

Central Bank of Seychelles



Annual Report 2025



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Letter of Transmittal

**Central Bank of Seychelles
P.O. Box 701
Victoria**

March 31, 2026

**Dr. Patrick Herminie
President of the Republic of Seychelles
State House
Victoria**

Dear Mr President,

In accordance with Section 47 (4) of the Central Bank of Seychelles Act 2004, as amended, I have the honour to submit the Twenty-second Annual Report of the Central Bank together with a copy of the Financial Statements for the year ended December 31, 2025. The Financial Statements have been certified and signed by the Auditor General, following the audit review on behalf of the Auditor General by Grant Thornton Audit and Accounting Limited – Abu Dhabi, appointed under section 19 of the Auditor General Act 2010, read with Section 47(3) of the Central Bank of Seychelles Act.

Yours sincerely,



C. Abel (Ms)
Governor

Our Core Values

Integrity	We value responsible behaviours
Innovation and Result-Oriented	We strive to redefine the standards of excellence
Accountability and Transparency	We value personal ownership and accountability
Humility	We believe in listening to one another and value continuous learning
Professionalism and Team Spirit	We take pride in producing quality work and encourage collaborations
Inclusivity	We value the diversity in one another and believe in inclusive participation by all
Mutual Respect and Trust	We uphold confidentiality and our actions are consistent with our commitment

CENTRAL BANK OF SEYCHELLES

Board of Directors

(as at December 31, 2025)

Caroline Abel	-	Governor and Chairperson
Brian Commettant	-	First Deputy Governor - Member
Mike Tirant	-	Second Deputy Governor - Member
William Otiende Ogara	-	Director
Sherley Marie	-	Director
James Jean	-	Director
Jean-Paul Barbier	-	Director

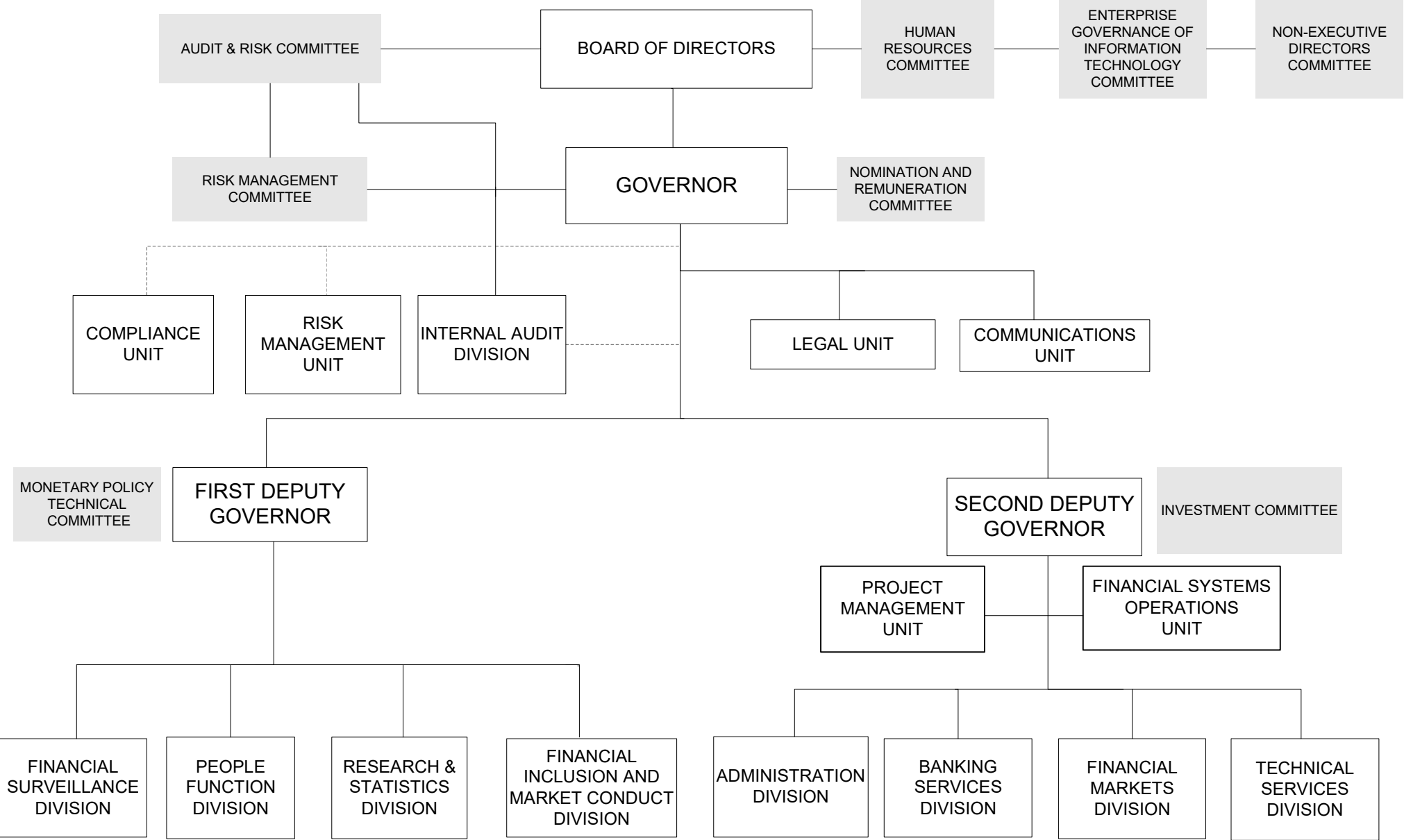
Secretary to the Board

Annarose Clarisse
Antoinette Racombo

CBS Fact Sheet

Address	<p>Physical Address:</p> <p>Independence Avenue</p> <p>Victoria, Mahé</p> <p>Postal Address:</p> <p>P.O. Box 701</p> <p>Victoria, Mahé</p> <p>Seychelles</p> <p>CBS does not have any branches</p>
Entity website name and link	<p>Central Bank of Seychelles</p> <p>https://www.cbs.sc/</p>
Date of establishment	December 01, 1978
Entity type	Statutory corporation
Legal entity identifier	254900T8VTP9P2A44092
Government or state owned	Government-owned
Number of employees	200
Total asset size in reporting currency	R14,476,180,414.21 equivalent to US\$988,681,221.20 (as at December 2025)
Seychelles TIN	816948856
FATCA status	Non-US central bank of issue
CRS	An Active NFE – a government entity or a Central Bank

CENTRAL BANK OF SEYCHELLES



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Acronyms

AACB	Association of African Central Banks
AD	Administration Division
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
AfDB	African Development Bank
AFE	AFRITAC East
AFI	Alliance for Financial Inclusion
AFRIPOL	African Union Mechanism for Police Co-operation
AFS	AFRITAC South
AGO	Attorney General's Office
AML/CFT	Anti-Money Laundering and Countering the Financing of Terrorism
API	Application Programming Interfaces
ARC	Audit and Risk Committee
BCM	Business Continuity Management
BCMS	Business Continuity Management Systems
BDC	Bureaux De Change
BDF	Banque de France
BO	Beneficial Ownership
BOE	Bank of England
BOP	Balance of Payments
BRDM	Bank Resilience and Decision Makers
BSD	Banking Services Division
BSFS	Banking Supervision and Financial Stability
BYOD	Bring Your Own Device
CAA	Credit Auction Arrangement
CAB	Crown Agents Bank
CAIM	Crown Agents and Investment Management
CBDC	Central Bank Digital Currencies
CBE	Central Bank of Eswatini
CBPR+	Cross-Border Payments and Reporting Plus
CBS	Central Bank of Seychelles
CBUAE	Central Bank of the United Arab Emirates
CCBG	Committee of Central Bank Governors
CCP	Customer Credit Portal
CIF	Cost, Insurance, Freight
CIRT	Cyber Incidents Response Team
CIS	Credit Information System
CN	Currency and Numismatics
COFA	China Overseas Fisheries Association
COMESA	Common Market for Eastern and Southern Africa
CPI	Consumer Price Index
CRA	Credit Reporting Act
CSD	Central Securities Depository
CSLs	Company Special Licence

CU	Compliance Unit
DAA	Deposit Auction Arrangement
DBO	Domestic Banking Operations
DBS	Development Bank of Seychelles
dFADs	drifting Fish Aggregated Devices
DFS	Digital Financial Services
DLP	Data Loss Prevention
DRMD	Disaster Risk Management Division
ECB	European Central Bank
ECC	Electronic Cheques Clearing
ECL	Expected Credit Loss
EEZ	Exclusive Economic Zone
EFF	Extended Fund Facility
EFT	Electronic Funds Transfer
EGITC	Enterprise Governance of Information Technology Committee
EIB	European Investment Bank
ELA	Emergency Liquidity Assistance
EOIR	Exchange of Information on Request
ERM	Enterprise Risk Management
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
ESG	Environmental, Social and Governance
ESMAP	Energy Sector Management Assistance Programme
EU	European Union
EUR	Euro
EY	Ernst & Young
FATF	Financial Action Task Force
FBO	Foreign Banking Operations
FCPA	Financial Consumer Protection Act
FDG	First Deputy Governor
FDI	Foreign Direct Investment
FEA	Foreign Exchange Auctions
FIMCD	Financial Inclusion and Market Conduct Division
FIU	Financial Intelligence Unit
FMD	Financial Markets Division
FMS	Financial Markets Subcommittee
FOB	Free on Board
FOCAC	Forum on China-Africa Co-operation
FPAS	Forecasting and Policy Analysis System
FR	Financial Reporting
FRA	Financial and Risk Analysis
FSA	Financial Services Authority
FSC	Financial Stability Committee
FSD	Financial Surveillance Division
FSOU	Financial Systems Operations Unit
FSP	Financial Service Provider
G20	Group of Twenty

GBP	Great British Pound
GDP	Gross Domestic Product
GFS	Government Finance Statistics
GIAS	Global Internal Audit Standards
GIFCS	Group of International Finance Centre Supervisors
GIR	Gross International Reserves
GPF	Global Policy Forum
GPH	Government Payments Hub
GRC	Governance Risk and Compliance
HRC	Human Resources Committee
HS	Harmonised System
HVPS+	High Value Payment System
IAC	Independent Actuaries and Consultants
IAD	Internal Audit Division
IAIS	International Association of Insurance Supervisors
IBC	International Business Companies
IBRD	International Bank for Reconstruction and Development
IC	Investment Committee
IFRS	International Financial Reporting Standards
IIA	Institute of Internal Auditors
IIP	International Investment Position
IMF	International Monetary Fund
INTERPOL	International Criminal Police Organisation
IORWG	International Operational Risk Working Group
IOSCO	International Organisation of Securities Commissions
IOTC	Indian Ocean Tuna Commission
IP	Intellectual Property
IPPF	International Professional Practices Framework
IS	Information Security
ISAC	Information Sharing Analysis Centre
ITZ	International Trade Zone
KPI	Key Performance Indicators
KRI	Key Risk Indicators
LFPA	Local Food Producers Association
LU	Legal Unit
LWMA	Landscape and Waste Management Agency
MCB	Mauritius Commercial Bank
MCS	Market Conduct Section
MDA	Ministries, Departments and Agencies
MDM	Münzhandelsgesellschaft mbH & Co. KG Deutsche Münze
MEC	Macroeconomic Convergence Macroeconomic and Financial Management Institute of Eastern and Southern Africa
MEFMI	
MES	Macroeconomic Subcommittee
MFSMCG	Monetary and Financial Statistics Manual and Compilation Guide
MO	Market Operations

MoU	Memorandum of Understanding
MPF	Monetary Policy Framework
MPR	Monetary Policy Rate
MPTC	Monetary Policy Technical Committee
MRR	Minimum Reserve Requirement
MSMEs	Micro, Small and Medium Enterprises
NAV	Net Asset Values
NBS	National Bureau of Statistics
NEDC	Non-Executive Directors Committee
NFA	Net Foreign Assets
NGOs	Non-Governmental Organisations
NIR	Net International Reserves
NPL	Non-Performing Loans
NPS	National Payment System
NSO	Non-Standard Operation
OAG	Office of the Auditor General
ODCs	Other Depository Corporations
OECD	Organisation for Economic Co-operation and Development
OMM	Overall Metrics and Maturity
OMO	Open Market Operations
PFMI	Principles for Financial Market Infrastructures
PMC	Property Management Corporation
PRMF	Policy and Risk Management Framework
PRMG	Peer Review and Monitoring Group
PRS	Policy and Research Section
PSOC	Payment System Oversight Committee
PSS	Payment System Subcommittee
PUC	Public Utilities Corporation
RAM	Risk Assessment Matrix
RAMP	Reserves Management Advisory Partnership
REAP	Renewable Energy Acceleration Programme
RFI	Request for Information
RISDP	Regional Indicative Strategic Development Plan
RMA	Relationship Management Application
RMC	Risk Management Committee
RMF	Risk Management Framework
RMU	Risk Management Unit
RSD	Research and Statistics Division
RSF	Resilience and Sustainability Facility
RTGS	Real Time Gross Settlement
SA	Settlement and Accounting
SADC	Southern African Development Community
SADC PF	SADC Parliamentary Forum
SADCOPAC	SADC Organisation of Public Accounts Committees
SARB	South African Reserve Bank
SBC	Seychelles Broadcasting Corporation

SCF	Standing Credit Facility
SCIS	Seychelles Credit Information System
SCR	Seychelles Rupee
SCU	Seychelles Credit Union
SDDS	Special Data Dissemination Standards
SDF	Standing Deposit Facility
SEFT	Seychelles Electronic Funds Transfer
SFA	Seychelles Fisheries Authority
SFA	Strategic Focus Area
SFPA	Sustainable Fisheries Partnership Agreement
SIAH	Seychelles Institute of Agriculture and Horticulture
SMA	Seychelles Meteorological Authority
SMSP	Seychelles Marine Spatial Plan
SPA	Seychelles Planning Authority
SPF	Seychelles Pension Fund
SPTC	Seychelles Public Transport Corporation
SRMI	Sustainable Renewables Risk Mitigation Initiative
STC	Seychelles Trading Company
STP	Straight Through Processing
STR	Suspicious Transaction Reports
SWIFT	Society for Worldwide Interbank Financial Telecommunication
TCIB	Transfers Cleared on an Immediate Basis
TNC	The Nature Conservancy
TOR	Terms of Reference
TSD	Technical Services Division
UAE	United Arab Emirates
UBS	Union Bank of Switzerland
UK	United Kingdom
US	United States
US Fed	Federal Reserve Bank of New York
USA	United States of America
USD	United States Dollar
VAPT	Vulnerability Assessment and Penetration Testing
WEO	World Economic Outlook
WTO	World Trade Organisation
ZAR	South African Rand

Technical Note

Owing to rounding of figures, the sum of separate items may not always add up to the total shown.

Abbreviations used in this Report are:

<i>R</i>	=	<i>Seychelles rupee</i>
<i>n.a</i>	=	<i>Figure not available</i>
<i>..</i>	=	<i>Negligible</i>
<i>-/0</i>	=	<i>Nil</i>

SECTION ONE

Overview

1.0 External Developments

The global economy was estimated to have grown at a rate of 3.3 per cent in 2025, the same pace as in 2024. According to the World Economic Outlook (WEO) Update published by the International Monetary Fund (IMF) in January 2026, this outcome reflected the favourable financial conditions that prevailed in 2025, stronger investment in information technology, and the ability of the private sector to adapt to the changing policy landscape. In spite of the various geopolitical conflicts and trade tensions, global inflation declined from 5.8% in 2024 to 4.1% in 2025, largely due to factors such as easing supply chain pressures and lower fuel prices. The moderation in foreign inflation led to a gradual easing in monetary policy globally, although the magnitude varied across jurisdictions.

1.1 Domestic Economic Developments

The domestic economy grew by an estimated 5.1 per cent in 2025. There was an improvement in economic activity that was mainly driven by strong performance in the tourism industry, as well as fisheries and the information and communication sectors. Total visitor arrivals for the year stood at 398,841, an increase of 13 per cent relative to 2024. This outcome reflected improved airline connectivity and enhanced marketing efforts by relevant stakeholders. In line with established trend, Europe remained the main source market and accounted for 70 per cent of total visitor arrivals, with the majority of tourists originating from Germany, France and Russia. As for the Asian market, it contributed 18 per cent of total visitor arrivals, and the main source markets from this continent were the United Arab Emirates (UAE), Israel and India. With regard to tourism earnings for 2025, it was estimated at US\$1,196 million, an increase of 29 per cent in year-on-year terms. This reflected a rise in average yield per tourist, consistent with the change in composition of visitors, as well as higher room rates and occupancy, particularly in hotels.

The robust performance of the tourism sector ensured a sustained supply of foreign exchange throughout the year. The associated increase in economic activity resulted in higher demand for foreign exchange on the domestic market. As at the end of the year, the supply of foreign exchange exceeded demand by US\$32 million, compared to a net inflow of US\$3.2 million in 2024. As for the value of the Seychelles rupee (SCR), it depreciated against the three major currencies in annual average terms. In 2025, the SCR traded on average at 14.7259 against the US dollar (USD), 16.5662 vis-à-vis the Euro (EUR), and 19.4156 against the British pound (GBP).

Given the sustained supply of foreign exchange, the Bank was able to purchase the equivalent of US\$122 million through its Foreign Exchange Auctions (FEA) window, for the purpose of reserves accumulation. This led to an expansion of 13 per cent, year-on-year, in Gross International Reserves (GIR). At the end of 2025, GIR amounted to US\$878 million, equivalent to 4.4 months of the country's imports of goods and services. As for Net International Reserves (NIR), this stood at US\$728 million which exceeded the target of US\$670.9 million by US\$57 million.

Provisional estimates of the Balance of Payments (BOP) showed that the current account deficit narrowed from US\$166 million in 2024 to US\$150 million in 2025. As a percentage of GDP, the current account deficit stood at 6.5 per cent in 2025 compared to 7.5 per cent in 2024. This outcome reflected an improvement in the net contribution of services sector relative to the previous year, consistent with the robust performance of the tourism sector.

Given Seychelles' characteristics as a small open island state, the prevailing external developments filtered through to the domestic economy. As for the international commodity prices, there was an increase in global food prices, whilst that of oil fell during the year under review. Lower international fuel prices and freight costs underpinned a moderation in the average prices of goods and services during the year under review. In December, the 12-month average inflation rate stood at 0.3%, whilst in year-on-year terms, overall inflation fell by 0.2%.

In view that the domestic price outlook was in line with the Bank's objective of promoting domestic price stability, the Bank maintained an accommodative monetary policy stance throughout 2025, with the aim of supporting domestic economic activity. As such, the Monetary Policy Rate (MPR) was held steady at 1.75%, while the interest rates on the Standing Deposit Facility (SDF) and Standing Credit Facility (SCF) remained at 0.25% and 3.25%, respectively, during the review period. Furthermore, the Minimum Reserve Requirement (MRR) on applicable rupee-denominated deposits was reduced from 13% to 10% effective October 08, 2025. This adjustment aimed to allow for a liquidity buffer in the banking system and provide the scope for increased credit to further support economic activity. In line with the policy stance, open market operations focused on aligning the interest rate on the 7-day Deposit Auction Arrangement (DAA) with the MPR, through optimal absorption of excess liquidity from the market. In that context, the 7-day DAA was used as the main instrument on a weekly basis, whilst the 1-month and 2-month DAA were issued on a fortnightly basis.

Credit to the private sector grew by 11 per cent in December, compared to the same period in 2024. This was due to increases of 13 per cent in local currency-denominated loans and 0.3 per cent in foreign currency loans in rupee terms. With regard to the sectoral allocation, credit disbursed under the categories

of 'individuals & households', 'mortgages' and 'tourism facilities' grew by 19 per cent, 18 per cent and 14 per cent, respectively, in year-on-year terms.

As regard fiscal performance, provisional statistics for 2025 showed a primary fiscal surplus of 2.7 per cent of GDP compared to 3.4 per cent of GDP in 2024. This outcome was mainly due to savings on the expenditure side, as revenue performance fell short of projections. Government remained committed to reducing overall public debt to 50 per cent of GDP by 2030, whereby preliminary figures for the aggregated stock of public debt stood at 53 per cent of GDP at the end of 2025. This marked a decrease in comparison to 61 per cent of GDP in 2024.

Following general elections that were held in October, there was a change in administration at both the Presidential and Parliamentary level. Dr. Patrick Herminie, from the *United Seychelles* political party, was sworn in as the Sixth President of the Republic of Seychelles, after receiving 53 per cent of valid casted votes in the second round of the presidential elections. The *United Seychelles* also won a majority of seats in the National Assembly, although not the absolute majority. As regard the announced policy direction, this was mainly geared towards strengthening social protection measures, enhancing the implementation of capital projects and improving public service delivery in a sustainable manner.

In 2025, the Fitch Ratings Agency conducted two reviews of Seychelles' economic performance, in March and September. Whilst the March review maintained the country's 'BB-' credit rating with a positive outlook, the September mission upgraded Seychelles rating to 'BB' with a stable outlook. The outcome reflected strengthened policy buffers, improved fiscal position and declining public debt. In addition, the report underscored higher international reserves, strong governance indicators, financial support from multilateral creditors and robust economic growth. Nevertheless, the rating agency highlighted the importance of maintaining reform momentum and addressing vulnerabilities, particularly those related to the tourism sector and exposure to external shocks.

During the year under review, Seychelles maintained its engagement with the IMF, in the context of the two ongoing programmes – the Extended Fund Facility (EFF) and Resilience and Sustainability Facility (RSF). The fourth review was completed in June, following which the country received a disbursement of US\$13.7 million. In November, a Staff Mission was undertaken to assess recent economic developments, the proposed initiatives under the new government's 100-day action plan, as well as discuss key elements of the 2026 budget framework. As such, the fifth review that was supposed to be held at that time was rescheduled to the first quarter of 2026, and there was no disbursement under either facility.

During 2025, the Central Bank successfully met its NIR targets – applicable end-June and end-December – as illustrated in Table 1.1.

Table 1.1: Quantitative Performance Criteria

Net International Reserves ^{1/2}	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4
	USD million								
Target	478	541	551	567	583	622	629	636	671
Actual	529	556	595	606	632	652	718	711	728

¹ The stated target is a floor

² The target dates are end of Q2 and Q4

Source: Central Bank of Seychelles

Global economic growth is forecasted to remain steady at 3.3 per cent for 2026 and at 3.2 per cent in 2027, according to the IMF WEO Update of January 2026. However, this outlook is subject to significant risks such as escalation in geopolitical conflicts, as well as trade tensions between the US and its major trading partners. Moreover, there are increasing uncertainties pertaining to US' domestic and foreign policies which are expected to negatively impact global economic activity. With regard to global inflation, initial forecasts published by the IMF showed a decline from 4.1% in 2025 to 3.8% in 2026 and 3.4% in 2027. Nevertheless, the outlook remains subject to developments in international commodity markets, global trade conditions as well as shipping and transportation challenges.

Locally, the economy is forecasted to grow by 1.5 per cent in 2026, supported by activities in the tourism, and information and communication sectors. Nonetheless, uncertainties pertaining to the impact of persisting geopolitical conflicts across various regions could potentially affect the local tourism industry and consequently, the supply of foreign exchange in the domestic market. Demand for foreign exchange is expected to rise, although the extent of this increase will depend on global developments, such as movements in commodity prices and freight costs, as well as other domestic needs. If the rise in demand is not met by a corresponding increase in supply, the SCR is expected to weaken vis-à-vis the major traded currencies. With regard to inflation, the impact of international commodity and fuel prices combined with the anticipated weaker domestic currency, are expected to filter through to the domestic economy via the import channel, thus contributing to inflationary pressures.

SECTION TWO

Real Sector: Production, Labour and Prices

2.0 Overview

The global economy continued to expand in 2025 amidst an increase in trade tensions, intensification of geopolitical conflicts and changes in policies. Economic growth was estimated at 3.3 per cent in 2025, which was similar to that of the preceding year.

Within the local context, annual real GDP growth was estimated at 5.1 per cent. This outcome was primarily driven by robust performance of the tourism industry as well as fisheries, and information and communication sectors. During the year under review, a total of 398,841 visitors disembarked in Seychelles, which was a year-on-year expansion of 13 per cent. Notably, tourist arrivals in 2025 surpassed the levels recorded before the COVID-19 pandemic. As compared to 2019, the number of visitors rose by 3.8 per cent during the year under review. This strong performance in tourist arrivals was attributed to improvements in airline connectivity as well as enhanced marketing efforts. Statistics showed that whilst the top two source markets were Germany and France, arrivals from these countries fell by 3.5 per cent and 1.0 per cent, respectively, when compared to 2024. As for the number of tourists originating from Russia, Italy and United Kingdom (UK), there were increases of 7.3 per cent, 19 per cent and 7.2 per cent, correspondingly. Notably, visitor arrivals from the Asian market rose by 34 per cent in 2025. This outcome was mainly driven by double-digit growth of 77 per cent and 83 per cent in the Indian and Israeli clientele, respectively. As for tourism earnings, it was estimated at US\$1,196 million, a year-on-year increase of 29 per cent.

Preliminary estimates showed that the output from the telecommunications industry rose by 5.0 per cent, consistent with the strong growth in data traffic. With regards to the output of the manufacturing sector, this was estimated to have expanded by 7.7 per cent. This outcome was in line with a higher production of beverages, tobacco, construction materials and canned tuna. As for the fisheries sector, it was estimated to have increased by 2.0 per cent.

In September, Fitch Ratings upgraded Seychelles' Long-Term Foreign-Currency Issuer Default Rating from a credit rating of 'BB-' with a positive outlook to 'BB' with a stable outlook. The rating was based on relatively high-income levels, strong governance indicators, coupled with financial support from multilateral creditors.

With regard to price developments, there was a moderation in the average prices of goods and services, mainly attributed to lower international fuel prices and freight costs. The headline Consumer Price Index (CPI), which is compiled and published by the National Bureau of Statistics (NBS), showed a 12-month average inflation rate of 0.3% in December, relatively unchanged when compared to end-2024. In year-on-year terms, the average prices of goods and services fell by 0.2%. As for the year-on-year core inflation rate, this was 0.4% at the end of the year under review.

2.1 Primary Sector

The primary sector consists of activities related to the extraction and collection of natural resources. Within the local context, this refers to the fisheries and agricultural sectors whereby, the main focus was on promoting sustainable practices and enhancing food security. The output from the primary sector was estimated to have contracted by 4.4 per cent in 2025, principally driven by lower agricultural output.

As of November 06, following the change in administration, the portfolios falling under the ambit of the ministry responsible for fisheries were amended from Ministry of Fisheries and the Blue Economy, to Ministry of Fisheries, Agriculture and Blue Economy. As for the Ministry of Agriculture, Climate Change and Environment, this was changed to Ministry of Environment, Climate, Energy and Natural Resources.

2.1.1 Fisheries

Preliminary GDP estimates for 2025 indicated that the output of the fisheries sector increased by 2.0 per cent in year-on-year terms.

The Seychelles Marine Spatial Plan (SMSP), which was launched in 2014 was legally formalised in March with the Nature Reserves and Conservancy (Seychelles Marine Spatial Plan) Regulation. This ensured improved adherence to marine conservation guidelines as well as reinforced Seychelles' pledge to protect 30 per cent of its Exclusive Economic Zone (EEZ). In May, the Seychelles Fisheries Authority (SFA) and The Nature Conservancy (TNC) launched a 2-day workshop to revise the management plan on drifting Fish Aggregated Devices (dFADs). The plan incorporated feedback from fishers, scientists, Non-Governmental Organisations (NGOs) as well as government stakeholders and will be submitted to the Indian Ocean Tuna Commission (IOTC) in March 2026. Furthermore, SFA and the ministry responsible for fisheries inaugurated the Glacis Gear Stores in September. The project was funded by the European Union under the 2020-2026 Sustainable Fisheries Partnership Agreement (SFPA), valued at approximately R3.5 million. The new gear store complex provided adequate storage facilities for the 46 registered fishers and boat owners within the Glacis district.

In November, SFA launched the inaugural SFA Fish Market Award to recognise and encourage excellence in environmental practices, customer service and product quality in fish markets across the country. Five fish markets namely, Anse Royale, Anse Aux Pins, Cascade, Anse Étoile and Baie Ste Anne qualified for the first edition whereby, one of them will receive the award on World Fisheries Day in 2026.

2.1.2 Agriculture

In 2025, output from the agricultural sector was estimated to have declined by 10 per cent. Production statistics from January to September indicated a decline in the production of eggs, whilst there was a rise in the quantity of livestock slaughtered specifically, chickens and cattle. When compared to the same period in 2024, the number of slaughtered cattle and broiler chickens expanded by 41 per cent and 10 per cent, respectively. As for the quantity of culled pigs, this fell marginally by 0.3 per cent, whilst the number of eggs produced contracted by a larger magnitude of 18 per cent.

With regards to animal feed, this declined by 3.8 per cent.

During the year under review, activities were mainly geared towards showcasing the potential and opportunities of the agricultural sector to future generations. In March, the Local Food Producers Association (LFPA) held a workshop with students from the University of Seychelles, to encourage higher consumption of local produce whilst reducing the reliance on imported goods. The Seychelles Institute of Agriculture and Horticulture (SIAH) hosted students from the La Digue Secondary School in April, to showcase different areas within the campus such as the crop sections, hydroponics as well as poultry and cattle units. In August, SIAH inaugurated a new two-storey classroom and laboratory block at Anse à La Mouche.

**Table 2.1: Gross Domestic Product by kind of Economic Activity (2021 - 2025)
at constant prices**

	2021 ⁽¹⁾	2022 ⁽¹⁾	2023 ⁽¹⁾	2024 ⁽¹⁾	2025 ⁽²⁾
	(R million)				
GDP at 2014 constant market prices	22,700.1	24,942.1	26,233.1	27,112.3	28,493.0
Change	0.6%	9.9%	5.2%	3.4%	5.1%
Agriculture	254.6	322.0	339.1	413.5	372.2
Fishing	343.8	334.7	370.3	363.6	370.9
Manufacture of fishery products	1,048.1	823.4	682.0	742.9	802.3
Manufacture of other food	88.0	86.4	82.2	88.0	92.4
Manufacture of beverages and tobacco	291.4	353.6	323.0	319.7	329.3
Manufacturing, other	281.2	261.9	293.8	291.4	329.3
Electricity, gas, steam and air conditioning supply	412.3	418.8	446.1	553.2	569.8
Water supply; sewerage, waste management and remediation activities	73.2	77.3	81.0	83.7	86.2
Construction	738.4	1,154.2	1,707.3	1,631.1	1,761.6
Wholesale and retail trade; repair of motor vehicles and motorcycles	1,344.6	1,482.6	1,524.8	1,492.1	1,536.9
Transportation and storage	598.4	775.1	848.8	886.5	992.9
Accommodation and food service activities	1,986.5	3,025.7	3,148.7	3,071.2	3,316.9
Information and communication	1,789.6	1,877.9	1,901.9	1,986.8	2,086.1
Financial and insurance activities	1,105.4	1,062.2	1,288.7	1,360.8	1,428.9
Real estate activities	379.8	158.9	118.8	112.8	110.5
Owner occupied dwellings	1,894.2	1,947.7	1,994.8	2,038.0	2,088.9
Professional, scientific and technical activities	506.7	521.9	556.0	514.7	514.7
Administrative and support service activities	300.1	430.9	449.0	539.7	555.9
Public administration and defence; compulsory social security	3,252.4	3,233.0	3,217.4	3,451.6	3,693.2
Education	927.4	945.2	944.2	956.4	985.0
Human health and social work activities	782.7	827.0	814.6	947.6	1,023.4
Arts, entertainment and recreation	240.6	402.3	426.6	442.3	451.1
Other service activities	187.4	163.4	198.0	198.5	206.4
Value Added at basic prices	18,826.9	20,686.3	21,757.0	22,486.2	23,705.0
Taxes Less subsidies	3,873.2	4,255.8	4,476.1	4,626.1	4,788.0

Notes:

¹ Provisional Estimates- National Bureau of Statistics

² Indicative Estimates - Seychelles Macroeconomic Framework Working Group as at February 2026

**Table 2.2: Gross Domestic Product by Kind of Economic Activity (2021 - 2025)
at current prices**

	2021 ⁽¹⁾	2022 ⁽¹⁾	2023 ⁽¹⁾	2024 ⁽¹⁾	2025 ⁽²⁾
	(R million)				
GDP at current market value	25,163.7	28,543.6	30,440.7	32,381.4	34,133.8
Change	3.3%	13.4%	6.6%	6.4%	5.4%
Agriculture	316.3	402.6	421.3	502.8	453.1
Fishing	298.9	299.1	344.1	350.2	357.6
Manufacture of fishery products	860.9	799.7	646.6	796.5	861.3
Manufacture of other food	107.0	106.3	99.9	106.2	111.6
Manufacture of beverages and tobacco	384.6	424.9	398.5	422.8	436.0
Manufacturing, other	299.8	279.3	314.1	312.1	353.1
Electricity, gas, steam and air conditioning supply	417.2	482.7	465.4	648.6	668.9
Water supply; sewerage, waste management and remediation activities	95.8	114.3	122.8	138.6	142.9
Construction	792.5	1,253.1	1,999.9	1,920.4	2,076.6
Wholesale and retail trade; repair of motor vehicles and motorcycles	1,643.9	1,762.1	1,738.4	1,859.1	1,917.2
Transportation and storage	987.3	1,382.6	1,431.5	1,575.7	1,767.0
Accommodation and food service activities	2,672.4	3,843.2	3,951.8	4,035.6	4,363.8
Information and communication	914.8	959.9	951.0	953.7	1,002.6
Financial and insurance activities	1,373.3	1,354.4	1,626.1	1,722.5	1,810.8
Real estate activities	481.3	219.6	160.6	160.3	157.3
Owner occupied dwellings	2,353.3	2,483.3	2,517.0	2,579.5	2,647.2
Professional, scientific and technical activities	571.6	605.7	648.8	601.3	602.1
Administrative and support service activities	376.2	555.5	572.7	691.2	712.8
Public administration and defence; compulsory social security	3,941.9	3,903.7	4,229.4	4,724.8	5,061.7
Education	1,098.9	1,110.5	1,211.4	1,281.8	1,321.9
Human health and social work activities	1,142.5	1,167.0	1,220.9	1,405.4	1,519.7
Arts, entertainment and recreation	296.9	489.5	494.4	492.8	503.2
Other service activities	211.4	189.6	231.1	231.9	241.5
Value Added at basic prices	21,638.6	24,188.7	25,797.6	27,513.8	29,089.7
Taxes Less subsidies	3,525.1	4,355.0	4,643.0	4,867.6	5,044.1

Notes:

¹ Provisional Estimates- National Bureau of Statistics

² Indicative Estimates - Seychelles Macroeconomic Framework Working Group as at February 2026

2.2 Industries

In 2025, the output of the industrial sector was estimated to have risen by 7.9 per cent when compared to the preceding year. This outcome was driven by higher activities in the construction industry, coupled with a growth in the manufacturing sectors.

2.2.1 Construction

The output of the construction sector was estimated to have expanded by 8.0 per cent. Notably, numerous construction projects were linked with the tourism sector, housing and commercial development. As of June, the moratorium on new tourism accommodation developments on La Digue was lifted. This decision was consistent with the approval of the Strategic Accommodation Establishment Development Plan for La Digue (2025–2030) in April. Consequently, a maximum of 156 new rooms will be allowed to be built on this island over the 5-year period.

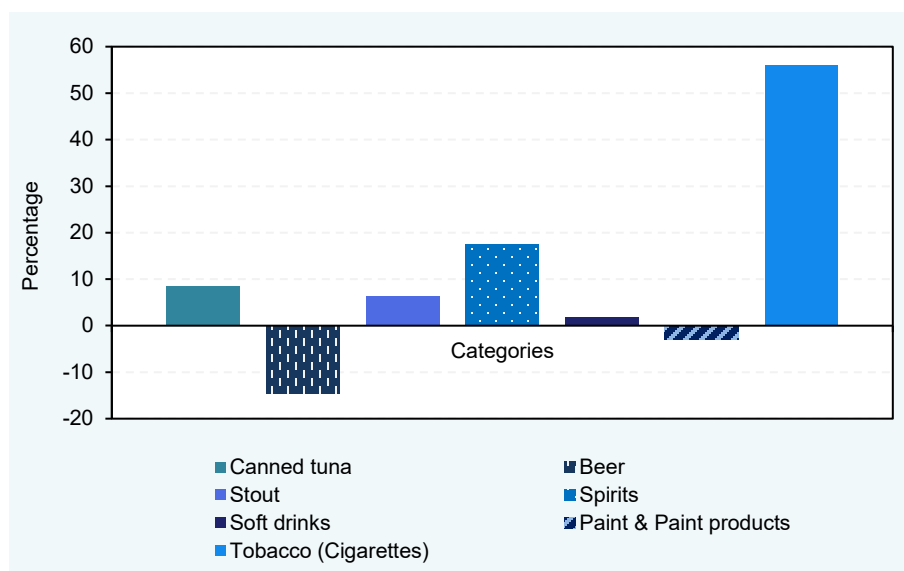
Production statistics from January to September showed increases of 140 per cent, 47 per cent and 14 per cent in the production of ‘plastering dust’, ‘crusher dust’ and ‘blocks’, correspondingly, relative to the same period in 2024. On the contrary, the output of ‘aggregates’ fell marginally by 0.1 per cent.

2.2.2 Manufacturing

In 2025, the manufacturing industry was estimated to have constituted 5.2 per cent of GDP. Preliminary figures showed that in comparison to the previous year, output from this industry rose by 7.7 per cent.

The ‘manufacture of beverages and tobacco’ was estimated to have increased by 3.0 per cent in year-on-year terms. Production statistics up until September showed an expansion of 56 per cent, 17 per cent, 6.4 per cent and 1.9 per cent in ‘tobacco’, ‘spirits’, ‘stout’ and ‘soft drinks’, respectively. Conversely, the production of ‘beer’ fell by 14 per cent. The ‘other’ grouping of manufacture encompasses the output of construction materials. This segment was estimated to have risen by 13 per cent in 2025 as compared to the preceding year. This outcome was consistent with increases in the production of ‘plastering dust’, ‘crusher dust’ and ‘blocks’, notwithstanding the marginal decrease in the output of ‘aggregates.’ As for the output of ‘paint & paint products’, this fell by 3.0 per cent. The ‘manufacture of fishery products’ was estimated to have increased by 8.0 per cent. Statistics from January to September showed that the output of ‘canned tuna’ rose by 8.5 per cent, as compared to the same period in 2024.

Chart 2.1: Changes in production indicators (2025)



Source: National Bureau of Statistics

2.3 Services

The services industry accounted for 72 per cent of GDP in 2025 whereby, the output from this segment was principally driven by the tourism and telecommunications sectors. The strong performance in the tourism sector was related to the improvement in air connectivity as well as higher yield per tourist, whilst that of the telecommunication sector was underpinned by the double-digit growth in data traffic.

2.3.1 Tourism

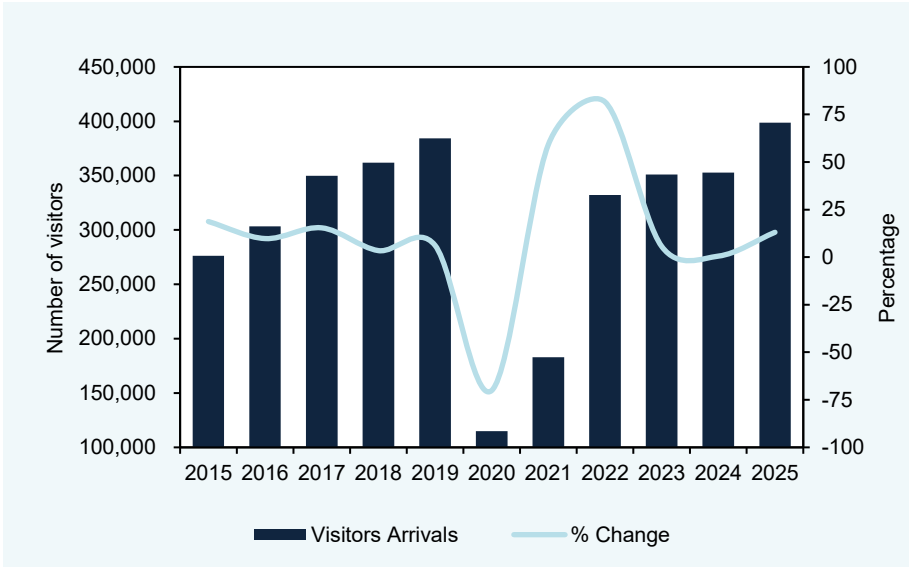
During the year under review, the Department of Tourism continued to implement a number of initiatives to enhance the visibility of the destination on the global platform. The Department maintained a strong presence in international trade fairs, expanded its digital marketing footprint on social media platforms and continued to promote cultural experiences and sustainable initiatives.

In June, the Cabinet of Ministers approved the Seychelles Sustainable Tourism Policy Framework 2025–2035 which serves as the guiding document for the development of the tourism industry under five strategic goals: sustainable governance, investment and workforce resilience, cultural and environmental preservation, climate adaptation and data-driven decision-making.

The report on the cost-benefit analysis of the cruise sector in Seychelles was finalised in July. Subsequently, in October, consultations were held with stakeholders on Mahé, Praslin and La Digue, to guide the drafting of the Cruise Tourism Strategy 2026-2033.

The improvement in airline connectivity and the increased marketing efforts during the year under review, underpinned the double-digit growth in tourist arrivals. With regards to new airlines servicing the destination, IndiGo commenced its direct route from Mumbai as of March, whilst Discover Airlines launched its direct flights from Frankfurt as of October. Additionally, Sichuan Airlines operated five flights from Chengdu in July. As for the national airline, Air Seychelles, it resumed direct flights to Abu Dhabi as of May. Meanwhile, Condor, Edelweiss Air, Turkish Airlines and Aeroflot continued to operate on a northern winter seasonal schedule.

Chart 2.2: Visitors Arrivals (2015 – 2025)



Source: National Bureau of Statistics

In 2025, the number of visitors who disembarked in Seychelles amounted to 398,841, which was an increase of 13 per cent when compared to the previous year. A majority of these tourists originated from Europe, which accounted for 70 per cent of total visitor arrivals, albeit this was 3.1 percentage points lower than the share recorded in 2024. Nevertheless, in year-on-year terms, the number of European tourists rose by 8.3 per cent. In terms of the main source markets, Germany supplied 55,497 visitors whilst France contributed 41,409 tourists. However, compared to the preceding year, the number of visitors from Germany fell by 3.5 per cent, whereas that from France declined by 1.0 per cent. In contrast, those who originated from Russia, Italy and UK totalled 37,595, 22,524 and 22,042, correspondingly. In year-on-year terms, tourist arrivals from these jurisdictions expanded by 7.3 per cent, 19 per cent and 7.2 per cent, respectively.

Relative to the preceding year, the share attributed to the Asian market rose by 2.8 percentage points to stand at 18 per cent of total visitor arrivals in 2025. In year-on-year terms, the number of visitors from Asia grew by 34 per cent. The UAE remained the primary source market with a contribution of 20,980 travellers, which was higher by 6.2 per cent when compared to 2024. As for the Israeli market, there was a total of 15,578 visitors, which was an expansion of 83 per cent. Meanwhile, the number of Indian tourists rose by 77 per cent in year-on-year terms and totalled 13,499 tourists for the year under review.

The American market supplied 18,171 visitors, which was an increase of 17 per cent relative to 2024. This outcome was mainly driven by an expansion of 20 per cent in the total number of tourists from the United States of America (USA). With reference to travellers from Oceania and Africa, the total rose by 20 per cent and 14 per cent, respectively.

For the year under review, tourism earnings were estimated to have increased by 29 per cent in year-on-year terms to amount to US\$1,196 million. This outcome reflected an increase in the average yield per visitor, which was consistent with a change in the composition of tourists and higher occupancy, particularly in hotels. With regard to the average expenditure per visitor on a per diem basis, this rose by 13 per cent, primarily in line with an increase in room rates.

'Accommodation & food service activities' constituted 13 per cent of GDP in 2025, as compared to 12 per cent in the preceding year. Accommodation statistics up until September showed an average occupancy rate of 45 per cent for both beds and rooms. With regards to the average length of stay, this increased marginally from 9.2 nights in 2024 to 9.3 nights during the year under review.

Table 2.3: Tourism Indicators

	2021	2022	2023	2024	2025
Visitor arrivals	182,849	332,068	350,879	352,762	398,841
Average length of stay (nights)	9.8	9.9	9.5	9.2	9.3
Tourism Earnings (US\$ million)	588	935	994	925	1,196
Average expenditure per diem - \$ USD	328	284	298	285	322
Memorandum					
Hotel bed occupancy rate (%)	32	50	48	40	45 ¹

⁽¹⁾ YTD hotel bed occupancy rate as at Q3 2025

Sources: National Bureau of Statistics, (except tourism foreign exchange earnings which are from Central Bank of Seychelles)

Notably, the portfolio related to the tourism industry was changed from the Ministry of Foreign Affairs and Tourism, to Ministry of Tourism and Culture as of November 06.

2.3.2 Telecommunications

In March, Cable & Wireless Seychelles and Hytera Communications Corporation Limited signed a Memorandum of Understanding (MoU) with the aim of contributing to the digital transformation of Seychelles' enterprises and government sectors. Notably, one of the key initiatives was the development of a Seychelles Emergency Communication Redundant Network, which would ensure communications remains uninterrupted during times of crises.

In November, Cable & Wireless Seychelles celebrated its 132nd anniversary and unveiled Multiview, a facility that allows subscribers of a specific package to watch different shows on two televisions at once, without having to sign up for an additional service. As for Airtel Seychelles, it unveiled its new unlimited home broadband package in September, in an endeavour to improve the internet experience of its customers. In line with these developments and the continued usage of digital platforms, the telecommunications industry was estimated to have increased by 5.0 per cent during the year under review.

An analysis of the production indicators showed that 'data traffic', 'local calls', 'internet connections', 'cable TV connections' and 'mobile accounts' expanded by 42 per cent, 27 per cent, 9.2 per cent, 5.8 per cent and 4.8 per cent, correspondingly. On the contrary, the airtime for 'international calls' contracted by 11 per cent, whilst that for 'telephone exchange lines' fell by a smaller magnitude of 9.2 per cent. The reductions in the airtime for international calls and telephone lines was driven by the higher usage of data as the main medium of communication, consistent with the increased availability of unlimited internet packages.

2.3.3 Financial Services

During the year under review, the financial sector was estimated to have expanded by 5.0 per cent, an outcome that was in line with the increase in credit disbursed to the private sector. Similar to 2024, the financial sector consisted of seven commercial banks during the year under review.

A total of 6 new companies were listed on MERJ Exchange Limited whereby, 3 were in the real estate (healthcare) sector and 1 each in the retail, beverage and biotechnology sectors. Conversely, there were no new listings on SECDEX Exchange Limited.

2.4 Other Key Segments

There were increases in the 'other services' sectors of the economy during the year under review. The output of 'transportation & storage' was estimated to have expanded by 12 per cent. Meanwhile, output from 'administrative & support service activities', 'wholesale & retail trade; repair of motor vehicles & motorcycles', 'water supply, sewerage, waste management & remediation activities' and 'electricity, gas, steam & air conditioning supply', each rose by 3.0 per cent. The expansion in the latter two segments of the economy was consistent with higher production of water and electricity. Production statistics from January to September showed year-on-year increases of 4.9 per cent and 1.1 per cent in the production of electricity and water, respectively. As for the output of 'arts, entertainment & recreation', this rose by 2.0 per cent.

2.5 Labour Market

The national minimum wage for employed and casual workers increased by 7.0 per cent as of April 01. The hourly wage rate rose from R38.27 to R40.95 for employed workers, whilst that for casual workers went up from R44.10 to R47.19. Furthermore, the salary for public sector employees was revised upwards as of April 01. Public sector employees on Band 1, Step 1 to Band 5, Step 12 received an increase of 7.0 per cent in the basic salary whilst, those on Band 5, Step 13 and above, were given a fixed increment of R1,500.

As of November 06, the designation of the ministry responsible for the labour market was changed from Ministry of Employment and Social Affairs, to Ministry of Employment and Human Resource Planning.

With the enactment of the Employment (Amendment) Act, 2025 on December 12, the performance-based component that comprised 50 per cent of the Thirteenth Month Pay was removed. As such, effective 2026, the Thirteenth Month Pay will be equivalent to 100 per cent of the employee's base salary. Additionally, the Long Service Allowance was reinstated as of December.

2.5.1 Unemployment

In the third quarter of 2025, the national unemployment rate stood at 2.6 per cent, an increase of 0.6 percentage points when compared to the last quarter of 2024. In terms of the decomposition by gender, the rate of unemployment rose for both categories. The national male unemployment rate expanded by 0.8 percentage points from 2.2 per cent in the fourth quarter of 2024 to 3.0 per cent in the third quarter of 2025. Over the same period, the national female unemployment rate rose by a smaller magnitude of 0.4 percentage points from 1.8 per cent to 2.2 per cent.

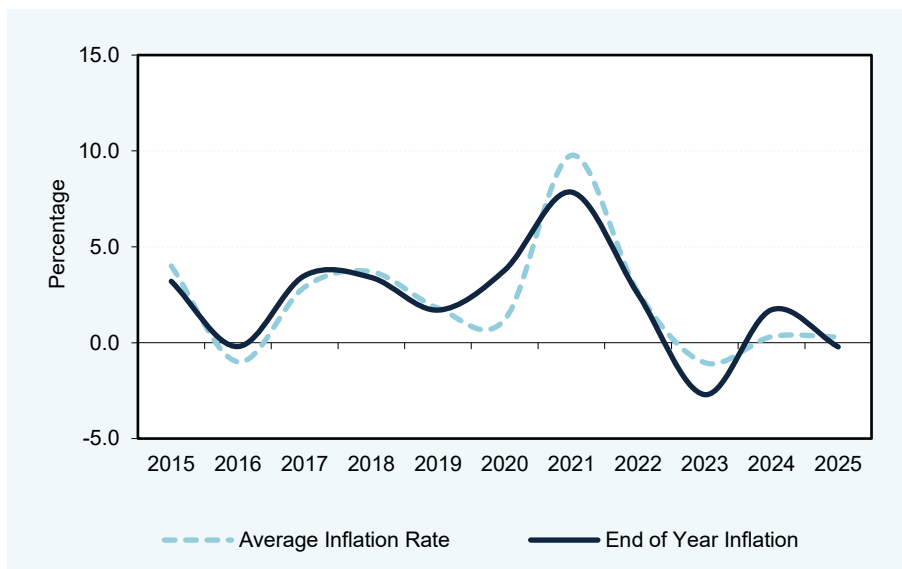
2.6 Prices

In December, headline CPI fell by 0.2% as compared to the same period in 2024. This outcome was consistent with reductions of 6.7 per cent, 0.9 per cent and 0.01 per cent in the indices of 'fish', 'other food' and 'non-food items', respectively.

On the external front, there was an increase in global food prices, primarily attributed to tight supply conditions and robust demand for some of the sub-categories. Conversely, international oil prices fell on account of higher inventories, which underpinned a reduction of 26 cents in domestic electricity tariffs during 2025. With regards to the value of the local currency, this depreciated by 1.3 per cent in annual average terms. As such, the effects of a weaker exchange rate were offset by the passthrough from lower international fuel prices as well as a moderation in freight costs.

The decline in the index of the 'other food' sub-category was driven by reductions in the average prices of 'vegetables' (17 per cent), 'milk, cheese & eggs' (0.7 per cent), 'sugar, jam, honey & confectionery' (0.6 per cent) and 'food products n.e.c.' (0.5 per cent). As for the main movements in the 'non-food items' sub-category, there were decreases in the indices of 'recreation & culture' (5.5 per cent), 'housing, water, electricity & gas' (2.2 per cent), 'furniture & household equipment' (1.4 per cent), 'communication' (0.7 per cent), 'clothing & footwear' (0.6 per cent) and 'tobacco' (0.5 per cent).

Chart 2.3: Price Movements (2015 – 2025)



Source: National Bureau of Statistics

During the year under review, the 12-month average inflation rate stood at 0.3%, an outcome that was relatively unchanged when compared to 2024. Whilst the average prices of 'fish' fell by 4.6 per cent, the indices of 'other food' and 'non-food items' rose by 1.8 per cent and 0.2 per cent, correspondingly.

There were increases in the different components of the 'non-food items' sub-category with the exception of 'recreation & culture', 'transport' and 'communication' which fell by 3.3 per cent, 0.7 per cent and 0.6 per cent, respectively. In terms of the 'other food' sub-category, notable expansions were in the average prices of 'fish (frozen, smoked & salted)' (5.3 per cent), 'meat (fresh, chilled & frozen)' (3.1 per cent) and 'vegetables' (2.8 per cent).

The core inflation is an index which excludes the effects of electricity, fuel and fresh fish prices, as these components are more prone to temporary shocks. In December, the core inflation index increased by 0.4% in year-on-year terms. This outcome was consistent with an increase of 0.7 per cent in the average prices of 'non-food items', albeit this was partially offset by a decline of 0.9 per cent in the index for 'other food'. With regards to the 12-month average core inflation rate, this stood at 0.5%.

Table 2.4: Inflation Rates (2021 - 2025)

	2021	2022	2023	2024	2025
<i>Annual Average</i>					
					Per cent (%)
All Items	9.8	2.6	-1.0	0.3	0.3
Fish	7.9	2.8	4.0	3.6	-4.6
Other Food Items	15	1.1	-1.2	-0.7	1.8
Non-Food Items	9.0	2.9	-1.1	0.4	0.2
<i>Year-on-year</i>					
All Items	7.9	2.5	-2.7	1.7	-0.2
Fish	2.2	9.1	2.0	-0.9	-6.7
Other Food Items	7.9	2.5	-3.2	3.9	-0.9
Non-Food Items	7.9	2.4	-2.7	1.4	-0.01

Source: National Bureau of Statistics

SECTION THREE

Monetary and Financial Sector

3.0 Monetary Policy Developments

In 2025, domestic economic activity was largely supported by the strong performance of the tourism sector, which provided a sustained supply of foreign exchange throughout the year. The tourism industry remained the country's primary source of foreign exchange earnings. In comparison to 2024, both demand and supply of foreign exchange were higher. Nevertheless, there was a depreciation of the Seychelles rupee against the major traded currencies during that period.

In terms of price developments, domestic inflation remained subdued, mainly driven by lower international fuel prices and freight costs. Given the low inflationary environment, the Bank maintained an accommodative monetary policy stance throughout 2025, with the aim of supporting economic activity. Hence, the MPR remained at 1.75%, whilst the SDF and SCF were kept at 0.25% and 3.25%, respectively. Effective October 08, 2025, the MRR was lowered from 13% to 10% on applicable rupee-denominated deposits, to allow for a liquidity buffer and provide the scope for increased credit to further support economic activity.

Throughout 2025, monetary policy operations focused on aligning the interest rate on the 7-day DAA with the MPR, through optimal absorption of excess liquidity from the market. To that end, the 7-day DAA was used as the main instrument on a weekly basis, whilst the 1-month and 2-month DAA were issued on a fortnightly basis. Consequently, in line with the optimal absorption strategy, a higher volume of OMO was recorded for the year.

With regard to developments in credit, an expansion of 11 per cent was recorded in loans extended to the private sector as at end-2025 relative to the same period in 2024, driven primarily by local currency-denominated loans. This reflected the increase in domestic economic activity. In line with the easing of monetary policy externally, there was a reduction in the lending rates on foreign currency-denominated facilities, which led to an uptick in demand compared to the previous year.

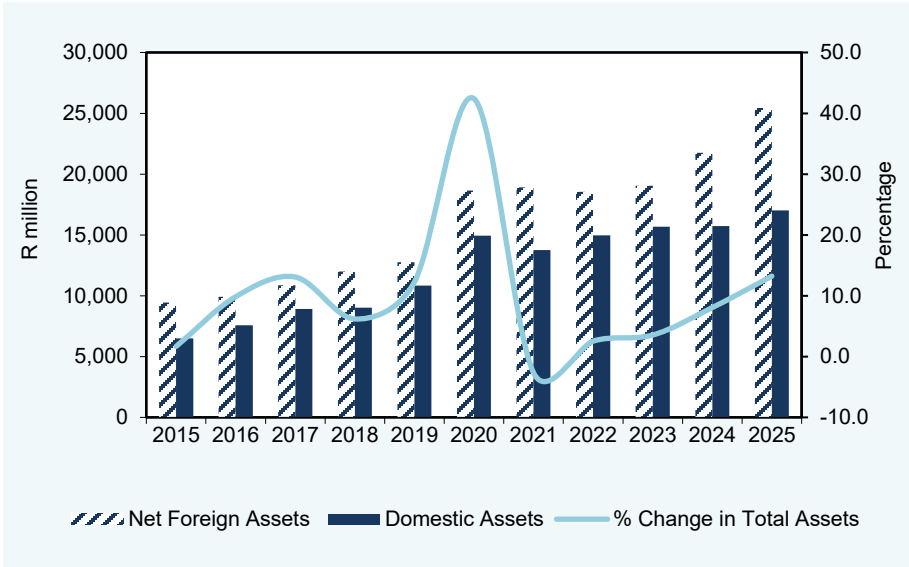
3.1 Net Foreign and Domestic Assets

Total Net Foreign Assets (NFA) of the Bank and Other Depository Corporations (ODCs) amounted to R25,443 million at the end of 2025, which was an expansion of 17 per cent (R3,692 million) compared to end-2024. This increase was mainly on account of a growth of 19 per cent (R2,095 million) in the NFA of ODCs, owing to the strong performance of the tourism sector which resulted in higher placements with financial institutions abroad. As for the Bank, the sustained supply of foreign exchange on the domestic

market throughout the year provided the opportunity to accumulate external reserves, thus resulting in an expansion of 15 per cent (R1,597 million) in its NFA. In USD terms, the NFA of ODCs grew by 18 per cent (US\$136 million), whilst that of the Bank rose by 14 per cent (US\$102 million).

With regard to the stock of domestic assets, this grew by 8.1 per cent (R1,267 million) to stand at R17,008 million in December, primarily as a result of increases of 11 per cent (R1,209 million) in credit extended to the private sector and 5.4 per cent (R66 million) in ‘claims on public entities’, which as indicated earlier, an outcome that reflected the higher level of economic activities during the year. In contrast, there was a drop of 0.2 per cent (R7.1 million) in ‘net claims on government’ mainly due to the reduction in issuance of government securities compared to 2024.

Chart 3.1: Net Foreign and Domestic Assets (2015 – 2025)



Source: Central Bank of Seychelles

Table 3.1: Monetary Survey^{1/3} (2021 – 2025)

	2021	2022	2023	2024	2025
	(R million)				
Net Foreign Assets²	18,917.8	18,543.9	19,034.8	21,751.2	25,443.4
Central Bank	9,519.3	8,463.4	9,058.2	10,848.9	12,445.9
Commercial Banks	9,398.4	10,080.5	9,976.5	10,902.4	12,997.5
Domestic Assets	13,766.3	14,968.5	15,664.4	15,741.2	17,008.4
Claims on private sector	8,710.3	9,065.3	9,735.8	10,907.0	12,115.8
Claims on public entities	579.7	891.4	1,020.3	1,219.0	1,284.6
Claims on government (net)	4,476.3	5,011.8	4,908.4	3,615.2	3,608.0
Money Supply, M3	23,492.5	23,634.6	24,988.4	26,837.0	29,772.4
Money Supply, M2	14,045.0	14,499.7	15,341.8	16,683.2	18,102.6
Money Supply, M1	8,002.4	8,405.0	8,850.6	9,733.3	9,934.4
Currency with public	1,499.6	1,389.2	1,373.6	1,349.2	1,429.2
Transferable deposits	6,502.8	7,015.8	7,477.0	8,384.1	8,505.2
(of which public entities)	1,059.2	1,207.4	1,220.1	1,313.1	867.1
Quasi Money	6,042.6	6,094.7	6,491.2	6,949.9	8,168.1
Fixed Term deposits	1,428.8	1,294.9	1,531.1	1,784.0	2,731.3
(of which public entities)	230.5	263.4	341.2	438.8	746.0
Savings deposits	4,613.8	4,799.8	4,960.1	5,165.9	5,436.8
Foreign Currency Deposits	9,447.5	9,134.9	9,646.6	10,153.9	11,669.9
Other items, net	9,191.6	9,877.8	9,710.8	10,655.4	12,679.4

Figures do not necessarily add up due to rounding off conventions

¹ End of period

² Excludes government balances

³ Changes in previous figures are due to revisions

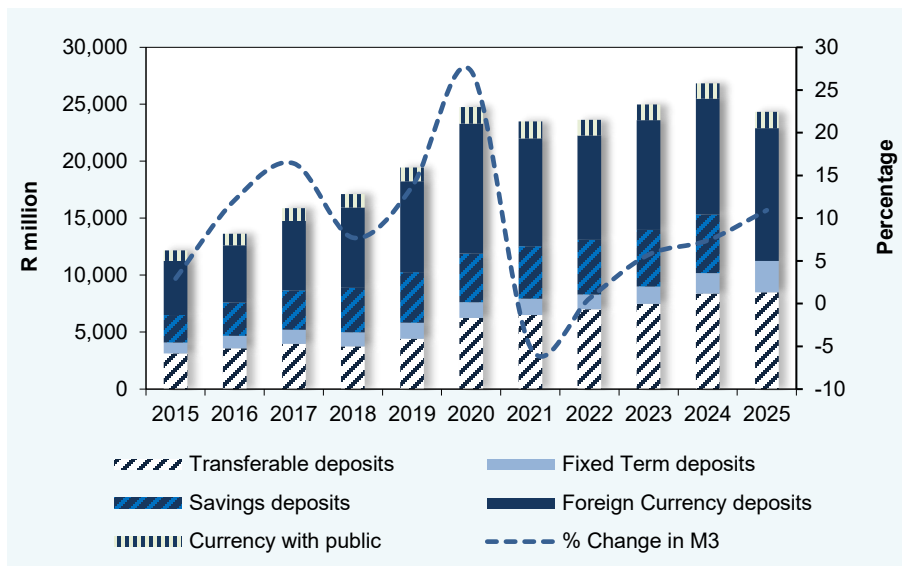
Source: Central Bank of Seychelles

3.2 Money Supply

In year-on-year terms, the broadest monetary aggregate, M3, grew by 11 per cent (R2,935 million) to stand at R29,772 million in December. This was due to expansions under all of its main components. M1, the narrowest monetary aggregate, rose by 2.1 per cent (R201 million), on account of increases of 5.9 per cent (R80 million) in currency with public and 1.4 per cent (R121 million) in transferable deposits. Quasi money grew by 18 per cent (R1,218 million) as a result of a growth of 53 per cent (R947 million) in fixed-term deposits, and a rise of 5.2 per cent (R271 million) in savings deposits. This was primarily due to an expansion in the stock of deposits held by private non-financial corporations and households, following a

net maturity of government securities held in view of a lower volume issued. As a result of the increase in M1 and quasi-money, M2 grew by 8.5 per cent (R1,419 million).

Chart 3.2: Money Supply (2015 – 2025)



Source: Central Bank of Seychelles

The other component of M3, foreign currency deposits, stood at R11,670 million in rupee terms, which was an increase of 15 per cent (R1,516 million) compared to December 2024. In US dollar terms, the stock of foreign currency deposits amounted to US\$782 million, which was a growth of 14 per cent (US\$97 million). This outcome was mainly due to a rise in foreign currency deposits held by businesses, reflecting the strong performance of the tourism industry.

3.3 Reserve Money¹

As the most liquid monetary aggregate, reserve money is therefore a key indicator of inflationary impulses. In that context, the Bank continued to monitor the level of reserve money in the banking system in line with its domestic price stability objective.

¹ Often referred to as base or high-powered money and is comprised of currency in circulation and ODCs' deposits held at the Central Bank.

The quarterly levels of reserve money for 2025 are illustrated in Table 3.2 and Chart 3.3 below.

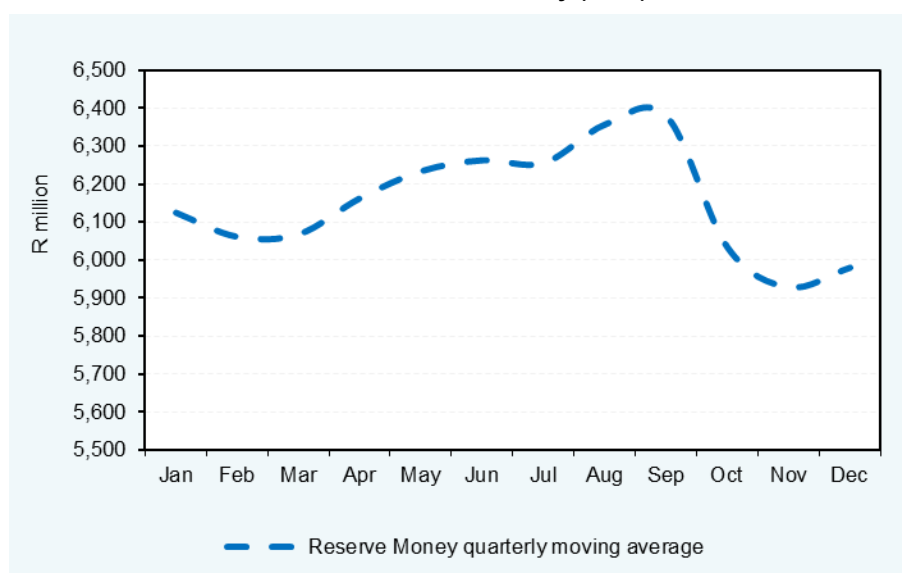
Table 3.2: Reserve Money (Q4 2024 to Q4 2025)

	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Reserve money (quarterly average)	6,004.52	6,068.50	6,262.29	6,378.00	5,980.94
Reserve Money (Actual) ¹	6,383.6	5,866.1	6,121.5	6,463.3	7,201.1
Currency in Circulation	1,665.1	1,603.2	1,640.1	1,667.1	1,763.4
Other Depository Corporations' reserves	4,182.5	4,182.6	4,435.8	4,546.1	4,437.7
Standing Deposit Facility	536.0	80.3	45.6	250.1	1,000.0

¹ Figures are as at the last day of the quarter

Source: Central Bank of Seychelles

Chart 3.3: Reserve Money (2025)

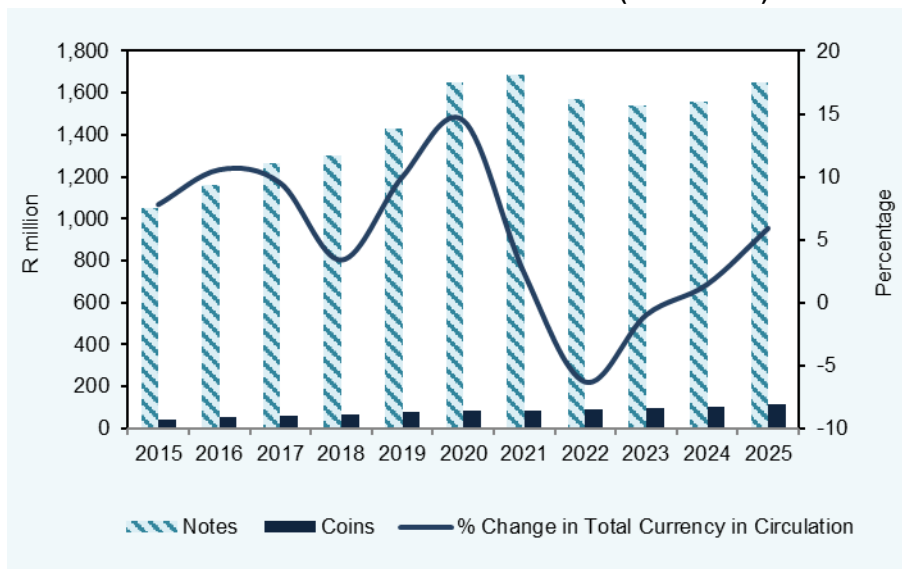


Source: Central Bank of Seychelles

For the fourth quarter of 2025, the average stock of reserve money stood at R5,981 million, which was 0.4 per cent lower than the same period in 2024. This was mainly due to the reduction in the MRR from 13% to 10% on applicable rupee-denominated deposits, which took effect on October 08, 2025.

However, in level terms, at the end of 2025 the stock of reserve money was 13 per cent higher than the position at end-2024. This was due to a significant placement of R1,000 million in the overnight SDF at the end of December.

Chart 3.4: Notes and coins in circulation (2015 – 2025)



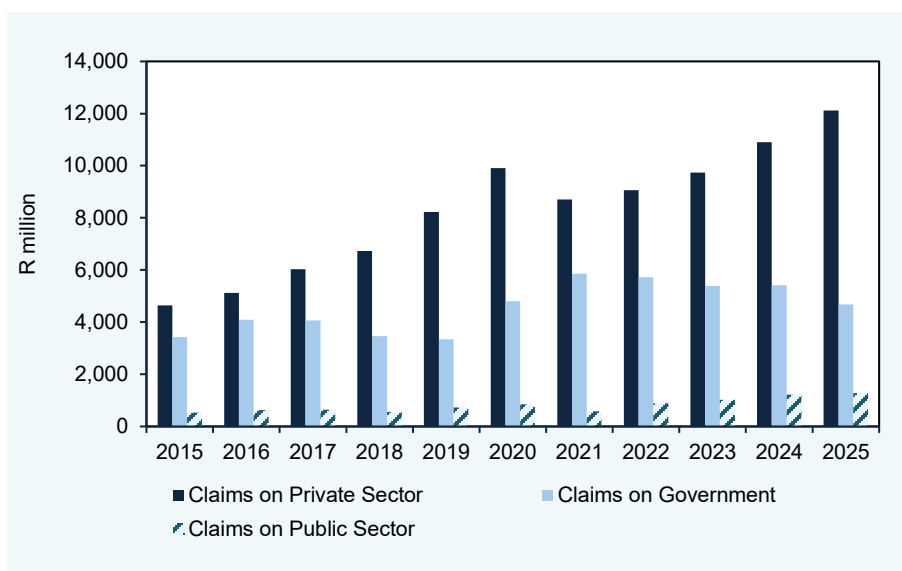
Source: Central Bank of Seychelles

3.4 Domestic Credit

3.4.1 Central Bank and Other Depository Corporations

At the end of the year under review, the total stock of outstanding domestic credit of ODCs stood at R18,085 million, a growth of 3.1 per cent (R547 million) relative to December 2024. This was mainly due to an expansion of 11 per cent (R1,209 million) in claims on the private sector and by 5.4 per cent (R66 million) in claims on parastatals. Conversely, claims on government fell by 13 per cent (R728 million), mainly on account of a drop in the overall stock of T-bills and T-bonds held by ODCs, which reflected a lower volume of government securities issued in 2025.

Chart 3.5: Total Domestic Credit (2015 – 2025)



Source: Central Bank of Seychelles

3.4.2 Sectoral Allocation of Credit to the Private Sector

Relative to end-2024, total credit extended to the private sector grew by 11 per cent in December. This was primarily due to an expansion of 13 per cent in rupee-denominated loans, whilst foreign currency-denominated credit rose by 0.3 per cent in rupee terms. Local currency loans accounted for 88 per cent of total claims on private sector, an increase from 87 per cent in the previous year. With regard to foreign currency loans, consistent with the easing of monetary policy externally, there was a decline in the lending rates on such facilities, which resulted in an uptick in demand relative to the previous year. As a share of credit disbursed to the private sector, foreign currency-denominated loans stood at 12 per cent as at end-2025.

In terms of sectoral allocation, ‘mortgages’ and ‘individuals & households’ accounted for 22 per cent each of total credit to the private sector, followed by ‘tourism facilities’ at 12 per cent and ‘wholesale & retail trade’ at 10 per cent. Year-on-year, credit disbursed to these categories grew by 18 per cent (R417 million), 19 per cent (R415 million), 14 per cent (R186 million) and 6.4 per cent (R75 million), respectively. Of note, expansions were observed across most sectors, such as ‘manufacturing’ which rose by 11 per cent (R21 million), ‘real estate’ by 8.2 per cent (R71 million) and ‘fisheries’ by 8.0 per cent (R10 million).

The stock of outstanding credit under the Private Sector Relief Schemes continued to decline in 2025 as a result of repayment of the facilities. In December, the outstanding balance pertaining to the Micro, Small, and Medium Enterprises (MSMEs) had fallen by 44 per cent (R7.9 million) and that of the Large Enterprises by 34 per cent (R7.8 million).

Table 3.3: Credit; ^{1/2/3} 2021 – 2025

	2021	2022	2023	2024	2025
	(R million)				
Total Credit	16,342.6	16,879.0	17,343.8	18,728.4	19,271.3
Commercial banks	15,151.1	15,681.1	16,146.7	17,538.3	18,085.0
Claims on private sector	8,710.3	9,065.3	9,735.8	10,907.0	12,115.8
Claims on public entities	579.7	891.4	1,020.3	1,219.0	1,284.6
Claims on government	5,861.1	5,724.3	5,390.6	5,412.3	4,684.7
of which:					
Treasury bonds	3,070.6	4,032.6	4,254.4	3,891.1	3,414.0
Treasury bills	2,126.4	1,033.3	536.4	1,016.5	834.1
Central Bank	1,191.5	1,197.9	1,197.1	1,190.1	1,186.2
Claims on government	1,191.5	1,197.9	1,197.1	1,190.1	1,186.2
of which:					
<i>Treasury bills excluding buybacks⁴</i>	1,185.1	1,185.1	1,185.1	1,185.1	1,185.1

Figures do not necessarily add up due to rounding off

¹ End of period

² All figures for bonds and bills are at cost value

³ Changes in previous figures are due to revisions

⁴ Inclusive of advances to government that were converted to marketable securities

Source: Central Bank of Seychelles

Table 3.4: Other Depository Corporations – Loans and Advances

To Non-Governmental Sector by Economic Sectors^{1/2} 2021 – 2025

	2021	2022	2022	2024	2025
	(R million)				
Total Advances	8,710.3	9,065.3	9,735.8	10,907.0	12,115.8
<i>of which:</i>					
Foreign Currency Loans	2,357.8	1,912.5	1,646.4	1,421.6	1,425.7
Agriculture and horticulture	82.5	116.0	131.4	129.8	130.3
Fisheries	149.9	147.5	138.9	122.9	132.8
Manufacturing	163.3	179.9	137.5	186.1	207.4
Real Estate	673.6	634.9	713.7	863.0	934.2
Construction	1,151.2	1,092.1	1,121.5	1,173.2	1,135.4
Transportation	465.3	401.3	430.5	406.8	427.9
Tourism Facilities	1,632.8	1,463.3	1,328.7	1,299.3	1,484.8
Wholesale & Retail trade	910.9	977.2	1,037.5	1,173.0	1,248.3
Financial institutions	1.9	6.1	5.1	3.4	3.6
Other businesses	776.6	1,013.2	993.7	1,046.8	1,076.9
Private households & Non-profit organisations	1,245.8	1,355.5	1,741.3	2,215.5	2,630.4
Mortgage loans	1,456.6	1,678.5	1,956.0	2,287.2	2,703.8

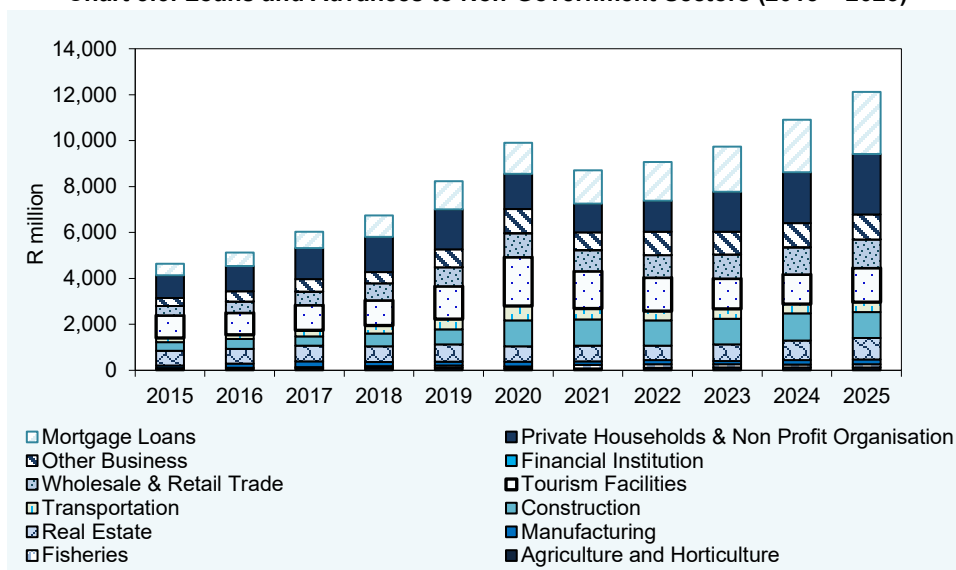
Figures do not necessarily add up due to rounding off

¹ End of period

² Changes in previous figures are due to revisions

Source: Central Bank of Seychelles

Chart 3.6: Loans and Advances to Non-Government Sectors (2015 – 2025)



Source: Central Bank of Seychelles

3.4.3 Development Bank's Credit²³

In line with its mandate, the Development Bank of Seychelles (DBS) assists in providing credit to the productive sectors, particularly where such facilities are not necessarily available at other financial institutions. Loans extended by DBS generally come with less stringent terms and at concessional rates in comparison to the industry's standards in several categories.

In 2025, DBS' total loan portfolio grew by R73 million (8.8 per cent) in year-on-year terms to stand at R904 million in December. The largest increases, in absolute terms, were in the following categories - 'tourism' (by R29 million or 11 per cent), 'transport' (by R24 million or 33 per cent), and 'building & construction' (by R14 million or 3.9 per cent). These sectors accounted for 33 per cent, 11 per cent and 41 per cent of DBS' total loan portfolio, respectively. Conversely, declines were observed in the categories 'agriculture' (by R3.7 million or 25 per cent), 'industry' (by R2.4 million or 7.9 per cent), and 'fishing' (by R0.6 million or 1.3 per cent).

Table 3.5: Loans by Development Bank by Economic Sectors¹ (2021 – 2025)

	2021	2022	2023	2024	2025	2021	2022	2023	2024	2025
	(R million)					(Percentage)				
Total Advances	817.7	755.1	761.8	830.9	904.1	100.0	100.0	100.0	100.0	100.0
Agriculture	19.8	18.0	15.6	14.6	10.9	2.4	2.4	2.0	1.8	1.2
Building & Construction	414.5	397.3	376.8	358.4	372.4	50.7	52.6	49.5	43.1	41.2
Fishing	32.3	24.7	32.6	41.7	41.1	3.9	3.3	4.3	5.0	4.5
Industry	33.3	32.5	31.6	29.6	27.2	4.1	4.3	4.1	3.6	3.0
Tourism	222.6	209.0	220.8	265.0	294.0	27.2	27.7	29.0	31.9	32.5
Trade	1.2	0.7	0.5	0.3	1.8	0.1	0.1	0.1	0.0	0.2
Transport	23.9	19.1	39.4	73.6	97.9	2.9	2.5	5.2	8.9	10.8
Other services	70.2	53.7	44.6	47.8	58.8	8.6	7.1	5.9	5.7	6.5

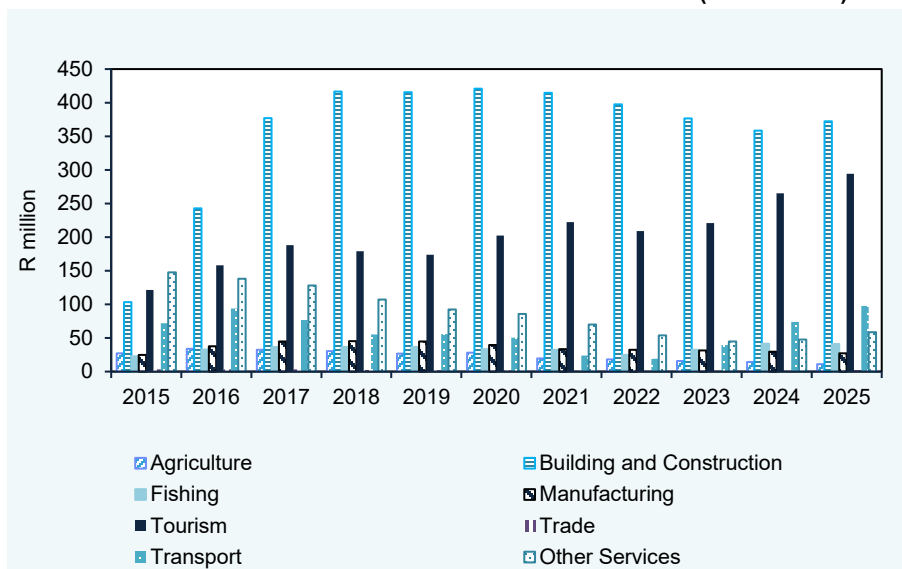
Figures do not necessarily add up due to rounding off

¹ End of period

Source: Development Bank of Seychelles

² DBS was established in 1977 under Decree No. 21 as a development financing institution with a specific mandate to assist in the economic development of Seychelles. DBS finances new modernisation and expansion projects in the fields of agriculture, fishery, industry, service and tourism, as well as construction of commercial and residential complex. To be eligible for a credit facility, the applicant must be a Seychellois citizen or a company incorporated in Seychelles with at least 51 per cent Seychellois ownership.

Chart 3.7: Sectoral Allocation of DBS' Domestic Credit (2015 – 2025)



Source: Development Bank of Seychelles and Central Bank of Seychelles

3.5 Interest rates

3.5.1 The Monetary Policy Rate

The MPR serves as the key policy rate that signals the Bank's monetary policy stance. It is complemented by the interest rate corridor, comprising of the SDF and SCF, which serve as the floor and ceiling, respectively.

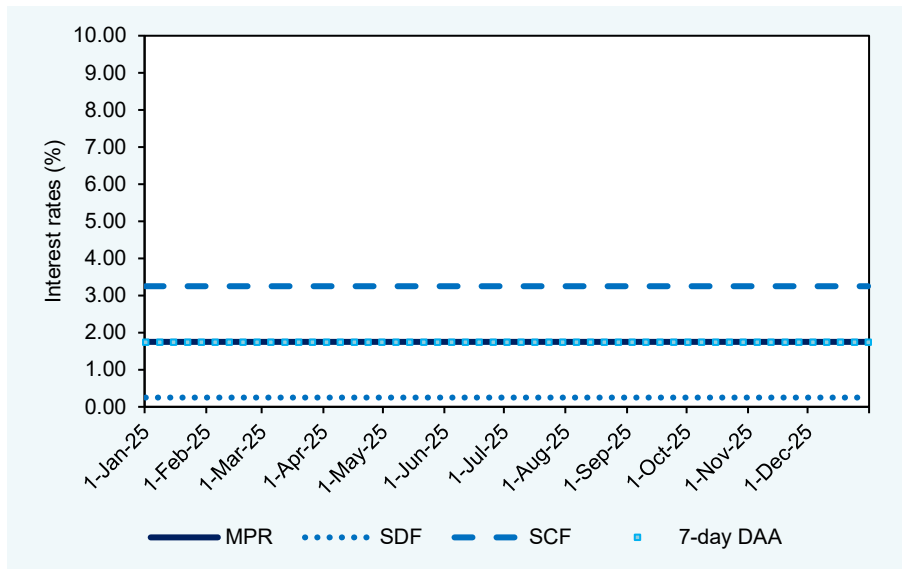
During 2025, there was a moderation in the average prices of goods and services, mainly on account of the lower international fuel prices which filtered through to the domestic economy. As such, given the low inflationary environment, the Bank maintained an accommodative monetary policy stance throughout 2025, to support domestic economic activity. Accordingly, the MPR was kept at 1.75%, while the interest rates on the SDF and SCF remained unchanged at 0.25% and 3.25%, respectively. In addition, the MRR on applicable rupee denominated deposits was lowered from 13% to 10% effective October 08, 2025. The aim was to provide additional liquidity in the banking system and support credit expansion in the economy. The MPR, which reflected the quarterly monetary policy signals, is illustrated in Table 3.6 and Chart 3.8 below.

Table 3.6: The Monetary Policy Rate (2025)

	Q1	Q2	Q3	Q4
	Per cent (%)			
MPR	1.75	1.75	1.75	1.75

Source: Central Bank of Seychelles

Chart 3.8: The Interest Rate Corridor (2025)



Source: Central Bank of Seychelles

3.5.2 Interest rates of Other Depository Corporations (ODCs)

Mixed movements were observed in interest rates during 2025. The average savings rate on local currency deposits decreased by 5.9 basis points, from 1.45% in December 2024 to 1.39% in December 2025. Conversely, over that same period, the average yield on foreign currency savings deposits rose by 1.2 basis points, from 0.88% to stand at 0.89%.

The interest rate on fixed-term rupee deposits rose by 6.4 basis points, to stand at 3.00% in December. This was due to increases in yield across most maturity brackets. The most significant expansions were in the brackets ‘above 7 days up to 3 months’ by 59 basis points, ‘above 3 months up to 6 months’ by 18 basis points, and ‘above 12 months’ by 3.6 basis points.

With regard to the average return on fixed-term foreign currency deposits, it decreased by 44 basis points to stand at 3.49%. This was on account of declines across all maturity brackets, reflecting the lower interest rates environment externally.

As at the end of 2025, the average yields on Treasury bills were 2.51% on the 91-day bills, 2.62% on the 182-day bills and 2.69% on the 365-day bills. In terms of year-on-year comparison, there was an increase of 16 basis points in return on the 91-day bills, whilst yields on the 182-day bills and 365-day bills decreased by 9.6 basis points and 11 basis points, respectively.

During the year under review, government also issued Treasury bonds every quarter – in March, June September and November – with a tenor of 7 years, at average yields to maturity of 4.60%, 4.41%, 4.56% and 4.69%, respectively.

Table 3.7: Interest Rates^{1/2/3} (2021 – 2025)

	2021	2022	2023	2024	2025
Weighted Average Deposits					
LC Savings Rate	1.57	1.50	1.50	1.45	1.39
FC Savings Rate	0.89	0.93	0.90	0.88	0.89
LC Fixed-Term Deposits Rate (Weighted Average)	3.18	2.57	2.45	2.94	3.00
<= 7 days	0.19	0.31	-	-	-
> 7 days <= 3 months	2.14	1.98	2.06	2.50	3.10
> 3 months <= 6 months	2.54	1.84	2.15	2.47	2.65
> 6 months <= 12 months	3.70	2.72	2.54	3.09	3.00
> 12 months	4.19	4.09	3.26	3.52	3.56
FC Fixed-Term Deposits Rate (Weighted Average)	1.25	2.50	4.21	3.94	3.49
<= 7 days	-	-	-	-	-
> 7 days <= 3 months	0.57	3.16	4.06	3.36	3.10
> 3 months <= 6 months	1.10	2.22	4.43	3.93	3.16
> 6 months <= 12 months	1.44	2.12	4.10	4.14	3.74
> 12 months	1.57	2.12	4.26	4.38	3.96
Average Effective Lending Rate	9.02	9.32	9.71	9.93	9.83
Average lending rate-Local currency	10.21	10.05	10.17	10.21	10.12
Average lending rate-Foreign currency	5.81	6.98	7.79	8.37	7.92
Treasury Bill Rates					
91-day treasury bill rate	0.40	0.88	3.60	2.35	2.51
182-day treasury bill rate	0.56	1.41	3.83	2.72	2.62
365-day treasury bill rate	1.01	2.20	3.95	2.80	2.69

¹ All data are taken on an end of period basis

² Changes in previous figures are due to revisions

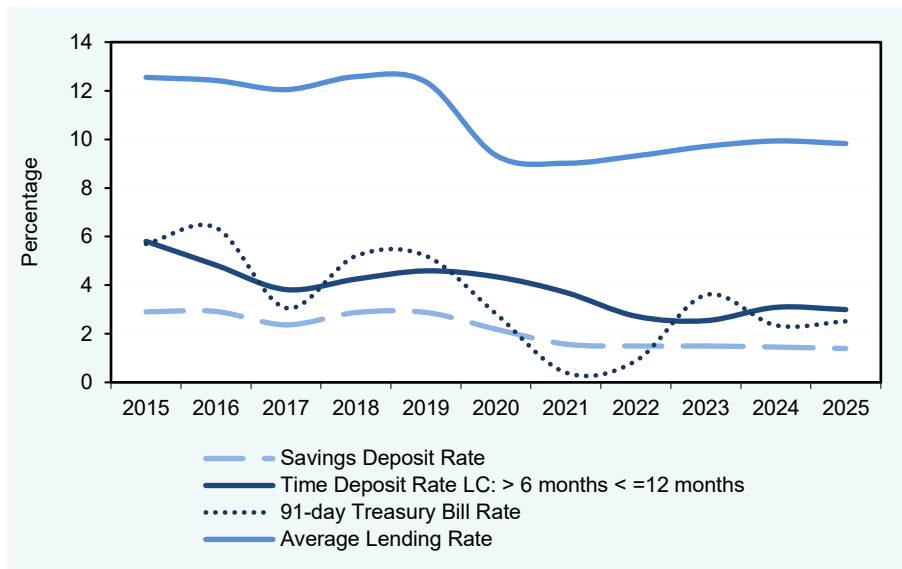
³ Treasury bill rates as at closing date

Source: Central Bank of Seychelles

The average effective lending rate stood at 9.83%, a decrease of 11 basis points compared to 2024. This was mainly driven by declines of 45 basis points in the average lending rate on foreign currency loans and 8.3 basis points in the average interest rate on local currency loans. This outcome was consistent with the easing of global monetary policy conditions during the year under review.

Consequently, compared to December 2024, the interest rate spread between local currency loans and deposits fell from 8.75% to 8.73%, and the difference between the interest rate on foreign currency loans and deposits narrowed from 7.49% to 7.03% as at end-December.

Chart 3.9: Interest Rates (2015 – 2025)



Source: Central Bank of Seychelles

3.6 Monetary Policy Instruments

In 2025, money market interventions were mainly aimed at absorbing all excess liquidity above the MRR and precautionary balance, such that it was consistent with the Bank’s primary objective of promoting domestic price stability and at a level that supported economic activity. This approach formed the foundation of the parameters that guided the Bank’s open market operations.

3.6.1 Minimum Reserve Requirement (MRR)

MRR applicable on average residents’ deposit liabilities remained at 13 per cent for the most part of the year. However, effective October 08, 2025, MRR on applicable rupee-denominated deposits was lowered to 10 per cent, to encourage increased lending in support of domestic economic activity. In general, throughout the year, institutions liable to MRR maintained reserves above the prescribed minimum requirement. As has been the case since July 15, 2011, MRR was not remunerated. At the year-end, the applicable MRR balance on rupee-denominated deposit liabilities stood at R1,906 million, whilst that on the US dollar and Euro deposits amounted to US\$92 million and €37 million, correspondingly.

3.6.2 Deposit Auction Arrangement

The DAA remained the main policy instrument used in the Bank's open market operations to withdraw excess liquidity. Consistent with the monetary policy stance, throughout 2025, the implementation strategy aimed to align the interest rate on the 7-day DAA with the MPR, through an optimal intervention approach. Whilst the 7-day DAA was conducted on a weekly basis, the 1-month and 2-month DAAs were issued at the beginning and mid-point of the MRR maintenance period. In addition, the Bank conducted a 5-day DAA as a non-standard operation (NSO) at the beginning of the year to address short term liquidity imbalances.

As at end-2025, the outstanding stock of DAA stood at R2,687 million, which exceeded the balance of R1,533 million at the end of 2024. This outcome was consistent with the strategy of optimal absorption of excess liquidity, whereby a higher volume of OMOs was recorded. The table below shows the average interest rates on DAA, by maturity, offered during the year.

Table 3.8: Weighted Average Deposit Auction Arrangement Rates¹ (2025)

	Q1	Q2	Q3	Q4
Maturity Period				
		Per cent (%)		
6 days	-	1.50	-	-
7 days	1.74	1.75	1.75	1.75
28 days	2.10	2.08	2.10	2.10
35 days	2.08	2.09	2.10	2.10
63 days	2.55	2.46	2.53	2.54
364 days	2.48	2.48	2.52	2.53

¹ End-of-period data

Source: Central Bank of Seychelles

3.6.3 Credit Auction Arrangement (CAA)

CAA is a liquidity-injecting policy tool that is used as and when there is a systemic liquidity shortage in the market. In view that the market remained sufficiently liquid in 2025, CAA was not utilised.

3.6.4 Repurchase Operations

Repurchase operations comprising of reverse repurchase and repurchase agreements, are two additional instruments that can be used for liquidity management purposes. This involves the use of government T-bills as underlying securities to either withdraw or inject liquidity.

Following the conduct of a reverse repo transaction in December 2024, MPTC approved for the policy tool to be used in fine-tuning open market operations. However, the instrument was not used during the year under review.

3.6.5 Standing Facilities

Standing facilities are instruments offered by some central banks to assist ODCs with their short-term liquidity management, by providing deposit and lending arrangements on an overnight basis.

3.6.5.1 Standing Deposit Facility

SDF, which serves as the floor of the interest rate corridor, enables ODCs to place their end-of-day excess funds in an overnight deposit at an interest rate set by the Bank. Consistent with the prevailing accommodative monetary policy stance, the SDF rate remained at 0.25% throughout the year. The total value of SDF placements in 2025, stood at R54,196 million, which was 47 per cent lower than the previous year. This reflected a shift from SDF to DAA given the higher volumes issued during the year.

3.6.5.2 Standing Credit Facility (SCF)

SCF, which serves as the ceiling of the interest rate corridor, allows ODCs to borrow overnight from the Bank when funding is unavailable on the interbank market. In line with the Bank's accommodative monetary policy stance, the SCF rate was maintained at 3.25% during the period under review. There were no requests for this facility in 2025.

3.6.6 Foreign Exchange Auction

FEA is a policy instrument that can be used for both liquidity and external reserve management purposes. Whilst purchases from the market by the Bank add liquidity to the banking system and increases the international reserves portfolio, a sale of foreign exchange has the opposite effect.

The strong performance of the tourism sector resulted in a sustained supply of foreign exchange throughout 2025. As such, in line with its policy of opportunistic purchases, the Bank successfully conducted FEAs in EUR and USD, accumulating the equivalent of US\$122 million for reserves management purposes.

3.6.7 Foreign Exchange Swaps

Foreign exchange swaps are utilised for fine-tuning liquidity conditions in the system. They may also be used to manage external reserves. The instrument is yet to be used by the Bank since its inception in 2010.

SECTION FOUR

Government Finance⁴

4.0 Overview

The 2025 fiscal budget focused on strategic investment and fiscal stability, following a strong recovery from the COVID-19 challenges. Furthermore, it sought to establish a foundation for sustained economic growth and increased wealth creation. Among the key focus areas were revisions in wages and salaries, investment in modernising infrastructure, and financing of social programmes targeting the most vulnerable in society.

Provisional statistics indicated a primary fiscal surplus of 2.7 per cent of GDP compared to 3.4 per cent of GDP in 2024. Total revenue, excluding grants, stood at R11,051 million in comparison to R10,607 million in the previous year. Government remained committed to reducing overall public debt to 50 per cent of GDP by 2030, with preliminary figures showing an aggregated stock of public debt of 53 per cent of GDP at the end of 2025. This marked a decrease in comparison to 61 per cent of GDP in 2024 and was mainly due to a reduction in the stock of central government domestic loans.

4.1 Policy Changes.

In 2025, a wide range of policy measures were approved, in line with government's continued commitment to the principles of inclusive development, good governance, and long-term sustainability. Such policy decisions aimed at strengthening social protection, promoting sustainable economic growth, enhancing environmental conservation, and reinforcing Seychelles' resilience to global and domestic challenges.

Among the fiscal policies introduced in 2025 was a rise of 7.0 per cent in the national minimum wage. This was the first adjustment since January 2020, and it became effective on April 01. The hourly minimum wage increased from R38.27 to R40.95 for employed workers. Thus, the monthly minimum wage rose from R6,633.47 to R7,098 for jobs based on 40 hours per week. In addition, the hourly rate for casual or part-time workers increased from R44.10 to R47.19.

A number of other policies took effect during the year under review. For instance, in January, the Cabinet of Ministers approved the lifting of the moratorium on the purchase of residential property by non-Seychellois. A new regulatory framework was designed to regulate such transactions. Through this decision, government aimed to attract foreign direct investment, support wealth creation, and enhance fiscal revenue while protecting housing affordability for the citizens. The framework aimed to limit foreign

⁴ Statistics and analysis are based on GFS 2025, as per latest data available as at March 02, 2026.

ownership to certain properties, preserve state and affordable housing for Seychellois, and strengthen fiscal and regulatory controls. Moreover, the Stamp Duty (Exemption) Order, 2019 was amended to introduce a progressive exemption regime for eligible property transactions, improving efficiency and equity in the property market.

In March, the Business Tax (Exemption of Tax for Infant Companies) Order, 2025 was issued, with retrospective effect from January 01, 2025, for a period of five years, i.e. until January 01, 2030. Its main objective was to provide an incentive to emerging businesses in key sectors, in line with government's economic diversification agenda. In that context, a five-year tax holiday was approved for infant companies (i.e. businesses with less than 5 years of existence) in priority sectors, namely manufacturing, the blue economy and digital economy, to promote local production, innovation, and investment while maintaining fiscal discipline. The tax holiday would be applicable on business tax only.

Throughout the year, there were revisions to various other laws, such as the International Business Companies (IBC) Act, 2016 – to strengthen transparency, and good governance. The main aim was to ensure that IBCs registered in Seychelles were in compliance with international standards, namely those of the Financial Action Task Force (FATF) and Organisation for Economic Co-operation and Development (OECD)'s Global Forum on transparency and exchange of information for tax purposes. Another piece of legislation that was amended was the Limited Partnership Act, 2023; pertaining to the disclosure of nominee partner in a Limited Partnership. Such amendments aimed to improve Seychelles' credibility and maintain the confidence of all partners involved. There were also revisions to the Beneficial Ownership Act, 2020 through the Beneficial Ownership (Amendment) Regulations, 2025. The amendments aimed at ensuring that all partnerships operating in Seychelles, regardless of whether they are registered locally, will be required to declare and maintain a register of their Beneficial Owners.

Also in March, the Cabinet of Ministers approved the Seychelles National African Continental Free Trade Area (AfCFTA) Implementation Strategy. The document focused on maximising benefits from the AfCFTA through economic diversification, digital services, sustainable agriculture, eco-tourism and stronger integration into regional and continental value chains.

In August, DBS and the Ministry responsible for finance signed an agreement to launch the International Intellectual Property Rights Registration Loan Scheme. The main aim of this initiative was to empower MSMEs and other businesses to safeguard their intellectual property in international markets by assisting them in meeting the costs of IP registration, including agent fees and filing expenses. The agreement provided for the disbursement of a R5.0 million loan facility to be administered by DBS. Eligible Seychellois-owned businesses would be able to access financing of up to R500,000 at an interest rate of 3.0% and a two-year grace period, in addition to a maximum repayment period of five years.

Following the appointment of a new administration in the fourth quarter of the year, new policy measures were introduced with the aim of maintaining a balance between safeguarding macroeconomic stability as well as prioritising spending for the more vulnerable groups. Amongst others, the measures included:

- The reinstatement of the Seychelles Trading Company (STC) Card Programme and financial assistance for registered day care and childminding services.
- In terms of labour policies, the long service allowance was reintroduced and came into effect in December.
- The exemption of small tourism establishments from the Tourism Environmental Sustainability Levy which will come into effect in January 2026, was also approved. This policy change addresses administrative burdens and compliance costs for Seychellois-owned small operators.
- The Employment Act was amended to make the payment of a full 13th month salary mandatory for all eligible workers, effective from 2025 and payable in January 2026. This amendment removed the performance-based mechanism introduced in 2022.
- Adoption of the amended Common Reporting Standard (CRS 2.0) as a global tax transparency standard to strengthen financial transparency and remain aligned with international best practices as a cooperative and responsible jurisdiction.

In view of the change in administration, following the general elections in October, the proposed budget for 2026, is expected to be presented to the National Assembly in the first quarter of 2026.

Table 4.1: Government Budget Summary

(2024 – 2025)				
	2024 Budget	2024 Actual	2025 Budget ²	2025 Actual ¹
	R ('000)			
Total revenue and grants	10,897,166	10,683,989	11,319,579	11,194,699
Total revenue	10,542,484	10,607,094	11,061,151	11,050,845
of which:				
Tax	8,915,999	9,021,348	9,806,200	9,851,518
Personal Income Tax	1,283,552	1,331,263	1,477,174	1,518,028
Social Security Tax-Arrears	0	0	0	3,342
Customs Duties	350,998	382,074	361,707	343,460
Excise Tax	1,504,597	1,521,946	1,510,713	1,504,327
GST Tax Arrears	0	151	0	161
Value Added Tax	3,122,156	3,131,531	3,379,307	3,399,855
Business tax	1,853,839	1,882,715	2,206,346	2,231,716
Corporate Responsibility Tax	2,038	2,378	2,452	2,453
Tourism Marketing Tax	101,249	96,891	111,184	111,698
Environmental Sustainability Tax	172,046	168,307	187,406	186,134
Hotel Turnover Tax	116,921	122,395	146,920	153,601
Other Tax	351,960			
		331,805	380,911	352,780
Property Tax	56,645	49,892	42,080	43,964
Nontax	1,626,484	1,585,746	1,254,951	1,199,328
Fees and Charges	422,347	494,254	512,987	438,669
Dividends Income	693,465	704,232	582,445	601,479
Other Nontax	123,630	130,089	43,560	55,939
Proceeds from sale of assets	387,043	257,171	115,959	103,241
Grants	354,682	76,895	258,428	143,854
Expenditure and net lending	11,495,757	10,612,507	11,608,342	11,158,828
Current expenditure	9,893,176	9,545,229	10,260,226	9,993,669
Primary Current Expenditure	8,937,948	8,560,259	9,368,537	9,105,363
Interest due	955,228	984,970	891,689	888,306
Transfers	57,277	248,188	61,305	60,941
Capital expenditure	1,385,449	858,733	1,150,571	1,033,121
Net lending	25,509	21,310	-10,000	-60,060
Contingency	88,200	86,117	30,000	30,099
Primary balance, Accrual basis (GFS)³				
Including grants	356,636	1,056,451	602,926	924,178
In per cent of GDP	1.1%	3.4%	1.8%	2.7%
Excluding grants	1,954	979,556	344,498	780,324
In per cent of GDP	0.0%	3.2%	1.0%	2.3%
Overall balance, Accrual basis (GFS)	-598,592	71,481	-288,763	35,871
In per cent of GDP	-1.9%	0.2%	-0.8%	0.1%
Overall balance, cash basis (after grants)	-598,592	334,869	-288,763	35,871
Financing				
Foreign Financing (accrual basis, net)	598,592	-334,869	288,763	238,485
Domestic Financing, net	1,175,119	919,261	176,778	58,441
Bank Financing	-518,875	-1,215,228	71,075	-30,833
Non-Bank Financing	-57,653	-96,786	7,897	-247,508

Figures do not necessarily add up due to rounding.

¹ These series are subject to audit and might be revised accordingly

² Revised government budget

³ The primary balance is obtained by excluding interest payments from the overall balance.

Source: Ministry responsible for Finance

4.2 Public Debt⁵

In line with established practices, during the year under review, the government continued to raise funds in both domestic and external markets to meet its fiscal needs. According to provisional data, by the end of 2025, the total stock of public debt amounted to R18,243 million (US\$1,223 million) which was 3.4 per cent lower when compared to December 2024. As a share of GDP, total public debt fell from 61 per cent in 2024 to 53 per cent as at end-2025. The decline in the overall debt level was driven by a reduction of 9.8 per cent in domestic debt, to stand at R8,376 million in December. This followed decreases of 11 per cent (R895 million) and 15 per cent (R87 million) in the stock of domestic securities and central government domestic loans, correspondingly.

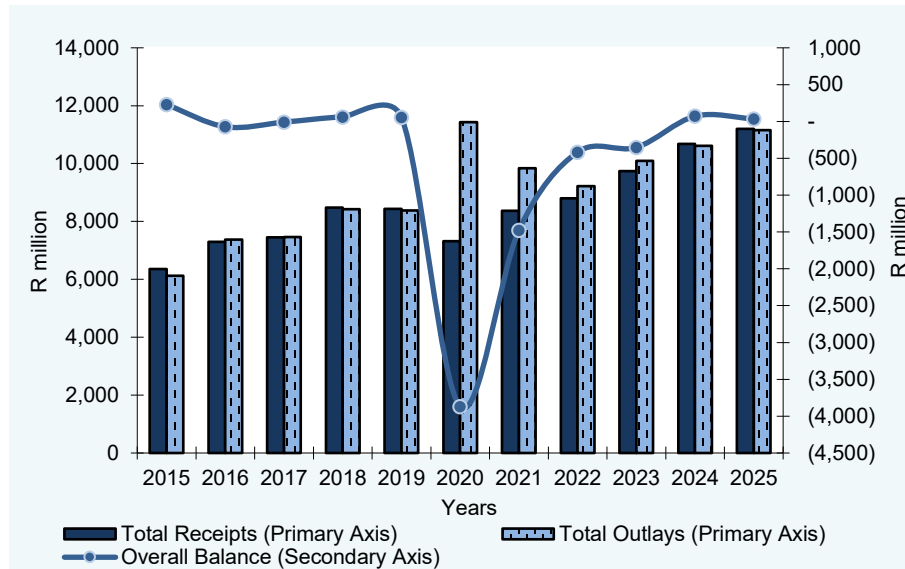
The aggregated stock of external debt stood at R9,867 million (29 per cent of GDP) at the end of 2025, which was an expansion in comparison to R9,597 million (31 per cent of GDP) in 2024. This was as a result of increases of 6.0 per cent (R529 million) in the stock of central government loans and 6.4 per cent (R12 million) in external debt guarantees. Conversely, the stock of external securities contracted by 42 per cent (R271 million). In US dollar terms, the increase in the stock of external debt was from US\$648 million in December 2024 to stand at US\$662 million at the end of 2025.

4.3 Outcome for 2025

At year-end, there was a primary surplus, inclusive of grants, of 2.7 per cent of GDP, a narrowing compared to the surplus of 3.4 per cent of GDP achieved in 2024. This outcome however exceeded the projected 2025's surplus of 1.8 per cent of GDP and was primarily attributed to savings on the expenditure side, as revenue performance fell short of projections.

⁵ All public debt figures are inclusive of government guarantees

Chart 4.1: Government Finance Outcome (2015 – 2025)



Source: Ministry responsible for Finance

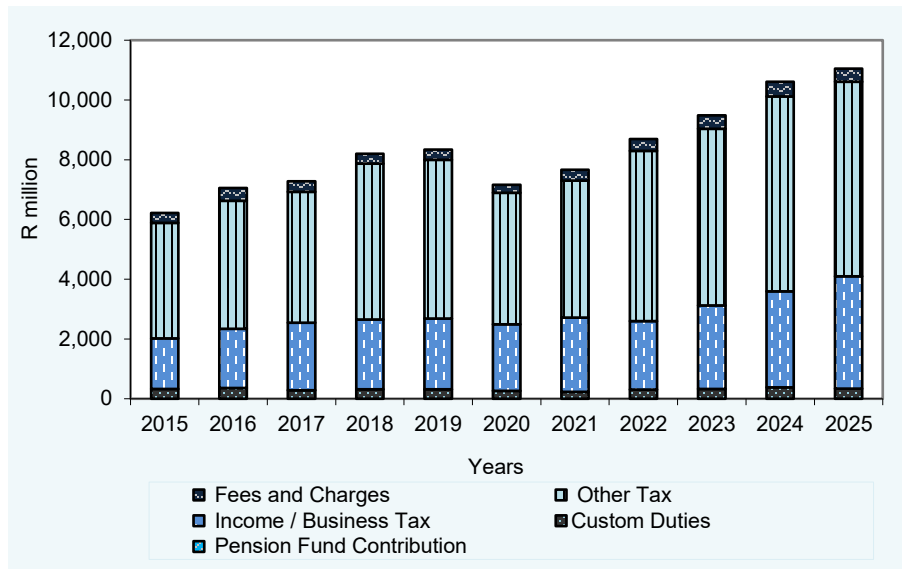
4.4 Revenue

Annual total revenue (inclusive of grants) amounted to R11,195 million, a contraction of 1.1 per cent relative to the budgeted figure of R11,320 million. This largely reflected lower-than-anticipated non-tax revenue and grants received, by 4.4 per cent and 44 per cent, respectively, which more than offset a 0.5 per cent increase in tax revenue.

Tax receipts totalled R9,852 million, which was R45 million (or 0.5 per cent) more than what was budgeted. This was due to increases under most of the tax lines with some exceptions. The largest expansions were under ‘personal income tax’ (R41 million or 2.8 per cent), followed by ‘business tax’ (R25 million or 1.1 per cent) and ‘value-added tax’ (R21 million or 0.6 per cent). The most significant underperformance was recorded under ‘custom duties’ (R18 million or 5.5 per cent), ‘excise tax’ (R6.4 million or 0.4 per cent), and ‘environmental sustainability tax’ (R1.3 million or 0.7 per cent).

Non-tax revenue collected, which stood at R1,199 million as at end 2025, was R56 million (or 4.4 per cent) below the budgeted figure. The largest deviations were under ‘fees and charges’ and ‘proceeds from sale of assets’, which were below the forecasted figures by R74 million (15 per cent) and R13 million (11 per cent), correspondingly. On the other hand, receipts were higher than projected under ‘dividends income’ (by R19 million or 3.3 per cent) and ‘other non-tax’ (R12 million or 28 per cent).

Chart 4.2: Major Revenue Flows in Current Receipts (2015 – 2025)



Source: Ministry responsible for Finance

4.5 Expenditure and Net Lending

Expenditure and net lending totalled R11,159 million in 2025, which was 3.9 per cent lower than the allocated budget of R11,608 million. This reflected the authorities' sustained and coordinated effort toward fiscal consolidation.

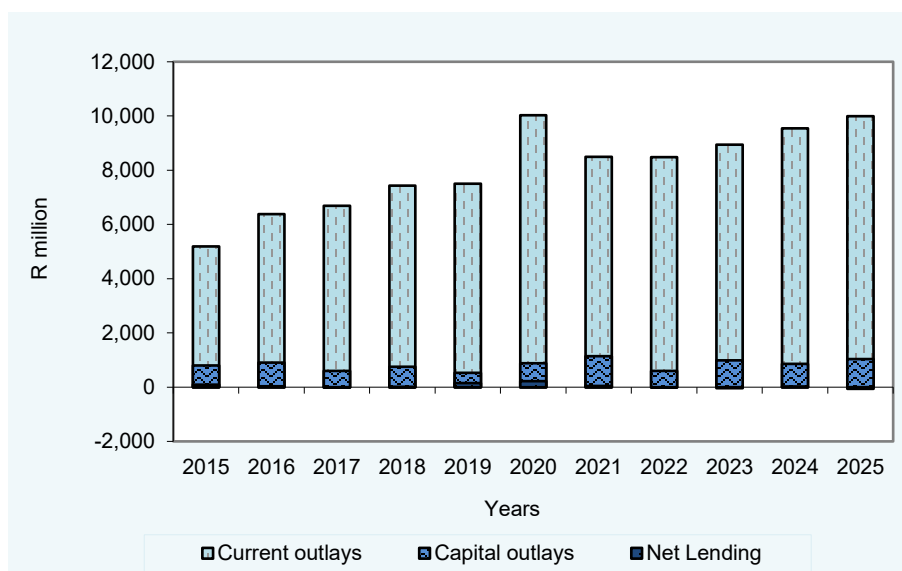
4.5.1 Current Outlays

Current outlays amounted to R9,994 million, representing an underspending of R267 million relative to the approved allocation of R10,260 million. This outcome was due to lower spending across all current expenditure sub-components.

4.5.2 Capital Outlays

Total capital outlays, which comprises of capital expenditure, net lending and development grants, stood at R1,135 million in 2025. This marked savings of R183 million (or 14 per cent) relative to the budgeted amount. Capital projects, which constituted the largest component of capital expenses, amounted to R1,033 million compared to the allocation of R1,151 million. Additionally, R162 million was disbursed as development grants, and these funds were allocated to various entities including the Property Management Corporation (PMC) (R75 million), Public Utilities Corporation (PUC) (R65 million) and the Seychelles Public Transport Corporation (SPTC) (R17 million).

Chart 4.3: Government Capital Expenditure (2015-2025)



Source: Ministry responsible for Finance

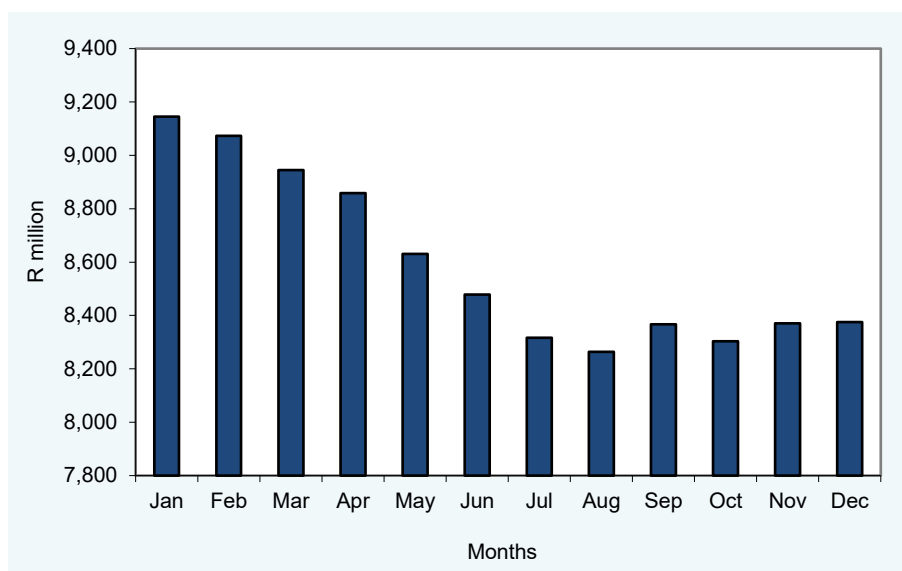
4.6 Financing

As customary, government’s funding requirements were financed from both domestic and foreign sources, throughout 2025. Domestic financing was done predominantly through Treasury bills and Treasury bonds whilst foreign sources of financing comprised of grants and external loans from bilateral and multilateral partners. The actual financing required by government in 2025 stood at R238 million compared to a budgeted R289 million.

As mentioned above, foreign financing consisted of grants and loans from bilateral and multilateral partners. There were allocated to specific projects or as general budget support. In June, Seychelles received a disbursement of US\$13.7 million under the IMF programmes – EFF and RSF – following the completion of the fifth review. During the year, the authorities also acquired budget support from several development partners, such as US\$25 million from the African Development Bank (AfDB) and US\$17 million from the World Bank to bridge the financing gap. Moreover, an amount of US\$5.4 million was received under project loans and grants from various bilateral and multilateral partners.

In line with section 40 of the Central Bank of Seychelles (CBS) Act 2004, as amended, a limit of R100 million was set as short-term advances to government for 2025, to accommodate any temporary shortfall in fiscal revenue during the year. This provision under the CBS Act is intended as a contingency measure, to facilitate the smooth settlement of government transactions, rather than as a regular source of financing. Notably, the facility was not accessed in 2025.

4.4: Stock of Domestic Debt (Jan – Dec 2025)



Source: Ministry responsible for Finance; Central Bank of Seychelles

4.6.1 Treasury Bills

Treasury bills continued to serve as the primary short-term instrument to meet government's domestic financing requirements in 2025. Nevertheless, the volume of issuances declined relative to the same period in 2024, in line with government's strategy to manage its cashflow position. In comparison to 2024, the cost value and face value of the outstanding stock of Treasury bills decreased by 16 and 17 per cent, respectively.

At the end of the year, the average yield⁶ on the 91-day, 182-day, and 365-day Treasury bills stood at 2.51%, 2.62%, and 2.69%, respectively. In comparison to 2024, this was an increase of 16 basis points on the 91-day Treasury bills, whilst the interest rate on the 182-day Treasury bills and 365-day Treasury Bills fell by 9.6 basis points and 11 basis points, correspondingly.

⁶ Treasury bills rates as at closing date

Table 4.2: Treasury Bills ^{1/2/3/4} (2021 – 2025)

	2021	2022	2023	2024	2025
	R (million)				
Stock outstanding ^{1/3/4}	2,405.8	1,073.6	611.5	1,064.1	889.1
91-day bills (tender issue)	56.9	36.4	5.0	79.4	36.6
182-day bills (tender issue)	463.5	273.0	180.6	335.6	294.0
365-day bills (tender issue)	1,885.5	764.1	425.9	649.1	558.5
Stock outstanding ^{2/3/4}	2,510.7	1,087.9	621.9	1,088.9	907.5
91-day bills (tender issue)	57.0	36.5	5.0	80.0	36.8
182-day bills (tender issue)	470.3	275.1	182.0	340.3	297.7
365-day bills (tender issue)	1,983.4	776.3	434.9	668.6	573.0
Held By ^{2/3}					
Commercial banks	2,117.4	979.8	573.8	1,017.6	851.5
Other financial institutions	101.6	61.6	4.0	17.9	1.6
Others	291.4	46.5	44.2	53.4	54.4

¹ At cost value

² At face value

³ End-of-period data

⁴ Balances exclude stock of bills held by the Central Bank and includes stock issued for monetary policy purposes

Source: Central Bank of Seychelles

4.6.2 Treasury Bonds

At end-2025, the total outstanding stock of Treasury bonds stood at R5,075 million. During the year, government issued four 7-year Treasury bonds in line with its debt strategy of maintaining longer-term maturity profile for fiscal financing purposes.

In March, a 7-year bond was issued for an indicative amount of R100 million at a coupon rate of 5.60%. Total subscriptions reached R116 million, an oversubscription of R16 million. In June, a second bond was issued, at an interest rate of 4.60% for R100 million and was oversubscribed by R17 million. In September, another 7-year Treasury bond was issued for an indicative amount of R150 million at a coupon rate of 4.60%, this issuance was an undersubscription of R29 million. The final issuance took place in November, with a 7-year bond for an indicative amount of R200 million at a coupon rate of 4.75%. The total subscription for this last bond issuance of the year was R161 million, which resulted in an undersubscription of R39 million.

Table 4.3: Treasury Bonds¹ (2021-2025)

	2021	2022	2023	2024	2025
	R (million)				
Stock outstanding	4,955.9	6,102.2	6,032.1	5,738.6	5,075.3
2.5 %, 3-yr	-	128.5	128.5	128.5	-
2.7 %, 3-yr	-	166.8	166.8	166.8	-
2.9 %, 3-yr	-	38.0	38.0	38.0	-
3.15 %, 3-yr	-	65.7	65.7	65.7	-
3.20 %, 3-yr	-	-	7.6	7.6	7.6
3.5 %, 4-yr	279.8	279.8	279.8	279.8	-
4.3 %, 5-yr	-	151.5	151.5	151.5	151.5
4.4 %, 5-yr	-	138.3	138.3	138.3	138.3
4.5 %, 6-yr	217.4	217.4	217.4	217.4	217.4
4.60 %, 5-yr	-	-	11.8	11.8	11.8
4.65 %, 5-yr	-	34.2	34.2	34.2	34.2
5 %, 7-yr	-	141.4	141.4	141.4	141.4
5.75 %, 3-yr	462.1	462.1	462.1	-	-
5.9 %, 7-yr	-	120.3	120.3	120.3	120.3
5.9 %, 7-yr	-	210.3	210.3	210.3	210.3
6.00 %, 7-yr	-	-	94.0	94.0	94.0
6.15 %, 7-yr	-	101.3	101.3	101.3	101.3
6.5 %, 5-yr	150.0	-	-	-	-
7 %, 5-yr	397.6	397.6	397.6	397.6	397.6
7 %, 7-yr (1770 Bond)	200.0	200.0	200.0	200.0	200.0
7 %, 7-yr	150.0	150.0	150.0	-	-
7 %, 3-yr Solidarity Bond	500.0	500.0	-	-	-
7 %, 3-yr	300.0	300.0	300.0	-	-
7.4 %, 10-yr	-	-	85.7	85.7	85.7
7.8 %, 10-yr	-	-	100.8	100.8	100.8
8 %, 5-yr	441.4	441.4	441.4	441.4	441.4
8.25 %, 7-yr	357.6	357.6	357.6	357.6	357.6
8.3 %, 10-yr	-	-	130.0	130.0	130.0
10 %, 5-yr Solidarity Bond	500.0	500.0	500.0	500.0	-
10 %, 7-yr	500.0	500.0	500.0	500.0	500.0
12 %, 7-yr Solidarity Bond	500.0	500.0	500.0	500.0	500.0
5%, 5-yr				141.7	141.7
3.5%, 3-yr				128.4	128.4
4.7%, 5-yr				133.9	133.9
3.5%, 3-yr				51.2	51.2
4.7%, 5-yr				69.5	69.5
4.5%, 5-yr				94.0	94.0
5.6%, 7-yr					115.7
4.6%, 7-yr					117.2
4.6%, 7-yr					121.3
4.75%, 7-yr					161.2
Held by:					
Commercial banks	3,099.8	3,974.8	3,886.8	3,671.7	3,199.5
Other financial institutions	274.7	314.7	362.7	370.2	340.7
Others	1,580.2	1,810.5	1,777.4	1,692.6	1,534.0
CBS	1.2	2.2	5.1	4.1	1.1

¹ End of period data

Source: Central Bank of Seychelles

SECTION FIVE

External Sector⁷

5.0 Overview

As a small open island economy, Seychelles relies on the rest of the world for most of the goods and services consumed. Thus, consistent with past trends, the current account remained in deficit, although provisional estimates showed an improvement from US\$166 million in 2024 to US\$150 million in 2025. As a percentage of GDP, the deficit narrowed to 6.5 per cent in 2025 compared to 7.5 per cent in 2024. This was primarily on account of the robust performance of the tourism sector, as tourist arrivals and earnings exceeded the peak outcome recorded in 2019. When compared to 2024, the number of visitors to Seychelles increased by 13 per cent, while estimated tourism earnings rose by 29 per cent.

Throughout the year, the Bank continued to accumulate reserves with the aim of further strengthening the country's external position. This was done mainly through opportunistic purchases from the domestic foreign exchange market, combined with financial support received from various international partners. At year-end, GIR stood at US\$878 million, equivalent to 4.4 months of imports of goods and services. Moreover, NIR amounted to US\$728 million, which was US\$57 million above the target set for end-December.

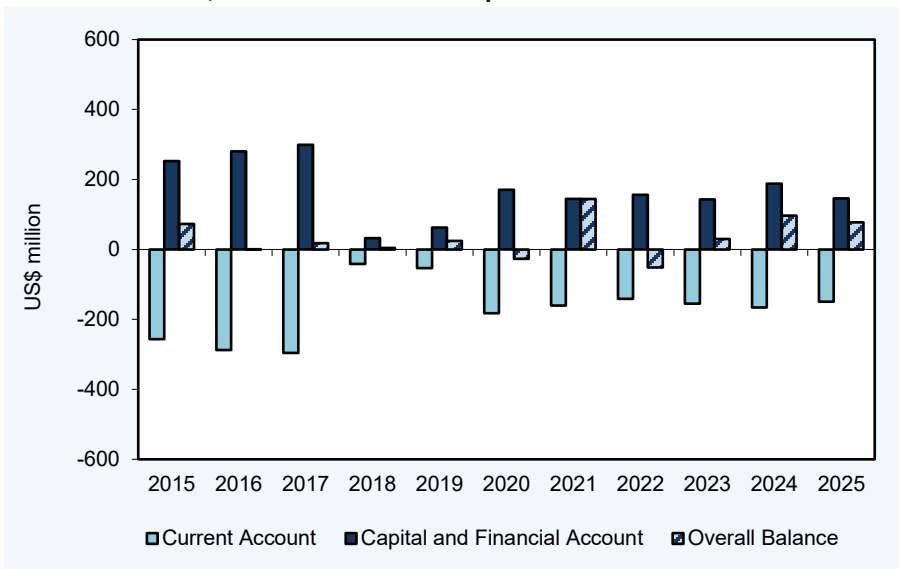
Regarding developments in the foreign exchange market, both demand and supply increased relative to 2024. Nevertheless, in annual average terms, the Seychelles rupee depreciated against all three major currencies, namely USD, EUR, and GBP.

5.1 Current account

Preliminary estimates indicated a narrowing of the current account deficit, from US\$166 million in 2024 to US\$150 million in 2025. This outcome was mainly due to the stronger performance of the tourism sector, which improved the net contribution of the services account relative to 2024. During the year under review, the services account increased to US\$883 million, from US\$714 million in 2024. When expressed as a percentage of GDP, the current account deficit decreased from 7.5 per cent in 2024 to 6.5 per cent in 2025.

⁷ Since 2015, the Bank has started to include offshore sector data, particularly the activities of entities registered as Company Special Licence (CSLs), in BOP statistics. This was a prerequisite for the country's subscription to the IMF's Special Data Dissemination Standards (SDDS). The offshore data significantly altered the country's BOP, in particular the capital and financial account. To note, BOP statistics were revised as far back as 2012 in order to include the offshore sector data.

Chart 5.1: The overall balance, current account and capital & financial account of the BOP (2015 – 2025)

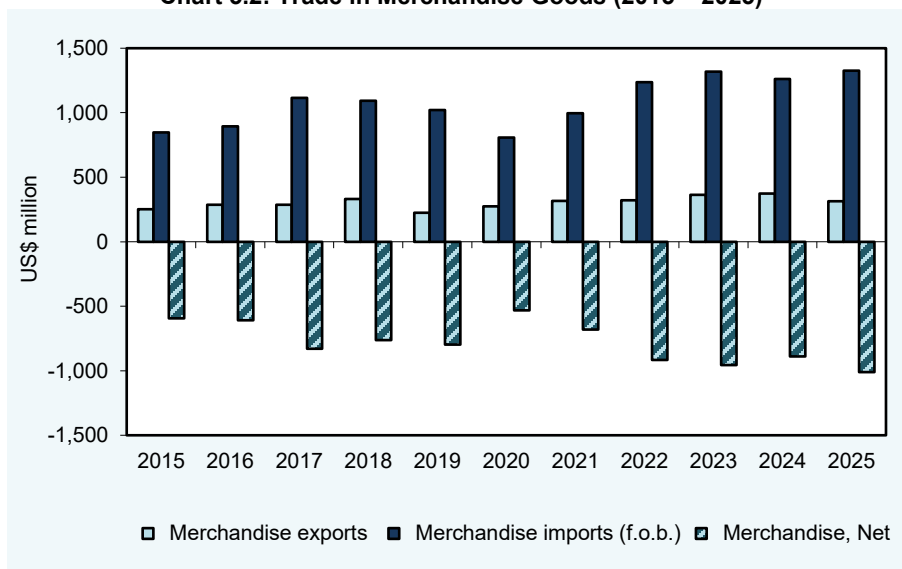


Source: Central Bank of Seychelles

5.1.1 Trade in goods

In 2025, the country’s trade deficit widened by 21 per cent, reaching US\$959 million, compared to US\$790 million in the previous year. This was driven by an increase of 6.3 per cent in imports and a reduction of 14 per cent in exports relative to 2024. The growth in imports was mainly due to an expansion of 39 per cent in the category “machinery & transport equipment.”

Chart 5.2: Trade in Merchandise Goods (2015 – 2025)



Source: National Bureau of Statistics & Central Bank of Seychelles

Table 5.1: Seychelles Balance of Payments¹ (2021 – 2025)

	2021	2022	2023	2024	2025 ²
			(USD million)		
CURRENT ACCOUNT	-154.3	-140.8	-154.7	-166.2	-149.7
Goods,	-506.8	-730.8	-858.8	-790.4	-959.3
Credits (of which:)	515.7	562.9	568.3	594.5	512.5
Merchandise exports (f.o.b.)	317.3	320.4	362.5	372.3	314.2
Debits (of which:)	1,022.6	1,293.7	1,427.1	1,384.9	1,471.8
Merchandise imports (f.o.b.)	996.9	1,236.2	1,319.3	1,262.4	1,325.8
Services, net	437.0	680.0	797.5	714.3	882.5
Credits (of which:)	1,235.4	1,684.2	1,833.1	1,714.0	1,966.2
Tourism Earnings	588.4	935.2	993.7	925.1	1,195.9
Debits	798.4	1,004.2	1,035.6	999.8	1,083.7
Primary Income, net	-82.5	-75.9	-73.9	-68.9	-61.3
Compensation of employees	-9.8	-5.3	-3.6	-5.3	-4.6
Credits	2.6	2.6	2.6	2.6	2.6
Debits	12.4	8.0	6.2	7.9	7.2
Investment income	-72.7	-70.5	-70.3	-63.6	-56.6
Credits	5.4	17.1	47.9	58.9	63.4
Debits	78.1	87.6	118.1	122.5	120.0
Secondary Income, net	-1.9	-15.0	-19.5	-21.2	-11.6
General government	30.7	32.0	27.2	29.2	40.6
Credits	30.7	32.0	27.2	29.2	40.6
Fishing licence fees	17.1	15.8	9.3	14.9	20.1
Other grants	13.6	16.2	17.9	14.3	20.5
Debits	0.0	0.0	0.0	0.0	0.0
Other sectors	-32.6	-47.0	-46.6	-50.4	-52.2
Credits	8.5	9.9	10.4	10.9	11.5
Debits	41.1	56.9	57.0	61.3	63.7
CAPITAL AND FINANCIAL ACCOUNT	145.5	156.1	143.9	186.0	146.0
CAPITAL ACCOUNT	23.8	17.3	12.0	19.0	20.2
FINANCIAL ACCOUNT	-121.7	-138.9	-131.9	-167.0	-125.8
Direct investment	-161.4	-226.4	-279.2	-267.5	-383.1
Net acquisition of financial assets	-49.9	-36.5	-39.5	-41.4	-45.8
Net incurrence of liabilities	111.5	189.8	239.7	226.1	337.4
Portfolio investment	-13.1	3.6	-10.1	18.9	13.6
Net acquisition of financial assets	-19.0	40.9	0.7	5.5	9.6
Net incurrence of liabilities	-5.9	37.3	10.8	-13.4	-4.0
Other investment	-91.9	135.2	127.7	-14.8	166.0
Net acquisition of financial assets	265.4	332.8	330.6	155.8	385.4
Net incurrence of liabilities	357.4	197.7	202.9	170.6	219.5
Reserve assets	144.6	-51.3	29.7	96.4	77.8
Net errors and omissions	8.7	-15.3	10.8	-19.8	3.7
OVERALL BALANCE	144.6	-51.3	29.7	96.4	77.8
Memorandum items:					
Current account (percentage of GDP)	-10.8	-7.0	-7.1	-7.5	-6.5
Trade Balance (f.o.b.). (merchandise exports less imports)	-679.6	-915.8	-956.8	-890.1	-1,011.6
Stock of Reserves (Gross) (US\$ million)	702.6	639.5	682.4	774.1	878.5
Stock of Reserves (Gross) (Months of imports of goods and services)	4.6	3.4	3.5	4.1	4.4
Exchange Rate (Rupee/US\$; period average)	16.8993	14.2727	14.0187	14.5308	14.7259

Notes⁽¹⁾ Data series may differ from previous publications due to revisions.⁽²⁾ Provisional figures**Source: Central Bank of Seychelles**

5.1.2 Merchandise exports

Provisional statistics showed an annual reduction of 16 per cent in the total value of merchandise exports in 2025, standing at US\$314 million compared to US\$372 million in 2024. As per established trend, 'canned tuna' remained the main contributor to merchandise exports, and an important source of foreign exchange revenue for the country. However, its aggregate value declined by 14 per cent, from US\$286 million in 2024 to US\$245 million during the year under review. This was mainly due to a drop in demand from the European market. Similarly, exports of manufactured goods dropped significantly, by 77 per cent, from US\$48 million in 2024 to US\$11 million in 2025, mainly due to lower export values of scrap metals.

5.1.3 Merchandise imports

According to provisional estimates, the total value of merchandise imports (fob)⁸ for 2025 stood at US\$1,326 million, an increase of US\$63 million compared to US\$1,262 million in 2024. This was mainly driven by components such as "machinery & transport equipment", which accounted for 29 per cent of total merchandise imports, followed by "food, live animals & vegetable oils", representing 22 per cent. Another notable import item was "mineral fuels," which increased by US\$10 million, accounting for 21 per cent of the overall import value in 2025.

Table 5.2: Imports (f.o.b.)¹- by HS² Sections (2021 – 2025)

	2021	2022	2023	2024	2025
Description	(US\$ million)				
Total Imports	997	1,236	1,319	1,262	1,326
Beverages & tobacco	18	25	28	39	39
Chemicals	66	65	74	75	75
Food, live animals & vegetable oils	264	333	353	302	294
Machinery & transport equipment	226	243	298	275	383
Manufactured goods & misc. manufactured articles	207	247	267	282	237
Mineral fuels	197	299	279	266	276
Other commodities	18	24	21	22	22

Notes

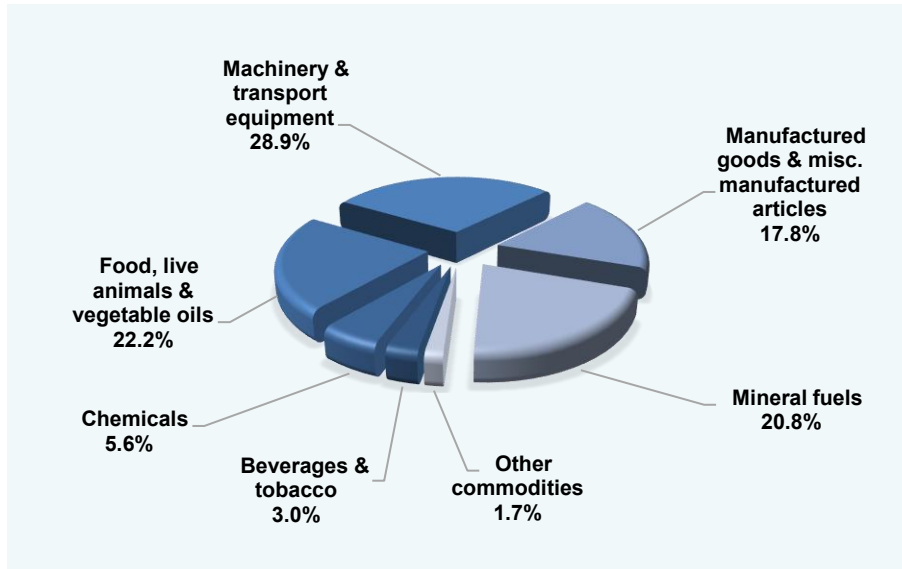
¹Free on Board

²Harmonised System

Source: National Bureau of Statistics & Central Bank of Seychelles

⁸ "Free on Board" (FOB) means what it costs to get the goods to the boat (or equivalent). The alternative is CIF which means "Cost, Insurance, Freight", and includes additional costs to get the goods to the foreign customer.

Chart 5.3: Imports (f.o.b.) 2025



Source: National Bureau of Statistics

5.2 Services

Initial estimates indicated that total exports of services stood at a surplus of US\$1,966 million, up from US\$1,714 million in the previous year. This improved outcome was largely driven by tourism earnings, which continued to be the main contributor to overall export of services. In 2025, tourism earnings were estimated at US\$1,196 million, which was US\$271 million (29 per cent) higher than in 2024 when earnings stood at US\$925 million. The outcome reflected a record performance for the tourism sector in terms of visitor arrivals, a result that was mainly due to improved air connectivity and enhanced marketing efforts.

By the end of December, Seychelles welcomed a total of 398,841 visitors, a growth of 13 per cent (or 46,079 tourists) compared to the previous year. Europe remained the leading source market, contributing 278,293 tourists, or 70 per cent of total arrivals. This was a year-on-year growth of 8.3 per cent.

In terms of services acquired from non-residents, their total value grew by US\$84 million (8.4 per cent) to stand at US\$1,084 million and were largely related to transportation and other service-related costs.

5.3 Primary Income

The primary income account remained in deficit in 2025 but recorded an improvement of 11 per cent from US\$69 million in the previous year to US\$61 million. Outflows of investment income, which was mainly driven by dividend payments, interest and management fees, stood at US\$120 million. This was a reduction of US\$19 million from US\$139 million the previous year.

As for inflows of investment income, these declined by 16 per cent, from US\$76 million in 2024 to US\$63 million in 2025.

5.4 Secondary Income

The secondary income account improved by 45 per cent in 2025 compared to the previous year, with an estimated increase of US\$9.5 million. Preliminary estimates showed that fishing licence fees and other grants remained significant components, at US\$20 million and US\$21 million, respectively. Outward remittances continued to rise, reflecting the sustained demand for foreign labour, particularly in the construction, manufacturing, and tourism sectors.

5.5 Capital and financial accounts

In 2025, the preliminary results indicated that the capital and financial account balance stood at US\$146 million, compared to US\$186 million in 2024.

5.5.1 Capital account

The capital account stood at US\$20 million in 2025, a slight increase of US\$1.2 million or 6.2 per cent from US\$19 million in the previous year. Official capital transfers remained the main component, reflecting inward flows for projects financed by bilateral partners and donations in the form of high-value capital goods.

5.5.2 Financial account

The financial account, comprising direct investment, portfolio investment, and other investments, amounted to US\$126 million in 2025, compared to US\$167 million in 2024. Its largest component remained direct investment, with gross Foreign Direct Investment (FDI) inflows estimated at US\$337 million, or US\$111 million higher than in 2024. This increase was mainly due to new and ongoing hotel projects, as well as higher reinvestment relating to renovation and expansion within the tourism sector.

5.6 External reserves

The stock of gross official reserves held at the Central Bank stood at US\$878 million at the end of December, an increase of US\$104 million (or 13 per cent) compared to the previous year. This expansion was mainly due to opportunistic purchases equivalent to US\$122 million from the domestic market through

FEAs, as well as budget support received from bilateral and multilateral partners. In terms of reserves adequacy, this was equivalent to 4.4 months of the country's total imports of goods and services.

NIR ended the year at US\$728 million, exceeding the target of US\$671 million by US\$57 million.

Table 5.3: External Reserves (2021-2025)¹

	2021	2022	2023	2024	2025
	(US\$ million)				
Gross official reserves	702.6	639.5	682.4	774.1	878.2
Central Bank	702.1	639.1	682.0	773.7	877.8
Government	0.4	0.4	0.4	0.4	0.4
Central Bank's External liabilities	14.9	9.4	5.7	3.3	1.7
Net official Reserves (include blocked deposits)	687.7	630.1	676.7	770.8	853.2
Net official Reserves (exclude blocked deposits)	528.6	471.5	529.4	631.6	727.9

¹ End of period data

Source: Central Bank of Seychelles

5.7 Exchange rates

At end-December 2025 and on a year-on-year basis, the Seychelles rupee depreciated against the three major currencies, namely USD, EUR and GBP. The SCR stood at 14.9150 vis-à-vis the USD, which was a depreciation of 10 cents (0.7 per cent) relative to 14.8167 at end-December 2024. Against the EUR, the rupee traded at 17.4426 at end-2025 compared to 15.3853 at end-2024, a weakening of R2.06 (13 per cent). Over the same period, the GBP depreciated by R1.38 (7.4 per cent), from 18.6708 to 20.0551.

In annual average terms, the rupee depreciated against all three major currencies. Relative to USD, the SCR weakened by 20 cents (1.3 per cent), from 14.5308 in 2024 to 14.7259 in 2025. Against the EUR, it depreciated by 79 cents (5.0 per cent), from R15.7795 to 16.5662 over the same period. Moreover, the SCR weakened by 96 cents (5.2 per cent) against the GBP, from 18.4547 in 2024 to 19.4156 in 2025.

While both demand and supply for foreign exchange increased in the domestic market, supply exceeded demand. Overall, these movements reflected domestic foreign exchange market dynamics, in addition to developments in external currency markets.

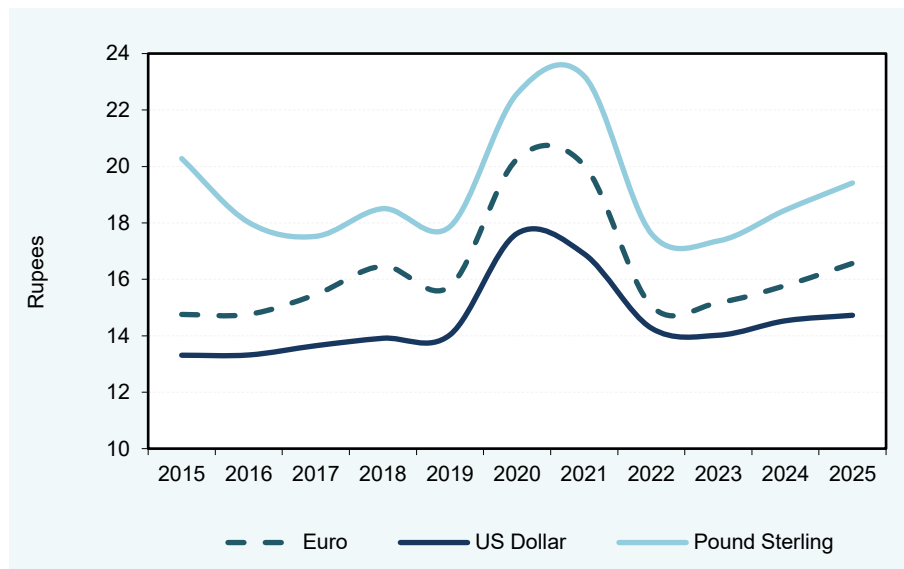
Table 5.4: Exchange Rates¹ (2021-2025)

	2021	2022	2023	2024	2025
(Seychelles Rupees per currency unit)					
Euro	20.0388	15.0632	15.1747	15.7795	16.5662
US Dollar	16.8993	14.2727	14.0187	14.5308	14.7259
Pound Sterling	23.2002	17.6230	17.3612	18.4547	19.4156
Japanese Yen	0.1545	0.1093	0.0999	0.0961	0.0985
South African Rand	1.1440	0.8752	0.7599	0.7936	0.8252
Singapore Dollar	12.5890	10.3533	10.4380	10.8769	11.2718

¹ Period Averages

Source: Central Bank of Seychelles

Chart 5.4: Exchange rate movements of the three main currencies (2015 – 2025)



Source: Central Bank of Seychelles

5.8 Developments in Financial Services

5.8.1 Insurance sector

In 2025, the Insurance Bill was submitted to the Cabinet of Ministers and received approval. Following such, the Bill progressed to the Attorney General's Office (AGO) for legal review.

During the year, the Financial Services Authority (FSA) procured a consultant to conduct a comprehensive gap analysis of Seychelles' insurance sector. The consultancy focused on capital solvency, solvency

requirements, and compliance with International Financial Reporting Standards (IFRS) 17, and provided the technical expertise to support the implementation of the new legislative framework.

In parallel, a review of the FSA Act was conducted to ensure alignment with international supervisory standards, particularly those of the International Association of Insurance Supervisors (IAIS⁹). These initiatives are intended to strengthen the regulatory framework and support Seychelles' efforts to advance its application to become a signatory to the IAIS MoU.

5.8.2 Pension sector

A Private Pension Bill was submitted to the Ministry responsible for Finance, and subsequently to the Cabinet of Ministers. Following Cabinet approval, the Bill was submitted to the AGO for legal review.

5.8.3 International Trade Zone (ITZ)

In 2025, an impact assessment of the ITZ regime was initiated by a consultant. This involved stakeholder consultations as well as a detailed analysis of the ITZ framework. The Impact assessment was completed in the fourth quarter of the year.

5.8.4 Gambling sector

The Seychelles Gambling Bill was submitted to the Ministry responsible for Finance for onward submission to the Cabinet of Ministers. The Bill subsequently received Cabinet approval, marking a significant milestone in the reform of the gambling regulatory framework.

5.8.5 Capital Market and Collective Investment Scheme sector

The review of the FSA Act remained ongoing throughout 2025, with the aim of addressing the identified gaps and discrepancies that have been hindering Seychelles' application for Ordinary Membership of the International Organisation of Securities Commissions (IOSCO¹⁰). The review aims to strengthen the legal and institutional framework to ensure closer alignment with international standards, thereby supporting the country's application for membership.

⁹ The IAIS is the international body that brings together the world's insurance supervisors and regulators and is recognised as the global standards setter for the insurance sector.

¹⁰ The IOSCO is the international body that brings together the world's securities regulators and is recognised as the global standards setter for the securities sector.

5.8.6 Organisation for Economic Co-operation and Development (OECD) Global Forum EOIR

In 2025, Seychelles underwent a supplementary peer review of its framework for Exchange of Information on Request (EOIR) standards by the OECD Global Forum. The review involved an in-depth assessment of Seychelles' legal and administrative compliance with international standards.

Following the assessment, Seychelles' EOIR report was submitted to the Global Forum's Peer Review and Monitoring Group (PRMG), with deliberations completed in December. Thereafter, the report was forwarded to the Global Forum plenary for consideration and approval. The outcome of the supplementary review is expected to be communicated during the first quarter of 2026.

5.8.7 Group of International Finance Centre Supervisors (GIFCS)

As part of the country's application for membership and its commitment to the GIFCS Standard, Seychelles commenced its Mutual Evaluation process in September 2024. This initial phase included the completion and submission of the GIFCS questionnaire in December 2024.

In 2025, the Mutual Evaluation process advanced with an on-site assessment conducted by GIFCS assessors. During the on-site visit held in May, the assessors engaged with relevant government institutions and representatives from the private sector to evaluate Seychelles' compliance with the GIFCS Standard. Following the on-site assessment, the assessors issued a draft report outlining their findings and recommendations. At the end of the year, the draft report was in the process of being reviewed by FSA.

5.9 International Relations

During 2025, Seychelles maintained strong, cordial diplomatic relations with its bilateral and multilateral partners. Its attendance at the various meetings and summits that took place during the year also presented several opportunities to renew and further strengthen diplomatic ties.

5.9.1 Multilateral Institutions

Seychelles continued to receive invaluable support from its multilateral partners in 2025. This was in the form of financial assistance as well as technical capacity development, which facilitated the successful implementation of multiple projects and programmes.

5.9.1.1 International Monetary Fund

Seychelles remained on track to meet the targets established under the IMF-supported EFF and RSF. The country embarked on these programmes in May 2023 for a three-year period and will receive financial support of US\$56 million through the EFF and US\$46 million under the RSF.

The fourth IMF staff review concluded in March, which resulted in the disbursement of US\$8.4 million and US\$5.3 under the EFF and RSF, respectively, in June. The IMF staff visit coincided with a Climate Change Financing Round Table at the Savoy Resort in February, where discussions focused on innovative financial mechanisms to address climate challenges. Alongside the IMF mission team, Ms. Catherine Pattillo, Deputy Director of the IMF African Department, was present at the event.

Following general national elections and change in government administration, the fifth review – that was scheduled to take place in October – was postponed to 2026. Hence both the fifth and sixth reviews will be conducted in the first quarter of 2026. Under the two programmes, the country thus far has benefitted from budget support totalling US\$58 million, of which US\$41 million has been disbursed under the EFF and US\$18 million under the RSF.

Mrs. Farayi Gwenhamo was accredited as the country's second Resident Representative of the Fund in September, for a three-year term. She succeeded Mrs. Aissatou Diallo, who had held the position since December 2022.

5.9.1.2 World Bank

The World Bank continued to serve as an active development partner for Seychelles, supporting the authorities' efforts to strengthen economic resilience, foster sustainable growth, and advance reforms in priority areas.

In February, the country received US\$15 million under Seychelles' First Sustainable and Inclusive Growth Development Policy Financing. This World Bank-funded initiative, approved in November 2024, supports Seychelles' National Development Strategy (2024–2028) and aims to strengthen the economy, improve public services, and address key environmental and social challenges.

Throughout the year, the World Bank provided financial and technical support to the Landscape and Waste Management Agency (LWMA). In April, it assisted the Agency in drafting its plan to increase the capacity of the Providence landfill, including for the construction of a new landfill in the surrounding area. The project is being financed by through a soft loan of US\$5.0 million over a five-year period of which US\$0.5 million was disbursed in 2025. The World Bank also provided technical assistance through several workshops on

landfill gas management for staff of LWMA and other relevant departments. The sessions addressed key areas such as the generation, capture, utilisation, and safe destruction of landfill gases, with the aim to reduce environmental harm and enhance operational safety.

In May, the World Bank's Board of Executive Directors approved the Seychelles' Renewable Energy Acceleration Programme (REAP). Over a seven-year period, the programme will advance Seychelles' energy transition by expanding renewable energy capacity, reducing carbon intensity, and catalysing private sector investment through grid modernisation, regulatory reforms, and targeted technical assistance. Supported by concessional and non-concessional financing amounting to US\$35 million, REAP represents the institution's first lending operation in Seychelles' energy sector. The first phase comprises of US\$12.5 million in financing from the Green Climate Fund through the Sustainable Renewables Risk Mitigation Initiative (SRMI) Resilience Facility, via the Energy Sector Management Assistance Programme (ESMAP). This is in addition to US\$8.0 million in co-financing from the International Bank for Reconstruction and Development (IBRD).

A new Division Director for Mozambique, Madagascar, Mauritius, Comoros, and Seychelles was appointed by the World Bank Group in July. Mr Fily Sissoko succeeded Ms Idah Pswarayi-Riddihough, who held the position for over four years.

5.9.1.3 World Trade Organisation (WTO)

Seychelles became the 161st member of WTO in April 2015 and has since played an active role in advancing its trade interests, while promoting inclusive and sustainable development within the global trade environment.

Seychelles became a sitting member of the WTO Fisheries Funding Mechanism (Fish Fund) Steering Committee in May, marking another important step for the country. In March 2023, it became the first African member of WTO to ratify the Agreement on Fisheries Subsidies, which sets rules to curb harmful subsidies, protect global fish stocks, and address the needs of fishers in developing and least developed countries. Seychelles joined the Committee with the aim of ensuring that the Fish Fund delivered targeted support and that its contribution on the Committee will reflect the interests of developing and least developed members.

In September, Ms. Cillia Mangroo, Ambassador Extraordinary and Plenipotentiary of the Republic of Seychelles, officially presented her credentials as Permanent Representative to WTO in Geneva to Her Excellency, Dr. Ngozi Okonjo-Iweala, Director-General of WTO in Geneva. On the occasion, she reaffirmed Seychelles' strong commitment to the WTO and its principles, as well as to advancing the country's engagements within the Organisation.

5.9.1.4 African Development Bank (AfDB)

In August, Seychelles formally assumed the chairmanship of the Eastern Africa Constituency of AfDB. In conjunction with this leadership role, Mr Ronald Cafrine was appointed as Executive Director representing the Eastern Africa Constituency on the Board of Directors of the AfDB Group for a three-year term. In this capacity, he represents Seychelles alongside Rwanda, Kenya, Ethiopia, Eritrea, Somalia, South Sudan, Tanzania, and Uganda, contributing to decisions regarding the AfDB's policies, programmes, and financing priorities.

5.9.2 Bilateral Relations

Seychelles maintained excellent diplomatic relations with its sovereign counterparts throughout the year. The country continued to benefit from increased co-operation and invaluable support in various fields.

5.9.2.1 India

Seychelles and India have shared long-standing relations over several decades, characterised by strong ties, mutual respect, and broad-based co-operation. In another step towards strengthening relations, India's largest aircraft carrier, IndiGo, commenced direct flights to Seychelles in March, signifying a major milestone in enhancing the connectivity between the two countries.

As one of Seychelles' oldest and closest military partners, India continued to provide invaluable support and co-operation, particularly in the field of maritime security. Several Indian naval ships and patrol vessels called at the Port of Victoria during the year, which provided various opportunities for maritime and defence collaboration. Moreover, in February, the Seychelles Coast Guard added a new patrol boat, *PB Boudeuse*, to its fleet of vessels. The coastal interceptor boat, with a speed of over 45 knots, was graciously received as a gift from the Indian government.

India has also been instrumental in providing support to Seychelles in the domain of hydrography. A high-level delegation led by Mr David Bianchi, Principal Secretary for Civil Aviation, Ports and Marine, travelled to India in June to strengthen bilateral co-operation in hydrography, charting, capacity-building, and maritime safety. Follow-up discussions were subsequently held in Seychelles in July, during the visit of India's Defense Advisor, Captain Velagada Shirdikant. The two nations aim to deepen collaboration in this field, in view of the importance of providing up-to-date and accurate data for vessels navigating Seychelles' EEZ.

A new Indian High Commissioner, Mr. Rohit Rathish, was accredited in September, succeeding Mr. Kartik Pande who held the post since 2022. The warm ties between the two nations were evident during the visit of the Vice President of India, Honourable Shri C.P. Radhakrishnan, who was a distinguished guest at the inauguration ceremony of the newly elected President of the Republic of Seychelles, Dr Parrick Herminie in October. India also donated 3.5 tonnes of essential medicines to Seychelles in November, reflecting a shared commitment to strengthening the health sector.

5.9.2.2 China

China has played a significant role in the country's economic and social development over the years, through co-operation and assistance across various sectors.

The Seychelles Broadcasting Corporation's (SBC) new headquarters, 'SBC House', was officially handed over to the Seychelles government in March. Construction of the facility, which amounted to US\$14 million, began at the end of 2018 and was funded through a grant from the People's Republic of China. The state-of-the-art facility consists of three specialised blocks, housing the radio station, television studios, and administrative offices, all equipped with modern technical equipment.

China also continued to provide invaluable support in addressing the housing development needs of the country. In May, the Ministry of Lands and Housing signed a MoU with China Shenyang Corporation to launch a pilot housing project that will introduce steel frame construction for affordable housing in Seychelles, the first of its kind in the country. In July, the agreements were signed for China to fund the construction of 136 affordable housing units comprising of 72 units at Anse Royale and 64 units at Port Glaud, at a budgeted cost of over R200 million.

As part of ongoing efforts to strengthen co-operation between China and Seychelles under the framework of the Forum on China-Africa Co-operation (FOCAC), five direct weekly flights operated from Chengdu to Seychelles by Sichuan Airlines throughout the month of July. The direct connectivity also provided the opportunity for tourism, cultural exchange, and commercial growth between the two countries.

In August, the Ministry of Fisheries and the Blue Economy, in collaboration with SFA and the China Overseas Fisheries Association (COFA), signed a MoU to regularise the fishing activities undertaken by fifteen Chinese longline fishing vessels operating within Seychelles' EEZ. The agreement falls under the framework of a Sustainable Fisheries Partnership Agreement, and targets species governed by IOTC, such as yellowfin tuna, bigeye tuna, skipjack tuna, and swordfish. Furthermore, the MoU makes provision for broader scientific and technical collaboration and marks a significant step forward in strengthening bilateral ties in the domain of fisheries.

5.9.2.3 United Arab Emirates (UAE)

Seychelles and UAE continued to demonstrate a strong bond of friendship throughout 2025. A high-level delegation from the country participated in the Abu Dhabi Sustainability Week held in January. During President Wavel Ramkalawan's bilateral talks with His Highness Sheikh Mohammed bin Zayed Al Nahyan on the sidelines of the event, it was announced that the UAE government would donate US\$1.0 million to Seychelles' 7th December Disaster Fund. With this donation, the UAE had contributed a total of US\$2.0 million towards this purpose.

Air Seychelles resumed its direct flight service to Abu Dhabi in May, following a six-year hiatus. This formed part of a renewed codeshare agreement between Air Seychelles and Etihad, allowing for seamless onward connectivity to other jurisdictions. With this partnership, the flight frequency on this route increased from one to six per week and was a contributing factor towards the growth in tourist arrivals for the year.

In August, the foundation stone was laid for the second and third phases of the Orchid Village affordable housing development¹¹. This will comprise of 80 residential units at Grand Anse Mahé. The project, valued at a cost of US\$7.3 million, is being funded by the UAE government. Another major project funded by the UAE is for the construction of an indoor sports complex at Anse Royale. The tender for contractors for this project was launched in June.

President Dr Herminie's first official state visit was to the UAE in December. The official visit, at the invitation of the President of UAE, served to formally establish a strong personal connection between the two leaders and reaffirm their mutual interests. Discussions centred on expanding co-operation across several priority areas, including energy, education, maritime security and technological development.

The UAE has also been a key partner in the development of the Dog Unit of the Seychelles Police since 2023. In December, a newly constructed K-9 dog kennel facility at Barbarons, donated by the UAE, was formally handed over to the Seychelles authorities. The facility can accommodate up to eight canines, along with dedicated support areas, including a veterinary section, training space and essential areas to support daily operations.

5.9.2.4 European Union (EU)

In May, Seychelles was officially removed from France's list of non-co-operative states and jurisdictions for tax purposes (the French "blacklist"). This reflected Seychelles' ongoing commitment to implement the necessary reforms and ensure compliance with international standards set by the OECD and other global entities. At the end of 2025, Seychelles was on Annex II of the EU list of non-co-operative jurisdictions for

¹¹ The project started in 2015 whereby the first phase was for the construction of housing at Takamaka and Barbarons.

tax purposes (the EU “grey list”). The in-depth review for Seychelles against EOIR standards was launched in March and the report following this review was discussed during the PRMG meeting in December. The EU Council of Ministers will thereafter determine whether to remove Seychelles from the Annex II, with the decision expected during the first quarter of 2026.

The sixth meeting of the Joint Committee under the 2020 – 2026 Implementing Protocol of the EU–Seychelles SFP, along with the third Joint Committee meeting of the EU–Seychelles agreement concerning access for Seychelles-flagged fishing vessels to the waters of Mayotte under EU jurisdiction, were held in Seychelles in June. The EU delegation was headed by Mr. Luis Molledo, Head of Unit for Trade Negotiations and Sustainable Fisheries Partnership Agreements at the European Commission’s Directorate-General for Maritime Affairs and Fisheries. The Seychelles delegation was led by Mr. Roy Clarisse, Principal Secretary for Fisheries at the Ministry of Fisheries and the Blue Economy. During the meetings, the implementation status of both agreements was discussed, with particular attention to access to fishing waters for the fleets and, in the case of the EU–Seychelles SFP, the progress of the projects financed under the sectoral support programme.

Additionally in June, the Minister for Transport, Mr Antony Derjacques, participated in the European Commission and European Investment Bank’s (EIB) Adaptation Days Conference in Nice, France. In Minister Derjacques’ intervention at the high-level forum, he highlighted Seychelles’ urgent need for coastal adaptation support, in view of the intensifying impact of climate change and the risk it poses for the small island nation. On the sidelines of the conference, Minister Derjacques held a bilateral meeting with the Vice - President of EIB, Mr Ambroise Fayolle. The discussions centred on climate adaptation priorities, with a particular focus on financing for coastal infrastructure and the urgent threats facing Seychelles’ road network.

5.9.3 Regional Integration

In 2025, Seychelles remained actively engaged in the various initiatives of the region. This was particularly in relation to those of the Southern African Development Community (SADC), Common Market for Eastern and Southern Africa (COMESA) and Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG).

5.9.3.1 Southern African Development Community

From April 25 to May 02, Seychelles attended the meetings of the SADC Organisation of Public Accounts Committees (SADCOPAC) in Gaborone, which also included a two-day training session. Of note, Seychelles was Deputy Treasurer to the organisation. The delegation was led by Honourable Sandy Arissol in his capacity as a senior member of the Finance and Public Accounts Committee (FPAC) of the Seychelles

National Assembly. During the meetings, members discussed pertinent matters regarding the affairs of SADCOPAC whilst the training session aimed at strengthening the capacity of members of FPAC across the SADC region and other similar oversight committees, to exercise effective parliamentary oversight and promote financial accountability within the region. During their visit, the Seychelles delegation paid a courtesy call to the Speaker of the Parliament of Botswana, Honourable Dithapelo L. Keorapetse. They also met with the Assistant Minister for State President, Honourable Maipelo Mophuting, at the Office of the President.

The 45th Ordinary Summit of SADC Heads of State and Government, along with the Senior Officials and Council of Ministers meetings, was held in Antananarivo, Madagascar, in August. At the meeting, President Andry Rajoelina of Madagascar assumed the SADC Chairmanship from President Emmerson Mnangagwa of Zimbabwe. The Summit was held under the theme “*Advancing Industrialisation, Agricultural Transformation, and Energy Transition for a Resilient SADC*”. Seychelles was represented at the meeting by Principal Minister, Mr Jean-François Ferrari. Leaders reviewed progress on the Regional Indicative Strategic Development Plan (RISDP) 2020–2030 and discussed new initiatives, including a value proposition and investment roadmap for the North-South Economic Corridor and a SADC Maritime Corridor Strategy. On the sidelines of the event, Seychelles and Angola strengthened bilateral ties through the signing of a Mutual Visa Exemption Agreement.

In December, the Speaker of the Seychelles National Assembly, Honourable. Azarel Ernesta, officially took her Affirmation of Adherence at the 58th SADC Parliamentary Forum (SADC PF) Plenary Assembly. The meeting, held in Durban, South Africa, brought together Speakers, Members of Parliament, and parliamentary leaders from across the SADC region to deliberate on key issues affecting governance, democracy, and regional integration. That same month, the Cabinet of Ministers approved that Seychelles host the 59th SADC PF Plenary in June 2026.

5.9.3.1.1 SADC Committee of Central Bank Governors

The Committee of Central Bank Governors (CCBG) in SADC remained an important forum for strengthening cooperation among member central banks. By prioritising the harmonisation of policies and regulatory frameworks, the CCBG furthered its efforts to support the growth and development of financial institutions and markets throughout the SADC region.

CBS hosted back-to-back meetings of the SADC CCBG Payment System Subcommittee (PSS) and the Payment System Oversight Committee (PSOC) over two days in July. The meetings involved representatives from central banks and payment systems specialists from fifteen SADC Member States, together with international partners, including the IMF and World Bank. The deliberations focused on

reviewing current developments and identifying strategic measures to promote financial integrity, expand financial inclusion, and reinforce cross-border payment systems within the region.

5.9.3.2 COMESA Integration Programme

The country remained actively engaged in the activities and initiatives of the regional bloc in 2025. Seychelles attended the 24th COMESA Summit of Heads of State and Government that took place in Nairobi, Kenya in October. The delegation was led by Mr. Conrad Mederic, Permanent Representative to the African Union and Non-Resident Ambassador of the Republic of Seychelles accredited to Kenya. During the Summit, the Chairmanship of COMESA was transferred from the President of Burundi, Mr. Évariste Ndayishimiye, to the President of the Republic of Kenya, Dr. William Ruto. The event centred around the theme “*Leveraging Digitalisation to Deepen Regional Value Chains for Sustainable and Inclusive Growth*”. Discussions emphasised on improving access to markets and strengthening regional and global value chains. During the Meeting of Ministers of Foreign Affairs that also took place at the summit, Ambassador Mederic provided an update on Seychelles’ Presidential elections, following the first round held in September, and reaffirmed the country’s commitment to democratic principles and constitutional processes. Of note, the COMESA Secretariat conducted a pre-election assessment in July, and COMESA in conjunction with the African Union sent an observer mission to oversee the electoral processes.

The Minister for Foreign Affairs and the Diaspora, Mr. Barry Faure, represented the country at the 46th COMESA Council of Ministers Meeting in December. In his intervention, he urged for increased effort in the development of a regional shipping line to strengthen intra-regional maritime connectivity. Moreover, he underscored the importance of pooled procurement of pharmaceutical products, especially for smaller member states with limited domestic manufacturing capacity, that rely heavily on regional mechanisms to ensure affordable and reliable access to essential medicines.

In other matters, Justice Samia Andre, from the Seychelles Court of Appeal, took on the role of Judge of the First Instance Division of the COMESA Court of Justice as of June 06. She was elected at the 27th Meeting of the COMESA Ministers of Justice and Attorneys General in November 2024. In her capacity as a Judge of the First Instance Division, Justice Andre will contribute towards the resolution of disputes and ensure the proper application of the regional organisation’s laws across its member states.

5.9.3.3 Eastern and Southern Africa Anti-Money Laundering Group

ESAAMLG functions as the regional body of FATF, promoting compliance with and implementation of the FATF Recommendations, which establishes international standards to combat money laundering, terrorist financing, and other threats to the global financial system.

In June, the International Criminal Police Organisation (INTERPOL) and African Union Mechanism for Police Co-operation (AFRIPOL) jointly organised a training on financial crimes investigation for local police experts. Over four days, the participants focused on key areas including financial intelligence gathering, executing investigations, tracing illicit assets, and understanding how emerging technologies impact financial crime. Such training helped address some of the shortcomings identified in relation to the effectiveness of national mechanisms in detecting, investigating, and prosecuting financial crimes, which is one of the factors considered by ESAAMLG in its national evaluation.

In August, Seychelles underwent its fifth re-rating for some technical compliance deficiencies that were identified in its Mutual Evaluation Report of 2018. These were in relation to FATF Recommendations 6, 7, 8, 15 and 33. Taking into consideration the progress made in resolving some of those technical compliance deficiencies in its framework on Anti-Money Laundering and Counter Terrorism Financing (AML/CFT), Recommendations 8, 15 and 33 were upgraded whilst the rating for Recommendations 6 and 7 remained unchanged, as outlined below:

- Recommendation 6: Targeted Financial Sanctions related to Terrorism and Terrorist Financing; – Originally rated '*Partially Compliant*', No re-rating
- Recommendation 7: Targeted Financial Sanctions related to proliferation – Originally rated '*Partially Compliant*', No re-rating
- Recommendation 8: Non-Profit Organisations – Upgraded from '*Partially Compliant*' to '*Largely Compliant*'
- Recommendation 15: New Technologies – Upgraded from '*Non-Compliant*' to '*Partially Compliant*'
- Recommendation 33: Statistics – Upgraded from '*Partially Compliant*' to '*Compliant*'

In October, Sergeant Emmanuel Perreau of the Seychelles Police Force became a newly certified ESAAMLG Assessor. As a Certified Assessor, he will contribute towards strengthening Seychelles' AML/CFT regime and will also be qualified to participate in regional assessments, evaluating countries' compliance with the FATF Recommendations.

The country remains dedicated to further enhancing its AML/CFT framework and will continue working to address outstanding deficiencies and achieve full compliance with international standards.

SECTION SIX

Central Bank Operations

6.1 Research and Statistics Division

The Research and Statistics Division (RSD) plays a key role in supporting the Bank's primary objective of promoting domestic price stability. Its main responsibilities include formulating monetary policy; collecting and disseminating economic data; conducting research and analysis on macroeconomic indicators to support policy decisions as well as better understand topical issues, amongst others. The Division also publishes a wide array of economic and financial sector statistics, in addition to other publications such as the monthly Statistical Bulletins, and Monetary Policy Reports which are issued bi-annually, in January and July. Furthermore, RSD is responsible for coordinating the preparation and publication of the Bank's Annual Report, which involves engagement with both internal and external stakeholders. The responsibilities of the Division are allocated between the Policy and Research Section (PRS) and the Statistics Section, whereby tasks are aligned with the overall mandate of RSD.

To achieve its core objectives, the Division maintains regular engagement with stakeholders across key sectors to enhance its understanding of the economic landscape. This involves consultations with entities, such as the Ministry responsible for Finance, Department of Tourism, commercial banks, the Seychelles Credit Union (SCU), and Bureaux De Change (BDCs), among others, to strengthen policy coordination and the communication of relevant economic information. In addition, RSD plays a supporting role in live press conferences held by the Governor or First Deputy Governor (FDG), providing updates on monetary policy decisions, domestic economic conditions and the implications of external developments for the Seychelles economy.

As a focal point for multilateral and regional institutions such as the IMF, SADC, Association of African Central Banks (AACB), AfDB and COMESA, the Division actively participated in meetings, provided technical input on matters under consideration and ensured timely submissions of reports and data requests. In particular, throughout the year, the Division worked closely with the IMF Country Team and other stakeholders to ensure that Seychelles remained on track with the benchmarks under the EFF and RSF.

6.1.1 Capacity Building and Development

The Division maintained a strong focus on enhancing the technical skills and expertise of its staff, recognising the importance of continuous capacity building and skills development. During the year, members of staff actively participated in a range of online courses, workshops and seminars, covering

areas such as statistics, macroeconomics, climate change and policy formulation. In the context of the SADC regional integration agenda, relevant staff from both Sections participated in several capacity building workshops, to enhance their technical skills in the monitoring and reviewing of member states' progress towards the bloc's macroeconomic convergence (MEC) targets. This initiative also aimed to consolidate work undertaken under the peer review mechanism, whereby experts from the member states assess each other's performance vis-à-vis the SADC MEC targets.

6.1.2 Policy and Research Section

During 2025, PRS undertook various analytical exercises to assess the performance of the domestic economy. This involved conducting macroeconomic analyses and preparing proposals for the consideration of the Monetary Policy Technical Committee (MPTC) and the Board of Directors of the Bank for discussions in the quarterly monetary policy meetings. In this regard, staff used the Forecasting and Policy Analysis System (FPAS) to guide policy-oriented decisions. Modelling techniques were applied to evaluate macroeconomic conditions and to formulate policy recommendations on the MPR, the applicable rates on the SDF and SCF, as well as the MRR. These assessments took into consideration the impact of both domestic and global developments on the country's economic performance. As part of this process, the Section conducted an assessment of banking sector interest rates, and the transmission of monetary policy in the domestic market. The findings were submitted to the Board for consideration as part of deliberations on the monetary policy stance for the fourth quarter of the year. Whilst the MPR remained unchanged at 1.75%, the Board approved a reduction in the MRR on applicable rupee-denominated deposit liabilities, which became effective during the period. The aim was to allow for a liquidity buffer and provide the scope for increased credit to support economic activity.

In 2025, the staff of PRS participated in economic awareness programmes, including collaborative presentations with other Divisions on the role of CBS in the economy, which were delivered to secondary schools. In addition, the Section maintained regular engagements with stakeholders across different sectors of the economy to remain informed on recent developments and better understand expectations regarding the economic outlook.

6.1.3 Statistics Section

The Statistics Section remained committed to enhancing the accessibility of timely, reliable and comprehensive statistics to support the formulation of sound macroeconomic policies and the efficient functioning of financial markets. In this regard, staff continued to compile and disseminate financial and economic statistics in accordance with the relevant IMF guidelines and Special Data Dissemination Standards (SDDS). Data compilation was supported by surveys conducted by the Section, alongside statistics published by other agencies, including the NBS and the Ministry responsible for Finance. In

addition, the Statistics Section worked closely with staff from PRS to develop the Financial Indicators Expectations Survey for Firms, which was launched in March. This survey complemented similar exercises undertaken for households and the banking sector, thus enhancing the coverage and relevance of key economic indicators used by CBS in its analyses.

6.1.3.1 Monetary and Financial Statistics

During the year, staff continued to compile monetary statistics in accordance with the Monetary and Financial Statistics Manual and Compilation Guide (MFSMCG) 2016. Although the banking sector remained the primary contributor of these statistics, efforts are underway to extend the coverage to other financial institutions, namely the insurance companies and pension fund. In that context, from September 29 to October 10, 2025, the Statistics Section received technical assistance from the IMF Statistics Department, to initiate the necessary groundwork in preparation for the launching of the exercise, through the FSA, in the first quarter of 2026.

6.1.3.2 External Sector Statistics

The Statistics Team continued to maintain strong engagement with various stakeholders to enhance data quality and strengthen existing collaborations. To this end, the team actively participated in sectoral meetings and carried out regular quarterly and annual external sector surveys with private companies, ministries and government agencies. These efforts were essential for the collection of key data required for the compilation of BOP statistics and International Investment Positions (IIP), as required under SDDS.

6.1.4 CCBG Macroeconomic Subcommittee

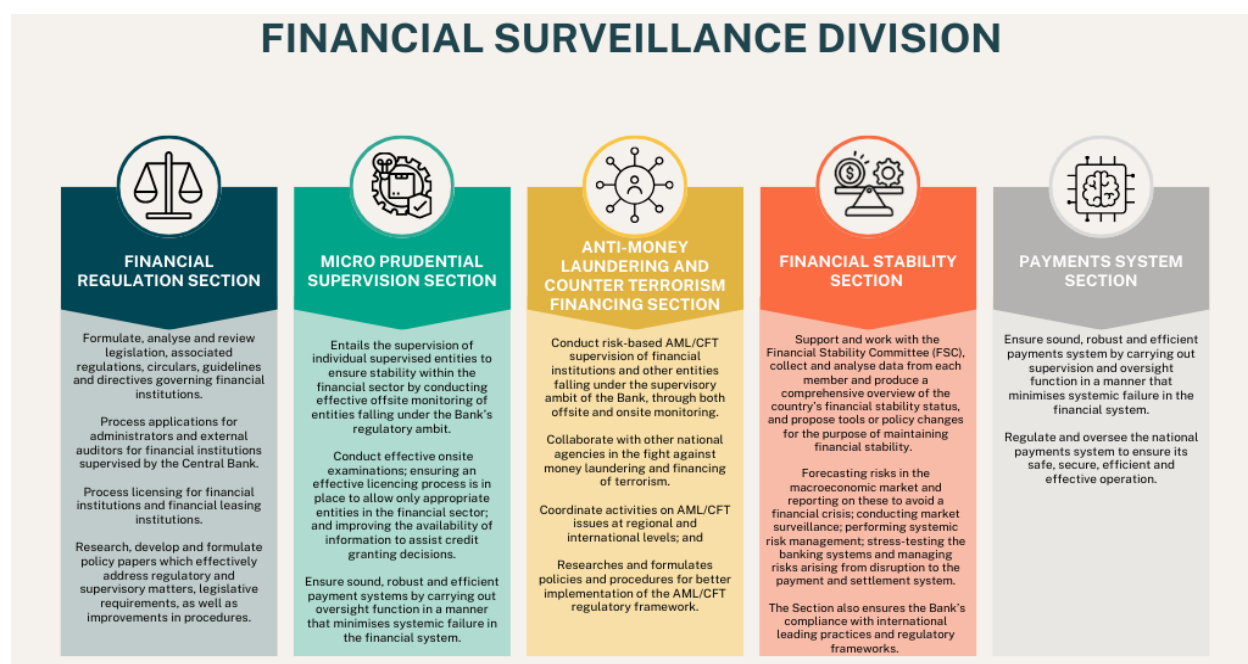
As part of its duties, the Division represents the Bank on the SADC CCBG Macroeconomic Subcommittee (MES). As is customary, two meetings were held in 2025, during which several documents and research papers were considered. One of the key items discussed was the setbacks faced by member countries in relation to meeting the convergence criteria, partly in view of the increasingly challenging global economic environment. In this regard, the Subcommittee's research work during the year primarily focused on geopolitical issues, particularly the implications of the change in US foreign policy, as well as the potential impact that ongoing conflicts may have on the SADC region. Another important area of discussion was the development of a climate change research and training programme, which is being spearheaded by the South African Reserve Bank (SARB). The MES meeting, held in July in Zambia, was followed by a dedicated session on climate change research organised by the SARB, during which authors of various climate change-related papers were invited to present their work. The MES research agenda is expected to advance further in the coming years, with several research papers on pertinent topics already underway.

6.2 Financial Surveillance Division

The Financial Surveillance Division (FSD) is mandated to promote the safety, soundness and stability of the Seychelles financial system through the effective regulation, supervision and oversight of commercial banks, bureaux de change (BDCs), credit unions, financial leasing institutions, non-bank credit granting institutions, payment services providers and financial market infrastructures. The Division plays a critical role in safeguarding financial stability and supporting the orderly development of the financial sector in line with the Bank's statutory mandate and strategic priorities.

FSD is comprised of five distinct sections, as outlined below.

Chart 6.1: Structure of FSD



Source: Central Bank of Seychelles

6.2.1 Financial Regulation Section

6.2.1.1 Licensing

Throughout 2025, no new banking, BDC, or financial leasing licences were granted, resulting in no changes to the number of licensed institutions. As such, the total number of Class A and Class B BDCs remained steady at 14 and 7, respectively. Similarly, the count of commercial banks remained unchanged at 7, and the number of financial leasing institutions stayed at 1. To note that, the leasing institution licensed in 2024 initiated operations in June, becoming the first entity to be licensed and operational under the Financial Leasing Act, 2013.

6.2.1.2 Developments in the Supervisory Framework

The Bank continued to strengthen and modernise its supervisory frameworks in 2025, reinforcing its mandate to safeguard financial stability and promote a resilient and well-regulated financial system. Building on reforms initiated in previous years, the Bank advanced key legislative, regulatory and policy initiatives aligned with international standards, best practices and evolving developments within the domestic financial sector.

Key developments during the year included:

- **Non-Bank Credit Granting Institutions Framework**

Significant progress was achieved in 2025 in advancing the Non-Bank Credit Granting Institutions Framework. The draft Bill was finalised in close coordination with AGO, including the conduct of stakeholder consultations to ensure broad industry engagement and alignment with market realities. The Bill was subsequently presented to the Scrutiny of Bills Committee before being tabled at the National Assembly, where it was approved on June 17. The legislation has since been gazetted but had not yet come into force as at year end, as the Bank was working on finalising and issuing the accompanying secondary legislation required to operationalise the framework and give the law its full effect. Completion of this work is anticipated in 2026.

- **Climate Change and Sustainable Finance**

The Bank made significant progress in advancing its climate change and sustainable finance agenda, reinforcing its commitment to integrating climate-related financial risks into its supervisory framework. Key milestones included the development of a draft Climate-related Financial Risks Supervision Strategy, which sets out the Bank's supervisory approach to identifying, assessing, and monitoring climate-related financial risks across the financial sector. In December, the Bank issued the Guidelines on Effective Risk Management of Climate-related Financial Risks and the Guidelines on Climate-related Financial Risks Disclosure. These Guidelines establish supervisory expectations for regulated institutions¹² in relation to governance, strategy, risk management and transparent disclosure of climate-related financial risks, aligned with international standards and best practices. To support effective implementation and ongoing supervision, the Bank also introduced offsite reporting templates for the collection and analysis of climate risk exposure data. Collectively, these initiatives represent a key step in embedding climate-related financial risk considerations into prudential supervision and enhancing the resilience of the financial system to climate-related risks.

¹² Commercial banks, non-bank credit granting institutions and credit unions.

- **Financial Institutions (Foreign Currency Exposure) Regulations**

The draft Financial Institutions (Foreign Currency Exposure) (Amendment) Regulations were finalised, following coordination with the AGO. This process included the conduct of stakeholder consultations to ensure that the proposed amendments were well understood, proportionate and reflective of industry feedback, while remaining aligned with prudential objectives and international standards. The amended Regulations to strengthen the supervisory framework for managing foreign currency risks within the banking sector were issued on November 21. The revisions are expected to enhance regulatory clarity, improve risk sensitivity and support more effective monitoring of foreign currency exposures, thereby contributing to the overall resilience and stability of the financial system.

In addition to these initiatives, the Bank continued to advance its broader regulatory reform agenda through ongoing work on amendments to the Financial Institutions Act, 2004, the Foreign Exchange Act, 2009 and the Credit Union Act, 2009. Parallel efforts were also undertaken to modernise and introduce key secondary legislation, including the Financial Institutions (Credit Classification and Provisioning) Regulations. Additionally, work is ongoing to develop the Credit Union (Fit and Proper) Rules, and Credit Union (Licensing) Rules. The Bank also made further progress, in collaboration with AGO, on the draft Bill pertaining to the Bank Resolution Framework to strengthen crisis management and enhance financial system resilience. These reforms are intended to strengthen prudential supervision, enhance risk management practices and ensure continued alignment with international standards, best practices and local market developments.

6.2.2 AML/CFT Section

In accordance with its statutory mandate, the Bank is responsible for safeguarding the integrity of the domestic financial system by ensuring that regulated entities adhere to the AML/CFT Act 2020, as amended, and its supporting legislative instruments. During the review period, the Bank continued to strengthen its AML/CFT supervisory framework across its three core supervisory pillars, namely:

1. policy development;
2. onsite supervision; and
3. offsite surveillance.

At the policy level, the Bank, in collaboration with the Financial Intelligence Unit (FIU) and FSA – in their respective capacities as the AML/CFT supervisors – signed a joint AML/CFT Enforcement Policy. The policy is intended to reinforce the overall AML/CFT supervisory framework and promote consistent and effective compliance across regulated entities. It is underpinned by a set of guiding principles that ensure enforcement actions are applied in a fair, proportionate, and consistent manner, while providing a structured approach to supervisory enforcement by the three authorities. In addition, the Bank issued three Directives

to its regulated entities to clarify supervisory expectations, particularly in relation to the Customer Due Diligence and Periodic Review requirements.

The Bank intensified its onsite supervisory activities during 2025. In collaboration with FIU and FSA, a joint thematic inspection, focusing on Beneficial Ownership (BO) information, was conducted across four commercial banks. These inspections assessed compliance with legal and regulatory obligations related to the identification, verification and ongoing maintenance of BO information. The exercise reached its final stages during the last quarter of the year, with supervisory letters issued to the institutions concerned. In parallel, the Bank undertook a targeted examination of a non-bank credit granting institution and initiated a full-scope onsite examination of a commercial bank during the last quarter, with both earmarked for completion in 2026. Offsite surveillance across the regulated institutions continued throughout 2025 to support ongoing risk monitoring.

Beyond institution-level supervision, the Bank remained actively engaged in national AML/CFT policy initiatives through its membership of the National AML/CFT Committee and Technical AML/CFT Committee, contributing to the continued strengthening of the Seychelles' AML/CFT framework.

6.2.2.1 Awareness

Efforts to raise awareness were intensified during the second quarter of 2025 through increased interactive engagements with Compliance Officers of regulated entities, conducted at both sectoral and institutional levels. These engagements focused on reinforcing supervisory expectations while providing a structured platform for open and constructive dialogue. Compliance Officers were afforded the opportunity to raise practical challenges and concerns encountered in the execution of their responsibilities, thereby promoting greater understanding, consistency and effectiveness in AML/CFT compliance across the regulated sector.

6.2.2.2 Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG)

During the period under review, Seychelles remained actively engaged with ESAAMLG, including through the submission of re-rating requests, the preparation and submission of follow-up reports on technical compliance. These engagements formed part of the Seychelles authorities' continued efforts to strengthen the national AML/CFT framework, following the findings of the 2018 Mutual Evaluation.

In recognition of the progress achieved in addressing technical deficiencies, Seychelles secured upgrades to its technical compliance ratings, for several Financial Action Task Force Recommendations in August. Specifically, the ratings for Recommendations 8, 15 and 33 were improved, while the ratings for Recommendations 6 and 7 remained unchanged, as follows:

- Recommendation 6: Targeted Financial Sanctions related to Terrorism and Terrorism Financing – Rating maintained as ‘Partially Compliant’.
- Recommendation 7: Targeted Financial Sanctions related to Proliferation Financing – Rating maintained as ‘Partially Compliant’.
- Recommendation 8: Non-Profit Organisations – Upgraded from ‘Non-Compliant’ to ‘Largely Compliant’.
- Recommendation 15: New technologies – Upgraded from ‘Non-Compliant’ to ‘Partially Compliant’, with a further re-rating request submitted to ESAAMLG for additional consideration.
- Recommendation 33: Statistics – Upgraded from ‘Partially Compliant’ to ‘Compliant’.

Seychelles reaffirmed its commitment to prioritising the resolution of outstanding technical deficiencies while remaining actively engaged with ESAAMLG mechanisms to support AML/CFT effectiveness.

6.2.3 Micro Prudential Supervision Section

6.2.3.1 Offsite Surveillance

In 2025, the Bank continued to strengthen its offsite supervisory function to ensure that regulated entities remained compliant with applicable legislative and prudential requirements. This involved analysis of periodic prudential returns submitted by supervised entities, with data and supervisory information systemically compiled and assessed into structured supervisory reports. These reports were subsequently shared with both internal and external stakeholders, supporting informed oversight and decision-making.

The banking sector remained compliant with prudential requirements during the year under review. Asset quality showed signs of improvement; however, the sector continued to face challenges related to legacy problem loans that were yet to be fully resolved. As a result, the level of Non-Performing Loans (NPLs) remained elevated between end-2024 to end-2025. In response, the Bank maintained close supervisory oversight through enhanced offsite monitoring and regular engagement with commercial banks, ensuring proactive management of emerging risks.

Significant progress was achieved in strengthening the Bank’s risk-based supervisory framework for the banking sector. With technical assistance from the IMF, 2025 marked a key milestone with the operationalisation of the supervisory risk-rating model. This development enables the Bank to assess and assign risk ratings to individual commercial banks, directly informing institution-specific supervisory action plans. These ratings guide both offsite monitoring and onsite supervisory activities, facilitating a more forward-looking and proportionate supervisory approach. Offsite monitoring reports serve as a crucial input into this process, enhancing the Bank’s ability to identify emerging risks and prioritise supervisory interventions effectively.

Capacity building initiatives were a central focus throughout 2025, particularly in the area of cybersecurity and climate-related risks. These efforts aimed to strengthen the analytical capabilities and support the integration of emerging risk considerations into supervisory activities. Additionally, with support from the IMF, the Bank made significant strides in upgrading to the 2019 IMF Financial Soundness Indicators methodology through targeted training and technical assistance, further enhancing its analytical and supervisory frameworks.

6.2.3.2 Onsite Surveillance

Throughout 2025, the Bank advanced its risk-based supervisory approach, with a strategic focus on thematic examinations, follow-up on previously identified weaknesses and the continuous strengthening of the supervisory process. Supervisory activities were strategically calibrated to maximise their impact, considering sectoral risk assessments and the available supervisory resources. In this context, Table 6.1 summarises the Bank's onsite examinations for the year under review.

Table 6.1: Onsite Examinations

Examination Type	Scope	Details	Status
Horizontal – banking sector	Capital Adequacy Ratio Reporting	Focused on the accuracy of reporting in accordance with the Financial Institutions (Capital Adequacy) Regulations 2010, as amended.	Completed
Horizontal – banking sector	Internal Audit	Assessed the effectiveness of the internal audit functions of the banking sector.	Completed
Limited	Credit Concentration Risk	Targeted large exposure management, underwriting practices and board oversight arrangements.	Completed

Source: Central Bank of Seychelles

These reviews revealed common gaps in regulatory reporting controls, internal audit governance, and oversight practices. The insights gained provided valuable guidance for setting supervisory priorities and shaping future supervisory actions.

A significant portion of the year was dedicated to follow-up and monitoring of remedial actions arising from prior onsite examinations. The Bank conducted onsite and desk-based verification and validation exercises to assess the adequacy of corrective measures reported by supervised institutions, thereby reinforcing accountability and supporting the effective remediation of identified weaknesses.

Furthermore, the Bank focused on enhancing its internal supervisory processes. This involved developing a centralised remedial action tracking tool and refining follow-up procedures to enable more consistent, results-oriented monitoring of supervisory issues. These initiatives form part of the Bank's broader efforts to strengthen the effectiveness and efficiency of onsite supervision, and to support the ongoing implementation of a risk-based supervisory framework.

6.2.4 Financial Stability Section

Financial stability risks remained elevated in 2025 amid heightened global economic uncertainties, reflecting slower growth prospects, changing inflation trends, ongoing trade-related conflicts and persistent geopolitical tensions. Moreover, emerging risks, including increased volatility in global commodity prices linked to geopolitical developments, an increase in cyber incidents as well as climate-related risks associated with the increasing frequency and severity of climate-induced events, have further amplified vulnerabilities of financial stability.

Notwithstanding downside risks to global economic growth, domestic economic activity remained resilient during the year, helping to mitigate the impact of external shocks. Growth was primarily driven by improved performance in the tourism sector, supported by increased visitor arrivals and enhanced air connectivity. Domestic price developments reflected a moderation in average prices of goods and services during the year, largely driven by lower international fuel prices and reduced freight costs.

6.2.4.1 Enhancing the Seychelles Financial Stability Framework

As part of ongoing efforts to strengthen the country's financial stability framework, the Bank initiated several key projects in 2025 aimed at enhancing systemic risk monitoring and management, advancing macroprudential analysis and reinforcing its financial safety net and crisis preparedness.

6.2.4.2 Stress Testing Framework

Work to enhance the stress testing framework focused primarily on the development of a more robust liquidity stress test model, incorporating a cash flow-based analysis by maturity bucket and a predefined set of liquidity parameters. With technical assistance from the IMF, the Bank conducted a liquidity stress testing exercise covering both domestic currency and main foreign currency positions, using banking sector data for 2024. This exercise supported a more comprehensive assessment of liquidity pressures within the banking sector, particularly under short-term stress scenarios. While domestic currency liquidity positions remained generally sound, foreign currency liquidity positions exhibited greater variability, with some commercial banks warranting closer monitoring during periods of stress. These results highlighted the need for continued supervisory focus and efforts to reinforce liquidity buffers where appropriate.

6.2.4.3 Climate Risk Analysis Framework

The Bank developed and adopted a banking sector climate risk analysis framework, and a summary was published on its website in September. Using the analytical tools underpinning the framework, preliminary climate risk outputs were generated, including hazard assessments and exposure profiling, climate diagnosis and vulnerability assessments, which provided early insights into potential climate-related risks to the banking sector.

To support the initial physical risk assessment, the Bank consolidated preliminary banking sector exposure data for two key climate-sensitive sectors. The next phase will involve expanding engagement with national stakeholders and relevant authorities to obtain additional country-specific data, thereby enabling more accurate calibration of the framework. In parallel, climate-related elements will be progressively incorporated into the solvency stress testing framework as part of the ongoing development of macroprudential analysis.

6.2.4.4 Development of a Risk Assessment Matrix

In line with the workplan of the Financial Stability Committee (FSC), the Bank undertook key analytical work aimed at enhancing the assessment and monitoring of systemic risks within the banking sector. During the period under review, progress was made in developing the Risk Assessment Matrix (RAM), with initial emphasis placed on credit risk indicators, including the NPLs ratio and the segmentation of household and corporate loans.

The RAM was further enhanced through the incorporation of additional financial stability indicators capturing liquidity and solvency risks. These enhancements were supported by the development of a structured database, which expanded the scope and depth of available indicators, and established a foundation for the modelling of vulnerabilities within the financial stability framework. Selected indicators within the RAM are analysed on a quarterly basis to support evidence-based risk assessments and are presented to the FSC to inform its discussions and decisions.

6.2.4.1.1 Emergency Liquidity Assistance (ELA) Framework

During the year, work was initiated by the Bank, with technical assistance from the IMF, on the development and operationalisation of the Emergency Liquidity Assistance (ELA) Framework to align with amendments effected to the CBS Act, 2024. The new ELA framework is expected to strengthen the Bank's financial safety net and enhance its preparedness to respond to liquidity stress and crisis situations. Tailored to Seychelles' legal and operational context, the ELA Framework aims to preserve financial stability, minimise moral hazard associated with ELA interventions and safeguard the core mandates of the Bank, including price stability, financial soundness and institutional independence.

6.2.5 Payments System Section

In 2025, the Bank continued to strengthen the regulatory and oversight framework for the national payment system, building on the foundational reforms initiated in the preceding year. Notable progress was made in operationalising the Payments System Section, including the further development and refinement of internal manuals, procedures and supervisory tools to support consistent, effective, and risk-based oversight of payment services providers and payment, clearing, and settlement systems.

6.2.5.1 Licensing and Authorisation

As at the end of 2025, the number of licensed payment service providers offering electronic money services increased to four, following the Bank's licensing of a new entity in May, which subsequently commenced operations in November. With respect to operators of payment, clearing, or settlement systems, the number remained unchanged at two privately owned systems.

6.2.5.2 Legislative and Policy Framework

On the regulatory front, the Bank worked closely with the AGO to finalise the review and amendment to the National Payment System (Licensing and Authorisation) Regulations, 2014, following the completion of stakeholder consultations. The amended Regulations were subsequently gazetted in December and are intended to address identified regulatory gaps, strengthen legal clarity, and ensure closer alignment with international standards and best practices. Implementation efforts will continue into 2026, including the development of supporting guidelines, supervisory tools, and operational frameworks to promote effective, consistent, and risk-based oversight of payment systems.

In parallel, the Bank progressed with the work on the establishment of a Regulatory Sandbox Framework, supported by the drafting of enabling Regulations and Standard Operating Procedures. The associated policy paper is expected to be submitted to the Bank's Board of Directors for consideration and endorsement in 2026. Once implemented, the framework will provide a structured and controlled environment for the testing of innovative financial products, services, and business models under the Bank's supervisory oversight, while safeguarding financial stability and consumer interests. Work on finalising and operationalising the Regulatory Sandbox Framework will continue in 2026.

6.2.5.3 Oversight and Supervision

Engagements with the two private operators of payment, clearing, and settlement systems were further intensified, enabling the Bank to deepen its understanding of their operational, governance, and risk management frameworks. These interactions informed the development and refinement of their respective risk profiles, thereby strengthening the Bank's risk-based approach to oversight and supporting more

targeted and effective supervisory planning. In parallel, risk profiles for the Bank-owned and operated systems were also developed based on structured engagements with the relevant internal functions, ensuring a comprehensive and consistent assessment across all systems under the Bank's oversight.

6.2.6 SADC CCBG Subcommittees

6.2.6.1 Banking Supervision and Financial Stability Subcommittee

The Banking Supervision and Financial Stability (BSFS) Subcommittee met in Angola in February and in Botswana in July, to review progress under Strategic Focus Area 3 of the CCBG 2024–2026 Strategy and to initiate discussions on priorities for the forthcoming 2027–2030 Strategy. The Subcommittee noted progress in the development of resolution and crisis management frameworks, including cross-border coordination arrangements, crisis simulation exercises and the convergence of deposit insurance arrangements, as well as proposals to establish a regional Crisis Management Group or Resolution College.

Discussions also covered developments in digital financial services and cybersecurity, with emphasis on coordinated regional implementation to support financial inclusion, innovation, and financial system resilience. Progress was further recorded in the development of a regional supervisory framework for climate-related financial and environmental risks. In addition, the Bank conducted an inaugural survey on the status of SupTech and RegTech initiatives within the SADC region, the results of which were presented at the Subcommittee's meeting held in July. The findings highlighted the increasing adoption of SupTech and RegTech solutions across the region, notwithstanding resource and capacity constraints, along with the differences in implementation stages among member institutions.

6.2.6.2 Payment System Oversight Committee and Payment System Subcommittee

In 2025, the Bank played a proactive role in advancing regional payment system integration and oversight by hosting and participating in key meetings of PSS and PSOC held in July and November. The July sessions, hosted in Seychelles, focused on strengthening the region's payment infrastructure, enhancing oversight frameworks, and promoting initiatives to improve the efficiency, safety, and inclusiveness of cross-border payments within the SADC region. Discussions covered the performance and governance of the SADC Real Time Gross Settlement (RTGS) system, interoperability, resilience, and adherence to international standards such as the CPSS-IOSCO Principles for Financial Market Infrastructures (PFMIs). The meetings also facilitated peer exchange on digitalisation, innovation, and emerging risks linked to technological advancements.

The November 2025 meetings in Lilongwe, Malawi, was hosted by the Reserve Bank of Malawi, focused on the proposed reform of the Transfers Cleared on an Immediate Basis (TCIB) platform, supported by the

World Bank and IMF. Key deliberations addressed governance arrangements, phased implementation strategies, and the importance of country readiness assessments to accommodate varying national capacities. Participants also discussed upgrades to the SADC-RTGS system, future multi-currency settlement capabilities, and strengthening governance and operational roles within regional payment structures. Additionally, progress on strategic priorities such as AML/CFT, interoperability, and system participation were reviewed.

Overall, the 2025 PSS and PSOC meetings significantly enhanced regional cooperation, fostered strategic dialogue on the future of SADC payment systems, and reinforced the importance of robust governance, oversight, and risk management frameworks. These engagements supported the Bank's ongoing efforts to align national oversight with regional objectives and best international practices, contributing to meaningful reforms and deeper integration of payment systems across the region.

6.3 Financial Markets Division

The Financial Markets Division (FMD) is entrusted with three core mandates within the Bank. These include management of the country's international reserves, execution of the Bank's monetary policy, and administration of the government securities market. To ensure operational efficiency, these responsibilities are carried out through three separate offices, namely the front, middle and back offices. In accordance with international standards and best governance practices, the functions of each office are clearly segregated and enforced through internal controls and systems.

The Market Operations (MO) Section performs the functions of the front office and is responsible for the day-to-day management of the international reserves, in adherence to the Bank's Investment Policy and Guidelines. In addition, the front office is responsible for implementing monetary policy through the conduct of Open Market Operations (OMO) and the use of other monetary policy instruments, as directed by the Monetary Policy Framework (MPF) of the Bank. Additionally, the Section undertakes activities related to the issuance and administration of government securities, thereby ensuring the execution of the Bank's role as agent to the government.

The Financial and Risk Analysis (FRA) Section carries out the role of the middle office, with the responsibility of assessing strategies and financial risks associated with activities under the Division's mandate. The middle office reports on performance and risk to the Investment Committee (IC) and the Monetary Policy Technical Committee (MPTC), as well as other relevant governance functions to support decision-making. The FRA also monitors compliance of the front and back offices with the benchmarks established in policies and guidelines. This compliance role positions the middle office as a safeguard between the front and back offices, thereby mitigating operational risks.

Back-office operations are carried out by the Settlement and Accounting (SA) Section, which plays a critical role in ensuring that all transactions executed by the front office are finalised accurately and promptly. In addition, the SA Section is responsible for the comprehensive recording and accounting of the portfolios and financial instruments in international reserves management and monetary policy implementation.

6.3.1 Open Market Operations

In 2025, the Bank consistently maintained an accommodative monetary policy stance. The implementation strategy focused on aligning the interest rate on the 7-day DAA with the MPR, through optimal absorption of excess liquidity from the banking system. To operationalise the accommodative policy stance, the Bank made use of the DAA as the main instrument for OMO. Operations were carried out via weekly offerings of the 7-day DAA, complemented by 1-month and 2-month DAA on a fortnightly basis to optimise liquidity management operations. In addition to the scheduled operations, the Bank conducted a 5-day DAA as a NSO in January to address short-term liquidity imbalances at the start of the year.

Consistent with the implementation strategy of optimal absorption of excess liquidity, a higher volume of OMO was recorded for the year. The amount of DAA offered increased from R46,684 million to R78,392 million or by 68 per cent, year-on-year. Given this higher volume, the overall stock of outstanding DAA rose from R1,533 million in 2024 to R2,687 million at the end of 2025. The interest cost of OMO grew by 76 per cent to reach R65 million compared to R37 million in the previous year.

Table 6.2: Deposit Auction Arrangements in 2025

	(R million)	
	Amount	Interest Paid
Q1	15,839	11.85
Q2	17,223	14.47
Q3	20,161	16.14
Q4	25,169	23.02
Total	78,392	65.48

Source: Central Bank of Seychelles

6.3.2 Standing Facilities

A decline in the total number of SDF placements was observed, from 1,164 in 2024 to 620 in the year under review. In value terms, SDF placements decreased from R102,155 million in 2024 to R54,196 million in 2025. Correspondingly, there was a year-on-year reduction of 61 per cent in the interest cost of the SDF, which amounted to R0.4 million. The lower volume of SDF placements resulted from the higher volume of DAA issuance during the year. Regarding the SCF, no requests were received.

Table 6.3: Standing Facility Placements in 2025

	(R million)	
	Amount	Interest Paid
Q1	13,023	0.09
Q2	12,533	0.09
Q3	13,582	0.09
Q4	15,058	0.10
Total	54,196	0.37

Source: Central Bank of Seychelles

6.3.3 Management of Government Securities

As agent to the government, the Bank, through FMD, continued to undertake the issuance and management of securities, including those guaranteed by government. During the year under review, government issued Treasury bills weekly and Treasury bonds quarterly, both for fiscal purposes. The Treasury bills issuance calendar was received and published on the Bank's website on a monthly basis, with indicative offer amounts based on the financing requirements of the government.

6.3.3.1 Treasury Bills

Total issuances amounted to R1,160 million in 2025, which was a decrease of 33 per cent from R1,739 million in 2024. Correspondingly, a reduction of 17 per cent was observed in the stock of Treasury bills, amounting to R908 million at the end of 2025.

6.3.3.2 Treasury and Government-Guaranteed Bonds

In 2025, government issued a total of four Treasury bonds for fiscal purposes. All issuances were conducted through auctions comprising of both competitive and non-competitive bids. Competitive bidding was restricted to depository institutions, insurance companies and the Seychelles Pension Fund (SPF), while non-competitive bidding was open to all other eligible investors. In contrast to 2024, when Treasury bonds of 3-year, 5-year and 7-year maturities were offered, only 7-year bonds were issued in 2025. The

coupon rates on 7-year Treasury bonds issued during the year under review ranged between 4.60% and 5.60%. In total, Treasury bond issuances amounted to R515 million in 2025, a decline of R103 million or 17 per cent, from R619 million issued in 2024. There were no issuances of government-guaranteed bonds during the review period.

There was a noticeable oversubscription for the two Treasury bonds issued in the first half of the year. The total value of bids received amounted to R433 million against the total offered amount of R200 million. In contrast, there was a decline in the level of participation and amount invested during the second half of the year, whereby the total value of bids received amounted to R295 million compared to the total offered amount of R350 million.

Table 6.4: Issuances of Government and Government-guaranteed Bonds

Quarter	Bond	Issuance Amount (R million)	Indicative Offered Amount (R million)
Q1	5.60% 7Yr Treasury Bond	115.66	100
	Total	115.66	100
Q2	4.60% 7Yr Treasury Bond	117.15	100
	Total	117.15	100
Q3	4.60% 7Yr Treasury Bond	121.35	150
	Total	121.35	150
Q4	4.75% 7Yr Treasury Bond	161.2	200
	Total	161.2	200

Figures do not necessarily add up due to rounding off conventions

Source: Central Bank of Seychelles

During the year under review, there were seven bonds that matured, and their total value amounted to R1,191 million. These included two bonds issued in 2020, being a PMC bond of R12 million, and a 5-year Treasury bond for fiscal purposes worth R500 million. Additional bond maturities included a 4-year Treasury bond issued in 2021 worth R280 million, and four 3-year Treasury bonds issued for fiscal purposes in 2022, totalling R399 million.

The higher maturities compared to new issuances caused a decline in the stock of outstanding bonds. At the end of 2025, the stock of outstanding Treasury bonds issued for fiscal purposes stood at R4,875 million, a 12 per cent decline from R5,539 million in 2024. The stock of outstanding government-guaranteed bonds

also decreased, this was by 5.0 per cent, from R280 million in 2024 to R267 million in 2025. To note, there were no new issuances of government-guaranteed bonds during the year under review. As for Treasury bonds issued for monetary policy purposes, there was also no new issuance during 2025 and the outstanding stock Treasury bonds remained unchanged at R200 million.

6.3.3.3 Central Bank's Holdings of Government Securities

In line with the MOU between the Bank and the Ministry responsible for Finance, the Bank continued to hold Treasury bills throughout 2025, referred to as the marketable securities. These marketable securities were rolled over in their respective tenors upon maturity and there was no change in the stock at the end of the year. Therefore, the stock remained at R1,185 million, of which R747 million was in the 182-day tenor and the remaining R438 million in the 365-day tenor. For 2025, a total of R39 million was generated as interest income on these marketable securities, an increase of 11 per cent from 2024.

The Bank also held other government securities purchased during the period of force majeure under its buyback facility. These declined to R1.1 million in 2025 from R4.6 million in 2024, due to maturities, which was a decrease of 76 per cent. Notably, for the year under review, the portfolio comprised only Treasury bonds, following the maturity of all government-guaranteed bonds purchased under the facility.

6.3.4 Management of External Reserves

In accordance with the CBS Act, 2004, as amended, the Bank is responsible for holding and managing the country's international reserves. Maintaining an adequate level of reserves is critical to the achievement of key macroeconomic objectives. For Seychelles, these objectives include supporting domestic monetary and foreign exchange policies, meeting external debt obligations, and enabling operational fiscal payments in foreign currencies. Furthermore, a strong reserve position also provides a vital buffer against balance of payments shocks during periods of economic instability, natural disasters, or other emergencies.

To guide the management of international reserves, the Bank follows an Investment Policy approved by its Board, which clearly sets out the investment objectives and risk limits. These objectives are prioritised in order of importance. The first is capital preservation, which focuses on safeguarding the value of the reserves. The second is liquidity, ensuring that the reserves are invested in instruments that can be quickly accessed to meet the country's needs. The third objective is return generation, which allows for strategies that enhance the value of the reserves without compromising safety and accessibility.

The year under review was marked by an array of geopolitical and economic uncertainties. Following the outcome of the US elections, the new administration announced multiple cross-border policies, including trade tariffs, which led to disruptions in global trade flows. Moreover, the Russia–Ukraine conflict remained unresolved. At the same time, tensions rose in the Middle East between Israel and Palestine, and South Asia witnessed a flare-up between India and Pakistan, which ended with a US-brokered ceasefire. These

developments led to volatility across global markets, prompting participants to seek high quality assets such as US Treasuries and gold.

While facing global uncertainties, major economies continued normalising monetary policies in 2025, supported by lower inflationary pressures relative to the post-pandemic period. However, central banks such as the US Federal Reserve Bank (US Fed) adopted a cautious stance towards its policy direction. The US Fed delivered its first interest rate cut in September and two subsequent reductions thereafter. By the end of the year, the US Fed Funds Rate stood between the 3.50% - 3.75% range. The European Central Bank (ECB) initiated its first interest rate cut in January despite ongoing trade and geopolitical uncertainties. Following three further interest rate cuts during the year, the ECB's deposit facility, main refinancing, and marginal lending rates were 2.00%, 2.15%, and 2.40%, respectively, at year-end. Similarly, the Bank of England (BoE) also cited reduced inflation risks and delivered four interest rate reductions during the year, bringing the official Bank rate to 3.75% at the end of the period.

Amid these global developments, the Bank continued to pursue investment strategies to support the growth of the international reserves. Although declining interest rates posed challenges for money market investments, fixed-term deposits generated a return of US\$20 million for 2025, a moderate decrease from US\$21 million recorded from the previous year. Conversely, US Treasuries, which typically benefit from declining interest rates due to the inverse relationship between bond prices and yields, delivered a positive return of US\$4.2 million, an increase of 4.9 per cent year-on-year.

The Bank continued its engagement with external managers of international reserves, all of whom delivered positive year-on-year returns. All three externally managed portfolios recorded a growth in the Net Asset Values (NAV), whereby the Union Bank of Switzerland (UBS) money market fund recorded a 4.4 per cent increase, while the Reserves Management Advisory Partnership (RAMP) portfolio improved by 5.1 per cent and the Crown Agents Investment Management (CAIM) portfolio grew by 6.5 per cent.

At the end-2025, GIR reached US\$878 million, a year-on-year growth of 13 per cent. The increase in the reserves position was primarily supported by foreign exchange purchases from the domestic market, through FEA, totalling US\$122 million. Other contributors included US\$48 million in the form of loans and grants received from international partners, of which US\$25 million was from AfDB and US\$17 million from IBRD for budget support. As for projects, the country received US\$5.4 million from various partners. In addition, US\$14 million was disbursed by IMF under the EFF and RSF programmes. The NIR, which is a quantitative performance criterion under the IMF programme, ended the year at US\$728 million, exceeding the end of year target of US\$671 million.

As highlighted above, to support the growth in international reserves, the Bank conducted FEA throughout the year to purchase surplus foreign exchange from the domestic market. In the months of January, February and early March, auctions were conducted only in EUR. However, as of mid-March, the

intervention currency shifted to USD, reflecting the larger supply of the currency at commercial banks. For 2025, a total of EUR7.0 million and US\$114 million were purchased through FEAs.

Table 6.5: Foreign Exchange Auctions

	EUR millions	Average Exchange Rate	Equivalent in R millions
Jan-25	2.0	15.3525	30.7
Feb 25	4.5	15.4733	69.6
Mar-25	0.5	15.7700	7.9
Total	7.0	15.4600	108.2
	USD millions	Average Exchange Rate	Equivalent in R millions
Mar-25	12.0	14.8634	178.4
Apr-25	28.6	14.7204	420.3
May-25	21.7	14.7716	320.9
Jun-25	15.9	14.7830	235.4
Jul-25	8.3	14.7613	122.5
Aug-25	5.3	14.8970	79.0
Sep-25	5.5	15.0231	82.6
Oct-25	2.5	15.0000	37.5
Nov-25	8.8	15.0614	132.5
Dec-25	5.7	15.0679	85.9
Total	114.3	14.8293	1,695.0

Figures do not necessarily add up due to rounding off conventions

Source: Central Bank of Seychelles

6.3.5 CCBG Financial Markets Subcommittee

The CCBG Financial Markets Subcommittee (FMS) met twice during the year. The meetings were held in Nosy Be, Madagascar in February and in Lilongwe, Malawi in July. The Subcommittee reviewed progress

made on the strategic initiatives set by the CCBG. These initiatives were approved by the CCBG under the Strategic Focus Area (SFA) 4, which promotes the development, deepening and harmonisation of the financial markets within SADC.

The work undertaken in line with SFA 4 included a principle-based ESG framework structured around two pillars to guide member countries in greening their financial sectors. The first pillar focused on the integration of ESG principles into central banks' investment portfolios, while the second pillar addressed the adaptation of central bank operations and broader market development efforts.

Other initiatives included research on access to liquidity within the region and implications of Central Bank Digital Currencies (CBDC) on monetary policy implementation. Moreover, the Subcommittee explored other research on the implications of advancements in Fintech for financial markets, in collaboration with relevant CCBG subcommittees and considered improvements to data accessibility for financial market participants.

6.4 Banking Services Division

The Banking Services Division (BSD) is responsible for the management of banking services and operations, activities relating to currency and numismatics, as well as financial reporting. The Division is structured into four Sections: Foreign Banking Operations (FBO), Domestic Banking Operations (DBO), Financial Reporting (FR) and Currency and Numismatics (CN).

The FBO and DBO Sections serve as banker to customers and manage customers' accounts held with the Bank. Additionally, they manage the Bank's internal accounts and related accounting processes. The DBO Section also operates the domestic payment platforms. The FR Section is responsible for coordinating the Bank's annual budgeting exercise, monitoring its financial performance against budget, and preparing the Financial Statements.

6.4.1 Foreign Banking Operations Section

The FBO Section has responsibility for the administration of foreign currency-denominated accounts maintained with the Bank on behalf of the government, commercial banks and other financial institutions. It is also responsible for the accounting of all foreign currency-related transactions, including those affecting customer accounts as well as transactions arising from the Bank's administrative and operational activities. While the country's international reserves are managed by FMD, the FBO Section administers the IMF accounts relating to purchases and repurchases under the country's borrowing arrangements with the Fund, and any other transactions between the two parties.

6.4.1.1 Correspondent Banking Relationship

The Bank continued to maintain effective working relationships with its correspondent banks, namely the US Fed, BoE, Banque de France (BdF), JP Morgan Chase, Crown Agents Bank (CAB) and SARB through the SADC RTGS. In line with ongoing initiatives to strengthen operational efficiency, the FBO Section explored the use of the bulk payment facilities offered by CAB to support more seamless and efficient execution of cross-border payments.

To maintain service efficiency, the Section continued to leverage available avenues for processing cross-border payments in the recipients' local currencies. The FBO section continued to maintain strong collaboration with the Compliance Unit of the Bank to ensure conformity with international standards and best practices, particularly in relation to transaction transparency and AML/CFT requirements.

6.4.1.2 SWIFT ISO 2022 Migration Project

The FBO Section, along with other Divisions and Units such as the Technical Services Division (TSD), supported the Bank's successful go-live of its ISO 2022-enabled Core Banking System in May, ahead of the Society for Worldwide Interbank Financial Telecommunication (SWIFT) ISO 2022 deadline of November 2025. Moreover, the Section actively engaged with its correspondent banks to test relevant MX messages formatting for Cross-Border Payments and Reporting Plus (CBPR+) transactions to meet the SWIFT November deadline for the upgraded version of the ISO 2022 messaging requirements under SWIFT Standards Release 2025.

The Section also implemented the upgrade of the SADC RTGS system version 5, incorporating the High Value Payment System (HVPS+) and CBPR+ ISO 2022 message standards. The project was completed in November. Consequent to the adoption of ISO 2022, the Bank successfully decommissioned the use of the SWIFT message converter, Inflow Translation service in December.

With the ongoing implementation of the RTGS and Central Securities Depository (CSD) systems project in 2025, the Bank maintained its engagement with the project's vendor to ensure the seamless integration of the ISO 2022 requirements within the systems' development process.

6.4.1.3 SADC RTGS System – Integrated Regional Electronic Settlement System

The Bank sustained its participation in the SADC RTGS system, which facilitates the settlement of cross-border payments denominated in South African Rand (ZAR) within the SADC region in 2025. For the year, the highest quarterly value of settled transactions was recorded in the first quarter, amounting to ZAR6.3 million, which denoted an increase of 12 per cent compared to the fourth quarter of 2024 when the highest total value was registered for that year.

The lowest total value of settled transactions was recorded in the fourth quarter of 2025, amounting to ZAR4.6 million. This was an increase of 20 per cent compared to the lowest total value of ZAR3.8 million recorded in the second quarter of 2024.

A general increase of 11 per cent was observed in the total number of transactions, as well as an expansion of 14 per cent in the total value of transactions settled in 2025 compared to 2024. This was mainly attributable to higher volumes and value of ZAR-denominated government payments processed.

Table 6.6: Total number and value of settled SADC RTGS transactions (2024 – 2025)

Month	Total number of settled transactions		Total value of settled transactions (ZAR '000)	
	2024	2025	2024	2025
January	44	47	1,936	1,996
February	43	51	1,365	3,487
March	33	34	1,847	787
April	49	52	2,214	2,614
May	36	56	1,181	1,688
June	44	37	398	542
July	61	62	2,124	1,953
August	44	46	1,482	2,268
September	45	47	540	1,293
October	53	48	2,681	1,989
November	43	59	896	945
December	34	46	2,013	1,631
Total	529	585	18,677	21,193

Source: Central Bank of Seychelles

6.4.1.4 SWIFT Relationship Management (RMA) Portal, Transaction Screening Service, Payment Confirmation and Payments Security Control

In 2025, the Bank continued to strengthen its SWIFT infrastructure and related control systems to align with the ISO 20022 messaging standards. The RMA Portal remained a key tool for managing business relationships with correspondent banks and SADC RTGS participants. During the year, the FBO Section supported several RMA authorisation requests to facilitate the testing, deployment and exchange of ISO 20022 messages with the Bank.

The SWIFT Transaction Screening Service remained as a control measure to ensure compliance with AML/CFT requirements. The application is a SWIFT-hosted service that incorporates a web-based screening application with automatic list updates, an alert management service, and an API¹³ integration capability, which enables the screening of transactions against listings and exception records. In 2025, this service supported the ISO 20022 messages, allowing transactions transmitted in this format to be screened effectively.

¹³ Application Programming Interface is a programmatic way to access functions and data of other apps.

The Bank also maintained its use of the SWIFT Basic Tracker Tool, which supported ISO 20022 messages. The tool continued to provide end-to-end visibility on payment statuses, enabling the Bank to monitor, track, and promptly confirm payment transfers. In addition, the EastNets PaymentGuard solution was maintained as a tool to manage fraud risks and cybersecurity threats by providing an additional layer of security to monitor users' activities and payment flows on the SWIFT platform. In 2025, this tool also achieved ISO 20022 compliance, enabling robust ISO 20022 message screening and mitigating the risk of fraudulent activity.

6.4.2 Domestic Banking Operations

Local currency-denominated accounts held on behalf of government, commercial banks, and other financial institutions, as well as those of the Bank's administrative and operational activities, fall within the purview of the DBO Section. The Section maintains records of local currency transactions, manages account-related queries and monitors the government's general account balance to support assessment of liquidity needs. The latter informs consideration of whether temporary advances to government are warranted, when the need arises, following the applicable assessment and set approval processes, in line with the CBS Act 2004, as amended. Additionally, the DBO Section provides back-office settlement and accounting facilities to FMD in the issuance of government securities.

With effect from September 01, the Section's role was separated from its former dual function as both system operator and participant, following the establishment of the Financial Systems Operations Unit (FSOU), which is a dedicated Unit that assumed responsibility for operating the payment systems, including Electronic Cheque Clearing (ECC) and Seychelles Electronic Funds Transfer (SEFT). As a result, the DBO Section became a participant across the various payment system infrastructures.

Notwithstanding this development and given that recruitment for the newly established Unit took place during the latter half of the year, the DBO Section continued to provide operational support to the system operator during this critical transition period. This support was necessary to ensure the continuity, stability, and smooth functioning of the domestic payment systems until FSOU is fully resourced and able to assume its responsibilities independently.

In view of the Section's multiple responsibilities within the payment system environment, it continued to receive valuable support from TSD, which provided technical assistance to participants, including project-based initiatives, system development, the implementation of new systems and management of in-house portals, such as the SEFT and SWIFT portals. These are used by some government ministries, departments and agencies to upload payment files for processing.

During the year, the DBO Section, in collaboration with the FSOU, participated in testing the integration of the RTGS system that was in its project implementation phase with the Bank's Core Banking system. This initiative was aimed at facilitating DBO's smooth transition as a participant in the RTGS system, once the

system goes live. The integration of the RTGS system with the Bank's Core Banking System is expected to enhance transactions' straight-through processing, improve operational efficiency, and strengthen the overall settlement framework.

6.4.2.1. Changes to Participants in SEFT and ECC Systems

In accordance with the rules governing the ECC and SEFT systems, the Bank is responsible for the registration and delisting of participants. The DBO Section assumed this responsibility up to the third quarter of 2025, during which time the list of participants in both the SEFT and ECC systems remained unchanged. With effect from Q4, this responsibility was assumed by FSOU.

6.4.3 Financial Reporting Section

The FR Section is responsible for the preparation of management accounts and Financial Statements, which include the statement of financial position published on a monthly and annual basis, respectively, in the Official Gazette and on the CBS website. As part of its financial reporting role, the section is represented on numerous internal working groups, through which it provides relevant contributions to ensure that appropriate financial reporting considerations are reflected in decision-making.

Furthermore, the Section has a central role in coordinating the preparation of the Bank's annual budget for Board approval, by consolidating the input from all Divisions and Units. The Section subsequently monitors and analyses both recurrent and capital budget performance. In addition, it compiles the weekly, monthly and quarterly income and expenditure reports, which are disseminated to Senior Management and the Board.

Moreover, the FR Section is responsible for assessing the impact of adopting new financial reporting standards on the Bank's operations and reporting requirements, noting that the preparation of the Bank's Annual Financial Statements is IFRS-compliant and in accordance with the CBS Act, 2004, as amended.

6.4.3.1 Financial Statements

The Bank's Financial Statements are audited by the Office of the Auditor General (OAG), with the assistance of the Bank's independent external auditor, Grant Thornton from Abu Dhabi. The Financial Statements for the year ended December 31, 2025 as audited, were signed on March 30, 2026 by OAG.

6.4.3.2 Advisory Services for Accounting and Financial Reporting

Following an extension of contract in July 2024, Ernst and Young (Mauritius) continued to provide the Bank with advisory services for Accounting and Financial Reporting in accordance with IFRS.

6.4.3.3 Actuarial Services for Annual Actuarial Valuation

During the year, the Bank extended its contract with Independent Actuaries and Consultants (IAC) for a further three-year period (continuous service) to ensure the continued provision of actuarial services for Annual Actuarial Valuation in accordance with IAS19 – Employee Benefits.

6.4.4 Currency and Numismatics Section

The Currency and Numismatics Section is responsible for issuing and managing the local currency. It also manages the issuance and sale of numismatic items, which include commemorative gold and silver coins and coin packs.

6.4.4.1 Management of Local Currency

As mandated by the CBS Act, 2004, as amended, the Bank continued to supply local currency banknotes and coins to the domestic economy through the banking system and withdrew those that were soiled or unfit for circulation. Such activities supported the objective of maintaining a high quality of currency in circulation.

6.4.4.2 Issuance of Banknotes

During 2025, the Bank issued approximately 2.1 million pieces of fresh banknotes into circulation, amounting to around R406 million. In value terms, this represented an increase of 35 per cent compared to the amount issued in 2024, which was approximately R300 million, despite a decrease of 13 per cent in volume issued when compared to 2024, which was approximately 2.4 million pieces issued. The table below provides the breakdown in terms of new banknotes issuance per denomination for both 2024 and 2025.

Table 6.7: New banknotes issued into circulation in 2024 and 2025

Denomination	Number of	Value in	Number of	Value in	percentage change (%) in value
	Pieces ('000) issued in 2024	R million 2024	Pieces ('000) issued in 2025	R million 2025	
R500	320	160	584	292	83
R100	949	95	896	90	-5.3
R50	651	33	317	16	-52
R25	493	12	301	7.5	-33
Total	2,413	300	2,098	406	35

Source: Central Bank of Seychelles

In October 2022, the Bank’s banknote printer, De La Rue, advised of the discontinuation of the Optiks security thread by its manufacturer, Portals Ltd. As the Optiks thread featured prominently on both the obverse and reverse of the R500 banknote, this development meant that the existing version of the R500 could no longer be printed.

Throughout 2023 and 2024, the Bank worked closely with De La Rue on the development of an updated version of the R500 banknote. It was agreed that the updated banknote would co-circulate alongside the existing 2016 series R500 banknote. To minimise public confusion and maintain confidence in banknote authentication, the general appearance and design of the banknote were intentionally retained, with changes limited primarily to security features.

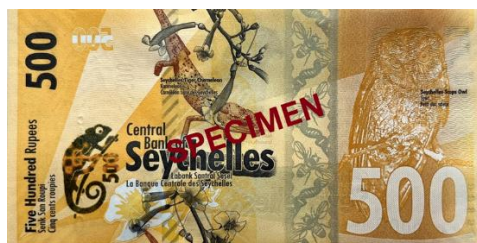
In May 2024, the revised banknote design was approved, which was followed by the planned production stages. In early 2025, key stakeholders, including commercial banks and cash-handling service providers, were apprised of the project. Subsequently, in October, commercial banks, ATM service providers, and other relevant suppliers commenced the process of cash handling machine calibration, and during the same month, the public was informed of the planned introduction of the updated R500 banknote and its co-circulation alongside the existing version.

In November, the technical specifications of the updated banknote were published in the Official Gazette and targeted training programmes for key cash handlers commenced to support effective authentication of the new banknote. The updated R500 banknote was officially issued into circulation in December and was made available in a number of ATMs for dispensing, while the ATMs’ depositing functionality was expected to be made available in the first quarter of 2026.

As part of the financial education and public awareness component of the project, a video highlighting the changes and new security features of the updated R500 banknote was produced and aired in addition to large format posters illustrating the new security features, which were aimed at supporting public awareness and education.

The updated R500 banknote retains the overall design and visual identity of the 2016 family of banknotes while incorporating enhanced security features. On the obverse, the former Optiks thread has been replaced with a holographic foil stripe, which produces dynamic visual effects when tilted and depicts a hawksbill turtle. An embedded Ignite security thread has also been introduced, displaying a colour-changing effect from red to green and featuring both a hawksbill turtle and the “500” denomination. On the reverse, a visible metallic litho-fluorescent feature depicting the Seychelles vinegar fly has been incorporated, replacing the former Optiks thread and further strengthening protection against counterfeiting. Figure 1 below shows the obverse side of the updated R500 banknote, and Figure 2 shows the reverse side.

Figure 1 shows the obverse side of the updated R500 banknote Figure 2 shows the reverse side of the updated R500 banknote



Source: Central Bank of Seychelles

6.4.4.3 Destruction of Soiled and Mutilated Banknotes

As part of its ongoing commitment to maintaining high-quality currency in circulation, soiled and mutilated banknotes are routinely withdrawn from circulation and set aside for destruction. In 2025, however, this exercise was suspended until further notice due to operational and occupational health considerations affecting the CBS building. As such, the suspension of the destruction of soiled and mutilated banknotes remains in effect until a suitable alternative work environment is established.

6.4.4.4 Numismatic Items

During the year under review, the Bank's suspension of over-the-counter sales of fresh uncirculated banknotes and coins remained in force. Nonetheless, other collectible items, including commemorative coins, coin packs from the previous series, and the currency booklet, remained available for public sale until December 18, 2025, when sales were suspended following the closure of the Bank's Banking Hall. Customers wishing to purchase these items were subsequently directed to the Seychelles Postal Services.

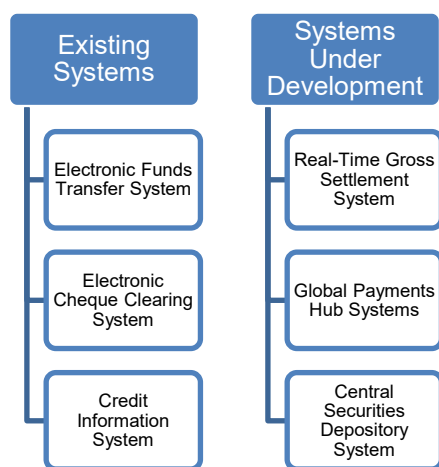
The Bank maintained its collaboration with Münzhandelsgesellschaft mbH & Co. KG Deutsche Münze (MDM) for the production and sale of commemorative coins issued by the Bank on the international markets, and from which it receives royalty payments from the sales proceeds. In 2025, the Bank issued a new commemorative coin under MDM's premium silver coin series to commemorate the 225th anniversary of the invention of the battery, first developed by Italian scientist Alessandro Volta in December 1799, as illustrated below. As a result of this collaboration, the Bank earned royalty payments amounting to R31,647, derived from sales of both the new issuance and coins released in previous years which were still being sold internationally at the end of 2025.

6.5 Financial Systems Operations Unit (FSOU)

The FSOU was established in September as a new unit within the Bank. The Unit's responsibility is to ensure the operational integrity of the Bank's financial systems by monitoring and assessing their efficiency, security, and compliance with established standards and applicable regulatory frameworks. These functions were previously carried out by BSD.

FSOU is organised into two core sections, namely the Operations Section and the Policy Section, to ensure both effective day-to-day functioning and a strong governance framework for the systems under its responsibility. The Operations Section undertakes the daily monitoring and administration of the Bank's financial systems and infrastructures, including the provision of operational support and assistance to participating institutions. The Policy Section is responsible for developing, reviewing, and updating the rules, requirements, and operational arrangements governing these systems, ensuring that they remain effective, robust, and aligned with evolving operational needs and applicable standards.

Chart 6.2: Financial Market Infrastructure and Credit Information System



Source: Central Bank of Seychelles

Chart 6.2 outlines the systems currently owned and operated by CBS as well as those under development. The former relates to existing payment systems namely the SEFT, ECC and the Seychelles Credit Information System (SCIS). As for systems under development, the CSD, will support the administration and safekeeping of government and government-guaranteed securities on behalf of the government of Seychelles, and facilitate CBS monetary policy operations, while the RTGS will enable the real-time settlement of payments on a transaction-by-transaction basis across settlement accounts held at the CBS. In addition, the Global Payments Hub (GPH) will function as a Straight-Through Processing (STP)

middleware solution, enabling the automated, secure and efficient processing of payment transactions between participant institutions' CORE Banking systems and the RTGS system.

6.5.1 SEFT and ECC system updates

6.5.1.1 Changes to Participants in SEFT and ECC Systems

In accordance with the rules governing the ECC and SEFT systems, the FSOU assumes the responsibility for registering or delisting participants as required. In 2025, the list of participants remained unchanged. In addition, system upgrades were implemented during the fourth quarter to strengthen performance and resilience, as outlined below.

- Upgrade of the ECC database and application hardware
- Upgrade of the SEFT archive server and database
- Upgrade of the SEFT database and application hardware was undertaken during a planned downtime window, with the work completed within the scheduled maintenance period.

The upgrades were undertaken to align the systems with the Bank's modernised infrastructure and ensure their capacity to support increasing payment volumes with improved performance and reliability. The existing hardware, last significantly upgraded in 2018, no longer met up-to-date technological standards and had begun to exhibit performance and capacity limitations. Continued reliance on the previous environment was therefore unsustainable, making the transition both necessary and time critical. Accordingly, CBS prioritised the upgrades to maintain operational efficiency, strengthen connectivity and monitoring capabilities, and enhance overall system security.

The new infrastructure is expected to deliver operational benefits as well as improve systems performance, simplify system management, reduce maintenance efforts, and strengthen security and compliance, resulting in a more reliable and streamlined IT environment.

6.5.2 Reinstatement of Cheques

Towards the end of 2025, the government decided to reinstate local currency cheques as a payment instrument. As a result, the planned sunsetting of cheques was discontinued with immediate effect. Accordingly, cheques for non-individuals (businesses) continued to be issued and accepted without interruption. In addition, cheques for individuals, which had previously been phased out, will be reinstated in the first quarter of 2026. The ECC system remained fully operational and capable of supporting the reinstatement of local currency cheques for both individuals and non-individuals.

Notwithstanding this decision, businesses and entities that had already transitioned to digital payment methods were not required to revert to cheque usage. The continued use and adoption of digital payment

solutions remained strongly encouraged, in line with the broader objective of promoting efficiency, resilience, and innovation within the national payment system.

6.5.3 ECC and SEFT Statistics

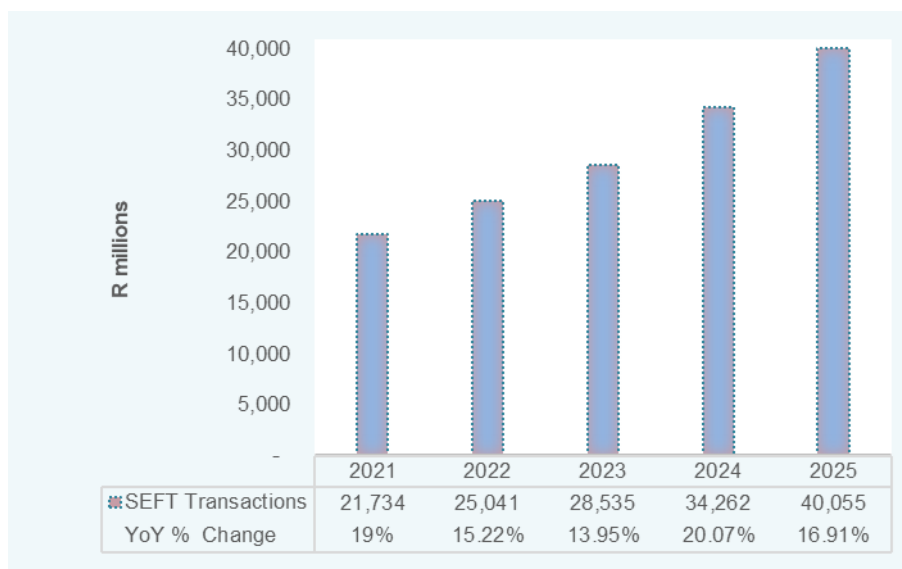
During the year under review, the volume of SEFT transactions increased by 9.0 per cent compared to the preceding year. In contrast, the volume of ECC transactions declined by 18 per cent during the same period. This reduction was driven by the previous phase-out of individual cheques, which took effect in April. In addition, there was a slight increase in the public’s use of the online banking platforms during the year.

Table 6.8 Total volume of SEFT and ECC transactions (2021 - 2025)

	Total volume of transactions ('000)				
	2021	2022	2023	2024	2025
SEFT Transactions Volume	1,149	1,438	1,564	1,826	1,991
ECC Transactions Volume	620	606	623	608	499

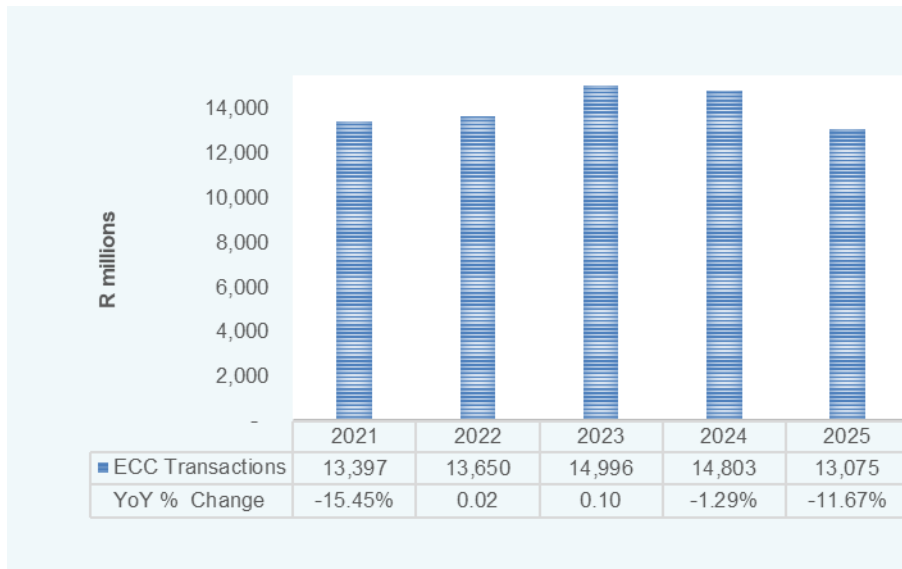
Source: Central Bank of Seychelles

Chart 6.3: Total value of SEFT transactions (2021 - 2025)



Source: Central Bank of Seychelles

Chart 6.4: Total value of ECC transactions (2021 – 2025)



Source: Central Bank of Seychelles

In value terms, SEFT transactions totalled R40,055 million during the year under review, an increase of 17 per cent compared to 2024. Conversely, the value of ECC transactions declined from R14,803 million, to R13,075 million, a decrease of 12 per cent, reflecting the aforementioned phasing-out of individual cheques in Q2 2025.-

6.6 Financial Inclusion and Market Conduct Division

The Financial Inclusion and Market Conduct Division (FIMCD) is responsible for formulating and implementing strategies that promote financial inclusion, consumer empowerment and support the modernisation of financial services, including the national payment system. The Division also oversees the market conduct of financial institutions, ensuring compliance with the Financial Consumer Protection Act (FCPA). In addition, it undertakes the development and administration of legislative frameworks relating to credit reporting. The Division is divided into two sections, namely Financial Inclusion Section, and Market Conduct Section.

6.6.1 Financial Inclusion Section

The Financial Inclusion Section is tasked with designing and implementing strategies aimed at advancing financial inclusion. This encompasses supporting the development of the financial sector to improve access, usage, and quality of financial products and services within the domestic market. Additionally, the Section is responsible for managing the SCIS and acts as the secretariat for financial education initiatives.

6.6.1.1 National Payment System Modernisation Plan and the Seychelles Fintech Strategy

Aligned with the objectives of the Digital Economy Agenda, the Bank has continued to implement initiatives under the National Payment System (NPS) Modernisation Plan and the Seychelles Fintech Strategy, as outlined below:

- **Fees on digital payments:** Customers continued to incur no costs for transactions processed through the SEFT system. This includes payments made via internet banking platforms and mobile banking applications.
- **Sun-setting of cheques:** In December, the government resolved to reinstate local currency cheques as a recognised payment instrument, thereby discontinuing the sun-setting of cheques. Cheques for non-individual (corporate) customers will continue to be issued and accepted. In respect of individual cheques, which had been phased out on May 01, commercial banks and the Seychelles Credit Union will resume issuing and accepting these cheques from March 01, 2026.

6.6.1.2 National Financial Education Strategy

In collaboration with key stakeholders, such as the National Financial Education Steering Committee and the SBA, the Bank developed the annual Financial Education Plan to address emerging and evolving issues. The Plan was developed in alignment with national efforts to modernise the payment system and advance the digital economy. It also reflects the introduction of new consumer protection regulations, the credit reporting framework, and strengthening public understanding of their financial rights and responsibilities.

The Plan also considered the ongoing economic uncertainty arising from global geopolitical tensions and Seychelles' exposure to external shocks, alongside rapid digital advancements, and increased use of digital financial services, which heighten consumers' exposure to fraud, scams, and other digital risks. Collectively, these factors underscored the importance of improving financial literacy, with particular focus on digital financial literacy. The Financial Education Secretariat, in collaboration with its stakeholders, implemented financial education initiatives throughout the year as detailed below.

- **Global Money Week:** The initiative was led by UN Youth Seychelles, a non-governmental organisation promoting youth leadership. The adopted theme, *“Think before you follow, wise money tomorrow,”* underscored the need for young people to strengthen financial management skills, recognise behavioural influences, and critically assess information sources, particularly amid the growing prevalence of digital finance and AI-enabled services. Outreach sessions targeting tertiary students and professional centres, were complemented by social media campaigns focused on digital financial literacy, cybersecurity, and responsible financial decision-making.

- Youth for Youth – 2nd Cohort of Financial Education Ambassadors programme:**
 CBS launched the second edition of the Youth for Youth Financial Education Youth Ambassadors Programme. The programme aims to empower the youth and encourage peer-to-peer learning and advocacy on financial education. Selected candidates help strengthen financial literacy in their communities by leading innovative initiatives and peer-to-peer learning activities, supported by the National Financial Education Secretariat.
- International Fraud Awareness Week:** Under the theme *“Stop and Think! Protect Your Financial Information,”* the Central Bank participated in International Fraud Awareness Week, held from November 16 to 22. In collaboration with the SBA, the Bank conducted pop-up public awareness campaigns across Mahé.
- Ongoing public engagement and awareness:** The Central Bank conducted a series of financial education sessions targeting the general public, including youth, adults, MSMEs and the socially and financially vulnerable. These sessions covered topics such as financial management, consumer rights, fraud prevention, and the use of financial services. In addition, awareness materials were disseminated through multiple channels, including social media, television, the Central Bank’s official website, email communications, and printed messages displayed on SPTC buses.
- Digital Financial Literacy:** Emphasis was placed on fostering trust in Digital Financial Services (DFS) and promoting technological innovation, with the overarching objective of empowering consumers, including the vulnerable groups, given heightened exposure to digital crimes such as phishing, account compromise, and data breaches. In collaboration with the banking industry, the Bank organised targeted sessions for the elderly during the month of November to raise awareness on the range of digital financial services available in Seychelles and the benefits of using these services. In addition, CBS, in collaboration with SBA and the Seychelles Chamber of Commerce and Industry, organised a three-day awareness session for businesses in November to enhance their understanding of the wide range of digital financial products and services available in the market, while also incorporating key components of financial consumer protection and cybersecurity awareness.

6.6.1.3 Seychelles Credit Information System

SCIS remains a critical tool for assessing credit worthiness. Recognising its importance in the financial sector, the Bank continued to place emphasis on data quality, operational effectiveness, and compliance by participating institutions. As part of these efforts, training sessions covering the operations of SCIS as well as participants’ obligations under the Credit Reporting Act, 2023 (CRA) were delivered to all participants. In parallel, work advanced on the development of the supporting regulatory framework necessary for the effective implementation of the CRA. Furthermore, progress was made in developing the

Customer Credit Portal (CCP), aimed at strengthening consumer access to credit information within SCIS. Efforts focused on improving registration, governance, and identity verification processes to support transparency, data integrity, and effective implementation of the CRA.

6.6.2 Market Conduct Section

The principal mandate of the Market Conduct Section (MCS) is to safeguard the interests of financial consumers and to ensure that Financial Service Providers (FSPs) conduct their business in a fair and equitable manner. In pursuit of this objective, the Section has continued to strengthen and refine the legislative framework governing financial consumer protection. In addition, focused efforts were directed toward gaining a deeper understanding of the practical realities of consumers' interactions with FSPs.

6.6.2.1 Financial Consumer Protection Legislative Framework

The Financial Consumer Protection Act of 2022 (FCPA) is jointly administered by the Central Bank and the FSA, the two regulators overseeing the financial services sector. The Act aims to establish clear market standards, enhance disclosure and transparency, and prevent abusive practices by FSPs against financial consumers. A comprehensive financial consumer protection framework remains critical to safeguarding consumer interests, particularly amid ongoing innovation and technological developments within the financial sector.

In January, the Financial Consumer Protection (Complaint Handling) Regulations were gazetted and came into effect. The Regulations established a structured, two-tier complaint-handling mechanism. At the first level, they set out the procedures and requirements applicable to FSPs upon receipt of a complaint from a financial consumer. Where a consumer remains dissatisfied with the outcome of a complaint handled by an FSP, the framework provides for escalation to the second level, namely the submission of a complaint to the relevant Competent Authority. In this regard, the Regulations also prescribe the processes and obligations that Competent Authorities are required to observe when managing and resolving complaints.

The Regulations introduced a complaint-handling framework founded on the principles of accessibility, affordability, fairness, accountability, timeliness, and efficiency. These principles are aligned with international best practices, including those advocated by the Group of Twenty (G20) and OECD Task Force on Financial Consumer Protection, as well as the World Bank's Good Practices for Financial Consumer Protection.

6.6.2.2 Consumer Forum

The Consumer Forum serves as a fundamental platform through which the Bank collaborates with FSPs on matters of market conduct, financial consumer protection, and financial inclusion. Its overarching objective is to enable meaningful dialogue and cooperation on trends and challenges that influence the well-being of financial consumers.

To amplify consumer voices, the Bank convened a preliminary meeting in March with consumer-focused organisations to gain insights into the issues they encounter. Following this engagement, three representatives were appointed to participate in the Consumer Forum for the year:

- Agency for Social Protection
- Seychelles Chamber of Commerce and Industry
- Ministry for Investment, Entrepreneurship, and Industry

The Consumer Forum, held in April, provided an enriching space for constructive interaction among banks, the SBA, CBS, and the three consumer-oriented bodies. Discussions revolved around matters such as customer service standards, efficiency of business transactions, and delays in seed capital disbursement.

This collaborative approach underscored the Bank's commitment to inclusive engagement and proactive measures to safeguard consumer interests while promoting a fair and resilient financial ecosystem.

6.6.2.3 Spot Checks

The Bank conducted spot checks across local commercial banks to assess the products and services being offered to customers. The objective of this initiative was to identify and address any irregularities, improve service quality, and reinforce regulatory expectations across the financial sector. Spot checks were carried out monthly across commercial banks on Mahé, Praslin, and La Digue, enabling CBS to monitor compliance and service standards consistently across the three main islands.

In addition to the supervisory component, the exercise supported the Bank's efforts to better understand the financial inclusion and financial education challenges faced by the population. Quarterly engagement sessions were conducted with members of the general public, including merchants and vendors, through direct conversations aimed at identifying barriers and concerns affecting access to and use of financial services. The insights gathered are expected to guide policy decisions and actions, address industry concerns, and support the evaluation of ongoing initiatives undertaken to educate and empower the public.

6.6.2.4 The 24-hour customer hotline service

CBS continues to maintain a 24-hour customer hotline designed to deliver prompt assistance and support to the public. This facility serves as an essential communication channel, addressing a broad spectrum of queries and concerns from individuals seeking guidance, clarification, or assistance regarding FSPs and the services they deliver. The hotline has been instrumental in gathering valuable insights pertaining to recent developments within the market.

6.6.3 Membership to International Bodies

6.6.3.1 Membership under the Alliance for Financial Inclusion

In 2025, the Bank marked its 11th year as a principal member of the Alliance for Financial Inclusion (AFI). AFI is a member-owned organisation with the common objective of advancing financial inclusion within the network. The Bank has been an active member of AFI and has assumed leadership roles from both a technical and strategic perspective.

Ms Moyra Alexis, the Head of Financial Markets Division, completed her term as the Chairperson of AFI's Investment Committee which oversees the management of the AFI Endowment Fund.

In September, the Bank participated in the Global Policy Forum (GPF) held in Swakopmund, Namibia, under the theme "Empowering Society, Enabling Growth." Discussions at the forum emphasised that achieving transformative financial inclusion requires policies that extend beyond expanding access with greater emphasis placed on promoting empowerment.

6.6.3.2 SADC Financial Inclusion Subcommittee

The SADC Financial Inclusion Subcommittee coordinates the work on financial inclusion and builds synergies among structures that deal with the dossier across the region. During 2025, the areas of focus included financial inclusion data indicators, with contributions directed towards the development of the SADC data portal.

6.7 Technical Services Division

In 2025, TSD continued to play a central role in advancing the Bank's digital transformation initiative, ensuring that CBS remained agile, efficient, and future-ready. Throughout the year, the Division was instrumental in supporting the Bank's hybrid working model, an approach that enabled staff to operate effectively across multiple sites and work locations.

The hybrid working environment required strengthened oversight to maintain secure, stable connectivity and continuous threat monitoring, while coordinating with multiple suppliers responsible for supporting critical applications. TSD responded by strengthening oversight of network performance, enhancing security monitoring across all work environments, and ensuring resilient connectivity for staff wherever they were located. These efforts were crucial in sustaining operational continuity, safeguarding against emerging risks in hybrid work contexts, and enabling seamless collaboration across the Bank.

During the year, TSD staff continued to provide essential support to the Bank through the following key functions, completing a total of 1,811 service requests.:

- **Systems Support:** This role involved overseeing the configuration and deployment of hardware and software, ensuring reliable day-to-day operations, and maintaining robust IT security controls.
- **Network Support:** This function involved maintaining and optimising the Bank's network infrastructure while proactively protecting it against security threats and disruptions.
- **Desktop Support:** This role involved providing responsive technical assistance for end-user devices, peripherals, and software, promoting seamless usability and productivity.
- **Business Applications Support:** This function entailed sustaining the performance and availability of mission-critical applications, including payment systems applications.
- **Business Applications Development:** This role involved partnering with business stakeholders to analyse requirements, design, develop, and maintain tailored in-house software solutions aligned with operational needs and strategic priorities. Responsibilities also included supporting updates of the CBS website and public Application Programming Interfaces (API).
- **IT Governance:** This function involved establishing, monitoring, and maintaining structured governance policies and processes aligned with the COBIT 2019 framework and international ISO standards. This included the development and implementation of nine new policies to enhance oversight, efficiency, and control across all IT systems and assets.

In 2025, TSD participated in additional projects to further support the needs of the Bank, including:

- **Virtualisation of ECC and SEFT**

This project involved virtualising the ECC and SEFT applications, enhancing efficiency, scalability, and security through the transition from physical infrastructure to a virtual environment. This initiative improved resource utilisation, enabled flexible scaling, and strengthened security and disaster recovery capacity.

- **Supported the new CORE Banking Project**

TSD supported the implementation of the new CORE Banking project, which was essential as the legacy system had become increasingly unable to meet modern banking demands. The outdated infrastructure

was costly to maintain, inflexible, and slow to adapt to evolving customer expectations, regulatory requirements, and digitalisation challenges.

- **Supported the CSD and RTGS Ongoing Project**

A combined CSD and RTGS project was identified as crucial to modernising the country's financial market infrastructure and enhancing the safety, speed, and efficiency of payments and securities settlement.

- **Supported GPH Project Preliminary Activities**

The GPH solution is aimed at increasing throughput by maximising Straight-Through Processing (STP) capabilities. It is designed to be both vertically and horizontally scalable, enabling effective management of the expected increased load and user demands. The system will help manage liquidity and track positions in real time, while providing visibility of currency positions and controls over RTGS payment scheduling, routing, and re-routing. Overall, the solution will contribute to the CSD and RTGS systems project as part of Bank's modernisation plan.

- **Conduct Regular IT Database Switchover of Critical Systems**

The Division conducted regular switchover exercises, which helped build resilience and confidence amongst the IT teams and other internal and external stakeholders. This also ensured that the backup systems were reliable and capable of taking over seamlessly as and when needed.

6.8 Administration Division

To adapt to the evolving work environment, enhance operational efficiency and align with developments in the administrative field, a new structure for the Administration Division (AD) was approved by the Board in the fourth quarter of 2025. A key change under this restructuring pertained to the strategic repositioning of the project management function from AD to a stand-alone Unit under the Second Deputy Governor's Office. The new structure aims to address challenges with existing outsourcing arrangements, establish clear strategic succession pathways, and transform portfolio of duties to ensure greater coherence with industry norms.

Given persistent challenges with its main building, CBS conducted an assessment on the feasibility of continuing with the Cladding Project. Due to structural concerns, the use of the building was limited to specific functions, for which alternative arrangements were being explored, while for certain other functions, the work from home mode was activated. Consequently, the cladding project was cancelled, and the timeline for work to demolish and reconstruct the building was pushed forward.

A key activity carried out by AD during the year was setting up suitable alternate workspaces to meet the operational needs of CBS. In this regard, additional workspaces to facilitate the provision of certain public-

facing services were secured and became operational in the third quarter of 2025. To further enhance its capacity to deliver all its public-facing operations effectively, the Bank focused on identifying and securing additional locations in Victoria to facilitate access for the public, with operationalisation anticipated in the first quarter of 2026.

In relation to the Bel Eau Building project, the architectural plans were approved by the Seychelles Planning Authority (SPA) in April. The RFQ for the construction phase was initiated in August and concluded in December.

6.9 People Function Division

2025 marked an important period of organisational development for the Bank, with the restructuring of AD and the establishment of two new units, namely the FSOU, and the Project Management Unit. These changes were undertaken to strengthen operational effectiveness and enhance the Bank's capacity to deliver on its evolving mandate.

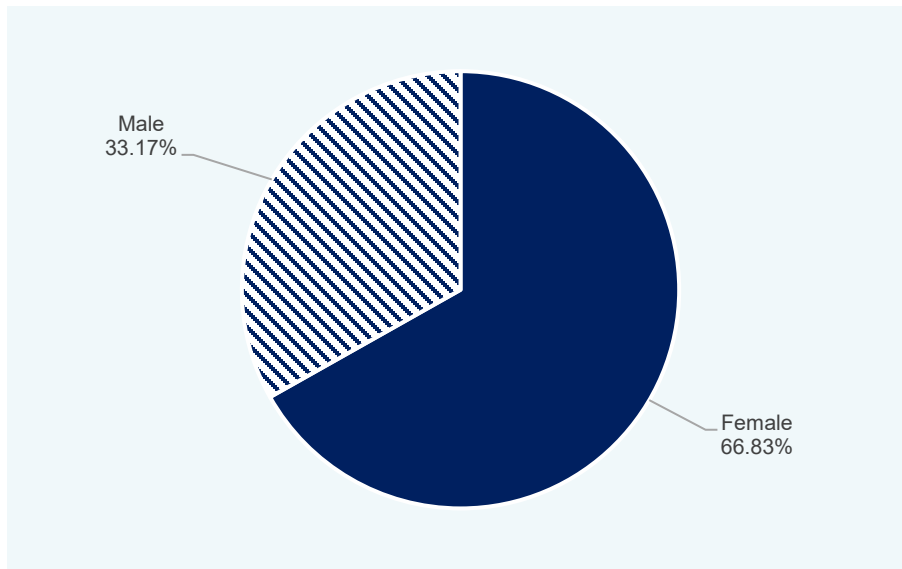
Recruitment activities remained steady throughout 2025 to support both operational requirements and organisational changes. A total of 24 positions were filled across several Divisions and Units, including FIMCD, FSD, FMD, BSD, RSD, TSD, AD and PFD, as well as LU and FSOU. Recruitment activity particularly intensified in the latter half of the year, with several specialist and support roles successfully filled.

Workforce movement in 2025 remained relatively low compared to the previous year. A total of nine employees exited the institution, resulting in an annual turnover rate of approximately 4.5 per cent based on the average monthly headcount. Turnover was highest in the second quarter and declined steadily thereafter, with minimal movement recorded toward the end of the year. This represented a significant improvement compared to 2024, when the Bank recorded a turnover rate of 9.5 per cent, reflecting stronger retention and improved workforce stability.

In addition to recruitment activities, PFD continued to support career awareness initiatives through participation in Careers Talks and outreach programmes. These engagements promoted awareness of career opportunities at the Bank, while also informing students about development pathways such as the Guy Morel Scholarship, which supports the cultivation of future talent aligned with the Bank's long-term human capital needs.

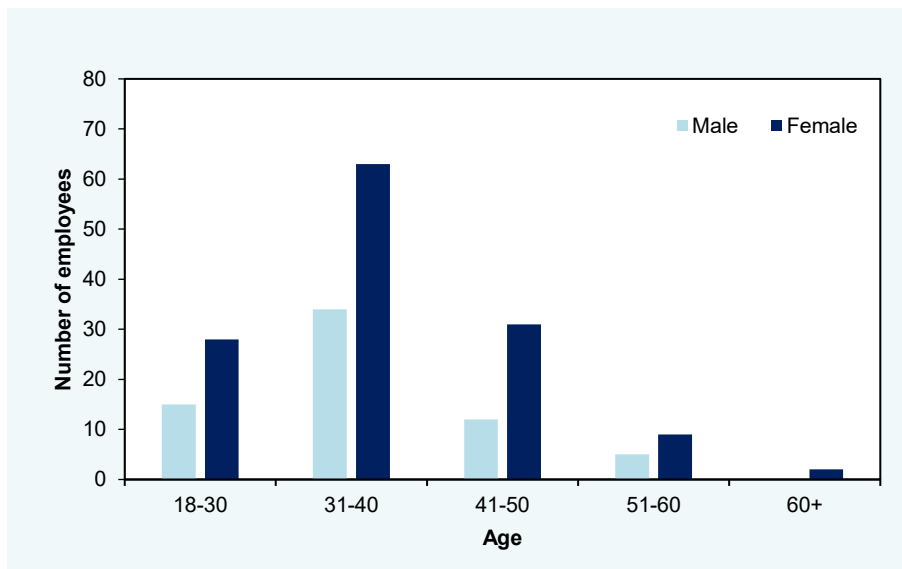
As at the end of the year, the total headcount stood at 199, with an average age of 37 years and an average length of service of 10 years, unchanged compared to 2024.

Chart 6.5: Composition of the workforce by gender



Source: Central Bank of Seychelles

Chart 6.6: Composition of the workforce by age



Source: Central Bank of Seychelles

In relation to employee recognition, 19 members of staff qualified for the Long Service Award, for their devotion where 10 to 20 consecutive years of service were acknowledged.

Table 6.9: Long Service Award Recipients

Years of Service	Number of Employees
20 years	1 employee
15 years	16 employees
10 years	2 employees

Source: Central Bank of Seychelles

Similar to previous years, the Bank maintained its commitment to implementing the training strategy through the approved training plan, which continued to incorporate a blend of virtual and in-person programmes. Employees participated in short online courses, workshops, seminars, meetings, conferences, and forums delivered by a range of service providers, including the SADC, the Regional Technical Assistance Centre for Southern Africa (AFRITAC South), and the ATI in collaboration with the IMF Institute for Capacity Development. Notably, there was an increase in the number of employees attending in-person training at ATI and AFRITAC South since January.

Additional training was provided by the IMF, the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), ESAAMLG, and through the RAMP with the World Bank. There was also an increase in workshops, training programmes, and conferences hosted at AFI, Marcus Evans, and the Federal Reserve Bank of New York.

Furthermore, the Bank's Leadership Development Programme was extended to a second cohort of the Fundamentals Leadership group. The programme targeted employees transitioning into team leader roles, with the aim of supporting talent development and strengthening the Bank's leadership pipeline.

During the year under review, one employee successfully completed the AFI Engage Programme, which is a specialised, one-year leadership and mentorship initiative designed for emerging policymakers within the AFI network. The programme covered areas of financial inclusion and sustainable development through leadership and collaborative learning across AFI's global network of policymakers, with the aim of promoting equitable access to financial services within their institutions and communities.

Moreover, through the Bank's Higher Education Scheme, five scholarships were awarded to employees to pursue their long-term studies. One employee qualified for an undergraduate degree, while four qualified for a postgraduate degree, including one recipient who did not previously hold an undergraduate qualification. In addition, two scholarships were awarded on a competitive basis for further studies in the field of Central Banking. The modes of study varied between distance learning and on-campus programmes.

During the year, eight staff members resumed duty following the successful completion of their long-term studies. Four employees were awarded their postgraduate degrees in the fields of:

- Central Banking
- Forensic Accounting
- International Public Relations with Global Communication Management
- Finance

In addition, two employees were awarded undergraduate degrees in Business and Management Studies with International Business (Second class honours, Division one) and Banking and Finance. Two employees were granted external scholarships under the Chevening Scholarship and Fulbright Programmes. One employee completed a postgraduate degree in Money, Banking and Central Banking in the UK, while the other completed a postgraduate degree in Finance in the United States.

Under the Guy Morel High Achievement Scholarship programme, one candidate was awarded a postgraduate scholarship to pursue on-campus studies in Sustainable Finance with Financial Technology. However, no applications were received for the undergraduate programme. As a result, the Bank intensified awareness efforts during the year in anticipation of increased applications for the 2026 edition, which was launched in October. Moreover, the postgraduate recipient of the 2024 edition graduated with a Distinction in Business Analytics.

6.10 Internal Audit Division (IAD)

IAD is mandated to provide independent assurance on the effectiveness of the Bank's governance, risk management and internal control processes. The Division functions in accordance with its Internal Audit Charter, as approved by the Audit and Risk Committee. It adopts a risk-based approach to auditing, which aligns with the Global Internal Audit Standards (GIAS) issued in January 2024 by the Institute of Internal Auditors (IIA), designed to guide worldwide professional internal auditing practices and to serve as a basis for evaluating and enhancing the quality of the internal audit function. As per Section 46 (2) of the CBS Act, the IAD reports functionally to ARC and administratively to the Governor.

In 2025, IAD reviewed and amended the Internal Audit Charter which sets out the mandate, oversight, roles, authority and responsibilities of the internal audit function. The Charter defines the purpose statement, scope and type of internal audit services required to ensure alignment with the International Professional Practices Framework (IPPF). In accordance with GIAS, IAD adopted the following purpose statement:

“Independently positioned, the Internal Audit serves as a trusted advisor and a reliable assurance provider for the Bank and its stakeholders, delivering high-quality audit service to improve, strengthen and safeguard the ability of the Bank to deliver effectively on its mandate, operational and strategic commitments, and objectives; by implementing an independent risk-oriented strategy, objective assurance, and advisory services coupled with hindsight, insight, and foresight comprehension to improve the Bank risk management, governance, and control practices.”

Furthermore, the Charter reinforced provisions to ensure that the independence of the internal audit function is documented and adhered to, safeguard and protect the objectivity of internal auditors, and set out the responsibilities of the Head of IAD and documented established reporting line for the internal audit function. The Charter was approved by ARC on November 28.

The 2025 Multi-Year Audit Plan featured 10 risk-based audits and 2 single-control audits, which were essentially semi-annual verification exercises to ensure the Vault balances and Chief Cashier’s hand balances were complete and had been properly recorded. IAD further reviewed the IT systems and followed up on the recommendations made on a quarterly basis to mitigate any vulnerability. Of those audits, IAD completed only 5 out of 10 risk-based audits, namely management process, planning and maintenance, foreign banking operations, operating systems, and NIR for the second half of 2024 and first half of 2025. Additionally, the team completed 3 audits that were started in 2024, namely talent retention, performance appraisal processes, and complaints handling. Furthermore, considering the remote working environment and the resource constraints, ARC approved for the deferment of 3 audits, namely IT physical security, network, and issuance, processing, destruction of bank notes and coins and counterfeit deterrence. The outstanding risk-based audits are expected to be completed during the first quarter of 2026. Moreover, the team also completed 3 single-control audits, namely a surprise cash count, cash count verification for end of December 2024 and end of June 2025.

As part of its advisory role, IAD also proactively provided advisory services to the project team for RTGS, CSD, SCIS, GPH and Core Banking. This included providing advice and information on internal controls, risk management, and sound business practices.

Moreover, IAD, through a Memorandum of Understanding (MOU) with the Central Bank of Eswatini (CBE), participated in monthly virtual sessions aimed at facilitating knowledge sharing and mutual learning between the internal audit functions of the two institutions. These sessions focused on professional collaboration and staff mentoring. A peer review aimed at assessing the Bank’s compliance with the GIAS is scheduled for the first half of 2026. The peer review will take the form of an External Quality Assessment, as mandated by the standards.

The Division presented outstanding recommendations to Senior Management and reported updates on agreed management actions to ARC on a quarterly basis. This approach strengthened the auditees' commitments to implement recommendations and establish controls to mitigate risks. To this end, the implementation rate for recommended actions has improved. Moreover, in an effort to continue demystifying audit perceptions, IAD spearheaded awareness sessions to mark International Audit Awareness month. In addition, IAD issued its second newsletter, which provided insight into the work of the Division.

6.11 Governance

6.11.1 Strategic Plan

The CBS Strategic Plan 2024–2028, launched on December 01, 2023, provides the institutional roadmap through 28 strategic initiatives structured under three themes: Monetary Stability, Financial Stability, and Strengthening Internal Capacity. The Plan supports the Bank's Vision of contributing to inclusive growth and development in Seychelles and its Mission to promote price stability and the soundness of the financial system.

Progress monitoring was undertaken through structured engagements with all Divisions and Units. These meetings focused on validating activity status, assessing implementation challenges, and reinforcing the need for clearer and measurable Key Performance Indicators (KPIs). Overall implementation continued, with varying levels of progress across themes, reflecting operational constraints, system dependencies, and competing institutional priorities. The monitoring exercise highlighted the need for tighter prioritisation, improved cross-divisional coordination, and strengthened accountability mechanisms.

Following Management's detailed review of the Strategic Plan activities, several adjustments were proposed to ensure continued relevance and feasibility. These included timeline adjustments, additions and deletions of selected activities, and changes in scope. The primary drivers for the proposed deletions related to extended implementation horizons, national-level preconditions, activities originally scheduled for 2028, and the need to further stabilise and optimise core systems such as the RTGS and related infrastructures before introducing additional initiatives.

Furthermore, reflections from the Board Retreat held in October underscored the importance of reassessing activities under the third theme 'Strengthening Internal Capacity', and enhancing alignment between the Board, Management, and staff. Key concerns included message misalignment, limited staff engagement with the Strategic Plan, and challenges in aligning human capital strategies with long-term institutional objectives.

Further engagements were conducted to refine priorities, reassess timelines and resources, and initiate the development of appropriate KPIs for each strategic initiative. In addition, Strategic Plan monitoring will be embedded within an established governance function from January 2026 to strengthen coordination, accountability, and quality of progress reporting to Management and the Board. The Strategic Plan reporting for the year under review reflected a shift from status-based tracking towards a more focused, realistic, and governance-driven approach, ensuring that the Plan remains responsive to operational realities while preserving alignment with the Bank's Vision, Mission, and statutory mandates.

6.11.2 Governor's Office

6.11.2.1 Legal Unit

The Legal Unit (LU) provides legal advice and support across the Bank, ensuring that the activities are legally sound and aligned with applicable laws and regulatory requirements. The Unit also supports legal risk management, by assisting with the interpretation and application of legislation, advising on contractual matters, and coordinating external legal support where required. The major activities undertaken in 2025 are set out below:

a) Litigation

The Bank was not party to any legal proceedings in 2025. However, it was summoned in two civil matters before the Supreme Court, in which staff had to provide evidence and produce documents in relation to the Bank's banking operations.

b) CCBG Legal Subcommittee

The General Counsel attended the meetings of the CCBG Legal Subcommittee held in Botswana in March and in the Democratic Republic of Congo in July.

The SADC CCBG Legal Subcommittee advanced the CCBG Strategy 2023–2026, focusing on harmonising central banking legal frameworks through agreed core principles for SADC model laws, and continued work on governance papers, including independence, accountability/evolving mandates, board remuneration/immunity, and cooling-off/post-employment measures.

The Subcommittee also reviewed progress in domestication and alignment of model laws, noted updates on SADC-RTGS trademark/logo and agreements, considered King IV™ governance (including adapting it into core principles), and discussed upcoming regional initiatives on FinTech, cybercrime frameworks, and mobile money guidance, alongside emerging topics such as crypto/CBDC, AI, ESG, cybersecurity, and climate finance.

The Subcommittee established a working group to support the development of its strategic initiatives for the new strategic period.

c) Contract Management

Following the Board's approval of the Contract Administration and Management Policy in September 2024, LU continued to support its implementation during 2025, including providing guidance to internal stakeholders on contract administration and management principles as required.

d) External Legal Counsel

The contract with Georges & Co Attorneys expired during 2025 and was not renewed, the Bank having decided to test the market anew. Procurement proceedings for the services will be initiated during the first quarter of 2026. The Bank continued to retain the services of the Attorney General's Office as external legal counsel in 2025.

6.11.2.2 Risk Management Unit

The Risk Management Unit (RMU) comprises Enterprise Risk Management (ERM), Business Continuity Management (BCM) and Information Security (IS) functions. The Unit oversees the identification and monitoring of risks across the Bank in line with the Risk Management Framework (RMF). It also plays a key role in strengthening the Bank's resilience by maintaining an effective BCM framework, and ensuring preparedness for operational disruptions. In parallel, RMU is responsible for overseeing information security initiatives and managing cybersecurity risks to protect the Bank's information and digital infrastructure.

As part of the Bank's overall governance arrangements, RMU collaborates closely with other Divisions and Units. The Bank adopts the three lines of defence approach to allocate risk management responsibilities among all parties involved. RMU is the second line of defence in the Bank's operations, with other Divisions and Units as the first line and IAD as the third line.

Beyond its domestic responsibilities, the Bank continues to engage with the international risk management community through its membership in the International Operational Risk Working Group (IORWG). This forum facilitates the exchange of knowledge and experience among central banks on emerging operational risk issues. In 2025, RMU represented the Bank at the 19th IORWG Conference, hosted by the Central Bank of the UAE (CBUAE), where participants shared practical insights and developments in risk management practices.

The Bank continued to have regional representation on the SADC Subcommittees, notably, on the Business Resilience Decision Makers (BRDM) Committee, which is part of the CCBG ICT and Business Resilience Subcommittee, following the merging of the BRDM with the ICT Subcommittee. The main aim is to drive SADC CCBG's strategic objectives related to BCM and its roadmap. Additionally, in the context of Information Security, the team represented the Bank in numerous SADC workstreams, including the Information Sharing Analysis Centre (ISAC), Overall Metrics and Maturity (OMM), and Cyber Incidents Response Team (CIRT). The team also represents the Bank as a member of the AFI Cyber Task Team and the Seychelles National Cybersecurity Coordination Committee.

Governance Structure

Managing risks within the Bank is a shared responsibility as they can adversely affect the Bank's strategic objectives, and anyone with an interest in achieving those goals plays a vital role. In this context, RMU applies a collaborative approach that promotes regular engagement with the risk owners across Divisions and Units, supporting a consistent and structured management of risks within their respective areas of responsibility.

From a governance perspective, RMU reports functionally to ARC and administratively, for day-to-day matters, to the Second Deputy Governor, in line with the delegation approved by the Board in December 2024. Overall, accountability for the Bank rests with the Board. However, these frameworks and policies are subject to review primarily by the RMC¹⁴.

¹⁴ RMC is chaired by the Governor, consists of the Deputy Governors, the risk owners and champions from each Division and Unit and whereas ARC comprises three Non-Executive Board Members.

Chart 6.7: Risk Governance Structure



Source: Central Bank of Seychelles

Risk Appetite Statement and Tolerance

The Central Bank is exposed to a wide range of risks arising from its policy and operational responsibilities. Certain risks, particularly those associated with the Bank's policy functions, can have significant implications and are managed through structured processes that emphasise integrity, accuracy, staff capacity and accountability to the public. The Bank allocates resources to control risks to acceptable levels, particularly during exceptional circumstances, such as the emergence of a pandemic. At the same time, the Bank acknowledges that some inherent risks cannot, or should not, be eliminated, as a degree of risk-taking is often necessary to foster innovation and improve efficiency within business practices.¹⁵

The risk appetite statement is complemented by a set of specific risk metrics and tolerance levels that support management in assessing whether outcomes are consistent with the Bank's risk appetite. These are usually quantitative and/or qualitative for each of their principal risks. Risk tolerance is defined as the acceptable level of variation relative to the achievement of objectives.

Enterprise Risk Management (ERM)

The Governance, Risk and Compliance (GRC) Software, 'CURA', acquired for use by the governance functions, namely RMU, CU and IAD, has undergone a thorough Compliance Audit and Vulnerability Assessment and Penetration Testing (VAPT), and all identified findings have been addressed. The software is expected to be operational in 2026.

¹⁵ Risk appetite statement – CBS website

During the year, RMU maintained its oversight role by continuously identifying emerging risks, tracking existing risk exposures, and reporting to the relevant Committees and Board of Directors as defined in its RMF. In the fourth quarter, the ERM function initiated the risk assessment process, requesting all Divisions and Units to reassess their risk registers. This exercise focused on validating the relevance of identified risks, assessing the effectiveness of existing controls, and incorporating any new risks that emerged during 2025.

Furthermore, the ERM function worked alongside the Divisions and Units to assist in the conduct of risk assessments, particularly as they undertook specific projects. As the function integrates project-related risk management practices into the RMF, the Project Risk Management Framework (PRMF) was initiated. The Framework aims to formalise and centralise project-related risk practices across the Bank. Work on the adaptation of the PRMF is expected to resume in 2026.

In terms of further operational risk monitoring, the ERM function continued to collect and monitor risk issues and events on a regular basis across the Bank, with the respective Division and Unit assuming ownership and determining appropriate treatment options.

The ERM function conducted a review of the ERM Framework comprising of the Policy, Risk Appetite and Tolerance Statement and Operational Guidelines to ensure its continued relevance in a changing risk environment. In 2025, RMU received TA from the IMF to support the enhancement of the Bank's RMF. An onsite mission was conducted in October, focusing on four key areas: Risk Management Governance; Framework; Risk Culture; and Risk Integration. The TA assessed the current state, provided guidance on the implementation of ERM and highlighted the importance of strategic risk management and the integration of Key Risk Indicators (KRIs) to monitor risk exposures that could affect the Bank's objectives. Recommendations arising from this review will inform further amendments to the Framework in 2026, prior to finalisation, alongside the development of a structured roadmap for recommendations with near to medium term timelines.

Separately, the Bank continued to engage with Ernst & Young (EY) Mauritius under the contract signed in the third quarter of 2024 for assistance with the implementation of the IFRS S1 for (Sustainability-related Financial Information) and IFRS S2 for (Climate-related Disclosures). The 10-month engagement, which was expected to be completed in the second quarter of 2025, encountered a delay due to the review of several reports. In May, the EY consultants conducted a 5-day onsite capacity building programme for representatives from the Bank's Divisions and Units. During the second half of 2025, EY produced the following reports: the Final Materiality Assessment, the Climate-related risk and Opportunities, the Carbon Footprint Boundaries Assessment, and the Sustainability Implementation Roadmap. The final reviewed report is scheduled for submission by the end of the first quarter of 2026.

The ERM function also contributed to sections 44 and 45 (Financial Risk Management) of the annual financial statements and worked closely with other governance functions, namely IAD, the CU, and LU on risk-based matters.

Information Security

In 2025, the Bank continued with the implementation of the ISO 27001 standard, further strengthening its information security governance framework. During the year, RMU introduced and updated numerous information security policies, to ensure continued alignment with the ISO 27001 requirements and evolving regulatory and threat landscapes. These initiatives, some of which were developed in collaboration with TSD, contributed to enhancing the Bank's security posture, improving service delivery and strengthening risk management practices.

The Bank also made progress with the implementation of a Data Loss Prevention (DLP) solution, with the initiation of the DLP server configuration, laying the foundation for improved data classification and enhanced capabilities to detect and prevent data exfiltration, unauthorised use and potential data breaches. This initiative represented a key component of the Bank's broader data protection and information security objectives.

Throughout 2025, similar to other central banks, CBS remained exposed to the prevailing global cyber-risk environment affecting its network infrastructure. However, these attacks were effectively contained through the Bank's layered defence approach. The Bank also maintained continuous monitoring of emerging threats using threat intelligence obtained from different external sources, together with the analysis and triage of correlated logs across multiple security solutions. In addition, the Bank continued to work with external consultants to review and assess its Incident Response Framework and conduct Vulnerability Assessment and Penetration Testing exercises on its network infrastructure. Identified gaps were addressed by relevant stakeholders to further strengthen cyber resilience.

The Security Awareness Training platform acquired in 2023 remained a key tool in 2025 for promoting a strong security culture across the Bank. Staff participation has also increased, supported by a newly developed and approved Information Security Awareness and Training Policy. Furthermore, the IS function has continued to deliver targeted cybersecurity awareness sessions to different demographics, internally and externally, in response to requests from various external stakeholders.

6.11.2.2.1 Business Continuity Management

Business Continuity Management Systems (BCMS) Framework

In September, the Bank announced the cancellation of the exterior renovation in favour of the reconstruction of its main building, following the identification of significant structural challenges. Consequently, Business Continuity Plans across Divisions and Units were invoked, and staff were encouraged to operate under alternative working arrangements in line with the Bank's remote-working guidelines, including working from home, relocation to the disaster recovery site, or the use of alternate office spaces. Certain operational services were also outsourced to external stakeholders, that adapted their operations in accordance with their respective disaster recovery arrangements.

Notwithstanding restricted access to the main building and staff operating under a combination of remote work arrangements and alternate sites, the Bank was able to conduct a few planned business continuity test exercises, while others were forgone due to the prevailing circumstances.

Collaboration with internal and external stakeholders

As was the case in previous years, the Bank continued its collaboration with key partners, including PUC for electricity and water shutdown alerts, the Seychelles Meteorological Authority (SMA) for weather/climate alerts, and the Disaster Risk Management Division (DRMD), as a means of proactive measures being undertaken towards the Bank's preparedness to face any national emergency.

CCBG ICT and Business Resilience Subcommittee

CBS continued to serve as Chair of the CCBG Business Resilience Decision Makers (BRDM) Committee following its 2024 appointment for a two-year term. However, the Committee opted to align the chairmanship duration with the strategic plan cycle and objectives. Accordingly, CBS will serve an additional year, ending in 2026. In 2025, two physical meetings, as well as other virtual meetings, were held, during which the 2023-2026 strategy was discussed. Deliberations focused on enabling areas such as BCM and the enhancement of business resilience in critical systems. Other matters discussed included the continuation of peer reviews among central banks, feedback on the simulation exercises, and threats and emerging risks in the region. The Committee also discussed the need to harmonise the Environment, Social and Governance (ESG) Framework across subcommittees during its development, while maintaining a clear focus on risk management and business resilience.

Business Continuity Peer Review

In February, the SADC CCBG BCM Champions engaged a team of seven BCM Champions from South Africa, Botswana, Tanzania, and Zambia to peer review the Bank's BCMS Programme, with the aim of

evaluating its conformity and effectiveness against the ISO 22301:2019 Standard using the Peer Review Tool.

The review was conducted both onsite and online, with a key focus on policies, procedures, and requirements, including applicable standards and regulatory requirements. All required inputs, such as the review criteria and evidence, were provided to the evaluation team.

Based on the outcome of the peer review of the BCMS, CBS has achieved a 72.59% level of conformance. This falls under Level 4, indicating ISO 22301 is being implemented, with areas for improvement identified to further strengthen alignment with the standard.

6.11.2.3 Communications Unit

The restructuring of the Communications Unit undertaken in 2023 continued to support improvements in the team's performance during the year under review. This was reflected through increased capacity and efficient task allocation, which contributed to enhanced productivity, enabling the Unit to manage multiple activities and projects concurrently without compromising quality or timeliness.

Operating under the Governor's Office, the Unit functions as the central coordination point for the Bank's communications activities. It supports informed decision-making, strengthens stakeholder engagement, and contributes directly towards enhancing and maintaining the visibility as well as credibility of CBS.

The core responsibilities of the Communications Unit include:

- Coordinating and managing internal and external communications in line with the Bank's communications strategy;
- Managing the public image of the Bank and proactively safeguarding its reputation;
- Managing the press office, including drafting, reviewing and coordinating press releases for publication; monitoring national and international media for CBS-related coverage; responding to media enquiries; and organising press conferences, interviews and other media engagements;
- Providing advice on, and supporting the regular review of the Bank's communications strategy, including guidance on topical issues and crisis communications;
- Overseeing the content of the CBS website and other digital platforms to ensure information is accurate, accessible and up to date;
- Leading and supporting the development of visual and creative communications, including graphic design, infographics, publications, and other awareness materials, to enhance the clarity, consistency and impact of the Bank's messaging;
- Producing or coordinating the preparation of written and multimedia content, including videos for internal and external audiences;

- Receiving, documenting and responding to requests for information in accordance with the Access to Information Act, 2018.

Public, Media Engagements and Awareness

During 2025, CBS maintained active engagement with the public, media and other key stakeholders to ensure the timely and effective dissemination of information on the Bank's policies, operations and other relevant developments. The Unit continued to serve as the main coordinator for most external communications, supporting consistent and coherent messaging across multiple channels.

Press releases remained the Bank's primary communication tool, particularly for conveying information on various topics, including monetary policy decisions and financial stability matters. A total of 29 press releases were issued during the year, six of which were also published in Creole to enhance accessibility and public understanding. In addition, the Unit assisted in the preparation of 11 speeches and 9 notices.

During the year, support was also provided to various Divisions and Units within the Bank to develop, finalise and disseminate written and video content for public awareness. The materials covered topical issues, CBS-hosted events, and initiatives implemented under the Bank's financial education plan. These were disseminated through the two local daily newspapers, two broadcast channels, and, where relevant on the financial education social media platforms managed by the Financial Education Secretariat within CBS.

In 2025, CBS maintained its commitment to keeping the public informed of economic developments through regular engagement with the media. Livestreamed press conferences were held following each quarterly Monetary Policy decisions, providing an opportunity to communicate policy outcomes and to share updates on domestic and global economic developments and their implications for the local economy.

Beyond scheduled monetary policy communications, CBS organised and participated in additional media engagements to address topical issues and matters of public interest. Press conferences and interviews initiated by CBS in 2025 included:

- The publication of CBS's Annual Report, Reserves Management Report and Financial Statements for 2024;
- The launch of the second edition of the Youth for Youth Financial Ambassadors Programme;
- A joint press conference with the Ministry responsible for Finance on a Fitch Rating Upgrade;
- Updates on CBS infrastructure projects, including exterior renovation of the Bank's main building;
- A joint press conference with the Ministry responsible for Finance and the IMF at the end of the fourth review mission of the country's IMF-supported reform programme;

- The publication of the Financial Stability Report for 2024;
- The revised timeline for sunsetting of cheques;
- Introduction of an updated R500 banknote;
- CBS' engagement with the Mauritius Commercial Bank (MCB) on delayed card transactions
- A joint press conference with the Ministry responsible for Finance on the reinstatement of cheques

The Communications Unit maintained cordial working relationships with both local and international media organisations across print and broadcast platforms. In addition to CBS-initiated media engagements, the Unit facilitated responses to media enquiries and coordinated interview requests from both local and international press during the year.

The Unit also played a key role in coordinating the communications aspects for events hosted by the Bank and for engagements involving CBS officials. This support included drafting written content, conceptualising videos or securing media coverage, and, where relevant, designing awareness materials, publications and other visual elements to support events and outreach activities. Key events organised or supported by CBS during the year included:

- The awarding of scholarships under the CBS Guy Morel High Achievement Scholarship Programme for 2025;
- Meetings of the SADC CCBG Payment System Subcommittee, and Payment System Oversight Committee;
- AFI's 31st Financial Inclusion Data and Impact Working Group, 12th Inclusive Green Finance Working Group, and the 24th SME Finance Working Group meetings
- Salon Savwar Lengwistik e Kiltirel
- International Fraud Awareness Week 2025;
- CBS Board cybersecurity training
- CBS Board retreat.

Transparency

During 2025, no requests were received under the Access to Information Act, 2018. In accordance with Section 54 of the Act, the Information Officer also submitted CBS' 2024 Access to Information Annual Report to the Information Commission on March 24, 2025, covering the period January to December 2024.

Capacity-Building

During 2025, the Communications Unit continued to prioritise capacity building initiatives to develop targeted skills and strengthen its ability to support the Bank's evolving communications needs. In line with CBS' Strategic Plan 2024-2028, training efforts focused on enhancing the team's technical, strategic and

advisory capabilities, enabling more effective response to internal and external communication engagements.

Capacity building undertaken during the year included short-term specialised training in:

- Principles of Photoshop and Creative Design
- ISO 22301 Lead Implementer Training
- Crisis Communication
- Strategic Communication

In addition, one team member completed a long-term postgraduate programme in International Public Relations and Global Communications Management. This will further strengthen the Unit's strategic communications capacity and support the development of in-house expertise aligned with international best practices.

Central banking communications continue to evolve, becoming more dynamic as central banks' mandates and activities expand globally. In this context, efforts to enhance the capacity of the Unit aim to support improved coordination, efficiency and the overall delivery of its functions. This will enable the Unit to manage the increasing communications initiatives arising from the Bank's engagement with financial sector stakeholders and the public.

In the absence of an expanded team in the medium term, continued investment in capacity building to broaden the range of skills and experience within the Unit is critical to supporting the Bank in communicating its messages with clarity and impact, responding effectively to diverse audiences, and upholding the credibility and reputation of CBS.

Peer Engagement and Knowledge Sharing

During 2025, the Communications Unit participated in peer initiatives, including the AFRITAC South (AFS) and AFRITAC East (AFE) Workshop on Central Bank Transparency and Communication and the annual benchmarking communications survey conducted by the UK-based Central Banking Institute. Such engagements support benchmarking and knowledge sharing, contributing to the continuous strengthening of CBS' communications approaches in line with evolving global practices and standards.

6.11.2.4 Compliance Unit

During 2025, the Compliance Unit (CU) engaged in a procurement process to acquire the services of an audit firm to conduct an AML/CFT risk assessment on the Bank. The procurement process began with the issuance of a Request for Proposal (RFP) in March, and in July, PricewaterhouseCoopers (PwC) Ltd Mauritius was announced as the successful bidder. Following the signing of the Letter of Engagement in September, the Unit commenced its engagement with PwC by providing the necessary documents for review. The Unit also participated in weekly meetings regarding updates on the progress of the assessment. PwC was onsite for two weeks in November, during which it held individual discussions with the Divisions and Units, and completed questionnaires to feed into the assessment. The engagement will continue in 2026 when PwC is expected to conduct capacity-building sessions and submit the findings from the assessment.

The Unit conducted due diligence for the Bank to add value to its processes, particularly in relation to procurement and recruitment procedures. CU also responded to Requests for Information (RFIs) from local parties by sharing relevant information to support their due diligence processes. The cooperation between the Bank and external stakeholders continued to strengthen, with all parties responding in a timely manner and maintaining regular communication. Accordingly, the Unit completed due diligence forms related to the Bank that were received from other central banks and international counterparties, including correspondent banks and SWIFT KYC. Furthermore, CU submitted Suspicious Transactions Reports (STRs) on behalf of the Bank to flag transactions requiring further investigation by the authorities. During the year, the Unit uploaded two STRs through the goAML system.

In addition, the Unit collaborated with the London Stock Exchange Group for the planning of a two-day in-person event scheduled for February 2026. The agenda will focus on AML/CFT related topics addressing matters deemed relevant for authorities and entities in Seychelles. The event is expected to facilitate closer engagement between field experts, the authorities and reporting entities, and aims to set the context for the upcoming mutual evaluation.

Furthermore, the Unit prepared quarterly reports outlining its activities, challenges encountered, and progress on its approved workplan. These also included details of assistance provided to other Divisions and Units, as well as statistics on RFIs, screening in World-Check, and SWIFT Transaction Screening. The reports were shared and presented to RMC and ARC.

In terms of training, the Unit also worked closely with the International Compliance Association to facilitate group bookings, which benefited over twenty Bank staff through discounted rates. Most participants successfully completed their courses, while the remaining staff will continue their studies in 2026.

Additionally, CU staff attended official training on compliance matters organised by other central banks and international service providers, as well as workshops organised locally by external stakeholders.

Throughout the year, CU provided timely responses to a range of internal compliance-related queries, supporting both routine operations and ad hoc requests. The Unit also accompanied Divisions and Units to meetings with external parties to discuss such matters.

In 2025, the Unit was successful in recruiting a new team member, who will officially assume duties in the coming year.

6.11.3 Internal Committees

6.11.3.1 Investment Committee

The Board of the Bank gives IC the authority to make operational decisions relating to reserves management activities through the Investment Policy. The Terms of Reference (TOR), which is approved by the Board, guides the functions of the Committee. The main responsibility of IC is to formulate the Investment Guidelines to operationalise and ensure the effective implementation of the Investment Policy. The Investment Guidelines detail eligible investment classes and counterparties, acceptable risk limits and the operational structure for reserves management activities. IC also has the responsibility to approve the risk management framework supporting reserve management activities. IC comprises of SDG as Chairperson, with FDG and the Heads or nominated representatives of BSD, FMD, FSD, and RSD serving as members.

IC held a total of seven meetings in 2025, of which two meetings were jointly conducted with the MPTC to discuss the budget for policy implementation. IC meetings consisted of discussions on the performance of investments, management of risks alongside developments in the international market. A key discussion focused on the alternative solutions given the planned sunseting of the reserves management PAT2 system in 2026. During the year, IC approved one new counterparty for investment and maintained current counterparty relationships following ongoing due diligence assessments.

6.11.3.2 Monetary Policy Technical Committee

MPTC oversees the implementation of monetary policy as delegated by the Board through the MPF and the TOR of the Committee. Economic research and analyses from various technical areas are considered by MPTC to formulate policy recommendations to the Board. It also ensures that monetary policy operations are consistent with the approved policy direction of the Bank. MPTC comprises of FDG as the

Chairperson, SDG and the Heads or nominated representatives of BSD, FIMCD, FMD, FSD and RSD are the other members.

There were eleven MPTC meetings held during the year, inclusive of three ad-hoc meetings as well as two joint IC/MPTC meetings. The main subjects addressed included the lowering of the MRR, discussions of the quarterly monetary policy stance, revisions to the OMO, and updates to the MPF. The Committee also assessed the progress on recommendations from technical assistance on the government securities market and monetary policy implementation.

6.11.3.3 Risk Management Committee

The Risk Management Committee (RMC) was established by the Board of Directors to assist in overseeing the implementation, development and monitoring of the RMF, the BCMS and IS Policy. The Committee aims to ensure effective risk management across the Bank and provide updates to ARC through RMU. RMC also serves as a discussion and advisory platform for risk-based matters, including the risk elements of other policies and guidelines for Divisions and Units of the Bank.

In 2025, a total of five RMC meetings were conducted. Three RMC meetings were dedicated to the presentation of the quarterly Risk Management reports, which covered updates of risk incidents, status on actions being taken to address top risks of Divisions and Units for the first three quarters of 2025, respectively, and updates on IS and BC matters. The remaining meetings focused on the presentation of the Expected Credit Loss (ECL) outcomes and the Climate and Sustainability Gap Analysis results. As CU also reports to RMC, compliance-related matters were also discussed.

6.11.3.4 Procurement Committee

During the year, the work of the Procurement Committee focused on finalising the Procurement Plan for 2025, which was approved in March, as well as initiating preparations for 2026.

In line with its mandate, the Committee reviewed bidding documents and validated evaluation matrices. It authorised the release of responses to bidders' queries and approved the outcomes of the preliminary examination, technical evaluation and financial evaluation stages of the procurement process. The Committee also considered requests for extensions, which involved granting additional time for submission of bids. Furthermore, it submitted recommendations on the best-evaluated bidders to the Governor and FDG for approval. During the year under review, the Committee reviewed communications to bidders and materials prepared for publication, as required. It also provided feedback on contractual matters and issued guidance and approval related to the management of the Bank's list of suppliers.

Among the most significant items that were handled by the Procurement Committee in 2025 included:

- **RFI - Sourcing of a New Mint for the Production/Minting, Storage and Delivery of Current and Future Circulation Coins** – In the fourth quarter of 2025, CBS released an RFI to identify and shortlist potential mints to be added to the supplier’s list. These shortlisted Mints will be invited to participate in an RFQ when the need arises to place relevant coin production orders.
- **RFP - Consultancy for Baseline Survey - Financial Services and Digital Financial Literacy** – An RFP was released in the fourth quarter of the year to seek the services of both local and international consultants to assist the Bank in carrying out a baseline survey aimed at establishing a comprehensive understanding of key barriers and opportunities for building a more inclusive financial sector in Seychelles.

6.11.4 Board of Directors

The Board of Directors is responsible for the policy and affairs of the Bank in accordance with Section 5 of the CBS Act, 2004. Its responsibilities include overseeing the functioning of the Bank and setting its strategic direction; establishing effective governance, risk, and compliance structures, and approving regulations, policies, and major frameworks required for the effective management of the Bank. In that context and in line with the decision taken by the Board at its meeting held on December 19, 2024, the day-to-day management of the Bank and certain specific powers were delegated from the Governor to the First and Second Deputy Governor effective January 01, 2025.

The Board is composed of the Governor (Chairperson), First Deputy Governor, Second Deputy Governor and Six Non-Executive Directors (NED). Whilst there were two vacancies throughout the year, and the Board consisted of the following members¹⁶:

1. Ms Caroline Abel, Governor,
2. Mr Brian Commettant, First Deputy Governor,
3. Mr Mike Tirant, Second Deputy Governor,
4. Dr Sherley Marie, Non-Executive Director
5. Mr Jean-Paul Barbier, Non-Executive Director
6. Mr James Jean, Non-Executive Director
7. Professor William Ogara, Non-Executive Director

¹⁶ At the end of December, there were two vacancies on the Board following the amendments of the CBS Act, 2004, which were yet to be filled.

6.11.4.1 Board Meetings

In line with the CBS Act, which requires a minimum of eight meetings annually, the Board held a total of 16 meetings in 2025, comprising eight ordinary and eight extraordinary sessions. Compared to the previous year, whereby the Board met monthly, the meeting schedule in 2025 was adjusted to bi-monthly ordinary meetings, resulting in a reduction in the overall number of scheduled sessions. Extraordinary meetings were convened primarily to consider correspondence related to banking licence applications and acquisitions. Across all meetings, the Board deliberated on 127 agenda items, compared to 110 in the previous year, with average attendance by members standing at 94%.

i) Board Meeting Attendance

Table 6.10: Board Meeting Attendance

NAME	POSITION	RATE	RATIONALE FOR ABSENCE
Ms. Caroline Abel	Governor/ Chairperson	13/16	Official Travel/ Meetings and Recused due to conflict of interest
Mr. Brian Commettant	FDG	16/16	
Mr. Mike Tirant	SDG	15/16	Official Travel
Professor William Ogara	Director	16/16	
Dr Sherley Marie	Director	16/16	
Mr. James Jean	Director	16/16	
Mr. Jean Paul Barbier	Director	16/16	

Source: Central Bank of Seychelles

ii) Board Deliberations

During the reporting period, the Board approved 83 agenda items, received 42 items for information, and two items for discussion. The Board also approved the monetary policy stance for each quarter, the Financial Statements for 2024, Annual Report 2024 and the Administrative and Capital Budgets for 2026.

The Board's agenda reflected a balanced focus across the Central Bank's core mandates and institutional stewardship. By volume of agenda items, Governance & Effectiveness accounted for 27%, Finance, Budget & Financial Reporting for 11%, Regulatory & Supervisory Frameworks for 19%, Technology & Digitalisation for 8%, Human Resources & Organisation for 16%, Organisational Risk & Resilience for 13%, and Monetary Policy & Market Operations for 7%.

Key themes included strengthening regulatory and supervisory tools (including AML/CFT and market conduct initiatives), advancing digital and cybersecurity governance, improving Board and committee effectiveness through updated charters and governance instruments, and maintaining sound financial stewardship across budgeting, financial reporting and procurement oversight. Major milestones during the period included the approval and review of key governance policies and committee charters, monitoring of monetary policy and reserves management, implementation of priority technology and information security policy updates, and progress on strategic planning and organisational development priorities.

The Board approved new policies such as Board Minutes Policy, Information Security Awareness and Training Policy, NED Selection, Recruitment and Appointment Procedures and the Information Security Management System Continual Improvement Policy. In addition, revisions to several existing policies were approved during the year under review, including the Acceptable IT Equipment Usage Policy, IT Operations Management Procedure, IT Patch Management Policy and Procedure, Portable Devices Policy, Acceptable IT Equipment Usage Policy, Software Development Life Cycle Policy, User Access Management Policy, Artificial Intelligence Policy, Revised Guy Morel High Achievement Scholarship Policy, and Logging and Monitoring Policy.

The Board also advanced HR governance by updating frameworks on employee benefits, recruitment, and performance management, alongside realigning the Bank's salary grid. Structural adjustments across Divisions and Units were approved to improve efficiency and prepare for strategic recruitment.

The Board received regular reports on the status of the NIR, ECL model update, CSD, RTGS Systems and GPH Solution Report, onsite examinations and market conduct, bi-annual reports on the Board-related Committee work. The quarterly Income and Expenditure Statement reports and Domestic Money Market reports, international reserves management, were also submitted. The Board also received bi-annual Strategic Plan updates, the results of the bi-annual stress test of the CBS Balance Sheet Simulator and continuous updates regarding the CBS building and working conditions.

iii) Development and Training

Institutional effectiveness was reinforced through five training and development sessions, enabling primarily Non-Executive Directors to strengthen governance capacity. These involved two in-house training courses relating to Cybersecurity and Banking Supervision and Regulatory Appeal Process. One Virtual session on Strengthening Governance and Leadership for Central Bank Boards and two overseas engagements relating to Asset Management in Official Institutions and an Exchange Visit to Reserve Bank of Fiji.

6.11.4.2 Board Evaluation

The Board Evaluation 2025 assessed the performance of the Board as a whole, including its members, Committees, and leadership. It was conducted in accordance with the Board Evaluation Policy and Guidelines (2024), which established a transparent and fair framework and set clear standards for the evaluation process. The methodology consisted of questionnaires completed by Board Members and complemented by feedback from Management.

The findings indicate a strong level of effectiveness across governance, oversight and strategic focus. Responses were predominantly positive, with most members agreeing or strongly agreeing with the statements presented.

The Board confirmed that, collectively, there is an appropriate mix of competencies, qualifications, diversity and experience to conduct its affairs effectively. The roles and responsibilities of the Board and Management are well defined, with a clear distinction between matters reserved for the Board and those delegated to Management.

Board meetings are considered effective in terms of their frequency, duration, and quality of discussions. Furthermore, Members attend meetings well prepared, agenda items are allocated adequate time, and the meeting environment encourages constructive debate and engagement. The Board Retreat was also viewed as valuable in reinforcing strategic focus.

Board packs are generally received in a timely manner and are of sufficient quality to facilitate informed decision-making, and Secretariat support is considered effective. However, the timeliness of Board Minutes and the consistent follow-up of outstanding action points were identified as areas requiring improvement.

The Board expressed confidence in the Bank's compliance with applicable laws and regulations and does not anticipate major regulatory issues or litigation. Regular updates are received on risk management, internal controls, financial performance and emerging risks. While overall risk and project reporting were viewed positively, feedback highlighted that there is scope to enhance reporting on fraud matters and high-risk projects.

The Board confirmed that its strategy aligns with the Bank's mandates and capabilities, performance is monitored against agreed objectives, and Management provides performance updates and remedial actions where necessary. The Board also maintains appropriate independence from Management and provides constructive challenge and feedback. However, succession planning and adequacy of Non-Executive Member representation were identified as key areas requiring further attention.

Board Committees were found to be functioning effectively, underpinned by clear Charters, appropriate composition, adequate meeting frequency and strong Secretariat support. Oversight of financial reporting,

risk management, audit, human resources, remuneration, information and technology, and nominations remains strong. Where responses indicated Agree rather than Strongly Agree, targeted and proportionate action plans have been developed to support continuous improvement. The actions identified are expected to further strengthen governance effectiveness and support the Board and its Committees in continuing to discharge their responsibilities in line with best practice and the Bank's strategic objectives.

6.10.4.3 Board Retreat 2025

The annual Board Retreat was held on October 24-25, under the theme "Strengthening Organisational Resilience through People, Strategy, and Integrity." The Retreat provided an opportunity for reflection and strategic alignment, with a focus on strengthening organisational resilience. Discussions focused on enhancing staff empowerment, refining strategic direction, and reinforcing integrity and leadership across the institution. The Retreat also facilitated open dialogue on key challenges and emerging priorities, strengthening the Board's oversight role and reinforcing the Bank's commitment to sustainability, accountability, and effective delivery of its mandates within a dynamic operating environment.

6.11.4.4 Board Committees

The Board has four Committees, namely Audit and Risk Committee (ARC), Human Resources Committee (HRC), Enterprise Governance Information Technology Committee (EGITC) and the Non-Executive Board Members Committee (NEDC).

Audit and Risk Committee

ARC is a statutory committee established in line with Section 9A(3) of the CBS Act 2004, as amended. The Committee is responsible for the functional oversight of the Bank's governance functions, namely the IAD, the RMU, and CU.

During the year under review, ARC comprised of three Non-Executive Board Directors: Mr. Jean Paul Barbier as Chairperson, Dr Sherley Marie, and Professor Willian Ogara. In line with its mandate, the Committee convened regularly and held six ordinary meetings and three extraordinary meetings, supplemented by approvals through written circulation, to ensure timely oversight of critical matters.

The Committee reviewed and endorsed a wide range of governance, risk, compliance, and audit-related submissions in accordance with its annual workplan. Key matters considered included the review of the ARC Charter, the annual report on the execution of the Internal Audit Plan, and the revision of the Internal Audit Charter. ARC also reviewed and approved the workplans of the IAD, CU, and RMU, alongside quarterly internal audit, Enterprise Risk Management (ERM), and compliance reports, thereby ensuring continuous monitoring of the Bank's risk profile and control environment.

Financial oversight responsibilities were discharged through the review of the Bank's Financial Statements and Income and Expenditure Statement for the year ended 2024, budget virements up to December 31, 2024, and the proposed CBS Budget for 2026. The Committee also considered risk-focused submissions such as the Risk Assessment Report, while noting the deferral of certain framework enhancements to subsequent periods to allow for adequate preparation and alignment with institutional priorities.

During the year, ARC focused on strengthening the Bank's assurance framework and forward-looking risk oversight. Among the most significant outcomes was the approval of the Audit Workplan for 2026 and the CBS Multi-Year Audit Plan 2026–2028, which provide a structured, risk-based approach to internal audit coverage over the medium term. The Committee also approved the revised Internal Audit Charter, reinforcing the independence, authority, and scope of the internal audit function in line with international best practices.

In addition, ARC endorsed key compliance instruments, including the Compliance Management Policy and Framework, the AML/CFT Policy, and the Regulatory Universe, reinforcing the Bank's commitment to a robust compliance culture. Oversight of institutional capacity was further strengthened through the review and endorsement of training budgets for IAD, RMU, and CU.

In collaboration with HRC, ARC also considered staff-related concerns raised by RMU regarding gaps in the Bank's human resource environment. This cross-committee engagement reflected a coordinated approach to strengthening institutional culture and governance practices.

Enterprise Governance of Information Technology Committee

The Enterprise Governance of Information Technology Committee (EGITC) is a Board committee established to provide oversight of the Bank's information technology governance framework, digital strategy, information security, and technology-related risks. The Committee assists the Board in ensuring that IT investments, policies, and controls are aligned with the Bank's strategic objectives, operational resilience, and risk appetite. During the year under review, EGITC comprised three Non-Executive Board Directors, Mr. James Jean as Chairperson and Dr Sherley Marie and Mr. Jean Paul Barbier. In line with its mandate, the Committee held 2 ordinary meetings.

In 2025, EGITC convened as planned and exercised oversight over key information technology and cybersecurity matters. The Committee approved a number of critical IT governance and information security policies and procedures, strengthening the Bank's control environment in areas such as IT operations, access management, patch management, acceptable use of IT equipment, and portable devices, including bring-your-own-device (BYOD) policy. EGITC also approved TSD's budget for 2026,

ensuring that planned technology investments were aligned with institutional priorities and risk considerations.

In addition, the Committee provided oversight and strategic guidance on emerging technology risks and digital transformation initiatives, including AI adoption, enterprise architecture development, and IT governance maturity. EGITC received updates on cybersecurity awareness, information security training, and COBIT maturity assessments, and supported capacity building efforts through international benchmarking and technical study engagements. Overall, the EGITC continued to play a key role in strengthening IT governance, enhancing cyber resilience, and supporting the Bank's digital evolution.

Human Resources Committee

In accordance with Section 9B(1) of the CBS Act 2004, as amended, HRC is responsible for overseeing the implementation and effectiveness of the Bank's human resource strategies and activities. The Committee is also mandated to submit, to the President, the proposed remuneration of Executive Directors as agreed by the Non-Executive Directors, and to perform any other functions assigned by the Board.

In 2025, the Committee comprised three Non-Executive Board members: Chairperson Dr. Sherley Marie, Professor William Ogara and Mr. James Jean. HRC convened four meetings for the year under review.

During the year, HRC's work focused on reinforcing the Bank's governance framework pertaining to its human resources and promoting institutional capacity-building. Key approvals included the amendment of the HRC Charter and the endorsement of the Competency Framework, both of which underpin effective human resource oversight and strengthen accountability at the organisational level. In line with the Bank's evolving functions, the Committee also approved strategic organisational changes, including restructuring initiatives within key Divisions, aimed at enhancing operational efficiency.

In addition, HRC exercised oversight over the development of critical human resource policies and staff welfare initiatives, providing direction on remuneration, staff benefits, training, and employee support programmes. While certain initiatives were deferred or rescheduled, the Committee ensured that decisions were taken transparently and in the best interests of the institution. Overall, HRC continued to play a significant role in promoting sound human capital management and supporting the sustainability and effectiveness of the Bank's workforce.

CBS Non-Executive Directors Committee

The Non-Executive Directors Committee (NEDC) is a standing committee of the Board comprising all Non-Executive Directors led by Professor William Ogara as the Chairperson. It provides a structured forum through which Non-Executive Directors collectively exercise independent judgement and contribute to the strengthening of the Bank's governance framework, strategic oversight, and overall Board effectiveness.

In 2025, the Committee met three times, in March, August, and December. Through these engagements, NEDC continued to support the Board in the discharge of its fiduciary responsibilities by providing objective oversight, constructive challenge, and strategic guidance on governance arrangements, leadership continuity, and institutional sustainability. The Committee also fulfilled its advisory role under the CBS Act, 2004, particularly in matters requiring consultation with Non-Executive Directors relating to the appointment and succession planning of the Governor and Deputy Governors.

A key milestone was the strengthening of the Committee's governance framework through the endorsement of the NEDC Charter, which was subsequently submitted to the Board for approval. The Charter formalises the Committee's mandate, composition, and operating arrangements, and enhances the effectiveness, consistency, and transparency of its work. It sets out the responsibilities of the Committee and its Chairperson, meeting procedures, quorum and voting requirements, documentation and record-keeping standards, action tracking, and reporting to the Board, while allowing flexibility where necessary.

In considering the Charter, the Committee engaged in substantive discussions to further strengthen governance practices across the Bank. These included ensuring alignment with other Board Committee charters, the incorporation of conflict-of-interest provisions, and the documentation and consistency of senior management performance appraisal processes. Emphasis was placed on enhancing accountability through clearer documentation, defined timelines, and timely closure of outstanding performance assessments.

Beyond its formal governance role, the NEDC reflected on how Non-Executive Directors can add strategic value while maintaining a clear distinction between governance and management responsibilities. Discussions focused on the Bank's strategic environment and emerging challenges, including human resource constraints, infrastructure considerations, and the continued relevance and achievability of the Strategic Plan. The Committee reaffirmed the importance of a forward-looking Board posture that provides strategic guidance and effective oversight without encroaching on operational management.

Leadership continuity and succession planning remained priority areas during the year. The Committee engaged in in-depth discussions on succession planning for senior leadership roles and provided strategic input on the Succession Planning Policy to ensure alignment with the Bank's long-term mandate and

governance framework. Particular emphasis was placed on early identification and development of potential successors, clear accountability between Board committees, and mitigation of key-person risk.

Looking ahead, the NEDC will continue to focus on the effective implementation and review of its Charter, advancement of robust succession planning frameworks, enhanced oversight of strategic objectives, and mitigation of leadership continuity risks. Through its work, the Committee remains committed to promoting sound governance, strengthening Board effectiveness, and supporting the long-term sustainability of the Bank.

Nomination and Remuneration Committee

NRC is an independent Committee of the Board established under Section 9C(1) of the CBS Act. The Committee proposes appropriate individuals to fulfil the role of Non-Executive Directors and appropriate remuneration of Non-Executives Directors for consideration of the Governor, who then submits the proposal to the President for his determination. In 2025, NRC convened once relating to the Board Recruitment, Selection and Appointment Policy and the Remuneration framework. Going forward, the Committee will intensify work to fill the two Board vacancies in line with the approved framework.

6.12 Appreciation

The Board and Management of the Central Bank wish to express their appreciation to all staff members for their valuable contributions and absolute commitment to the operation of the institution. Notwithstanding the significant challenges faced in 2025, the staff supported each other and continued to perform their duties with professionalism and integrity, reflecting the values of a central monetary institution and contributing to the achievement of the Bank's statutory objectives, amongst other things. The Board and Management urge staff members to continue to uphold the team spirit that prevailed and to make the most of the opportunities that the evolving central banking landscape offers to broaden their knowledge for their personal development, as well as that of the Bank. On this note, the Board and Management look forward to another successful year ahead.

Annexures

CENTRAL BANK OF SEYCHELLES
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

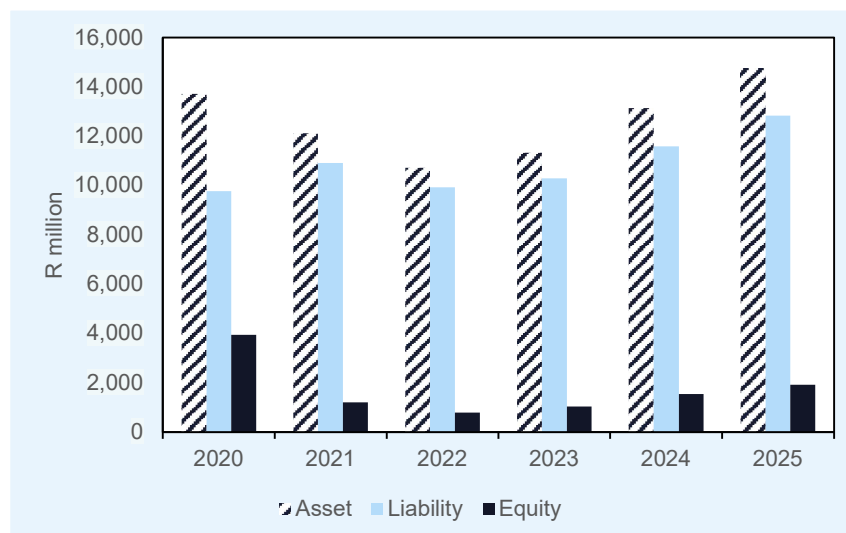
Management's commentary on the audited financial statements
for the year ended December 31, 2025

The financial statements of the Central Bank of Seychelles (CBS) for the year ended December 31, 2025, were approved and signed by the Board on March 24, 2026. The Auditor General certified and signed the financial statements on March 30, 2026 following the audit review by the external auditors, Grant Thornton - United Arab Emirates (UAE). The financial statements are prepared in accordance with the CBS Act, 2004 as amended, and are in line with the International Financial Reporting Standards (IFRS). The financial statements comprise the following primary statements: the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows, as well as the statement of distribution. In addition, the notes to the financial statements are also included.

The Bank's financial statements for 2025 have been audited by the Bank's external auditors, Grant Thornton - UAE, on behalf of the Auditor General as per Section 47(3) of the CBS Act, 2004, as amended. The auditors have been appointed for a period of five years, subject to annual reviews, and were in their third year of audit. In the external auditors' opinion, these financial statements give a true and fair view of the financial position, the financial performance and the cash flows of the Bank, which are in line with IFRS and in accordance with the CBS Act, 2004 as amended.

The presentation of the figures in the statement of financial position is consistent with the prior year and includes all foreign and local currency comparative figures for 2024 and 2025. As at year-end 2025, total assets stood at R14,746 million, total liabilities at R12,836 million, and total equity at R1,910 million. Chart 1 below shows the snapshot of the statement of financial position.

Chart 1: Snapshot of the statement of financial position (2020 – 2025)

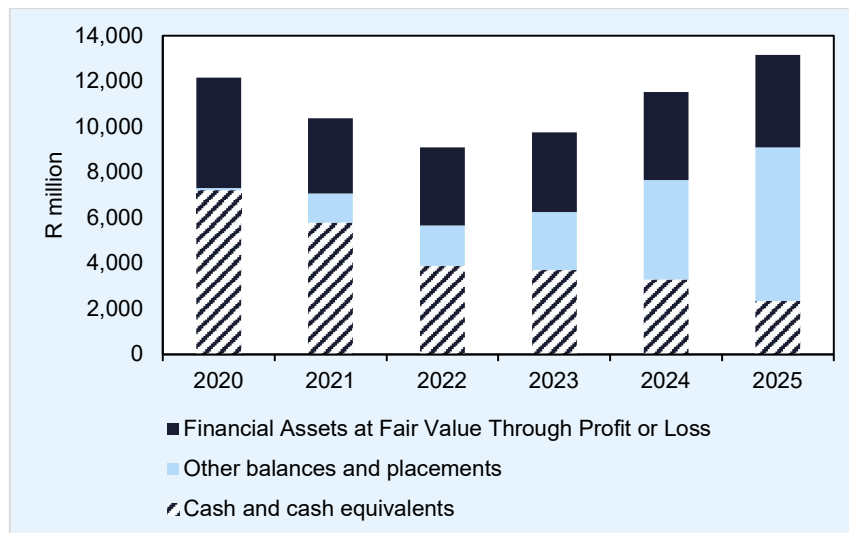


Source: Central Bank of Seychelles

Total value of foreign currency assets increased from R11,532 million in 2024 to R13,156 million in 2025, or by 14 per cent. The most significant growth was observed within other balances and placements, where in 2025, a larger share of funds was placed with the Banks' international counterparts in fixed-term deposits with maturities exceeding three months from the date of acquisition. This increase was primarily driven by receipt of budget support funds totalling USD42 million and foreign exchange purchases through Foreign Exchange Auctions (FEAs) amounting to USD122 million. Furthermore, the Bank continued to undertake strategic money market investments in longer-term fixed-term deposits, to benefit from more favourable yield opportunities.

As at December 31, 2025, total foreign assets, after adjusting for expected credit loss where applicable, comprised of cash and cash equivalents with short-term maturities at R2,345 million, other balances and placements with maturities of more than three months at R6,756 million, and financial assets at fair value through profit or loss (FVTPL) at R4,055 million (see Chart 2 below). The latter constituted an aggregate of funds managed by the Bank's external fund managers, specifically Crown Agents Investment Management ("CAIM") and the World Bank under the Reserves Advisory and Management Partnership ("RAMP"), comprising investments in treasury bills, notes and bonds. It further encompasses the Bank's equity investment in the African Export-Import Bank ("Afreximbank"), investments in money market instruments under the UBS Money Market Fund ("UBS") as well as funds directly managed by the Bank.

Chart 2: Total value and composition of foreign currency assets (2020 – 2025)

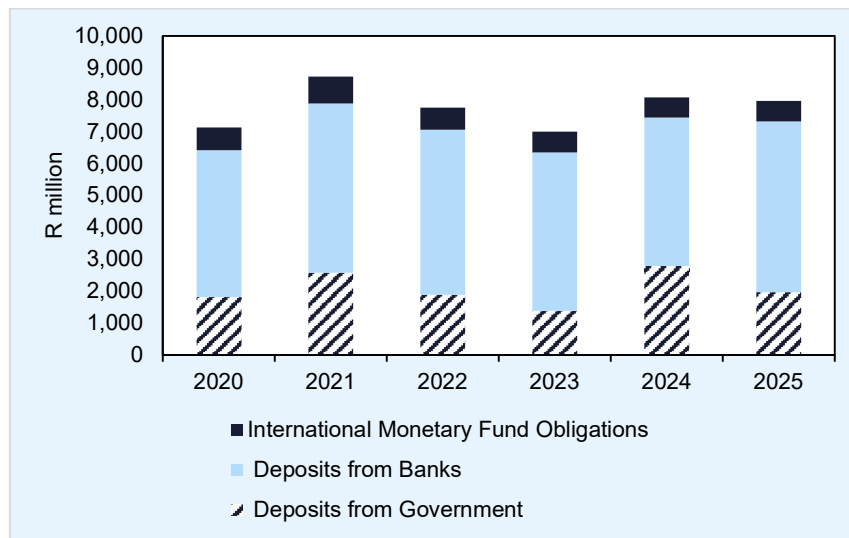


Source: Central Bank of Seychelles

Total foreign currency liabilities increased from R2,832 million in 2024 to R3,029 million in 2025. The growth was primarily driven by higher deposits from banks, with the foreign currency-denominated accounts held by banks increasing from R1,806 million in 2024 to R2,043 million in 2025. As at December 31, 2025 total foreign liabilities also consisted of deposits from Government for project accounts denominated in foreign currency, amounting to R242 million, Government deposits with the International Monetary Fund ("IMF") totalling R73 million, and other deposits of R101 million comprising

abandoned properties and unclaimed funds in foreign currency. In addition, IMF obligations stood at R643 million (see Chart 3 below).

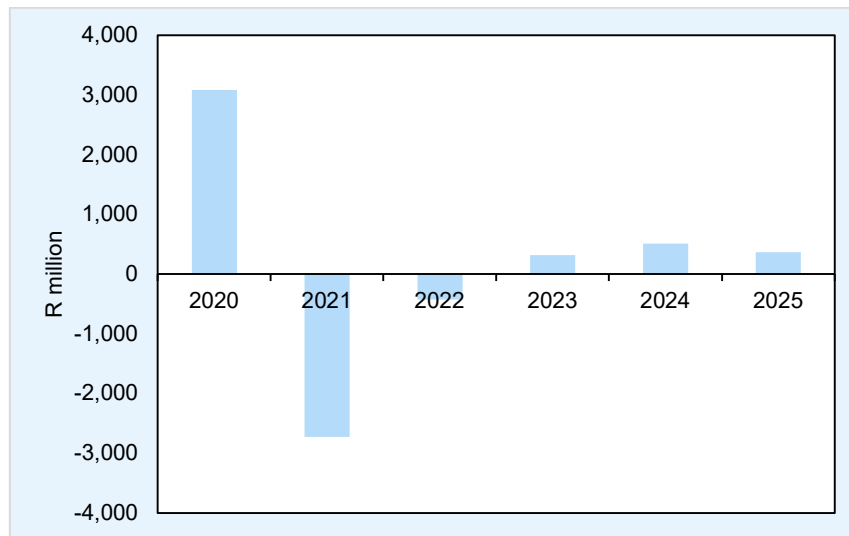
Chart 3: Total value and composition of liabilities (2020 – 2025)



Source: Central Bank of Seychelles

As per the statement of profit or loss and other comprehensive income, the Bank recorded a total comprehensive income of R364 million for the year 2025 (see Chart 4 below).

Chart 4: Total comprehensive income (2020 – 2025)



Source: Central Bank of Seychelles

This comprised R71 million as actual operating profit, R199 million as other non-distributable earnings in the form of unrealised revaluation gains arising from foreign currency monetary assets and liabilities, R91 million as unrealised gains from fair valuation of financial assets at FVTPL, and R2.0 million as actuarial gains. The recorded revaluation gains stem from the overall depreciation of the Rupee against the other major foreign currencies during the year. These are recognised as unrealised gains and are therefore excluded from the computation of distributable earnings.

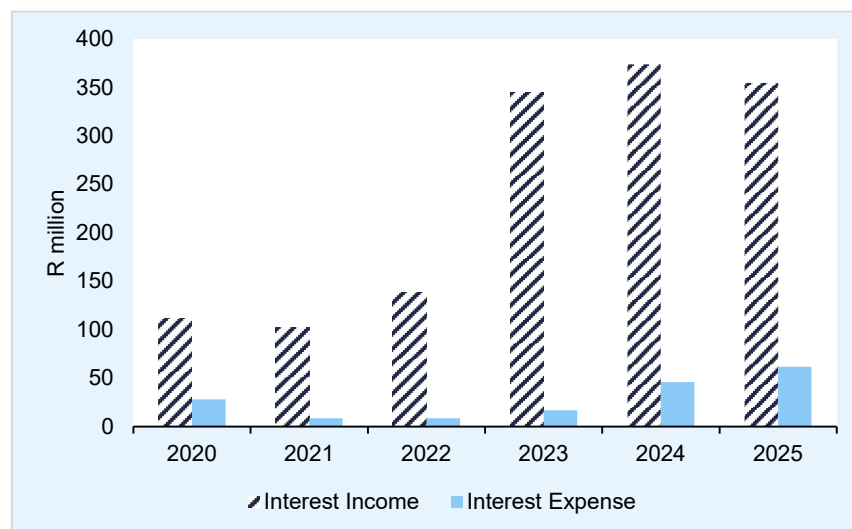
In addition, the actuarial gains arising on employee benefit obligations are recognised in other comprehensive income and are not included in distributable earnings; instead, they are accumulated within the actuarial reserve. Prior years' unrealised gains and losses on financial assets at FVTPL are considered for distribution only upon disposal of the respective financial assets. For the year 2025, the net realised gains amounted to R23 million and were adjusted in the Bank's computation of distributable earnings.

The Bank's operating profit for the year 2025 was primarily driven by interest income, gains arising from dealings in foreign currency transactions, gains arising from revaluation of foreign currency monetary assets and liabilities, and gains arising from fair valuation of financial assets through profit or loss. These were offset by interest expense, staff costs, rental expenses, infrastructure development expenses, impairment loss on property and equipment and other operating expenses.

The principal contributor to the total revenue of R775 million was interest income, which stood at R355 million, with interest earned on deposits placed with other banks abroad representing the primary source. Existing fixed-term deposits were strategically allocated across a range of maturities to secure relatively favourable returns where possible during the year. Additionally, the increase in foreign exchange reserve holdings enabled further fixed-term deposit placements throughout the year aimed at maximising returns within the applicable prescribed risk limits, thereby partially mitigating the impact of lower interest rates.

Interest expenses increased from R46 million in 2024 to R63 million in 2025, mainly reflecting higher interest paid on Deposit Auction Arrangements (DAAs) as a result of higher offered volume (see Chart 5 below).

Chart 5: Total interest income and expense (2020 – 2025)



Source: Central Bank of Seychelles

With respect to non-interest income, a gain of R199 million arising from the revaluation of foreign currency monetary assets and liabilities was recorded in 2025. This primarily reflected the increase in

the balances of foreign currency denominated assets, as evidenced by the growth in Other Balances and Placements in 2025 compared to 2024. Additionally, non-interest income included an increase of R2.0 million under gains arising from dealings in foreign currency transactions, with the position shifting from a loss of R1.8 million in 2024 to a gain of R0.9 million in 2025. This was mainly attributable to movements in the Seychelles Rupee against major foreign currencies during the year, which contributed to the higher exchange gains recorded.

On the non-interest expense side, staff-related cost rose from R145 million to R173 million, primarily driven by increased expenses under Salaries and Allowances. This was influenced by factors, such as salary increases and a higher staff count in 2025 compared to 2024.

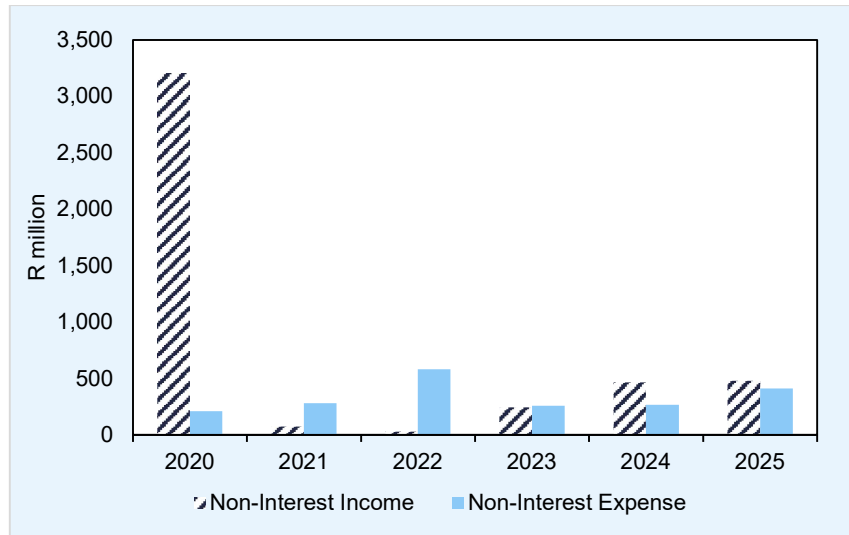
Through its foreign reserve management activities, the Bank accumulated foreign exchange reserves of US\$122 million in 2025 through FEA interventions in the domestic foreign exchange market. This exceeded the US\$70 million in 2024, and consequently, policy costs rose from R7.9 million in 2024 to R14.4 million in 2025. Administrative expenses increased from R19 million to R28 million in 2025, with the bulk of the increase in expenditure attributable to the now discontinued building cladding renovation project.

An impairment loss on property and equipment amounting to R41 million was recognised for the year following the Bank's assessment under IAS 36. This was triggered by the discovery of severe structural defects during the cladding project on the Bank's Victoria premises. The extent of the damage along with the persistent fungus infestation in certain areas, and the high cost of required remedial works ultimately led to the decision to evacuate the premises and proceed with plans for its eventual demolition and reconstruction. As a result, the Bank was required to relocate staff to alternative rented office spaces leading to an increase of rental expenses which stood at R20 million in 2025 compared to R0.5 million in 2024.

In 2025, the Bank also reassessed its strategic priorities, resulting in the cancellation of certain projects and significant modifications in the scope of certain ongoing projects; hence, infrastructure development expenses amounting to R30 million, which were not eligible for capitalisation, were expensed.

The IMF charges reduced by 25 per cent from R26 million in 2024 to R19 million in 2025 due to lower purchases outstanding under the Extended Fund Facility (EFF), which stood at R25 million in 2025 compared to R47 million in 2024. This resulted in lower General Resource Account (GRA) charges observed in 2025. Chart 6 overleaf illustrates the total non-interest income and expenses.

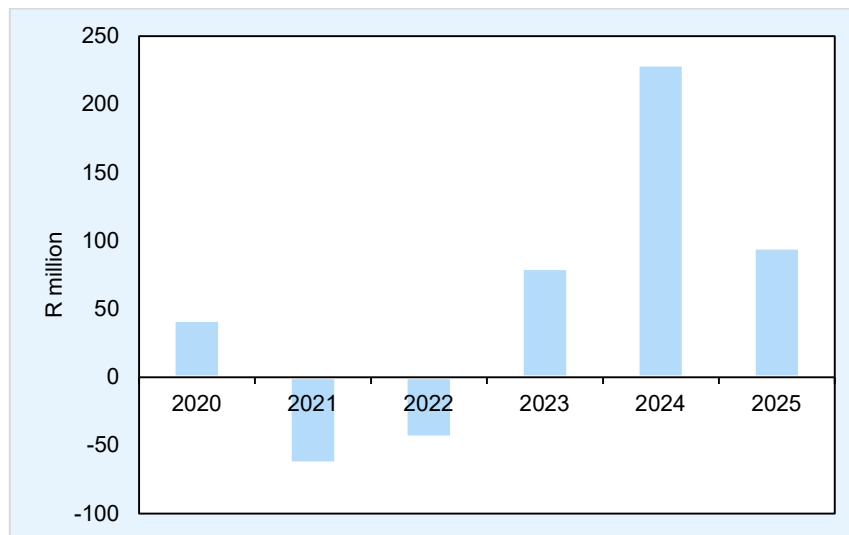
Chart 6: Total non-interest income and expense (2020 – 2025)



Source: Central Bank of Seychelles

Total distributable earnings (refer to chart 7 below) for the year 2025 amounted to R95 million prior to distribution and offsetting against statutory capital (the aggregate balance of Authorised capital and General reserve), as required.

Chart 7: Total distributable earnings (2020 – 2025)

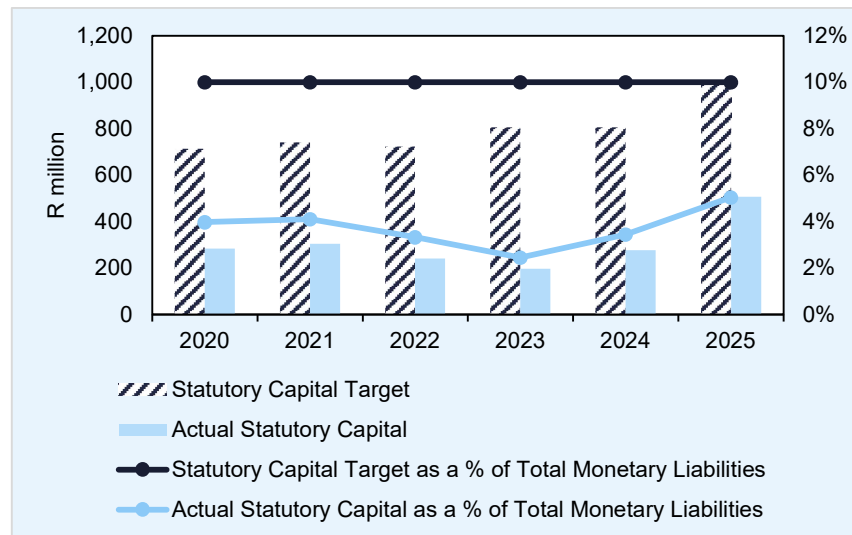


Source: Central Bank of Seychelles

As per Section 14 of the CBS Act, 2004, as amended, the Authorised capital of the Bank shall be an amount equivalent to R550 million, which shall be built up by the Government over a period of ten years starting as at January 01, 2024. As per Section 16 of the CBS Act, 2004, as amended, where the Bank has distributable earnings for any financial year, 100 per cent of those earnings shall be distributed to General Reserve until it reaches 10 per cent of monetary liabilities. Any residual distributable earnings after distribution shall be transferred to the Government Consolidated Fund.

In 2025, statutory capital stood at 5.4 per cent of total monetary liabilities prior to distribution (see Chart 8 below).

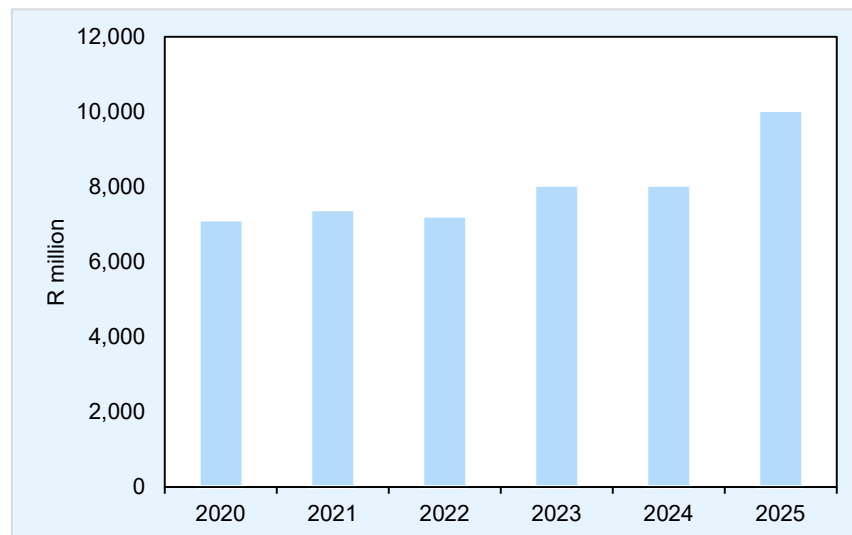
Chart 8: Statutory capital comparison of the target and actual level in contrast to monetary liabilities prior to any transfers (2020 – 2025)



Source: Central Bank of Seychelles

The Bank's total monetary liabilities stood at R10,057 million in 2025 compared to R8,057 million in 2024 (see Chart 9 below).

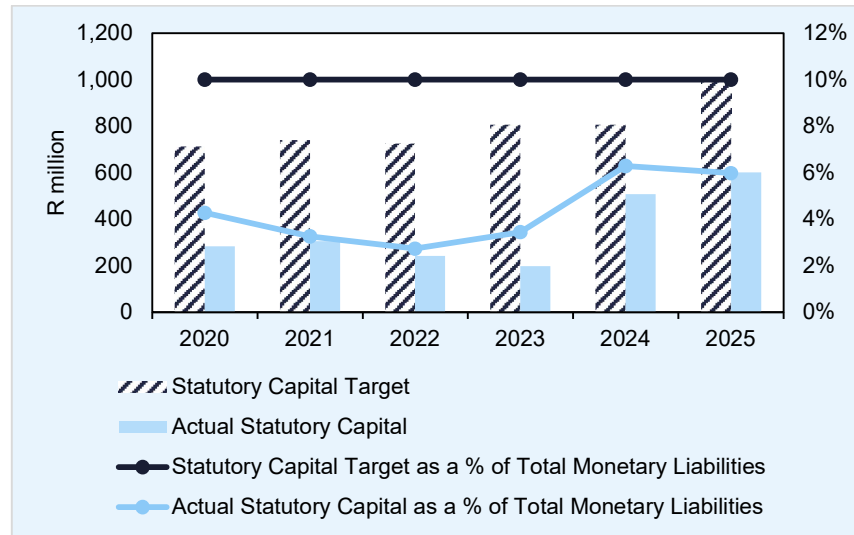
Chart 9: Total monetary liabilities (2020 – 2025)



Source: Central Bank of Seychelles

As at end-December 2025, distributable earnings amounted to R95 million, which was fully utilised to build up the General Reserve. No transfer was made by the Government in 2025 to build up Authorised capital, in view that a Memorandum of Understanding (MoU) outlining the terms of the transfers between the Bank and the Government was yet to be signed as at the reporting date. Therefore, the Bank's Authorised capital remained unchanged at R231 million.

Chart 10: Statutory capital comparison of the total target and actual level in contrast to monetary liabilities after transfers (2020 – 2025)



Source: Central Bank of Seychelles

After the transfer of all of the distributable earnings, statutory capital stood at 6.0 per cent of total monetary liabilities, which fell short of the required 10 per cent. As such, no transfer from distributable earnings was made to the Government Consolidated Fund for the year 2025 since no residual distributable earnings remained after distribution. Chart 10 above illustrates the statutory capital target in comparison to the actual level and as a percentage of total monetary liabilities.

The full set of the Bank's audited financial statements and detailed explanatory notes prepared for the year ended December 31, 2025 can be accessed on the webpage link below:

<https://www.cbs.sc/Publications/FinancialStatements.html>



CENTRAL BANK OF SEYCHELLES

ACCESS TO INFORMATION ANNUAL REPORT 2025

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INTRODUCTION

The Central Bank of Seychelles (CBS) is an autonomous institution established under the CBS Act, 2004, as amended.

The CBS is entrusted with the following roles and functions:

-
- formulate and implement monetary policy with a view to promoting its primary objective;
- determine the foreign exchange rate regime in accordance with section 25(5);
- have macro-prudential oversight over Seychelles' financial system and co-ordinate activities involved in the safeguarding of financial stability in order to maintain and enhance a stable financial system;
- license, regulate and supervise the activities of the financial institutions and other entities under its regulatory purview;
- issue currency notes and coins that are legal tender and regulate all matters relating to domestic currency;
- hold and manage all the official foreign reserves of Seychelles;
- promote the establishment and oversight of a safe, secure, efficient and effective national payment system;
- advise the Government on banking, monetary and financial matters, including the monetary implications of proposed fiscal, credit policies or operations of the Government;
- act as banker and fiscal agent to the Government;
- act as banker to banks;
- act as the resolution authority for bank and other designated institutions;
- establish facilities for the collection and consolidation of credit information or any other information which the Bank considers relevant in the discharge of its functions;
- fairly reasonably and effectively handle financial consumer disputes within its regulatory purview: and
- collect, compile, disseminate, on a timely basis, monetary and other financial statistics relevant to the Bank's objectives and functions.

CBS also focuses on various key areas to achieve its objectives. This includes promoting financial stability, improving financial literacy amongst the population – encompassing efforts to enhance financial inclusion, encouraging innovation and the use of financial technology, empowering consumers to make informed decisions and be more aware of their rights and responsibilities, as well as contributing to efforts to

combat criminal activities, such as money laundering, terrorism financing and cybercrimes.

In line with its commitment to transparency, accountability, and good governance, CBS ensures adherence to the Access to Information Act (ATIA), 2018. Mrs Marie-Angele Thomas, Director of Communications, replaced Mrs Sharon Uranie, the Senior Communications Officer, as the Information Officer in September 2024.

In addition, CBS has been actively implementing the International Monetary Fund (IMF) Central Bank Transparency Code since 2020, which underscores the institution's efforts for greater transparency, accountability and good governance.

MISSION, VISION AND OBJECTIVES

The Mission of CBS

To promote price and financial system stability

The mission is linked directly to the statutory objectives of the CBS: maintenance of a low level of inflation and stability in the financial system.

The Vision of CBS

To contribute towards inclusive growth and development of Seychelles.

CBS plays a critical role in promoting price and financial system stability. “Inclusivity” seeks to ensure that all segments of society benefit from the work that CBS does.

The Objectives of CBS

The primary objective of the Bank is to promote domestic price stability.

The other objectives of the Bank are to promote financial stability and soundness of the financial system of Seychelles.

ANNUAL REPORT REQUIREMENTS

SR No	ATI ACT REQUIREMENTS	No
1)	The total number of ATI requests for access received;	0
2)	<u>TYPE OF INFORMATION</u>	
	The number of requests for personal information	0
	The number of requests for public domain information	0
	The number of requests for third party information	0
	The number of requests for commercial and confidential Information	0
	The number of requests for law enforcement information	0
	The number of requests for privileged documents	0
	The number of requests for protection of life and safety of an individual information	0
	The number of requests for National Security and defence	0
	The number of requests for International relations	0
	The number of requests for Economic interest of the state	0
	The number of requests for Academic or professional examination and recruitment process information	0
	The number of requests for proposal submitted to Cabinet	0
3)	The number of requests for access granted in full;	0
4)	The number of requests for access refused in full;	0

	The number of requests for access refused in part;	0
5)	The number of times each provision of Part III (<i>EXEMPTIONS</i>) was relied on to refuse access in full;	0
	The number of times each provision of Part III (<i>EXEMPTIONS</i>) was relied on to refuse access in part;	0
6)	The number of requests abandoned after request	0
7)	The number of requests but no records exist	0
8)	The number of cases in which the periods stipulated in section 11 were extended in terms of section 12;	0
9)	The number of review applications lodged with the head of the information holder;	0
10)	The number of reviews lodged on the ground that a request for access was regarded as having been refused in terms of section 14;	0
11)	The number of cases in which, as a result of a review, access was given to information;	0
12)	The number of requests transferred to another Public Body	0

I. A description of the steps or efforts taken by the head of the body to encourage all officers of that body to comply with the provisions of this Act;

During the reporting year, CBS collaborated with the Information Commission on a web-based proactive disclosure audit, in May 2025, to monitor the institution's progress of Statutory Instrument 18 of 2023 of the ATIA. CBS was rated 8.95 on a scale of 1 to 10, where 1 is the lowest performance and 10 is the highest. CBS will be taking onboard the recommendations of the audit to improve its proactive web-based disclosure.

The CBS Governor constantly highlights the need for the institution and all staff to be cognisant of the ATIA and keep the Information Officer informed of developments to assist in the discharge of the role. The CBS Governor also places great emphasis on the timely dissemination of information on the institution's policies and other relevant matters. This is primarily done through media and public engagement.

In 2025, CBS continued to respond to numerous enquiries from the media, stakeholders and general public (both local and international), most of which were received through the Communications Unit.

During the reporting year, CBS maintained the live press conferences for the pronouncement of its quarterly Monetary Policy decisions. The Governor or First Deputy Governor take the lead in delivering the Press Conferences.

II. Any facts which indicate an effort by the body to administer and implement the spirit and intention of the Act according to its submitted plan;

CBS submitted to the Information Commission its first Information Manual on January 31, 2024, in accordance with the Access to Information (Proactive Disclosure and Mandatory Publication) Regulations. The manual includes:

- Categories of records of the Central Bank of Seychelles which are available without a person having to request access
- Services available to members of the public from the Central Bank of Seychelles and how to gain access to those services
- Public involvement in the formulation of policy or the exercise of powers or performance of duties by the Central Bank of Seychelles

The manual was also published on the CBS website.

For the year under reporting, while the Information Manual was not updated, CBS continued to be proactive in making more information, such as legislation, policies, reports, statistics and press releases available on its website, and where necessary, improving how information is presented and ensuring that the public is aware of these developments through appropriate means of communication.

To provide examples:

- A total of 29 press releases were issued by CBS in 2025 – 6 of which also issued in creole - providing the public with key information, updates on developments and events.
- CBS published its Procurement Plan on March 28, 2025.
- On March 31, 2025, CBS published its Annual Report, International Reserves Management Report, as well as a certified copy of CBS' Financial Statements, the Auditor's Report and the Access to Information Report for the year ending December 31, 2024. The Annual Report provides an overview of developments across the various sectors of the Seychelles economy during the year, as well as an overview of the activities of all Divisions and Units of the institution. The International Reserves Management Report provides an overview of the governance and operational arrangements, which support the efficient management of the country's international reserves, is in line with international best practices and the values of accountability, transparency and integrity upheld by CBS. Aside of being published on the CBS website, a copy of the Reports was presented to the President and the National Assembly, and also to the media through a press conference on April 2, 2025.
- The bi-annual Monetary Policy Report aimed at enhancing the provision of information to local and international audiences on the various elements examined and considered in the formulation of monetary policy were published in January and July 2025.
- In line with Section 14 of the Financial Consumer Protection Act, 2022, the publication of a Summary of Complaints received from financial institutions for the first half of 2025 were published.

	<ul style="list-style-type: none"> • Information pertaining to the Comparative Fees and Charges of commercial banks and the Seychelles Credit Union, which CBS makes available to the public as received from these financial institutions were updated every three months. • The Information Officer participated in an IMF workshop and peer-learning session on Central Bank Transparency, during which she was invited to make a presentation and share perspectives, given that CBS was one of the early adopters of the IMF Transparency Code for central Banks. <p>These are some of the main undertakings of 2025 in line with the spirit and intention of the ATIA.</p>
III.	Particulars of any penalties imposed against any person under this Act: YES <input type="checkbox"/> NO <input type="checkbox"/> (If yes, list down) NO
IV.	Particulars of any disciplinary action taken against any person under this Act: YES <input type="checkbox"/> NO <input type="checkbox"/> (If yes, list down) NO

CHALLENGES

No particular challenges were encountered during the reporting year.


RECOMMENDATIONS

CBS recognises the importance of the Access to Information Act (ATIA) and maintains proposed amendments to address the highlighted concerns and other proposals already put forth in the previous Access to Information Annual Reports.

In addition, CBS is agreeable to the recommendations being put forth in the Information Commission’s White Paper: Public Consultation – Review and Reform of the Access to Information Act, 2018, circulated in November 2024, noting that it takes into consideration recommendations that had been previously put forth by CBS. CBS looks forward to the finalisation of the stated Review and Reform.

DECLARATION

I declare that in accordance to Section 54 of the Access to Information, Act 2018, the Annual Report are to the best of my knowledge, true, accurate and complete as per the requirements.

Marie-Angele Thomas		3/03/2026 21:42 MUT
.....
Name of Information Officer	Signature	Date

I confirm that this Annual Report is verified and true, accurate and complete to my knowledge as the Head of Information Holder of the **Central Bank of Seychelles** on the date stated below.

Governor Caroline Abel		3/03/2026 22:02 MUT
.....
Name of Head of Information Holder	Signature	Date



OFFICIAL STAMP

CBS List of Officers

Secretariat

Ms Caroline Abel
Mr Brian Commettant
Mr Mike Tirant
Ms Yvonne Legaie
Ms Annarose Clarisse
Mrs Antoinette Racombo

Designation

Governor
First Deputy Governor
Second Deputy Governor
Health Safety and Wellbeing Officer
Board Secretary
Board Secretary

Communications Unit

Mrs Marie-Angele Thomas
Mrs Sharon Uranie
Mrs Stephanie Morel
Ms Velma Cafrine

Director
Senior Communications Officer
Communications Officer
Graphic Designer

Compliance Unit

Mrs Martine Lebon
Ms Stephanie Pillay

Director
Compliance Officer

Legal Unit

Ms Shannon Jolicoeur
Ms Vivienne Confiance

General Counsel
Legal Officer

Internal Audit Division

Mrs Samanta Esparon
Ms Danielle Robert
Ms Dianne Pillay
Mr Keneth Augustin
Ms Lanna Jacques
Mr Roddy Lesperance

Head of Division
Director
Senior Internal Auditor
Senior Internal Auditor
Internal Auditor
Information Systems Auditor

Risk Management Unit

Ms Laureenda Mathiot
Ms Prisila Laurence
Mrs Sophie Adela
Mr Yanick Albert
Mrs Hilary Hoareau
Mr Jude Adolphe
Mr Jude Woodcock
Mr Daniel Descombes

Director
Senior Risk Analyst
Risk Analyst
Risk Analyst
Risk Analyst
Business Continuity Manager
Chief Information Security Officer
Information Security Officer

Administration Division

Mr Francis Payet	Head of Division
Vacant	Director
Ms Nelcie Pierre	Administration and Operations Manager
Mr Russel Moustache	Building Manager
Mrs Claudette Freminot	Security Manager

Banking Services Division

Ms Noemie Louise	Head of Division
Ms Vanessa Bijoux	Director
Mr Terry Adrienne	Senior Banking Officer
Mr Govani Valentin	Banking Officer
Mr Michel Moustache	Banking Officer
Mrs Cynthia Sophola	Banking Officer
Ms Shannon Confiance	Senior Banking Officer
Mrs Gesta Balette	Banking Officer
Ms Shabella Banane	Banking Officer
Mrs Jeannette Payet	Senior Banking Officer
Ms Claire Pragassen	Senior Banking Officer
Mr Aubrey Yocette	Banking Officer
Ms Masturah Denis	Banking Officer
Mrs Jennifer Legaie	Banking Officer
Mrs Angelique Korajkar	Senior Financial Reporting Officer
Ms Sabrina Henriette	Financial Reporting Officer
Ms Ginaro Moncherry	Financial Reporting Officer
Mr Christopher Rousseau	Senior Currency and Numismatics Officer
Mr Eddy Marguerite	Chief Vault Custodian
Ms Irianna Aglae	Senior Currency and Numismatics Officer
Ms Annica Estrale	Currency and Numismatics Officer
Mr Giorgio Bibi	Currency and Numismatics Officer
Ms Samia Delorie	Banking Officer
Ms Jade Mondon	Financial Reporting Officer
Ms Rebecca Barra	Financial Reporting Officer

Financial Systems Operations Unit

Mrs Gina Rosette	Director
Mr Allen Marie-Therese	Systems Operations Officer
Mr Jonathan Alvis	Systems Policy Officer

Financial Markets Division

Ms Moyra Alexis	Head of Division
Mrs Vanessa Mussard	Director
Mrs Shireen Jumaye-Hoareau	Senior Portfolio Analyst
Ms Aneesha Coopoosamy	Portfolio Analyst
Ms Jessica Morel	Senior Portfolio Analyst

Ms Sheera Philoe	Senior Financial and Risk Analyst
Mr Ron Bonne	Senior Financial and Risk Analyst
Ms Melissa Naiken	Senior Financial and Risk Analyst
Mr Marvin Meriton	Financial and Risk Analyst
Ms Angel Robert	Financial and Risk Analyst
Ms Elaine Desnousse	Senior Market Operations Officer
Ms Jerina Jeanne	Market Operations Officer
Ms Anna Sinon	Market Operations Officer
Mr Chris Loizeau	Senior Settlement and Accounts Officer
Mr Fabien Bristol	Senior Accounts Officer
Ms Beverly Labiche	Senior Accounts Officer
Ms Emma Larue	Accounts Officer
Ms Krishna Varsani	Accounts Officer
Ms Sumita Zelia	Senior Settlement Officer
Mr Montell Kurz	Settlement Officer
Ms Clara Radegonde	Settlement Officer
Ms Stacey Bastille	Market Operations Officer
Mr Laurent Dubel	Market Operations Officer

Financial Surveillance Division

Vacant	Head of Division
Mr Naddy Marie	Director
Ms Rebecca David	Senior Financial Surveillance Analyst
Ms Daniele Chetty	Senior Financial Surveillance Analyst
Ms Vivienne Volcere	Senior Financial Surveillance Analyst
Ms Shirlee Agricole	Senior Financial Surveillance Analyst
Ms Selma Valentin	Senior Financial Surveillance Analyst
Mr Cyril Benoiton	Senior Financial Surveillance Analyst
Mrs Charmine Fanchette	Financial Surveillance Analyst
Ms Franchesca Melanie	Financial Surveillance Analyst
Ms Sophia Servina	Financial Surveillance Analyst
Mrs Rosella Labiche	Financial Surveillance Analyst
Ms Tisha Constance	Financial Surveillance Analyst
Mr Gino Albert	Financial Surveillance Analyst
Mr Carlos Loizeau	Financial Surveillance Analyst
Mrs Amela Antoine	Financial Surveillance Analyst
Mrs Amanda Volcere	Financial Surveillance Analyst
Ms Sammia Marchesseau	Senior Financial Stability Analyst
Ms Nadine Boniface	Senior Financial Stability Analyst
Ms Diandra Cedras	Financial Stability Analyst
Ms Nathalie Violette	Payment Systems Analyst
Ms Brigitte Lucas	Payment Systems Analyst
Mrs Julissa Hollanda	Financial Surveillance Analyst
Mr Miguel Payet	Financial Surveillance Analyst
Ms Typhanie Moise	Financial Surveillance Analyst

Ms Pria Chavda	Financial Surveillance Analyst
Mrs Imaan Toulon	Financial Surveillance Analyst
Ms Emma Wirtz	Financial Surveillance Analyst
Mr Leroy Pouponneau	Financial Surveillance Analyst

People Function Division

Vacant	Head of Division
Ms Christie Michel	Director
Ms Vanessa Ally	Senior Business Partner
Mrs Levina Françoise	Senior People Administrator
Ms Betty Dine	Learning and Development Administrator
Ms Santara Mathurin	Payroll Administrator
Ms Wendena Dookley	Recruitment Administrator

Financial Inclusion and Market Conduct Division

Vacant	Head of Division
Ms Liz Julienne	Director
Ms Beggita Vital	Senior Market Conduct Analyst
Mrs Pauline Raoul	Market Conduct Analyst
Ms Shakkirah Mathiot	Market Conduct Analyst
Mrs Audrey Chetty	Senior Financial Inclusion Analyst
Mrs Rose Mussard	Financial Inclusion Analyst
Mr Jonathan Valentin	Financial Inclusion Analyst
Mrs Rubya de Commarmond	Financial Inclusion Analyst
Ms Merla Anacoura	Financial Inclusion Analyst
Mr Ronny Volcy	Market Conduct Analyst

Research and Statistics Division

Mrs Hilda Falconit	Head of Division
Vacant	Director
Ms Trudy Lucas	Senior Economist
Ms Raghavi Naidu	Senior Economist
Ms Audrey Rath	Senior Economist
Mr Craig Joseph	Senior Economist
Ms Nathalia Lawen	Economist
Ms Anna Lespoir	Economist
Ms Dorothea Michel	Senior Statistician
Mr Terence Payet	Senior Statistician
Mr Andy Ally	Senior Statistician
Ms Suza Roselie	Statistician
Mrs Jenny Sinon	Statistician
Mrs Anne Prea	Statistician
Ms Lilienne William	Statistician
Ms Josemie Mathiot	Statistician

Technical Services Division

Mr Desire Larue

Vacant

Mrs Shanthi Pillay

Mr Riyad Moustache

Ms Gracey Johnson

Mr Richie Course

Mr Rondy Monnaie

Mr Georges Esparon

Mr Joel Dupres

Mr Jose Hoffman

Mr Dean Nanon

Mr Joel Henriette

Mr Yanick Sauzier

Mr Davis Dugasse

Mr Louys Belle

Mr Derick Albest

Mr Jason Benstrong

Head of Division

Director

Senior Business Applications Administrator

Research & Development Officer

Business Applications Administrator

Business Applications Administrator

Senior Business Analyst Developer

Business Analyst Developer

Business Analyst Developer

Senior Network Administrator

Network Administrator

Network Administrator

Senior Systems Administrator

Systems Administrator

IT Governance Officer

Business Applications Administrator

Systems Administrator



Central Bank of Seychelles
P.O Box 701, Victoria, Mahe, Seychelles
Tel: + 248 4282000
Fax: + 248 4224502
Email: enquiries@cbs.sc
Website: www.cbs.sc