CENTRAL BANK OF SAMOA

REVIEW OF MONETARY DEVELOPMENTS
July 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.01: 2026/27 July 2026

Monetary Target

The actual level of total money supply (M2) was 4.0 percent higher than its forecast for July 2026. This was due to stronger than expected increases in net domestic assets (NDA) due to a higher than expected level of government spending, as well as net foreign assets (NFA), driven by substantial hike in commercial banks' foreign assets.

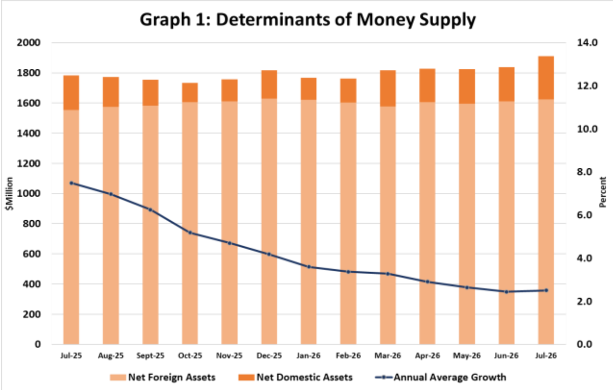
Money Supply (M2)

Total M2 jumped by $72.40 million (or 3.9 percent) to $1,910.42 million in July 2026 and was 7.1 percent higher than in July 2025.

This reflected:

- A $13.24 million growth in **Net Foreign Assets (NFA)** to $1,624.10 million. This was due to a hike in commercial banks' net foreign assets which outweighed a decline in foreign assets of the Central Bank of Samoa (CBS).
- A sharp $59.16 million increase in **Net Domestic Assets (NDA)** to $286.32 million. This reflected a decline in the Government's net position with the monetary system as well as increases in both the private sector credit and 'other items net'.

As a result, the annual average growth rate of M2 edged up to 2.5 percent in July 2026, from 2.4 percent in the previous month but still below 7.5 percent in July 2025 (See Graph 1).



Credit[1]

Total financial system (FS) credit expanded by $14.14 million (or 0.6 percent) to $2,350.73 million in July 2026, which was 5.4 percent higher than July 2025. This growth reflected a:

- $4.81 million hike in **commercial banks' lending**; and a
- $9.33 million increase in selected **non-bank financial institutions' (NBFIs) credit**.

Loans by Sector

- 99.3 percent of total loans were extended to the private sector, of which
  - 55.7 percent went to 'Households and Individuals'
  - 43.6 percent to Businesses.
- The remaining 0.7 percent was lent to the public sector.

Loans by Industry

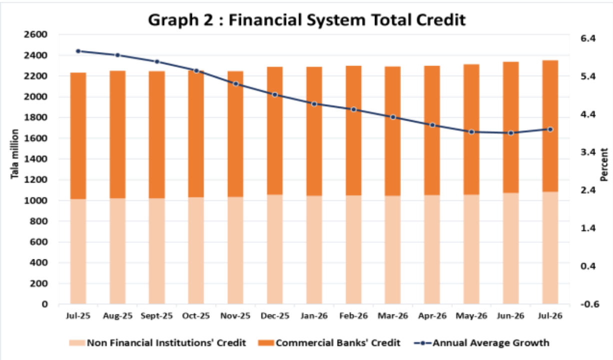
The expansion in FS credit was mainly lent to

- 'Building, construction, and installation'
- 'Professional and business services',
- 'Transportation, storage and communication' industries.

[1] Credit also means loans. This comprises of total loans by the 4 commercial banks and 3 largest non-bank financial institutions' (NBFI).

- **New loans issued** by the commercial banks during the month totaled $38.67 million, a $21.95 million increase from June 2026. Most of these new loans were lent to the 'Building, construction and installation' and the 'Transportation, storage and communication' industries.
- The share of **mortgage loans** to total commercial bank loans edged up to 50.0 percent in July 2026 from 49.9 percent in the June 2025. Moreover, total mortgage loans expanded by 0.5 percent to $633.09 million in the month under review.

As a result, the annual average FS credit growth increased to 4.0 percent in July 2026, from 3.9 percent in the previous month but still lower than 6.1 percent in July 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 March 2026, amounted to $3,543.40 million.

- **Ratio of M2 to NGDP** rose to 51.3 percent, from 50.7 percent in the December 2025 quarter and 49.3 percent in the same quarter of last year.
- **Ratio of FS credit to NGDP** also edged up to 64.7 percent from 63.8 percent in the previous quarter and 62.7 percent in the March quarter last year.

Reserve Money[2]

Total Reserve Money (RM) fell by $33.28 million (or 3.7 percent**)** over the previous month to $859.77 million. This level was $38.26 million higher than its level in July 2025.

The drop in RM was attributed to:

- A $42.34 million decline in **commercial banks' reserves**, of which
  - $42.83 million reduction in excess reserves,
  - $0.49 million increase in required reserves.
- A $9.06 million growth in **currency in circulation**.

Additionally, total RM was 10.4 percent and 26.2 percent higher than its averages in the past three and five years, respectively.

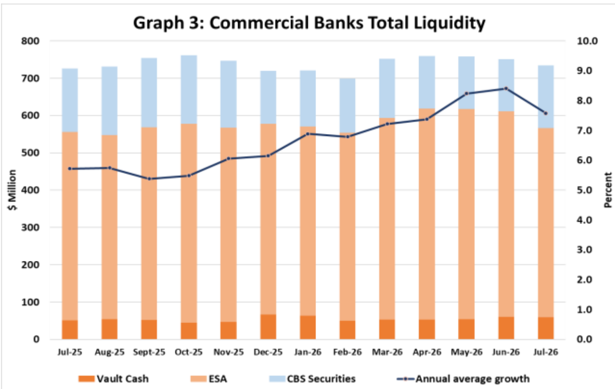
Commercial Banks' Liquidity[3]

Total commercial banks' liquidity contracted by $15.47 million (or 2.1 percent) to $735.58 million in July 2026. However, this level was $8.95 million higher than its level recorded in July 2025.

The decline over the current month reflected a:

- $42.83 million drop in **banks' exchange settlement accounts (ESA)**; and a
- $1.28 million drop in the banks' **vault cash holdings**; offsetting a
- $28.64 million increase in banks' holdings of **CBS Securities (CBSS)**. (See Graph 3).

Total liquidity in July 2026 was 12.4 percent and 38.1 percent higher than its averages in the past three and five years, 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]

Volume of CBS Securities

Total CBSS outstanding at end July 2026 totaled $168.80 million, up from $140.00 million in the previous month. New CBSS issued during the month amounted to $74.60 million, up from $43.00 million issued in June 2026. Moreover, total CBSS that matured during the month rose to $45.80 million from $43.80 million in the previous month.

Yields of CBS Securities

Average yields varied across maturities, namely

- 2.22 percent (14-day),
- 2.47 percent (28-day),
- 2.98 percent (56-day),
- 3.30 percent (91-day),
- 3.61 percent (182-day),
- 4.00 percent (364-day).

As a result, the overall weighted average official interest rate rose to 3.09 percent from 2.92 percent in June 2026 and 1.10 percent recorded in July 2025.

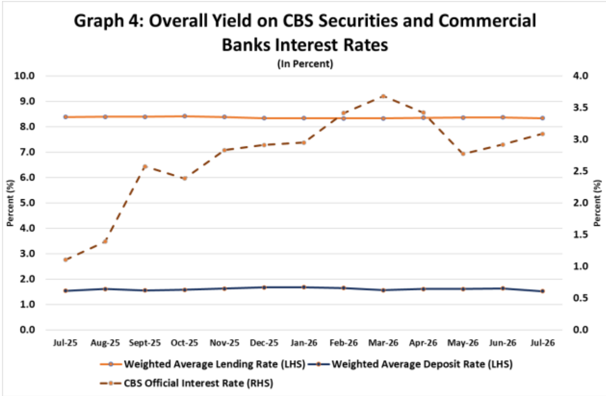
Commercial Banks' Interest Rates

The **weighted average deposit (WAD) rate** decreased by 10 basis points to 1.53 percent over the previous month and was 1 basis point lower than in July 2025.

The **weighted average lending (WAL) rate** also fell by 3 basis points to 8.34 percent and was 4 basis points lower than its rate in July 2025 (See Graph 4).

As a result, the **weighted average interest rate spread** for July 2026 rose by 7 basis points to 6.81 percent, which was 4 basis points lower than its level in July 2025.

The current WAD rate remains below its three-year and five-year averages of 1.62 percent and 1.77 percent, respectively. Similarly, the WAL rate also remained below its three-year and five-year averages of 8.37 percent and 8.39 percent, in that given order.



NBFIs[5] Lending Rates

The overall weighted average lending (WAL) rate for selected NBFIs edged up by 1 basis point over the month, to 8.08 percent in July 2026. However, this was lower than 8.19 percent recorded in July 2025.

SNPF's WAL rate rose by 1 basis point to 8.58 percent while that for SHC fell by 2 basis points to 9.38 percent. DBS's[6] WAL rate remained at 4.18 percent.

At its current level, the overall NBFI WAL rate remained well below its three-year and five-year averages of 8.20 percent and 8.22 percent, respectively.

CENTRAL BANK OF SAMOA
15th September 2026

[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.

[6] DBS's July 2026 report was not ready during compilation of this report, thus, provisional estimates are used.

Review of Monetary Developments
Monetary Aggregates

End of Period Figures	Average level in the previous 3-years	Average level in the previous 5-years	Jul-25	May-26	June-26	July-26
Determinants of Money Supply (M2)						
Net Foreign Assets	1324.90	1062.51	1554.64	1596.57	1610.86	1624.10
Net Domestic Assets	337.29	463.56	228.90	228.50	227.15	286.32
Money Supply (M2)	***1662.19***	***1526.07***	***1783.547***	***1825.07***	***1838.02***	***1910.42***
Trend / Annual Average (%)	*9.74*	*7.57*	*7.5*	*2.6*	*2.4*	*2.5*
Narrow Money (M1)	*884.93*	*767.19*	*975.64*	*960.13*	*961.18*	*1004.15*
Currency outside banks	169.38	152.06	185.51	194.02	198.78	209.12
Transferable Deposits[2]	715.55	615.13	790.13	766.11	762.41	795.03
Quasi Money	*777.26*	*758.88*	*807.91*	*864.94*	*876.84*	*906.27*
Other Deposits[3]	777.26	758.88	807.91	864.94	876.84	906.27
Central Bank of Samoa						
Open Markets Operations						
CBS Securites Official Rate (%)	*0.53*	*0.38*	*1.10*	*2.77*	*2.92*	*3.09*
Reserve Money[1]						
Total	***778.89***	***681.38***	***821.50***	***892.16***	***893.04***	***859.77***
Trend / Annual Growth (%)	*14.67*	*12.34*	*-0.6*	*9.6*	*11.0*	*10.6*
Financial System (FS) Credit						
Commercial Banks	**1185.40**	**1183.16**	**1217.24**	**1257.15**	**1262.05**	**1266.86**
Trend / Annual Growth (%)	*0.71*	*0.68*	*5.3*	*2.4*	*2.4*	*2.5*
Non-Bank Financial Institutions (NBFIs)	**949.80**	**901.08**	**1013.35**	**1054.88**	**1074.53**	**1083.86**
Trend / Annual Growth (%)	*5.47*	*4.99*	*7.0*	*5.8*	*5.8*	*5.8*
Private Sector	***2124.10***	***2069.51***	***2221.34***	***2298.18***	***2321.02***	***2334.29***
Businesses	*996.88*	*1012.48*	*1022.74*	*1017.75*	*1024.91*	*1025.19*
Individuals	*1126.98*	*1056.88*	*1197.87*	*1280.43*	*1296.11*	*1309.10*
Public Sector (NFIs, NPEs, & Govt)	***11.33***	***14.91***	***9.98***	***13.85***	***15.57***	***16.44***
Total FS Credit	***2135.19***	***2084.23***	***2230.59***	***2312.03***	***2336.59***	***2350.73***
Trend / Annual Growth (%)	*2.74*	*2.49*	*6.1*	*3.9*	*3.9*	*4.0*
Commercial Banks						
Liquidity						
Total	***654.64***	***532.45***	***726.63***	***759.00***	***751.05***	***734.90***
Trend / Annual Growth (%)	*27.93*	*19.46*	*5.7*	*8.2*	*8.4*	*7.6*
Interest Rates (%)						
Overall Weighted Average Lending	**8.37**	**8.39**	**8.38**	**8.36**	**8.36**	**8.34**
Australia New Zealand Bank (Sāmoa) Limited	7.55	7.61	7.42	7.19	7.17	7.14
Bank South Pacific (Sāmoa) Limited	7.33	7.58	7.32	7.53	7.53	7.56
National Bank of Sāmoa Limited	8.97	8.63	9.43	9.45	9.48	9.41
Samoa Commercial Bank Limited	9.66	9.80	9.32	9.05	9.01	8.98
Overall Weighted Average Deposit	**1.62**	**1.77**	**1.54**	**1.61**	**1.63**	**1.53**
Australia New Zealand Bank (Sāmoa) Limited	0.56	0.68	0.44	0.43	0.41	0.39
Bank South Pacific (Sāmoa) Limited	1.59	1.79	1.41	1.67	1.66	1.42
National Bank of Sāmoa Limited	2.23	2.37	2.22	2.09	2.25	2.13
Samoa Commercial Bank Limited	2.18	2.30	2.07	2.08	2.11	2.12
Market Shares (%)						
Lending						
Australia New Zealand Bank (Sāmoa) Limited	20.54	22.35	16.22	16.22	15.89	16.12
Bank South Pacific (Sāmoa) Limited	30.37	30.21	32.59	31.14	30.94	30.90
National Bank of Sāmoa Limited	22.64	22.64	23.14	22.32	22.80	22.57
Samoa Commercial Bank Limited	26.45	24.80	28.05	30.32	30.37	30.41
Deposit[5]						
Australia New Zealand Bank (Sāmoa) Limited	21.06	22.69	19.64	18.33	18.85	19.29
Bank South Pacific (Sāmoa) Limited	40.47	36.22	40.18	42.32	40.99	38.98
National Bank of Sāmoa Limited	17.47	18.49	18.99	16.43	17.57	17.93
Samoa Commercial Bank Limited	20.99	22.60	21.20	22.92	22.60	23.80
Non-Bank Financial Institutions (NBFIs)						
Weighted Average Lending (WAL)						
Sāmoa National Provident Fund (SNPF)	8.66	8.68	8.67	8.69	8.57	8.58
Development Bank of Samoa (DBS) ®	3.91	3.91	4.29	4.19	4.18	4.18
Samoa Housing Corporation (SHC)	11.33	11.92	9.98	9.39	9.39	9.38
NFIs' Overall WAL ®	**8.20**	**8.22**	**8.19**	**8.17**	**8.07**	**8.08**

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.