

REVIEW OF MONETARY DEVELOPMENTS December 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.

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December 2025

Monetary Forecast

The actual level of total money supply (M2) was 0.3 percent lower than its forecast for December 2025. This was due to a lower-than-expected level of Net Domestic Assets (NDA), along with a weaker-than-expected level of private sector credit of the banking system. On the other hand, the actual level of Net Foreign Assets (NFA) was above its forecast.

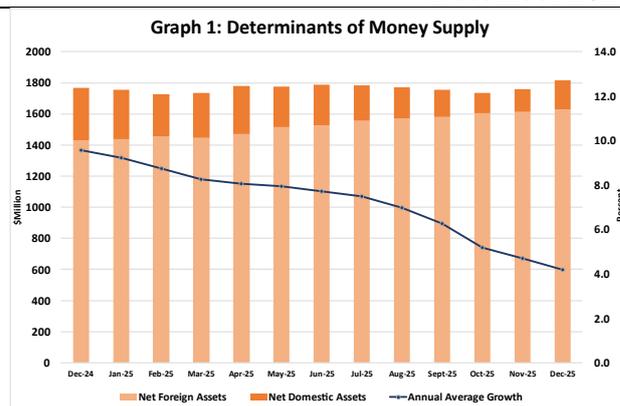
Money Supply (M2)

Total M2 leapt by \$58.33 million (or 3.3 percent) to \$1,815.99 million in December 2025 and was 2.6 percent higher than the same month in the previous year.

This significant expansion reflected:

- A considerable \$40.92 million increase in Net Domestic Assets (NDA) to \$187.42 million. This was underpinned by a decrease in government net position with the monetary system as well as increases in private sector credit and 'other items net'
- A \$17.42 million jump to \$1,628.57 million in Net Foreign Assets (NFA) given an expansion in official foreign assets of the Central Bank of Samoa, which offset a decline in commercial bank's foreign assets.

On an annual average basis, M2 grew by 4.2 percent in December 2025, decelerating from 4.7 percent in November 2025, and 9.6 percent in December 2024.



Credit

Total financial system (FS) credit expanded by a huge \$40.49 million (or 1.8 percent) to \$2,286.59 million in December 2025 and was 3.5 percent higher than in December 2024. The expansion over the month was made up of a \$17.43 million rise in commercial banks' credit and a \$23.06 million expansion in Non-Bank Financial Institutions' (NBFIs)¹ lending.

- By sector, 99.5 percent of total loans were extended to the private sector, of which 54.5 percent went to 'Households and Individuals' and 45.0 percent to Businesses. The remaining 0.5 percent was lent to the public sector.
- By industry, the expansion in FS credit was extended towards all the industries except for the 'Electricity, gas and water', and the 'Transportation, storage and communication' industries.
- New loans issued during the month totaled \$38.26 million, up by \$18.02 million from November 2025. Most of these new loans were lent to the 'Professional and business services',

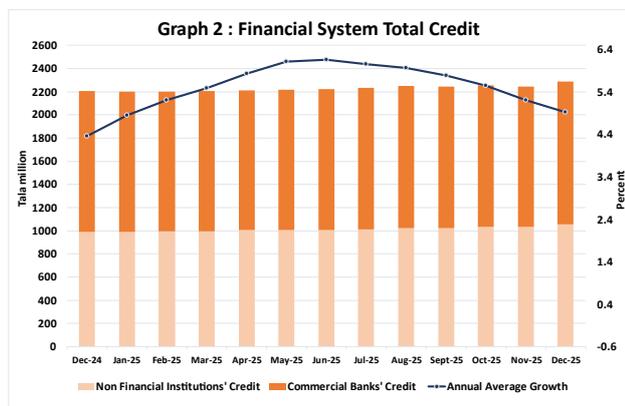
¹ Comprises of commercial banks and three largest non-bank financial institutions' (NBFIs) total lending.

¹ DBS's data for October to December 2025 are not yet available. As such, figures from September 2025 are used as provisional estimates. Total credit will be revised once these data are received.

‘Building, construction and installation’, and ‘Trade’ industries.

- The share of mortgage loans to total commercial bank loans edged down slightly to 49.9 percent in December 2025 from 50.0 percent in November 2025. Moreover, total mortgage loans expanded by 1.3 percent to \$613.60 million in the month under review.

On average, the FS credit growth edged down to 4.9 percent in December 2025, from 5.2 percent in November 2025, but was higher than 4.4 percent in December 2024 (See Graph 2).



According to the latest update from the Samoa Bureau of Statistics (SBS), total Nominal Gross Domestic Product (NGDP) for the whole year to September 2025, amounted to \$3,592.02 million. At this level, the ratio of M2 to NGDP slipped to 48.9 percent, from 49.9 percent in the June 2025 quarter and 52.0 percent in the September quarter of 2024. As for FS credit, its share to GDP edged up to 62.6 percent from 62.1 percent in the preceding quarter but higher than 65.2 percent in the September quarter last year.

Reserve Money²

Total Reserve Money (RM) jumped by \$35.59 million (or 4.3 percent) over the previous month to \$867.65 million and was \$98.95 million higher than in December 2024. The growth in Reserve Money was mainly driven by a seasonal \$46.24 million rise in currency in circulation,

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

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

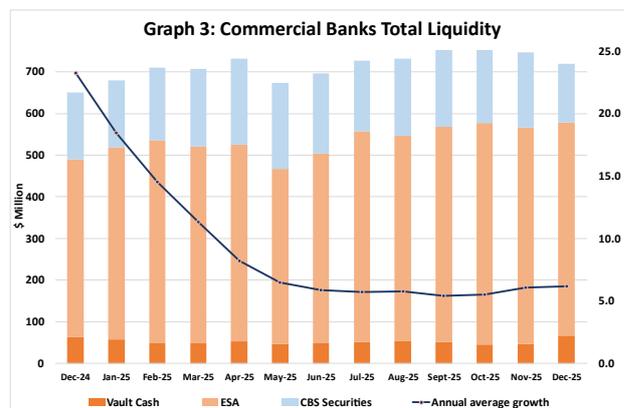
which more than offset a \$10.65 million decline in commercial banks' reserves.

Additionally, total RM was 22.0 percent and 38.0 percent higher than its December averages in the past three and five years, respectively.

Commercial Banks' Liquidity³

The total commercial banks' liquidity recorded a seasonal decline by \$26.95 million (or 3.6 percent) to \$719.67 million in the month under review, however, this level was \$69.17 million higher than total liquidity recorded in December 2024. This drop reflected reductions in commercial banks' exchange settlement accounts held at the Central Bank (by \$9.16 million) and their holdings of CBS Securities (by \$37.87 million). These changes outweighed an expansion in their vault cash holdings of \$20.08 million (See Graph 3).

Over the last three and five years, its December averages were significantly higher by 32.3 percent and 58.6 percent in the given order.



CBSS and Open Market Operations (OMO)⁴

Total CBS Securities outstanding in December 2025 totaled at \$141.75 million, down from \$179.50 million in the previous month.

New CBSS issued during the month fell to \$25.80 million compared to \$50.25 million in

⁴Central 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.

the previous month due to low demand for CBSS associated with the seasonal peak spending period at this time of year. On the other hand, total matured securities rose to \$63.55 million from \$54.55 million in November 2025.

In terms of the yields on CBSS, the shorter-term maturities recorded an average return of 2.06 percent (14-days), 3.54 percent (28-days) while those at longer terms averaged around 3.83 percent (56-days), 1.70 percent (91-days) and 1.75 percent for the 182-day paper.

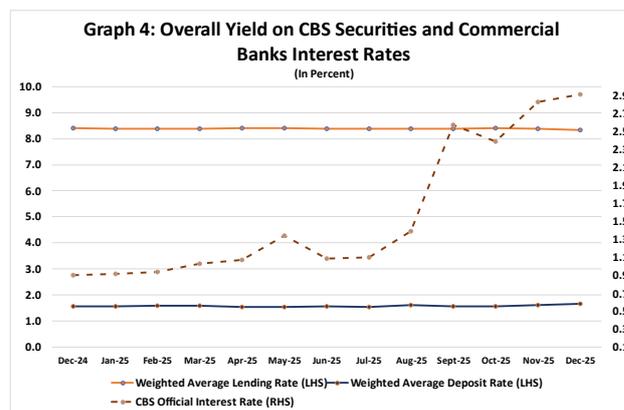
With majority of the securities being issued at medium-to-longer term papers with higher returns, the overall weighted average official interest rate increased further to 2.91 percent from 2.83 percent in November 2025 and well above 0.90 percent in December of 2024.

Commercial Banks' Interest Rates

The commercial banks' weighted average deposit (WAD) rate in December 2025 expanded by 5 basis points to 1.67 percent and was 10 basis points higher than December last year. On the other hand, their weighted average lending (WAL) rate fell by 4 basis points to 8.34 percent, which was also 7 basis points lower than its rate in the same month a year ago (See Graph 4).

As a result, the weighted average spread for December 2025 fell by 9 basis points to 6.67 percent and was 17 basis points lower than the spread recorded in December 2024.

The current WAD rate remained below its three-year and five-year averages of 1.73 percent and 1.91 percent, respectively. Similarly, the WAL rate was also below its three-year and five-year averages of 8.37 percent and 8.40 percent in the given order.



NBFIs⁵ Lending Rates

The overall weighted average lending (WAL) rate for selected NBFIs fell by 10 basis points to 8.12 percent in December 2025 but was much higher than 7.99 percent recorded in December 2024.

The WAL rate for SNPF fell by 13 basis points to 8.57 percent in the month under review, while that for the SHC decreased by 1 basis point to 9.89 percent. On the other hand, the DBS's WAL rate⁶ remained unchanged at 4.26 percent in December 2025 since September 2025.

At its current level, the overall NBFi WAL rate remained slightly below its three-year and five-year averages of 8.18 percent and 8.19 percent, respectively.

CENTRAL BANK OF SAMOA **17th February 2026**

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.

⁶ DBS's data for October to December 2025 are not yet available. As such, figures from September 2025 are used as provisional estimates. The total Financial System (FS) credit and NBFIs' lending rates will be revised once data are received.

Review of Monetary Developments						
Monetary Aggregates						
End of Period Figures	Average level in the previous		Dec-24	Oct-25	Nov-25	Dec-25
	3-years	5-years				
Determinants of Money Supply (M2)						
Net Foreign Assets	1149.40	955.19	1440.38	1604.97	1611.15	1628.57
Net Domestic Assets	458.78	538.10	329.19	128.67	146.50	187.42
Money Supply (M2)	1608.18	1493.30	1769.570	1733.644	1757.65	1815.99
<i>Trend / Annual Average (%)</i>	9.07	6.73	9.6	5.2	4.7	4.2
<i>Narrow Money (M1)</i>						
Currency outside banks	848.05	743.29	973.77	910.76	939.19	969.96
Transferable Deposits ²	185.65	162.29	199.89	182.28	181.73	207.89
<i>Quasi Money</i>	662.40	580.99	773.87	728.48	757.47	762.07
Other Deposits ³	760.13	750.01	795.81	822.88	818.46	846.03
760.13	750.01	795.81	822.88	818.46	846.03	846.03
Central Bank of Samoa						
<i>Open Markets Operations</i>						
<i>Securities Official Rate</i>	0.45	0.33	0.90	2.39	2.83	2.91
<i>Reserve Money¹</i>						
Total	711.09	628.75	768.70	842.92	832.06	867.65
<i>Trend / Annual Growth (%)</i>	15.70	13.80	7.9	1.1	2.0	2.9
Financial System (FS) Credit						
Commercial Banks	1178.73	1182.50	1217.75	1223.65	1211.71	1229.14
<i>Trend / Annual Growth (%)</i>	-0.22	0.61	2.2	4.4	3.9	3.4
Non-Bank Financial Institutions (NBFIs)	921.41	883.04	990.80	1030.40	1034.38	1057.44
<i>Trend / Annual Growth (%)</i>	4.99	5.21	7.2	7.0	6.9	6.8
Private Sector	2086.85	2049.46	2198.05	2243.70	2235.53	2274.49
Businesses	992.11	1017.43	1030.66	1016.08	1005.50	1028.34
Individuals	1094.74	1032.03	1167.39	1227.62	1230.04	1246.15
Public Sector (NFIs, NPEs, & Govt)	13.99	16.50	10.49	10.35	10.56	12.10
Total FS Credit	2100.84	2065.96	2208.55	2254.05	2246.09	2286.59
<i>Trend / Annual Growth (%)</i>	1.98	2.52	4.4	5.6	5.2	4.9
Commercial Banks						
<i>Liquidity</i>						
Total	543.92	453.77	650.50	761.37	746.61	719.67
<i>Trend / Annual Growth (%)</i>	28.14	20.27	23.2	5.5	6.1	6.2
<i>Interest Rates (%)</i>						
Overall Weighted Average Lending	8.37	8.40	8.41	8.41	8.38	8.34
Australia New Zealand Bank (Sāmoa) Limited	7.59	7.77	7.58	7.48	7.22	7.14
Bank South Pacific (Sāmoa) Limited	7.40	7.64	7.23	7.43	7.46	7.49
National Bank of Sāmoa Limited	8.74	8.40	9.22	9.40	9.45	9.25
Samoa Commercial Bank Limited	9.85	9.96	9.68	9.26	9.24	9.20
Overall Weighted Average Deposit	1.74	1.92	1.55	1.58	1.62	1.67
Australia New Zealand Bank (Sāmoa) Limited	0.68	0.76	0.57	0.42	0.44	0.42
Bank South Pacific (Sāmoa) Limited	1.73	1.89	1.51	1.62	1.58	1.74
National Bank of Sāmoa Limited	2.46	2.70	2.25	2.14	2.36	2.42
Samoa Commercial Bank Limited	2.19	2.40	2.03	2.08	2.06	2.06
<i>Market Shares (%)</i>						
Lending						
Australia New Zealand Bank (Sāmoa) Limited	21.74	23.01	16.44	16.23	16.28	15.96
Bank South Pacific (Sāmoa) Limited	30.20	30.20	33.36	32.31	32.60	31.82
National Bank of Sāmoa Limited	22.07	22.65	22.52	22.56	21.56	22.26
Samoa Commercial Bank Limited	26.00	24.14	27.68	28.90	29.55	29.96
Deposit⁵						
Australia New Zealand Bank (Sāmoa) Limited	22.99	23.65	20.03	18.19	17.82	18.94
Bank South Pacific (Sāmoa) Limited	36.10	33.41	39.62	44.11	44.24	41.80
National Bank of Sāmoa Limited	17.84	19.59	18.47	17.30	17.83	17.67
Samoa Commercial Bank Limited	23.07	23.35	21.87	20.41	20.11	21.58
Non-Bank Financial Institutions (NBFIs)						
<i>Weighted Average Lending (WAL)</i>						
Sāmoa National Provident Fund (SNPF)	8.63	8.64	8.47	8.66	8.70	8.57
Development Bank of Samoa (DBS) ©	3.89	3.93	4.03	4.26	4.26	4.26
Samoa Housing Corporation (SHC)	11.67	12.20	10.30	9.91	9.90	9.89
NBFIs' Overall WAL ©	8.18	8.19	7.99	8.19	8.22	8.12
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.						