

REVIEW OF MONETARY DEVELOPMENTS

March 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.09: 2025/26

March 2026

Monetary Target

The actual level of total money supply (M2) was 0.5 percent lower than its forecast for March 2026. This was due to a combination of lower-than-expected levels of Net Domestic Assets (NDA), driven by much lower-than-expected level of commercial banks credit to the private sector.

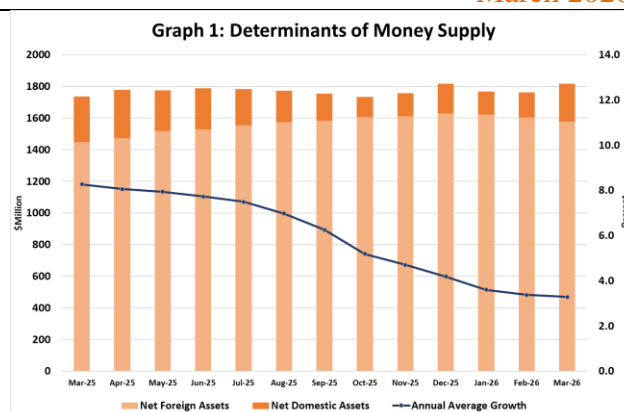
Money Supply (M2)

Total M2 grew significantly by \$55.73 million (or 3.2 percent) to \$1,818.21 million in March 2026 and was 4.7 percent higher than March 2025.

This growth was attributable to:

- A notable increase of \$80.77 million in Net Domestic Assets (NDA) to \$240.22 million. This was mainly driven by a large decrease in government's net position (due to increased government spending) with the monetary system. This was partially outweighed by reductions in both private sector credit and 'other items net'.
- A \$25.04 million reduction in Net Foreign Assets (NFA) to \$1,577.99 million, mainly due to reductions in foreign assets of both the CBS and the commercial banks.

The annual average growth rate of M2 fell further by 3.3 percent in March 2026, from 3.4 percent in February 2026, and 8.3 percent in March 2025.



Credit¹

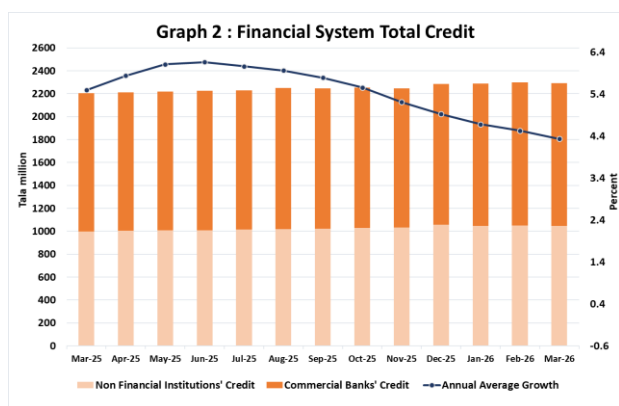
Total financial system (FS) credit declined by \$8.88 million (or 0.4 percent) to \$2,291.00 million in March 2026 and was 3.8 percent higher than in March 2025. This reduction over the month reflected decreases in lending by both the commercial banks and non-bank financial institutions' (NBFIs), by \$7.54 million and \$1.34 million in that order.

- By sector, 99.5 percent of total loans were extended to the private sector, of which 55.1 percent went to 'Households and Individuals' and 44.4 percent to Businesses. The remaining 0.5 percent was lent to the public sector.
- By industry, lower lending was mainly recorded in the 'Building, construction and installation', 'Trade', and the 'Manufacturing' industries.
- New loans issued during the month totaled \$25.19 million, an increase of \$8.12 million from February 2026. Most of these new loans were lent to the 'Building, construction and installation', 'Electricity, gas and water', and 'Other activities' industries.

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

- The share of mortgage loans to total commercial bank loans edged up to 49.9 percent in March 2026 from 49.3 percent in February 2026. Moreover, total mortgage loans expanded by 0.7 percent to \$621.14 million in the month under review.

As a result, the annual average FS credit growth slowed down to 4.3 percent in March 2026, from 4.5 percent in February 2026 and 5.5 percent in March 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 over 12 months to 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 below 51.2 percent in the same quarter of last year. As for FS credit, its share to NGDP 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 Money²

Total Reserve Money (RM) jumped by \$46.74 million (or 5.7 percent) over the previous month to \$869.97 million and was \$94.88 million higher than in March 2025. The expansion in reserve money was driven by a \$12.17 million increase in currency in circulation and a \$34.56

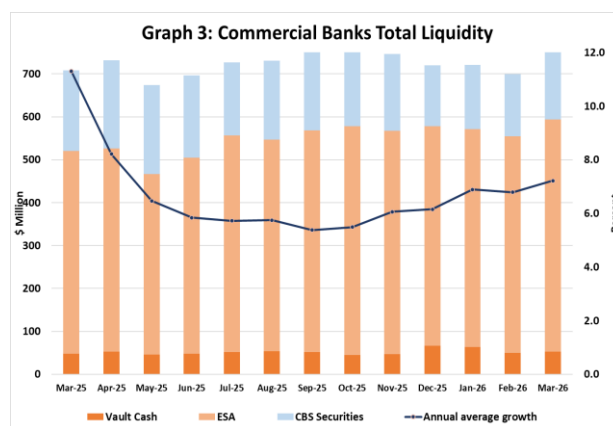
million growth in commercial banks' reserves, of which \$36.17 million was from excess reserves which offset a \$1.61 million reduction in required reserves.

Additionally, total RM was 15.8 percent and 32.3 percent higher than its averages in the past three and five years, respectively.

Commercial Banks' Liquidity³

The total commercial banks' liquidity increased by a significant \$52.74 million (or 7.5 percent) to \$752.10 million in March 2026. Additionally, it was \$44.43 million higher than its level recorded in March 2025. This hike over the month reflected increases among all its components, namely the banks exchange settlement accounts (ESA) (by \$36.17 million), holdings of CBS Securities (by \$13.66 million) and banks' vault cash holdings (by \$2.91 million). (See Graph 3).

Total liquidity in March 2026 was up by 19.2 percent and 46.8 percent over its averages in the past three and five years in that order.



CBSS and Open Market Operations (OMO)⁴

Total CBS Securities outstanding in March 2026 totaled \$158.50 million, up from \$145.00 million in the previous month. New CBSS issued during the month increased to \$68.40 million compared to \$45.80 million issued in February

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.

2026. Moreover, total securities that matured during the month increased to \$54.90 million from \$50.80 million in the previous month.

In terms of the yields, the shorter-term maturities for CBS Securities recorded average yields of 2.74 percent for the 14-days and 3.60 percent for the 28-days, while those at longer terms averaged around 3.88 percent (for the 56-days paper), 3.77 percent (for the 91-days paper), 3.88 percent (for the 182-days paper) and 3.95 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 3.68 percent from 3.42 percent in February 2026 and well above 1.03 percent recorded in March 2025.

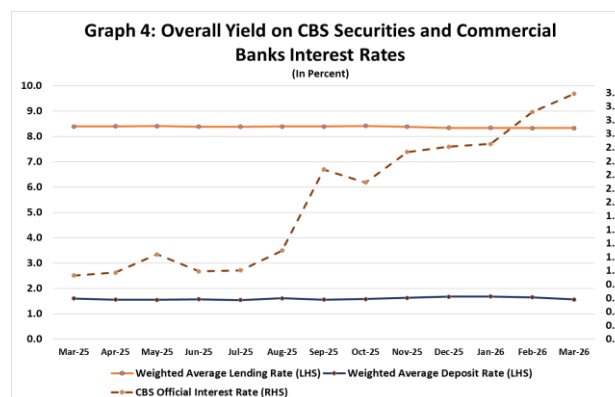
Commercial Banks' Interest Rates

The commercial banks' weighted average deposit (WAD) rate fell by 9 basis points to 1.56 percent in March 2026 and was 4 basis points lower than March 2025. In addition, their overall weighted average lending (WAL) rate fell by 1 basis point to 8.32 percent and was 7 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 March 2026 increased by 9 basis points to 6.76 percent but was 2 basis points lower than the spread recorded in March 2025.

The current WAD rate remained below its three-year and five-year averages of 1.71 percent and 1.85 percent, respectively. Similarly, the WAL rate was below its three-year and five-year

averages of 8.38 percent and 8.40 percent, respectively.



NBFIs⁵ Lending Rates

The revised overall weighted average lending (WAL) rate for selected NBFIs decreased by 2 basis points to 8.20 percent in March 2026 but was higher than 8.13 percent recorded in March 2025.

Additionally, the WAL rates of all the selected NBFIs declined over the month, where SNPF decreased by 1 basis point to 8.68 percent, SHC by 9 basis points to 9.71 percent and DBS by 2 basis points to 4.24 percent.

At its current level, the overall NBFi WAL rate remained above its three-year and five-year averages of 8.18 percent and 8.19 percent, respectively.

CENTRAL BANK OF SAMOA
13th May 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.

Review of Monetary Developments						
Monetary Aggregates						
End of Period Figures	Average level in the previous		Mar-25	Jan-26	Feb-26	Mar-26
	3-years	5-years				
Determinants of Money Supply (M2)						
Net Foreign Assets	1180.98	957.50	1447.79	1622.22	1603.03	1577.99
Net Domestic Assets	435.51	534.84	289.15	145.69	159.45	240.22
Money Supply (M2)	1616.49	1492.34	1736.939	1767.91	1762.48	1818.21
<i>Trend / Annual Average (%)</i>	9.43	7.06	8.3	3.6	3.4	3.3
<i>Narrow Money (M1)</i>						
Currency outside banks	157.84	144.20	174.82	184.32	187.46	196.72
Transferable Deposits ²	676.46	588.96	753.01	741.61	714.84	763.53
<i>Quasi Money</i>	782.18	759.18	809.11	841.98	860.18	857.96
Other Deposits ³	782.18	759.18	809.11	841.98	860.18	857.96
Central Bank of Samoa						
<i>Open Markets Operations</i>						
Securities Official Rate	0.57	0.40	1.03	2.95	3.42	3.68
<i>Reserve Money¹</i>						
Total	751.25	657.47	775.09	836.62	823.23	869.97
<i>Trend / Annual Growth (%)</i>	15.11	12.90	1.3	3.9	4.4	5.8
Financial System (FS) Credit						
Commercial Banks	1170.27	1173.95	1208.92	1241.95	1251.51	1243.98
<i>Trend / Annual Growth (%)</i>	0.22	0.67	4.3	3.1	2.9	2.7
Non-Bank Financial Institutions (NBFIs)	928.36	889.08	997.30	1045.89	1048.36	1047.02
<i>Trend / Annual Growth (%)</i>	5.11	5.35	7.0	6.7	6.6	6.4
Private Sector						
Businesses	982.18	1007.14	1016.72	1018.43	1024.59	1018.14
Individuals	1103.61	1040.00	1179.38	1258.07	1262.90	1261.38
Public Sector (NFIs, NPEs, & Govt)						
Total FS Credit	2098.66	2063.04	2206.29	2287.84	2299.88	2291.00
<i>Trend / Annual Growth (%)</i>	2.28	2.50	5.5	4.7	4.5	4.3
Commercial Banks						
<i>Liquidity</i>						
Total	631.22	512.37	707.68	720.93	699.36	752.10
<i>Trend / Annual Growth (%)</i>	27.90	19.62	11.3	6.9	6.8	7.2
<i>Interest Rates (%)</i>						
Overall Weighted Average Lending						
Australia New Zealand Bank (Sāmoa) Limited	7.57	7.74	7.58	7.15	7.18	7.17
Bank South Pacific (Sāmoa) Limited	7.41	7.63	7.24	7.48	7.52	7.53
National Bank of Sāmoa Limited	8.89	8.54	9.35	9.24	9.20	9.28
Samoa Commercial Bank Limited	9.74	9.88	9.47	9.20	9.15	9.09
Overall Weighted Average Deposit						
Australia New Zealand Bank (Sāmoa) Limited	0.63	0.74	0.50	0.42	0.42	0.42
Bank South Pacific (Sāmoa) Limited	1.70	1.78	1.41	1.81	1.77	1.58
National Bank of Sāmoa Limited	2.45	2.59	2.40	2.34	2.09	2.03
Samoa Commercial Bank Limited	2.18	2.38	2.01	2.06	2.13	2.11
<i>Market Shares (%)</i>						
Lending						
Australia New Zealand Bank (Sāmoa) Limited	21.67	22.85	16.47	16.05	16.31	16.20
Bank South Pacific (Sāmoa) Limited	30.04	30.23	33.13	31.78	31.37	31.60
National Bank of Sāmoa Limited	22.03	22.56	22.61	22.45	22.27	21.86
Samoa Commercial Bank Limited	26.26	24.36	27.80	29.72	30.06	30.34
Deposit⁵						
Australia New Zealand Bank (Sāmoa) Limited	21.65	22.52	18.76	19.56	19.14	19.66
Bank South Pacific (Sāmoa) Limited	39.74	35.99	39.87	41.46	40.55	39.86
National Bank of Sāmoa Limited	17.83	19.58	19.24	16.76	18.22	17.97
Samoa Commercial Bank Limited	20.79	21.90	22.12	22.22	22.09	22.51
Non-Bank Financial Institutions (NBFIs)						
<i>Weighted Average Lending (WAL)</i>						
Sāmoa National Provident Fund (SNPF)	8.68	8.68	8.66	8.84	8.69	8.68
Development Bank of Samoa (DBS) ©	3.82	3.90	4.10	4.26	4.26	4.24
Samoa Housing Corporation (SHC)	11.36	11.93	10.15	9.89	9.80	9.71
NBFIs' Overall WAL ©	8.18	8.19	8.13	8.34	8.22	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.						