

REVIEW OF MONETARY DEVELOPMENTS

January 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.07: 2025/26

January 2026

Monetary Target

The actual level of total money supply (M2) was 2.6 percent lower than its forecast for January 2026. This was due to a lower-than-expected level of Net Domestic Assets (NDA), reflecting a higher-than-expected level of government net deposits and a weaker-than-expected level of private sector credit. On the other hand, the actual level of Net Foreign Assets (NFA) was above its forecast.

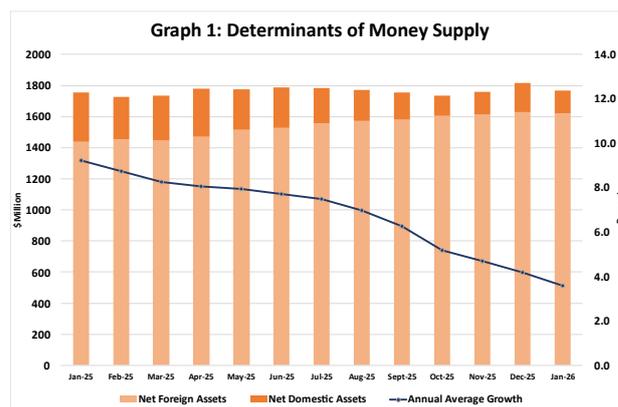
Money Supply (M2)

Total M2 contracted significantly by \$48.07 million (or 2.6 percent) to \$1,767.91 million in January 2026 but was 0.6 percent higher than January 2025.

This substantial decline was attributable to:

- A sharp fall of \$41.73 million in Net Domestic Assets (NDA) to \$145.69 million. This was mainly driven by a large increase in government's net position with the monetary system as well as a decrease in 'other items net', which outweighed an increase in private sector credit.
- A \$6.34 million reduction in Net Foreign Assets (NFA) to \$1,622.22 million. This was primarily driven by a decline in commercial banks' foreign assets, which more than offset an expansion in official foreign assets of the Central Bank of Samoa.

On an annual average basis, M2 grew by 3.6 percent in January 2026, decelerating from 4.2 percent in December 2025, and 9.2 percent in January 2025.



Credit

Total financial system (FS) credit expanded by \$12.81 million (or 0.6 percent) to \$2,299.30 million in January 2026 and was 4.6 percent higher than in January 2025. The expansion over the month was entirely made up of a \$12.81 million rise in commercial banks' credit whereas the 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 54.5 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 the 'Building, construction and installation', 'Trade', and 'Professional and business services' industries.
- New loans issued during the month totaled \$13.23 million, a significant drop from \$25.02 million issued in December 2025. Most of these new loans were lent

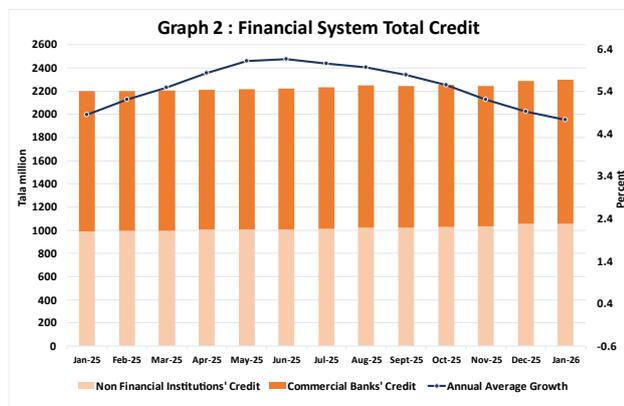
¹ Comprises of commercial banks and three largest non-bank financial institutions' (NBFi) total lending.

¹ Selected NBFIs' data for January 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.

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

- The share of mortgage loans to total commercial bank loans edged down to 49.6 percent in January 2026 from 49.9 percent in December 2025. Moreover, total mortgage loans expanded by 0.4 percent to \$615.85 million in the month under review.

The annual average FS credit growth slowed down to 4.7 percent in January 2026, from 4.9 percent in December 2025 and 4.8 percent in January 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 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 lower than 65.2 percent in the September quarter last year.

Reserve Money²

Total Reserve Money (RM) fell by a seasonal \$31.03 million (or 3.6 percent) over the previous month to \$836.62 million but was \$50.58 million higher than in January 2025. The reduction in

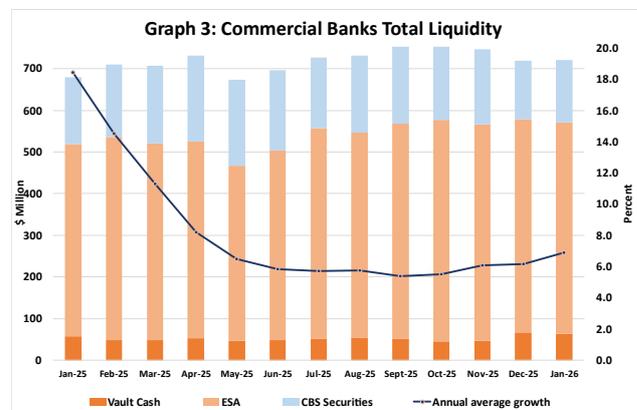
Reserve Money was underpinned by a \$27.09 million reduction in currency in circulation as well as a \$3.94 million decline in commercial banks’ reserves.

Additionally, total RM was 11.7 percent and 27.7 percent higher than its January averages in the past three and five years, respectively.

Commercial Banks’ Liquidity³

The total commercial banks’ liquidity increased slightly by \$1.27 million (or 0.2 percent) to \$720.93 million in January 2026. Additionally, this level was \$41.49 million higher than its level recorded in January 2025. The increase in total liquidity over the month reflected an increase in banks’ holdings of CBS Securities by \$8.38 million, which more than offset reductions in commercial banks’ exchange settlement accounts held at the Central Bank (by \$3.59 million) and their vault cash holdings (by \$3.52 million). (See Graph 3).

Total liquidity in January 2026 was up by 18.8 percent and 44.2 percent over its average in the past last three and five years respectively.



CBSS and Open Market Operations (OMO)⁴

Total CBS Securities outstanding in January 2026 totaled \$150.00 million, up from \$141.75 million in the previous month.

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.

New CBSS issued during the month increased to \$56.30 million compared to \$25.80 million in December 2025. On the other hand, total securities that matured during the month declined to \$48.05 million from \$63.55 million in the previous month.

In terms of the yields on CBSS, the shorter-term maturities recorded average yields of 2.09 percent for 14-days, 3.56 percent (for 28-days) while those at longer terms averaged around 3.82 percent (56-days), 1.77 percent (91-days) and 3.36 percent (182-days).

With CBSS issuance broadly distributed across the full range of maturities (except for the 364-days paper), the overall weighted average official interest rate increased further to 2.95 percent from 2.91 percent in December 2025 and remained well above 0.92 percent recorded in January of 2025.

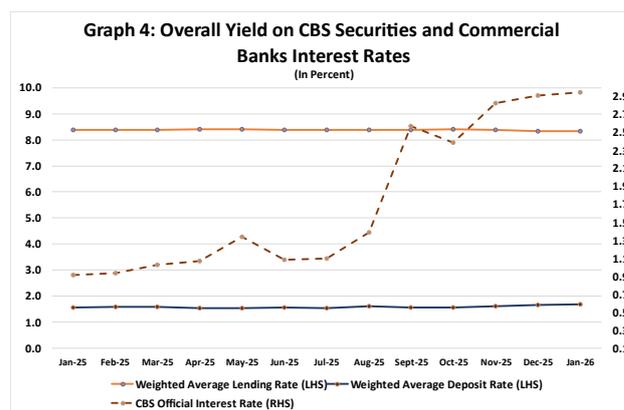
Commercial Banks' Interest Rates

The commercial banks' weighted average deposit (WAD) rate expanded by only 1 basis point to 1.68 percent in January 2026 and was 12 basis points higher than January 2025. On the other hand, their weighted average lending (WAL) rate fell by 1 basis point to 8.33 percent, which was also 6 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 January 2026 fell by 2 basis points to 6.65 percent and was 17 basis points lower than the spread recorded in January 2025.

The current WAD rate remained above its three-year average of 1.67 percent but below its five-year average of 1.86 percent. However, the WAL rate was below its three-year and five-year

averages of 8.36 percent and 8.39 percent, respectively.



NBFIs⁵ Lending Rates

The overall weighted average lending (WAL) rate for selected NBFIs remained unchanged at 8.12 percent in January 2026 but was much higher than 7.99 percent recorded in January 2025.

The absence of movement in the overall WAL rate of the selected NBFIs over the month reflected the fact that the individual WAL rates of SNPF (8.57 percent), SHC (9.89 percent), and DBS (4.27 percent) remained unchanged.

At its current level, the overall NBFi WAL rate remained below its three-year and five-year averages of 8.20 percent and 8.21 percent, respectively.

CENTRAL BANK OF SAMOA
10th March 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 Selected NBFIs' data for January 2026 are not yet available. As such, figures from December 2025 are used as provisional estimates. The 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		Jan-25	Nov-25	Dec-25	Jan-26
	3-years	5-years				
Determinants of Money Supply (M2)						
Net Foreign Assets	1191.62	974.96	1436.74	1611.15	1628.57	1622.22
Net Domestic Assets	423.82	517.32	319.76	146.50	187.42	145.69
Money Supply (M2)	1615.44	1492.27	1756.506	1757.65	1815.99	1767.91
<i>Trend / Annual Average (%)</i>	9.21	6.82	9.3	4.7	4.2	3.6
<i>Narrow Money (M1)</i>						
Currency outside banks	163.04	145.08	188.22	181.73	207.89	184.32
Transferable Deposits ²	686.47	595.09	763.27	757.47	762.07	741.61
<i>Quasi Money</i>	765.93	752.11	805.02	818.46	846.03	841.98
Other Deposits ³	765.93	752.11	805.02	818.46	846.03	841.98
Central Bank of Samoa						
<i>Open Markets Operations</i>						
Securities Official Rate	0.44	0.33	0.92	2.83	2.91	2.95
<i>Reserve Money¹</i>						
Total	749.27	655.36	786.04	832.06	867.65	836.62
<i>Trend / Annual Growth (%)</i>	15.53	13.46	5.1	2.0	2.9	3.9
Financial System (FS) Credit						
Commercial Banks	1172.49	1178.02	1208.13	1211.71	1229.14	1241.95
<i>Trend / Annual Growth (%)</i>	-0.06	0.62	3.1	3.9	3.4	3.1
Non-Bank Financial Institutions (NBFIs)	922.46	883.60	990.84	1034.09	1057.35	1057.35
<i>Trend / Annual Growth (%)</i>	5.02	5.16	7.1	6.9	6.8	6.8
Private Sector						
Businesses	987.15	1013.17	1021.64	1005.20	1028.25	1035.59
Individuals	1093.90	1032.32	1167.30	1230.04	1246.15	1252.38
Public Sector (NFIs, NPEs, & Govt)						
Total FS Credit	2094.59	2061.41	2198.96	2245.80	2286.49	2299.30
<i>Trend / Annual Growth (%)</i>	2.09	2.50	4.8	5.2	4.9	4.7
Commercial Banks						
<i>Liquidity</i>						
Total	606.90	500.09	679.44	746.61	719.67	720.93
<i>Trend / Annual Growth (%)</i>	28.18	20.00	18.4	6.1	6.2	6.9
<i>Interest Rates (%)</i>						
Overall Weighted Average Lending						
Australia New Zealand Bank (Sāmoa) Limited	7.58	7.76	7.58	7.22	7.14	7.15
Bank South Pacific (Sāmoa) Limited	7.39	7.60	7.21	7.46	7.49	7.48
National Bank of Sāmoa Limited	8.74	8.43	9.20	9.45	9.25	9.24
Samoa Commercial Bank Limited	9.82	9.95	9.64	9.24	9.20	9.20
Overall Weighted Average Deposit						
Australia New Zealand Bank (Sāmoa) Limited	0.59	0.72	0.48	0.44	0.42	0.42
Bank South Pacific (Sāmoa) Limited	1.67	1.81	1.47	1.58	1.74	1.81
National Bank of Sāmoa Limited	2.40	2.65	2.26	2.36	2.42	2.34
Samoa Commercial Bank Limited	2.17	2.38	2.04	2.06	2.06	2.06
<i>Market Shares (%)</i>						
Lending						
Australia New Zealand Bank (Sāmoa) Limited	21.76	23.03	16.38	16.28	15.96	16.05
Bank South Pacific (Sāmoa) Limited	30.19	30.31	33.58	32.60	31.82	31.78
National Bank of Sāmoa Limited	22.00	22.52	22.32	21.56	22.26	22.45
Samoa Commercial Bank Limited	26.05	24.13	27.72	29.55	29.96	29.72
Deposit⁵						
Australia New Zealand Bank (Sāmoa) Limited	23.49	23.62	19.94	17.82	18.94	19.56
Bank South Pacific (Sāmoa) Limited	35.91	33.74	40.39	44.24	41.80	41.46
National Bank of Sāmoa Limited	17.83	19.52	18.01	17.83	17.67	16.76
Samoa Commercial Bank Limited	22.77	23.12	21.66	20.11	21.58	22.22
Non-Bank Financial Institutions (NBFIs)						
<i>Weighted Average Lending (WAL)</i>						
Sāmoa National Provident Fund (SNPF)	8.63	8.65	8.47	8.70	8.57	8.57
Development Bank of Samoa (DBS) ⊗	3.96	4.02	4.06	4.26	4.27	4.27
Samoa Housing Corporation (SHC)	11.61	12.13	10.22	9.90	9.89	9.89
NBFIs' Overall WAL ⊗	8.20	8.21	7.99	8.22	8.12	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.