

# Access to Finance – June 2017

The Reserve Bank's function was extended in 2014 to include promoting financial inclusion that supports macroeconomic stability and economic growth. Financial inclusion plays a vital role in improving the quality of life for Tongans by ensuring that the products and services provided by the financial service providers, meets the public's demand and are easily afforded by people at all levels of society. Access to basic financial services is essential for promoting inclusive economic growth by enabling all people to integrate and actively contribute to the economy by using savings and loans products as well as the payment systems. The Reserve Bank conducted a Supply Side Survey (SSS) for the first time in 2015 which focused on the individuals' level of access to finance as well as the usage of financial services from the perspective of the banking system only. The Supply Side Survey was updated in June 2017 to measure the progress of the level of access to finance in Tonga.

## Access to Finance improved over the year to June 2017

### Access to Financial Services

Over the year ended June 2017, the total access points in the banking system rose owing to an increase in the number of ATMs, bank branches and EFTPOS terminals (refer to **Table 1** below).

**Table 1: Summary of the Type of Access Points in Tonga by Banks**

Banks	Jun-17					Jun-16					Jun-15				
	Total Access Points	No. of branches	No. of Agents	No. of EFTPOS	No. ATMs	Total Access Points	No. of branches	No. of Agents	No. of EFTPOS	No. ATMs	Total Access Points	No. of branches	No. of Agents	No. of EFTPOS	No. ATMs
ANZ	153	3	0	134	16	217	3	0	200	14	162	3	0	150	9
BSP	374	4	19	339	12	280	2	20	250	8	33	2	7	16	8
MBf	3	3	0	0	0	2	2	0	0	0	2	2	0	0	0
TDB	8	8	0	0	0	8	8	0	0	0	8	8	0	0	0
PICB	0	CLOSED DOWN				1	1	0	0	0	1	1	0	0	0
<b>TOTAL</b>	<b>538</b>	<b>18</b>	<b>19</b>	<b>473</b>	<b>28</b>	<b>508</b>	<b>16</b>	<b>20</b>	<b>450</b>	<b>22</b>	<b>206</b>	<b>16</b>	<b>7</b>	<b>166</b>	<b>17</b>

\*Tonga's financial inclusion benchmark

^Agents is any third party acting on behalf of a bank to deal directly with customers. E.g. retail store etc.

In terms of the location of the access points, the Tongatapu 3 and Tongatapu 4 constituencies contributed the most to the rise in the EFTPOS and ATMs access points (refer to **Table 2** below). The re-opening of bank branches in the outer islands in response to the positive economic activity and the increase in domestic demand supported the overall improvement in total access points.

**Table 2: Summary of Access Points by Constituency**

Constituency	Jun-17					Jun-16					Jun-15					2016 Census Report
	Total Access Points	No. of branches	No. of Agents	No. of EFTPOS	No. ATMs	Total Access Points	No. of branches	No. of Agents	No. of EFTPOS	No. ATMs	Total Access Points	No. of branches	No. of Agents	No. of EFTPOS	No. ATMs	Total Adult Population
Tongatapu 1	38	1	2	35	0	23	0	2	20	1	17	0	1	14	2	11,219
Tongatapu 2	186	2	1	169	14	347	6	2	323	16	112	6	0	95	11	11,874
Tongatapu 3	74	1	0	72	1	0	0	0	0	0	0	0	0	0	0	
Tongatapu 4	54	1	0	50	3	0	0	0	0	0	0	0	0	0	0	
Tongatapu 5	19	1	2	16	0	10	0	2	8	0	2	0	0	2	0	2,716
Tongatapu 6	11	0	3	7	1	5	1	2	1	1	3	1	0	2	0	4,975
Tongatapu 7	31	0	1	29	1	7	0	2	5	0	3	0	0	2	1	8,236
Tongatapu 8	14	0	2	11	1	0	0	0	0	0	1	0	0	1	0	
Tongatapu 9	23	2	1	18	2	11	1	1	8	1	5	1	0	3	1	4,362
Tongatapu 10	3	0	3	0	0	4	0	3	1	0	6	0	1	5	0	4,418
Eua 11	6	2	0	3	1	4	1	1	2	0	4	1	1	2	0	3,020
Ha'apai 12	11	2	1	7	1	10	1	2	7	0	2	1	1	0	0	2,779
Ha'apai 13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,102
Vava'u 14	11	0	0	11	0	0	0	0	0	0	0	0	0	0	0	2,514
Vava'u 15	44	3	3	35	3	85	4	3	75	3	49	4	2	41	2	3,374
Vava'u 16	11	1	0	10	0	0	0	0	0	0	0	0	0	0	0	2,683
Ongo Niuas 17	2	2	0	0	0	2	2	0	0	0	3	2	1	0	0	804
<b>TOTAL</b>	<b>538</b>	<b>18</b>	<b>19</b>	<b>473</b>	<b>28</b>	<b>508</b>	<b>16</b>	<b>20</b>	<b>450</b>	<b>22</b>	<b>207</b>	<b>16</b>	<b>7</b>	<b>167</b>	<b>17</b>	<b>64,076</b>

