

Access to Finance – June 2018

Access to Finance improved over the year to June 2018

Access to Financial Services

Over the year ended June 2018, the total access points in the banking system rose by 11% mainly due to an increase in the number of agents and EFTPOS terminals (refer to **Table 1** below).

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

Banks	Jun-18					Jun-17					Year ended - June 18	
	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	Volume	% change
ANZ	173	3	0	156	14	153	3	0	134	16	20	13%
BSP	415	4	22	377	12	374	4	19	339	12	41	11%
MBF	3	3	0	0	0	3	3	0	0	0	0	0%
TDB	8	8	0	0	0	8	8	0	0	0	0	0%
TOTAL	599	18	22	533	26	538	18	19	473	28	61	11%

In terms of the location of the access points, the Tongatapu 2, Tongatapu 8 and Vava'u 15 constituencies contributed the most to the rise in the number of agents and EFTPOS access points (refer to **Table 2** below). BSP has increased their agents and EFTPOS in Tongatapu, the outer islands and the remote areas, particularly in Ha'apai and 'Eua. This supported the financial consumer's accessibility to financial services in these outer islands and remote areas.

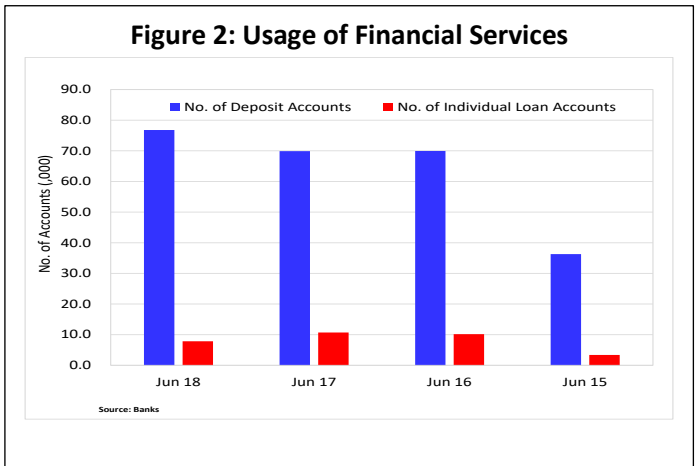
Table 2: Summary of Access Points by Constituency

Constituency	Jun-18					Jun-17					YoY Change	
	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	Volume	% change
Tongatapu 1	42	0	1	39	2	44	2	2	35	5	-2.0	-5%
Tongatapu 2	305	5	2	285	13	181	1	1	169	10	124.0	69%
Tongatapu 3	26	0	0	25	1	74	1	0	72	1	-48.0	-65%
Tongatapu 4	29	0	0	26	3	54	1	0	50	3	-25.0	-46%
Tongatapu 5	12	0	1	11	0	19	1	2	16	0	-7.0	-37%
Tongatapu 6	8	1	1	6	0	11	0	3	7	1	-3.0	-27%
Tongatapu 7	7	0	0	7	0	31	0	1	29	1	-24.0	-77%
Tongatapu 8	32	0	4	27	1	14	0	2	11	1	18.0	129%
Tongatapu 9	29	2	5	21	1	22	2	1	18	1	7.0	32%
Tongatapu 10	4	0	2	2	0	3	0	3	0	0	1.0	33%
'Eua 11	8	2	1	4	1	6	2	0	3	1	2.0	33%
Ha'apai 12	18	2	2	13	1	11	2	1	7	1	7.0	64%
Ha'apai 13	0	0	0	0	0	0	0	0	0	0	0.0	0%
Vava'u 14	4	0	1	3	0	11	0	0	11	0	-7.0	-64%
Vava'u 15	71	4	2	62	3	44	3	3	35	3	27.0	61%
Vava'u 16	2	0	0	2	0	11	1	0	10	0	-9.0	-82%
Ongo Niuas 17	2	2	0	0	0	2	2	0	0	0	0.0	0%
TOTAL	599	18	22	533	26	538	18	19	473	28	61.0	11%

Source: Banks

Usage of Financial Services

The total number of usage of financial services rose by 5% over the year ended to June 2018 owing to an increase in the number of deposit accounts outweighing a decline in the loan accounts (refer to **Figure 2**). The increase in the number of deposit accounts is mainly due to commercial banks efforts to encourage the uptake of their digital services platforms while the decline in the number of loan accounts reflected the number of loan accounts under the Government Development Loan that is now reported separately from the banks loan portfolios.



Conclusion

Access to financial services improved over the year ended June 2018, with an increase in the number of access points as well as the number of deposit accounts. This increase in access to financial services encourages the utilization of the excess liquidity in the banking system to increase lending and support domestic economic growth