

REVIEW OF MONETARY DEVELOPMENTS

July 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.01: 2025/26

July 2025

Monetary Forecast

The actual level of total money supply (M2) was 0.4 percent lower than its forecast target for July 2025. This was due to a notably lower-than-expected level of Net Domestic Assets (NDA), which outweighed a higher-than-expected level of Net Foreign Assets (NFA).

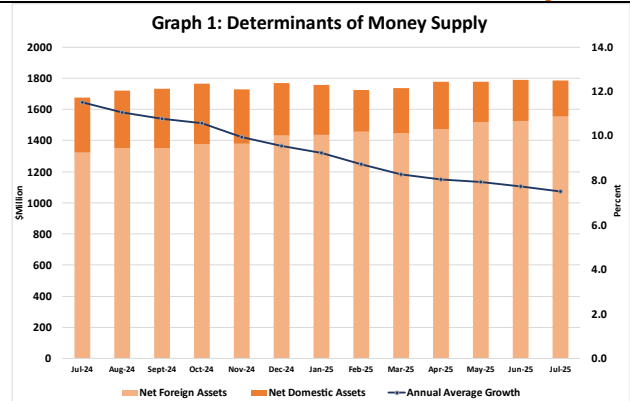
Money Supply (M2)

Total money supply (M2) fell by \$4.90 million (or 0.3 percent) to \$1,783.55 million in July 2025 but was 6.6 percent higher than in July 2024.

The marginal decline in M2 reflected the following movements:

- A \$32.61 million contraction in Net Domestic Assets (NDA) to \$228.90 million. This was largely due to a sharp increase in the Government's net position (contractionary impact) and a decline in other items (net), which outweighed a slight increase in private sector credit.
- A \$27.71 million rise in Net Foreign Assets (NFA) to \$1,554.64 million. This was mainly driven by higher foreign reserves of the Central Bank, partially offset by lower foreign assets of commercial banks.

As a result, the annual average level of M2 slowed further to 7.5 percent in July 2025, from 7.7 percent in June 2025 and 11.5 percent in July 2024.



Credit¹

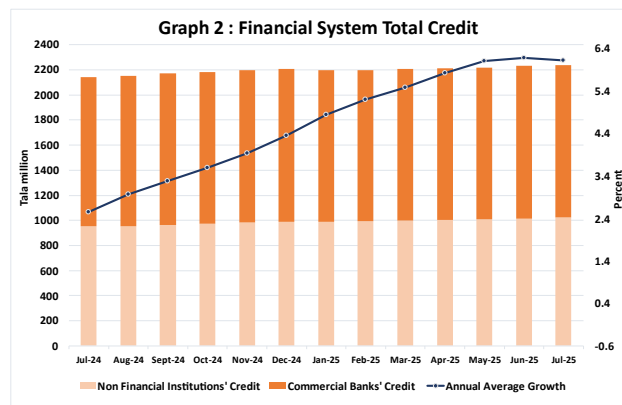
Total financial system (FS) credit rose by \$6.72 million (or 0.3 percent) to \$2,238.97 million in July 2025 and was 4.6 percent higher than in the same month a year ago. This increase was driven by a \$6.25 million rise in Non-Bank Financial Institutions' (NBFIs) lending alongside a \$0.48 million expansion in commercial banks' lending.

- By sector, 99.6 percent of total loans were extended to the private sector, of which 53.5 percent went to 'households and individuals' and 46.1 percent to businesses. The remaining 0.4 percent was lent to the public sector.
- By industry, the expansion in FS credit was primarily directed towards the 'Building, construction and installation', 'Professional and business services', and 'Other activities' industries.
- New loans issued during the month totaled \$17.08 million, up by \$2.44 million from June 2025. Most of these loans were extended to the 'Trade', 'Building, construction and installation', 'Professional and business services', and 'Other activities' industries.

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

- The share of mortgage loans to total commercial bank loans remained unchanged at 48.9 percent, as total mortgage loans edged up to \$595.27 million, from \$594.82 million in June 2025.

On an annual average basis, FS credit growth stood at 6.1 percent in July 2025, slightly lower than 6.2 percent in June 2025, but still well above the 2.6 percent recorded in July 2024. (See Graph 2.)



According to the Samoa Bureau of Statistics (SBS), total Nominal Gross Domestic Product (NGDP) in the year up to March 2025 quarter amounted to \$3,502.05 million. As such, the total FS credit-to-NGDP ratio stood at 63.0 percent, lower than 64.0 percent in the previous quarter and 65.3 percent in the same period last year. Similarly, the M2-to-NGDP ratio dropped to 49.6 percent from 51.3 percent and 51.7 percent in the December and March quarters of 2024, respectively.

Reserve Money²

Total Reserve Money (RM) expanded by \$60.83 million (or 8.0 percent) to \$821.50 million in July 2025. This outcome was mainly driven by a \$48.42 million increase in commercial banks' reserves, alongside a \$12.41 million rise in currency in circulation. The increase in bank reserves reflected a \$48.49 million jump in excess reserves, which more than offset the

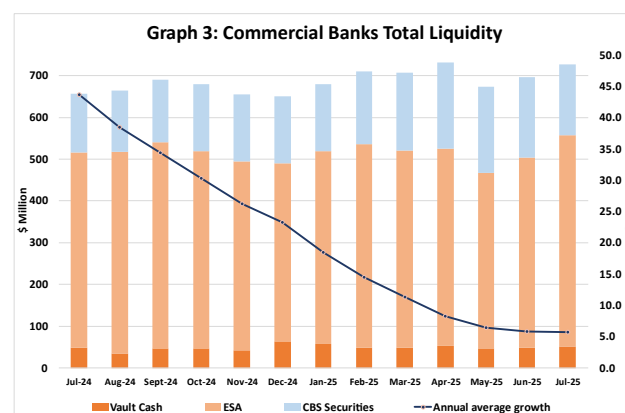
marginal decline of \$0.07 million in required reserve balances held at the Central Bank.

Compared to July 2024, RM was \$64.38 million higher. Moreover, it remained significantly above its three-year and five-year July averages, by 19.5 percent and 35.1 percent, respectively.

Commercial Banks' Liquidity³

Total commercial banks' liquidity rose by \$30.67 million (or 4.4 percent) to \$726.63 million in July 2025. This increase was mainly driven by a considerable jump in commercial banks' exchange settlement account (ESA) balances by \$48.49 million and a \$3.78 million increase in vault cash holdings. These more than offset a \$21.59 million decline in banks' holdings of Central Bank Securities. (See Graph 3.)

Compared to the same month last year, total liquidity was \$70.37 million higher. Moreover, it remained significantly above its levels in the past three and five years, by 103.8 percent and 151.8 percent, respectively.



CBSS and Open Market Operations (OMO)⁴

Total CBSS issued in July 2025 rose slightly to \$14.60 million, from \$12.70 million in the previous month. Issuances were concentrated in the medium- to longer-term maturities, comprising of 28-days (\$1.00 million), 56-days

² 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

³ Comprises of banks' vault cash, exchange settlement account (ESA) balances and Central Bank Securities

⁴ 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.

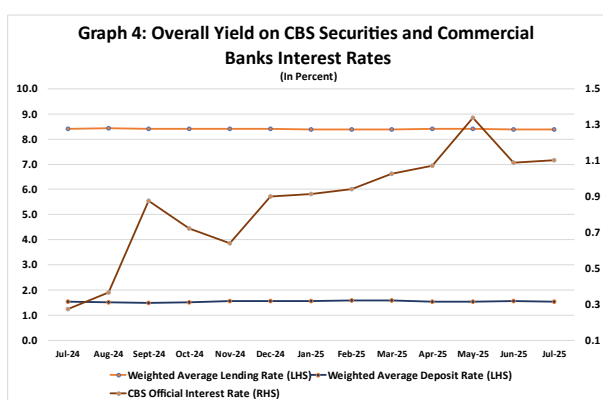
(\$2.30 million), 91-days (\$3.75 million), and 182-days (\$7.55 million). During the month, total maturities amounted to \$36.20 million, resulting in a decline in total CBSS outstanding to \$170.11 million at the end of July 2025.

The overall weighted average yield on CBSS edged up slightly to 1.10 percent, from 1.09 percent in June 2025. This current yield was substantially higher than the 0.27 percent recorded in July 2024, which is in line with the CBS's measured approach in normalizing its official interest rate to a neutral level over the medium term.

Commercial Banks' Interest Rates

The weighted average deposit (WAD) rate declined slightly by 3 basis points over the month to 1.54 percent in July 2025, remaining at the same level as in July 2024. Meanwhile, the weighted average lending (WAL) rate remained unchanged at 8.38 percent, which was 3 basis points lower than in July 2024. As a result, the interest rate spread widened marginally to 6.85 percent, from 6.81 percent in the past month and 6.87 percent in July 2024. (See Graph 4).

The WAD rate remained below its three-year and five-year averages of 1.73 percent and 1.99 percent, respectively. Conversely, the WAL rate was slightly above its three-year average of 8.33 percent but still 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) inched up slightly to 8.15 percent in July 2025, from 8.14 percent in the previous month. This was also higher than the 7.96 percent recorded in July 2024. The outcome reflected mixed movements among the surveyed NBFIs.

The WAL rate for SNPF rose modestly by 1 basis point to 8.67 percent, while the DBS's and SHC's WAL rates remained unchanged at 4.19 and 10.03 percent, respectively.

At its current level, the overall NBFI WAL rate remained slightly below its three-year average of 8.28 percent but was above its five-year average of 8.06 percent.

CENTRAL BANK OF SAMOA
17th September 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.

Monetary Aggregates						
End of Period Figures	Average level in the previous		2024		2025	
	3-years	5-years	July	May	June	July
Determinants of Money Supply (M2)						
Net Foreign Assets	1040.58	854.97	1331.29	1516.76	1526.93	1554.64
Net Domestic Assets	475.26	564.12	342.63	259.57	261.51	228.90
Money Supply (M2)	1515.85	1419.10	1673.920	1776.327	1788.445	1783.547
<i>Trend / Annual Average (%)</i>	8.23	6.32	11.5	7.9	7.7	7.5
<i>Narrow Money (M1)</i>	760.62	677.09	900.72	945.07	952.81	975.64
Currency outside banks	150.88	136.79	164.29	176.77	176.88	185.51
Transferable Deposits ²	609.75	540.29	736.43	768.31	775.93	790.13
<i>Quasi Money</i>	755.23	742.02	773.21	831.25	835.64	807.91
Other Deposits ³	755.23	742.02	773.21	831.25	835.64	807.91
Central Bank of Samoa						
Open Markets Operations						
Securities Official Rate	0.21	0.19	0.27	1.34	1.09	1.10
Reserve Money¹						
Total	687.50	607.98	757.129	724.363	760.672	821.504
<i>Trend / Annual Growth (%)</i>	15.83	15.55	21.6	-1.3	-1.3	-0.6
Financial System (FS) Credit						
Commercial Banks	1172.12	1173.88	1189.75	1211.01	1216.76	1217.24
<i>Trend / Annual Growth (%)</i>	-0.82	0.56	-1.4	5.4	5.4	5.3
Non-Bank Financial Institutions (NBFIs)	890.21	857.42	951.15	1008.87	1015.49	1021.73
<i>Trend / Annual Growth (%)</i>	4.85	5.79	7.9	7.0	7.1	7.1
Private Sector	2048.49	2012.62	2131.62	2209.74	2222.20	2228.99
Businesses	989.92	1023.22	1006.35	1022.78	1028.39	1031.17
Individuals	1058.56	989.40	1125.28	1186.96	1193.81	1197.82
Public Sector (NFIs, NPEs, & Govt)	13.97	18.71	9.24	9.74	10.05	9.98
Total FS Credit	2062.33	2031.29	2140.87	2219.49	2232.25	2238.97
<i>Trend / Annual Growth (%)</i>	1.56	2.70	2.6	6.1	6.2	6.1
Commercial Banks						
Liquidity						
Total	531.26	444.85	656.25	673.84	695.95	726.63
<i>Trend / Annual Growth (%)</i>	26.53	21.15	43.6	6.5	5.8	5.7
Interest Rates (%)						
Overall Weighted Average Lending	8.33	8.44	8.41	8.41	8.38	8.38
Australia New Zealand Bank (Sāmoa) Limited	7.66	7.81	7.59	7.53	7.46	7.42
Bank South Pacific (Sāmoa) Limited	7.42	7.73	7.24	7.30	7.28	7.32
National Bank of Sāmoa Limited	8.53	8.39	9.09	9.41	9.42	9.43
Samoa Commercial Bank Limited	9.86	10.01	9.76	9.40	9.35	9.32
Overall Weighted Average Deposit	1.73	2.00	1.54	1.55	1.57	1.54
Australia New Zealand Bank (Sāmoa) Limited	0.69	0.83	0.54	0.49	0.48	0.44
Bank South Pacific (Sāmoa) Limited	1.75	2.12	1.54	1.27	1.24	1.41
National Bank of Sāmoa Limited	2.35	2.73	2.03	2.28	2.45	2.22
Samoa Commercial Bank Limited	2.26	2.42	2.17	2.11	2.13	2.07
Market Shares (%)						
Lending						
Australia New Zealand Bank (Sāmoa) Limited	23.60	24.01	21.12	16.30	16.19	16.22
Bank South Pacific (Sāmoa) Limited	29.39	29.78	29.45	32.91	32.64	32.59
National Bank of Sāmoa Limited	22.11	23.15	22.90	22.78	23.02	23.14
Samoa Commercial Bank Limited	24.91	23.06	26.54	28.01	28.16	28.05
Deposit⁵						
Australia New Zealand Bank (Sāmoa) Limited	23.21	24.15	20.51	18.67	18.94	19.64
Bank South Pacific (Sāmoa) Limited	36.56	33.97	40.11	39.89	39.16	40.18
National Bank of Sāmoa Limited	17.57	19.16	17.80	19.67	20.07	18.99
Samoa Commercial Bank Limited	22.66	22.73	21.58	21.77	21.84	21.20
Non-Bank Financial Institutions (NBFIs)						
Weighted Average Lending (WAL)						
Sāmoa National Provident Fund (SNPF)	8.73	8.60	8.44	8.46	8.66	8.67
Development Bank of Samoa (DBS) @	3.82	3.94	3.80	4.19	4.19	4.19
Samoa Housing Corporation (SHC)	12.22	11.16	10.58	10.08	10.03	10.03
NBFIs' Overall WAL @	8.28	8.06	7.96	7.98	8.14	8.15

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

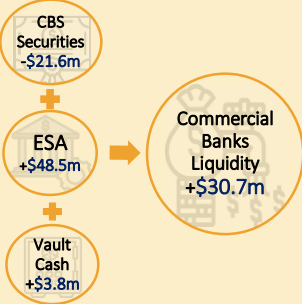
July 2025



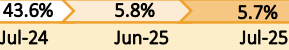
Commercial Banks Liquidity \$726.6m

Commercial banks' total liquidity increased by **\$30.7 million** (4.4%) to **\$726.6 million** in July 2025, driven by:

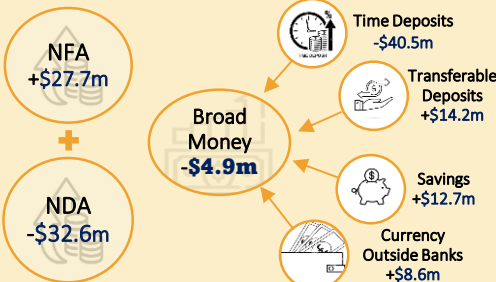
- a **\$48.5 million** hike in ESA balances
- and a **\$3.8 million** increase in vault cash holdings,
- despite a **\$21.6 million** decrease in outstanding CBS Securities.



Annual Average Growth



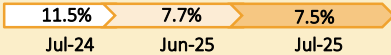
Total Money Supply \$1,783.5m



Total money supply (M2) fell by **\$4.9 million** (0.3%) to **\$1,783.5 million**. This decline reflected the following movements:

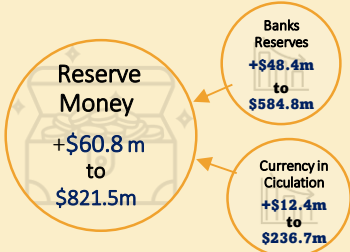
- A **\$32.6 million** contraction in Net Domestic Assets (NDA), due to a sharp increase in the Government's net position and a decline in other items (net), outweighing a slight increase in private sector credit.
- A **\$27.7 million** rise in Net Foreign Assets (NFA), driven by higher foreign reserves of the Central Bank, partially offset by lower foreign assets of commercial banks.

Annual Average Growth

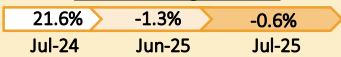


Reserve Money \$821.5m

Reserve Money expanded by **\$60.8 million** (8.0%) to **\$821.5 million** in July 2025. This rise was mainly attributed to a **\$48.4 million** increase in commercial banks' reserves, supported by a **\$12.4 million** hike in currency in circulation.



Annual Average Growth

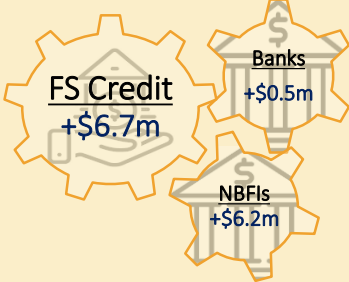


Total Financial System Credit \$2,239.0m

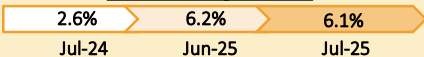
By Industry



Total financial system (FS) credit rose by **\$6.7 million** (0.3%) to **\$2,239.0 million** in July 2025. This increase was driven by a **\$6.25 million** rise in Non-Bank Financial Institutions' (NBFIs) lending alongside a smaller **\$0.48 million** increase in commercial banks' lending



Annual Average Growth



New Loans

New loans issued during the month totaled **\$17.1 million**, up by **\$2.4 million** from June 2025. Most of these loans were extended to the 'Trade', 'Building, construction and installation', 'Professional and business services', and 'Other activities' industries.



Mortgage Loans

The share of mortgage loans to total commercial bank loans remained unchanged at **48.9 percent**, as total mortgage loans edged up to **\$595.27 million**, from **\$594.82 million** in June 2025.



By Sector

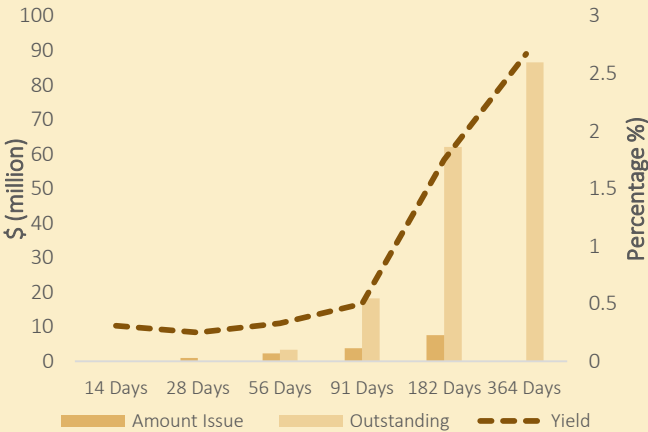
99.6% of total loans were lent to the private sector (with **53.5%** to households and **46.1%** to businesses). Only **0.4%** were lent to the public sector.



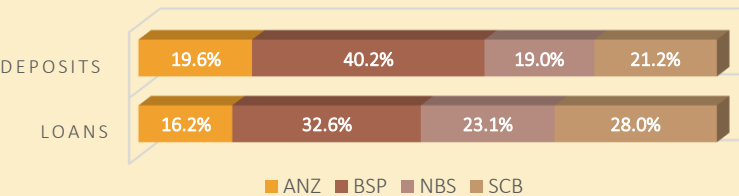
Interest Rates

	Banks Deposit Rate	Banks Lending Rate	NBFI's Lending Rate	CBS Securities Yield
July 2024	1.54%	8.41%	7.96%	0.27%
June 2025	1.57%	8.38%	8.14%	1.09%
July 2025	1.54%	8.38%	8.15%	1.10%

CBS Securities (CBSS)



Commercial Banks Market Share



- CBSS issuance rose to **\$14.6m** from **\$12.7m** in June 2025.
- All issuances were in the medium to longer-term range, comprising 28-days (\$1.00m), 56-days (\$2.30m), 91-days (\$3.75m), and 182-days (\$7.55m).
- There were no CBSS issuances in the 14-day or 364-day maturities during the month.