

REVIEW OF MONETARY DEVELOPMENTS February 2026

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.08: 2025/26

February 2026

Monetary Target

The actual level of total money supply (M2) was 3.3 percent lower than its forecast for February 2026. This was due to a significant lower-than-expected level of Net Domestic Assets (NDA). On the other hand, the actual level of Net Foreign Assets (NFA) was 0.5 percent above its forecast.

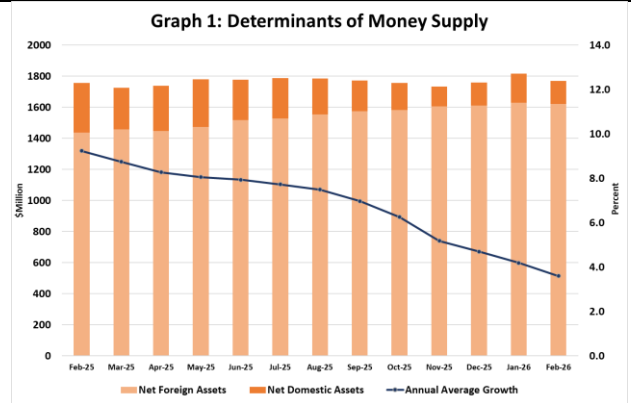
Money Supply (M2)

Total M2 contracted by \$5.43 million (or 0.3 percent) to \$1,762.48 million in February 2026 but was 2.1 percent higher than February 2025.

This contraction was attributable to:

- An increase of \$13.88 million in Net Domestic Assets (NDA) to \$159.58 million. This was mainly driven by a decrease in government's net position¹ with the monetary system as well as an increase in private sector credit, which outweighed a decrease in 'other items net'.
- A \$19.32 million reduction in Net Foreign Assets (NFA) to \$1,602.90 million. This was primarily driven by a rare decline in both the commercial banks' and the central bank's official foreign assets.

On an annual average basis, M2 grew by 3.4 percent in February 2026, decelerating from 3.6 percent in January 2026, and 8.7 percent in February 2025.



Credit

Total financial system (FS) credit expanded by \$10.82 million (or 0.5 percent) to \$2,298.51 million in February 2026 and was 4.6 percent higher than in February 2025. This expansion over the month was made up of rises in both the commercial banks' credit and Non-Bank Financial Institutions' (NBFIs)² lending by \$9.56 million and \$1.26 million, respectively.

- By sector, 99.5 percent of total loans were extended to the private sector, of which 54.9 percent went to 'Households and Individuals' and 44.6 percent to Businesses. The remaining 0.5 percent was lent to the public sector.
- By industry, the expansion in FS credit was extended towards the 'Trade', 'Manufacturing', and the 'Other activities' industries.
- New loans issued during the month totaled \$17.08 million, an increase of \$3.85 million from January 2026. Most of these new loans were lent to the 'Professional and business services', 'Trade', and 'Other activities' industries.

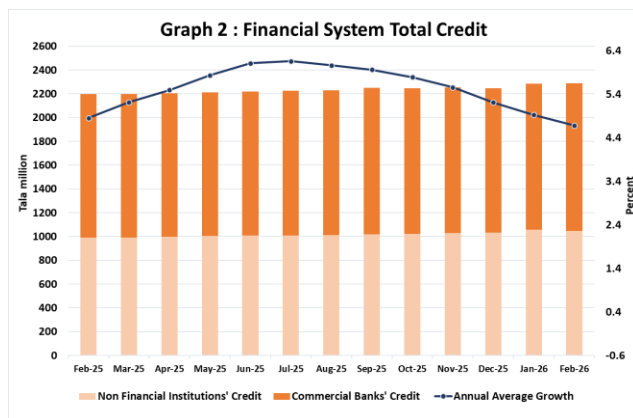
¹ Reflects government spending

² Comprises of commercial banks and three largest non-bank financial institutions' (NBFIs) total lending.

² SHC's data for January and February 2026 are not yet available. As such, figures from December 2025 are used as provisional estimates. Total credit will be revised once these data are received.

- The share of mortgage loans to total commercial bank loans edged down to 49.3 percent in February 2026 from 49.6 percent in January 2026. Moreover, total mortgage loans expanded by 0.2 percent to \$617.09 million in the month under review.

The annual average FS credit growth slowed down to 4.5 percent in February 2026, from 4.7 percent in January 2026 and 5.2 percent in February 2025 (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 December 2025, amounted to \$3,582.43 million, rising by 3.7 percent annual growth over December 2024. At this level, the ratio of M2 to NGDP rose to 50.69 percent, from 48.9 percent in the September 2025 quarter but was below 51.2 percent share in the same period of last year. As for FS credit, its share to GDP edged up to 63.8 percent from 62.6 percent in the preceding quarter but slightly lower than 63.9 percent in the December quarter last year.

Reserve Money³

Total Reserve Money (RM) fell by \$13.39 million (or 1.6 percent) over the previous month to \$823.23 million but was \$28.05 million higher than in February 2025. The reduction in Reserve Money was underpinned by a \$9.96 million reduction in currency in circulation as well as a

³Reserve Money (also known as monetary base) comprises of currency in circulation, statutory reserve deposits (SRD) and demand deposits of commercial banks with the CBS

⁴Comprises of banks' vault cash, exchange settlement account (ESA) balances and Central Bank Securities

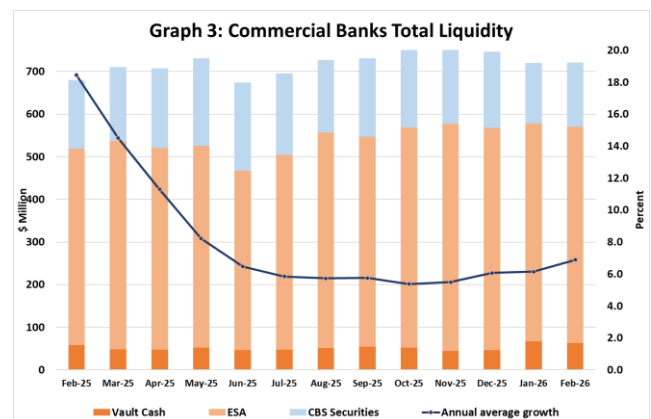
\$3.43 million decline in commercial banks' reserves.

Additionally, total RM was 8.9 percent and 25.3 percent higher than its February averages in the past three and five years, respectively.

Commercial Banks' Liquidity⁴

The total commercial banks' liquidity declined by a significant \$21.57 million (or 3.0 percent) to \$699.36 million in February 2026. Additionally, this level was \$10.55 million lower than its level recorded in February 2025. The reduction in total liquidity over the month reflected decreases among all components of total liquidity, namely the vault cash holdings (by \$13.10 million), CBS Securities holdings (by \$5.05 million), and commercial banks' exchange settlement accounts held at the Central Bank (by \$3.43 million) (See Graph 3).

Total liquidity in February 2026 was up by 10.4 percent and 36.1 percent over its average in the past three and five years in that given order.



CBSS and Open Market Operations (OMO)⁵

Total CBS Securities outstanding in February 2026 totaled \$145.00 million, down from \$150.00 million in the previous month.

New CBSS issued during the month decreased to \$45.80 million compared to \$56.30 million

⁵Central 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.

issued in January 2026. On the other hand, total securities that matured during the month increased to \$50.80 million from \$48.05 million in the previous month.

In terms of the yields, the shorter-term maturities for CBS Securities recorded average yields of 2.55 percent for the 14-days, 3.58 percent for the 28-days, while those at longer terms averaged around 3.84 percent (for the 56-days paper), 3.18 percent (for the 91-days paper), 3.70 percent (for the 182-days paper) and 3.90 percent (for the 364-days paper).

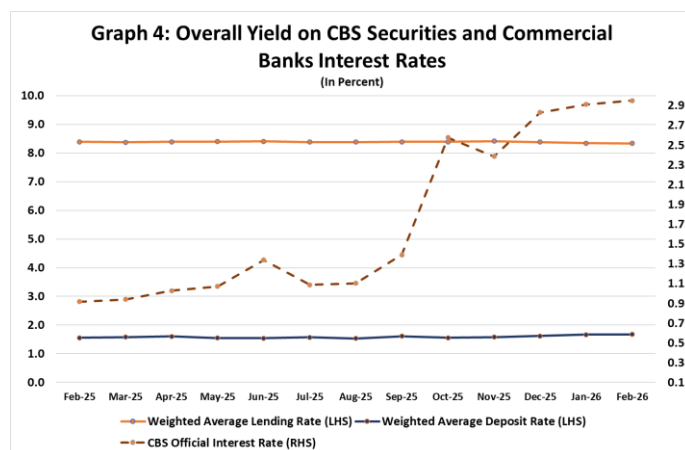
With CBSS issuance broadly distributed across the full range of maturities, the overall weighted average official interest rate increased further to 3.42 percent from 2.95 percent in January 2026 and remained well above 0.94 percent recorded in February 2025.

Commercial Banks' Interest Rates

The commercial banks' weighted average deposit (WAD) rate fell by 3 basis points to 1.65 percent in February 2026 but was 7 basis points higher than February 2025. However, their overall weighted average lending (WAL) rate remained steady at 8.33 percent but was 5 basis points lower than its rate in the same month a year ago (See Graph 4).

As a result, the weighted average interest rate spread for February 2026 increased by 3 basis points to 6.68 percent but was 11 basis points lower than the spread recorded in February 2025.

The current WAD rate remained below its three-year and five-year averages of 1.68 percent and 1.86 percent, respectively. Similarly, the WAL rate was below its three-year and five-year averages of 8.38 percent and 8.39 percent, respectively.



NBFIs⁶ Lending Rates

The revised overall weighted average lending (WAL) rate for selected NBFIs decreased by 12 basis points to 8.22 percent in February 2026 but was much higher than 7.99 percent recorded in February 2025.

Additionally, the WAL rate of SNPF declined by 15 basis points to 8.69 percent whereas the SHC's⁶ and DBS's WAL rates remained unchanged at 9.89 percent and 4.26 percent, respectively.

At its current level, the overall NBFi WAL rate remained above its three-year and five-year averages of 8.16 percent and 8.20 percent, in that given order.

CENTRAL BANK OF SAMOA **14th April 2026**

⁶ 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 SHC's data for January and February 2026 are not yet available. As such, figures from December 2025 are used as provisional estimates. The NBFIs' lending rates will be revised once these data are received.

Review of Monetary Developments						
Monetary Aggregates						
End of Period Figures	Average level in the previous		Feb-25	Dec-25	Jan-26	Feb-26
	3-years	5-years				
Determinants of Money Supply (M2)						
Net Foreign Assets	1195.40	968.54	1456.41	1628.57	1622.22	1602.90
Net Domestic Assets	424.57	519.27	269.58	187.42	145.69	159.58
Money Supply (M2)	1619.96	1487.80	1725.997	1815.99	1767.91	1762.48
<i>Trend / Annual Average (%)</i>	9.28	6.93	8.7	4.2	3.6	3.4
<i>Narrow Money (M1)</i>						
Currency outside banks	155.77	139.41	179.38	207.89	184.32	187.46
Transferable Deposits ²	687.97	592.57	743.51	762.07	741.61	714.84
<i>Quasi Money</i>	776.22	755.83	803.10	846.03	841.98	860.18
Other Deposits ³	776.22	755.83	803.10	846.03	841.98	860.18
Central Bank of Samoa						
<i>Open Markets Operations</i>						
<i>Securities Official Rate</i>	0.44	0.32	0.94	2.91	2.95	3.42
<i>Reserve Money¹</i>						
Total	755.92	657.12	795.18	867.65	836.62	823.23
<i>Trend / Annual Growth (%)</i>	15.40	13.18	3.3	2.9	3.9	4.4
Financial System (FS) Credit						
Commercial Banks	1171.43	1175.29	1205.76	1229.14	1241.95	1251.51
<i>Trend / Annual Growth (%)</i>	0.11	0.65	3.8	3.4	3.1	2.9
Non-Bank Financial Institutions (NBFIs)	924.02	885.38	992.21	1057.35	1045.74	1047.00
<i>Trend / Annual Growth (%)</i>	5.05	5.11	7.0	6.8	6.7	6.5
Private Sector						
Businesses	984.82	1009.51	1015.68	1028.25	1018.43	1024.59
Individuals	1097.68	1035.23	1172.91	1246.15	1257.92	1261.54
Public Sector (NFIs, NPEs, & Govt)						
Total FS Credit	2095.54	2060.71	2197.97	2286.49	2287.69	2298.51
<i>Trend / Annual Growth (%)</i>	2.20	2.52	5.2	4.9	4.7	4.5
Commercial Banks						
<i>Liquidity</i>						
Total	633.30	513.91	709.91	719.67	720.93	699.36
<i>Trend / Annual Growth (%)</i>	28.07	19.80	14.5	6.2	6.9	6.8
<i>Interest Rates (%)</i>						
Overall Weighted Average Lending						
Australia New Zealand Bank (Sāmoa) Limited	7.59	7.76	7.58	7.14	7.15	7.18
Bank South Pacific (Sāmoa) Limited	7.41	7.60	7.23	7.49	7.48	7.52
National Bank of Sāmoa Limited	8.76	8.45	9.23	9.25	9.24	9.20
Samoa Commercial Bank Limited	9.78	9.92	9.51	9.20	9.20	9.15
Overall Weighted Average Deposit						
Australia New Zealand Bank (Sāmoa) Limited	0.61	0.74	0.47	0.42	0.42	0.42
Bank South Pacific (Sāmoa) Limited	1.68	1.79	1.44	1.74	1.81	1.77
National Bank of Sāmoa Limited	2.44	2.64	2.36	2.42	2.34	2.09
Samoa Commercial Bank Limited	2.17	2.39	2.04	2.06	2.06	2.13
Market Shares (%)						
Lending						
Australia New Zealand Bank (Sāmoa) Limited	21.66	22.93	16.22	15.96	16.05	16.31
Bank South Pacific (Sāmoa) Limited	30.14	30.34	33.32	31.82	31.78	31.37
National Bank of Sāmoa Limited	22.07	22.47	22.64	22.26	22.45	22.27
Samoa Commercial Bank Limited	26.14	24.26	27.83	29.96	29.72	30.06
Deposit⁵						
Australia New Zealand Bank (Sāmoa) Limited	22.45	23.13	19.11	18.94	19.56	19.14
Bank South Pacific (Sāmoa) Limited	39.03	35.49	40.72	41.80	41.46	40.55
National Bank of Sāmoa Limited	17.50	19.36	18.39	17.67	16.76	18.22
Samoa Commercial Bank Limited	21.02	22.02	21.78	21.58	22.22	22.09
Non-Bank Financial Institutions (NBFIs)						
Weighted Average Lending (WAL)						
Sāmoa National Provident Fund (SNPF)	8.62	8.65	8.48	8.57	8.84	8.69
Development Bank of Samoa (DBS) ©	3.86	3.99	4.05	4.27	4.26	4.26
Samoa Housing Corporation (SHC)	11.63	12.11	10.15	9.89	9.89	9.89
NBFIs' Overall WAL ©	8.16	8.20	7.99	8.12	8.34	8.22

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.