CENTRAL BANK OF SAMOA

REVIEW OF MONETARY DEVELOPMENTS
June 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.12: 2025/26 June 2026

Monetary Target

The actual level of total money supply (M2) was 0.3 percent higher than its forecast for June 2026. This slightly higher number was due to stronger than expected increase in net domestic assets (NDA), as a result of a higher than expected level of private sector credit.

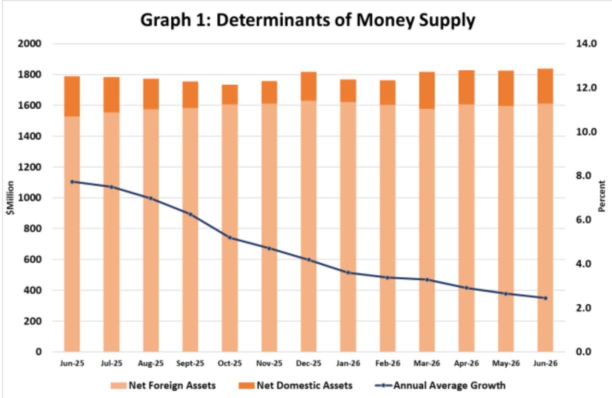
Money Supply (M2)

Total M2 expanded by $12.95 million (or 0.7 percent) to $1,838.02 million in June 2026 and was 2.8 percent higher than in June 2025.

This reflected:

- A $14.29 million growth in Net Foreign Assets (NFA) to $1,610.86 million. This was due to a hike in net foreign assets of the Central Bank of Samoa (CBS).
- A $1.35 million decline in Net Domestic Assets (NDA) to $227.16 million. This reflected a surplus[1] in the Government's net position with the monetary system. This was partially outweighed by increases in both private sector credit and 'other items net'.

As a result, the annual average growth rate of M2 slowed further to 2.4 percent in June 2026, from 2.7 percent in the previous month and 7.7 percent in June 2025.



Credit[2]

Total financial system (FS) credit expanded by $24.40 million (or 1.1 percent) to $2,336.43 million in June 2026, which was 5.0 percent higher than June 2025. This hike reflected increases of $4.90 million in commercial banks' lending and $19.50 million in selected non-bank financial institutions' (NBFIs) credit.

Loans by Sector

- 99.4 percent of total loans were extended to the private sector, of which
  - 55.5 percent went to 'Households and Individuals'
  - 43.9 percent to Businesses.
- The remaining 0.6 percent was lent to the public sector.

Loans by Industry

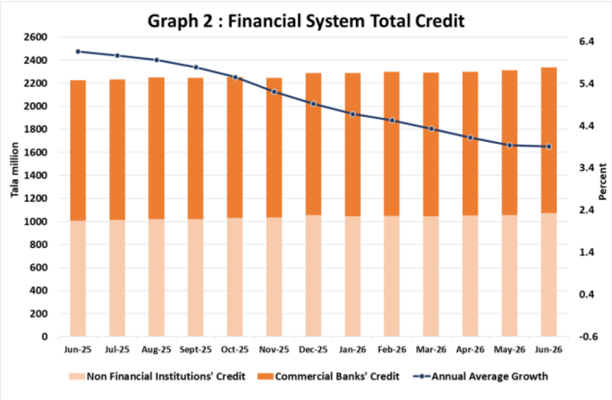
The expansion in FS credit was mainly lent to

- 'Manufacturing'
- 'Building, construction, and installation',
- 'Professional and business services' industries.

[1] Surplus means an increase in Government deposits and/or decrease in its liabilities to commercial banks and CBS.
[2] 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 $16.72 million, a $3.16 million decrease from May 2026. Most of these new loans were lent to the 'Manufacturing' and the 'Electricity, gas and water' industries.
- The share of mortgage loans to total commercial bank loans edged down to 49.9 percent in June 2026 from 50.0 percent in the previous month. Moreover, total mortgage loans expanded by 0.2 percent to $629.74 million in the month under review.

However, the annual average FS credit growth remained steady at 3.9 percent in June 2026 compared to the previous month but much lower than 6.2 percent in June 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[3]

Total Reserve Money (RM) grew slightly by $0.88 million (or 0.1 percent**)** over the previous month to $893.04 million. This level was $132.37 million higher than its level in June 2025.

The expansion in RM was attributed to

- $10.63 million growth in currency in circulation,
- $9.75 million decline in commercial banks' reserves, of which
  - $12.97 million reduction in excess reserves,
  - $3.22 million increase in required reserves.

Additionally, total RM was 17.9 percent and 33.5 percent higher than its averages in the past three and five years, respectively.

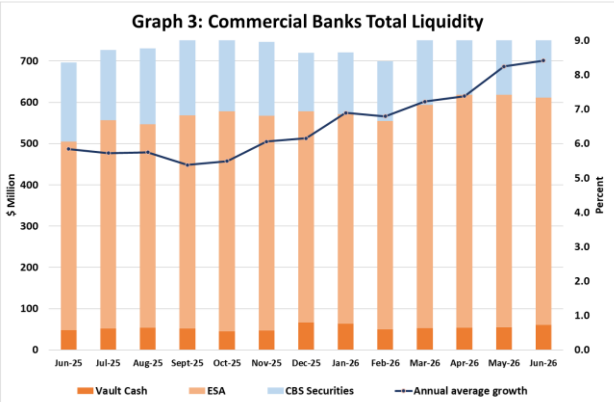
Commercial Banks' Liquidity[4]

Total commercial banks' liquidity contracted by $7.94 million (or 1.0 percent) to $751.05 million in June 2026. However, this level was $55.10 million higher than its level recorded in June 2025.

The decline over the current month reflected a

- $12.97 million reduction in banks' exchange settlement accounts (ESA)
- $0.84 million decrease in their holdings of CBS Securities (CBSS).
- $5.87 million increase in the banks' vault cash holdings. (See Graph 3).

Total liquidity in June 2026 was 16.8 percent and 41.9 percent higher than its averages in the past three and five years, respectively.



[3]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

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

CBSS and Open Market Operations (OMO)[5]

Volume of CBS Securities

Total CBSS outstanding at end June 2026 totaled $140.00 million, down from $140.80 million in the previous month. New CBSS issued during the month amounted to $43.00 million, up from $34.60 million issued in May 2026. Moreover, total CBSS that matured during the month rose to $43.80 million from $35.20 million in the previous month.

Yields of CBS Securities

In terms of the yields, shorter-term papers such as the 14-day paper recorded average yield of 2.22 percent and the 28-day paper at 2.47 percent. Meanwhile, the longer-term papers such as the 56-day paper averaged around 2.97 percent, the 91-day paper at 3.26 percent, the 182-day paper at 3.56 percent and the 364-day paper at 3.98 percent.

As a result, the overall weighted average official interest rate rose to 2.92 percent from 2.77 percent in May 2026. This level was well above 1.09 percent recorded in June 2025.

Commercial Banks' Interest Rates

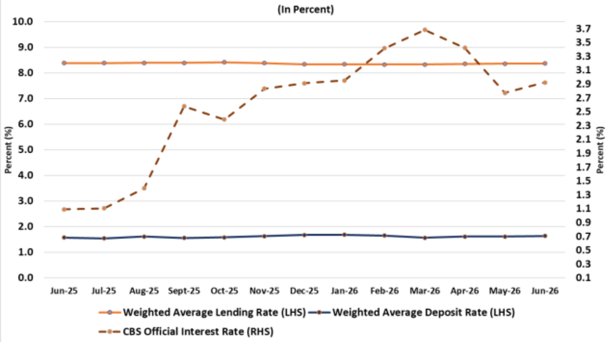
Weighted average deposit (WAD) rate increased by 2 basis points to 1.63 percent in June 2026 from the previous month and was 6 basis points higher than in June 2025.

Weighted average lending (WAL) rate edged up by 1 basis point to 8.37 percent but was 1 basis point lower than its rate in June 2025 (See Graph 4).

As a result, the **weighted average interest rate spread** for June 2026 edged down by 1 basis point to 6.74 percent, which was 7 basis points lower than its level in June 2025.

The current WAD rate remains the same level as its three-year average but below its five-year average of 1.77 percent. Similarly, the WAL rate also stood at the same level as its three-year average but below its five-year average of 8.40 percent.

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



NBFIs[6] Lending Rates

The overall weighted average lending (WAL) rate for selected NBFIs decreased by 10 basis points to 8.07 percent in June 2026 and was lower than 8.18 percent recorded in June 2025.

SNPF's WAL rate declined by 12 basis points to 8.57 percent while that for DBS also fell by 1 basis point to 4.18 percent. There was no change in SHC[6] WAL rate at 9.39 percent.

At its current level, the overall NBFI WAL rate remained well below its three-year and five-year averages of 8.19 percent and 8.16 percent, respectively.

CENTRAL BANK OF SAMOA
18th August 2026

[5] 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.
[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.
[6] SHC's June 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	Jun-25	Apr-26	May-26	June-26
Determinants of Money Supply (M2)						
Net Foreign Assets	1301.67	1053.63	1526.93	1606.15	1596.57	1610.86
Net Domestic Assets	385.43	494.61	261.51	221.68	228.50	227.15
Money Supply (M2)	***1687.10***	***1548.25***	***1788.445***	***1827.83***	***1825.07***	***1838.02***
Trend / Annual Average (%)	*9.64*	*7.48*	*7.7*	*2.9*	*2.6*	*2.4*
Narrow Money (M1)	904.27	787.28	*952.81*	*965.14*	*960.13*	*961.18*
Currency outside banks	167.30	147.65	176.88	192.24	194.02	198.78
Transferable Deposits[2]	736.96	639.63	775.93	772.91	766.11	762.41
Quasi Money	782.85	760.97	*835.64*	*862.69*	*864.94*	*876.84*
Other Deposits[3]	782.85	760.97	835.64	*862.69*	*864.94*	*876.84*
Central Bank of Samoa						
Open Markets Operations						
CBS Securites Official Rate (%)	*0.52*	*0.37*	*1.09*	*3.42*	*2.77*	*2.92*
Reserve Money [1]						
Total	***757.69***	***668.91***	***760.67***	***891.93***	***892.16***	***893.04***
Trend / Annual Growth (%)	*14.60*	*12.30*	*-1.3*	*7.4*	*9.6*	*11.0*
Financial System (FS) Credit						
Commercial Banks	**1176.70**	**1175.45**	**1216.76**	**1248.03**	**1257.15**	**1262.05**
Trend / Annual Growth (%)	*0.65*	*0.72*	*5.4*	*2.5*	*2.4*	*2.4*
Non-Bank Financial Institutions (NBFIs)	**938.43**	**895.81**	**1007.78**	**1051.12**	**1054.88**	**1074.38**
Trend / Annual Growth (%)	*5.37*	*5.01*	*7.1*	*6.1*	*5.8*	*5.8*
Private Sector	***2103.46***	***2056.50***	***2214.49***	***2284.77***	***2298.18***	***2320.86***
Businesses	*986.75*	*1007.98*	*1020.68*	*1013.51*	*1017.75*	*1024.91*
Individuals	*1116.65*	*1048.48*	*1193.81*	*1271.25*	*1280.43*	*1295.95*
Public Sector (NFIs, NPEs, & Govt)	***11.73***	***15.16***	***10.05***	***14.38***	***13.85***	***15.57***
Total FS Credit	***2115.12***	***2071.62***	***2224.54***	***2299.15***	***2312.03***	***2336.43***
Trend / Annual Growth (%)	*2.62*	*2.50*	*6.2*	*4.1*	*3.9*	*3.9*
Commercial Banks						
Liquidity						
Total	***642.90***	***529.16***	***695.95***	***759.76***	***759.00***	***751.05***
Trend / Annual Growth (%)	*27.87*	*19.34*	*5.8*	*7.4*	*8.2*	*8.4*
Interest Rates (%)						
Overall Weighted Average Lending	**8.37**	**8.40**	**8.38**	**8.35**	**8.36**	**8.37**
Australia New Zealand Bank (Sāmoa) Limited	7.56	7.67	7.46	7.17	7.19	7.17
Bank South Pacific (Sāmoa) Limited	7.33	7.58	7.28	7.52	7.53	7.53
National Bank of Sāmoa Limited	8.99	8.65	9.42	9.41	9.45	9.48
Samoa Commercial Bank Limited	9.70	9.82	9.35	9.07	9.05	9.01
Overall Weighted Average Deposit	**1.63**	**1.77**	**1.57**	**1.61**	**1.61**	**1.63**
Australia New Zealand Bank (Sāmoa) Limited	0.57	0.70	0.48	0.43	0.43	0.41
Bank South Pacific (Sāmoa) Limited	1.52	1.72	1.24	1.70	1.67	1.66
National Bank of Sāmoa Limited	2.43	2.52	2.45	2.00	2.09	2.25
Samoa Commercial Bank Limited	2.19	2.29	2.13	2.10	2.08	2.11
Market Shares (%)						
Lending						
Australia New Zealand Bank (Sāmoa) Limited	20.59	22.36	16.19	16.19	16.22	15.89
Bank South Pacific (Sāmoa) Limited	30.77	30.37	32.64	31.19	31.14	30.94
National Bank of Sāmoa Limited	22.18	22.46	23.02	22.15	22.32	22.80
Samoa Commercial Bank Limited	26.46	24.81	28.16	30.47	30.32	30.37
Deposit [5]						
Australia New Zealand Bank (Sāmoa) Limited	21.64	23.30	18.94	19.13	18.33	18.85
Bank South Pacific (Sāmoa) Limited	39.44	35.45	39.16	39.80	42.32	40.99
National Bank of Sāmoa Limited	18.20	19.00	20.07	17.78	16.43	17.57
Samoa Commercial Bank Limited	20.81	22.30	21.84	23.29	22.92	22.60
Non-Bank Financial Institutions (NBFIs)						
Weighted Average Lending (WAL)						
Sāmoa National Provident Fund (SNPF)	8.66	8.62	8.66	8.64	8.69	8.57
Development Bank of Samoa (DBS) ®	3.90	3.92	4.29	4.21	4.19	4.18
Samoa Housing Corporation (SHC)	11.34	11.92	10.03	9.45	9.39	9.39
NFIs' Overall WAL ®	**8.19**	**8.16**	**8.18**	**8.14**	**8.17**	**8.07**

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.