CENTRAL BANK OF SAMOA

REVIEW OF MONETARY DEVELOPMENTS
September 2025

This report is a monthly release of the latest available key monetary aggregates, official interest rate and the analysis on commercial banks' interest rates as well as other information sourced from the Central Bank, commercial banks, Ministry of Finance, non-bank financial institutions and the Samoa Bureau of Statistics.

Report No.03: 2025/26 September 2025

Monetary Forecast

The actual level of total money supply (M2) was 3.2 percent lower than its forecast target for September 2025. This was due to a significantly lower-than-expected level of Net Domestic Assets (NDA), as a result of a higher-than-expected level of net government position. This outweighed a higher-than-expected level of Net Foreign Assets (NFA).

Money Supply (M2)

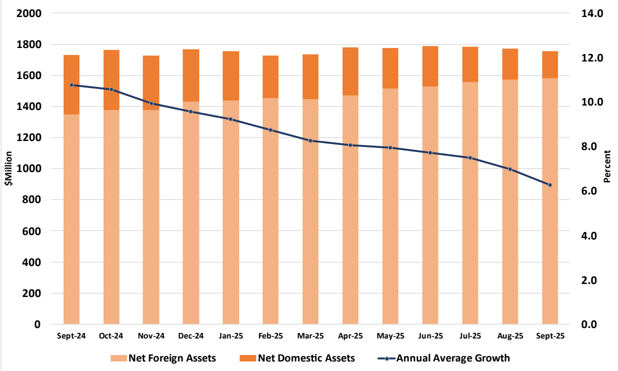
Total M2 fell by $17.17 million (or 1.0 percent) to $1,754.95 million in September 2025 but was 1.4 percent higher than in the same month of the previous year.

The monthly decline in M2 reflected the following movements:

- A $25.59 million decrease in Net Domestic Assets (NDA) to $172.41 million. This substantial reduction was primarily driven by a large increase in the Government's net position (contractionary impact), alongside reductions in private sector credit and other items (net).
- On the other hand, Net Foreign Assets (NFA) grew by $8.42 million to $1,582.53 million. This reflected an increase in gross foreign reserves of the Central Bank, despite a modest decline in commercial banks' foreign assets.

As a result, the annual average growth rate of M2 decelerated further to 6.3 percent in September 2025, from 7.0 percent in August 2025 and 10.8 percent in September 2024.

Graph 1: Determinants of Money Supply



Credit[1]

Total financial system (FS) credit declined by $1.20 million (or 0.1 percent) to $2,248.98 million in September 2025 but was 3.6 percent higher than in the same month a year ago. This reduction reflected a $3.01 million decrease in commercial banks' credit despite a $1.81 million expansion in the selected Non-Bank Financial Institutions' (NBFIs) lending.

- ➢ By sector, 99.5 percent of total loans were extended to the private sector, of which 54.1 percent went to 'Households and Individuals' and 45.4 percent to Businesses. The remaining 0.5 percent was lent to the Public sector.
- ➢ By industry, only the 'Other activities' industry recorded a credit expansion while lending to the 'Building, construction and installation' and 'Transportation, storage and communication' industries recorded cutbacks. There were no changes in lending across all the other industries.
- ➢ New loans issued during the month totaled $24.28 million, up by $5.53

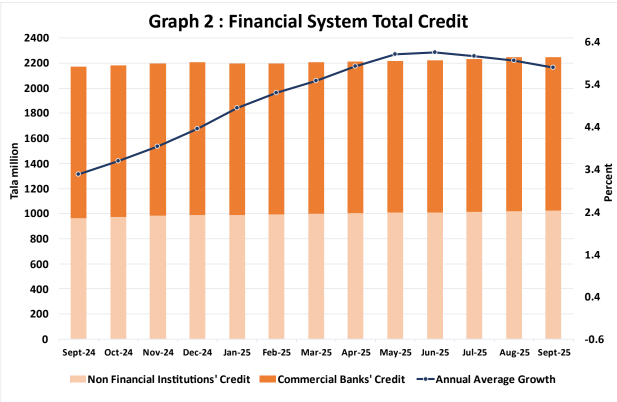
[1] Comprises of commercial banks and three largest non-bank financial institutions' (NBFI) total lending.

[1] NBFIs data for August 2025 is not yet available, thus, figures from the previous month are used as provisional estimates. Total credit will be revised once NBFI data are received.

million from August 2025. Most of these new loans were extended to the 'Building, construction and installation', 'Professional and business services', and 'Transportation, storage and communication' industries.

- The share of mortgage loans to total commercial bank loans edged up slightly to 48.8 percent in September 2025 from 48.6 percent in August 2025. Moreover, total mortgage loans expanded by only 0.02 percent to $598.01 million in the month under review.

On an annual average basis, FS credit growth slowed to 5.8 percent in September 2025 from 6.0 percent in August 2025, but well above 3.3 percent recorded in September 2024. (See Graph 2.)



The latest update from the Samoa Bureau of Statistics (SBS) for the June 2025 quarter, saw the total Nominal Gross Domestic Product (NGDP) amount to $3,584.94 million. As a result, the total FS credit-to-NGDP ratio stood at 62.1 percent, slightly lower than 63.0 percent in the previous quarter and 65.1 percent in the same quarter last year. The M2-to-NGDP ratio edged up to 49.9 percent from 49.6 percent in the March 2025 quarter but down from 52.4 percent in the same quarter of last year.

Reserve Money[2]

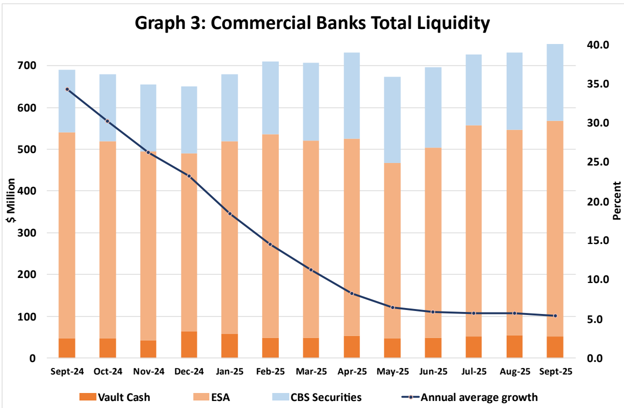
Total Reserve Money (RM) grew by $10.15 million (or 1.2 percent) to $828.83 million in September 2025. This was mainly attributed to a $24.82 million increase in commercial banks reserves, which outweighed a $14.67 million decrease in currency in circulation. The overall increase in banks' reserves is due to a $23.07 million increase in excess reserves and a $1.76 million hike in required reserve balances held at the Central Bank.

Compared to September 2024, RM was $46.87 million higher. Moreover, it remained significantly above its three-year and five-year September averages, by 18.8 percent and 34.4 percent respectively.

Commercial Banks' Liquidity[3]

Total commercial banks' liquidity surged by $22.92 million (or 3.1 percent) to $753.95 million in September 2025. This was mainly driven by a $1.89 million increase in banks' holdings of CBS Securities and a $23.07 million jump in their exchange settlement account (ESA) balances, which more than offset a $2.03 million reduction in their vault cash holdings. (See Graph 3.)

As a result, total liquidity remained significantly higher than September last year, by $64.14 million. Furthermore, it was substantially above its levels in the past three and five years, by 106.9 percent and 134.0 percent, respectively.



[2]Reserve Money (also known as monetary base) comprises of currency in circulation, statutory reserve deposits (SRD) and demand deposits of commercial banks with the CBS

[3]Comprises of banks' vault cash, exchange settlement account (ESA) balances and Central Bank Securities

CBSS and Open Market Operations (OMO)[4]

Total CBS Securities issued in September 2025 dropped to $42.20 million from $46.70 million in August 2025. The issuances were allocated across the following maturities: 14-days ($4.00 million), 28-days ($11.00 million), 56-days ($8.80 million), 91-days ($3.00 million), 182-days ($3.40 million), and 364-days ($12.00 million). Total maturities in September amounted to $30.50 million, resulting in a 6.7 percent increase in total CBSS outstanding to $187.00 million at the end of the month.

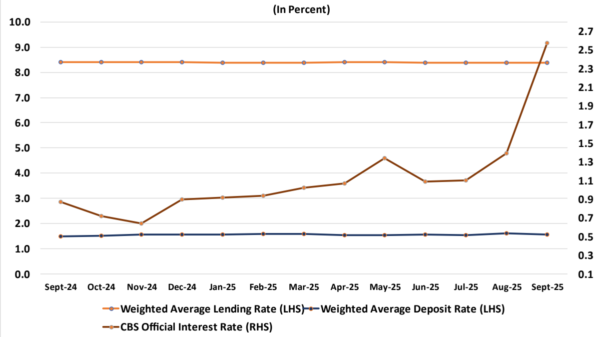
The overall weighted average yield on CBSS jumped to 2.58 percent during the month, from 1.39 percent in August 2025 and 0.88 percent in September 2024.

Commercial Banks' Interest Rates

In September 2025, the weighted average deposit (WAD) rate declined by 5 basis points to 1.56 percent, from 1.61 percent in August 2025, and was 7 basis points higher than the same month last year. Meanwhile, the weighted average lending (WAL) rate remained unchanged at 8.39 percent but was 2 basis points lower than the WAL rate recorded in September 2024. As a result, the interest rate spread rose to 6.83 percent, from 6.78 percent in August 2025 and 6.91 percent in Sptember 2024. (See Graph 4).

The WAD rate remained below its three-year and five-year averages of 1.70 percent and 1.96 percent, respectively. The WAL rate was slightly above its three-year average of 8.33 percent but still below its five-year average of 8.43 percent.

Graph 4: Overall Yield on CBS Securities and Commercial Banks Interest Rates
(In Percent)



NBFIs[5] Lending Rates

The overall weighted average lending (WAL) rate for selected Non-Bank Financial Institutions (NBFIs) rose by 1 basis point to 8.20 percent in September 2025 but was much higher than 7.97 percent in September 2024.

The WAL rate for DBS remained unchanged at 4.29 percent. On the other hand, SNPF's WAL rate rose by 1 basis point to 8.68 percent while SHC's WAL rate edged down slightly by 2 basis points to 9.95 percent during the month.

At its current level, the overall NBFI WAL rate remained slightly below its three-year average of 8.25 percent but slightly above its five-year average of 8.12 percent.

CENTRAL BANK OF SAMOA
14th November 2025

[4] Central Bank of Samoa Securities (CBSS) is the main instrument for implementing monetary policy in the country and it is traded in various maturities in the domestic financial market through the OMO.

[5] Non-Bank Financial Institutions. Only reports the main NBFIs, Samoa National Provident Fund (SNPF), Development Bank of Samoa (DBS) and Samoa Housing Corporation (SHC). Effective October 2018, SHC started reporting to CBS on monthly basis, as was previously reported on quarterly basis. WAL for DBS is provisional.

Monetary Aggregates

End of Period Figures	Average level in the previous 3-years	Average level in the previous 5-years	2024 September	2025 July	2025 August	2025 September
Determinants of Money Supply (M2)						
Net Foreign Assets	1051.47	879.90	1360.06	1554.64	1574.11	1582.53
Net Domestic Assets	513.88	571.85	370.97	228.90	198.00	172.41
Money Supply (M2)	**1565.35**	**1451.76**	***1731.022***	***1783.547***	***1772.112***	***1754.946***
Trend / Annual Average (%)	8.53	6.46	*10.8*	*7.5*	*7.0*	*6.3*
Narrow Money (M1)	800.76	700.33	*959.12*	*975.64*	*949.37*	*933.11*
Currency outside banks	154.49	137.82	164.57	185.51	191.70	179.06
Transferable Deposits[2]	646.27	562.51	794.55	790.13	757.67	754.05
Quasi Money	764.59	751.44	*771.90*	*807.91*	*822.75*	*821.83*
Other Deposits[3]	764.59	751.44	771.90	807.91	822.75	821.83
Central Bank of Samoa						
Open Markets Operations						
Securites Official Rate	0.43	0.32	*0.88*	*1.10*	*1.39*	*2.58*
Reserve Money [1]						
Total	**697.46**	**616.58**	***781.960***	***821.504***	***818.681***	***828.832***
Trend / Annual Growth (%)	15.60	14.65	*15.1*	*-0.6*	*0.1*	*0.3*
Financial System (FS) Credit						
Commercial Banks	**1177.11**	**1179.92**	**1208.09**	**1217.24**	**1229.01**	**1226.00**
Trend / Annual Growth (%)	-0.64	0.58	*-0.1*	*5.3*	*5.2*	*4.8*
Non-Bank Financial Institutions (NBFIs)	**906.60**	**865.51**	**962.05**	**1014.03**	**1021.10**	**1022.99**
Trend / Annual Growth (%)	4.96	5.40	*7.8*	*7.0*	*6.9*	*7.0*
Private Sector	**2069.84**	**2028.11**	***2160.47***	***2221.34***	***2239.72***	***2238.56***
Businesses	997.70	1020.09	*1022.79*	*1023.46*	*1031.67*	*1021.78*
Individuals	1072.14	1008.01	*1137.68*	*1197.87*	*1208.06*	*1216.78*
Public Sector (NFIs, NPEs, & Govt)	**13.39**	**17.03**	***9.67***	***9.98***	***10.46***	***10.43***
Total FS Credit	**2083.23**	**2045.14**	***2170.14***	***2231.32***	***2250.18***	***2248.98***
Trend / Annual Growth (%)	1.68	2.55	*3.3*	*6.1*	*6.0*	*5.8*
Commercial Banks						
Liquidity						
Total	**551.88**	**460.80**	***689.81***	***726.63***	***731.02***	***753.95***
Trend / Annual Growth (%)	26.98	20.70	*34.4*	*5.7*	*5.8*	*5.4*
Interest Rates (%)						
Overall Weighted Average Lending	8.33	8.43	**8.40**	**8.38**	**8.39**	**8.39**
Australia New Zealand Bank (Sāmoa) Limited	7.59	7.80	7.59	7.42	7.42	7.49
Bank South Pacific (Sāmoa) Limited	7.36	7.68	7.11	7.32	7.35	7.39
National Bank of Sāmoa Limited	8.63	8.45	9.10	9.43	9.41	9.39
Samoa Commercial Bank Limited	9.89	10.03	9.88	9.32	9.30	9.27
Overall Weighted Average Deposit	**1.70**	**1.96**	**1.49**	**1.54**	**1.61**	**1.56**
Australia New Zealand Bank (Sāmoa) Limited	0.68	0.79	0.52	0.44	0.45	0.44
Bank South Pacific (Sāmoa) Limited	1.73	2.04	1.52	1.41	1.62	1.49
National Bank of Sāmoa Limited	2.34	2.72	1.91	2.22	2.19	2.29
Samoa Commercial Bank Limited	2.17	2.44	2.03	2.07	2.09	2.05
Market Shares (%)						
Lending						
Australia New Zealand Bank (Sāmoa) Limited	21.99	22.98	16.99	16.22	16.38	16.48
Bank South Pacific (Sāmoa) Limited	30.26	30.33	32.60	32.59	32.45	32.87
National Bank of Sāmoa Limited	22.70	23.47	23.51	23.14	23.06	22.38
Samoa Commercial Bank Limited	25.05	23.21	26.91	28.05	28.11	28.27
Deposit [5]						
Australia New Zealand Bank (Sāmoa) Limited	23.21	24.29	20.59	19.64	18.34	18.59
Bank South Pacific (Sāmoa) Limited	36.09	33.44	40.63	40.18	42.82	43.61
National Bank of Sāmoa Limited	17.53	19.06	17.53	18.99	18.23	16.93
Samoa Commercial Bank Limited	23.17	23.21	21.25	21.20	20.61	20.87
Non-Bank Financial Institutions (NBFIs)						
Weighted Average Lending (WAL)						
Sāmoa National Provident Fund (SNPF)	8.68	8.66	8.45	8.67	8.67	8.68
Development Bank of Samoa (DBS) ®	3.85	4.02	3.88	4.29	4.29	4.29
Samoa Housing Corporation (SHC)	12.21	11.14	10.43	9.98	9.97	9.95
NFIs' Overall WAL ®	**8.25**	**8.12**	**7.96**	**8.19**	**8.19**	**8.20**

Source: Central Bank of Samoa

(1) Reserve Money is composed of: Currency in Circulation and commercial banks Exchange Settlement Accounts (ESA) and Statutory Required Deposits (SRDs).

(2) Comprised of demand deposits, foreign currency deposits of residents, and interest payable on these deposits.

(3) Comprised of time deposits, savings deposits, and the interest payable on these deposits.

(4) Samoa received the IMF-Special Drawing Rights (SDRs) allocation of SDR15.5 million and equivalent of around $55.5 million Tala in August 2021.

(5) Effective April 2023, the calculation of deposit shares takes into account all deposit liabilities of the banking system from both resident and non-resident sectors. Historical series has been revised to reflect these changes.

'® Revised

(6) Revised to include Foreign Currency Deposits of Residents to the calculation of Weighted Average Deposit Interest Rates of Commercial Banks.