

REVIEW OF MONETARY DEVELOPMENTS

October 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.04: 2025/26

October 2025

Monetary Forecast

The actual level of total money supply (M2) was 2.5 percent lower than its forecast target for October 2025. This was due to a significantly lower-than-expected level of Net Domestic Assets (NDA), reflecting a lower-than-expected level private sector credit. This outweighed a higher-than-expected level of Net Foreign Assets (NFA).

Money Supply (M2)

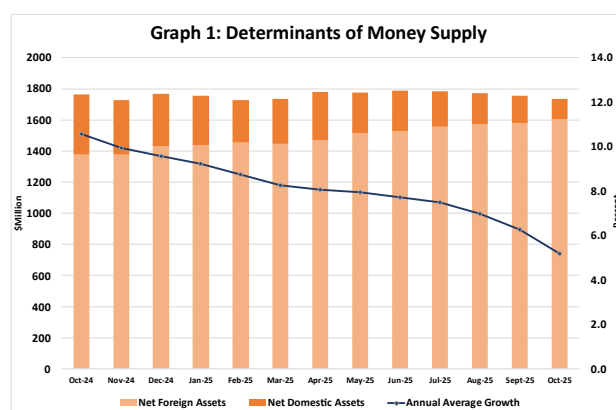
Total M2 fell by \$21.30 million (or 1.2 percent) to \$1,733.64 million in October 2025 and was 1.6 percent lower than October a year ago.

This monthly decline reflected the following movements:

- A significant \$43.74 million reduction in Net Domestic Assets (NDA) to \$128.67 million. This was primarily driven by a large decrease in other items (net) and private sector credit, which more than offset a drop in the Government's net position.
- On the other hand, Net Foreign Assets (NFA) grew by \$22.44 million to \$1,604.97 million. This reflected an increase in gross foreign reserves of the Central Bank and a slight improvement in commercial banks' foreign assets. In addition, commercial banks' foreign liabilities declined in the month under review.

As a result, the annual average growth rate of M2 decelerated further to 5.2 percent in October 2025, from 6.3 percent in the previous month

and much lower than 10.6 percent in October 2024.



Credit

Total financial system (FS) credit declined by \$2.35 million (or 0.1 percent) to \$2,244.46 million in October 2025 but was 2.7 percent higher than the same month last year. This reduction over the month reflected a \$2.35 million decrease in commercial banks' credit, while Non-Bank Financial Institutions' (NBFIs)¹ lending remained steady.

- By sector, 99.5 percent of total loans were extended to the private sector, of which 54.4 percent went to 'Households and Individuals' and 45.1 percent to Businesses. The remaining 0.5 percent was lent to the public sector.
- Lower credit were extended to industries such as 'Trade', 'Professional and business services', and 'Other activities'.
- New loans issued during the month totaled \$21.51 million, decreasing by \$2.78 million from September 2025. Most of these new loans were extended

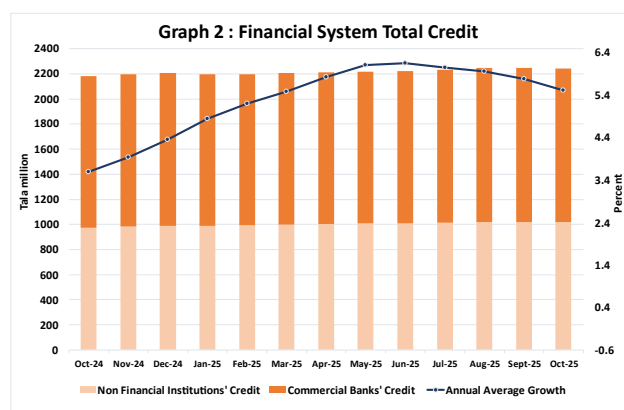
¹ Comprises of commercial banks and three largest non-bank financial institutions' (NBFIs) total lending.

¹ NBFIs data for October 2025 is not yet available. As such, figures from the previous month are used as provisional estimates. Total credit will be revised once NBFIs data are received.

to the ‘Professional and business services’, ‘Manufacturing’, and ‘Other activities’ industries.

- The share of mortgage loans to total commercial bank loans edged up to 49.2 percent in October 2025 from 48.8 percent in September 2025. Moreover, total mortgage loans expanded by only 0.72 percent to \$602.32 million in the month under review.

On an annual average basis, FS credit growth slowed to 5.5 percent in October 2025 from 5.8 percent in September 2025, but was faster than the 3.6 percent recorded in October 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 Money²

Total Reserve Money (RM) grew by \$14.09 million (or 1.7 percent) to \$842.92 million in October 2025. This was mainly attributed to a \$17.81 million increase in commercial banks

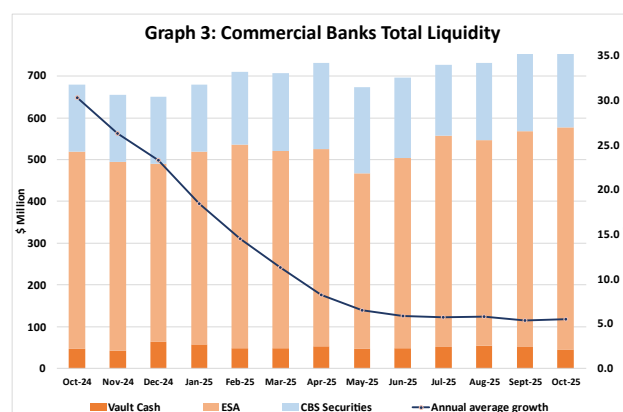
reserves, which was partially offset by a \$3.72 million decrease in currency in circulation. The overall increase in banks’ reserves is due to a \$16.32 million increase in excess reserves and a \$1.49 million growth in required reserve balances held at the Central Bank.

Compared to October 2024, RM was \$77.05 million higher. Moreover, it remained significantly above its three-year and five-year October averages, by 21.4 percent and 36.6 percent, respectively.

Commercial Banks’ Liquidity³

Total commercial banks’ liquidity rose by \$7.42 million (1.0 percent) to \$761.37 million in October 2025. This reflected a \$16.32 million increase in exchange settlement account (ESA) balances, which outweighed reductions in both the banks’ holdings of CBS Securities and their vault cash by 1.97 million and 6.93 million respectively. (See Graph 3.)

As a result, total liquidity remained significantly higher than October 2024 by \$82.00 million. Furthermore, it was substantially above its levels in the past three and five years, by 105.6 percent and 136.6 percent, respectively.



CBSS and Open Market Operations (OMO)⁴

Total CBS Securities issued during the month increased to \$54.05 million from \$42.20 million

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

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.

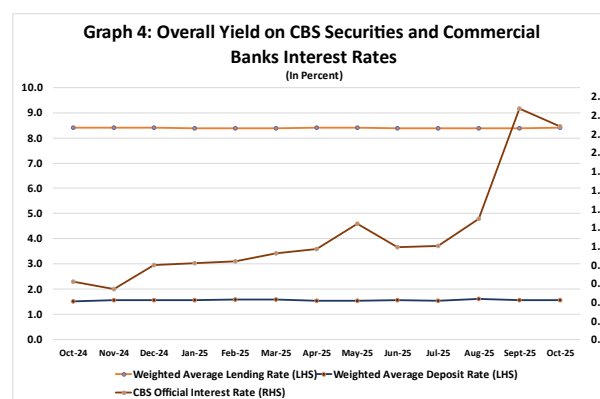
in September 2025. The issuances were allocated across the following maturities: 28-days (\$16.75 million), 56-days (\$17.30 million), 91-days (\$7.00 million), 182-days (\$4.00 million), and 364-days (\$9.00 million). Total maturities in October amounted to \$57.25 million, which together with Securities issued, resulted in a 1.7 percent decrease in total CBSS outstanding to \$183.8 million at the end of October 2025.

The overall weighted average yield on CBSS edged down to 2.39 percent in October 2025, from 2.58 percent in September 2025 but was well above the 0.72 percent in October 2024.

Commercial Banks' Interest Rates

The weighted average deposit (WAD) rate in October 2025 rose by 2 basis points to 1.58 percent and was 7 basis points higher than the same month last year. Similarly, the weighted average lending (WAL) rate also increased by 2 basis points to 8.41 percent, but was changed compared to October 2024. As a result, the interest rate spread remained the same at 6.83 percent, but was 7 basis points lower than 6.90 percent recorded in October 2024. (See Graph 4).

The WAD rate remained below its three-year and five-year averages of 1.72 percent and 1.95 percent, respectively. On the other hand, the WAL rate was above its three-year average of 8.35 percent but slightly below its five-year average of 8.44 percent.



NBFIs⁵ Lending Rates

The overall weighted average lending (WAL) rate for selected Non-Bank Financial Institutions (NBFIs)⁶ remained steady at 8.20 percent in October 2025 but was much higher than 7.97 percent in October 2024.

The WAL rate for all selected NBFIs, namely SNPF, DBS and SHC remained unchanged at 8.68 percent, 4.26 percent, and 9.95 percent, respectively.

At its current level, the overall NBFi WAL rate remained slightly below its three-year and five-year averages of 8.26 percent and 8.23 percent respectively.

CENTRAL BANK OF SAMOA

10th December 2025

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 NBFIs data for October 2025 is not yet available. As such, figures from the previous month are used as provisional estimates. NBFIs' lending rates will be revised once data are received.

Monetary Aggregates						
End of Period Figures	Average level in the previous		2024		2025	
	3-years	5-years	October	August	September	October
Determinants of Money Supply (M2)						
Net Foreign Assets	1072.11	896.37	1386.23	1574.11	1582.53	1604.97
Net Domestic Assets	510.37	571.17	376.49	198.00	172.41	128.67
Money Supply (M2)	1582.48	1467.49	1762.723	1772.112	1754.946	1733.644
<i>Trend / Annual Average (%)</i>	8.73	6.58	10.6	7.0	6.3	5.2
<i>Narrow Money (M1)</i>	806.72	706.47	974.74	949.37	933.11	910.76
Currency outside banks	152.78	138.83	166.80	191.70	179.06	182.28
Transferable Deposits ²	653.94	567.64	807.94	757.67	754.05	728.48
<i>Quasi Money</i>	775.76	761.02	787.99	822.75	821.83	822.88
Other Deposits ³	775.76	761.02	787.99	822.75	821.83	822.88
Central Bank of Samoa						
Open Markets Operations						
<i>Securites Official Rate</i>	0.36	0.27	0.72	1.39	2.58	2.39
Reserve Money¹						
Total	694.33	617.01	765.871	818.681	828.832	842.924
<i>Trend / Annual Growth (%)</i>	15.57	14.27	12.1	0.1	0.3	1.1
Financial System (FS) Credit						
Commercial Banks	1175.76	1181.16	1211.59	1229.01	1226.00	1223.65
<i>Trend / Annual Growth (%)</i>	-0.52	0.60	0.7	5.2	4.8	4.4
Non-Bank Financial Institutions (NBFIs)	913.18	871.76	973.05	1020.00	1020.81	1020.81
<i>Trend / Annual Growth (%)</i>	4.94	5.32	7.5	6.9	7.0	6.9
Private Sector	2075.02	2035.77	2175.49	2239.72	2238.56	2239.56
Businesses	994.81	1018.93	1031.87	1030.48	1019.60	1011.35
Individuals	1080.20	1016.84	1143.62	1208.06	1216.78	1222.76
Public Sector (NFIs, NPEs, & Govt)	13.92	17.14	9.15	10.46	10.43	10.35
Total FS Credit	2088.94	2052.91	2184.64	2249.00	2246.81	2244.46
<i>Trend / Annual Growth (%)</i>	1.77	2.55	3.6	6.0	5.8	5.5
Commercial Banks						
Liquidity						
Total	553.16	461.74	679.36	731.02	753.95	761.37
<i>Trend / Annual Growth (%)</i>	27.38	20.49	30.3	5.8	5.4	5.5
Interest Rates (%)						
Overall Weighted Average Lending	8.35	8.44	8.41	8.39	8.39	8.41
Australia New Zealand Bank (Sāmoa) Limited	7.59	7.81	7.59	7.42	7.49	7.48
Bank South Pacific (Sāmoa) Limited	7.39	7.70	7.15	7.35	7.39	7.43
National Bank of Sāmoa Limited	8.66	8.48	9.14	9.41	9.39	9.40
Samoa Commercial Bank Limited	9.85	10.00	9.82	9.30	9.27	9.26
Overall Weighted Average Deposit	1.72	1.95	1.51	1.61	1.56	1.58
Australia New Zealand Bank (Sāmoa) Limited	0.66	0.79	0.46	0.45	0.44	0.42
Bank South Pacific (Sāmoa) Limited	1.75	2.02	1.51	1.62	1.49	1.62
National Bank of Sāmoa Limited	2.38	2.69	2.08	2.19	2.29	2.14
Samoa Commercial Bank Limited	2.20	2.45	2.06	2.09	2.05	2.08
Market Shares (%)						
Lending						
Australia New Zealand Bank (Sāmoa) Limited	21.86	22.93	16.59	16.38	16.48	16.23
Bank South Pacific (Sāmoa) Limited	30.35	30.39	33.20	32.45	32.87	32.31
National Bank of Sāmoa Limited	22.38	23.17	23.11	23.06	22.38	22.56
Samoa Commercial Bank Limited	25.41	23.51	27.10	28.11	28.27	28.90
Deposit⁵						
Australia New Zealand Bank (Sāmoa) Limited	23.00	23.93	20.98	18.34	18.59	18.19
Bank South Pacific (Sāmoa) Limited	36.26	33.65	39.34	42.82	43.61	44.11
National Bank of Sāmoa Limited	17.63	19.20	18.40	18.23	16.93	17.30
Samoa Commercial Bank Limited	23.10	23.22	21.29	20.61	20.87	20.41
Non-Bank Financial Institutions (NBFIs)						
Weighted Average Lending (WAL)						
Sāmoa National Provident Fund (SNPF)	8.69	8.66	8.45	8.67	8.68	8.68
Development Bank of Samoa (DBS) ©	3.86	3.95	3.98	4.27	4.26	4.26
Samoa Housing Corporation (SHC)	12.17	12.51	10.33	9.97	9.95	9.95
NBFIs' Overall WAL ©	8.26	8.23	7.97	8.19	8.20	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.