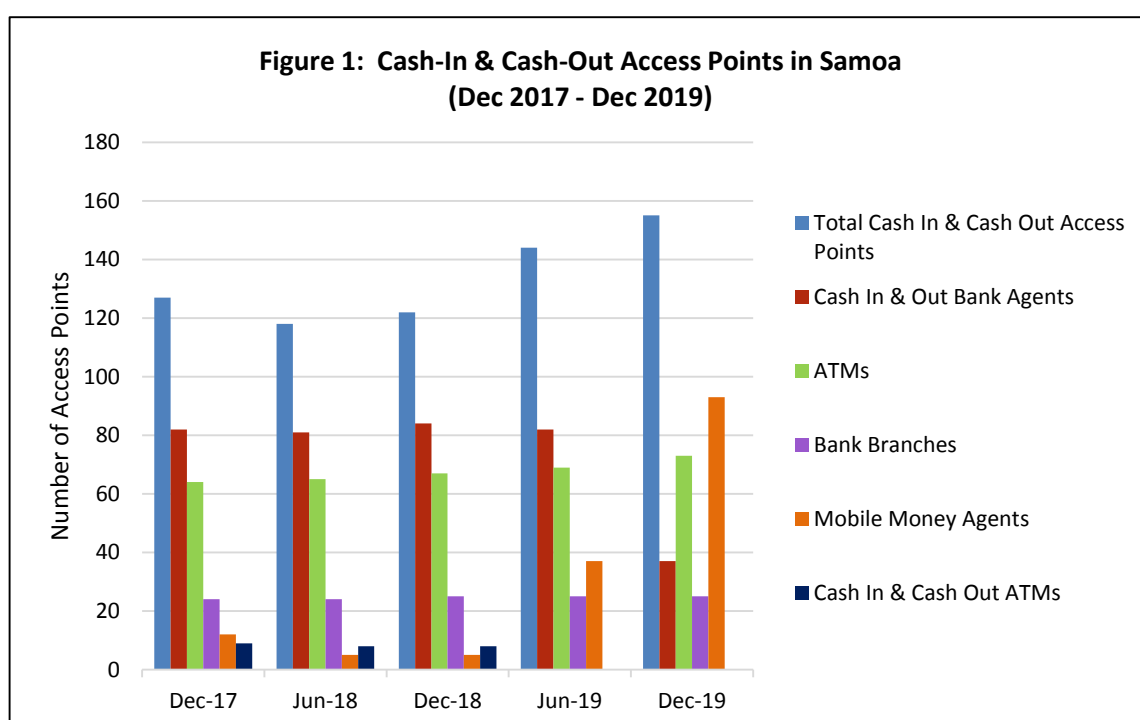
<sup>2</sup> Total of 'bank branches', 'Cash-in and Cash-out ATMs', 'Cash-in and Cash-out bank agents' and 'Mobile Money Agents'

However, the number of ‘cash-in & cash-out bank agents’ have decreased by 54.9% (from 82 in June 2019 to 37 in December 2019). The decrease was mainly due to the removal of inactive (little to no usage) mobile banking agents and the removal of cash-in (deposit) function from most EFTPOS terminals of one provider during this quarter.

When using the Financial Inclusion Indicators<sup>3</sup>, this is equivalent to having 1.25 cash-in and cash-out access point per 1000 adults<sup>4</sup> (refer to table 2). This is also equivalent to having one cash-in and cash-out access point to serve around three villages (with average number of 358 people per village<sup>5</sup>).

**Table 1: Number of Access Points for periods June 2019 – Dec 2019**

Financial Services Access Points	Jun 2019	Dec 2019	Variance	% change
Total All Cash-in & Cash-out Access Points	144	155	11	7.6%
Number of Bank Branches	25	25	0	0.0%
Number of ATMs	69	73	4	5.8%
Number of EFTPOS Outlets	645	654	9	1.4%
Number of Cash-in & Cash-out Bank Agents	82	37	-45	-54.9%
Number of Mobile Money Agents	37	93	56	151.4%



<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 2: Financial Inclusion Indicators for Samoa (Dec 2017 – Dec 2019)**

PIRI Financial Inclusion Indicators	Dec 2017	Jun 2018	Dec 2018	Jun 2019	Dec 2019
Adult Population (15+ years) <sup>6</sup>	122,177	123,212	123,212	124,247	124,247
No. of cash-in & cash-out access points per 1000 adults	1.04	0.96	0.99	1.16	1.25
No. of bank branches per 1000 adults	0.19	0.19	0.20	0.20	0.20
No. of all ATMs per 1000 adults	0.52	0.53	0.54	0.56	0.59
No. of EFTPOS terminals per 1000 adults	4.29	4.45	5.14	5.19	5.26
No. of Cash-In & Cash-Out Bank Agents per 1000 adults	0.67	0.66	0.68	0.66	0.30
No. of Mobile Money Agents per 1000 adults	0.10	0.04	0.04	0.30	0.75

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

**2. The ‘Cash-in & Cash-in Access points by Commercial Banks’ in Urban area have decreased in the current period due to removal of ‘Cash-in and Cash-out Bank Agents’ that were mostly located in this area.**

For the period under review, the total number of ‘cash-in & cash-out access points’ by commercial banks in the Apia Urban Area (AUA)<sup>7</sup> have decreased from 34% in June 2019 to 24% in December 2019. This decrease was caused by removal of inactive ‘cash-in & cash-out bank agents’ that were mostly located in the AUA. As a result, Rest of Upolu (ROU) region now has the largest share of ‘cash-in & cash-out access points’ of 29% (from 21% in June 2019). The Savaii (SAV) and North West Upolu (NWU) region have remain steady at 24% and 23% respectively. (Refer to Figure 3 & 4)

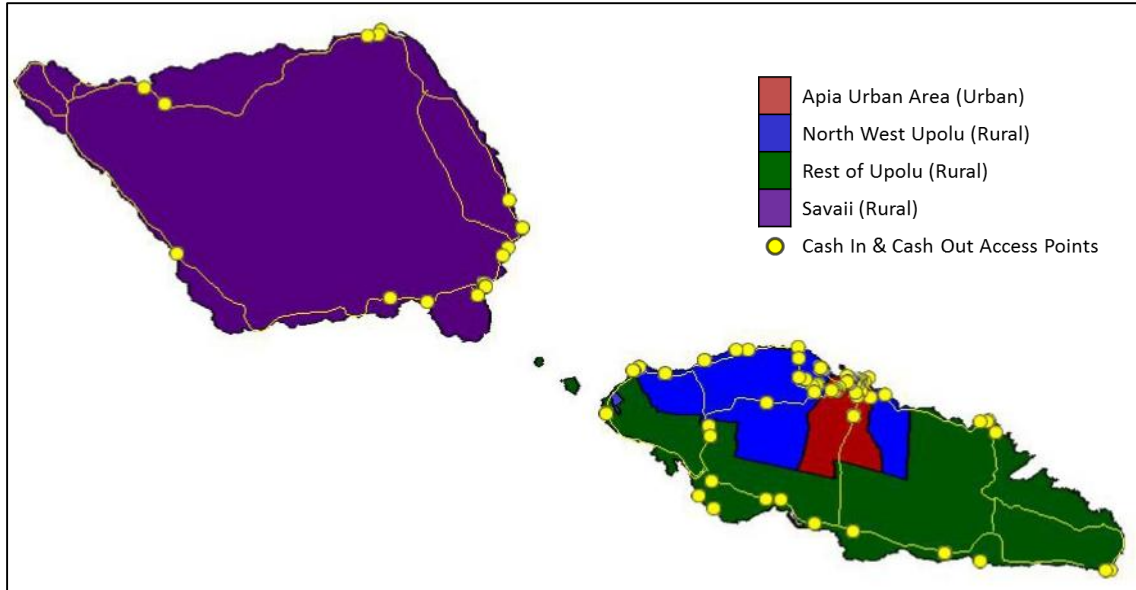
However, the AUA region still dominates with 66% of EFTPOS Outlets and 61% ATMs are located in this region. Only one ATM is located in the ROU region. (Refer to Figure 4 below & Figure 6 at page 13)

Using the Financial Inclusion indicators, the ROU region has the highest number of cash-in and cash-out points per 1000 adults with 0.64 while NWU region has the least with 0.32 cash-in and cash-out access point serving 1000 adults. (Refer to table 3)

<sup>6</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)

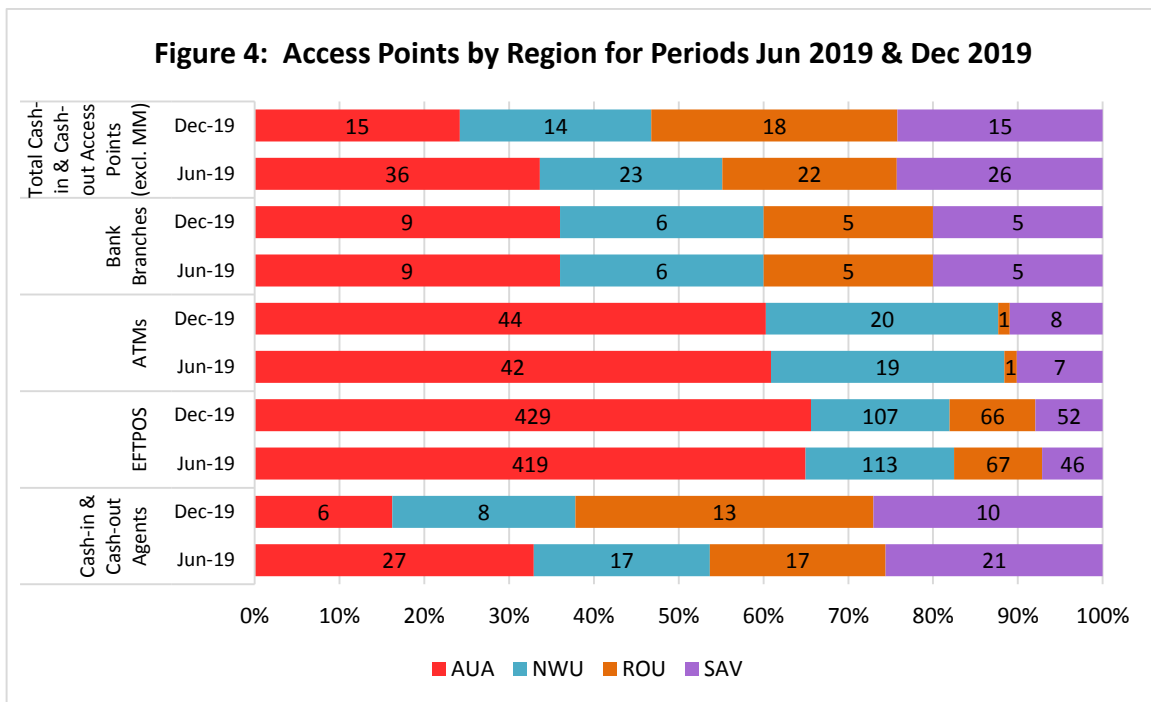
<sup>7</sup> The regions are divided based on Samoa Bureau of Statistics reports. AUA region is the urban area and all the other regions; NWU, ROU and Savaii are regarded as rural areas. Source: Samoa Bureau of Statistics: Samoa Population and Housing Census 2016; <http://www.sbs.gov.ws>

**Figure 3: Map of Samoa: Cash-in & Cash-out Access Points per region as of 31<sup>st</sup> Dec 2019**



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 2019 & Dec 2019**



Note: Mobile Money Agents locations per region currently unavailable

**Table 3: PIRI Financial Inclusion Indicators per Region for period December 2019**

PIRI Financial Inclusion Indicators	AUA	NWU	ROU	SAV
Adult Population (15+ years)	24,892	44,196	28,301	26,858
No. of cash-in & cash-out access points per 1000 adults	0.60	0.32	0.64	0.56
No. of branches per 1000 adults	0.36	0.14	0.18	0.19
No. of all ATMs per 1000 adults	1.77	0.45	0.04	0.30
No. of EFTPOS outlets per 1000 adults	17.23	2.42	2.33	1.96
No. of Cash-In & Cash-Out Bank Agents per 1000 adults	0.24	0.18	0.46	0.38

# 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.



## AFI/PIRI Financial Inclusion Indicators for Samoa

Financial Inclusion Indicators	Dec-2017	Jun-2018	Dec-2018	June-2019	Dec-2019	Indicator
<b>Adult population<sup>11</sup></b>	122,177	123,212	123,212	124,247	124,247	General
Adult Population by region - AUA	24,478	24,685	24,685	24,892	24,892	General
Adult Population by region - NWU	43,460	43,828	43,828	44,196	44,196	General
Adult Population by region - ROU	27,829	28,065	28,065	28,301	28,301	General
Adult Population by region - SAV	26,410	26,634	26,634	26,858	26,858	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>	24	24	25	25	25	General
Number of bank branches per region - AUA	9	9	9	9	9	General
Number of bank branches per region - NWU	6	6	6	6	6	General
Number of bank branches per region - ROU	4	4	5	5	5	General
Number of bank branches per region - SAV	5	5	5	5	5	General
<b>Number of ATMs</b>	64	65	67	69	73	General
Number of ATMs per region - AUA	40	40	41	42	44	General
Number of ATMs per region - NWU	17	18	18	19	20	General
Number of ATMs per region - ROU	0	0	1	1	1	General
Number of ATMs per region - SAV	7	7	7	7	8	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>	524	548	633	645	654	General
Number of POS outlets per region - AUA	355	357	411	419	429	General
Number of POS outlets per region - NWU	85	98	108	113	107	General
Number of POS outlets per region - ROU	49	50	66	69	66	General
Number of POS outlets per region - SAV	35	43	48	46	52	General
<b>Number of Cash In and Cash Out Bank Agents</b>	<b>82</b>	<b>81</b>	<b>84</b>	<b>82</b>	<b>37</b>	General
Number of Cash In&Cash out Agents per region - AUA	28	28	27	27	6	General
Number ofCash In&Cash out Agents per region - NWU	17	18	17	17	8	General
Number ofCash In&Cash out Agents per region - ROU	17	15	19	17	13	General
Number of Cash In&Cash out Agents per region - SAV	20	20	21	21	10	General
<b>1.1. Number of cash-in and cash-out access points per 10,000 adults at the national level.</b>	<b>10.39</b>	<b>9.58</b>	<b>9.90</b>	<b>11.59</b>	<b>12.48</b>	AFI
1.1a Number of cash-in and cash-out access points per 10,000 adults - AUA region	17.16	17.01	16.61	14.46	6.03	
1.1b Number of cash-in and cash-out access points per 10,000 adults - NWUregion	5.98	5.93	5.70	5.20	3.17	
1.1c Number of cash-in and cash-out access points per 10,000 adults - ROU region	7.55	6.77	8.55	7.77	6.36	
1.1d Number of cash-in and cash-out access points per 10,000 adults - SAV region	9.84	9.76	10.14	9.68	5.58	
<b>1.2. Number of branches per 10,000 adults nationally</b>	<b>1.96</b>	<b>1.95</b>	<b>2.06</b>	<b>2.01</b>	<b>2.01</b>	AFI
1.2a Number of branches per 10,000 adults - AUA region	3.68	3.65	3.65	3.62	3.62	
1.2b Number of branches per 10,000 adults - NWU region	1.38	1.37	1.37	1.36	1.36	
1.2c Number of branches per 10,000 adults - ROU region	1.43	1.43	1.43	1.77	1.77	

1.2d Number of branches per 10,000 adults - SAV region	1.89	1.88	1.88	1.86	1.86	
<b>1.3. Number of ATMs per 10,000 adults nationally</b>	<b>4.50</b>	<b>4.63</b>	<b>4.79</b>	<b>5.55</b>	<b>5.88</b>	AFI
1.3a Number of ATMs per 10,000 adults - AUA region	16.34	16.20	16.61	16.87	17.68	
1.3b Number of ATMs per 10,000 adults - NWU region	3.91	4.11	4.11	4.29	4.53	
1.3c Number of ATMs per 10,000 adults - ROU region	0	0	0.36	0.35	0.35	
1.3d Number of ATMs per 10,000 adults - SAV region	2.65	2.62	2.63	2.60	2.98	
<b>1.4. Number of EFTPOS per 10,000 adults nationally</b>	<b>42.89</b>	<b>44.48</b>	<b>51.37</b>	<b>51.91</b>	<b>52.64</b>	AFI
1.4a Number of EFTPOS per 10,000 adults - AUA region	145.03	134.90	166.50	168.32	172.34	
1.4b Number of EFTPOS per 10,000 adults - NWU region	19.56	18.94	24.64	25.57	24.21	
1.4c Number of EFTPOS per 10,000 adults - ROU region	17.61	12.83	23.52	24.38	23.32	
1.4d Number of EFTPOS per 10,000 adults - SAV region	13.25	11.64	18.02	17.13	19.36	
<b>1.5. Number of Agents per 10,000 adults nationally</b>	<b>7.69</b>	<b>6.98</b>	<b>7.22</b>	<b>9.58</b>	<b>10.46</b>	AFI
1.5a Number of Agents per 10,000 adults - AUA region	11.44	11.34	10.94	10.85	2.41	
1.5b Number of Agents per 10,000 adults - NWU region	3.91	4.11	3.88	3.85	1.81	
1.5c Number of Agents per 10,000 adults - ROU region	6.11	5.34	6.77	6.00	4.59	
1.5d Number of Agents per 10,000 adults - SAV region	7.57	7.51	7.88	7.82	3.72	
<b>2.3 Coverage of cash in and cash out access points per 1,000 km<sup>2</sup></b>	<b>44.88</b>	<b>41.70</b>	<b>43.11</b>	<b>50.88</b>	<b>54.77</b>	AFI
• Number of Branches per 1,000 km <sup>2</sup>	8.48	8.48	8.83	8.83	8.83	AFI
• Number of ATMs per 1,000 km <sup>2</sup>	19.43	20.14	20.85	24.38	25.80	AFI
• Number of EFTPOS per 1,000 km <sup>2</sup>	185.16	193.64	223.67	227.92	231.10	AFI
• Number of Agents per 1,000 km <sup>2</sup>	33.22	30.39	31.45	42.01	45.94	AFI

<b>3.1 Number of mobile financial services access points per 10,000 adults</b>	0.98	0.41	0.41	2.98	7.49	PIRI
<b>3.3 Number of mobile financial services accounts/mobile wallet accounts per 10,000 adults</b>	3654.37	4203.32	4148.22	4117.85	4630.70	PIRI
<b>3.5 Percentage of banks offering mobile banking, such as checking one's balance from a mobile phone</b>	0.50	0.50	0.50	0.75	0.75	PIRI
<b>3.6 Percentage of banks offering mobile financial services, including transfer of e-money</b>	0.50	0.50	0.50	0.75	0.75	PIRI
<b>4.6. Average number of identification documents required to open a basic bank account</b>	2	2	2	2	2	PIRI

Indicators informed by DSS 2015 <sup>12</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
<b>4.7. Percentage of adults reporting that they do not have all identification documents required to open a basic account</b>		5%	PIRI

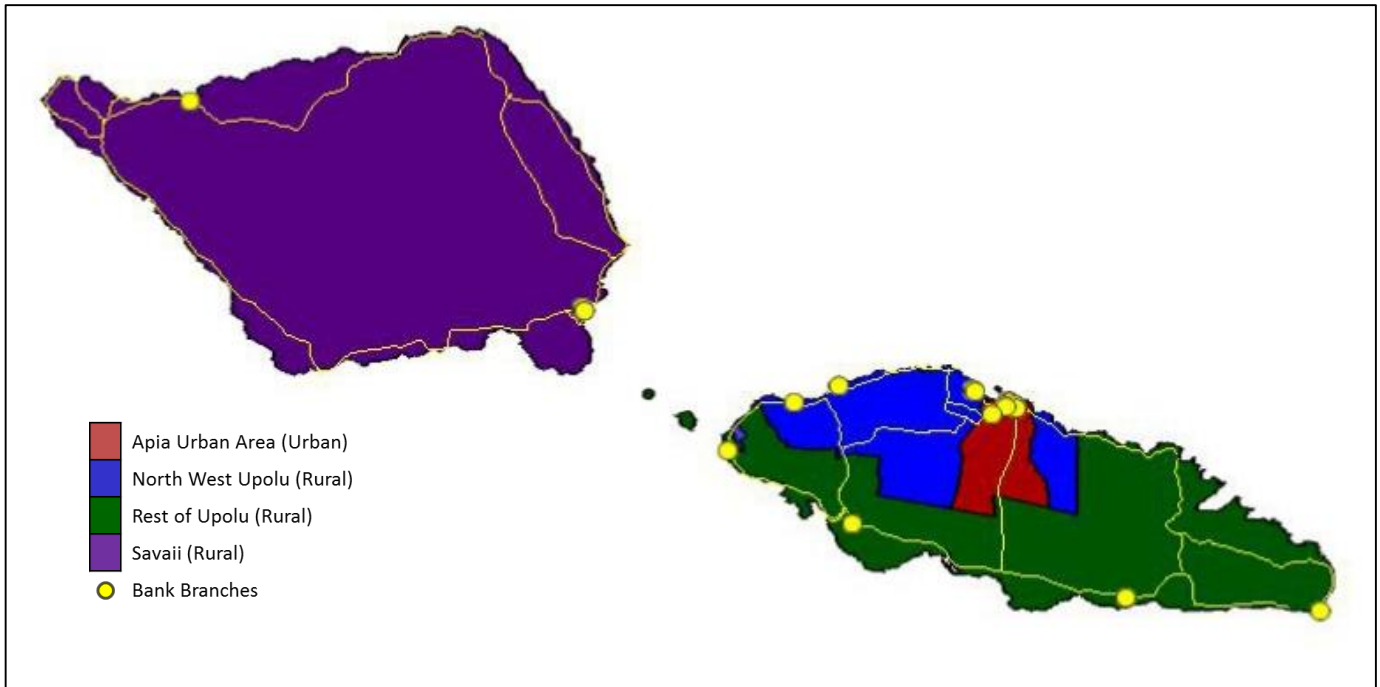
<sup>12</sup> These indicators were informed after conducting the Financial Demand Side Survey in March 2015 and reports for the previous 12 months, i.e, March 2014 to March 2015

<b>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

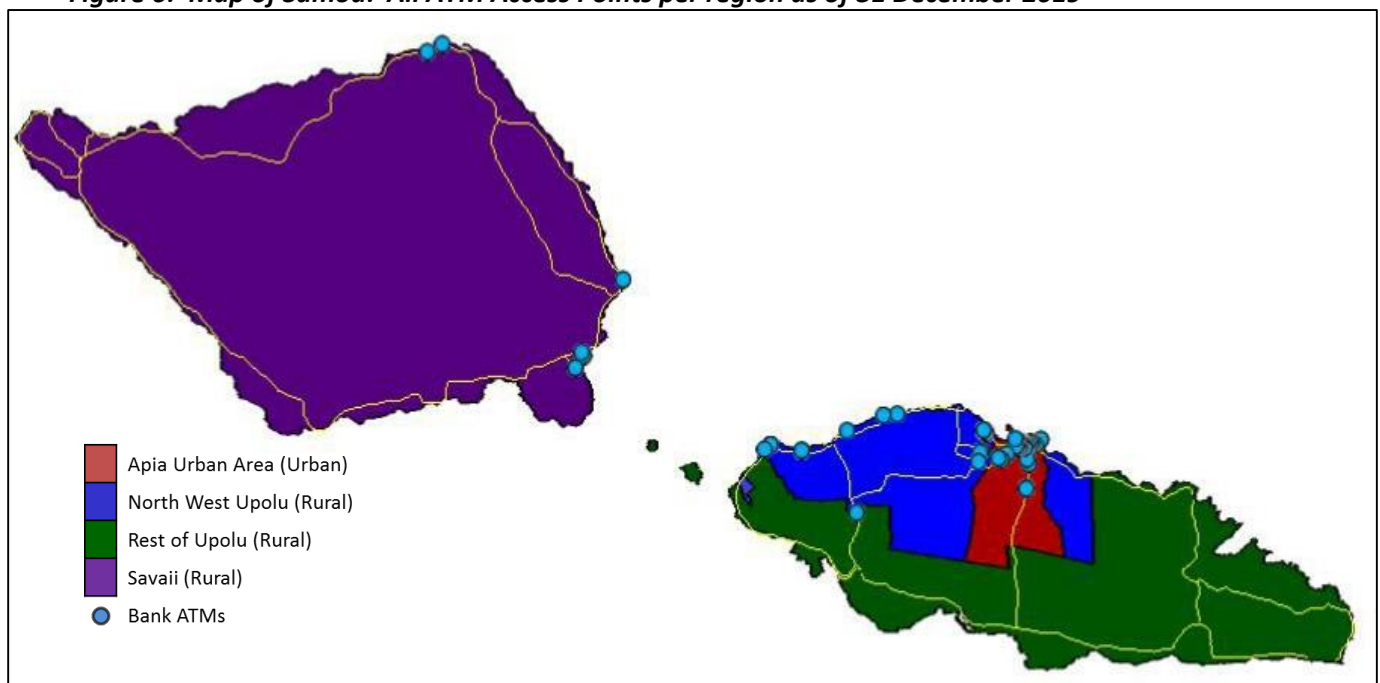
## Annex 3

### Mappings of Financial Inclusion Access Points by Region

*Figure 5: Map of Samoa: Bank Branches per region as of 31 December 2019*



*Figure 6: Map of Samoa: All ATM Access Points per region as of 31 December 2019*



**Figure 7: Map of Samoa: Cash-in & Cash-out Bank Agents Access Points per region as of 30 June 2019**

