

REVIEW OF MONETARY DEVELOPMENTS

April 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.10: 2024/25

April 2025

Monetary Forecast

The actual level of total money supply (M2) in April 2025 was slightly below (0.6 percent) its forecast target for the month. This was due to a lower-than-expected level of Net Domestic Assets (NDA), driven by a considerable surplus¹ in the net government's position, which outweighed a higher than expected expansion in domestic credit to the private sector and public institutions.

Money Supply (M2)

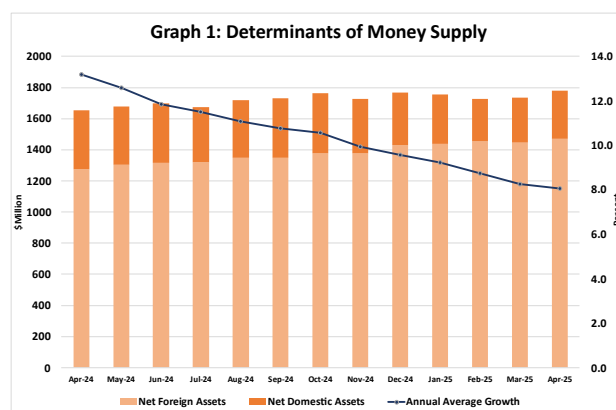
At \$1778.67 million, total money supply (M2) rose by \$41.73 million (or 2.4 percent) from the previous month and was 7.5 percent higher than in April 2024.

The expansion in M2 in April 2025 was mainly attributed to:

- A \$24.82 million increase in Net Foreign Assets (NFA) to \$1,472.61 million, driven by higher foreign asset holdings of both the Central Bank and commercial banks, in light of foreign exchange holding gains as well as the increase in foreign deposits of the banking system.
- A \$16.91 million increase in Net Domestic Assets (NDA) to \$306.07 million. This rise reflected a large hike in other items (net) and an expansion in credit of the non-bank financial institutions (NFIs). This outweighed an increase in the government's net deposits position (deficit) with the monetary system and a slight decline in private sector credit.

Nevertheless, the annual average growth rate of M2 slowed to 8.1 percent in April 2025, down

from 8.3 percent in the previous month and 13.2 percent in April 2024.



Credit²

Total financial system (FS) lending increased by \$5.19 million (or 0.2 percent) to \$2,211.48 million in April 2025 and was 6.6 percent higher than in the same month a year ago. This slight growth was driven by a \$5.85 million increase in NFIs' lending, which outweighed a marginal \$0.66 million decline in commercial banks' lending.

- By sector, 99.6 percent of total loans were extended to the private sector, of which 53.4 percent was lent to 'households and individuals' and 46.2 percent to businesses. The remaining 0.4 percent were lent to the public sector.
- By industry, the rise in total FS credit was mainly directed towards the 'Other activities', 'Building, construction and installation', and 'Professional and business services' industries.
- New loans issued during the month totaled \$17.13 million, increasing by \$1.14 million from the previous month. The bulk of these

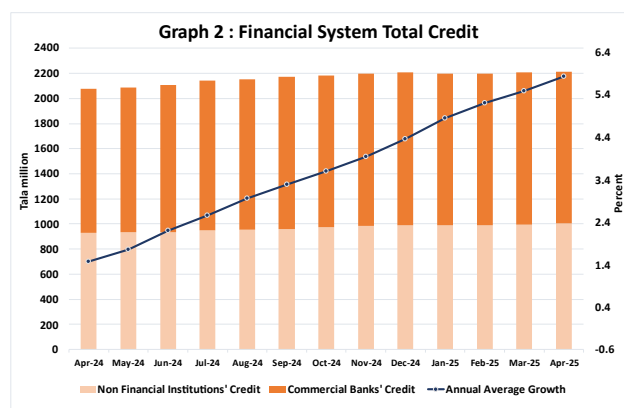
¹ Surplus means government deposits are higher than its liabilities. A deficit is vice versa.

² Comprises of commercial banks and three largest non-monetary financial institutions' (NFIs) total lending.

new loans were extended to the ‘Trade’, ‘Other activities’, and ‘Building, construction and installation’ industries.

- The share of mortgage loans to total commercial bank loans edged up slightly to 48.8 percent from 48.7 percent in the previous month. As a result, total mortgage loans increased slightly to \$589.42 million, from \$588.94 million in March 2025.

On an annual basis, the FS credit growth rate rose to 5.8 percent in April 2025, from 5.5 percent in the previous month and 1.5 percent in April 2024. (See Graph 2.)



According to the Samoa Bureau of Statistics (SBS), total Nominal Gross Domestic Product (NGDP) in the year up to December 2024 quarter amounted to \$2,930.65 million. As such, total the FS credit-to-NGDP ratio edged down to 75.4 percent from 77.0 percent in the September 2024 quarter and was also lower than 78.9 percent in the December quarter of 2023. Similarly, the M2-to-NGDP ratio dropped to 60.4 percent from 61.4 percent in the previous quarter and 62.1 percent in the December quarter of 2023.

Reserve Money³

Total Reserve Money (RM) edged up by \$0.54 million (or 0.1 percent) to \$775.63 million in April 2025. This was driven by a \$1.38 million hike in commercial banks' reserves, which outweighed a \$0.84 million decline in currency

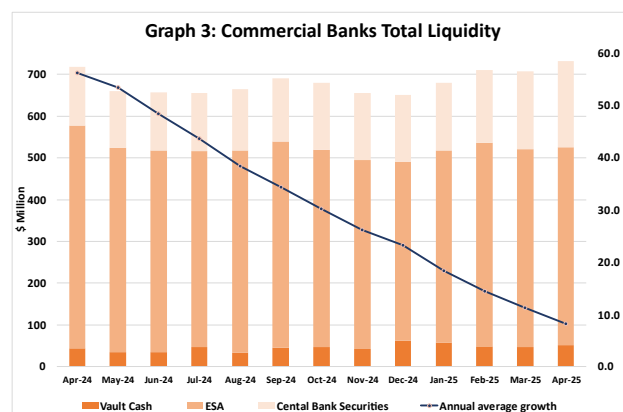
in circulation. The growth in bank reserves was due to increases of \$0.90 million in excess reserves and \$0.48 million in required reserve (SRD) balances.

When compared to the same month last year, RM was \$26.46 million lower. Nevertheless, it remained significantly higher than its three-year and five-year April averages of 16.0 percent and 30.8 percent, respectively.

Commercial Banks' Liquidity⁴

Total commercial banks' liquidity rose by \$23.51 million (or 3.3 percent) to \$731.19 million in April 2025. This increase was mainly attributed to a \$17.80 million jump in commercial banks' holdings of CBS Securities, a \$4.81 million gain in vault cash holdings and a \$0.9 million rise in their exchange settlement account (ESA) balances. (See Graph 3.)

In addition, total liquidity grew by \$14.06 million when compared to April 2024. Furthermore, it was significantly higher than its levels in the past three and five years respectively, by 113.7 percent and 138.8 percent in that order.



CBSS and Open Market Operations (OMO)⁵

Total CBSS issued in April 2025 rose to \$55.00 million, from \$51.50 million in the previous month. Most of these papers were issued at

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

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 open market operation (OMO).

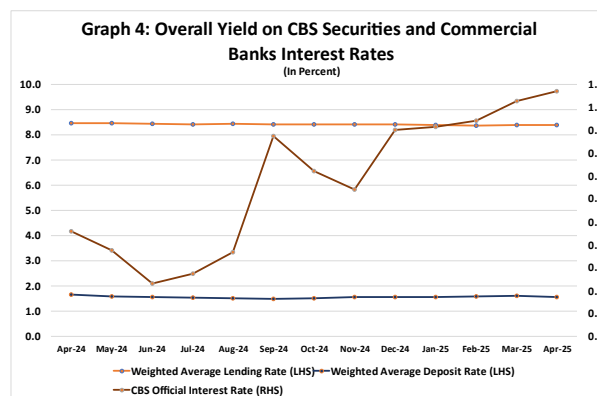
longer-term maturities, including the 56-days (\$9.50 million), 91-days (\$12.50 million), 182-days (\$13.50 million), and 364-days (\$12.50 million). Shorter-term maturities consisted of the 28-days (\$5.00 million) and 14-days (\$2.00 million) paper. Total CBSS that matured during the month totaled \$37.20 million, resulting in a 9.5 percent increase in total CBSS outstanding to \$205.30 million at the end of April 2025.

With more longer-term papers issued again this month, the overall weighted average yield rose further to 1.07 percent in April 2025, from 1.03 percent in March 2025 and 0.46 percent in April 2024. This marks the second consecutive month that official interest rates remained above 1 percent, continuing CBS's efforts to normalize its monetary policy operations without signaling a tightening stance.

Commercial Banks' Interest Rates

On commercial banks' interest rates, the weighted average deposit (WAD) rate declined by 5 basis points to 1.55 percent in April 2025 and was 12 basis points lower than in the same month last year. Meanwhile, the weighted average lending (WAL) rate edged up slightly by 1 basis point to 8.40 percent, though it was still 6 basis points below its April 2024 level. As a result, the interest rate spread widened marginally to 6.85 percent, from 6.79 percent in March 2025 and 6.79 percent in April 2024. (See Graph 4).

The WAD rate continued to track below its three-year and five-year averages of 1.72 percent and 2.03 percent, respectively. On the other hand, the WAL rate remained slightly above its three-year average of 8.36 percent but lower than its five-year average of 8.49 percent.



NFIs⁶ Lending Rates

The overall weighted average lending (WAL) rate for selected NFIs remained unchanged at 8.13 percent in April 2025. This reflected mixed movements across the 3 surveyed NFIs. The DBS's WAL rate rose by 3 basis points to 4.13 percent, while that for the SNPF edged down by 1 basis point to 8.65 percent. Meanwhile, SHC's WAL rate fell slightly to 10.12 percent, from 10.15 percent in the previous month.

At its current level, the overall NFI WAL rate was 18 basis points higher than in April 2024 but remained below its 3-year average of 8.21 percent, while being slightly above its 5-year average of 8.09 percent.

CENTRAL BANK OF SAMOA
12th June 2025

⁶ Non-Bank Financial Institutions. Only reports the main NFIs, 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.

Monetary Aggregates						
End of Period Figures	Average level in the previous		2024	2025		
	3-years	5-years	April	February	March	April
Determinants of Money Supply (M2)						
Net Foreign Assets	952.41	794.88	1286.35	1456.41	1447.79	1472.61
Net Domestic Assets	547.39	612.19	367.87	269.58	289.15	306.07
Money Supply (M2)	1499.79	1406.82	1654.230	1725.997	1736.939	1778.673
<i>Trend / Annual Average (%)</i>	8.06	6.43	13.2	8.7	8.3	8.1
<i>Narrow Money (M1)</i>	737.86	665.20	857.80	922.89	927.83	960.64
Currency outside banks	140.05	127.28	149.05	179.38	174.82	169.17
Transferable Deposits ²	597.81	537.92	708.75	743.51	753.01	791.47
<i>Quasi Money</i>	761.93	741.63	796.43	803.10	809.11	818.04
Other Deposits ³	761.93	741.63	796.43	803.10	809.11	818.04
Central Bank of Samoa						
Open Markets Operations						
Securites Official Rate	0.28	0.23	0.46	0.94	1.03	1.07
Reserve Money¹						
Total	668.80	592.93	802.088	795.178	775.089	775.626
<i>Trend / Annual Growth (%)</i>	17.20	16.86	31.2	3.3	1.3	-0.3
Financial System (FS) Credit						
Commercial Banks	1162.62	1168.71	1143.79	1205.76	1208.92	1208.25
<i>Trend / Annual Growth (%)</i>	-0.97	0.72	-2.6	3.8	4.3	5.0
Non-Monetary Financial Institutions (NFIs)	882.65	846.95	931.60	992.21	997.30	1003.22
<i>Trend / Annual Growth (%)</i>	4.94	6.53	7.0	7.0	7.0	6.9
Private Sector	2030.21	1995.25	2064.85	2188.60	2196.09	2201.71
Businesses	986.03	1015.09	961.97	1015.68	1016.72	1021.07
Individuals	1044.18	980.16	1102.87	1172.91	1179.38	1180.64
Public Sector (NFIs, NPEs, & Govt)	15.05	20.40	10.54	9.37	10.19	9.77
Total FS Credit	2045.26	2015.65	2075.39	2197.97	2206.29	2211.48
<i>Trend / Annual Growth (%)</i>	1.32	2.97	1.5	5.2	5.5	5.8
Commercial Banks						
Liquidity						
Total	518.55	438.56	717.13	709.91	707.68	731.19
<i>Trend / Annual Growth (%)</i>	27.24	21.77	56.3	14.5	11.3	8.2
Interest Rates (%)						
Overall Weighted Average Lending	8.36	8.49	8.46	8.37	8.39	8.40
Australia New Zealand Bank (Sāmoa) Limited	7.62	8.03	7.49	7.58	7.58	7.57
Bank South Pacific (Sāmoa) Limited	7.52	7.79	7.41	7.23	7.24	7.25
National Bank of Sāmoa Limited	8.54	8.35	9.11	9.23	9.35	9.38
Samoa Commercial Bank Limited	9.89	10.05	9.86	9.51	9.47	9.43
Overall Weighted Average Deposit	1.72	2.03	1.67	1.58	1.60	1.55
Australia New Zealand Bank (Sāmoa) Limited	0.75	0.92	0.61	0.47	0.50	0.47
Bank South Pacific (Sāmoa) Limited	1.56	1.91	1.60	1.44	1.41	1.36
National Bank of Sāmoa Limited	2.49	2.87	2.46	2.36	2.40	2.31
Samoa Commercial Bank Limited	2.30	2.56	2.22	2.04	2.01	2.03
Market Shares (%)						
Lending						
Australia New Zealand Bank (Sāmoa) Limited	24.62	24.72	22.63	16.22	16.47	16.18
Bank South Pacific (Sāmoa) Limited	28.88	29.67	28.18	33.32	33.13	33.11
National Bank of Sāmoa Limited	21.88	22.95	22.89	22.64	22.61	22.77
Samoa Commercial Bank Limited	24.62	22.66	26.30	27.83	27.80	27.95
Deposit⁵						
Australia New Zealand Bank (Sāmoa) Limited	22.79	23.76	20.68	19.11	18.76	18.83
Bank South Pacific (Sāmoa) Limited	39.05	35.91	41.45	40.72	39.87	40.12
National Bank of Sāmoa Limited	17.74	19.37	17.74	18.39	19.24	19.06
Samoa Commercial Bank Limited	20.42	20.97	20.13	21.78	22.12	21.99
Non-monetary Financial Institutions (NFIs)						
Weighted Average Lending (WAL)						
Sāmoa National Provident Fund (SNPF)	8.67	8.65	8.43	8.48	8.66	8.65
Development Bank of Samoa (DBS) @	3.84	3.98	3.76	4.05	4.10	4.13
Samoa Housing Corporation (SHC)	12.17	11.12	10.71	10.15	10.15	10.12
NFIs' Overall WAL @	8.21	8.09	7.95	7.99	8.13	8.13

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.

Review of Monetary Development Report

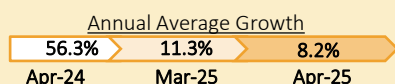
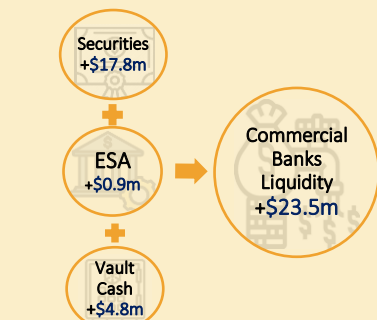
April 2025



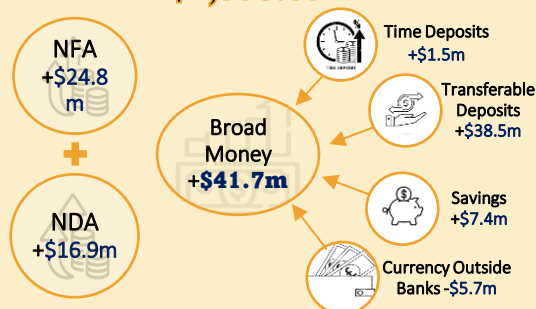
Commercial Banks Liquidity \$707.7m

Commercial banks' total liquidity rose by **\$23.5 million** (3.3%) to **\$731.2 million** in March 2025, driven by:

- a **\$0.9 million** rise in ESA balances
- a **\$4.8 million** increase in vault cash holdings
- a **\$17.8 million** increase in CBS securities.

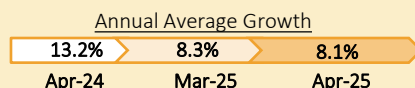


Total Money Supply \$1,778.67m



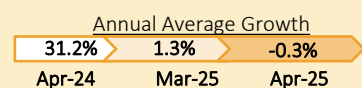
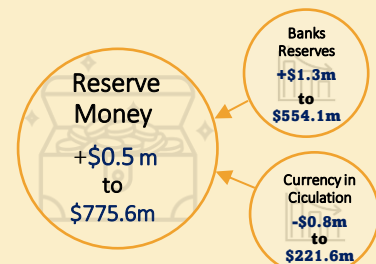
Total money supply (M2) increased by **\$41.7 million** (2.4%) to **\$1,778.67 million**. This growth was mainly driven by:

- A **\$24.8 million** rise in Net Foreign Assets (NFA), reflecting higher foreign asset holdings by both the Central Bank and commercial banks
- A rise in Net Domestic Assets (NDA) by **\$16.9 million** due to increased other items (net) and credit from NFIs, offsetting higher government net deposits and a slight drop in private

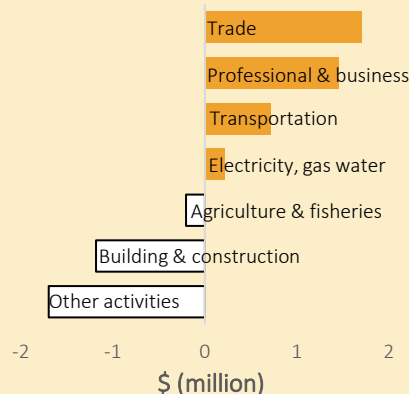


Reserve Money \$775.6m

Reserve Money increased by **\$0.5 million** (0.1%) to **\$775.6 million** in April 2025, as a **\$1.3 million** rise in commercial banks' reserves—driven by \$0.9 million in excess and \$0.4 million in required reserves—offset a **\$0.8 million** drop in currency in circulation.



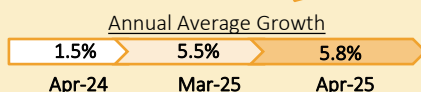
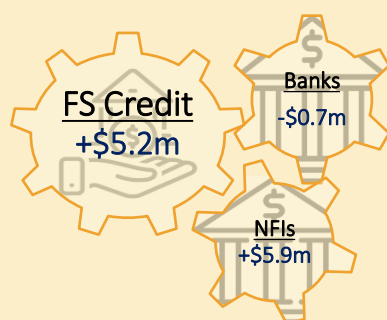
By Industry



The overall expansion in total FS credit was mainly directed towards the 'Other activities', 'Building, construction and installation', and 'Professional and business services' industries.

Total Financial System Credit \$2,211.5m

Total financial system credit rose by **\$5.2 million** (0.2%) to **\$2,211.5 million** in April, driven by increased lending from non-bank financial institutions, which offset a slight decline in commercial bank lending.



New Loans



New loans totaled **\$17.13 million**, up by **\$1.14 million** from March, mainly issued to 'Trade', 'Other activities', and 'Building, construction and installation'.

Mortgage Loans



Made up **48.8%** of total bank loans in April, up from 48.7% in March, with the total increasing slightly to **\$589.42 million** from **\$588.94 million**.

By Sector



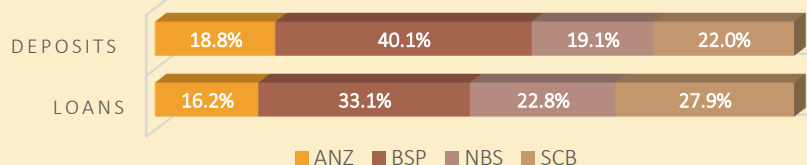
99.6% of total loans went to the private sector, with **53.4%** to households and **46.2%** to businesses; only **0.4%** were lent to the public sector.

Interest Rates

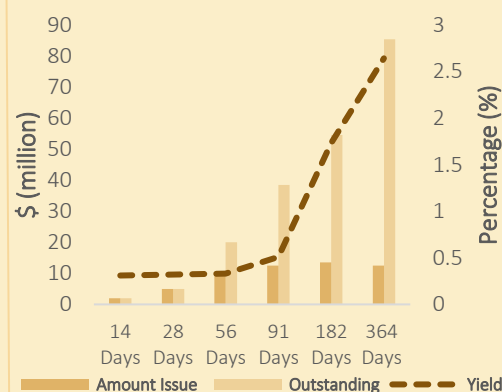
	Banks Deposit Rate	Banks Lending Rate	NFI's Lending Rate	CBS Securities Yield
April 2024	1.67%	8.46%	7.95%	0.46%
March 2025	1.60%	8.39%	8.13%	1.03%
April 2025	1.55%	8.40%	8.13%	1.07%

- The weighted average deposit rate fell by 5 basis points to **1.55 percent** and 12 basis points lower than a year earlier.
- The weighted average lending rate edged up slightly by 1 basis points to **8.40 percent**, though it was 6 basis points below its April 2024 level.
- NFIs' weighted average lending rate remained unchanged at **8.13 percent** in April 2025.
- The overall weighted average yield rose to **1.07 percent**, reflecting increased issuance

Commercial Banks Market Share



CBS Securities



- CBSS issuance rose to **\$55.0m** from \$51.5m
- Most were issued at longer-term maturities of 56-days (\$9.5m), 91-days (\$12.5m), 182-days (\$13.5m), and 364-days (\$12.5m)
- Short-term issues were 28-days (\$5.0m) and 14-days (\$2.0 m).